

## **LANCASHIRE SCHOOLS FORUM**

**Date of meeting 12 January 2023**

### **Item No 12**

#### **Title: Recommendations of the High Needs Block Working Group**

#### **Appendix A and B refers**

#### **Executive Summary**

On 29 November 2022, the High Needs Block Working Group considered a number of reports, including:

- Lancashire Hospital Education Service: Annual Report: Academic Year 2021/22
- High Needs Block Commissioned Places 2023/24 (**Copy attached in Item 7**)
- SEND Sufficiency Update
- High Needs Block Funding 2023/24;
- High Needs Deficit Management Plan (Attached)
- Supported Internships - Section 14 grant funding

#### **Recommendations**

**The Forum is asked to:**

- a) **Note the report from the High Needs Block Working Group held on 29 November 2022;**
- b) **Ratify the Working Group's recommendations.**

## **Background**

On 29 November 2022, the High Needs Block Working Group considered a number of reports. A summary of the information presented, and the Working Group's recommendations are provided below:

### **1. Lancashire Hospital Education Service: Annual Report: Academic Year 2021/22**

Lancashire Hospital Education Service is centrally funded by DSG HNB.

In 2021/22, £927K was allocated. The aim of this service is to provide to a high-quality education suitable to the child need and to support them on a return to school. There are 4 current settings which are explained further in Appendix A.

The service is delivered in a number of settings:

- ELCAS: located on Burnley Hospital site:
- The Cove: located in Heysham.
- Hospital Classrooms at Royal Preston and Lancaster General Hospitals
- Home Teaching.

Each setting completes an annual report- and a summary is produced by Audrey Swann, Head of Virtual School for CLA and previously CLA and Hospital Education Service. A copy of the report was provided to the working group.

This report was taken to the last working group, but Audrey Swann was asked to present it at a future meeting.

Audrey has apologised that she could not attend the last working group.

She has presented briefly through her report and explained the challenges they experienced due to COVID. There were still face-to-face lessons in hospitals, but home teaching was more of an issue. There was an increase in pupils being anxious to leave their homes to attend school. Due to this pandemic, the service has adapted the Tute teaching platform to enable education to continue. As you can select all subjects and levels of education, the system works very well. It was highlighted that pupils after year 11 do attend college or sign up for apprenticeships. The working group appreciated the work that the service does.

#### **The Working Group:**

- a) Noted the report;**
- b) Expressed views on the Lancashire Hospital Education Service Annual Report: Academic Year 2021/22.**

### **2. High Needs Block Commissioned Places 2023/24**

The School and Early Years Finance (England) Regulations require that the Forum is consulted annually on the places to be commissioned by the local authority in different schools and other institutions, and on the arrangements for paying top-up funding.

This report provides an update about the proposed HNB places to be commissioned for 2023/24, including those place numbers submitted on the DfE on the annual place change

notification submission. All the changes to commissioned places related to the 2023/24 academic year were provided to the working group.

### **High Needs Place Change Notification Process 2023/24**

Each year the LA must submit a return to the DfE setting out the proposed changes to place numbers at certain types of institutions, which are funded directly by the ESFA.

The 2023/24 High Needs Place Change Notification return for Lancashire was submitted by the deadline of 11 November 2022. The place change return included sections for:

- Special Academy Schools;
- FE Colleges;
- Mainstream Academy Schools - Post 16;
- Alternative Provision Academies
- Hospital Education Places.

The proposed 2023/24 commissioned places have been determined in consultation by authority services with the relevant providers.

Information about 2023/24 place proposals for institutions included on the return is provided in Appendix A.

### **Local Place Changes**

In addition to those commissioned places that must be included on the DfE submission, the LA must commission other places locally.

Appendix A also includes 2023/24 commissioned place proposals for:

- Maintained Special Schools – Pre-16;
- Maintained Special Schools - Post 16;
- Alternative Provision;
- Maintained Mainstream Provision – SEN units and SERF Units;
- Special Post 16 Institutions.

Commissioned places for Special Schools, PRUs and units in mainstream schools for 2022/23 are currently being finalised and will be included in Appendix A.

### **Independent and Non-maintained special schools**

Separate arrangements exist for commissioning places at independent and non-maintained special schools.

Fortnightly panels meet to consider these placements and places are commissioned for those pupils where places at independent and non-maintained special schools are agreed

The costs of these places will be dependent on the needs of the individual children. Members will be aware that there are significant pressures on the 'out-county' budget and that strategies are being implemented to ensure that more pupils are being supported in Lancashire schools going forward.

### **Arrangements for paying top-up funding to schools and other institutions.**

Lancashire pupil related top up funding (pre and post 16) is currently calculated using Weighted Pupil Numbers (WPNs), which are used to fund the assessed need of each High Needs Pupil.

Top-up funding is re-determined up or down termly in line with the SEN counts in January, May and October.

School specific top-up funding will also be allocated to special schools for the total number of all pre and post 16 Lancashire pupils on the SEN count, to reflect different school related costs.

Similarly, the funding mechanism for AP provides a top-up based on the needs of individual pupils and also a Pupil Referral Unit Specific top-up.

#### *Funded terms*

April - August	September - December	January - March
5/12	4/12	3/12

Sally Richardson, Head of Inclusion Service attend the meeting to answer any queries regarding commissioned places.

During the meeting, the commission places were discussed in depth. It was reported that the headteacher had previously been consulted before allocating commissioned places. Members have enquired about how these figures were calculated. Sally explained that it is based on the May census data. She was not aware that in previous years all special schools were contacted about commissioned places. The schools will be consulted in the future to ensure everyone receives the information.

Members were concerned that commissioned places do not cover the actual number of pupils. They are expecting to gain more pupils compared with commissioned places. If the commissioned places were reviewed and increased it would aid special schools with planning ahead and recruiting specialist teachers to meet the needs of their pupils.

The exclusion rate has decreased significantly since 2020/21, but this is due to COVID since there were fewer students in the school. As a result, the current data make it difficult to assess the position of the commissioned places. An argument was made that the COVID impact would be felt now more than during the pandemic. Inclusion services will review the data before COVID, to change the commissioned places. It is believed that almost all PRU's will benefit from this, while a few will not change and a few have lower commissioned places. Sally Richardson estimated that the high-needs sector would incur an additional cost of £400K for amending further PRU's commissioned places. To discuss this change, a report will be presented to the School Forum on 12 January 2023, to ratify this decision.

Intervention pupils funding is capped in PRUs, therefore if PRUs do have an increase in numbers they would have to find the funding for their budget. Members asked if intervention

pupils could be monitored and banding reviewed. It was noted that rates of exclusion varied in different schools.

The banding document is no longer appropriate as it does not provide banding that assists pupils to be maintained in mainstream schools. It was agreed to form a working party to look at this. Increasing mainstream ability to meet pupil needs by reviewed banding should save money for the sector overall.

#### **The Working Group:**

- a) **Noted the report.**
- b) **Noted that further information would be provided as for amending PRU's commissioned place process at the School Forum meeting held on 12 January 2023.**

### **3. SEND Sufficiency Update**

As a result of the Education Act 1996), the Council is responsible for ensuring the county has enough school places for children and young people to attend, and for ensuring the schools are of good quality and capable of supporting parental choice and diversity. Section 14 of the Education Act 1996 requires Local Authorities to ensure that educational provision is made for students aged 16 to 18 and over 19, as well as those with special educational needs. LAs are required by Section 315 to review their arrangements for Special Educational Needs and Disabilities (SEND).

Since 2014, an average of 170 places increases every year within special schools. It is difficult to predict due to COVID. Especially as it impacted pupils' emotional behaviour. Sally Richardson has informed the working group that due to government COVID funds a team was created to support pupils at risk of exclusion with EHCP's.

Inclusion and Engagement Support Team COVID funds are due to finish in June 2023. The team has worked on 109 cases;

- Total mainstream: 78 out of 109 cases remain in mainstream = 71.5%
- Total Perm Ex.: 5 out of 109 cases permanently excluded= 4.7%
- Total Special: 18 out of 109 cases moved to special= 16.5%
- Total other: 8 out of 109 cases other= 7.3%

This aided special schools with their capacity and savings, as pupils remained in mainstream. Sally Richardson has proposed for the high-needs block to continue to fund this team as it will save time and money for the block in the long term. Members understood it would be a good investment if there is a team with expertise lowering exclusion figures for EHCP pupils. Some commented that some schools are reluctant when it comes to excluding individuals, and with support they could cope keeping them in the mainstream. This will help special schools as they have more staffing issues when it comes to having qualified teachers in place to handle these increases and meet individuals' needs.

It was stated that approximately it will cost £250K to further fund this team, but it will need to be reviewed with current pay awards. The team hold three teachers and three learning business support officers.

Members have asked for feedback from schools involve in this process and some cases examples. At the last working group, a member mentioned this group's valuable work, but it is not well advertised, and more schools should be aware of it. Further questions were raised about the results between the primary and secondary sectors and if more information is available.

Sally Richardson has agreed to collect more data and bring a report for the School Forum on 12 January 2023, to ratify this decision on funding this team. The report will include further information, but it was anticipated that it would over £250K with current pay awards.

Sally suggested to the working group that issuing an EHCP could be delayed, this would not stop support if funding was made available, but it would save money as EHCP usually stay with the pupil throughout school. Some pupils may not require an EHCP if support meets needs early. Members discussed how some pupils do not like being assigned a plan, even if they need one since it labels them for life. A member has suggested that identifying EHCPs should be done in the nursery. This is because the nurseries do identify children with needs but do not have the necessary teachers to meet their needs. Sally has agreed to come to the early years working group with this suggestion and look up guidance.

### **The Working Group**

**a) Noted the information.**

**b) Noted that further information would be provided about the progress of the Inclusion and Engagement Support Team at the School Forum meeting held on 12 January 2023, and a request to fund this team.**

## **4. High Needs Block Funding 2023/24**

In July, the DfE made announcements about the 2023/24 school funding arrangements and a further announcement was made in November 2022.

We are still awaiting further details on this and therefore, this report is based on the July school funding announcement only.

The basic structure for High Needs NFF is not changing and you can view the structure in Appendix A

### **2023/24 High Needs Block NFF**

- ❖ High needs funding is increasing by 6.3% in 2023-24
- ❖ The high needs NFF will ensure that every local authority receives at least a 5% increase per head of their 2-18 population, meaning every Local Authority will receive at least 5% per head more than 2022/23
- ❖ The limit on gains per head of the population is set at 7%
- ❖ The funding floor is 5%
- ❖ Supplementary high-needs funding will be incorporated into the Total High Needs Block Allocation from 2023/24
- ❖ DfE have decided to keep the historic spend factor at the same cash value in the 2023-24 NFF as in 2022-23

- ❖ The hospital education factor will also be uplifted by 5%.

***Final allocations of schools, high needs and central schools services funding for 2023-24 will be calculated in December, based on the latest pupil data at that point and when further Government Announcements have been received.***

**The Working Group:**

- a) Noted the report.**

## **5. High Needs Deficit Management Plan**

Local authorities are increasingly incurring deficits on their DSG accounts, mainly because of overspending within their high-needs blocks.

As part of the DSG: grant conditions, local authorities who have a deficit on their DSG account at the end of the financial year, or whose DSG surplus has significantly decreased during the year, need to present a plan to the department and cooperate with the department to resolve the issue.

Kirsty Lister the Principal Accountant delivered a presentation on the High Needs Deficit Management Plan.

The presentation outlines the breakdown of high-needs funding for 2022/23. It was informed that the current budget forecasts at 31 March 2023 indicated £6m underspend, but this will change once LA receives autumn data from DfE. According to forecasts for 2023/24, the high-needs block will be overspent by £4 million due to current financial pressures. It will grow by another 8% each year over the next three years.

In response to members' questions, Kirsty Lister has noted to include more detailed breakdowns in her future presentations to the working group.

Members discussed their financial pressures and how the Inclusion and Engagement Support Team could aid in lowering places being funded, which will save funds in the long term, a mechanism to challenge schools on their decisions.

**The Working Group:**

- a) Noted the presentation.**

## **6. Supported Internships - Section 14 grant funding**

The working group has been informed by Kirsty Lister that there will be an additional grant for a Supported Internship over the next three years. However, LA is not sure how and when it will come through. The working group will be informed once more information is received from the DfE.

**The Working Group:**

- a) Noted the information.**

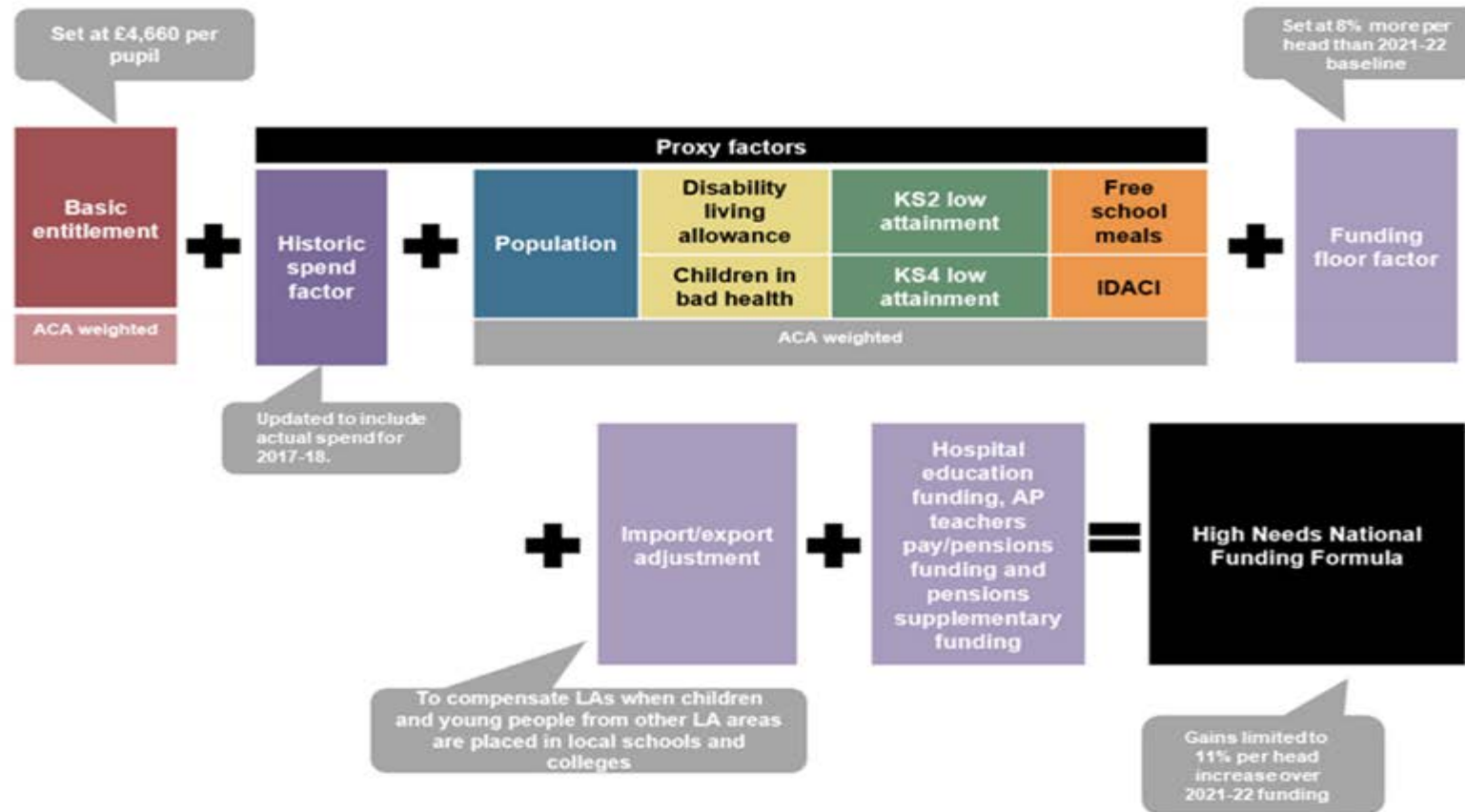
## Lancashire CC High Needs Block Funding 2022/23

- 2022/23 Allocation £163mil
- Funding Breakdown as follows:

<b>2022/23 High Needs Funding</b>	<b>£</b>
High needs national funding formula for historical spend, proxy factors, and funding floor allocation (£s)	151,476,062
Basic entitlement factor (area cost adjusted) unit of funding (£s)	15,382,660
Additional Funding for Special Free Schools (£s)	138,000
Hospital education, alternative provision teachers pay/pension and supplementary funding factor (£s)	1,507,193
Additional high needs allocation (£s)	6,247,743
<b>Total high needs block before deductions (£s)</b>	<b>174,751,658</b>
Import/export adjustment	-1,755,000
<b>Deductions:</b>	
Post 16 SEN Places in Mainstream Academies	-186,000
Pre 16 SEN Places in Special Academies	-1,604,167
Post 16 SEN Places in Special Academies	-406,667
Pre 16 AP Places in Academies & Free Schools	-1,416,667
Further Education and Independent Learning Provider	-5,448,000
<b>Total High Needs Block After Deductions (£)</b>	<b>163,935,158</b>



# High needs national funding formula factors



# Current High Needs Budget Forecast 2022/23

	Number of EHCPS as at Spring 22	Percentage - Provision	Average Cost Per Place	Increase Spring 23	Total Budget	Forecast Including Spring 23 Additional Spend	Variance
				<b>796</b>			
<b>Place and Top Funding</b>							
Mainstream - Early Years	257	2.96%	5,350	24		1,456,492	1,456,492
Mainstream Schools - Primary	1,653	19.02%	8,499	151	14,724,805	11,944,349	-2,780,456
Mainstream Schools - Secondary	1,087	12.51%	5,029	100	0	5,791,053	5,791,053
SERF and SEN Units	30	0.35%	21,036	3	775,148	668,520	-106,628
Special Schools	3,369	38.76%	21,691	309	69,311,570	73,078,313	3,766,743
Out County	577	6.64%	44,757	53	23,000,000	25,825,427	2,825,427
Further Education - Post 16	1,217	14.00%	9,389	111	11,000,000	11,426,217	426,217
Alternative Provision/Pru	70	0.81%	5,029	6	10,438,784	12,377,856	1,939,072
NEET/Educated Elsewhere	431	4.96%		39	0	0	0
High Needs Growth					16,742,970	0	-16,742,970
<b>Total Place and Top Up Funding</b>	<b>8,691</b>			<b>796</b>	<b>145,993,277</b>	<b>142,568,227</b>	<b>-3,425,050</b>
<b>Other Commissioned Services</b>					<b>17,941,880</b>	<b>15,018,860</b>	<b>-2,923,020</b>
<b>Total 22/23 High Needs</b>	<b>8,691</b>			<b>9,487</b>	<b>163,935,157</b>	<b>157,587,087</b>	<b>-6,348,070</b>

# High Needs Block Forecast 2023/24

	Number of EHCPS as as at Spring 23	Percentage - Provision	Average Cost Per Place	Forecast Increase 23/24	Total EHCP 23/24	Forecast 23/24
				600		
<b><u>Place and Top Funding</u></b>						
Early Years	281	2.96%	5,350	18	298	1,500,880
Mainstream Schools - Primary	1,804	19.02%	8,499	114	1,919	16,305,206
Mainstream Schools Secondary	1,187	12.51%	5,029	75	1,262	6,344,954
SERF and SEN Units	33	0.35%	21,036	2	35	732,462
Special Schools	3,678	38.76%	21,691	233	3,910	84,814,246
Out County	630	6.64%	44,757	40	670	29,972,834
Further Education - Post 16	1,328	14.00%	9,389	84	1,412	13,261,198
Alternative Provision/PRU	76	0.81%	5,029	5	81	12,775,707
NEET/Educated Elsewhere	470	4.96%		30	500	0
<b>Total Place and Top Up Funding</b>	<b>9,487</b>			<b>600</b>	<b>10,086</b>	<b>165,707,487</b>
<b>Other Commissioned Services</b>						<b>21,351,114</b>
<b>Total 23/24 Forecast Expenditure</b>					<b>10,086</b>	<b>187,058,601</b>
<b>Total 23/24 Indicative Allocation</b>						<b>183,029,000</b>
<b>Potential Overspend 23/24</b>						<b>4,029,601</b>

# Forecast High Needs Deficit – Future Years

Financial Years	Allocation			Expenditure			Outturn Position (£mil)	Comments
	HNB DSG Allocation (£mil)	Increase (£mil)	Increase %age of Allocation	Expenditure (£mil)	Increase (£mil)	Increase %age of Expenditure		
2020/21	135.48	17.00	14.35%	134.57			-0.91	
2021/22	151.03	15.55	11.48%	144.49	9.92	7.4%	-6.55	
2022/23	163.94	15.88	10.51%	157.59	13.10	9.1%	-6.35	Position as at August 22 + Forecast increase for the rest of the financial year. £7mil expenditure = Supplementary grant 22/23
2023/24	183.03	16.12	9.66%	187.06	29.47	18.7%	4.03	Indicative Allocation and Estimated Expenditure. <b><i>Includes Supplementary grant being incorporated in HNB baseline</i></b>
2024/25	188.52	5.49	3.00%	202.02	14.96	8.0%	13.50	Indicative Allocation and Estimated Expenditure
2025/26	194.18	5.66	3.00%	216.16	14.14	8.0%	21.99	Indicative Allocation and Estimated Expenditure
2026/27	200.00	5.83	3.00%	231.30	15.13	8.0%	31.30	Indicative Allocation and Estimated Expenditure

ESFA High Needs Guidance suggests 3% increase on Allocation from 24/25 - 26/27

# DSG management plans – ESFA Guidance

- **DSG management plans**

- An increasing number of local authorities have been incurring a deficit on their overall DSG account, largely because of overspends within their high needs block. The DSG: conditions of grant set out that any local authority with an overall deficit on its DSG account at the end of the financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the department and cooperate in handling that situation by:
  - providing information, as and when requested by the department about its plans for managing its DSG account
  - providing information, as and when requested by the department about pressures and potential savings on its high needs budget
  - meeting with department officials, as and when they request to discuss the local authority's plans and financial situation
  - keeping the schools forum updated regularly about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings

# Options to Reduce Forecast Deficit

- Reduce Out of County Placements
- Review all 19+ placements
- Early Intervention at Early Years Level
- Review of Current Banded Framework
- Utilise SEN Units
- Support to Mainstream Schools to Prevent Special School Placement
- Review all NEET/Educated Elsewhere/Historic Packages of Support