

Somerset Schools Forum

Wednesday 10 July 2019

1.30 pm Victoria Park Community Centre,
Bridgwater



To: The Members of the Somerset Schools Forum

Issued By Scott Wooldridge, Strategic Manager - Governance and Risk and Monitoring Officer-
Date Not Specified

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under Section 100A (4) of the Local Government Act 1972.

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AGENDA

Item Somerset Schools Forum - 1.30 pm Wednesday 10 July 2019

1 **High Needs Update from July meeting** (Pages 3 - 10)

Schools Forum Decisions and Consultations

– 10 July 2019

Arrangements for children and young people with Special Educational Needs and Disability

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<p>Summary:</p>	<p>This paper</p> <ul style="list-style-type: none"> • reports an updated outturn position of the High Needs budget • details the submitted Dedicated Schools Grant (DSG) recovery action plan and strategic approach • sets out the DfE SEN financial arrangements: call for evidence
<p>Recommendations:</p>	<p>For Forum</p> <ul style="list-style-type: none"> • to note the outturn position • to note the submitted Dedicated Schools Grant recovery plan • To agree method of consultation in relation to activities within the DSG recovery plan
<p>Reasons for Recommendations:</p>	<ul style="list-style-type: none"> • There continues to be an ongoing pressure within the High Needs Block of the DSG. To begin to bring this into line requires the agreed strategic approach to be implemented
<p>Links to Priorities</p>	<ul style="list-style-type: none"> • Children and Young Peoples Plan 2019- 2022: Great Education: building skills for life • 5 SEND Strategic objectives
<p>Financial Implications:</p>	<p>The DSG recovery plan is required by the DfE and sets out the savings and pressures across the DSG before a National hard funding formula is implemented from 2021/2022</p>

1. Current Position

Due to the completion of the DSG Recovery Plan a full budget monitoring report has not been completed. The information below includes the forecast outturn and overspend in relation to High Needs Top-up and Independent NMSS.

HN Top-UP Provision	Top Up - Somerset /OLA	Independent / NMSS	Total Top-Up and Independent/ NMSS Budget	Projected Outturn	Variance (overspend / Underspend)
Early Years	£420,000	£0	£420,000	420,000	0
Mainstream - pre 16	£4,561,600	£0	£4,561,600	4,610,632	-49,032
Specialist service HI / VI		£0	£0	0	0
PRU's	£1,984,000	£0	£1,984,000	£2,275,900	-£291,900
Behaviour Partnership	£2,487,000	£0	£2,487,000	2,487,000	0
Maintained Special and Free Special Schools	£10,537,100	£0	£10,537,100	11,077,101	-540,001
NMSS and Independent		£10,516,100	£10,516,100	12,564,190	-2,048,090
FE post 16 (Colleges & ISP)	£1,280,000	£3,129,600	£4,409,600	4,574,000	-164,400
Vulnerable groups	£72,100	£0	£72,100	72,100	0
Import / Export adjustment					
Total	£21,341,800	£13,645,700	£34,987,500	£38,080,923	-£3,093,423

All forecasts are reflective of the submitted DSG recovery plan. The most significant overspend continues to be the Independent and NMSS sector. More information will be known as we approach September as new placements are agreed and an updated forecast will be prepared for the October meeting.

The forecast over spend in mainstream, Pre-16 is not included in the DSG Recovery Plan and relates to the other LA mainstream areas where young people have been placed in mainstream provision in other LA's.

2. DSG Recovery Plan

2.1 The LA has been required to submit a DSG recovery plan to the DfE by 30th June 2019. This plan was required to set out the pressures and savings to address the overspend across the DSG over 3 years.

2.2 In collaboration with Schools forum the LA have set out a comprehensive plan to reduce the DSG deficit over the next 3 years. This plan sets out a whole system approach to the DSG to align financial stability and strategic improvement set out in Somerset's co-produced multi-Agency Children and Young Peoples Plan 2019-22 and SEND strategy.

The DSG recovery plan is a whole system approach, with a focus on supporting the needs of children with additional learning needs, including those who are excluded or not able to attend mainstream school and for those with SEND. This transformational approach is needed at all levels of activity: universal, targeted, specialist and complex/ enduring.

In order to achieve the impact required, these activities require collective action across all early years, schools and FE settings and is focussed on doing the right things strategically across all tiers/ levels. Actions already taken by Schools forum and the LA in support of whole system as part of budget setting for 19/20 and in line with disapplication requests have been reported previously. Further actions focus improvement activity on an emerging approach which follows best inclusive practice and is broadly known as the Local First approach.

In summary they are:

- building capacity and expertise at SEN support in the early years, school and FE colleges through sector led improvement
- introduces and reframes joint commissioning at all levels
- facilitates and encourages collaboration amongst Schools, LA and wider partners through a whole system approach
- reflects shared principles and collective responsibility across the education sector for vulnerable CYP including those with SEND
- reduces reliance on expensive independent schools by providing local special schools and resource base places.
- Promotes personalised and flexible use of resources

The plan sets out three phases of savings, short, medium and long term, with identified activities in each year providing savings across the full 3 year period and beyond.

Short term: Intervening early and managing demand; Jointly fund SEN support (Early intervention) by building on existing partnerships to ensure efficient use of all resources.

Activities include ongoing aligning /integrating of teams, connecting partners across the system and targeting existing SEND services at SEN support to manage demand and reduce future spend, utilising all national and regional school to school initiatives to build capacity, skills and confidence across all phases. Sharing the cost of services which intervene early, including outreach and flexible use of alternative provision to reduce escalation, supporting education settings to maintain CYP in mainstream settings.

Medium term: Developing Personalised commissioning; Develop personalised arrangements for young people at key transition points.

These activities will redress the balance of CYP attending independent schools and reduce our reliance on the independent sector to provide education placements which could be provided locally at less cost, supports flexible use of funding to support transition and where individual arrangements would benefit CYP and their families. Personalised commissioning will be developed through 4 key activities and will focus on key transition points

- children and young people currently placed in independent schools who, with the right support, could access mainstream, mainstream resource bases or special schools local to home (returners)
- allocating places in new special schools responsibly as the capital build comes on line (new)
- developing personal budgets (flexible)

Specific activity for post-19 will include jointly commissioning 5 days packages with Adult Social Care, health and in collaboration with our local FE colleges. (Complex, enduring)

Long term: Building capacity in Local special schools and using the Local First Approach

The LA has committed to capital investment of £54m which will lead to 436 specialist placements being available from 20/21 and completed by 2022/23. Population growth and need analysis identified that the lack of local special school provision has resulted in an over reliance on the Independent sector and parents indicated that they want their children to be educated in local inclusive or special provision. This capital investment will ensure young people attend their local specialist resource base or special school where their needs cannot be met in mainstream. Where parental preference falls outside of the Local First approach the LA will consider requests on an individual basis and will apply the personalised commissioning approaches described in the medium term activity above. As a result of this capital investment we project a 40 % reduction in independent placements in by 2023/24.

2.3 Pressures as set out in the DSG recovery Plan¹

P1	Fully funding schools in line with Hard FF has created a deficit in the schools block and Somerset Schools Forum agreed this would be funded by forecast underspend in CSSB, with a principle agreed to reduce commitments where possible.
P2	Increased use of INMSS or out of area placements The authority has seen a significant increase in demand for independent placements, (8% year on year since 2016) due to a combination of factors, including insufficient places in our special schools and specialist resource bases, some specialist provision is either not in the best geographical locations or have no local specialist provision and in some cases having places occupied by children and young people who could be educated in mainstream schools. National benchmarking shows that Somerset places twice as many CYP in independent schools (10% , compared to 5% national) with a specific pressure in day placements. This is partly due to the historical approach to allocating high needs funding without plans and our current low number of EHC plans compared to national, but this needs to be taken into account as we convert high needs into statutory plans to ensure that children remain in their local mainstream provision wherever possible. These day placements cost on average £20,000 per annum more than in a maintained specialist provision, but in a few cases the costs can be as much as £150,000
P3	Increase in number of requests and placements in special schools or specialist ASC bases. There have been 54 places additionally commissioned over the planned places over 2018. Due to the Jan mechanism for place funding this required the £10,000 allocation
P4	Increased requests for statutory assessment and resulting in a higher number of plans including High needs conversions Impact on resources is seen through SEND statutory teams and partners through data from SEN2 which shows that Nationally requests for assessment rose by 12 %
P5	Specific needs of children with SEMH/ASD We know that our identification of children in relation to their primary needs demonstrates a different profile to national and regional data. This is particularly prevalent in
P6	High levels of permanent exclusions and partnership places 72% increase in young people permanently excluded from schools across Somerset and fixed term exclusions have also increased by 45% within three years. This has impacted on the capacity of our pupil referral units both through the year on year growth paired with the difficulty of moving learners back into mainstream in a timely and
P7	Post-16 The extension of age range relates to changes to the SEND code of practice, which has added substantial additional costs to the High Needs Block, with the requirement to provide resources extended for young persons from 19 to 25, where they have an EHCP, are attending an educational provision and making progress. The work being

¹ Note Pressure 1 relates to Central Schools block

2.4 Savings identified in the submitted DSG recovery plan²

S1	Transfer of funding from the Central Schools Services Block, Combined Budgets (historical commitments), where contracts have ceased, efficiencies being demanded and savings achieved to support the pressures in high needs. The funding of historical commitments is on 2017/18 baseline and assumes a continuing funding surplus of £1.68m. If the funding reduces then it would reduce the ability to recover the deficit. The assumption is that by 2023/24 the funding allocated to Somerset CSSB will be in line with national proportion (£1.87m).
S2	Collectively covers P1 and 2 Increased Capacity in Special Schools- Local First- capital build programme adding 436 special school and resource base places from 20/21 and realised by 2022/23, placements for young people will be secured within special schools or specialist mainstream places based within the local communities.
S3	Collectively covers P3 and 4 Reduce reliance on independent settings- Develop Personalised Commissioning. Focus on independent non- maintained through Local First approach at points of transition. Through academic year 19/20 the focus should be on those day placements where there is confidence that needs can be met in mainstream or special schools local to home.. Connecting and utilising SENCO expertise and outreach from special schools prior to requests for changes of setting from
S4	Collectively covers P5 and 6 intervening early and Joint commissioning Sharing costs with schools to reduce potential future spend and manage demand, ensuring efficient use of all resources and aligning or integrating teams to achieve management efficiency and cost- effective services.
S5	Early Years - no savings identified. 97% of Early Years Block is delegated to providers as part of hourly rate calculations. Due to the low level of hourly rate paid 3% of the Early Years Block held centrally is used to support according to sector needs during the year and therefore no savings are anticipated.

2.5 Summary of Deficit Recovery plan

DSG Deficit Recovery Plan

Ref.	Block	Type of provision e.g. special schools	Action e.g. increasing special school places	2018-19	Year 1	Year 2	Year 3
				£	2019-20	2020-21	2021-22
DSG Balance b/f					6,702,400	9,841,890	11,660,561
Savings (figures should be entered as negative values)							
S1	CSSB		Active engagement of local schools and colleges in designing services and provision	(1,507,000)	(1,680,000)	(2,065,000)	(2,726,000)
S2	High Needs	Special schools	Capital investment in new, expanded or adapted special schools		0	(326,658)	(827,946)
S3	High Needs	Mainstream and Special schools	Increased resource for mainstream schools – targeted funding		(202,888)	(186,382)	(171,575)
S4	High Needs	Alternative Provision	Active engagement of local schools and colleges in designing services and provision		0	(1,173,667)	(2,012,000)
S5	Early Years		Other		0	0	0
Total savings				(1,507,000)	(1,882,888)	(3,751,707)	(5,737,521)
Pressures (figures should be entered as positive values)							
P1	CSSB		Difficulties arising from the funding formula		1,000,000	1,000,000	1,000,000
P2	High Needs		Increased use of INMSS or out of area placements	2,250,978	2,250,978	2,250,978	2,250,978
P3	High Needs		Pressure on maintained special school capacity	540,000	540,000	540,000	540,000
P4	High Needs		Increase in the number of EHC Plans	0	0	0	0
P5	High Needs		Specific needs of children with SEMH/ASD	300,000	550,000	800,000	1,050,000
P6	High Needs		High rates of exclusions and use of AP	291,900	291,900	291,900	291,900
P7	High Needs		Post-16 responsibilities	164,400	164,400	164,400	164,400
Additional Pressures (figures should be entered as positive values)				3,547,278	4,797,278	5,047,278	5,297,278
Cost reductions from impact of recovery plan				2,040,278	2,914,390	1,295,571	(440,243)
Total DSG forecast overspend							
Net in year impact on High Needs DSG				2,040,278	2,914,390	1,295,571	(440,243)
Estimated High Needs Block change (additional grant)				(1,171,000)	(1,171,000)	(1,171,000)	(1,171,000)
Approved transfer of schools block to HN block				(1,178,100)	(298,000)	0	0
Other adjustments				1,694,100	1,694,100	1,694,100	1,694,100
Net in year Forecast Outturn Variance				1,385,278	3,139,490	1,818,671	82,857
DSG Balance – show a deficit as a positive value				6,702,400	9,841,890	11,660,561	11,743,418
				DEFICIT	DEFICIT	DEFICIT	DEFICIT

² Note saving 1 relates to the Central Schools Block

2.6 Short term: Intervening early and managing demand; Jointly fund SEN support (Early intervention) by building on existing partnerships to ensure efficient use of all resources.

Agreement in principle was given by the members of the Schools forum workshop group, the extra-ordinary Schools Forum meeting and subsequently was endorsed by members of the High Needs sub group relevant to saving 4: Sharing costs with schools to reduce potential future spend and manage demand.

Activity and method of achieving saving 4 requires agreement from Schools forum during the autumn term. This will include the requirement under the Public Sector duty to undertake an Equalities Impact Assessment (EQIA) and consider whether full consultation is required.

High Needs Sub Group projects update

3.

The High needs group continue to have 3 project reporting streams which are standing agenda items, these are

- The capital investment programme- the ongoing building of special schools, development of ASC bases in mainstream schools and the development of a special Free school
- Local First- reducing reliance on Independent sector (This project was supported by Schools forum until October 2019)
- Identifying and managing behaviour, now known as part of whole system improvement called "Building emotional resilience" which is the development of a joint approach across schools, LA, CCG including CAMHS.

These projects now form part of the DSG recovery plan and are seen within savings 2, 3 and 4 respectively. The High needs group did not receive reporting updates of the projects at the July meeting.

4 Recommendations

For forum to discuss and agree method of consultation in relation to **Jointly fund SEN support (Early intervention)** within the DSG recovery plan. (identified as saving 4 on the DSG recovery plan).

5 DfE SEN financial arrangements: Call for evidence

The DfE launched a call for evidence on 3rd May and closes on 31st July 2019. Please see Appendix 2 for summary.

Letter submitted to the Secretary of State alongside the DSG Recovery plan

Hard copy to be circulated at meeting

DfE SEN financial arrangements: call for evidence

The full survey and consultation can be found here

<https://consult.education.gov.uk/funding-policy-unit/funding-for-send-and-those-who-need-ap-call-for-ev/>

The DfE call for evidence is intended to help understand how the current available funding is distributed and what improvements could be made to the funding arrangements in the future. It is also looking at factors in the current funding system that may be contributing to the escalation of costs, without necessarily securing better long-term outcomes for pupils and students.

DfE ambition for young people with SEN, for those who have disabilities, and those who are placed in alternative provision or are at risk of exclusion from school, is exactly the same as for every other child and young person – to achieve well in school and college, find employment and go on to live happy and fulfilled lives.

Summary; questions cover the following themes:

The provision for most children and young people with SEN is made in mainstream schools including what is ordinarily available. There is a continuum of provision, however and DfE are seeking evidence from special schools making provision for pupils with more complex SEN and from those making alternative provision.

Although there are significant differences between the 5 to 16 funding system and the 16 to 19 funding system, it is important that we understand the picture across all provision for children and young people with SEN, including those who need to stay in the education system beyond the age of 19.