



SCHOOLS' FORUM MEETING

11th April 2019

DSG Recovery Plan

Introduction

- 1.1 For some time now, the Schools Forum has been tackling the issue of how to manage the “overspend” on DSG arising primarily from pressure on High Needs funding.
- 1.2 The DfE and ESFA have noted over the last two years that more authorities are reporting a cumulative DSG deficit. To this end, the DfE published consultation on the implementation on new arrangements for reporting deficits on the DSG.
- 1.3 The consultation has closed and the Government has responded with final guidance. As originally announced in July 2018, through conditions of grant the DFE will require a report from all local authorities that have an overall cumulative DSG deficit of 1% or more at the end of the 2018 to 2019 financial year, outlining their recovery plans. The 1% calculation will be based on the latest published DSG allocations for 2018 to 2019, gross of recoupment, as at the end of the 2018 to 2019 financial year.
- 1.4 This paper:
 - Shares the outcome of the Government consultation
 - Shares the Council’s position re development of the Recovery Plan

Government response to consultation: key points

- 1.5 The Government noted that “By far the most common element in the responses was that local authorities said that the reason many of them already have a DSG deficit or are facing the imminent prospect of such a deficit, is the ever-increasing high needs pressures that they are facing”.
- 1.6 In brief, the Plan must set out the reasons behind the current position and what action has been or will be taken to address it. A number of local authorities asked if DfE can provide a template for the recovery plans that they can follow. This has been produced and is available on the attached link.

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-recovery-plans>

- 1.7 Local authorities must discuss the recovery plan with the schools forum and agree it if possible, but they do not need to obtain agreement before submitting the plan.
- 1.8 A few local authorities said that it would be very difficult to produce realistic recovery plans because they do not know how much DSG they will receive in

future years. They stated that in order to plan to bring DSG spending in line with allocations, they needed a greater level of certainty over a longer period of future allocations. As future allocations are subject to the Spending Review local authorities are asked to make their own forecast of future allocations based on the information currently available, perhaps as a range, in order to inform the plan.

- 1.9 Failure to provide a plan by the deadline will result in escalation to the Minister, the Chief Finance Officer, and the Director of Children's services. Feedback on plans will be given by September 2019.

Our Recovery Plan

Formal requirement for a plan - current position on the DSG:

- 1.10 The current position is that we are projecting a deficit on the DSG of £116k at the year end (please refer to 18/19 outturn paper). This would represent <1% of our total allocation.
- 1.11 This means that whilst we still have a problem, a Recovery Plan may not need to be formally submitted to the DfE although we still need to have one in place as the 19/20 projections indicate further overspends.
- 1.12 Work between now and the June forum will be focused on completing a draft of the Recovery Plan using the DfE template building on work already completed.

Five year projections

- 1.13 As part of the Recovery Plan, we are producing a 5 year projection which will show likely funding and costs covering the next 5 years. This will tell us the extent of the challenge over the coming years.
- 1.14 Appendix 1 shows the outcome of the modelling done thus far. It simply confirms what we already know – that action is required so that we can live within our means.
- 1.15 The model will provide a useful tool for showing the impact of any interventions/changes and the positive impact on our financial position.

Actions underway

- 1.16 A Strategic Development Plan is in place and has been led by the multi-agency SEND Strategic Group since 2017. The actions within the plan underpin our Inclusion Strategy and are aimed at increasing the inclusion of children with SEND locally, thereby reducing the pressure on the high needs budget.
- 1.17 A School Inclusion summit was held in November 2018 with a view to engaging schools in developing alternative approaches to tackling the high needs pressure. The actions from this meeting have been included in the SEND Development Plan for consideration at a future SEND Strategic Group.

- 1.18 In March, 2019 a meeting was held with representative Headteachers to discuss new approaches for supporting children with special educational needs in Rutland, one which ensures that children with SEND are provided the opportunities to be supported effectively within mainstream education.
- 1.19 A full record of the meeting is outlined within *Appendix 2*. The key agreements and the mandate for subsequent system change following the meeting are:
- That, in principle, children with SEND should be supported as far as is possible and appropriate within the least restrictive education environment.
 - That the current funding and support interventions for children with SEND in Rutland were not appropriately distributed.
 - That additional support and funding was needed earlier in the education system with investment in different types of support within and across mainstream schools.
 - That the existing financial framework for schools and the use of ‘top ups’ for children with EHCPs within mainstream school does not best serve schools in helping meet need and as such require review.
 - To plan a number of intervention models to be presented to schools (as per recovery plan actions) which could be costed in order to demonstrate the potential impact on the high needs budget if implemented.
 - To progress the nurture pilot proposal as outlined, with a view to presenting a business case for school approval.
 - To undertake a financial review which includes exploring set funding models for schools to work together in order to maximise value for money of specialist interventions, this could potentially cross phases to support transition between settings.
 - To research and cost a small pilot project providing specialist education support across a school partnership.
 - To complete the review of DSPs and recommissioning of this provision.

Recommendations

- 1.20 Schools Forum should:
- Note the requirements of the Recovery Plan (1.6)
 - Note that a draft Recovery Plan will need to be discussed in June and may need to be formally submitted to the DfE (1.12)
 - Note the outcome of various meeting in 1.20 above and the full meeting record in Appendix 2.

Saverio Della Rocca
Strategic Director for Resources

Kevin Quinn
Service Manager, Early Intervention, SEND and Inclusion

Appendix 1:
Five Year Projections

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
High Needs DSG B/Fwd Deficit/(Surplus)	59,630.00	255,015.00	510,378.59	763,135.82	779,277.41	863,940.53
Transfer From Schools Block	(114,844.00)	(117,265.00)	(117,265.00)	(117,265.00)	(117,265.00)	(117,265.00)
High Needs Allocation*	(3,776,571.00)	(3,825,116.00)	(3,825,116.00)	(3,825,116.00)	(3,825,116.00)	(3,825,116.00)
Additional Funding			(83,000.00)	(87,150.00)	(91,507.50)	(96,082.88)
Total Cost - Current Cohort	4,086,800.00	4,076,628.30	3,796,287.10	3,472,320.31	3,377,292.75	3,186,748.13
Total Cost - Predicted Movement		121,116.29	481,851.13	573,352.28	741,258.87	857,785.21
High Needs DSG C/Fwd Deficit/(Surplus)	255,015.00	510,378.59	763,135.82	779,277.41	863,940.53	870,010.00

Appendix 2:

Rutland DSG High Needs Funding Recovery Plan **Friday 29th March 2019** **15:00-17:00: Casterton College Rutland**

Attendees:

Mark Andrews, Strategic Director for People
Councillor David Wilby, Portfolio Holder Life Long learning
Saverio Della-Rocca, Strategic Director for Resources
Gill Curtis, Head of Service Learning and Skills
Kevin Quinn, Service Manager Early Intervention, SEND & Inclusion
Carl Smith, Principal Casterton College Rutland
Claire Pugh, Vice Principal Catmose College
Sharon Milner, Executive Headteacher, Brooke Hill Academy Trust
Steven Cox, Headteacher Oakham CofE

1. Introduction & Purpose

MA introduced and outlined the purpose of the meeting and the need to review the current local approach for supporting children with SEND with a view to improving the effectiveness of provision whilst reducing the current pressure on the High Needs funding block.

2. SEND Modelling (Triangle of Support)

MA introduced a SEND Inclusion Model (copy attached) setting out how education support and interventions for children with SEND should be ideally distributed, based on spectrum of needs. A healthy inclusion model anticipates the greatest number of children to be supported within mainstream provision in the least restrictive environment with fewer children with the most complex special educational needs and disabilities being supported in residential settings.

Schools were presented with a populated model based on the current children supported within the SEND system and where this support is provided within the model. The group discussed whether the current SEND system in Rutland was right and if there were particular gaps in need and provision across education. The following was agreed;

- That, in principle, children with SEND should be supported as far as is possible and appropriate within the least restrictive education environment.
- That the current funding and support interventions for children with SEND in Rutland were not appropriately distributed.
- That additional support and funding was needed earlier in the education system with investment in different types of support within and across mainstream schools.

3. 5 Year High Needs Funding Projection

KQ provided the group with an overview of the current High Needs expenditure and modelled projection for the next 5 years based on an ‘as is’ approach of children currently in the SEND system (copy attached). The full financial model helps to identify where the pressures in the system are and allows for modelling of alternative approaches aimed at reducing costs. The model will form part of the recovery plan approach required for the DfE where overspend dictates. After discussion about the projection the group agreed;

- That the existing financial framework for schools and the use of ‘top ups’ for children with EHCPs within mainstream school does not best serve schools in helping meet need and as such require review.
- To plan a number of intervention models to be presented to schools (as per recovery plan actions) which could be costed in order to demonstrate the potential impact on the high needs budget if implemented.

4. Recovery Plan Actions & Next Steps

KQ introduced the proposed areas for improving the current picture based on previous discussions and actions agreed at the School Inclusion Summit, this included:

1. The introduction of a nurture based approach within schools: KQ outlined the business rationale and the key drivers for adopting a nurture based model. It was noted that this approach could help prevent the escalation of the needs of children with behaviours that challenge early and thereby reduce the predicted spend on the high needs budget.
2. School Partnerships: The group also discussed the agreement schools made to work together across partnership to share resource and expertise including the introduction of behaviour partnerships and joint commissioning.

Following discussions it was agreed:

- To progress the nurture pilot proposal as outlined with a view to presenting a business case for school approval.
- To undertake a financial review which includes exploring set funding models for schools to work together in order to maximise value for money of specialist interventions, this could potentially cross phases to support transition between settings.
- To research and cost a small pilot project providing specialist education support across a school partnership.
- To complete the review of DSPs and recommissioning of these services.