

SEND Programme & High Needs Budget

1. Executive Summary

The purpose of this paper is to provide Cabinet with an update on:

- How work with the SEND Local Area Strategy and SEND System Reforms is impacting the High Needs Deficit Recovery plan
- The progress of the Department for Education (DfE) Delivering Better Value (DBV) programme and the early findings from this work
- Explain the further investment being sought to support inclusion in mainstream settings - DBV grant, disapplication from Schools Block money and continued investment in top ups for mainstream and special schools - and the potential approaches to support this

The outcomes for children and young people with SEND in Oxfordshire are not good enough. In addition, in the past five years, spending in Oxfordshire on children and young people with SEND has exceeded the available budget.

SEND (High Needs) expenditure is forecast to exceed the grant funding available by £17.5m in 2022/23. This is a slightly reduced deficit from the £20.3m shortfall reported to Cabinet in January 2022. The cumulative deficit at 31st March 2022 was £29.8m.

Thanks to the work which took place earlier this year, there is now a clear and public-approved Local Area SEND Strategy to help frame the changes required, as well as a number of approved System Reforms.

Significant progress has taken place in the past six months in many areas including:

- activity planning with system colleagues around the Local Area SEND Strategy
- enhanced pathways in mainstream education for children with SEND - five programmes have taken place with great outcomes, including forecast savings of £0.45million
- development of partnership working with Health (health funding protocol and special schools nursing contract are due to be finalised early 2023)
- as per the 2022 public SEND consultation regarding the transfer of resource bases to schools, positive engagement with schools is underway and full staff consultation will be held accordingly
- ongoing progress on the build of two special schools and free school funding proposals submitted to the DfE for two further schools
- engagement with Oxfordshire colleges is ongoing to establish enhanced post-16 opportunities in Oxfordshire

In addition, there is ongoing insight and support via intensive engagement with the DfE DBV programme. The DBV programme has confirmed and provided evidence for areas of change already identified, as well as bringing to the surface several areas to explore further.

A number of funding opportunities are available to continue our work with schools; £1.0m from the DBV programme, £2.3m block transfer from schools funding (request made to Secretary of State) and £3.9m additional funding announced by the DfE in December 2022. The success with the DBV and block transfer requests will determine the extent of further investment in schools. The proposed approach for the management of additional top up funding places OCC in the best position to support schools in the interim.

2. Background

2.1 National Policy

It is thought that there will be some response by central government to the Green Paper in January 2023, but this is unlikely to be clear policy changes. It is clear that the government will use the outputs from the DBV programme to inform any future policy, which highlights the importance of our ongoing commitment to this programme. However, it is also becoming clear that changes in national policy will be incremental not revolutionary, and that no new funding will be provided in the short term. Therefore, there are very few available options and OCC will need to use available resources creatively to lever the greatest possible impact.

The Autumn Statement announced £2bn additional funding for Schools & High Needs. On 6th December 2022, the DfE announced that £400m of this was for High Needs; of this Oxfordshire will receive £3.9m.

2.2. Statistical Neighbour and National Benchmarking

Oxfordshire's High Needs block allocation per 1,000 of the 2-18 population is rising, but still remains below Local Authority average both nationally (England) and compared to statistical neighbours.

The proportion of young people with Education, Health and Care (EHC) Plans has grown by 25.9% over the past 3 years, a similar rate of growth to statistical neighbours, but the overall rate is still below the national (England) average. In Oxfordshire the number of EHC Plans has risen from 2,233 in 2014/15 to 5,025 in 2021/22. This is an increase of 125% so although central government has increased the allocation for SEN to Oxfordshire by 49% over the same period, this has fallen considerably short of the increased demand.

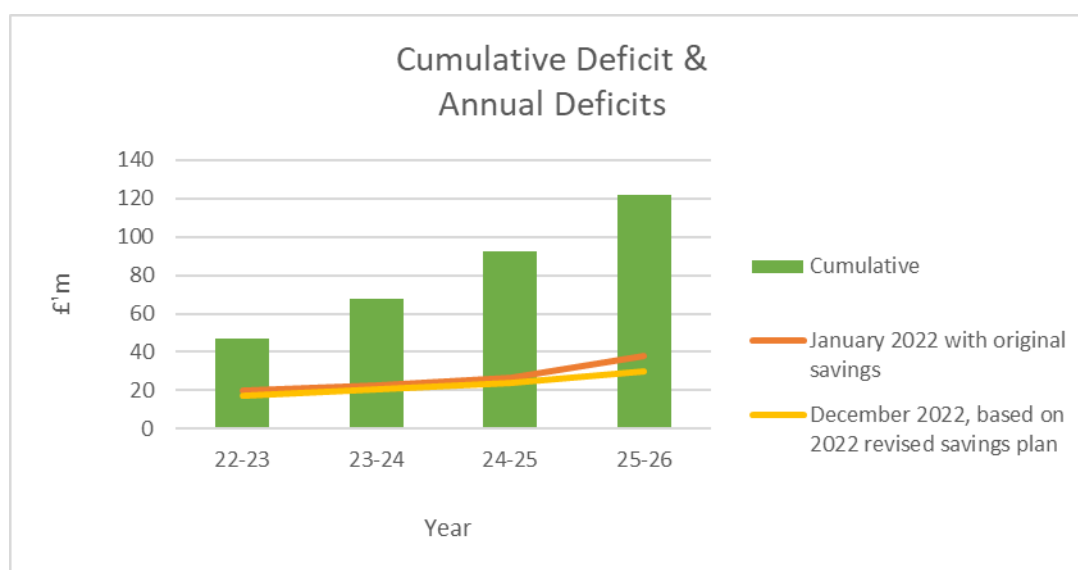
Oxfordshire has a higher proportion of children with EHC Plans in a mainstream setting than the national Local Authority average and a higher proportion than most statistical neighbours.

2.3. Forecast Deficit

The forecast deficit for SEND is set out in the table below. The High Needs Board has developed plans (including plans to increase special school places), to deliver the savings over a five-year period, but these are insufficient to remove the High Needs deficit.

The forecast deficit is based on existing savings plans agreed in the spring. The DBV exercise has confirmed the spend trajectory for Oxfordshire is in line with the existing forecast. The next stage of DBV is to undertake case load audits to identify the best areas of opportunity to reduce expenditure. This exercise may change the focus of savings activities.

FORECAST DEFICITS	B/fwd	22-23	23-24	24-25	25-26	TOTAL
January 2022 with original savings	29.8	20.3	22.9	26.6	38.3	137.9
December 2022, based on 2022 revised savings plan	29.8	17.5	20.6	24.2	29.9	122.0
Cumulative	29.8	47.3	67.9	92.1	122.0	
Annual Savings included in forecast			3.5	6.9	6.9	
Cumulative savings included in forecast			3.5	10.4	17.3	



2.4. DfE Support & Advice

The DfE have a SEND support programme that consists of Safety Valve Agreements for those local authorities with the highest deficits and DBV programme for the remaining deficit authorities. A Safety Valve arrangement attracts funding from the DfE to help deal with the SEND cumulative deficit. Oxfordshire does not qualify for the DfE Safety Valve scheme. The DfE have recently published details of the latest Safety Valve agreements that give an insight into thinking consistent with the Green Paper.

Oxfordshire was disappointed not to qualify for the Safety Valve arrangements and lobbied for inclusion, demonstrating to the DfE the trajectory of the deficit. We have subsequently been invited to be part of Tranche 1 of the DBV programme.

Informal conversations with the DfE contracted consultants Newton Europe, suggest that DfE may be using evidence gathered through the DBV process to assess if additional local authorities need to be brought into the safety valve programme.

The savings that form the High Needs Deficit Recovery plan are summarised in the annex. The key contribution to deficit recovery is the expansion of Special School places and the impact that Early Intervention and Inclusion Hubs may have. These figures exclude any impact from Early Intervention proposals or the potential impact of Inclusion Hubs and other approaches to reduce demands. The latter requires investment and will form part of the bid for DBV grant and the request to Schools Forum for a transfer from the DSG Schools Block.

3. How Local Area SEND Strategy and System Reforms are Impacting the Deficit Reduction Plan

3.1. Build New Special Schools & expand places where possible

Expansions continue. Two new builds in progress and two in planning. Based on current data, it has been established that up to 700 new special school places will be required (ages 4-19) by 2026. This assumption will continue to be tested in conjunction with the data analysis taking place in the DBV Programme. A plan is being developed, which includes new schools at Bloxham Grove and Faringdon, progressing with the new school in Didcot through a bid to the DfE for a Free School, and continuing with a rolling programme of expansions where feasible. Property Services are engaged in a site search suitable for a further new school to support pupils with SEMH (social, emotional and mental health) needs in the southeast of Oxfordshire, also to be the subject of a Free School bid, and if the need is confirmed by data analysis, potentially two further new schools.

This project will require considerable investment, £19m has been allocated from the High Needs DfE capital grant over the next three years. Two Free School bids have been made in latest round and the outcome is expected in January 2023.

3.2. Enhanced pathways

Five programmes have taken place with significant impact, including forecast savings of £0.45m.

Further funding would be targeted at the creation of In-reach/Out-reach Inclusion Hubs, which from initial modelling have the potential to support more children locally, meeting needs at an earlier stage and avoiding the escalation

to specialist provision. Business case based on case reviews suggests that some young people could be prevented from escalating to more expensive placements. Early modelling suggests a saving up to £5.6m over 5 years but this estimate will be reassessed as part of the DBV analysis.

Ongoing investment for this project is subject to the success of the bid for DBV grant and the Dedicated Schools Grant (DSG) block transfer application to the Secretary of State

3.3. Early Intervention

Further work would focus on building confidence in schools for working with CYP with SEND. It is estimated that this would require an investment of £1.8m. Modelling on financial impact to be completed as part of DBV programme. Activities may include expanding the reach of SEND Helpdesk, further training and support to school to implement the Ordinarily Available Toolkit and Inclusion Support. All initiatives are aimed at supporting schools to deliver a robust graduated approach, meeting the needs of children and young people with SEND at the earliest opportunity.

3.4. Resource Bases

Following on from the Local Area SEND Strategy and system reforms consultation, regarding the transfer of resource bases to schools, positive engagement with schools is underway and full staff consultation will be held accordingly

3.5. Specialist Colleges

To create a right sized model through reviewing the current Independent Specialist Provider and re-establishing the pre-annual review process. Key activities have been determined, with a plan in progress. Meetings have commenced with colleges to ascertain courses on offer. These savings may come earlier as reviews taking place

3.6. Preparing for Adulthood

Long term project to develop alternative education and support services in County.

3.7. Contract Renegotiation

To date a rationalisation in line with demand for Alternative Provision places / top up has resulted in £0.4m savings, with a £0.2m impact on financial year 2022/23. This has exceeded the £0.3m target.

A paper on Alternative Provision went to October and November 2022 Schools Forum meetings and a high-level plan has been drafted. Resource is needed to carry out a category management spend review, analyse the

service, reduce spend, develop alternatives and review packages to see whether some children could return to mainstream education.

Independent Non-Maintained Specialist Schools (INMSS) contracts: Oversight of procurement/contracts for INMSS providers is required by contract management specialists in order to ensure that fees, including uplifts are managed strategically, allowing more accurate financial forecasting and ensuring principles of best value. Anticipated savings to be modelled. In 2021/22 £1.0m was saved as a result of freezing fees and asking for reduced fee block bookings rather than spot purchasing in providers with large numbers of Oxfordshire placements. Procurement activity is also needed beyond the framework that we have joined as this alone is unlikely to provide adequate capacity.

Health Funding Provision: A review of Health funding for provision currently covered by schools is taking place. An agreed protocol has been drafted, which establishes the correct proportion of funding to be provided by Health. This also includes a contribution to INMSS placements. It is hoped that a final draft will be complete by the end of the year and approval will be sought from the Joint Commissioning Executive by the end of January 2023.

4. Delivering Better Value Programme - Progress & Key Drivers for our Current Position

The data analysis phase of the DBV programme is now complete and submitted to the DfE on Friday 2nd December 2022. It contained details of unmitigated forecasts, areas driving spend and key areas of focus for case studies (Autism Spectrum Disorder, Transition and Starts in INMSS Settings from Mainstream). Case studies, parent carer surveys and data deep dives took place throughout November and December 2022 to gather further insight.

The data is being drawn together to start framing the local implementation plan. A planning session is taking place with Newton Europe (DfE consultants for the DBV programme) in the first week of January 2023. The final plan, as well as the funding proposal to the DfE will be completed by 27th January 2023. It is hoped to obtain the maximum of £1.0m from the proposal.

The work with the DBV programme has helped to confirm several key areas of SEND expenditure, and possible drivers for this expenditure. The intention is to investigate these further, as part of the implementation plan and DBV funding proposal to the DfE:

- i. Independent Non-Maintained Special School (INMSS) expenditure represents the highest area of growth over the next 5 years and is driven by number of EHC Plans. (Current spend is c.£25m on 450 children/young people)
- ii. Mainstream expenditure is the second highest forecasted spend in the next 5 years and is driven by increasing number of EHC Plans

- iii. Of the number of EHC Plans in INMSS, the caseload is primarily driven by children and young people (CYP) with pre-existing EHC Plans who move provision
- iv. Of the number of EHC Plans in mainstream, the caseload is primarily driven by new EHC Plan starts
- v. Oxfordshire already has a comparatively low rate of EHC Plans compared to statistical neighbours and is below the national (England) average. This suggests that there is minimal opportunity in supporting more CYP with SEN support if the target is what has been achievable in similar authorities.
- vi. From work with the DBV programme, escalation of provision has contributed to the rise of EHC Plans in special schools. Amongst the parents and carers with children that moved from mainstream to specialist provisions, the driving factor most commonly cited behind these moves is a perceived inability to meet need by the mainstream setting.
- vii. Confidence in the ability to meet need is low across all key stages apart from in KS5 (post 16) settings and nursery. This reflects earlier findings that EHC Plans spike in transition years.
- viii. There are, however, always cohorts of parents and carers who are happy with the support their child is getting. This is reflected in the survey comments, suggesting that there may be opportunity to ensure greater consistency in how students with SEN are supported across schools and educational settings.
- ix. The escalation of EHC Plans to specialist provision is more prominent in certain settings and merits further investigation.
- x. Initial findings from case reviews and deep dives suggest there may be the potential to achieve a significant reduction in INMSS placements and for those children whose needs could be met or improved in other local settings. Further investigation is taking place around this.

5. Investment/Enhanced Funding strategy

Outlined below are the approaches to enable expansion of project work with schools and continue to enhance pathways in mainstream education.

If the request for Schools Block Transfer is successful, partnerships would come together with officers to create the implementation plans for early intervention, including how impact would be measured:

- Inreach/outreach hubs for primary age SEMH needs
- Whole county training in trauma informed practice

- Specialist team that can be deployed to carry out short term direct work with teachers and teaching assistants

The proposed £3.3m investment in Early Intervention and Hubs relies on receipt of an approximate £1.0m DBV grant and the success of the block transfer of £2.3m. Although there was broad support for Early Intervention, the majority of schools which responded to mandated consultation required to undertake a block transfer did not support the transfer of funding, and Schools Forum did not agree the block transfer. The Council has therefore applied to the Secretary of State for the funding to be moved from the Schools Block to the High Needs Block (disapplication request).

There are therefore three options to implement the early intervention programme.

Option 1 (Recommended position in the event that disapplication request is approved):

Implement Early Intervention in full using block transfer (£2.3m) and DBV grant (£1m). This option would allow the continuation of the increased top-up to mainstream schools, which support inclusion and mainstream intervention.

In the event that the disapplication request is not approved, there are some difficult decisions to be made to ensure effective use of the HNB funding and partnership working with schools.

The approaches available to OCC would be:

Option 2: (Recommended position if disapplication request is not approved). For a time-limited period, use additional grant funding provided by government this year, working through the Oxfordshire Strategic Schools Partnership to secure a strategic commitment to this approach, that will enable schools to make a forward-looking Block Transfer consultation decision in Autumn 23 for financial year 2024/25. Thereby establishing a formal match funding approach of HNB growth and School block transfer.

Option 3: Reduce the enhanced top up grants and transfer £2.3m into the Early Intervention programme from April 2023/24.

Option 4: Use £2.3m of additional HNB grant and cease all enhanced top up grants from 2024/25

Further details on the options are set out in the table below.

Approaches available to OCC if disapplication request is not approved

Option	Description	Impact on HNB position	Commentary
2 (Preferred)	For a time-limited period, use additional grant funding provided by government this year, working through the Oxfordshire Strategic Schools Partnership to secure a strategic commitment to this approach, that will enable schools to make a forward-looking Block Transfer consultation decision in Autumn 23 for financial year 2024/25. Thereby establishing a formal match funding approach of HNB growth and School block transfer.	Use of grant to fund investment removes the option to reduce the HN deficit by £2.3m in 2023-24.	Enable schools to make a forward-looking Block Transfer consultation decision in Autumn 23 for financial year 2024/25
3	Reduce the enhanced Top Up grants and transfer £2.3m into the Early Intervention programme from April 23/24	Neutral	Removes some of the additional top-up money from Schools
4	Use £2.3m of additional HNB grant and cease all enhanced Top Up grants from 24/25	Use of grant to fund investment removes the option to reduce the HN deficit by £2.3m in 2023-24. Removing all top-ups in 2024/25 will reduce deficit by £4.1m	Gives Schools an opportunity to see the impact of early intervention funding in considering the disapplication request in 2024/25

Other Documents [Local Area SEND Strategy and OCC System Reform for SEND](#)

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