

TO: SCHOOLS FORUM
DATE: 22 OCTOBER 2015

**UPDATE ON COST PRESSURES BEING EXPERIENCED ON
SUPPORTING HIGH NEEDS PUPILS
Director of Children, Young People and Learning**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Schools Forum on the current cost pressures being faced in respect of High Needs Pupils and the actions being taken to manage those pressures and any future cost increases.

2 RECOMMENDATIONS

- 2.1 **For the Schools Forum to NOTE the actions being taken to address the current and future cost pressures and the successful progress to date that indicates a year end under spending on High Needs budgets of £0.124m.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To keep the Forum up to date on progress against managing high needs budgets in the short and medium term.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Options for cost control were presented to the Forum in January 2015 and have been incorporated into the work programme.

5 SUPPORTING INFORMATION

- 5.1. The Forum will be aware of the significant cost pressures being experienced on meeting the requirements of High Needs pupils and that these resulted in a £1.225m over spending in 2014-15. Projecting forward the known commitments and further high cost placements anticipated from the increase of statutory responsibility from age 19 to 25, the Forum agreed a budget pressure of £2.093m was unavoidable and would need to be funded from the growth added into the Schools Block element of the Dedicated Schools Grant.
- 5.2. A number of proposed management actions were reported to the Forum in January that are designed to manage costs to the current budget and achieve on-going savings in order to remain within budget moving forward where the forecast demographics indicate on-going cost increases if action is not taken.
- 5.3. To review and challenge this work, a Post-16 SEN Budget Monitoring Board has been established that meets quarterly and is chaired by the Director of Children, Young People and Learning. The reports are also presented to the Council's Corporate Management Team. The first two quarterly reports are attached as Annexes A and B.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The relevant legal issues are identified within the main body of the report.

Borough Treasurer

6.2 The financial implications are summarised in the supporting information with an under spending of £0.124m currently being forecast.

Equalities Impact Assessment

6.3 Not applicable.

Strategic Risk Management Issues

6.4 The most significant financial risk relates to a potential overspend on the Schools Budget and how that will impact on individual schools budgets if it is on-going into future years. With support to high needs pupils often arising from statutory requirements, relevant expenditure will be a first call on the budget. There is a risk that to balance future School Budgets, funding to individual schools will have to be reduced, a situation that has occurred in a number of LAs.

6.5 This is a volatile budget and fluctuations can occur with late identification of needs or children/young people moving into the authority with a high level of need. There are limited funds remaining in the Schools Budget Unallocated Reserve, currently estimated at £0.431m that will be available to manage any significant cost pressures on a one off basis. However, by April 2016, there needs to be a minimum balance of £0.51m on the Schools Budget Unallocated Reserve in order to safely manage pressures that could occur in 2016-17.

Background Papers

None

Contacts for further information

Mandy Wilton 01344 354198	Head of Targeted Services amanda.wilton@bracknell-forest.gov.uk
Mark McCurrie 01344 354049	SEN and Commissioning Manager mark.mccurrie@bracknell-forest.gov.uk
Paul Clark 01344 354054	Head of Departmental Finance – CYPL paul.clark@bracknell-forest.gov.uk

TO: CYPL DMT
DATE: 14th JULY 2015

**UPDATE ON COST PRESSURES BEING EXPERIENCED ON
SUPPORTING HIGH NEEDS PUPILS – QUARTER 1
Chief Officer: Learning and Achievement**

2 PURPOSE OF REPORT

- 2.1 The purpose of this report is to update DMT on the current cost pressures being faced in respect of High Needs Pupils and the actions being taken now to manage down the immediate pressures and plans for future actions to assist further cost reductions.

3 EXECUTIVE SUMMARY

- 3.1 Based on work completed in the first quarter of the year, the SEN Team has successfully secured significant savings built into the 2015-16 High Needs Pupils budget, with a year end over spending of £0.029m currently being forecast. This can be financed by additional post-16 SEN grant of £0.093m recently confirmed by the Education Funding Agency (EFA), resulting in a net under spending on High Needs Pupil budgets of £0.064m. However, this is a volatile, high cost service area that can change at short notice. Therefore, opportunities for further savings will continue to be explored and future cost increases cannot be ruled out.

5 RECOMMENDATIONS

- 5.1 To NOTE that the £0.468m of savings built into the 2015-16 budget are on course to be achieved as a result of management actions.
- 5.2 To ENDORSE the next phase of developments as set out in paragraph 6.17.

6 REASONS FOR RECOMMENDATIONS

- 4.2 To keep DMT up to date on progress against managing high needs budgets in the short and medium term.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.2 These are set out in the supporting information.

6 SUPPORTING INFORMATION

Background

- 5.1. Changes in arrangements for Post 16 education introduced by the Government, meant that as of April 2013, the Local Authority became responsible for both the commissioning of provision, and the funding of additional support for, children and young people with Special Educational Needs (SEN) up to the age of 25 (i.e. the end of the academic year in which they achieve their 25th birthday).

- 5.2. The budget being transferred from the EFA to LAs in 2013/14 to meet these commitments was based on 2011/12 pupil numbers and associated funding allocations. On a national scale, demand for Post 16 placements far outstripped the EFA's predictions which the budgets were based on, with a 40% increase in budget costs being seen. This was mirrored in Bracknell Forest with the allocated budget being less than the commitments already identified for 2013/14.

Implications of the new Children and Families Act 2014

- 5.3. In September 2014, the new Children and Families Act 2014 became legally enforced within the UK. Key aspects of the new Act related to supporting students with SEN up to the age of 25, via the use of a legally enforceable document called an Education Health Care Plan (EHCP), which will replace SEN Statements over the next three years. Historically, the process for a pupil progressing to Further Education (FE) was for a local mainstream college assessment to be undertaken to determine whether there was suitable local mainstream provision available to meet the pupil's need. If the local mainstream college is unable to meet the pupil's needs, parents could then express a preference for an alternative independent specialist provision (which may be a local day placement or a more distant residential specialist placement). Up until April 2013, the LA had not been responsible for the placement decisions nor the associated funding commitments attached to such placements.
- 5.4. Educational entitlement has also been clarified within the new Code of Practice. These are for access to educational provision up to Level 3 up to age 19 for non-SEN pupils, and up to age 25 for SEN pupils. This therefore requires the LA to make preparations and to possibly fund educational placements up to the age of 25 for pupils with an EHCP. This provision is only required if it is identified as an intended outcome on the EHCP and that education courses are appropriate.
- 5.5. It is important to emphasise that these new arrangements are not an automatic entitlement for education up to the age of 25 for pupils with SEN. The extended provision is subject to actual and predicted progress in learning. This will therefore require a significant change to the basis on which initial and continuing placements are agreed to by the LA, in order to ensure that EHCPs are only continued if it is deemed necessary to support continued learning and academic progress. It is clearly an important piece of work to look at career progression and preparing young people with pathways into employment.
- 5.6. Due to legislation in place, it must be considered that all current placements will continue unless the placement is no longer necessary to meet need or the young person does not wish to remain in learning. In order to therefore ensure that financial pressures are reduced over time whilst also ensuring student needs are being met effectively, close monitoring and reviewing must be undertaken. A review of all post 16 placements has been carried out, with 7 students coming out of education next academic year and currently no new Post 16 students have been identified as requiring specialist placements.

2015-16 Budget

- 5.7. The factors occurring last year as set out above will continue and increase cost pressures into 2015-16, meaning without action a further significant budget over spending on High Needs pupils will occur (£1.238m over spend in 2014-15). In setting the 2015-16 Schools Budget, the Schools Forum agreed that £1.656m of funding intended to be allocated to individual schools would be diverted to finance the unavoidable cost increases relating to high cost placements with non-LA providers..

Unrestricted

- 5.8. The basis of this budget was set on forecast student numbers. These reflected current placements that were expected to continue together with an allowance for more students, either from staying in education to an older age than in the past or the impact from the on-going general rise in population. This indicated an additional 9.2 students which increases to 11.2 when allowance for the general increase in population is also included. There was also expected to be an increase in the average cost of placement as some of the highest cost students remain in education. These changes result in a cost pressure of £0.686m.
- 5.9. To partially mitigate this increase that would occur naturally, a greater focus would be placed on moving more students into employment and onto shorter courses meaning reductions to historic placement patterns would need to be achieved to balance the budget. A target reduction of 7 students, equivalent to £0.268m was therefore built into the placements budget.
- 5.10. The current and future forecast student numbers and costs are set out below in Table 1. This shows an on-going budget pressure into future years that will require long term action to bring down to an affordable level and avoid potential budget cuts to individual schools.

Table 1: Forecast spend on external SEN placements (non-LA)

	Pre 16			Post 16			Total		
	Nos.	Cost		Nos.	Cost		Nos.	Cost	
		Total £m	Average £k		Total £m	Average £k		Total £m	Average £k
2014-15	57.1	£2.510	£44.0	105.5	£3.455	£32.7	162.7	£5.966	£36.7
2015-16	54.9	£2.099	£38.2	112.0	£4.285	£38.3	166.9	£6.384	£38.3
2016-17	59.8	£2.350	£39.3	129.9	£4.595	£35.4	189.7	£6.945	£36.6
2017-18	60.8	£2.389	£39.3	140.8	£4.921	£34.9	201.6	£7.310	£36.3
Change 2014-15 to 2017-18							38.9	£1.344	-£0.4

- 5.11. Subsequent to setting the original budget, two changes have been made. A reduction of £0.119m has been processed as a saving will occur from September 2015 when 5 BF students will be attending the new Autistic Spectrum Disorder Unit on Eastern Road (Rise@GHC) rather than a non-LA special school. This funding has been transferred to the Rise@GHC. The Department for Education has reduced High Needs Block Dedicated Schools Grant funding by £0.034m, which has also been deducted from the original budget. The current budget for non-LA placements is therefore £6.230m.
- 5.12. In addition to the £0.268m saving built into the 2015-16 placements budget set out above in paragraph 6.9, a further £0.2m of savings were also included on other High Needs budgets such as specialist support services making total budget savings needing to be achieved of £0.468m.

Progress highlights for this quarter

- 5.13. At this early stage of the year, with a number on new academic year placements to be confirmed and prices yet to be firmed up by many FE providers, the High Needs placement budget is forecast to over spend by £0.029m. After applying additional post-16 SEN grant of £0.093m recently confirmed by the Education Funding Agency (EFA), this results in a net under spending on High Needs Pupil budgets of £0.064m. There will also be a number of new placements between now and the end of the financial year that will

Unrestricted

emerge as current assessments complete and other high needs develop. Based on past experience, the forecasts include £0.4m set aside for the cost increase that will occur but where at this stage the value is unknown.

5.14. A summary of key achievements in quarter 1 are as follows:

- 4 students no longer attending B&W College and accessing support from ASCHH
- 2 students education ceased early
- 3 students leaving ISPs and going to lower cost FE providers
- 3 students leaving LA special school to be supported by ASCHH
- No new high cost ISP places expected
- On target to achieve the £0.2m savings built into the base budget on non-placements high needs budgets
- 5 BF students confirmed to be place at new Rise@GHC Autistic Spectrum Disorder Unit on Eastern Road with the possibility of 2 more
- Outline agreement reached with B&W College for the development of a post-18 centre of excellence for Profound and Multiple Learning Difficulties and Severe Learning Difficulties
- The 1.5 FTE newly created Post-16 SEN Officer posts have been recruited to and other vacant posts also filled
- Adviza has supported the student application process to colleges to ensure all student applications have been accepted
- A more rigorous approach to cost control at SEN panel
- More challenge to mainstream schools to retain high needs pupils within their current setting rather than moves to non-LA specialist provider
- More collaborative working with other LAs to secure better value for money

- Current key data on placements with non-LA specialist providers
 - 167.3 FTE placements (budget included 166.9 FTE)
 - Average cost £36.0k (£38.3k)
 - £0.3m provision for future anticipated placements
 - Net forecast over spending of £0.076m
- Aggregate forecast for other High Needs Pupils budgets, £0.047m under spending. Includes £0.1m provision for future anticipated placements in other LA special schools.

5.15. Work is ongoing regarding the placement of students with SEN into employment and apprenticeships. Opportunities are being explored by the Branch.

6.16 Appendix 1 sets out progress to date in detail.

Next steps

7.10 The focus of work in the coming quarter and over the medium term is:

- Continue to develop local SEN provision, including additional SEN resource units and nurture groups in schools.
- Post 16 SEN Officer's to work with families and students to analyse placements.
- Continue to work with providers to develop the local Post 16 offer.
- Work on the placement of SEN students into employment or apprenticeship.
- Review other services funded from the High Needs Block

7.11 Q2 Report November 2015.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.3 Not sought.

Borough Treasurer

6.4 The financial implications are set out in the supporting information. At this early stage of the year, costs are forecast to marginally under spend the budget provision.

Equalities Impact Assessment

6.6 Not applicable.

Strategic Risk Management Issues

6.7 The most significant risk facing the Council is the impact of the overspend on the Schools Budget and how that will impact on individual schools with money needing to be diverted to support high needs pupils. There is a greater risk to schools falling into Ofsted categories with less funds available to support school improvement.

This is a volatile budget and fluctuations can occur with late identification of needs or children/young people moving into the authority with a high level of need. There are no funds remaining in the Schools Budget to manage any significant in year cost increases which if they occur, may ultimately need financial support from the council or future budget reductions to schools.

Background Papers

None.

Contacts for further information

Mandy Wilton Head of Targeted Services
01344 354198 amanda.wilton@bracknell-forest.gov.uk

Mark McCurrie SEN and Commissioning Manager
01344 354049 mark.mccurrie@bracknell-forest.gov.uk

Paul Clark Head of Departmental Finance – CYPL
01344 354054 paul.clark@bracknell-forest.gov.uk

Management actions taken quarter 1 2015-16

Actions from 15 January Schools Forum Report	Progress First Quarter 2015-16	Financial Impact	Risks
<p>1) Ensure student needs are being met effectively through close monitoring and regular review of placements.</p> <p>Report ref: Paragraph 5.27</p>	<p>An in-depth review of all current Post 16 placements has been undertaken to ensure that each placement is both appropriate and necessary. This has resulted in four students no longer attending B&W college.</p> <p>Two ceasing their placements in education early.</p> <p>Three leaving ISP's and going onto FE in September. ISP = £213,167 Predicted FE costs = £110,394</p> <p>Three students leaving other LA special schools and moving on to supported adulthood pathways with Adult Social Care.</p> <p>Currently, no new Post 16 student placements have been identified as requiring specialist placements, with alternative packages being sourced within mainstream FE provision.</p>	<p>£34,956</p> <p>£182,419</p> <p>£102,773</p> <p>£50,991</p> <p>Total = £371,139</p>	<p>College provision proposed for 3 young people is being disputed as a more expensive ISP placement is being requested from the family.</p> <p>These are subject to independent SEN Tribunal decisions that are in progress which may result in the family request being supported that would increase costs.</p>
<p>2) Based on an initial review, net savings of £0.2m can be achieved on budgets outside placements..</p> <p>Report ref: Paragraph 5.28</p>	<p>SEN management have been able to identify and confirm budget savings of £0.2m from this year's service budgets.</p>	<p>Nil.</p> <p>The £200,000 savings built into the 2015-16 base budgets are on target to be met.</p>	<p>Some of these services are unpredictable and demand led. They are subject to change at short notice.</p>

Unrestricted

<p>3) The development of 56 place Autistic Spectrum Disorder (ASD) pupil facility by converting the existing vacant building on Eastern Road is expected to generate medium term annual savings of around £0.5m. There will be a phased opening of one year group per annum (up to 8 pupils).</p> <p>Report ref: Paragraph 5.30</p>	<p>The council is on track to successfully open Rise@GHC in September 2015. The resource will open with 7 new pupils, 5 of which are Bracknell Forest pupils, reducing the cost of out of authority placements for Pre 16 SEN. The number admitted is within the range expected on the approved medium term budget plan and the medium term savings are on target to be achieved. Two of the five Bracknell Forest pupils have been successfully identified as appropriate to transfer from an independent provider to The Rise, illustrating the ability to reverse independent placements over the coming years.</p>	<p>Nil.</p> <p>The financial performance is in line with the medium term budget plan with pump priming costs being funded from Earmarked Reserves and the savings generated against external places on the 5 BF pupils places at Rise@GHC.</p>	<p>This is a medium term project with savings to be realised from 2018-19 with a number of risks including:</p> <ul style="list-style-type: none"> - Placing sufficient BFC pupils - Grant funding from the DfE - Other LAs placing pupils
<p>4) The development of 40 place SEN pupil facility – specialism yet to be determined – at Binfield Learning Village, with 10 places expected to be available from September 2018.</p> <p>Report ref: Paragraph 5.30</p>	<p>Binfield Learning Village is currently planned to open from September 2018. Work is still ongoing to develop the SEN strategy for incorporation in meeting SEN within the community.</p> <p>Currently, plans are being formulated to create a resource that will support pupils with attachment issues, who require a small nurturing environment, within Key Stage 1, 2 and 3.</p>	<p>Nil.</p> <p>Savings are anticipated in the medium to long term, but plans are not sufficiently advanced to estimate realistic impacts at this stage.</p>	<p>This is a medium term project with savings expected to be realised from 2021 with a number of risks including:</p> <ul style="list-style-type: none"> - Placing sufficient BFC pupils - Grant funding from the DfE - Other LAs placing pupils
<p>5) It has been identified that FE colleges are currently not equipped nor trained to a suitable level in order to take on general SEN provision needs, when compared with maintained schools. This is likely to be due to FE colleges</p>	<p>Work has been undertaken during the quarter to support local FE colleges in building up their capacity to meet general SEN. In doing so, it is currently expected that no new placements at independent specialist providers are to be made for September 2015. This is due to FE</p>	<p>Nil</p> <p>Sufficient provision included in the base budget.</p>	<p>If the colleges do not enhance and expand their provision then more external ISP places will need to be sourced with the LA having to pay higher top-up fees than</p>

Unrestricted

<p>having no historic requirement to follow the SEN Code of Practice until the Children and Families Act came into force in September. It is therefore critical that the LA supports the local FE colleges to create and develop SEN provision in order to build up provision in line with the LA's need for Post 16 SEN provision</p> <p>Report ref: Paragraph 5.38</p>	<p>colleges becoming more aware of what expectations are placed upon them to make reasonable adjustments to accommodate more complex SEN provision.</p> <p>With the DfE generally funding providers for places on a lagged basis, the LA will ordinarily need to pay for any growth in places from September 2014. Currently, the LA is aware of a net increase of 21 High Needs Students wishing to attend Bracknell and Wokingham College in September and another 8 in other providers.</p> <p>The budget assumptions included a sufficient provision to meet these costs. The LA is not currently funding any new ISP placements for September.</p>		<p>for alternative FE colleges.</p>
<p>6) A significant amount of work is being undertaken to set up co-working between MacIntyre (specialist education and support provider) and our local FE college in order to support learners with complex behavioural needs who would otherwise need to attend a specialist residential placement out of area. This has also involved joint discussions with other LAs, meetings and observations of other FE colleges who use MacIntyre and extended meetings with the local FE college, MacIntyre and parents to ensure</p>	<p>Work on this area has continued, and as a result has developed good working relationships between local FE colleges and MacIntyre. This work is helping to underpin sustainable placements for learners with complex behavioural needs, which historically would not have been successful with standard FE college provision. Two placements are currently being supported on this arrangement at a cost of £48,000 per year, as opposed to the potential cost of £203,000 if the students were to be placed in a specialist environment out of authority.</p> <p>This is essential cost avoidance with no</p>	<p>Nil</p>	<p>If the local colleges do not enhance and expand their provision then more external ISP places will need to be sourced with the LA having to pay higher top-up fees than for alternative FE colleges.</p>

Unrestricted

<p>that needs can be met effectively</p> <p>Report ref: Paragraph 5.39</p>	<p>direct impact on savings.</p>		
<p>7) Seek to achieve economies of scale through multiple learners accessing the same local provision at one time. Work is being undertaken with local FE colleges to increase their capacity and ability to take larger groups of learners with high support needs in the future. This includes those with Visual Impairment and Hearing Impairment as well as young people on the autism spectrum on mainstream courses. Historically, the local FE college in Bracknell has not provided courses for young people with learning difficulties. There is however, a course now established and increasing in numbers year on year and is gaining a good reputation, but further support for the college is required for it to be a competitor with long standing FE provision at neighbouring FE colleges, which still attract Bracknell Forest resident learners, which in turn incurs additional transport costs to the LA. Work to identify employment and training pathways is being undertaken by the NEET co-ordinator. This would have an impact on the numbers of young people requiring education</p>	<p>Expected numbers of High Need Students for next academic year are forecast to be a net total of 45 for Bracknell and Wokingham College. This is an increase over 21 currently placed students, which shows a developing trend for students with learning difficulties choosing to attend their local FE provision rather than go further afield.</p>	<p>Nil.</p> <p>Colleges have yet to confirm their new academic year costs. Savings may emerge in due course.</p>	<p>If the local colleges do not enhance and expand their provision then more external ISP places will need to be sourced with the LA having to pay higher top-up fees than for alternative FE colleges.</p>

Unrestricted

<p>placements. This work is ongoing and the NEET co-ordinator is working with several other teams within the LA to source some solutions.</p> <p>Report ref: Paragraph 5.42</p>			
<p>8) Investigative work is currently being undertaken in Profound and Multiple Learning Difficulties provision.</p> <p>Report ref: Paragraph 5.43</p>	<p>Bracknell and Wokingham College has also recently agreed to develop itself as a centre of excellence for supporting Post 18 students with Profound and Multiple Learning Difficulties (PMLD) and Severe Learning Difficulties (SLD). An initial starting date for this project is anticipated as September 2017, which will then allow the LA to see financial savings being made.</p>	<p>Nil.</p>	<p>The provision is being developed by an external partner and conditional on a number of factors, including selling land at Wick Hill.</p>
<p>9) To ensure that SEN services and placements are commissioned appropriately and at the lowest financial cost, additional managerial time capacity has been released. Over the past 18 months the LA has seen 17 tribunal appeals lodged against the LA. This was the same total of appeals recorded from 2008 – 2012. This area of work is of considerable financial concern to the LA, and is only likely to increase due to the legal changes brought in by the Children and Families Act 2014. Over the past year, a potential of £300,000 financial liability has been saved by opposing appeals</p>	<p>Management have spent time this quarter ensuring that tribunal appeals (or potential of) have been dealt with swiftly. With the loss of some appeals carrying high financial implications, all efforts are made to ensure that cases are organised effectively, and time invested in them appropriately. On this basis, the LA currently only has 1 open appeal and saw a separate appeal cease due to the family moving out of area. Due to the work undertaken so far this financial year, tribunal costs have been kept low.</p> <p>It should be noted however, that due to decisions made to make changes to current placements, there are three potential Post 16 appeals to be expected in</p>	<p>Nil</p>	<p>Failure to present a robust and professional defence in tribunal cases increases the risk of needing to finance higher cost placements than those considered necessary.</p>

Unrestricted

<p>lodged against the LA. This work has also placed additional burdens on the Education Psychology Team.</p> <p>Report ref: Paragraph 5.44</p>	<p>the coming months. The team are doing all possible and necessary to ensure that an appeal is not lodge however, by discussing the decisions at length with parents and colleges, to ensure our decisions are successful.</p> <p>This is essential cost avoidance with no direct impact on savings.</p>		
<p>10) With many SEN cases being complex in nature and need, they can be overseen by not only the SEN team, but also have input from Children Social Care, Adult Social Care and even Health Authorities. Some cases are therefore often identified to have joint funding responsibilities with other services outside of SEN..</p> <p>Report ref: Paragraph 5.45</p>	<p>During this quarter, all Post 16 cases have been reviewed to ensure that all potential financial parties have been accounted for. The review found that there are currently no cases awaiting financial input from Health.</p> <p>The review has found that work is required to create robust financial arrangements and procedures for cases that require Adult Social Care involvement.</p>	<p>Nil</p>	<p>Failure to review financial responsibility for provision could result in inappropriate costs being financed.</p>
<p>11) Staff capacity is considered inadequate to meet the additional demands on the service from the legislative changes and from the perspective of effective placement management for cost reduction and avoidance as set out directly above.</p> <p>Report ref: Paragraph 5.46</p>	<p>The new 1.5 FTE Post 16 SEN Officer posts have been recruited to and are helping to manage to high number of post 16 cases.</p> <p>Adviza have been supporting the SEN Post 16 team, and their work has been in the form of administrative support for the handling of college applications for September, as well as supporting local colleges in responding appropriately to our applications. The work carried out has ensured that all student applications to FE colleges for September have been accepted</p>	<p>Nil</p> <p>Cost of the posts are included in the SEN Team base budget</p>	<p>Insufficient staffing resources will lead to cost increases from students undertaking inappropriate courses, remaining in education for longer than necessary with insufficient challenge to providers to improve and increase capacity and value for money to the LA.</p>

Unrestricted

	by FE colleges, Furthermore, this has meant that the LA has not been required to find provision for new students in the independent sector, safeguarding us against potentially greater costing placements.		
<p>12) There are currently 100+ Post 16 placements that need annually reviewing and monitoring to ensure the current placement is meeting needs, as well as keeping the costs of these placements under review for the following year's placement. It is also essential for the LA to attend all Year 10 reviews for students with SEN, which equates to on average an additional 70 reviews per annum, in order to ensure the transition into Post 16 is coordinated effectively and that appropriate education, training and employment pathways are identified.</p> <p>Report ref: Paragraph 5.47</p>	<p>SEN management have worked hard to recruit 1.5 FTE posts for the purpose of increasing Post 16 staff capacity, in order to accommodate this increase in workload</p>	<p>Nil</p> <p>Cost of the posts are included in the SEN Team base budget</p>	<p>Insufficient staffing resources will lead to cost increases from students undertaking inappropriate courses, remaining in education for longer than necessary with insufficient challenge to providers to improve and increase capacity and value for money to the LA.</p>
<p>13) Currently forecasting a £24k overspend in the pre-16 SEN budget</p>	<p>SEN management have worked hard to suppress inflationary increases in costs from providers over the past year. Costs of placements have however still increased for September placements, in line with a nationally agreed inflationary figure under the National Schools and Colleges contract scheme.</p> <p>SEN are also forecasting an increase in the</p>	<p>£24k overspend</p>	

Unrestricted

	number of complex placements for the coming academic year. The number of available places within the complex needs market is falling, thereby leading to higher cost placements having to be sort.		
14) Increasing costs of placements at Independent Specialist Providers have bene seen over recent years, for both current and new placements	<p>It has been noted that there has been cost increases for placements at the majority of providers. This has been seen as a market enforced pressure on authorities across the region due to shrinking competition within the marketplace. Work has been undertaken to ensure that increases in costs are either in line with or below the national inflation level for contract, which has been nationally agreed under the Nation Schools and College Contract scheme. Costs therefore should only increase by a maximum of 1.74% per year.</p> <p>Cross boarder joint working has also been undertaken to address this issue, by trying to find ways of using our regional buying power of several million pounds to stimulate cost reduction in the market by economies of scale. Unfortunately this is currently not seeing positive results as providers know there is a lack of options within the region and spaces are becoming scarce. New frameworks for tenders are being considered across the region in order to bring stability to costs of provision for the medium term.</p>	An increase of approximately 1.74% in placement costs per year. Current budgets do not have national inflation rates factored in.	Failure to scrutinise contracts and cost increases would lead to more cases where costs are increased at a disproportionate amount compared to national inflationary levels.
15) Increased concerns from mainstream schools have been raised to the SEN team regarding having to meet the	SEN Panel decisions within recent months have placed more emphasis on mainstream schools to demonstrate that they have exhausted all possible resources		Without rigorous monitoring of school requests to move pupils into specialist provision,

Unrestricted

<p>needs of more pupils with SEN</p>	<p>available to them before SEN Panel will accept it is appropriate to agree a move for a pupil into specialist provision. It is generally four times more expensive to place a pupil in specialist provision than to support them within mainstream provision with top up funding, therefore all efforts should be made to ensure available resources are fully utilised first.</p> <p>This methodology is however placing an increased pressure on mainstream schools to adapt their SEN strategies in order to accommodate more complex SEN cases within their schools.</p>		<p>and ensuring that schools exhaust all resources available before placing in specialist provision, the authority would see a significant increase in placement costs in specialist provision.</p>
<p>Future Actions</p> <p>New options for potential savings;</p> <ul style="list-style-type: none"> • A review of cost of provision for relevant services that are funded through the High Needs Block of the Dedicated Schools Grant. • Development of a Primary ASD resource • Increase the provision at Rainbow • Increase the number of Nurture Groups in schools. 			

TO: CYPL DMT
DATE: 13 OCTOBER 2015

**UPDATE ON COST PRESSURES BEING EXPERIENCED ON
SUPPORTING HIGH NEEDS PUPILS – QUARTER 2**
Chief Officer: Learning and Achievement

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update DMT on the current cost pressures being faced in respect of High Needs Pupils and the actions being taken now to manage down the immediate pressures and recommendations for future actions to assist further long term cost reductions.

2 EXECUTIVE SUMMARY

- 2.1 Based on work completed in the second quarter of the year, the SEN Team has successfully secured the significant savings built into the 2015-16 High Needs Pupils budget, with a year end under spending of £0.031m currently being forecast from direct management actions. This is an improvement of £0.060m compared to the forecasts provided for Quarter 1. This excludes additional post-16 SEN grant of £0.093m, which increases the net under spending on High Needs Pupil budgets of £0.124m. However, this is a volatile, high cost service area that can change at short notice. Therefore, opportunities for further savings will continue to be explored and future cost increases cannot be ruled out.

3 RECOMMENDATIONS

- 3.1 **To NOTE that as a result of management actions, £0.499m of savings are on course to be achieved, £0.031m above the amount included in the 2015-16 base budget.**
- 3.2 **To NOTE that overall High Needs budgets are forecast to under spend by £0.124m.**
- 3.3 **To ENDORSE the next phase of developments as set out in paragraph 6.18.**

4 REASONS FOR RECOMMENDATIONS

- 4.1 To keep DMT up to date on progress against managing high needs budgets in the short and medium term, and to make recommendations for long term strategic planning within Learning and Achievement.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 These are set out in the supporting information.

6 SUPPORTING INFORMATION

Background

Note, paragraphs 6.1 to 6.10 remain largely unchanged from the Quarter 1 report, but have been retained for completeness.

- 6.1. Changes in arrangements for Post 16 education introduced by the Government, meant that as of April 2013, the Local Authority became responsible for both the commissioning of provision, and the funding of additional support for, children and young people with Special Educational Needs (SEN) up to the age of 25 (i.e. the end of the academic year in which they achieve their 25th birthday).
- 6.2. The budget being transferred from the EFA to LAs in 2013/14 to meet these commitments was based on 2011/12 pupil numbers and associated funding allocations. On a national scale, demand for Post 16 placements far outstripped the EFA's predictions which the budgets were based on, with a 40% increase in budget costs being seen. This was mirrored in Bracknell Forest with the allocated budget being less than the commitments already identified for 2013/14.

Implications of the new Children and Families Act 2014

- 6.3. In September 2014, the new Children and Families Act 2014 became legally enforced within the UK. Key aspects of the new Act related to supporting students with SEN up to the age of 25, via the use of a legally enforceable document called an Education Health Care Plan (EHCP), which will replace SEN Statements over the next three years. Historically, the process for a pupil progressing to Further Education (FE) was for a local mainstream college assessment to be undertaken to determine whether there was suitable local mainstream provision available to meet the pupil's need. If the local mainstream college is unable to meet the pupil's needs, parents could then express a preference for an alternative independent specialist provision (which may be a local day placement or a more distant residential specialist placement). Up until April 2013, the LA had not been responsible for the placement decisions nor the associated funding commitments attached to such placements.
- 6.4. Educational entitlement has also been clarified within the new Code of Practice. These are for access to educational provision up to Level 3 up to age 19 for non-SEN pupils, and up to age 25 for SEN pupils. This therefore requires the LA to make preparations and to possibly fund educational placements up to the age of 25 for pupils with an EHCP. This provision is only required if it is identified as an intended outcome on the EHCP and that education courses are appropriate.
- 6.5. It is important to emphasise that these new arrangements are not an automatic entitlement for education up to the age of 25 for pupils with SEN. The extended provision is subject to ensuring young people achieve their educational outcomes that help move them on successfully into adulthood. This will therefore require a significant change to the basis on which initial and continuing placements are agreed to by the LA, in order to ensure that EHCPs are only continued if it is deemed necessary in order to achieve appropriate educational outcomes. It is clearly an important piece of work to look at career progression and preparing young people with pathways into employment.
- 6.6. Due to legislation in place, it must be considered that all current placements will continue unless the placement is no longer necessary to meet need or the young person does not wish to remain in learning. In order to therefore ensure that financial pressures are reduced over time whilst also ensuring student needs are being met effectively, close monitoring and reviewing must be undertaken.

Unrestricted

2015-16 Budget

- 6.7. The factors occurring last year as set out above will continue and increase cost pressures into 2015-16, meaning without action a further significant budget over spending on High Needs pupils will occur (£1.238m over spend in 2014-15). In setting the 2015-16 Schools Budget, the Schools Forum agreed that £1.656m of funding intended to be allocated to individual schools would be diverted to finance the unavoidable cost increases relating to high cost placements with non-LA providers.
- 6.8. The basis of this budget was set on forecast student numbers. These reflected current placements that were expected to continue together with an allowance for more students, either from staying in education to an older age than in the past or the impact from the on-going general rise in population. This indicated an additional 9.2 students which increases to 11.2 when allowance for the general increase in population is also included. There was also expected to be an increase in the average cost of placement as some of the highest cost students remain in education. These changes result in a cost pressure of £0.686m and an initial budget requirement of £6.652m.
- 6.9. To partially mitigate this increase that would occur naturally, a greater focus would be placed on moving more students into employment and onto shorter courses meaning reductions to historic placement patterns would need to be achieved to balance the budget. A target reduction of 7 students, equivalent to £0.268m was therefore built into the placements budget.
- 6.10. The current and future forecast student numbers and costs are set out below in Table 1. This shows an on-going budget pressure into future years that will require long term action to bring down to an affordable level and avoid potential budget cuts to individual schools.

Table 1: Forecast spend on external SEN placements (non-LA)

	Pre 16			Post 16			Total		
	Nos.	Cost		Nos.	Cost		Nos.	Cost	
		Total £m	Average £k		Total £m	Average £k		Total £m	Average £k
2014-15	57.1	£2.510	£44.0	105.5	£3.455	£32.7	162.7	£5.966	£36.7
2015-16	54.9	£2.099	£38.2	112.0	£4.285	£38.3	166.9	£6.384	£38.3
2016-17	59.8	£2.350	£39.3	129.9	£4.595	£35.4	189.7	£6.945	£36.6
2017-18	60.8	£2.389	£39.3	140.8	£4.921	£34.9	201.6	£7.310	£36.3
Change 2014-15 to 2017-18							38.9	£1.344	-£0.4

- 6.11. Subsequent to setting the original SEN external placements budget, a small number of changes have been made. A reduction of £0.144m has been processed as a saving will occur from September 2015 when 6 BF students will be attending the new Autistic Spectrum Disorder Unit on Eastern Road (Rise@GHC) rather than a non-LA special school. (Was £0.119m at Quarter 1 as savings were anticipated from 5 BF pupil placements at that time rather than the recently confirmed actual number of 6). This funding has been transferred to the Rise@GHC. Furthermore, the Department for Education has reduced High Needs Block Dedicated Schools Grant funding by £0.034m, which has also been deducted from the original budget. The current budget for non-LA placements is therefore £6.205m.
- 6.12. In addition to the £0.268m saving built into the 2015-16 placements budget set out above in paragraph 6.9, a further £0.2m of savings were also included on other High Needs budgets such as specialist support services making total budget savings needing to be achieved of £0.468m.

Progress highlights for this quarter

- 6.13. The High Needs placement budget is now forecast to over spend by £0.082m. This compares to a forecast over spending of £0.011m at Quarter 1. After applying anticipated savings of £0.113m on the range of SEN support and other related budgets, which is a cost reduction of £0.128m compared to Quarter 1, there is a net saving through management actions of £0.031m.
- 6.14. Whilst the projections include the best information available at this time, there will inevitably be changes as requirements for new placements emerge between now and the end of the financial year as current assessments complete and other high needs develop. Furthermore, there is cost uncertainty around post-16 placements as none of the FE colleges have confirmed student numbers or their costs, which means around £1.077m of costs used in the projections are unverified. To cover these risks, the forecasts include provision for cost increases of £0.225m. This is a £0.175m reduction from the £0.4m allowance included in Quarter 1, and reflects the revised assessed need from an overall greater level of cost certainty. The financial impact of this change is included in the figures set out above in paragraph 6.13.
- 6.15. As previously reported, there has also been an increase in post-16 SEN grant of £0.093m. Taking all these changes into account results in a forecast year end under spending on High Needs budgets of £0.124m.
- 6.16. A summary of key achievements in Quarter 2 are as follows:

In respect of Kennel Lane Special School (£0.193m cost increase):

- There were 14 new students placed at KLS during Q2, at a cost of £0.177m
- KLS presented necessary evidence to SEN Moderation Panel to support the changes in provision packages at the school for 10 cases, equating to a net cost increase of £0.078m
- There were 14 student leavers in Q2, of which only 7 had been planned to leave in July. 7 students were not planned to leave, which has resulted in a net cost reduction of £0.098m. 3 of these students have moved on to FE provision
- Contingencies for further future changes has been set at £0.036m

In respect of high cost placements in other LA schools and non-maintained providers (£0.050m cost increase):

- Revised costs for 69 students have led to a net saving of £0.078m. This generally arises from updated start dates, changes in anticipated school placement and revised individual pupil needs.
- There have been 13 new students placed, funding for which was previously included in the unallocated contingency pending confirmation of placements, at a net cost of £0.230m
- 2 students have moved out of Bracknell Forest, another student has been identified as being looked after by another authority, all of which are no longer the financial responsibility of BF. This results in a net saving of £0.023m
- 4 students have successfully been supported on to Adult Social Care packages, leading to a net saving of £0.083m.
- 2 students have successfully transitioned from specialist placements, back into mainstream education, with a net saving of £0.008m.
- 2 students have successfully transitioned to apprenticeship courses, with a net saving of £0.013m

Unrestricted

- The additional BF student placement at the Rise@GHC, as detailed above in paragraph 6.11 will result in transfer of budget from High Needs placements to the Rise, resulting in a budget reduction of £0.025m, to reflect the saving that will occur from having to pay for one less external placement.

In respect of other services supporting High Needs Pupils (£0.128m cost reduction)

- Top-up payments to BF schools in respect of assessed support needs have reduced by £0.042m. This reflects the net effect of a number of changes, including pupil transition between primary and secondary schools.
- A small number of pupils with High Needs require additional support due to medical conditions. Based on a schedule of current known needs, a saving of £0.022m is anticipated
- The Traveller Education service is forecasting a £0.016m saving on general resources which reflects the current demand on the service.
- Other support services in aggregate are forecasting a £0.048m saving. This reflects anticipated demand, and mainly relates to the range of specialist therapy contracts and education out of school.

6.17 One of the key workstreams relates to assisting the placement of students with SEN into employment and apprenticeships. Current opportunities being explored by the branch include:

- Developing apprenticeships that are aimed at supporting particular vulnerable groups of young people.
- Review career guidance arrangements across all BF secondary schools especially those that are commissioned by the council. This will continue the commitment to ensuring individual pupil needs are met and addressed in a timely manner rather than introduced as an intervention.
- Review and expand the membership of the Partnership Group. The purpose of this Group is to promote the achievement of economic wellbeing for disadvantaged and vulnerable young people by co-ordinating activities to increase levels of engagement in further education and training, and to prepare for employment.
- Play an active role in the development of the Hub which will bring key stakeholders together and to facilitate participation in developing the LA's

There are currently 267 young people with SEND (16 - 18 year olds) being monitored. Approximately 16% (43) of the cohort are in employment which is a 5% increase on the figure for the same period last year (when the actual number was 25). In addition to this 3 young people with SEND are also in a form of training. This particular opportunity has come about as a result of working closely with local providers to get identified young people 'work ready'.

6.18 Next steps and recommendations

- Develop primary ASD resource
- Develop Binfield learning village SEN resource
- Explore feasibility of a Primary Nurture Group Plus
- Consider implementing school based cluster arrangements
- Consider arrangements to make available a short term intervention fund from the DSG for mainstream schools to utilise rather than request statutory assessments
- Investment in SEN support services to increase mainstream school capacity to meet needs
- Consider increasing capacity of Education Psychology Service in order to provide more support and consultation for SEN in mainstream schools

Unrestricted

- Continue to support the development of an PMLD specialist resource for post 19 learners at Bracknell and Wokingham College.
- Benchmark SEN cost

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.5 Not sought.

Borough Treasurer

6.6 The financial implications are set out in the supporting information.

Equalities Impact Assessment

6.8 Not applicable.

Strategic Risk Management Issues

6.9 The most significant risk facing the Council is a potential overspend on the Schools Budget and how that will impact on individual schools budgets if it is on-going into future years. With support to high needs pupils often arising from statutory requirements, relevant expenditure will be a first call on the budget. There is a risk that to balance future School Budgets, funding to individual schools will have to be reduced, a situation that has occurred in a number of LAs.

This is a volatile budget and fluctuations can occur with late identification of needs or children/young people moving into the authority with a high level of need. There are limited funds remaining in the Schools Budget Unallocated Reserve, currently estimated at £0.431m that will be available to manage any significant cost pressures on a one off basis.

Background Papers

None.

Contacts for further information

Mandy Wilton 01344 354198	Head of Targeted Services amanda.wilton@bracknell-forest.gov.uk
Mark McCurrie 01344 354049	SEN and Commissioning Manager mark.mccurrie@bracknell-forest.gov.uk
Paul Clark 01344 354054	Head of Departmental Finance – CYPL paul.clark@bracknell-forest.gov.uk