

Report subject	<b>SEND Capital Programme and Delivering Better Value (DBV)</b>
Meeting date	16 January 2023
Status	Public Report
Executive summary	This report provides an update on the Council's progress as part of its participation in the Department for Education's Delivering Better Value (DBV) programme. The programme is designed to provide dedicated support and funding to help local authorities with substantial deficit issues in their high needs block of the dedicated schools grant (DSG) to reform their high needs systems. BCP Council is one of 55 LAs participating in the first cohort of the programme. The Council is using the DBV programme to validate the direction of travel of the Council's Written Statement of Action and High Needs Block Recovery Plans and further inform the prioritisation of workstreams, their implementation and associated timelines. The programme will help BCP Council prepare and submit a grant application for transformation funding of £1m and this will be used to impact the trajectory of high needs expenditure.
Recommendations	<p><b>Schools Forum is asked to note:</b></p> <ul style="list-style-type: none"> <li>i. the findings and outputs identified following the Council's completion of all DVB programme modules</li> <li>ii. the progress of the SEND programme of expansion and the estimate return on investment/savings or benefits as set out in the attached presentation at Appendix 1.</li> </ul>
Reason for recommendations	The council has a significant high needs deficit and the Council's inclusion in the DVB programme provides an opportunity to further mitigate the high need spend trajectory and improve the Forum's knowledge of how the trajectory and deficits will be tracked both locally and nationally.
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Wards	Council-wide
Classification	For Information

## Background

1. This report provides an update on the Council's progress in the Department for Education's Delivering Better Value programme. The DBV programme was announced by the Department for Education (DfE) in February last year and is designed to provide dedicated support and funding to help local authorities with substantial deficits issues in their high needs block of the dedicated schools grant to reform their high needs systems. It does not provide funding towards reducing the deficit.
2. BCP Council is one of 55 LAs participating in the first cohort of the programme. This is set against significant concern about the escalating deficit in the DSG with low council general fund reserves. The aim is to improve delivery of SEND services and put local authorities on a more sustainable footing so that they are better placed to respond to the forthcoming special educational needs and/or disabilities (SEND) reforms. Participation in the programme is voluntary. The emphasis on this being an enabling and supportive programme with strong focus on the mutual learning across the wider system.
3. The DBV programme is being used to validate the direction of travel of the Council's Written Statement of Action and High Needs Block Recovery Plans and inform the prioritisation of workstreams, their implementation and associated timelines. In essence, the programme will help BCP Council deliver savings and support the Council's deficit recovery.

## DBV Programme Objectives

4. BCP Council is working with a DfE appointed team of consultants in collaboration with the Chartered Institute of Public Finance and Accountancy (CIPFA) to identify local and national opportunities to improve the outcomes for children and young people with send. In order to achieve this, we know that:
  - the child must remain at the centre of everything we do
  - we must listen to the challenges from the perspective of those receiving support
  - collaboration with partners and children and families is key
  - funding is a challenge and a key source of frustration that should be considered through-out the planning.

## DBV Approach

5. The DBV programme provides support to LAs through two key approaches:
  - i. **Grant Application:** To identify sustainable changes in each LA that can drive high quality outcomes for children and young people with SEND and support LAs in building an evidence-based grant application to assist the implementation of those changes
  - ii. **Informing Long Term Reform:** Build an objective evidence base across the sector which can be used to inform future policy and funding reform, build a national play book and share best practice and inform a national programmes of similar scale and intent.

## Outline of DBV Programme and Progress

6. The programme is delivered across 3 modules culminating in a formal submission of a grant application to the DfE for transformation funding of up to £1m. Details of the findings and outputs for each of the modules is set out in the table below. Highlights of this work are summarised as follows:
  - The baselines and forecasts show a sustained upward trajectory in the unmitigated spend profile over the next 5 years. This identifies a cumulative deficit of £300m by 2026/27 in BCP.

- Root causes of non-ideal outcomes for children and young people driving increased cost pressures include lack of specialist places, low parental confidence and awareness of support available across the system and inconsistent reviews of EHCPs.
- The DBV process has identified 4 opportunities /workstreams necessary to change the spend trajectory and bring about savings. Together, these opportunities will help to deliver savings of between £20-£30m but not eliminate the funding gap in any year. An important part of this work is the opportunity to increase the number of specialist places available in maintained school provision. This coincides with work already underway in BCP as part of the SEND programme of expansion. Details of the progress of the progress of this work and the opportunity an increased number of places will deliver in terms of savings/return on investment is attached at **Appendix 1** (see SEND Capital Builds and DVB Presentation).

**Table 1: Modules that make up DVB Programme and BCP's Progress to-date**

	<b>Module Objectives</b>	<b>Findings and Outputs</b>
<b>Module 1 Sept – Oct</b>	<p><b>Baselines and forecasts</b></p> <p>Provides a view of the unmitigated spend position</p> <ul style="list-style-type: none"> <li>• Projection modelling</li> <li>• Savings due diligence</li> <li>• Pattern of Occurrence analysis</li> </ul>	<p><b>Unmitigated Deficit Projection:</b> The unmitigated 5-year cumulative deficit for BCP is projected to be £300m by 2027/28 (note: figures are draft at this stage and are subject to confirmation).</p>
<b>Module 2 Oct – Nov 22</b>	<p><b>Root cause diagnostics</b></p> <p>Shows the root causes of non-ideal outcomes and the mitigated spend profile</p> <ul style="list-style-type: none"> <li>• Case Reviews</li> <li>• Data analysis</li> <li>• Deep dives (school, parent and front line engagement)</li> </ul>	<p><b>Drivers for increased spending:</b> The diagnostic identified the drivers for the increase in spend as follows:</p> <ul style="list-style-type: none"> <li>• Lack of capacity of existing state-maintained specialist school places and scope to maximise utilisation of existing capacity</li> <li>• Low parental confidence in support for children, lack of visibility of a child's support, parental input in reviewing efficacy and child's voice in EHCP process</li> <li>• Under-utilisation and awareness of support available across BCP</li> <li>• Inconsistent reviews of EHCPs resulting in increase in duration of additional provision</li> </ul> <p><b>Mitigated Spend Profile:</b> The mitigated spend profile shows savings opportunities of between £20 – 33m over 5 years.</p>
<b>Module 3 Nov – dec 2022</b>	<p><b>Implementation Planning</b></p> <p>Helps shape the workstreams/opportunities necessary to address these issues</p>	<p><b>Opportunities and Savings:</b> There are 4 opportunities identified as necessary to address these issues. The details together with the savings/benefit of each of these opportunities are as follows (savings exclude associated costs to deliver each opportunity):</p> <p><b>Opportunity 1:</b> Increasing the capability of SEN Support resulting in the need for fewer EHCPs bringing an annualised and 5-year cumulative saving of £1m</p> <p><b>Opportunity 2:</b> More CYP's needs being met in mainstream provision bringing an annualised and 5 year cumulative saving of £6m</p> <p><b>Opportunity 3:</b> Increasing SEND spaces and better utilisation special school spaces bringing an annualised benefit/saving of £8m and 5 year cumulative benefit/saving of £22.3m</p> <p><b>Opportunity 4:</b> Annual Review backlog. Savings/benefit to be confirmed/work in progress.</p> <p><b>Total DBV Savings Opportunity:</b> Total opportunities/mitigations could bring an annualised benefit of £15m savings or cumulative savings over 5 years of £29m.</p>

7. **Grant Funding Application:** The findings and outputs from the diagnostics form the basis of the Council's grant funding application to the DfE. The Council plans to submit a bid for funding of £1m.
8. **How the grant funding will be used:** It is planned that grant funding of £1m will be used over an 18 month period (as directed by the DBV programme) for the following activities:
  - Recruitment - Educational Psychologists
  - Setting-up and staffing costs for the delivery of a dedicated SENCo Advice Line
  - Provide Healthy parent/carer facilitator training
  - Recruitment of SEND Lead for Capital Projects to provide SEND specialist support for the evaluation and development of capital schemes
  - Procurement/engagement of a partner to support the operational delivery of capital projects
  - Recruitment of Case Officers to address the annual review backlog
  - Procurement of new system (Enhance) to write plans
9. **Timeline for the submission of the application:** The Council is working to submit the grant application aligned to the following timescales.
  - 13 January 2023: first draft of grant application and share with the consultant team
  - 27 January 2023: second draft of grant application - DfE input from SEND Advisor and Vulnerable Children Unit, CIPFA will be assuring the unmitigated and mitigated financial scenarios
  - 24 February 2023: finalise grant application following feedback from consultant team
  - 31 March 2023: grant allocated to BCP (contingent on a successful bid)
  - 1 April: Implementation
10. The deadline for the finalised application is 24 February 2023. As part of the implementation phase of the programme, the Council will receive support from DfE officials and their local SEND advisors to deliver the plan and realise these opportunities to improve. At the time of writing this report, the Council was finalising its first draft of the grant application.

### **Options Appraisal**

11. A decision could be taken not to participate in the programme though the council would need to be mindful of the significant high needs deficit. Additionally, the council would not be able to benefit from the additional resource and learning that is attached to the DBV programme leaving the Council vulnerable to other intervention measures.

### **Summary of financial implications**

12. The council needs to consider all options to reduce the DSG deficit to more manageable levels but the work to date does not indicate how it can be eliminated. The national accounting override enables the council to hold the DSG deficit separately from its other reserves. This is not sustainable as the council is spending more than it is receiving, and it would normally have to set that off against positive reserves.
13. High needs funding has increased in recent years but not by enough to keep pace with the growth in EHCPs. BCP has seen a significant increase over recent years and while

the high needs NFF increases according to number of children supported, it does not increase in line with actual cost pressures. BCP has a large part of the funding (proportion of historic budget) protected because historic funding was relatively high according to its data compared nationally which means this element of funding grows at minimum levels each year.

### **Summary of legal implications**

14. The SEND Code of Practice sets out the statutory guidelines and policy for SEND and contains details of the legal requirements that the local authority, health bodies, schools and colleges must follow without exception to provide for those with special educational needs under part 3 of the Children and Families Act 2014. The statutory duties include:
  - the need to undertake a needs assessment where a child may have additional needs
  - to issue an education, health and care plan within 20 weeks where assessment provides evidence this is required to meet the assessed needs
  - the local authority must then secure an appropriate school place and must consult with parental preference.

### **Summary of human resource implications**

15. If the grant application is successful, the DVB programme would fund additional capacity to deliver our mitigations. This would entail recruitment to new posts. Further detail will emerge following the outcome of the grant application.

### **Summary of sustainability impact**

16. Mitigations projected to have the greatest impact on reducing the deficit is the creation of additional local specialist places in state maintained and mainstream school settings. This will help provide local places for local children and thereby reduce travel and transport requirements for children and associated costs. Additionally, capital projects must comply with local planning policy which include energy efficient measures. Both aspects contribute positively to the Council's climate change strategy.

### **Summary of public health implications**

17. The pandemic has had an impact on children's education progress and the mental health and wellbeing of children and young people. As a result, the Council is seeing an increase in the number of children with Social Emotional and Mental health needs and increased demand for EHCPs. This intensifies the pressure on the high needs budget and impacts the Council's ability to change the trajectory of high needs expenditure.

### **Summary of equality implications**

18. Equality impact assessments will be undertaken for substantive changes and capital schemes developed and delivered as a result of engagement in the programme.

### **Summary of risk assessment**

19. It is vitally important that we continue to ensure the appropriate additional support is in place to support the educational progress of our most vulnerable children and that

ensuring the best outcomes for vulnerable children remain at the heart of any DBV grant application and associated action plan.

20. Despite the Council's current comprehensive DSG recovery plan, the Council is still forecasting a significant deficit. The DVB programme provides an opportunity to attract investment and help increase the pace of transformation. External support and access to evidence-based practice could help reduce the forecast deficit through additional capacity and invest to save funding. The Council's capacity to change the trajectory of the current spend profile and associated risk will be reflected in the grant application with confidence weightings applied to each of the 4 saving opportunities. However, given the complexity of the range of interrelated factors and interdependencies at play, there is no guarantee that the Council will mitigate the deficit to the extent projected.

## **Background papers**

## **Appendices**

Appendix 1 SEND Capital Builds and DVB Presentation