

### Local Authority Dedicated Schools Grant Deficit Recovery Plan

#### **What plans have you put in place to reduce the deficit in increments over the next 3 years?**

##### **Phase One - 19/20 Implementation**

###### S1 - Regional Commissioner Fee

**Description:** Re-introduce the charge to other Local Authorities for placing children with an Education, Health and Care Plan (EHCP) in LBHF-maintained, special schools. The charge will be set at a flat % rate for all non-resident pupils and will cover the costs borne by LBHF in service delivery, place-planning, financial processing and other administrative overheads associated with high levels of out-of-borough CYP with SEND placed in LBHF.

**Impact:** Implementing the option will not adversely affect payments associated with individual LBHF-resident children or LBHF maintained school budgets. It will make an on-going contribution to reducing the High Needs Block overspend, proportionate to the level at which places are occupied by non-resident children. At the January 2018 School Census approximately half of all pupils in LBHF special schools were non-resident, with a much smaller % occupying places in mainstream primary.

**Implementation & Risks to Delivery:** S1 can be implemented through relatively minor changes to the current invoicing process, whereby at the point of re-charging other LA for the top-up costs incurred by LBHF for non-resident children, a defined % uplift is applied to the invoice total.

###### S2 - Re-Charge for LBHF centrally-funded 'Wrap-Around' Provision to Non- Resident Pupils

**Description:** Recover the costs to LBHF of providing centrally-funded 'wrap-around' occupational therapy services in LBHF-maintained special schools, that are currently accessed free of charge by non-resident pupils.

**Impact:** Implementing the option will not directly affect LBHF-resident children or LBHF maintained school budgets. All costs recovered would come back to LBHF and would make an on-going contribution to reducing the High Needs Block overspend, proportionate to the level at which places are occupied by non-resident children. At the January 2018 School Census just under half of all pupils in LBHF special schools were non-resident.

**Implementation & Risks to Delivery:** The charge will be applied at the point of invoicing other LA for the top-up costs incurred by LBHF for non-resident children. As soon as current mechanisms for recording and monitoring access to provision are sufficiently developed to accurately record and apportion access to provision, charges will be presented as an itemised bill.

###### S3 - Reconciliation of High Needs Block Funding

**Description:** Reconciliation of the amounts that the Education & Skills Funding Agency (ESFA) have recouped from our HNB allocation for two academies hosting resource unit places (Fulham Primary and Queens Manor), has identified a significant underfunding in our High Needs Block allocation due to an error in the academies recoupment calculation. From 2019/20 onward funding will automatically be retained in the High Needs Block.

**Impact:** Positive impact against High Needs Block allocation from 2019/20 onwards by £460k.

### S4 – More Targeted Use of Home Tuition Services

**Description:** Reduce overall expenditure on Home Tuition for LBHF children who are unwell and not able to attend school, or those with an EHCP where school placement has broken down or have moved to LBHF with high level SEND and without school placement. There has been a historic lack of oversight and quality assurance of home tuition packages under the previous 3-borough Shared SEN Service. A number of opportunities exist to strengthen the current service model, improve operational processes and secure better value for money, including i) ongoing review of cases where access to home tuition has been long term and ensuring clearer planning for returning to local provision for all CYP, and ii) improved LA oversight of purchasing decisions.

### S5 – More Effective Use of Alternative Provision

**Description:** Target with schools to reduce the number direct managed moves into AP. There is currently a high-level of managed moves in the borough.

**Impact:** Some children currently in A/P will return to mainstream schools. On-going saving through reduction in commissioned places in alternative provision and associated charges.

**Implementation:** A review of the local offer will likely be required to support reintegration of CYP into mainstream education, as well as bolster behaviour management in schools.

## **Phase Two - 20/21 Implementation**

### S6 -Charge for LBHF centrally-funded 'Wrap-Around' SALT Provision to Non- Resident Pupils

**Description:** Recover the costs to LBHF of providing centrally-funded 'wrap-around' speech and language therapy services in LBHF-maintained special schools, that are currently accessed free of charge by non-resident pupils. **Impact:** S6 will not directly affect LBHF-resident children or LBHF maintained school budgets. All costs recovered will come back to LBHF and would make an on-going contribution to reducing the High Needs Block overspend, proportionate to the level at which places are occupied by non-resident children. At the January 2018 School Census just under half of all pupils in LBHF special schools were non-resident.

**Implementation & Risks to Delivery:** As soon as current mechanisms for recording and monitoring access to provision are sufficiently developed to accurately record and apportion access to provision, charges will be presented as an itemised bill.

### S7 - SEND Service Management Efficiencies

**Description:** The Local Authority's SEND Service will identify and deliver on management overhead efficiencies to produce a saving against the High Needs Block

### S8+ - Systems Transformation

**Description:** The Local Authority is currently carrying out a scoping exercise for a wider SEND Transformation Programme. This will aim to both improve outcomes for CYP with SEND and produce potential financial efficiencies for the Local Authority by intervening

earlier before needs escalate into more specialist and expensive interventions, as well as creating more effective models and commissioned structures of delivery. Potential projects in S8 have not been included in projected mitigations as listed under the 'Financial' tab of this spreadsheet as they are still in scoping stage and subject to engagement and potential consultation with service users, parents and carers and wider stakeholders. There is little assurance that projects arising from S8 will reduce LBHF's overspend so as to close the budget gap in its entirety.

Areas which are currently being scoped for inclusion are:

1. SEN Support and SEN Support +: Promote the SEN Support agenda and re-design our prevention services to meet needs before they escalate
2. Specialist Services: Ensure that specialist services are commissioned using the most effective and efficient models of support.
3. Complex Cases and Transitions: Improve provision to allow more of our children and young people to be supported in borough. Improve transition arrangements and bolster the preparing for adulthood agenda to better support young people towards independence.
4. Special Schools, Sufficiency, and AP Planning: Ensure best value for money by place planning in advance, ensuring our specialist settings meet present and future need, and implementing SLAs and quality frameworks.

### **Phase Three - 21/22 Implementation**

Scoping is currently underway on our 'Community Schools Programme', which seeks to maximise use of school lands and development potential, with the possibility of generating revenue streams or capital receipts for the council. Should the programme be successful there may be opportunities down the line to explore how ongoing revenue streams can mitigate against a portion of High Needs Block Pressures in the future. Alternatively, there could be eventual scope to use capital receipts to pay back part of the historic deficit, although this would likely require agreement from senior civil servants and/or politicians.

**Can you specify how continuous improvement has reduced the deficit / is going to reduce the deficit? This could include sharing best practice, new contracts, efficiency savings**

#### S4 – More Targeted Use of Home Tuition Services

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#### S5 – More Effective Use of Alternative Provision

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**Impact:** Some children currently in A/P will return to mainstream schools. On-going saving through reduction in commissioned places in alternative provision and associated charges.

**Implementation:** A review of the local offer will likely be required to support reintegration of CYP into mainstream education, as well as bolster behaviour management in schools.

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**Please provide details of any previous movements between blocks, what current cost pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures**

18/19 - £505,000 transfer from schools block to high needs block

19/20 - £1m transfer from schools block to high needs block

The money has gone towards mitigating against the totality of the high needs block overspend and the various pressures identified in P1-P5.

### **Please provide details of contributions coming from the health and social care budgets towards the cost of high needs provision**

#### Speech and Language Therapy

The CCG currently contribute a 79% (£1,591,254) share towards the borough's Speech and Language Therapy Service, which delivers all EHCP-mandated SALT interventions. This may reduce to a 50% contribution or less from Q2 of 2019/20 creating an additional budget pressure on the HNB which has been factored into projections.

#### Complex Case Commissioning

Social Care, Health and Education contributed towards the cost of individual complex case commissioning in 18/19 in the following proportions:

Social Care (Disabled Children's Team): £190,297  
CCG: £313,464  
Education (SEN): £395,152  
Social Care (LAC): £455,576  
TOTAL: £1,354,488

### **Please explain how the LA has discharged its duties under the Equality Act 2019, C&F Act 2014 and common law to consult with those affected by the changes proposed**

Changes to provision on a case-by-case basis follow our person-centred planning approach. On a system-wide and service level, the Local Authority is committed to fully engaging and consulting with CYP, parents and carers who may be affected by any changes proposed to services in the future, and as may fall out of planning and scoping work.

### **Please include a summary of the savings / and or measure you propose to implement over the next three years which will reduce the overspend**

S1	Disapplication from DSG Block
S2	Redeploy DSG Central School Services Block
S3	High Needs Import for Non-Resident Pupils
S4	Re-charge for LBHF centrally-funded 'Wrap Around' OT Provision to Non-Resident Pupils
S5	Recover High Needs Block Funding from recoupment miscalculation
S6	More targeted use of home tuition services
S7	More effective use of alternative provision
S8	Charge for LBHF centrally-funded 'Wrap Around' SALT Provision to Non-Resident Pupils
S9	

**Please discuss the local circumstances that have contributed to your deficit. Please provide a brief summary of the pressures in the box below and transfer the forecast spend in this area on the financial summary tab via the appropriate link. Local Authorities should consider providing budget pressures in the following areas:**

- A) Mainstream schools
- B) State-funded special schools
- C) Further education and sixth form colleges
- D) Independent specialist provision
- E) Alternative provision

P1	<p>Note on the above: LBHF's HNB budget pressure is not currently assigned out across setting-types/budget areas in this manner. Whilst a crude 'apportioning' of the HNB overspend as a ratio of the total costs associated with each of these areas would be possible, this is likely to misrepresent a more complicated picture both on the ground and nationally. (I.e. It is difficult to say that each of these areas is proportionately influenced by the pressures listed out below, or that the overspend can be 'salami-sliced' out across these areas as a way of understanding/ addressing it).</p> <p>Note on the below: Several of the category headings in the pressures section of the 'Financial Summary' tab are complex and abstract in nature. Our figures represent a best guess at quantifying these using available data.</p> <p>P1 - Difficulties arising from the funding formula: Analysis carried out for LBHF in 2016 by SSCYP Consulting (Peter Gray) indicated that LBHF is impacted negatively by the funding formula methodology used to calculate our High Needs Block allocation when compared to other London boroughs. In particular, this includes:</p> <ul style="list-style-type: none"> <li>i) The use of historic spend data to calculate the HNB allocation; and</li> <li>ii) Problems with the current ESFA import/export calculation meaning that authorities are unable to fully recoup the costs associated with being a net importer of out-of-borough CYP with SEND. (47% of LBHF's school-aged population with an EHCP).</li> </ul> <p>The estimated effect of this is included in the P1 Financial Summary tab and is based on available data from 2016 as collated in the SSCYP report. The difficulty in quantifying the comparative effect of the funding formula on LBHF reflects the complexity of the calculations involved and the associated problems of understanding and planning this entails for the local authority.</p>
P2	<p>As reflected in the national picture, LBHF has experienced a significant increase in the number of EHCPs since implementation of the 2014 Act. Our data demonstrates a 16% increase in the number of EHCPs since 2016, fuelled by higher parental expectations, increasingly complex needs and higher diagnostic rates, and systemic financial pressures on schools which make delivering interventions at the SEN Support / 'notional 6k' level challenging. The current funding formula does not adequately account for this sharp rise in need, leaving a significant funding gap.</p>

## Appendix 1

P3	Whilst the 2014 Act increased the bracket of responsibility to cover the 16-25 age range for CYP with SEND, available funding did not increase in proportion.
P4	The NHS is looking to realign funding responsibilities according to statutory responsibilities. There is a strong likelihood of a significant cost-shift towards the Local Authority on our currently jointly commissioned SALT contract by Q2 onwards this year, as the CCG are seeking to cease funding for provisions listed in EHCPs under Section 'F' (Education).
P5	LBHF has higher use of Alternative Provision as benchmarked against the national average. We believe that more CYP could be supported to remain in mainstream settings, thus promoting the agenda for inclusivity.
P6	