



## School and Early Years Finance (England) Regulations Local Authority Dedicated Schools Grant Deficit Recovery Plan

Please complete this recovery plan template outlining how you will bring your DSG deficit back into balance within a 3 year time frame. Please complete all relevant fields and return the completed recovery plan to [financial.management@education.gov.uk](mailto:financial.management@education.gov.uk)

You may wish to include brief supporting attachments with your request such as forum minutes (if links not available) - these can be added towards the bottom of this page. Spreadsheet calculations should be included on the **Financial Summary** tab.

Local Authority	Warwickshire
Local Authority number	937
Does schools forum agree with this recovery plan and when was it presented to them?	Yes
If yes, please provide link(s) to the minutes and action plans from the schools forum agreement	

What plans have you put in place to reduce the deficit in increments over the next 3 years?

The Council is taking forward a SEND & Inclusion Change Programme including cultural change/behaviour change, the DSG Recovery Plan, a DSG sustainability plan and delivery of statutory duties. The Council is investing funding into the change programme. The programme will work in partnership with the Schools Forum, Parent/carers and all schools aimed at introducing greater value for money in the area of SEND spending. This partnership approach follows a High Needs Task and Finish Group with local Headteachers, SEND Coordinators and other Schools Forum members looking at our current use of resources and what interventions could be made to work within allocated budgets. In addition, we commissioned a review of our system by an organisation with a behavioural science approach, to identify the cultural changes needed to improve our local SEND system. Together, the recommendations from these strands of work form a local SEND Change Programme. The programme plan is approved and the initial cohort of projects are being scoped.

As a system we are facing increased numbers of EHC plans, increased requests for specialist provision, increased numbers of tribunals (often by-passing mediation), increased use of alternative provision, and significant population growth.

A key challenge for us locally is joint leadership across the system. We recognise that we require whole system change, covering: cultural change across all schools and fair and manageable DSG Block Transfers, ensuring mainstream schools are adequately resourced, development of new local provision, matching special school and resource base provision to future need, reviews of the use of alternative provision, and workforce development across the system. All these changes will create positive impact on the deficit but are long term developments that will take much longer than 3 years to build up to maximum impact.

Word count: 287

Can you specify how continuous improvement has reduced the deficit/ is going to reduce the deficit? This could include sharing best practice, new contracts, efficiency savings

In 2015, the Council launched the Vulnerable Learners Strategy. This was driven by forecasting that predicted a £13.7m overspend on the High Needs Block by 2019. It was recognised that there was an over-reliance on independent specialist provision that was driving up costs and as a result the Council expanded existing state-funded specialist provision, opened two new special schools (with a further one closed, redesignated and re-opened), established SEND resourced provision, and worked with local post 16 providers to increase in-County 16-25 provision. As a result the overspend was limited to £3.1m (which was met from Council reserves).

In 2017/18, the Schools Forum agreed a £2.5m savings plan. This focussed on local authority services and provision for children at risk of exclusion/excluded; top-ups to EHC plans were out of scope. Non-statutory provision was de-commissioned.

In 2019, a new SEND & Inclusion Strategy was launched. Whilst the number of placements in independent specialist provision reduced during 2015-2019, so too did the number of learners with EHC plans in mainstream settings. We have seen a significant increase in the number of learners attending state-funded specialist provision. Looking to the future, 68,000 homes are expected to be built over the next 10 years, with an expected increase of around 34,000 school age learners.

Our challenge is to 'promote inclusion' in our mainstream settings, giving schools the skills and resources to meet the needs of learners in their local schools, and building the confidence of parents and carers. In addition to this, the Council is also seeking to establish further resourced provision and specialist provision in line with population growth and the changing needs of the cohort.

Word count: 271

Please provide details of any previous movements between blocks, what current cost pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures

In 2017/18 the Schools Forum voted against moving funds from the Schools Block to the High Needs Block. In 2019/20 the Schools Forum again voted against moving funds to the High Needs Block, a decision upheld by the Secretary of State.

In consultation with schools, many headteachers saw the proposed transfer as not addressing the issue. Rather, transfers from Schools Block to High Needs Block puts more pressure on schools' abilities to support pupils with less complex SEND needs, which causes needs to escalate and create further High Needs Block pressures. This situation is further exacerbated by Warwickshire schools being in the F40 group of lowest funded local authorities in the country.

Word count: 112

Please provide details of contributions coming from the health and social care budgets towards the cost of high needs provision

Decisions on residential placements are made jointly with social care, with costs shared appropriately.

NHS CCG contributions to local community services (eg. speech and language therapy) are significant.

Challenges in joint commissioning centre around areas of growing need, where all agencies have budgets already allocated (eg. costs of specialist equipment, growing numbers of children and young people with mental health needs).

Word count: 61

Please explain how the LA has discharged its duties under section 149 of the Equality Act 2010, C&F 2014 and common law to consult with those affected by the changes proposed.

The SEND & Inclusion Strategy was subject to an Equalities Impact Assessment. All major projects are also subject to an Equalities Impact Assessment. Similarly all decisions taken regarding individual cases are taken with due consideration of legislative requirements including the Equality Act 2019 and the Children and Families Act 2014.

Word count: 50

Please include a summary of the savings/and or measure you propose to implement over the next three years which will reduce the overspend.

<a href="#">S1</a>	Continued increase in Resourced Provision capacity and utilisation Placements currently in special schools could be catered for in Resourced Provision, creating capacity in special schools and reducing the need for higher costs independent specialist placements
<a href="#">S2</a>	Increase in special school capacity at the Pears site The 80 place provision for ASD/SEMH needs will reduce need for higher costs independent specialist placements
<a href="#">S3</a>	Increase the timeliness of EHC plans issued in early years (ages 0-4) By ensuring package of support are in place earlier, the demand for special school (more costly) places in Reception Year and Year 1 should be reduced.
<a href="#">S4</a>	Align growth in EHC plans with statistical neighbours and population increase (eg. Review current SEND Guidance and clarify thresholds for panel decision-making) Assumed reduction in requests for assessment and slow-down in the increase of EHC plans issued
<a href="#">S5</a>	Contracts with Independent Specialist Provision to ensure financial discipline The framework contract limits 1% inflation to stated prices and ensure robust contract management
<a href="#">S6</a>	Reduce the use of alternative provision Placements in alternative provision have increased and now match (or sometimes exceed) special school costs. Packages of support in mainstream settings would be a less costly alternative and will ensure children remain in mainstream settings.
<a href="#">S7</a>	Increase funding to mainstream settings for children with EHC plans Through proposed trials with school consortia from the Impower review, more children should be supported to stay in mainstream settings, reducing costs from specialist placements.
<a href="#">S8</a>	Supported internships By increasing the number supported internships and ensuring they find employment we can achieve positive outcomes for the young person, the end of an EHC plan and savings for adult social care.
<a href="#">S9</a>	Service reviews (LA services funded by DSG) The remaining services delivered or commissioned by the LA from DSG to be reviewed to ensure value for money
<a href="#">S10</a>	Review the special school funding matrix Review current funding allocations to different types of specialist provision, within the same funding envelope. Cost neutral.

<a href="#">S11</a>	Joint commissioning Ensuring that we work with our partners so that the system delivers value for money
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Please discuss the local circumstances that have contributed to your deficit. Please provide a brief summary of the pressures in the box

- A) mainstream schools; B) state-funded special schools,  
C) further education and sixth form colleges,  
D) independent specialist provision; E) alternative provision

<a href="#">P1</a>	Increase in number of EHC plans, particularly at aged 16-25 (school age has risen by 0.1%); coupled with population growth, with a further 68,000 homes to be built in the County over the next 10 years
<a href="#">P2</a>	Disproportionate increases in placements in state-funded specialist provision.
<a href="#">P3</a>	Higher than average placements in independent specialist provision at school age (although this has been reducing).
<a href="#">P4</a>	Increased use of alternative provision as part of a package for children with SEND.

Please provide any further detail here if required, including any attachments that support your recovery plan and any disapplication reference number.

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Date	

**DSG Deficit Recovery Plan**

Key
User entry required

Ref.	Block	Type of provision e.g. special schools	Action e.g. increasing special school places	2019-20	Year 1	Year 2	Year 3	Year 4	Year 5
				£	£	£	£	£	£
DSG Balance b/f				-	5,240,375	11,587,787	20,144,548	30,895,424	42,275,380
Savings (figures should be entered as negative values)									
S1	High Needs	Resourced Provision	Capital investment in new or expanded special units / resourced provision		(201,478)	(521,331)	(776,275)	(771,219)	(757,333)
S2	High Needs	Special Schools	Capital investment in new, expanded or adapted special schools		0	(849,765)	(2,323,638)	(3,600,036)	(3,849,563)
S3	High Needs	Early Years and Mainstream High Needs Provision	Other		10,482	213,546	(117)	(249,359)	(555,257)
S4	High Needs	Align growth in EHC plan with other local authorities	Active engagement of local schools and colleges in designing services and provision		0	(278,952)	(640,977)	(1,163,528)	(1,804,694)
S5	High Needs	Independent Placements	Active engagement of independent / non-maintained providers in designing services and provision		(32,186)	(64,013)	(90,836)	(107,277)	(129,238)
S6	High Needs	Alternative Provision	Active engagement of local schools and colleges in designing services and provision		0	(705,906)	(709,261)	(704,574)	(705,032)
S7	High Needs	Mainstream schools	Increased resource for mainstream schools – targeted funding		0	0	0	0	0
S8	High Needs	Post 16 (Further Education) - Supported Internships	Active engagement of local schools and colleges in designing services and provision		(485,862)	(587,769)	(743,287)	(922,680)	(1,052,878)
S9	High Needs	Service Reviews	Other						
S10	High Needs	Special School Funding	Other						
S11	High Needs	Joint Commissioning	Other						
Total savings				0	(709,045)	(2,794,190)	(5,284,391)	(7,518,673)	(8,853,994)
Pressures (figures should be entered as positive values)									
P1	High Needs	Independent Placements	Higher parental expectations		3,732,636	4,024,171	4,987,671	5,385,936	5,850,978
P2	High Needs	Special Schools	Pressure on maintained special school capacity		4,080,418	4,548,455	6,086,654	7,099,277	8,110,289
P3	High Needs	Early Years and Mainstream High Needs Provision	Increase in the number of EHC Plans		4,390,914	5,112,429	7,104,685	8,473,712	9,885,036
P4									
Additional Pressures (figures should be entered as positive values)				0	12,203,968	13,685,055	18,179,010	20,958,925	23,846,303
Cost reductions from impact of recovery plan				0	11,494,923	10,890,865	12,894,619	13,440,251	14,992,309
Total DSG forecast overspend									
Net in year impact on High Needs DSG				0	11,494,923	10,890,865	12,894,619	13,440,251	14,992,309
Estimated High Needs Block change (additional grant)					(5,147,510)	(2,334,104)	(2,143,744)	(2,060,295)	(2,016,445)
Approved transfer of schools block to HN block				0	0	0	0	0	0
Other adjustments					0	0	0	0	0
Net in year Forecast Outturn Variance				0	6,347,412	8,556,761	10,750,875	11,379,957	12,975,863
DSG Balance – show a deficit as a positive value				5,240,375	11,587,787	20,144,548	30,895,424	42,275,380	55,251,244
				DEFICIT	DEFICIT	DEFICIT	DEFICIT	DEFICIT	DEFICIT

\*2019/20 deficit is after the WCC contribution of £2.103m agreed in January 2019 prior to changes in terms & conditions

**Education, Health and Care Plans**

	Number of CYP with Statements/ EHCPs	Total HNB	Outturn	Variance	Cumulative
2016	2963				
2017	3260	£41,787,000	£42,651,000	£864,000	£864,000
2018	3509	£42,984,000	£45,087,000	£2,103,000	£2,967,000
2019	3848	£50,322,000	£52,778,000	£2,456,000	£5,423,000
2020	4299	£50,556,000	£57,899,000	£7,343,000	£12,766,000
2021					

	2016	% against total	2017	% against total	2018	% against total	2019	% against total	2020	% against total	2021
Under Age 5	63	2%	61	2%	194	6%	117	3%	138	3%	
Aged 5-10	1045	35%	1042	32%	1151	33%	1094	28%	1196	28%	
Aged 11-15	1327	45%	1259	39%	1342	38%	1353	35%	1432	33%	
Aged 16-19	499	17%	796	24%	730	21%	1079	28%	1111	26%	
Aged 20-25	29	1%	102	3%	92	3%	205	5%	422	10%	
Total	2963	100%	3260	100%	3509	100%	3848	100%	4299	100%	0