

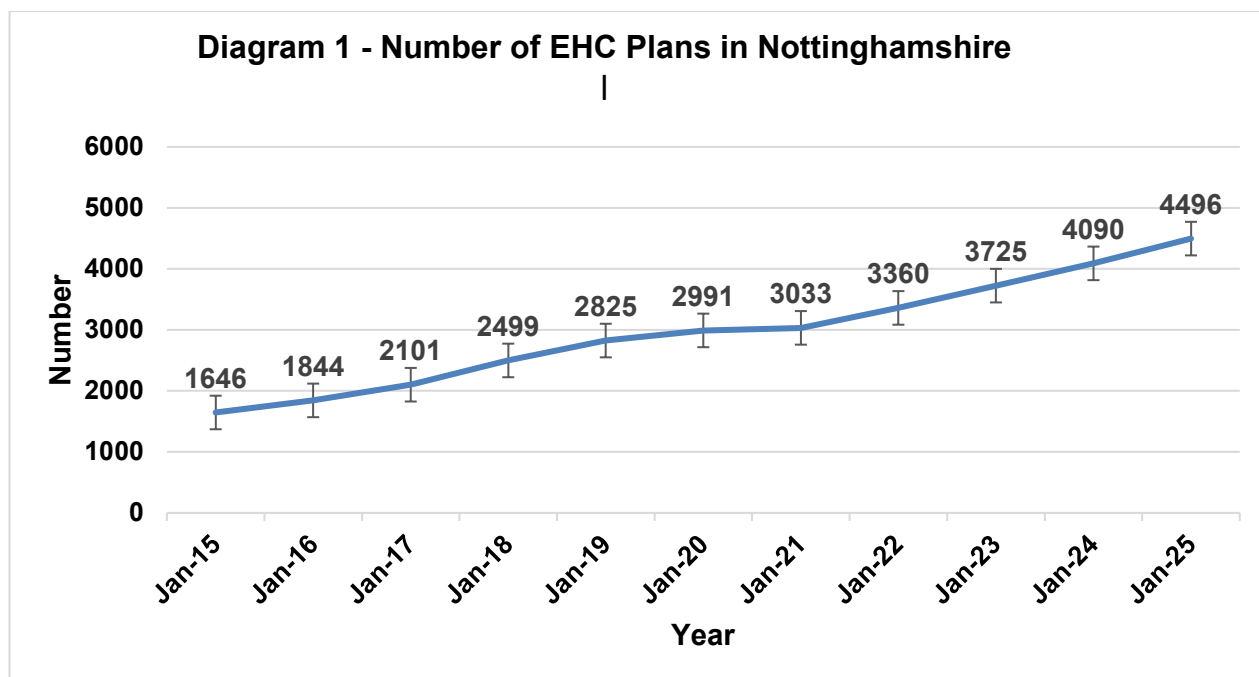
19 December 2022**Agenda Item 6****REPORT OF THE SERVICE DIRECTOR FOR EDUCATION, LEARNING AND
INCLUSION****SPECIAL EDUCATIONAL NEEDS AND DISABILITY PROVISION AND
SUFFICIENCY****Purpose of the Report**

1. The report provides an overview to Members of how children and young people are being supported to remain in mainstream educational settings and the sufficiency of and planning for specialist educational provision to meet current and future demand.

Pressures in the SEND system in Nottinghamshire

2. The pressures on the Special Educational Needs and Disability (SEND) system across England, including Nottinghamshire, are well documented despite the considerable additional funding provided by the Department for Education (DfE) and local authorities. These pressures have developed due to a variety of reasons including:
 - There are now more children and young people with SEND.
 - Advancements in medical science means that more children and young people with life limiting conditions are living longer.
 - Significant increases both national and locally in the numbers of autistic children and young people.
 - The SEND needs of some children have become more complex, especially around social, emotional, and mental health.
 - The impact of Government legislation, for example the need to plan support for some young people with SEND until the age of 25.
 - Increasing demand exacerbated by pent-up demand following the Covid-19 pandemic.
3. The 2014 Children and Families Act replaced Statements of Special Educational Needs with Education, Health and Care Plans (EHCPs), which require a much lower threshold for an assessment than previously. The supporting legal framework has meant that nationally over 85% of challenges by parents, carers and young people of decisions relating to either EHC assessments, the issuing of EHCPs, the naming of placements, and specific provision have been successful.

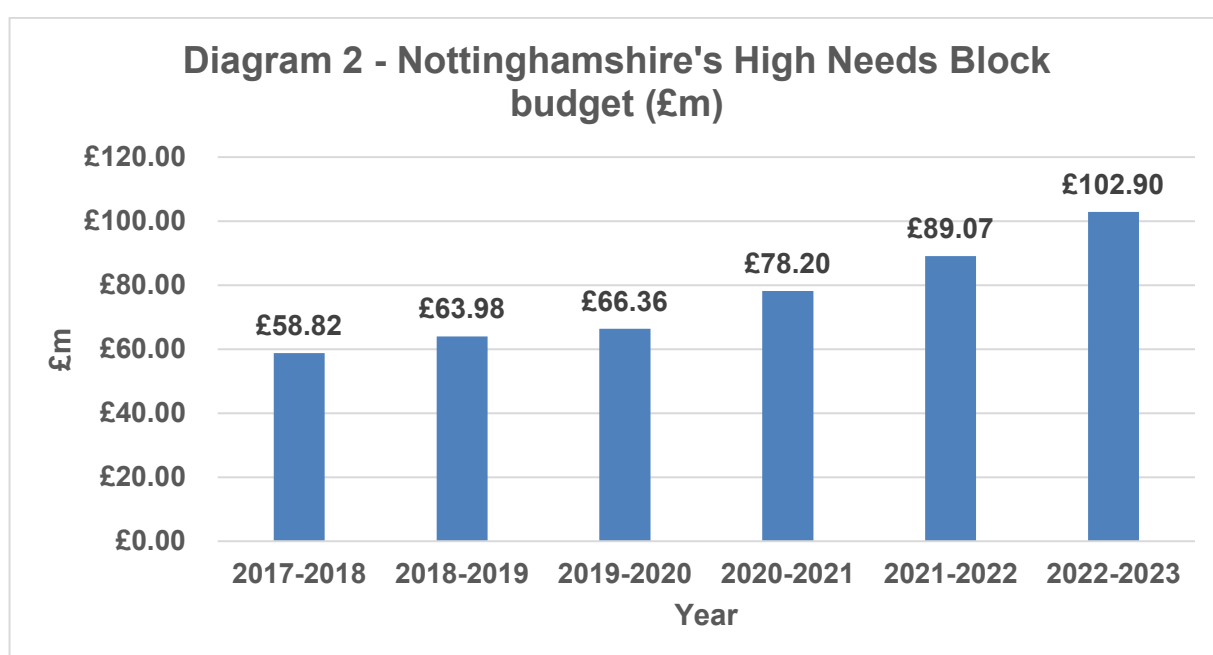
4. The County Council has had a long-term commitment to inclusion, which has been developed with school partners for over 30 years. However, the Government's focus on raising the level of attainment in schools has resulted in many settings becoming less inclusive and accepting of children and young people with SEND. Ofsted's current inspection framework for schools recognises this national trend and has a specific focus on the educational provision and support for children and young people in SEND.
5. In Nottinghamshire, most children and young people with SEND access their education in mainstream settings and many of these pupils have their needs met without an EHCP. Nottinghamshire County Council provides support services to ensure that schools have access to specialist advice and guidance in relation to a range of SEND needs. These include the Specialist Family Support Service, the Social Emotional and Mental Health Team, the Educational Psychology Service, the Health-Related Education Team and the Partnership Team. Overall in January 2022, 1.42% of children and young people in Nottinghamshire aged 0-25 had an EHCP, compared with an English average of 2.7% (Source: SEN2 2022 and Mid-Year Population).
6. Nottinghamshire has developed fair, proportionate and transparent arrangements for additional SEND funding over many years, predating the introduction of EHC Plans. These arrangements allow the professionals working the closest to the child or young person to be involved in any decision-making regarding support or changes to provision. A total of £16.561 million was devolved in 2021-2022 from three separate but related budgets: the Additional Family Needs budget, the Family Network Fund budget and the High-Level Needs budget. These budgets are in addition to the national expectation that schools will provide the first £6,000 spend on any targeted provision for a child or young person with SEND.
7. Despite these well-established routes for accessing SEND funding outside the EHCP process, there has been significant increases in the number of EHCPs in Nottinghamshire. The total number of EHCPs has increased from 2104 in January 2017 to 3360 in January 2022, an increase of 59.7%. It should be noted that 42.4% of these new EHCPs in Nottinghamshire resulted in a specialist educational placement. It is predicted that by January 2029 there will be an additional 2,500 EHCPs in Nottinghamshire requiring potentially another 1,000 plus specialist educational placements. Nationally, the increase in EHCPs was 64.7% over the same five-year period.
8. **Diagram 1** illustrates the growth in EHCPs in Nottinghamshire since 2015. The data for January 2023 to January 2025 is predicted numbers based upon the long-term trend in Nottinghamshire. At the end of October 2022, the number of EHCPs in Nottinghamshire was 3566, which is slightly below the trend shown in **Diagram 1**.



Source: SEN2

9. Many parents and carers see the EHCP process as providing certainty regarding provision for their child. Consequently, the first ten months of 2022 has seen an increase of 31% in the number of requests for EHC assessments when compared to the same period in 2021. This compares to a national annual increase of 23% in 2021 (19.8% in Nottinghamshire in 2021).
10. The increasing demand for EHC assessments and SEND provision and support is resulting in considerable pressures on local authority services including the Educational Psychology Service, Integrated Children's Disability Service (ICDS) and the Children's Commissioning Service.
11. Nottinghamshire County Council, working with the local School Forum, has successfully managed to keep the High Needs Block (HNB) revenue budget deficit to a relatively low level. In 2020-2021, the deficit was £2.473 million (3.2%), and in 2021-2022 it was £0.571 million (0.6%). This is despite being historically underfunded when compared with our statistical neighbours, though recent higher-than-average uplifts to the HNB Budget has reduced this difference. The DfE considers the County Council to have effectively managed its HNB budget.
12. Nationally, the DfE has two programmes supporting local authorities with HNB budget deficits. The Safety Valve Programme supports 20 local authorities with the highest deficits, and the Delivery Better Value Programme provides support and funding to the next 55 local authorities with the highest deficits. Many local authorities have annual deficits in the range of £30-£40 million. Kent County Council at the end of 2021-2022 had a cumulated deficit of £102 million, compared with Nottinghamshire's annual HNB budget for 2021-2022 of £89 million.
13. In Nottinghamshire an increasing proportion of the HNB budget is being spent on specialist educational provision at the expense of top-up funding to mainstream schools to support children and young people with SEND:

- The percentage of the HNB Budget spent on specialist provision has increased from 60.9% in 2017-2018 (£36.323 million) to 66.0% in 2021-2022 (£58.760 million). This remains a lower proportion than most local authorities.
- Over the same period, the actual expenditure on specialist educational provision has increased by 61.7% compared to a 34.8% increase for devolved top-up funding to mainstream schools.
- The overall increase in the High Needs Block budget over these five years was £29.429 million, or 49.3%.
- **Diagram 2** shows the increase in the Nottinghamshire's share of the High Needs Block budget between 2017 and 2023.



Source: SEN2

14. Despite the relative success with managing the High Needs Block budget there are several significant risks and assumptions with our future budgets and financial stability. Some of the major ones are listed below:
- The continuing growth in the demand for EHCPs (especially following Covid-19) will continue at its current rate, or even increase further.
 - The impact of inflation especially on the cost of commissioned services such as specialist educational placements in the independent sector and the costs of capital projects.
 - Reductions in local government and education funding in response to the current economic climate.

15. The [SEND green paper](#) (*'right support, right place, right time'*) was published in March 2022. The consultation on the proposals closed on 22 July 2022 and the Government's response was expected before the end of the year. The proposals in the Green Paper did not suggest any changes to the legal threshold for EHC assessments or changes to the legal framework. Any resulting legislative changes are unlikely to happen until 2024.

SEND Educational Provision and Sufficiency in Nottinghamshire

16. Nottinghamshire has 11 Special Schools/Academies. Most of the children and young people attending these settings have a primary need arising from autism or social emotional and mental health needs. Two of the eleven Special Schools and Academies are rated as excellent by Ofsted, eight as good and one special academy as inadequate earlier in 2022, with a new multi-Academy Trust taking the academy over. Nottinghamshire does not have any Pupil Referral Units.
17. Nottinghamshire has a much lower number of Special School and Academy places than the English, regional and statistical neighbours' averages, as illustrated in **Table 1**. The increase in the proportion of children and young people attending special schools and academies has been lower in Nottinghamshire since 2015-2016 compared to national, regional, or statistical neighbours' averages. Since 2016 the number of places available in Nottinghamshire Special Schools (maintained and Academies) has increased by less than 23% (945 in January 2016; 1170 in January 2022).

Table 1 - Special School roll as a percentage of the overall school population

	2015-2016	2021-2022	Difference
Nottinghamshire	0.79%	0.91%	15.2%
England	1.23%	1.58%	28.4%
East Midlands	1.15%	1.45%	26.1%
Statistical neighbours	1.35%	1.71%	26.7%

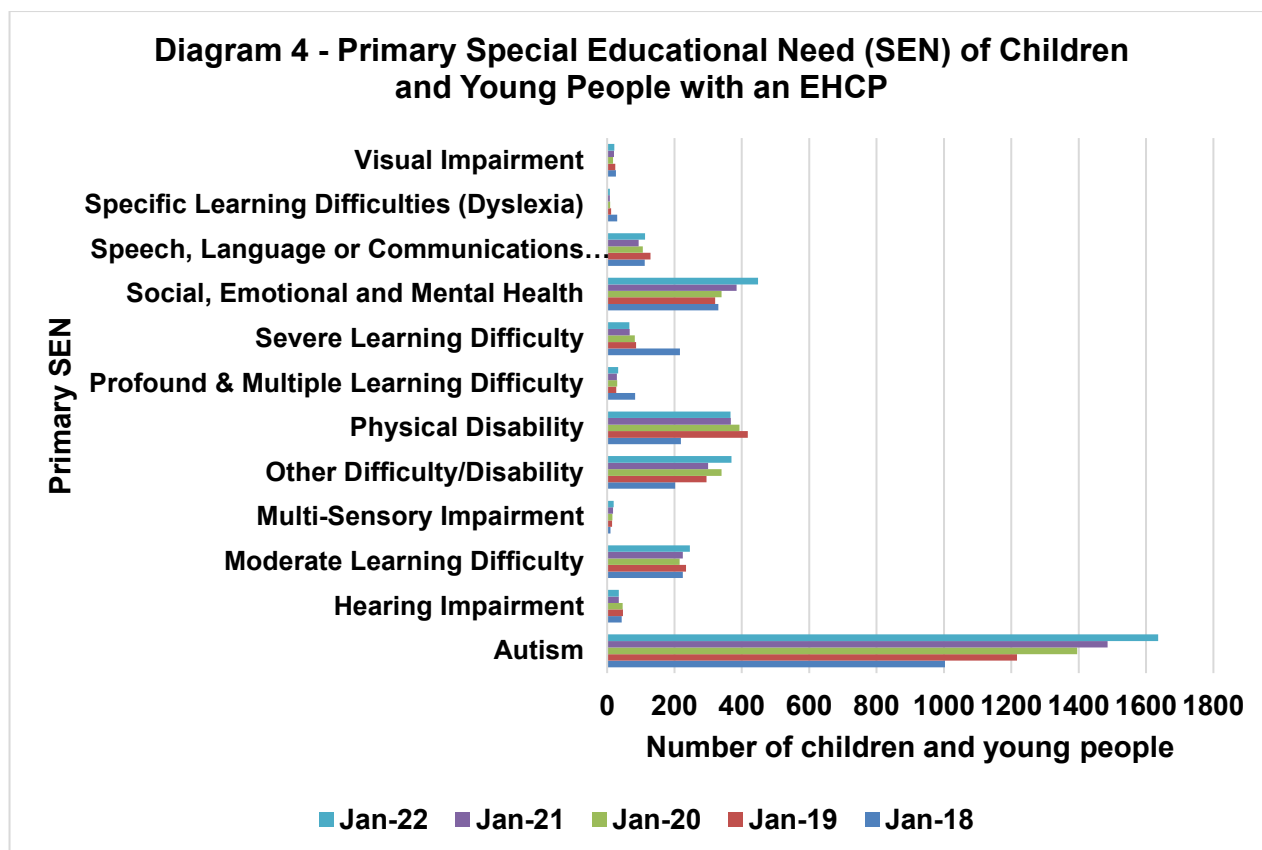
Source: [Schools, pupils and their characteristics: January 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/schools-pupils-and-their-characteristics-january-2022)

18. Since 2019, the Local Authority has funded six (five secondary and one primary) Enhanced Provision Units across the County. These are intended for children and young people without an EHCP and are designed to be temporary placements before reintegration back into a mainstream placement or a special school.
19. In recent years there has been a considerable increase in the numbers of children and young people with EHCPs who are receiving their education on a one-to-one basis at home or in the community. In 2017-2018, there were 21 such children and young people at an annual cost of £431,029. By September 2022, the numbers had increased to 64 at an annual cost of £1,634,751.
20. Nottinghamshire County Council commissions in the region of 280 places from alternative education providers. This currently includes provision for 138 children and young people with EHCPs predominantly where autism and SEMH have been identified, as there is not enough appropriate specialist provision to meet their needs.
21. This growing need for specialist educational provision has meant:

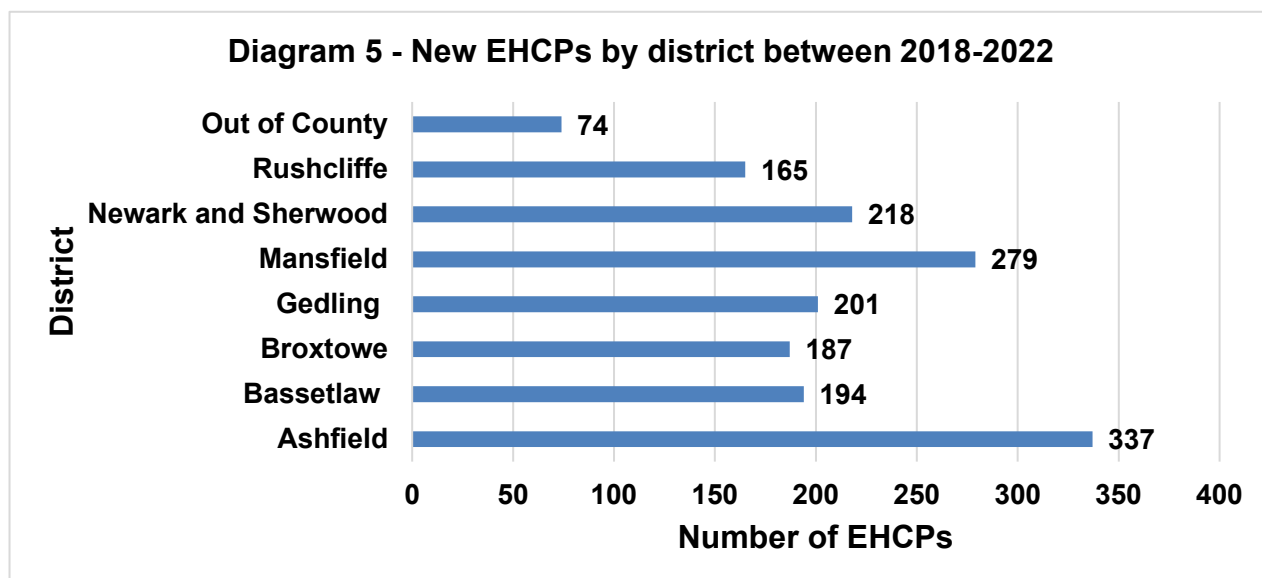
- An increasing reliance on the independent sector. Nottinghamshire places a significantly higher percentage of children and young people with EHCPs in the independent sector (9.01% (Source: SEN2 2022)) than the national (6.21%) or statistical neighbours' averages (6.51%).
 - On average the cost of a placement in an independent setting is £49,730, compared with £23,810 for a place in a Nottinghamshire Special School or Academy which increases the cost pressures on the High Needs Block budget. It is also unlikely that the independent sector will be able to keep up with the growing demand. Costs for independent day placements can be high as £165,000 per year, and over £250,000 for a residential placement.
 - Children and young people requiring a specialist placement remain in mainstream settings until an appropriate specialist setting is available. In September 2022, 95 children and young people were in mainstream settings without an appropriate special school placement being available until September 2023.
 - Increasing use of an already saturated market for Alternative Provision, especially for young people at Key Stages 3 and 4.
 - In September 2022, there were 25 children and young people whose school placement was at significant risk of placement breakdown. Independent sector placements are being sought for these children and young people.
22. Managing this gap creates additional pressures on school partners, local authority services, the High Needs Block budget and above all on children and young people and their families.

The County Council's response

23. In September 2021, the County Council approved the [Nottinghamshire SEND Place Planning Strategy \(2021-2026\)](#). The headline requirements identified in the Strategy are for:
- Between 285 and 490 additional places in specialist provision by September 2026.
 - Additional specialist provision that can meet the needs of pupils with Autism and with Social Emotional and Mental Health (SEMH needs). 50% of all future new special school places need to be for young people with autism.
 - Additional places to be focused on the Mansfield, Ashfield, and Gedling districts, where demand is highest.
24. **Diagrams 4 and 5** provides some of the data behind the recommendations of the Nottinghamshire SEND Place Planning Strategy. **Diagram 4** illustrates the growing numbers of children and young people with EHCPs who are identified with autism and increase in the numbers with SEMH needs. **Diagram 5** provides information about the location in the County where the growth in new EHCP plans between 2018 and 2022 has taken place.



Source SEN2



25. The SEND Place Planning Strategy stressed the importance of considering both the supply of high-quality provision and support, and how to reduce the demand for more specialist provision in Nottinghamshire.
26. The County Council is developing the structures required for decisions to be made as local as possible. Based upon three localities: North (Bassetlaw and Newark and Sherwood),

Central (Ashfield and Mansfield) and South (Broxtowe, Gedling, and Rushcliffe), locality groups of key local authority services together with school representatives will:

- Develop a stronger understanding of localities through analysis of data and shared expertise.
 - Promote a more effective and joined up response to children and young people's special educational needs.
 - Focus on local solutions to local challenges.
 - Help partners make better use of diminishing resources, e.g., reduce duplication.
27. The County Council has also developed a capital programme to deliver additional specialist educational placements. The programme aims to deliver an additional 219 placements between 2018-2024 using the £9.837 million provided by the DfE between 2018-2022.
28. In March 2022, the Department for Education announced the High Needs Capital Allocations for 2022-2023 and 2023-2024. Nottinghamshire will receive £25.151 million over the two years. There remains £900 million nationally to be allocated for 2025-2026. The County Council is committed to the building of at least one new special school with up to 160 places. In addition, the local authority has applied for a new special free school, as part of new wave of 40 special free schools nationally.
29. The SEND Place Planning Strategy also identified the need to develop several SEND Resource Units on existing school sites for young people with social emotional and mental health needs who would benefit from accessing the national curriculum for some of their learning during the school day. The first unit will be established in partnership with a special school academy in 2023, in the Mansfield area.
30. **Table 2** below provides a summary of current capital projects including the proposed new special school on a former school site at Ravensdale.

Table 2 - Summary of current capital projects

School site (District)	Number of places	Phase of placements	Stage of development	Anticipated delivery date
King Edward Satellite, (Mansfield)	24	Primary	On site	Dec 22
Newark Orchard, (Newark & Sherwood)	30	Primary / Secondary	On site	Dec 22 - Jan 23
Derrymount, (Gedling)	20	Primary	On site	Dec 22 - Jan 23
Bracken Hill, (Ashfield)	9	Primary	Planning approved	Aug 23 - Sep 23
Yeoman Park, (Mansfield) DfE lead project	28	Primary / Secondary	Design development	Aug 24
Ravensdale, (Mansfield)	160 (initially 140)	Key Stage 3 and 4	Pre-development	Aug 25
Total	271			

31. The current capital programme as outlined in **Table 2** above leaves a gap of up to 219 places in the predicted provision required by September 2026 in the Nottinghamshire Place Planning Strategy. The County Council's ability to provide this additional capacity will depend upon the following four factors:
- a. The outcome of the application form for a special free school in Nottinghamshire.
 - b. The development of a new special academy in the South of the County by a multi-academy trust.
 - c. The DfE's High Needs Capital Allocation will continue with the third year (2025-2026) of funding.
 - d. Changes in demand for specialist educational provision due to improved parental confidence, and improved retention in mainstream provision.

Financial Implications

32. The pressures on the HNB budget should be noted and though currently effectively managed in Nottinghamshire there are several risks to financial stability in the medium term including the increases in demand for specialist provision, and the impact of inflation. It is expected that future annual increases in the HNB budget will not be as significant, and local authorities from 2023-2024 will need to demonstrate their ability to cover deficits from their available reserves as the ring fence of deficits from councils' wider financial position in their statutory accounts comes to an end.
33. Decisions made today regarding specialist placements will impact on the HNB budget for the next 5 to 10 years. For example the commissioning of an independent specialist placement for a child aged 10 is likely to be required for at least the next 8 years (until they are 18 years old).

Implications for residents

34. Currently, many children and young people are waiting too long for EHC assessments and the local authority is unable to provide appropriate specialist provision to meet their assessed needs. The current capital plans will meet some of these needs in the medium term but reducing the demand for EHC assessments will require other changes in the SEND system.

RECOMMENDATIONS

That the Committee:

- 1) considers the extent to which effective planning is taking place to ensure that there is sufficient specialist educational provision for children and young people in Nottinghamshire.
- 2) considers whether there are sufficient resources available to support children and young people with Special Educational Needs to remain in mainstream settings.

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Constitutional Comments (EKH 25/11/22)

35. It is appropriate for this report to be considered by the Children and Families Select Committee.

Financial Comments (MDN 23/11/22)

36. The pressures on the HNB budget should be noted and though currently effectively managed in Nottinghamshire there are several risks to financial stability in the medium-term, including the increases in demand for specialist provision and the impact of inflation. It is expected that future annual increases in the HNB budget will not be as significant, and local authorities from 2023-2024 will need to demonstrate their ability to cover deficits from their available reserves as the ring fence of deficits from councils' wider financial position in their statutory accounts comes to an end.
37. Decisions made today regarding specialist placements will impact on the HNB budget for the next 5 to 10 years. For example, the commissioning of an independent specialist placement for a child aged 10 is likely to be required for at least the next 8 years (until they are 18 years old).
38. Plans will continue to be made to utilise future increases in High Needs Block funding, taking particular account of potentially large areas of expenditure, such as the cost of places at new special school.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- [Nottinghamshire SEND Place Planning Strategy \(2021-2026\)](#)
- [Nottinghamshire SEND Policy \(2020-2023\)](#)
- [Nottinghamshire SEND Strategic Action Plan \(2021-2023\)](#)

Electoral Division(s) and Member(s) Affected

- All

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