

Developing a DSG Strategy

Schools' Forum October 2017

Introduction and context

Headlines

As reported previously to Schools' Forum, there is insufficient funding either in the DSG Blocks or in the DSG Reserves to cover all requirements as currently delivered

There is significant uncertainty across the whole landscape due to national imperatives including the Early Years and Schools National Funding Formulae and the implementation of 30 hours entitlement for 3 and 4 year olds

Both the High Needs and Early Years Blocks had agreed spending plans and trajectories in place, which now need to be reviewed

The forthcoming introduction of the National Funding Formula for Schools means there can be no reliance on previously assumed sources of funding being available in the future

Our ambition to deliver high quality outcomes for all children, young people and families in Haringey remains firm

Headlines

What does this mean for us in Haringey?

- Transformational activity across the DSG is required – we need to plan for and deliver services differently
- Because of the pressures across the DSG, this activity needs to be agreed, prioritised, planned for and implemented as soon as possible based on an agreed framework of outcomes and principles
- No one agency can deliver the changes in delivery and outcomes required – shared endeavours and collaboration are fundamental across early years settings, mainstream and special schools, other educational establishments, the NHS and the Council
- We need to make the shift to using resources differently across early years, childhood and young adulthood so that we identify and respond to need earlier and effectively support more children in local provision, in order to reduce longer term and higher costs and to improve transitions

Progress to date

In light of the fact that the DSG can no longer support all activity, cost and demand pressures, a Joint Working Group comprised of members of the High Needs Block and Early Years Block Working Groups has met three times since the last Schools' Forum

This presentation sets out the progress made to date and updates Schools' Forum on the key thinking and areas for further focus

The content represents work in progress which Schools' Forum is asked to consider, comment on and endorse in principle as a direction of travel

It is recommended that the Joint Working Group continues to meet over the coming months to work up a more detailed set of proposals

These proposals will be presented to a Schools' Forum meeting in the New Year for further consideration and approval

The 2017-18 Picture

Pressures on the DSG

Pressures on the DSG are being caused by a number of factors, which include, but may not be limited to, the following:

- The implementation of the National Funding Formula for Early Years from April 2017.
- Extension of the 30 hours funded entitlement for 3 and 4 year olds from September 2017.
- The loss of 2, 3 and 4 year old funding due to low census recording
- The increased number of children and young people supported by the high needs block budget as a result of the increased age range due to the reforms Sept 2014, and the duty to support young people who would previously been supported through a learning disability assessment after the age of 19 years.
- Lack of local special school capacity for those with Autism
- The rise in requests for education health and care plans and provision for young people with social emotional mental health needs
- The loss of Education Services Grant funding for schools
- Imminent introduction of the Schools' National Funding Formula from April 2018.
- The extremely limited opportunity to move funding between blocks after April 2018

Budget position 2017-2018

Detailed budgetary information on the DSG, including past, current and projected spend against Early Years, High Needs and Schools' Block budgets and the associated calls on DSG Reserves, is set out in the appendix to this report.

In summary, significant DSG reserves had accumulated since 2014/15, largely as a result of the allocation of place-led funding and, as a separate funding stream, trajectory funding for the development and delivery of the statutory free early education entitlement for disadvantaged 2 year olds.

At the start of 2017/2018, DSG reserves stood at £2.8m.

Budget position 2017-2018

These are the projected calls on the DSG Budget:

- £815k set aside for school balances
- £400k to support anticipated pressure on 2YO spend in 2017/2018
- £400k to support anticipated pressure on 2YO spend in 2018/2019
- £700k to mitigate the loss of subsidy in the maintained childcare sector due to the implementation of the EY National Funding Formula
- £420k in EY due to reduction in DSG allocation
- £230k in EY due to adjustment in budget for 2016/2017
- £780k due to increased demand in the HNB, net of in-year cost savings

Therefore, after taking into account all pressures and assuming implementation of all in-year actions, the reality remains that not only will all DSG reserves have been exhausted by the end of 2017/2018 but that there will be a pressure of £945k on the DSG overall.

Budget position 2017-2018

Key issues going forward include;

- No DSG reserves to draw on from 2018-19
- A known pressure of £945k on the DSG
- No recourse to the Council's General Fund to mitigate pressure
- Very limited opportunity to move funds between Blocks
- The need to change previously agreed approaches and anticipated spend trajectories across early years and high needs blocks in order to accommodate a different approach and to manage spend in a sustainable way
- Continual, and increasing, demand, uncertainty and cost pressures on all DSG budgets, across all blocks
- Turbulence in the early years block, following the implementation of the national funding formula for early years in 2017-18 and introduction of the 30 hour offer

Adopting a transformational approach

Rationale for approach

As set out in summary above, increasing demand alongside current practice and delivery across the Blocks is guiding spend and leading to unsustainable cost pressures.

- Examples include a. the rate of placements in out of borough independent provision as compared to use of in-borough provision and b. payment of 2YO hourly rates to early years providers above the level funded by DfE.

There is a clear link between spend and models of support for children in their early years and spend and models of support in later childhood – if we fail to intervene appropriately at an early stage, there is likely to be increased cost and poorer outcomes in the longer term

A clear framework of outcomes and principles needs to be adopted to guide any future redesign and decision making – these outcomes and principles would apply across all settings including early years provision and all schools and educational establishments.

A long term goal is a fundamental review of provision across all settings in line with the agreed outcomes and principles framework

Initial areas of potential focus for achieving savings and improving outcomes in the medium term have been identified – these need to be prioritised and the detail worked up in order to deliver the financial benefit and improved outcomes required

Outcomes and principles

Outcomes for children and young people

All children have the best start in life and access to world class education

- All children thrive in their early years
- Children and young people will excel at school
- Excellent education and training opportunities will be accessible to all
- Children will be happier, healthier and more resilient
- The right support will be offered at the right time
- All children will be safeguarded from abuse and offered the best possible care

Outcomes for adults

All adults live healthy, long and fulfilling lives

- A borough where the healthier choice is the easier choice
- Strong communities, where all residents are healthier and live independent, fulfilling lives
- Support will be provided at an earlier stage to residents who have difficulty in maintaining their health and wellbeing
- Residents assessed as needing formal care and / or health support will receive responsive, high quality services
- Vulnerable adults will be safeguarded from abuse

Principles of a transformational approach

(1)

Child and family-centred

- Listening and responding to children and families
- Identifying need early and intervening effectively to prevent escalation of need
- Building local provision to support children and families to stay in borough
- Promoting independence so that all young people can lead a fulfilling life and successfully make the transition to adulthood
- Ensuring equity of access to high quality settings for all children

Principles of a transformational approach

(2) Inclusive

- Supporting mainstream and specialist settings to implement fully inclusive practice so that children wherever possible remain in mainstream settings
- Nurturing collaboration and partnership across the sector
- Enabling all children and young people to value and achieve a fulfilling life

Value for money

- Delivering evidence based interventions
- Thinking creatively/differently about how available funding is used to deliver improved outcomes for children and young people
- Reducing/influencing demand at the front door and within settings
- Ensuring all income is maximised and all spend necessary
- Investing now to avoid long term or higher costs in the future

Suggested areas with potential for savings and a different approach (to be prioritised and worked up)

Suggested areas for more detailed work

1. Support families

- Strengthen models of support and partnership between parents, practitioners, settings and services where children have emerging need, investing in evidence based interventions to support families early on when issues first appear
- Enhance parenting and family support for families where at least one child has an identified additional need or SEND
- Listen to children and families from the early years and support them to prepare for an independent adulthood
- Ensure effective take up of direct payments and funded entitlements

Suggested areas for more detailed work

2. Build and optimise the use of cost effective local provision

- Invest in a range of local interventions across all settings to maximise capacity, capability and take up
- Build on models of specialism within both early years and school mainstream settings and out/in reach from specialist settings
- Develop and promote inclusive practice across all settings
- Align capital and revenue requirements to optimise the opportunities of capital investment
- Demonstrate transformational elements to attract funding to pump prime new approaches

Suggested areas for more detailed work

3. Maximise income

- Generate a higher centrally retained pot to maintain a healthy contingency by emphasis on increased participation across 2, 3 and 4 year old places and better Census recording
- Ensure income for those not living in Haringey/North Central London is efficiently collected in local settings
- Co-ordinate and broker admissions to special school places jointly across North Central London
- Develop early years business and quality improvement support model

Suggested areas for more detailed work

4. Reduce costs

- Review contract and placement costs
- Work with neighbouring authorities to ensure consistency of costs and fees across all blocks
- Negotiate fees based on achieving outcomes

Conclusion and next steps

Conclusion and next steps

Excellent progress has been made by the Joint Working Group to date.

The ambitious approach set out above will require significant and focused work and capacity will be stretched unsustainably unless we prioritise a few key areas to be worked up in detail through to implementation.

Suggested next steps include:

- Joint Working Group (JWG) to continue to meet
- JWG to finalise outcomes and principles framework
- JWG to prioritise a few key areas which will have most impact for more detailed and focused work, both for the medium and longer term
- JWG to identify and develop detailed transformation plans in prioritised areas with associated timelines, detailed implementation plans and clear outcome and financial savings targets
- JWG to report back to Schools' Forum as necessary to offer progress updates