

# Public Document Pack

## MINUTES OF A MEETING OF THE SCHOOLS FORUM HELD ON 10 JULY 2019 FROM 10.00 AM TO 12.05 PM

### Schools Representatives

Helen Ball	Primary Head - Polehampton Infant
Ali Brown	Primary Head - Nine Mile Ride Primary
Emma Clarke	Primary Head - Farley Hill Primary
Brian Prebble	Primary Head - Rivermead Primary
Elaine Stewart	Primary Head - Aldryngton Primary
Corrina Gillard	Primary Head - Emmbrook Infant
Sylvia Allen	School Business Manager - Hawkedon Primary
Julia Mead	School Business Manager - St Sebastian's CE Primary
Carol Simpson	School Business Manager - Colleton Primary
Ginny Rhodes	Academy Head - St Crispins School
Derren Gray	Academy Head - Piggott School
Nick McSweeney	Academy Acting Head – Emmbrook School
Janet Perry	Academy Business Manager - Holt School
Jay Blundell	Pupil Referral Unit Head - Foundry College
Sara Attra	Special School Head - Addington School
Paul Gibson	Headteacher - Maiden Erlegh School
Paul Miller	Governor - St Crispins - Chairman
John Bayes	Governor - Foundry College - Vice-Chair

### Non School Representatives

Marion Standing	Oxford Diocese
Jim Leivers	Interim Assistant Director for Education
Graham Howe	Wokingham Borough Council
Karen Edwards	Early Years Representative

### Also Present

Luciane Bowker, Democratic & Electoral Services Specialist  
Carol Cammiss, Director of Children's Services  
Coral Miller, Interim Senior Finance Specialist, Schools  
Katherine Vernon, Finance Specialist, Schools  
Bob Watson, Lead Finance Specialist

### 52 APOLOGIES

Apologies for absence were submitted from Maggie Calagham, Ben Godber, Ian Morgan and Lynne Samuel.

### 53 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 13 March 2019 were confirmed as a correct record, subject to the correction that Keith McConaghy had been present, and signed by the Chairman.

#### 53.1 Matters Arising

It was confirmed that the deadline for signing the traded services contract had been extended. However, Carol Simpson stated that schools had not been notified.

### 54 DECLARATION OF INTEREST

There were no declarations of interest.

## **55 SCHOOLS OUT-TURN REPORT 18/19**

Coral Miller, Interim Senior Finance Specialist presented the report. Coral stated that the 2018/19 in-year Dedicated Schools Grant (DSG) outturn position was a net overspend of £1.05m representing 0.76% of the 2018/19 DSG budget. Given the brought forward deficit balance of £527k from 2017/18, this resulted in an overall DSG deficit balance at the end of 2018/19 of £1.57m, equivalent to 1.14% of the £136.925m 2018/19 DSG.

Coral Miller stated that this position put the local authority over the 1% threshold set up by the Department for Education (DfE), and a recovery plan was required. The majority of the overspend was in the High Needs Block (HNB) which was going to be discussed separately.

Coral Miller stated that the HNB had an in-year deficit of £872k against funding of £18.44m (4.7%). This taken with the brought forward deficit from 2017/18 of £527k put the year end position at a total HNB deficit of £1.399m.

Coral Miller stated that forecast figures previously reported to Schools Forum projected a year end deficit of £2.5m, the improvement of £1.1m was largely as a result of a reduction on spend for Independent Special Schools against that which was anticipated. This continued to be a key focus area for improvement.

Coral Miller stated that there was an overspend in the Central Block due to changes in the treatment of licensing costs that were not identified at the time of Budget setting. This overspend would be carried forward and would be addressed through ongoing planning to deliver financial sustainability for the Central Block.

Coral Miller stated that there was an overspend in staff cover and an underspend in contingencies within the Schools Block. This was being considered as part of the review of the de-delegated budgets for 2020/21 budget setting.

During the discussion of the item the following comments were made:

- Janet Perry pointed out that the staff supply cover budget had been overspent for the last few years and was only available to maintained schools. She asked why was this budget persistently overspent, why was this element of the de-delegated costs not increased?
- Coral Miller stated that this was part of the de-delegated money, therefore only costed to maintained schools, and it did not affect the schools' Block Budget;
- Paul Miller asked if this difference would be adjusted in future calculations, and Coral confirmed that it would;
- In response to a question Coral Miller stated that she was not allowed to change the figures in-year once the Budget had been submitted to DfE;
- Janet Perry was of the opinion that the current system was not working, with many schools converting to academies and a deficit being seen in the de-delegated budget;
- Some Members stated that the description was misleading and that it should be called additional maternity cover and not staff supply cover;
- Janet Perry stated that academies had to take insurance for maternity cover;
- Carol Simpson stated that maintained schools were not able to make a decision. She had made some enquires and she believed that she could have bought staff cover cheaper elsewhere;

- Sylvia Allen was of the opinion that the workforce was getting younger and that more maternity cover was likely to be needed in the future;
- Coral Miller stated that this issue was being considered in the planning for next year's budget, and she was in conversation with schools' business managers about it;
- Janet Perry asked for clarification on the figures on page 16 relating to '*Strategic and regulation function*', she was interested to know why there was an overspend. Coral Miller stated that she would be doing more investigation on that, however, it would not affect the Budget;
- In response to a question Coral Miller stated that the late changes were due to people charging things that they should not have against that item at a late stage. She believed that more education around this was needed. Due to illness she had not been able to 'de-pick' it for this year. However, she would go through and 'de-pick' it and reverse the values during this year;
- In response to a question Coral Miller stated that the Council was allowed to overspend in the Centrally Retained Block and carry forward as part of the DSG, it would be picked by the general fund and not by the schools;
- Paul Miller asked that Schools Forum be presented with the final numbers around this at the next meeting;
- Jay Blundell stated that the funding for Foundry College had been reduced by £32k in 2018/19, without any discussion with the school. Whilst this funding was not needed this year because the school had not yet been expanded, she wanted to know if this funding would be reinstated to the school next year. Coral Miller agreed to investigate and report back to Jay Blundell;
- Derren Gray suggested using the underspend in the contingencies to cover the overspend in the staff cover. Coral Miller stated that this was already being considered;

**RESOLVED** That:

- 1) The comments made during the meeting would be taken into account when preparing for next year's Budget;
- 2) The 2018/19 misallocations to Central Block would be reversed as soon as possible (in this year's figures); and
- 3) The report be noted.

**56 REVENUE MONITORING REPORT**

Coral Miller presented the 2019/20 DSG Revenue Monitoring report. She stated that a cumulative deficit of £4.2m was anticipated for the year, largely due to an overspend in the HNB. This included a carry forward deficit from 2018/19 of £2.50m. However, it was hoped that this figure could be improved.

During the discussion of the item the following comments were made;

- Paul Miller stated that it would be useful to include a line indicating the recovery figures from previous years; he also suggested adding a line splitting the maternity cover cost from the supply cover cost to make it clearer;
- Paul Miller asked that the underspend in contingencies which may be used to cover the overspend in the de-delegated budget be demonstrated in the next report to Forum;

- Derren Gray asked about the omission of (800) in column E relating 'Teacher Pay Pension – Grant'. Coral Miller confirmed that it should have been included;
- Members were concerned about the errors in the report and asked Officers to use Excel spreadsheets to produce reports. Coral Miller confirmed that Excel was used.

**RESOLVED** That:

- 1) The next report to Schools Forum will include the requested additional lines as discussed during the meeting; and
- 2) The report be noted.

## **57 19-20 CONTINGENCY BREAKDOWN**

Coral Miller presented the 2019/20 Contingency Breakdown report. The report contained an update on how the Council had allocated the de-delegated schools' contingency budget to date in the current financial year.

Coral Miller stated that of the £107,095 provided for in 2019/20, one allocation of £30,000 had been made to a school with exceptional financial pressures due to long term illness of the Headteacher. The £77k left over was probably going to be used to offset the overspend in staff supply cover.

Coral Miller stated that it was very difficult to estimate the figure for staff supply cover as no-one knew how many staff were likely to get pregnant.

Coral Miller stated the DfE was offering a Schools Resource Management Advisors service for schools in financial difficulties. They only offered two advisors per local authority. Coral had already contacted two schools that may like to take the service. It was possible that the contingencies fund may be used to help these two schools.

During the discussion of the item the following comments were made:

- Karen Edwards asked how much was in the Early Years fund and what was this spent on. Coral Miller stated that there was around £200k left, the Early Years fund was spent on Growth. She was waiting for the final figures from the DfE to finalise calculations;
- In response to a question Coral Miller stated that the figures were based on an estimate of pupil numbers; the figures would only be confirmed in July;
- Members felt that it would be beneficial to include the contingency figures for Early Years, separately from the maintained schools reporting in future reports.

**RESOLVED** That:

- 1) The contingency breakdown report will be split into two reports: one for maintained schools and one for Early Years, as standing items; and
- 2) The report be noted.

## **58 GROWTH FUND UPDATE**

Piers Brunning, Senior Specialist (People and Place) Strategy and Commissioning presented the Growth Fund update report.

Piers Brunning stated that the overall Growth Fund position had not changed since it was last reported to School Forum. There was a projected underspend of £270. The planned programme of spend and contingency budget could both be funded from within the allocated £800k. However, there had been changes to how the money was being spent.

Piers Brunning informed that Shinfield West Primary was not going to open this September, it was planned to open in September 2020.

Piers Brunning stated that Highwood Primary opened a new Year 2 class earlier in the year in response to an acute shortage of Year 2 places. Beechwood Primary also accelerated their expansion and 15 additional Year 4 places were now available, alleviating some of the pressure.

Piers Brunning stated that surplus primary places were scattered around the Borough, however it was preferable to offer local school places to families, as failing to do so caused pressures in other areas such as in the school transport budget.

During the discussion of the item the following comments were made:

- Derren Gray asked about the figure of 25 places for Colleton Primary. Piers Brunning explained that Colleton Primary was in the final phase of its expansion so they would cease to appear in the Growth Fund paper;
- In response to a question Piers Brunning stated that schools were funded according to the level of expansion;
- Paul Miller stated that it would be useful to include a 'variance' column to show the movement between the budget and the current expected spend;
- Paul Miller stated that where it said *Note:* in Appendix A (page 37) with a double asterisk, the sentence was incomplete;
- Piers Brunning believed that the note referred to Charvill Piggott. He stated that Charvill Piggott had had the same challenges of any new school, however the mechanism used to establish it was a change of age to the main school;
- In response to a question, Piers Brunning stated that the Council was working on a new Growth programme. Two other primary schools were planned to open in 2021, one was Matthews Green and the other was in Arborfield. The contractor for these two schools went into administration earlier this year and work stopped in those sites. It was presumed that new contracts would be let, so initial pre-opening grant payments would be required. It was expected that those schools would open in 2021. The Council was also considering expanding a local school in Arborfield;
- Piers Brunning stated that the Council was evaluating the need for extra capacity, it seemed that the number of new house builds was counterbalanced by the lower birth rate, so there was not a huge need for extra capacity for primary schools at the moment. Also a projection for the need for secondary schools was currently being considered, however he believed no extra capacity was currently needed;
- Piers stated that the next Growth Fund Budget, 2020/21 was likely to continue to be £800k and that a balanced budget was likely to be achieved.

**RESOLVED** That: The report be noted.

## **59 PRIMARY AND SECONDARY SCHOOLS ROLL PROJECTIONS**

Piers Brunning presented the Primary and Secondary Schools Roll Projections report.

Piers Brunning stated that the projections indicated that there were sufficient primary school places to meet needs. However, the Council's strategy for new homes, focused on a small number of large scale developments was expected to mean that there would be a mismatch between where children lived and where schools were located. With the exception of the pressures seen in the Shinfield area (and possibly evidenced by the birth 'spike' in Woodley) there was no immediate surge in demand in areas with rapid housing growth.

Piers Brunning stated that the lower birth numbers per year after 2012 had been more important than the impact of migration related to the number of new homes built in the Borough.

Piers Brunning stated that there could be pressures in the school transport Budget if children had to be allocated to schools not within their designated area.

In relation to secondary school placements, although the primary bulge was working its way into the secondary sector, and the projections indicated that demand would outstrip the available places, the growth may not be so great as to create a requirement for a large scale expansion.

Piers Brunning stated that Wokingham's children who lived in the Wokingham Without ward traditionally attended Edgbarrow School. It was expected that children from Wokingham Without would continue to be able to attend Edgbarrow, despite some large developments currently taking place in Bracknell.

Piers Brunning stated that a new primary school would be built in Matthews Green and that discussions had started about the possibility of expanding and re-locating a primary school in Arborfield.

In response to a question Piers Brunning stated that there was currently no pressure for sixth form places. Extra capacity could be created in Bohunt School if needed. There were ongoing discussions with post 16 education providers, including with colleges.

During the discussion of the item the following comments were made:

- In response to a question Piers Brunning stated that Headteachers would be consulted on any proposals to expand sixth form places; however there was no indication that extra capacity at sixth form was needed;
- Janet Perry stated that it would be useful to include in the table the number of surplus places in secondary schools and sixth forms, for each school if possible;
- Janet Perry stated that it was crucial to ensure that sixth forms were financially viable for schools. She believed that schools would struggle to make their sixth forms viable in the future;
- Paul Miller asked that this report be shared with all Headteachers. Carol Cammiss, Director of Children's Services agreed to present this information at the Headteachers Briefing;
- Brian Prebble noted that the school admissions process did not seem aligned with the planning of school places.

**RESOLVED** That:

- 1) The report would be circulated to Headteachers for information; and
- 2) The report be noted.

## **60 HIGH NEEDS BLOCK UPDATE & RECOVERY PLAN**

Jim Leivers, Interim Assistant Director for Education tabled the High Needs Block (HNB) Update and Recovery Plan, he apologised for the lateness of the report and stated that members could email him questions.

The meeting was adjourned for 10 minutes.

Upon reconvening Jim Leivers presented the report. He stated that the overspend in the HNB had serious long term implications for the Local Authority. Due to the fact that the deficit on the DSG exceeded 1%, the Local Authority was required to produce a recovery plan which had to be submitted to the DfE. Wokingham's position for 2018/19 year end was of a deficit of 1.14%. Jim Leivers stated that this was a huge challenge for Wokingham, and that the deficit was cumulative.

Jim Leivers stated that the demand for specialist places had increased significantly and the introduction of the 2014 Children's Act and the requirement to provide high needs education up to 25 years of age had added more pressure for places. Additionally, the Local Authority had not made provision for additional places for children with Education Health and Care Plans (EHCP).

Jim Leivers stated that by 2019/20 the deficit would be 3.8m, and the measures that were being put in place to create additional capacity would not be sufficient to tackle and recover this level of deficit.

Jim Leivers explained that the Council was allowed to carry forward deficits from grants such as the DSG. If the Council was to absorb this deficit, this would wipe out the Council's reserves and put the Council in a very dangerous position. Senior officers were concerned with the possibility that the government (given the size of the problem nationally) might change the rules around carrying forward this deficit.

Jim Leivers made the following points:

- The expansion of Addington School had been approved and would create 50 additional places, however this would take some time to be completed;
- Approval had been gained to open a new free school in partnership with other local authorities. This provision would be for 150 places, of which Wokingham would have 50. However, the site that Reading had identified for the new school was not approved by the DfE, so now Wokingham was trying to identify a suitable site. This project would also take some time to complete;
- The Northern House School was in difficulties and a new Trust was being sought for the school. There were currently 39 Wokingham children placed at the school. Once a new Trust took over the school, it was likely that the cost of placements would go up, putting further pressure in the HNB;
- Negotiations were ongoing with schools about the funding of resource centres in schools;
- He received daily emails from parents complaining that the service was failing to meet the assessment demands;
- The Council had put in an additional £250k for SEN staff;

- Two new SEN managers had been recruited;
- A recovery plan had been drafted for submission to the DfE.

Jim Leivers stated that many local authorities in the country were facing similar challenges in relation to the HNB and the rise in demand for specialist places. He believed that the central government would have to help to fund the deficit as it was not possible to fund the deficit with the local measures that were identified. He welcomed any ideas or suggestions.

During the discussion of the item the following comments were made:

- Jim Leivers stated that he would wait to submit the recovery plan to the DfE until 17 July to allow Schools Forum Members to comment on the plan;
- Ginny Rhodes stated that it would be useful to know the names of the new SEN staff. Jim Leivers agreed to send this information to all schools;
- Derren Gray asked if the models included income increases. Coral Miller stated that the model did not include increases because there was no expectation of any increases in funding, in fact one year the HNB had decreased;
- Bob Watson, Lead Finance Specialist confirmed that the models did not include inflation uplift, they were based on previous allocations. Additionally, a low settlement was expected;
- Bob Watson stated that the Council was mobilising resources to put pressure on the government, through local politicians, to increase the HNB funding;
- Carol Cammiss stated that she had recently attended a meeting of the Association of Children's Services Directors, and that Children's Services Directors were also lobbying the government for more funding;
- Carol Cammiss stated the Local Authority had to continue to provide for the children, however the situation was very difficult;
- In response to a question Bob Watson confirmed that a rise in demand had been included in the model. He stated that the Council was not able to absorb the HNB deficit;
- In response to a question Jim Leivers stated that the Local Authority had initially suspended new allocations to Northern House, but the suspension was now lifted.

**RESOLVED** That the report be noted.

## **HNB Update and Recovery Plan Report**

### **61 UPDATE ON 19-20 INDICATIVE BUDGETS FOR HIGH NEEDS AND EARLY YEARS**

This item was deferred to the next meeting.

### **62 CHANGES AND UPDATE OF SCHEME FOR FINANCING SCHOOLS**

Coral Miller presented the 2019/20 Update of Scheme for Financing Schools report (for maintained schools).

Coral Miller stated that maintained schools Forum Members were asked to approve the changes suggested to the Scheme for Financing Schools, taking note of those directed by the Secretary of State, and approving those subject to local discretion.

Coral Miller stated that there were minor changes in the report. However, one of the main changes was that loans to schools now could only be for capital or investment. This made it more difficult for the Local Authority to support schools deficits.

Upon being put to the vote, the representatives from maintained schools voted in favour of the changes.

**RESOLVED** That the suggested changes to the Scheme for Financing Schools be approved.

### **63 REVIEW OF SCHOOLS FORUM MEMBERSHIP**

Luciane Bowker, Democratic and Electoral Services Specialist presented the Review of Schools Forum Membership report.

Paul Miller stated that the report had been produced following a meeting with himself, Brian Prebble and Luciane Bowker.

Luciane Bowker stated that the review sought to ensure that the membership continued to fairly represent the schools' make up in the Borough. Schools Forum membership was supposed to reflect the types and phases of schools, as well as the number of pupils. Many schools had converted to academy and this should be reflected in the membership.

Luciane Bowker stated that the report proposed a reduced number of members (as described on page 4 of the supplementary agenda report), in recognition of the fact that large groups are more difficult to manage and decisions are more difficult to be made.

Some members had not seen the paper, Luciane Bowker explained that this was published as a supplementary agenda item. Copies of the report were circulated and members decided to carry on with the discussion of the item.

Luciane Bowker stated that the report proposed to continue with a non-specified duration of terms of office. It had been Forum's decision in the past that it was preferable to retain the expertise of members in the Forum.

Luciane Bower informed that the post 16 education provider representative post was now vacant and Schools Forum had to choose a new representative.

Luciane Bowker pointed out that the report proposed to eliminate the places for the Catholic and Church of England representatives. Those representations were discretionary.

Luciane Bowker also pointed out that the report proposed to reduce the Early Years representation to 1.

Luciane Bowker stated that Schools Forum was a public meeting and that anyone could attend, the change in membership affected only speaking and voting rights. In response to a question Luciane Bowker stated that the press was allowed to attend Schools Forum meeting. However, historically the press had never attended.

During the discussion of the item the following comments were made:

- Karen Edwards was concerned with the reduction in the number of Early Years representatives. She stated that although Kerry Clifford of Ambleside Centre was a Headteacher of a nursery school, she did not represent the private providers sector. Therefore in her opinion if the Early Years representation was reduced to 1, this should be a Private Voluntary and Independent (PVI) representative;
- It was not possible to ascertain where Ambleside School should sit in terms of the membership, given that it was partly funded by the Local Authority;
- Members asked how the places for academies were determined, whether this was per school or per trust. Paul Miller stated that the places were based on the number of pupils in schools, so the schools could choose who they sent to represent them;
- Paul Miller pointed out that representations 'belonged' to the school and not to individuals. It was preferable to have a mixture of Headteachers, Governors and Business Mangers.

Schools Forum agreed with the proposal contained in the report, subject to possible amendments and adjustments. However, it was not decided how and when this would be implemented.

#### **RESOLVED** That:

- 1) The Schools Forum membership proposal as listed in the report be approved;
- 2) Schools Forum will decide in a future meeting the best way to implement the changes.

#### **64 SCHOOLS FORUM GOVERNANCE ARRANGEMENTS**

Luciane Bowker presented the Schools Forum Governance Arrangements report.

Luciane Bowker stated that the review followed the Schools Forum self-assessment survey which was carried out earlier in the year. The survey highlighted some areas for improvement which the report sought to address. She went through the proposals:

- In relation to training, it was proposed that a training session be introduced, and that this could take place before the first meeting (9am-10am) in the new academic year, in October. This training would be delivered by the finance officers and would be an opportunity to learn about the mechanics of schools finance;
- In relation to the link to the website and availability of papers, Luciane Bowker stated that all agendas and papers were available in the Council's website. However, this information needed to be better advertised. She asked members to tell their colleagues about the links;
- Some members suggested including the link to the papers in their newsletters;
- Election of members, Brian Prebble stated that the election for primary representations occurred in clusters, however with the fact that there were now more academy schools in the Borough, this was possibly not the best way to elect members;
- Paul Miller stated that maintained primaries and secondary schools had a very distinct roles from that of primary and secondary academy schools. He suggested that Forum agreed initially on the number of representatives, based on the number of pupils per phase, and that the election process be worked out at a later stage. He suggested that this be discussed at headteachers' meetings;
- It was agreed that going forward reports would clearly indicate if they were for voting/noting or information; and if this related to maintained or academy schools;
- Voting procedure, Members were in favour of continuing with a show of hands were voting was required;

- In respect of task and finish groups, it was proposed that they would be chaired by a member of Schools Forum who would also report back to Forum.

**RESOLVED** That:

- 1) The improvement suggestions contained in the report be adopted; and
- 2) Headteachers would speak to their groups about the elections process and suggest options.

Paul Miller stated that this was Janet Perry's last meeting. He wished it to be recorded that Schools Forum had benefited immensely from Janet's input. He stated that there was now more transparency as a result of Janet's contributions.

Councillor Graham Howe introduced himself as the new WBC representative to Schools Forum.

## **65 FORWARD PROGRAMME**

This report was not discussed.

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<b>TITLE</b>	<b>High Needs Block Update &amp; Recovery Plan</b>
<b>FOR CONSIDERATION BY</b>	Schools Forum on 10 July 2019
<b>WARD</b>	(All Wards);
<b>LEAD OFFICER</b>	Director of Children's Services - Carol Cammiss

## **OUTCOME / BENEFITS TO THE COMMUNITY**

## **RECOMMENDATION**

Schools Forum is asked to:

- note the update on the High Needs Block, and
- comment on the proposed recovery plan submission to the Department for Education.

## **SUMMARY OF REPORT**

This report concerns the requirement from the Department of Education that the local Authority submits to the Department a deficit recovery programme that will address the Council's current over commitment in the High Needs Block budget.

## Background

The High Needs Block (HNB) is one of 4 blocks of funding provided to local authorities for the delivery of Education Services by the Department for Education (DfE).

The DfE defines high needs funding in its operational guide as:

*The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and providers to meet their statutory duties under the Children and Families Act 2014.*

*High needs funding is also intended to support good quality AP [alternative provision] for pre-16 pupils who cannot receive education in schools.*

For Wokingham, the High Needs Block represents 13% of total DSG funding available, with costs associated with supporting children and young people with SEND significantly outstripping available resources.

A deficit on the HNB of £527k in 2017/18, had risen to £1.4m by the end of 2018/19, representing a 7.6% overspend against funding for the year of £18.4m

For 2019/20, the HNB budget for Wokingham is £18.86m, with a projected year end deficit of £3.4m (18%).

The financial position for Wokingham reflects a national picture of underfunding for SEND, against an ever increasing number and complexity of children and young people requiring support.

The DfE has requested all local authorities with a cumulative year end DSG deficit of over 1% to submit a recovery plan for their consideration. For Wokingham, the 2018/19 year end position was a deficit of 1.14%.

This report sets out further detail on the challenges faced locally, and the actions being taken to address the financial pressures where possible. This will form the basis of the recovery plan to be submitted to the DfE, and Schools Forum are asked to comment on the draft.

## Analysis of Issues

### Number and complexity of children & young people with SEND

There are 934 Wokingham Borough children and young people currently holding Education Health & Care Plans (EHCPs).

The overall number of children and young people with an EHCP (and the predecessor “statement of special education needs”) has grown from 730 in 2015, largely as a result of the age range extension to those aged up to 25.

The overall number of children living in the local area primarily determines the number of children with SEND. However the type of need held by individual children also impacts the profile of suitable provision required.

The most significant needs of children resident in Wokingham Borough are as below, with all groups showing significant growth since 2015:

- Autism Spectrum Disorder (ASD) (39%),
- Social Emotional and Mental Health (SEMH) (18%), and
- Learning Disabilities (LD) (24%).

Although the number of children of statutory school age with EHCPs has remained fairly static, the profile of the children in this age range has seen a 5% per annum increase in special school places, against a reduction in those within mainstream schools (when taken as a % of the 0 to 25 population). A similar trend has been seen in those young people aged 16+.

During 2018, 339 children and young people attended special schools and colleges, representing 0.66% of the 0 to 25 population. By 2023, at the current rate of change this would increase to 0.86% of the 0 to 25 population, resulting in requirement of an additional 125 places.

Given that over 70 children and young people are already placed out of borough / independent special schools at significant additional cost, this increase in demand provides a real ongoing challenge.

#### Financial sustainability of existing provision

The High Needs Block funds children and young people in a variety of settings, depending on level of need or specialist support required. While elements of funding are set through national formula, such as £10k place funding for special schools, other elements are subject to local arrangements.

Within Wokingham, the pressure on the HNB is such that top-up rates for settings have been largely static for a number of years. Schools have worked hard to contain costs within existing resources but pressures are now such that the financial sustainability of some of the local SEND provision is under threat.

Increasing complexity of children and young people's needs, alongside increasing costs associated with staff pensions and wage levels, has led to a review of top-up levels and the underpinning model. WBC continues to work with schools to establish a sustainable funding model, but this provides further increasing pressure on already overcommitted HNB funds.

#### Commissioning of wider system support

Financial sustainability is also an issue for wider commissioned arrangements, as resources have not allowed for incremental growth. For example, the Council currently commissions Childrens & Young People's Integrated Therapy (CYPIT) through Berkshire Healthcare NHS Foundation Trust (BHFT). No uplift has been applied to the

contract in recent years, and BHFT have indicated that the current level of service is no longer sustainable at current funding levels.

Working with WBC, BHFT have identified 2 options for aligning the service to existing funding levels, with WBC now seeking to understand the potential impact of the 2 models on schools.

The CYPIT contract has been funded by Council general funds until the 2018/19 financial year, but it is proposed that this will be charged against the HNB from the current financial year, as the most appropriate source of funding.

In reviewing the appropriateness of funding sources, the current HNB contribution of £230k to Home to School Transport is proposed to be removed, in part offsetting the CYPIT change.

## **Recovery Plan**

In responding to the issues above, the Council is taking forward plans to create additional local capacity for children and young people with SEND, while reviewing the profile of existing capacity to ensure the overall offer best fits the requirements of the local demographic.

All plans and actions are governed through the SEND workstream of the Children's Services Improvement Programme to ensure service strategies and plans are aligned with resource considerations.

## Plans & Actions

A range of actions are now in-hand to increase the capacity and improve the quality of current provision including:

- Addington School's capacity is in the process of being expanded so as to provide an additional 50 special school places. The school is currently judged by Ofsted as outstanding.
- The development of a Government funded new 'free' school, in partnership with Reading and West Berkshire Councils is planned to come into effect in 2021/22. This additional capacity will provide an additional 50+ places by 2026 for Wokingham and will reduce the need to place children and young people out of area in expensive agency placements.
- The current arrangements with local schools to operate as resource bases for SEND pupils are currently being renegotiated. Whilst much of the provision is of high quality, current arrangements need to be reviewed so as to be more cost realistic and better match to local needs. This will ensure that more children and young people can be supported in this way where appropriate.
- Current provision within the SEN team is to be expanded to ensure a more responsive appropriate service is in place.

- Northern House School, a local Academy, is in the process of being re-brokered by the Regional Schools Commissioner as the current Trust can no longer continue to operate. The Academy currently provides education for children with Emotional Social and Mental Health challenges. The Local Authority, as part of the re-brokering process, will wish to ensure that placements under the new Trust arrangements better meet the needs of our local children and young people.
- In addition, training and support will be provided to mainstream schools to ensure they can meet their obligations under the Children & Families Act 2014 and SEND code of practice.

### Funding flexibility between blocks

During 2018/19 budget setting the Council proposed a 0.5% movement from the Schools Block to the High Needs Block in recognition of the financial pressure.

Consultation with all schools was broadly supportive of the move, but was based on a limited response rate. Schools Forum did not support the proposed move, and the subsequent disapplication was rejected by the Secretary of State.

At a time when schools themselves are feeling greater pressure on their own budgets, there was no support from Schools Forum to consider an application for 2019/20 or future financial years.

### Future financial outlook

A multi-year model for the High Needs Block has sought to understand the financial impact of both the rising demand and the improvement plans in place by the Council.

While the Council continues to drive forward plans to provide the most cost effective placements for children and young people with SEND, the recovery plan shows that while these actions prevent greater increases in HNB spend, the scale of the pressure is such that no overall net reduction is achievable.

Despite the significant investment in additional capacity and a review of all local provision and commissioning arrangements, a cumulative deficit of £11m is expected by 2021/22, with the longer term outlook continuing to provide significant financial challenge.

In the 'Guidance for local authorities' published by the DfE, it is clear that 'as funding is ring-fenced there is no requirement for local authorities to top-up the grant from general funding or from non-ring-fenced revenue reserves'. And goes on to state 'since ring-fenced reserves are not taken into account in assessing local authorities' ability to set a lawful balanced budget, DSG deficits will not need to be covered for that purpose by an equivalent amount in local authorities' general reserves'.

Without significant additional investment from Central Government to address the inadequacy of current funding arrangements nationally, the future of SEND provision is under threat.

## Conclusion & recommendations

This report highlights the very significant challenges faced by all those involved in the provision of High Need Block services. The current deficit has the potential to very seriously impact the financial position of both the Local Authority, local Health provision and services within schools. Most importantly however, the current position is undoubtedly having a deleterious effect on the education of local children.

The plans for the future will place services in a much better position but will not resolve what are serious challenges for all those involved with children who have additional needs.

The Council's draft recovery plan submission is shown in appendix A, and Schools Forum are asked to comment on the content.

## Background Papers



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Provision for  
Special Education N

***Draft DfE template as appendix...***