

Divisions Affected - All

PEOPLE OVERVIEW & SCRUTINY COMMITTEE

12th January 2023

SEND Finances

Report by Kevin Gordon, Corporate Director of Children's Services, Oxfordshire County Council

1. **The People Overview and Scrutiny Committee is ASKED to** note the information contained re the funding arrangements and constraints for SEND and the impact that this has upon services delivered. Committee members will also be signposted to the High Needs Block element of the Council's 2023/24 Budgets papers which are soon to be published.

Executive Summary

2. The issues relating to SEND and finance are complex with no easy solutions, particularly in the short term.
3. This report describes the challenges in SEND, including how the arrangements are financed locally. Some of these challenges are not within the gift of Oxfordshire County Council to address (for example, the Council cannot simply open new Special Schools), they require systemic, national action.
4. The report also sets out the developments that Oxfordshire is proactively undertaking to improve outcomes for our children and young people with SEND within the central government allocated finances available locally.

Special Educational Needs and Disability (SEND)

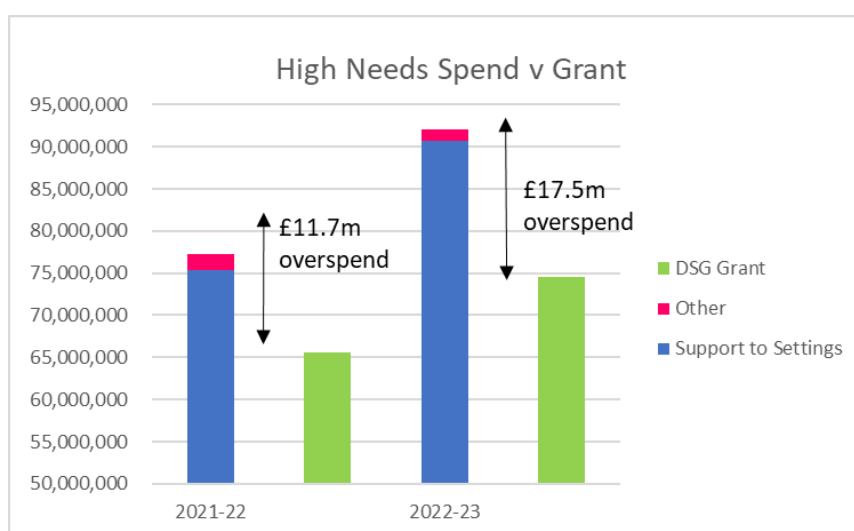
5. The SEND reforms in 2014 introduced Education Health and Care (EHC) Plans and extended the provision of support from birth to 25 years of age.
6. Since then, both nationally and locally, there has been year on year increase in the number of requests for an education, health and care needs assessment and the number of EHC Plans that local authorities are responsible for. This trend shows no signs of slowing let alone decreasing.
7. In Oxfordshire the number of statutory Plans has risen from 2,233 in 2014/15 to 5,025 in 2021/22. This is an increase of 125%.

8. Over the same period, the allocation of funding for SEND to Oxfordshire from central government has increased by 49%, falling significantly short of the increased demand.
9. Benchmarking shows that despite the high demand for EHC Plans, Oxfordshire is below statistical neighbours in terms of numbers of EHC Plans. It is therefore likely that the trend for plans and therefore additional support for SEND in Oxfordshire will continue to rise.
10. In Oxfordshire, the largest proportion, 44.1%, of children and young people with EHC Plans receive their education in mainstream schools. This compares to the national average of 40.5%.
11. Oxfordshire has a higher proportion of children and young people with EHC Plans in further education (17.8%) compared with the national figure of 16.6%.
12. Of the Oxfordshire children in special schools, 16.3% are in independent provision (an increase of 0.2% or 12 children since 2021) compared to 12.3% nationally.
13. In comparison to statistical neighbours, spend in further education and independent settings is high reflecting the higher numbers supported in those settings. Independent settings are typically much more expensive provision and are therefore a key driver in the high level of spend locally on SEND.
14. At almost 60%, the most common primary need for children and young people with an EHC Plan in Oxfordshire is autistic spectrum disorder (ASD). This cohort is growing faster than any other.
15. Many of the issues that children and young people with SEND, their families, and professionals face were clear in 2019 when the national SEND Review was launched. In mid-2022, a Green Paper on SEND was issued for public consultation. The consultation closed in Summer 2022. No response to the consultation has been published and there remains no national plan to address these longstanding challenges, indeed they have exacerbated.
16. This is a national, systemic crisis that is affecting children and families on a daily basis. The understanding is that any SEND policy changes are unlikely to be accompanied by new funding in the short term.

SEND and Finance

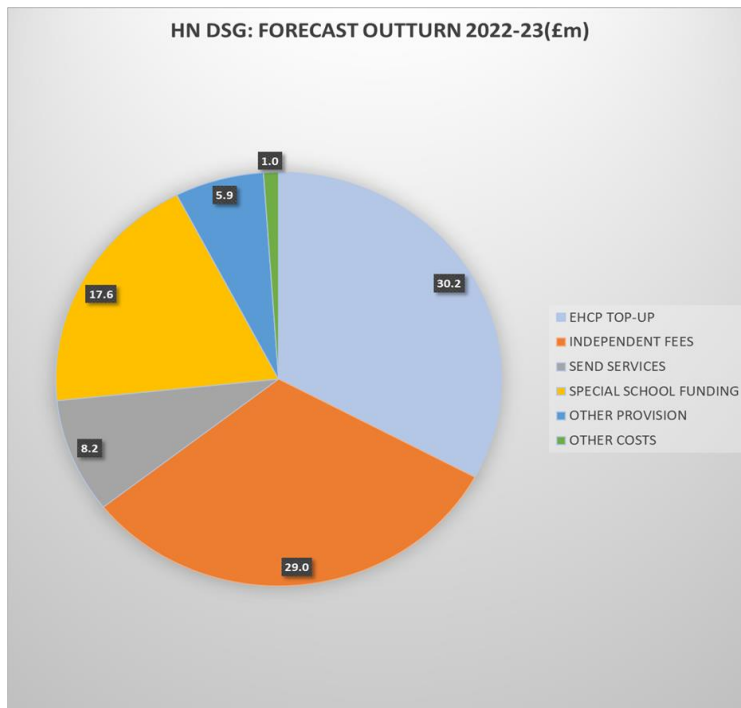
17. Funding for SEND is complex. What follows is a broad summary.
18. Overall funding for education is provided by central government. This funding is divided into four funding streams or “blocks”: the schools block, the high needs block, early years block and central block. It is important to note that this money is separate from the general fund (monies raised through council tax) the main part of the Councils budget. Schools funding regulations do not allow general fund resources to be used to fund schools unless the permission of the Secretary of State is sought.

19. The high needs block (HNB) enables Local Authorities to meet their statutory duties by supporting provision for pupils and students with SEND from early years to the age of 25. This includes alternative provision for pupils under the age of 16 who cannot receive their education in mainstream schools.
20. The formula that central government uses allocates just under a third of funding based on historical spending patterns. Approximately two thirds of funding is based on local indicators, including the size of the population and levels of deprivation. This formula means that if needs go up or down from year to year, the changing needs are not fully reflected in local budgets. This in turn means that, given the overall budget allocation in each area, a pupil in one local authority could attract significantly more or less funding than a pupil in another local authority, even though the pupils have similar needs.
21. In cases where councils have rising numbers of pupils requiring support for SEN such as in Oxfordshire, there is limited flexibility to transfer money from the schools block to the high needs block, placing considerable pressure on the system.
22. The Dedicated Schools Grant High Needs Block (HNB) consists of all funding for education provision for high needs learners from age 2 to 25. This includes expenditure on alternative provision for those children who have been excluded from mainstream education.
23. The current High Needs funding is £74.5m (after deductions for academy run provision). The detail of how this is currently spent is included in the diagram below which illustrates that demand for the services provided under the High Needs block is expected to cost £92.0m in the current year and this exceeds the available funding by £17.5m.



24. In summary, £90m is spent supporting children in settings where Oxfordshire allocates the funding. A further £17.3m is recouped by the Education and Skills Funding Agency from the Local Authority for academies and is spent directly by them to fund special and alternative provision places within Oxfordshire.

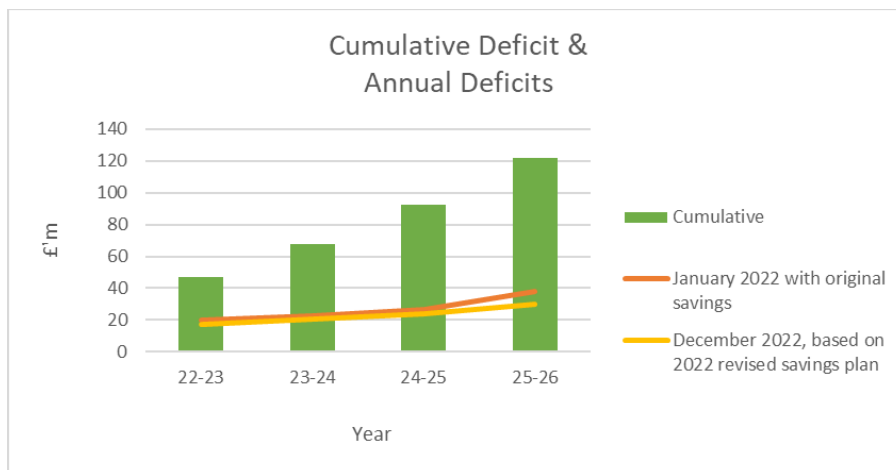
25. Support to settings includes expenditure on high needs learners in early years settings, in primary schools, secondary schools, special schools, independent schools, hospital school, resource bases, alternative provision and in colleges. This is set out in the chart below which shows the split of High Needs spend.



26. As per paragraph 6, the demand for SEND in Oxfordshire continues to grow; the number of requests for an education, health and care needs assessment has increased by 101% over the last 4 years, with the number of EHC Plans that Oxfordshire is responsible for rising by 63% over the same period.

Year	EHC Plans		Requests for assessment	
	EHCs (Jan SEN2)	% of 3-24 population	SEN 2 - Calendar year	Total
2018	3,076	1.60%	2017	583
2019	3,554	1.90%	2018	772
2020	4,017	2.10%	2019	1,023
2021	4,627	2.40%	2020	1,078
2022	5,025	2.60%	2021	1,170
Change (2021-2022)	9%		Change (2021-2022)	9%
Change (2018-2022)	63%		Change (2018-2022)	101%

27. This translates into the following forecast future year deficits



The Oxfordshire Response to the SEND Challenges

28. The outcomes for children and young people with SEND in Oxfordshire are not good enough.
29. In addition, in the past five years, spending in Oxfordshire on children and young people with SEND has exceeded the available budget.
30. Consequently, in early 2022, a detailed public consultation on SEND was conducted in Oxfordshire; this was ambitious, covering not just education (Local Authority and education settings) but also Social Care and Health, and included proposals to make SEND system reforms locally.
31. The outcome of the consultation was overall very supportive of the proposals and work is ongoing to implement the proposed reforms to ensure improved outcomes within the available finances.
32. The greatest pressure on SEND finances locally is the due to the proportionally high number of placements in the independent and non-maintained school sector. These schools are significantly more expensive than maintained schools of similar type and do not consistently deliver outcomes. There are two key drivers to placements in the independent sector, parental preference and the proportionate lack of maintained special school places in Oxfordshire compared to statistical neighbours.
33. Two new special school builds are in progress at Bloxham Grove and Faringdon and bids for a further two special free schools (one in Didcot of 116 places, one in South-East Oxfordshire of 150 places) have been submitted to the Department for Education.
34. In addition, OCC volunteered to be one of the first 20 councils to work with the Department for Education on the [Delivering Better Value](#) programme to identify sustainable changes that can drive high quality outcomes for children and young people with SEND. This work started in September 2022, from late January 2023, OCC can submit an evidence-based grant application to assist the implementation of those changes.

35. For further details on specific service delivery improvements, please refer to the related Informal Cabinet paper.

Corporate Policies and Priorities

36. The Local Area SEND Strategy links to priority 2 (Tackle inequalities in Oxfordshire), priority 3 (Prioritise the Health and Wellbeing of Residents) and priority 7 (Create opportunities for children and young people to reach their full potential) in the OCC Corporate Plan.

Financial Implications

37. Financial implications are set out in the main body of the report.

Comments checked by: Sarah Fogden, Finance Business Partner (Children),
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Legal Implications

38. This report is for information only, there are no new proposals.

Equality & Inclusion Implications

39. As part of the SEND consultation in 20122, Equality Impact Assessment was completed covering the protected characteristics set out in the Equalities Act 2010.
40. In particular, disability is a protected characteristic under the Equalities Act 2010 and children and young people with SEND face significantly greater challenges in learning than their peers or have a disability which hinders their access to the teaching, curriculum and facilities typically found in mainstream educational settings.
41. The ECIA are 'live' documents that are subject to review and amended as the developments progress.

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Background papers: [The national funding formula for schools and high needs: Executive summary](#)

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