

Dedicated Schools Grant (DSG) Deficit Recovery Plan

The ringfenced Dedicated Schools Grant fund has been in a cumulative deficit position for a number of years now. A cumulative deficit of £1.358 million is anticipated at the 31st March 2024 and in-year expenditure continues to exceed the grant allocation. The deficit is carried forward in the accounts as a ringfenced negative reserve balance.

DSG deficits have been growing across the country in recent years principally due to rising levels of young people requiring additional support with their education due to special educational needs and disabilities (SEND). Over time, in most local authorities, including Windsor and Maidenhead, the cost of providing statutory support for young people with SEND has risen at a faster rate than the level of funding provided through the Dedicated Schools Grant. This has put pressure on schools budgets, as they fund the first £6,000 of support, and on the High Needs Block where the balance of education support is funded from.

Local Authorities have a statutory duty to assess the needs of young people and where a child meets the threshold work with partners to agree an Education, Health and Care Plan (EHCP). An EHCP outlines the package of support that a child or young person is eligible for between the ages of zero and 25 where they have additional needs. It includes education support which is funded by the Dedicated Schools Grant, care support which is funded by either children or adult social services and health support which is funded by Health.

Although the DSG is a ringfenced grant, the growing deficit being carried forward does present a risk in relation to the Borough's financial sustainability. This risk is not immediate as there is currently a statutory override in place providing that Local Authorities do not need to take this deficit into account when assessing financial viability. The statutory override is in place until 2026. It is unclear whether the national override will be extended beyond 2026.

The Department for Education has provided guidance outlining that all Local Authorities with a cumulative deficit in excess of 1% of the total DSG Fund must have a deficit recovery plan in place. The deficit in Windsor and Maidenhead is 0.9% and so although it does not meet the threshold a plan has been developed that outlines how the fund will be brought back into balance by March 2027. It should also be noted that the complex nature of some children's needs means that small changes in the cohort of children can have a significant financial impact. There are also a number of unknowns, including the level of grant increase that will be received over the coming years, and how that will compare to demand and inflationary pressures.

The DfE acknowledges the current challenges which local education systems are experiencing in delivering SEND services. The Delivering Better Value in SEND programme (DBV in SEND) aims to support local authorities and their local area partners to improve the delivery of SEND services for children and young people, whilst working towards financial sustainability. The Royal Borough has been invited to take part in the Programme and has submitted a plan to the DfE. The DfE has approved the plan and allocated £1,000,000 of one off invest to save funding to support the borough to implement the local improvements.

Appendix L (cont)

The key actions in the programme and financial implications are outlined in the table below. The plan should support the fund to come back into balance by March 2027. The position will be carefully monitored over the coming years to ensure that it achieves the financial efficiencies that are planned. It will be revised to reflect learning from implemented actions, future DSG grant settlements as well as emerging opportunities and risks.

Appendix L (cont)

Table 1: Summary of Delivering Better Value Plan

Description of initiative	What it involves	Financial impact £000	Key risks to implementation and potential mitigations.
Intervening early so that the goals and aspirations of young people can be achieved without the need for an EHCP in mainstream settings	Continuous review and development of the local early help offer including confidence of schools staff to support children early and avoid escalation of needs.	199	Consistent inclusivity of all schools. Pressure on school staff of growing numbers of children with EHCPs, complexity of needs and challenging schools budgets. AfC capacity to support schools.
Development of local offer and supporting the needs of children through non independent settings	Further development of a strong local offer that is clearly communicated and meets the needs of local children. Increase local places in SRPs and special schools as well as support school confidence to teach children in mainstream settings.	870	Availability of local places. Parental confidence in non independent settings. Uncertainty about the needs of the future cohort. Availability of capital.
Assessment, planning and review.	Maintaining clear thresholds for assessing the need for an EHCP and completion of high quality EHCPs in a timely way when a plan is needed. Embed annual review process so that support remains tailored to the needs of children and young people and plans	320	Viability will depend on the changing needs of the cohort. EHCPs can only be ceased if the plan is no longer needed / adding value.

Appendix L (cont)

Description of initiative	What it involves	Financial impact £000	Key risks to implementation and potential mitigations.
	ceased where they are no longer needed.		
Further development of strong commissioning practices	Strengthen the placement brokerage team so that we pay competitive fees for independent places and are confident that the school is delivering what is paid for. Agreed local guidance to ensure that all local partners are paying their fair share.	510	Inflation, market competition, availability of suitable local alternatives
1. Close management oversight and joint working between Finance and Education Teams to minimise spend and improve forward planning.		0	Staff capacity in Finance and Education Teams. Cost pressures locally and nationally. Recruitment and retention. Increased pressure from parents and mainstream schools for specialist placements.

Appendix L (cont)

Description of initiative	What it involves	Financial impact £000	Key risks to implementation and potential mitigations.
<p>2. The SEN banding to be reviewed to ensure it supports children effectively, with an ongoing focus on quality first teaching helping to 'shift' the approach to inclusion by schools. Quality Assurance of Panel decision-making to ensure that placement/provision decisions are appropriate and evidence-based to reflect the needs of the child.</p>	<p>Reviews of (a) banding and (b) decision-making to be carried out by April 2024, drawing upon best practice of funding models nationally.</p> <p>Area SENCOs to meet regularly with school SENCOs to review and moderate decisions.</p>	<p>200</p>	<p>Engagement of all schools with this process and their level of understanding of SEN funding. Reluctance in some schools to move away from 1:1 TA model only .</p>
<p>3. Local engagement events regarding SEN support and ordinarily available provision to facilitate a reduction in unnecessary EHCNA requests.</p>	<p>Following success of inaugural event, further engagement events with parents to be co-produced termly with SEND Voices, covering subjects such as Ordinarily Available Provision.</p> <p>Developing KPIs set by inclusion ambassadors to measure progress towards outcome-statements created by young people.</p> <p>Majority of schools signed up to Quality First teaching training delivered by Tom Sheridan WalkThrus programme, Sep 23 – Sep 24.</p>	<p>50</p>	<p>Capacity of LA staff and of local parents to plan and deliver this.</p> <p>Willingness of borough residents to engage with this and accept some difficult messages.</p> <p>Difficulty in increasing confidence of schools and parents in OAP.</p> <p>Ongoing impact of pandemic on mental health and school attendance leading to pressure on EHCNA requests.</p>

Appendix L (cont)

Description of initiative	What it involves	Financial impact £000	Key risks to implementation and potential mitigations.
4. Increased use of the dedicated SEN commissioning function, including joint working with neighbouring boroughs, to manage SEN placement costs	<p>Increased understanding of the local market, building relationships with neighbouring commissioning teams, joint LA discussions with suppliers regarding fee levels and quality assurance.</p> <p>Review of independent therapy contracts to ensure they are cost-effective and robust.</p> <p>Capital investment in resource units and special school.</p>	50	Staff capacity. Lack of competition in the market and increased demand for placements from LAs across the region leading to upward pressure on fee levels. Cost impact of being a net importer of pupils due to quality of RBWM provision.
5. Exploration of Health and Social Care contributions via IRAP (joint commissioning panel)	Agreement of cost-sharing protocols and financial arrangements to support this.	100	Lack of agreement on cost sharing model. Cost pressures on all services and shortage of highly specialist provision.
6. Regular monitoring of young people placed in alternative provision to promote a return to mainstream schooling rather than specialist provision.	A programme of monitoring visits to discuss support arrangements, quality assurance, costs and exit plans for pupils.	30	Staff capacity to monitor all providers regularly. Ability of a small LA to influence providers to deliver positive change.

Appendix L (cont)

Description of initiative	What it involves	Financial impact £000	Key risks to implementation and potential mitigations.
7. Further developing Social Emotional Mental Health (SEMH) outreach service to strengthen Tier 1 AP.	Successful three-year programme has resulted in reduction in Permanent Exclusions (PEX) and need for Pupil Referral Unit placements. Continue with service supporting individual children at risk of PEX and building capacity in schools to manage SEMH needs.	60	Recruitment and retention of school staff to manage SEMH needs. Mental health support for children.
8. Improved early identification and support in schools for SLCN	New Speech, Language, Communication Needs (SLCN) provision being developed locally. New school readiness provision opening Sep 2023.	60	Need outweighs demand. Ongoing impact of pandemic on early life experiences and school readiness.
9. Neurodiversity support in mainstream schools	New Autism Spectrum (ASC) Centre opening Sep 2023. Work with Health on ND toolkits. ASC Outreach from local secondary school and special school funded by LA.	30	Need outweighs demand. Waiting lists for ASC diagnosis. Lack of specialist support staff in schools.
	TOTAL	2,479	