

SCHOOLS FORUM

FORECAST OF OVERSPEND ON THE HIGH NEEDS BUDGET Reasons and recommendations for remedial action

21st September 2015

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies	X	Secondary	X
Local Authority		Post 16	X
		High Needs	X

Content Requires;		By;	
Noting	X	Maintained Primary School Members	
Decision		Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. Purpose of Report

- 1.1 This report is to set out to Schools Forum the forecast overspend for special educational needs. The report will set out the evidence that a number of factors which have resulted in this forecast which are complex and interdependent. There are a number of short term and medium term interventions that are being set out herein which will impact upon schools and commissioning arrangements for the local authority.

1.2. Recommendations

1.3 That Schools Forum-

1. Note the areas of overspend within the different components of the high needs block
2. Note the reasons for these overspend
3. Support the recommended remedial actions to be implemented by the local authority

1. Introduction

- 1.1 The high needs budget is made up of a number of components that covers costs in mainstream, special and unit placements across the 0 to 25 years age range i.e. pre-schools, schools and post 16, and includes maintained, academy, further education, non-maintained and independent sectors. This therefore also includes any associated element 3/top up funding associated with each child's placement.
- 1.2 In previous years the out turn budget figures for these elements within the high needs block has been as follows;-

Year	Budget	Out turn	Variance
12/13	18,634,469	16,608,211	-2,026,258
13/14	46,399,288	42,512,700	-3,886,588
14/15	47,575,031	45,003,504	-2,571,527

As can be seen, in previous years these budget have been within budget, however this has been largely as a result of contingency funding of c£2m being held because of uncertainty around the financial risks arising from the implementation of the new national funding system in 2013. A number of inherent risks were identified and reported to Schools Forum on implementation, this included the potential for changes in behaviour from the return to a system whereby schools would receive funding based on identified need, the increase in the participation age and the transfer of responsibility for funding post 16 from the Education Funding Agency to local authorities. Further detail is in the appendix.

Funding reform in 2013 led to the current system of high needs funding, i.e. mainstream schools were required to contribute the first £6,000 of support costs and local authorities would provide 'top up or element three' funding on a child by child basis. At the time of funding reform, Leicestershire had delegated all of the mainstream funding to schools. Given the new requirement to provide top up funding, then there was a requirement to re centralise a proportion of this previously delegated budget. As a consequence, c£3.3m was removed from the delegated schools budget and the local authority was placed in a position of managing a demand led budget that schools could access by requesting an EHC plan/ a statement of special educational needs. This was a significant shift for Leicestershire, one of the objectives of delegation had been to remove the financial incentive for schools in a system where funding was tied to individual statements of SEN. As can be seen, although £3.3m was removed to fund top up funding £1.7m remained within school budgets, the actual forecast expenditure in 15/16 is £5.5m therefore leading to an increased cost to the local authority of £0.5m

Further information regarding this is set out in the link below and the diagram in the appendices.

http://www.leics.gov.uk/index/education/information_about_schools/support_for_schools/high_needs.htm

1.3 In summary, the current position can be set out as follows;-

	15-16 Budget £k	20/08/2015 Forecast £k	Variance £k
<u>Special schools placements and top up</u>	19,045	19,464	419
<u>Mainstream top up</u>	5,296	5,461	165
<u>SEN Alternative provision</u>	1,210	1,269	59
<u>SEN units/ERB attached to mainstream; place and top up</u>	4,513	4,668	155
<u>Post 16 at FE colleges/specialist colleges; placement and top up</u>	2,148	2,245	97
<u>Recoupment special schools (CiC with EHCplan)</u>	934	855	-79
<u>Recoupment Mainstream schools (CiC with EHCplan)</u>	149	125	-24
<u>SEND equipment</u>	92	73	-19
<u>Independent schools (Fees)</u>	15,092	16,566	1,474
<u>Totals</u>	48,479	50,726	2,247

1.4 The forecast overspend at period 5 is £2 247 000. To understand the drivers behind this overspend then it is necessary to consider;-

i. Overall incidence of SEND and identification rates

ii. Each budget line in turn.

2. BACKGROUND

2.1 Overall incidence of SEND and identification rates

From the data collated to date then we know;-

- In 2014, over 15,000 school age children in Leicestershire have a special educational need (SEN). This represents 15.6% of all school age pupils, a significantly lower percentage compared to the national average (17.9%).
- 8.1% of all school age pupils in Leicestershire are classified on School Action; this is significantly lower than the national average of 8.7%. 4.2% of school pupils in Leicestershire are classified on School Action Plus, significantly lower than the national average (5.6%). 2.7% of all school age pupils in Leicestershire have an SEN Statement which is similar to the England average 2.8%.
- Over 3,000 school pupils in Leicestershire have a learning disability, representing 3.3% of the school population. Leicestershire has significantly higher rate of learning disabilities compared to the national average of 2.9%.

2.2 It should be noted that this information is based on school census data, children attending Leicestershire maintained and academy schools, therefore includes children who are resident in another authority. Similarly, this table does not include the children educated in other local authority schools nor special schools in the independent and non-maintained sector, for whom Leicestershire have a financial responsibility

2.3. Part of SEND reform project has been to establish a better understanding of the needs of children and young people with SEND resident in Leicestershire. The SEND project database that has been established indicates a slightly different picture when considering all Leicestershire pupils for example;

- **16.25%** of pupils had some form of SEND (including Action, Action Plus and Statements. National average 17.9%
- **3.27%** (2838 *pupils*) of pupils had a Statement in 2014, compared to a national average of 2.7% which has increased since 2008 (**2.69%**, 2370 *pupils*) in 2008
- From the SEN2 data, it can be seen that Leicestershire children are more likely to attend a special school or unit when compared to the national average. This is not necessarily as a result of different type of need.

SEND database work, it should be noted that the following groups would appear to be over identified as having special educational needs to a statistically significant level;-

1. White males
2. Children in Care
3. Children eligible to free school meals
4. Travellers

In addition, analysis indicates that there is statistically over identification of children having SEN by schools if they live in housing that can be described as 'Constrained city dwellers or hard pressed living'. This is prevalent in certain areas of the authority.

National research and reports (e.g. OFSTED) has highlighted that there can be an over identification of SEND in some groups and that it should be recognised that although under achievement is an indicator of SEND, under achievement can be caused by many factors that are not attributable to special educational needs.

National evidence suggests that SEN may be unhelpfully conflated with 'falling behind'. Pupils with SEN are disproportionately more likely than their peers to be: eligible for Free School Meals (FSM - an indicator of relative disadvantage), born in the summer, or looked after. While there is a body of research which considers the relationship between FSM and SEN it is not clear whether external factors (such as economic disadvantage) are causing learning delays especially at lower levels of provision. This discrepancy is evident in Leicestershire data. National research has evidenced that there is no correlation between these groups being more likely to experience special educational needs, however, it is recognised that they are more likely to 'under achieve' and have non SEN barriers to learning that impact upon their attainments and progress.

- 2.4. Using national and locally held information, using current trends and demographic projections of school populations, this has been used by the SEND project data base. This indicates increased incidence of the different types of SEN as the following table demonstrates.

SEND Database Projections (July 2015)

	Actual						Projected									
	2011/2		2012/3		2013/4		2014/5		2015/6		2016/7		2017/8		2018/9	
None	72024	83.32	72230	83.62	72633	83.75	75277	86.08	78435	86.80	80629	86.80	82404	86.80	83582	86.80
Action	7988	9.24	7684	8.9	7404	8.54	2274	2.60	0	0.00	0	0.00	0	0.00	0	0.00
Action Plus	3788	4.38	3680	4.26	3851	4.44	1102	1.26	0	0.00	0	0.00	0	0.00	0	0.00
SEN support							5938	6.79	8972	9.93	9223	9.93	9426	9.93	9561	9.93
Statement	2641	3.06	2790	3.23	2838	3.27	2720	3.11	0	0.00	0	0.00	0	0.00	0	0.00
Education and Health Care							140	0.16	2955	3.27	3038	3.27	3104	3.27	3149	3.27
Total	86441	100	86384	100	86726	100	87450	100	90363	100	92891	100	94935	100	96293	100

Primary Need	Actual						Projected									
	2011/2		2012/3		2013/4		2014/5		2015/6		2016/7		2017/8		2018/9	
Autistic Spectrum Disorder	525	0.61	564	0.65	617	0.71	660	0.75	728	0.80	794	0.85	859	0.90	920	0.95
Behavioural, Emotional and Social Disorder	1030	1.19	1015	1.17	1073	1.23	1082	1.23	1141	1.26	1186	1.27	1235	1.29	1274	1.32
Hearing Impairment	178	0.21	172	0.20	179	0.21	186	0.21	194	0.21	197	0.21	205	0.22	210	0.22
missing	12	0.01	11	0.01	41	0.05	27	0.03	33	0.04	28	0.03	28	0.03	27	0.03
Moderate Learning Difficulty	1720	1.99	1645	1.9	1649	1.89	1690	1.92	1735	1.91	1788	1.91	1815	1.90	1844	1.91
Multi-Sensory Impairment	1	0	4	0	6	0.01	4	0.01	5	0.01	7	0.01	8	0.01	9	0.01
None	79851	92.58	80016	92.63	80452	92.26	81045	92.17	83600	92.01	85789	91.85	87523	91.69	88612	91.52
Other	148	0.17	181	0.21	193	0.22	209	0.24	237	0.26	263	0.28	291	0.31	318	0.33
Physical Difficulty	265	0.31	247	0.29	270	0.31	262	0.30	268	0.30	273	0.29	276	0.29	276	0.29
Profound and Multiple Learning Difficulty	126	0.15	131	0.15	138	0.16	143	0.16	153	0.17	162	0.17	169	0.18	177	0.18
Speech and Language Communication Needs	927	1.07	971	1.12	1009	1.16	1060	1.21	1137	1.25	1210	1.30	1280	1.34	1340	1.38
Severe Learning Difficulties	458	0.53	487	0.56	508	0.69	618	0.70	684	0.75	761	0.82	830	0.87	893	0.92
Specific Learning Difficulties	898	1.04	822	0.95	856	0.98	821	0.93	818	0.90	813	0.87	802	0.84	784	0.81
Visual Impairment	116	0.13	119	0.14	121	0.14	121	0.14	127	0.14	131	0.14	135	0.14	137	0.14
	86255	100	86385	100	87202	100	87930	100	90859	100	93401	100	95456	100	96822	100

- 2.5 In addition, indicative information from health regarding pre-school children is that numbers of children born and surviving to school age with complex special needs and disability is increasing.
- 2.6 Furthermore, from the school place planning information, the anticipated increase in homes in Leicestershire of 28 000 over the next 10 years will increase pupil numbers overall. From place planning guidance, 1.46 children of primary age per 100 dwellings will require special school placements and 0.138 children of secondary age per 100 dwellings will require special school placements (i.e. a total of 409 primary and 39 secondary.)
- 2.7 A further complicating factor is that performance data for children with SEND at the SEN support stage, previously known as school action/school action plus, do significantly less well than children, at the same level, in other authorities. The consequence of this being that as children under perform at the SEN support stage, they therefore are referred for statutory assessment and an Education Health and Care plan/statement of SEN, providing addition top up funding to schools. See appendix)
- 2.8 Schools are issued annually with a 'notional SEN budget'. This isn't a specific allocation of funding but identifies an amount deemed to be representative on the SEN needs in the pupil population. The calculated notional SEN budget for Leicestershire schools is £30.1m, from which schools meet £6.5m of element two costs; there is no data to identify how schools use the remaining £23.6m. Additionally the local authority makes payments of £5.6m for element 3 costs. Taking the notional SEN budget for what it's intended, schools having a statutory responsibility to provide;-

‘High quality teaching that is differentiated and personalised will meet the individual needs of the majority of children and young people. Some children and young people need educational provision that is additional to or different from this. This is special educational provision under Section 21 of the Children and Families Act 2014. Schools and colleges must use their best endeavours to ensure that such provision is made for those who need it. Special educational provision is underpinned by high quality teaching and is compromised by anything less’ ref. Code of Practice.

Therefore, schools have £23.6m to use for inclusive practice and early intervention that is intended to reduce escalating need.

2.9 **In summary**, the national data suggests that, although there are statistically fewer children with SEND in Leicestershire, the overspend is driven by systemic issues across the schools system that are leading to additional costs;-

- There is a disproportionate number with an EHC plan/statement awarding top up funding
- There is a disproportionate number of children and young adults being identified with SEND where there are other factors leading to the pupils under achievement.
- More children are being placed in the special school sector
- Children are under performing at the SEN support stage

The forecast data indicates that, should current ways of working continue, the number of children and young people identified as having special educational needs will increase disproportionately and demand for specialist provision will similarly increase.

2.10 **Proposed actions**, to address what are in effect structural weaknesses in the framework and approach to Special educational needs, then the following actions are to be initiated;-

- Commission work from LEEP to improve outcomes for children with SEND at the SEN support stage.
- Commission work from LEEP to establish better assessment of under achievement by schools.
- Work with centrally commissioned support services i.e. Specialist Teaching Services and Leicestershire Psychology Service to establish better support for progress and attainment target setting.
- Work with centrally commissioned support services i.e. Specialist Teaching Services and Leicestershire Psychology Service to establish better assessment and understanding of under achievement.
- Commission work as part of SEND reform to revise and update the thresholds for assessment to better set out expectations at SEN support stage and this will be reflected in the local offer.

2.11 **Expected outcomes**;-

- Improved outcomes for children at SEN support stage with their need better met leading to decreased demand for education health and care plans.
- Children not being misidentified as SEND and having their needs better met through other more appropriate interventions.

- Increased parental confidence in mainstream SEN support stage provision.
- Reduced overall costs as children's needs are met at the SEN support stage

2.12 Each budget line in turn.

Taking each budget line in turn then there are different drivers within each leading to budget pressures that are in addition to the overarching pressures and trends set out above.

2.13 Special schools placements and top up funding

The budget is £19,045,394, the forecast spend is £19,464,098 creating a forecast overspend of £418,705. This budget funds the placement costs i.e. £10,000 per place for academy and maintained special schools and 'top up funding' on a child by child basis using an agreed banding system. Trend over time shows the increase in special school numbers. The increase in numbers primarily being for children with moderate learning needs. From the banding information (see appendix) it can be seen that the increase in special school numbers, from 553 in 2005 to 1113 in 2015, is primarily due to increased numbers in the lower level need bandings (bands 4/5/6), which in 2005 accounted for 246 children but now is 656 children. Prior to the roll out of the area special school programme, these same children were educated in mainstream placements. As these children are not attending mainstream schools, where the element 2 funding would be provided from the notional SEN budget but attending special schools, where the place element includes in effect the element 2 cost, as a consequence creating an additional cost burden on the high needs block as opposed to the school block where the notional SEN allocation funds element 2.

2.14 The overall number is also increasing due to the age profile of pupils, predominately in key stage 3 and 4, which means that the number of leavers is less than the number of new admissions. However, the EFA fund the local authority on a lagged basis whereas Leicestershire fund special schools for the total places occupied. Note; Leicestershire are one of the few local authorities to do this nationally.

2.15 The situation regarding top up funding and this leading to budget pressure is due to the following. Firstly is the impact of overall increased demand and numbers of pupils attending special schools requiring 'top up funding'. Secondly, the value of each banding was increased for 2015/15 as a result of the additional school funding received. This removed the contingency previously held. Of the 1113 pupils moderated in the autumn term 2014, 82 changed bands and the net cost was £179k extra expenditure.

2.16 **Summary.** The budget pressures on this budget line are due to:-

- Increased demand for special school placements
- Impact of increased 'top up funding'

2.17 Proposed actions

- Working group with special school and Unit representatives has been established to consider new ways of calculating the place costs of new admissions over the special school commissioned number.
- Greater scrutiny of requests for placement in special school sector by the local authority and the evidence of interventions to date by mainstream schools to meet need.
- Commission work as part of SEND reform to revise and update the thresholds for placement in a special school.
- Commission LEEP to devise a strategy to enable mainstream schools to meet needs.
- Further top slice of school block

2.18 Expected outcomes

- The cost of additional placements over the commissioned number to decrease.
- Demand for special school placements declines.
- Current overspend removed

2.19 Mainstream top up

The budget for this is £5,296,377, the forecast spend is £5,461,296, leading to a forecast overspend of £164,920. Mainstream top up funding is the additional funding allocated to mainstream schools for children with an EHC plan, statement of SEN or a SEND support plan. This top up funding is primarily calculated by the cost of the additional learning support assistant hours specified, minus the schools contribution of £6000 as per the national high needs funding guidance.

2.20 The specified amount is therefore allocated in a manner that unilaterally awards one to one provision. However, the learning support hours as specified in a plan or statement are used invariably for small group work as this is the most effective manner by which a child's needs can be met in certain areas.

2.21 It should be noted that considerable research, as shared in workshops with SENCO's, primary heads and SEN Governors last year, shows that 'one to one support' is both inefficient and ineffective for many learners.

2.22 As part of the new SEND agenda for personalisation and preparing for adulthood outcome focus for children and young adults with SEND. Fettering provision by tying resources solely to additional learning support hours and 'one to one' intervention is a significant impediment to individualised support packages and enabling schools to be flexible in meeting the needs of learners.

2.23 From the most up to date information available, the demand for EHC plans has fallen slightly. However, the demand for SEND support plans, that similarly allocate top up funding, has been greater. This is particularly the case for children in primary settings and first time admissions to primary schools. See attached break down.

2.24 The above average number of pupils with a statement or EHC plan is in part as a consequence of children not making the anticipated progress at the SEN support stage. See appendix.

2.25 As stated previously, following funding reform in 2013, £3.3m was top sliced from the schools budget to develop a budget for top up funding. Given the current demand on that budget is now in excess of that top slice then further top slicing of the budget is recommended

2.26 Summary The budget pressures on this budget line are due to;-

- Increased demand overall for top up funding
- Under achievement and lack of progress at the SEN support stage leading to increased demand for education health and care plans.
- Rigidity in allocating top up funding
- Insufficient top slice from schools budget

2.27 Proposed actions

- Commission work as part of SEND reform to revise and update the thresholds for assessment to better set out expectations at the SEN support stage
- Commission work as part of SEND reform to move to a 'banding system' of allocating top up funding. Note a working group with school forum representatives has been established to oversee and support this.
- Greater scrutiny of requests for statutory assessment or SEND support plan requests for top up funding by the local authority and the evidence of interventions to date by schools to meet need.
- Targeted activity with early year's providers and support services with primary schools to analyse the issues at transition to starting school.
- Further top slice of schools budget

2.28 Expected outcomes

- Decreased demand for top up funding overall
- New system of allocating top up funding
- Greater confidence for children being admitted first time into school
- Reduced cost

2.29 SEN Alternative provision

The budget for SEN alternative provision is £1.21m, the current forecast spend is £1.269m. Leading to a forecast overspend of £0.59m. Alternative provision expenditure is for children who are unable to attend a school or a suitable school placement cannot be sourced. For example, children with autistic spectrum disorders with co morbid mental health difficulties, children in care with significant attachment disorders or young adults nearing school leaving age with complex behavioural difficulties, children permanently excluded for whom provision cannot be provided by Oakfield or the behaviour partnerships. Increased demand in this area is most pronounced for children with autistic spectrum disorder.

2.30 The nature and extent of these young people's needs require highly individualised bespoke packages of support. The majority of which are provided by private providers commissioned specifically for these children on a spot purchased basis that becomes a medium to long term arrangement for providing full time education for these children up to and in some cases beyond the age of 16 years. However, it should be noted that this is a better use of resources when compared to the alternative, which is most likely to be a placement in the independent school sector.

2.31 Summary

The budget pressures on this budget line are due to:-

- Increased complexity of need, absence of local school provision across all school sectors.

2.32 Proposed actions

- Development and commissioning of more flexible autism specific provision
- Making greater use of existing provision by funding bespoke packages into maintained and academy schools
- Working with the behaviour partnerships to enable behaviour partnerships to develop a sustainable and comprehensive offer to meet the needs of these pupils.

2.33 Expected outcomes

- Reduced average costs for 'alternative provision'
- Reduced number of 'alternative provision' placements
- Reduced cost

2.34 SEN units/Enhanced Resource Bases attached to mainstream; place and top up funding

The budget is £4,512,577 with a forecast spend of £4,667,431, leading to a resultant overspend of £154,854. This budget is for children placed in special units or enhanced resource bases attached to a mainstream school. Leicestershire currently has 16 such units or bases for children whose primary need is either, moderate learning difficulties, speech and language difficulties, hearing impairment or autism.

2.35 The issues here are specifically for special units designated for children with moderate learning difficulties and as such are the same as for special schools as they are funded in the same way and are subject to the same levels of demand with overall numbers increasing disproportionately. Consequently the recommended interventions are the same as and part of those set out above in para 2.17, to manage demand and additional costs in a similar way.

2.36 Post 16 at FE general colleges/specialist colleges; placement and top up

The budget for post 16 general FE colleges and specialist colleges is £2,147,810 with a forecast spend of £2,245,200, leading to a forecast overspend of £97,390. This budget is for placement costs at non maintained specialist colleges e.g. RNIB Loughborough and Holmefield college, and associated top up funding, as well as element 2 funding over the

commissioned number and any top up funding for learners attending general FE colleges with or without an EHC plan.

2.37 This forecast at this time should be read with caution. Numbers of leavers and new admissions to the FE sector are always fluid at this time of year so close to the start of term. It should be noted that considerable work has been undertaken with the FE sector to accurately determine 'full time' courses and how 'element three' is calculated. At the same time, the flexible curriculum offer and universal offer within the FE sector can mean that many young people with SEND are able to leave special and mainstream schools and attend an FE college without additional support or an EHC plan.

2.38 Despite this there is an increasing trend for schools at the 'leavers' annual review to recommend ongoing support via 'top up' funding. It has been emphasised that there needs to be closer links between FE colleges and secondary schools in the same way that there are sound and established links between 'feeder' primary and secondary schools. Equally, work is underway to further develop the FE colleges offer for learners with SEND and promote alternatives such as apprenticeships and employment when and where this is appropriate for the young adult. At the same time, similar to demand for special schools, demand for specialist college placements has also increased, albeit from a lower base.

2.39 Summary The budget pressures on this budget line are due to:-

- Increased numbers of pupils where top up funding is required attending general FE colleges
- Increased demand for specialist college placements

2.40 proposed actions

- Utilising SEND grant to develop employment and apprenticeship options for young adults with SEND
- Continued work with general FE colleges to further extend their offer for learners with SEND as part of their universal provision
- Greater scrutiny by the local authority for top up funding requests from colleges
- Greater scrutiny of requests for specialist college placements
- Commission work as part of SEND reform to revise and update the thresholds for placement in a specialist college.

2.41 Expected outcomes

- Young adults able to enter FE college without top up funding
- Improved overall offer within the FE sector as a viable and sustainable alternative to specialist college placements
- Develop more options as alternatives to FE College on leaving school.
- Reduced cost

2.42 Independent Special schools (Fees)

The budget for Independent special school fees is, £15.092m, the forecast spend is £16.566m, leading to a forecast over spend of £1,474m. When compared to other authorities and nationally, then the number of placements made in the independent school

sector is high. (See appendix). Children are placed in an independent special school placement when there is no suitable placement in the locally commissioned academy or maintained sector. Although there are a number of areas that are well met locally, i.e. learning difficulties, sensory impairment, speech and language, medical needs and dyslexia, the majority of placements in the independent sector are for children with emotional social and behavioural or for children with an autistic spectrum disorder (Asperger's with co morbid presentation e.g. mental health difficulties).

2.43 From the forecast data, see appendix, then if current referral rates continue then the anticipated spend on independent school fees will increase by a further £6m leading to an overspend of £8m by 18/19. Again there are systemic issues across the special educational needs system that tends towards recommendations for independent special school provision. This can include schools ability and confidence in meeting these needs, impact on the learning of other pupils, attendance rates and cost of meeting needs.

2.44 The council has no maintained or academy special schools designated for pupils with emotional and behavioural difficulties. Consequently, the council is solely reliant on spot purchased commissioned placements in the independent and non-maintained sector. Note prior to funding reform there was the facility to block purchase at more preferable rates but this is no longer permissible. Although considerable work has been undertaken with independent providers and their owners/proprietors to ensure the most advantageous fee schedules and value for money, average costs in this sector remain at £53 000 pa. Currently there are 170 pupils placed in EBSD special schools.

2.45 There has been considerable investment in developing provision in the maintained and academy sector for pupils with autism, specifically, the development of the two 10+ to 19 enhanced resource bases on the Abington/Guthlaxton and Shepshed/Hind Leys campuses. There has also been the development of the Autism Outreach Intensive support bungalow for children whose autism is presenting in a way that they are at risk from exclusion and/or unable to attend school full time, currently there are 70 pupils attending either full or part time. However, the demand for specialist autism placements is both in excess of current capacity and in many cases the level of need is beyond the scope of the currently commissioned places. Consequently, as with children with EBSD, the council remains reliant on the independent sector for placements with average fees of £66 000 pa.

2.46 The council also commissions the Autism Outreach service which provides support to schools, including a graduated training package based on the Autism Educational trust model to improve capacity within schools.

2.47 It is worth foru noting that the landscape of the independent sector has evolved over the last 4 years. Although the council has worked successfully in developing the market to enable more local and less cost providers to become established, there are fewer sole proprietors and increasingly special independent schools are owned by large 'chains' or 'brand' such as The priory group, SENAD, Acorn group. These organisations are themselves financed by large financial institutions. As a consequence, despite best endeavours, average fees have continued to increase.

2.48 Two further factors here that impact upon this budget area are; i. the impact of parental preference and appeals to the SEN and Disability tribunal where the council is required/ordered to make specialist placements in the independent special school sector

and ii. joint funded placements for children who are in care requiring 52 week specialist residential placements where special education is part of the placement fee.

2.49 it should also be noted that the outcomes for these young people are not consistent when leaving school despite considerable investment in their special school placements.

2.50 Summary The budget pressures on this budget line are due to;-

- Reliance on the independent school sector for children with EBSD and for children with Asperger's with co morbidity
- Insufficient local capacity
- Complexity of children's needs beyond local capacity
- Lack of parental confidence in local provision
- High cost joint education and social placements for children in care
- Changing financial structure of the independent school sector

2.51 Proposed actions

- Make better use of current maintained and academy specialist provision for children with autism and communication difficulties by funding more flexible and person centred packages of support via top up funding
- Develop autism specific provision in county
- Continue and extend the current developments with behaviour partnerships to develop sustainable EBSD offer through utilising the currently agreed path way and top up funding.
- Working with the behaviour partnerships to enable behaviour partnerships to develop a sustainable and comprehensive offer to meet the needs of these pupils.
- Review current high cost placements and re-negotiate fee schedule with providers

2.52 Expected outcomes

- Reduced costs
- Increased local capacity
- More diverse local arrangements that can meet more complex needs

3. Resource Implications

3.1 The current system for the allocation of the High Needs block in the Dedicated Schools Grant Settlement is based upon historic expenditure and the allocation does not reflect current need. Leicestershire was one of a number of authorities that participated in a Department for Education (DfE) research project; this project has not reported and recommends a number of changes to the funding system including a formulaic basis for the grant based upon a number of indicators of need. As yet there is no response from the DfE on if and when any of the recommendations will be progressed and the timeline for any change.

3.2 On the current basis of allocation the High Needs Block is insufficient to meet the needs currently identified in the SEN system. There is no possibility of any resource from

the local authority to increase the grant. It is essential that there are reductions in expenditure in all areas.

3.3 The financial implications are that there are a number of changes in policy; practice and commissioning that need to be rolled out over the next 12 months to address the areas of overspend as outlined above. In addition, there will be a requirement to top slice the schools block and re profile budgets to meet the current level of demand for High Needs funding. There is an overriding need to change expectations in terms of practice and outcomes for children given the forecast increase in demand for high needs funding but with a direct schools grant that is under pressures from other areas.

4. Equal Opportunity Issues

4.1 The proposed changes set out in this paper will address the inequality within the system where children and young adults with SEND are doing less well in terms of outcomes when compared to national comparators. These proposals will also promote more inclusive practice that is in accordance with the legal presumption that all children attend a mainstream school.

Officers to Contact

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APPENDICES

APPENDIX 1; HIGH NEEDS FUNDING DIAGRAM

	Mainstream School or Academy	Special School/ Unit and Resourced Provision in Mainstream School or Academy
Element 1	Basic entitlement - per pupil of £4,000 within school delegated budget	Place funding £10,000 through delegated budget
Element 2	Additional funding through the schools delegated notional SEN budget – £6,000 of additional support per pupil	Place funding £10,000 through delegated budge
Element 3 Top Up Funding	Further funding required above the £6,000 of Element 2 to meet the assessed needs of the pupil Budget centrally retained by local authority	Further funding required above the place element of £10,000 to meet the assessed needs of the pupil Budget centrally retained by local authority

APPENDIX 2; DETAILED BUDGET BREAKDOWN OVERTIME AND CURRENT

Budget YTD v Actual YTD

2012/13

Cost Centre	Cost Centre Narrative	Budget YTD	Actual YTD	Variance
1872	SEN Independent /non maintained	14,547,510	12,543,197	-2,004,313
1871	Special IT Equipment	78,060	117,273	39,213
1874	SEN Statementing Budget	3,438,660	3,406,074	-32,586
1868	SEN Assessment Services	525,860	506,496	-19,364
1876	SEN Recoupment Spec Sch/Units	537,379	525,561	-11,818
1877	Recoupment Budget Mainstream	-493,000	-490,390	2,610
Grand Total		18,634,469	16,608,211	-2,026,258

2013/14

Cost Centre	Cost Centre Narrative	Budget YTD	Actual YTD	Variance
1872	SEN Independent /non maintained	13,412,376	11,577,925	-1,834,451
1874	SEN Statementing Budget	6,181,433	4,633,536	-1,547,897
1865	SEN Alternative Provision	875,236	1,339,732	464,496
1877	Recoupment Budget Mainstream	340,900	-80,429	-421,329
1879	16+ High Needs FE payments	1,032,960	725,092	-307,868
1871	Special IT Equipment	120,000	58,489	-61,511
1868	SEN Assessment Services	576,900	518,768	-58,132
1878	Special Units and ERB's	4,037,816	3,905,288	-132,528
1864	Special Schools	17,601,737	17,553,971	-47,766
1880	16+ Independent Specialist Prov	1,236,130	1,273,199	37,069
1876	SEN Recoupment Spec Sch/Units	983,800	1,007,129	23,329
Grand Total		46,399,288	42,512,700	-3,886,588

2014/15

Cost Centre	Cost Centre Narrative	Budget YTD	Actual YTD	Variance
1874	SEN Statementing Budget	6,579,655	5,270,040	-1,309,615
1879	16+ High Needs FE payments	1,292,400	754,490	-537,910
1876	SEN Recoupment Spec Sch/Units	1,027,900	493,632	-534,268
1880	16+ Independent Specialist Prov	1,317,500	1,732,314	414,814
1877	Recoupment Budget Mainstream	211,350	105,008	-106,342
1872	SEN Independent /	12,820,900	12,352,254	-468,646

1864	Special Schools	17,949,870	18,076,090	126,220
1868	SEN Assessment Services	584,026	534,250	-49,776
1871	Special IT Equipment	120,000	73,069	-46,931
1865	SEN Alternative Provision	1,410,000	1,379,915	-30,085
1878	Special Units and ERB's	4,261,430	4,232,441	-28,989
Grand Total		47,575,031	45,003,504	-2,571,527

2015/16 budget as of 01/09/15

Cost Centre	Cost Centre Narrative	Annual Budget	Forecast	Variance
1872	SEN Independent /	15,092,490	16,566,017	1,473,527
1880	16+ Independent Specialist Prov	1,317,500	1,617,500	300,000
1879	16+ High Needs FE payments	830,309	580,608	-249,701
1865	SEN Alternative Provision	1,210,000	1,300,000	90,000
1876	SEN Recoupment Spec Sch/Units	933,485	854,959	-78,526
1864	Special Schools	19,061,395	19,399,395	338,000
1878	Special Units and ERB's	4,512,577	4,572,577	60,000
1874	SEN Statementing Budget	5,296,376	5,353,416	57,040
1877	Recoupment Budget Mainstream	149,058	125,318	-23,740
1871	Special IT Equipment	92,000	73,069	-18,931
1868	SEN Assessment Services	608,868	604,068	-4,800
Grand Total		49,104,058	51,046,927	1,942,869

Nb. It should be noted that the underspend for 14/15 included credits for prior year reserves which weren't required. These aren't available in 15/16. The credits were £690k in independents and £267k on out county recoupment. The budget also included £1.8m contingency funding which was largely underspent. £850k on the contingency was used to fund the band increases for special schools and units and the rest was used to support increased demand for places in the 15/16 budget.

APPENDIX 4: BREAKDOWN FOR DEMAND OF SEND SUPPORT PLANS

Analysis of the age of primary pupils who have received top up;-

Age is at Autumn 14

Age 3	30
Age 4	6
Age 5	4
Age 6	10
Age 7	10
Age 8	7
Age 9	9
Age 10	1

Total 77

Average allocation £4,549

Only allocated 5 in secondary

APPENDIX 5. INDEPENDENT SPECIAL SCHOOL FORECAST

Independent Schools	roll forward	Inflation on current pupils	leavers	ghosts inc inflation	waiting list	ghost leavers	Total Fcast	movement	chk	15/16 Budget	Contingency / (overspend)	annual increase
Memo: 2015-16 pd 5 Budget Monitor	16,458,389		0	534,172	146,039		17,138,600		0	15,092,490	-2,046,110	2,046,110
2016-2017	16,816,316	152,043	-1,612,036	3,499,279	1,287,402	-312,574	19,830,431	2,691,831	0	15,092,490	-4,737,941	2,691,831
2017-2018	19,830,431	137,755	-1,580,866	3,534,272		-188,582	21,733,009	1,902,578	0	15,092,490	-6,640,519	1,902,578
2018-2019	21,733,009	121,129	-1,800,270	3,569,614		-453,670	23,169,812	1,436,803	0	15,092,490	-8,077,322	1,436,803

APPENDIX 6. ATTAINMENT DATA FOR SEND



CB183 - SEND
attainment data slide:

APPENDIX 7. BANDING DATA FOR SPECIAL SCHOOLS

BAND	TOTAL 2004/05		TOTAL 2005/06		TOTAL 2006/07		TOTAL 2007/08		TOTAL 2008/09		TOTAL 2009/10		TOTAL 2010/11		TOTAL 2011/12		TOTAL 2012/13		TOTAL 2013/14		TOTAL 2014/15	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%	No	%
10	49	9	57	9	61	8	68	9	66	8	59	7	56	6	60	7	56	6	45	4	60	5
9	50	9	51	8	58	8	59	8	65	8	61	7	61	7	51	5	47	5	283	27	53	5
8	71	13	79	12	90	12	86	12	99	13	99	12	98	11	103	11	100	10	306	29	103	9
7	137	25	175	27	177	24	163	23	166	21	176	21	169	19	181	19	201	20	218	21	241	22
6	108	20	135	21	166	23	175	24	204	26	231	27	238	27	273	29	315	32	106	10	359	32
5	106	19	128	20	148	20	142	20	151	19	187	22	211	24	230	25	232	23	49	5	259	23
4	32	6	25	4	25	3	31	4	29	4	34	4	39	4	39	4	44	4	53	5	38	3
TOTAL	553	100	650	100	725	100	724	100	780	100	847	100	872	100	937	100	995	100	1060	100	1113	100

APPENDIX 8. PLACEMENT AND FORECAST DATA OF LEICESTERSHIRE CHILDREN IN THE ACADEMY AND MAINTAINED SPECIAL SCHOOL SECTOR



PLACEMENT OF CHILDREN WITH A ST



Special Educational Needs 2015 summary

School Population Forecast	11/12 pupils	12/13 pupils	13/14 pupils	14/15 pupils	15/16 projection	16/17 projection	17/18 projection	18/19 projection
	86,255	86,385	87,202	87,930	90,859	93,401	95,456	96,822
annual increase in pupils	NA	100.2%	100.9%	100.8%	103.3%	102.8%	102.2%	101.4%
cumulative increase since 14/15				NA	103.3%	106.2%	108.6%	110.1%
Special School Population Forecast	11/12 pupils	12/13 pupils	13/14 pupils	14/15 pupils	15/16 projection	16/17 projection	17/18 projection	18/19 projection
Special school March pupils					1037	1072	1123	1158
less leavers (age 19 going forward)					-84	-71	-90	-95
plus starters assuming population growth					119	122	125	127
September NOR forecast					1072	1123	1158	1190
Special School Forecast Addl Cost	11/12 pupils	12/13 pupils	13/14 pupils	14/15 pupils	15/16 projection	16/17 projection	17/18 projection	18/19 projection
increase in places since 15/16						51	86	118
Place Fee (Academic Year)						510,000	860,000	1,180,000
Average Top UP (Academic Year)						294,492	496,594	681,373
Total additional cost						804,492	1,356,594	1,861,373