# **SUPPLEMENTARY INFORMATION**

# **West Northamptonshire Schools Forum**

# Tuesday 5 July 2022

Agenda	Page	Title	Reason for delayed publication
Item			
Number			
5.	(Pages 3 - 14)	High Needs Block Deficit Recovery Plan Update Chris Kiernan	Report unavailable at the time of agenda publication.

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# West Northants Schools Forum: 5 July 2022 Agenda Item 5

#### **High Needs Block Recovery Plan**

#### 1 Background

- 1.1 This report sets out the current deficit in the high needs block (HNB) of the dedicated schools grant (DSG). The report includes the actual increase in budget for the current financial year. This was originally eight per cent but was later increased by four percentage points by Government with an additional supplementary grant, so the budget increased by 12 per cent almost £6.7m.
- 1.2 The report also shows the likely increase for the next three financial years, which is estimated by the ESFA to be three per cent each year. The HNB funding, before any block movements was £54.2 million in 2021/22. This year it is £60.9 million a 12 per cent increase with a total forecast further uplift of £7.6 million by 2026/27. By 1 April 2026, the budget is forecast to be £68.6 million (provided there is a three per cent uplift annually).
- 1.3 Additional expenditure across the medium term is extremely difficult to predict, and officers are currently working on refreshing demographic growth assumptions for new educational placement demand, and inflationary pressures relating to existing educational placements.
- 1.4 While the HNB is one of the two blocks that are wholly managed directly by the council (the other is the central block), proposals for both these blocks are made to schools forum for its agreement. Consequently, members of schools forum should be informed about the nature and scope of the structural overspend, the recovery plan that has been put in place and progress against the plan. Accordingly, this report proposes an efficient way of reporting regularly to schools forum.
- 1.5 The report will cover the:
  - current position of DSG and high needs budget update;
  - the HNB recovery plan progress against actions; and
  - next actions.
- 1.4 Given the level of volatility and risk associated with HNB expenditure, it is proposed that schools forum should receive an update at every meeting.
- 2 The revised expenditure and income forecast
- 2.1 The provisional outturn from 2021/22 shows a £1.1m overspend in the HNB, down from the projected £2.5 million forecast overspend reported to January schools forum (based on period 8) a significant reduction, meaning the base position for subsequent years improves.
- 2.2 The indicative funding increases as indicated by the ESFA are 3 per cent annually (circa £1.9 million annually on average) over the medium term.
- 2.3 The current net uplift (new EHCPs annually minus those ceasing or no longer the responsibility of WNC) is estimated at 300 net new plans annually. Detailed modelling of the financial impact of part and full year effects of this projected growth, alongside the new resourced provision places coming online will be completed as part of the 23/24 budget setting process commencing this summer. As an

- initial indication, the full year effect of the 300 EHCPs of an illustrated mix of mainstream (50%), resourced (10%), special (20%) and independent (20%) provision would be over £3 million.
- 2.4 The other significant cost is in the implementation of a banding system so that children with similar needs attract the same top-up, whatever the (state) provision.
- 2.5 These factors therefore present the biggest risk to the financial sustainability of the HNB, with the annual cost of demand far outstripping the projected growth in funding albeit possibly at a low level compared with other LAs in England.
- 2.6 LA modelling will also assume:
  - schools forum continues to support the costs of specialist services, or we move to a commissioned model;
  - the LA does not ask for a disapplication of 0.5 per cent of the DSG, as currently agreed by schools forum, as long as the disapplication to fund specialist services is agreed; and
  - the issue with AP funding is resolved, and cost efficiencies are made in this area.

#### 3 The financial recovery plan

- 3.1 Appendix A contains the action plan, which aims to address the structural deficit and bring the HNB back into balance within five years. While it is the case that the savings / cost avoidance proposals are currently insufficient to prevent the forecast increase in the structural deficit by 31 March 2027, it must be noted that actions against six of the eight task areas have been put in place.
- 3.2 The eight tasks, which align with the savings lines (lines 3 to 10) comprise:
  - the 'general deliverable' this is broadly the outcome required;
  - specific actions that is, defined, clear and measurable actions;
  - success criteria that indicate whether the action has been successfully completed;
  - the deadline date for the completion of the task;
  - the lead officer, who is accountable for the specified action; and
  - a red / amber / green (RAG) rating for each separate deliverable.
- 3.2 There are four lead officers, whose initials are against each action, with a key to the initials at the end of the action plan. All actions are being progressed; however, the timing of certain actions for example, the development of resourced places may need to be revised.
- 3.3 To summarise the current progress and RAG rating for each task:
  - task one what is 'ordinarily available' without the need for additional funding in mainstream schools: this has been the focus of recent project work with SENCos, during the course of which written guidance was drafted – more recently one lead and three other SENCos have been seconded to help schools to develop their graduated approach and to be clear what should be 'ordinarily available' to pupils without support additional to the school's own resources;

RAG status: all the work required in terms of the actions have been completed or are planned – the SENCo secondments are starting and conferences took place in March and April. The reason the RAG rating is **amber** for all is that work is still in progress.

• task 2 – the commissioning of resourced places in mainstream schools and special school expansions: 248 places have been agreed to meet projected need, with six primary or special schools providing primary places and five secondary or special schools providing secondary places: capital funding of £7.8m is available for all the places needed.

RAG status: The programme has been designed and has started with all but the Northgate Arts college scheme scheduled to commence taking entry-year pupils at least from September 2022. Therefore, the first two actions are **green**, but we need to wait to assess the impact of the expansions in terms of quality of provision and cost before assessing the last two actions as 'green'.

• task 3 – a site has been identified and the procurement stage has started;

RAG status: this is **amber** as final agreement on funding the programme, and formal agreement from the trust that is the landowner of the site, are in progress.

• task 4 – banding: work has not started due to a delay in recruiting the officer who will be designated to lead this work;

RAG status: **red** rated as work has not been scheduled – it is intended that the new banding scheme is in place for the beginning of the 2022/23 financial year.

• task 5 – funding of specialist services: this work was completed in January 2022, when schools forum agreed the proposal;

RAG status: this is **green** as the services are funded through disaggregation for 2022/23. However, this is an **annual vote**, and therefore this task needs to be repeated annually.

 task 6 - reduction in AP places: the places to be commissioned in the school and academy trust financial year (September 2022 to August 2023) were agreed with the two providers (CE and The Spires) in November 2021, and subsequently endorsed by the ESFA.

RAG status: this is **amber** as there is a risk that has arisen in terms of secondary AP provision – there is a dispute with North Northamptonshire about place funding. This could increase the cost to the WN HNB for the current financial year.

Task 7: the first stage of the work necessary to implement new criteria for non-EHCP high-needs
funding has started with the secondment of a team of four SENCos 9one lead SENCo seconded for
two days a week and three seconded for a day a week, from term 5 to the end of term two in the
2022/23 school year. Workshops the purpose of which was developing criteria for what should
be 'ordinarily available' in schools took place in term four.

Rag status: This is **amber** for the SENCo work and for the 'ordinarily available' work, but red for the agreement of schools forum for criteria to be used.

Task 8: this work has not started, and it is possible we will not undertake this work.

RAG status: Red.

#### 4 Recommendations for schools forum

- 4.1 Schools forum members are invited to:
  - comment on this report; and
  - confirm they want a progress report to each schools forum meeting.

#### 5 Next steps

5.1 The next steps depend on the feedback given by schools forum voting members at this meeting on its preferred way forward.

#### 6 Financial implications

6.1 The financial implications should a recovery plan not be put in place were presented to May schools forum, and will be refreshed as part of the 23/24 budget setting process commencing this summer. An update will be provided to October Schools Forum. The Secretary of State reserves the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where they believe that the LA are not taking sufficient action to address the situation.

## 7 Legal implications

7.1 The high needs block is allocated to local authorities by the DfE, through the ESFA. While formally the responsibility of the LA, ensuring the sustainability of the block is beneficial to all local settings, schools and colleges.

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Task 1: to define and apply the graduated approach with 'needs' vs HN funding

General deliverable	Specific actions	Success criteria	deadline	Lead
Ordinarily available document co-produced by schools, health, LA and parents and adopted by all partners in the WN Local Area	Creation of a working group to include SENDCOs from all phases and NCFT to draft ordinarily available document.	<ul> <li>All EHCP assessment requests are appropriate and in line with the SEND code of pracice criteria</li> </ul>	Mar 2022	AG
Ordinarily available document is used when EHCP decisions are being made by LA	<ul> <li>Case officers and SEND panel members are aware of and understand ordinarily available document</li> </ul>	• Numbers of inappropriate assessment requests drop	APRIL 2022	AG
	• 4 working group meetings (4 x 2 hours) to discuss and agree criteria;	<ul> <li>Refusals to assess lead to few formal challenges (no significant rise in SENDIST appeals)</li> </ul>	JULY 2022	AG
Consistent use of ordinarily available document in EHCP decision making	<ul> <li>SENDCO conference to publicise. Should be jointly led by leading SENDCOs, NHCP, school effectiveness team and SEND teams;</li> </ul>	<ul> <li>Level of EHCPs in WN begin to reflect those of statistical neighbours</li> </ul>	SEPT 2022	AG
document in EncP decision making	• 3 training events (by phase) for settings in use of criteria;	<ul> <li>Level of DSG (inc HNB) spend in line with budgets;</li> </ul>	Mar 2023	AG
	<ul> <li>Agree date for implementation (Ideally September 2022 Phased intro or pilot phase in the current school year</li> </ul>	Criteria implemented	SEPT 2022	AG



Task 2: decommissioning and commissioning of resourced provision in mainstream schools

General deliverable	Specific actions	Success criteria	deadline	Lead officer
All SEND local area partners have clear, reliable information on the level and range of SEND need in WN and the consequent number and type of places required	<ul> <li>Ensure all relevant officers are clear on WN's demand and ensure complete consistency of messaging</li> </ul>	<ul> <li>All key partner managers are clear, when asked, about the type and level of place demands</li> </ul>	JAN 2022	cw
All current specialist education providers in WN offer what WN CYP require in line with identified demand.	<ul> <li>Create appropriate working groups or focus groups (depending on model of co-production/consultation is agreed on) to model/road test proposals.</li> </ul>	• LA can evidence appropriate levels of engagement of relevant parties	Mar 2022	AG
Number of unfilled specialist places provides a degree of flexibility for in year admission but no 'waste'.	• Establish and follow agreed project timeline for each provision to change or develop their offer as required	Number of CYP requiring independent placement and spend reduces	SEPT <b>2022</b>	AG
Set realistic time line for delivery	<ul> <li>Ensure SEND test for change of provision is met</li> <li>Ensure communication plan supports local area partners, who are fully informed of changes</li> </ul>	<ul><li>SEND test met in all instances</li><li>Survey shows that partners are appropriately aware of changes</li></ul>	SEPT 2022 JULY 2022	AG AG

Task 3: implement the planned capital programme to increase special school places

General deliverable	Specific actions	Success criteria	deadline	Lead officer
Increase special school places for SEMH, ASD, SLD and PMLD	CW / AG to complete with CK	Delivery of new buildings	SEPT 2022	cw
Increase resourced provision	<ul> <li>Develop programme to create up to xxx additional resourced provision places within mainstream schools</li> </ul>	<ul> <li>Commence delivery of new resourced provision</li> </ul>	SEPT 2022	AG
Use the government's capital programme efficiently and effectively	<ul> <li>Oversee delivery of the £x m programme already approved to ensure funding utilised for 164 places</li> </ul>	Completion of programme	DEC 2022	CW



Task 4: consult on a banding system for implementation in the 2022/23 fy

General deliverable	Specific actions	Success criteria	deadline	Lead officer
To produce a draft EHCP banding system that can be applied across mainstream, resourced provsions and special schools	<ul> <li>complete a sampling exercise of EHCPs in each special school, resource provision and mainstream school to establish the funding required in each band.</li> </ul>	A draft banding system is available for consultation	Apr 2022	AG
	<ul> <li>complete an exercise to ensure that, when the proposed banding system is introduced, no mainstream school, resource provision or special school is adversely affected;</li> </ul>	<ul> <li>Prior to consultation, all schools are aware what effect the Banding System will have on their budgets now and in the future;</li> </ul>	Ост 2020	ВВ
	<ul> <li>If any school is found to be adversely affected, to introduce an minimum income guarantee for 2 years.</li> </ul>	<ul> <li>Any school adversely affected has time to adjust their budgets</li> </ul>	APRIL 2023	ВВ
	<ul> <li>benchmark proposed banding system against neighbouring local authorities:</li> </ul>	<ul> <li>The banding system in WN is in line with neighbouring LA's levels</li> </ul>	APRIL 2023	ВВ
To consult with schools, parents and health	• finalise a consultation document	<ul> <li>approved by schools forum</li> </ul>	<b>DEC 2022</b>	
partners on banding system	<ul> <li>undertake a consultation exercise to include parent coffee mornings, SENCO workshops and engagement events with schools</li> </ul>	<ul> <li>A full consultation exercise is completed and consultation responses have been used to adapt and improve the banding system</li> </ul>	JUL 2022	
	<ul> <li>Funding Band is agreed by SEN Panel for all new EHCP's issued and schools informed;</li> </ul>	<ul> <li>Banding system fully implemented across all schools;</li> </ul>	APR 2023	ВВ
		<ul> <li>there is an established way to appeal and review funding decisions.</li> </ul>	Mar 2023	AG
Banding system is fully implemented across all schools in WN	<ul> <li>Funded band is agreed at all annual reviews of EHCPs;</li> </ul>	<ul> <li>Each newly completed EHCP has an agreed funding band;</li> </ul>	SEPT 2022	AG
	<ul> <li>An appeal process is established via SEN Panel to look at cases where the school does not agree with the Funding Band approved by SEN Panel</li> </ul>	Appeal panel in place	Apr 2023	AG
Annual review of banded funding levels is completed and agreed by schools forum	Put in place an annual review process for banding	<ul><li>adequate funding for all EHCPs;</li><li>approproayte cost inflation built in.</li></ul>	EVERY JANUARY	AG



Task 5: propose the funding of both outreach services through a top-slice to mainstream schools' budgets

General deliverable	Specific actions	Success criteria	deadline	Lead officer
Consult service managers and staff to explain the reasons for the proposal and gauge the responses	<ul> <li>Brief managers and then staff of the specialist and impairment services;</li> </ul>	Briefings completed	SEPT 2021	СК
Ensure all voting members of schools forum are aware of the proposal and the reasons for it in advance of the October schools forum meeting	<ul> <li>Brief all voting members of schools forum</li> <li>ensure all voting members are aware of the cost of the top slice, in financial and school budget percentage terms, and the cost of the proposed top- slice to pay for specialist and impairment services</li> </ul>	<ul><li>Briefings completed</li><li>Agreement in principle in place</li></ul>	SEPT 2021 OCT 2021	СК СК
Lobby voting members of schools forum again in advance of the December meeting (where the formal vote takes place)	<ul> <li>Determine the responses to the consultation on the proposal;</li> <li>Share the outcome with voting members to gauge their level of support – especially if the overall responses are negative</li> </ul>	<ul> <li>Responses (to date) assessed</li> <li>Outcome shared with most voting members and the likely outcome assessed</li> </ul>	Nov 2021 Nov 2021	СК
SF report drafted and finalised on time for the December meeting	<ul> <li>draft the report, get agreement of the DCS to the report and its recommendations;</li> <li>finalise the report</li> </ul>	<ul><li>report drafted, DCS sign-off obtained</li><li>report finalised</li></ul>	Nov 2021 Nov 2021	СК
Consultation on the operation of the support services on an insurance or traded basis in place (if schools forum support for the proposed top-slice looks unlikely)	<ul> <li>Prepare the consultation;</li> <li>Distribute the consultation document if schools forum members' view of the top-slice is negative;</li> <li>Assess consultation responses</li> </ul>	<ul> <li>Consultation documentation finalised;</li> <li>Consultation distributed:</li> <li>Responses considered and traded</li> </ul>	DEC 2021 DEC 2021 DEC 2021	ск ск
Fund both outreach services through a top- slice (if agred by schools forum)	• Implement top-slice	<ul> <li>services planned</li> <li>Bureaucratic process for putting in place the top-slice completed</li> </ul>	JAN 2022	ВВ



## Reduce places commissioned in alternative provision

General deliverable	Specific actions	Success criteria	deadline	Lead officer
Determine place requirements for primary and	<ul> <li>model commissioned requirements based on the profile of exclusions over the 2016/19 sxchool years, using the year with the highest exclusions;</li> </ul>	Exercise completed	29 Ост 21 29 Ост 21	СК
secondary places	<ul> <li>Estimate reintegration patterns, year 11 leavers and project increased numbers through the 2022/23 school year</li> </ul>	Estimates completed		СК
	<ul> <li>Contact the head teacher of CE with regard to commissioning intentions;</li> </ul>	Head contacted	5 Nov 21	СК
Conclude the consultation on on commissioning intentions in terms of place numbers with providers	<ul> <li>Inform the head about the deadline date for submission to the ESFA and the time by which we want to receive them in order to inform the ESFA</li> </ul>	• information given	5 Nov 21	
	<ul> <li>Contact the head teacher of Spires to discuss our needs and agree final numbers with the ESFA</li> </ul>	• commissioned numbers agreed	18 NOv 21	СК
Submit commissioning intentions for CE to the	<ul> <li>Undertake all necessary work to sumbmit the return to the ESFA by the deadline;</li> </ul>	•.	Mar 2022	AG
ESFA and agree place numbers with Spire	• Resolve places to be commissioned at Spire		Mar 2022	AG



Task 7: cease non-ENCP top-up aside from exceptional cases (eg trauma)

General deliverable	Specific actions	Success criteria	deadline	Lead officer
To produce proposed criteria for the use of nigh needs funding when a child without an EHCP requires additional support.	<ul> <li>Working group with membership from SEN, school effectiveness, inclusion primary and secondary school SENCOs is established to produce proposed criteria for non-EHCP high need funding</li> </ul>	Proposed criteria are produced and ready for consultation.	MAR 2022	AG
	<ul> <li>Present a report to schools forum detailing the proposed criteria for non-EHCP high needs funding and obtain their agreement</li> </ul>	<ul> <li>Schools forum agreement is given to proposed criteria</li> </ul>	MAY 2022	AG
Proposed criteria for non-EHCP high needs funding is agreed by schools and schools forum.	<ul> <li>attend head teacher meetings to present the proposed criteria</li> </ul>	<ul> <li>Primary and secondary heads are aware of proposed criteria an consultation exercise.</li> </ul>	SEPT 2022	AG
	• Complete a consultation exercise with schools and parents on the proposed criteria	<ul> <li>Consultation responses are reviewed and used to inform criteria for non-EHCP high needs funding,</li> </ul>	Nov2022	AG
	<ul> <li>Review of all applications for non-EHCP high needs funding</li> </ul>	<ul> <li>High needs funding is only provided to schools to support children and young people who do not have an EHCP where there is an exceptional need</li> </ul>	APRIL 2023	AG
	<ul> <li>Ensure heads and SENDCos understand what should be ordinality available through the school's budget through a clear, agreed OA document</li> </ul>	<ul> <li>Schools make more timely EHCP requests for children who need additional support</li> </ul>	APRIL 2023	AG
implement new criteria for non-EHCP high- need funding		<ul> <li>Schools have clear guidance about the criteria for a pupil who does not have an EHCP and how to apply for this</li> </ul>		
		<ul> <li>High needs budget spend on support for children and young people who do not have an ECP is reduced</li> </ul>		



Task 8: visit all independent providers with a view to improving VFM

General deliverable	Specific actions	Success criteria	deadline	Lead officer
WN LA able to evidence that CYP are	<ul> <li>Desk top analysis of current QA and inspection data as first line of assurance - any anomalies or concerns</li> </ul>	<ul> <li>CYP are appropriately placed – demonstrated by external audit;</li> </ul>	Mar 2022	AG
appropriately placed (SEND needs met, and appropriately safeguarded)	followed up as urgent.	<ul> <li>unsatisfactory placements are remedied either by relevant action by provider or by change of placement.</li> </ul>	MAR 2022	AG
All WN CYP in NMIs are placed only as a result of low need/high complexity needs; adequate progress is evident; learning from external providers is shared with local schools to develop local provision.	<ul> <li>Desktop review of current costs of placement by SEND need (eg: ASD placements, SEMH placements).</li> <li>Those with cost anomalies (atypically high or low) are checked for potential cost saving negotiations;</li> <li>NMIs with significant numbers of WN pupils are</li> </ul>	<ul> <li>Containment or reduction in costs for current placements;</li> <li>Containment or reduction in costs for</li> </ul>	SEPT 2022	AG
develop local provision.	identified for VFM visits/re-procurement of places	current placements	SEPT 2022	AG
WN LA is able to evidence that CYP are	<ul> <li>Desk top analysis of current QA and inspection data as first line of assurance. Any anomalies or concerns followed up as urgent</li> </ul>	<ul> <li>WN LA able to evidence that CYP are appropriately placed (SEND needs met, and appropriately safeguarded)</li> </ul>	Mar 2022	AG AG
appropriately placed (SEND needs met, and appropriately safeguarded)		<ul> <li>Any unsatisfactory placements are remedied either by relevant action by provider or by change of placement.</li> </ul>	Mar 2022	AG

## **Key to abbreviations**

abbreviations	name	title
СК	Chris Kiernan	Interim assistant director,
AG	Anthony Giles	Head of SEN assessment
CW	Chris Wickens	Head of school organisation and capital services
ВВ	Beth Bains	Finance business partner, business support department

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