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DATE: 8 July 2024

## SCHOOLS' FORUM

**Meeting to be held on Thursday 11 July 2024**

Please see the attached report(s) marked "to follow" on the agenda.

**3 DSG DEFICIT RECOVERY MANAGEMENT PLAN (TO FOLLOW) (Pages 3 - 18)**

*Copies of the documents referred to above can be obtained from*  
<http://cds.bromley.gov.uk>

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# Agenda Item 3

Report No.  
CEF23098.

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Schools Forum

**Date:** 11 July 2024

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** Draft DSG Deficit Recovery Management Plan 2025/26

**Contact Officer:** Jared Nehra, Director of Education  
Tel: 0208 313 4804    E-mail: jared.nehra@bromley.gov.uk

**Chief Officer:** As above

**Ward:** All

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1. Reason for decision/report and options

- 1.1 This report provides Schools Forum with an updated draft DSG Deficit Recovery Management Plan for comment and scrutiny.

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2. **RECOMMENDATION(S)**

**Schools Forum is recommended to note and comment upon the draft Plan**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The DSG High Needs Block funds a wide range of support and provision for children and young people with an Education, Health and Care Plan. The sustainability of this funding is vital to ensure continued high quality support.
- 

### Transformation Policy

1. Policy Status: Existing Policy: SEND Strategic Vision and Priorities
  2. Making Bromley Even Better Priority (*delete as appropriate*):
    - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
    - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
    - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Various DSG related cost centres
  4. Total current budget for this head: £386,510k total DSG
  5. Source of funding: DSG
- 

### Personnel

1. Number of staff (*current and additional*):
  2. If from existing staff resources, number of staff hours:
- 

### Customer Impact

1. Estimated number of users or customers (*current and projected*): c4,300 CYP with an EHCP
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### **3. COMMENTARY**

Officers have prepared a revised draft of the DSG Deficit Recovery Management Plan, which is provided to Schools Forum for comment and scrutiny. Final proposals and the updated Plan will be presented to Schools Forum and the Children, Education and Families PDS Committee as part of the 2025/26 budget setting process in Autumn 2024.

The draft Plan sets out the agreed growth and mitigations within the Medium term Financial Strategy 2024/25 and makes three proposals for further mitigation options as part of the 2025/26 budget setting process.

Officers will meet with officials from DfE and Education and Skills Funding Agency (ESFA) to discuss the draft Plan on 15 July 2024. Feedback from DfE/ESAF and Schools Forum will be used to inform the revised draft presented to elected Members.

### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

The DSG High Needs Block funds a wide range of support and provision for children and young people with an Education, Health and Care Plan. The sustainability of this funding is vital to ensure continued high quality support.

### **5. TRANSFORMATION/POLICY IMPLICATIONS**

The DSG deficit recovery work is a key part of the Council's transformation work programme.

### **6. FINANCIAL IMPLICATIONS**

The Council currently has a cumulative DSG deficit of £16.2m as at 31<sup>st</sup> March 2024. Current projections expect this figure to increase by £5m+ per year without further action. This position is not financially sustainable.

The Deficit Recovery Plan proposes to reduce the impact of this over the next five years, reducing the potential deficit moving forward. Work will be ongoing to try and reduce the overall impact on Council resources to zero.

### **14. CUSTOMER IMPACT**

The sustainability of the DSG has a direct relevance to the quality of services and support that can be provided by the local area to local residents



## London Borough of Bromley

### DSG Deficit Recovery Plan July 2024 Update

<b>Date Submitted</b>	
<b>Data Date</b>	
<b>Signed off by S151 Officer</b>	
<b>Signed off by Director of Children's Services</b>	
<b>Background documents</b>	

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## Introduction

In Bromley we are ambitious for all children and young people who have SEND and their families. We have a strong local area approach, overseen by the multi-agency SEND Governance Board, which scrutinises the work of the partnership in improving outcomes and ensuring efficient and effective local arrangements for SEND.

This DSG Deficit Recovery Management Plan has been prepared by the Children, Education and Families department of the London Borough of Bromley, in response to the growing financial pressures on the Dedicated Schools Grant (DSG), primarily within the High Needs Funding block.

The contributory factors have been widely accepted as arising from national challenges with the SEND system, as highlighted by the former Government's SEND Green Paper which acknowledged:

***'widespread recognition that the system was failing to deliver improved outcomes for children and young people, that parental and provider confidence was in decline, and, that despite substantial additional investment, the system had become financially unsustainable'***

Additionally, the Green Paper referenced that:

***'high needs spending continuing to increase year on year, with recent increases driven predominantly by an increase in the proportion of children and young people with an EHCP, over and above general population change'***

Through prudent financial management and a range of proactive actions, the Council and its partners were successful in containing the local financial pressures until an initial deficit position was reached at year end 2020/21. Benchmarking data provided by the Department for Education (DfE) confirmed that Bromley was one of the last London Boroughs to enter a deficit position. The local financial challenges have since continued to increase, with the deficit position having increased to £16.2m by the end of 2024/25.

This Management Plan sets out a range of key performance data, forecast projections of future need, which have informed the development of the actions being taken forward. Whilst the key underlying issues impacting on SEND resource pressures are at a national level, there is evidently a range of local factors impacting on Bromley's deficit position.

This paper outlines existing workstreams already established to mitigate the pressures faced locally. The main body of the paper sets out a detailed set of actions for the Council and its partners to transform the local SEND system and drive future sustainability. Building on our successes highlighted in the Local Area SEND inspection, we are well placed to meet these challenges head on, whilst continuing to lobby Government for sufficient funding to meet the true costs of SEND locally. We believe these are the right actions to address our local challenges and to continue to respond to the national systemic issues awaiting to be addressed by the incoming Government.

Suggested joint signatories:

Cllr Lymer – Deputy Leader and Portfolio Holder for Children, Education and Families  
Richard Baldwin – Director of Children, Education and Families  
Jared Nehra – Director of Education  
Peter Turner – Director of Finance (S151 Officer)



## DSG Deficit Profile 2024/25-2028/29

Estimated DSG Deficit at year end 2024/25 £21,853k					
Cumulative Forecast DSG Deficit Profile at year end					
Projected	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Max cumulative deficit (end of March closedown)	-21,853	-27,275	-32,690	-38,549	-44,931
Target cumulative deficit (end of March closedown)	-21,853	-27,277	-31,402	-34,263	-36,147
<b>Net target deficit recovery</b>	<b>0</b>	<b>2</b>	<b>-1,288</b>	<b>-4,286</b>	<b>-8,784</b>
In Year Forecast DSG Deficit Profile at year end					
Projected	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
In year deficits without recovery plans	-5,631	-5,422	-5,415	-5,859	-6,382
In year deficits with recovery plans	-5,631	-5,424	-4,125	-2,861	-1,884
<b>Difference</b>	<b>0</b>	<b>2</b>	<b>-1,290</b>	<b>-2,998</b>	<b>-4,498</b>

**Current Growth and Mitigations as agreed within Council's Medium Term Financial Strategy (MTFS) 2024/25 to 2027/28**

<b>Growth</b>	<b><u>2025/26</u></b>	<b><u>2026/27</u></b>	<b><u>2027/28</u></b>	<b><u>2028/29</u></b>
Placements including post 16 (includes current reserve)	8,739	11,878	15,017	18,156
	8,739	11,878	15,017	18,156
<b>Mitigation</b>	<b><u>2025/26</u></b>	<b><u>2026/27</u></b>	<b><u>2027/28</u></b>	<b><u>2028/29</u></b>
Additional high needs grant announced/estimated	-2,500	-5,000	-7,500	-10,000
Free Special School	0	-167	-362	-478
SEN additional in borough placements	-817	-1,296	-1,296	-1,296
<b>Sub total</b>	<b>-3,317</b>	<b>-6,463</b>	<b>-9,158</b>	<b>-11,774</b>
<b>Forecast in-year deficit (as per agreed MTFS)</b>	<b>-5,422</b>	<b>-5,415</b>	<b>-5,859</b>	<b>-6,382</b>

**Proposed Recovery Mitigations 2025/26 to 2028/29**

	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
Establish new Secondary Special School	0	-1,167	-2,875	-4,375
Cost of borrowing for Secondary Special School	1,527	1,527	1,527	1,527
Reduce AP top up funding	-175	-300	-300	-300
Disapplication - Top slice Schools block to High Needs	-1,350	-1,350	-1,350	-1,350
<b>Totals</b>	<b>2</b>	<b>-1,290</b>	<b>-2,998</b>	<b>-4,498</b>
<b>In year deficits with recovery plans</b>	<b>-5,424</b>	<b>-4,125</b>	<b>-2,861</b>	<b>-1,884</b>

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## **Actions in Place (Indirect/non-quantifiable savings)**

### *Demand Management*

- Introduced EHC Eligibility Guidance to clarify when statutory assessment is appropriate and when needs are expected to be met through Ordinarily Available Provision (OAP).
- Reviewed capacity of Educational Psychology Service and commissioned external EP assessment service.
- Issued new Ordinarily Available Provision guidance as part of the Graduated Approach.
- Improved and raised awareness of the Local Offer. Launched Young Person's Local Offer.
- Streamlined EHC Needs Assessment process and improved timeliness of assessments.

### *Inclusion*

- Produced Inclusion Dashboards to highlight the most inclusive/lowest cost practice and highest cost/least inclusive practice.
- SEND workforce strategy planning in place.
- SEND Networks Champion driving sector specific improvements.
- SENCo Forum and training promoting inclusion.
- Cross-service workshop held to improve education, health and social care interactions and understanding.
- Designated Social Care Officer in place.
- All-age Autism Strategy in place led by All-Age Autism Board.

### *High Cost Placements*

- High cost placement reviews taking place.
- Forecast data used to identify requirements for high cost/independent provision.
- Early planning in place for Phased Transitions to ensure earlier placement decisions.

### *Effective Commissioning arrangements*

- Review of High Needs Funding bands nearing completion.
- Integrated Therapy Service established.
- Balanced Model approach to Speech and Language commissioned jointly between LBB and ICS.
- Community Paediatricians and Therapists now sit on Needs Assessment Panel to enable better decision making and reduced requests for professional advice where not required.
- Decision making panels across health, education and social care reviewed.
- Improved tripartite decision making.
- Improved data dashboard across education, health and care (0-25).
- SEN Transport reviews undertaken.

### *Increased capacity of Bromley specialist settings*

- Special Free School (Key Stages 2-4) negotiations ongoing with DfE to enable earliest possible opening.
- Commissioning undertaken of additional AP places at secondary PRU.
- Cessation of discretionary AP services including 14-16 college provision and English as a Second or Other Language (ESOL) provision to redirect funds to statutory provision.
- Three new Additionally Resourced Provisions (ARP) to increase specialist provision in mainstream primary schools.
- SEN Capital grant maximised to focus on schemes that will have maximum benefits in quality

and sustainability.

#### *Transition Planning*

- Accommodation strategy and planning work underway to support the future needs of people with Autism and Learning Difficulties, to reduce the need for residential provision.
- Transition planning improved for Year 6-7 transfer, including annual transition event held for all primary and secondary schools to discuss SEN pupils.
- SEN Transport reviews.
- SEN Employment project commissioned, including mentoring and the creation of new Supported Internships
- Improved transition planning into Adult Social Care, led by 0-25 Service.

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## Recovery Plan – Proposed Additional Mitigations

### *Establish New Secondary Special School*

It is proposed to establish a new 200-place Secondary Special School within the Borough, utilising a site set aside for secondary aged provision in the Local Plan. This would reduce the requirement to place children at expensive independent or out of borough provision and improve the control of the Council over the quality of provision.

Forecasts indicate that the gross saving to the DSG could reach -£4,375k by 2028/29, resulting in a significant impact on the in-year DSG deficit position. In the event that the Council is required to borrow to fund the capital cost of the new school, this would reduce the financial saving by £1,527k each year.

It is anticipated that transport savings would also be achieved through this significant increase in local specialist provision, which would benefit the Council's core budget.

A feasibility study has been commissioned and is expected to conclude by late 2024, enabling options to be presented to elected Members and a competition launched to identify a suitable academy sponsor under the DfE's Free School Presumption Guidance. Concurrently, the Council is undertaking an engagement exercise to co-produce the specification for the new school, to ensure it will meet future needs and maximise the local sustainability of the SEND system. The Council's aim is to establish the new secondary special school by September 2026, utilising temporary accommodation as required. The permanent building is anticipated to be handed over to the successful academy trust by 2027/28, subject to Member's decisions and planning approval.

### *Review of Alternative Provision (AP) Top Up Funding*

It is proposed to review AP top up rates against market forces, with a view to ensuring that Bromley's commissioning reflects the best possible value for money. The quality of commissioned AP within Bromley is strong, with Bromley Trust Academy recently judged to be Good by Ofsted. The commissioned provider works closely with the Council and other partners, with effective working relationships leading to improved quality of provision to children excluded from, or unable to attend school.

It is widely acknowledged that AP is under significant pressures, both locally and nationally. This is due to continued increases in the volume and complexity of needs in mainstream schools and the reductions in support seen due to financial pressures across the education sector. The Council has worked with BTA to commission additional statutory PRU places in order to meet this demand and it is acknowledged that any savings will need to be managed carefully. Nevertheless it is important to ensure that the overstretched High Needs Block is achieving value for money and effective market rates from its commissioned AP.

Benchmarking analysis is currently being undertaken and will be concluded to inform recommendations to be made as part of the budget setting process for 2025/26 in Autumn 2024.

### *Disapplication Request – Top Slice of DSG Schools Block to High Needs block*

The Council is engaging with all Bromley schools and Schools Forum on a possible Disapplication request to the DfE. If supported, this would enable the top slice of 0.5% of the Schools Block (£1,350k) and reallocation to the High Needs Block. It is acknowledged that schools budgets remain under considerable pressure, despite the funding increases to the Schools Block of the DSG over recent years. Feedback from Headteachers to date has indicated significant concern as to how the resultant impact of the top slice (estimated at c£20k for secondary schools and c£5k for primary schools) would impact on schools' ability to set a balanced budget, without making further reductions to staffing.

A top slice was most recently undertaken in 2018/19, following which there have been changes to the funding Regulations. In particular, it is notable that any request made to DfE without the support of the Schools Forum has a low chance of succeeding.

Discussions are taking place with Schools Forum on 11 July 2024, with a formal request to Schools Forum proposed for Autumn 2024.

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## Appendices

### Appendix 1 - Glossary

<b>Provision type</b>	
<i>SEND</i>	Special Educational Needs and Disabilities
<i>CYP</i>	Children and Young People (0-25)
<i>EHCP</i>	Education, Health and Care Plan (replaced statements of SEN)
<i>AP</i>	Alternative provision
<i>PRU</i>	Pupil Referral Unit
<i>NETE</i>	Not in Education, Training or Employment
<i>NMSS</i>	Non-maintained special school
<i>INM</i>	Independent non-maintained provider
<i>Post-school</i>	In 2016/17 this covers FE colleges, sixth form colleges, independent colleges and any other post-16 providers that are not schools or academies. From 2017/18 this covers FE colleges, sixth form colleges, independent colleges, special post-16 institutions and other post-16 providers that do not provide for pupils of compulsory school age, including 16-19 maintained schools and academies
<b>Financial</b>	
<i>Mitigated</i>	If measures are put in place
<i>Unmitigated</i>	If no measures are put in place
<i>Outturn</i>	Actual projected spend
<i>FSM</i>	Free school meals
<i>IDACI</i>	Income deprivation affecting children index
<i>LA</i>	Local authority
<i>NFF</i>	National funding formula
<b>Primary need</b>	
<i>ASD/ASC</i>	Autism Spectrum Disorder/Autistic Spectrum Conditions
<i>HI</i>	Hearing Impairment
<i>MLD</i>	Moderate Learning Difficulty
<i>MSI</i>	Multi-Sensory Impairment
<i>PD</i>	Physical Difficulty
<i>PMLD</i>	Profound & Multiple Learning Difficulty
<i>SEMH</i>	Social, Emotional, and Mental Health
<i>SLCN</i>	Speech, Language, and Communication Needs
<i>SLD</i>	Severe learning Difficulty
<i>SPLD</i>	Specific Learning Difficulty
<i>VI</i>	Visual Impairment
<i>Other</i>	Other Difficulty/Disability



## Appendix 2 - Outcome of Local Area SEND inspection

Bromley received a Local Area SEND inspection in September 2019.

Through the self-evaluation of the local area, the Council, CCG and other partners were able to provide inspectors with areas of strength including evidenced examples of good practice and sustained improvement. Examples of good practice included:

- Joint commissioning arrangements that ensure services meet need, are of good quality and demonstrate impact for CYP and families
- Established systems that identify the needs of the most vulnerable children and young people including those who are looked after, children in need, electively home educated and those known to the youth offending service
- Joint professional practice across education, health, and social care.

The self-evaluation also set out 18 key areas for improvement identified by the Council and its partners, reflecting the shared focus to achieve our ambitions for children and young people who have SEND.

The self-evaluation was judged secure by Inspectors, indicating that the Council, CCG, and other partners know the local area well and have an accurate view of the performance and quality of our services. It was reassuring that Ofsted and the CQC felt that we know ourselves well, with the recommendations identified aligning closely to the 18 areas for improvement identified by the local area, with no unexpected surprises.

The local area was found to have made progress in a number of areas and was not required to provide a written statement of action. Since the point of inspection, the Council and its partners have continued to deliver on the SEND Action Plan and to seek to ensure that a positive lived experience is felt consistently by all families across the local area.

## Appendix 3 - Projection Data

### Projected Increase in EHCPs Aged 0-25

Table below illustrates the number of EHCPs in Bromley in projected to increase from 3,578 in January 2023 to c5,390 by 2028.

No.	Model	Measure	2023 (A)	2024	2025	2026	2027	2028
M6	Linear (average growth)	No. EHCP	3578	4014	4358	4702	5046	5390
		Yearly change (No.)	337	436	344	344	344	344
		Yearly change (%)	10%	12%	9%	8%	7%	7%

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