

# Policy & Resources Committee

Item No.....

<b>Report title:</b>	<b>Transforming the System for Special Educational Needs &amp; Disability (SEND) in Norfolk</b>
<b>Date of meeting:</b>	<b>29 October 2018</b>
<b>Responsible Chief Officer:</b>	<b>Sara Tough, Executive Director of Children's Services</b>
<b>Strategic impact</b> We are requesting capital and revenue borrowing in the region of £120million to transform the system of support for children with special educational needs and disabilities (SEND) in Norfolk. This will be achieved through the creation of new specialist provision and a programme to dramatically support and challenge mainstream inclusion. This transformation programme, within a draft Area SEND Strategy, aligns directly to three of the four NCC priorities: <ul style="list-style-type: none"><li>• Offering our help early to prevent and reduce demand for specialist services</li><li>• Joining up our work so that similar activities and services are easily accessible, done well and done once</li><li>• Using evidence and data to target our work where it can make the most difference</li></ul>	

## Executive summary

We have developed an ambitious plan to expand and transform the landscape of provision for children with special educational needs in Norfolk.

This paper builds on the paper which came to Children's Services Committee in July 2018. The context described there will not be repeated in depth in this paper but is available here.

We are responsible for ensuring that every child has a school place. For children with Special Educational Needs and Disabilities there are additional duties on the local authority which mean we must ensure that appropriate educational provision is available to meet the child's educational needs. We are further responsible for planning for future demand in terms of places of the right type, in the right place across the county. The current trajectory indicates that there is likely to be further pressure on revenue funding for SEND places and specialist support, which will be challenging to meet, given the current level of provision across the county. We must therefore plan for more of the right kind of school places to meet SEND need, slow down the demand by meeting need earlier, and this could enable us to return the High Needs Block (HNB) to balanced position.

Norfolk currently identifies more children as having special education needs than the average for other authorities. However, in comparison we place a smaller proportion of children in state-funded maintained special schools and a greater proportion in independent / non-maintained schools. State-funded special schools are consistently judged by Ofsted as Good / Outstanding and are, on average, £23,000 per place per year cheaper than the average costs in the independent/non-maintained sector, where inspection outcomes are not as strong. This paper outlines the rationale for investment in more higher quality, lower cost provision.

Specifically, we have identified the need to develop up to 4 new special schools and 170 additional places within specialist resource bases (hosted by mainstream schools) and this will:

- Provide appropriate education closer to home and so reduce the time children spend travelling and the associated travel costs;
- Improve the quality of the education provision for children with special educational needs;
- Address current unmet need for pupils currently within mainstream schools who have been assessed as requiring special school placement;
- Plan appropriately for predicted future need
- Return the budget for children with High Needs (Dedicated Schools Grant High Needs Block) to balance

To achieve this, we require capital investment in order to secure local specialist provision. Alongside this Children's Services will work with stakeholders to transform the quality of provision, timeliness of assessments, culture and behaviour across the Norfolk SEND system.

We estimate that capital resources in the region of £120million are required. The programme would be delivered in 2 phases over 3 and 5 years respectively.

A 'do nothing' scenario has inherent risk for both individual children and young people and for Dedicated School Grant and NCC General Fund finance position.

#### **Recommendations:**

- 1. To support and agree that the County Council will make a step-change investment to transform the system for Special Educational Needs & Disability (SEND) in Norfolk;**
  - creating new and expanded provision to meet the needs of all children and young people with SEND
  - enabling children's needs to be met more locally and reducing travel time
  - improving the level of inclusion in mainstream education and supporting schools to achieve positive outcomes for children with special educational needs
- 2. To agree capital investment of up to £100million (Phase 1), implemented over a three-year period to establish new specialist provision and to enable plans to return to a balanced budget for High Needs Block and SEN Transport, plus a further estimated £20million for associated residential / outreach and early intervention services, including Preparing For Adult Life (Phase 2)**
- 3. To approve the initial investment of £4.8m of capital investment in the current financial year (2018/19) to allow the first phase 1 works detailed in paragraph 1.7 to commence as quickly as possible.**
- 4. To note the wider SEND transformation programme of work, to be reported in full to the CS Committee, to improve Education Health & Care Plan performance, mainstream school inclusion and raise overall parental confidence in Norfolk's SEND provision**
- 5. To note the specific location of a proposed new special school in the Great Yarmouth area**

- 6. To note the areas, across the County, for the location of up to 3 new special schools and in excess of 12 new specialist resource bases**
- 7. To note the 3-year programme for capital development of special schools, specialist resource bases and other relevant provision**

# 1. What do we need to do – the Proposal

1.1 In July Children’s Services Committee agreed, in principle, to an ambitious plan to expand the current state funded maintained school specialist provision across the County.

1.2 To deliver this we need to:

- Build up to 4 new special schools to accommodate 400 children in state-funded provision;
- Build suitable classroom/small group rooms across the county in order to expand specialist resource base places for an additional 170 children
- Explore the possibility of further school-based nurture provision and residential provision to meet social, emotional, mental health and specialist / complex needs.

If we do this we will ensure that specialist provision to meet need is high quality, value for money and local to children. Furthermore, we will bring the High Needs Block more into balance.

1.3 To do this we estimate that capital and revenue borrowing in the region of £120million is required, within a 2-phase programme. Phase 1 will run across years 1-3 of the programme and phase 2 will begin in year 2 and run to year 5. Phase 1 can begin as soon as capital becomes available. Feasibility for the first project is already under way, funded through the Schools Capital Programme. Early projects are being scoped out, locations for new builds are broadly agreed and aligned with the sufficiency plan. Phase 2 planning will begin immediately, however the implementation will start in year 2 of the programme.

1.4 The infrastructure transformation programme will focus on a mix of new build and refurbishment / reuse of existing buildings. The programme will include investment in mainstream schools to build capacity through infrastructure to meet the needs of children who may need light touch, or short term intensive intervention. The table below provides a high-level overview of the proposed investments. Clearly detailed business cases for these investments will flow from this strategic overview as the work progresses.

## Draft Phase 1 plan

Alderman Swindell reuse – combination of remodelling of existing building and new build. 100+ place SEMH school (exploration of 4 place residential unit)	£12m (including potential for residential) construction and fees based on SLA £0m land
North Norfolk, site TBC. 100 place ASD school	£15m total project cost construction and fees based on SLA £0m land
2 X complex needs school developments: 100 place complex needs school and a 1x 170 place Special School (one with 16 place residential block)	£35m total project cost including construction, fees and land (assuming purchase at development value if required)
Specialist Resource Bases x 11 (combination of single unit (£800k) and double unit (£1.2m))	£14m
Refurb Complex Needs	£12m
Student Support Hubs	£4m

Mainstream school inclusion schemes e.g. nurture provision + contingency	£7m
Programme capitalised central costs 1%	£1m
<b>Total</b>	<b>£100m</b>

- 1.5 The nature of capital development and delivery results in the majority of expenditure occurring once construction is underway towards the end of the project. An indicative average spend profile against a usual 3-year programme is set out in the table below.

Year 1	Year 2	Year 3
5%	5%	90%
£5.000 m	£5.000 m	£90.000 m

However, due to the need to accelerate this programme and to take advantage of current government capital funding schemes for SEND and availability of sites in Norfolk (for example Alderman Swindell), we aim to adjust this spend profile to reflect the urgency of SEND provision. The profile could, therefore, reflect the following pattern:

Year 1 *	Year 2 *	Year 3 *
4.8%	35%	60.2%
£4.800 m	£35.000 m	£60.200 m

*\*this is an estimated, and high level, profile of capital spend to illustrate how we plan to balance pace within the SEND Transformation programme but with the reality of how capital programmes are likely to need adjustment as they progress; i.e. the majority of funding is in Year 3, however, we will report to committee regularly to adjust the profile of capital 'draw down' to reflect schemes as they progress through detailed feasibility and construction planning*

- 1.6 Within the overall programme there are three types of scheme that should be progressed immediately to ensure that current unmet pupil need is addressed and further pressure to the High Needs Block can be mitigated, these comprise:
- New Special School: Social Emotional Mental Health difficulties for 90 pupils on the Alderman Swindell Primary School site
  - Expansion of current special school estate: 4 additional class-bases within two of Norfolk's current Outstanding special schools (Sheringham & Norwich)
  - Additional Specialist Resource Bases: development of the initial wave of SRB's, hosted by mainstream schools, for Autism Spectrum Disorder (West Norfolk)
- 1.7 If supported, the majority of the total capital investment from 2019/20 onwards would be incorporated into the County Council's Business plan, profiled across the appropriate years of the capital programme and approved at Full Council. However, we want to begin this vital work as quickly as possible and so are seeking immediate approval from Committee for expenditure of £4.8m capital funding in 2018/19 to deliver a number of the initial schemes and the table below provides an overview of these first investments where immediate draw-down of funding is requested.

Scheme No.	Location	Number of Places		Total & Type	Target date		Capital Cost	Pro-rata FY 18/19 Capital	Pro-rata FY 19/20 Capital	Notes
		Day places	Residential places		Opening	Full Capacity				
1.	Great Yarmouth: site of previous Alderman Swindell Primary School	48	46	94 SEMH	April 2020	April 2022	£12.000 m	£3.000 m	£9.000m	Opening date reflects need to carry out refurbishment in a way that enables phased start dates for initial pupils prior to full occupancy
2.	Sheringham	20	n/a	20 Complex Needs	September 2019	January 2020	£2.000 m	£0.500 m	£1.500m	School have developed plans previously to add new classrooms, the scheme takes advantage of this to enable start date from next academic year
3.	Norwich	20	n/a	20 Complex Needs	September 2019``	January 2020	£2.000 m	£0.500 m	£1.500m	As above, Scheme 2.
4.	West	26	n/a	26 ASD	September 2019``	December 2019	£2.000 m	£0.800 m	£1.200m	Specialist Resource Bases, with the agreement of host mainstream schools, will be prioritised for capital development to enable start dates from next academic year.
			<b>Totals</b>	<b>160</b>		<b>Totals</b>	<b>£18.000 m</b>	<b>£4.800 m</b>	<b>£13.200m</b>	

1.8 We are clear that if we want to create a sustainable and effective model this major investment in sufficiency will need to be supported by an equally ambitious transformation of the system of support for children with special educational needs and the development of new approaches which achieve greater inclusion for young people in mainstream settings.

- 1.9 Like many local authorities we are seeing very significant increases in the levels of identified SEN need amongst the child population and a growing number of referrals for additional help via Education, Health and Care Plans, for special school places and for places at specialist high cost education settings. If these trends continue then there is a real danger that the new provision we create will be quickly filled and will only offer a temporary alleviation of the rising costs and capacity issues in the system. It is therefore vitally important that we take a systemic approach to these challenges and work with children, families and schools to change this pattern of demand and meet the needs of more children in mainstream settings.
- 1.10 To achieve that shift we are commencing a major new transformation programme with the sector which will run alongside the implementation of the capital and sufficiency schemes. The work will build on the existing SEN Strategy and will seek to identify new initiatives and ways of working to support schools to successfully meet the needs of children and young people with special educational needs.
- 1.11 It is likely that once these themes and ideas have been developed in more detail that they will be supported by an investment from the pot of transformation funding which has been set aside for Children's Services and as such will be supported and overseen as part of the overall Children's Services Transformation Programme.
- 1.12 We are absolutely clear in undertaking this work that the intention to achieve greater levels of inclusion and to change the pattern of demand does not imply any change to our thresholds for support or reduction in the level of help we offer to children, young people and their families. This will be about new ways of working to achieve positive outcomes.
- 1.13 Regular reporting on the scope of the programme will be progressed through the Children's Services Committee; initially on the prioritisation of capital schemes and then on the broader transformation elements to enhance mainstream inclusion. Thereafter we will report progress to members of both elements simultaneously.

## 2. Why do we need to do this?

- 2.1 The County Council has significant statutory duties for children and families that have SEND. We must ensure that there is sufficient appropriate provision to meet educational needs, where a place other than the local mainstream school is required. Furthermore, for those children who remain in mainstream, we have a duty to ensure that Education Health and Care Plans (EHCP) are supported financially where relevant, over and above the funding that mainstream schools must provide initially. This pressure on our High Needs Block funding is increasing year on year. This grant, provided by the government as part of the Dedicated Schools Grant, is used to support specialist provision, top up funding to mainstream schools and places in special/complex needs schools or alternative provision. The increased pressure is due to a rising number of children in the county, a rising proportion with an EHCP and increasing complexity of need, requiring very specialist provision. Demand has outstripped cost effective, high quality provision. The current trajectory indicates that this will worsen over time if we do not change the placement landscape and drive down demand by meeting need earlier. Our proposals support these aims.
- 2.2 The proposals also contribute to current NCC strategic priorities, namely
- Offering our help early to prevent and reduce demand for specialist services
  - Joining up our work so that similar activities and services are easily accessible, done well and done once
  - Using evidence and data to target our work where it can make the most difference
- 2.3 Children's Services Committee have received two reports this year (January and July) relating to Special Educational Needs & Disability (SEND). The reports focussed on the lack of sufficient specialist provision across the county and the need to transform our SEND 'offer' and quality of services to children, young people and their families.
- 2.4 Budget reports to Children's Services Committee and budget forecasts indicate that the High Needs Block funding, which is part of the Dedicated Schools Grant, is insufficient to meet current and forecast need. Furthermore, the Children's Services General Fund budget for transport of children with SEND is currently £13.6m. Building local provision will enable the current transport budget pressure (historically between £0.450m and £0.900m per year) to reduce to achieve a balanced budget.
- 2.5 The proposal for transformation through infrastructure development also delivers the NCC Children's Services Education Strategy objectives:
- Outcomes for children in line with high performing local authorities.
  - An inclusive education system where no child is excluded.
  - All children attending a good or better school, alternative or specialist provision.
  - Education Health and Care Plans and PEPs – high quality, meet needs and in timescale.
- 2.6 In summary there is a compelling case for demand management, through earlier specialist intervention and investment in more high quality, cost effective provision in order to alter the current trajectory and return the High Needs Block to a balanced position. In particular the key benefits are;



- We want pupils to be learning in high quality and more inclusive settings. This can be provided within Norfolk maintained special schools or stay on roll in mainstream schools and learn in additional specialist resource base provision. Educating children in these settings rather than within the independent / non-maintained sector will significantly reduce expenditure from the High Needs Block. New maintained special school provision has a unit cost of between £17-25k per pupil depending on the need and SRB places have an average unit cost of between £6-10k. These costs are dramatically lower than the £40-53k per pupil for independent school provision. The model assumes that the new special schools and SRB places would meet the clear majority of new complex needs demand, and so avoid the increasing spend on independent school places which is anticipated under a 'do nothing' scenario.
- By meeting social, emotional and mental health needs earlier we also have an opportunity to reduce the number of permanent exclusions in Norfolk, and reduce the number of children accessing alternative short stay provision. This has a unit cost of over £16k per child per year.
- If new specials schools are built in specified parts of the County we could dramatically reduce the number of children having to travel long distances to school and reduce the associated travel costs. Currently many pupils have travel times well over one hour, but the new provision would mean they only had a short local journey – with reduced transport costs, for children experiencing the longest journey times currently, from an average £21k per year to £6k per year.
- If we create the additional special school and SRB places we will be able to allocate provision according to need in a more timely manner. Children will be able to access the right setting more quickly and we will avoid many of the situations where the local authority and families end up in formal dispute. Quicker access to the right education and reduced stress for families are clearly hugely beneficial, and would also reduce the increasing associated legal costs – with an estimated annual saving of £60,000 being possible

2.7 These benefits represent broad ambitions, used for modelling purposes only and are not expressions of intent in relation to particular existing children and young people in provision. It is important to state that decisions on provision will always be made according the needs of the child.

### 3. The case for infrastructure transformation

3.1 The projections based on current trends would add the following additional financial pressure if we retain the current level of infrastructure to meet specialist need. Under a 'do nothing' scenario we might anticipate

- An additional cost of £21m per annum for placing these children in independent specialist and other out of county provision
- An ongoing additional cost of £0.170m for tribunals and LGO investigations (met by NCC budget, not High Needs Block) based on the current trajectory
- An additional cost of approx. £3m per annum in transport costs, though this is likely to rise due to placements being further away as a result of lack of provision

3.2 National trend data confirms our picture of:

- increased complexity of need 0 – 19 years
- increased proportion of pupils with an application for an EHC Plan
- increase in the number of pupils with an EHC Plan
- increased number of pupils with SEND through a rising demographic
- more SEND young people engaging in education post 16 following the raising of the participation age
- higher proportion of children being educated outside mainstream provision (LA responsibility)

3.3 Norfolk County Council has a legal duty to secure sufficient and suitable provision for all children with SEND and commission the necessary services and places to ensure that all identified need is met. There is also a statutory requirement on the Local Authority to conduct the assessment of special educational needs and disabilities in line with the provisions of the 2014 Children and Family Act. Either parents/carers or the school can request an Education Health Care Plan assessment. The demands for this process significantly increased compared to the previous statements of special educational needs:

- Plans must be completed within a 20-week period
- It must detail all educational, health and care needs based on evidence and formal diagnosis
- Plans must be child centred, so the voice of the child and family are at the centre (not just consultation)
- They need to be based on professional evidence (including Educational Psychology reports)
- Parents have a right to identify their preference in relation to the educational provision and the LA must meet this preference unless it can evidence to a tribunal that legal exceptions apply

3.4 The Local Authority has a duty to commission relevant provision and can utilise the Designated Schools Grant High Needs Block as a source of revenue funding for:

- Places in Specialist provision
- Places in Alternative Provision
- Services provided by the LA or other providers
- Providing top-up funding where the need of a child educated in a mainstream setting exceeds the notional funding available.

- 3.5 The Local Authority must offer a suitable place to each child with an EHC Plan. Where parents are dissatisfied with the provision for their child (regardless of whether this is in mainstream, specialist or independent specialist provision), they can seek redress via complaint (including through the Local Government Ombudsman), review of EHCP, appeal and ultimately a tribunal case. The LA must act on the rulings of the tribunal and meet any associated costs.
- 3.6 The current challenging situation in Norfolk has been outlined previously. There are approximately 170 children waiting for a specialist place with an assessment that identifies they do need one (and a further 80 cases being considered through the current special school admissions decision making process). A significant proportion of young people currently in alternative provision also require specialist provision and have needs that dictate they are unlikely to be able to return to mainstream provision.
- 3.7 Current trends indicate that 1000 EHC plan referrals per annum could become the norm if we do nothing. Of those on average 45% have an additional level of need which needs further funding.
- 3.8 Whilst a no change scenario has significant financial implications there are further risks to reputation if the council cannot meet its duties in terms of timely assessment, placement which is high quality and which meets need locally. The additional pressure of increasing demand, growing complexity and rising demographic leads to personal cost to individual children and families.
- 3.9 The trajectory of spend within the High Needs Block is also continuing to increase as children are permanently excluded from mainstream schools. The council has a duty to ensure that education provision is made for children by day 6 of being permanently excluded from a school. This provision is funded through the High Needs Block. For the last three years the numbers of children excluded has been double that of previous years. Whilst the reason for exclusion are complex and wide ranging we know that in some cases earlier intervention could have prevented permanent exclusion.

(Children's Services Committee received a report on Exclusions on October 16<sup>th</sup> 2018.)

## 4. Financial Implications & Financial Case

4.1 The current 2018/19 budgeted use of the High Needs block is set out in the table below:

All £m	Budget
Maintained special schools	30.500
Independent special schools	21.580
Specialist Resource Bases	3.042
Maintained mainstream or special outside Norfolk	0.750
Short Stay School for Norfolk	5.748
Alternative Provision	4.916
FE colleges High Needs places	5.517
<b>All High Needs placements</b>	<b>72.053</b>
SEN top up funding	5.569
Speech and language contract	0.774
Sensory support service	1.624
Youth Offending Team	0.290
CAHMS	0.250
Other LA posts in high needs services	0.774
Excluded pupil income	-0.900
Other services	0.336
<b>Total Other Services</b>	<b>8.717</b>
<b>Total all High Needs</b>	<b>80.770</b>

4.2 The use of the High Needs Block is determined by a combination of national finance regulations and locally determined prioritisation (via the statutory, annual, Fair Funding Consultation process); currently in Norfolk:

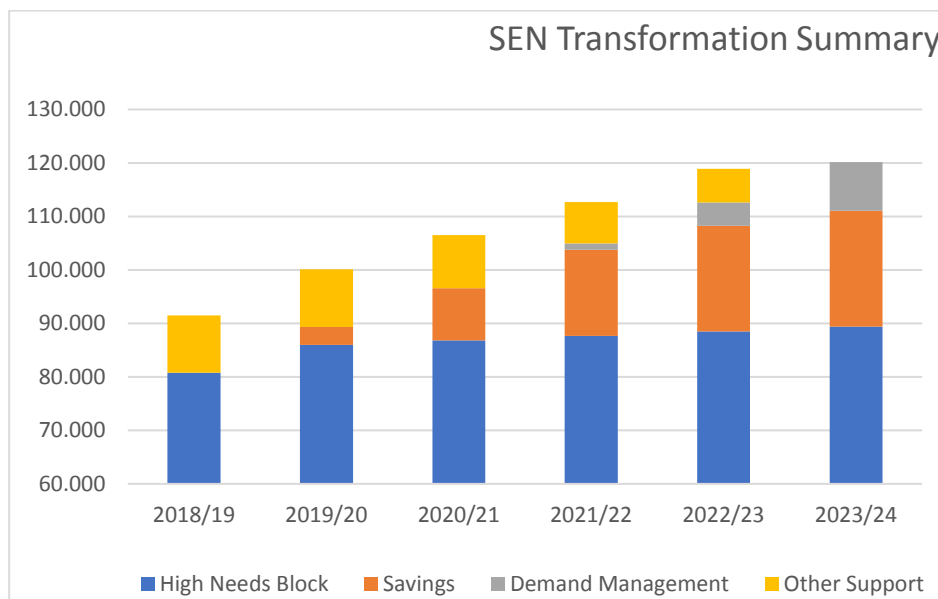
- Provision in maintained special schools is funded from the High Needs block in accordance with a banding system reflecting children's needs.
- Provision in independent special schools is also funded from the High Needs Block in accordance with individual school fee scales. This area of provision has increased rapidly in recent years due to a lack of maintained provision.
- Provision in a specialist resource base (hosted by mainstream schools) is funded from the High Needs Block at an average cost of £11,000 per pupil pa.
- Under the schools funding regulations provision in mainstream schools is funded up to £6,000 from the Schools block (in addition to £4,000 basic pupil amount). The High Needs Block provides a 'top-up' based on the needs of individual children
- Permanently excluded pupils must be provided with education from the 6th day following exclusion and the cost of this 'alternative provision' must be met by the local authority from the High Needs Block.
- There is a new responsibility to meet the cost of FE for children with EHCP. This has increased rapidly over the last three financial years.

4.3 The High Needs Block has overspent significantly in recent financial years. The authority must now address this, transparently and identify how the repayment will be for this position will be achieved.

4.4 With the annual consent of the Schools Forum up to 0.5% of the Schools Block can be transferred to the High Needs Block. By application to the Secretary of

State an additional transfer may be made with or without Schools Forum agreement. However, it is expected the total maximum agreed transfer would be in the region of 1%.

- 4.5 Any overspend on the High Needs Block may be met from other block underspends (Early Years Block & Schools Block) if available.
- 4.6 The NCC finance team have modelled the financial position over five years using SEN forecast data / funding which has been developed to collate the various factors that contribute to ongoing forecast pressure. In addition, they have factored in cost avoidance assumptions from the capital growth business case. It illustrates how the business case, alongside other actions, could lead to a more stable financial position which balances the High Needs Block. This is summarised in the table below.



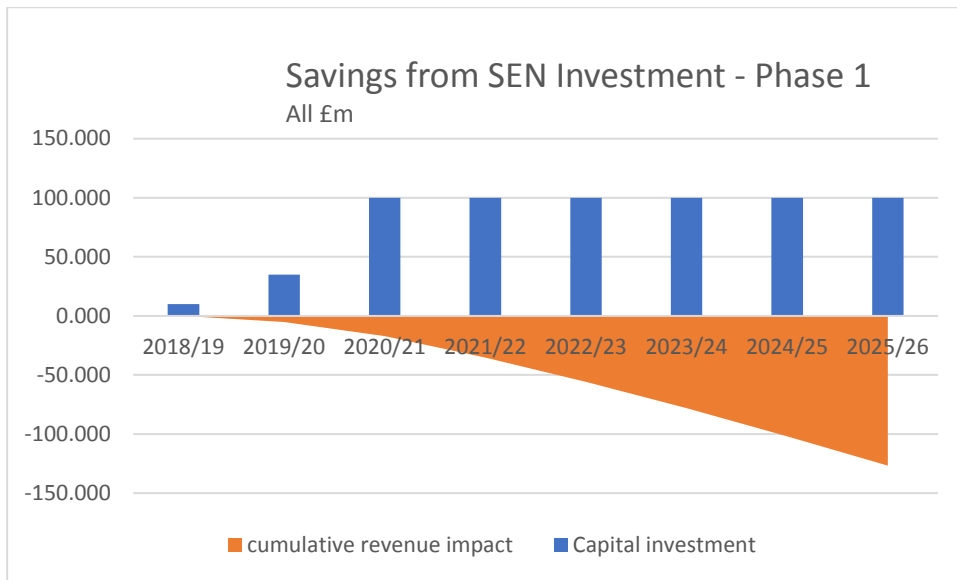
- 4.7 The model shows that if we were to ‘do nothing’ the total expenditure on children with special educational needs would rise dramatically – this is represented by the total of each column. The blue bars show the forecast amount of High Needs Block Funding we will have available, which is clearly not sufficient if we don’t act. The orange bars show the level of cost pressure which will be avoided by the successful implementation of these proposals and this clearly makes a significant contribution to closing the funding gap. In addition, the grey bars show the anticipated impact of the work we will do to manage the level of demand in the system, which in time will reduce the pressure. The yellow bars show the remaining level of funding shortfall, which is significant in this financial year, but tapers over time as a result of the success of this programme.
- 4.8 Cost avoidance of this magnitude represents a compelling case for investment and contributes significantly to the necessary reduction in spend on this budget area. However, there is significant complexity involved in this ‘invest to save’ strategy which requires cost avoidance / savings projections to take account of:
- The lead in time to build additional special schools is approximately two years
  - A new special school for 90 pupils would not open its doors on day 1 to the full cohort, a careful phased increased of staffing and pupils is required
  - Parental preference is central to the Children & Families Act statutory framework for SEND and NCC cannot guarantee that all children currently

placed in high cost independent provision will transfer to the new special schools

- Cost avoidance, for new placements, need to be part of the mix for new admissions
- Some of the highest cost independent placements combine residential provision and, therefore, low transport costs; transfer to day placement new special schools can increase transport costs for some placements therefore
- Pre-opening costs for new special schools and the need to meet current need whilst building new special schools means that the potential full savings will not occur until the end of the planned 5-year High Needs Block recovery plan

4.9 Given this level of complexity, it is important to be clear that further detailed business cases will be developed as the work progresses and covering the individual investments which flow from this strategic investment case.

4.10 The table below illustrates the revenue impact of capital investment



Noting that:

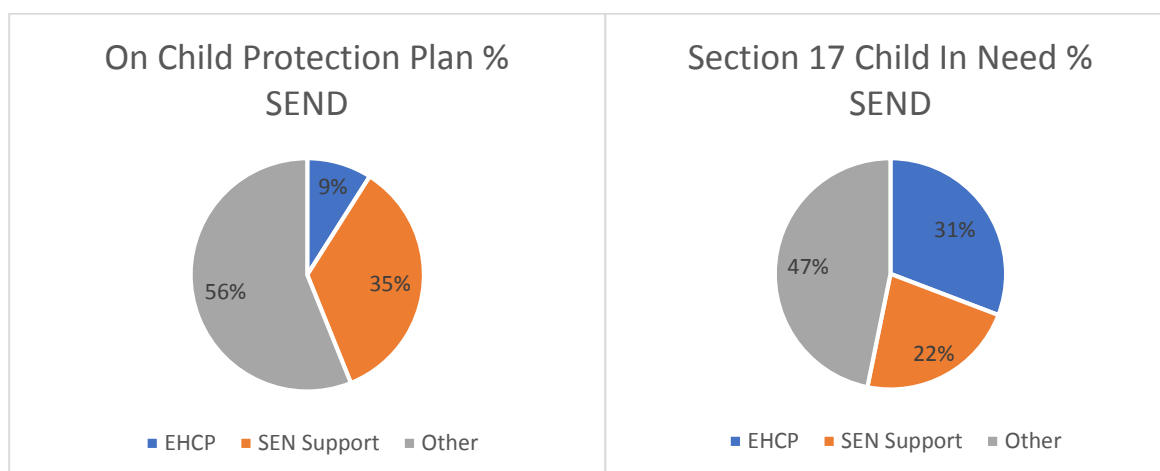
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Total capital financing costs</b>	0.000	0.281	2.222	5.352	5.273	5.194	5.115	5.036

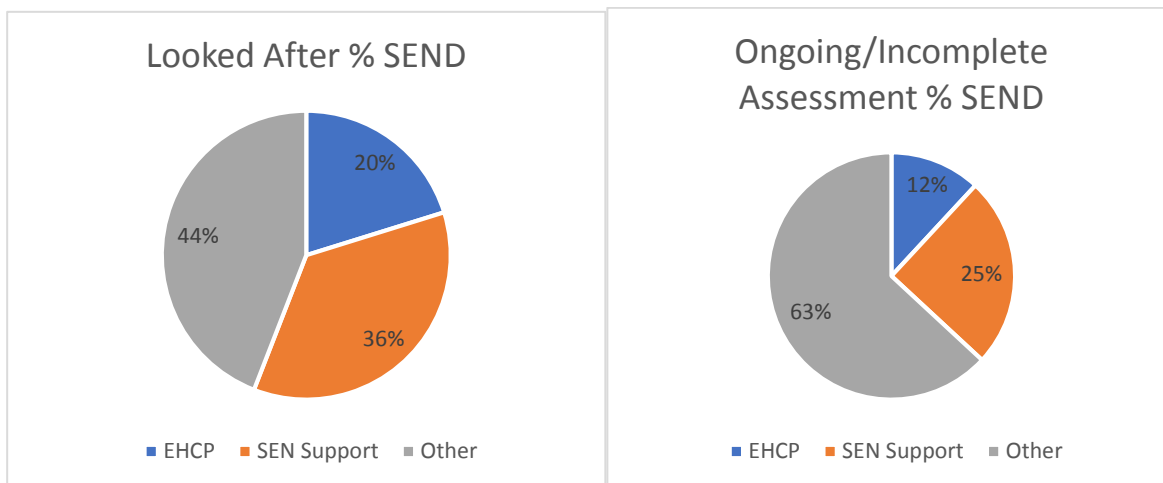
## 5. Governance and other SEND Improvements

- 5.1 The infrastructure transformation will be supported by a transformation programme to address the quality and consistency of provision across the county and to focus on culture and behaviour which is leading to high demand. This programme will be overseen by the Transformation Board and the Norfolk Futures Board. Stakeholders are currently participating in workshops to outline the transformation activity.
- 5.2 The overall SEND system is currently overseen by the Area SEND Leadership Board, a stakeholder Board, chaired by the Executive Director of Children's Services. This Board, which may be time limited, has been set up to ensure that there is a joint area strategy, which engages all key stakeholders involved in the system.
- 5.3 The SEND Infrastructure transformation programme will be monitored and governed by the Capital Priorities Group, which has stakeholder and member involvement.

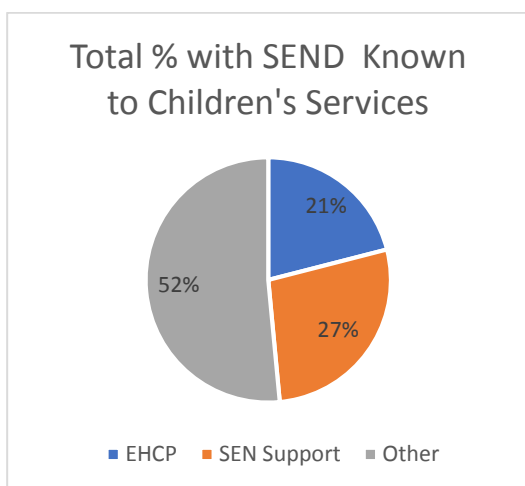
### How else might this benefit Children's Services?

- 5.4 Children with SEND are over represented by being known to Children's Services in other ways. For example, 20% of children in care have an EHCP and a further 36% currently are identified at SEN Support. Whilst this report cannot explore the reasons why this is the case and whether one is exacerbating the other, there is a significant correlation with these cohorts of children.
- 5.5 It is important to recognise that there are significant inter-relationships with Children's Services general fund budget, because a significant proportion of the children and young people will be receiving support (and funding) from both and SEND perspective and from within the Children's Services social care model. Only by intervening effectively at the right point will we be able to unlock significant financial savings both for the High Needs Block and for the general fund. This programme of investment will be intertwined with the comprehensive transformation programme across Children's Services, Safe Children and resilient families and will follow the principles set out in the Norfolk Futures Strategy of offering our help early to prevent and reduce demand for specialist services.
- 5.6 The charts below show the percentage of children in each of the categories who have either an EHCP or are SEN Support.





5.7 Taking account of all categorisation of need nearly fifty percent of children known to Children’s Services social care also have SEND. Just over 20% have an EHCP and nearly thirty per cent are in mainstream schools at SEN Support.



5.8 A lack of early intervention to meet emerging needs in the local school can exacerbate a family’s capacity to cope. Children with poor mental health, and with learning and behavioural needs place significant pressures on the family and can undermine both resilience and stability. Extensive travel times for young children can be stressful for both children and families and lead to poor behaviour which becomes increasingly difficult manage in the home. Enabling families to cope with challenging children, by meeting needs earlier will prevent some families entering our services in other ways. It is unquantifiable at this stage, but there is significant potential to impact on other budgets.



## 6. Conclusion

- 6.1 A no change scenario is not possible if we are to meet the needs of children and families in relation to SEND, to deliver our statutory duties and to balance the High Needs Block. Investment needs to be significant and utilised over a short period of time so that the change to the landscape of provision goes hand in hand with cultural change. Stand alone, one off new build or expansion of existing provision increases costs both for revenue and transport and adds further pressure. To change the quality, accessibility and cost effectiveness of provision in Norfolk an ambitious programme of development is necessary. This will inevitably be based on many assumptions, which are as grounded in expectation and capacity to deliver as we can make them. There are risks associated with the financial modelling, which may mean that the return takes longer, if there are delays with land, building and so on, however the risks delivering the Local Authority duty, to meeting needs, to reputation and to the budget are greater if we do nothing.

## 7. Background

### **Officer Contact: Chris Snudden Assistant Director Children's Services**

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

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## APPENDIX

### 1. Overview

The strategic approach set out in the P&R report has been evaluated using a financial model. This is summarised in the chart and table below.

The model assumes the development set out in sections 2, 3 and 4 below. The potential student hubs in Section 5 are excluded.

The model only covers the Needs Block

#### HN Budget Summary

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
High Needs Block	78.399	79.216	80.036	80.861	81.689	82.521
0.5% schools block transfer	2.365	2.388	2.412	2.436	2.460	2.485
Additional schools block transfer	0.000	4.380	4.380	4.380	4.380	4.380
Other Savings	7.511	10.768	9.886	7.712	6.309	0.000
DSG adjustments	3.250	0.000	0.000	0.000	0.000	0.000
Total resources	91.525	96.752	96.714	95.389	94.839	89.386
Placement Budget brought forward	0.000	85.376	88.603	88.567	86.241	84.691
Demographics and unmet demand	0.000	6.590	6.380	5.206	5.206	5.206
Demand Management	0.000	0.000	0.000	-1.234	-3.085	-4.751
Savings	0.000	-3.363	-6.417	-6.298	-3.671	-1.933
Placement Budget carried forward	85.376	88.603	88.567	86.241	84.691	83.213
Other High Needs Budgets	6.148	7.148	6.148	6.148	6.148	6.148
Repay overdrawn position	0.000	1.000	2.000	3.000	4.000	0.000
Total expenditure	91.524	96.751	96.715	95.389	94.839	89.361
Surplus (+)/Deficit (-)	0.000	0.000	0.000	0.000	0.000	0.025

### 2. Proposed new special schools

Scheme No.	Location	Number of Places		Total & Type	Target date		Capital Cost
		Day places	Residential places		Opening	Full Capacity	
1.	Great Yarmouth: site of previous Alderman Swindell Primary School	48	46	94 - SEMH	April 2020	April 2022	12.000
2.	North Norfolk	90	0	90 - ASD	April 2020	April 2022	15.000
3.	Norwich	152	18	170 - Complex Needs	Sept 2020	Sept 2024	17.500
4.	TBC *	TBC	TBC	90 - Complex Needs	TBC	TBC	17.500
			<b>Totals</b>	<b>444</b>		<b>Totals</b>	<b>62.000</b>

*\*we need to ensure that we do not over-commission specialist provision, therefore, a fourth special school development would only progress following a review of the impact of the first three schemes and a review of pupil need at that time*

### **3. Proposed expansion / refurbishment of current special schools**

Scheme No.	Location	Number of Places		Type of SEND	Target date		Capital Cost
		Day places	Residential places		Opening	Full Capacity	£m
1.	Sheringham	20	n/a	20 - Complex Needs	Sep 2019	Jan 2020	2.000
2.	Dereham	40	n/a	40 - Complex Needs	Sep 2019	Jan 2020	4.000
3.	Norwich	40	n/a	40 - Complex Needs	Sep 2019	Jan 2020	4.000
4.	TBC / Reurbishment						2.000
			<b>Totals</b>	<b>100</b>		<b>Totals</b>	<b>12.000</b>

- ❖ SEMH = Social, Emotional & Mental Health difficulties
- ❖ ASD = Autistic Spectrum Disorder
- ❖ Complex Needs = Learning Difficulties (severe learning difficulties) often with associated other difficulties, for example physical disabilities

**4. Proposed new specialist resource bases (hosted by mainstream schools)**

Scheme No.	Location	No. & Type of SRB places		Target date		Capital Cost
		No.	Type	Opening	Full Capacity	£m
1.	West	26	ASD	Sep 2019	Apr 2020	2.000
		24	SEMH	Sep 2019	Apr 2020	2.000
		10	Learning	Sep 2019	Apr 2020	0.800
2.	North	8	ASD	Apr 2020	Jan 2021	0.800
		6	SEMH	Apr 2020	Jan 2021	0.800
3.	East	16	ASD	Apr2020	Jan 2021	1.200
		16	SEMH	Apr 2020	Jan 2021	1.200
4.	South	26	ASD	Sep 2020	Apr 2021	2.000
		6	SEMH	Sep 2020	Apr 2021	0.800
5.	Norwich	16	SEMH	Sep 2020	Apr 2021	1.200
6.	TBC / Reurbishment	16	TBC	Sep 2020	Apr 2021	1.200
<b>Totals</b>		<b>170</b>			<b>Totals</b>	<b>14.000</b>

**5. Possible development of Student Support Hubs in partnership with Educate Norfolk Headteacher Association to reduce permanent exclusions (hosted by mainstream schools)**

Scheme No.	Location	No. & Type of places		Target date		Capital Cost
		No.	Type	Opening	Full Capacity	
1.	West	10	Student Support Hub	September 2019	April 2020	£0.800k
2.	North	10	Student Support Hub	September 2019	April 2020	£0.800k
3.	East	10	Student Support Hub	September 2019	April 2020	£0.800k
4.	South	10	Student Support Hub	September 2019	April 2020	£0.800k
5.	Norwich	10	Student Support Hub	September 2019	April 2020	£0.800k
<b>Totals</b>		<b>50</b>			<b>Totals</b>	<b>£4.000 m</b>

## 6. Detailed financial analysis of The High Needs Block

6.1 The 2018/19 budgeted use of the High Needs block is set out in the table below

<b>All £m</b>	<b>Budget</b>
Maintained special schools	30.500
Independent special schools	21.580
Specialist Resource Bases	3.042
Maintained mainstream or special outside Norfolk	0.750
Short Stay School for Norfolk	5.748
Alternative Provision	4.916
FE colleges High Needs places	5.517
<b>All High Needs placements</b>	<b>72.053</b>
SEN top up funding	5.569
Speech and language contract	0.774
Sensory support service	1.624
Youth Offending Team	0.290
CAHMS	0.250
Other LA posts in high needs services	0.774
Excluded pupil income	-0.900
Other services	0.336
<b>Total Other Services</b>	<b>8.717</b>
<b>Total all High Needs</b>	<b>80.770</b>

6.2 The use of the High Needs Block is determined by a combination of national finance regulations and locally determined prioritisation (via the statutory, annual, Fair Funding Consultation process); currently in Norfolk:

- Provision in maintained special schools is funded from the High Needs block in accordance with a banding system reflecting children's needs.
- Provision in independent special schools is also funded from the High Needs Block in accordance with individual school fee scales. This area of provision has increased rapidly in recent years due to a lack of maintained provision.
- Provision in a specialist resource base (hosted by mainstream schools) is funded from the high needs block at a cost of £11,000 per pupil pa.
- Under the schools funding regulations provision in mainstream schools is funded up to £6,000 from the Schools block (in addition to £4,000 basic pupil amount). The High Needs Block provides a 'top-up' based on the needs of individual children
- Permanently excluded pupils must be provided with education from the 6th day following exclusion and the cost of this 'alternative provision' must be met by the local authority from the high needs block.
- There is a new responsibility to meet the cost of FE for children with EHCP. This has increased rapidly over the last three financial years.

6.3 The High Needs Block has overspent significantly in recent financial years. The authority must now transparently account for repayment of the overdraw position.

6.4 With the annual consent of the Schools Forum up to 0.5% of the Schools Block can be transferred to the High Needs Block. By application to the Secretary of State an additional transfer may be made with or without Schools Forum agreement. However, it is expected the total maximum agreed transfer would be 1%.

6.5 Any overspend on the High Needs Block may be met from other block underspends (Early Years Block & Schools Block) if available.

6.6 The High Needs Block allocation is announced annually by DfE. The components of the block are set out on the table.

High Needs Block Components					
All £m	2018/19 £m	Units	Unit Value £	Comments	
Basic Entitlement	6.820	1705	4,000	£4k for every special school place in a January census	
Historical Spend Factor	34.767	1	£34.767m	Also used to operate a cap and floor system. Neither applies to NCC	
Population Factor	18.856	161287	117	All these components will move over time with changing population, deprivation and educational achievement	
FSM Factor	3.352	14146	237		
IDAQI Band F Factor	0.434	12852	34		
IDAQI Band E Factor	0.438	9939	44		
IDAQI Band D Factor	0.512	8515	60		
IDAQI Band C Factor	0.409	6367	64		
IDAQI Band B Factor	0.623	8838	70		
IDAQI Band A Factor	0.291	3037	96		
Bad Health Factor	2.764	911	3,034		
Disability Factor	3.257	6140	530		
KS2 Low Attainment factor	3.401	2140	1,589		
KS4 Low Attainment Factor	2.373	1802	1,317		
Import/export adjustment	0.102	17	6,000		Directs resources so that sending authorities are able to pay for places in receiving authorities
Total	78.399				

Because of the structure of the high needs block there is likely to be no large increase in Norfolk's entitlement over the next few financial years. Some block components may increase with a rising population.

Each new special school place in the system invokes an additional £4k. This will not apply if a place in one part of the system is replaced with a place in another part. The £4k is a fraction of the cost of providing a new place.

Other high needs costs are required to be funded from the General Fund including Home to School Transport and the cost of EHCP assessment.