

Report to:	EXECUTIVE CABINET
Date:	25 October 2023
Executive Member:	Cllr Bill Fairfoull – Deputy Executive Leader Cllr Jacqueline North - First Deputy (Finance, Resources & Transformation)
Reporting Officer:	Allison Parkinson - Director of Children’s Services
Subject:	DELIVERING BETTER VALUE IN SEND GRANT
Report Summary:	This report seeks approval to accept and spend a Department for Education (DfE) Delivering Better Value (DBV) in SEND grant in the sum of up to £1m to support the implementation of change to manage and mitigate identified cost drivers within the SEND high needs system.
Recommendations:	That Cabinet Approve, subject to the Director of Children’s Services reviewing the standard grant conditions in consultation with the Director of Recourses and the Head of Legal, the acceptance of £1m DBV grant from the Department for Education to fund the implementation of SEND system change.
Corporate Plan:	The content of this report is integral to the delivery of the following priorities within the Corporate Plan: Starting well: <ol style="list-style-type: none"> 1. Very best start in life 2. Aspiration and hope through learning and moving with confidence from childhood to adulthood 3. Resilient families and supportive networks to protect and grow our young people 4. Opportunities for people to fulfil their potential through work, skills and enterprise Enablers and ways of working: <ol style="list-style-type: none"> 1. A stronger prioritisation of well-being, prevention and early intervention 2. An evidence led understanding of risk and impact to ensure the right intervention at the right time 3. An approach that supports the development of new investment and resourcing models, enabling collaboration with a wide range of organisations
Policy Implications:	There are no policy implications to this report.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	Tameside’s Dedicated Schools Grant (DSG) reserve has been in deficit since 2019-20 due to deficits on the High Needs Block. The DSG deficit at the end of the 2022-23 financial year was -£3.306m. The latest estimate for the DSG closing balance at the end of the 2023/24 financial year is -£8.627m. The council currently has a statutory override until 2025-26 allowing

the DSG deficit to be held on a separate reserve in the local authority's accounts. Once this override expires the DSG position will be reflected in Tameside's accounts.

The mitigating actions detailed in this report are targeted to provide the greatest financial benefit and put the council in the best position to bring the DSG into surplus by the end of 2025-26.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

As set out in the main body of the report the grant has been awarded to assist the council's management of the deficit position.

The funding will have to be spent in accordance with the terms of the grant arrangement to avoid any potential claw back provisions.

Therefore, it is advisable for the terms of the grant to be reviewed before the agreement is entered into.


Risk Management:

A risk register will be maintained to ensure the key risks to implementing the various strands of the SEND DBV grant application.

There is a real risk that, even with effective mitigations in place, Tameside will not be able to balance the High Needs budget within current funding levels as demand throughout the SEND system continues to grow at pace.

Background papers:

Background papers relating to this report can be inspected by contacting Jane Sowerby Assistant Director of Education

 e-mail: 0161 342 3247

1. INTRODUCTION

- 1.1 Over recent years, rising demand and other pressures have contributed to many local authorities accruing deficits on their Dedicated Schools Grant (DSG) and the Covid pandemic has exacerbated these issues. The overspend on Tameside's DSG High Needs Block budget (i.e. the funding that supports provision for pupils and students with SEND) has been increasing year-on-year to the point at which it has become unsustainable. The High Needs Block in-year deficit for the last three years is as follows:

2020-21 - £1,821,981

2021-22 – £1,972,933

2022-23 - £1,017,794

Early monitoring of the 2023-24 High Needs Block deficit position indicates that the deficit position is accelerating with the in-year deficit estimated to be £5.876m.

- 1.2 Consultation and engagement on plans to address the DSG High Needs deficit have been ongoing since Tameside submitted its Deficit Management Plan* in November 2020. Schools Forum have had oversight since the plan was first submitted.

* Local authorities with an overall deficit on their DSG account at the end of a financial year must be able to present a plan to the DfE for managing their future DSG spend.

The DBV programme sits alongside and complements existing and ongoing work across Tameside to manage the DSG High Needs deficit. A summary of the current budget position and indicative DSG mitigations was presented to Schools Forum on 19 January 2023 and 26 September 2023 (see background papers).

- 1.3 The DfE is running a range of intervention programmes to assist local authorities with deficits to achieve High Needs spend sustainability. Tameside was invited to participate in the DfE's Delivering Better Value in SEND support programme. Newton Europe, in collaboration with the Chartered Institute of Finance and Accountancy (CIPFA), have been commissioned by the DfE to deliver DBV and will support 55 local authorities and their local systems to identify the highest impact changes that each LA involved can make to better support their local children with SEND and make plans to implement those changes. The programme will place children and young people with SEND at the centre of the approach and decision-making. The implementation plans will build on existing initiatives and address the underlying challenges in each LA's high needs system.
- 1.4 Tameside joined the second tranche of local authorities starting DBV in December 2022. Like other LAs on the programme, Tameside have been involving parents and carers, schools / settings, local partners and our front line staff when designing our plan, whilst ensuring the programme is underpinned by a comprehensive data-driven and evidence-led diagnostic.
- 1.5 The DBV programme comprised of two initial modules:

Pre-engagement strategy period (December 2022 / January 2023): Tameside met with the DfE to discuss the programme in detail, the nature of support the DfE would be providing and how Tameside will best work with the DfE to drive and achieve the objectives of the programme. A comprehensive dataset of Education Health and Care Plans, provision and finance was provided as a baseline.

DfE provided a small grant to support data analysis and assurance at the beginning of this engagement phase and to ensure an effective delivery of phase 1.

Phase 1: 6 months – supported by a delivery partner (Newton), SEND Advisers and Financial advisers and involving a comprehensive diagnostic in order to:

- To identify sustainable changes that can drive high quality outcomes for children and young people with SEND
- To enable us to build an evidence-based application to the DfE for a grant to assist with the implementation of those changes.
- Build a strong, objective evidence base across a third of local authorities, which can be used to influence future national reform.

The stages of the diagnostic included:

- Local area stocktake (assessment of existing processes, plans, capability, relationships, etc.).
- Facilitation of key stakeholder engagement for each authority
- Data analysis and assurance.
- Identification of root cause/underlying cost drivers and mitigating solutions/reforms.
- Improvement plan including reform implementation critical path
- A quality assured DSG management plan.

- 1.6 DBV module 1 and 2 provided clear analysis of the demand, type of primary need and provision accessed by the current body of SEND pupils with an Education Health and Care Plan (EHCP). A high number of EHCPs start at key transition points, in particular Nursery to Reception and Primary to Secondary and a high number of new starts in maintained special schools at age 4 and 5. This puts pressure on Tameside specialist provision, which already accounts for £14m of the £30m high needs block spend, and in turn can lead to an increased number of placements at high cost, out of borough independent non-maintained special schools.
- 1.7 Through the analysis above and triangulation via case reviews, surveys and various deep dives the subsequent root cause analysis identified the following two high impact areas for our DBV Plan (see attached) to focus on:
- Inclusion – create an Inclusion Quality and Outreach Team, linked to existing Special Schools and Resource Provisions, and introduce a programme of training and workforce development (including parents and carers as appropriate).
 - Transitions – establish a new Early Years Assessment Centre with co-located wrap around services. The plan to improve the effectiveness and confidence surrounding transitions will also be supported through supporting the clearance of the backlog of annual reviews and identifying those pupils that may struggle at transition and providing early support.
- 1.8 The above high impact areas crossover with a range of SEND improvements that are happening outside of the DBV programme, in particular the redesign of SEND Teams, review of the Specialist Outreach Support Team and sufficiency of specialist school places.
- 1.9 In early August 2023, the DfE DBV Programme Board gave indicative approval to Tameside’s Stage 1 DBV implementation plan and revenue funding request of £1m. DfE feedback on our plan stated that it demonstrated an aspiration to deliver significant improvements to services for children and young people with SEND alongside significant financial benefits over the next 5 years.
- 1.10 Feedback from Newton Europe to DfE on the projected High Needs Block deficits across DBV and Safety Valve local authorities, after mitigating actions have been taken, indicates that deficits remain extremely high over the coming years. In response, DfE introduced a new Stage 2 late in the DBV Programme. Stage 2 required local authorities to identify significant additional opportunities to achieve a sustainable in-year balanced position as soon as possible and have committed to the development of a robust DSG Management Plan to deliver these by the first quarterly monitoring meeting (December 2023). Tameside’s DBV Stage 2 submission is attached and covers the following four areas:

1. Contributions for Health and Social Care Provision
2. SEND Commissioning Capacity
3. Block Transfers within the Dedicated Schools Grant
4. Special School – PFI Contract Review

1.11 The anticipated reduction in costs to the High Needs Block is as follows:

Stage 1 bid - £5.2m - £7m cumulative reduction by 2027-28

Stage 2 bid - £1.7m pa

1.12 The implementation of the DBV plan will look to maximise the reduction in High Needs Block costs, however the demand and costs within the system continue to outstrip forecasts and a significant cumulative deficit of between £39.4m and £68.1m is estimated at the end of 2027-28.

1.13 Tameside's DBV application (stage 1 and 2) was assured by Tameside's DfE Monitoring Advisers and CIPFA before being presented to the DfE DBV Programme Board. Tameside's bid was given full approval on 15th September 2023. No specific conditions were applied to the approval of Tameside's DBV application and the Council awaits receipt of a Grant Offer Letter that will set out the standard grant conditions that apply to this grant award.

1.14 The Tameside Draft DBV Plan includes some quick wins that could be spent within autumn 2023 term but the majority of workstreams will start to spend from either January 2024 or September 2024. DBV grant is required to be spent by 31 March 2025 and workstreams will be governed through the SEND Inclusion and Partnership Board.

2 LEGAL BACKGROUND

2.1 The way in which local authorities account for DSG deficits has been altered by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212), made by what is now the Department for Levelling Up, Housing and Communities (DLUHC), which require DSG deficits to be held in a separate reserve in local authorities' accounts. There has been an extension to this accounting treatment for a period of 3 years taking this up to financial year 2025-26 after which the statutory override will be removed as there is expectation on LA's will have managed the deficit and secured a balanced DSG budget during this period.

2.2 There is a DfE requirement to produce a high needs deficit recovery plan, and as a consequence of the deficit position, Tameside has been invited to take part in the Department for Education's Delivering Better Value programme. Participation in this programme will be critical in supporting the Local authority (LA) in understanding the options available to manage the high needs deficit recovery plan and create a high needs system that meets demand in a way that is equitable and financially sustainable.

3 CONCLUSION

3.1 Work throughout the DBV programme will be critical to understanding the options available to managing the deficit and management recovery plan as well as understanding the grants available to us to support future change and implementation plans.

4 RECOMMENDATIONS

4.1 These are at the front of the report.