

DARLINGTON SCHOOLS FORUM

17th June 2019

ITEM NO 4

HIGH NEEDS RECOVERY PLAN

Purpose of the Report

1. This report sets out the High Needs Budget position and a proposed recovery plan.

Background

2. All Local Authorities with a deficit on their DSG of 1% or more at the end of the financial year are required to submit a recovery plan to ESFA outlining how they will bring their DSG back into balance within 3 years. This plan will need to be submitted by 30th June following the March year end.
3. For the 2019/20 submission, the 1% calculation will be based on the 18/19 DSG allocations gross of recoupment (i.e. including academy schools budget shares) at the end of the financial year. Individual maintained school balances are excluded from the calculation.
4. The plan will detail the steps the Local Authority plans to make to bring the DSG back into balance within 3 years. This plan needs to be discussed with School Forums and signed off by the CFO before submission.
5. The Department recognise that the 3 year recovery may be difficult for some LA's with accumulated deficits, so an LA may submit with its plan evidence that states why full recovery in 3 years may not be achievable.
6. The Department will review each plan on a case by case basis and decide if they can accept if some or all of the accumulated deficit to date can be left outstanding. If agreed, this would allow the (or part of the) accumulated deficit not to be recovered in the 3 year period.
7. For Darlington, the final High Needs Block Dedicated Schools Grant Budget for 2018/19 was £12,253,585, which overspent by £1,704,306.
8. During recent years Darlington has faced growing pressure on the High Needs Budget which has resulted in year on year deficits. The cumulative deficit at the end of 2018/19 was £3,232,667.
9. The overspend is as a result of a number of factors; an increase in Education Health and Care Plans and an increase in the number of children accessing higher cost provision.
10. This increase in overspend sits alongside a backdrop of a number of key issues.

11. EHCP Growth. Over the last four years the number of Education Health and Care Plans (EHCPs) has risen significantly.

% of pupils with EHCPs	2014/15	2015/16	2016/17	2017/18
Darlington	3%	3%	3.3%	3.6%
North East	2.9%	2.9%	3%	3.1%
England	2.8%	2.8%	2.8%	2.9%

12. The tables included in **Appendix A** detail, the expenditure on high needs provision over the last four years and the proposed recovery plan. This recovery plan sets out expectations of demand against the high needs DSG for the next three years, detailing expenditure and potential savings (net of the cost of delivering the required savings).

13. There are a number of financial risks associated with the proposed recovery plan that will be carefully monitored throughout its delivery;

- (a) The plan is predicated upon pupils currently in independent specialist placements being placed in newly commissioned local provision. Delays in delivery of this provision would impact on ability to deliver savings.
- (b) The plan is dependent in moving pupils to lower cost placements able to continue to meet their needs. There is a risk that insufficient number pupils will be able or willing to move provision.
- (c) There is a risk that increased demand may lead to Darlington continuing to have a higher % of pupils in receipt of an EHCP than national average.
- (d) Feasibility studies are currently underway with interested schools for two of the proposed resource bases. If no partner schools are found to operate a Moderate Learning Difficulties (MLD) resource base this will impact projected savings.

Proposals

14. In order to reduce the overspend on the High Needs Block a recovery plan has been developed with a set of focused activities on three key areas;

- (a) Develop and embed inclusive approach and practice amongst schools, LA staff and other settings;
- (b) Implementation of money follows the child funding model;
- (c) Modernisation of SEN services through:
 - (i) Improved (joint) commissioning;
 - (ii) Improved processes and decision making;
 - (iii) Improved quality and assurance;

- (iv) Development of a range of cost effective, high quality provision for children and young people with SEN including units attached to mainstream schools and the development of Tees Valley special school.

15. Currently a delegated funding system is in place to support behaviour and attendance management in secondary schools. The arrangement for primary schools to support behaviour and attendance management has been through a panel system which has an allocation of £75k. It is proposed that this arrangement is replaced in 2019/20 with an allocation to the Vulnerable Pupil Panel of £100k to support mainstream schools on individual pupil cases. This proposal adopts the money follows the child principle as per the new top up funding model.

16. Recent EHCP data indicates the introduction of the ranges of need to be having a positive impact on the quality and number of requests for assessment coming through the system. In the academic year 2016/17 we received 165 requests of which 14% were refused. In 2017/18 168 requests were received and 37% were refused. In 2018/19 to date we have received 107 requests (a pro rata reduction on prior year of 18%) of which 22% were refused. Overall this indicates that in the current academic year to date there is a 12% reduction in overall plans to be issued.

17. Continued rigour and the application of assessment of need should, over time, result in Darlington coming back in line with national average for % of pupils in receipt of an Education Health and Care Plan.

18. Over the next three years a provisional plan has been developed that will significantly grow Darlington SEN provision. This provision will provide additional capacity which will result in less children being placed in independent placements. The following table show the estimated savings that can be made from the new capacity. These savings are calculated using current average costs of placements and therefore are subject to change when the new provision is commissioned and dependent on the need of the child.

Provision	September 2020	September 2021	Estimated cost of placements	Estimated saving from reduction in independent placements	Estimated net potential savings
SEMH Primary Resource Base	16 place unit		£320,000	£1,008,000	£688,000
SEMH Secondary resource base	18 place unit		£360,000	£1,134,000	£774,000
MLD Resource base		16 place unit	£320,000	£1,008,000	£688,000
Tees Valley Special Free School		20 places for Darlington pupils	£400,000	£1,260,000	£860,000

Further Options

19. The Local Authority is proposing to review the delivery of support for pupils who are unable to attend school due to medical needs. It is anticipated that this could result in a reduction in spending of £70,000.

Recommendations

20. It is recommended that forum:

- (a) Note the actions in place to mitigate and minimise forecast high needs pressures.
- (b) Approve the High Needs deficit reduction plan.

Tony Murphy

Head of Education and Inclusion