

EXTERNAL REVIEW OF FUNDING FOR CHILDREN AND YOUNG PEOPLE WITH HIGH NEEDS IN NOTTINGHAMSHIRE

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EXECUTIVE SUMMARY

Introduction:

1. This review has been jointly commissioned by the Local Authority and Schools Forum. Expenditure on provision and services for High Needs this year has significantly exceeded the budget allocated to Nottinghamshire by central government. The overspend has been addressed in the short term through transfer of money from the Schools Block and reductions in funding for SEND and behaviour that is devolved to behaviour partnerships and families of schools. However, there is a need for a more sustainable long-term solution.
2. The review has involved analysis of relevant documents and statistical data and interviews with a broad range of stakeholders (officers, support services, schools, colleges and early years settings, and parents/carers). A series of workshops have also been held with head teachers and SENCOs on an area basis, to feed back emerging findings and consider possible ways forward.

Nottinghamshire's High Needs Block (HNB) allocation:

3. A significant number of Authorities are experiencing HN budget pressures at present. Nottinghamshire's position is not helped by its relatively low HNB allocation. Comparisons with the Authority's 10 'statistical neighbours' show that it receives the lowest allocation in the group (£406 per 2-18 overall population compared with a group average of £498). The Government has set out its intention to move from historical HNB allocations to LAs, to a distribution based on formula indicators. Nottinghamshire's budget is increasing as a result. However, gains are limited by:
 - (i) Continuing use of a 'historical factor' in the formula (50% weighting)
 - (ii) The application of a 'funding floor' ('no LA loses'), and
 - (iii) A 3% cap on annual gains for lower-funded Areas (with no further increases guaranteed after the first 2 years)
4. While Nottinghamshire's funding levels present particular challenges, overspends are not limited to Authorities with lower HNB allocations. Significant budget issues are

also being experienced, for example, by Kent (the highest funded LA in the group) and by Lancashire and Staffordshire (both funded at average levels).

Main areas of overspend:

5. The main sources of the overspend in Nottinghamshire are:
 - (i) The significant rise in spend on placements in the independent/non-maintained (INM) special school sector (from **£3.84m** to nearly **£10m** between 2014/15 and 2017/18)
 - (ii) Increased spend on mainstream pupils with high level needs (HLN): (from **£4.2m** in 2015/16 to **£5m** in 2017/18)
 - (iii) Increased spend on provision for students with HN in FE colleges (from **£3.44m** in 2014/15 to **£5.37m** in 2017/18)
 - (iv) Increased spend on placements in state-funded special schools (from **£19.94m** in 2014/15 to **£21.45m** in 2017/18)
6. Some of those interviewed argued that the rise in INM spend was due to insufficient numbers of places available in Nottinghamshire's state-funded special schools. Creating more local capacity would, in their view, help achieve better value for money. The Authority has already taken some steps to address this issue.
7. However, this review indicates a more complex picture. Analysis of spend in the most similar LAs in the comparator group shows that Lancashire and Staffordshire have significantly more special school places than Nottinghamshire but are still experiencing growth in INM admissions and substantial overspends. On the other hand, Derbyshire (also average HNB for the group) has a similar number of special school places but more limited budget pressures.
8. Analysis of the age profile of Nottinghamshire pupils in INM special schools shows that nearly half are post 16. This suggests that increase in spend on these kinds of placements is also related to a greater level of 'staying on'. The extension of statutory duties from 16 to 25 has increased parental expectations that provision will continue, and independent/non-maintained providers are increasingly encouraging parents/carers to take up this option.
9. Numbers of students with statements/EHCPs at post 16 have risen across the board, not only in INM schools but also in FE colleges (mainstream and specialist), mainstream school 6th forms and state-funded special schools (increase from 207 in 2015 to 286 last year). Numbers in specialist colleges (mainly Portland) have risen from 64 to 162 in a similar period.

Increase in needs?

10. A number of those interviewed reported an increase in numbers of children and young people with High Needs and in the complexity of their difficulties. Particular areas of concerns were the numbers of children with autistic spectrum disorders (ASD) and challenging behaviour, and those with mental health issues. Schools and settings were also finding it more difficult to meet some needs because of staffing pressures and increased national demands to meet expected attainment thresholds.
11. Numbers of children and young people with statements/EHCPs have increased significantly over the last two years (from **1844** in 2015 to nearly **2500** in 2017). A substantial proportion of this increase can be attributed to post 16 students (rising from 419 in 2015 to 914 in 2017). This is partly due to the extension of the EHCP system to the FE college sector.
12. There has been some growth in numbers of pupils with statements/EHCPs in mainstream schools (from 468 to 617 over a two-year period). This is difficult to explain given the nature of Nottinghamshire's mainstream SEND resourcing system. Discussions with parents/carers suggested some concerns about the nature and robustness of the current 'mainstream offer', with a need for a greater level of specification/statutory entitlement to ensure their children's needs were being met. In the area workshops, schools expressed some frustration about the increased level of statutory assessment which, in their view, led to a higher workload for busy professionals, with limited additional value.
13. There has been an increase in the number of new statutory assessment requests from 392 per year in 2013/14 to 511 in 2016/17. Only around 20% of these have come from schools (70% from parents/carers). In 2016/17, less than 50% of requests led to EHCPs,
14. The review suggests a number of reasons for this increase, including the impact of the national SEND reforms and social media on parental expectations, and the tendency for this option to be recommended by other professionals (Health/Social Care) who are sometimes unfamiliar with Nottinghamshire's SEND resourcing approach.
15. The level of statutory assessment activity has a high administrative cost which can divert effort and capacity away from meeting children's educational needs. Interviews with parents/carers indicated the need for better partnership and communication in some schools/settings so that problems can be addressed more collaboratively/flexibly without recourse to statutory safeguards.
16. While all schools/settings are facing increased pressures, the review suggests a level of variability in the priority given to meeting SEND in comparison to other demands and in schools' own capacity (staffing/skills and confidence/organisation). This is a

particular issue in relation to children with ASD who now account for nearly 40% of the overall EHCP population.

17. The review also includes a breakdown of HN spend by Area of the county. This shows some significant differences in levels of usage of different types of provision, even levels of need are taken into account.

Ways forward

18. The review makes a number of recommendations that build on the analysis undertaken. These include the following:

Nottinghamshire's HNB allocation: case for an increase

19. The Authority should present a specific case to the DfE for a more substantial increase to its HNB allocation, given that it is still considerably less-well funded than many of its comparators. This should be in addition to any more generalised case for funding increases being made through national organisations (Local Government Association; Association of Directors of Children's Services). Nottinghamshire has traditionally been well-regarded by the DfE for its innovative systems and practice. By contrast to some other higher spending Authorities, it has managed SEND well and should not be penalised for this success.

Reducing reliance on high cost placements in the I/NM special school sector

20. The Authority should conduct a more detailed analysis of reasons for recent I/NM placements in order to clarify needs that cannot currently be met in local provision. It should examine carefully what developments are needed to strengthen local alternatives, so that these have the maximum impact.
21. It should undertake a detailed review of EOTAS provision in order to assess quality and sufficiency of educational access, as there is evidence that any inadequacies here can lead parents/care to explore other higher cost alternatives. Implications should be discussed with services and schools.
22. Services should give priority to working with schools/settings to identify at an early stage cases where placements in I/NM schools are being discussed and considered. Parents/carers should be made aware of the alternative options and the benefits of local inclusion.
23. The Authority should continue to ensure that any proposals for I/NM placements are checked and validated at a senior officer level, with the opportunity to consider other (funded) alternatives where possible.

24. More active reviews of pupils currently placed in I/NM special schools should be carried out at key points of transition.
25. Further work should be undertaken to strengthen procurement processes to help control costs of existing/new placements, drawing on the new commissioning framework being developed across the East Midlands Region.

A more focused strategy for local management of HN spend

26. The Authority should identify a small group of officers with responsibility for HN strategy development and implementation. This should be overseen by a member of the Children's Services Senior Leadership Team, with a clear mandate and terms of reference. There should be a link to the SEND Accountability Board, so that this can be informed by and contribute to developments.
27. A specific subgroup should be formed for Post 16, encompassing school as well as college provision. There should be an emphasis on ensuring positive and inclusive local pathways, with specialist provision being reserved for pupils/students with the more complex/significant needs. There should be a stronger focus on progression and value.
28. Consideration should be given to the development of District strategic groups, involving representatives from schools, to review local HN spend and look at ways of achieving best value. Groups could be involved in shaping local provision to help meet needs within the indicative budget for each Area. There was positive support for this suggestion at the Area schools discussions, with the recommendation that groups should be more formally aligned to existing Area Heads meetings and well-connected to Schools Forum.
29. The Authority should further develop its management information and reporting systems in order to provide a more regular and ongoing picture of placement trends and HN spend, at both county and Area level.

Local area decision-making

30. Consideration should be given to a move to an Area decision-making model for allocation of additional funding to mainstream schools. This would involve a two-stage process, with initial moderation at family of schools level and final decisions made by an Area Panel composed of family SENCOs and support service/officer representatives. HLN and AFN funding would be combined into a single Area budget based on DfE HN indicators.

31. This model would help ensure a more consistent focus of HN funding on pupils with exceptional needs and promote more common thresholds/expectations across families and schools in the Area.
32. Family SENCOs would continue to play a key role in this process and would need to be funded accordingly, with a common core job description.
33. The Authority should review its current SEND casework structure. This should include officers with relevant educational experience who could attend Area Panels and be a point of communication with other administrative colleagues in the County team.
34. Again there was positive support for these proposals at the Area schools discussions.

A more consistent high quality mainstream offer

35. The Authority should develop a more systematic approach to school improvement in the SEND area. There should be a clearer and agreed quality assurance framework which would help identify and disseminate good/outstanding practice and provide clearer evidence where there are particular concerns. Support services (EPS and SFSS) should have develop a more systematic approach to evaluating their impact at school level.
36. More consistent professional development and training should be made available, with more opportunities provided at Area level, to promote and reinforce local networking.
37. Consideration should be given to a more formal structure for developing school capacity to meet the needs of pupils with ASD (drawing on nationally available materials eg Autism Education Trust or SCERTS).

Engagement of parents/carers and other stakeholders

38. There should be more opportunities for parents/carers to understand and discuss Nottinghamshire's approach to meeting HN, and to provide feedback on their current experience/contribute to developing solutions. This could be organised via Parent Carer Forum and/or the Authority's Information, Advice and Support Service (Ask Us). This would help foster more collaborative and constructive relationships rather than adversarial ones. Schools should consider offering similar opportunities at local level.
39. The Authority should hold further discussions with Health and Social Care to help reduce pre-emption and inappropriate professional advice. Consideration should be

given to including an input on Nottinghamshire's SEND policy/approach in induction programmes for new staff.