

Decision Report - Executive Decision

Forward Plan Reference: FP/23/07/08

Decision Date – 02/10/23

Key Decision – yes



Delivering Better Value for Special Educations Needs and Disabilities in Somerset

Executive Member(s): Lead Member for Children, Families and Education

Local Member(s) and Division: N/A

Lead Officer: Rob Hart, Assistant Service Director – Inclusion

Author: Jennifer Steele, Programme Manager – Inclusion Transformation and Partnerships

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Summary / Background

- 1.1 In February 2023, Somerset Council submitted a grant application to the Department for Education (DfE) for £1 million to support the transformation of Somerset’s services and provision for Special Educational Needs and Disabilities (SEND) as part of the DfE Delivering Better Value (DBV) programme. A non-key decision was taken by the Assistant Service Director for Inclusion on 31st January 2023 (Appendix A) to submit the grant application, which set out the rationale and proposals for grant use.
- 1.2 On 27th February 2023, the Council was notified that this grant application had been successful.
- 1.3 The purpose of this decision is to provide approval to accept and use the £1 million DBV grant in accordance with the grant terms and application. Via this decision, the Lead Member for Children, Families and Education delegates authority to the Assistant Service Director for Inclusion to agree expenditure of the grant in line with the DBV grant application and instructs the development and implementation of a programme of delivery.

Recommendations

- 2.1 That the Lead Member for Children, Families and Education and the Service Director for Finance and Procurement, on behalf of the Executive Director for Resources and Corporate Services:
- a) Approve the receipt of a £1 million grant from the DfE and its use in line with the objectives set out in the grant application that has been approved by the DfE.
- 2.2 That the Lead Member for Children, Families and Education:
- a) Delegates authority to the Assistant Service Director for Inclusion, in consultation with the Lead Member for Children, Families and Education, to agree expenditure of the grant in line with the DBV application.
 - b) Instructs the Strategic Manager for Inclusion Transformation and Partnerships, to develop and implement a programme of delivery against the three workstreams, and report progress to the DfE in line with the terms of the grant.

Reasons for recommendations

- 3.1 Somerset Council currently has a significant financial pressure for the Dedicated School Grant (DSG). This is a result of a cumulative deficit on the High Needs Block (HNB), which is used to fund provision and services for children and young people with SEND. Spending on the HNB has exceeded the allocated budget for each of the last six years, and at 31st March 2023, the cumulative HNB deficit was £29.8 million, with the overall DSG deficit at £20.7 million.
- 3.2 Currently a statutory override allows the separation of DSG deficits from the local authority's wider finances. However, this is due to expire on 31st March 2026 whereupon the DSG deficit will need to be recognised within the local authority's overall level of reserves. This poses a significant risk to the Council's overall financial position.
- 3.3 Through the DBV programme, the Council worked with the DfE delivery partners, Newton Europe and CIPFA to undertake a diagnostic exploration of Somerset's

SEND system. This involved case study reviews, analysis of feedback from parent carers and analysis of service data.

- 3.4 Analysis showed that the main driver for increased HNB expenditure over recent years has been increased numbers of children and young people requiring an Education Health and Care Plan (EHCP) to access support for their needs. The number of EHCPs that Somerset Council maintains doubled between 2018/19 and 2022/23. This increased demand is accompanied by insufficient capacity within state-maintained schools (both mainstream and special) to make provision for children with SEND, especially those with social, emotional and mental health needs, which leads to increased reliance on more costly independent non-maintained specialist settings.
- 3.5 Three key areas of concern were identified through the diagnostic exploration:
 - A gap in service offering and lack of multi-disciplinary team response
 - Lack of parental confidence in mainstream settings
 - Lack/limit of inclusive practice within schools
- 3.6 To address the areas of concern, a programme of work has been developed, with three workstreams proposed to address underlining issues identified through the diagnostic work. These workstreams are:
 - Culture – ensuring a consistent experience for children and young people across schools, built on a shared understanding of the minimum expected standard of provision by state-maintained schools and specialist settings
 - Systems – improving the purpose, functionality and operation of systems to eliminate barriers to accessing support and advice and thereafter understanding the effectiveness of that support and advice
 - Pathways – focusing at all stages of a child’s life on preparing them and their families for the next stage, and ultimately for life as a successful independent adult
- 3.7 Following receipt of the grant, development, implementation and delivery of this programme can begin.
- 3.8 This programme will be overseen by an Inclusion Transformation Board, chaired by the Assistant Service Director for Inclusion, with representation from finance, business intelligence, Somerset Parent Carer Forum and key service areas to ensure timely delivery and monitoring of the programme’s impact. Quarterly progress reports will be provided to the DfE by the Strategic Manager Inclusion Transformation and Partnerships.

3.9 Delegating authority to agree expenditure to the Assistant Service Director for Inclusion will allow for the establishment of a programme budget and timely implementation of agreed proposals.

3.10 The reasons for applying for the grant can be found in Appendix A.

Other options considered

4.1 The option of not taking the grant and continuing with the existing model isn't viable because of the cost trajectory.

4.2 Requesting Lead Member decisions to approve the expenditure of the grant was considered but rejected, as this would cause unnecessary delay due to the democratic process timeframes for Member decisions.

Links to Council Plan and Medium-Term Financial Plan

5.1 The Council Plan (2023-2027) and the Improving Lives Strategy (2019-28) refer specifically to reducing inequalities which is a key focus of SEND services. The additional funding awarded to the local authority will be used to provide additional capacity with the aim of reducing inequalities faced by children and young people with SEND, and their families.

5.2 Somerset's SEND Strategy (2023-26) sets out a vision for children and young people with SEND to be able to find their way through the world without having to force their way through. It identifies priorities in relation to providing help at an earlier stage, improving working together, ensuring access to the right support and provision, and preparing for the future. The DBV grant and associated programme of work will support delivery of these aims.

5.3 Somerset's Education for Life Strategy (2023-28) identifies addressing challenges in relation to inclusion and exclusion from school as a key area of focus, which will be a key aim for the DBV programme of work.

5.4 A key aim of the Medium-Term Financial Plan is to reduce spend against HNB, which is currently overspent. The forecasting completed by Newton Europe indicates that the delivery of a successful DBV programme will reduce further spend against the HNB by between £10.4 million and £22.7 million by the end of 2026/27.

Financial and Risk Implications

- 6.1 The grant will fund transformation activity over a two-year period, until March 2025. Modelling of opportunities carried out by Newton Europe indicates that investment in transformation to enable the local authority to deliver better value will lead to long-term savings and cost avoidance.
- 6.2 Where it is agreed that funding will be used to create new roles to support the transformation work, the programme will be used to pilot these roles and evaluate their impact. This will allow the local authority to assess whether funding the roles would be sustainable in the long-term.

Legal Implications

- 7.1 There are no identified legal implications at this time.

HR Implications

- 8.1 There are no identified HR implications at this time.

Other Implications:

Equalities Implications

- 9.1 This decision will have positive equality implications for children and young people with SEND as it allows for additional funding to improve SEND services and support.
- 9.2 It has been deemed unnecessary to complete an Equalities Impact Assessment (EIA) due to the nature of the decisions in this paper; to accept the DfE grant and to delegate decisions about its expenditure. However, throughout the planning and implementation of the activities within the programme to deliver better value, due regard will be given to actual and potential equalities implications, and EIAs will be completed, where appropriate, for delegated decisions. If negative implications are identified, the plans will be adjusted to remove these.

Community Safety Implications

- 9.3 One of the key aims of the DBV programme is to improve identification of, and support for, children and young people with social, emotional and mental health needs, to prevent escalation in behaviour leading to exclusion from school. Children and young people excluded from school are at a higher risk of experiencing, witnessing or carrying out anti-social and exploitative behaviour.

Climate Change and Sustainability Implications

- 9.4 No implications.

Health and Safety Implications

- 9.5 No implications.

Health and Wellbeing Implications

- 9.6 The successful development and implementation of the DBV programme will have positive implications for children and young people with SEND and their families.

Social Value

- 9.7 Positive social value implications are foreseen as outcomes of the successful implementation of the programme including improved health and wellbeing, increased independence and reduced inequalities of local children and young people with SEND and their families.

Scrutiny comments / recommendations:

- 10.1 The Chair of Scrutiny requested that the service creates a timeline for activity for the programme and that Member reports are provided 6 months and 12 months after the decision date.

Background

- 11.1 The DfE introduced the DBV initiative which aims to reduce overspend on the central HNB by reducing overspend at local government level.
- 11.2 The HNB is used to fund provision and support for children and young people with SEND. In recent years the budget has been overspent due to increased demand for EHCPs and an increase in the average cost of fulfilling the requirements of an EHCP.
- 11.3 Somerset Council is one of 55 local authorities involved in the DBV programme. The local authorities had the opportunity to apply for a £1million grant via submission of a plan to deliver better value within their SEND system. Somerset Council's bid for the grant was successful and the authority will be able to utilise the funding subject to the approval sought by this paper.

Background Papers

[Somerset Council Plan 2023 – 2027](#)

[SC - Public - Improving Lives in Somerset Strategy 2019 - 2028.pdf - All Documents \(sharepoint.com\)](#)

[SC - Public - SEND Strategy - April 2023.pdf - All Documents \(sharepoint.com\)](#)

[SC - Public - An education for life strategy - Somerset.pdf - All Documents \(sharepoint.com\)](#)

Appendices

Appendix A: Non-key decision – DBV Grant Application

Report Sign-Off (if appropriate)

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	30/08/2023
Communications	Chris Palmer	29/08/2023
Finance & Procurement	Jason Vaughan	29/08/2023
Workforce	Alyn Jones	11/09/2023

Asset Management	Oliver Woodhams	21/08/2023
Executive Director / Senior Manager	Claire Winter	22/08/2023
Strategy & Performance	Alyn Jones	11/09/2023
Executive Lead Member	Cllr Tessa Munt, Lead Member for Children, Families and Education	01/09/2023
Consulted:		
Local Division Members	N/A	-
Opposition Spokesperson	Cllr Frances Nicholson Opposition Spokesperson for Children, Families and Education	04/09/2023
Scrutiny Chair	Cllr Leigh Redman for Scrutiny Children & Families Committee	05/09/2023

Appendix A

Decision Report - Non-Key Decision

Decision Date - 31/01/23

Non-key decision TAKEN BY the Assistant Director of Inclusion

Author Contact Details: Jennifer Steele, Programme Manager – Inclusion
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Details of the decision:
<p>That the Assistant Director of Inclusion endorses the application for £1million Department for Education funding (DfE), as part of the DfE’s Delivering Better Value (DBV) programme.</p> <p>If the application is endorsed as recommended above, and approved by the DfE, a second decision will be taken at a later date to request approval to spend the grant.</p>
Reasons for the decision:
<p>At 31st March 2022, Somerset County Council [now Somerset Council] had a cumulative deficit of £20.1m in its Dedicated Schools Grant (DSG) which has mainly been caused by ongoing overspends in the DSG High Needs Block (HNB) over a number of years. This deficit is forecast to increase to £24m by 31 March 2023. A consistent and ongoing increase in both the number of Education Health and Care Plans (EHCPs) and the average cost of EHCPs are two driving factors behind the overspend. A lack of maintained specialist provision and an abundance of more costly Independent Non-Maintained Special School (INMSS) places further exacerbates the situation.</p> <p>Without any mitigation, the current trajectory of spend is highly likely to continue, which will leave Somerset Council with an estimated cumulative deficit of £151 million by 2028.</p> <p>As part of the DBV programme, an exploration of Somerset Council’s SEND system took place. The exploration consisted of case study reviews, analysing feedback from parent carers and analysing Inclusion services data. Three areas of concern were identified during the exploration:</p> <ul style="list-style-type: none">A gap in service offering and lack of multi-disciplinary team responseLack of parental confidence in mainstream settingsLack/limit of inclusive practice within schools <p>To improve the areas of concern, workstreams have been proposed to address underlining themes which the findings point towards. The workstreams are:</p>

- Culture – ensuring a consistent experience for children and young people across schools, built on a shared understanding of the minimum expected standard of provision by state-maintained schools and specialist settings
- Systems – improving the purpose, functionality and operation of systems to eliminate barriers to accessing support and advice and thereafter understanding the effectiveness of that support and advice
- Pathways – focusing at all stages of a child’s life on preparing them and their families for the next stage, and ultimately for life as a successful independent adult

In order to affect change, an initial sum of money is required to develop and initiate a programme of improvement that can achieve the objectives of the identified workstreams.

Throughout the creation and implementation of the programme, due regard will be given to the impact it will have on protected groups.

Background to the decision:

In 2022, the DfE introduced the DBV initiative which aims to reduce overspend on the HNB by reducing overspend at local government level.

Local authorities must use their allocation of the central HNB to fund provision and support for children and young people with SEND considered to be high need. In recent years, the budget has been overspent due to increased demand for EHCPs and an increase in the average cost of fulfilling the requirements of an EHCP. The average cost of EHCPs in Somerset is inflated because of the availability of INMSS places within the county and just across its borders. These INMSS places cost on average £59,100 which is significantly higher than the average cost of a maintained special school placement which amounts to £23,900.

Somerset Council is one of 55 local authorities involved in the DBV programme. Each of the 55 local authorities had the opportunity to bid for £1 million which must be used to kickstart implementation of their plan to deliver better value within their SEND system. The DfE will agree to grant Somerset Council the £1 million funding following a successful application.

As part of the Medium-Term Financial Plan (MTFP), a request was made for two additional Statutory SEND Access and Reviewing Officers. The need for an increase in capacity within the team is a direct result of the increase in the number of Education, Health and Care needs assessment requests and the subsequent increase in the number of EHCPs. There is also increased pressure on the SEND transport budget, which is funded by the HNB, as well as need for more special school places, resulting in an increase in high needs capital applications and spend.

The Council Plan (2023-2027) and the Improving Lives Strategy (2019-28) refer specifically to reducing inequalities which is a key focus of SEND services. Somerset's SEND Strategy (2023-26) identifies priorities in relation to providing help at an earlier stage, improving working together, ensuring access to the right support and provision, and preparing for the future, and Somerset's Education for Life Strategy (2023-28) identifies addressing challenges in relation to inclusion and exclusion from school as a key area of focus. The DBV grant and associated programme of work will support delivery of these aims.

As part of the DBV work, other potential workstreams were posed, such as a reduction in the number of EHCP reviews carried out, but the interventions did not offer the projected savings or the benefit of the workstreams decided upon. The option of continuing with the existing model isn't viable because of the cost trajectory.

Source data for this decision paper is the DBV Newton output. The S251 data has been used for this exercise.