

# Somerset Schools Forum

**Wednesday 9 October 2019**  
**10.00 am Long Sutton Golf Club**



To: The Members of the Somerset Schools Forum

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

For further information about the meeting, please contact or

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This meeting will be open to the public and press, subject to the passing of any resolution under Section 100A (4) of the Local Government Act 1972.

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## **AGENDA**

Item Somerset Schools Forum - 10.00 am Wednesday 9 October 2019

1 **High Needs Sub Group Update (to follow)** (Pages 3 - 34)

Schools Forum Decisions and Consultations

– 9<sup>th</sup> October 2019

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

Lead Officer/Author: Annette Perrington, Assistant Director Inclusion

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<p><b>Summary:</b></p>	<p>This paper</p> <ul style="list-style-type: none"> <li>• reports an updated outturn position of the High Needs budget month 5</li> <li>• Summarises the Dedicated Schools Grant (DSG) recovery action plan requirements for high needs activity</li> </ul>
<p><b>Recommendations:</b></p>	<p>For Forum</p> <ul style="list-style-type: none"> <li>• to note the outturn position Month 5</li> <li>• to note the strategic approach to the Dedicated Schools Grant recovery plan requirements for high needs</li> <li>• Note item 4.1</li> </ul>
<p><b>Reasons for Recommendations:</b></p>	<ul style="list-style-type: none"> <li>• The DSG is subject to a DfE submitted recovery plan.</li> <li>• The high needs block reflects required savings within the DSG recovery plan</li> <li>• Extension of funding for statutory casework team</li> </ul>
<p><b>Links to Priorities</b></p>	<p>Children and Young Peoples Plan 2019- 2022: Great Education: building skills for life 5 SEND Strategic objectives SEND Strategy 2016-19</p>
<p><b>Financial Implications:</b></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

Position against month 5 is reported below and forms part of month 5 budget monitoring

Type of provision	Budget	Projection	Overspend /Underspend
Early Years	£1,274,100	£1,271,627	-£2,473
Mainstream - pre 16	£7,376,600	£7,549,318	£172,718
Specialist Units - ASD	£2,371,500	£2,305,481	-£66,019
Specialist service HI / VI	£966,700	£1,028,100	£61,400
PRUs – PEX	£2,592,000	£2,592,000	£0
PRUS - HN (Tone + Specialist Provision)	£657,000	£657,000	£0
PRUS - Medical / Hospital	£1,899,000	£1,899,000	£0
Behaviour Partnership	£2,487,000	£2,487,000	£0
Maintained Special and Free Special Schools	£16,752,300	£17,126,200	£373,900
NMSS and Independent	£10,569,600	£9,545,122	-£1,024,478
FE post 16 (Colleges & ISP)	£4,409,600	£5,940,847	£1,531,247
Vulnerable groups	£72,100	£72,100	£0
<b>Total</b>	<b>£51,427,500</b>	<b>£52,473,795</b>	<b>£1,046,295</b>

The High needs continues to show pressures against allocated budget of £1,046,295.

Pressure continues to be linked to demand for Pre 16 and Post 16 placements in independent and non-maintained Special schools and colleges. This is in line with reported pressures as part of the DSG recovery.

Overall placement spend across pre and post 16 remains volatile with overspend related to as little as 2 residential placements or 3-5 day placements. Figures should be considered with some caution given expected pressures over the next 3- 6 months, pending lodged Tribunals, as yet unheard. However subject to further budgetary analysis there are some early signs that the strategic approach to personalised and jointly commissioned Post 19 placements may be achieved in this financial year however this will not be confirmed until Month 7.

## 2. DSG Recovery Plan: Summary recap/overview

**2.1** The LA in partnership with schools submitted a DSG recovery plan to the DfE in June 2019. This plan sets out the pressures and savings to address the projected overspend across the DSG over 3 years 2019-2022.

DfE have confirmed that they are not progressing comments on LA plans currently given the recent spending review with an announcement expected mid -October for impact on DSG. Recent publications have suggested that spending review will offer between 8-17% increases. Individual allocations are expected to be issued shortly. The impact of any additional funding must be considered upon planned activity in the DSG recovery plan.

**2.2** The formation of the DSG recovery plan was in collaboration with Schools forum and collectively agreement was reached to progress a whole system approach to the DSG. This approach sets out activity which achieves financial stability and aligns with strategic improvement set out in Somerset's Children and Young Peoples Plan 2019-22 and SEND strategy 2016-2019. Summary of the pressures , savings and projected savings are set out in 2.3, 2.4 and 2.5

The DSG recovery plan supports 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. Transformational activity is required at all levels of activity: universal, targeted, specialist and complex/ acute and the details of activity are as yet to be formed.

Through the submission of the DSG recovery plan Schools Forum have given agreement in principle to focus improvement activity on an emerging approach which follows best inclusive practice and is broadly known as the Local First approach. This reflects shared principles and collective responsibility across the education sector for vulnerable CYP including those with SEND and facilitates collaboration amongst Schools, LA and wider partners.

In summary this includes:

- building capacity and expertise at SEND support in the early years, school and FE colleges through facilitating the development of sector led improvement
- introduces joint commissioning
- reduces reliance on expensive independent schools or colleges by providing local special schools, resource base places and use of Alternative provision
- Promotes personalised and flexible use of resources

The plan proposes three distinct phases of activity; short, medium and long term, with identified savings in each year across the full period and beyond. Transformational activity is required at all levels; universal, targeted, specialist and complex/ acute and across each phase.

Developing the details of the DSG recovery will form the next part of the DSG recovery plan for Schools forum with the LA. These are summarised as;

### **Intervening early and managing demand**

- Ongoing aligning and integrating of teams across the LA and seek opportunities with partners to target SEND services to support best inclusive practice
- Connecting partners across the system and 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 and supporting education settings to maintain

CYP in mainstream settings.

### **Developing Personalised commissioning**

- Redressing the balance of CYP attending independent schools and reducing Somerset's reliance on the independent sector through 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) and allocating places in new special schools responsibly as the capital build comes on line (new)
- Personalised commissioning and flexible use of funding to support transition and where individual arrangements would benefit CYP and their families.
- developing personal budgets (flexible)
- Jointly commissioning with Adult Social Care, health and in collaboration with our local FE colleges for post 19 – 25 with Complex and acute needs

### **Building capacity in Local special schools and using the Local First Approach**

- Ongoing investment into Local special schools and resource bases with planned capital investment of £54m resulting in an additional 436 specialist placements being available from 20/21 and completed by 2022/23. 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 Plan<sup>1</sup>**

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<sup>1</sup> Note Pressure 1 relates to Central Schools block

<a href="#">P1</a>	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.
<a href="#">P2</a>	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
<a href="#">P3</a>	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
<a href="#">P4</a>	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 %
<a href="#">P5</a>	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
<a href="#">P6</a>	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
<a href="#">P7</a>	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

## 2.4 Savings identified in the submitted DSG recovery plan<sup>2</sup>

<a href="#">S1</a>	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).
<a href="#">S2</a>	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.
<a href="#">S3</a>	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
<a href="#">S4</a>	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.
<a href="#">S5</a>	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

<sup>2</sup> Note saving 1 relates to the Central Schools Block

## 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
				2018-19	2019-20	2020-21	2021-22
				£	£	£	£
<b>DSG Balance b/f</b>					<b>6,702,400</b>	<b>9,841,890</b>	<b>11,660,561</b>
<b>Savings (figures should be entered as negative values)</b>							
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
<b>Total savings</b>				<b>(1,507,000)</b>	<b>(1,882,888)</b>	<b>(3,751,707)</b>	<b>(5,737,521)</b>
<b>Pressures (figures should be entered as positive values)</b>							
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
<b>Additional Pressures (figures should be entered as positive values)</b>				<b>3,547,278</b>	<b>4,797,278</b>	<b>5,047,278</b>	<b>5,297,278</b>
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
<b>Net in year Forecast Outturn Variance</b>				<b>1,385,278</b>	<b>3,139,490</b>	<b>1,818,671</b>	<b>82,857</b>
<b>DSG Balance – show a deficit as a positive value</b>				<b>6,702,400</b>	<b>9,841,890</b>	<b>11,660,561</b>	<b>11,743,418</b>
				<b>DEFICIT</b>	<b>DEFICIT</b>	<b>DEFICIT</b>	<b>DEFICIT</b>

## High Needs Sub Group update

### 4. 0 Project update

The High needs group have 3 project reporting streams, 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.

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

**4. 1** The high needs group consider a paper presented by the SEND strategic manager regarding ongoing funding of the Statutory team as supported by Schools forum to address the increasing demand of statutory assessments and conversion from high needs funding to Somerset banding model and has been amended in light of comments from the High needs group. See Appendix 1.

## 5. Recommendations



Forum note month 5 monitoring, recap of DSG pressures, savings and recovery plan. Proposal for planning implementation activity will form workshop activity with forum members. Forum to note paper in 4.1 and Appendix 1.

**Paper for discussion**

**Schools Forum Decisions and Consultations**

Date of meeting – 9<sup>th</sup> October 2019

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## **Extension of funding for SEND Statutory Team 2020-2021 and 2021-2022**

Author: Claire Merchant-Jones

Contact Details: [cmerchantjones@somerset.gov.uk](mailto:cmerchantjones@somerset.gov.uk)

### **1. Summary**

1.1 To extend the DSG contribution of £283,600 to the SEN Statutory team for 20/21 and 21/22 in recognition of the DSG Recovery Plan. This will support:

- Continued High Needs conversion pressure
- Continued increase in requests for statutory assessments outside of the high needs process
- Ongoing maintenance of statutory plans

Following a discussion at the High Needs Group, the costs have been amended to reflect both concerns raised regarding the costs and the requirement to continue to fund this over 2 additional years. If there is any underspend in relation to these posts, we would request that this be carried forward to reduce pressure on the DSG in 20/21 and 21/22.

### **2. Recommendations**

2.1 Continuation of funding for financial year 2020/2021 and 2021/2022 in relation to the Statutory SEN team. This recognises the continued pressures in relation to requests for statutory assessments both relating to high needs conversion timetable and continued rise in statutory requests.

2.2 This will also support the key activities relating to potential savings within the DSG Recovery plan (Savings 2, 3 and 4) through a Local First approach:

- Developing Personalised Commissioning (funding following the learner)
- Responsible use of new Special School places
- Jointly commission personalised arrangements across education and social care using personal budgets 19-25 and in line with Local First approach
- Reducing reliance on independent placements through new special schools and mainstream inclusive places by total 40% by 2023/ 24

### **3. Background**

3.1 It was agreed in October 2018 that funding would be secured from the High Needs block to temporarily increase capacity in the SEN Statutory team to complete the transition for young people from being in receipt to High Needs into funding into having Statutory Assessment. The Assessment and Review Officers are now in place and have provided capacity to support transfer of high needs students to Education Health and Care Plans and completed assessments outside of this process. At the time of the original funding agreement these roles were Fixed term until March 2020, when the proposed transfers were planned to be completed.

During the academic year 18/19 the Local Authority received 1015 requests for

statutory assessments compared to 643 over 17/18 academic year. This is an increase of 57% over one year.

Owing to the ongoing unprecedented demand on the SEND Statutory team for statutory assessment requests, the difficulty that has been encountered in recruiting staff to the team and the limited impact of mitigating actions introduced in May. This year it has become apparent that this funding will need to be extended until March 2021 to support the 638 remaining children and young people in receipt of high needs funding who would be in scope for a statutory assessment.

We reported that there were 1159 high needs conversions that needed to take place over the 3 years and can report that there are now 638 high needs conversions left to resolve.

This requires in excess of 35- 50 conversions to be undertaken/ month in addition to the new statutory assessment's requests based on 18/19 numbers at 85 /month. This extension recognises the time required to undertake the high needs conversion for those pupils remaining on high needs funding and supports ongoing improving performance to the statutory 20 -week indicator.

Improving the timeliness of statutory assessments is critical for children and young people, their families and educational settings across Somerset as securing any new high needs funding relies on statutory assessments being completed.

#### **4. Implications – Financial and other**

- 4.1 Additional commitment of £283,600 from High Needs Budget for financial year 20/21 and 21/22.

#### **5. Background papers**

- 5.1 High Needs paper as discussed on 11<sup>th</sup> September 2019 and original paper 3<sup>rd</sup> October 2018  
See Appendix A and B.

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## Paper for Discussion

### High Needs Sub-Group

Date of meeting – 11<sup>th</sup> September 2019

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#### **Extension of funding for SEND Statutory Team -2020-2021**

Author: Claire Merchant-Jones

Contact Details: [cmerchantjones@somerset.gov.uk](mailto:cmerchantjones@somerset.gov.uk)

#### **1. Summary**

1.1 To extend the DSG contribution to SEN Statutory team for casework for a further financial year at a cost of £371,400 in recognition of the continued high needs conversion pressure coupled with continued increase in requests for statutory assessments outside of the high needs process.

#### **2. Recommendations**

2.1 Continuation of funding for financial year 2020/2021 in relation to the Statutory SEN team. This recognises the continued pressures in relation to requests for statutory assessments both relating to high needs conversion timetable and continued rise in statutory requests.

2.2 This will also support the key activities relating to potential savings within the DSG Recovery plan (Savings 2, 3 and 4) through a Local First approach:

- Developing Personalised Commissioning (funding following the learner)
- Responsible use of new Special School places
- Jointly commission personalised arrangements across education and social care using personal budgets 19-25 and in line with Local First approach
- Reducing reliance on independent placements through new special schools and mainstream inclusive places by total 40% by 2023/ 24

#### **3. Background**

3.1 It was agreed in October 2018 that funding would be secured from the High Needs block to temporarily increase capacity in the SEN Statutory team to complete the transition for young people from being in receipt to High Needs into funding into having Statutory Assessment. The Assessment and Review Officers are now in place and have provided capacity to support transfer of high needs students to Education Health and Care Plans and completed assessments outside of this process. At the time of the original funding agreement these roles were Fixed term until March 2020, when the proposed transfers were planned to be completed.

During the academic year 18/19 the Local Authority received 1015 requests for

statutory assessments compared to 643 over 17/18 academic year. This is an increase of 57% over one year.

Owing to the ongoing unprecedented demand on the SEND Statutory team for statutory assessment requests, the difficulty that has been encountered in recruiting staff to the team and the limited impact of mitigating actions introduced in May this year it has become apparent that this funding will need to be extended until March 2021 to support the 643 remaining children and young people in receipt of high needs funding who would be in scope for a statutory assessment.

This requires in excess of 35- 50 conversions to be undertaken/ month in addition to the new statutory assessment's requests based on 18/19 numbers at 85 /month. This extension recognises the time required to undertake the high needs conversion for those pupils remaining on high needs funding and supports ongoing improving performance to the statutory 20 -week indicator.

Improving the timeliness of statutory assessments is critical for children and young people, their families and educational settings across Somerset as securing any new high needs funding relies on statutory assessments being completed.

#### **4. Implications – Financial and other**

- 4.1 Additional commitment £371,400 from High Needs Budget

#### **5. Background papers**

- 5.1 Previous High Needs paper



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

Lead Officer/Author: Annette Perrington, Assistant Director Inclusion

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Email: [APerrington@somerset.gov.uk](mailto:APerrington@somerset.gov.uk)

<p><b>Summary:</b></p>	<p>This paper</p> <ul style="list-style-type: none"> <li>• reports an updated outturn position to the Forum following month 5 financial report</li> <li>• sets out the 6 proposed activities under the Councils Financial imperative and seeks Forums views on all proposals and requires decisions on 2 of the 6 proposals</li> <li>• sets out a draft Dedicated Schools Grant (DSG) deficit action plan</li> </ul> <p>summarizes feedback from the High Needs Block (HNB) task &amp; finish group</p>
<p><b>Recommendations:</b></p>	<p>For Forum</p> <ul style="list-style-type: none"> <li>• to note the outturn position forecast from the month 5 financial report</li> <li>• to consider feedback from the DSG HNB task and finish group and comment on the proposed activities for the High Needs deficit action plan</li> <li>• to give a view on the 6 financial imperative proposals, and decide on 2 of the proposals which require Forum to make the decision</li> </ul>
<p><b>Reasons for Recommendations:</b></p>	<ul style="list-style-type: none"> <li>• There continues to be significant pressure within the High Needs Block of the DSG, to begin to bring this into line requires a strategic approach to DSG spend</li> <li>• Budget pressures will continue to grow unless strategic action is taken.</li> <li>• A refreshed DSG (HNB) deficit strategy needs to be developed over the remaining time before National hard funding formula is implemented from 2021/2022</li> </ul>
<p><b>Links to Priorities and Children and Young Peoples Plan:</b></p>	<ul style="list-style-type: none"> <li>• The schools budget supports the Enjoying and Achieving aim within the Children and Young people plan and the 5 SEND Strategy outcomes.</li> </ul>
<p><b>Financial Implications:</b></p>	<p>With effect from 2019/20 DfE intends to tighten up the rules under which LAs have to explain their plans for bringing the DSG account back into balance. They will require a report from any LA that has a DSG</p>

	<p>deficit of more than 1% as at 31<sup>st</sup> March 2019, such a report will need to be discussed with the Schools Forum and set out the authority's plans for bringing the DSG account back into balance. (A consultation with LA officers will occur during the Autumn of 2018 about the detailed implementation of these new rules).</p> <p>The overall net DSG deficit as at the end of March 2018 was £3.966m (High Needs Block £5.620m deficit) or 1.07% of the total DSG in 2018/19 prior to academy and FE recoupment. This requirement for a plan to the Dfe would therefore be required</p>
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## 1. Current Position as of Month 5 reporting period August 2018

**Table 1 – Current position as of August 2018**

### Planned Budget 2018/19

Type of provision	Budget	Projected Outturn	Under / Over
Early Years	£1,795,100	£1,826,100	<b>-£,31,000</b>
Mainstream - pre 16	£7,124,000	£6,522,600	<b>£601,400</b>
Specialist Units - ASD	£2,720,700	£2,499,500	<b>£221,200</b>
Specialist service HI / VI	£1,047,800	£1,047,800	<b>£0</b>
PRUs - PEX	£1,010,000	£860,000	<b>£150,000</b>
PRUS - HN	£321,700	£497,200	<b>-£175,500</b>
PRUS - Medical / Hospital	£2,015,150	£2,015,150	<b>£0</b>
Behaviour Partnership	£4,703,600	£4,703,600	<b>£0</b>
Maintained Special and Free Special Schools	£15,135,000	£15,881,800	<b>-£746,800</b>
NMSS, Independent Special Schools & Independent Specialist Provision (ISPs)	£10,950,200	£12,404,700	<b>-£1,454,500</b>
FE post 16	£3,392,000	£3,680,000	<b>-£288,000</b>
Vulnerable groups	£995,419	£1,008,419	<b>-£13,000</b>
<b>Total</b>	<b>£51,210,669</b>	<b>£52,946,869</b>	<b>-£1,736,200</b>
Net off funding from EY block	<b>-£531,500</b>	<b>-£531,500</b>	<b>£0</b>
Net off funding from CSSB	<b>-£822,400</b>	<b>-£822,400</b>	<b>£0</b>
Net off funding from ESFA	<b>-£3,730,000</b>	<b>-£3,730,000</b>	<b>£0</b>
Net off funding from Schools			<b>£0</b>
<b>High Needs block budget</b>	<b>£46,126,769</b>	<b>£47,862,969</b>	<b>-£1,736,200</b>



1.1 Table 1 indicates the Budget position at end Month 5 reporting 2018/19. There have been additional charges to the HNB since the last reporting period, this is due to both complications in forecasting and individual pupil requirements. In summary:

- Since the previous reporting period the deficit has risen by £1.012m
- The most significant overspend is seen in the Independent, NMSS and ISP sector at £1.208m. A net increase of 4 placements have been made since April 2018, however budget for 2018/19 was based on December 2017 position and an additional 10 placements were made between that period and the number of existing placements due to finish during the year was less than forecast in the budget.
- As part of the SEN PRU review 4 SEND places have been commissioned in 3 of the Pupil Referral schools to support a reduction in the reliance on Independent places. This cost was not included within the month 2 forecast as the Summer term costs were being absorbed by the PRUs, however the £10,000 per place cost applies from September and will cost £70,000 in 2018/19 along with £50,500 in top up funding for the individual pupils taking up a place. The additional pressure is shown, however in cost avoidance terms this is £214,000 less this year if these pupils had been placed the independent sector.
- The TONE education provision is a Somerset County Council education provision that meets the needs of a small number of highly complex key stage 4 young people with SEMH needs. This provision falls outside of the PRU review and has required an exceptional agreement. This adds £55,000 to the forecast for 2018/19, in cost avoidance terms this will save £85,000.
- Special schools over numbers and place funding: an additional 21 places were made over the agreed ESFA numbers in the Mendip Free school in 2017/18 academic year and a further 17 in 2018/19 academic year to date. In line with ESFA funding regulations this must be funded fully by the placing LA. Subject to negotiation we are anticipating a maximum cost of £309,000, in cost avoidance terms based on places in INM £340,000
- To support the move to the new universal banding system for FE colleges, there were a number of exceptional circumstances identified and subsequently agreed, these total £288,000.
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Appendix 2 to this paper is the Children's SMT finance report for month 5 which is known as a metrics report and shows the movement in numbers and costs between months in the high spending areas such as Independent Specialist Provision. The change in costs between month 4 and 5 differ to the increases report above as these relate to the differences since the last report to the Schools Forum, which was in July and based on projections as at month 2.

## **2. Update on current High Needs work stream identified as part of the SEN**

**review (See appendix 1 for more detail)**

Activities following the SEN review focussed on 4 main themes: progress against these described below.

<p>1. Universal banding system in Early Years, schools and colleges; continue to embed and monitor top up funding in mainstream and special schools and see the implementation across early years and FE colleges from September*</p> <p>*Please note this activity was not linked to a savings reduction, the purpose was to ensure equity of provision across the County, through a redistribution of funds to ensure those with the highest need receive additional funding, to support joint commissioning and set strategic direction.</p>	<p>The moderation process for mainstream schools has been completed. There continues to be significant challenge to completing the transfer from the previous to new funding system however activity and engagement from mainstream schools is positive.</p> <p>The High needs banding system is in implementation phase for FE colleges and early years settings from 1<sup>st</sup> September. A number of mitigating factors to support colleges to move towards the full implementation of the universal banding have been agreed.</p> <p>These will be applied for one year only and are seen as exceptional agreements.</p>
<p>2. Finalise and monitor the impact of the PRU review and new formula. The outcome of the review reduces the funding available for partnership places (those commissioned by schools), by £500,000 in the full academic year, with implementation from September 2018</p>	<p>The new funding system is in place. Each PRU additionally has been commissioned for pupils with EHCP's. These costs were not included in the end of year forecasting. One specialist PRU required an exceptional agreement for this academic year. Ongoing work will be required to identify a long term sustainable provider for this provision.</p> <p>Cost avoidance in this period through place commissioning totals £639,000</p>
<p>3. Continue with the capital build programme; to add the required additional capacity based on population growth including the redistribution of ASD bases.</p> <p>The closure of Long Sutton will save the HNB approximately £360,000 in a full year</p>	<p>Long Sutton has now closed.</p> <p>Preston and Park Road transfers have stalled and work is underway to address this.</p>

<p>4. Review of SSE support services to ensure appropriate school funding split between HNB and schools themselves.</p>	<p><b>PIMS, HI, VI Teams</b>  5 events with PIMs, HI and VI parents have been planned across the county in line with the participation strategy. These events are considering new ways of working based on successful models in other LA's, which could include joint funding with the CCG. Feedback from these events will be collated and a new model proposed.</p> <p><b>Learning support service</b> have taken a lead on the Inclusion audit, due for launch to schools this month. The Inclusion audit covers 12 domains including finance. In term 1, 5 domains will be covered and in term 2 a further 5. An update will be brought to forum. This begins to align pupil outcomes with financial costs. There has been no additional cost funded by HNB.</p> <p>Educational Psychology services have welcomed a new Principal Educational Psychologist, 4 new EP's, 2 from North Somerset. This adds to the capacity of the service to support the conversion from HN funding to EHCP. There has been no additional cost to the HNB.</p> <p>The autism and communication team have successfully won a bid to deliver training to schools as part of AET (Autism Education Trust) which will support schools move towards being Autism friendly. There is no additional cost to the HNB.</p>
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**2.1 An additional 3 activities were identified as required in the May Forum report to support the development of a High Needs deficit recovery plan, progress against these additional activities is summarized below.**

<p>5.Reduced spend in Independent schools and colleges, pre and post 16.</p>	<p>See below under 2.2 additional activity funding was approved in July Forum for additional capacity. A progress report will follow at future meetings</p> <p>Internal reorganisation work has started to improve the accuracy of forecasting and reporting. Cost avoidance through INM commissioning totals £121,500 since July.</p>
<p>6.Exclusions and SEMH pathway for children and young people who are not in mainstream schools.</p>	<p>2 meetings have been held and a 3<sup>rd</sup> is planned. This has brought together CCG and school's colleagues and this work is planned as a focus this year in the joint commissioning strategy.</p>
<p>7. Setting of strategic direction - analysis of the push and pull factors.</p>	<p>Meeting held on 21<sup>st</sup> September</p>

## 2.2 Additional activity

### Fair and transparent decision making

Fairer and more transparent decision making has further been set out by the implementing a Scheme of Delegation for officers and Terms of Reference for all decision-making panels.

Amendments to the SEND statutory panel have been implemented to strengthen the focus on final placement agreements and related costs with the development of the placement and travel panel. Children and young people with an EHCP will follow the statutory review processes through their annual review including the allocation of resources.

Moderation activity is planned for October now focussed towards those with HN funding and no EHCP, who are in a key transfer year. This will support the transition of children and young people into their next phase of education and provides protection for individual child led support and schools until the process of EHCP assessment is complete. All key phase reviews should be completed by 15<sup>th</sup> February for pre-16's and March 31<sup>st</sup> for Post 16.

### A good operational grip

Internal team re-organisation has begun with a new experienced SEND manager starting in August. The SEND team is subject to a planned restructure. A stronger focus on aligning casework and placement costs has identified the need for wider restructure. This includes the alignment of 2 financial transaction business support officers. The realignment of SSE continues with 3 SSE services planned to move within the Inclusion service under the Assistant Director Inclusion.

### 3 Financial imperative work programmes

There are well-documented pressures on local authority finances due to reduced funding and increasing demand, and Somerset is no different. As a Council we know we have to live within our means and we are focussed on this through what we've called our Financial Imperative work. We know that much of what we do is done hand-in-hand with other organisations and there are many interdependencies. Any actions and decisions will, as always, follow the appropriate processes and if there is a potential impact on partners, this would be discussed as part of the decision-making.

The proposals approved by Cabinet on 12<sup>th</sup> September that impact on the DSG are listed below and are subject to the views of the Schools Forum.

1	<p>DSG contribution to CLA residential placements – this has two parts to the proposal</p> <ol style="list-style-type: none"> <li>i. To redress the low number of CLA placements jointly funded by HNB where the young person has an EHCP</li> <li>ii. To seek a contribution for CLA residential placements for young people without SEN who are high risk of CSE which is funded from the Central Schools Services Budget.</li> </ol> <p>This criterion would be applied (after contribution from the CCG agreement where achieved):</p> <ul style="list-style-type: none"> <li>• A child with an EHCP and is a CLA with integrated education and residential care, usually 52 week placements (DSG 50%: CSC 50%). This is a reduction to the historical funding split. 13 C&amp;YP meet this criteria plus another 7 without an EHCP but in residential care related to Child Sexual Exploitation (CSE).</li> <li>• A child with an EHCP and is a CLA attending a maintained school, academy or FE college a 10% contribution to CSC costs 15 C&amp;YP meet this criteria.</li> <li>• A child with an EHCP and is a CLA with separate independent education a 10% contribution to CSC costs 8 C&amp; YP</li> <li>• A child has no EHCP but is in residential care (DSG 10%: CSC 90%) – Internally the DSG costs per pupil will be shared, where the costs exceed £10,000 the Central Schools Services Block will fund £10,000 or up to that</li> </ul>
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	<p>amount and the remainder will be charged against the High Needs Block- 9 C&amp;YP.</p> <p>Residential placements and the young people placed within them are usually the most complex with multiple emotional needs. The 10% contribution reflects the support required from providers with engagement activity to support engagement of our CLA with all aspects of their education.</p> <p>Under this proposal the DSG would contribute to 52 residential care placements, with 39 being additional as a 10% contribution only. These placements are for children who are Looked After. Pupil details change and are dependent on the type of placements, therefore these figures are based on the existing placements as at July 2018 and are therefore subject to change and impact of activities detailed above in 2 and 2.1. A successful reduction in residential placements reduces the contribution from DSG.</p> <p>Costs based on July placements</p> <table data-bbox="384 969 738 1077"> <tr> <td>2018/19</td> <td>£727,700</td> </tr> <tr> <td>2019/20</td> <td>£1,436,400</td> </tr> <tr> <td>Total 18/20</td> <td>£2,164,000</td> </tr> </table>	2018/19	£727,700	2019/20	£1,436,400	Total 18/20	£2,164,000
2018/19	£727,700						
2019/20	£1,436,400						
Total 18/20	£2,164,000						
2	<p>DSG contribution to casework – The LA has the final decision, but it is good practice to inform Forum and ask for a view</p> <p>The proposal is for the DSG to contribute to the cost of additional casework as a result of the new high needs funding distribution process. The second stage of the new funding distribution model was to assess and transition to an EHCP all children in receipt of High Needs funding who didn't already have an EHCP. The transition timetable is for 1,200 assessments of existing funded children in addition to new starters over 3 years, with those with the highest funding levels and those transitioning between phases to be assessed first. Current statutory assessment rates are in excess of 400 per year.</p> <p>The transition is based on the following criteria and numbers:</p> <table data-bbox="384 1704 1193 1812"> <tr> <td>Year 1 – Bands 5 to 7 and all CLA</td> <td>376 assessments</td> </tr> <tr> <td>Year 2 – Bands 3 to 4</td> <td>485 assessments</td> </tr> <tr> <td>Year 3 – Band 2</td> <td>300 assessments</td> </tr> </table> <p>As the EHCP numbers increase over the transition period casework officers will be required to not only manage the increased number of assessments but also the annual reviews required for each.</p>	Year 1 – Bands 5 to 7 and all CLA	376 assessments	Year 2 – Bands 3 to 4	485 assessments	Year 3 – Band 2	300 assessments
Year 1 – Bands 5 to 7 and all CLA	376 assessments						
Year 2 – Bands 3 to 4	485 assessments						
Year 3 – Band 2	300 assessments						

	<p>2018/ 19        £141,000  2019/20        £211,000  Total18/20     £352,000</p>
3	<p>DSG contribution to Occupational Therapy – The LA has the final decision, but it is good practice to inform Forum and ask for a view</p> <p>However, if evidence is provided from the OT team that a proportion of the assessments relate to pupils without High Needs, then the option to request DSG CSSB reserves to fund rather than from the High Needs block, although this would require the LA to propose and the Forum decides.</p> <p>2018/ 19        £54,000  2019/20        £54,000  Total18/20     £108,000</p>
4	<p>Savings from change in responsibilities – The proposal was in two parts</p> <ul style="list-style-type: none"> <li>• a saving from the transfer of responsibility to the Inclusion Management Team within the current year</li> <li>• an increased contribution for the Inclusion Management Team from the Central Schools Services Block (CSSB) for services previously funded by the retained rate of the Education Services grant (ESG) in 2019/20. The LA is proposing, Forum to decide.</li> </ul> <p>2019/20        £34,000</p>
5	<p>DSG funding of SEND placements project – The decision was taken by the Forum in July for one off funding from the DSG reserve as an invest to save workstream.</p> <p>The parameters of the project and savings targets have yet to be agreed and a briefing is provided separately.</p> <p>The work is part of the deficit recovery plan to reduce the annual spend on independent placements to support reduction and repayment of the deficit.</p> <p>2018/ 19        £75,200  2019/20        £41,800  Total18/20     £117,000</p>
6	<p>Democratic services costs for school and transport appeals – The proposal was to ensure the full costs are recovered in 2019/20 and would require an increase in the funding from DSG. The LA is proposing, Forum to decide.</p> <p>Democratic Services have historically provided trained panel</p>

	<p>members and a clerk for school admission appeals, school transport appeals and independent review panels (IRPs) for permanently excluded children whose parents opt to appeal.</p> <p>Democratic Services fulfil the LAs statutory responsibility in relation to Community and VC schools and charge for services provided to VA, Foundation and Academy schools. If we apply the guidance to 2018/19 financial year, as of 1<sup>st</sup> April 2018, VA and Foundation schools can no longer be charged and from September 2018 charges for Academies should also cease (Academies financial year starts in September).</p> <p>The income received by Democratic Services both from School Admissions and school charges has been insufficient to cover the costs of the service, that coupled with the ability to charge schools in the future will increase the shortfall currently being projected.</p> <p>2018/ 19        £46,000  2019/20        £55,000  Total18/20     £101,000</p>
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**Impact of the Financial Imperative proposals on the DSG, based on current placement numbers (financial modelling)**

<b>Proposal</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total 2018-20</b>
CAF 1	£727,700	£1,436,400	£2,164,100
CAF 2	£141,000	£211,000	£352,000
CAF 3	£54,000	£54,000	£108,000
CAF 4b	£0	£34,000	£34,000
CAF 5	£75,200	£41,800	£117,000
CAF 6	£46,000	£55,000	£101,000
<b>Total</b>	<b>£1,043,900</b>	<b>£1,832,200</b>	<b>£2,876,100</b>

**4 High Needs Sub Group- update**

The High needs sub group requested that additional information be presented on

- CAF 01, this will be presented at the Forum meeting
- CAF 02, transition plan included within the forum report above



- CAF 03, there was a request to explore contributions from health to this service
- Clarity on the impact solely upon the HNB of the FI proposals
- Matters arising are addressed in Appendix 2

## **5. Risks**

The following risks have been identified;

- a) Delays in the availability of additional places as new school builds could be delayed
- b) Continued volatility of other SEN provisions including Children Looked after and High Needs placements out of LA and 19-25 year olds
- c) Continued increase in permanent exclusions
- d) Continued high numbers of children not income generating for the DSG
- e) Reductions in places to reflect occupancy assumes a set level of growth and a higher level of inclusion in mainstream schools
- f) Population growth is expected at net 1%
- g) Pressures on mainstream school funding- pensions, teachers pay and conditions

## APPENDIX 1

### DRAFT High Needs Block deficit recovery plan 2018/19 – 2021/22

#### Sept 2018 Update on activities of current plan

#### Background

The High Needs Block had a cumulative deficit of £5,620,150 at the end of 2017/18.

The 2018/19 planned spend was within the DfE funding allocation for the High Needs Block, however subsequent financial commitments have increased the expenditure to overspend by £1.736m in 2018/19 as at month 5 financial report.

Initially a balanced budget was able to be set in 2018/19 due to the following Strategic actions:

1. Implementation of a universal banding system from April 2018 for mainstream schools and September 2018 for early year's providers and FE colleges. The change to the method of distributing HN top up allocation was not intended to produce significant financial savings, however it is expected to minimise the historical trend in the volume of pupils requiring top up funding significantly exceeding the demographic pupil increases. The universal band values have been set on the basis of retaining a 10% in year contingency to meet demand for graduated changes in educational need, new pupils entering the school system or migrating into Somerset. The contingency also provides some resource for pupils with temporary exceptional resource requirements which exceed the funding allocated for their substantive SEN band.
2. The PRU review has recognised the high level of funding being provided by the HN block for provision to support pupils at risk of exclusion in mainstream schools. The responsibility for additional education provision should be the school that the pupil is on roll of, however in Somerset the PRUs and behaviour partnerships (Frome and West Somerset) are funded for this purpose in addition to the LA statutory responsibilities for permanently excluded pupils and those unable to attend school for medical reasons. The discretionary funding is being reduced by approximately £500,000 from September 2018 and the funding is distributed through a formulaic method to reflect pupil populations and characteristics in each geographical area.
3. The LA are investing in additional specialist places to increase capacity and provide a local place to reduce the distances pupils with SEND have to travel or be educated in an independent provision. The Schools Forum have commissioned two project officers to specifically be targeted to reduce the expenditure on SEND independent placements
4. Where the HN block is providing resources to pupils in mainstream provision who are deemed as vulnerable groups but not SEND, the funding is being withdrawn and the school will be responsible for additional educational

provision, by utilising the delegated funding and or the pupil premium funding. The Traveller Education Service is being provided with a contingency fund to support schools in emergency situations or where the impact of the volume of children from the traveller community cannot be met from within the school's resources.

## **1. Places, capital builds and Independent Placements**

### **1.1 Investment in specialist provision**

The LA have agreed to invest £30m in building additional capacity within Somerset for high needs children and young people. The planned investment will create up to 247 additional specialist places over 4 years, 50 are already in use from September 2018.

- £800k on a new and extended primary-phase ASD Resource Base at Westover Green, Bridgwater
- £900k on a new secondary-phase ASD Resource Base at Bridgwater College Academy, Bridgwater £620k on a new and extended secondary-phase ASD Resource Base at Heathfield, Taunton
- £900k on a new primary-phase ASD Resource Base at Holway Park, Taunton
- £180k on extending an existing primary-phase ASD Resource Base at Oaklands, Yeovil
- £400k on extending an existing secondary-phase ASD Resource Base at Preston, Yeovil
- £9m on expanding an existing all-through special school at Selworthy, Taunton
- £18.5m on replacing and expanding existing special school buildings at Elmwood (secondary) and Penrose (primary), Bridgwater, with a new all-through school building
- £4m on expanding an existing SEMH special school at Sky College, Taunton on to a satellite site in South Somerset

In addition to these confirmed investments, we're also carrying out:

A feasibility study to expand an existing special school at Fiveways, Yeovil  
A feasibility study to expand an existing special school at Fairmead, Yeovil

The number of additional places planned via capital investment are as follows:

- 8 new places at Westover Green, Bridgwater (now in use)
- 20 new places Bridgwater College Academy, Bridgwater (now in use but not all commissioned)
- 10 new places at Heathfield, Taunton (now in use)
- 14 new places at Holway Park, Taunton (6 available from September 2018)

- 6 new at Oaklands, Yeovil (now in use)
- 9 new places at Preston, Yeovil (available from January 2019)
- 80 new places at Selworthy, Taunton (available from September 2019)
- 60 new places at Elmwood and Penrose, Bridgwater, (available from September 2020)
- 40 new places at Sky College, Taunton (dates TBC)

## **1.2 Independent Placements**

The Children's and Families Act 2014 requires schools to cooperate with the local authority on arrangements for children and young people with SEND.

If our schools were to fully support the LA then we could minimise the number of placements being made with the independent sector, which historically is more expensive than a maintained provision, academy or FE college. This would reduce the pressure and likelihood of having to penalise the maintained, academy and FE sector by reducing the value of the HN top up payments. There could be considerable saving achieved, initially reducing the ongoing overspend and once within budget, potential for savings could be reinvested with our schools, academies and colleges. The key is engagement from schools and an understanding that it's their money being used for fees in the independent sector. The LA/RSC and sector organisations need to be more active in holding schools, academies and colleges to account, when refusing to admit pupils with SEND. The spend is significantly over budget and restricting the numbers being placed quickly provides substantial savings due to the high value, vice versa increasing independent placements would easily undermine all other savings being sought.

## **1.3 ASD resource bases (off site)**

The offsite ASD resource bases at Long Sutton and Park Road in Frome are not value for money when compared to our ASD resource bases on school sites and special schools. The cost per place is significantly more than our other provisions due to the size and structure of the provisions with very high staff to pupil ratios. If these bases are utilised for another purpose or closed the net saving once we've funded the pupils education in another specialist provision would achieve a considerable saving. The planned closure of the Long Sutton provision at the end of 2017/18 academic year will realise some part year savings in 2018/19 of £0.200m.

## **2. Pupil Referral Units, Alternative Provision and Outreach support**

### **2.1 Pupil Referral Units**

The outcome of the PRU review is a new method of funding distribution across Somerset. At the same time a reduction in the level of resource to bring the allocation of funds closer to level of historical spending. To ensure this is manageable for the PRUs the reduction in funding is being implemented from academic year 2018/19. The PRUs are moving to a model which includes some

specialist provision and therefore the £0.500m target proposed would be a reduction in the spend on school commissioned intervention places and outreach, whilst they would see an increase in funding for specialist provision, albeit this should be netted off against other specialist provision budgets such as Independent / NMSS. The net reduction is therefore likely to be £0.500m

## **2.2 Outreach**

A review of the outreach funding is pending, alongside the outreach and learning support resource provided by Special schools.

## **3. High Needs Top up funding (Element 3)**

### **3.1 Vulnerable Learners (Traveller Education)**

The High Needs block provides additional resources devolved to individual schools for children recorded as traveller education children. This is over and above the funding allocated through the schools funding formula and PPG. An analysis shows that 73% of these pupils also have pupil characteristics which receive funding through the formula and 40% receive PPG as well. The High Needs block is primarily for pupils whose costs exceed £6,000 and therefore would not necessarily be expected to be used for this vulnerable group of pupils. The NFF will allocate more money to Somerset schools, especially via the pupil characteristic factors and therefore it would be an opportune time to discontinue this funding. However, there is a requirement for some funds to be made available for exceptional or emergency cases where a school would not be expected to resource from its annual budget.

### **3.2 Early Years**

The new universal banding system has been implemented for children aged 18 months to 4 years old from September 2018. This new system brings in line the funding for early years providers with schools and allows for a seamless transition into reception. Those children with HN funding but without an EHCP will then be assessed to establish whether they should be issued with an EHCP by the end of the reception year.

### **3.3 Schools**

The new universal banding system has been implemented for children statutory school aged pupils April 2018. Where pupils have HN funding but without an EHCP they will undergo assessment over the next 3 years, with the planned transition initially assessing those on the highest funded bands and due to move schools or transfer to FE colleges. The expectation is the new system will bring the number of EHCPs in line with statistical neighbours and national averages at the end of the transition period and ensure the number of entitled to funding is kept in check to those children and young people with the highest special educational needs.

### **3.4 Further Education**

The implementation of the new universal banding system is from September 2018 for FE colleges, with some additional transitional arrangements being agreed to ensure the impact is manageable. The expectation in future years is that FE colleges will offer enhanced specialist provision to allow for those students currently being placed in Independent Specialist post 16 provision to enrol in mainstream colleges.

## **4. SEND Support Services**

### **4.1 SEN Support Services commissioned with SSE**

Whilst the theme 2 review of SEN support services and outreach provided by SCC/SSE and educational establishments continues to take shape during 2018/19 financial year, significant savings cannot be expected in the short term. However, the LA / Schools Forum should be requesting that SSE and educational establishments review their delivery models and processes to achieve efficiency savings from September 2018 until the end of financial year on their commissioned budgets. There were some SEN support services reductions planned, within the VI and PIMS teams because of duplication of roles with schools. The savings of £53,000 for 2018/19 have been included in the projected HN block outturn at present, further savings are subject to confirmation.

### **4.2 Learning Resource Centre's**

Included within the SEND support services review is the use of funds devolved to educational establishments to support outreach in mainstream. The funding for the PRU outreach service, includes the administration and management of the Panel for Excluded and Vulnerable Pupils (PEVP) access and inclusion officers. Consideration for PEVP to be centrally managed from April 2019 and Access and Inclusion Officers – to move to Inclusion Strategic Management Team

## **5. One off savings**

### **5.1 Transfers from the Schools Block**

The DfE allow up to 0.5% of the Schools Block to be transferred in 2018/19, however the Schools Forum have requested that the LA looks to set funding values within the schools funding formula in line with the DfE proposals for 2018/19 of a NFF. After consultation with schools and support from Schools Forum a transfer from the Schools Block of up to 0.5% was applied for 2018/19. The Schools funding formula for 2018/19 required slightly more funds to implement the DfE proposed formula values, whilst restricting some of the transitional arrangements and therefore the full 0.5% transfer was not achieved. The amount of funding transferred from the Schools Budget to the High Needs block is £1.178m in

2018/19. The LA will be proposing a further transfer occurs for 2019/20 and will be seeking Schools Forum and Schools support during the Autumn term.

## **5.2 Transfers from Central Schools Services Block**

The Central Schools Services Budget is allocated funds based on historical commitments, in 2018/19 the cost of WAN contract will have finished and therefore £0.650m will be available. Other historical commitments should be considered during 2018/19 as to whether the LA wishes to continue. If these cease then the funding will become available the following year, however the DfE may reduce the allocation the year after, so the saving may be for one year only, therefore this needs to be measured when reviewing whether to end the services funded from historical commitments.

In addition the Growth Fund within the Schools Block has been set by the DfE for 2018/19 at the same level as we budgeted in 2017/18. This should allow some scope to transfer funds to High Needs as the growth funding requirement is likely to be less in 2018/19 with the opening of Northgate, Primrose Lane and Kingfisher schools, alongside some expansions of existing schools. These transfers could not be counted as ongoing and therefore would be windfalls to be used to repay the accumulated deficit.

In 2019/20 the 1610 contract expires £0.161m as well as the Arts Network contract. Prudential borrowing is also time limited, a saving of £25,000 is due in 2019/20 and a further £91,000 in 2020/21 and the final saving of £22,000 in 2021/22.

Where schools have PEX pupils over the last two years the LA has not recouped the money which follows the pupil, we therefore have a windfall in 2017/18 as we've deducted from schools MFP for the last two years, and will now continue to keep this up to date. The net MFP after paying monies to mainstream schools who've readmitted PEX pupil is £208,500. We would expect this to increase further due to in year PEX's.

### Reducing the Cost of Independent Placements

The current cost of independent non-maintained school and college places

Data from Month 4 to form analysis:

Type of placement	Numbers	Annual cost of current placements (not 2018/19 cost)	Average cost per placement
Pre 16 Day	152	£7,369,800	£48,485.52
Post 16 Day	41	£1,218,300	£29,714.63
Pre 16 Weekly/Fortnightly	13	£569,300	£43,792.31
Pre 16 Termly/48 weeks & 52 weeks	10	£1,343,600	£134,360.00
CLA (DSG contribution only)	8 (*43)	£682,200	£85,275 *CAF1 changes to be included later
Post 16 Residential	34	£1,876,800	£55,200
<b>Total currently committed against DSG</b>	<b>258</b>	<b>£13,060,000</b>	<b>£50,620</b>

Strategies to reduce spend academic year 2018/2019

- Baseline to be agreed to measure savings against from September (2018/19 academic year)
- Analyse current placements needs and costs and compare with Somerset SEND Needs criteria (Core Standards, School Support and Universal Banding Matrix) to identify where needs could be met in local mainstream.
- Target high cost places to renegotiate fees
- Develop a Framework of providers for Somerset.
- Set up process to effectively manage all INMS and SPI contracts.
- Review all current placements and Individual Placement Agreements (IPAs) and bring in line with Somerset requirements
- Implement the recommendations from the external audit to include the introduction of provider score cards and QPRM reporting.
- Align the commissioning process more closely with Adult services and work with procurement to renegotiate costs particularly the larger groups eg Priority, Cambian, Kys Group
- Agree the reporting structure and savings targets with the High Needs Group. Suggest reporting on a termly basis with detailed financial spend, savings realised, and recommendations going forward using the QPRM format.



Action Plan to reduce spend – Autumn Term 2018

Focus	Actions	
Providers	<p>Systematic review of providers to include:</p> <ul style="list-style-type: none"> <li>• Contract Audit – making sure we have up-to-date and signed contracts in place for all providers. Normally this is the National Schools Contract which sets out the overarching contractual requirements of the provider and commissioner. Somerset is part of the Peninsula Framework (a South West commissioning group) however not all providers used by Somerset are signed up to this framework and concerns have been expressed regarding the benefit to Somerset and is currently under review. In the interim set up a Somerset Provider Framework to ensure due diligence re financial risk, Ofsted rating, safeguarding for all providers hosting Somerset children and young people.</li> <li>• Provider profiles – using the balanced scorecard system an “at a glance” profile will be developed for each provider (currently 61) with finance, performance and outcomes RAG rated and reported through QPRM on a termly basis. This will enable effective analysis of placements, spend at an individual provider level, across the provider framework and benchmarking.</li> </ul>	Sept / Oct 2018
	<p>Building professional relationships / partnerships with providers</p> <ul style="list-style-type: none"> <li>• Building professional relationships with providers – regular meetings either face-to face or SKYPE to discuss quality and performance providing support and challenge as required.</li> <li>• Working with providers on a sufficiency model to support the development of services</li> </ul>	Sept – March 2019
Placements	<p>Current Placements</p> <ul style="list-style-type: none"> <li>• Review of all current placements (pre16 =163, post 16 =70 NB this figure is subject to change)) <ul style="list-style-type: none"> <li>• Paper exercise to ensure all Independent Placement Agreements (IPAs) are in place, financially accurate, signed and uploaded onto the Capita System.</li> <li>• Request a full breakdown of costs from providers for each placement. Currently many providers offer a package that may include therapies, health and care</li> </ul> </li> </ul>	Aug / Oct 2018

	<p>support. (may not be required)</p> <ul style="list-style-type: none"> <li>• Work with casework team to review progress against outcomes as part of Annual Review and reassess needs (using the Somerset Universal banding matrix) identify where needs have changed and renegotiate fees.</li> <li>• Identify placements where a return to mainstream is possible – particularly at transition phases</li> <li>• Challenge where expected progress is not being made and look at alternative provision</li> </ul>	
	<p>New Placements</p> <ul style="list-style-type: none"> <li>• Contract review after 12 weeks and a reassessment of need and costs</li> <li>• Work with casework team to negotiate fees in advance of agreeing placement</li> <li>• In the IPA Include working towards move back to mainstream for appropriate placements</li> <li>• Annual review focus on progress and reassess need and costs</li> </ul>	Nov / Dec 2018

#### Savings realised from September 1<sup>st</sup> examples

1. Review of provision Five Rivers costs reduced from £2,600 per week to £1,200 cost saving over academic year £57k.
2. Placement change from 3 Dimensions (cost £62k) following review and concerns over attendance notice given. Placement moves to Fairmead Special school on 5<sup>th</sup> November 2018, funded at Special School Band 7 £24,750.
3. Review of placement and detailed specification at WESC found GP and other health services being charged saving £2,500