



Schools Forum

Date: Tuesday, 25 February, 2025

Time: 6.30 pm

Venue: Cheam High School, Chatsworth Road, Cheam, Sutton SM3 8PW

Enquiries: Matthew Stickley
londongovernanceltd@gmail.com

To all members of the School Forum:-

Member	Role
Academy Representation (A)	
Bec Allott	Academy Secondary Headteacher
Jamie Bean	Academy Secondary School
James Fisher	Academy Secondary Headteacher
Ben Cloves	Academy Secondary Headteacher
Peter Naudi	Academy Secondary Headteacher
Phillip Hedger	Academy Primary Headteacher
Sharon Roberts	Academy Primary Headteacher
James Kearns	Academy Special School Headteacher
Aaron Tanner	Academy Primary Governor
Emma Bradshaw	Academy Pupil Referral Unit (shared)



Maintained School Representation (B)	
Jenny Sims	Chair; Maintained Primary School Governor
Robert Claxton	Maintained Primary School Headteacher
Emma Walford	Maintained Nursery School Headteacher
Bev Williamson	Sutton Tuition and Reintegration Service (shared)

Other Representation (C)	
Vicki Bell	Early Years Provider
Jason Pemberton-Billing	14-19 Provider
Sue Smith	Sutton Teachers Committee
Andrew Theobald	Vice Chair; Archdiocese of Southwark; Maintained Secondary School Governor
VACANCY	Diocese of Southwark

Observers (D)	
Councillor Rob Beck	Vice Chair of the People Committee
Councillor Jane Pascoe	Opposition Spokesperson for the People Committee



AGENDA

- 1. Welcome and Introductions**
- 2. Apologies for Absence**
- 3. Declarations of Interest**

Declarations of interest which are made by members and officers of the Schools Forum which are not interests created by virtue of the role that member/officer holds.

Members

Bec Allott – Non-Executive Director of Cognus LATC, Trustee of Wilson’s School, Member of Cirrus Primary Academy Trust

Jenny Sims – Non-Executive Director of Cognus LATC

Sharon Roberts – Trustee of Cheam Academies Network Trust

Peter Naudi – Vice Chair of Limes Governing Body, Chair of Vulnerable Pupils Panel

Officers

Kieran Holliday – Non-Executive Director of Cognus LATC

- 4. Minutes of the Previous Meeting**

To agree the public minutes and exempt minutes of the previous meeting held on 14 January 2025.

- 5. Free School Meals for Pupils Attending Education Otherwise Than At School (EOTAS) Update**
- 6. Revenue Report**
- 7. Outline Dedicated Schools Grant (DSG) Management Plan**
- 8. Cognus Therapies Service**
- 9. Early Years Entitlements Funding Formula for 2025/26**

PRESENT:

1. Jenny Sims (Chair)
2. Andrew Theobald (Vice Chair)
3. Sue Smith
4. Emma Walford
5. Vicki Bell
6. Emma Bradshaw
7. Peter Naudi
8. Nathan Cole
9. Bec Allott
10. Alison Day
11. Sharon Roberts
12. Ben Cloves
13. James Kearns
14. Jamie Bean

15. Councillor Mike Dwyer (observer)

1: Welcome and Introductions

The Chair, Jenny Sims, welcomed those present.

2: Apologies for Absence

Apologies for absence were received from Beverley Williamson.

3: Declarations of Interest

The Forum noted the standing declarations as set out on the agenda.

There were no further declarations of interest.

4: Minutes of the previous meeting

In response to a question regarding proposals for Pupil Premium funding which had been agreed at the previous meeting to be returned to the Forum, it was confirmed by officers that an update paper on progress to date would be brought to the next meeting of the Forum.

RESOLVED: To agree the minutes of the previous meeting held on 15 October 2024 as an accurate record.

5: DRAFT DEDICATED SCHOOLS GRANT (DSG) BUDGET 2025/26

The Strategic Finance Business Partner introduced the report.

In discussion, the Forum noted officers' view that the cumulative position of the High Needs Block overspend of approximately £11m was about average as compared to other London boroughs, but that the in-year position would be one of the higher amounts across London

boroughs and was a matter of concern to the authority. In response to questions about the high in-year deficit within the borough, officers confirmed that several of the various factors were the low rate of pupils with Education, Health and Care Plans in mainstream education settings and the relatively high number of non-maintained independent placements, which had a higher cost per pupil than mainstream education. The Forum discussed the ease of transfer for pupils between schools across borough boundaries within London, noting that there was an import-export pupil adjustment arrangement in place, and that boroughs undertook a range of practices through which they sought to prioritise pupils who were resident within their boroughs.

Officers confirmed that beyond acknowledgement from the Secretary of State for Education, there had been no further response to correspondence from the authority. The Forum discussed whether it would be prudent to ask the Leader of the Council and Chief Executive to write to the Secretary of State asking why the government had not engaged with the borough's concerns.

The Forum discussed the proposal for a 0.5% transfer from the Schools Block to High Needs Block, noting that the highest transfer rate within other areas that officers were aware of was 2%.

The Forum noted that recommendation 2.2 should have specified that the minimum funding guarantee was recommended to be set at 0%, and that recommendation 2.10 should read 'to approve' rather than 'to agree'. These changes were made by the Chair when moving the recommendations.

RESOLVED: To

Budget and Block Transfer

1. Approve the Draft Dedicated Schools Grant (DSG) budget 2025/26 (Appx A).
2. Approve the proposed method of calculation to transfer the previously agreed 0.5% block transfer from Schools Block to High Needs Block; and to set the minimum funding guarantee at 0%.

Central School Services Block (CSSB) - Historic Commitments

3. Approve the contribution to combined budgets Local Safeguarding Children's Partnership (LSCP) - £15k no change from 24/25 (Appx A).
4. Approve the Termination of Employment Costs and Prudential Borrowing Costs (Appx E).

Central School Services Block (CSSB) - Ongoing Functions

5. Approve the proposed funding for the Admissions Service - 24/25 plus 2% uplift (Appx A).
6. Approve the costs of servicing of Schools Forum - no change from 24/25 (Appx A).
7. Approve funding for places in independent schools for non-SEN pupils - no change from 2024/25 (Appx A).

8. Approve the contribution to responsibilities that local authorities hold for all schools - (Central Provision) (Appx D).
9. Note the National Funding Formula (NFF) Schools Formula Funding Factors 2025/26 (Appx B).
10. Agree the De-delegation Table for School Improvement 2024/25 (Appx C).

6: EXCLUSIONS / SCHOOLS TEAM UPDATE

The Head of Inclusion (Cognus) introduced the report.

The Forum discussed the September 2024 survey sent to schools, noting that there had not been a high level of responses. Officers agreed to share the response rate with the Forum following the meeting. The Forum noted that the schools receiving support had been contributing to the funding of the additional workers.

RESOLVED:

1. To agree the following recommendations at a cost of £158,680 as set out in the report, subject to statutory funding elements continuing to be available:
 - a. To continue funding the Inclusion Coordinator at one full-time equivalent post.
 - b. To continue the Early Help Integrated Youth Service (EHIYS) worker capacity in schools, enabling a change in practice to have workers allocated to specific secondary schools.
 - c. To continue funding of Paving The Way (PTW) for a further pilot year to allow for further evaluation, and for the capacity of this service to increase by one full-time equivalent post to support the identification of the needs of pupils in school years four-to-six.

7: EARLY YEARS ENTITLEMENTS FUNDING FORMULA CONSULTATION 2025

The Early Intervention Service Manager introduced the report.

The Forum discussed the flexibility of how funded hours can be used, the expected number of pupils joining school in September 2025, and the difficulty in agreeing funding rates late in the academic year. The Forum discussed the lateness by which the government had provided funding rates and required both consultation and responses.

RESOLVED: To agree to consult with providers on making changes to the formula based on the rationale set out in this paper.

8: CAPITAL REPORT

The Acting Head of Pupil Based Commissioning introduced the report.

In response to a question about bulge classes, it was agreed that the proposed bulge classes referenced at paragraph 3.7 would be followed up by officers with the relevant headteachers.

The Forum discussed the obstacles to opening temporary specialist schools, noting the authority's alternative had been to expand existing sites.

RESOLVED: To note the summary of developments against the primary, secondary and special expansion programmes.

9: SPECIAL SCHOOLS / BASES - TOP UP MODERATION

The Acting Head of Pupil Based Commissioning introduced the report.

The Forum noted the proposals and agreed they were pragmatic and acceptable.

RESOLVED:

1. To note the summary of the specialist provision moderation programme to date.
2. To agree to the proposed changes to the top-up funding for the Oakfield and Rainbows complex Autism primary specialist bases.
3. To agree to the introduction of a new pathway at Carew Academy with the introduction of a funding rate associated with the provision linked to this pathway.

The meeting ended at 20:02.

Report Title	Free School Meals for Pupils Attending Education Otherwise Than At School (EOTAS) Update
Meeting	Schools Forum
Meeting Date	25 February 2025
Chair	Jenny Sims
Report Author(s)	Jack Cutler, Acting Head of Pupil Based Commissioning
Open/Exempt	Open

1 Summary

- 1.1 This report provides an update on the consideration of funding for children eligible for Free School Meals (FSM) provision attending education otherwise than at school (EOTAS).

2 Recommendation(s)

- 2.1 To note the developments against Free School Meals (FSM) eligibility for children in an Education Otherwise Than At School (EOTAS) setting, and the issuing of annual food vouchers to a value of £2.58 daily.

3 Background and Key Information

- 3.1 At its meeting of 15 October 2024 meeting, the Schools Forum was presented with a report proposing the introduction of issuing food vouchers for eligible children attending an EOTAS setting, which included the receipt of a tuition package where that child was unable to attend school, and not registered with a school.
- 3.2 The Forum agreed to introduce this proposed policy from January 2025. In normal circumstances this policy would not be backdated; however, where a parent had notified the council their child was eligible for FSM, but due to being in EOTAS provision was not eligible for this at the time, the council had agreed to backdate to when this had been notified to the council, if this had been between 1 September 2024 and 31 January 2025.
- 3.3 The value of these vouchers has been set at £2.58 daily, to cover all school days within the eligibility period, which is aligned with the Greater London Authority FSM allocation for primary-age children.
- 3.4 As of 17 February 2025, the council has received two applications for term-time food vouchers. However, neither of these children were attending an EOTAS provision, and as such were ineligible for the vouchers.
- 3.5 The council's website has been updated to recognise this new policy and to signpost parents how to apply. The link to this webpage is as follows:

sutton.gov.uk/w/apply-for-free-school-meals

4 Appendices

Appendix Letter	Appendix Title
N/A	N/A

Report Title	Revenue Report
Meeting	Schools Forum
Date	25 February 2025
Chair	Jenny Sims
Report Author(s)	Carol Worne, Strategic Finance Business Partner, Sutton Council
Open/Exempt	Open, with the exception of Appendix B, which is exempt by virtue of paragraph 3, Schedule 12A, of the Local Government Act 1972

1 Summary

- 1.1 This report provides details of the 2024/25 Dedicated Schools Grant (DSG) Forecast as at Month 10 and the Draft Dedicated Schools Grant (DSG) budget 2025/26.

2 Recommendations

- 2.1 To note the latest 2024/25 Dedicated Schools Grant (DSG) Forecast as at Month 10 and the Draft Dedicated Schools Grant (DSG) Budget 2025/26 V1, which is unchanged from the previous presentation (Appx A)
- 2.2 To note the comparison of School Delegated Budgets 24/25 and 23/24 (Appendix B Exempt)

3 DSG Budget 2024/25

- 3.1 Appendix A included the latest 2024/25 DSG forecast as at the end of January (Month 10).

4 DSG Budget 2025/26

- 4.1 There are no changes to the 2025/26 DSG budget since it was presented at the Schools Forum on 14/01/25.
- 4.2 The Authority Proforma Tool (APT) Template has been approved by the DfE, therefore, there will be no further changes to the Schools Block allocations.
- 4.3 Appendix B (EXEMPT) is a summary of the Individual School Budgets for 2025/26, with a comparison to the 2024/25 allocations.
- 4.4 Individual Schools Block (ISB) Allocation Statements will be sent to Local Authority Maintained Schools (mainstream) by the deadline of 28th February 2025.

5 Financial Implications

- 5.1 Since 2018/19 the schools block funding for each local authority has been set by calculating notional allocations for each school according to the National Funding Formula

(NFF) and these have then been aggregated and used to calculate a total allocation for each local authority. Actual individual school budgets for 2025/26 will continue to be determined by local formulae in consultation with the Schools' Forum. Local formulae can be different from the notional allocations.

6 Influence on the Council's Corporate Core Values and Objectives

- 6.1 One of the core values is partnership working. Setting the budget for the Dedicated Schools Grant, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools' Forum.

7 Appendices

Appendix Letter	Appendix Title
A	Dedicated Schools Grant (DSG) 2024/25 Forecast as at Month 10 and Draft Budget 2025/26 V1
B	Delegated Schools Funding Comparison 2025/26 vs. 2024/25 (Exempt)

Appendix A - DSG Budget: 2024/25 Forecast M10 & 2025/26 Draft V1

Description	24/25 Latest Budget £'000	24/25 Forecast £'000	24/25 Forecast Variance £'000	25/26 DSG Allocation £'000	25/26 HN Block No Growth Draft Budget £'000	25/26 HN Block No Growth Variance £'000	25/26 HN Block Growth Draft Budget £'000	25/26 HN Block Growth Variance £'000	25/26 HN Block Adjusted Draft Budget £'000	Commentary
Schools Block										
Primary Maintained Funding	40,508	40,508	0		43,105		43,105		43,105	Core funding for maintained primary schools (NFF)
Secondary Maintained Funding	14,333	14,333	0		15,392		15,392		15,392	Core funding for maintained secondary schools (NFF)
De-delegation	(51)	(51)	0		(52)		(52)		(52)	Growth funding relating to primary schools
Primary Growth	24	24	0		0		0		0	Growth funding relating to primary schools
Secondary Growth	647	648	1		476		476		476	Growth funding relating to secondary schools and Year 11
Total - Schools Block	55,461	55,463	1	59,317	58,921	(396)	58,921	(396)	58,921	DSG Allocation £60.12m less £1.12m to HNB

Central School Services Block										
Historic Commitments										
Contribution to combined budgets	15	15	0		15		15		15	Funding to social care - LSCB
Early Retirement Costs (pensions)	396	531	135		520		520		520	Costs of school staff that retired early (historical)
Depreciation of non current assets	218	218	0		218		218		218	Borrowing re: Opportunity Bases in 2012
Ongoing Functions	0	0	0		0		0		0	
Admissions Services	386	386	0		394		394		394	Costs of the schools admission service (Cognus)
Schools Forum Costs	16	16	0		16		16		16	Costs of Schools Forum including meetings, staffing support etc...
Independent School Fees (non SEN)	150	150	0		150		150		150	Contributions to fees for LAC pupils attending independent schools
Copyright Licenses	235	254	19		272		272		272	Fees set by Copyright Licensing Authority for all schools (paid centrally)
DSG Contribution to LBS Central Provision	619	619	0		622		622		622	Contribution from the DSG to support central provision in the LA - 2% uplift on Servelec Contract
Total - CSSB	2,035	2,189	154	1,993	2,207	214	2,207	1,993	2,207	Requested reinstatement of 20% deduction to cover historic commitments - if approved, additional £101k

High Needs										
Early Years - Place	191	191	0		191		191	0	191	Lump sum paid to Thomas Wall for Dragonflies base
Early Years - Top Up	250	275	25		265		347	82	265	Top up for individual pupils in EY settings
Portage Service	253	253	0		253		253	0	253	Playwise Service (a CIC) who provide portage (home-visiting educational services) for pre-school children with SEND and their families.
Autism Parenting Support Officer	38	38	0		38		38	0	38	
Primary mainstream	4,150	4,879	729		4,775		5,042	267	4,243	Top up for individual pupils (legacy) and additional support contracts
Primary Bases Maintained - Place	564	564	0		564		596	32	564	Place funding for maintained opportunity bases
Primary Base - All Schools	3,350	4,370	1,020		4,141		4,529	388	3,468	Additional Place and top up funding for maintained and academy opportunity bases

Appendix A - DSG Budget: 2024/25 Forecast M10 & 2025/26 Draft V1

Description	24/25 Latest Budget £'000	24/25 Forecast £'000	24/25 Forecast Variance £'000	25/26 DSG Allocation £'000	25/26 HN Block No Growth Draft Budget £'000	25/26 HN Block No Growth Variance £'000	25/26 HN Block Growth Draft Budget £'000	25/26 HN Block Growth Variance £'000	25/26 HN Block Adjusted Draft Budget £'000	Commentary
Primary - OLA	550	615	65		657		826	169	566	Top-up funding for Sutton pupils in OLA schools
Secondary Mainstream	1,630	2,021	391		2,013		2,471	458	1,687	Top up for individual pupils (legacy) and additional support contracts
Secondary Bases - Place and Top Up	1,109	1,179	70		1,188		1,211	23	1,188	Additional Place and top up funding for maintained and academy opportunity bases
Secondary - OLA	450	343	(107)		376		405	29	376	Top-up funding for Sutton pupils in OLA schools
Special Schools - Maintained - (Sherwood) Place	2,035	2,035	0		2,035		2,086	51	2,035	Place and pay and pension grant funding
Special Schools - Maintained - (Sherwood) Top Up	4,670	7,287	2,617		6,290		6,290	0	7,287	Top up and top up individual funding
Special Schools - Academies - Pension	384	384	0		384		398	14	384	Pay and pension grant funding
Special Schools - Academies	5,720	6,247	527		6,137		6,417	280	5,782	Top up, top up individual and place extra funding
Special Schools - OLA	2,500	3,109	609		3,149		4,183	1,034	2,597	Top-up funding for Sutton pupils in OLA schools
Non maintained Independent Provision	8,770	12,098	3,328		12,136		16,067	3,932	9,273	Non maintained or independent fees - including specialist and AP provision and tuition
Independent Tutoring Fees	1,385	1,714	329		1,556		1,753	197	1,556	Fees paid for Independent Tutoring Services
Alternative Provision - (Limes) Place	1,517	1,777	260		1,574		1,898	324	1,574	Place, top up, year 11 and pay and pension grant funding
Alternative Provision - (Limes) Individual	854	854	0		854		854	0	854	Top up individual and place extra funding
Alternative Provision - (STARS) Place	1,284	1,284	0		1,284		1,284	0	1,284	Place, top up and pay and pension grant funding
Alternative Provision - (STARS) Individual	93	122	29		93		93	0	93	Top up individual funding
Hospital Provision - (STARS)	282	282	0		282		282	0	282	Lump sum paid to STARS for children educated in hospital
Targeted Youth Service	110	110	0		110		110	0	110	Contribution to Targeted Youth Services to support preventative work
Mainstream College	1,156	1,151	(5)		1,196		1,479	283	1,196	Placement costs related to mainstream college placements for pupils with an EHCP
Specialist College	2,500	2,723	223		2,688		3,586	897	2,688	Placement costs related to specialist college placements for pupils with an EHCP
Therapies (Cognus)	3,625	3,880	255		3,625		4,225	600	3,625	Therapies provided to individual pupils (mainstream/base/special schools) by Cognus - 2% uplift
Therapies (Non-Cognus)	270	269	(2)		269		269	0	269	Therapies provided to individual pupils (mainstream/base/special schools) by other suppliers

Appendix A - DSG Budget: 2024/25 Forecast M10 & 2025/26 Draft V1

Description	24/25 Latest Budget £'000	24/25 Forecast £'000	24/25 Forecast Variance £'000	25/26 DSG Allocation £'000	25/26 HN Block No Growth Draft Budget £'000	25/26 HN Block No Growth Variance £'000	25/26 HN Block Growth Draft Budget £'000	25/26 HN Block Growth Variance £'000	25/26 HN Block Adjusted Draft Budget £'000	Commentary
SEN Travel Assistance	640	640	0		640		640	0	640	Contribution to SEN transport including travel training
Graduated Response Funding (Clusters)	430	430	0		365		365	0	430	
Other Expenses	85	85	0		85		85	0	85	External and internal legal expenses and costs of equipment
Cognus Ltd - High Needs Services	2,026	2,026	0		2,026		2,067	41	2,026	Commissioning Agreement - HN consultancy services
Total - High Needs Block	52,868	63,231	10,363	56,907	61,236	4,329	70,337	9,101	56,907	DSG Allocation £55.7m plus £1.12m from SB

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Early Years Block										
Early Years - 3 & 4 Year olds	16,137	16,137	0		38,071		38,071		38,071	Core funding to schools, PVI, nurseries to deliver 3 & 4 yr old free entitlement (EY NFF)
Early Years - 2 Year olds	6,355	6,355	0		0		0		0	Core funding to schools, PVI, nurseries to deliver 2 yr old free entitlement (EY NFF)
Early Years - Under 2 year olds	3,429	3,429	0		0		0		0	Core funding to schools, PVI, nurseries to deliver 9mth to 2 yr old free entitlement (EY NFF)
Early Years - Central Expenses	781	781	0		0		0		0	Central provision - EYFE Manager and Predicable Needs funding
Cognus Ltd - Early Years Foundation	593	593	0		0		0		0	Central provision transferred to Cognus to provide EY advisory services
Total - Early Years	27,296	27,296	0	38,071	38,071	0	38,071	0	38,071	

TOTAL	137,660	148,178	10,518	156,288	160,435	4,147	169,536	10,698	156,106	
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DSG Funding										
DSG Funding	(137,660)	(137,660)	0	(156,288)	(156,288)		(156,288)	(156,288)	(156,288)	
Total DSG Funding	(137,660)	(137,660)	0	(156,288)	(156,288)		(156,288)	(156,288)	(156,288)	

FINAL DSG POSITION		10,518			4,147		13,248		(182)	
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DSG Deficit		1,391			11,909		11,909		11,909	
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DSG FORECAST DEFICIT		11,909			16,056		25,158		11,728	
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Adjusted budget to balance 25/26 HN Block

Report Title	Outline Dedicated Schools Grant (DSG) Management Plan
Meeting	Schools Forum
Meeting Date	25 February 2025
Chair	Jenny Sims
Report Author(s)	Kieran Holliday, Strategic Lead for Education Lynn Horsfield, SEND Transformation Lead
Open/Exempt	Open

1 Summary

- 1.1 This report and appendix provides an update on the work that has been undertaken by the Education Operation Group (EOG) to produce a Dedicated Schools Grant (DSG) management plan in response to the increasing deficit position on the DSG now, and what is forecast in future years.

2 Recommendation(s)

- 2.1 To endorse the outline DSG management plan and the key workstreams that EOG is recommending to take forward as part of the next phase of the programme.
- 2.2 To note the estimated financial benefits of taking forward and the additional work that is still required to produce a final plan and future forecast.
- 2.3 To consider any further workstreams that should be considered as part of the plan and the role that schools can play to support the programme.

3 Background and Key Information

- 3.1 Appendix A provides an update on the following:
- Overview
 - Update on EOG - including the appointment of a SEND Transformation Lead to take the programme forward
 - Forecasts for EHCPs based on current trends to 2030 including prime needs, age and placement types
 - Where Sutton is typical and atypical in relation to the SEND data that has been collected and analysed by EOG.
 - The main workstreams that the EOG is recommending on taking forward as part of the DSG management plan
 - The potential financial benefits of implementing the workstreams
 - Next steps

- 3.2 The preparation of a DSG management plan is not complete as the following work is still required:
- Completion of income and expenditure forecasts (unmitigated position)
 - Profiling of savings estimates (including invest to save proposals and costs) to create a mitigated forecast position
 - Further work on underlying assumptions underpinning the above and population of DfE DSG management plan template

3.3 Although there is further financial modelling work to complete, it is clear from the work that has been done to date that it is unlikely to be possible to address the structural deficit in the DSG in the shorter to medium term without additional funding support from other sources. With this in mind the proposals set out in Appendix A represent the priorities that the local area will focus on over the next 18 months, they do not represent an exhaustive or final list of actions that may be taken forward.

3.4 Based on the information presented, Schools Forum is asked to endorse the outline DSG management plan set out in Appendix A and the key workstreams that EOG is recommending to take forward as part of the next phase of the programme. It is recognised that further work and consultation will be required from schools on the proposals as the details of the proposals are developed.

3.5 Schools Forum is also asked to consider any further workstreams that should be considered as part of the plan and the role that schools can play to support the programme.

4 Appendices

Appendix Letter	Appendix Title
A	DSG Management Plan Update February 2025

Dedicated Schools Grant (DSG) Deficit Management Plan: Update

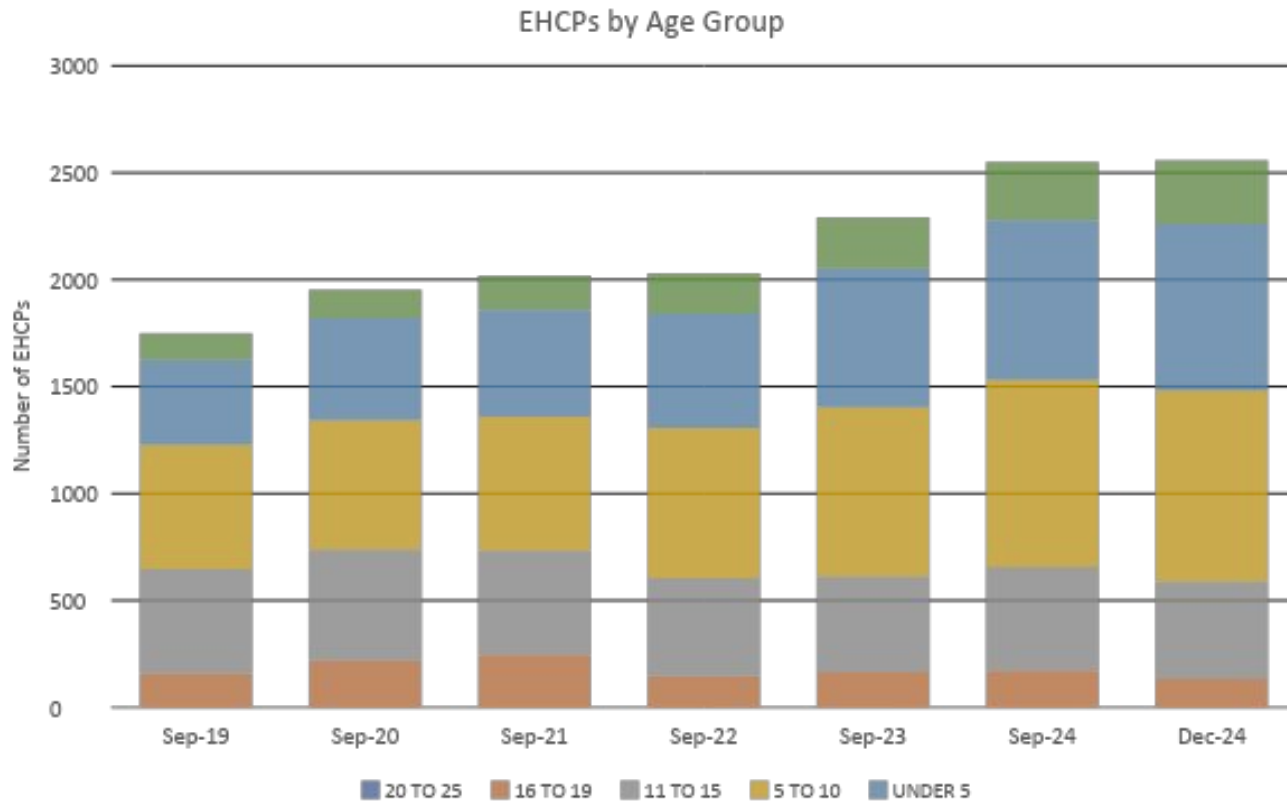
February 2025

Educational Operational Group

Overview

- In 2021/22 and 2022/23 Sutton overspent on the High Needs Block (HNB) by £0.7m and £0.9m respectively and it was possible to make up the slight overspend by lower spending from other blocks. In 2023/24 the HNB overspend increased to £3.3m, but alongside a DSG surplus of £1.5m led to an in-year deficit of £1.4m.
- In the current year the deficit has increased significantly, and Sutton currently has a cumulative overspend of £11m, £9.6m of which has been accrued in-year. This overspend 17% of the High Needs Block allocation. Based on previous predictions Sutton is exceeding the rate of overspend anticipated by 35%.
- Recently published analysis of the overspend across London boroughs reported that the accumulated DSG deficit 'has increased more than fourfold since 2020-21 and has more than doubled since last year'. The report predicted on the basis of current trends that 'London boroughs expect to see a sustained increase in their DSG deficit position from 2020-21 to 2026-27, equating to 364% deficit growth'.
- Sutton has generally been well funded in comparison to other local areas, due to the historical funding formula which remains in place. In 2021/22, Sutton was one of the highest funded London Borough's at £996 per 2-18 resident vs a London average of £804.
- Since the 2014 reforms there has been a 138% increase in the number of EHCPs maintained by Sutton. This is in comparison to a national rise of 140% and a 124% rise in London.
- Sutton has the second highest number of Education, Health and Care Needs Assessment (EHCNA) requests in London and these figures continue to grow - between 2022 and 2023 requests increased in Sutton by 28.7%.
- Forecasting models indicate that there could be over 3500 EHCPs maintained by Sutton by 2029 This is a 112% growth over 10 years.
- Sutton issued 93% of EHCPs within the 20-week deadline in 2023. The London average is 68%, and the national average 49%.

Maintained EHC Plans: by age

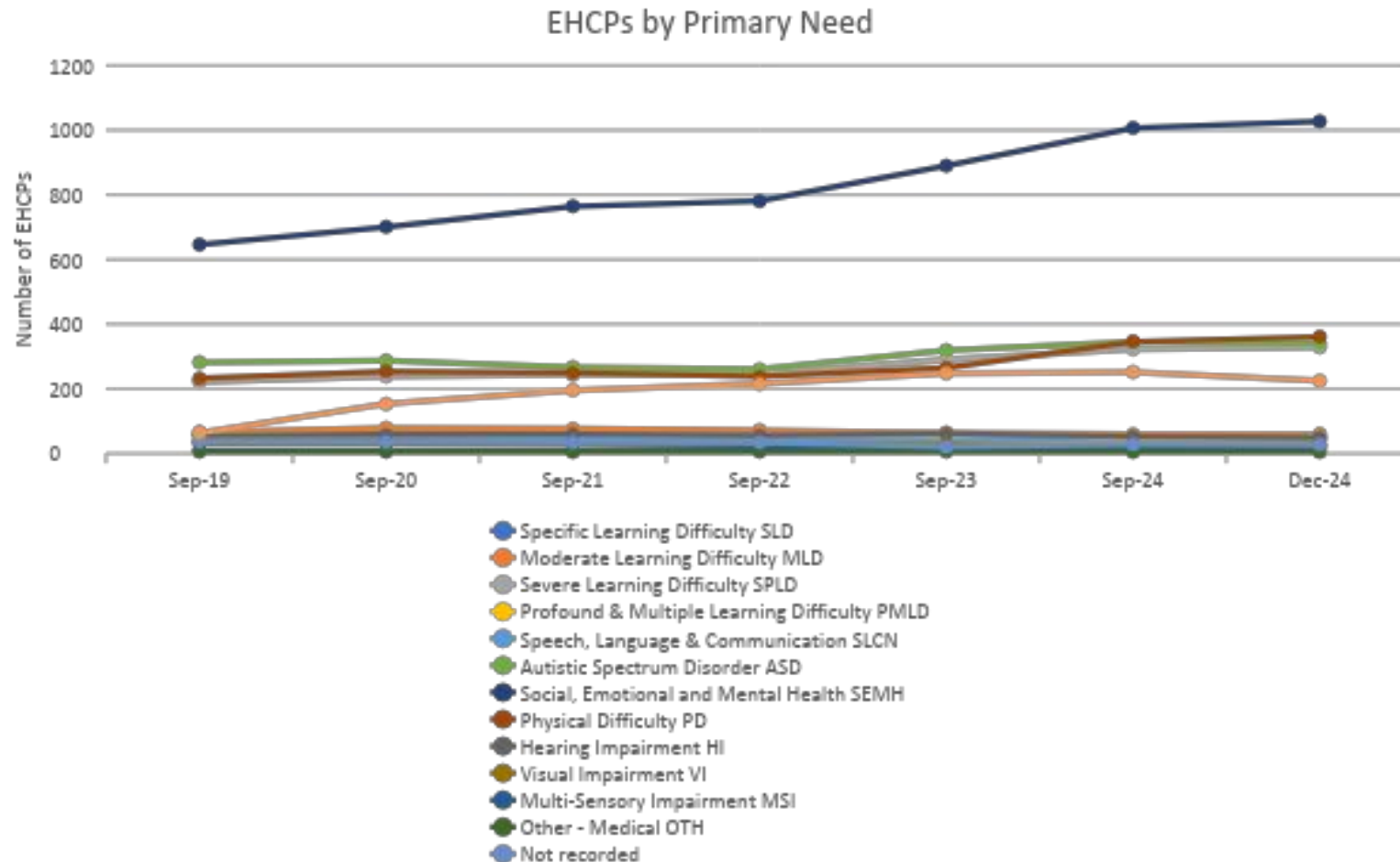


Since the 2014 reforms there has been a 138% increase in the number of EHCPs maintained by Sutton. This is in comparison to a national rise of 140% and a 124% rise in London.

The level of growth has continued, with EHCPs increasing by 12% between September 2023 and December 2024. Over last year the largest increase has been in the 5-10 phase, +98 EHCPs, +15%. Over the last five year the largest growth has been in the under 5's which has increased by +137%

Age groups	Sep-19	Sep-23	Dec-24	% increase 2019-24
20 to 25	159	166	133	4.4%
16 to 19	488	447	455	-8.4%
11 to 15	582	792	895	36.1%
5 to 10	395	647	777	63.8%
Under 5	126	239	299	89.7%
Total	1750	2291	2559	30.9%

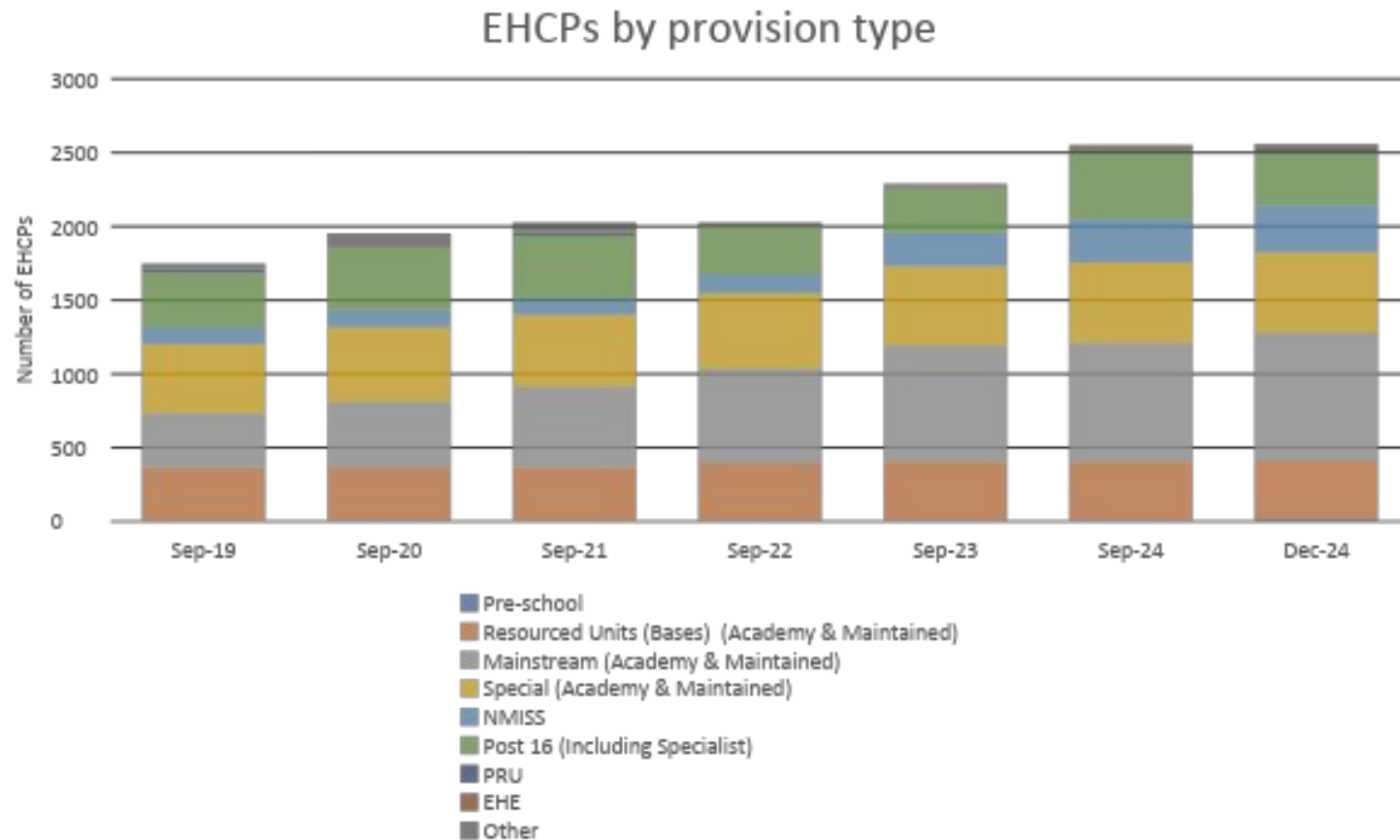
Maintained EHC Plans: by primary need



Since 2019 certain areas of need have increased at a more significant rate. This includes prevalence of Autism as a primary need which has increased in incidence by 56%, now totalling 47% of all EHCs (compared to a London average of 40% and national average of 33%). This is following by an increase in the primary need of SEMH by 63% (now a primary need for 12% of EHCs).

PMLD has increased by 31% over the last five years but is a much smaller proportion of all learners. Incidence of SLCN as a primary need has increased by 21%.

Maintained EHC Plans: by provision type



Over the last five years the greatest increase has been for Electively Home Educated (EHE) pupils, seeing a rise of 300% to 21 EHCPs. Alongside this there are currently 76 learners in tuition.

The number of EHCPs in mainstream settings has increased by 48% and equates to 35% of all EHCPs (compared to a London average of 44%).

The number in NMI has increased by 160% over the last five years, with an increase of 150% from September 2022 until now. In 24/25 Sutton spent 79% more from the HNB on NMI and tuition than it did on mainstream.

The percentage of pupils in Base or Specialist provision has increased by relatively less: 10% and 22% respectively.

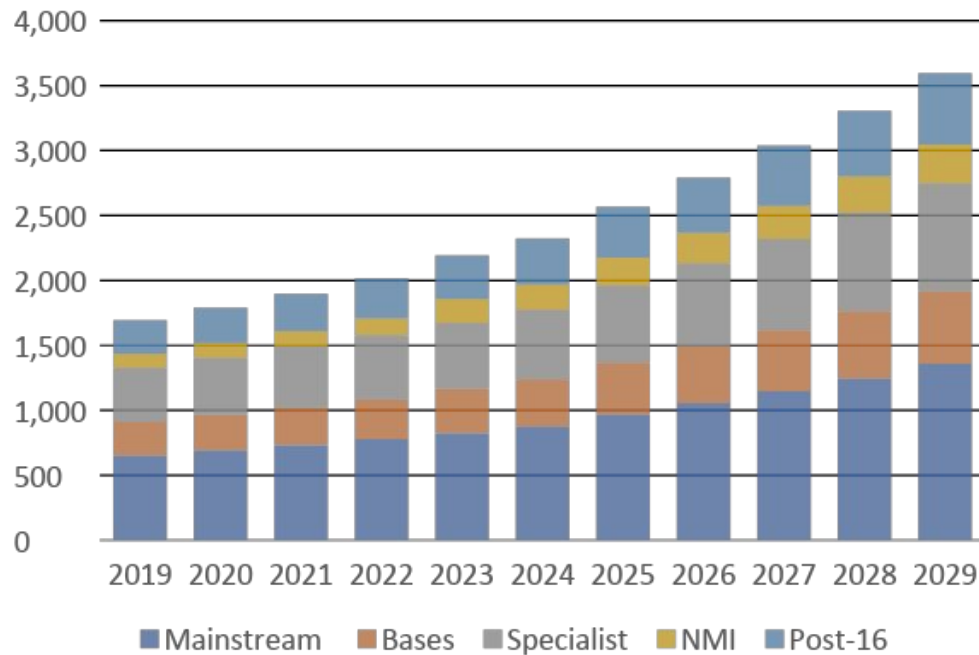
Forecast EHC Plans: by primary need

Forecasting models indicate that there could be over 3,500 EHCPs maintained by Sutton by January 2029, a 64.6% growth from 2024 (this is based on 10.5% increase 2024-25 then 8.8% increase for each subsequent year).

Total number of EHC plans by primary need	Number of EHC plans by primary need (with estimated future projections)												
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Jan													
Autistic Spectrum Disorder	658	696	741	786	879	932	1,048	1,142	1,246	1,358	1,480	1,614	
Hearing Impairment	22	23	23	25	24	26	29	29	32	33	35	35	
Moderate Learning Difficulty	210	223	235	250	277	293	329	358	390	424	461	502	
Multi- Sensory Impairment	3	4	4	4	3	3	3	4	4	4	5	5	
Physical Disability	38	40	43	45	40	41	45	49	54	58	63	69	
Profound & Multiple Learning Difficulty	43	44	48	50	51	53	59	64	69	75	82	89	
Social, Emotional and Mental Health	196	204	216	230	272	290	327	356	387	421	458	499	
Speech, Language and Communications needs	289	306	326	346	373	396	431	469	510	555	604	657	
Severe Learning Difficulty	46	49	52	55	51	54	61	67	73	79	86	94	
Specific Learning Difficulty	36	39	41	43	50	53	59	64	69	75	82	89	
Visual Impairment	14	15	15	16	18	19	21	23	23	23	25	25	
Other Difficulty/Disability	47	49	51	55	44	46	53	58	63	68	74	81	
SEN support but no specialist assessment of type of need	92	98	102	109	111	117	129	141	153	167	181	197	
Total number of EHC plans by primary need	1,694	1,790	1,897	2,014	2,193	2,323	2,595	2,823	3,073	3,341	3,637	3,956	

Forecast specialist places

Projected EHCPs by Provision



Number of EHC plans by provision (with estimated future projections)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Mainstream	653	692	733	778	825	876	968	1,053	1,146	1,247	1,356
Bases	258	272	289	307	341	362	400	435	474	515	561
Specialist	416	440	467	495	507	537	593	646	702	764	831
NMI	108	114	120	128	184	193	213	232	252	275	299
Post-16	259	272	288	306	336	355	392	427	464	505	550
Total	1,694	1,790	1,897	2,014	2,193	2,323	2,567	2,793	3,039	3,306	3,597

Whilst the projections detailed here show estimates of growth across different types of provision it is important to caveat this with the understanding that for the NMI placement totals there is often little the LA can do to prevent these. It is possible that figures for this placement type may exceed these estimates significantly.

Requests for EHCNA

Year	Parental Requests	Total Requests	% Increase	Source
2019	no data	282	n/a	<i>NB SEND Data Report Data</i>
2020	no data	295	4.6%	SEN2 Data
2021	no data	390	32.2%	SEN2 Data
2022	no data	460	17.9%	SEN2 Data
2023	47	592	28.7%	SEN2 Data
2024	111	597	-5.7%	<i>NB SEND Data Report Data</i>

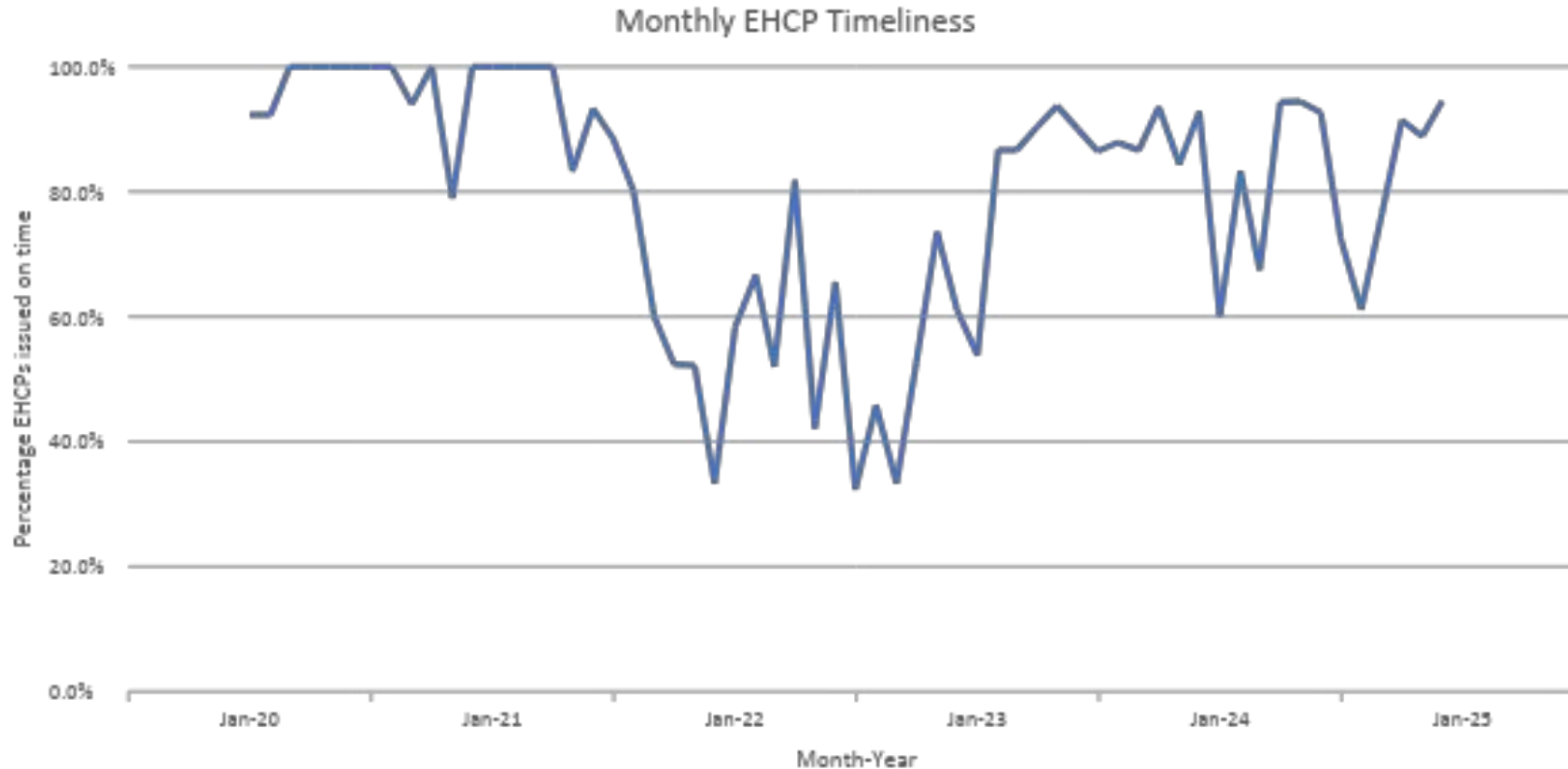
RTA/RTI Agreed by Key Stage	RTA - 2024	RTA % - 2024	RTI - 2024	RTI % - 2024
Early Years (Nursery - Reception)	154	41.07%	165	43.88%
Key Stage 1 (NCY 1 - 2)	37	9.87%	31	8.24%
Key Stage 2 (NCY 3 - 6)	121	32.27%	111	29.52%
Key Stage 3 (NCY 7 - 9)	48	12.80%	48	12.77%
Key Stage 4 (NCY 10 - 11)	11	2.93%	17	4.52%
Above (NCY 12+)	4	1.07%	4	1.06%

Since 2019 there has been a 98% increase in requests for EHCNA. Parental request data has only been captured since 2023, during which year these accounted for 8% of requests, whereas in 2024 they accounted for 20% of total requests.

In 2023 the rate of requests in Sutton was 93.93 (per 10,000 pupils) which was the second highest out of all London boroughs. The rate at which Sutton agrees to assess for EHCNA was 67% during 2024, with an issue rate of 90%.

Between 2023/24 the largest rise was seen in assessment requests for Early Years Children.

EHC Plan timeliness (EHCPs agreed within statutory 20 week deadline)



When comparing Sutton to London statistical neighbours, Sutton consistently achieves a higher rate of timeliness for issuing EHCPs.

During 2024 there was an 83% adherence to the 20-week process.

Sutton's SEND and AP Strategy

1	Earlier Identification and more timely support for CYP with SEND and Additional Needs
2	Embed Joined Up Practice - to improve the experience of families and children and young people when seeking help and to prevent needs from escalating
3	Strengthen access to education for vulnerable pupils and ensure a sufficiency of high quality specialist and Alternative Provision in the Borough
4	Grow the voice and influence of children and young people and their families to improve our practice, support families and build community resilience
5.	A more financially sustainable system within the legislative and policy framework set by the DfE.

Education Operational Group update



Three workstreams have been identified and project plans for each are currently in the scoping phase.

1. Managing demand for EHCNAs and increasing support for inclusion in mainstream settings
2. Specialist Commissioning - reduce reliance on Non-Maintained and Independent provision
3. Review of SEND Funding Levels, Processes and Governance

NB. This is a phased plan which will be continuously adapted as circumstances change and the impact of certain measures is realised.

EOG team

- Sponsor: Jonathan Williams
- Senior Responsible Officer: Kieran Holliday
- Transformation Lead: Lynn Horsfield
- Programme Manager: Jo Suchy
- Education Leads: Danielle Scrase (Primary), Nick House (Secondary)
- SEND Funding and Data and Finance Analyst: Steve Broughton
- Project Manager: Claire Smith
- Wider programme team: Jo Cassey, Amalia Banon, Jack Cutler, Jane Morgan

Managing demand for EHCNAs and increasing support for inclusion in mainstream settings



Ordinarily Available Provision (OAP)

Co-produce OAP guidance for mainstream schools with schools and parents

Embed and strengthen practice through training, development and peer support

Map out pathways for needs which are more appropriately met by support other than an EHCP

Strengthen and embed EHCNA guidance with SENCOs

Develop a curriculum model for an enhanced functional skills pathway

Set out clear guidance and agreement of transition processes across all schools including a Fair Share panel



SEND Advisory Partnership (SAP)

Set up and embed a multi-agency SEND Support panel to triage SEN support cases that are stuck / need support / additional short-term intervention

Use to agree transition plans at designated meetings in the year ahead of phase transfer

Use to reinforce and embed OAP in mainstream schools prior to EHCNA

Remove targeted funding from clusters and make available through SEN support panel instead

Use to replace Next Steps Meetings (step down from panel)



Increase SEND Support offer

Develop a stronger local area SEND Support function that includes a peer support Inclusion Hub model led by Headteachers

Re-imagine the role of Lead SENCOs to support the implementation of OAP through training, peer support and review processes

Managing demand for EHCNAs and increasing support for inclusion in mainstream settings



Specialist outreach

Recommission specialist providers to offer Specialist Outreach to mainstream schools to support both primary and secondary schools with complex EHCPs
Include as part of specialist funding review of school top ups
Deployed via SEND service following consultations with schools



Local Area School Inclusion Dashboard

Share data with schools detailing school level differences across a range of SEND indicators
Use to identify schools who would benefit from additional support to achieve the aims of the DSG management plan



Therapies

Review controls over how Therapies is specified in plans e.g., set packages of support which follow a tiered approach
Focus on bases and specialist settings to embed 'universal' provisions so that less resource is tied up with things that teachers and TAs can deliver
Consider ways in which parents can access therapies support to a greater degree



Early Years

Review the model of service delivery for the EY SEND team to focus more on developing the inclusive practice of settings
Work with primary schools to build a proposal for transition support
Consider the role for outreach and setting support
Review the placement system for children with EHCPs

Specialist Commissioning - reduce reliance on Non-Maintained and Independent provision

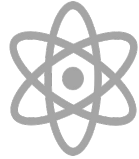


Create additional provision at Carew Academy

Expand Sherwood Park onto a third campus on the Carew Manor site for 24 places from September 2025 to mitigate the risks from delayed opening of Angel Hill

Angel Hill 2026 (subject to DfE approval)

To meet the needs of primary learners who come through Bases but have complexity of need which means they need to transition to a specialist setting



Expand Oakfield Base from 56 to 84 places

Expand Base provision at Oakfield to provide for more complex Autistic learners who may otherwise require a special school



Create additional secondary base provision

Create an additional secondary base In Overton for September 2025 to support learners with profile of Autism from primary bases who would otherwise move into specialist or NMI

Support all secondary settings to offer enhanced support through capital funds



Increase Sutton SEMH provision at Wandle Valley

No automatic pathway to Wandle because they have high numbers of OOB pupils and very tight admissions criteria

Work with Wandle/ALT to agree Sutton pupil pathways

Review of SEND Funding levels, Processes and Governance



Review of specialist funding model

Review of specialist funding model and consider opportunities to achieve efficiencies phased over time

Benchmarking against available datasets

Consideration about offsetting through outreach commissioning and class sizes/staff deployment



Step down or cease

Concerted effort by schools and professionals to reduce placement costs through the annual review process where needs have been met, and outcomes have been delivered

Seek to step down provision e.g., reductions in therapeutic provision to provide more group-based therapy or to phase out therapy in line with developmental expectations

Re-evaluate each NMI EHCP at annual review with a view to reducing costs



EOTAS and Tuition

Establish a centrally commissioned tuition centre that is set up and run by Cognus OR seek to centrally commission through an existing provider

Focus of tutors around reintegration into mainstream/appropriate setting

Employment of tutors to be deployed under the direction of the SEND Team



Block Transfer

Transfer funding from Schools Block to High Needs Block for the foreseeable future

Potential income would be approx. £1mil at 0.5% transfer or £2mil at 1% transfer

Review of SEND Funding levels, Processes and Governance



Repatriation from NMI

Create a pathway for returning learners from NMI into in-borough specialist, following a step down from learners from specialist moving into Bases and learners from Bases moving into mainstream with an enhanced package

Tighten up expectations on NMI settings and hold accountable to a greater extent to make savings on individual placements and to support moves back into Sutton where appropriate



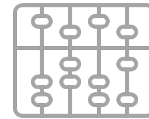
Governance of SEND funding decisions

Put in place stronger governance / quality assurance and cost control arrangements around SEND funding decisions

Implement proposals that enable Sutton placements to be considered in Sutton schools first (OOB panel)

Stronger controls over specialist placements process and spend

High-cost placements and working with social care and health



Tripartite funding

Explore ways of gaining commensurate funding contributions from Health and Social Care



Explore ongoing devolution of mainstream SEND funding

Consider different ways of devolving more funding into SEND support

This could be achieved through a SEND Support panel, through SENCO cluster arrangements OR straight into schools

High Needs Block funding

Part of the government's recent announcement related to a separate allocation designed to support teacher's pay and pension uplifts, we are not expecting this to form part of the main High Needs Block allocation in 2025/26.

We are awaiting updates from the DfE in relation to the methodology for the allocation and distribution and will keep Schools Forum updated further to details being confirmed.

Assumptions at the current time include a 2.5% increase per year.

Year	High Needs Allocation after recoupment	Block Transfer	Total High Needs Funding (after recoupment)	Increase in Funding	High Needs Overspend / expected pressure
2019/20	32,005,000		32,830,000	0	824,921
2020/21	34,920,000		35,984,000	3,154,000	1,064,000
2021/22	39,219,000		39,956,000	3,972,000	737,322
2022/23	44,614,000		44,614,000	4,658,000	747,858
2023/24	49,903,000		49,903,000	5,289,000	3,256,000
2024/25	51,741,000	1,039,000	52,780,000	2,877,000	9,531,000
2025/26	55,788,000	1,119,000	56,907,000	4,127,000	17,389,000*
2026/27	57,182,700	1,146,975	58,329,675	1,422,675	23,783,000*
2027/28	58,612,268	1,175,649	59,787,917	1,458,242	30,829,000*
2028/29	60,077,574	1,205,041	61,282,615	1,494,698	38,587,000*
2029/30	61,579,514	1,235,167	62,814,680	1,532,065	47,122,000*

	2025-26		2026-27		2027-28		2028-29		2029-30	
	Expenditure (£000)	Saving (£000)	Expenditure (£000)	Saving (£000)	Expenditure (£000)	Saving (£000)	Expenditure (£000)	Saving (£000)	Expenditure (£000)	Saving (£000)
Workstream 1										
<ul style="list-style-type: none"> • OAP Guidance • SEND Advisory Partnership¹ • Inclusion Hubs • EY Transition Funding² 	85	-389	85	-711	85	-983	85	-1237	85	-1510
Therapies	0	-300	0	0	0	0	0	0	0	0
Sherwood - Old Carew Site	960	-1560	1440	-2340	1920	-3120	2400	-3900	2880	-4680
Expand Primary Autism Base	558	-990	744	-1320	930	-1650	1116	-1980	1302	-2310
Secondary Autism Base	120	-200	240	-400	360	-600	480	-800	600	-1000
Carew – new site	480	-800	480	-800	480	-800	480	-800	480	-800
SEMH NMI avoidance	0	-131	0	-315	0	-447	0	-578	0	-710
Review of specialist funding model³	0	-460	0	-478	0	-479	0	-489	0	-481
EOTAS & Tuition	500	-300	400	-500	500	-800	600	-950	750	-1250
Step Down, Cease and Repatriation	50	-200	50	-500	50	-500	25	-500	25	-200
Post-16 Specialist Avoidance⁴	0	-200	0	-400	0	-400	0	-400	0	-400
TOTALS	2753	-5530	3439	-7764	4325	-9779	5176	-11634	6112	-13341
IN-YEAR SAVINGS		-2777		-4325		-5454		-6458		-7229
CUMULATIVE SAVINGS		-2777		-7102		-12556		-19014		-26243

Workstream projections: saving forecasts show a cumulative saving of £26,243m between 2025/26 and 2029/30

1. Assumes a proportionate reduction in EHCNA with more children having their needs met with some top-up funding outside of an EHCP. Rate of reduction to cease from 2030. SENCO cluster funding will be directed to support the SEND Advisory Partnership
2. Assumes 20 fewer (approx. 20%) EHCs each year
3. Modelled on a 2% reduction across all special school and base places
4. Focus on stopping learners moving into specialist post-16 from specialist secondary. Assumes £20k top up (mainstream college, Sutton and District), saving £40k+ in specialist college. Assumes two-year course. Assumes 10 each year

The Block Transfer would be used to pay for the projects identified in Workstream 1

Case studies

with a block of NHS SALT and OT aged 4.
Involvement of school EP in Years 3 and 8

- Cost over time in education = £0
(supported through SEND Support only)

to mainstream college. Gained an EHCP age 4

- Cost over time in education = £260,551

reception and moved to specialist college where
they remained until age 22.

- Cost over time in education = £931,800

Benefits for children, young people and families

There will be a shared understanding of Ordinarily Available Provision (OAP) across Sutton's mainstream schools.

Sutton's mainstream schools will be able to meet the needs of pupils with SEND earlier, and with a lower intensity of support.

More children will transition from mainstream Early Years settings to mainstream primary schools and be supported to do so at the SEN Support level.

Parents/carers will feel more confident in the ability of Sutton's mainstream schools to support SEN needs at the SEN Support level.

There will be fewer pupils in NMI provisions where this is not the wish of the child or their parents/carers.

More pupils will be able to transition from mainstream primary school to mainstream secondary school.

Decision-making will be fair, consistent and transparent. All partners will contribute to the support of children and young people.

Funding arrangements that are more closely reviewed / benchmarked to other local areas and ensure that Sutton children aren't disadvantaged.

Priorities for 2024/25, 2025/26 and 2026/27

2024/25

- Develop and launch co-produced OAP guidance
- Commission specialist outreach model
- Pilot 'SEND Support panel'
- Initiate Inclusion Hubs
- Commission additional capacity at Carew and Oakfield. Create a new secondary base provision
- Develop a Local Area School Inclusion Dashboard
- Agree approach to reviewing special school top-ups
- Trial Early Years transition plans
- Define in-house tuition model and develop proposals

2025/26

- Embed and support the strengthening of OAP through peer-to-peer support
- Roll out 'SEND Support panel'
- Work with schools and families to strengthen annual review processes
- Launch specialist outreach support
- Work with SEMH providers to develop proposals to increase in borough places
- Define strategy for NMI repatriation and begin to identify learners

2026/27

- Continuation of implementation and embedding of OAP through the ongoing work on Lead SENCOs, Inclusion Hubs and SENCO clusters
- Seek to increase proportion of SEMH learners educated in borough
- Continuation of returning learners from NMI
- Explore ongoing devolution of mainstream SEND funding

Report Title	Cognus Therapies Service
Meeting	Schools Forum
Meeting Date	25 February 2025
Chair	Jenny Sims
Report Author(s)	Alex Benjamin, Head of Therapies, Cognus
Open/Exempt	Open

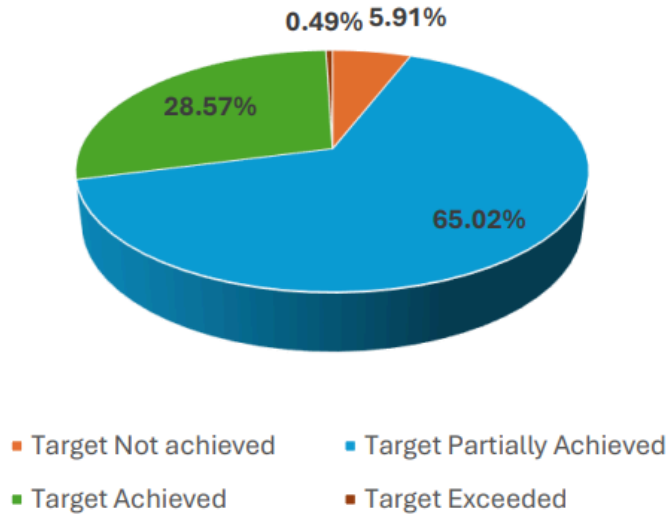
Recommendation(s)

1. To note the current year position on the provision of children's therapies in the Borough in FY2024/25.
2. To note the overspend on the therapies budget and that the Cognus Board has agreed to absorb the majority of the pressures on this budget from their reserves in FY2024/25 but that this will not be possible in FY2025/26.
3. To note the expected pressures on the budget in FY2025/26 (£600k) beyond the growth that has already been provided (£600k) in the provision FY2025/26 budget and to discuss local area actions that would enable these pressures to be mitigated in-year.

Background

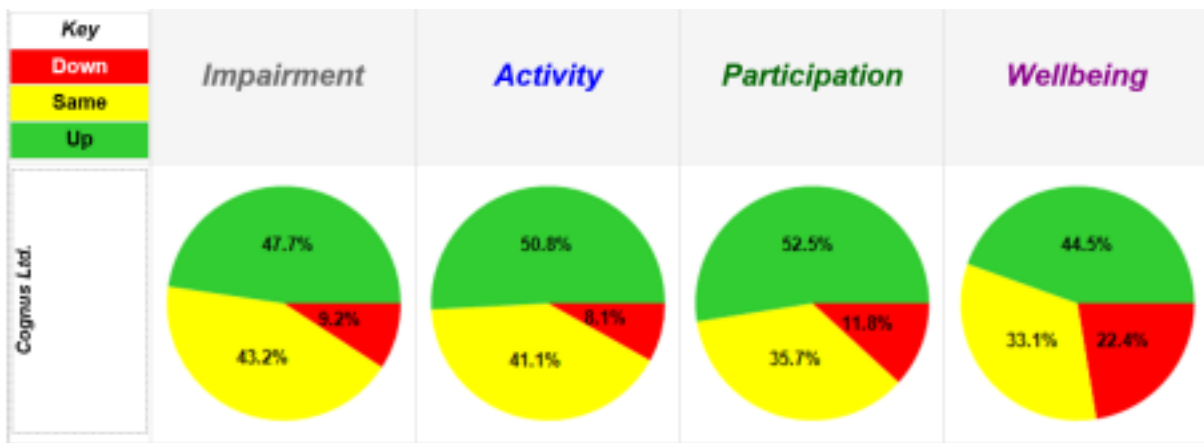
4. The Cognus Therapies Service continues to be the consistent and quality-assured provider for Sutton's statutory therapies provision, offering a graduated approach from early special educational needs and disabilities (SEND) support to statutory provision. The service delivers universal, targeted, and specialist therapy services to children and young people with SEND across the Borough.
5. The service, including Speech and Language Therapy (SaLT) and Occupational Therapy (OT), has achieved positive outcomes with a high satisfaction rate from schools, settings, children/young people and their parents/families.
6. Therapy Outcomes data from the review of therapy targets and Therapy Outcomes Measures (TOMS) indicates that children and young people achieve well as a result of the therapy they receive:

Target Review Data Autumn Term 2024



7. TOMS data indicates the following which is in line with National data:

- **Impairment:** 47.7% made progress, 43. % maintained their level
- **Activity:** 50.8% made progress, 41.1% maintained their level
- **Participation:** 52.5% made progress, 35.7% maintained their level
- **Wellbeing:** 44.5% made progress, 33.1% maintained their level



8. There has also been significant improvement activity in the service over the last 12 months as follows:

- Meeting EHCNA statutory deadlines has increased from 13.9% submitted within statutory time in September 2023 to 72% in November 2024.
- The Therapies Service has introduced SEND Champion training, with 108 in-school SEND champions trained to date, and the launch of the SEND Support Offer, which includes workshops and interventions that aim to prevent the need for an Education, Health, and Care Plan (EHCP) at a later stage. The SEND Champion training was delivered free to Sutton schools in the first year (but has

now been added to the traded brochure due to the financial constraints set out in this document).

- Partnering with the Virtual School's "Building Stronger Foundations" programme in Summer 2024 which has produced positive results, particularly in improving support for children in care. Data from therapy reports show that a substantial proportion of SaLT and OT reports for children in care were provided by Cognus Therapies.
- Delivered a parent training programme in Autumn 2024 benefitting 25 parents who attended the sensory regulation training, and 57 parents who attended the emotional regulation training - the feedback has been overwhelmingly positive.

Demand for Therapies provision

9. Over the past three years, the service has seen a significant increase in the demand for assessments, provision, and specialist provision locally, due to the complex needs of the children and young people in the local area.
10. Local area data for Academic Years 23/24 and 24/25 shows an increase in the number of EHCPs being issued impacting the amount of statutory therapy provision required.

Education, Health and Care Needs Assessments

Year	Number of EHCNAs	Provision Cost (£)
2022-2023	349	£181,480
2023-2024	377	£196,040
2024-2025	*	£196,040

*With 65 EHCNA requests from September to November 2024, the latest data shows that the number of assessments requested is on a similar trajectory to 23-24. The projected cost of these requests is £196,040 for FY2024-2025 based on 8-hour reports at £65 per hour. It should be noted that this rate is the locally commissioned rate which is no longer representative of the current market value of equivalent services; an analysis of Therapy services currently regionally and nationally indicates hourly rates average from £75-£100+ per hour depending on services requested.

Education Health and Care Needs Plans

11. DfE data shows that Sutton's rate of EHCPs is slightly higher than the London average (based on 10,000 0-19 population) and that EHCNA requests are the second highest of all London Boroughs; this ongoing increase in demand is the main factor in driving spend on therapies in the local area.

<u>Year</u>	EHCPs (as of March) Budget		Outturn
2022/23	2136	£3.2m	£3.2m
2023/24	2410	£3.5m	£3.5m
2024/25*	2630	£3.6m	£4.3m
2025/26*		£4.3m	

* Provisional figures

Hours of Therapy delivery in Sutton	Data January 2025 EHCP Hours	Data January 2024 EHCP Hours	Increase in hours in EHCPs
Total Sutton SaLT	37,853	36,586	+1,267
Total Sutton OT	30,174	24,769	+5,405
Total EHCP hours	68,027	61,355	+6,672

12. As the above data shows there has been a significant increase in both demand and spend in the Borough arising from increasing numbers of EHCPs in the Borough.
13. Reports to Schools Forum this year have not reported an overspend in the Therapies budget on the basis that Cognus would manage and absorb any in year pressures throughout the year. It should be noted that Therapies spend would ordinarily be charged wholly to the DSG high needs block but Cognus recognises the role it plays in managing this budget and work in partnership with LBS and schools in this endeavour. Up until about November / December these pressures were estimated to be about £250-300k and manageable when considering the wider finances of the company but they have subsequently increased to £667k following ongoing increases in EHCPs and further work done in the service to forecast costs.
14. If Cognus were to absorb the full amount (£667k) this would result in the company recording a significant end of year deficit in the region of £500k. This would significantly impact on the reserves of the company and weaken their financial position.
15. The position on therapies has been discussed between Cognus and LBS and an agreement has been reached whereby Cognus will absorb £412k of this pressure with the DSG absorbing the remaining £255k. This variance has been reported in month 10 to Schools Forum as part of the Revenue Report under separate enclosure.
16. With respect to next year, a provisional sum of £600k growth has been allowed for Therapies in the initial High Needs Block budget FY2025/26 presented to the Schools Forum in January 2025.
17. Given the pressure identified above, further work has been undertaken by Cognus looking at financial projections arising from growth in EHCPs throughout the year, as well as the additional commissioned places in the specialist sector. It is estimated that all things being equal, the funding gap is likely to be £1.2m (600k more than allowed for in the budget).
18. Appendix A provides a breakdown of the expected income and expenditure in the service based on a 'no growth' scenario. This scenario works on the (realistic) assumption that there is no funding to replenish the reserve position in Cognus, which will be negatively impacted by the outturn position in FY2024/25 that the company has agreed to absorb.
19. Despite the actions that have been taken by the Service to mitigate cost pressures

set out below, financial projections for FY2025-2026 indicate a deficit due to increased staffing costs and resource needs, in response to the rise in EHCPs and therapy hours.

Mitigating actions undertaken by the Service include:

- Implementing a “temp to perm” recruitment strategy (a proactive approach to reducing costs of agency workers - to date 20 staff have transitioned to permanent roles achieving a saving of c£56,000 - in the context of therapists being a hard-to-recruit profession).
- Implementing embedded approaches to therapies in settings through universal, targeted and specialist models; reinvestment of OT and SaLT hours shows that since the introduction of the universal, targeted, and specialist service model in September 2022, a total of £434,005.65 has been reinvested into therapy provision (Sept 2022-Dec 2024).
- The recruitment of a dedicated therapy traded services lead aimed at improving traded income to help offset the impact of increased demand; the role has achieved £76k of additional traded income to date.
- Hourly rates for commissioned therapies are flat despite inflationary pressures on staffing costs; however, traded and out-of-borough pricing has been increased to generate a surplus that can be reinvested.

20. The overall and ongoing increase in demand for the Service presents several risks, most notably:
- (i) that the Service will overspend in FY2025/26 (which Cognus will not be in a position to absorb in future years),
 - (ii) the timeliness of advice provided as part of EHCNA processes is significantly impacted,
 - (iii) that the local area may not be able to meet the provision set out in Education, Health and Care Plans.

Next Steps

21. The pressures identified by the Therapies Service and the case for further growth beyond the £600k already identified in the FY2025/26 budget are acknowledged by LBS. It is also acknowledged by the Cognus Board and LBS that Cognus cannot be expected to absorb ongoing budget pressures into future years.
22. Notwithstanding the above, at this stage, it is recommended that the budget remains set at £4.3m on the basis that further management actions should be considered before any additional budget is finalised, which will require local area buy-in. Such actions could include:
- Strengthening our SEND support offer and ‘ordinarily available provision’ to support settings to provide early intervention and to address the needs of children and young people earlier to negate the need for an EHCP at a later stage.
 - Piloting how a greater proportion of therapies could be delivered in group settings rather than in individual 1:1 approaches which are less efficient
 - Ongoing work with Health to develop a more integrated approach to the delivery of children’s therapies (the current model adds additional pressure to the Service).
 - Work to review targeted and specialist packages of therapies delivered in specialist settings to bring them in line with the universal, targeted and

specialist model that the service has put in place over the last couple of years

- Extend the provision of alternative models of delivery including further embedding the SEND Champions in schools, training to upskill education staff to provide high-quality support and parental training to deliver therapies in the home.
- Build on the work of the dedicated therapy traded services lead to increase traded income.

23. It is accepted that the above actions are unlikely to fully mitigate the pressures in FY2025/26. It is also accepted that having absorbed c.£647k of spend in FY2024/25 Cognus will be unable to do this in future years. Therefore any overspend at the end of FY2025/26 will add pressure to the High Needs Block.
24. Schools Forum is asked to consider if any further mitigations could be considered, including the role that schools can play. It is recommended that a further report be brought back later in the year (October Schools Forum) with an update on progress against the budget.

Appendix A - Therapies Income and Expenditure FY2024/25 and FY2025/26

	Year 2024/25		Year 2025/26		Notes
	Speech and Language	Occupational Therapy	Speech and Language	Occupational Therapy	
	06-03	06-04	06-03	06-04	
Income					
Dedicated Schools Grant Income	£2,174,742	£1,449,828	£2,222,720	£1,478,825	Assumes a 2% uplift
Miscellaneous Income	£135,524		£81,990	£0	Seconded staff
Traded Services	£625,101	£383,126	£716,486	£383,514	An increased target of £100k for 2025/26
Total Income	£2,935,367	£1,832,954	£3,021,195	£1,862,339	
Expenditure					
Total staff costs	(£2,038,202)	(£1,549,580)	(£2,869,461)	(£1,949,991)	Overall increase of c£1.2m. Includes increased 1.2% ER NI & 3% COLI (combined total of c£185k)
Casual/Agency	(£840,000)	(£360,000)	(£450,000)	(£200,000)	£550k saving target for 2025/26 year from 2024/25 year
Total staff costs	(£2,878,202)	(£1,909,580)	(£3,319,461)	(£2,149,991)	When excluding the above increased NI %, COLI, etc costs the overall net increase is c£513k. This is related to the forecasted increase in placements for 2025/26 year (see table 4.4 below)
Other Expenditure					
Operating Expenses	(£25,000)	(£15,000)	(£25,000)	(£15,000)	
Total Other Expenditure	(£25,000)	(£15,000)	(£25,000)	(£15,000)	
Total Expenditure before overheads	(£2,903,202)	(£1,924,580)	(£3,344,461)	(£2,164,991)	
Surplus/Deficit excluding overheads	£32,165	(£91,626)	(£323,266)	(£302,652)	
Core - Staff Cost	(£162,031)	(£134,314)	(£169,427)	(£140,444)	Assumes 3% COLI increase
Central Costs Allocation	(£159,421)	(£132,150)	(£161,015)	(£133,472)	
Surplus/Deficit for the year	(£289,287)	(£358,090)	(£653,708)	(£576,569)	
Total Surplus/Deficit for the year	(£647,377)		(£1,230,277)		Adverse variance of c£583k from 2024/25 to 2025/26

Report Title	Early Years Entitlements Funding Formula for 2025/26
Meeting	Schools Forum
Meeting Date	25 February 2025
Chair	Jenny Sims
Report Author(s)	Laura Devereux, Early Intervention Service Manager
Open/Exempt	Open

1 Summary

- 1.1 From April 2024, the Early Years Entitlement has been expanded. Funding is now available for working families from the age of 9 months to 4 years. The existing entitlements for 2 year olds with additional support needs continues as does the universal 3 and 4 year olds provision.
- 1.2 This report outlines the findings from the consultation (which was agreed at the previous Schools Forum) with providers and sets out the proposed new funding formula for all providers for 25/26.
- 1.3 The consultation showed that 60% of providers were in favour of removing most of the supplements in favour of a higher base rate.
- 1.4 The DfE have mandated that Local Authorities must pass through 96% of the funding for all entitlements this year. In Sutton we will pass through 97% of the 3 and 4 year old rate and 96% of the under 3 entitlements for this year.

2 Recommendations

- 2.1 To agree to the funding formula for providers.

3 Background

- 3.1 The Government announced its commitment to expanding the childcare entitlements for all children in working households to 30 hours by September 2025. The roll out was staggered starting in April 2024 with 2 year olds for 15 hours a week and for 38 weeks of the year. In September 2024, 9 month olds became eligible for 15 hours a week for 38 weeks of the year. In September 2025 all children from 9 months will receive 30 hours per week for 38 weeks of the year. The roll out of this provision has largely been successful in Sutton with demand for this provision matching supply.
- 3.2 Providers were given three options to choose from for the consultation on a new funding formula. The consultation was sent to all EY providers. Of the 238 Providers in the Borough 87 (38%) responded to the consultation.

Type of provision	Number of responses
Childminder - Ofsted registered	49
Childminder - Agency registered	4
Pre-school	12
Day Nursery	14
Nursery Class in School	7
Maintained Nursery School	1

- 3.3 The majority of providers were in favour of 'Proposal 3' with 60% stating this as the preferred option. Based on this feedback the Council will be proceeding with this funding option which is set out below from 25/26:

Proposal 3	Proposed 25/26 Funding Rates
3 & 4 base rate	£6.55
2 year old base rate	£9.61
Under 2's base rate	£13.06
Flexibility Supplement	Supplement removed
Quality Supplement (3&4 only)	£0.27
Deprivation supplement	£0.21

- 3.4 It is the aim that the higher based rates specifically for the 3 and 4 years olds will go some way to supporting providers to meet the rising costs of staffing and operational costs. Although we know that the sector continues to struggle with the lower rates especially in this age group.
- 3.5 The Government has stated that Local Authorities must move towards a 97% pass through once all the entitlements have been established, although the date for this has not been set. On 25/26 we must pass through 96%. On this basis we are proposing to pass through 97% of the 3 and 4 Year old entitlement as this is an existing entitlement, which is already established. This will also help to further raise the base rate for this age group. We are proposing that the under 3 entitlements remain at 96% for the forthcoming year increasing to 97% once all entitlements are established in the coming years.
- 3.6 The Council will continue to monitor the uptake of funded places and increase support to the sector to increase funded places, ensuring we can meet the statutory duty to provide adequate numbers of childcare places.

4 Influence on the Council's Corporate Core Values and Objective

- 4.1 One of the core values is partnership working. Setting the budget for the Dedicated Schools Grant, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools' Forum.