

Schools Forum Meeting 18 January 2017

2017-18 Financial Pressures arising from Independent Special School Placements: Additional Information

1 Purpose of the Report

To clarify the sequence of events leading to the current identified over commitment in High Needs Block arising from independent special school (ISS) placements.

2 Recommendations

Schools Forum is asked to note the information.

3 Summary

The report identifies trends over the last 3 years in ISS placements. A drop in the number of placements in 2015-16 disguised the impact of an increase in average unit cost. Thus an increase in the number of places 2016-17 coupled with those costs has had a major impact on this year's commitments.

Growth in 2017-17 relates to:

• Under 5s	+1 (to 1) ...costing	£59k
• Primary age-range	+10	£577k
• Post 16	+10	£427k
• SEMH	+9	£813k
• ASD	+10	£509k

Some areas have reduced, notably Hearing Impairment, and the number of *new* placements, particularly KS3-4 and SEMH (assuming the annual profile of placement starts continues, with a September bulge).

A zero-based budgeting approach is proposed to secure better understanding of budget pressures. Practically, if those extra pupils were not placed in ISS they would need to be in local schools; ultimately containing costs has much to do with confidence in local provision and capacity to meet needs.

4 What the data tells us

Data tables are available; key points are noted above. The analysis includes:

- Number of placements overall, and by phase, cost and need showing differential pressures over three years as noted above
- % statements/EHCPs placed in ISS (grew 3% from 2015-16, but 0.7% from 2014-15)
- Cost of placements (grew by £920k) and cost by need; number of new placements

5 Conclusions

The notion that numbers can go down while costs increase illustrates the complexity of this area of work, and particularly making projections. In previous years no significant unpredicted growth occurred in terms of the overall budget, and the current difficulty was not foreseen. Had it been, consideration might have been given to the schools block quantum, or to exploring stringent gate-keeping of special school places.

Comment was heard at the last meeting about local pressure exerted by parental expectations and the decision-making powers of SEN tribunals. Such pressures are unlikely to retreat, and may indeed be legitimate. A test of that might be a benchmark analysis of ISS placements as a % of school population. Planning operationally needs to revisit the Local Offer and capacity; a positive illustration of that is in the local expansion of ASD places. And with the SEMH special school now operating as Northern house Wokingham Academy, it will also be important to see that as a key Wokingham provision with an ability to meet Wokingham needs.

A new approach is being taken to planning budgets in this area. This experience shows the need to understand undercurrents as well as the total budget. Whilst most pupils will continue with only inflationary increases in costs, others need to be treated more carefully with focus on

- Any emerging pressures in early years and primary, where SEMH and ASD needs have grown this year;
- The dynamic post-16 and post-19 areas with new client groups and growth;
- This year's starters and leavers with full-year effects next year;
- Accounting for phase-changes and new starters predictable from EHCP assessments and annual reviews.

In the light of this fiancé and SEN colleagues will work together on zero-based budgeting for ISS placements.