

<p>SEND DEEP DIVE – MEMBERS REPORT BACK</p> <p>Councillor Nick Sharman Audit Committee</p>	
<p>AUDIT COMMITTEE</p> <p>MEETING DATE:</p> <p>10th April 2019</p>	<p>CLASSIFICATION:</p> <p>Open</p> <p>If exempt, the reason will be listed in the main body of this report.</p>
<p>WARD(S) AFFECTED</p> <p>All Wards</p>	
<p>This is an information report provided by Cllr Nick Sharman.</p>	

1. CLLR SHARMAN’S INTRODUCTION

- 1.1 This is a report back to members of the Audit Committee on the committee’s deep dive into the planning and risks associated with the cost pressures in the provision for children with Special Educational Needs and Disabilities (SEND). The SEND cost pressure is a significant financial risk facing this and many other Councils. We embarked upon this deep dive into the nature of this cost pressure and the steps being taken to manage it in order to assure ourselves that this risk was being properly planned for and managed.
- 1.2 Our objective was to better understand the issues faced by the Council and by the SEND service. We wanted to ensure we were doing all we could as a Council to maintain the quality of service necessary for some of our most vulnerable residents. We were also concerned that we look at the wider implications of the financial pressures for the Council as a whole so that members are fully appraised of the risks and the planning to mitigate them. We are indebted to Cllr Kennedy for his continued support for this piece of work.

2. RECOMMENDATION

- 2.1 The Audit Committee is recommended to note the report and its conclusions.

3. REASONS FOR REPORT

- 3.1 The SEND cost pressure is a significant risk facing the Council. The implications of the cost pressure may have an impact on the provision of services for residents and on the Council's financial planning. As a consequence, members of the Audit Committee undertook a more in depth look at this issue to be confident that appropriate action is being taken to mitigate this risk, as far as is possible. The SEND cost pressure is in many ways a risk beyond the control of the Council, but we nevertheless needed to understand and manage the potential impact of this on our services and our planning for the future. The 'deep dive' process helped us to assess this, and as such it is important that the Audit Committee is aware of this.

4. BACKGROUND

Scope of the SEND Deep Dive

- 4.1 The scope of the SEND deep dive is detailed below. Officers provided briefings to members of the deep dive group, and made two detailed presentations on the scale and nature of the cost pressure. These presentations and discussions helped us to better understand the drivers of the cost pressure and to model and forecast the impact of this in the future.
- 4.2 We were also briefed on the current Judicial Review and legal challenges to Hackney and other local authorities in terms of their implications and the extent to which these constrain our ability to develop new strategies and responses to the cost pressure.
- 4.3 The remit for our work covered the following points:
Current monitoring and financial forecasts for SEND provision and SEND transport, including:
- forecast cost pressure and overspends against baseline budgets,
 - cost control activities and constraints, and
 - SEND business process and policy.
- 3 Year Forecasts and Trends - modelling of data and trends including:
- SEND national funding formula assumptions, and
 - the implications of current trends.

Potential actions to manage and mitigate the implications.

What has been done, what is pending, and what is planned in terms of:

- provision planning for current and future demand (capital programme and place commissioning),
 - cost control and cost reduction planning, and
 - cost reduction activities options and limitations etc.
- 4.4 This report back is not intended to be a detailed report into the SEND cost pressures, but to give a flavour of the detail we looked at in terms of the scale of the pressure and the actions to tackle it.
- 4.5 **Equality Impact Assessment**
This is an information report, and for the purposes of this report, an Equality Impact Assessment is not applicable. However, in the course of SEND planning, management and associated duties, all work is carried out in adherence to the Council's Equality policies.
- 4.6 **Sustainability**
This is an information report and as such contains no new impacts on the physical and social environment.
- 4.7 **Consultations**
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This is an information report and as such consultation is not required. Reporting to the deep drive group was undertaken by the Assistant Director, Education Services (Andrew Lee), Frank O'Donoghue, Head of Business Services. Reporting was undertaken in conjunction with Ian Williams, Group Director - Finance & Corporate Resources.

5. CURRENT SEND POPULATION AND FINANCIAL FORECASTS

SEND Population Analysis

- 5.1 The following sections summarise the current position drawing on planning and population data in relation to the SEND cohort.

Table 1 below shows the continued increase in the number of SEND children supported with an EHCP. Hackney is not an outlier in this respect and the pattern is in line with that of other similar boroughs. The prevalence of a child receiving an EHCP in Hackney is also in line with other boroughs, slightly higher than the London average, but this is expected when accounting for relative deprivation and the correlation between deprivation and SEND. Reference is SEND2 statutory census returns.

Table 1a

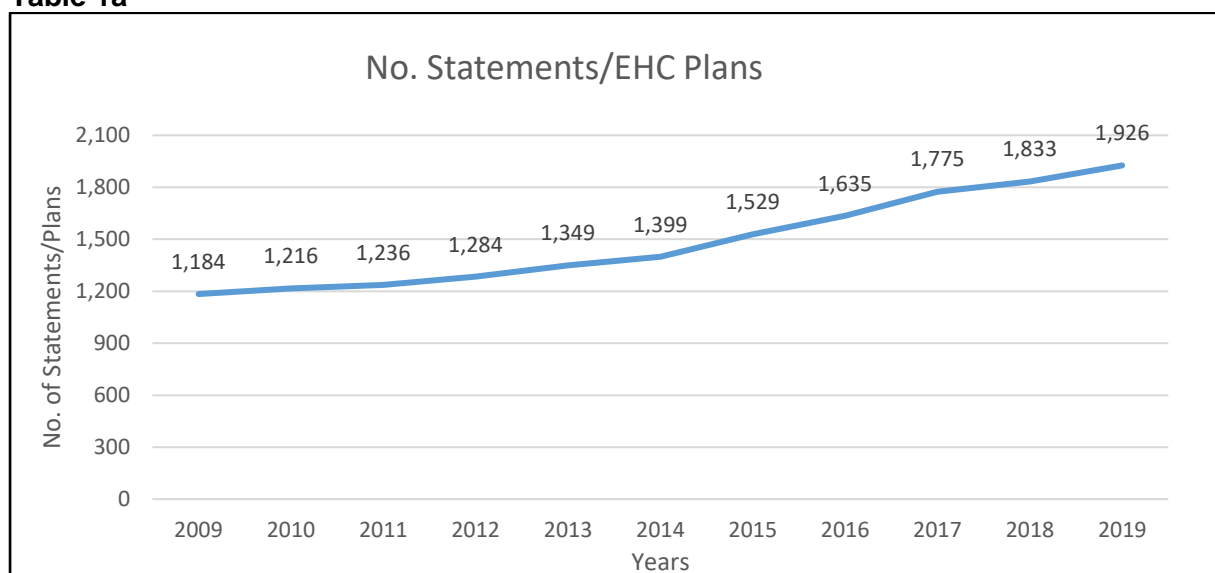


Table 1b

Age Breakdown SEN CYP	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Under age 5	83	76	83	95	95	121	139	71	126	137	122
Aged 5 to 10	507	514	516	535	551	570	617	611	676	706	777
Aged 11 to 15	524	564	576	582	615	617	635	667	680	677	730
Aged 16 to 19	70	62	61	72	88	91	138	252	251	268	260
Aged 20 to 25								34	42	45	37
TOTAL	1,184	1,216	1,236	1,284	1,349	1,399	1,529	1,635	1,775	1,833	1,926
Actual Annual Increase	0	32	20	48	65	50	130	106	140	58	93

The average annual increase in the number of plans awarded has been running at an average of 100 over the past 5 years. This is expected to continue and is also reflected in the financial forecasting below.

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Table 2 below shows the continued increase in the proportion of the borough 0-19 pupil population that are awarded an Education Health and Care Plan (EHCP) with a funded support package. Whilst the increase in the proportion of the population receiving a plan appears to be relatively small, it is nevertheless significant financially. The prevalence of children receiving a plan in Hackney is slightly higher than the London average, but this is expected when accounting for relative deprivation and the correlation between deprivation and SEND. This data reflects the increase in the level of need and is also reflected in the increasing cost pressure.

Table 2

Hackney 0-19 Population	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hackney population aged 0-19 (mid-year)	61400	61700	62300	63400	64500	65500	66900	68100	68800	69400	70100
% of Hackney population aged 0-19 with Statements / Plans	1.9%	2.0%	2.0%	2.0%	2.1%	2.1%	2.3%	2.4%	2.5%	2.6%	2.7%
From GLA London Forecast											

Table 3 below shows the continued increase in the proportion of the borough 0-19 pupil population overall in recent years. The average annual increase over the last 5 years has been 1.4% and over the last 3 years 1%. In addition to the data in **table 2** above, this has also contributed to the escalating cost pressure.

Table 3

Hackney 0-19 population	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Hackney population aged 0-19 (mid-year)	61,400	61,700	62,300	63,400	64,500	65,500	66,900	68,100	68,800	69,400	70,100
Year on year increase		0.5%	1.0%	1.8%	1.7%	1.6%	2.1%	1.8%	1.0%	0.9%	1.0%
From GLA estimates											

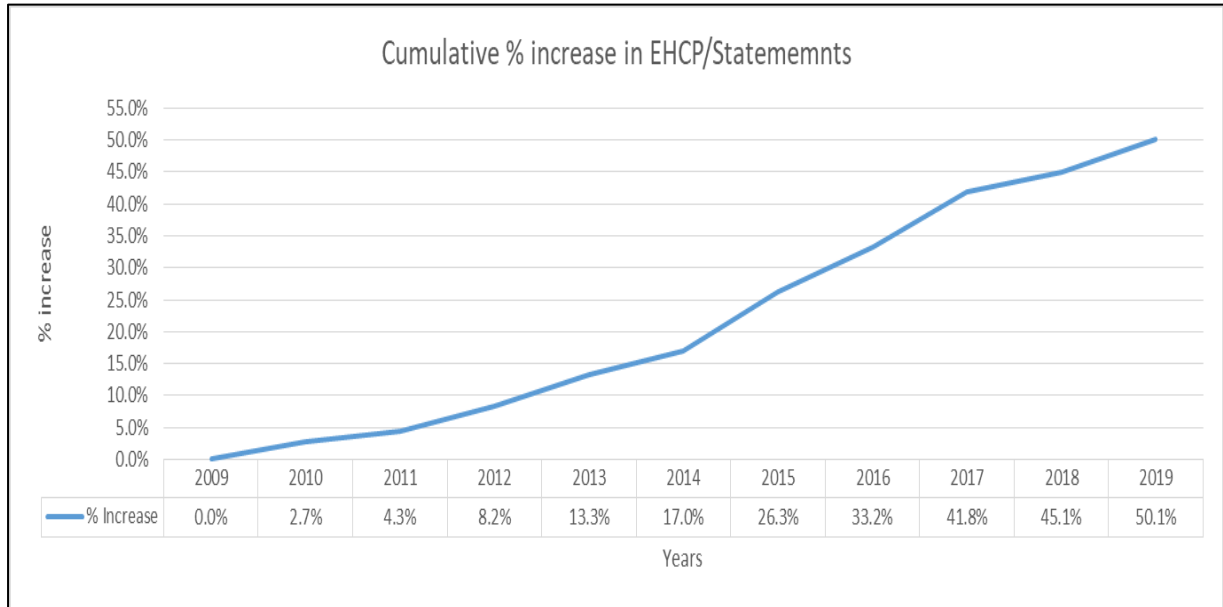
Table 4 below- shows the % increase in the number of EHPs awarded over the last 10 years. The average annual increase has been significantly higher in the period since 2013 than in the period up to 2012. This reflects both the increase in pupil population and the increase in level of need illustrated in the tables above. This trend is not expected to change in the short term.

Table 4

% increase		
2009 to 2019	2009 to 2012	2013 to 2019
62.7%	8.4%	42.8%
Average annual increase	2.8%	7.1%

Table 5 below shows the cumulative % increase in the number of children with EHCPs each year and clearly illustrates the escalating nature of the pressure brought about by the year on year increases. Given that it is only in this financial year and last, that relatively small increases in funding have been awarded to help meet this escalating cost, there is a very significant funding shortfall against the number of EHCPs already in the Hackney system. The recent funding increases have not matched the escalation in cost associated with the additional plans, and there has effectively been no funding increase to match the increase in plans between 2012 and 2017.

Table 5



5.2 Extensive modelling of data published by the DfE, GLA and local data from a range of different sources has confirmed our analysis of the cause of the escalating cost pressure and its likely future trajectory. This pattern has also been the experience of other similar local authorities and is also reflected in the cost pressures they are currently experiencing. Although based on a different approach to data, the implications of these trends are also reflected in the financial data and modelling below.

SEND Financial Forecast

5.3 The following section summarises the current financial forecast. The pupil number methodology used for this exercise is not the same as that used in the population census data used in the analysis above and therefore is not comparable. Although different in approach, the outcome of the financial forecast is consistent with the implications of the population forecasts given above.

5.4 SEND expenditure on pupils that have an ECHP (or previously a statement of SEN) has been increasing annually to 2018-19 at an average of £1.5m based on the last 3 years data. This has ranged from £1.3m to £1.7m with the increase from 2017-18 to 2018-19 being £1.7m. Alongside this, transportation costs home to school transport for SEND pupils has also increased as pupil numbers have risen.

5.5 A model has been developed to forecast the cost of future SEND provision based on an analysis of spend per pupil over the last 3 years and the current pupil data profile. This is used, alongside other intelligence, to provide a rolling five year forecast, currently covering 2019-20 to 2023-24. The forecast shows the expected spend for SEND provision, and also the cost of associated transport provision. It should be noted the SEND EHCP provision is met from High Needs DSG funding, and transport funding is met from Council funding.

These forecasts are shown in summary in the tables below, however a note of caution given that a 5 year forecast on a relatively small and volatile data set does come with a health warning.

- 5.6 The financial forecast has been made by analysing past costs per pupil, determining the average annual percentage increase in costs per type of setting and extrapolating this into future years. A more detailed explanation of the definitions used and methodology is available to the SEND deep dive group.
- 5.7 As mentioned above, the 2018-19 increase in the size of the cost pressure has been £1.7m. Using the SEND2 census data in **table 1** above, the average annual increase in the number of EHCP plans has been at an average of 5.6% p.a. for the 3 years 2017-2019. Using the financial (rather than population) analysis, the average cost increase over the periods 2016-17 to 2017-18 and 2017-18 to 2018-19 has been 5.3% (and over 2018-19 it was 5.9%). Cross referencing two approaches in this way using two separate data sets has provided us with a level of assurance over the basis for the forecast over the next few years. The forecast beyond the next 3 years becomes less confident given the size and volatility of data for such a relatively small cohort of pupils.
- 5.8 Looking ahead to the financial forecast summarised below, this indicates that the % increase in costs from 2018-19 to 2019-20 will be 5.8%, slightly lower than the 5.9% 2017-18 to 2018-19 increase. The model also shows that the year on year increase for 2020-21 would be 6.1%. Allowing for some variation in the forecast range, we have concluded that an annual increase in the SEND provision cost pressure should be factored in at a prudent £2m per annum. This may change further as the number of new pupils supported by SEND provision budgets increases and the numbers exiting this support remains static or falls. The data indicates a more rapid increase in the number of new plans than simply looking at the net increase in the number of plans would suggest. We believe the analysis and forecasting in use by the service is now robust and the forecast can now also be routinely tested against actuals.
- 5.9 **Table 6** is a high level summary of the output from the financial analysis and model. The approach uses a count of any pupil that receives financial support at any time in the course of a financial year [“All Year Pupils”], and the number that remain a financial commitment to the Council at the start of the following financial year, [“Live Pupils”] to assess future implications. Whilst the data on pupils numbers below is not comparable to the census snapshots used in the population section above, modelling in this way allows for more refined modelling of costs on different variables, for example by modelling different unit costs per pupil, per type of provision.

Table 6

School Type	2019/20		2020/21		2021/22		2022/23		2023/24	
	Est'd Cost £000's	Est'd live Pupil No.	Est'd Cost £000's	Est'd live Pupil No.	Est'd Cost £000's	Est'd live Pupil No.	Est'd Cost £000's	Est'd live Pupil No.	Est'd Cost £000's	Est'd live Pupil No.
Independent School Total	10,921	315	11,617	321	12,357	328	13,144	334	13,982	341
Special Schools Total	8,221	373	9,164	404	10,215	438	11,387	475	12,694	515
Mainstream Total	5,646	615	5,731	621	5,817	628	5,905	634	5,994	641
Out of Borough Total	3,794	206	4,149	213	4,538	221	4,963	229	5,428	237
College / Post-16 Total	2,423	145	2,420	145	2,417	144	2,414	144	2,411	143
Academies Total	1,410	226	1,296	225	1,191	223	1,095	222	1,006	221
Independent Nursery Total	252	29	256	31	260	35	264	38	269	42
	32,666	1,909	34,633	1,961	36,796	2,017	39,173	2,076	41,783	2,139

5.10 Currently, additional government funding does not cover this scale of increase and the position on future funding is not expected to become clear until after the autumn spending review.

SEND Transport

5.11 The SEND Transport forecast is based on actual financial figures from the last 2 financial years and estimated cost for the current year (2018-19). There is a close correlation between EHC plans and transport service costs. As the number of EHC plans increase, the number of pupils that require this service increases and the associated transport costs.

5.12 In **table 7** below, 'In-house service' includes all in-house costs such as staff, operational costs, buses and minibuses, etc. Taxi service only includes direct taxi costs, and Personal Transport Budget (PTB) only includes payment made directly to parents that would like to arrange their own transport for their child. In terms of cost, PTB is more cost efficient than Taxi Services and an area to further promote to parents that are currently using taxi service.

5.13 A forecast has been formulated to plan for an average increase in spend over the next 3 years. We are anticipating a 1.63% increase year on year over the next 3 years. A detailed review and benchmarking of the transport service has been undertaken this year (2019) which illustrates, as is the case with EHCP's generally, that Hackney provision is in line with that of other similar boroughs. Nevertheless, an action plan has been drawn up to continue to control costs with an emphasis on promoting personal transport budgets and individual travel training. The significant reduction in costs in 17-18 corresponds with a review and rationalisation of bus routes undertaken by the service at that time. We noted a number of initiatives to manage costs and promote pupil independence, of which independent travel training was the most promising.

Table 7

	2016/17		2017/18		2018/19		2019/20		2020/21		2021/22	
	Count	Spend	Count	Spend	Count	Spend	Count	Spend	Count	Spend	Count	Spend
In-house Service	205	2,039,015	243	1,772,574	264	2,032,912	275	2,152,830	280	2,187,998	297	2,223,740
Taxi Service	315	2,040,772	257	1,992,369	240	2,000,000	241	1,889,218	240	1,875,427	240	1,792,607
Personal Budget	14	133,903	29	164,594	41	290,000	45	351,482	52	401,877	70	521,898
Total	534	4,213,690	529	3,929,537	545	4,322,912	561	4,393,530	572	4,465,302	607	4,538,246
Total Cost Centre % Increase and projected increases				-6.74%	10.01%	1.63%	1.63%	1.63%				

5.14 An overall summary of the financial implications are given after **section 6 below** that gives a high level summary of the provision planning for the future.

6. PROVISION PLANNING FOR THE FUTURE

6.1 We were briefed on the statutory duty to make sure there are suitable school places for all children, including those with Special Educational Needs and Disabilities (SEND). It is important that local authorities are able to plan effectively for this group of pupils not least because they are a vulnerable group, are growing in number and often require costly provision.

- 6.2 A comprehensive SEND Provision Plan is being developed to help in planning provision for the most vulnerable group of SEND learners – those with Education Health Care Plans. It has been possible to make the plan more comprehensive following DfE capital funding allocations to develop new SEND provision and DfE guidance on developing consistent strategic plans across all areas.
- 6.3 As illustrated above, there has been an unprecedented increase in the number of EHC Plans over recent years. The number of children and young people with Statements of SEN / Education, Health and Care Plans has increased significantly, approximately 36% over the last 5 years, with an average annual growth of 6.1%. A consequence is that the demand for specialist places is outstripping supply and the cost of independent provision is rising.
- 6.4 The limited availability of local and/or maintained specialist provision means local authorities have been increasingly reliant upon the independent sector. However, this is not sustainable long term and so we are planning for more local specialist provision.
- 6.5 The reasons for this increase have been subject to intense national scrutiny and debate, this not just being a local issue but a national one. The impact of the Children & Families Act and the *presumption to assess* has clearly created additional pressure which is resulting in more assessments, more plans, more demand for specialist places and additional costs. The overall increase in population and the changing level and type of need has played a part as has the absolute duty on a local authority to provide appropriate provision irrespective of ‘allocated’ budget.
- 6.6 **Table 8** below shows the current local authority currently commissioned specialist settings in Hackney across a range of SEND needs (1926 EHCPs in 2019).

Table 8 In Borough Commissioned Specialist Provision										
Setting	SEND	Type	KS	Designated number					Total	
			Phase	EY	Pri	Sec	16-19	19 +		
Millfields ARP	ASD	maintained	Pri		10				10	
Tysen	ASD	maintained	Pri		10				10	
Shoreditch	ASD	maintained	Pri		10				10	
Queensbridge	ASD	Maintained	Pri							
Mossbourne	ASD	maintained	Sec			15			15	
Thomas Fairchild	SCLN	maintained	Pri		10				10	
Sir Thomas Abney	SCLN	maintained			18				18	
Stormont	Complex	maintained	KS 3 to 4+1			100	23		120	
The Garden	ASD	maintained	EY to KS4	10	65	75	n/a		150	
Ickburgh	PMLD/ ASD	maintained	KS1- KS5		65	65	20		150	
New Regents College	Vulnerable	maintained	KS1 - KS 4		50	175			225	
Petchey unit	DPH	Academy	Sec			4	0		4	
Comet	Generic	Maintained	EY	5					5	
Wentworth	Generic	Maintained	EY	5					5	
NCC	Generic	FE	post 16				15	50	65	
B6	Generic	FE	post 16				30		30	
Totals					20	238	434	58	50	827

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- 6.7 The local authority also commissions specialist placements in a wide range of provisions in other local authority maintained settings as well as independent settings as a result of:
- limited in borough provision,
 - highly specialist needs, and
 - cost efficiency e.g. regional approaches to low incidence needs such as Deaf and Partially Hearing (DPHO and Visual Impairment (VI)).
- 6.8 The secondary transfer data (children with an EHC plan transferring to secondary school in September 2019) provides a proxy indicator of the types of provision used and the expected continued demand. There were 127 children transferring in September 2019.
- 61 children were offered places in Hackney maintained mainstream schools
 - 36 children were offered places in the 3 Hackney maintained special schools
 - 13 children were offered places in Hackney Orthodox Jewish schools
 - 2 children were offered places in out borough maintained mainstream schools.
 - 2 children were offered places in Hackney independent special schools.
 - 7 children were offered places in out borough independent special schools
 - 1 child was offered a place in an out borough maintained mainstream school
 - 2 LAC children were placed in out borough independent schools
 - 3 children are currently awaiting placement. The type of school has been named on their EHC plan
- 6.9 The Provision Plan identifies a number of scenarios based on a 'sufficiency plan' through which the data forecasts are made. The most probable scenario suggests the number of EHCP pupils rises from 1,926 in Jan 2019 to 2,400 in 2024 and (Table 9) projects the following breakdown by pupil need by type.

Table 9

Type of Need	Hackney % of total SEND (not just EHCP) Jan 2019	Projected number 2024
Specific Learning Difficulty	6	144
Moderate Learning Difficulty	18	440
Severe Learning Difficulty	1	29
Profound & Multiple Learning Difficulty	0	9
Social, Emotional and Mental Health	15	366
Speech, Language and Communications Needs	43	1032
Hearing Impairment	1	23
Visual Impairment	1	15
Multi-Sensory Impairment	0	7
Physical Disability	1	27
Autistic Spectrum Disorder	9	216
Other Difficulty/Disability	4	96
Total	100	2404

- 6.10 In the course of our deep dive we were briefed on the sufficiency planning work that is providing the foundation behind the SEND provision plan.
- 6.11 We noted that the headline implications are that there is a growing and urgent need for:
- a) Specialist SEMH provision within the borough – units within schools and a small therapeutic oriented school.
 - b) Specialist school provision for ASD pupils across the age range including at the post 16 level.
 - c) Reviewing the approach to managing speech and language needs.
 - d) Specialist provision for young people demonstrating significant mental health issues.

7. COST CONTROL

- 7.1 In the course of our deep dive we were briefed on the cost control activities being undertaken to ensure value for money and cost reductions were being pursued wherever possible and without detriment to children with SEND. A number of efficiencies have been achieved and that work continues. A cost control plan is in place similar to the transport costs actions plan and we were assured that all possible avenues for cost control were being pursued.

8. KEY MESSAGES

- 8.1 In attempting to summarise a large and complex area of activity, I would highlight the following key messages to the committee:
- i. The cost pressure is forecast to continue and the scale and pace of growth in plan numbers will continue as outlined above.
 - ii. The scale of the increase in plan numbers in London - up 48% between 2010 and 2018 and up 38% between 2013 and 2018 matches our experience and seems likely to continue.
 - iii. The negative impact on SEND provision and transport budgets is dramatic because there has been no corresponding increase in funding since 2011-12 and the recent increases are too little too late – that pressure will stay in the system for a long time to come.
 - iv. The significant increases in pupil population and the level of SEND need and complexity was not reflected by increased funding and neither were the new responsibilities for 0-5 and 19-25 year old SEND provision.
 - v. Funding for provision to existing pupils is almost impossible to claw back to fund new plans making it very difficult to impossible to move from current per pupil funding levels to lower levels.
 - vi. The Children & Families Act – the *presumption to assess* has clearly created additional pressure but this is not acknowledged by government.
 - vii. Repeat legal challenge and absolute duty on a local authority to provide appropriate provision, irrespective of ‘allocated’ budget, allows for little local discretion of how best to fund provision or early intervention.
 - viii. Restrictions on local authorities managing pressures between DSG funding blocks locally, alongside the protection of the Schools Block means SEND escalating costs are no longer seen as a system problem for all parties to solve, but now more of an LA problem.

9. CONCLUSIONS

- 9.1 In reporting on the SEND cost pressure we have defined the difference in the cost of provision for children with EHCP's now, with the cost of provision for pupils with a statement of special educational need or EHCP in 2014-15. This is cited as the 'cost pressure' as there has not been a sufficient increase in government funding to reflect the corresponding increase in the number of children with EHCPs over that period as reported above
- 9.2 In 2018/19, Hackney Council expects to receive £42.1m in DSG High Needs funding. This is an increase of £1.4m on actual income received in 2017-18 and is the first real increase since 2012. Approximately half of this increase is funding which is expected to be temporary rather than in the permanent High Needs Block baseline.
- 9.3 In addition to DSG SEND funding, there is a Council budget of around £2.9m for some SEND services. These are the services that the DSG funding regulations stipulate DSG cannot be used for – such as SEND transport. The current cost is approximately £4.7m of which £4.3m is transport
- 9.4 **Table 10** below shows expenditure in excess of SEND budgets based on the 2014/15 baseline budgets.

Table 10

Expenditure in excess of the SEND budget (DSG + non-DSG)					
2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 (forecast)
No overspend	£0.9m	£4.8m	£6.1m	£7.5m	£9.6m

During this period, the Council did not significantly alter the SEND budgets, and DSG income has increased by approximately £1.5m-£2.0m p.a. .

- 9.5 In view of the analysis and forecast in the preceding sections and the detailed presentations from HLT officers, we are confident that we are doing all we can to analyse, forecast and manage the SEND cost pressure. We are also of the view that the current cost pressure is likely to continue to increase for the foreseeable future, again along the lines outlined above and reported to us in our deep dive exercise. Whilst additional government funding is welcome, and there are signs that the scale of the issue is now being acknowledged, it falls far short of what is needed to address this issue.
- 9.5 There are current HLT savings of £3.8m to be offset against the current cost pressure and there will be an adjustment to increase SEND budgets by this amount in 2019-20. How the Council plans to address the implications of the ongoing cost pressure is not within the remit of this report, but having undertaken the deep dive requested by Audit Committee we are confident that our corporate and service teams are fully engaged in tackling this issue and making contribution to a much wider London response to the issue.
- 9.6 The current forecast suggests that SEND expenditure will increase by between around £1.7m - £2.0m per annum and that this rate of increase may continue for a number of years.

10. COMMENT OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 10.1 This is an information item, reporting back on the Member level deep dive in relation to the SEND cost pressure faced by the Council, led by Cllr Nick Sharman. As such there is no direct financial impact arising from this report as the financial reporting, and reporting on strategies and plans in relation SEND will be the subject of separate reports and also included within the Council's overall financial planning and budgetary framework. The reporting to members of the SEND deep dive group has been undertaken in conjunction with the Group Director, Finance and Corporate Resources.

- 10.2 However, as set out in the report, it should be noted that the ongoing pressures in relation to SEND, have to date been dealt with via a combination of contributions from reserves held by the Learning Trust and efficiencies within other parts of the directorate in order to offset the overspends in this area.
- 10.3 Clearly, continued use of reserves is not a sustainable option as these funds by their nature are one-off and indeed it is anticipated that the current reserve available for this purpose will be exhausted during 2019/20. Equally, the drive for efficiencies elsewhere in the Hackney Learning Trust become more difficult as time progresses and could impact on the delivery of other services if further funding is not forthcoming.
- 10.4 This pressure needs to be considered alongside the wider Council's budgetary position and particularly bearing in mind the overall forecast budget deficit for future years of some £30m by 2023/24. The transport pressure element of this is, as set out in this report, a direct call upon the Council's funding envelope. Whilst it could be argued that the high needs pressure should be funded from DSG, again as set out in this report, it would seem unlikely that an increase to fund the pressure from this resource is likely. The Council will therefore need to consider this in its future budgets with a potential further increase in the overall deficit forecast, requiring even more substantial savings from across other Council expenditure areas.

11. COMMENT OF THE DIRECTOR OF LEGAL SERVICES

- 11.1 This is an information item, reporting back on the Member level deep dive in relation to the SEND cost pressure faced by the Council, led by Cllr Nick Sharman. There are no direct legal implications arising from this report. The position on the SEND Judicial review in respect of Hackney will be reported separately when available.

BACKGROUND PAPERS None

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

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