

High Needs Monitoring

Date of meeting:	25 th July 2024
Report to:	Cabinet
Report of:	Executive Director of Children's Social Care and Education
Portfolio:	Children, Schools & Families
Wards affected:	All Wards
Included in Forward Plan:	No
Is this a key decision:	No
Exempt/confidential report:	No

Summary:

This report will provide members with an update on the council's position in respect of the High Needs Budget and resulting deficit. It will provide members with: -

- The current position nationally.
- Demand within Sefton.
- What this demand means for council services.
- The agreed programme of work that has been derived from the Delivering Better Value Programme.
- The Councils SEND transformation programme and how this supports continued service development.
- Current sufficiency work and planned capital investment; and
- The resulting financial position.

Recommendation(s):

- (1) Note the update regarding the high needs funding deficit and the development of the quality assurance systems being put into place to address the monitoring of the spend.
- (2) Consider the increasing number of children and young people who have an EHCP and, are educated in independent and non-maintained special schools (INMSS).
- (3) Note and receive the agreed Delivering Better Value Submission and agree that progress reports be provided to cabinet and council every 6 months

- (4) Note future projects to increase sufficiency across Sefton and the ambition to create more special school places.
- (5) Approve that a High Needs Recovery Plan be presented within the next report to cabinet in December 2024.

The Rationale and Evidence for the Recommendations

- 1) To provide an updated on the 2023/24 High Needs budget financial position.
- 2) To provide Members with a provisional update of the potential deficit budget forecast against the High Needs budget in 2024/25.
- 3) To provide an update on the sufficiency programme to provide sustainable and effective SEND support for pupils within the available resources allocated through the Dedicated School Grant – High Needs Block

1. Introduction/Background

- 1.1 This report will provide members with an update on the council's position in respect of the High Needs Budget and resulting deficit. It will provide members with: -
- The current position nationally.
 - Demand within Sefton.
 - What this demand means for council services.
 - The agreed programme of work that has been derived from the Delivering Better Value Programme.
 - The Councils SEND transformation programme and how this supports continued service development.
 - Current sufficiency work and planned capital investment; and
 - The resulting financial position.

2. National Position

- 2.1 Over recent years members have received regular reports that have provided detail of how the impact of the SEND Reforms implemented through the Children and Families Act (2014) and the SEND Code of Practice (2015) have impacted all councils and Sefton in particular. These reforms have seen an exponential rise in Education Health and Care Plans (EHCP's) being required for completion, an increased demand for non-mainstream education, an exponential rise in demand and cost for home to school transport and the cost of education provision far exceeding the money allocated to councils via the Dedicated Schools Grant.
- 2.2 This has led to several council's, including Sefton, spending more on its high needs block than has been allocated, a position compounded by subsequent years financial allocations not being awarded based on demand or need but notional inflation-based increases that are not sufficient.
- 2.3 In recognition of the fact that there is insufficient funding, the previous government introduced 2 elements that have been reported to members: -
- A statutory accounting override that means that the high needs deficit is rolled forward each year until 2026, however there is no advice on what happens at that point; and
 - Support programmes that are DFE led, namely the Safety Valve Programme and the Delivering Better Value programme.

In addition, DfE has also reviewed their approach to SEND and published the SEND and Alternative Provision (AP) Plan. However, while the Government’s SEND and Alternative Provision Improvement Plan makes some good suggestions – such as making mainstream schools more inclusive and the introduction of benchmarks – there is no mention of the additional funding and resources to make them happen.

2.4 There is extensive research, commentary and analysis of the current national position, some of which is shown as follows: -

- A leading thinktank has warned that the NHS is buckling under an “avalanche of need” for autism and attention deficit hyperactivity disorder (ADHD) services. The Nuffield Trust said the “extraordinary, unpredicted and unprecedented” rise in demand for autism assessments and ADHD treatments had completely overtaken the NHS’s capacity to meet them.
- In advance of the 2023 autumn statement the LGA submission requested the previous government to:-
 - Provide the additional funding required/necessary to meet the year-on-year increase in need for Education, Health and Care Plans.
 - Provide a guarantee that all council Dedicated Schools Grant deficits will be written off.
 - Urgently bring forward legislation that gives councils the powers to lead local SEND systems and to hold health and education partners to account for their work supporting children and young people with special need.

2.5 Last year, councils across the country issued 84,400 Education Health and Care Plans (EHCPs) – an increase of 26% on the previous year. The national deficit on high needs block was estimated at £3.2bn and increase of £1bn on the previous year alone.

3. Demand within Sefton

3.1 This national picture has been mirrored within Sefton. Sefton has relatively high rates of EHCP’s compared to its city region neighbours, as a result of a large increase in the number of requests for assessment particularly related to Autism Spectrum Disorder (ASD), Attention Deficit Hyperactivity Disorder (ADHD), Speech and Language Therapy (SALT) and Social and Emotional Mental Health (SEMH), resulting in subsequent EHCP applications. This has resulted in the number of active EHCP’s increasing from 1637 in 2019 to 3184 in February 2024.

The number of children and young people with EHC plans increased to 576,000 (nationally) as at census day in January 2024, up by 11.4% from 2023.

Number of children and young people assessed in Sefton for whom an EHC plan was issued for past 7 years is as follows:

		2017	2018	2019	2020	2021	2022	2023
Sefton	Number of children and young people assessed for whom an EHC plan was issued	234	145	318	296	321	299	611

250 requests for assessments have been agreed since 18th January 2024 (as at 24th June).

In October 2021, Sefton had arranged placements for 2138 pupils with SEN, in October 2022 this figure was 2414 (11.48% increase on previous year), and in October 2023 this figure was 2923 (17.42% increase on previous year).

3.2 As stated earlier in this report, this then manifests itself in increased demand from the following council services and functions: -

- Increased staffing requirement to process the applications- in August 2023, a further 9 SEN casework Officers and numbers of temporary staff were added to the establishment at a full year cost of £0.745m to meet increased demand.
- Increased demand for Home to School Transport- this budget has increased from £7.4m in 2019/20 to £14.4m in 2024/25.
- Increase in the accumulative high needs' deficit from £5.43m in 2019/20 to £38m at 2023/24 (with an in year overspend of £19.3m)

Increasing SEND staff has supported the improvement in performance. The 20-week compliance figures are consistently above 40% (National average is 50%)

3.4 **Early Years data shows that there has been a rise in demand for support for the Early Years SEND team.**

Year/ Date	Number of children known to the EY SEND Team
July 2024	1002
July 2023	783
July 2022	631
July 2021	569

*Current Reception cohort - 328 (known to the Early Years SEND Team before Summer term 2023)

Rising Reception cohort 2024/25 – 339 (To date) – 262 of these children will be placed in Mainstream settings. 66 of these children have a place in special/ SEN Unit provision.

Request for EHCP assessments are increasing in Early Years. In September 2023, there 115 children who had a finalised EHCP within the Reception Cohort.

In April 2024 there were 93 Early Years finalised plans for children starting reception and another 45 under assessment, so in total there are 138 children with an EHCP due to start Reception in September 2024.

	Sept 22	Sept 23	Sept 24
Children known to the service nursery provision	203	304	335 (without July 24 allocations)
Children known to the service mainstream Reception	255	328	339 (Due to go to reception in Sept 24)

As of June 2024, High Needs funding supported: 153 Early Years children are receipt of HNF plus 21 Resourced Sefton Nursery Places Total 174.

Out of the current Reception pupils of 206, 82 are part of group funding projects.

To date transitional funding has been agreed for 17 new reception children for Sept 24.

Sefton local authority funds Early Years children through HNF, this includes children without an EHCP. The criteria include children accessing funded entitlements. Consideration needs to be given to this model of funding.

Due to expansion of funded entitlements in Early Years childcare – the number of children who would be eligible to apply for High Needs Funding will significantly increase. This needs to be highlighted as it will have a financial impact on the overall budget for High Needs Budget moving forward.

3.4 **Special Educational Needs Inclusion Fund (SENIF) Early Years**

- The local Authority and partners have a legal duty to regularly review the special educational needs (SEN) provision available in the local area. This includes:
- The way Top Up funding is allocated to individual children and young people with high level SEND.
- The Early Years senior leaders are reviewing the early years policies and processes including the effectiveness of funding within EY SEND and considering a range of indicators for example, DBV findings and the SEND sufficiency review. As part of this process, they have considered Early Years SENIF and the duty to fund lower level and emerging needs for the youngest children. Early Years SENIF is not allocated as part of the current funding processes.
- To address the funding a document has been created in draft form that will be considered by a working party in September, involving a range of professionals from across the EY sector. Following this review, Sefton will create a transparent funding process that supports inclusion and the implementation of a fair and sustainable financial model aligned with the evidence of assessed need of individual children using the graduated approach model.

3.4 This position is clearly unsustainable both within Sefton and nationally however it is critical that the council does all it can to deliver a first class service, that it meets the requirements of national legislation but it does so in a way that has robust controls, processes and practices that ensure that funding is spent effectively and efficiently and that the council can demonstrate it is doing all it can to control cost within a system that is in need of reform and doesn't work.

4. **Delivering Better Value Programme (DBV)**

4.1 The latest progress report has been submitted to the DFE and there was the latest follow up meeting on 12th July. Overall, the programme continues to be on track with the proposed adjustments made to some activities within the workstreams and timescales following the last progress report and meeting.

The recruitment challenges that were faced previously in relation to increasing the inclusion capacity had meant the team have been unable to develop the graduated approach and toolkit to the timescales. These were adjusted to reflect the capacity challenges and the refresh of the Graduated Approach is now underway, and this has developed significantly, with support from all teams across the Inclusion Service.

The scope and reach for the Graduated Approach have grown too, with excellent representation from Health and Social Care in supporting the development of a holistic toolkit. There has been a

focus on how we support parents/carers with a supportive document they can use. A workstream has been created specifically at developing a family supportive toolkit and resources.

The appointment of two SENCOs from local schools has been successful and as they have focused solely on the Graduated Approach and Toolkit, and this has allowed the workstream to move with momentum.

The first phase of the Graduated Approach document will be completed by Autumn term. This consists of provision maps for each area of need; SEMH (Social, Emotional and Mental Health), Communication and Interaction, Cognition and Learning and Autism and Complex needs. This document will be a holistic representation.

The next steps will be to launch to the graduated approach and toolkit, this will include training for parents/carers, other partners from health and social care and school staff. This should provide clarification and information in relation to expectations in the implementation of the Graduated Approach. This will ensure that parents/carers, settings, and partner agencies are clear on their roles, responsibilities, and the support they can access and receive. The aim of this would be to provide a package of support to create an equitable offer for inclusive practice in all Sefton schools this will support more children and young people to achieve high quality outcomes in mainstream primary and secondary School Settings and have a cascade effect on placements within our MSS & INMSS settings.

- The agreed DBV programme is attached at Appendix A to this report.

4.2 With the production of 6 monthly reports on High needs, members will be kept continually up to date with progress of the programme.

5.0 SEND Transformation Programme

5.1 Within the council's new transformation programme, there is a specific project in relation to SEND and this is focused on the following 5 workstreams:

	Title	Core Activity
1	Systems and Data	<p>An agreed Governance structure across the partnership is now in place – see Appendix B</p> <p>At partnership level this will include data held across the partnership and the efficacy of information sharing with the aim of producing an integrated SEND Dashboard across partners. Consideration will also be given to the development of EHCP digitisation linking up with the DfE digitisation project.</p> <p>The use of the Capita One database is currently being developed with the SEN Team and is on course to implement the Timeline processes from 1st August subject to successful testing. The development and implementation of this system will lead to robust data evidence-based practice. Admissions Service will also be trained in the use of the system.</p>
2	Joint Commissioning Arrangements within the Area SEND	<p>This will include a review of the current Joint Commissioning Strategy, the delivery plan linked to the current strategy, a review of the current agreements for joint funding, both at an individual case level and at the wider strategic level and the development of a Children and Young People's Outcome's Framework. This will be a 12-month project with</p>

	Partnership	<p>some elements delivered within a 6-month timeframe.</p> <p>The SENDIASS service is currently under tender with a closing date of 23rd July. Evaluation and moderation will take place shortly after with a decision due by 5th August.</p> <p>Service Level Agreements have been developed and will be in place for the 24/25 academic year with SEN Units, Resource Provisions and Special Schools.</p> <p>Re tendering of Resolution and Mediation Service is currently being undertaken.</p>
3	Processes and systems relating to the statutory SEND system.	<p>This will involve the EHCNA process, EHCP planning, the Quality Assurance of EHCPs and the Annual Review process. This will be an 18-month project.</p>
4	Current Funding Models within the Local Authority.	<p>This includes the following models: costed EHCPs, exceptional funding, transition funding and group funding. It will also be necessary to review the banding model currently used to fund specialist provision within mainstream schools and special schools, due to the level of concern amongst headteachers about the existing model.</p> <p>Funding streams have been mapped under statutory and non-statutory duties and from June 2024, a new weekly funding panel has been implemented. The panel now considers all funding applications.</p> <p>Group funding review has taken place and quality assurance system and processes are now in place. It is also proposed that to further manage the impact of individual funding, the LA would implement a Group Funding process that would mitigate costs of providing support to groups of CYP in a school.</p> <p>It is now proposed a high needs funding review will take place in Autumn 2024 with proposals as to how funding systems will move forward. This includes the banding of plans by the authority rather than schools costing the plans. The aim will be to provide a consistent process for the award of funding for pupils that is clearly defined for all and has clear amounts allocated against bands.</p> <p>Review of Tripartite Panel processes for Health, Social Care and Education funded packages of support are being strengthened.</p>
5	SEND Sufficiency.	<p>This will include a full review of current place sufficiency, the development of a SEND Sufficiency Plan/Strategy and the development of an invest to save model. This will be a 3-year phased project (phase 1 completed by September 24, Phase 2 by September 25 and Phase 3 by September 2026).</p> <p>A Buildings and Maintenance group with Education representation now meets weekly to consider any building adaptations needed and to support the Sufficiency work.</p>

5.2 Within this programme, the work on the DBV Programme aligns and indeed is integrated, therefore ensuring that strategic objectives are consistent and the service and wider partnership are clear on what needs to be delivered and the required outputs. Progress on this programme will be reported to members as part of subsequent reports on a 6-month basis.

6.0 SEND Sufficiency within Sefton

6.1 In the last report presented to members in July 2023 it was outlined that part of the strains placed upon the High Needs Budget originate from the cost of Independent out of Borough specialist placements, the majority of which have been due to a lack of sufficient maintained places within Sefton special schools and resourced provisions. This lack of spaces has resulted from the significantly increased number of EHC Assessments and resulting EHC Plans that have been processed over the past 7 years since the Children and Families Act 2014 came into force.

6.2 At that time the council had an overall aim to develop 330 new places within Sefton over the coming years. The rise in EHCPs would indicate that this number would need to increase. The table below shows the SEN Units / Resource Provision which will be available in September 2024 across primary and secondary settings.

Primary mainstream provision from September 2024:

Name	Provision	Places	Criteria
Our Lady of Lourdes Catholic Primary School North Sefton	SEN Unit for Autism	24 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
Freshfield Primary School Central Sefton	SEN Unit for Autism	20 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
Hudson Primary School Central Sefton	SEN Unit for Autism	36 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
Waterloo Primary School South Sefton	SEN Unit for Autism	30 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
	SEN Unit for Cognition and Learning Opening September 24	8 places	EHCP or under EHC Needs Assessment with primary need of cognition and learning

The Pines based at Redgate Primary School Central Sefton	SEN Unit for complex needs	42 places	Identified complex needs EHCP or under EHC Needs Assessment
The Grange Primary School Central Sefton	SEN Unit for Autism	30 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
	SEN Unit for SEMH	8 places	Identified need of SEMH EHCP or under EHC Needs Assessment
	SEN Unit for Speech, Language and communication difficulties (SLCN)	24 places	Identified need of SLCN EHCP or under EHC Needs Assessment
Bishop David Shepperd North Sefton	SEN Unit for Social Communication difficulties Opening September 24	16 places	EHCP or under EHC Needs Assessment with primary need of social communication
Thomas Gray Primary School South Sefton	SEN Unit for Social Communication difficulties	42 places	EHCP or under EHC Needs Assessment with primary need of social communication
Kings Meadow Primary School Central Sefton	Resource Provision for SLCN	10 places	Identified need of SLCN EHCP or under EHC Needs Assessment
Marshside Primary School North Sefton	SEN Unit for Social Communication difficulties Opening September 24	12 places (Reception and KS1)	EHCP or under EHC Needs Assessment with primary need of social communication

Secondary mainstream provision from September 2024:

Name	Provision	Places	Criteria
Meols Cop High School	Resource provision for Autism	10 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
North Sefton	Resource provision for SpLD	12 places	Identified needs around SpLD EHCP or under EHC Needs Assessment
St Michaels Church of England High School	Resource provision for Autism	8 places	Diagnosis of Autism EHCP or under EHC Needs Assessment
Central Sefton	Resource provision for Cognition and Learning	10 places	Identified needs around Cognition and Learning EHCP or under EHC Needs Assessment
Formby High School	SEN Unit for Cognition and Learning difficulties	40 places	Identified needs around Cognition and Learning EHCP or under EHC Needs Assessment
Central Sefton	Opening September 2024		
Holy Family Catholic High School	SEN Unit for Cognition and Learning difficulties	30 places	Identified needs around Cognition and Learning EHCP or under EHC Needs Assessment
Central Sefton			

Work has been undertaken to expand Newfield Special School by 28 places into premises in Birkdale. This has enabled Newfield's offer to incorporate KS1 and KS2 provision. In addition to this, a total of 36 primary and 40 secondary places are due to come on board in the next academic year.

Expressions of interest will be invited from Secondary mainstream schools for 3 additional SEN Units, subject to public consultation and Cabinet approval, potentially providing up to an additional 120 places.

6.3 Ongoing projects already approved from Capital High Needs funding:

School	Project
Bishop David Shepperd Primary School	Phase 1 of the Capital building works are due to be completed by September 2024, giving 8 places in the new SEN Unit. Phase 2 to create the new KS2 classroom will be commencing during the Autumn term. Opening date for KS2 provision will be within 24/25 academic year.
Presfield Special School	Conversion of a storage area to create an additional 4 places for children with Autism. This is due to be completed during the summer holidays and should be ready for September 2024.
Marshside Primary School	An additional modular classroom for KS2 provision for Social Communication difficulties, this will give 8 places and provide progression for the current SEN Unit children. Date still to be confirmed for opening but expected to be opened by September 2025.

6.3 Longer term proposals that have been agreed waiting for approval include:

School	Project
Bedford Primary School	install a modular classroom to create a SEN Unit for Reception/ KS1 (8 places) and KS2 (8 places). If agreed, this will be opened by September 2025. Bedford Primary is located in South Sefton where there is a high level of SEN need.
Freshfield Primary School	Increasing the places available within the SEN Unit by 8 places, with overall total being 28 place provision for children with Autism. This project would require a modular classroom to be commissioned within the school site. Costs would include the modular classroom, associated ground works and resources needed for the classroom. The additional places could be available, if agreed, from September 2024 as the school has a nursery classroom which can be utilised for 1 term until the modular class is on site.
Meols Cop High School	Consideration is being given to change their SEN designation from 10 place SpLD Resource Provision to 10 place Cognition and Learning Resource Provision. A diagnosis of Dyslexia is currently needed which has nationally seen a decrease in this being formally diagnosed resulting in 6 unoccupied places predicted for September 2024. Discussions with the school is currently ongoing around the entry criteria to ensure curriculum needs are supported.
Holy Family Catholic High School	Previously a cabinet report was submitted for the provision of 6 places per year, total of 30 places. However, 8 pupils will be starting in yr 7 from September 2024, taking them 2 pupils

	over within this year group. The proposal is to increase to 8 pupils per year group from September 2024, increasing the provision to 40 places overall.
Merefield Special School	There is a proposal to convert the current garage area to a classroom to create an additional 8 places for Severe Learning Difficulties and/or complex health needs. A storage container will also need to be commissioned to replace the lost storage space from the garage.
Expansion of Rowan Park Presfield, Merefield and Newfield Schools	Given the demand and the lack of in borough placements as demonstrated by the tracking system put into place from April 2024
SEMH Assessment Units	Consider the creation of 2 SEMH Assessment Units and the development of a SEMH hub.

6.3 The SEND team have, since April 2024, tracked which in borough setting would have been appropriate if a place was available. A total of 54 children have gone to independent provision and this has cost £2.6m more than if these places had been in Sefton and illustrates why additional provision in borough is required.

6.4 Developing the Post 16 provision / Preparation for Adulthood offer:

The SEND team are proposing that a Post 16 review takes place to ensure suitable progression routes are available. This will include a review of:

- Thornton College, this provision is commissioned with Hugh Baird College. A review of the current provision / offer will be undertaken to extend their lease. This will part of a wider project around reviewing Post 16 provision and
- Possible expansion of special school 6th form provision – The SEND team have seen an increase in the number of places being commissioned in the North end of the borough for a special independent college and are keen to ensure that Sefton’s offer matches that of the independent sector.

Initial Post 16 data would support this approach:

- 2018/19 – 118 HNF applications approved at Post 16 HNF Panel – total Element 3 allocated was £941,720
- 2022/23 – 202 HNF applications approved at Panel – total E3 allocated £2.1m

This is symptomatic of the increase in the wider Post 16 cohort size which saw an increase from 700 in 2023 to 863 in 2024.

6.5 **Creating sufficiency through Alternative Provision**

The Department for Education through the publication of its “SEND and Alternative Provision Improvement Plan – Right Support Right Place, Right Time” (Mar 23), advocates LAs commitment to an improvement plan that is fully integrated with the wider SEND&AP system, where alternative provision is an intervention, not a destination, using a 3-tier model:

- Tier One focused on early intervention and support within mainstream school settings.
- Tier Two focused on time limited placement in Alternative Provision to assess and address

- pupil needs with an expectation to return to school and
- Tier Three focused on transitional placements for pupils requiring more support to move on to a new mainstream setting or sustained post 16 destination.

Since October a working party has been established to co-produce a strategy and quality assurance framework for the commissioning of alternative provision. The Working group is comprised of headteachers, Inclusion, SEN, Virtual School, 14-19 Participation and maintained AP.

The completed commissioning framework and QA processes and an up-to-date directory of providers are available to schools via the Sefton Education web portal which is accessed by maintained and academy schools.

Key Sefton Staff drawn from the inclusion and School Improvement Services have been involved in undertaking quality assurance for each of the settings within the current directory of providers that schools commission.

Only Alternative Provision providers engaging in the QA processes will be included within the approved directory. Currently the vast majority of Alternative Provision commissioning falls within the Secondary school sector with only our single maintained primary Alternative Provision commissioned by primaries.

Distinctions have been made when undertaking checks with registered and unregistered providers with a more in depth focus on health and safety and safeguarding requirements for unregistered forms of alternative provision. These are largely based on the independent school's inspection framework.

By the end of the current summer term 16 providers will have been quality assured each with completed reports published within the Sefton Education Portal.

In December 2023 an initial conference was held with 15 alternative providers to introduce the Sefton frameworks and to gain a better understanding of the educational offers available to schools. Relationships with providers were further developed through an initial marketplace event attended by both providers and schools.

The heads teachers and services in attendance at working group meetings will form the kernel of our emerging Alternative Provision partnership, the broad aims of which will include:

- Improving provider performance.
- Raising the profile of Alternative Providers in Sefton
- Establishing better collaboration between commissioners and providers
- Safeguarding the wellbeing of all children accessing education in AP
- Ensuring all learners receive consistently high- quality learning experiences and their statutory entitlement.
- Inspiring confidence across Alternative Providers and support the culture of continual improvement within the AP sector.
- Enabling recognition and sharing of good practice across schools, colleges and other providers.

A priority for academic year 2024-5 is to improve intelligence regarding the scope and purpose of schools' commission needs and to ensure tracking of learner outcomes, attendance, reintegration rates and duration of placements. Key staff have investigated LA wide models of web-based data tracking to support LA and school staff.

Further engagement and marketplace events are planned along with termly development meetings to develop improvement and practice across the sector and to engage providers in further support and training opportunities.

6.6 Complementary Education

The Complementary Education Team sits within the High Needs provision and provides statutory education S19 Education Act for children and young people who are unable to attend school for a period of time, usually for up to two Terms, due to significant illness, or due to a range of mental health issues. In some instances, children with identified SEN needs are referred to the service pending assessment and support. There is a significant increase in children who are experiencing emotionally based school avoidance.

Pupils are usually referred to the service by schools; and teaching is provided through a combination of home tuition (up to 4.5 hours per week), or in a classroom, at the Pinefield Centre (up to 10.5 hours per week). Teaching staff is drawn either directly through a budgeted number of qualified teachers and HLTA s employed permanently by the service, and/or through Agency support teachers being deployed as necessary. Transport for pupils attending the Pinefield teaching centre, is also provided as necessary via a local taxi company under agreement with the Complementary Education service.

This provision is not registered as a School or Special PRU. It is essential that the Authority moves towards getting this Unit formally registered. Similar registered services operate in Merseyside, including one at Alder Hey hospital and it is felt that the Complementary Education service should be formally registered as a provision. An option could be aligned to one of Sefton special schools. The DfE are currently exploring that option. This would formalise its position a provision.

7.0 High Needs Deficit- current and forecast position.

7.1 As stated in this report in 2023/24 net expenditure within the high needs block of the Dedicated Schools Grant excluding schools 0.5% contribution to High Needs and re-allocation of £0.981m was £63.7m compared to the funding made available from central government of £44.4m. Thus, an in year overspend of £19.3m has been incurred. When added to the deficit already in existence at the end of March 2024 a total accumulated deficit for High Needs of £38m now sits on the council's balance sheet.

To illustrate the point made earlier in the report, in respect of annual budget increases not meeting demand, the increase in the high needs budget for 24/25 is £2.36m or 5.3%. When last years deficit of £19.3m is considered that means that there will be at least an increase in the deficit of £17m plus the additional cost in 2024/25 for the full year effects of decisions made around new places established from September 2023 without any further demand increase, which based on previous years is unrealistic. This also reflects the council meeting all actions from the DBV programme and with assurance that its systems and processes are working effectively. This reflects the unsustainability of the system and the funding model.

7.2 From the work undertaken on the Delivering Better Value programme, it is estimated that the following financial deficit position will be reached on High Needs. (These figures are based on forecasts made in February 2024 and are subject to a refresh following the 2023/24 outturn position. They also exclude any centrally retained DSG balances held relating to Early Years or the Schools Block).

	As of 31 March 2026 (When statutory override finishes)	As of 31 March 2028
	£'m	£'m
Initial deficit position	87.141m	162.959m
With mitigations	-5.548m	-26.967m
Estimated deficit position	81.593m	135.992m

Such a level of deficit within the Dedicated Schools Grant, which sits on the council's balances sheet is clearly unsustainable. Councils with deficits of this size that have met their obligations under the DFE, Delivering Better Value Programme will not have the reserves or balances available to fund this in 2026 when the current statutory override comes to an end and that will be the case for Sefton.

7.3 The advice received over the last decade has been that this deficit will not impact upon the General Fund of council's hence the statutory override being in place, however, there has been no advice provided on what happens after 2026 when the current arrangement comes to an end. As reflected earlier, the LGA provided in 2023 the then government with clear advice and actions that would reform the system and maintain the sustainability of the sector. This will be an issue for the new central government and as guidance becomes available this will be reported to members together with the impact for the council.

7.4 In the meantime, this position remains a key threat to the financial sustainability of the council and as such remains on the corporate risk register. The council must meet the outputs of the Delivering Better Value programme and has recently conducted an internal audit review of the High Needs systems and processes to ensure that they are robust and informed decision making is taking place- the aim of these elements is to ensure that the council is doing everything it can to control expenditure and reduce risk as far as possible, however as can be seen there is a limit to how far this can go in the face of unprecedented increased demand and insufficient funding. The next report to members will be in 6 months (December 2024) and further information will be available then, however this report will contain a high needs funding recovery plan within it for completeness, as well as provided an update on the DBV programme, the SEND transformation programme and an updated financial forecast.

8. Monitoring and Review

Service Level Agreements (SLA) have been developed and are being rolled out to current SEN Units, Resource Provisions and Special Schools. The SLA's provide accountability to both the LA and schools and give clarity expectations and funding.

Systems are being developed to ensure ongoing data review can be facilitated to be proactive in commissioning places for the future.

2. Financial Implications

All implications are in the report.

3. Legal Implications

The Service Level agreement is a formal written agreement with the schools and academies draft.

4. Corporate Risk Implications

The risk associated with the High Needs Deficit is included on the corporate risk register due to the risk to the financial sustainability of the council as set out in the report .

5 Staffing HR Implications

There are no staffing or HR implications arising from this report

6 Conclusion

Sefton continues to strive to improve the experiences of all children and young people with SEND and their families aligned with addressing the high needs deficit. In order to achieve this the council will focus on the following areas:

- Continue the review of the funding streams including group funding and how this is allocated to schools and education settings. The impact of this funding on the outcomes for children and young people will be monitored.
- Review the early years funding streams.
- Reduce the use of out of borough and independent education placements.
- Continued High Needs Block Transformation
- Expand and develop in house provision for children and young people to be educated locally.
- Align complementary Education service with a in house specialist provision/multi academy trust.

Alternative Options Considered and Rejected

N/A

Equality Implications:

The equality Implications have been identified and risk remains, as detailed in the report.

(Please note that Council have agreed care experience should be treated like a protected characteristic.)

Impact on Children and Young People:

The Council and Partners want children and young people with SEND to learn in Sefton at good or outstanding schools. This can be delivered either by mainstream, specialist resource units based within local schools or by special schools.

Climate Emergency Implications:

The recommendations within this report will have a Positive impact.

The additional places reduce the need for travel for pupil's and provides the opportunity to walk to school reducing emissions and having a positive effect on health & wellbeing.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services and Commercial (FD.7719/24.) and the Chief Legal and Democratic Officer (LD.5817/24) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

(Please give a brief description of the consultations undertaken with external partners and community groups etc on the proposals set out in the report. Insert 'not applicable' if applicable and remove this text)

Implementation Date for the Decision:

Following the expiry of the "call-in" period for the Cabinet decision.

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Appendices:

The following appendices are attached to this report:

Delivering Better Value programme

Governance Structure