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## **Children and Families Committee**

**16 September 2024**

### **Update on the progress of the key areas of the Dedicated Schools Grant Management Plan 2024/25 to 2030/31 – Quarter 1 2024/2025**

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**Report of: Claire Williamson – Director of Education, Strong Start  
and Integration**

**Report Reference No: CF/30/24-25**

#### **Purpose of Report**

- 1 To provide the Children and Families Committee with up-to-date information on the progress of the mitigations detailed within the Dedicated Schools Grant (DSG) management plan and to provide a forecast outturn position in relation to the DSG deficit reserve.
- 2 Progress and the forecast outturn position within this report are based on quarter 1 April 2024 – 30 June 2024.
- 3 Monthly updates outside of the committee system have been provided to all members of the Children and Families Committee. Details of the monthly updates have been loaded on to the committee hub for member reference. This report captures the previous updates.

The Children and Families Committee is recommended to:

1. Scrutinise and note the key areas of progress outlined in this report regarding the DSG Management plan 2024/25 to 2030/31.
2. Note that this briefing report outlines the progress on mitigations and the forecast outturn position, based on quarter 1 April 24 to 30 June 2024.
3. Note the caveat of the financial forecast.

## Executive Summary

- 4 The authority's outturn position for the financial year 2023-24 resulted in a reduced deficit position of the DSG of £79.5 million compared to the forecast deficit of £89.6 million resulting in a reduction of £10.1 million.
- 5 This trajectory can also be seen within the latest quarterly forecast of the deficit position, a further £8.4 million reduction.
- 6 The DSG management plan shows a forecast deficit reserve position of £141 million as at 31 March 2025, whereas the latest quarterly forecast shows a forecast deficit position of £121.6 million, representing a total of £19.4 million reduced deficit compared with the DSG management plan forecast.
- 7 However the forecast deficit position includes a caveat. Although growth and the use of trends and data have been applied to the forecast, consideration to the timing of this report and the recognition that we are currently at the end of an academic year may impair the forecast.
- 8 Appendix 1 details the progress on mitigations and provides a RAG rating against each objective. Although work is progressing, capacity is a concern and poses a risk to the programme. The recruitment of SEND transformation team members should help to mitigate this risk.
- 9 Appendix 2 provides a data set of impact on education health and care needs assessments (EHCNA), education health and care plans (EHCP), SEN support and the financial forecast for 2024/2025.
- 10 There has been a 23% reduction in the number of EHCNAs received during the period January to March 2024 compared with the same period in 2023. The growth of EHCPs during the same period has also seen a reduced growth of 33%. These percentage reductions are moving towards the national benchmark figures.
- 11 SEN support is growing steadily. indicating that more of our children and young people are receiving the **right support** and early intervention at the **right time** and is contributing to the reduced number of education health and care needs assessments and education health care plans.
- 12 We would expect to see that the number of children receiving SEN support will continue to grow as increased early intervention and support takes place.
- 13 An updated overall DSG management plan forecast will be produced to reflect the reduced deficit position and reduced number of total EHCPs.

This will be shared with the Children and families Committee in November 2024.

## Background

- 14 The DSG management plan provides a forecast for both an unmitigated position and a mitigated position.
- 15 The unmitigated financial forecast is the do-nothing position. Whereas the mitigated financial forecast includes carefully considered interventions. Cumulatively mitigations are forecast to amount to £916 million. The mitigated forecast provides an in year balanced position by year 7.
- 16 The unmitigated forecast position for 2030-31 shows total expenditure of £340.4 million against an expected grant of £68.6 million, resulting in an in-year deficit of £271.8 million and a total deficit reserve position of £1.2 billion.
- 17 The mitigated forecast position for 2030-31 shows total expenditure of £70.2 million against an expected grant and school block transfer of £70.7 million, resulting in an in-year surplus of £0.6 million and a total deficit position of £284.8 million.

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	£m	£m	£m	£m	£m	£m	£m
In year mitigated deficit	(51.3)	(48.1)	(38.7)	(28.7)	(19.8)	(9.2)	0.6
Unmitigated cumulative deficit	(154.6)	(244.6)	(363.5)	(514.8)	(702.2)	(929.1)	(1,200.9)
Mitigated cumulative deficit	(140.9)	(189.0)	(227.7)	(256.5)	(276.2)	(285.4)	(284.8)
Impact of mitigations	(13.7)	(55.6)	(135.8)	(258.3)	(426.0)	(643.7)	(916.1)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	£m	£m	£m	£m	£m	£m	£m
Total UNMITIGATED Expenditure	122.40	149.20	179.80	214.10	252.10	293.50	340.40
Total MITIGATED Expenditure	110.20	109.40	101.80	93.70	86.60	78.00	70.20
Total DSG Income & Block Transfer	58.90	61.30	63.10	64.90	66.80	68.70	70.70

- 18 The overall strategy and mitigations focuses on **RIGHT TIME, RIGHT SUPPORT, RIGHT PLACE**. This includes:
- The need to continue to increase local specialist provision and become less reliant on the independent sector
  - Embed the graduate approach and inclusion across all schools and settings and strengthen SEN support

- Strengthening decision making and governance
- 19 Following approval of the Designated Schools Grant (DSG) Management Plan 2024/25 to 2030/31 by the Children and Families Committee on the 29 April 2024, members approved an additional recommendation that they see and scrutinise monthly reports outlining key areas of progress against the Plan.
- 20 The Children and Families Committee have received the following updates
- (a) 3 June 2024 public Children and Families Committee – update on the DSG management plan outturn position for 2023/24
  - (b) 8 July 2024 non-public meeting – update on the progress of the mitigations for the first quarter (April 24- June 24)
  - (c) 12 August 2024 non-public meeting – update on the financial forecast for the first quarter (April 24- June 24)

### **Briefing Information**

- 21 As stated under the purpose of the report, this paper is to provide a briefing to the Children and Families Committee and asks members of the committee to scrutinise and note the progress of the mitigations within the DSG management plan and the impact on the financial forecast.
- 22 This report is not for seeking a decision but is to support a broader discussion and to provide an update on the DSG management plan.

### **Implications**

#### *Monitoring Officer/Legal*

- 23 Under the Local Government Finance Act 1992, the council has a statutory duty to use resources efficiently and effectively against priorities and to achieve a balanced budget. Section 28 (budget monitoring: general) of the Local Government Act 2003 requires the Council to review its calculations from time to time during the year and to take such action, if any, as it considers necessary to deal with any deterioration in its financial position.
- 24 The Dedicated Schools Grant (DSG) is paid to the Council by the Secretary of State under section 14 of the Education Act 2002. (power of Secretary of State to give financial assistance for purposes related to education or children etc.). It is a specific ring-fenced grant given outside the local government finance settlement. The terms of the grant require it to be used to support schools budgets for purposes defined in

regulation The Schools and Early Years Finance (England) Regulations 2023. Local authorities are responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums. Local authorities are responsible for allocating the ISB to individual schools in accordance with the local schools' funding formula.

- 25 The Education and Skills Funding Agency Guidance on DSG: Conditions of grant 2023-24 require any local authority with an overall deficit on its DSG account to present a Plan to the DfE for managing their future DSG spend and to keep the schools forum regularly updated about the authority's DSG account and plans for handling it including high needs pressures and potential savings.
- 26 This report provides a further update as agreed at the meeting on 3 June 2024, to receive regular updates regarding the progress of this plan at least monthly via Microsoft Teams or in committee meetings. It is intended to provide members with ongoing oversight and assurance regarding the plan and actions associated with the DSG deficit.

#### *Section 151 Officer/Finance*

- 27 Accounting Override – Dedicated Schools Grant adjustment account (England) 53 From the 2020/21 financial year the accounting arrangements for the deficit on the DSG grant were changed.
- 28 The council holds usable and unusable reserves on the balance sheet. Usable reserves are cash backed whereas unusable reserves are not. Examples of unusable reserves are pensions and the revaluation of land and buildings.
- 29 In April 2020 Ministry of Housing, Communities and Local Government (MHCLG) introduced new legislation to switch the DSG deficit reserve from a usable to an unusable reserve and allowed the creation of an adjustment account on the balance sheet.
- 30 When MHCLG set up the accounting override it prevented local authorities from funding a DSG deficit from General Funds without the permission of the Secretary of State. It was made clear to council treasurers that this override was in place to allow time to find suitable arrangements to address the issue.
- 31 The current override has been extended and will now end on 31 March 2026, unless further extensions are announced. Without the override the size of the negative reserve for council expected as of 31 March 2026 would present a financial stability issue for the 2026/27 financial year. The council does not have sufficient reserves to be able to cover the cost of the cumulative deficit if the override is removed.

- 32 The size of the deficit has negative cash flow implications for the council, as we are spending more money than we receive. This results in revenue interest costs linked to the cost of borrowing.
- 33 The 2023/24 closing DSG balance was lower than in the original management plan, and the end of 24/25 balance is also forecast to be lower. This is positive for both the delivery of the plan as well as for the financial impact of interest costs. The impact on the council's revenue costs through the cost of interest in 2023/24 was around £2.6 million and is forecast to be in the region of £5 million in 2024/25. This cost will increase annually as the DSG cumulative deficit continues to increase.
- 34 As detailed in the Cheshire East MTFs the council is experiencing financial challenges at a scale that it has not faced before. This makes the approval and delivery of the DSG Management Plan imperative as the council is not able to fund DSG pressures.
- 35 The council applied for Exceptional Financial Support (EFS) to the Secretary of State for Levelling Up. This application included a request to be able to capitalise the estimated cost of interest on the DSG deficit for years 2023/24 and 2024/25, which is now estimated to be £7.6 million.
- 36 This request has been approved in principle and if supported and taken forward it will remove the cost of interest for these two years from the revenue costs and allow us to spread the cost over a longer timeframe. However this does not address the ongoing cumulative deficit, or the interest costs which will continue to be a pressure in year 2025/26 and onwards linked to the deficit.

### *Policy*

- 37 Local authorities are under a duty to ensure sufficiency of school places in their area (section 14 of the Education Act 1996).
- 38 The SEND Code of Practice (January 2015) provides statutory guidance on duties, policies and procedures relating to Part 3 of the Children and Families Act 2014 and associated regulations and applies to England.
- 39 The DfE issued the "SEND Review: Right support, right place, right time" - a SEND and AP green paper which is a consultation on the future of SEND services. The SEND Partnership response is in support of the proposals and promptly making those legal requirements will support the council in delivery of the necessary changes.
- 40 Following the green paper consultation in March 2023 DfE published their SEND and alternative provision improvement plan which sets out

their plans to change the special educational needs and disabilities (SEND) and alternative provision system in England. The partnership will ensure we keep up to date with the DFE roadmap and change programme as this is progressed nationally. [SEND and alternative provision roadmap - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/672222/SEND_and_alternative_provision_roadmap.pdf)

- 41 The statutory duties include:
- (a) the need to undertake a needs assessment where a child may have additional needs,
  - (b) to issue an education, health and care plan within 20 weeks where assessment provides evidence this is required to meet the assessed needs.
  - (c) the local authority must then secure an appropriate school place and must consult with parental preference

<p><b>An open and enabling organisation</b></p> <p><b>(Include which aim and priority)</b></p>	<p><b>A council which empowers and cares about people</b></p> <p>Support all children to have the best start in life.</p> <p>Increase opportunities for all children and young adults with additional needs.</p> <p>Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential</p>	<p><b>A thriving and sustainable place</b></p> <p>Reduce impact on the environment.</p> <p>Thriving urban and rural economies with opportunities for all</p> <p>Be a carbon neutral council by 2025</p>
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*Equality, Diversity and Inclusion*

- 42 An Equality Inclusion Assessment has been completed previously for the DSG Management Plan, this is available on the website.
- 43 The SEND Code of Practice looks to ensure the assessed additional needs of children with special education needs are provided for, to enable them to reach agreed outcomes.

### *Human Resources*

- 44 Additional budget of £500,000 has been secured for 2024/2025 via the MTFs to provide transformation support for the implementation of the plan.
- 45 A SEND Transformation team is currently being created to drive forward the programme of mitigations required to achieve financial sustainability in the future.

### *Risk Management*

- 46 An impact on the council's base budget (council tax, national nondomestic rates and general grants) as a contribution may be required to manage the high needs pressures or DSG deficit reserve balance.
- 47 Service levels reduce as funding is not sufficient and future Ofsted inspections raise issues which damage reputation and result in the council being required to produce a "written statement of action" to remedy failings.
- 48 The council continues to make payments to settings but it is not able to fund them from the overall resources it has available.
- 49 The DSG Management Plan is based on a series of assumptions over EHCP numbers and average costs. These are subject to change and this risk will be mitigated through regular reviews of the plan.

### *Rural Communities*

There are no direct implications for rural communities.

### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 50 The council has approved its Children's Vision which contains a priority around children with additional needs.
- 51 The SEND Partnership Strategy sets out the Partnership vision for meeting the needs of children and young people with SEND. This strategy was refreshed to include the DBV opportunities and mitigations within the DSG Management Plan in 2023

### *Public Health*

- 52 There are no direct implications for public health

### *Climate Change*



- 53 Many pupils are educated out of borough at high costs and with long travel journeys.
- 54 Where possible systems that save on energy consumption will be considered, particularly for electricity.
- 55 Any internal works required to update buildings to make them fit for purpose will include a comprehensive review of the impact on climate factors.
- 56 Any significant changes that may take place will require full compliance with the latest building regulations relating to such factors as insulation/heat loss and energy efficiencies. Such factors will be key considerations as the scheme is developed through to full handover.

<b>Access to Information</b>	
Contact Officer:	Claire Williamson Director of Education, Strong Start and Integration <a href="mailto:Claire.williamson@cheshireeast.gov.uk">Claire.williamson@cheshireeast.gov.uk</a>
Appendices:	Appendix 1 – highlight report on progress of mitigations Appendix 2 – Financial impact and impact on EHCNA, EHCPs and SEN support
Background Papers:	Update on the progress of the key areas of the Dedicated Schools Grant Management Plan 2024/25 to 2030/31 <a href="#">CEC Briefing Report Template (cheshireeast.gov.uk)</a>  Revised Dedicated Schools grant Management Plan 2024/25 to 2030/31 C&F Committee 29 April 24 <a href="#">CEC Report Template (cheshireeast.gov.uk)</a>  <a href="#">Appendix 1 - Safety Valve DSG Management Plan.pdf (cheshireeast.gov.uk)</a>  DSG Management Plan 2022-23 – C&F Committee September 2022 - <a href="#">Decision report template (cheshireeast.gov.uk)</a>

15 DSG Management Pan 2023-2024 – C&F Committee  
September 2023 [CEC Report Template \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk)

Delivering Better Value Update C&F Committee March 2023 -  
[Decision report template \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk)

SEND & AP Green Paper - [SEND and alternative provision improvement plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Children and Families Committee 18 September 2023:

- SEND Strategy [2. SEND Strategy.pdf \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk)
- SEND Sufficiency Statement [CEC Report Template \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk)
- Capital Programme [CEC Report Template \(cheshireeast.gov.uk\)](https://www.cheshireeast.gov.uk)

This link provides information on Safety Valve agreements with other local authorities - [Dedicated schools grant: very high deficit intervention - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

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## Designated Schools Grant (DSG) Management Plan Progress Highlight Report

RAG rating colours for mitigation objectives (June 2024)

Colour	Definition
Grey	Action not started yet, no risk to implementation anticipated
Red	Action not on track, risk to implementation
Amber	Action not yet completed, but on track to be completed within timescales
Green	Action completed

**Please note:** The RAG ratings given in the following sections are based on the original action completion dates as submitted for our original safety valve submission, but these may change going forward in line with the refresh of the DSG management plan (as requested by our DfE advisor).

## Mitigation - Governance and Accountability

### Objective/Purpose

1. Strengthen SEND governance, accountability and oversight arrangements, including stronger financial oversight and authorisation, to ensure scrutiny, challenge and full financial oversight is provided from the leaders at the most senior levels.	In progress
2. Facilitate delivery of transformational changes to improve the local SEND system for children and young people through an increase in dedicated capacity with appropriate skills and knowledge.	In progress
3. Ensure clear, robust and equitable decision-making systems and processes are in place across education, health and care for decisions relating to placements, provision and funding, including specific arrangements for complex cases, to provide accountability across the workforce and a consistent approach that enables all children and young people to have access to the correct provision and levels of support.	In progress

### Progress Update June 2024

- Terms of Reference for a new SEND Executive Oversight Panel (to replace SEND Transformation Board and current SEND Executive Leadership Board) agreed by Children and Families Committee on 3 June 2024. However following advice from our Safety Valve DfE advisor, further developments to the governance structure have been designed. These are to be presented to Children and families Committee for comment and approval in September 2024.
- Director of Education has been working with Strategic leads in SEND to develop a SEND Transformation team to drive the required changes as identified in our DSG management plan. Two additional colleagues (an additional Transformation Strategic Lead and a Send Programme Lead) started in post within this transformation team on 26 June 2024
- SEND Strategic leads have continued to review the structure of the SEND service and discuss potential new structure options to ensure effective service delivery in line with new ways of working
- A review and initial re-design of SEND decision making processes (across all panels and forums) has taken place; further developments will be carried out once the impact of initial changes has been assessed.

### Concerns/Issues/Risks

- Meeting dates/times for new SEND Executive Oversight Panel to be agreed and circulated, and SEND governance structure to be updated
- Risk of timescale slippage around actions to create a complex cases panel, linked to adult social care, and arrangements to regularly review new and existing high-cost placements – additional capacity through SEND Transformation Team should support this.

- The impact of revised decision-making through panels on other services, including increased demand on specialist outreach programme and increased number of exclusions, requires further investigation.

### Mitigation - Rebalance the Profile of Plans and Strengthen Annual Reviews

#### Objective/Purpose

1. Rebalance the profile and improve the quality of EHC plans for children and young people in pre-16 education to ensure their plan, support and setting is appropriate, aligns with need, and is supporting them to make progress towards their outcomes	Not on track
2. Rebalance the profile and improve the quality of EHC plans for children and young people in post-16 education by embedding preparing for adulthood across the system, and upskilling and raising the confidence of the wider workforce and key stakeholders on preparing for adulthood, SMART outcomes and the offer in adult social care	Not on track
3. Review and refine the process and guidance for EHCP annual reviews and ensure effective processes and training on annual reviews are embedded	In progress

#### Progress Update June 2024

- Initial meetings have been held between local authority officers and local colleges to consider our local offer for post-16, with plans to establish a task and finish group to work on this area (ties with mitigation on 'Review of Cheshire East Specialist Provision and Capital Programme').
- A Task and Finish group looking at Annual Review actions has been established, and initial work has begun around reviewing the current process for annual reviews (building on previously completed work).

#### Concerns/Issues/Risks

- Issues with timescales of actions across both rebalancing the profile of plans and annual reviews due to capacity issues – SEND Transformation Team and SEN restructure should address this.

### Mitigation - Banding and Top Up Funding

#### Objective/Purpose

1. Introduce a banding system for the allocation of funding associated with EHCPs across all age ranges and all institutions, which provides an equitable system for all children and young people, accurately represents children and young people's needs and is aligned to national plans	In progress
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2. Provide fair and appropriate funding and support to all children and young people with EHCPs that enables them to be effectively supported to make progress towards their individual outcomes	In progress
3. Provide flexibility to schools and settings to facilitate delivery of effective, high quality and more inclusive provision	In progress

### Progress Update June 2024

- A High Needs Funding Working Group has been in place since December 2021 and has focused on the funding model used for EHCPs and the introduction of banding. Funding for children with EHCPs in mainstream schools continues to be moved to the initial banding model that was introduced from September 2023. Going forward, a decision has been made to merge the High Needs Funding Working Group with the SEN Funding Working Group (developed as part of the mitigation on 'Partnership collaboration and financial sustainability'). An initial joint workshop session was held with members from both groups on 23 May 2024 to initiate work on banding descriptors for a wider model, as part of the next phase of using banding in Cheshire East. The Chair, membership and a new Terms of Reference document are to be agreed for the newly merged group.

### Concerns/Issues/Risks

- Special school banding work has not started and there have been delays in progressing banding actions due to capacity and delayed decisions around next steps and governance – additional capacity has been put in place through the SEND Transformation Team, who will drive forward action delivery and running of the newly merged working group.
- Recent requests for fee increases have been received from one of our local free special schools.

### Mitigation - Graduated Approach

#### Objective/Purpose

1. Embed a culture of inclusion across the whole of Cheshire East to share good practice, create a coherent education system and enable every child and young person to access the provision they need	In progress
2. Build on the newly enhanced SEND Toolkit and embed the graduated approach across all schools and settings	In progress
3. Improve quality and efficacy of SEN support plans to ensure children and young people are effectively supported to achieve improved outcomes through supporting as early as possible and preventing escalation of need	Not on track

4. Upskill schools/setting and partners with strategies and interventions to identify children and young people's needs and how to effectively support them	Not on track
5. Revision of advice template for Educational Psychologists by EPs and other services to ensure the clear objectives of ordinarily available inclusive provision and quality first teaching are separate to the additional advice being given, thereby ensuring it is clearer for plan writers and parents to see the advice being provided	In progress
6. Develop a specialist outreach programme to improve access to early intervention	In progress
7. Monitor effectiveness of recently developed early years arrangements to ensure they remain effective around early identification and support	In progress
<b>Progress Update June 2024</b>	
<ul style="list-style-type: none"> <li>Updated and re-named Cheshire East Toolkit for Inclusion published on Cheshire East Local Offer for SEND at: <a href="https://www.cheshireeast.gov.uk">Toolkit for inclusion (cheshireeast.gov.uk)</a></li> <li>A Graduated Approach and SEN Support Task and Finish Group, and an Outreach and Training Offer Task and Finish Group have been established to drive forward actions in these areas.</li> <li>Educational Psychologist template has been revised, and we are now working on ensuring it is consistently embedded across the service.</li> <li>A specialist outreach programme pilot has been launched; next steps will focus on targeting support of the outreach programme and evaluating its impact.</li> <li>Ongoing monitoring of early years arrangements is taking place via the early years forum evaluation reference group.</li> </ul>	
<b>Concerns/Issues/Risks</b>	
<ul style="list-style-type: none"> <li>Delays to various actions within this mitigation – bringing in additional capacity through the SEND Transformation Team, and clarifying roles within this team, should help to drive this work forward.</li> </ul>	

<b>Mitigation - Review of Cheshire East Specialist Provision and Capital Programme</b>	
<b>Objective/Purpose</b>	
1. Review existing local specialist provision (including special schools, resource provision and SEN units) and their current designations, in order to understand current use, identify potential improvements and gaps, and assess whether children are being placed in the correct placement types to meet their needs	In progress

2. Assess opportunities to secure placements in local, in-borough provision for more of our children and young people with SEND	Not on track
3. Expand, further develop and grow our own local specialist provision to ensure children and young people's needs can be met within their local community	In progress
4. Provide further support to address the placements imbalance resulting from the shortfall of SEN places across the borough through the use of creative commissioning and developing and implementing supporting policies	In progress

### Progress Update June 2024

- Review visits have been taking place within all existing resource provisions and enhanced mainstream provisions from 10 June 2024.
- A paper was taken and approved by Children and Families Committee on 3 June 2024 which included the additional funding of £16.574m and detailed the new schemes included within the Safety Valve Capital Bid.
- Initial meetings have been held between local authority officers and local colleges to consider our local offer for post-16, with plans to establish a task and finish group to work on this area (ties with mitigation to 'Rebalance the Profile of Plans').

### Concerns/Issues/Risks

- Overdue action to review data around primary area of need and develop a process within annual reviews whereby primary need is updated to reflect the current position due to capacity – this should be mitigated through establishment of SEND Transformation Team.
- Work to secure local placements for children has not progressed as quickly as planned - bringing in additional capacity through the SEND Transformation Team, and clarifying roles within this team, will help to resolve this.

### Mitigation - Transition

#### Objective/Purpose

1. Re-design and enhance the transition process and develop clear expectations regarding transition to ensure that children, young people and families are supported and confident at key transition points (from early years through to adulthood) to reduce escalation of need	In progress
2. Develop resources, information and support for children, young people and families to ensure knowledge and build confidence regarding transition phases of education and provision/pathways	Not started



3. Co-produce and deliver a two-year tailored training programme for all schools and settings to ensure understanding of the transition process and the offer in the next phase of education	Not started
<b>Progress Update June 2024</b>	
<ul style="list-style-type: none"> <li>A Transition Team Manager and 2 Transition Advisors are in post. This Transition Team has been working to review the existing transition process, complete research to gain knowledge and understanding of best practice examples and to re-design and enhance the transition process at the three main transition points.</li> </ul>	
<b>Concerns/Issues/Risks</b>	
<ul style="list-style-type: none"> <li>The relevant workstream has asked the Transition Team to present the findings from their research and their resulting work around best practice examples etc. to ensure this action within the first objective can be signed off as complete, before work progresses on re-designing and piloting new transition processes.</li> </ul>	

<b>Mitigation - Alternative Provision and EOTAS</b>	
<b>Objective/Purpose</b>	
1. Ensure a strengthened alternative provision offer is in place in Cheshire East that better supports children and young people to make timely progress and reintegration to mainstream education, as appropriate, through a review of existing alternative provision arrangements, including the PRU, and exploration and development of alternative models	In Progress
2. Ensure clear and robust systems are in place to agree, track, monitor and review children and young people educated other than at school, to support successful progress towards their individual outcomes and progression into settings, as appropriate	In Progress
3. Review existing in-house services and their future role in a strengthened and more connected offer to support children and young people to achieve improved outcomes	In Progress
<b>Progress Update June 2024</b>	
<ul style="list-style-type: none"> <li>Work has been done to look at the journey of pupils who have been permanently excluded (including the impact between needs assessment request outcomes and exclusions, and costs to schools for alternative provision against exclusions) and to draft a service level agreement.</li> <li>An EOTAS (Educated Other Than At School) Working Group was established in early 2024 and has continued to meet to progress actions to improve EOTAS processes and practice. Data cleansing work is</li> </ul>	

underway, along with work on a review process for all existing EOTAS cases.

- Service review for Medical Needs Team in progress and due to be launched September 2024. Service review for Sensory Inclusion Service also in progress.

### Concerns/Issues/Risks

- Data cleansing has been required around permanent exclusions within case management systems.
- Further investigation needed on apparent link between needs assessment request outcomes and exclusion levels.
- Some EOTAS actions have been delayed due to capacity within both education and legal services. Education Head of Service is raising with legal colleagues.
- There is a risk around the service review for the Medical Needs Team and the financial timescale for agreement of proportionate AWPU (Age Weighted Pupil Unit) contribution for the service.

### Mitigation - Partnership collaboration and financial sustainability

#### Objective/Purpose

1. Improve joint SEND financial oversight, ownership and related working relationship between Schools' Forum and Cheshire East Council regarding SEND and high needs block financial management	In progress
2. Seek to secure collaboration and financial commitment from partner agencies where appropriate, ensuring health partners make adequate contributions to provision as appropriate	Not started
3. Seek to secure appropriate resources for additional support and interventions for schools through schools block disapplication submission	Completed (year 1)

#### Progress Update June 2024

- A Schools' Forum subgroup focused on high needs financial management and oversight (SEN Funding Working Group) has continued to meet, with a focus on notional SEN and high needs expenditure overview. The group presented a proposal to change the notional SEN for 2025-2026 in Mainstream Schools to the Schools Forum on 20 June 2024.
- Going forward, a decision has been made to merge the SEN Funding Working Group with the High Needs Funding Working Group (see mitigation on 'banding'). An initial joint workshop session was held with members from both groups on 23 May 2024 to initiate work on banding descriptors. The Chair, membership and a new Terms of Reference document are to be agreed for the newly merged group.

- Schools block disapplication process completed with successful outcome – 0.5% transfer from Dedicated Schools Grant (DSG) schools block to high needs block was approved by Secretary of State, and £1.4m has now been moved to the high needs block.

### Concerns/Issues/Risks

- Need to ensure all members of the newly merged funding working group commit to being ‘active’ members that actively attend and contribute to the work of the group.

### Mitigation - Commissioning

#### Objective/Purpose

1. Strengthen commissioning oversight arrangements through development of dedicated SEND commissioning resource, review of all commissioning contracts and arrangements and use of clear processes and procedures around SLA and contract management arrangements	In progress
2. Understand current levels of speech, language and communication needs (SLCN) and demand for SALT support in Cheshire East	Not on track
3. Improve access to and delivery of SALT services by jointly reviewing current arrangements and identifying areas for improvement, followed by development of a redesigned model for SALT delivery	In progress
4. Consistent and robust system in place for managing fee increase requests	Not started
5. Enhance the area’s purchasing power through optimised use of bulk purchasing	In progress

#### Progress Update June 2024

- Work has started on the development of standard contracts (with support from legal)
- Clear arrangements and project team in place for joint review of SALT services and local authority/ICB support secured via appropriate governance routes.
- Initial meetings and pilot proposals planned around testing increased use of bulk purchasing.

### Concerns/Issues/Risks

- Significant work still required to implement standard contracts across settings
- Data analysis currently being conducted around speech, language and communication needs and demand for SALT support, but this is now past previously planned timescales

OPEN

### Financial Impact - Budget Expenditure by Provision Type

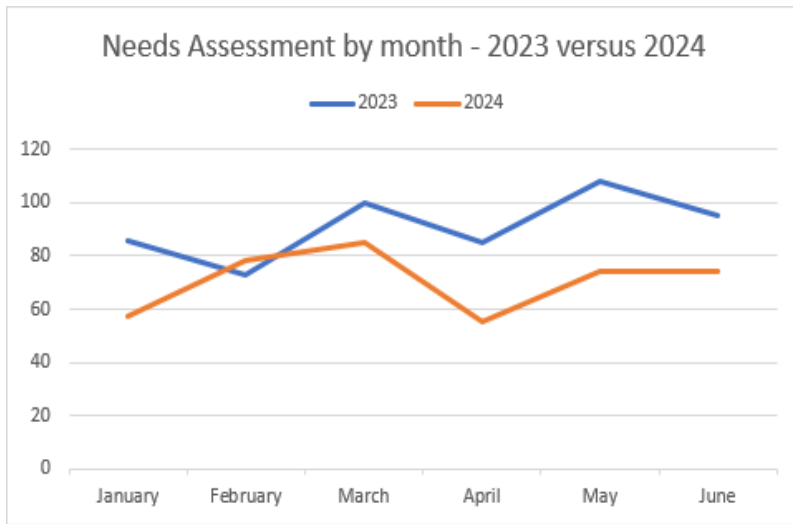
	2024-25	Forecast 2024-2025 Quarter 1	Variance 2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<b>Mainstream</b>	£22,248,509	£21,697,460	(£551,049)	£21,674,838	£19,779,577	£18,709,100	£18,177,178	£16,998,986	£15,195,043
<b>Resourced Provision or SEN Units</b>	£3,138,000	£3,094,667	(£43,333)	£4,132,667	£5,027,000	£5,540,000	£5,985,500	£6,431,000	£6,778,500
<b>Maintained Special Schools or Special Academies placements</b>	£20,724,458	£23,300,495	£2,576,037	£22,515,339	£24,279,480	£25,978,182	£27,579,555	£27,901,868	£28,135,953
<b>Non maintained special schools or independent (NMSS or independent) placements</b>	£51,163,557	£40,906,238	(£10,257,319)	£48,555,157	£39,959,970	£30,450,382	£21,677,943	£13,339,139	£6,710,646
<b>Hospital Schools or Alternative Provision placements</b>	£3,579,700	£3,580,850	£1,150	£3,375,626	£3,359,124	£3,342,667	£3,326,340	£3,339,883	£3,353,504
<b>Post 16 mainstream placements</b>	£5,643,352	£5,344,147	£299,205	£5,983,738	£6,439,561	£6,597,801	£6,702,899	£6,702,899	£6,734,283
<b>LA Specific spending Total Expenditure</b>	£1,765,563	£1,765,563	£0	£1,627,285	£1,637,217	£1,647,398	£1,657,833	£1,668,529	£1,679,492
<b>Health, Social Care, Therapy Services and Care Provision Total Expenditure</b>	£1,892,207	£2,022,884	£130,677	£1,577,206	£1,577,205	£1,577,204	£1,577,203	£1,577,202	£1,577,201
<b>Total Expenditure</b>	<b>£110,155,347</b>	<b>£101,712,312</b>	<b>(£8,443,035)</b>	<b>£109,441,857</b>	<b>£101,848,761</b>	<b>£93,684,495</b>	<b>£86,579,353</b>	<b>£77,959,506</b>	<b>£70,164,622</b>
<b>Deficit</b>	<b>£140,890,419</b>	<b>£121,576,722</b>	<b>(£19,313,697)</b>	<b>£188,994,589</b>	<b>£227,729,796</b>	<b>£256,471,589</b>	<b>£276,224,220</b>	<b>£285,416,464</b>	<b>£248,815,068</b>

Quarter 1 expenditure forecast is currently expected to be approx. £8.4m less than originally forecast. This results in a cumulative deficit position of £121.6m, compared with the original forecast of £140.9m; a reduced deficit position of £19.3

## Impact Measures

Impact Measure		Baseline Jan 2024)	Baseline as per SV DSG mgmt. plan (2023-24)	Annual Target 2024-2025	Qtr1 24/25 (June 2024)	RAG	Annual Target 2025-2026	Annual Target 2026-2027	Annual Target 2027-2028	Annual Target 2028-2029	Annual Target 2029-2030	Annual Target 2030-2031
Total no. of EHCPs recorded on the SEN2 DfE survey return		4576	4776	5164	4744		5300	5240	5197	5061	4769	4413
Cumulative % growth of total EHCPs		14%	18%	8%	-0.7%		3%	-1%	-1%	-3%	-6%	-7%
Total no. of CYP in a specialist placement	RP / SEN Unit	148	156	172	178		254	308	335	362	389	409
	Special School	817	828	922	850		1016	1116	1206	1266	1286	1306
Increased proportion of CYP in a specialist placement	RP / SEN Unit	3%	3%	3.3%	3.7%		4.7%	5.6%	6%	7%	8%	9%
	Special School	18%	17%	17.8%	17.9%		19%	21%	23%	25%	27%	30%
No. of CYP in a NMSS/ISS/SPI placement		545	757	814	621		652	507	354	239	120	53

## EHCNA & EHCP Analysis

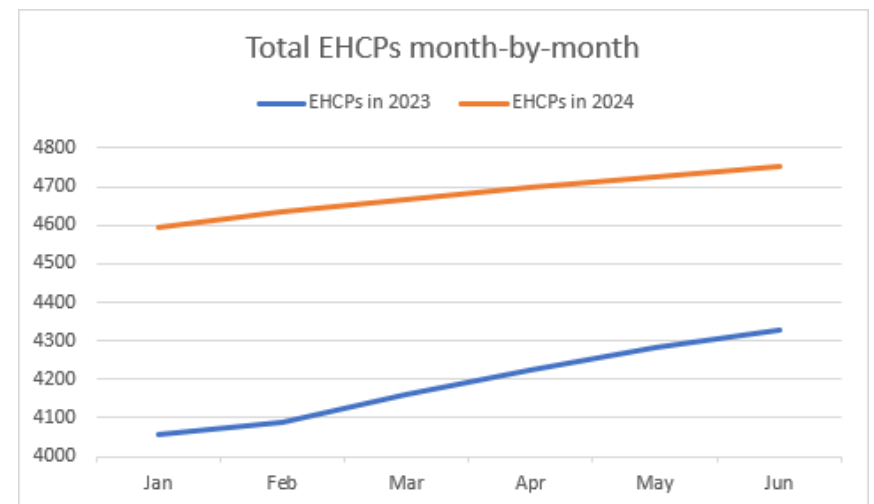
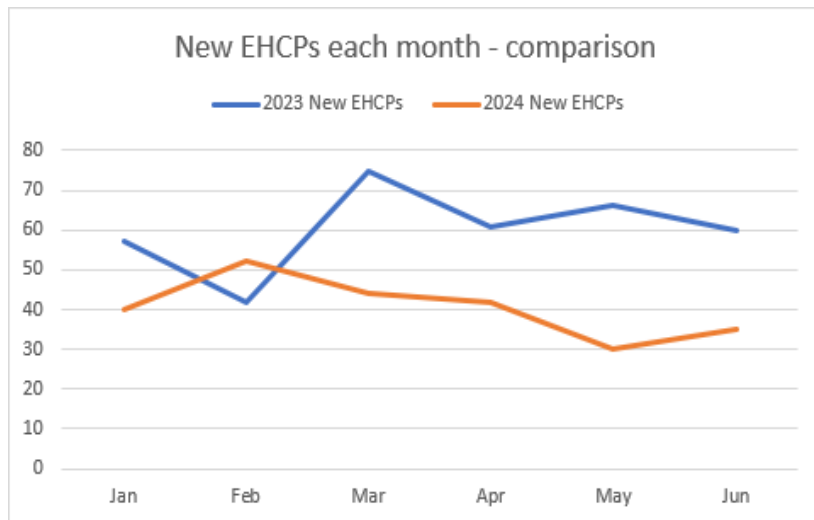


In the first six months (January to March 2024), we have **received** 423 needs assessment requests, compared to 547 in the same period in 2023, representing a 23% reduction. (top left graph)

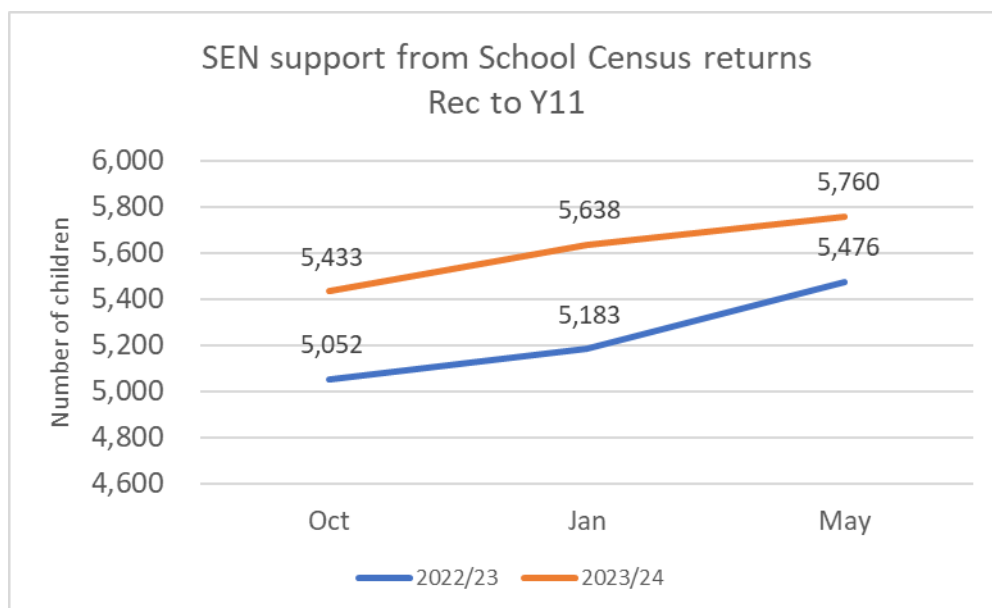
In the first six months (January to June 2024), we have **issued** 243 **new** EHCPs, compared to 361 in the same period in 2023, representing a 33% reduction. (bottom left graph)

During 2023 (January to December 2023), we issued 715 **new** EHCPs. If the trajectory outlined above continues for the remain 6 months of the calendar year, the number of new plans issued in 2024 could be approximately 500. However caution is needed as we can see from the graph that in 2024 during June there appears to be an increase in the number of plans issued. (bottom left graph)

In the first six months (January to June 2024), **total** EHCPs, have risen by 157, representing 3% increase. For the same period in 2023, the rise was 267 EHCPs, representing a 7% increase. Overall increase for the year was 13.6% (bottom right graph)



## SEN Support Analysis



SEN Support as a percentage of mainstream population Reception to Year 11	Oct Census	Jan Census	May Census
<b>2022/23</b>	<b>9.8%</b>	<b>10.0%</b>	<b>10.6%</b>
<b>2023/24</b>	<b>10.5%</b>	<b>10.8%</b>	<b>11.1%</b>

From the graph and the table shown above we can see that the number and percentage of pupils with a SEN Support plan has increased in academic year 2023/24, compared with academic year 2022/23. This indicates that our children and young people are receiving the appropriate support and early intervention at the **right time** and is contributing to the reduced number of education health and care needs assessments and education health care plans.

Statistically Cheshire East has a lower percentage of pupils being supported by a SEN support plan than national averages but has a higher percentage of pupils being supported with an EHCP. The mitigations within our DSG management plan which focus on inclusive practice, such as the Inclusion Toolkit and graduated approach training for schools is beginning to embed across our educational settings.