

DEDICATED SCHOOL GRANTS (DSG) REVIEW

Report of the Director for Children's Services

1. Introduction and purpose of the report

To present to the Scrutiny Committee the initial findings and recommendations of the dedicated schools grant (DSG) review. To gain agreement to progress the review recommendations through governance and consultation.

2. Background

2.1 Purpose of the review

The review of the High Needs Block expenditure financed by deployment of the DSG had been commissioned by Stockport Schools' Forum and senior leaders within the Local Authority (LA). The review was commissioned to:

1. Ensure that the High Needs Block is financially sustainable
2. Ensure that the spend in the High Needs Block is transparent to all parties
3. Ensure that the High Needs Block has the maximum impact in supporting young people with special educational needs and disability (SEND) within Stockport to achieve the best outcomes

The review has focussed on spend in the DSG high needs block which covers:

- Place funding and top up funding for specialist settings (i.e. special schools, resourced provision bases and pupil referral units (PRUs)).
- Support as outlined within an education, health and care plan (EHCP) for additional educational needs in mainstream schools, specialist settings and Post 16 establishments.
- Independent School Fees for the SEND cohort
- Specialist support services (i.e. Sensory, learning support, etc.); and
- Other SEN/Inclusion support services and activities. Including those to young people excluded from school.

The review was commissioned in recognition of the need for the following:

- To ensure that the high needs block in the longer term is financially sustainable in line with Medium Term Financial Plan (MTFP) recommendations
- To ensure that there is transparency to all parties in relation to spend in the block
- To ensure that the high needs block has the maximum impact in supporting young people with SEND within Stockport to achieve the outcomes identified as being strategically priority

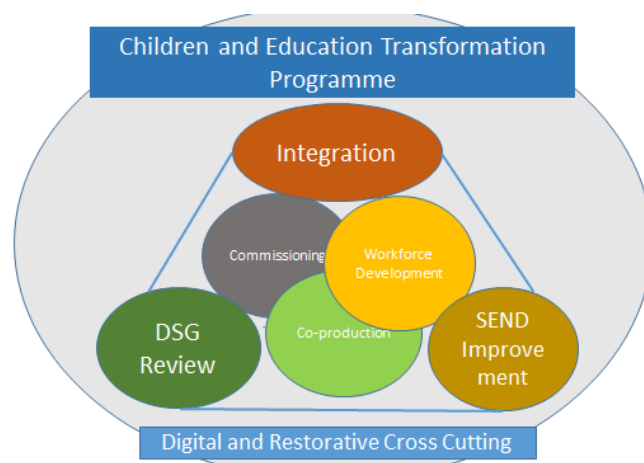
The Head of Commissioning - Improved Services was tasked in June 2019 with completing the review and then produced a 6-month timeline to gain the information, with completion of initial findings and writing up taking place in early 2020. The review has largely stuck to the proposed timeline. There has been a gap in the governance process due to proposed local elections and then the impact of the Covid-19 pandemic upon governance structures. The review has been overseen by a subset of Stockport Schools' Forum and an internal LA Management Group made up of senior officers.

2.2 Methodology Undertaken

The review has been undertaken using the following methodology:

- **Data analysis-** dashboards built for review
- **Service profiles-** All internal services funded through the DSG
- **Meeting with service heads-** One to ones with all leads
- **Visits to provision-** All resourced/special and some specialist
- **Deep dive audits-** All permanent exclusions/75 of external placements
- **Stakeholder meetings-** Expert reference groups set up
- **Reviewing information on best practice-** Regionally and nationally
- **Linking to wider SEND agenda-** Through transformation work
- **Parent/carers, children and young people's feedback-** PACT meetings/link into strategic participation worker
- **Building on and linking into previous/current work in relation to transformation-** Listening events/inspection feedback/survey results
- **Linking into wider Stockport/GM policy context-** Ensuring that work is within the current policy guidelines

The review has built upon the parent/carers, children and young person's feedback in relation to the SEND agenda being undertaken more widely within Stockport. Although no specific consultation has been undertaken as part of the review the information already being gained is vital, there is a wealth of information about current lived experience of families available to inform recommendations.



2.3 Stockport context- Finance and demand

As a result of the 2014 SEND reforms demand nationally for support has increased significantly. This has happened alongside changes to how the high needs formula was allocated in 2018 which has brought real pressure to local authorities.

In a recent GM wide briefing note it was stated that at the end of 2018/19 GM Authorities will have a collective overspend of £53m expected to be £74m by 2019/20. This is despite moving £17m from Schools block to High Needs.

In Stockport the financial situation has been:

- 2017/18 Net DSG outturn position £0.326m deficit – financed by deployment of available reserves
- 2018/19 Net DSG outturn position £1.360m deficit – financed by deployment of Council non-cash limit reserves
- 2019/20 Net DSG final outturn position £1.302m deficit – this deficit has been carried forward and will be managed within future years DSG budget setting processes.

The LA has used the flexibility available within the DSG conditions of grant in each of the past three years to transfer 0.5% of funding from the schools' block to finance expenditure within the high needs block.

The overall DSG grant and reserves/council support is summarised in the table below.

DSG grant and reserves/council support 2017/18 to 2019/20

Narrative	2017/18 £m	2018/19 £m	2019/20 £m
DSG Grant	174.139	178.612	181.558
Reserves	0.454	0.314	1.162
Total Income	174.592	178.926	182.720
Total Spend	174.919	180.286	184.022
HNB central spend of above	22.717	25.370	26.350
Variance	0.326	1.360	1.302

In terms of ongoing demand for support through high needs blocks nationally figures show 48,900 children and young people, aged 0-25 in England received new Education, Health and Care (EHC) plans in 2018, which detail the support a person with special educational needs and disabilities (SEND) is entitled to.

This amounts to 134 children and young people with SEND starting support plans each day. *National policy context- LGA June 2019.* The percentage of pupils with an EHC plan has risen to 3.1% of the total pupil population after remaining constant at 2.8% from 2007 to 2017. *ONS Jan 2019*

In terms of Stockport the data shows:

Stockport EHCP 2015-2019

Year	Number	School population %
2019	1,859	4%
2018	1,805	3.9%
2017	1,773	3.9%
2016	1,747	3.9%
2015	1,666	3.8%

Source: LA Liquid logic

Stockport is an outlier in both regional and national terms in relation to the percentage of young people who receive an EHC plan in order to meet their needs. In a national context only 12 other LA have corresponding or higher percentage numbers with 6 of these being inner city London boroughs¹.

In the last 5 years the data indicates that Stockport has above average young people on an EHC plan in order to meet their needs. This may indicate a gap in the current education early help and SEN Support offer to both pupils and mainstream schools and alternative settings. In corresponding data Stockport has lower than average SEN Support numbers (early help). This could indicate that support is not being provided at the right level at an earlier stage. This will be explored further in the SEN support section of the report.

Stockport SEN Support Numbers 2015-19

Year	Number	School population %
2019	4,968	11.7%
2018	4,505	9.9%
2017	4,304	9.5%
2016	4,446	9.8%
2015	5,208	10.7%

Note: Current SEN support- NW average is 12.1% **Source:** School census

The modelling would suggest that at current rates and with population the following demand will be needed:

Group	2018	2023	2028	Change	% Change
EHC Plans	2,230	2,370	2,450	+220	9.9%
SEN Support	5,480	5,770	5,890	+410	7.4%
Total SEND	7,710	8,140	8,340	+630	8.1%

¹ Knowsley/Barnsley/Torbay/South Tyneside/West Berkshire/Isle of Wight/Merton/Tower Hamlets/Wandsworth/Hammersmith and Fulham/Islington/Lambeth

This gives an overall 8% rise in the SEND population over the next 10 years, with 220 more with an EHC Plan and 410 additional receiving SEN support. This is the most conservative estimate as the data on SEND prevalence suggests that rates are increasing over time.

2.4 Inspection findings

In September 2018 Stockport had its SEND Joint Area Inspection. This resulted in several shortfalls being highlighted and the need for a Written Statement of Action (WSoA) to address identified weaknesses. The DSG review has built upon the findings of the inspection and the feedback gained as a response, including from parent/carers and young people.

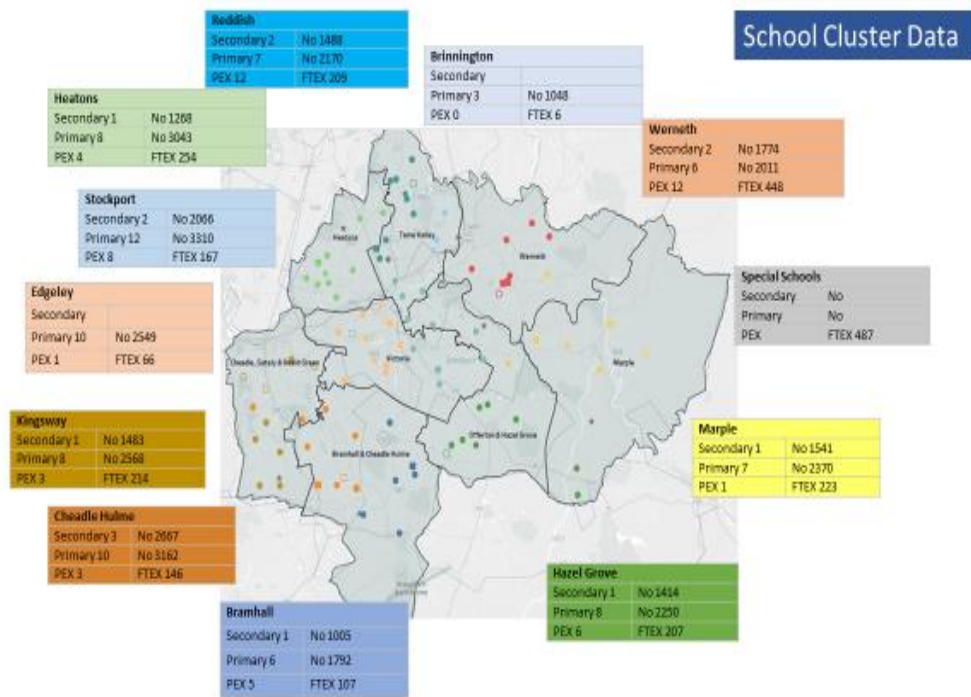
There has been strong feedback from stakeholders in Stockport that change is necessary within the current system. The DSG review has linked into the other transformation work being undertaken with Stockport as detailed below. The SEND improvement work and learning from the Inspection have been central within the review.

2.5 Demographic information

It is useful to provide further Stockport demographic specific context in relation to the review. The SEND population should not be seen in isolation.

There are currently 82,248 children and young people aged 0 to 24 years living in Stockport. Distributions of age groups are similar to the national and GM averages until the age of 18, as significant numbers of young adults leave Stockport, either for further or higher education or to find work or affordable housing. (Joint Strategic Needs assessment, JSNA)

The total population aged 0-24 has been reasonably stable over the last 10 years, but is expected to rise over the next 10 years to 87,550. This is driven by changes in birth rates which reached their lowest point in 2001 (2,900 births), then rose (3,500 by 2012) before settling at 3,300 a year by 2018. As the low birth cohort ages out of the children and young people's population the population is expected to grow, (JSNA) Stockport has 85 Primary Schools and 14 Secondary Schools

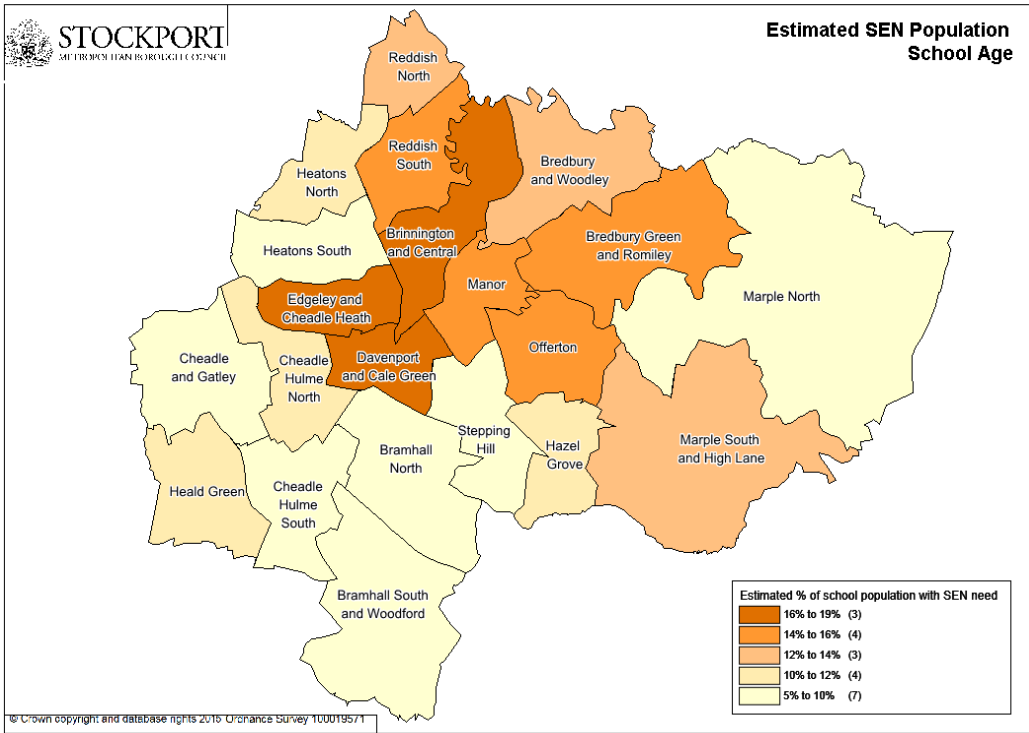


In addition, Stockport has six special schools, three primary and three secondary providing support to young people who have EHCP and high needs. The special school population currently stands at 643 young people (225 primary, 416 secondary)

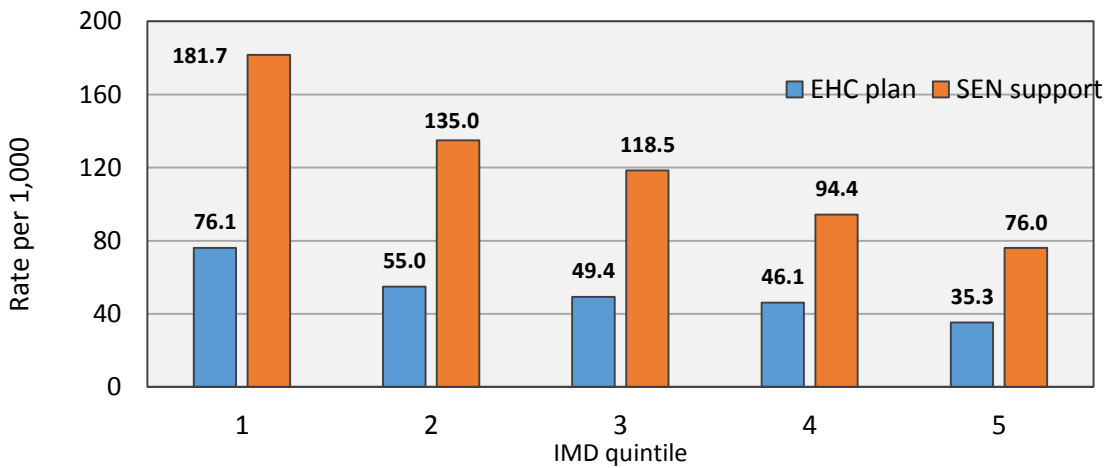
Funding is allocated to specialist settings based on the national “place-plus” funding system model and the host LA determines the number of planned places to be commissioned at each setting.

There are also two nursery and ten school age resource units within Stockport aligned to mainstream schools providing support to young people with additional needs but who can also access a mainstream environment. Currently 146 children and young people attend these provisions (10 nursery, 95 primary and 41 secondary age children)

Stockport also has three pupil referral units. Highfields, Pendlebury and Moat House with 190 current students in total. The proportion of children and young people is not spread evenly across the borough. The SEND population is also not spread evenly as detailed below:



There is evidence to suggest however, that levels of SEND need are in part linked to deprivation, particularly in respect of lower level SEN support. The graph above shows the link between indices of deprivation and SEN need within Stockport. The proportion of children and young people with an EHC plan or receiving SEN support in Stockport are more than twice as high in the most deprived quintile (1) compared to the least deprived quintile (5). (SEND JSNA)

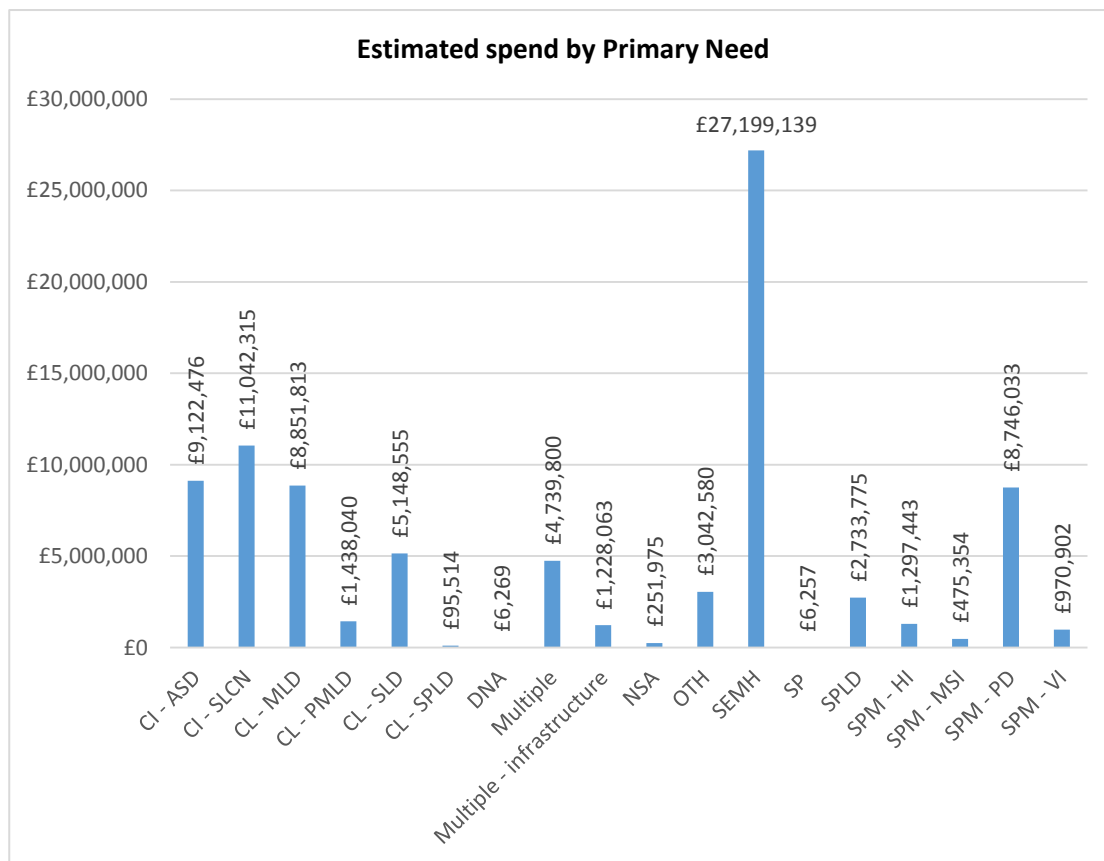


In terms of the school attended, most young people in Stockport with SEND are educated within mainstream schools. The joint strategic needs assessment found that 43.4% of children with SEND codes in Stockport are educated in mainstream schools. This is higher than the England and North West averages, although broadly comparable with statistical neighbours.

31.7% of SEND children overall at present in Stockport are educated in special schools. This is significantly lower than the national average but, again, closer to the values seen in statistical neighbours. This situation seems to be changing however, for children who were newly started on an EHC plan in 2018, 61.5% were able to remain in a mainstream school

whereas only 23.4% were being educated in a special school. There may be several explanations for this, such as an increased ability for mainstream schools to handle complex needs, or that mainstream schools have a perception that an EHCP is required to gain support at an earlier point. The biggest area of spend for the SEND population within Stockport is in relation to SEMH provision. This is defined as:

“A wide range of social and emotional difficulties, which manifest themselves in many ways” ranging from being “withdrawn or isolated, as well as displaying challenging, disruptive or disturbing behaviour”².



Source: Corporate External Commissioning Register, July 2019

The table above details spend over the year 2019 across the whole Stockport system for young people aged 0-25. This includes health care spend. The highest rate is clearly, social, emotional and mental health needs as c£27 Million. The second highest being speech, language and communication at c£11 million.

It is of interest that in 2018 in relation to young people with an EHCP within Stockport 22.2 % had a primary need of speech, language and communication needs, with another 22.3% had social, emotional or behavioural needs as their primary need.

It is recognised that the findings of this review are not just directly related to SEND within its narrow definition of education and so only relevant to Childrens Services. There is a clear inter-dependency between the SEND agenda and the wider work of the LA, for example in relation to poverty proofing, and the strengthening of community assets.

² Timpson, 2019

3 Financial and Staffing Implications

3.1 Current financial situation

The current financial situation has been detailed within the background section of the report (see section 2.3 above). There is a need in the longer term to bring the total spend on high needs within the DSG envelope available.

The Prime Minister announced in August 2019 a 3-year national pledge of £13bn over the period 2020/21 to 2022/23 for schools and SEND. This provided a baseline increase of c.£2.3m in Stockport's DSG high needs block allocation for 2020/21. Further detail of the split and LA allocations for the next two subsequent years is expected later this term.

It is anticipated that the review could achieve efficiency of up to c.£1.6m. This will include initial significant savings achieved in the following ways:

- Internal staffing restructure to bring inclusion services together under one management with a revised reduction in spend
- Restructuring of the Pupil referral unit (PRU) offer
- PARE placements and support offered in a different way to schools
- Re-configuring of resource provision over time

However, it needs to be noted that within the review there has been recommendations to strengthen aspects of provision, and to develop areas of practice. This includes investment totalling at least £1.150m from the high needs block. This would provide a potential net saving of approximately £0.450m.

3.2 Staffing Implications

It is anticipated that there will be an impact upon both internal and external staffing structures if the full recommendations are progressed. The area of significant impact would be upon internal LA Education inclusion services. A re-configuration would result in a new internal management structure. It is worth noting however that an integration of children's services is already in train and agreed.

The other area of potential staffing impact would be the PRU (Moat House/Pendlebury and Highfields) the recommendation to revise the offer would result in potential management and staff reductions.

The detail of the impact would be further worked up once proposals move through the consultation period and governance processes.

4 Conclusion

A full review report has been produced. This is highly detailed and has 71 separate recommendations. The report can be condensed into the following sections with headline recommendations.

Early Help and Sen Support: A key finding of the review is that early help is paramount within SEND. There is a need to strengthen the early help agenda so that support is received at the earliest point. This will have an impact on the outcomes for young people

and consequently spend. There is a need for early identification and support for children, young people and their families. The review identified the need to strengthen early help support to schools, including focus of LA provision, workforce development and availability of resource. Specific recommendations include:

- Clear focus upon early years and speech, language development. Including building upon this with Elklan (Speech and language toolkit) in schools
- Further work to embed and build upon Entitlement framework
- Strengthening the early help SEN support systems, including LA staff input into schools to strengthen key practice and roles
- Workforce development to strengthen early identification, particularly in relation to speech, language and communication needs
- Re-configuration of current staffing structures in order to focus the offer on early help and inclusion within a place-based model. This includes staffing in learning support service, inclusion, behaviour support.
- LA service to provide a clear strategic focus on strengths-based, evidence informed approaches and inclusion.
- Supporting the SEN early help offer and providing demonstrable improvements in outcomes
- Development of an early help additional finance resource for schools

Quality, Commissioning and Workforce: The review has found that to effect system wide change there needs to be a clear focus upon the four elements of understanding need, commissioning, quality assurance, and workforce development. Commissioning of services needs to be in line with the long-term priority for both individual children and young people and for Stockport as a whole. This needs to be outcome driven. There should be a clear quality assurance of service provision both internal to the LA and external to ensure that the very best services are provided to young people and families. The underpinning of all change is a skilled and well-trained workforce. The review identified the need to have one clear strategic vision, one voice and offer to schools, including the workforce. The review recommends:

- Local Authority (LA) services are strategically aligned to have one operating model to define culture and practice and to gain “one voice”
- The EHCP teams are brought together and procedures reviewed to ensure best practice and strengths-based, person-centred approach utilising community assets as well as commissioned services
- A centrally held training offer to schools to avoid duplication and to ensure quality with a clearer offer to learning mentors
- Formation of robust quality assurance systems and governance for internal and external provision
- Defining the role and expectation of all strategic leads to support inclusion including the role of school improvement
- Ensuring there is clear oversight of internal and external placement for quality and value for money

- Progression of placed based and innovative ways of working with the SEND community. This includes a clear strengths-based approach with the restorative principles of “doing with-rather than to” building on innovation in other parts of the LA, for example Heaton’s project
- Commissioning to be based on community need rather than blanket offers across Stockport

Emotional Wellbeing: Emotional wellbeing is now more than ever a key driver within SEND provision and one which needs strategic attention within Stockport. Currently the system of support is not achieving the necessary outcomes for young people and their parents/carers. The systems are too complex and not transparent enough. Early support for emotional well-being issues is vital to achieve positive outcomes for young people.

The review identified the need for a revised emotional wellbeing offer, strengthening support within schools, including one point of access to gain emotional wellbeing support/advice. The review recommends:

- The reviewing/structuring of the current school’s wellbeing offer to align with other support services to gain a joined up approach
- The implementation of a “emotional wellbeing hub”, to provide one point of access to information, provision and support
- All services and future commissioning to be brought into the I-Thrive framework
- The development of one training offer for emotional well-being which starts with a basic grounding for all the workforce, including trauma informed as a area.
- The development of school-based resource provision to support young people with their emotional well-being within their local schools

Specialist Settings: The specialist settings within Stockport support the most vulnerable learners. There are currently significant sufficiency pressures within this sector. This is resulting in the use of external placements which are of high cost, and in some instances at distance from home. There is a need to ensure that these placements are robustly meeting the needs of vulnerable young people and to ensure sufficiency of specialist provision both within special schools and resourced provisions for the longer term.

The review identified the need for a sufficiency strategy for next 10 years aligned to inclusion strategy. There is a need to clearly define the continuum of support and to plan for provision as close to the young person’s home as possible. The review recommends:

- Development and implementation of a ten-year special school and specialist setting sufficiency strategy, including defining the remit of each setting
- The implementation of new finance “bandings” for special schools to ensure resourcing transparency

- The re-configuration of the resource offer over the next 5 years to ensure that this is inclusive and supports young people within their local community. This will enable spread across the borough

Inclusion and Pupil Referral Unit (PRU) Offer: Inclusion is key to the SEND agenda. The review has found that there is vital work needed to enhance inclusion within Stockport. This is from SEN support through to the special school offer and preparation for adulthood. In terms of exclusion and those who are at risk of exclusion there is a need for a re-framing of the agenda and support to ensure that schools are supported to be as inclusive as possible

The review identified need for a Stockport Inclusion Strategy and action plan, including the PRU offer to meet current need and to ensure positive outcomes for Stockport young people. The review recommends:

- Commitment to making Stockport a trauma informed area and support for schools on behaviour management based within a clear and consistent operating framework
- Formation of cluster inclusion partnerships with schools aligned to the PRU offer with early help funding
- The re-design and restructure of the current PRU offer to ensure that emotional well-being is a central priority and support is accessed and available within mainstream schools. This includes changing PRU resources and commissioning of placements.
- The development of Alternative provision offers for vulnerable young people
- The strengthening of the PRU service as experts to provide advice and assistance to schools, including alignment with the social, emotional and mental health provision
- The formation with partners of a Stockport inclusion strategy and action plan
- Ensuring that admission and transfer protocols are fair, accessible, transparent and robust

5 Recommendations

The recommendations span a five-year implementation period 2021- 2026. The implementation periods are needed to ensure that there is minimal disruption to children and young people, for example if schools resource provision is re-modelled the current pupils would not be affected.

There are areas of high priority identified and these would be within the first year of the plan. These would include: internal staffing restructure, PRU offer, strategy formation and a focus upon early help.

The review recommendations have now been discussed at both children's Senior Management Team and Corporate Leadership Team.

The Scrutiny Committee is requested to comment on the report and its proposals prior to its submission to Cabinet and being consulted on more widely.

Proportionate and appropriate consultation will take place with various affected stakeholders. It is proposed that the consultation window will run between July 2020 and November 2020 with various consultation exercises conducted throughout this period.

The final sign off for proposals following consultation and amendments would be in December/January 2021, with an implementation plan in place for the next five years.

6 EIA completed Yes or No (Comments if none needed)

Yes, please see attached.

7 Appendices (please specify)

Appendix One: Equality Impact Assessment

BACKGROUND PAPERS

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Bev Milway on Tel: 0161 218 1785 or by email on bev.milway@stockport.gov.uk