Appendix 5

High Needs and Dedicated Schools Grant Key Indicators

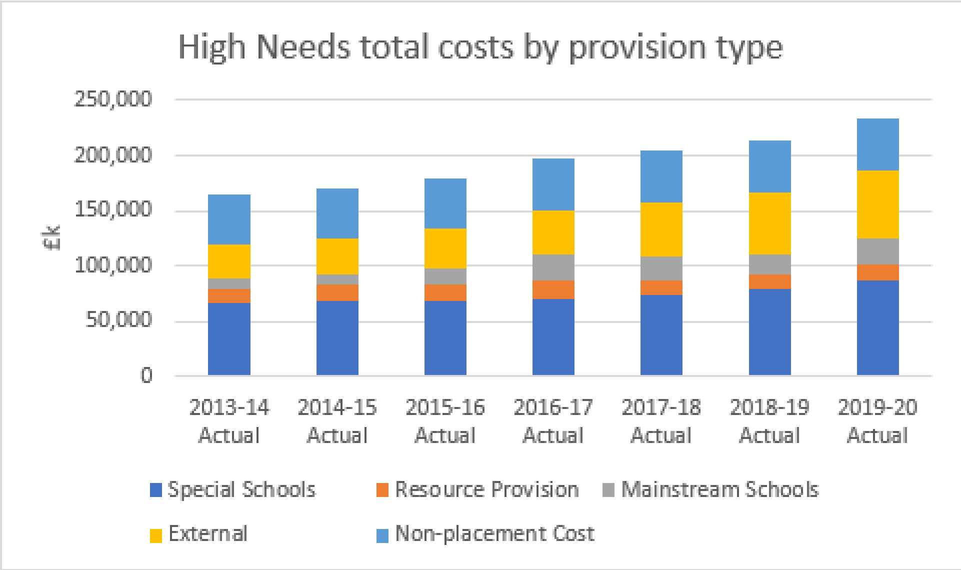
1. High Need Placement Forecast

High Needs funding is part of the Dedicated Schools Grant (DSG) and is used to support the educational achievement of children and young people with special educational needs and disabilities (SEND). The in-year funding shortfall for High Needs placements in 2019-20 was +£19m due to a combination of both higher demand and higher cost per child. Over the years there has been a growing number of children and young people accessing High Needs funding and this rise has been most significant in those children being educated in special schools (both maintained and independent) rather than mainstream schools. These specialist types of provisions are normally more expensive, as these placements tend to be for those children and young people with the most profound and complex needs. This rise in costs coincides with the introduction of the legislative changes in 2014 and mirrors the significant increase in the number of statutory assessments and the number of children and young people issued with an Education, Health and Care Plan (EHCP) over the last 7 years. This is not a Kent phenomenon; and this pressure is being experienced in many other local authorities to varying extents. In response, the Government has committed an additional £800m nationally in 2020-21 along with the launched of a major review into support for children with SEN which will include looking at how the SEND system has evolved since 2014, how it can be made to work best for all families and ensure quality of provision is the same across the country. The increase in high needs funding in 2020-21, is welcome but insufficient to meet the expected demand and the cumulative deficit is expected to increase further during 2020-21.

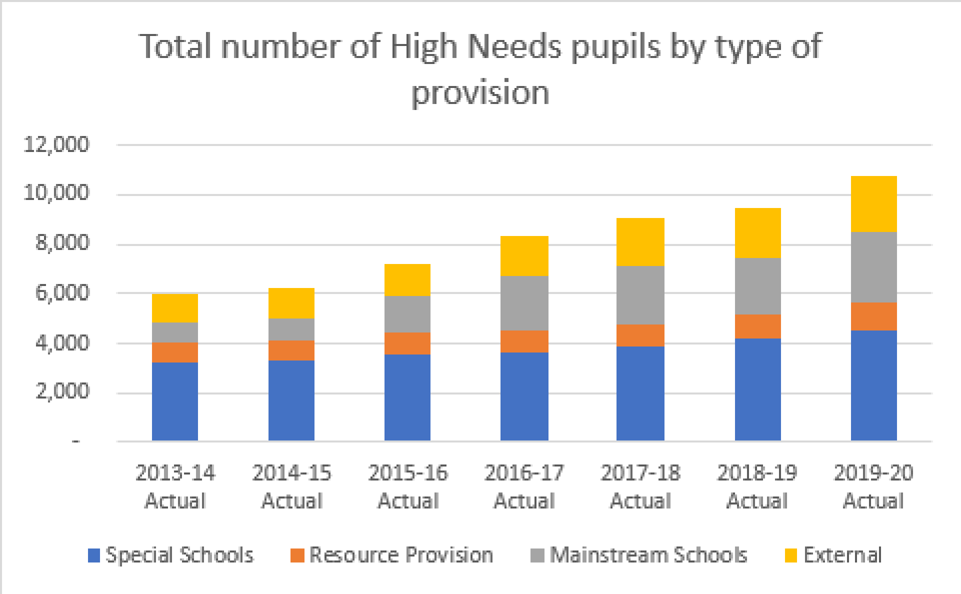
In Kent, the CYPE Directorate along with our colleagues from Health are responding to the Ofsted/CQC Local Area SEND Inspection that took place earlier this year. The report from Ofsted identified some serious weaknesses in the system with some 9 areas that needed to be addressed by Health, KCC, Schools and Academy Trusts. The Written Statement of Action (WSoA), sets out our response to address these areas of concern and overlaps in a number of places with our strategy for reducing the pressure on the High Needs budget including:

- Reviewing our commissioning strategy for SEN provision across the county including supporting the development of new special schools and SRPs to reduce our increasing reliance on independent schools
- Reviewing our commissioning arrangements with independent providers
- Improving parental confidence through supporting inclusive practice and capacity building in mainstream schools
- Further collaborative working with Health and Social Care partners

The graphs and tables below show total spend and pupil numbers for High Needs by type of provider.



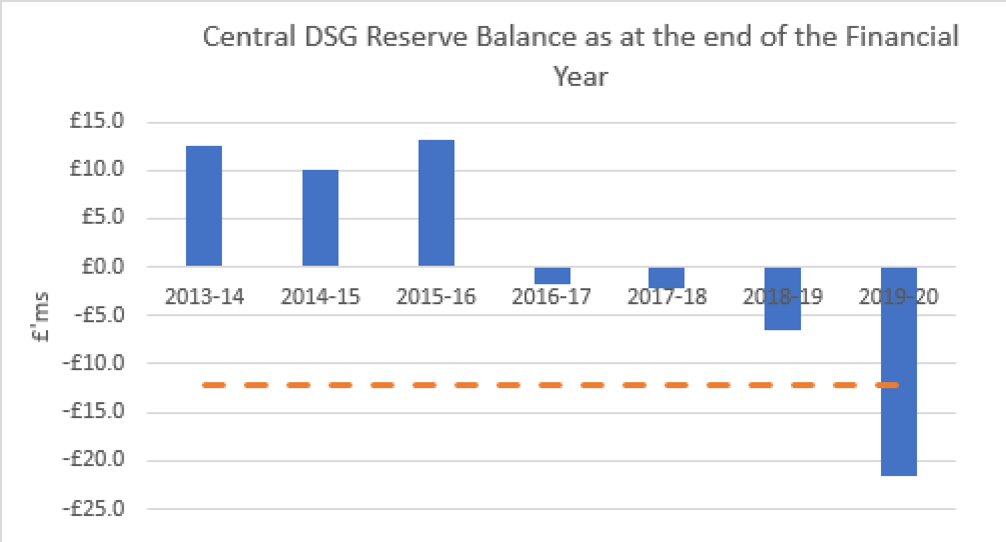
External includes all external education providers including independent non-maintained and FE Colleges.



External includes all external education providers including independent non-maintained and FE Colleges.

2. Dedicated Schools Grant Reserve

The DSG is a ring-fenced grant from the Education and Skills Funding Agency used to support schools, early years, high needs and some central education services. The DSG central reserve is one of the Council's earmarked reserves, any under or overspend from DSG funded services are transferred to the reserve at year end. Individual maintained school balances (surplus and deficit) are held separately. In recent years, the High Needs Block funding received each year has been insufficient to cover the increasing cost of the services resulting in an increasing deficit on the DSG central reserve. The graph below shows the trend in the DSG central reserve. The Department of Education has recently confirmed that local authorities are not required to repay deficits on the DSG from the General Fund but it remains unclear how such deficits will be treated other than a requirement to report a recovery plan. Current, DFE guidance has stipulated any authority holding an accumulated deficit of more than 1% of their total DSG income will be required to complete a deficit recovery plan (this financial limit is reflected on the graph below as a dotted line). Based on current expectations Kent will be required to complete the plan in 2020 if the DFE criteria remains unchanged. No further details on the plan have been published at the time of this report.



Central DSG Reserve Balance as at the end of the Financial Year
£15.0
£10.0
£5.0
£0.0
-£5.0
-£10.0
-£15.0
-£20.0
-£25.0
£'ms
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20