

SCHOOLS FORUM AGENDA ITEM

For Action

For Information

Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report provides an overview of the DfE’s SEND and Alternative Provision Review, which was published on 29 March, as well as the Basic Needs and SEND capital settlements for 2022-2024.

Date (s) of any Previous Discussion at the Forum

Matters related to the SEND and Alternative Provision Reviews, and SEND capital funds, have been regularly considered by the Schools Forum. The Forum supported the Authority’s response to the ‘Call for Evidence’ back in July 2019.

Background / Context

The DfE commissioned a national review of SEND and Alternative Provision systems in September 2019. This was commissioned as a response to the “widespread recognition that the SEND system, introduced in 2014, was failing to deliver improved outcomes for children and young people, that parental and provider confidence was in decline, and, that, despite substantial additional investment, the system had become financially unsustainable. The Review has sought to understand what was creating these challenges and set out a plan to delivery improved outcomes, restore parents’ and carers’ confidence and secure financial sustainability.”

The DfE has also stated that, “as the Review progressed it became clear that alternative provision is increasingly being used to supplement the SEND system...We have therefore looked at the specific challenges facing the alternative provision sector as part of this review.”

Slightly in advance of the beginning of the review, in July 2019, the DfE conducted a ‘Call for Evidence’, which asked for feedback specifically on the funding systems, which lay the foundations for the current DSG and formula funding SEND and Alternative Provision frameworks e.g. the £6,000 threshold, notional SEND, place-element funding, top-up funding calculations. The Authority, with the Forum’s support, responded to this exercise.

We have signalled in our recent discussions and consultations that the outcomes of the Review may have significant implications for our DSG High Needs Block, and for the funding of SEND and alternative provision in schools, academies and other providers, from April 2023. We have also signalled that the Review may alter the split of responsibilities, between budgets delegated to schools, academies and other providers and the High Needs Block going forward.

Forum members will be very aware of the interconnectivity, between the Authority’s capacity to create new additional local specialist places and the sufficiency of capital funding. This issue has been very visible in recent discussions. The Spending Review 2021 announced a significant national investment in capital for SEND provision, which included a new wave of SEND free school applications, but with the details still to be announced.

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SEND and Basic Needs Capital Settlements 2022-2024

Our most recent SEND Places Sufficiency Statement, presented to the Schools Forum in December and updated in March, emphasised how an insufficiency of capital funding is a barrier to our creation of new additional local SEND specialist places. Our forecast indicates that we need to create 200-240 additional specialist SEND places over the next 2 academic years, so having sufficient capital funding available is essential to our overall High Needs Block financial management strategy.

The issue of ‘excessive’ reliance on more expensive out of district / independent placements, when more cost efficient local places *should* be available, is a very clear theme in the DfE’s SEND Review, with the DfE recognising that this reliance has significantly contributed to the current lack of High Needs Block value for money and to the deficit positions of local authorities. From our most recent spending benchmarking, on 2021/22 budget information, control of spend on out of district / independent placements is something we appear to have so far managed better than other authorities. In our meeting with the ESFA on 30 March, the ESFA was very complimentary of, and very interested in, the creative way we have delivered additional SEND places, over a period when capital funds have been limited. The ESFA would like us to share our approach

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with other authorities. Whilst we will continue to be creative however, our financial pressure is building in this area.

Basic Needs and SEND capital settlements were announced by the DfE on 29 March.

SEND Capital was announced as follows:

- Bradford was allocated £2.144m in 2021/22 (0.71% of the national total of £300m)
- 2022/23 allocation is £5.311m (0.77% of the national total of £690m)
- 2023/24 allocation is £6.806m (0.91% of the national total of £750m)

Basic Needs Capital was announced as follows:

- Bradford was allocated £2.857m in 2021/22 (0.38% of the national total of £747m)
- 2022/23 allocation is £0.344m (0.07% of the national total of £528m). *This allocation was already announced.*
- 2023/24 allocation is £9.231m (1.24% of the national total of £746m)
- 2024/25 allocation is £0 (from a national total of £195m)

Combined, these settlements give us:

- £5.655m of capital in 2022/23
- £16.037m of capital in 2023/24

Regarding the new wave of special school free schools, the SEND Review document states that applications will be focused on authorities that have High Needs Block deficits. We take the understanding that this is because these authorities currently (and typically) are more heavily reliant on more expensive independent placements and require additional local places to relieve this pressure. Such an approach to free school applications would however, exclude Bradford. This will not help our management of our High Needs Block going forward. This is point that we made strongly to the ESFA in our meeting on 30 March and is point that we must continue also to strongly make directly to the DfE, including in our response to the consultation.

SEND and Alternative Provision Review – Financial Implications

The Review document was published on 29 March. It is available here:

<https://www.gov.uk/government/consultations/send-review-right-support-right-place-right-time>

The deadline for responses is 1 July. Further consultation (especially on funding mechanisms), as well as a 'delivery plan' for how changes will be implemented, will be published by the DfE later in 2022. The extent to which the Review will affect the 2023/24 DSG budget setting and formula funding cycle is currently unclear.

The summary below does not seek to cover the full extent of the document and does not cover all proposals. We have identified and highlighted areas of review that are likely to have direct financial implications for the Dedicated Schools Grant, as well as for the budgets of schools, academies and other providers.

- The Review focuses very strongly on supporting (improving) the inclusion of children and young people with additional needs in mainstream settings, and on universal provision / early intervention to support their needs. The Review aims to reduce the use of / reliance on EHCPs, as well as on specialist places (when needs can be appropriately met in mainstream). In driving this, and in seeking greater consistency, there will be clearer guidance on what providers must do (what responsibilities they have within universal provision) and when and in what circumstances to use the EHCP and alternative provision routes of support. There will be new national SEND standards, covering early years to post 16, which set out how needs are to be identified and assessed, how agencies work together, what provision is appropriate for different types of needs, the processes for accessing support, standards for co-production and for communication, as well as for transitions. There will also be a new national SENCO qualification.
- One of the clear cross-cutting aims of the Review is to reduce the use, as well as the cost, of independent / non-maintained placements, where local more cost efficient places should be available. This appears to have been assessed by the DfE as one of the main factors behind the recent growth of DSG deficits.
- The Review focuses very strongly on alternative provision. The DfE proposes that all authorities create and distribute an alternative provision specific budget within their High Needs Blocks. This budget would be separated into 3 tiers (mainstream; time limited; transitional), with a focus on universal provision and early intervention. Authorities will to be required to allocate this alternative provision budget in accordance with a local plan. Alongside this, alternative provision funding will be managed on a multi-year basis, with the link broken between funding and provider numbers on roll (potential for multi-year fixed budgets).

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- As a consequence of these focuses, there may develop a greater ‘tension’, than present now, between the allocation of the High Needs Block in support of (non-statutory) early intervention and (statutory) SEND and AP provision. The clear expectation from the DfE is that early intervention, supported mostly by the funds within the Schools Block, but as well as by the High Needs Block, will reduce the need for spend on statutory support, and will also help to reduce the escalation of needs to higher levels of spend. Authorities generally then will need to more closely consider and to monitor the balance of High Needs Block funding and the success of this strategy. Specifically, in Bradford, we do not currently allocate High Needs Block funding to non-statutory alternative provision. The Review is likely to require us to re-shape our spending in this area, and the addition of non-statutory early intervention spending may produce greater financial pressure on our High Needs Block in the future. However, this will need to be assessed ‘in the round’ once all the details of the changes and requirements have been set out.
- In seeking consistency, and to ensure / improve the appropriateness of funding levels, the Review proposes to introduce a national framework for the banding of SEND top-up funding (price tariffs), with this framework matched to levels of need and types of education provision. This potentially moves the high needs funding system towards a national funding formula. This will be a particularly complicated change to achieve, however, but may have significant implications for all providers that access top-up funding. Quite significantly, the Review suggests that non-maintained / independent provisions will be brought into this national system. Also significantly, the DfE wishes to bring early years into national funding frameworks. This may then have implications for the Early Years Block, the Early Years Single Formula Funding and for Early Years SEND Inclusion Fund.
- The Review proposes significant additional DfE scrutiny and accountability mechanisms – via local funding agreements (linked to a local inclusion plan), new Local SEND Partnerships and via Regions Groups - on the way authorities plan and manage their High Needs Blocks and their SEND support and Alternative Provision, with a clear focus on improving value for money and outcomes for children and young people. There appears to be significantly greater potential for authorities to be directed on (or for the DfE to intervene to control) High Needs Block spending, where approaches are deemed to represent poor value for money and / or are not achieving improved outcomes for children and young people. This additional scrutiny appears to be an extension, in part, of the DfE's current Safety Value programme, where some authorities in deficit have received additional funding, but only following scrutiny and following the agreement of a recovery plan containing conditions regarding change of practice.
- The Review seeks to encourage a greater level of commissioning of provision within regions, rather than by individual authorities, especially for Further Education.
- The Review seeks to improve and to more standardise EHCP assessment processes, with multiple aims, including to improve the speed of assessment.
- The DfE states that the Review recognises that education, health and social care need to work together effectively. New Local SEND Partnerships will be established, which will bring together education, health and social care, alongside a clearer definition of responsibilities and a set of national standards. The DfE also states that analysis will be commissioned, to better understand the support that children and young people with SEND need from the health workforce, so that meeting these needs is a focus in health workforce planning. The Review also states that the DfE will mandate the use of local multi-agency assessment and placement panels.
- As expected, the DfE has confirmed that it is looking closely at the ‘key levers’ of the national Place-Plus funding system. The Review document as published however, has little information, which enables us to judge what changes might be made (and when) or to assess their impact. Further consultation is to come.
 - The DfE confirms that it is looking at the appropriateness of the ‘threshold’ (element 2) set at a value of £6,000. Any change in this threshold will have implications for the DSG, as well as for the budgets of all providers. We assume that the DfE is also closely reviewing the value of place-element funding, which is received by specialist settings.
 - The DfE confirms that a standardised calculation of Notional SEND budgets will be implemented, at a point in the future, for mainstream primary and secondary schools and academies. This is an extension of the hard National Funding Formula, and may be implemented over the same longer-term timescale. Prior to this, the DfE will provide closer guidance to authorities on how Notional SEND budgets should be determined.

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- The Review document does not appear to say anything about targeted SEND funding and therefore, does not give any indication at this stage about the position of our SEND Funding Floor mechanism, which is applied to support element 2 funding in mainstream primary and secondary schools and academies. Given the direction of travel within the Review, towards greater consistency between authorities and clearer definitions of school / academies responsibilities under universal provision, the likelihood is that the Review will have implications for the continuation of our Floor mechanism. This potentially will have implications for the budgets of mainstream primary and secondary schools and academies.

Recommendations

Recommended -

- (1) The Schools Forum is asked to consider and to note the information provided.**
- (2) The Schools Forum is asked to consider how it wishes to respond to the DfE's consultation, including the key points of feedback that the Forum may wish the Local Authority to include in its response.**
- (3) The Forum is asked to consider how it now wishes to work with the Local Authority to further consider the implications of the Review and the capital settlements on the Dedicated Schools Grant (High Needs Block).**

List of Supporting Appendices / Papers (where applicable)

None

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