

**Manchester City Council
Report for Resolution**

Report to: Schools Forum

Subject: Update on Special Educational Needs and Disabilities (SEND) and the High Needs Strategic Review

Report of: Amanda Corcoran – Director of Education
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Summary

This report provides Forum with financial implications of current and future pressures within the high needs block. Information on the numbers of children in the city with Special Educational Needs and Disabilities (SEND) compared to national data, spend on SEND provision and outlines the specialist school increases made and planned.

Recommendations

Due to ongoing pressures in the high needs block there is a need to review some of the specialist services and provision to meet need whilst achieving maximum value for money from the high needs block. This is to continue to improve outcomes for children and young people with SEND and ensure there are sufficient specialist places and provision in the City

All Forum members are asked to note and comment on:

- Pressures on the high needs block in the current financial year and 2019/20 onwards.
- High needs block recovery options, and in particular recommendation to begin consultation on the transfer 0.5% from schools block to high needs block in 2020/21.

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Background documents (available for public inspection)

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1. INTRODUCTION

- 1.1 Specialist education provision for children and young people up to 25 years old with Special Education Needs and Disabilities (SEND) is met through the high needs block budget of the Dedicated Schools Grant (DSG), which is £76.50m in 2019/20. This includes the additional non-recurrent funding announced by Education Skills Funding Agency (ESFA) in December 2018 of £1.28m for 2019/20, with similar amount provided for 2018/19. The high needs block includes the funding for special school places and independent specialist placements, special services such as the Sensory Service, resourced provision in mainstream schools and top up funding for mainstream schools and colleges linked to statements/Education, Health and Care Plans (EHCPs).
- 1.2 This report will provide an update on the numbers of pupils with SEND, how this compares with national data and the impact on the high needs block which is used to fund provision for pupils with SEND. The paper will also outline increases to the number of specialist places across the city from the new academic year in response to the continued growth of the school population.
- 1.3 All Forum members are asked to note and comment on:
- Pressures on the high needs block in current financial year and 2019/20 onwards.
 - High needs block recovery options, and in particular recommendation to begin consultation on the transfer 0.5% from schools block to high needs block in 2020/21.

2. OVERALL SEND POPULATION

- 2.1 Within the school population, the October 2018 census showed that 15.6% of Manchester's school population have SEND (13,507 pupils). This was made up of 12.2% (10,612 pupils) who have needs met through SEND support and 3.4% school EHCP (2,895 pupils), please see table one below.

Table one: Number of pupils with SEND in Manchester schools (Oct 2018 census)

	2015	2016	2017	2018
EHCP/Statement	2,276	2,339	2,556	2,895
SEND Support	11,387	10,298	11,078	10,612
All SEND	13,663	12,637	13,634	13,507

- 2.2 **SEND Support** is the category schools and other settings use to identify and meet the needs of children with **SEND**. Schools and settings are required to meet the needs of this cohort by providing a 'graduated response' using their own resources. The reduction at SEND support level from 2015 to 2016 is in line with national trends following the Children and Families Act 2014. From

2017 to 2018 the census showed that the number of pupils who have their needs met through SEND support decreased whilst nationally it increased. However, with the percentage of pupils at SEND support level in Manchester still higher than the national (11.7%).

- 2.3 The numbers of pupils in Manchester schools with high levels of need which require an EHCP have increased to 3.4%. Nationally, the actual numbers of pupils with an EHCP have increased to give an overall percentage of 2.9% of the whole school population.

3. EDUCATION, HEALTH AND CARE PLANS (EHCPs)

- 3.1 EHCPs for children and young people aged up to 25 were introduced on 1 September 2014 as part of the Special Educational Needs and Disability provisions in the Children and Families Act 2014. From 1 September 2014, any children or young people who were newly referred to a local authority for assessment were considered under the new EHCP assessment process.

- 3.2 Transferring children and young people with statements and young people receiving support as a result of a Learning Difficulty Assessments (LDAs) to EHCPs has been phased. Transfers from LDAs for post 16 students to EHCPs were completed by December 2016 and the process of transferring statements to EHCPs was completed by April 2018.

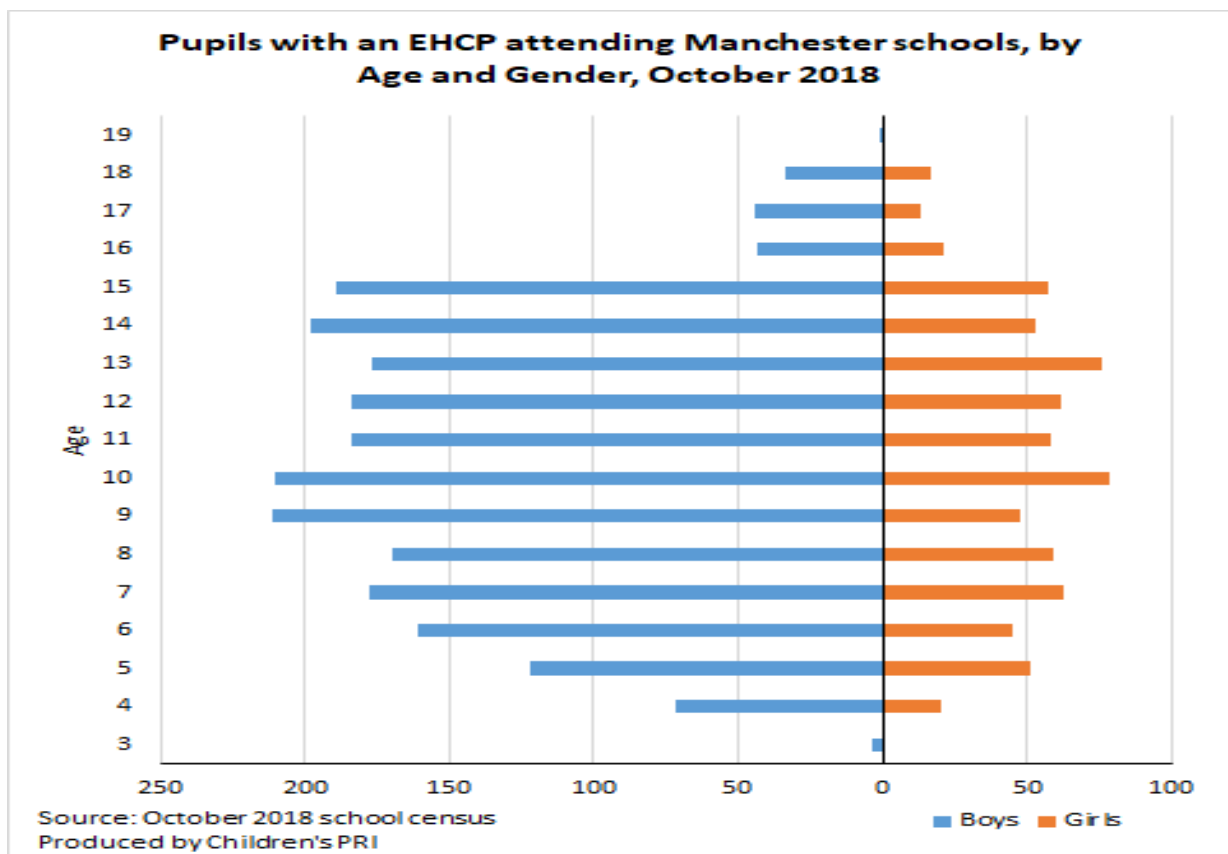
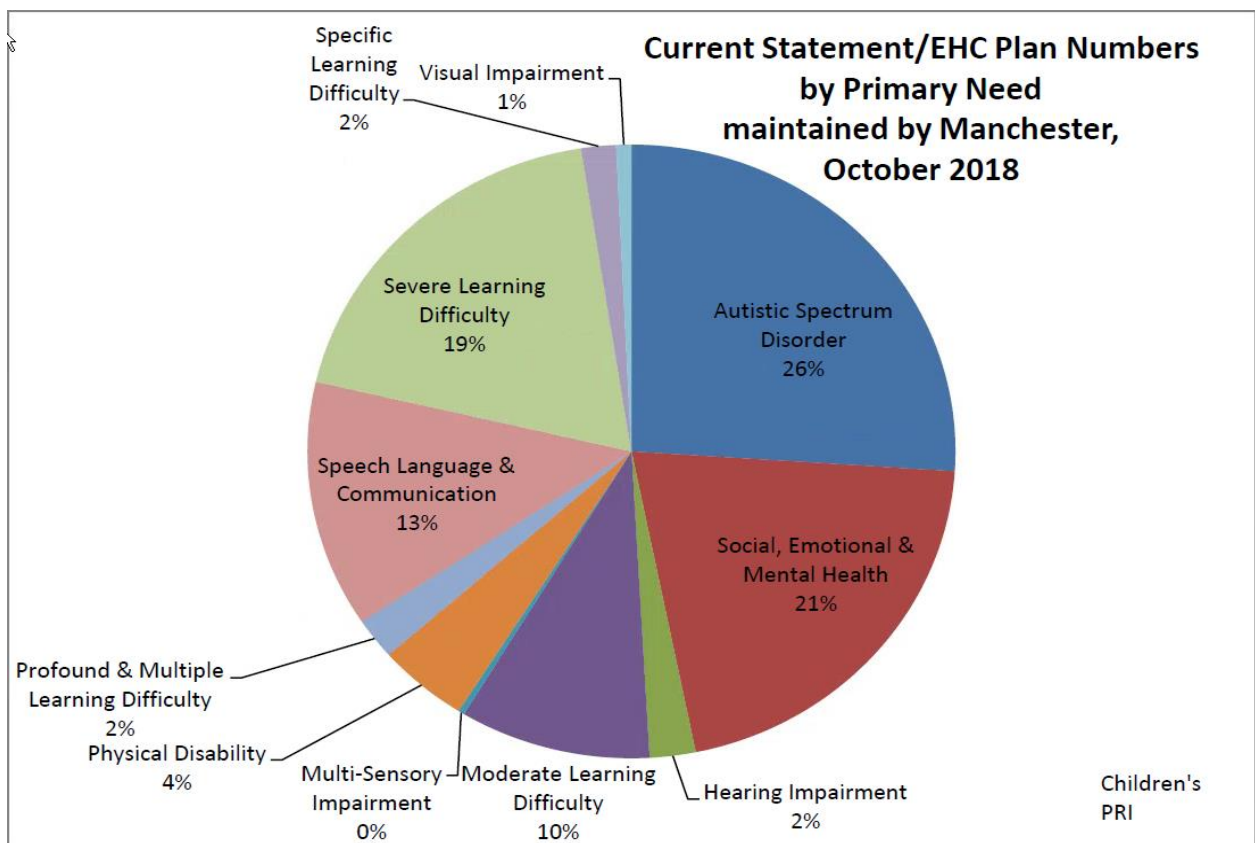
- 3.3 The total number of EHCPs for 0 to 25 years maintained by Manchester in 2018 was 4,099 which is a 61% increase since the end of 2015. In Manchester schools, there are a total of 2,895 EHCPs which is a 23% increase over three years. The Council is receiving more requests for EHCPs for young people aged 20 to 25

- 3.4 The most common types of primary need for pupils in Manchester with an ECHP are:

- Autism is 26% of the cohort. This reflects the national picture where autism is the most common primary need for children in the cohort with 28.2%. Manchester's proportion has remained unchanged since 2015 but nationally there has been a gradual increase.
- Social, emotional and mental health (SEMH) needs is 21% of the cohort whereas nationally, 12.8% of the cohort have SEMH.
- Severe learning difficulties (SLD) is 19% of the cohort whereas nationally, 12.5% have SLD.

- 3.5 The graphs below provide a more detailed breakdown.

Graph one: Current Statement/ EHCP Numbers by Primary Need October 2018



Graph two: EHCPs in Manchester by Age and Gender, In October 2018

- 3.6 The number of requests for statutory assessment are increasing significantly as shown in the table below. There are currently 309 children on the early years pathway and a significant number of these will require additional support in their settings. It is likely many of these children may need statutory assessment which could lead to further increases in EHCPs.

Table two: Requests for statutory assessments over the last 4 years.

	Jan to Dec 2015	Jan to Dec 2016	Jan to Dec 2017		Jan to Oct 2018
New requests	671	581	797		741
Declined requests	129	132	101		116
New EHCPs	222	318	565		536

- 3.7 The tables below show the average cost linked to pupils with a statement/EHCP by type of need and the change in cost over the last four years. In mainstream schools the way that pupils with statements/EHCPs are funded changed in April 2013 when schools were required to provide the first £6k towards the cost of a pupil's additional support. The tables below show that overall spend is increasing in mainstream primary schools and secondary schools which would be expected due to continual growth in EHCPs. The area of highest spend in mainstream primary is autism, followed by speech, language and communication needs. In secondary schools there is significantly more spend linked to social, emotional and mental health needs than other types of need. Appendix 1 has been provided for the list of acronyms for primary need of pupils.

Table three: Primary Mainstream Schools – average annual individual cost per Statement/EHCPs

	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
ASD	7,849	7,479	7,014	6,676
SEMH	6,900	6,602	6,578	6,486
HI*	6,770	5,935	5,009	4,610
MLD	6,005	5,624	4,990	5,355
MSI	9,534	7,855	7,855	7,855
PD	7,264	7,680	6,898	6,826
PMLD	8,990	9,578	8,714	8,714
SLCN	6,830	6,934	6,651	6,136
SLD	8,778	9,184	9,158	8,074
SpLD	4,638	7,940	7,916	6,980
VI*	5,742	7,562	5,616	6,369

*Note: This funding is provided directly to the schools for HI and VI in addition to support provided through the Manchester Sensory Support Service

Table four: Primary Mainstream Schools – annual cost of Statements/EHCPs

	2015/16	2016/17	2017/18	2018/19
	£000's	£000's	£000's	£000's
ASD	1,083	1,353	1,478	1,593
SEMH	591	516	500	636
HI	58	78	55	70
MLD	348	369	402	517
MSI	39	32	31	31
PD	238	71	292	316
PMLD	22	13	9	4
SLCN	731	754	962	1,217
SLD	504	741	891	965
SpLD	20	67	72	94
VI	30	24	30	44
Total	3,664	4,018	4,722	5,487

Table five: Secondary Mainstream Schools annual cost Statements/EHCPs

	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
ASD	5,946	6,149	6,234	6,176
SEMH	7,034	7,128	7,088	6,696
HI	4,298	4,591	5,512	5,052
MLD	5,373	5,390	5,623	5,245
MSI	7,814	13,814	2,289	2,289
PD	6,689	6,990	7,051	6,770
PMLD	6,433	6,893	7,814	8,144
SLCN	5,491	5,640	5,779	5,627
SLD	6,880	6,953	7,218	7,726
SpLD	4,131	4,707	4,131	5,480
VI	6,130	5,029	6,467	6,613

Table six: Secondary Mainstream Schools – annual cost Statements/EHCPs

	2015/16	2016/17	2017/18	2018/19
	£000's	£000's	£000's	£000's
ASD	305	405	425	539
SEMH	502	558	617	694
HI	46	48	56	47
MLD	280	313	301	367
MSI	8	6	1	1
PD	151	171	187	184
PMLD	13	14	16	21
SLCN	381	397	377	389
SLD	231	222	234	257
SpLD	20	28	30	57
VI	11	21	36	55
Total	1,948	2,183	2,280	2,611

4. SPECIALIST PROVISION

- 4.1 Special school places are increasing year on year in Manchester in line with the demographic changes in the city, as demonstrated in table seven below, showing figures from the October school census for each year.

Table seven: Special schools places as a proportion of the overall school population.

	2015	2016	2017	2018
All Places	1,261	1,308	1,471	1,658
% of overall school population	1.6%	1.7%	1.8%	1.9%

*Note: these figures do not include places at Manchester's PRU schools (refer to section 6) or resourced provision (refer to section 4.3).

- 4.2 The tables below show the total cost of special school places for 2018/19 compared to 2016/17 and 2017/18 as well as the average costs for a special school place for the last three academic years. This shows that, consistently in all three years the highest area of spend across this sector was SEMH, Autism and SLD.

Table eight: Total spent by category of need

Category of need	2016/17 £000's	2017/18 £000's	2018/19 £000's
ASD	7,412	7,410	8,933
SEMH	4,712	5,611	5,640
MLD	22	11	67
PD	870	774	632
PMLD	2,574	3,218	3,079
SLCN	75	90	74
SLD	8,425	9,633	9,686
TOTAL	24,090	26,747	28,111

Table nine: Average annual cost per place by category of need

Category of need	Cost per place 2016/17 £	Cost per place 2017/18 £	Cost per place 2018/19 £
ASD	17,643	17,643	17,724
SEMH	20,337	20,330	20,072
MLD	11,006	11,006	11,130
PD	17,581	17,585	18,052
PMLD	18,707	18,707	18,775
SLCN	15,043	15,043	14,827
SLD	17,643	17,643	18,105

Resourced provision in mainstream schools

- 4.3 As well as the increasing pressures on special school places over the recent years, there is also a need for additional resourced provision in mainstream schools in Manchester. A number of places have been created in resource provisions in mainstream schools for pupils with statements/EHCPs, table ten below demonstrates the change over the years. In 2018/19 there was a reduction in primary resource provision for pupils with Autism/SLCN due to the closure of Plymouth Grove resource provision.

Table ten: Designated Resourced Provision for children with Autism, SEMH and Hearing Impairment.

Financial Year	Primary School			Secondary School
	Places for Autism/SLCN	Places for Hearing Impairment	Places for SEMH	Places for Autism/SLCN
2015/16	49	10	10	40
2016/17	49	10	10	44
2017/18	49	12	14	48
2018/19	43	14	15	57
2019/20 (budget)	43	14	15	60

Placement in independent schools

- 4.4 There is a year on year trend of increasing number of placements in independent special schools for children who are pre 16, especially in day placements. There are currently 106 pre 16 pupils placed in independent specialist provisions.

Table eleven: Pre 16 Independent school placement

Type of provision	2016/17	2017/18	2018/19	2018/19 Total Cost £000's
Day	67	77	94	2,952
Residential	9	13	12	651

- 4.5 The main primary needs for children in day placements is Autism and SEMH where commissioning of independent placements has been used to meet increased demand for special schools when local provision is at full capacity. The primary needs for children in residential placements are Autism and SEMH. Decisions on these placements are made through a multi-agency resource panel and these are usually jointly funded by Education, social care and health.
- 4.6 The statutory duty to provide education for young people with EHCPs when

appropriate up to the age of 25 was introduced in 2014. This has put pressure on specialist placements and for some types of category of need such as Autism it has meant that there has been an increase in spend on day placements for post 16 pupils in the specialist independent sector, as shown in table twelve below. There are currently 98 young people aged 16-24 in independent specialist colleges/schools.

Table twelve: Post 16 Independent school/college placement

Type of provision	2016/17	2017/18	2018/19	2018/19 Total Cost £000's
Day	87	85	97	3,410
Residential	4	5	1	34

4.7 The number of day placements has increased in 2018/19 for both pre 16 and post 16 due to ongoing demographic growth. This will potentially put an additional pressure on the high needs block and may tie up funding which has been used in previous years to create additional and new specialist places within the City.

4.8 The average cost of an independent day school placement is £35k and the highest cost is £125k. The highest cost placements are for young people with Autism and SEMH. The total cost for independent placements in 2018/19 is £6.3m.

5. SPECIAL SCHOOL PARTNERSHIP

5.1 Manchester Special School Partnership is a formal partnership of all special schools who have agreed to work as part of a solution focused, collaborative partnership to enable the pupils with the most complex and exceptional needs to access learning within a Manchester specialist setting. The Local Authority has devolved £0.700m of high needs funding to the partnership which can be allocated to support individual pupils.

5.2 This partnership has enabled special schools to work collaboratively to meet the needs of pupils with complex and exceptional needs. In 2018/19 58 young people have accessed funding through this partnership – the average costs is £7.9k and the highest cost has been £19.7k.

6. Pupil Referral Unit (PRU)

6.1 The budgets of both the primary and secondary PRUs have increased year on year over the last 3 years. Due to many special schools in Manchester now being at full capacity, both provisions also now offer a number of specialist places for pupils with statements/EHCPs.

Table thirteen: PRU places

PRU	2016/17		2017/18		2018/19	
	Places	Budget £000's	Places	Budget £000's	Places	Budget £000's
Primary	70	1,894	70	2,059	74	2,172
Secondary	400	5,535	400	5,602	418	6,642

7. SENSORY SERVICE

- 7.1 Manchester Sensory Support Service support all children and young people who have a sensory impairment such that additional support and/or advice are required, at home (early years only), in nursery settings and primary, secondary and special schools. The service also provide staff for 2 primary resource bases (only one is formally designated) and one non-designated secondary resource base. The age group supported by the service ranges from birth to leaving school provision i.e. 16 or 19 depending on the provision.

8. HIGH NEEDS BLOCK PRESSURES

- 8.1 The increases in high needs funding does not fully meet the demands from additional special school places, increases in number of EHCPs and additional duties around 19-25 year olds. There was a £2.72m overspend in the high needs block in 2018/19, this was after the additional £1.278m high needs block was accounted for. Key pressures are out of city placements, post-16 special education needs, special school places and EHCPs budgets.
- 8.2 Table fourteen below shows that in cash terms the high needs block unit of funding has reduced to £657 in 2019/20 and in real terms there has been a 5.6% or £33 reduction on a per pupil basis since 2015/16.

Table fourteen: High Needs Block Funding 2015/16 - 2019/20

High Needs Block	2015/16	2016/17	2017/18	2018/19	2019/20
DSG Allocation (£m)	64.07	64.98	70.93	74.76	76.50
ONS Pupil Numbers (2-18 year olds)	105,697	108,342	110,841	112,520	116,428
Unit of Funding (Cash Terms) - £	606	600	640	664	657
Unit of Funding (Real Terms) - £	585	568	582	580	552

- 8.3 The DfE has launched a call for evidence on funding arrangements for pupils with SEND that will run until the end of July 2019. The DfE accept that the overall high needs block funding available is the most pressing concern, their call for evidence is intended to help understand how the current available funding is distributed, and what improvements to the financial arrangements could be made in future to get the best value from any funding that is made available, the call for evidence can be accessed from the link below:

8.4 Going forward the most significant risk to managing the high needs budget is the level of additional demand related to pupil growth which is continuing to increase year on year due to net migration into Manchester. This is highlighted by the yearly annual growth of 410 in 2019/20 and estimated annual growth of 465 in 2020/21 for SEND. The financial consequences of this growth contributes to a potential funding gap of £2.71m in 2019/20, £2.90m in 2020/21 and £2.88m in 2021/22. A programme of special school expansions has now been developed following approval by Executive to spend £20m of basic need capital on increasing special school places in the City. In addition to this, the DfE allocated £4.9m to Manchester to increase provision for children with SEND. Once these schemes have been delivered, this increase in special school places should reduce spend on out of city placements. The cost of these additional places on future High Needs block allocations is shown in the table below.

Table fifteen: Medium Term Growth and Budget Pressures

	Growth			Av. Per Pupil Rate £k	Budget Growth £000's		
	2019/20	2020/21	2021/22		2019/20	2020/21	2021/22
EHCP	243	304	339	6	1,458	1,824	2,034
Special School*	101	83	61	20	2,020	1,660	1,220
Post 16 Places	66	78	91	16	1,056	1,248	1,456
Total Budget Growth	410	465	483		4,534	4,732	4,710
Additional Funding Budget Gap					(1,829)	(1,829)	(1,829)
					2,705	2,903	2,881

* Note: The special school places show current agreed expansions over the next couple of years. This explains the slight decrease from 2019/20 to 2021/22 which will change moving forward. The analysis above assumes the £1.28m additional high needs block funding continues and funding from the DfE will increase as a result of additional pupils, in line with the DfE high needs block funding formula methodology.

9. UPDATE ON HIGH NEEDS RECOVERY PLAN

9.1 During the autumn 2018 the Council consulted schools and the Schools Forum on a transfer of funding from the schools block to the high needs block of up to 0.5% per pupil (£2m) in 2019/20. This was to address the pressure in the High Needs budget largely resulting from an increase in the number of children and young people with EHCPs.

9.2 As a result of additional DSG for high needs of £2.56m (£1.28m for 2018/19 and 2019/20) announced by the DfE in December 2018, the Council decided not to make the transfer for 2019/20. However, as this report has highlighted, there are continuing pressures on the high needs block and the additional funding for 2018/19 and 2019/20 is non-recurrent and further funding for 2020/21 has not been indicated. In order to mitigate the pressure in the high needs block the Council will continue to identify further savings options during 2019/20, in particular seeking spending reductions in the following areas:

- **‘Out of city’ independent residential placements** - Reducing spend on independent special school placements, through a planned joint social care, health and education review panel. The anticipated high needs block funding gaps could be exacerbated by ‘out of city’ placements due to the increase in population demand being in excess of possible special school places available.
- **Commissioned services** - There are a number of commissioned services with special schools which will be reviewed.
- **Central high needs block line by line review** - The local authority will undertake a detailed line by line review of the high needs central services to identify potential savings and efficiencies. At this stage it is not anticipated that a saving will be achieved from this part of the review.
- **Post 16 Provision** – MCC are discussing with Post 16 providers on how they can focus their programmes on enabling their students to access their communities and be as independent as possible and gain experience of the world of work. This will help students achieve the outcomes in their EHCPs and move onto successful and sustainable adult lives. This includes helping more students with SEND access paid employment the council is working with providers to create more supported internships which are highly successful in moving young people into work over time, this should achieve savings.

9.2 It is not expected that the reviews will fully close the £2.7m - £2.9m set out in Table fifteen. Until such time that further funding from Government has been confirmed for 2020/21, the proposal to transfer 0.5% of the schools block to the high needs block in 2020/21 will be recommended. As with last year this will again will be subject to the agreement of the Schools Forum and consultation with schools over the coming months.

10. CONCLUSIONS AND RECOMMENDATIONS

10.1 The ongoing pressures in the high needs block are a concern to the Council. There is a need to review some of the specialist services and provision funded through this block in order to continue to improve outcomes for children and young people with SEND and ensure there are sufficient specialist places and provision in the City to meet need whilst achieving maximum value for money from the high needs block and improving outcomes for children.

All Forum members are asked to note and comment on:

- Pressures on the high needs block in the current financial year and 2019/20 onwards.
- High needs block recovery options, and in particular recommendation to begin consultation on the transfer 0.5% from schools block to high needs block in 2020/21.

Appendix One: Acronym List of Primary Need

Acronym	Full Description
ASD	Autism Spectrum Disorder
SEMH	Social Emotional Mental Health
HI	Hearing Impairment
MLD	Moderate Learning Difficulties
MSI	Multi-Sensory Impairment
PD	Physical Disability
PMLD	Profound and Multiple Learning Difficulties
SLCN	Speech, Language and Communication Needs
SLD	Severe Learning Difficulties
SpLD	Specific Learning Difficulties
VI	Visual Impairment