

SOLIHULL METROPOLITAN BOROUGH COUNCIL

Report to:	CLT
Meeting date:	18 th June 2019
Subject/Report Title:	DSG position 18/19 Outturn and 19/20+
Report Author	Stuart McHale and Steve Fenton
Type of Report	For Decision
Public/Private report:	Public
Exempt by virtue of Paragraph:	N/A

1. Purpose of Report	
1.1	To report the DSG outturn position for 18/19 and set out the budget implications for 19/20+.
2. Decision(s) Recommended	
2.1	CLT is asked to: <ul style="list-style-type: none"> (a) Note the outturn for 18/19 (b) Note the implications for 19/20+ (c) Note the actions set out in Appendices 1 and 2. (d) Make any further recommendations in support of the proposed actions.
3. Background	
3.1	The total DSG in 18/19 was £192.5m of which £150.1m was delegated to schools.
3.2	The Non Delegated DSG overspend was £1.7m on a base of £42.4m and has been be carried forward into 19/20.
3.3	The DSG outturn does not trigger a report and recovery plan to the DFE (which is set at 1% of the total DSG). Nonetheless, the outturn places a significant burden on the DSG in 19/20 and beyond. The 18/19 outturn was £4.1m before mitigating actions (primarily the use of one-off reserves, funding swaps and several one off underspends) and £1.7m afterwards. In 19/20, this means a potential deficit of £5.8m, as the 18/19 overspend has to be carried forward.
3.4	The key issue is the overspend on the High Needs Block (HNB), and primarily around External Independent school places and SEND Top Up's to schools and settings.
3.5	Solihull School Forum on 8 th May received both the outturn report, details of the 19/20 DSG budget and a series of reports setting out actions being taken to address the current position.

- 3.6 Key to this is an understanding of what has specifically happened within the HNB over a relatively short timescale. Pressures within HNB were initially reported to Forum in July of last year followed by further reports over the year. Solihull isn't unique in its current position which is being mirrored in many LA's nationally.
- 3.7 The reasons behind the current position can be summarised as follows:
- a) Increases in the number of Education Health and Care Plans (which replaced Statements of Educational Need) and the resultant numbers of children requiring support
 - b) Parental expectations
 - c) Increase in the complexity of need
 - d) Saturation of internal place provision
 - e) Reliance on external (and expensive) independent placement
 - f) Pressures on mainstream schools (financial, curriculum, and inspection) impacting on a schools' ability to be inclusive.
 - g) Post 16 legislative changes
 - h) Capacity issues at the 'Front Door' to limit the number of Plans being produced
 - i) Funding restrictions in the National Funding Formula which limit our ability to move resources between DSG funding blocks
 - j) Process issues arising from inexperienced team under enormous pressure that may be driving costs upwards e.g. handling and understanding of parental preference; dealing with schools stating cannot meet need, requesting additional funding.

4. Key Actions

- 4.1 Within the HNB there are 5 key development strands:
- (a) SEND School Place Commissioning Strategy
 - (b) Inclusion Policy
 - (c) SEND Processes
 - (d) Review of current and future provision
 - (e) Funding Strategy and Planning.
- 4.2 An initial HNB Workshop took place on 29th March. From this, there was an agreement to establish a Project Group with Terms of Reference and a project plan. Appendix 1 sets out the first draft of the high level plan. A summary of current and planned work for each of the above is set out in Appendix 2.

5. Key Implications

- 5.1 Delivery of the Council's Priorities
The options/proposals in this report are a response to legislative changes, they are not directly attributable to Council Priorities.
- 5.2 Policy/Strategy Implications – as outlined in the report
- 5.3 Meeting the duty to involve – Schools and Solihull School Forum with regard to issues affecting the DSG
- 5.4 Financial Implications – as described within the report

- 5.5 Legal implications – any actions would have to meet statutory requirements required by School Funding Regulations, DSG conditions of grant, SEND Code of Practice. Note that a number of LA's attempting to control HNB spending have found themselves subject to judicial review.
- 5.6 Risk Implications – a formal risk analysis has not yet been undertaken.
- 5.7 Statutory Equality Duty – all reviews will have to have regard to the equality duty implications.
- 5.8 Carbon Management/Environmental – n/a
- 5.9 Partner Organisations – Solihull Schools Forum, Parent Forum, specialist providers.
- 5.10 Safeguarding/Corporate Parenting Implications - all reviews will have to have regard to any review implications.
- 5.11 Customer Impact – all reviews will have to have regard to any review implications.

6. List of Appendices Referred to

- 6.1 Appendix 1 HND A3 Plan.
- 6.2 Appendix 2 Key Strands - Details

7. Background Papers and Web Links Used to Compile this Report

- 7.1 Various MTFS papers, Cabinet reports and Solihull Schools Forum reports