

Schools Forum

Item No. **X**

Report title:	Local First Inclusion
Date of meeting:	17 May 2024

Executive summary

The Local First Inclusion programme has now entered the second year of the original six year plan. The LA is continuing to work with the DfE as part of the EMS (enhanced monitoring and support) process and on 23rd April submitted a revised, lengthier DSG plan. Further discussions are taking place with the DfE to enable them to understand the significant detail behind the revisions, in particular, to build confidence for both DfE and NCC that the changes will continue to deliver the dual benefits of improved support for children and young people and achieving an in-year balanced budget leading to solutions to address the cumulative deficit. Further revisions may be made to the plan during the course of this work.

We have made DfE aware that we are using the opportunity of the Schools Forum meeting in May to share key extracts from our submission to them and this paper will cover four key aspects:

- DfE meetings to date
- LFI stock-take and revised workstreams/projects
- DSG re-modelling
- A focus on Element 3 funding

In addition to this paper, we will also set out further details regarding Element 3 funding within a presentation / discussion during the 17 May meeting.

Schools Forum are asked to:

1. Note the progress shared in relation to the EMS process, related 'stock-take' and DSG remodelling work submitted to DfE on 23rd April 2024.
2. Provide comment, support and challenge regarding the next steps plans for the Local First Inclusion programme, in particular, with a commitment to ensure strategic leadership to jointly achieve the revised and explicit aims of the LFI programme.
3. Provide comment, support and challenge regarding the DSG remodelling work, in particular, with regard to our revised approach to Element 3 funding and allocation of specialist places; supporting our ongoing aim to meet needs of children and young people more effectively through early intervention without the need for Education, Health and Care plans where 'ordinarily available' funding, resources, support and guidance can be secured within SEN Support.
4. Agree to, and confirm representatives for, a sub-group to consider the detail of a revised approach to Element 3 funding, including expected arrangements for reporting back to Schools Forum.

1. Enhanced Monitoring & Support (EMS) – latest meeting(s) with DfE

We have continued to meet with DfE finance and SEND Advisers as part of the EMS process as part of our stock-take of the Local First Inclusion programme and the associated re-modelling of the DSG finance plan.

We submitted our revised plan on 23rd April 2024 and have a scheduled meeting with the DfE on 10th May. We anticipate that meeting resulting in an indication from the DfE on their views of the validity of our plan with an emphasis on achieving an in-year balanced budget by financial year 2030/31. This will effectively extend the original plan from a six-year programme of work.

Whilst we are confident that our revised plan will be able to achieve our twins aims of meeting children and young people's needs more effectively and also operating within the new, increased, budget it does have to be acknowledged that the extension of the programme will significantly increase the cumulative deficit.

The discussions with finance and SEND advisers throughout spring term and into early summer term gave us the opportunity to set out the detailed stock-take that we have undertaken across the entire Local First Inclusion programme (5 workstreams and 80 individual projects) and the impact of this analysis on the re-modelling of the DSG recovery plan. In particular we have been able to set out four new initiatives within the revised programme which build on the original 'shift left' plan.

Therefore, the new plan is a combination of original projects, new projects and with a combined emphasis on increased controls and gatekeeping to ensure access to funding and/or specialist provision is in line with the revised plan, benefits children and young people with the greatest need for early support or specialist placement, that we can remain on-track throughout the duration of the agreement to deliver the finance benefits and secure a sustainable High Needs Block in the long term for Norfolk.

We will update Schools Forum members during the meeting on 17th May regarding the outcome of discussions with the DfE that occur after the publication of papers.

2. Local First Inclusion 'Stock-take'

Throughout the EMS process we have ensured that we provided Schools Forum with ongoing updates regarding our stock-take and DSG remodelling work and in particular provided extracts from the materials used in our various discussions with the DfE.

On that basis we want to provide key extracts from our formal submission to the DfE, on 23rd April, to set out the key features of our revised plan:

Local First Inclusion *_ongoing commitment to meet children and young people needs more effectively and ensure a stable financial model for SEND & AP within the High Needs Block*

For Norfolk to meet children's needs within the available resource envelope, two conditions need to be achieved simultaneously:

- We would have to achieve significantly better than average performance in terms of the proportion of children with SEN educated in mainstream school rather than specialist settings
- Almost all of the specialist provision which is commissioned would have to be comparable to the state-funded sector average funding level

We are committed to achieving this, but it is a long-term proposition. Numerous factors make a quick turnaround unrealistic:

- Schools and families are referring for special school placements at a higher rate than ever before – this will reduce but realistically it will take time for this curve to turn
- Mainstream schools are struggling to balance their own budgets and are reducing roles and capacity for SEN at a time when it is needed more than ever
- NHS services in relation to mental health, NDD, SALT and others are all insufficient but not expanding
- The EHCP process and the provision of specialist placements are underpinned by detailed statute and supported by tribunal judgements – conversely there are limited legal or regulatory teeth within the concept of SEN Support
- We are required by law to respond to every request and parental preference has considerable weight
- We cannot simply move children around the system from existing provision
- There is already a substantial cohort in independent placements who will only 'age out over several years' and an existing 'waiting list' for new places

This analysis is not provided to suggest the challenge is insurmountable, if we can maintain investment in earlier help, work alongside the mainstream sector and exert more control with DfE support over a sustained period it can be done.

Within the Enhanced Monitoring & Support (EMS) process of the Norfolk Safety-Valve plan we have carried out a fundamental review of our Local First Inclusion programme. This has comprised a 'stock-take' of all workstream and project activity within the first year of the six year original programme and the associated line by line review of all revenue and capital budgets.

Our conclusion is that our original concept of the need to 'shift-left' and reduce our reliance on high cost independent sector, by building more state-funded specialist provision, alongside a transformation of SEN Support to reduce the perception that children cannot have their needs effectively met in mainstream education remains correct.

We have made significant progress in establishing and implementing the first part of that six year plan but the impact is still to be seen. Due to a combination of factors we have needed to determine a new baseline of need in Norfolk and needed to work pragmatically in the framework that currently exists, both nationally and locally. We have statutory obligations to meet needs but equally a duty to maintain a financially viable Council and these duties are in tension. In that context we have worked to develop a revised trajectory which is realistic.

A summary of the overall revised trajectory is shown in the table below. We conclude that we need to adjust our plan, to refocus our controls and that we can realistically deliver an in-year balanced budget over an eight-year period. Noting that this does mean that the cumulative deficit does increase over this time period and so would take longer to repay.

We have modelled achieving an in-year balanced budget to now be achieved in financial year 2030/31.

Local First Inclusion *_increased referrals, costs & the need to change forecasts*

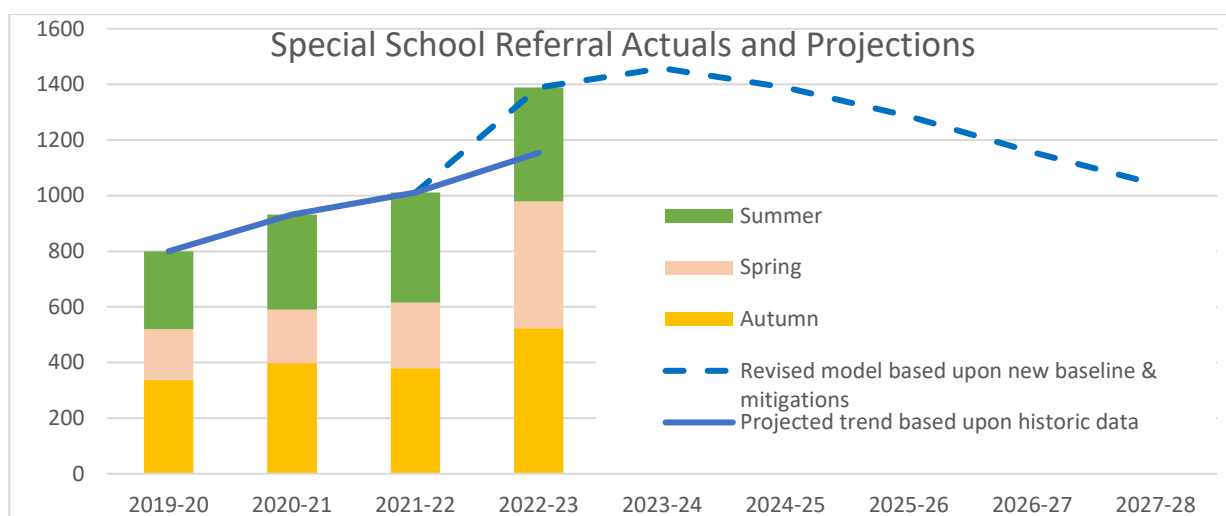
Since the original safety valve submission/agreed plan by Secretary of State [spring 2023] our baseline of demand has changed substantially.

In creating the original programme, we looked at the recent trends in key metrics (especially EHCP rates and special school referrals) and allowed for these to continue to rise at the same rate, with benefits accruing in the later years of the programme and demand reducing over time.

However, in reality the level of referrals for EHCP and for new special school places have increased at an even faster rate than the previous trends and this is the primary reason for the new trajectory being longer to reach a balanced position.

- EHCP referral rate increased from 2016 to 2413 , in past 12- month period
- Special school referral rate increased from 1061 to 1472, in past 12-month period

This is extremely challenging, but it is important to note that we did not anticipate any substantive reduction at this stage in the programme, we always knew it would take time for the impact of new interventions to be felt and for the confidence of the mainstream system to improve. This proposal does include new initiatives to respond to the new baseline, but we should also recognise that the benefits of the existing work will come through over time.



In financial terms the forecast deficit for FY 2024/25 is now revised as £50.9m with the key elements contributing to this increase being:

- Increase in medical needs by 247 CYP in 2023-24 c. £0.5m
- Increase in section 19 by 206 CYP in 2023-24 c. £2.4m
- Increase Post 16 by 119 CYP in 2023-24 c. £1m
- Element 3 – additional spend in 2023-24 as at January 2024 c. £10m

We took a deliberate decision to approach the increase of Element 3 requests on a ‘needs led’ rather than ‘balanced budget’ basis during Year 1, in part to demonstrate our commitment to mainstream schools to work with them on culture change. We also ensured that transparent reporting to Norfolk’s Schools Forum occurred at the earliest opportunity and initial projections took place in the summer term meeting and these were set out in our first and second tri-annual reports.

More detailed analysis of the element 3 funding model appears later in this information pack. We remain of the view that this iterative re-forecasting and reporting was appropriate, however, it has been the opportunity to undertake the full stock-take and detailed remodelling that has enabled us to achieve a revised plan and one that we believe includes increased stability in forecasting approach. We do not anticipate any future fluctuations to be significant.

Local First Inclusion - influencing the Norfolk SEND system and introducing new capacity for delivery and enhanced controls to keep on track

We have reflected on and learnt from our experience to date and have developed new initiatives which double down on the concept of ordinarily available support and ensuring that we are directly influencing how needs are met right from the outset and based on evidence. This includes ensuring that the additional support we are providing is always accompanied by additional challenge around inclusive practice.

There are four new key initiatives over and above the existing project workstreams:

- A new SEND & Inclusion ‘front-door’ deploying teams locally to put ordinarily available help in place immediately and prevent the need for escalation
- Special School outreach & satellites – forming partnerships between special schools and mainstream settings - using special school expertise to support mainstream inclusion
- New special school allocation process – a streamlined and simpler model which ensures the ‘right’ children are allocated special school places
- Evidence-based support and challenge – using our data and peer to peer conversations to build capacity in mainstream and challenge non-inclusive practice

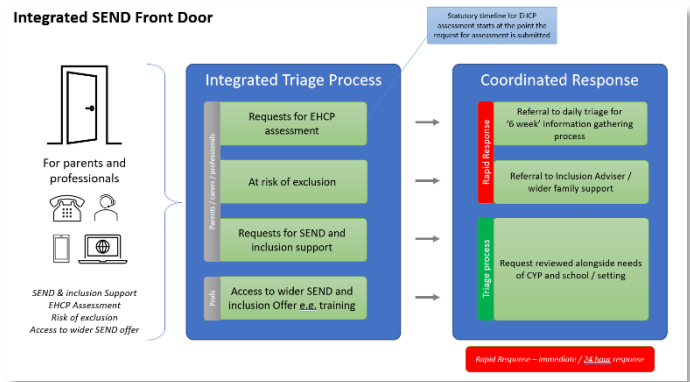
Local First Inclusion – new additions to our programme:

Special School outreach & satellites – forming partnerships between special schools and mainstream settings - using special school expertise to support mainstream inclusion

Project Summary	Finance Benefit	Non-finance Benefit
<p>Harnessing the expertise and credibility of Norfolk’s Good & Outstanding special schools we will expand their current offer of outreach and ‘specialist partner’ to ensure that mainstream schools have greater access to this support and to align it to the new School & Community Zones.</p> <p>We are also beginning research and feasibility studies into developing a model for special school satellites linked to high schools to support transition for C&YP who have benefited from primary phase specialist resource bases (SRB); complementing current secondary ASD SRBs and the new AP centres in secondary phase schools.</p> <p>We will look at the merit of dual registration and staffing models to ensure high schools can provide inclusion opportunities for complex needs pupils.</p>	<ul style="list-style-type: none"> ▪ Protecting current and planned special school capacity for C&YP with the most complex needs to ensure that we can future proof our sufficiency plan for specialist provision ▪ Reduction of independent sector provision is secured and maintained ▪ Securing local school placement with reduction in SEN Transport budget 	<ul style="list-style-type: none"> ▪ Fostering greater links between special and mainstream schools and actively enabling joint working between staff ▪ Supporting C&YP to remain in, or transfer back to, local mainstream provision

SEND & Inclusion 'front-door'

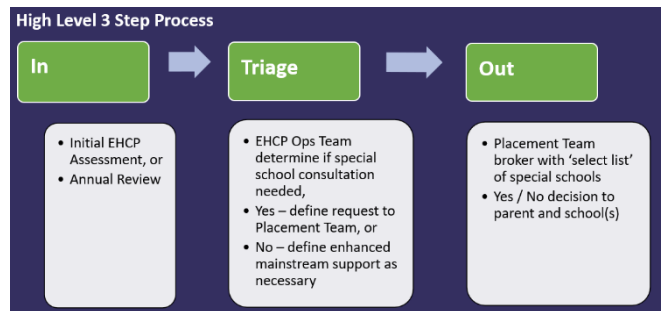
A new SEND & 'front-door' deploying teams locally to put Inclusion ordinarily available help in place immediately and prevent the need for escalation.



Project Summary	Finance Benefit	Non-finance Benefit
<p>Building on the success of our social care 'front door' (known as CADs) we are developing a single route into the LA's SEND and AP services. This will be open for parents and professionals and will aim to provide advice, guidance and direct access to services to support C&YP at SEN Support.</p> <p>It will ensure that any parent or professional seeking advice about EHCP will be advised of all the available support for the individual child that can be co-ordinated by the LA to meet needs at SEN Support. EHCP requests will progress formally where there is clear evidence that the LA need to 'determine resources' that are not 'ordinarily available' to mainstream schools in Norfolk. The interpretation of this definition will be adjusted throughout the implementation of LFI as more support is 'ordinarily available'.</p>	<ul style="list-style-type: none"> Using investment in Element 3 funding and School & Community Teams to reduce escalation of need and resulting need for specialist placement Focused on reasonable adjustments to support use of time limited contributions from the HNB Reduced EHCPs creating capacity for EP's and EHCP casework resource to be prioritised for annual reviews where changes of support are needed 	<ul style="list-style-type: none"> Early support and effective intervention to meet C&YP need more effectively and reduced risk of escalation of need Improved 'customer service' for parents and professionals, with greater confidence in effectiveness of SEN Support Aligned to DfE SEND & AP Improvement Plan priorities and focus on effectiveness of SEN Support

New model for special school admissions

New special school allocation process – a streamlined and simpler model which ensures the 'right' children are allocated special school places



Project Summary	Finance Benefit	Non-finance Benefit
<p>Our approach to special school admissions has always taken account of the need to consider parental preference alongside advice of professionals and we have used special schools as part of the consultation process in an active way. This has been pragmatic and positive but can lead to high levels of C&YP within our forecast modelling being considered as being on a 'waiting list'. This can be misleading as at the early stage of consultation we have not fully determined if needs can only be met in special schools. Therefore, we are revising this in our new approach and will now consult special schools within two groups:</p> <ul style="list-style-type: none"> Parental preference Professional consensus 	<ul style="list-style-type: none"> More accurate forecasting/re-modelling of DSG by ensuring that we only 'count' C&YP that we will realistically place over the period of the plan Protecting current and planned special school capacity for C&YP with the most complex needs to ensure that we can future proof our sufficiency plan for specialist provision Reduction of independent sector provision is secured and maintained 	<ul style="list-style-type: none"> Provide clarity for families Responds to request by special schools to differentiate consultations Supporting C&YP to remain in, or transfer back to, local mainstream provision where access to broader peer group and/or curriculum is needed

<p>This approach is aligned to our new SEND & Inclusion Front Door development to ensure any 'no' decisions are taken within 'way forward' meetings to reduce risk of tribunal.</p> <p>This approach will ensure that we can provide clarity much sooner to parents regarding the consensus view on whether special school placement is needed or if an enhanced package of mainstream support can meet needs effectively. It will also ensure that we can have a renewed focus on placing children in local special schools and in line with our plans to focus on state-funded provision.</p>		
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Evidence-based Support and Challenge

Evidence-based support and challenge – using our data and peer to peer conversations to build capacity in mainstream and challenge non-inclusive practice



Project Summary	Finance Benefit	Non-finance Benefit
<p>Building on the initial success of the new School & Community Teams and, critically, their operation within 15 School & Community 'Zones' we are securing support from school leaders and our partners within the ICB to create teams around schools and teams around communities within this new local footprint.</p> <p>All LA SEND & AP services will be co-ordinated within each Zone, and this will include, in the Menu of Services, access to specialist provision, e.g. Specialist Resource Bases, in addition to additional funding via Element 3.</p> <p>The additional element of peer-to-peer support & challenge will operate between school leaders, between LA and ICB teams and Zone to Zone, to ensure countywide consistency for inclusion. Zone data packs will provide the evidence base that will underpin the approach.</p>	<ul style="list-style-type: none"> ▪ Ensuring all HNB investment, both cash and services, are accessed and allocated on needs led basis and with time-limited extensions only approved with clear evidence of impact ▪ The focus on SEN Support will reduce escalation of need and ensure that we collectively 'live within our means' for the new budget levels that are being set ▪ Promoting local placements will reduce SEN transport costs 	<ul style="list-style-type: none"> ▪ Joint working between schools and LA teams will generate iterative CPD to grow the specialist workforce across Norfolk ▪ Increased parental confidence that local schools all offer a consistent approach to inclusion and related support services

We also set out to the DfE the need to review our approach to Element 3 funding with the conclusion that whilst we can continue to increase the funding for Element 3 compared to historical levels and the original 'safety-valve' plan, we do need to allocate funding in a way that ensures that we achieve a balanced budget within each year of the revised plan.

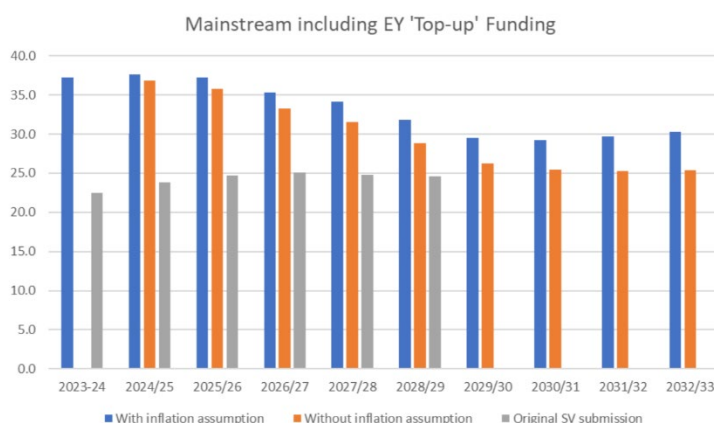
Element 3 funding for mainstream schools

Our approach to Element 3 funding in the first year of Local First Inclusion programme was to increase the budget in line with the revised safety-valve funding levels and to respond 'needs led' to referrals from mainstream schools with key features being:

- linked to our INDES & IPSEF framework with 100% take up by schools
- the need for the school system to have confidence in LFI by 'seeing' benefits for them directly
- alignment of E3 cash with free at the point of delivery new School & Community Teams, etc
- explicit messaging that allocations for SEN Support cohort to reduce EHCP referrals

The level of referral / need has been unprecedented and we took the deliberate decision to enable allocations within 'needs led' approach and not to directly balance this part of the budget within FY2023/24.

We have now reprofiled the budget to ensure that it will now taper down in the latter years of the programme so that we can ensure schools and LA are 'living within their means' on an equal basis. We are confident we can meet needs more effectively earlier with this approach by reducing risk of escalation of need and still fulfil our duties to ensure that mainstream schools have the resources available to fulfil EHCP requirements.



see section 4. for more detail on changes to Element 3 Funding for FY2024/25

Local First Inclusion....capital delivery and responding to changes

The stock-take also considered our progress in establishing more specialist provision alongside the delays to aspect of the capital programme and also changes that will be necessary due to the lack of expressions of interest for secondary school complex needs SRBs. In the overall context of capital developments we have made good progress, however, practical issues have occurred that have led to the need to adjust expectations of opening dates across the programme, our revised plan takes account of:

- 23 x Specialist Resource Bases progressed / progressing through public notice with target opening dates confirmed
- 330 x new funded places in primary SRBs confirmed between April 2023 and September 2025 3 x new special schools from previous 'wave' on track to full capacity with 269 of 358 funded places open to date
- 1 x new ASD secondary SRB expression of interest confirmed from previous 'wave' for 2025/26 opening date

However:

- Zero expressions of interest from secondary schools for 10 x complex needs SRB's (180 places) requiring us to explore other options to repurpose funding, e.g. more ASD SRBs and/or new special school satellite model
- DfE led MAT Sponsor announcement / process for the two new special schools (270 places) delayed by at least a term, causing risk to the September 2026 opening date
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Therefore, we are now revisiting our sufficiency plan with the intention of re-purposing the revenue and capital funding linked to the proposed secondary school complex needs SRB's into two ways:

- ASD SRBs in primary and secondary schools (noting that we have an established ASD model in both primary/secondary
- Special school satellites hosted by mainstream secondary schools

We also took a decision early on in our programme planning/implementation stage to switch the 180 SEMH secondary SRB's from the original model to establish 16 Alternative Provision Centres. These compliment the DfE national plan for three tiers of AP support and produce the same long-term financial benefit as our original SV plan.

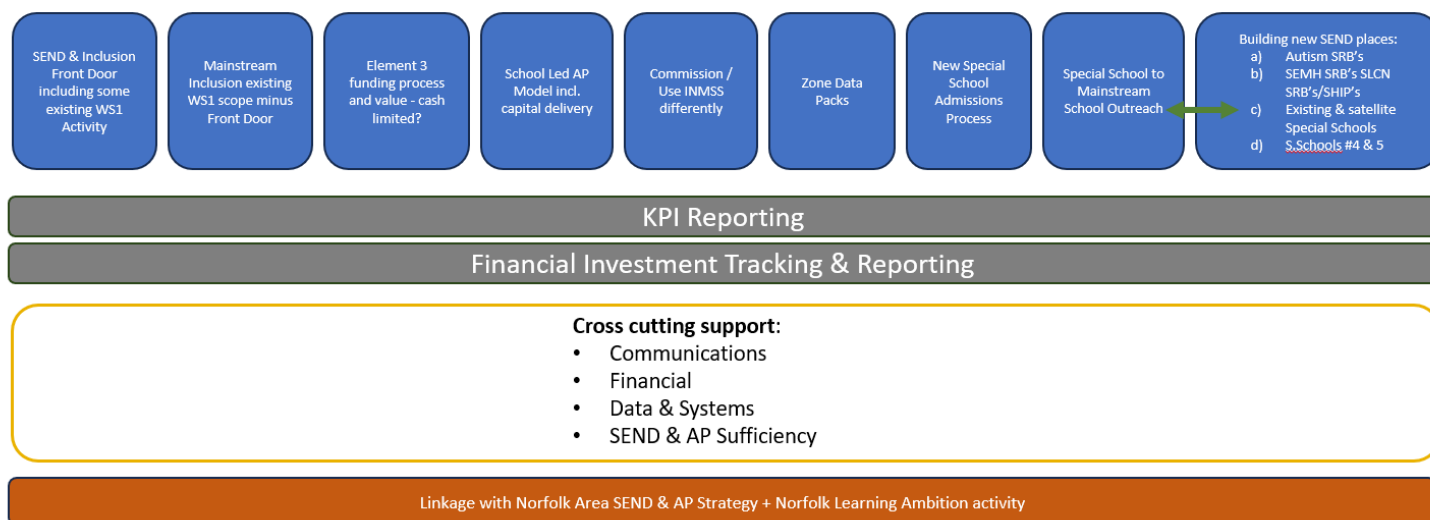
Over the past twenty years we have continued to iterate changes to our range of state funded specialist provision with changes made pre and post the 2014 SEND Reforms. We have moved from a system of 11 special schools operating to the previous 'traditional' models of MLD, SLD and BESD to a model, when our sufficiency plan is completed in 2026 of 18 special schools with the majority following an all-age complex needs school model and 'zone' based alongside 3 ASD specialist schools and 3 SEMH specialist schools.

Over that same period of time we have moved away from an historic model of generic learning support units that previously required C&YP to have a Statement of SEN to access to our county-wide model of specialist resource bases enabling access equally within SEN Support and EHCP cohorts; specialisms within ASD, SEMH, SLCN, L&C are now also complemented by new 'specialist hubs of inclusive practice' and all benefitting from link EP's and specialist partner support from our state-funded special schools.

The total number of funded places has increased and will continue over the next three years alongside the planned reduction in independent specialist provision. The total number of specialist provision for SRB, Special School and AP (maintained, academy and independent) is designed to ensure sufficient provision that is protected for those C&YP who need specialist provision to thrive; our revised admissions will ensure that the LA controls the flow and enables mainstream inclusion for the majority of C&YP with SEND.

Type	No. pre-2014	Funded Places pre-2014	No. end of programme	Funded places end of programme
Special school	11	1169	18	2423
SRB	21	234	50	1004
AP centres	Zero	Zero	16	424

To deliver ongoing work within LFI and the new activity we will move away from the overarching five workstreams that have helped to establish the programme during year 1 and now, from year 2 onwards, organise the LFI programme within 8 Projects in addition to the ongoing capital delivery work for SRB's and new special schools:



We will align this project work with the revised Norfolk Area SEND & AP Strategy and also the activity within Norfolk Learning Ambition to ensure that there is not duplication of effort and to provide clarity on communication to parents/carers and professionals regarding aims and objectives of these different areas of work and their impact and effectiveness.

3. DSG Remodelling & Next Steps

Local First Inclusion - *revised programme for Year 2 onwards*

Our submission on 23rd April to the DfE contained line by line detail of our revised modelling (a total of four in depth spreadsheets were submitted) and after the conclusion of our discussion with DfE advisers and officials we will share the revised plan.

Below is a high level summary of this part of our submission and, together with the presentation to Schools Forum on 17 May, will enable us to brief Schools Forum on how we will achieve an in year balanced position through an extended timeline:

- Financial model summary
- Placements / support volumes
- Element 3 key assumptions
- Special school provision
- Comparison with statistical neighbours
- Key assumptions and risks

Provisional financial model

We have set out to the DfE a revised draft DSG plan which takes the original safety valve six-year plan and effectively extends the time until the plan balances on an in-year basis.

Key features of the model are consistent with those from the original SV plan, e.g. increased state-funded special schools and SRBs and the converse reduction in independent sector placements and with these occurring in parallel to our increased investment in mainstream inclusion within a focus on SEN Support. However, the profile of the budget within each of these 'lines' has changed and we have set out enhancements to the way that we will provide 'controls' within each area of activity, whether new projects for delivery or access to support, funding and placements within our 'business as usual' systems.

Our current projections illustrate that a level of surplus can be delivered, but the detailed modelling and trajectory assumptions are the subject of the ongoing discussions with the DfE and we will update Schools Forum of any changes that occur for that prior to agreement on a final model.

Provisional placements/support volumes

In addition to the line-by-line analysis an forecasting of the individual HNB budgets in the revised model we have also set out to DfE how the finance figures relate to the 'pupil flow' within each line, again in particular regarding state-funded special school placement projections, the same for SRB and the converse decline in funded placements in independent sector.

We continue to refresh our sufficiency plans for SEND and AP and on the conclusion of discussions with the DfE and a revised agreed plan we will share the detail with Schools Forum and ensure briefings for each 'sector' within the plan to ensure there is clarity about the revised growth and/or reduction. These will show our ongoing commitment to local provision designed to meet needs early and effectively and to reduce travel time for children and young people.

Key Assumptions and Risks

The original safety valve plan set out the risks and associated mitigations across the entire programme of work and we continue to update these as we deliver projects. Within our submission to the DfE of our proposed revised plan we have set out updated assumptions regarding the risks, a summary of these are:

- Special School provision and admissions

The plan presumes that through the improvements to the 'front door' of the system, along with the investment and improvement in mainstream inclusivity, the LA is able to reduce the number of requests for special school provision as well as divert some requests to other suitable alternatives, such as specialist resource bases.

All partners along with the LA will need to work towards the same aims and support parents to see the benefits and that the needs of their child can be met without special school provision in the majority of cases.

- Element 3 / Mainstream 'top-up' funding

A revised approach to receipt and assessment of funding requests within the existing INDES & IPSEF framework (that has 100% take up by schools) will be put in place, in particular for any exceptional awards – this could be seen by mainstream schools as not providing them with sufficient resources to enable inclusivity which could lead to a counterproductive increase in referrals for EHCPs and / or specialist provision.

- Decisions outside of LA control

Neither the LA, nor schools, have control over service provision that could significantly impact upon the plan; for example, CAMHS provision or diagnostic services such as NDD pathways – adverse changes to this service provision could result in adverse impacts to the recovery plan for Norfolk. However, we do use our influence within our unique position to convene partnerships to try to adjust health planning to support our joint plans.

Similarly, legislative or Government guidance changes may contribute positively towards the delivery of the plan but could have an adverse impact that is unknown at this point.

Work has been, and will continue to be, undertaken with the judicial system to seek to ensure that tribunals are supporting the placement of the most appropriate children within specialist provision within the legislative boundaries.

- Financial Contributions

The plan presumes that the 1.5% Schools Block to High Needs Block transfer continues whilst demonstrating that more funds will be available to the mainstream sector – there is a risk that such block transfers are not agreed by either the Schools Forum on behalf of Norfolk schools or future Secretary of States and, if this was the case, the plan would need to be amended to take account of these funds remaining in the mainstream schools.

The LA contribution is embedded within our Medium Term Financial Strategy and the authority is committed to maintaining this but is facing significant financial challenge over the coming years, in line with other LAs nationally.

4. Element 3 Funding – revised policy / process

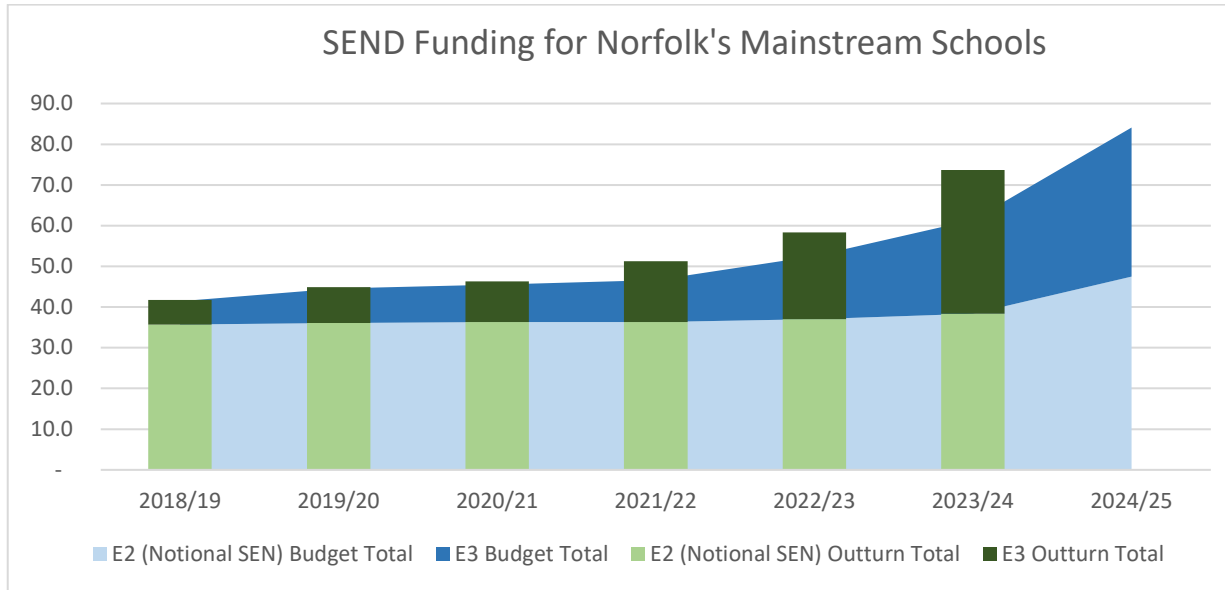
Element 3 funding is a key element of the overall Local First Inclusion programme, and an effective scheme is central to achieving our aims of meeting children and young people's needs more effectively and early whilst also ensuring that we achieve a balanced budget.

We are proposing changes that will enable current commitments to continue for the summer term and from September 2024 a revised policy will be implemented. Below is information that sets out the features of the current process/policy and key changes that we will be making, along with confirmation of the funding that has been available and the way this will be profiled over the coming years, pending the conclusion of the current discussions with the DfE as part of the revised Local First Inclusion plan.

Element 3 'key facts'

- Element 3 funding is provided to 'top-up' the delegated budgets that all mainstream schools receive for SEND (Notional SEN Funding)
- The level of notional SEN funding and the level, and model for allocation, of Element 3 funding is determined by individual local authorities in conjunction with Schools Forum and via fair funding consultations as necessary.
- Historically, in Norfolk, Element 3 funding was used to 'top-up' the funding for C&YP with Education, Health and Care Plans having previously been distributed through Clusters, which worked well for a few of the clusters (with effective pooling of budgets and shared training opportunities etc) but did not work well for the majority. More recently we have enabled schools to access this funding for C&YP at SEN Support, with the intention of preventing applications for EHCPs where needs can be met without one, but additional resources are required outside of the schools' delegated budgets.
- Within the Local First Inclusion programme, we have actively promoted Element 3 funding for SEN Support cohorts as part of our plans to reduce the need for EHCP (alongside access to SRBs and School & Community Teams, for example).
- Other LAs (including our statistical neighbours) all approach Element 3 funding in different ways, e.g. some remain EHCP only and all the schemes taken differing approaches to the use of either proxy indicator formulas, bandings / audits, etc.
- **The spend 'vs' budget for the financial year 2023/24 was c. £35m vs £23m and has been a significant contributor to the reasons behind the LFI programme moving off trajectory.**
- The spend for funding into mainstream schools has increased significantly since 2018/19, **increasing from c. £6m to c. £35m in 2023/24**, as shown in the table overleaf.

	2018/19 Budget	2018/19 Outturn	2019/20 Budget	2019/20 Outturn	2020/21 Budget	2020/21 Outturn	2021/22 Budget	2021/22 Outturn	2022/23 Budget	2022/23 Outturn	2023/24 Budget	2023/24 Outturn	2024/25 Budget
Exceptional Circumstances Fund	0.3	0.4	1.0	1.2	1.0	1.9	1.8	4.5	4.8	4.2	1.0	0.7	1.0
Element 3 for EHCPs & SEN Support including Bridging and ESP funding (from Oct 2019)	3.1	3.3	7.4	7.6	8.3	8.1	8.5	10.5	10.8	17.1	22.0	34.6	35.6
Cluster funding (to Sept 2018) & Learning Support Cluster (2017/18)	2.3	2.4											
Total	5.7	6.1	8.4	8.8	9.3	10.0	10.3	14.9	15.5	21.3	23.0	35.3	36.6
Over / (under) spend		0.4		0.3		0.8		4.6		5.8		12.2	
Delegated within Schools Block (Notional SEN)	35.7	35.7	36.1	36.1	36.3	36.3	36.3	36.3	37	37	38.4	38.4	47.5
Total Funding	41.4	41.8	44.5	44.9	45.6	46.3	46.6	51.2	52.5	58.3	61.4	73.7	84.1



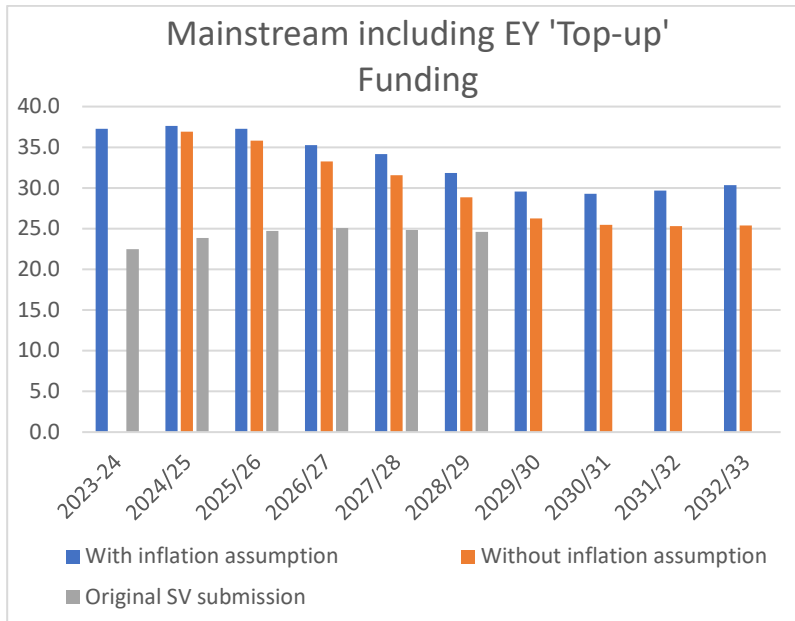
- HNB top-up funding to mainstream schools increased by 481% for the 2023/24 outturn vs 2018/19 outturn (compared to budgeted increase to 2023/24 of 305%).
- The current revised plan for 2024/25 submitted to the DfE indicates a budget aligned with the 2023/24 outturn plus inflation.
- Up to 2023/24, E2 Notional SEN funding has increased by only 8%, whilst Schools Block funding has increased by c. 35% and the High Needs Block funding has increased by c. 77%, with the proportion of HNB funding being spent on top-up funding increasing from 8% to 26%.
- 2024/25 is the first year seeing any significant increase in E2 Notional SEN budgets.

Modelling for the revised DSG plan

We cannot sustain this level of spend and, therefore, the revised plan for LFI proposes that the budget is profiled to reduce down over a 6-year period, reflecting that there has been significant 'invest to save' in earlier years of the programme, particularly whilst SRBs and AP Centres are developed, but that the infrastructure in place will have substantially shifted by the latter part of the programme.

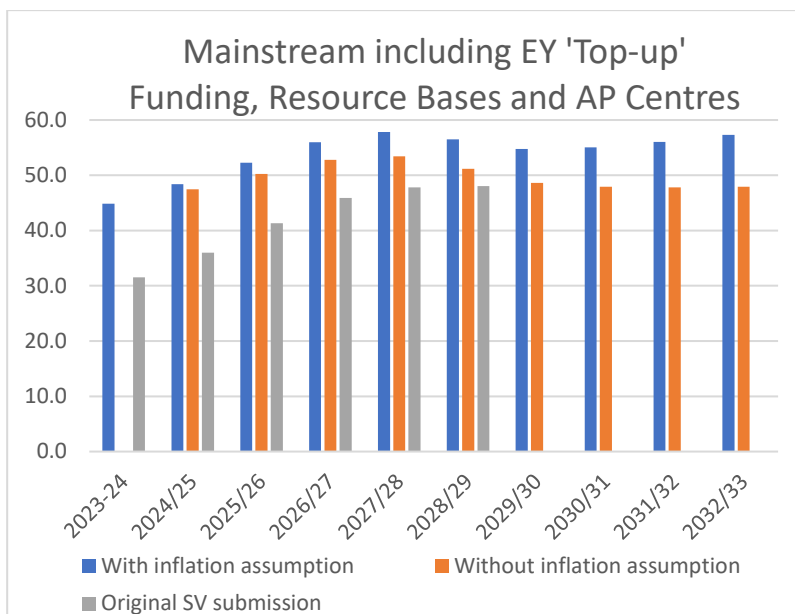
The revised planning is pending conclusion of current discussions with the DfE and confirmed details will be shared in due course.

It should be noted that modelled spend **will still be higher than the original SV plan budget**, as illustrated by the graphs below, with spend during the same 6 years period being substantially higher:



- Stabilise for 2 years, then reduce through impact of initial investment and other provision then on-stream.
- Impact of raising level of Notional SEN in Norfolk
- Mainstream 'top-up' funding includes Element 3, Exceptional Circumstances and Early Years High Needs funding.
- Stabilise c. 29/30 and remain higher than the initial SV plan indicated reflecting the feedback from partners to date along with the desire to ensure that there are sufficient funds in mainstream schools to support CYP to flourish in that environment.

Additionally, when considering the total High Needs funding that is modelled to be available to mainstream provision, it can be seen that there is no reduction compared to the original plan.



- Total funds that will be in mainstream schools and early years providers for high needs including provision Our benchmarking comparison review of Cumbria's spend profile indicates that there equivalent 23/24 budget been c. £40m if adjusted for Norfolk's population.
- This plan is to exceed that level of investment to recognise the need for funds to be within mainstream schools to stem the escalation to specialist provision along with challenges that are being seen by other LAs currently who have historically had good financial performance.

Key Features of a revised approach to Element 3

We must live within our means as a system in Norfolk with a focus upon interventions rather than dependence; fundamentally, it is not in children's best interests to perpetuate dependence on support if they are to enjoy successful, independent lives.

Our approach needs to take account of the dual requirements of the Local First Inclusion programme, to meet C&YP needs more effectively and early within SEN Support (without the need for EHCP) and to ensure that an in-year balanced budget is achieved as soon as possible to minimise the level of cumulative deficit to be repaid by the Norfolk system.

In addition to delegated school budgets, funding for mainstream schools, now or in the future, to support high SEND and AP is not just 'classic' Element 3 and Bridging E3 funding, but includes funding for Enhanced SEND Provisions, Specialist Resource Bases, planned Alternative Provision centres; **overall resources need to be considered when identifying how best to meet individual children's needs in a cost-effective way across individual schools and trusts**, e.g. would investment in whole staff development, or sharing learning from another school or trust including support from a special school, mean that some children's needs can be met through 'ordinarily available' provision rather than requiring specific, child level funding.

Therefore, the key features of a revised approach need to be:

- Element 3 funding is underpinned by the INDES/IPSEF frameworks and supported by the 100% take up of Norfolk mainstream schools, with this approach ensuring that:
 - allocations are fair;
 - take account of individual school context;
 - and, based on funding provided by schools from their delegated budget and in the context of the increase of notional SEN funding over a three-year period to achieve national average levels (i.e. from 6.6% to 7.7% in FY2024/25 and to 11.5% by FY26/27).
- Is a consistent approach across SEN Support and EHCP cohorts.
- As a system, we need to:
 - review our expectations of what is ordinarily available and what is 'counted' as part of the funding to meet a child's specific needs;
 - Reduce focus on low-cost packages to ensure those with the most complex needs are prioritised;
 - Seek to simplify the model through decreasing the number of bands;
 - have clear rationale for the bandings, including aligning the top band with the cost of a Teaching Assistant for term time plus 1 week, and in line with models of TA deployment focussed on curriculum contact time support ;
 - and, commit to a joint narrative between schools and the LA to parents / carers that in the vast majority of cases, needs can be met within mainstream schools.
- To manage the funding:
 - There needs to be a time-limited window for the LA to receive and consider funding requests, with clear expectations regarding the timing of decisions.
 - Allocation will be based upon clear expectations of the impact of the funding to enable progress for individual children
 - Expectation will be that packages are time-limited and support progress with impact evidence, and that children develop over time and so their needs are also likely to change, i.e. a proactive review approach that is focused on how the investment has supported progression rather than an automatic 'roll-over' of funding

- There needs to be a further view of the recoupments of funds currently undertaken to ensure that 'money follows the child' and that children are not 'double-funded', e.g. when C&YP changes school roll
- Funding available from date agreed and with confirmation that staffing or other provision is available and requires immediate payment
- Funding for AP being reviewed separately from E3 funding for high SEND

Conversations with schools and trusts, and the system as a whole, need to consider the macro impact on the investment to prevent escalation to EHCPS and special schools requests, i.e. investment through the LFI programme is about ensuring that more CYP can have their needs met in mainstream schools.

If the investment is not delivering that on a macro level, then the investment will need to be reconsidered as the costs of specialist provision outside of mainstream schools will have to take first call on funding and this will result in funding for mainstream provision having to be significantly scaled back.

This section specifically focuses on mainstream schools rather than element 3 type funding for Early Years providers. The level of this funding has increased in recent years and there is no intention to reduce this funding or to change the way that it is allocated. In addition, we have increased levels of Special Educational Needs and Inclusion Funding in Early Years and maintained an Early Years Adviser workforce who support providers. This funding from the Early Education and Childcare element of DSG is targeted at low and emerging needs, to ensure that barriers to accessing education in the early years are removed.

Looking ahead to the medium term, potentially for 2025/26, the LA would like to explore a zonal approach to delegation of E3 funding that is aligned with the SEND Front Door and the principles that have been outlined in the Learning Ambition. Such a model would require significant development and would need to be co-produced.

5. Establishing a Schools Forum Sub-group for Element 3 Funding

Element 3 Funding has emerged as the key factor in enabling the overall Local First Inclusion programme to be delivered and sustained effectively. It has benefitted from significant increase in the past 5 years and the revised plan sustains that high level of investment in mainstream schools to complement the funding delegated each year for 'notional' SEN.

We believe that a sub-group of Schools Forum is necessary so that key representatives can join the LA team that have been working on the revised plan for Element 3 funding and understand the detail behind the proposals, help to shape aspects of the delivery of the revised plan, and to help to ensure that LA and Schools can provide the most effective support to children and young people whilst we collectively live within our means.

6. Schools Forum are asked to:

1. Note the progress shared in relation to the EMS process, related 'stock-take' and DSG remodelling work submitted to DfE on 23rd April 2024.
2. Provide comment, support and challenge regarding the next steps plans for the Local First Inclusion programme, in particular, with a commitment to ensure strategic leadership to jointly achieve the revised and explicit aims of the LFI programme.
3. Provide comment, support and challenge regarding the DSG remodelling work, in particular, with regard to our revised approach to Element 3 funding and allocation of specialist places; supporting our ongoing aim to meet needs of children and young people more effectively through early intervention without the need for Education, Health and Care plans where 'ordinarily available' funding, resources, support and guidance can be secured within SEN Support.
4. Agree to, and confirm representatives for, a sub-group to consider the detail of a revised approach to Element 3 funding, including expected arrangements for reporting back to Schools Forum.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper, please get in touch with:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.