**DSG Recovery Plan September 2019-20**

|  |
| --- |
| **What plans have you put in place to reduce the deficit in increments over the next 3 years?** |
| The LA is currently in the middle of an extensive consultation process on the way in which it spends the high needs funding block. A series of pre-consultation workshops took place over May and June 2019 and the formal public consultation will be completed on the 26th July. Following the analysis of the formal consultation recommendations will go forward to support the changes being suggested. A full financial model will be developed to ensure that the consultation recommendations form a full part of the final Recovery Plan.    The LA has also consulted on the use of the Capital Grant Funding. Overwhelming support has been expressed for solutions that increase the capacity within the current Special Schools and the development of further resource base provision within the mainstream school system. Tower Hamlets has one of the highest rates of EHCPs nationally and a high rate of children and young people who remain in the mainstream schools (54%) and such solutions will enable more children and young people to remain within the very strong Tower Hamlets school system.    Overall strategy    To reduce budget pressures on the High Needs Funding Block (HNFB) and achieve financial balance over the period 2018 – 2022 through:   * significantly reducing the funding retained by LBTH to deliver support services, * reducing the demand for centrally retained funding for Alternative Provision through a variety of measures, * reducing the rate of increase in EHC plan numbers * a reduction across all school top-up payments      1. Increase special school places     Informed by demographic and school place projections, there is a need to plan to fund more special school places in Tower Hamlets, responding to the anticipated increase in the numbers of children and young people requiring a specialist school. This work has been taken forward with increased place numbers in the LA special school for ASD and the primary PMLD provision. The secondary PMLD provision will also increase its place numbers from September 2019.    This will reduce the number of specialist places required from out of borough maintained special schools and non-maintained, specialist provisions.     1. Review SEMH provision     A review of SEMH provision in Tower Hamlets took place in the Autumn term, 2018 and the recommendations of this review are being taken forward by a working group made up of council officers, senior school leaders and governors. Amongst the recommendations are increasing the number of specialist places for SEMH in the LA to reduce the number of expensive placements in non-maintained special school provision.    The review also found that SEMH special school offer is fragmented and current schools struggle to be cost effective. The LA is developing a more sustainable approach to SEMH |

|  |
| --- |
| provision in Tower Hamlets, with a mixed economy of increased training and professional development within mainstream schools, the development of a continuum of support through mainstream schools, via resource base provisions and the development of specialist provision to meet the needs of all children and young people with SEMH, including the LA's residential provision.    Following the SEMH review some investment in school based resource provisions for SEMH and ASD, including the development of hubs and staff expertise in supporting learners with SEMH and ASD to enable all schools to increase their capacity for working with pupils at SEN support, with the aim of meeting needs within school budgets and for those young people with EHCPs.    3. Review top-up payments for special schools and resource bases.     1. Review the per-pupil top-up funding figures for special schools and for specialist resource bases, to reduce anomalies between institutions.      1. Informed by the place planning for SEND, review resource base designations to better fit with future SEND needs in Tower Hamlets; also give consideration to the process for a school to withdraw from offering a resource base or allow for a school (with high EHC plan levels) to apply for designation. For recommended changes to be implemented over a two year period.      1. Review the current banding system in Tower Hamlets     The LA is currently working on updating the descriptors for the banding system to clarify what level of need falls within each band and to clarify which children are eligible for an EHCP, however in the meantime the public consultation includes questions on making a reduction to top-up funding to schools and greater transparency of individual budgets for parents.    The revision of the current top-up payment bands for mainstream schools will incentivise inclusive practice encouraging all schools to provide places for children and young people with an EHC plan, leading to a more even distribution of these pupils across Tower Hamlets’ mainstream schools.    This will enable the LA to better meet the current demand for EHCPs across the range of need, age and settings.     1. Support for Alternative Provision     The amount of the HNFB dedicated to AP in Tower Hamlets is high by comparison with other LAs as there has been a previous agreement with secondary headteachers that funding should be centrally retained rather than devolved to individual schools, which is the case in many LAs. The system is working well with London East Alternative Provision nationally recognised for its good practice. Although the outcomes for Tower Hamlets pupils in AP are positive, the recommendations arising from the Timpson Review on reducing school exclusions and managed moves, as well as budget pressures, mean that there is a need to make changes. This work is already underway. The reformed Behaviour and Attendance Support Service is an important delivery mechanism to support the changes needed in mainstream schools to reduce the spend on AP. A reduction in top-up |
| rates in-line with other areas is also being considered.     1. Review top-up funding for pupils at FE Colleges     The funding of pupils in FE colleges is currently commissioned on a pupil by pupil basis. A review of the funding schedules for individual placements has raised some areas where savings can be found by renegotiating individual top-ups for young people, commissioning additional support for young people in FE Colleges using a place payment model, and ensuring that contributions to be made by health and social care are clearly outlined within funding schedules and followed up so that the HNFB is being used to support educational need.     1. Fund improved opportunities post-16     The LA HNFB consultation is also asking for ideas on how to release additional funds from the HNFB to support an improvement of post-16 opportunities for all young people with an EHC plan, including increased access to supported work experience, supported internships, traineeships and personal budgets.     1. Reduce LBTH retained budgets     Significantly reducing the budgets retained by LBTH over the period 2019 – 2021 will ease some of the pressure on the HNFB. Reviewing the services funded by this grant to ensure they are fit for purpose and using the JSNA to ensure that the council is able to meet the needs of the current and future profile of children and young people with SEND, as well as improving the capability of mainstream schools to meet their inclusion requirements. Any reduction in the retained funding will remain within the SEND system, contributing to reducing the budget pressures and encouraging earlier and more rigorous intervention for those at SEND Support.     1. Bring SEND equipment budgets together through joint commissioning arrangements.     Streamline the equipment budgets for SEND and working with Health and Social Care to put in place joint commissioning arrangements for equipment currently purchased through the HNFB for use by individual pupils in their school setting. Spending on joint health, education and social care solutions will enable more timely and better value equipment purchases.     1. Revise the commissioning of special school outreach services     Outreach support for mainstream schools, provided by special schools within Tower Hamlets is a valued resource. The LA will commission the special school outreach contracts working with Tower Hamlets Education Partnership to develop a process to consider with mainstream headteachers, the priorities for outreach support and to then establish similar SLAs and reporting arrangements for any special schools commissioned to deliver outreach. An initial review of the special school outreach services will take place within the 2019-20 school year. Revised commissioning of outreach from specialist schools has been calculated in to the 2018-19 budget.  Further revisions will take place annually. |

|  |
| --- |
| **Can you specify how continuous improvement is going to reduce the deficit? This could include sharing best practice, new contracts, efficiency savings** |
| S2 - The current public consultation on the HNFB is consulting on a reduction of top-up rates for pupils. The consultation asks about cuts to the top-up rates of 2%, 5% or 7%. All three outcomes would reduce the deficit to some extent. The two higher rates of cuts to the HNFB would also allow for the development of an inclusion fund to enable implementation of additional support at key transition points for some pupils at SEN support, without the need to issue an EHCP. The estimates at 7% are being used to calculate the savings to reduce the deficit. This would happen from April 2020. (best practice)    Not agreeing any increases in prices for OOB provisions. All independent and nonmaintained schools will be informed that the LA will not be increasing payments for pupils already in provision. All new placements from September will be written to about reductions of 1.5% on the 2018-19 prices. This is inline with the 1.5% reduction built into the budget for 2019-20 for all Tower Hamlets maintained schools and academies and maintained special schools and academies. (new contracts)    S3 - Adjustments to individual schedules for pupils in FE Colleges; review of schedules to show health and social care contributions. Renegotiation of contracts with main LA FE College to ensure best value. The funding of pupils in FE colleges is currently commissioned on a pupil-by-pupil basis. A review of the funding schedules for individual placements has raised some areas where savings can be found by renegotiating individual top-ups for young people, commissioning additional support for young people in FE Colleges using a place payment model, ensuring that contributions to be made by health and social care are clearly outlined within schedules and followed up so that the HNFB is not being used to fund support that is not educational support.    S-4 Renegotiation of tripartite funding agreements with health and social care in respect of children and young people who are in specialist residential schooling, residential schooling, or in secure placements.  Historically the LA has split the cost of residential provision 50:50 between education and Children’s Social Care for children and young people up to the age of 18 and adult social care for those young people aged between 19 and 25. This has resulted in education contributing costs beyond those designate as educational provision. A new joint commissioning model, including a process for reviewing these historical placements and guidance on tripartite funding decision-making (across education, health and social care) has added clarity and will reduce the current HNFB spend on residential placements. Increased specialist places within the LA will reduce the need to access non-maintained, independent special schools for children and young people. The calculated £800k saving is conservative and is based on current figures for under 18 placements. Further savings will be made from similarly reviewing joint placements with Adult’s Social Care. (new contracts)    S-5 Proposed reduction in the amount of the HNFB retained by the LA for the delivery of services– Following a review of the HNFB Schools Forum asked for a reduction in the amount of the HNFB that is maintained by the LA to deliver services to schools, children and young people. This reduction forms part of the public consultation on the HNFB and there has been work to review the current service delivery model to achieve this reduction. The savings indicated in S-5 (£1.1m) are the indicative savings targets to be |

made on the retained element of the HNFB. This will also enable settings to use the released funding to obtain best value for some services already delivered by the LA, including the procurement of LA services, where they represent best value. (Best practice and sufficiencies)

S-6 Review the delivery of some provision delivered in AP. Tower Hamlets has a successful AP system in place to support young people excluded from school and which also supports the movement between schools for pupils at risk of permanent exclusion. Outcomes for these pupils, particularly those working through London East Alternative Provision (LEAP) are some of the best in the country, however, there are savings to be made, particularly in the area of Individual Tuition for school refusers and those with complex mental health needs. A rigorous review of this provision will be carried out as part of the SEMH review, looking at the referral routes from provision, regular review of provision and development of support, the reintegration of pupils into group provision, specialist placements and mainstream schooling. Individual Tuition, whilst appropriate in some circumstances, can be expensive and outcomes for pupils on IT are lower, the longer the provision lasts. A reduction in top-up rates of 7%, in line with other sectors, has been costed.

Other Savings –

Approved transfer of schools block to high needs block:

Schools Forum has agreed a £720K transfer from the Schools Block for 2019-20. Also for 2019-20, latest projections are for an underspend of £500k on CSSB that Schools Forum will be asked to agree to apply against the HNB overspend.

In 2020-21 Schools Forum will be asked to agree the transfer of £1.3m (0.5%) from the

Schools Block and the £500k from the CSSB as described above. A further transfer of £0.9m (0.34%) from the Schools Block will also be sought, requiring a disapplication request to the Secretary of State.

In 2021-22 Schools Forum will be asked to agree the transfer of £1.3m (0.5%) from the

Schools Block and the £500k from the CSSB as described above. A further transfer of £0.9m (0.34%) from the Schools Block will also be sought, requiring a disapplication request to the Secretary of State.

It must be noted that only £720k of the above funds has been agreed by Schools Forum and for 2019-20 the Forum's agreement to the additional £500k will be sought. Agreement from Schools Forum will also be sought in the following years for the £1.8m per year and a disapplication for a further £0.9m per year made to the Secretary of State.

HNFB Funding block Change

The current high needs funding block change (additional grant of £1,858,000) has been projected for all three years.

|  |
| --- |
| **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** |
| In the years 2013-14 to 2016-17, DSG brought forward reserves funded overspends in the HNB. The reserves used were: 13-14 £2.00m, 14-15 £1.80m, 15-16 £1.54m, 16-17 £1.59m.    In 2017-18 the HNB overspend was covered by underspends in other blocks, £0.82m and brought forward reserves of £1.66m.    In 2018-19, The HNB overspend of £7.07m was offset by CSSB underspends of £1.18m and brought forward DSG balances of £0.19m, leaving a net overspend of  £5.70m. There were no budgeted movements between blocks in these years, but Forum have agreed a movement of £0.72m between the Schools Block and the HNB for 2019-20.    The use of reserves was to offset the pressures on the HNB described elsewhere, alongside action to control expenditure. |

|  |
| --- |
| **Please provide details of contributions coming from the health and social care budgets towards the cost of high needs provision** |
| With regard to the development of the multi-agency placements funding protocol, a task and finish group has been set up to ensure that tri-parte funding arrangements are in place. The development of a policy outlining both the process for future joint funding of placements and the review of current placements has strengthened the multi-agency working approach. The re-instated Independent Placement Overview Panel, led by CSC, will be the vehicle through which any savings are delivered.    In 2018/19 there were 16 children and young people (not all full year) in residential School Placements and Social Care contributed £1.548m - This was the 50% costs of the placement - Currently there are no Health Contributions to these placements.    The Local Area is committed to jointly commissioning a range of provisions/interventions for children and young people with SEND. In 2018 Speech and Language contracts were aligned as the first step to commissioning of integrated therapy services which it is hoped will create opportunities to better utilise the collective resource as demand increases over the coming years. Phase one includes joining up the mainstream primary schools and also leading a multi-disciplinary task and finish group to consider the strategic approach and operational practise in integrating therapies across the system, from early years and throughout a child’s school career. The broader integration of therapies will also consider: o Pupil projections data  o Resourcing across the system (and if resources are allocated at the most effective time) o Mapping out therapies providers outside of the CCG and Council contracts. |

|  |
| --- |
| **Please explain how the LA has discharged its duties under section 149 of the Equality Act 2010, C&F 2014 and common law to consult with those affected by the changes proposed.** |
| The LA is currently engaged in an extensive consultation process, reviewing the way that the HNFB is spent. The consultation process has involved children and young people with SEND, their families, services and settings.    Whilst decisions about the way the HNFB is spent falls within the responsibilities of the council, the commitment to openness and transparency, the complexity of the problem around funding SEND and the risks to the council of challenges to changing the way the HNFB is spent, has prompted officers to invest in a two part consultation process.    The first phase which ran from mid-May to mid-June, 2019, and included a series of fifteen engagement workshops for parents and carers, supported by trained SEND Parent Ambassadors and council officers. The purpose of these sessions was to develop an understanding within the communities of the issues related to SEND funding. The sessions included:     * the challenges that the local authority face in managing the spending of the HNFB * the pressure on the HNFB, including the national funding picture * the need to review the work of services for which the council maintains elements of the HNFB, including the SLS and BASS * the increasing need to address the responsibilities of the local area in relation to young people 19-25 with SEND.     The engagement workshops considered possible solutions to these pressures, informing the options that have been included in the public consultation and a full report will be available by the end of June 2019.    The formal online public consultation asks families, services and residents in Tower Hamlets about specific options to help the Council make decisions about the use of the HNFB.    Specifically, there are questions relating to the current structure of top-up payments paid to schools to support individual pupils with an Education Health and Care Plan, and a review of the amount of money that the council currently retains to provide support for learning services for children and young people with Special Educational Needs and Disabilities.    Analysis of the formal consultation will contribute to the decision making process around the new model of inclusion support for children with high needs and the restructure of services within the LA.    Timeline:  Date Activity  24th June 2019 Consultation commences  Focus groups with children and young people will be conducted throughout the consultation period  2nd July (day) 2019 Consultation meeting – Tower Hamlets Professional Development Centre (PDC)  16th July (evening) 2019 Consultation meeting – Tower Hamlets Professional |

Development Centre (PDC)

17th July (evening) 2019 Consultation meeting – Parents Advice Centre

23rd July 2pm - 5.00pm 2019 Consultation meeting – Tower Hamlets Professional Development Centre (PDC)

26th July 2019 End of consultation **(consultation was extended to 25th August)**

Late July 2019 Collate report on the response of the consultation and initial findings August -September 2019 Report on the response of the consultation to the Mayor and consideration of proposals.

Report on the response of the consultation and consideration of proposals to be discussed at School Forum

October 2019 Consideration of detailed proposals April 2020 Implementation

|  |  |
| --- | --- |
|  | **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 | Transfer from other blocks and reserves at year end 2018-19. (described above) |
| S2 | Agreed and planned adjustments to the top-up rates, following LA review of top-ups. S2 shows the agreed cuts to top-ups for 2019-20 (1.5%) and gives indicative savings on the middle proposal of the consultation currently taking place (7%) This would happen from April 2020. |
| S3 | Adjustments to individual schedules for pupils in FE Colleges; review of schedules to show health and social care contributions. Renegotiation of contracts with main LA FE College to ensure best value. |
| S4 | Renegotiation of tripartite funding agreements with health and social care in respect of children and young people who are in specialist residential schooling, residential schooling, or in secure placements. |
| S5 | Proposed reduction in the amount of the HNFB to be retained by the LA for the delivery of services. |
| S6 | Review of the delivery of provision in AP and reduction in top-up rates. |

|  |  |
| --- | --- |
| P1 | P1 - Mainstream schools – Including maintained, special and free schools, approximately £2m pressure created by a forecast increase in pupil numbers based on historical increases. |
|  | **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,   1. further education and sixth form colleges,   independent specialist provision; E) alternative provision |
| P2 | P2 - State-funded special schools - £1m pressure based on increases in special school provision created by the expansion of special school provision for pupils with Autism and for those with profound and multiple learning difficulties (PMLD). The increase in numbers also increases pressure on pupil place payments but it does reduce pressure on out of borough provision in independent non-maintained special schools. |
| P3 | P-3 - Further education and sixth form colleges. £1.4m pressure related to increased numbers of young people with EHCPs in further education and rising costs of provision – especially with the main provider for young people within the LA. |
| P4 | P4 - Independent specialist provision; £1.7m. There is a small cohort of pupils across all age ranges, with acute complex SEMH needs, often linked to other special educational needs such as Communication and Interaction (including Autism) requiring provision at independent non-maintained special schools. An increase in the costs of independent specialist provision – both day schooling and residential placements for the most vulnerable, mostly joint funded with social care. |
| P5 | P5 - Alternative provision approximately 12% of the current HNFB goes into Alternative Provision (AP) |

The following caveats must be applied to this recovery plan:

* The plan was drawn up before the government’s announcement of increased SEND funding for 20-21.
* Items in it ***require*** Forum’s approval (or the Secretary of State’s) and we are required to consult Forum on the proposals.
* There will be a re-consultation on top-up contributions following external advice.