

## DSG Management Plan (Updated January 2022)

### Introduction

1. The main purposes of this Plan are to:
  - a. Present the principles that have previously been agreed and which lay the foundations of our DSG management.
  - b. Summarise the approaches that are used in the management of the Schools Block, Early Years Block and Central Schools Services Block, so that any financial pressure present within these three blocks does not result in a cumulative deficit in Bradford's DSG account.
  - c. Explain in more detail the approaches that are and will be used for the management of the High Needs Block. This plan provides context for High Needs Block financial decisions. The plan identifies the main risks to the High Needs Block and mitigations. In this context, risk is defined as the accrual of a significant cumulative deficit.
2. It is intended that our DSG Management Plan will be reviewed and presented to the Schools Forum annually. It was last presented to the Forum on 13 January 2021.
3. This plan focuses on the High Needs Block for the following reasons:
  - a. Over spends in the High Needs Block are a common reason why local authorities currently are recording cumulative deficits in their DSG accounts. For this reason, the focus of the Education Skills Funding Agency's (ESFA's) Management Plan Tool is the High Needs Block.
  - b. The High Needs Block is *the* major block of the DSG where financial pressure cannot be released fully through the adjustment of formula funding. In the Schools Block, and in the Early Years Block, formula funding can be adjusted downwards to control the overall spending position of the block (albeit that this passes pressure onto the recipients of delegated allocations and is also subject to restrictions e.g. the Minimum Funding Guarantee in the Schools Block, the 5% central retention in the Early Years Block).  
  
 Within the High Needs Block, however, although the Authority can control spending to an extent, for example through the value it sets for top up funding for EHCPs and by ensuring a sufficient number of 'local' specialist places, much more of the spending within this block is influenced by volume and growth of demand, which are less controllable. There is greater risk of a deficit crystallising at DSG account level because of this. There are also only limited and potentially difficult options available for recovery from deficit within the High Needs Block.
4. Bradford's DSG account is not forecasted to be in deficit at either 31 March 2022 or 31 March 2023. As such, our management plan at this time is not needed for deficit recovery. Our plan focuses on monitoring the avoidance of a deficit building for the future and on continuing to secure sufficient high quality provision and support services, whilst delivering value for money.
5. We have presented to the Schools Forum that we forecast to hold a £21.7m surplus balance within the High Needs Block at the end of 2021/22. We will continue to consider how this balance is most effectively used.

Document NW, which was presented on 8 December 2021, provided further information on high needs places sufficiency. Within the presentation of this annual sufficiency statement, the Authority 'tested the waters' with

the Forum about the possibility of using a proportion of the High Needs Block surplus balance to support capital spending for the creation of additional specialist places.

6. Attached with this plan is an updated four-year forecast of our High Needs Block (Appendix 2). This forecast is calculated on various estimates of both income and expenditure. It contains a number of uncertainties.

Please note that the £3.8m Supplementary Funding for our High Needs Block in 2022/23, which was announced by the DfE on 16 December 2021, is not yet included in this management plan.

Our updated four-year forecast is similar to the forecast we presented this time last year on 13 Jan 2021. Although this forecast doesn't suggest that we are immediately at risk of developing a significant structural deficit, it does indicate the incremental growth of an annual over-spend, which needs to be monitored and which may need to be managed, especially with reference to the various uncertainties the forecast incorporates.

Whilst there are movements between individual headings, the overall position of the High Needs Block that we now estimate for the 2022/23 financial year is broadly similar to (slightly improved on) the forecast we presented to the Forum this time last year. Our latest forecasts for 2023/24 and 2024/25 also remain broadly similar to the forecasts we presented this time last year, although our latest forecasts do indicate a worsening of the in-year position to a c. £4m in-year over-spend in 2024/25 (whereas, in our forecast this time last year, the 2024/25 over-spend position was estimated at £3.3m). The forecast for 2025/26 is a little out of range to be very closely considered at this time. In particular, we will need to review again the sufficiency of specialist places, before setting out spending plans for 2025/26.

The position of our High Needs Block going forward generally feels 'tighter', with less available headroom. One of the reasons for this is the impact of the forecasted reduction in the numbers of pupils in Bradford, due to demographic trends, which will reduce High Needs Block income that is allocated on an amount per pupil basis. Another reason is the progression of the long-standing growth in pupil numbers into post-16 provision, meaning that the cost of post-16 placements is expected to substantially increase. Another reason is the headline of the Spending Review 2021, which suggests that the annual cash increases in the national core schools budget in 2023/24 and 2024/25 will be lower than have been seen in the 3 years up to 2022/23. This may result in lower %per pupil increases in High Needs Block funding going forward.

7. Alongside SEND and EHCP growth rates, there are three significant factors that are currently uncertain and that will affect our High Needs Block financial position.

Firstly, we are currently unclear about how the DfE's national SEND and Alternative Provision systems reviews will impact on the High Needs Block and more widely e.g. on the balance of provider vs. local authority responsibilities in respect of SEND and alternative provision. This DSG management plan does not explicitly bring in any costings or changes associated with the national SEND and Alternative Provision reviews nor the movement to the 'hard' National Funding Formula. At the very least, it is perhaps reasonable to speculate / to plan on the basis that these reviews will not reduce the spending-base that is met by the High Needs Block nor will they release any pressure currently met by this Block. The final Schools Block 'hard' National Funding Formula transition may also affect high needs funding. This transition is likely also to prevent transfer of funding away from the Schools Block. This means that the High Needs Block will need to be self-sufficient going forward. In this context, it is important for us to ensure that we retain the position whereby our balancing our High Needs Block budget is not conditional on transfers of funding from any other block.

Secondly, whilst the Spending Review 2021 has indicated that the core schools budget nationally will continue to increase, how this budget will be allocated between the Schools Block and the High Needs Block is not known. The cash values of increases that have been published for 2023/24 and 2024/25 are lower than the annual cash budget increases that have been allocated across 2020-2022. This might suggest that funding increases going forward will not be at the level of the last 3 years. Whilst our plan presented here estimates a continued 9% increase in High Needs Block funding per pupil, this is only an estimate. A reduction in growth of 1% e.g. to 8% would reduce our High Needs Block funding by £1m.

Thirdly, we are currently uncertain about how much Bradford will receive of the £2.6bn of SEND capital funding, which was announced in the Spending Review 2021, and how the DfE may open a new wave of free school applications. The availability of sufficient capital funding, which is allocated to the Local Authority to use, is critical to our development of 200-240 additional specialist places across 2022/23 and 2023/24.

In the context of these uncertainties, it is important that we ensure that there is financial resilience within the High Needs Block. This includes the retention of a surplus balance on an on-going basis.

### **Bradford's Existing DSG Management Principles**

8. We have agreed previously with the Schools Forum the following general management principles, which we still employ and expect to do so going forward:
  - a. We establish annually in February a planned DSG budget for the next financial year that broadly balances 'in year'. One off monies (brought forward surplus balances) are used to a limited extent and mainly for specific agreed time-limited commitments. We do not establish a planned budget that is dependent on significant savings to be made, which are still to be identified.
  - b. We seek to set a realistic but prudent planned budget. A main example of prudence is that we set the High Needs Block planned budget for the next financial year on a 'capacity building basis' – on full year occupancy of all high needs provisions, including newly developing places. This approach aims to ensure that our spending strategy, and the new provisions we develop, can be sustained across the medium to longer terms.
  - c. The retention of a 'safety net' reserve (held within surplus brought forward balances) is an important part of our DSG management. This is certainly true for the High Needs Block but, given the fluctuations within the Early Years Block (EYB), we also seek to ensure that there is sufficient surplus brought forward balance retained each year within the EYB so that we can manage unexpected or higher than expected costs without needing to reduce the values of Early Years Single Funding Formula (EYSFF) rates for providers in the following financial year.
  - d. We initially treat each of the four DSG blocks as ring-fenced, meaning that we manage any financial pressure within a block by adjusting the planned budget for that block, unless there is agreement otherwise to support this pressure by taking contributions from another block. Block transfers are subject to the Finance Regulations.
  - e. We adjust our funding formulae, which are used to calculate delegated allocations to schools, academies and early years providers within the Schools Block and the Early Years Block, to produce an 'in year' balanced planned budget in these two blocks before we then consider the allocation of any brought forward balances for specific purposes. To provide parity, we typically adjust our High Needs Block funding models (our EHCP Banded Model and our Alternative Provision Day Rate Model) with reference to the funding settlement being received by schools and academies through formula funding within the Schools Block.

- f. We expect the Central Schools Services Block (CSSB) commitments to match the CSSB allocation each year and for the planned budget to be established on this basis.
- g. If we over spend the planned budget in any block, meaning that there is a cumulative 'in year' over spend, which is not offset by savings elsewhere within the block, this over spend is retained within the respective block and is managed by adjusting next year's planned budget for that block in combination with the deployment of any surplus balances (reserves) carried forward within that block. \*
- h. If we under spend the planned budget in any block, meaning that there is a cumulative 'in year' surplus, which is not offset by over spends elsewhere within the block, this under spend is retained within the respective block and is added to the block's carried forward balance. Although the Regulations permit balances to be used cross-block, we have established a local ring-fencing policy. Balances are only moved between blocks following agreement. Balances held within the Schools Block relating to maintained school de-delegated funds, Growth Fund and Falling Rolls Fund are also ring-fenced for these respective purposes. \*

\* A standard exception to our block ring-fencing approach however, is any surplus balance generated within the Central Schools Services Block (CSSB). We have previously agreed that CSSB surplus balances are transferred for use within the Schools Block. Where a CSSB surplus has been transferred previously we also expect, if a deficit balance is subsequently held within the CSSB, the Schools Forum will agree for the Schools Block balance to write off this deficit up to the cumulative value of the surplus balance previously transferred.

#### **High Needs Block – Planned Budget 2022/23 Construction**

9. The table below shows the proposed 2022/23 High Needs Block planned budget at summary heading level sorted by cash value / percentage of the total budget. These figures are taken from the attached four-year forecast. They also match the figures presented in Document OD.

| <b>Planned Budget Heading</b>  | <b>2022/23 (£m)</b> | <b>%</b> |
|--|---------------------|----------|
| Place Plus - Maintained Special Schools and Special School Academies | £35.924             | 35.7%    |
| Independent & OLA Placements & Education OLAs                        | £14.750             | 14.6%    |
| Mainstream EHCPs (Pre 16) including SEN Funding Floor and PVI EHCPs  | £12.700             | 12.6%    |
| Place Plus - EHCPs Post 16 in Further Education institutions         | £7.718              | 7.7%     |
| Place Plus - School-Led Resourced Provisions Primary & Secondary     | £6.241              | 6.2%     |
| Teaching Support Services  | £5.015              | 5.0%     |
| Place Plus - PRUs & Alternative Providers                            | £3.918              | 3.9%     |
| Place Plus - Other LA Resourced Provisions                           | £2.980              | 3.0%     |
| Place Plus - LA-Led Resourced Provisions - Sensory                   | £2.645              | 2.6%     |
| Place Plus - New SEND Places not yet allocated                       | £1.820              | 1.8%     |
| TPG & TPENG special schools, resourced provisions and AP providers   | £1.628              | 1.6%     |
| Place Plus - Early Years Enhanced Provisions                         | £1.507              | 1.5%     |
| Medical Home Tuition, EinH & Tracks Central Service                  | £1.493              | 1.5%     |
| EHCP Banding Model resilience, needs-led growth, stacking            | £1.000              | 1.0%     |
| BSF (PFI) - Special Schools  | £0.825              | 0.8%     |
| Speech & Language Therapy Services                                   | £0.310              | 0.3%     |
| Mainstream EHCPs (Post 16 element 2 cost)                            | £0.221              | 0.2%     |
| Specialist Equipment   | £0.115              | 0.1%     |
| Copyright Licences   | £0.070              | 0.1%     |

- The top three budget headings (special schools and special school academies; mainstream EHCPs; OLA, independent and non-maintained placements) account for nearly two thirds of the High Needs Block planned budget (63%).
- The top five headings (adding school-led resourced provisions and EHCPs post 16 in Further Education institutions) account for more than three quarters of the High Needs Block planned budget (77%).
- 92% of the High Needs Block planned budget in total is allocated to the cost of places provision. Correspondingly, 8% is allocated to other centrally managed expenditure, of which the most significant spend heading is Teaching Support Services (5%).
- Please note that the £3.8m Supplementary Funding for our High Needs Block in 2022/23, which was announced by the DfE on 16 December, is not included in the above planned budget.

10. The table below summarises the number of SEND and Alternative Provision places by type of provision on which the 2022/23 planned budget is proposed to be established. Appendix 1 gives a detailed by-setting list of these places.

| <b>Setting</b>   | <b>21/22<br/>AY<br/>Planned<br/>Budget<br/>Places<br/>(FTE)</b> | <b>22/23<br/>AY<br/>Planned<br/>Budget<br/>Places<br/>(FTE)</b> | <b>Diff<br/>22/23<br/>AY vs.<br/>21/22<br/>AY</b> |
|--|---|---|---|
| <b>Total SEND Places, made up of:</b>                  | <b>2,618</b>  | <b>2,743</b>  | <b>+ 125</b>                                      |
| Early Years Resourced Provision                        | 78  | 78  | 0   |
| Local Authority-Led Resourced Provisions - Sensory     | 100   | 100   | 0   |
| Special Schools and Special School Academies           | 1,500   | 1,540   | + 40  |
| School-Led Resourced Provisions                        | 343   | 365   | + 22  |
| Local Authority-Led Resourced Provisions (Other)       | 136   | 136   | 0   |
| Further Education Colleges (Post 16)                   | 341   | 404   | + 63  |
| Additional SEND Places not yet allocated               | 120   | 120   | 0   |
| <b>Total Alternative Provision Places, made up of:</b> | <b>214</b>  | <b>214</b>  | <b>0</b>  |
| PRU, Alternative Provision Academy, AP Provider        | 165   | 165   | 0   |
| Education in Hospital, Tracks                          | 49  | 49  | 0   |

11. It is helpful to summarise the recent changes and actions that have influenced the shape of our 2022/23 planned budget. We also explain here the key assumptions on which the four-year forecast is calculated.

- Bradford District has experienced a significant increase in demand for Special Educational Needs and Disabilities (SEND) provision. We presented our updated analysis of this to the Schools Forum on 8 December 2021 in the annual sufficiency statement (Document NW). The total number of Education, Health and Care Plans (EHCPs) for 0-25 year olds across the Bradford District was recorded as 4,915 on 26 November 2021. This has increased from 4,619 recorded in November 2020 and 3,786 recorded in October 2019. This is the total number of EHCPs for which Bradford Local Authority is responsible for, educated in provisions within and outside Bradford.

- 1,835 (37%) are accessing specialist provisions within Bradford. Of this number, 1,437 (29%) are accessing a specialist place within a maintained special school / special school academy and 398 (8%) are accessing a specialist place within a Resourced Provision.
  - 379 (7%) are accessing specialist provision 'out of authority'. Of this number 102 (2%) are accessing specialist provision in independent settings and in non-maintained special schools.
  - The balance of 2,701 (55%) are having their needs met within mainstream schools and academies, Early Years Settings and post-16 Educational Facilities.
- b. Our data evidences clearly that the number of children and young people with an EHCP in the Bradford District continues to rise.
- The number of children and young people with an EHCP aged between 0 to 25 years has increased by 6.49% between November 2020 and November 2021.
  - The number of children and young people with an EHCP aged between 5 to 15 years (statutory school age) has increased by 3.98% between November 2020 and November 2021.
  - Requests for assessment has risen from 813, between October 2019 and October 2020, to 958, between October 2020 and October 2021. This is an increase in requests for assessment of 18.9%.
  - % of children and young people within the Bradford District with an EHCP are currently accessing 'out of authority' provision. This % figure has remained static against the 7% recorded this time last year (though numbers have increased as population has also increased). In order to meet the needs of children and young people with SEND residing within the Bradford District, it is sometimes necessary to place them in specialist provisions outside our Local Authority area, as well as in independent provisions. Whilst this is sometimes required, it is not our preferred option, as the impact on placing children and young people away from their local communities is immeasurable. Furthermore, securing specialist places outside of the Local Authority area can lead to additional costs.
- c. The Local Authority has created more than 700 additional specialist places across the District in response to the recent growth in the numbers of children and young people requiring specialist provision. During the academic year 2020 to 2021, the Local Authority created 145 specialist places. The 2022/23 planned budget, and the four-year forecast, incorporate the cost of the delivery of these established places on an on-going basis. The budget and forecast also include provision for an additional 120 places for the 2022/23 academic year and for a further 120 places for the 2023/24 academic year.
- d. This is because our modelling indicates clearly that more SEND specialist places are required to be developed on a continuing basis. Our current projection is that we will require an additional 100 to 120 specialist places within the 2022/23 academic year, with these places being delivered across both the special school sector and in resourced provisions. Our projections further indicate that we will need to increase specialist places again by 100 to 120 for the 2023/24 academic year. This is the minimum number of specialist places that we project will be required to be developed in order to meet demand and to control (not increase reliance) on more expensive 'out of authority' placements. The Local Authority's data continues to evidence that a number of key pressure points exist across the District. In order to address these pressure points, we have identified that the following additional provision is required:
- Additional resourced provision places for primary and secondary aged children and young people with a primary need of Communication and Interaction including Autistic Spectrum Disorders (ASD) and Social, Emotional and Mental Health (SEMH).

- Additional special school places for primary and secondary aged children and young people with a primary need of Communication and Interaction including Autistic Spectrum Disorders (ASD), Severe Learning Difficulties (SLD) and Social, Emotional and Mental Health (SEMH).
- e. The 2022/23 planned budget, and the four-year forecast, estimate that spend on pupils with EHCPs in mainstream settings will continue to grow at current rates. Our planned budget and forecasts include the recently revised SEND Funding Floor model, which is proposed to be used for second year in 2022/23, but where the continuation of this model from April 2023 is subject to review, including with reference to the outcomes of the national SEND review.
  - f. The 2022/23 planned budget, and the four-year forecast, estimate that spend on students with EHCPs at post-16, including in Further Education settings, will grow substantially as the population bulge moves into post-16.
  - g. The 2022/23 planned budget, and the four-year forecast, estimate that spend on pupils with EHCPs placed in independent and non-maintained special school provisions will continue to grow at current rates.

Tied in with our benchmarking of special school places, our analysis here indicates that we are not out of line with other authorities in respect of our use of independent and NMSS placements. We would expect to continue to place pupils, where their needs are most effectively met in these provisions. We wish to continue to closely monitor the position to consider a) whether we have, and are continuing to create, a sufficient number of specialist places within Bradford to ensure that we are not reliant on independent settings and NMSS for provision that we could deliver ourselves and b) where we have the joint commissioning of placements (between education, social care and health), that the apportionment of their cost between parties is reflective of respective responsibilities thus ensuring, in the case of the education element, that the charge to the High Needs Block is accurate and proportionate.

The Authority has entered into a Social Impact Bond, which funds pro-active early support aimed at reducing the likelihood of children and young people who are identified as being 'at risk' of being placed in expensive independent provision. This Bond in particular is a mechanism that the Authority has employed in seeking to control the increase in cost to the Authority's base budget. The High Needs Block currently contributes £0.07m to this Bond annually.

- h. The 2022/23 planned budget allocates the 3<sup>rd</sup> year of substantial increase in High Needs Block (HNB) funding received from Government. Over the 3 year 2020-2022 period, Bradford has received an additional c. £31m of DSG HNB funding (with HNB funding increasing from £70m to an estimated £101m). This recent funding growth is in contrast to the limited increases that were received in the years prior to 2020/21. In response to these limited increases, and following our analysis of the impact of the movement to the National Funding Formula, with the support of the Schools Forum, we transferred £5.7m of funding from other blocks into the HNB in 2017/18 and then transferred a further £2.0m from the Schools Block to the HNB in 2019/20. We have not transferred funding into or expenditure out of the HNB since 2019/20. We do not propose to transfer funding from the Schools Block to the High Needs Block in 2022/23 and our four-year forecast does not include any such transfer.

The way we have sought to manage the HNB since 2017 has meant that we have avoided the accrual of a deficit and, whilst other local authorities are using a proportion of the funding increases they are receiving now to recover from deficit, we are in a stronger surplus position. This means that the funding growth we have received can be allocated to more rapidly improve levels of funding for schools, academies and other providers as well as to cover the revenue cost resulting from increasing the quantity of specialist places.

- i. A proportion of the funding growth we have received across 2020-2022 has been and will be (in 2022/23) allocated out to schools, academies and other providers through our Banded Model for EHCPs, which was first introduced at 1 April 2020. Inclusive of the £6,000 element 2 proportion, Band 3 values are proposed to be increased by 3% in 2022/23. Inclusive of the £10,000 place element, Band 4 values are proposed to be increased by between 3% - 3.9%. We introduced a new Day Rate Model for the funding of permanent exclusion placements at April 2020. The Day Rate is proposed to increase by 3.1% in 2022/23 when including the £10,000.
- j. Our four-year forecast assumes that we will continue to uplift rates of funding allocated through our Banded and Day Rate models. The term '*4% annual creep*' is used in Appendix 2 to indicate that the cost of existing budgets is estimated to increase by 4% in total year on year, incorporating both growth in need (movement of pupils and placements up the EHCPs Bands – estimated at 1%) as well as uplifts in per capita funding values (estimated at 3%) from which providers can meet increasing costs resulting from pay awards and from inflation.

3% per capita increases would produce uplifts in rates of funding for schools, academies and other providers broadly at levels that have been allocated in the last couple of years. However, there are two main risks to our High Needs Block being in a position to afford a 3% per capita increase going forward: a) growth in need (numbers of pupils with EHCPs; numbers of pupils requiring specialist placements; the upwards movement of existing EHCPs into higher bands of need) taking a greater proportion of available monies i.e. if growth in need is greater than the 1% we currently estimate, then a 3% per capita increase would not be afforded, and b) whether the High Needs Block settlement from the Government continues to be sufficient to afford 3%. We currently estimate that our funding will continue to increase by 9% per pupil a year. Settlements that are lower than this will restrict the level of increase that can be afforded.

Also, one of the main mitigating actions that we can take to control High Needs Block spending in this context is to reduce the annual increases in rates of funding allocated by our EHCP Banded and Day Rate funding models. Depending on pay award and inflation on costs, this approach would potentially pass some of the financial pressure from the High Needs Block onto schools, academies and other providers. So this position will need to be carefully considered. The opposite is also true – should a higher level of High Needs Block settlement be received, depending on the proportion needed to cover growth in need, we would expect to provide a greater % increase in funding for schools, academies and other providers via our Banded and Day Rate funding models.

None of this is certain at this time, but is presented here for further consideration and for monitoring. As we say in the introduction of this plan, the national High Needs Block settlement is one of the significant additional uncertainties within our forecast.

- k. Finally, in quick summary, over the last 3 years we have delivered structural changes in the following areas, which roll forward within our updated four-year forecast:

We have established and developed SEMH and ASD Local Authority-led resourced provisions, where resourced provision is hosted on school-sites but where staffing is centrally managed.

We have created and further developed Early Years Enhanced Specialist Provision (school-led resourced provisions) attached to five of our maintained nursery schools.

We have restructured our PRU / Alternative Provisions. Our PRU / AP provisions going forward, where funded from the High Needs Block, deliver Local Authority commissioned provision for pupils permanent excluded. The planned budget going forward continues not to fund school-commissioned alternative provision. 165 permanent exclusion places are funded within the 2022/23 planned budget (increased from 100 in 2020/21). PRU

restructuring has included the amalgamation of Ellar Carr PRU into Beechcliffe Special School. Due to the way the National Funding Formula works, this 're-designation' has delivered an additional £0.37m of High Needs Block income on an on-going basis.

The 2022/23 planned budget continues to incorporate the financial efficiencies that have come from the completion of the amalgamation of Bradford's hospital education, Tracks and medical home tuition provisions into a single Local Authority managed service.

Provision for the SEND teaching support services continues to incorporate the changes in structures that were agreed by the Executive in 2018. The planned budget, and four-year forecast, provide for pay / inflationary increases on current capacity. This is likely to need to be reviewed in future years, where the numbers of EHCPs in mainstream settings continues to grow.

Provision for Speech and Language Therapy support in resourced provisions is continued on the re-commissioned basis as discussed with the Schools Forum in July 2021.

As well as introducing new funding models for delegated provision – the Banded Model, the Day Rate Model and the amended SEND Floor Model – we adjusted at April 2020 our approach to supporting schools, academies and other providers for the costs of specialist equipment.

### **High Needs Block – Risks & Monitoring**

12. Our four-year forecast does not suggest that we are immediately at risk of developing a significant structural deficit. However, it does indicate the incremental growth of an annual over-spend, which needs to be closely monitored and which may need to be managed, especially with reference to the various uncertainties that the forecast incorporates. The retention of a brought forward surplus balance is an important part of securing financial resilience over the medium term.

We identify the following main financial risks, which the Authority will continue to closely monitor and will continue to consider within future updates of this plan. In this context, risk is defined as the accrual of a significant cumulative deficit.

- a. A significant slowing down in the rate of growth in the High Needs Block funding that is allocated by Government from April 2023, together with a reduction in HNB funding as result of the reduction of our pupil population.
- b. The DfE's national SEND / EHCP / Alternative Provision system reviews. These together may have significant structural cost implications for the High Needs Block, which are not factored into the four-year forecast.
- c. The continued successful delivery of additional specialist places that are relevant to type of need. Delivery is especially conditional on the availability of sufficient capital funding.
- d. The rate of growth in the placement of pupils in out of authority and independent specialist provisions and how this varies from current estimates.
- e. Variances (increases) from other rates of growth of EHCPs and in demand for specialist places that are currently forecasted. Within this, in particular, the cost impact of the secondary population bulge as this reaches post-16.
- f. Significant growth in the number of permanent exclusions to a level that necessitates more than 165 places being funded from the High Needs Block on an on-going basis.

- g. Satisfactory resolution to the previously identified and discussed issues related to the way health services are financed in schools.

**Attachments**

- 2022/23 planned budget high needs places breakdown (Appendix 1).
- Four-year High Needs Block forecast (Appendix 2).

## Annex - Key HNB Statistics and HNB Benchmarking Data

### 1. EHCPs as a % of Bradford's school population & recent growth rates

The table below shows the number of EHCPs recorded in Bradford's schools and academies as a % of Bradford's total school population. The totals include state funded nursery, primary, secondary and special schools, non-maintained special schools, PRUs and independent schools.

|                          | January 2019 | January 2020 | January 2021 |
|--------------------------|--------------|--------------|--------------|
| Bradford                 | 2.8%         | 3.0%         | 3.4%         |
| National                 | 3.1%         | 3.3%         | 3.7%         |
| Yorkshire and the Humber | 2.8%         | 3.0%         | 3.3%         |

The table below shows the number of EHCPs recorded in Bradford's schools and academies over the same time period. The totals include state funded nursery, primary, secondary and special schools, non-maintained special schools, PRUs and independent schools.

|              | Bradford<br>Number | Bradford<br>% Growth | National<br>Number | National<br>% Growth | Y&H<br>Number | Y&H<br>% Growth |
|--------------|--------------------|----------------------|--------------------|----------------------|---------------|-----------------|
| January 2021 | 3,558              | 14.7%                | 325,618            | 10.5%                | 28,501        | 10.0%           |
| January 2020 | 3,102              | 6.0%                 | 294,758            | 8.7%                 | 25,904        | 8.3%            |
| January 2019 | 2,927              | n/a                  | 271,165            | n/a                  | 23,919        | n/a             |

For slightly wider context, the table below shows the total number of EHCPs that Bradford Local Authority is responsible for, including those placed in other providers rather than in schools and academies e.g. Further Education Colleges, and in other local authorities, over the same time period.

|              | Bradford<br>Number | Bradford<br>% Growth | National<br>Number | National<br>% Growth | Y&H<br>Number | Y&H<br>% Growth |
|--------------|--------------------|----------------------|--------------------|----------------------|---------------|-----------------|
| January 2021 | 4,659              | 15.7%                | 430,697            | 10.4%                | 38,506        | 9.5%            |
| January 2020 | 4,028              | 9.7%                 | 390,109            | 10.2%                | 35,164        | 10.6%           |
| January 2019 | 3,673              | n/a                  | 353,995            | n/a                  | 31,792        | n/a             |

The table below shows the % of pupils recorded with EHCPs in mainstream primary and secondary schools and academies in Bradford.

|              | Bradford<br>Primary | Bradford<br>Secondary | National<br>Primary | National<br>Secondary | Y&H<br>Primary | Y&H<br>Secondary |
|--------------|---------------------|-----------------------|---------------------|-----------------------|----------------|------------------|
| January 2021 | 1.9%                | 2.1%                  | 2.1%                | 2.0%                  | 1.8%           | 1.8%             |
| January 2020 | 1.6%                | 1.8%                  | 1.8%                | 1.8%                  | 1.5%           | 1.7%             |
| January 2019 | 1.5%                | 1.6%                  | 1.6%                | 1.7%                  | 1.4%           | 1.6%             |

### 2. Change in SEND Support as a % of Bradford's school population

The table below shows the number of pupils in Bradford's schools and academies recorded at SEND Support each January as a % of Bradford's total school population. The totals include state funded nursery, primary, secondary and special schools, non-maintained special schools, PRUs and independent schools.

|                          | January 2019 | January 2020 | January 2021 |
|--------------------------|--------------|--------------|--------------|
| Bradford                 | 13.8%        | 13.2%        | 12.7%        |
| National                 | 11.9%        | 12.1%        | 12.2%        |
| Yorkshire and the Humber | 12.2%        | 12.4%        | 12.4%        |

### 3. Most Prevalent Primary Need

Nationally, at January 2021, the most common type of primary need recorded for pupils with EHCPs continues to be Autism Spectrum Disorders and for pupils with SEND support to be Speech, Communication and Language Needs. SEND is more prevalent in boys than girls, with boys representing 73.1% of all pupils with EHCPs and 64.2% of pupils recorded at SEND Support.

In Bradford, at January 2021, the most common type of primary need for pupils with EHCPs also continues to be Autism Spectrum Disorders, which is the same as the national picture. However, the most common type of primary need for pupils with SEND Support continues to be Moderate Learning Difficulties, closely followed by Speech, Language and Communication Need. SEND is more prevalent in boys than girls, with boys representing 71.7% of all pupils with EHCPs and 64.3% of pupils recorded at SEND Support.

### 4. Special School / Special School Academy numbers as a % of Bradford's total pupil population

At January 2021, 1.43% of Bradford's school population was recorded in state funded special schools and special school academies. This compares with 1.28% recorded at January 2020. The national average was 1.52% at January 2021 and 1.46% at January 2020. The Yorkshire & Humber average was 1.32% at January 2021 and 1.25% at January 2020. If Bradford's special school and special school academy population was at the national average of 1.52% at January 2021, we would have recorded a further 95 FTE pupils in our special schools and special school academies. If 1,500 pupils had been recorded in our special schools and special school academies at January 2021 (which was 100% of our available places) our percentage would have been 1.48%, compared against the national average of 1.52%.

This indicates, at a simple level, that we are broadly in line with the national average in respect of our number of special school places available as a proportion of our school population. Our monitoring shows that we do not have spare capacity remaining in our special schools and special school academies and so the continued development of additional special school places is an important part of our High Needs Block spending strategy.

### 5. EHCP School Population Distribution at January 2021

The table below shows the number and % of EHCPs that were recorded at January 2021 in Bradford's schools and academies, by type of provision. The totals include state funded nursery, primary, secondary and special schools, non-maintained special schools, PRUs and independent schools. \* please note that resourced provisions are included under the mainstream school heading. It is not possible separate resourced provision from these totals.

|                               | Bradford     | Bradford     | National       | National     | Y&H           | Y&H          |
|-------------------------------|--------------|--------------|----------------|--------------|---------------|--------------|
|                               | Number       | %            | Number         | %            | Number        | %            |
| <b>Total EHCPs</b>            | <b>3,558</b> | <b>3.43%</b> | <b>325,618</b> | <b>3.65%</b> | <b>28,501</b> | <b>3.27%</b> |
| <i>Special</i>                | 1,440        | 40.47%       | 132,306        | 40.63%       | 11,266        | 39.53%       |
| <i>PRU</i>                    | 33           | 0.93%        | 3,064          | 0.94%        | 580           | 2.04%        |
| <i>MNS</i>                    | 37           | 1.04%        | 540            | 0.17%        | 57            | 0.20%        |
| <i>Independent &amp; NMSS</i> | 61           | 1.71%        | 25,737         | 7.90%        | 1,660         | 5.82%        |
| <i>Mainstream P&amp;S *</i>   | 1,987        | 55.85%       | 163,971        | 50.36%       | 14,938        | 52.41%       |