

CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

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HIGH NEEDS BLOCK RECOVERY PLAN

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Summary

This report provides the Committee with details of the High Needs Block deficit and the recovery plan to address the deficit.

1. Budget and policy framework

- 1.1. The High Needs Block is one of the four blocks of funding of the Dedicated Schools Grant (DSG). Its purpose is to provide funding for pupils who have high levels of educational need and / or disability.
- 1.2. Most of the funding is allocated to meet the needs of pupils who have education, health and care (EHC) plans. However, the budget is also used to meet the needs of pupils who have special needs but do not have formal plans.
- 1.3. The HNB is separate from the Council's general fund.

2. Background

- 2.1. The High Needs Block expenditure is significantly higher than the budget allocated to the Council by the government.
- 2.2. The Council's HNB Action Plan is made up of eight key tasks. These are listed below:
 1. To define and apply the graduated approach with 'needs' vs HN funding;
 2. Decommission and Commission Resourced places within mainstream schools;

3. Implement the planned capital programme to increase special school (SS) places;
4. Consult on a banding system for implementation in the 2021/22 academic year;
5. Propose the funding of both outreach services through a top-slice via the Schools Forum;
6. Visit all independent providers with a view to improving value for money;
7. Cease non-EHCP top-up aside from exceptional cases (e.g. trauma);
8. Disapplication of the 0.5 % for 2020/21 and assumption beyond this.

3. Advice and analysis

- 3.1. A progress update on each of the workstreams is below:

Workstream One: Top-Slicing

- 3.2. This workstream focuses on the achievement of tasks five and eight from the above list.
- 3.3. With regard to Task 5, a proposal for a top-slice of mainstream schools' delegated budgets was achieved in April 2021.
- 3.4. With regard to Task 8, 0.5% of mainstream schools' delegated budgets was agreed in April 2021 and implemented.
- 3.5. This means in total this workstream achieved the total proposed saving of £1,400,000. This agreement needs to be sought each academic year.
- 3.6. In future, work is underway to help services, currently funded by the Task 5 contribution, become traded and therefore it will no longer be a pressure on the HNB allocation or the Council's General fund.

Workstream Two: The de-commissioning / commissioning of resourced places in mainstream schools

- 3.7. This workstream focuses on the achievement of task two from the list in section 2.
- 3.8. There has been good progress with resourced places in both primary and secondary schools

3.9. Currently the Council is working in partnership with seven trusts to provide:

Type of Place	Number of Places
Autistic Spectrum Condition (ASC)	75
Social Emotional and Mental Health (SEMH)	100
Severe Learning Difficulties (SLD)	46
Total	231

The Council will be looking to achieve a further 25 ASC and 25 SEMH places in the future once the above have been achieved.

Workstream Three: The implementation of the capital programme to increase special school places

- 3.10. This workstream focuses on the achievement of task 3 from the list in section 2. All of the capital works in this workstream is funded either through the Council's capital programme or (for Inspire) by the free schools programme of the Department for Education (DfE).
- 3.11. Capital works are agreed and underway in Abbey Court School, Bradfields Academy and Inspire Free School to deliver an additional five hundred plus places within Medway for pupils with high needs SEND.
- 3.12. A breakdown of this is as follows:
- 56 places at Abbey Court for pupils with profound multiple learning difficulties (PMLD) – the first year 7s in the expanded provision will be admitted in September 2022;
 - 100 places at Bradfields and 66 places at Inspire for pupils with ASC – the first year 7s in the expanded provision will be admitted in September 2022, and at Inspire in 2023; and
 - 44 places for pupils with SEMH at Inspire, with the first intake admitted in September 2023.

Workstream Four: The commissioning of external support

- 3.13. This workstream focuses on the achievement of tasks 1, 2, 4 and 6 from the list in section 2. A procurement exercise was completed in November 2020 and the Education People (TEP) were appointed to undertake this work.
- 3.14. With regard to Task 1, all actions have been completed.
- 3.15. With regard to Task 2, work against this task complements the work of Task 3 (see section 3.10.) and is all on track.
- 3.16. With regard to Task 4, work is currently on hold and awaiting legal advice. A significant of work has been carried out to date, and the banding system is ready to implement once legal advice is received.
- 3.17. With regard to Task 6, the specification and scope aim for the work to be completed following the return of schools to the academic year 2021/22. To date, phase one has been completed and the Leader and Portfolio Holder were briefed in early July. Phase two work is underway with the final report for the task and its outcomes to be expected early in 2022.

Workstream Five: Cease all non-EHCP top-up

- 3.18. This workstream focuses on the achievement of task 7 from the list in section 2.
- 3.19. The target implementation date was April 2021, however due to COVID this has been delayed. Work is ongoing to achieve a revised deadline.
- 3.20. To date few requests for top-up funding where there is no EHCP are being awarded, and the numbers of top-up funding awards in the system is going down.

Workstream Six: Primary Behaviour Support

- 3.21. This workstream focuses on the commissioning of behaviour support places between September 2021 and August 2023, in advance of the Beeches Free School opening in September 2023.
- 3.22. The free school will provide for the needs of pupils on the roll of primary schools or permanently excluded from them, either at the Beeches, or through outreach support in their school.
- 3.23. It should be noted that this workstream increases the overspend between this year and 2023/24. However, place funding for the fifty places available at the Beeches from its planned opening date will be charged to the HNB from September 2025, with the Education and Skills Funding Agency (ESFA) funding the first two years.

3.24. Until the Beeches opens, there is little specialist behaviour support available for primary pupils within Medway. Therefore we have agreed with Medway primary head teachers that a behaviour support service to operate between September 2021 and August 2023. This service, Inspiring Change Primary Support Service, is located adjacent to Miers Court Primary School. Primary schools will be expected to make a financial contribution.

4. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Financial pressure on SEN budgets has led to a structural overspend, which, if not addressed, will continue to rise annually.	The main causal factors in the overspend are an increase in the numbers and costs of EHC plans (due to government legislation and policy); too few specialist places.	<ul style="list-style-type: none"> a) A capital programme that will provide an extra 535 state-funded specialist places; b) Sharing cost pressures with schools through agreed schools forum top-slices; c) Lobbying the government for 'emergency trigger' support already provided to five councils 	A2

4.1. It should be noted that this risk is monitored on a quarterly basis by Council Committees on the Strategic Risk Register (ref. SR39).

5. Climate change implications

5.1. Within the recovery plan it should be noted the capital programme will have a positive impact for climate change by providing the additional 500 plus places locally for pupils with high needs SEN. This is through a considerable reduction in travelling distance and the need for heavy use of taxis currently transporting pupils to independent schools, many of which are quite distant. There will be a one-off adverse impact due to emissions arising from construction projects.

6. Financial implications

6.1. The report sets out the action plan to address the structural nature of the over-expenditure against budget of the HNB. The Council runs the process for the assessment of, and agreement to provide for, the needs of pupils assessed to have significant additional educational needs through a formal education and health care plan (EHCP). It funds most SEND provision through the high needs block (HNB) of the dedicated schools grant (DSG), for which it is responsible – any overspend in the block must be funded by the Council.

7. Legal implications

- 7.1. The Council has a wide range of legal duties and powers in the area of special educational needs. It has a legal responsibility to meet the needs of all pupils assessed to have special educational needs and / or disabilities.

8. Recommendations

- 8.1. The Committee are asked to note and comment on the progress made against the Council's Recovery Action Plan summarised in this report.

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Appendices

Appendix 1 – High Needs Block Savings Plan 2020/2030

Background papers

None