

## Open Report



City of  
Stoke-on-Trent

City Council

18 September 2017

### Movement of Money form the DSG Schools Block to the DSG High Needs Block in 2018/19

<b>Report of</b>	Director of Children and Family Services Cabinet Member for Education and Economy
<b>Report Author</b>	Rob Johnstone
<b>Type of Decision</b>	Budget and Policy Framework
<b>Wards Affected</b>	All Wards
<b>Stronger Together Priorities and how they are applicable:</b>	
Support our residents to fulfil their potential	

#### 1.0 Purpose of Report:

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| 1.1 | To outline and give detail behind the request to the Schools Forum by the LA to move £1m from the DSG Schools Block to the DSG high Needs block in 2018/19. |
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#### 2.0 Recommendation(s):

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| 2.1 | <b>Members of the Forum are asked to:</b> <ul style="list-style-type: none"><li>• Agree to allow the LA to move £1m from the DSG Schools Block to the DSG high Needs block in 2018/19.</li></ul> |
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#### 3.0 Summary of Main Points:

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| 3.1 | The DSG High Needs Block is currently overspent by approx. £4million and this is putting a huge strain on SEN funding, place provision and planning. The use in expenditure which has led to the overspend predominately relates to an increase in the number of EHC requests and agreements by schools since the implementation of the necessary SEND reforms over 15 months ago. This has led to an increase in SEND funded pupils in mainstream school in order that their needs can be met best by pupils remaining in the mainstream. The local authority has met demand for SEND placements via the commissioning of places not just in mainstream but in special schools, sixth form provision, alternative provision and independent specialist provision. An increase in pupils needing Special School provision and Specialist provision in other settings has also led to increase costs. Insufficient places in specialist provision remains an issue in the City and the need to place pupils in higher cost provision out of city is leading to pressures on the high needs block. An increase in the number of permanent exclusions in the city in the last two years, particularly in Secondary Schools also places pressure on funds as the need to find alternative provision has increased. |
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3.2	<p><b>The following are planned and partly commenced in order to reduce the current overspend:</b></p> <ul style="list-style-type: none"> <li>• Reduction in out of city placements for SEND pupils. (Alternative provision and specialist placements).</li> <li>• Restructure of LA SEND services – including Early Years Inclusion to reduce central costs from the DSG (staff redundancies).</li> <li>• Establishing a broader range of SEND and Alternative Provision in the city managed in areas by schools with a track record of excellence in delivering high quality provision to SEND pupils.</li> <li>• Request to Schools' Forum for £1 million transfer from DSG Schools Block to DSG High Needs Block in 2018/19.</li> <li>• Reduction in funding for Virtual School.</li> <li>• The LA will continue to work closely with schools, providers and external partners to plan its inclusion strategy and city provision to ensure that need is clearly identified, provision is mapped effectively and cost effective high quality provisions are available to all pupils with SEND in appropriate settings. There will be a move towards developing network provision across the city run by Headteachers who will collaborate on its development, quality and monitoring of effectiveness. Work with all agencies will continue to ensure a more coherent strategy for provision is implemented and meets the needs of all pupils.</li> </ul> <p>The above plans will help to reduce the overspend and bring it back in line with budgets available however, despite this and with potential increased demand, some of the savings particularly following investment in a great amount of City provision will take longer to realise than 12 months. Thus a further request for a transfer in future years, due to cost pressures, may need to be made to the Schools' Forum.</p>
3.3	<p><b>Contributions from health</b></p> <p>There are currently minimal contributions from health towards the cost of specialist places for SEND pupils and on-going discussions are taking place to establish a basis for contributions to be made where specified under EHCs.</p>
3.4	<p><b>Impact on school budgets</b></p> <p>Indicative details of the impact of the £1m transfer on school budgets in the current financial year, 2017/18, are attached for reference and consideration in appendix A.</p>
3.5	<p><b>Previous requests</b></p> <p>There have been no prior requests, by the LA, to move money form the DSG Schools Block to the DSG High Needs Block.</p>

**Technical Appendix:**

<b>List of Background papers/sources of information used for this report:</b>
ESFA Schools revenue funding 2018 to 2019 Operational guide Summer 2017.
<b>List the appendices included as part of this report:</b>
Impact of the movement of £1m from the DSG Schools Block to the DSG High Needs Block on current schools budgets-2017/18.