

SPECIAL EDUCATIONAL NEEDS STRATEGY AND FUNDING

Responsible Cabinet Member
Councillor Cyndi Hughes,
Children and Young People Portfolio

Responsible Director
Suzanne Joyner, Director of Children and Adults Services

SUMMARY REPORT

Purpose of the Report

1. This report advises Cabinet of the outcomes of the recent public consultation. Cabinet is asked to consider and approve the updated Special Educational Needs and Disabilities (SEND) strategy (2019-2022) (**Appendix 1**) which summarises the strategic plan for delivering better outcomes for children and young people with special educational needs. Cabinet is also asked to consider and approve changes to the funding model for children and young people with Special Educational Needs and Disabilities (SEND).

Summary

2. This report provides a summary of feedback received during the consultation process for the proposed Special Educational Needs and Disabilities (SEND) Strategy (2019-2022). The consultation took place in October 2018 and comments were invited to a draft SEND strategy and submitted via online survey or via consultation events.
3. During the public consultation there was a positive response to the strategic objectives outlined in the draft SEND strategy with the majority of respondents supporting the identified key aims.
4. The report outlines proposed changes to the funding arrangements for SEND which aim to ensure a transparent, clear and fair allocation of funding, following a needs led "money following the child" approach and address budgetary pressures. During the consultation the majority of respondents supported the introduction of a new funding approach. Concerns were raised about the level of funding attributed to individual need and proposals have been amended to address these concerns.
5. During the consultation, concerns were raised about the impact of new funding arrangements on families and schools. The move to a money follows the child

model may have a negative impact on individual school budgets and therefore transition funding arrangements have been put in place to mitigate against the impact of these changes. Furthermore, the Local Authority has a statutory duty to ensure the assessed needs identified in a young person's Education, Health and Care Plan (EHCP) are met regardless to any changes in funding arrangements and therefore the proposed new funding model ensures that all children with SEND will receive sufficient funding to meet their needs and that schools will be accountable for evidencing that all their pupils with SEND are receiving adequate support.

6. The report details commissioning intentions to extend local SEND provision so that more Darlington children with SEND can be educated locally. The majority of respondents to the consultation supported the commissioning intentions to work with education partners to provide more local places for pupils with a primary need of Social, Emotional and Mental Health (SEMH) and Moderate Learning Difficulties (MLD).
7. An Equalities Impact Assessment has been undertaken and this is included in **Appendix 5**. Members are asked to read the Equalities Impact Assessment in full before making a decision. The Equalities Impact Assessment identifies both positive and negative impacts that will follow from the introduction of the SEND strategy and revised funding model.

Recommendation

8. It is recommended that Cabinet:-
 - (a) Consider the feedback from of the public consultation
 - (b) Read and note the Equalities Impact Assessment that has been undertaken
 - (c) Approve the adoption of the Special Educational Needs and Disabilities (SEND) Strategy (2019-2022).
 - (d) Approve the implementation of the revised funding model for children and young people with Special Educational Needs and Disabilities (SEND).

Reasons

9. The recommendations are supported for the following reasons:
 - (a) To drive the work of the SEND partnership in Darlington through to 2022 to deliver the best possible outcomes for children and young people with SEND and their families.
 - (b) To address pressures on the high needs funding block budget.
 - (c) To ensure that school funding for children with SEND is aligned to children and their needs, and that schools are held accountable for ensuring that children's needs are effectively met.

**Suzanne Joyner,
Director of Children and Adults Services**

No background papers were used in the preparation of this report

Tony Murphy: Extension 5637

S17 Crime and Disorder	This report has no implications for Crime and Disorder.
Health and Well Being	The SEND Strategy will contribute to improved outcomes for children and young people with special educational needs and/or a disability in the borough.
Carbon Impact	There are no issues which this report needs to address.
Diversity	An Equalities Impact Assessment has been undertaken. This identifies both positive and negative impacts from the changes proposed, but with appropriate support being available for children and young people with special educational needs and/or a disability in the borough.
Wards Affected	Children and young people with SEND may live in any ward.
Groups Affected	Children and young people with special educational needs and/or disabilities.
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	This is a key decision
Urgent Decision	For the purpose of the 'call in' procedure this does not represent an urgent matter.
One Darlington: Perfectly Placed	The report contributes to the Sustainable Community Strategy Priority 'the best start in life'.
Efficiency	There are no direct efficiencies to the Council from the information contained within this report.
Impact on Looked After Children and Care Leavers	The SEND Strategy will contribute to improved outcomes for children and young people with special educational needs and/or a disability in the borough, some of which could be Looked After Children or Care Leavers.

MAIN REPORT

The SEND Strategy

10. Darlington's Special Educational Needs Strategy 2017-2020 was approved by Cabinet on 5 December 2017. This updated version builds on progress to date, identifying what has been achieved and our priorities for action up to 2022.
11. The vision for the strategy is that it promotes inclusion, maximizes young people's opportunities to be independent and enables young people with special educational needs and disabilities to be recognised as fully integrated citizens with the ability to contribute to their local community.
12. The document has been designed as a joint local area strategy in collaboration with health services in the Clinical Commissioning Group (CCG) and the North of England Commissioning Support (NECS), and education providers through the Primary Heads Forum and the 11-19 Partnership.
13. The strategy has been written to respond to the key priorities set out in the SEND code of practice, and highlights local strategic aims associated with each priority area for implementation. These are set out below:
 - (a) **Early identification of need ensuring that the right children and young people are in the right placement with the right support**
Early identification and intervention is essential to prevent underachievement and improve outcomes and improve children's life chances.
 - (b) **Building capacity in mainstream settings to enable children and young people to be educated in appropriate settings locally**
Children and young people with SEND need to have good quality support in their mainstream and local settings so that they can achieve their academic potential and maintain their self-esteem and confidence.
 - (c) **Ensuring that children and young people are educated in their local community and have an effective preparation for adulthood and access to work and leisure opportunities**
Being educated in their local area enables pupils with SEND greater independence and a sense of contributing and belonging to their local community. Children and young people with SEND tell us that they want to make friends locally and access local facilities with their families.
 - (d) **Increasing achievement and improving outcomes for children and young people with SEND**
Address the underperformance in educational achievement across the Key Stages but particularly at Key Stage 4 through targeted interventions, appropriate curriculum, high quality training and effective quality assurance, monitoring and moderation.
 - (e) **Focus on effective collaboration, co-production and communication**
Ensuring that all policies and practices are co-produced with all

stakeholders and with the active involvement of parent/carers and children and young people.

(f) **Achieving 'Best Value' (human, physical and financial resources) from all our services**

Effective, efficient and co-ordinated services that meet the needs of children and young people with SEND and their families. With increasing demand we must ensure that the right resources are going to the right children in the right place.

14. The SEND Strategy sets out our vision in Darlington for a well-planned continuum of provision from birth to age 25 that meets the needs of children and young people with SEND and their families, and that we expect every early years setting, post 16 provider, mainstream school and academy to have the capacity and confidence to deliver effective provision.
15. The strategy aims to identify children with SEND at the earliest possible opportunity and provide them with the support they need to make good educational progress and achieve good outcomes so that they and their families feel well supported. It recognises the importance of providing good training for all staff, whichever setting they are working in, using the best expertise and knowledge, sharing best practice and by promoting a model of collaborative working and shared responsibility.
16. The strategy aims to ensure education, care and health services are delivered in an integrated way so that the experience of families accessing services is positive and children and young people's learning and development, safety, well-being and health outcomes are well promoted alongside their educational progress and achievement.

SEND in Darlington

17. The most recent published national data (from January 2017, published in SEN in England in July 2018) shows that 3.3% of Darlington pupils have an Education, Health and Care Plan (EHCP). This is slightly higher than the North East average of 3% and above the England average of 2.8%.
18. The published data shows the profile of primary need in Darlington is different to that seen nationally. A higher proportion of school age children have social, emotional and mental health needs (SEMH) identified as their primary need than nationally, 19.9% in Darlington compared to 15.7% across England and 16% across the North East) (**Appendix 2 Figures 1 and 2**).
19. The contrast is particularly different for pupils with SEMH placed in specialist provision, with 28.8% of Darlington pupils with SEMH as a primary need placed in a special school compared to 13% across England, making Darlington the 4th highest.
20. The data indicates that there is a high number of pupils identified with SEMH as a primary need and that a high ratio of those pupils are being educated in

special schools. However this may not be the best way to achieve good outcomes for those children. **(Appendix 2 Figure 3).**

21. Darlington has seen a significant rise in the total number of EHCPs in the last 3 years **(Appendix 2 Figure 4)**. The number of plans has risen from 385 in January 2013 to 683 in January 2018. This equates to a rise of 77% throughout this period.
22. The increasing levels of EHCPs are more significant since the profile of placements for pupils is skewed towards independent specialist provision. In England 41.9% pupils with EHCPs are placed in mainstream schools compared with 30.6% in Darlington, evidencing that a smaller proportion of young people are educated in mainstream schools **(Appendix 2 Figure 5)**. Darlington also places a higher proportion of young people with EHCPs in Independent Special Schools (5.1% compared to 2.3% across the North East and 3.7% across England).
23. This trend is more pronounced in relation to EHCPs issued in 2017. Darlington placed 9.8% of new EHCPs in Independent Special Schools in 2017 compared to 2.7% across the North East and 2.9% in England **(Appendix 2 Figure 6)**. In 2017 Darlington had the 5th highest proportion of new EHCPs placed in Independent Special Schools in England.

Developing Local Provision

24. The SEND strategy identifies the key priority of providing high quality local provision. One of the key drivers for the placement of pupils in high cost out of borough independent placements is the lack of suitable local specialist provision.
25. The strategy identifies key areas of consideration of commissioning local provision to meet need and manage demand.

Type of Need	Phase	Delivery
Pupils with Social, Emotional and Mental Health Needs (SEMH)	Primary	Resource base in a primary school setting
Pupils with Social Emotional and Mental Health Needs (SEMH)	Secondary	Resource base in a secondary setting or alternative provision
Cognition and Learning - MLD	Secondary	Resource base in a secondary setting

Public Consultation

26. Following approval from Cabinet on 9th October 2018, a public consultation was undertaken between 17th October 2018 and 28th November 2018. The general public and key stakeholders were invited to participate in the consultation. A series of public consultation events were held at which the draft strategy was presented which outlined the key challenges and opportunities identified and questions for consultation. Surveys and key

documents were also available online. Full details of the consultation outcome are detailed in **Appendix 3**.

27. Consultation with Children and Young People was organised and included representatives from “Voices”, “Next Steps”, “Young Leaders” and school councils. School councils at Marchbank Special School and Beaumont Hill Academy were involved in the consultation.
28. Health professionals e.g. service leads (Occupational Therapy, Physiotherapy, Speech and Language Therapy, Audiology, Ophthalmology; etc.) were contacted directly as well as the Clinical Commissioning Group (CCG) and the North of England commission support unit.
29. A summary of the responders is outlined in the table below:

Table 1: Summary of responders to SEND public consultation

Response Type	Numbers
Total survey responses (including hard copy survey's received)	108
Public Events (including open health, social care and school meetings) number of attendees	99
Children and Young People Events – number of attendees	50
Total number of detailed written responses <ul style="list-style-type: none"> - Teachers of Deaf and Visually Impaired, Darlington Low Incidence Needs Service - National Deaf Children Society - Federation of Mowden Schools - Traveller Education and Attainment Service, Darlington - Parent/Carer - The Federation of Darlington Nursery Schools - Darlington CYP Scrutiny Committee - Carmel Education Trust - Darlington Association on Disability - Parent Carer Forum 	11

30. The SEND strategy survey was built around the 6 draft key objectives. The table below outlines the responses received through the formal surveys. There was strong public support for the strategic objectives outlined in the strategy.

Table 2: Summary of responses to strategy objectives

Question: To what extent do you agree or disagree with the SEND Draft strategy objective of:	Total agreed	Neither agree nor disagree	Total disagree
Early identification of need ensuring that the right children	92.41%	5.06%	2.53%

and young people are in the right placement with the right support			
Building capacity in mainstream and specialist settings to reduce reliance on specialist out of area placements 0-25	80.00%	4.29%	15.71%
Ensuring that children and young people with SEND are educated in their local community and have effective preparation for adulthood and access to work and leisure opportunities	82.36%	5.88%	11.76%
Increasing achievement and improving outcomes for children and young people with SEND	90.77%	3.08%	6.16%
Focus on effective collaboration, co-production and communication	92.31%	1.54%	6.16%
Achieving Best Value (human, physical and financial resources) from all our services	87.30%	6.35%	6.34%

Re-shaping of the High Needs Block

31. In order to ensure pupils with SEND in Darlington fulfil their potential, the funding system that supports them needs to be transparent and targeted to meet a child's individual needs.
32. Under the current school funding framework, the Government allocates amounts to each local authority through the Dedicated Schools Grant (DSG), based on four blocks.
- (a) Schools Block
 - (b) High Needs Block
 - (c) Early Years Block
 - (d) Central Schools Block

The allocations for the blocks in 2018/19 are:

Block	Allocation £'000's
Schools	65,102
High Needs	12,253
Early Years	6,827
Central Schools	1,454
Total	85,636

Figures updated July 2018, pre recoupment

33. The High Needs Block caters for pupils with special educational need and disabilities (SEND). It funds Darlington special schools, SEN resource bases in mainstream schools, pupil referral unit (PRU) and the provision of education to

those pupils with complex or severe needs requiring support in a non-maintained or independent special school (NMI). It provides additional funding to primary and secondary schools for pupils with Education Health Care Plans (EHCPs), and also funds specialist support services (e.g. physical and sensory support, speech and language therapies).

34. The high needs funding system supports provision for pupils and students with special educational needs and disabilities (SEND) from their early years to 25. The Children and Families Act 2014 extends local authorities' statutory duties relating to SEND across the 0 to 25 age range.

Darlington 17/18 Funding Model

35. The system for funding high needs provision in Darlington up to the end of the 17/18 academic year was both complex and unclear. There was a lack of transparency for schools and parents about how the funding system worked and the funding schools received was not allocated to an individual pupil's needs.
36. Guidance from the Education, Skills and Funding Agency (ESFA) states that schools and academies should have sufficient funding in their delegated budget to enable them to support pupils' SEND where required, up to a mandatory cost threshold of £6,000 per pupil (Element 1 & 2 below).
37. Only when this threshold is crossed, can a school apply to the local authority for high needs top up funding from the DSG (Element 3 below). This national policy change was introduced in 2014.
38. There are 3 ways schools are funded nationally to support pupils with SEND:

Element 1	This is the core budget and it is used to provide education and support for all pupils in the school, including those with SEND. Nationally this is set at around £4,000
Element 2	The notional SEND budget. Schools have a duty to identify, assess and make special provision for all children with special education needs and disabilities. Schools are expected to contribute £6000 to support a pupil with high needs
Element 3	"Top up" funding for a pupil with complex or exceptional needs is allocated to the school after a statutory assessment has been carried out and the pupil has been given an Education, Health and Care Plan (EHCP)

39. Nationally, most LAs have applied a "top up" level of funding to the notional £6,000 on an individual pupil basis since 2014. This funding is awarded per individual child and the amount depends on the pupil's level of assessed need. An EHC plan describes a pupil's needs, agreed outcomes and required provision and the top-up funding is directly linked to these. Nationally, most LAs

operate a universal high needs banding system which is used to allocate the appropriate level of funding for each pupil.

40. Darlington’s funding model did not follow this approach. Rather than applying a “top up” to the notional £6,000 funding, a combination of a delegated lump sum and “top up” model was in place. Primary schools received a lump sum payment which replaces top up funding between £6,000 and £13,500 with additional “top up” funding applied. Secondary schools received a fully delegated lump sum model with no “top up” payments.

Darlington Funding Model		
Element 1	Core budget	
Element 2	The notional SEND budget.	
Element 3	Primary	Secondary
	Mixture of “top up” funding linked to pupil and delegated lump sum payment to school	Delegated lump sum payment to school. Funding does not follow individual pupil

41. The funding scheme did not apply a “money follows the child” model, resulting in a wide variance between the funding a school received and the number of pupils at the school with an EHCP.
42. It is important that the funding system is transparent, and is as fair and equitable as possible. The demand for High Needs top up funding must be more financially predictable and more closely linked to the needs of individual pupils.
43. School Forum has agreed to implement a fully “money follows the child” model with effect from the 2018/19 school year. However, there remains a need to revise the existing funding model to clarify resources available to schools and deliver an equitable and transparent allocation. It is proposed to move to a system introducing more specific top up funding arrangements, graduated to support the most profound level of individual need.

A new funding model

44. The following proposals are designed to create a clearer, simpler high needs funding model that is more easily understood by parents, carers and professionals across the system. They are designed to simplify the current banding system and to deliver the necessary savings to the system to address the increasing demand.
45. It is proposed to introduce a SEND ranges model based on national best practice in determining the needs of pupils with SEND. They are based on the four areas of the SEND Code of Practice (2014) and on the “golden thread” of the graduated approach of assess, plan, do and review that underpins SEND best practice.
46. This approach to assessing pupil needs will determine the “top up” funding that will be allocated to ensure that individual pupil needs are met in the most

effective and efficient way. It is a “needs led approach” rather than purely allocating provision.

47. There will be greater emphasis on accountability and targeting of notional SEN funding and additional “top up” funding to meet needs. Allocations of “top up” funding in addition to the notional £6,000 per pupil SEN budget will require an evidence base of the assessment of need, the range of interventions in place and the impact and outcome. Schools will be required to demonstrate how they are spending the notional £6,000 SEN budget before further “top up” allocation will be considered.
48. The SEND ranges model, which schools, health professionals and parent/carers have contributed to, will provide a clear framework as to the level of SEN provision which can reasonably be provided from within the resources available to mainstream schools. The application of the ranges will reduce the risk of inappropriate pupil placement in high cost specialist provision.
49. It is proposed to move to a single “universal” banding system for all mainstream schools in Darlington in line with the principle outlined in the SEND code of practice of “money follows the child.” The transition to a new funding model may have an impact on individual school budgets. This will be a significant shift for schools in the current system, and so the changes will be applied through a transition period in the 18/19 and 19/20 academic years to mitigate any negative impact.
50. The LA has a statutory duty to meet the assessed needs contained within an Education, Health and Care Plan regardless of any changes to the funding system. Children and young people will continue to have their assessed needs met under the revised funding model. There is a statutory process of annual reviews to ensure needs are reviewed annually and the required provision to meet needs is maintained.
51. The consultation sought views on a revised funding model to provide funding to schools that is directly related to the assessed needs of the child or young person. This funding would be used for the provision of resources for that individual and would be a needs-based approach of money following the child/young person. Darlington’s previous funding model was a combination of a delegated lump sum payment to schools and top up to the notional funding.
52. There was strong support that a new funding model would provide a consistent, simpler system. There was less consensus around the proposed funding levels attached to the range of need.

Table 3: Summary of responses to funding model

Question:	Total agree	Neither agree nor disagree	Total disagree
To what extent do you agree with the proposals to move from the current system, which is varied across the Borough, to a consistent and applied	88.71%	6.45%	4.84%

approach for all primary and secondary educational settings?			
Darlington Borough Council has put in place the SEND ranges which cover the four areas of the Code of Practice. There are ranges of need between 1 and 7. To what extent do you agree with these bandings?	32.76%	29.31%	37.93%
The funding proposals are designed to create a clearer and simpler model that is more easily understood by parents, carers, young people (where appropriate) and professionals. To what extent do you agree that the proposals will create a clearer and simpler system?	68.96%	18.97%	12.07%

53. In response to the consultation, changes have been made to the banding proposals to reflect respondents' views that the gaps between banding rates could impact on outcomes. A higher rate has been added to the banding rates to reflect the need of pupils with Profound and Multiple Learning Disabilities (PMLD) in specialist settings. The revised funding proposals are detailed in **Appendix 4**.

54. Darlington Parent Carer Forum and Darlington Association on Disability submitted written responses to the consultation. The Parent Carer Forum raised the need to provide more detail in particular to the top up funding model in order for an informed response to be made. This was addressed and a briefing was provided and made available on the website and at public meetings. Additional public events were organised in response to requests by parents and carers. All parents and carers of children and young people with EHCPs were individually contacted to let them know about the consultation.

Developing Local Provision

55. The SEND strategy identifies the key priority of providing high quality local provision. One of the key drivers for the placement of pupils in high cost out of borough independent placements is the lack of suitable local specialist provision.

56. The strategy identifies key areas of consideration of commissioning local provision to meet need and manage demand.

Type of Need	Phase	Delivery
Pupils with Social, Emotional and Mental Health Needs (SEMH)	Primary	Resource base in a primary schools setting
Pupils with Social Emotional and Mental Health Needs (SEMH)	Secondary	Resource base in a secondary setting or alternative provision
Pupils with Moderate Learning Difficulties (MLD)	Secondary	Resource base in a secondary setting

57. £800,000 of special educational needs and disability (SEND) provision capital funding (SEND Capital) is available to the Council from Department for Education (DfE) to:
- (a) Improve the quality of provision for children and young people with EHCPs 0-25;
 - (b) Create new (additional places) at good or outstanding settings;
 - (c) Improve facilities or develop new facilities - which can be expanded, reconfigured, re-purposed, and can include capital installations such as hoists.
58. There was strong support shown in the public consultation for the proposed usage of the Capital grant.

Table 4: Summary of responses to commissioning intentions

Question:	Total agreed	Neither agree nor disagree	Total disagree
Do you agree that we need to develop provision in these areas of need?	88.71%	6.45%	4.84%
Do you agree this is appropriate use of the money?	75.81%	16.12%	8.06%

59. To receive this funding, the Council is required to publish on the Local Offer by the end of March 2019, a short plan identifying the numbers, type and location of the proposed new places.
60. Following the result of the public consultation the following two stage project selection process has been designed and agreed with the Council's Legal and Procurement.

Table 5: Commissioning of provision

LOT	Provision	No of Places	Broad Area of Need and Primary Need
1	Primary School	Up to 16	Social Emotional Mental Health – (SEMH)
2	Secondary School/ KS3 provision	Up to 16	Social Emotional Mental Health – (SEMH)
3	Secondary School	Up to 16	Cognition and Learning - MLD

Expressions of Interest

61. Expressions of interest in providing the new places were invited from all mainstream, specialist and independent KS1-KS4 provision in the Darlington area. Detailed guidance on the scoring criteria (Table 6) was provided to schools and a commissioning event was held. It was expected that some schools could deliver new places without the need for additional accommodation or significant capital works.

62. The Department for Education expects new places to be created in Ofsted good or outstanding schools. However, settings that are not good or outstanding but wish to express interest in delivery of SEND places could do so through this process and Ofsted grading was not part of the overall stage 1 score. The LA can attribute funding to settings that are not “Good” or “Outstanding”, upon consultation with the Regional Schools Commissioner, as long as all other options have been explored.

End Stage 1: Project Shortlist

63. The expressions of interest were scored by a panel of LA officers and the recommended short list of projects agreed by the Director of Children and Adults Services. The shortlisted projects have been identified at Rise Carr College and Red Hall Primary School. Both of these provisions are graded “Good” by Ofsted.

64. Both proposals are from maintained settings. When considering any reorganisation of provision that the LA recognises as reserved for pupils with special educational needs, including that which might lead to children being displaced, proposers will need to demonstrate how the proposed alternative arrangements are likely to lead to improvements in the standard, quality and/or range of educational provision for those children. Therefore the LA will run a statutory process for Rise Carr College and Red Hall Primary School as creation of SEND specific places is a prescribed alteration.

Table 6: Shortlisted proposals for new provision

LOT 1	Primary School Provision	Places (Up to 16)	Social Emotional Mental Health – SEMH
Proposal 1.1	Red Hall Primary School	16	<p>Brief Project Summary:</p> <p>Development of a Resource Base¹.</p> <p>SEND capital funding (subject to feasibility and options analysis) to support the development of:</p> <ul style="list-style-type: none"> • 2 classroom areas • 2 smaller spaces – for sensory provision and break out space for therapeutic work. • Toilet facilities, small kitchen and staff office

¹ DFE guidance: provision reserved for pupils with SEN includes both "resourced provision" (where pupils spend more than half of their time in mainstream classes with support) and "designated SEN units" (where pupils spend more than half of their time in special classes).

			<ul style="list-style-type: none"> • A secure outdoor space
LOT 2	Secondary School/ KS3 provision	Places (Up to 16)	Social Emotional Mental Health - SEMH
Proposal 2.1	Rise Carr College	16	<p>Brief Project Summary:</p> <p>Development of a designated SEN Unit which will operate predominantly for KS3 though a small allocation of places will be given over to KS4 dependent on need. KS3 will operate through a child centred approach. KS4 places will principally be developed around pathways for progression post-16, access to high quality work experience placements where appropriate and extended transition periods into the destination provision whilst building resilience and community networks to support through the next stages of education. Each child will follow a programme appropriate to both their educational and therapeutic needs.</p> <p>SEND capital funding (subject to feasibility and options analysis) to support the development of:</p> <ul style="list-style-type: none"> • 2 teaching spaces • 3 therapeutic/meeting spaces • 1 larger multi-use space • Toilet facilities, small kitchen and staff office • A secure outdoor space
LOT 3	Secondary School	Places (Up to 16)	Cognition and Learning - MLD
	No responses		

65. The proposals on the shortlist will go forward to stage 2. Due to the challenging DfE timescales, it is necessary to publish the shortlist of projects by the end of March before Stage 2/feasibility has been completed. However, officers are confident that we have sufficient information to secure the capital funding and that the list of projects can be updated in the future. Settings are aware that to

meet the DfE deadline, the shortlist will be made public before the completion of feasibility stage first in this report, and upon publication on the Local Offer website, and that this is not a guarantee that their project will be invested in. Officers will continue to explore options for new provision for pupils with Moderate Learning Difficulties.

Stage 2: Feasibility

66. Feasibility studies will be carried out by the Council on the proposed projects and they will then be scored on appropriateness, timescales and deliverability.

Financial Implications

Current Budget Position

67. Darlington's High Needs Block (HNB) allocation for 2019/20 was £12.25M. An overspend of £1.40m is projected for this year based on the current profile of high needs expenditure. In addition to this, £1.6m of overspend has been carried forward from 2017/18, therefore a combined overspend of over £3m is expected to be carried forward into the 2019/20 financial year. This level of expenditure against the HNB is financially unsustainable and we need to develop a more affordable system of funding high needs, in line with the level of funding Darlington receives from the government.
68. The combination of the three key demands increasing rates of ECHPs, the high level of mainstream top up payments and the types of placements for young people with EHCPs is placing considerable pressure on the HNB.
69. From 2015/16 to 2017/18 spend on mainstream "top up" payments increased from £1,342,661 to £1,670,248. Spend on independent special school placements rose from £1,271,069 in 15/16 to £2,392,507 in 17/18.

Dedicated Schools Grant

70. The Department for Education (DfE) are intending to introduce revised national funding arrangements for all school funding blocks. The DfE's intention is for schools' budgets to be set on the basis of a single, national formula (a 'hard' formula) from 2021/2022. To ensure some transitional stability, local authorities can continue to set a local formula for schools in both 2019/20 and 2020/21.
71. The vast majority (99.5%) of the schools block is ring-fenced and must be distributed through a formula directly to schools. In consultation with their Schools Forum, local authorities can move 0.5% of funding into the High Needs Block. Local Authorities can make a request to the Secretary of State to move more than 0.5% of the school block to support the High Needs Block.
72. In 2018/19 in agreement with Schools Forum, Darlington moved 0.5% (£325,000) of the schools block into the high needs block to reduce high needs pressures. School Forum has agreed to transfer 0.6% of the school block to support the High Needs Block in 2019/20.

Projected Savings

73. The chart below illustrates the projected savings to the mainstream top up spend by implementing the new funding model in comparison to the historic Darlington model (as outlined in paragraphs 24 to 29). (Note the figures are based on pupil characteristics during 2017/18 and are illustrative as the actual spend will be based on the actual pupils in school in each year).

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
Historic Expenditure	1,733,394	1,733,394	1,733,394
Historic Funding Model	577,798	0	0
Transitional Funding Model	1,166,848	545,148	0
New Funding Model	0	828,861	1,243,291
Total	1,744,646	1,374,009	1,243,291
Savings	(11,252)	359,385	490,103

The savings are shown in financial years, system changes are introduced in academic years

74. The changes to the mainstream top up system are projected to save in the region of £490,000 once fully implemented, therefore a further £1.5m of savings will be required in the HNB in order to balance the budget in future years. Further changes to the delivery of high needs are currently being investigated to deliver the savings required to balance the budget in year and recover previous years overspends. A plan of high needs delivery changes proposals will be formulated during the current academic year to address this overspend.
75. With effect from 2019/20 the DfE intends to tighten the rules governing deficits in local authorities' overall DSG accounts, under which LAs have to explain to the DfE their plans for bringing DSG accounts back into balance.
76. Following the conclusion of a national consultation exercise, it is expected that in May 2019 the DfE will require a report from any LA that has a DSG deficit of more than 1% as of 31st March 2019. The report will need to have been discussed by our local Schools Forum. The report will outline the Local Authorities' plans to address the overspend over future years.

Legal Implications

77. Local authorities have a statutory duty to identify and assess the special educational needs of children and young people for whom they are responsible. Once a local authority becomes aware that the child/young person in their area has or may have special educational needs, the local authority must ensure that those children/young people receive support to help them in "achieving the best possible educational and other outcomes".

Equalities Impact Assessment

78. The Local Authority also has an Equality Duty under the Equality Act 2010 and an obligation to make reasonable adjustments for disabled persons when exercising its functions. Consideration has been given to understand the potential impact of proposals and the appropriate steps have been taken to

mitigate against any identified negative impacts where relevant. Members are asked to read the Equality Impact Assessment at **Appendix 5** in full before making a decision.

79. The Equalities Impact Assessment has identified some potential negative impacts that may result from the introduction of these proposals.
80. The consultation raised concerns regarding the potential effect on changes to funding for individual children or young people with SEND. Where children and young people have SEND then they will continue to be eligible for funding in accordance with their level of need. There are likely to be some children and young people who, as a result of the changed funding model, have a reduced level of funding applied to their education provider for their support. Their education provider will still receive sufficient funding to meet the needs identified in a child or young person's Education, Health and Care Plan. There will be some education providers who will receive increased funding through a "money follows the child" model as this will more accurately reflect the number of pupils with SEND on their roll.
81. The change to the top up funding model may result in reductions in allocations to schools and settings through the funding allocation model. This may mean that education settings who are currently receiving higher funding allocations for pupils may, in the future model, receive less funding. If prior, to the changes, the funding was used by the school generally, rather than specifically for SEND, then there may be negative impacts from the reallocation of this funding to SEND. This will impact all children and young people, not only those with SEND – as a result of a reduction in overall resources. However, the new funding model will ensure that SEND funding is targeted rather than allocated to education provision as a whole and that all children with Education, Health and Care Plans are allocated sufficient funding to meet their needs. In addition, some schools and establishments may benefit from an increase in their funding allocation as a result of the new model which means their pupils will be positively impacted by the proposals.
82. Transitional funding arrangements will be in place to mitigate and manage the changes that are being introduced to the funding model to enable schools to adjust and plan.
83. The consultation raised concerns regarding the potential effect on changes to funding for individual children or young people with SEND. Some parents and carers had some anxiety about what the proposed changes would mean for them and their children. The embedding of the SEND ranges and associated processes in order to evaluate support that would be expected to be in place will ensure that children and young people's needs must be proven to be met with any funding allocated and settings to be held accountable for meeting children and young people's needs. Any negative impacts will be limited due to the LA's statutory duty to meet assessed needs through the EHCP, which will ensure that all children with identified SEND are allocated sufficient funding to meet their needs. Furthermore, requests for assessment will be accompanied by clear evidence of need, e.g. through use of the SEND ranges and costed provision maps this will ensure that the LA can monitor and challenge to ensure that CYP receives the provision and support that they require.

84. We will continuously monitor the impact of the changes on individual children and young people and on school budgets. This will include reporting via the School Forum.
85. The implementation plan has a communication strategy which should help in ensuring that children and young people, parents and carers and schools have a clear understanding of the changes and way that they will be affected. It is hoped this will contribute to reducing any anxiety that may be caused by the changes.