

Education Resources Group
Schools Forum

Meeting Date 12 January 2021
Meeting Date 20 January 2021

Subject: High Needs Strategy
Cabinet Member: Cllr Jewell
Report Number: 27

Item: 4c(ii)

Purpose of Report

1. This report provides:
 - A summary of the change in the number of pupils with Special Education Needs & Disability (SEND) and / or Education Health and Care Plans (EHCPs) being supported.
 - Information on the DSG overspend and progress on options being pursued to reduce the financial pressure created by the overspend.

Recommendations

2. The Schools Forum are asked to note the update and provide comment;

Relevance to the Council's Corporate Plan

3. The Council has oversight of the Dedicated Schools Grant (DSG) and is responsible for ensuring appropriate support is in place for pupils with additional needs and SEND. The Council has been working for a number of years to address the rising demand to support pupils with SEND. This work has included capital investment to develop local provision to support pupils with SEND. To confirm the appropriacy and effectiveness of this strategy and identify other options, the Council commissioned EY to carry out an independent review of the High Needs budget.

As a result of the review, as well as the development of local provision, other options such as early intervention and a review of top up rates for mainstream schools were identified by the review. These options support the Council's aim to move, as far as possible, to a position whereby Enfield children and young people (CYP) can remain in Enfield and be educated at their local school.

Main Consideration for the Schools Forum

BACKGROUND

4. Following recent changes in the regulations, the Forum is advised that local authorities are required to develop a DSG Management Plan if there is a DSG overspend. The aim is for a strategic plan to be in place which outlines a strategy for managing and monitoring an overspend or pressure on the DSG. For the last few years, this strategy document has been brought to the Forum to highlight the actions being taken to address the rising demand to support pupils with SEND and / or EHCPs and now the strategy will also need to include how these actions will assist in managing the DSG overspend.

During the last year, the Forum has received briefings, presentations and reports on the High Needs Budget review carried out by EY and the proposed recommendations from the options arising from High Needs Budget review.

This report aims to provide:

- A summary of the national position on supporting pupils with SEND;
- An overview of the income and projected expenditure for the HNB;
- Strategies being deployed to manage the overspend;

- A summary of the places currently and projected to be available for the current and future years.

HIGH NEEDS BLOCK

5. The Government has confirmed there are no changes to the High Needs block (HNB) or the national funding formula (NFF) used to allocated funding. It is confirmed for 2021/22, the funding will increase by approximately 8% per with a gain cap of 12% per head for underfunded local authorities.

As reported at the last meeting, Enfield's funding will increase by just over 10% and the allocation is based 50% on proxy indicators and 50% on planned spend in 2020/21. Within this increase is the transfer of the teachers' pay and pension grants into the HNB.

The increase is welcomed but it does not address the ongoing rising demand being experienced in meeting the needs of pupils with SEND nor the financial pressure the additional demand is creating. Table 1 details the change in funding and expenditure since the SEND Reforms were introduced in 2015/16.

Table 1: Summary of Funding and Expenditure

Blocks	Original Allocation £m	Actual / Forecast Expenditure £m	Variance £m	HNB Variance %	DSG Variance %
2015/16	31.454	41.779	-10.325	-33%	
2016/17	32.120	46.296	-14.176	-47%	-1.45%
2017/18	41.515	46.239	-4.724	-11%	-0.15%
2018/19	45.817	46.255	-0.438	-1%	-0.56%
2019/20	46.843	53.796	-6.955	-15%	-1.46%
2020/21	54.900	59.874 *	-4.974	-9%	-0.92%

* Indicative

NB: It should be noted that prior to 2018/19 the DSG blocks were not ringfenced and budgets were set within the overall funding available. From 2018/19, with the Schools Forum's agreement 0.5% was transferred from the Schools block to the High Needs block to fund the first £6,000 for schools with above average number of pupils with EHCPs. The figures above exclude the Schools block transfer both income and expenditure.

Table 1 highlights the budget has increased by 175% between 2015 and 2020, however there still remains a gap between the budget and spend, so adding to the deficit position. The rest of this report includes data on the rising demand, the consequent financial impact and an update on actions being taken to support the strategic plan to ameliorate the deficit.

SEND DATA ANALYSIS

6. Pupil Numbers – Overview

The data for this analysis is taken from the Office of National Statistics release (ONS) on statements and EHCP for state funded schools.

(a) Total Pupil Population

National

The latest ONS indicates a continued increase in number of EHCPs for the academic year 2019-20. The percentage of pupils with:

- an EHCP has risen to 3.3% of the total pupil population from 3.1% in 2019 and after remaining constant at 2.8% between 2007 to 2017.
- SEN support has increased to 12.1% compared with 11.9% with the previous year.

The data collected highlighted the most common primary needs for pupils with:

- **EHCPs:** Autistic Spectrum Disorder (ASD) at 30%: an increase from 28% in January 2019, followed by Speech, Language and Communication Communications Needs (SLCN) at 15% the same as 2019;
- **SEN support:** SLCN at 24%, followed by moderate learning difficulty (MLD) at 21% down from 22% in 2019 and social emotional mental health (SEMH) at 19%.

Enfield

The 2020 data shows that Enfield's total pupil population decreased while at the same time there was a significant increase in the number of pupils with EHCPs but a slight reduction in pupils identified as SEN support. Table 2 provides a summary of this change.

Table 2: Number of Pupils with EHCPs

ENFIELD	2015/16	2016/17	2017/18	2018/19	2019/20	Three Year Change (2017/18-2019/20)
Total Pupils	58929	59648	59750	59621	59260	-0.8%
Pupils with SEN Support	6483	6538	6210	6133	6040	-2.7%
% SEN Support	11.0%	11.0%	10.4%	10.3%	10.2%	
Pupils with EHCP/Statements	1350	1444	1659	1800	2230	34.4%
% EHCP/Statements	2.3%	2.4%	2.8%	3.0%	3.8%	

The data collected highlighted the most common primary needs for pupils with:

- EHCPs: ASD at 30.3%: a slight decrease from 31.2% in 2019, followed by SLCN at 26.9% increasing from 25.6% in 2019;
- SEN support was similar to 2019 with SLCN at 29.7% followed by SEMH at 23% and MLD at 19.1% up from 16.4% in January 2019.

Further analysis of the data showed that Enfield's increase in the percentage of EHCPs across all phases and sectors was in line with the national trend. However, the % of pupils receiving SEND support in Enfield was slightly higher than the national average.

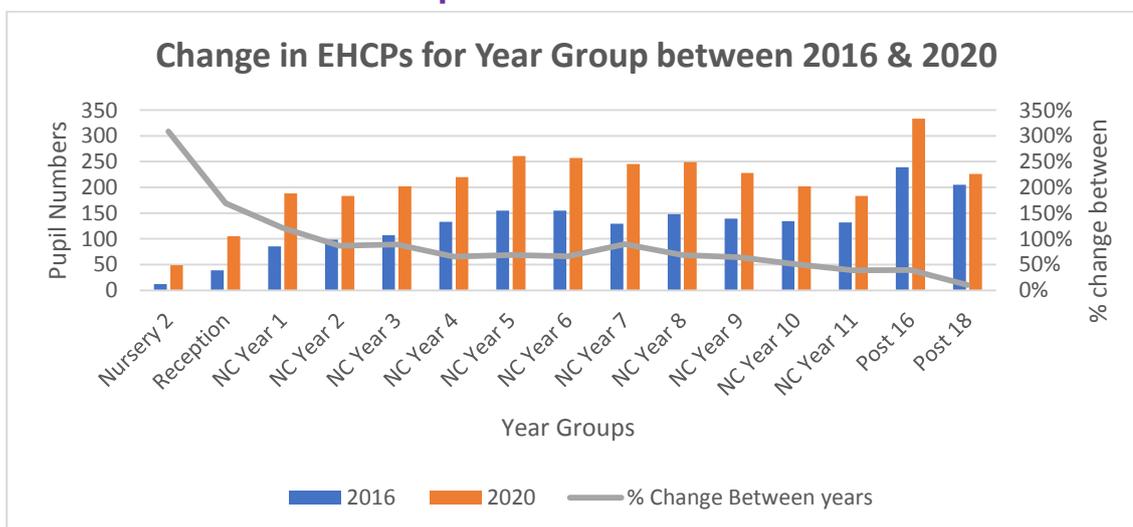
(b) Year Groups

Due to the introduction of the SEND Reforms and requirement to support children and young people from birth to 25 years old the data shows between 2016 and 2020 that:

- the highest percentage rise has been for nursery and foundation stage pupils;
- a significant increase occurs when pupils transition from one key stage to the next.

Table 3 shows the number of EHCPs in 2016 and 2020 and the percentage change between the two years.

Table 3: Number of Pupils with EHCPs between 2016 and 2020

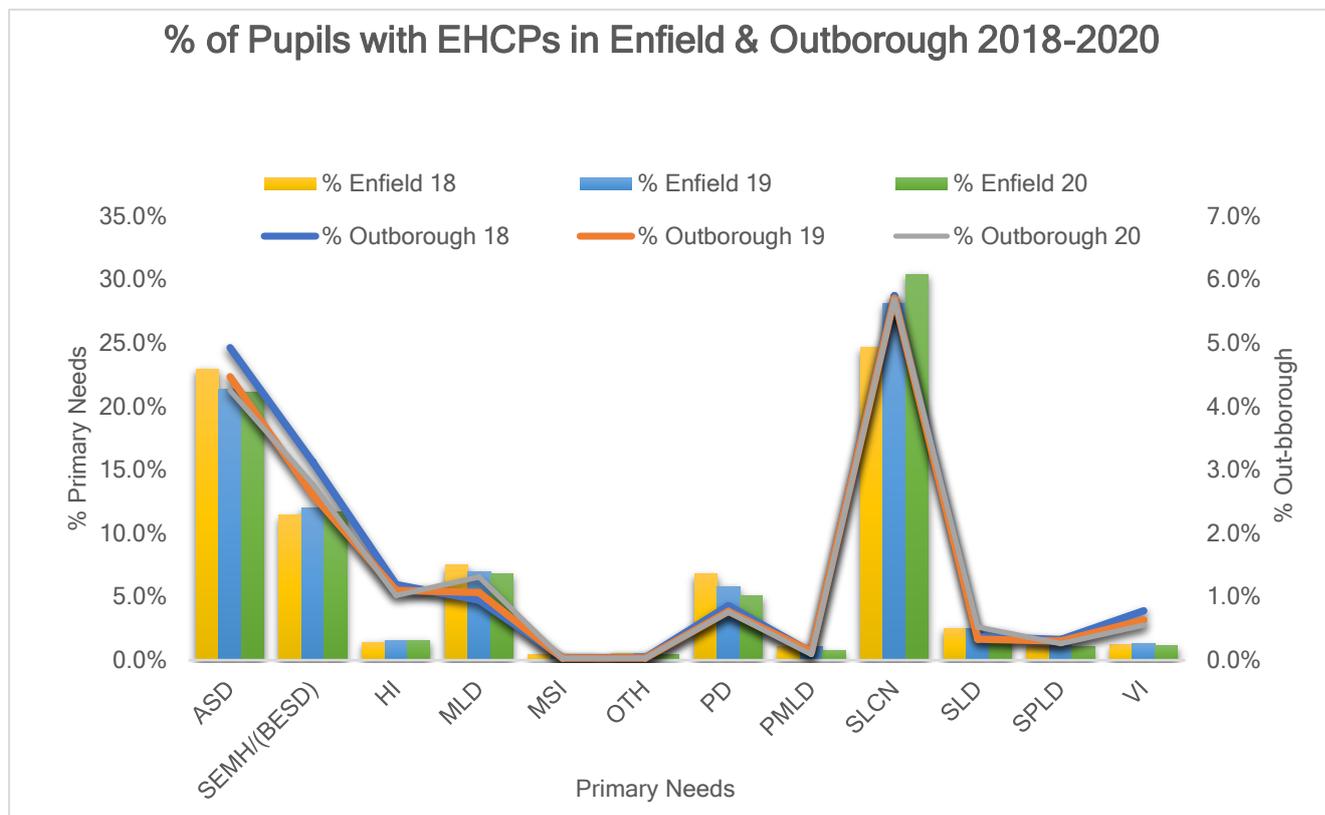


(c) Out Borough Independent Placements

An analysis of the % of pupils placed in out-borough provisions was carried out. This showed there was an increase compared to 2019.

Graph 1 provides information on the percentage of pupils support across all primary needs and the percentage placed in and out borough. It is noted that the prevalence of SLCN, ASD and SEMH have remained the most common primary needs.

Graph 1



Full details of the other findings from the ONSR can be found on the DfE website.

(d) Assessment of total spend related to various placements

An assessment of spend was carried out. Table 5 below summarises an assessment of the number and cost of Enfield pupils with EHCPs in all provision.

As anticipated the spend and the analysis of the pupils data shows:

- An increase in maintained special school costs and ARPs due to the additional places that have been created;
- An increase in mainstream school costs that reflect the rise in number of pupils with EHCPs being supported with significant change in the year preceding transition from one key stage to the next;
- A small reduction in independent costs due to a small number of pupils returning and able to take one of the new places created and some others able to stay in an Enfield school;
- Post 16: shows the trend of increasing continuing. The rate of increase had remained stabilise for a few years, but since last year there has been a rise in spend and number of pupils supported.

Table 4: Types of Provision used to support Pupils with EHCPs

Type of Establishment	Where located	2016/17		2017/18		2018/19		2019/20		2020/21		Notes on cost
		Pupils Nos	Actual Expenditure £	Pupils Nos	ESTIMATED 2020/21 Expenditure £							
Special Schools	Enfield	625	13,618,589	639	14,993,489	753	16,074,717	780	17,401,255	865	19,630,762	
ARPs	Enfield	134	1,932,286	139	2,006,286	120	1,754,570	165	2,268,965	204	3,138,691	
Mainstream Schools	Enfield	571	6,331,564	710	5,215,181	892	5,809,334	1092	7,356,516	1158	8,076,223	
Pupil Referral Unit	Enfield	100	2,141,433	100	2,141,433	100	2,241,433	100	2,289,433	100	2,289,433	
Out of School	Enfield	15		-								
Post 16 FE	Enfield	170	1,599,268	201	1,459,817	205	1,842,644	210	1,578,636	236	2,000,000	Increase in support costs at B&SC & other FE has been in region of 17%
Special Schools	OB	88	1,082,390	119	1,761,850	139	2,500,117	116	2,614,362	112	2,312,257	
Mainstream with Support	OB	4		4		6		8		8		
Mainstream Schools	OB	136	562,220	145	731,335	154	752,264	179	1,190,615	172	1,175,924	
Pupil Referral Unit	OB	1		1						0		
Education Otherwise	Enfield	23	86,864	13	6,029,238		6,418,863		7,986,772		7,572,238	
Independent	Enfield	20	209,989	13		55		46		22		
Independent Special	Enfield	5	75,663	19		9		7		6		
Independent DAY	OB	37	5,770,011	126		147		154		146		
Alternative Provision	Enfield	6		8								
Post 16 FE	OB	16	384,923	20	459,538	40	820,195	54	826,472	53	740,000	
Independent RES	OB	19	2,821,990	18	2,538,402	28	2,327,281	23	2,536,286	21	2,047,162	Number of jointly funded placements is higher than last year where SEN was funding several residential schools without shared input from social care or health.
TOTAL		1,970	36,617,190	2,275	32,121,388	2,608	40,541,418	2,934	46,049,312	3,103	48,982,690	

STRATEGIC PLAN

7. High Needs block

The Forum has been provided with regular updates on the financial position of the High Needs block since the introduction of the SEN Reforms because of how the Reforms have led to a significant change in how pupils requiring SEN support are assessed and their needs met and the general rising demand for support. In response, the Authority identified the need to review all aspects of the High Needs block.

7.1 Phase 1 – From 2016

As indicated by the statistical data in paragraph 6, the most common primary needs are ASD, SLCN and MLD. However, this first phase focussed on the impact of the SEND Reforms in relation to the assessment process and the requirement to support CYP from birth to 25 years old and other areas identified by the Schools Forum through regular monitoring. This resulted in the first phase covering the following areas:

- Mainstream ARPs and Specialist Units,
- Mainstream Nurture Group,
- Provision used to support Post 16 students,
- Reducing use of out borough independent day provision by expanding provision in-borough.

Appendix A provides an update.

7.2 Phase 2 – From 2020

In the Spring 20 term, the LA commissioned EY to carry out a review of the High Needs budget and provide options that supported the financial pressure and enabled support to be provided to pupils with SEN to meet their needs. The options from the EY report were as follows:

- Expand in-borough provision to reduce reliance on out-borough;
- Increase support for early intervention;
- Review the methodology used for funding the top up rates for pupils with EHCPs;
- Develop a charter mark for schools for supporting pupils with SEN.

7.2.1 Response to Phase 2 Review

1. Reducing reliance on use of outborough independent provision

At the start of the current academic year (2020/21) there was a slight decrease in outborough placements. The change was brought about following a restructure of the SEN Service that resulted in recruiting a Head of Service and an Operational Manager. The SEN Service has reviewed and introduced changes to systems and processes for reviewing students placed in outborough provision. The aim is to either bring the pupils back into in-borough provision or seek alternative placements that would better meet their needs. To enable pupils to return in-borough has been managed by the additional places created at Durrants School's refurbished Pitfield Way site.

The current data shows that there are 592 pupils in out borough provision and of these 100 are in independent provision. Of the 100 pupils in independent provision the common primary needs continue to be ASD (43%), SLCN (22%) and SEMH (24%).

There is always a need to place some pupils in independent provision either due to parental preference or the specialist provision required is not available within the borough. Officers will need to review and assess those pupils with the most common primary needs in independent provision to ascertain if they are in the right provision due to the reasons stated. Where this is not the case, officers will need to work with families to ascertain if there is a possibility of their child returning to an in-borough provision. This will provide some indication of movement for existing pupils and then further analysis needs to be carried out on whether the trend for support has peaked or will continue to rise. This will enable for a programme to be developed to assess whether

there is sufficient provision in borough and the number of additional places required as pupils progress in their schooling.

2. Increase Support for early intervention

To increase early intervention, three elements were identified:

- Speech and language support;
- Expanding the Advisory Service for Autism;
- Early Years support

In order to develop the additional support, it was proposed that £1m invest to save strategy be implemented. Officers are now working on developing the three elements for if not all then some to be implemented from September 2021.

3. Top Rates for Pupils in Mainstream schools

Officers have developed a new methodology and this will be assessed by Strategic group and then piloted by some schools for implementation from September 2021.

4. Charter Mark

The SEN Development Group is currently drafting the protocols and these will then be discussed with key stakeholders and finalised seeking views of the Schools Forum. The aim would be to implement the Charter from September 2021.

Appendix B provides further information and update on the strands in Phase 2.

7.3 Phase 3 – From 2021

Some of the special schools have requested that their place funding be reviewed. Some initial work was carried out, but it was considered more appropriate to commission an independent consultant to carry out this review. Officers are currently identifying a consultant.

NEXT STEPS

8. **Assess Impact of Strategic Plan**

The LA is required to develop a management plan that aims to manage and where possible develop strategies to reduce the overspend.

In developing the management plan, each of the options outlined in the Strategic Plan will need to be assessed for the financial impact over the next three years. The key risks in assessing the impact are:

- Assessing accurately the trends in number of pupils with SEN requiring support;
- Implementation of each option as planned both in terms of costs and timeline;
- National changes to the regulations governing school funding;
- Other local requirements to change current funding arrangements.

Bearing in mind the risks outlined above, officers will work on assess the impact of the options outlined first to inform the budget for 2021/22 and then on trends to inform future years.

Report Author:

Date of report 6 January 2021

Appendices:

Appendix 1 – Phase 1: High Needs – Update on Areas Identified to Support the Financial pressure

Appendix 2 – **Phase 2: Recommendations Arising from the EY Review**

Background Papers

EY High Needs Review

Schools Forum Reports

School Funding regulations and DfE publications and guidance documents

Phase 1: High Needs – Update on Areas Identified to Support the Financial pressure

Areas of Review	Rationale	Outcomes		Update	
Mainstream Additionally Resourced Provision (ARPs) & Specialist Unit	<p>Following discussions with the Forum, in March 2018 a review was carried out aimed to assess if ARPs :</p> <ul style="list-style-type: none"> Supported school self-evaluation of the quality of the provision in school settings and across the Borough Supported and inform the decisions of the LA including Schools Forum Influenced future provision and funding decisions Established a baseline for future monitoring of Enfield's ARPs 	Areas of Improvement	Authority's Comments	<p>The Local Authority has reviewed the commissioning process for ARPs and the criteria for hosting an ARP has been amended to encompass some of the points arising from this review.</p> <p>The changed criteria will be embedded into the service level agreement with all schools hosting an ARP.</p> <p>Other schools will be invited to submit an expression of interest to host an ARP.</p>	
		1	<p>Annual review of the work carried out by the ARPs.</p> <p>There were two aspects aiming to ensure:</p> <ul style="list-style-type: none"> delivery of curriculum and raising of standards for pupils in ARPs an agreed criteria for the running an APR. <p>It is suggested:</p> <ul style="list-style-type: none"> 1st aspect - Is included as part of the annual school improvement review process carried out by the named SIA; 2nd aspect: Options to be considered include: <ul style="list-style-type: none"> Peer review by Headteachers of schools operating an ARP with SEND Strategy Group representatives & officers in attendance; Peer review by Special school Headteachers with SEND Strategy Group representatives & officers in attendance; review by the SEND Consultants. All these options have advantages and disadvantages as well as resourcing implications & any developments would need to be discussed with the SEND Strategy Group. 		
		2	<p>Regular review of places in each ARP</p> <p>Done on an annual basis by Officers and the outcomes included in the report provided to the Schools Forum.</p>		
		3	<p>Transparent criteria for admission</p> <p>Transparent criteria will be made available to all.</p>		
		4	<p>Schools include information on the ARP in all published material pertaining to the work of the School.</p> <p>This will be incorporated into the criteria and conditions for ARPs.</p>		
		5	<p>Increase opportunities for developing pupil voice</p> <p>There is a high level of speech and language therapy input in all ARPs and</p>		

Areas of Review	Rationale	Outcomes		Update
			should be used to develop ways to capture pupil voice. Good practice in this sphere to be shared and further developed via the Enfield ARP Network.	
		6	Increase opportunities for ARP staff to network	
		7	LA adopt a transparent & accurate commissioning, monitoring & review framework.	
Mainstream Nurture Group	An initial of Nurture Groups was carried out in March 2018 to assess the impact and value for money provided by the commissioned Nurture Groups	Nurture Groups provided a valuable provision that catered for the vulnerabilities of pupils with SEMH difficulties. The funding for Nurture Groups should be maintained along with the funding for annual monitoring that is an essential feature of the success of these groups.		<p>Since this review, in discussion with the Schools Forum the model used to fund Nurture Groups was reviewed in March 2019. The aim of the review was to consider how the reach of the Nurture Groups could be extended to more pupils within the overall funding currently available. A number of options were identified.</p> <p>In October 20, all schools were consulted on the preferred option of moving from commissioning full to part time Nurture Groups with all schools having access to outreach support.</p> <p>Following a favourable response to the consultation, officers will begin working on implementing the part time model from September 21.</p>
Post 16 Pupils	Review pathways to adulthood to highlight options for more suitable provision to enable young people to access independent / life skills to support their	<p>A Steering Group set up to consider how to build capacity within the borough to support SEND learners preparing for and undertaking supported employment opportunities identified the development of:</p> <ul style="list-style-type: none"> • A supported internship programme with West Lea and other partners; • Job coaching training delivered to local schools, training providers, LBE service areas and FE providers. 		<ul style="list-style-type: none"> • Internship programme continues to generate demand from learners and parents Despite challenges in 2020 26 learners undertaking SI programmes at West Lea and approximately 25-30 learners at other providers. • Job Coaching training delivered across provider base in Enfield to promote SI programme capacity.

Areas of Review	Rationale	Outcomes	Update
	<p>preparing for adulthood outcomes.</p>		<ul style="list-style-type: none"> • Continue to work in partnership with LBE ASC and local providers to develop provision aimed at developing skills needed for supported living and lifeskills training. Aim would be to look at reducing pressures on the post 16 high needs budget from over-reliance on FE provision.
<p>Reduce reliance on out-borough provision by developing in-borough provision</p>	<p>The rapid rise in demand for support has led to increased reliance on placements in independent provision because of insufficient places in in-borough provision.</p>	<p>Since 2015, there has been over 300% increase in the number of pupils placed in independent provision. The reason this is a concern is that the CYP are not able to attend a local school and having to travel a greater distance to a more expensive school.</p> <p>To address the financial pressure created by the increase, the local strategy has been to firstly maintain and prevent CYP being placed in outborough provision and then to reduce the number of out borough placements by creating additional provision in-borough.</p> <p>Since 2015, the Council has invested and created additional places from 625 in 2016/17 to 917 currently.</p> <p>The LA is continuing to invest in the creation of additional places by expanding existing schools and developing a new SEMH secondary school.</p> <p>Work is still required to evaluate the place numbers needed going forward within the context of an overall decrease in the pupil population between 5 -15 and the pressure to support CYP up to 25 years of age.</p>	<p>The start of the current academic year (2020/21) indicated a slight decrease in out-borough placements. The changes was brought about following a restructure of the SEN Services resulting in the recruitment of Head of Service and an Operational Manager. The new management team has reviewed and introduced changes to systems and processes for reviewing students placed in out-borough provision to either bringing them back into in-borough or seek alternative placements that would better meet their needs. The additional places at Durrants at the newly refurbished Pitfield Way site have assisted in bringing pupils back into in-borough provision.</p> <p>The current data shows that there are still 592 pupils in out borough provision and of these 100 are in independent provision. There is always a need to place some pupils in independent provision. Officers will be working to assess the percentage and number of pupils required to be retained in outborough provision to enable their needs of the pupils to be met.</p>

Phase 2: Recommendations Arising from the EY Review

Options	Action	Update
Expand in-borough provision	1. This was part of the strategy in phase and update included as part of phase 1 (appendix A)	
Early Intervention	<p>The recommendations presented to the Forum were:</p> <ol style="list-style-type: none"> 1. Expand and develop speech and language support for pupils in mainstream schools; 2. Expansion of the Advisory Service for Autism ((ASA); 3. Develop early years support for pupils with SEN from 0 to 4 year olds. 	<p>The Forum acknowledged and agreed in principle to £1m as part of an invest to save model to support the development of early intervention. The agreement required the development of a business plan to support these initiatives.</p> <ol style="list-style-type: none"> 2. An initial proposal costing £450k for developing speech and language was presented and supported by the Forum. Officers are now working on a business and implementation plan. 3. An initial proposal has been developed for the expansion of the ASA. This is being discussed with the Schools Forum. 4. Officers will be working on options in relation to this proposal.
Mainstream Top-up rates	LA developing a new methodology for calculating top up rates for pupils with EHCPs.	The new methodology should be ready to be reviewed by a stakeholder group during the Spring term and then be piloted by some schools. The final methodology should be ready for implementation from September 21.
Inclusion Charter		An officer developing a draft Charter to discuss with the High Needs Working Group before being presented to the Forum.