

SUBJECT:	High Needs Budget Update
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DATE:	June 2021
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SUMMARY OF REPORT:	
Update on the High Needs Forecast and Deficit Recovery Plan	
FOR:	For Information

1. High Needs Placements: 2020-21 Outturn and 2021-22 initial forecast

- 1.1 There was an overall in-year deficit in 2020-21 on High Needs of £31.8m made up of £37.4m deficit on high needs placements and £4.2m deficit on other central high needs activities (home tuition, exceptional pupil need and direct payments), offset by the carry forward of the 1% inclusion fund of £9.8m which is expected to be spent in future years. The accumulated deficit on high needs now stands at £61.5m (£71.3m if the inclusion fund is excluded). This pressure is arising from increases in demand and the supporting of children in more costly specialist placements. Appendix A provides a summary of the High Needs placements spend since the introduction of the SEN reforms in 2014 and the initial forecast for 2021-22, along with the demand and cost information.
- 1.2 In addition to this budget pressure on the DSG High Needs placement budget, the Council is also seeing similar pressure on its SEN Home to School Transport budget and Council funded SEN support services, which is funded from the Council's base budget. Along with pressure on the Basic Needs capital programme to support the growing requirement for SEN specialist provision.

2. Deficit Recovery Plan Update

- 2.1 Local Authorities are required to develop a Deficit Recovery Plan where a Local Authority has an overall deficit on its DSG account at the end of financial year, or their surplus has substantially been reduced. The plan should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the final high needs funding allocation for 2021 to 2022, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways.

- 2.2 Appendix A and presentations at previous SFFs have summarised the overall increase in spend and national data on the placement of children with an Education, Health and Care Plan (EHCP).
- 2.3 Many of the workstreams are linked to the Written Statement of Action and the development of the Kent Commissioning Plan. The status of the workstreams directly linked to this plan are summarised below:

Workstreams	Updates since last SFF
Mainstream High Needs Funding Review	This will take place during the Summer Term and consulted during the Autumn Term (Appendix B – provides an overview)
Inclusion Fund Activities	Update to be provided in a separate presentation by Celia Buxton Including outcomes of the County Approach to Inclusive Education consultation
Investment in Commissioning Support - to advise on the overall commissioning approach to SEN across the County - Review of key SEN contracts and commissioning arrangements, including Specialist Teaching and Learning Service (STLS), independent and non-maintained, home tuition and therapy services. - review of Post 16 provision is also being undertaken.	Item 2 – provides an update on proposals for future contract approach to independent provision, home tuition and therapy services. Review on STLS and Post 16 provision continues.
Development of SEN Sufficiency Plan	The Plan will provide the evidence base for capital investment in the maintained specialist and special school sector, which will feed into the Kent Commissioning Plan for Education Provision and support the implementation of a graduated approach for supporting children and young people with SEND. This is expected to be presented Cabinet during the summer.
Modelling of future demand / scenario planning	The original model for predicting future demand has been updated significantly. This will form the basis for updating the scenario plans previously presented to SFF. This will form a baseline to model future progress and to set targets against for the future delivery of SEN provision across the county.

	The scenario plans are currently being updated, in light of the work described above, and progress will be reported to the SFF in July.
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3. **National Changes in Policy and Funding**

- 3.1 It is unrealistic to assume the outcomes of the workstreams will result in a solution to the high needs deficit either in the short or long-term without significant extra funding. The Council continues to maintain the position, the solution to the high need's deficit cannot be resolved by local efficiencies and more funding alone unless the Government is willing to put in significantly more and continually increasing amounts of funding which it has failed to do to date. The national solution must be a combination of both more funding and the need for structural changes to government policy. We continue to wait for the outcome of the SEN Review, now expected at the end of June 2021, for recommendations in changes to national policy and associated funding.

Appendix A: Total Cost of High Needs - By Institution Type

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Movement	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	2020-21 to 2021-22	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
Special Schools	67,048	68,543	68,118	70,460	74,108	79,022	87,083	94,925	110,017	15,092	15.90%
Resource Provision	13,118	14,919	15,274	16,009	12,443	13,438	15,033	16,701	17,951	1,250	7.48%
Mainstream Schools	8,755	8,899	14,398	23,797	22,084	17,571	22,975	29,727	38,500	8,773	29.51%
Independent and Non-Maintained ISP Post 16 Colleges	17,581 6,000	19,840 5,359	22,588 4,281	24,384 4,561	29,461 5,225	35,717 5,270	39,773 4,358	49,245 3,799	56,000 3,500	6,755 -299	13.72% -7.88%
Sub Total - Independent provision	23,581	25,199	26,869	28,945	34,686	40,988	44,130	53,044	59,500	6,456	12.17%
OLA Maintained	2,295	2,531	2,661	3,160	4,165	5,275	5,591	6,261	6,800	539	8.61%
FE Colleges	4,229	4,980	6,867	8,081	8,724	8,944	9,116	9,742	10,111	369	3.79%
SPIILP & OLA FE	0	0	0	366	1,728	2,227	2,541	3,764	4,140	376	9.98%
TOTALS	119,026	125,071	134,186	150,817	157,938	167,465	186,467	214,163	247,019	32,855	15.34%

Appendix A – Number of High Needs Places – average number of pupils over the year

	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Forecast
Special Schools	3,272	3,349	3,572	3,649	3,854	4,197	4,563	4,918	5,332
Resource Provision	804	810	874	884	890	985	1,077	1,173	1,268
Mainstream Schools	802	860	1,475	2,222	2,341	2,293	2,845	3,337	4,220
Independent and Non-Maintained ISP Post 16 Colleges	458 87	491 71	521 64	562 61	726 70	796 72	907 66	1,126 59	1,288 51
Sub Total - Independent provision	545	562	585	623	796	868	973	1,185	1,339
OLA Maintained	95	103	87	107	121	152	188	200	205
FE Colleges	467	570	636	800	805	805	805	816	843
SPI ILP & OLA FE	-	-	-	55	250	169	325	406	471
TOTALS	5,985	6,254	7,229	8,340	9,057	9,468	10,776	12,035	13,678

Appendix A – Average Cost of High Cost Places

	2017-18	2018-19	2019-20	2020-21	2021-22
	£'000	£'000	£'000	£'000	£'000
Special Schools	19.2	18.8	19.1	19.3	20.6
Resource Provision	14.0	13.6	14.0	14.2	14.2
Mainstream Schools	9.4	7.7	8.1	8.9	9.1
Independent and Non-Maintained ISP Post 16 Colleges	40.6 74.3	44.9 73.2	43.9 66.0	43.7 64.4	43.5 68.6
Sub Total - Independent provision	43.6	47.2	45.4	44.8	44.4
OLA Maintained	34.4	34.7	29.7	31.3	33.2
FE Colleges	10.8	11.1	11.3	11.9	12.0
SPI ILP & OLA FE	6.9	13.2	7.8	9.3	8.8
TOTALS	17.4	17.7	17.3	17.8	18.1