

<b>TITLE</b>	<b>Wokingham Special Educational Needs School</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 24 September 2020
<b>WARD</b>	Winnersh;
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers, Director, Children's Services - Carol Cammiss
<b>LEAD MEMBER</b>	Executive Member for Business and Economic Development - Stuart Munro, Executive Member for Children's Services - UllaKarin Clark

## **PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

The purpose of this report is to update the Executive on plans for the provision of a new Special Education Needs school within the Borough and agree the proposed terms of the lease of the site to the Department for Education.

The proposal will help the Council meet its statutory duties to Children and Young People with Special Education Needs, It will provide high quality, local special school places at a lower cost than alternative out of borough schools and with reduced transport costs.

As part of the provision of the new school a lease for the school site at Winnersh Farm (owned by Wokingham Borough Council) to the Department of Education is required. It is proposed this lease is for 125 years. The Executive must approve any leases for Council owned land for a duration longer than 14 years.

## **RECOMMENDATION**

That the Executive:

- 1) confirm their support for the development and provision of a new Special Education Needs School at Winnersh Farm;
- 2) approve the lease of the site at Winnersh Farm to the Department for Education for use as a Special Education Needs school on their model Heads of Terms, and delegate powers to the Director of Asset and Resources, in conjunction with Lead Member for Business and Economic Development, to complete the lease.

## **EXECUTIVE SUMMARY**

This report seeks approval for the continued development of a new Special School (for children with Special Education Needs and Disabilities or (SEND) at Winnersh Farm and the terms of the lease with the Department for Education for use of the site.

The new school will help the Council meet its statutory duties to Children and Young People with Special Education Needs, It will provide high quality, local special school

places at a lower cost than alternative out of borough independent and non-maintained schools and with reduced transport costs.

The school will be a special free school, for 150 pupils (all ages), for children with autism (ASD) and Social Emotional and Mental Health (SEMH) Difficulties. It is anticipated that half the places will be used by Wokingham children and young people. The other half being used by children and young people from Reading borough.

Having the special free school in Wokingham provides for a number of benefits to the borough, not least the positive impact on children, young people and their families in relation to having access to additional in-borough provision.

The school will be built and funded by the Department for Education. The Maiden Erlegh Trust have been appointed by the DfE to run the school. Revenue funding will come from the councils' High Needs Block Budgets (through a combination of top slice and direct payment).

A site at Winnersh Farm has been identified as the most suitable site for the school, taking into account location, availability and site conditions. Feasibility work has been undertaken to confirm the location of the school within the site and prepare initial designs. The site will be subject to a long lease to the department for Education, proposed at 125 years at nil rent. The terms of the lease need to be approved by the Executive as the proposed length of lease is longer than 14 years.

If the project does not proceed then the Council will need to continue to provide SEN provision through its existing provision which includes expensive out of Borough provision, which also has an impact on the children who need to be transported out of Borough for their education.

Subject to approval for the Executive, a planning application for the school will be submitted in January 2021. The school is expected to open in September 2022.

## **BACKGROUND**

### **January 2019 report**

The January 2019 report “Provision for Special Education Needs and Disabilities, including potential options for Addington School expansion” to Wokingham’s Executive established both a range of issues leading to growing pressure on the High Needs Block budget and actions to reduce spend, while maintaining or improving the quality of provision. The actions included:

- The expansion of Addington School in Woodley (complete)
- Improved accommodation for the Foundry College (nearly complete)
- A new Special Free School for Wokingham (now being delivered through the Winnersh Farm project)

### **Current and future need**

Bringing the 2019 report up to date, the number of children and young people with EHCPs has continued to increase (up by 200 / 8% p.a. from 2017 to 2020). Within this total there has been continued strong growth in the number with EHCPs for SEMH and ASD (from 438 to 592 / 11% p.a.) and a lower rate of increase (from 190 to 207 / 3% p.a.) for the subset of EHCPs naming Special Schools and other specialist settings. Both Wokingham and Reading Borough Councils expect this growth to continue. Since long term growth rates cannot be predicted with certainty, the viability of the proposals has been considered against both low and continued high growth scenarios. See Appendix A for additional data.

### **Impact for Children, Young People and Families**

The impact of children on attending out of borough provision is considerable. Children with SEND often have to travel large distances to access provision that is appropriate to their needs. This can add a number of hours onto a normal school day, which can affect children’s ability to engage fully upon arrival (thus not gaining the full educational benefit of settings), or needing time to ‘wind-down’ or rest upon returning home at the end of the day (thus impacting on family life).

Having school within the borough will have a positive impact on children’s wellbeing and ability to learn, as well as enjoying family life.

### **Financial position**

The continued growth in the number of children with EHCPs has led to significant pressure on the HNB budget. At the end of the 2019/20 year the HNB budget deficit was £3.36m, having increased by £1.79m during the course of the year.<sup>1</sup> The council has little discretion over the size of the HNB budget and cannot divert other schools funding to increase the allocation (see Appendix B).

High cost specialist provision for a small proportion of all children with EHCPs is an important contributor to the financial challenge. Looking at spend data for 2018 (the

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<sup>1</sup> Report to the March 2020 Schools Forum

most recent comprehensive figures) the average place cost for all state sector special schools was £25K, while for Independent and Non-Maintained Special Schools (ISS / NMSS) it was £66K. These ISS / NMSS schools received nearly 45% of all payments, despite having just less than 10% of the children and young people with EHCPs. This growth in the use of out of borough ISS / NMSS has been a significant contributor to the home to school transport budget deficit.

Future growth in the number of children with EHCPs will, without remedial action, increase the pressure on the HNB budget (£1.64m projected overspend 2020/21) and associated further pressure on the home to school transport budget.

## **Analysis**

Despite additional funding and expansion in capacity, need continues to grow, and financial pressures remain. This confirms there continues to be a case for new local provision, provided it can be offered at a lower cost than out of borough alternatives. Significant savings would be made by replacing day placements at independent and non-maintained special schools (currently costing between £60K and £90K p.a.) with places at schools in the state sector at £35K p.a. (£10K greater than the average, but consistent with the provision (and projected costs) at the Winnersh Farm School)

## **New Free Special School**

The 2019 report envisaged the new Free Special School being delivered following a bid by Wokingham BC to the DfE. Although this bid was not successful, Reading Council also submitted a proposal for a 150 place Free Special School for children with Autism to serve Reading, Wokingham and West Berkshire, which was approved by the DfE. A brief summary of the DfE scheme is provided at Appendix C. This school would meet a major Wokingham need, reduce place and transport costs and be much closer to Wokingham than most ISS / NMSS sites.

However, since the DfE's approval of the Reading scheme, a number of changes have occurred:

- Reading BC found that their proposed site was not available. The land is leased to a third party who wished to retain it for their own use. Reading BC were unable to offer a satisfactory alternative.
- Wokingham BC supported Reading BC by identifying land at Winnersh Farm which could be used to accommodate this school. Other land was considered, including on the Hatch Farm Dairies site, but due to development challenges was not adopted for use.
- Wokingham and Reading being able to commission 75 places each (rather than the original 70 places for Reading and 40 each for Wokingham and West Berkshire) following West Berkshire's withdrawal from the project. This is to Wokingham's benefit, as the 40 places that would otherwise have been available would have met a smaller proportion of the Council's current and expected future provision.
- It is expected that the Northern House School will change its designation from Social Emotional and Mental Health (SEMH) to Autism Spectrum Disorder with challenging behaviour when it transfers to a new Trust. This means that children with SEMH (without ASD) will need an alternative local school, a need that is intended to be met by the Winnersh Farm school

## BUSINESS CASE

### Winnersh Farm school proposal details

The current proposal is:

- **Special Free School Opening September 2022**, for 150 pupils (all ages), designated for children with ASD and Social Emotional and Mental Health problems.
- **Places to be shared equally** between Reading and Wokingham Borough Councils (75 each).
- **DfE to build the school** on land Winnersh Farm Capital costs to be (largely) met by DfE, revenue costs come from commissioning school's DSG (child funding directly from LAs and place funding via top slice from WBC's DSG – see below for balancing mechanism)
- **Expected funding mechanism:** Place funding (@£10K per place) to be met by DfE (top sliced from Wokingham's HNB budget allocation), but Wokingham BC's costs balanced out through the DfE's import/export adjustment. Pupil funding from LAs commissioning places (so mainly WBC and RBC, but potentially also other LAs if Reading and Wokingham do not take up all the places). While established schools are funded based on historic rolls, the DfE has an adjustment exercise for new and growing schools.
- **A Trust running the school** to hold a contract with DfE
- **Designation:** SEMH and ASD (Social and Communication Difficulties). The primary focus will be on higher achieving / more complex need) children (so not duplicating Addington with its Learning Disability focus or Northern House with its expected ASD plus challenging behaviour focus).
- **Trust designate** Maiden Erlegh Trust
- **School to grow** year by year to 150
- **The aspiration** is that this will become the school of choice for those local children who would otherwise go to high cost independent or non-maintained special schools.

### Viability and impact

Under both low and high growth scenarios the school is sustainable. There are sufficient children with ASD and SEMH projected to require out of borough places in both scenarios to make use of the places. Appendix D sets out a full analysis.

Under the low growth scenario the projected saving (when the school is full) would be circa £1.5M p.a.

Under the higher growth scenario the projected saving (when the school is full) would be circa £2.2M.

The reduced saving under the low growth scenario reflects the reduced number of high cost places replaced by the new school (50 out of the 75 offered) compared to the high growth scenario (all 75 places offered) with the remainder coming from out of borough state sector (community and free / academy special schools). Home to school transport savings would be similar in either scenario. Appendix E sets out the financial analysis.

## **The Winnersh Farm site**

The Council has worked with the Department for Education, Reading Borough Council and Wokingham Borough Council to identify an appropriate site for the school within Wokingham Borough, after the original site identified within Reading Borough was no longer available. The Winnersh Farm site was identified as being available (the previous Farm Tenancy expired in March 2020), suitable in terms of size and location, and deliverable in terms of construction logistics and site constraints.

Feasibility and design work has been undertaken jointly with the Department of Education to identify a suitable location within the site for the SEN school, taking into account the school requirements for buildings, outdoor space, sport and play facilities and car parking and access. The school site is required to be 1.8ha in size to meet the Department for Education standards. Feasibility and design work has also taken into account the constraints of the site, predominantly seeking to mitigate the noise and air quality impact from the M4 and A329(M). Survey work of the noise and air quality conditions in this location has been undertaken and has informed the overall masterplan of the site. The school site is proposed to be located at the western end of the site adjacent to Woodward Close and Wheatfield Primary School and furthest from the motorway to mitigate any impacts of noise and air quality. The impacts of noise and air quality in this location has been deemed acceptable for a school use by the Department of Education. A full noise and air quality assessment will be required to be submitted with planning applications on this site, which may include the identification of further mitigation measures. Access to the school site will be from a new constructed road coming off Woodward Close. The proposed school site is outlined in red on the plan at Appendix F.

The site is currently unallocated for development within the Council's Core Strategy local plan and Managing Development Delivery local plan and sits outside of the settlement boundary of Winnersh, in the countryside. Early pre-application discussions with the Local Planning Authority has indicated that the use of the site for a SEND school could be justified by the specific educational need in spite of the site not being allocated. The matter would be formally considered through the planning application process.

Subject to the approval of Executive, it is proposed that public consultation on the proposals at Winnersh Farm is undertaken later this year in advance of a planning application being submitted by the Department for Education in January 2021.

The Council's draft Local Plan Update (published early 2020) proposes an allocation for this site for residential development in conjunction with an adjacent site (optioned by Taylor Wimpey) and to include the site within the settlement boundary of Winnersh. The planning and design work for the SEND school has been progressed to take into account the potential wider residential development. This has confirmed that the delivery of the SEND school is compatible with the achievement of the potential wider development, which will be the subject of future engagement.

## **Property agreements**

It is proposed that the site for the school be leased to the Department for Education on the basis of their EFA model 125 year Free School lease at a peppercorn rent. Further information on the EFA model is set out on the Government website at

<https://www.gov.uk/government/publications/free-schools-utcs-and-studio-schools-model-lease>.

### *Costs*

The Department for Education will build and fund the SEND school. However the DfE will not fund “abnormal” costs associated with site and ground conditions. This is following scenarios in the past where the DfE have been gifted sites by other local authorities for the construction of schools which have not been suitable for any other uses due to their ground conditions and the DfE has been left with significant costs relating to site mitigation and remediation. This risk has been taken into account when identifying the part of the site suitable for the construction of the school. Site surveys have been undertaken and areas of known contamination, flood risk and noise impact (predominately the eastern end of the site) have been avoided. The results of further ground investigation surveys are awaited which will help identify any further risk. Wokingham Borough Council is currently in discussion with Reading Borough Council as to how the risk of “abnormal costs” could be shared between the two authorities.

As part of the development of the wider site a new road will be constructed through the site. This will give access to the SEND school site and any residential development on the remainder of the site. It is likely that the SEND school will be built in advance of any residential development and vehicular access to the school will be required first. It is therefore proposed that the first section of the new road will be constructed by the Council concurrently with the construction of the school and in advance of the construction of the residential units. A bid has been submitted to the Council’s Capital Programme of £650,000 for this construction in 2021/22. Any further financial contribution from Reading Borough Council will reduce the financial outlay from Wokingham Borough Council.

### *Land Value*

The site identified for the school has a current land value of £52,000 as farmland. If the site were to be developed for residential use, as per the proposed Local Plan Update allocation and the rest of the site, then the value of the school site would be circa £2million. This increase in land value represents the financial contribution from Wokingham Borough Council to the delivery of the school.

### **Value and impact analysis**

The new school would be of benefit to the Council because:

- It can reasonably be expected to meet educational needs, with a well-resourced and capable Trust to run it and a modern building built to contemporary standards.
- It is expected to reduce cost per place by close to 50% compared to high costs alternatives that are regularly used by this Council.
- Home to school transport costs will be reduced because of the greater efficiency of transport and the reduced travel distance.
- The capital costs to the council (for abnormal construction costs) are estimated at circa £100,000. School related abnormal costs are expected to be a small proportion of total costs and wider development costs would need to be met with or without this scheme to unlock the development potential of this site. In any event these one-off costs will need to be balanced against the ongoing, long term

revenue savings reasonably anticipated from the scheme. It is therefore a low risk that these will be material matters for the final decision.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil		
Next Financial Year (Year 2)	£650,000 for construction of highway access  £100,000 risk pot for abnormal costs	Bids been made to the capital programme – allocation to be confirmed.	Capital
Following Financial Year (Year 3)	£220K to £320K saving for the HNB	Yes	Revenue – High Needs Block

### Other Financial Information

#### Capital Funding

A bid has been submitted to the capital programme for 2021/22 to fund the design and construction of the access road to the school site (£650,000) and to establish a risk pot for abnormal costs associated with construction of £100,000.

#### Revenue Funding

Based on unit costs of alternative provision of £60K for projected future numbers, savings are projected of £2.2M p.a. by 2026 to the High Needs Block Budget. If the growth in the number of EHCPs is contained, the projected benefit will be £1.5M p.a. The higher savings figure is based on continued growth in the number of children and young people requiring special school places and therefore the total HNB spend will have increased but the saving would be insufficient to fully offset the overall cost increase because the new school would not be able to cater for all of the additional required placements. The lower figure would reflect low (or no) growth in the number of children requiring special school places, and the savings would, therefore, lead to a reduction in overall HNB spend.

Based on current transport costs, transport savings would be £375K per annum by 2026

It is proposed that entries to the school are phased over a period of 5 years. The detailed projected annual impact on the HNB and the Home to School Transport budget in the period leading to full use of 75 places by Wokingham Borough Council in 2026 is shown in Appendix E and summarised below:

	2022	2023	2024	2025	2026
<b>No of Children</b>	18	37	57	67	75
<b>Cost in Alternative placement per placement</b>	£1,140,000	£2,220,000	£3,420,000	£4,140,000	£4,500,000
<b>Projected Cost in New School</b>	£589,000	£1,147,000	£1,760,000	£2,139,000	£2,325,000
<b>Projected Saving</b>	<b>£551,000</b>	<b>£1,073,000</b>	<b>£1,660,000</b>	<b>£2,001,000</b>	<b>£2,175,000</b>
<b>Cost of School Transport to alternative placement</b>	£180,000	£370,000	£570,000	£670,000	£750,000
<b>Cost of School Transport to new school</b>	£90,000	£185,000	£285,000	£335,000	£375,000
<b>Home to School Transport Projected budget saving</b>	<b>£90,000</b>	<b>£185,000</b>	<b>£285,000</b>	<b>£335,000</b>	<b>£375,000</b>
<b>Overall Projected Annual Saving</b>	<b>£641,000</b>	<b>£1,258,000</b>	<b>£1,945,000</b>	<b>£2,336,000</b>	<b>£2,550,000</b>

#### **Stakeholder Considerations and Consultation**

Subject to the approval of the Executive, public consultation on the proposals for the SEN school at Winnersh Farm will be undertaken jointly with the Department of Education and the Maiden Erlegh Trust later this year before the submission of a planning application in January 2021.

#### **Public Sector Equality Duty**

An Initial Equalities Impact Assessment has been undertaken of the Winnersh Farm development proposed. This identified no low or high negative impacts on any groups.

#### **Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030**

The design of the school building will be built to the latest Building Regulations standards on sustainability. By providing SEN provision within the Borough this will reduce the distance pupils are required to travel.

<b>List of Background Papers</b>
None

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## Appendices

### Appendix A: Current and Future needs

The number of children and young people with EHCPs has grown by just under 200 (25% / 8% per year) over the period 2017 to 2020. Within this overall growth, WBC's number of EHCPs for SEMH and ASD have increased from 438 to 592 (by 35% (11% per year)). The numbers of these children with EHCPs naming special schools and other non-mainstream provision has increased from 190 to 207 (by 9%, on average 3% per year). Growth is seen in all age groups, with particularly strong growth in the 18+ (49% p.a.) and primary school (12% p.a.) age groups.

	2017	2018	2019	2020	%ge change since 2017	annual %ge growth
<b>EHCPs</b>	798	848	894	995	25%	8%
<b>EHCPs (not mainstream schools)</b>	348	352	370	354	2%	1%
<b>EHCPs ASD / SEMH</b>	438	488	518	592	35%	11%
<b>EHCPs ASD / SEMH (not mainstream schools)</b>	190	200	211	207	9%	3%

Source data: 2017 to 2019 – SEND2 returns, 2020 –download of SEND2 data set, prior to submission date.<sup>2</sup>

Both Wokingham and Reading expect to see continued growth in numbers of children and young people with EHCPs for ASD and SEMH, and both have continuing pressures on their HNB budgets. While there is no reason to suppose this increase will cease in the immediate future, it is important to consider the value of the scheme if growth did decline, by establishing the viability of the proposal within the reasonable range of future growth models. These are:

- That growth will continue at its current rate (a high growth model).
- That growth will slow, because the pool of children with high SEND levels is limited and because of the success of initiatives to support schools to support children and young people with SEND in mainstream provision (a low growth model).

Two tables are set out below, showing the total number of EHCPs for Wokingham children under the two scenario of current growth maintained and growth slowing in the near future. These are not forecasts (although the higher rate is a projection) but are intended to establish the range of likely outcomes, within which the new school proposal has to be viable and help the HNB budget to balance. The balance between mainstream and specialist provision is based on the 2020 split (close to a 2/3<sup>rds</sup> / 1/3<sup>rd</sup> split)

<sup>2</sup> SEN2 2014 to 2020 with top-up charges clean 20200122 (Autosaved)

**Scenario 1: 6% growth per annum (current increase rate) to 2030. This scenario is consistent with current growth rates being sustained for the next decade.**

	2020	2021	2022	2023	2024	2025	2030
Special Schools	354	379	417	436	456	474	544
Mainstream	641	681	710	758	805	857	1,106
<b>Grand Total</b>	<b>995</b>	<b>1,060</b>	<b>1,127</b>	<b>1,194</b>	<b>1,261</b>	<b>1,331</b>	<b>1,650</b>
Growth per annum		7%	6%	6%	6%	6%	6%

*2020 figures are based on data from January 2020, later years are derived from 2020 figures, inflated by the growth per annum figure given on the bottom row. They are a projection of current growth rates.*

**Scenario 2: 2% growth in 2021, 1% growth in 2022 and 2023, static thereafter. This scenario is consistent with initiatives to support children with SEND in mainstream schools being sufficiently successful as to arrest growth from 2023 onwards.**

	2020	2021	2022	2023	2024	2025	2030
Special Schools	354	361	365	368	368	368	368
Mainstream	641	654	660	667	667	667	667
<b>Grand Total</b>	<b>995</b>	<b>1,015</b>	<b>1,025</b>	<b>1,035</b>	<b>1,035</b>	<b>1,035</b>	<b>1,035</b>
Growth per annum		2%	1%	1%	0%	0%	0%

*2020 figures are based on data from January 2020, later years are derived from 2020 figures, inflated by the growth per annum figure given.*

Both scenarios show a need for additional capacity, with between 14 and 190 additional special school places required by the end of the decade.

## **Appendix B: HNB Budget**

The HNB budget allocation is set by the DfE and has not kept pace with increasing costs. As a consequence there is a significant, and still increasing, deficit on the HNB. While the HNB deficit cannot be funded from the General Fund, deficits are effectively funded from the Council's reserves. Efforts to increase funding for the HNB from the DSG Schools Block were rebuffed by Schools Forum and the Secretary of State for Education. Although funding has been increased in recognition of national budget pressures, the growth has not been sufficient to generate a budget surplus to ensure that the budget deficit stabilises or to pay back the accumulated deficit. This scheme and its intended benefits will be reported to Schools Forum.

## Appendix C: DfE Free Special School offer

As noted above the Reading BC Free School project was approved by the DfE as a school of 150 places serving children from Reading, West Berkshire and Wokingham. The DfE's offer (when they invited expressions of interest from local authorities) can be summarised as:

- School to be a Free Special School, built by the DfE on land provided (for free / at a peppercorn rent) by the local authority.
- Sponsor to be appointed by the DfE, but after recommendations by the successful bidder, to operate to a specification written by the successful LA.s
- Scheme depends on the successful councils underwriting revenue costs, by providing guarantees concerning future use, and place and pupil funding.
- While the DfE will build the school, they expect local authorities to pay for abnormal site related development costs. This might be for such matters as ground conditions, flood mitigation or access issues (a non-exclusive list).
- Under the standard DfE funding model for state funded Special Schools, Place funding (£10K per place) comes directly from the DfE, but is top-sliced from the host local authority's HNB budget (the host being the LA within which the school is sited), and pupil funding comes from local authorities commissioning places for individual children. The DfE's "import / export" adjustments (based on £6K per child or young person taking up a funded place) to the HNB ensure that LAs do not suffer because they import children or benefit from being an exporter by adjusting each council's core HNB budget to reflect the balance of in and out of borough local authority place funded provision and usage. Additionally host local authorities receive £4K per place for each child or young person taking up a funded place in their area, irrespective of the child's home local authority.

## Appendix D: Managing growth

The tables below show how needs can be met, with the new school under the two scenarios of continued and slowing growth.

### Scenario a – 6% growth p.a.

	2020	2021	2022	2023	2024	2025		2030
New Special School	0	0	18	37	57	75		75
Addington	178	200	220	220	220	220		220
Northern House	33	36	36	36	36	36		36
ISS / NMS / SpP16	78	78	78	78	78	78		148
AP / PRU	8	8	8	8	8	8		8
Special	45	45	45	45	45	45		45
Mainstream	641	681	710	758	805	857		1,106
Other	12	12	12	12	12	12		12
<b>Grand Total</b>	<b>995</b>	<b>1,060</b>	<b>1,127</b>	<b>1,194</b>	<b>1,261</b>	<b>1,331</b>		<b>1,650</b>

*Projected EHCPs to 2026 by education provider.*

Under this scenario, the new school prevents growth in the number of EHCPs for high cost placements (until 2025), but does not provide sufficient capacity to reduce their use. Additional new capacity will be required to reduce the reliance on high cost placements.

### Scenario (b) – 2% growth, to 1% and then static growth figures

	2020	2021	2022	2023	2024	2025		2030
New Special School		-	18	37	57	75		75
Addington	178	200	220	220	220	220		220
Northern House	33	36	36	36	36	36		36
ISS / NMS / SpP16	78	70	47	39	25	20		20
AP / PRU	8	8	6	4	4	4		4
Special	45	39	30	24	21	8		8
Mainstream	641	654	660	667	667	667		667
Other	12	8	8	8	5	5		5
<b>Grand Total</b>	<b>995</b>	<b>1,015</b>	<b>1,025</b>	<b>1,035</b>	<b>1,035</b>	<b>1,035</b>		<b>1,035</b>

Under this scenario the new school could significantly reduce the reliance on high cost placements. This model shows that if the current high growth rate in the number of EHCPs slows significantly, the new school can make a significant inroad into the use of high cost placements, helping reduce the overall HNB spend, despite some increase in demand.

## **Appendix E: Financial benefit**

The principal financial benefit will be to the HNB budget (part of the DSG). Reduced reliance on very high cost ISS / NMSS sector will help reduce pressure on the HNB. Local provision will also reduce the burden on the Home to School Transport Budget. Using current spend figures the likely impact of the new school is set out in the table below. This is based on all the new school places taking the place of alternative high cost placements. In the low growth scenario, up to 50 places could be taken from the high cost schools, and 25 places taken from out of borough provision. This would reduce the annual benefit of the proposals to £1.5M. This would be sufficient to address the annual HNB budget deficit.

The basic principles behind special school (and other commissioned places for children and young people) are that commissioned places at state sector schools are funded (£10K per child in a Special School) by host local authorities and top-up funding is paid for each child or young person on a school's roll (rates are variable). An import / export adjustment ensures that local authority payments are balanced. Places in the Independent and Non-Maintained sectors do not receive place funding – all costs are met from what would be top-up in the state sector.

		2022	2023	2024	2025	2026
A	Place cost (per place)	£ 10,000	£ 10,000	£ 10,000	£ 10,000	£ 10,000
B	Number of funded places	38	74	114	138	150
C	Place Funding (A X B)	£ 380,000	£ 740,000	£1,140,000	£ 1,380,000	£ 1,500,000
D	Top up costs (per child)	£ 25,000	£ 25,000	£ 25,000	£ 25,000	£ 25,000
E	Number of WBC pupils on roll (50% of B)	19	37	57	69	75
F	Top up costs (D X E)	£ 475,000	£ 925,000	£1,425,000	£ 1,725,000	£ 1,875,000
<b>G</b>	<b>Total costs to WBC (before import / export) (C+F)</b>	<b>£ 855,000</b>	<b>£ 1,665,000</b>	<b>£2,565,000</b>	<b>£ 3,105,000</b>	<b>£ 3,375,000</b>
H	Basic entitlement rate	-£ 4,000	-£ 4,000	-£ 4,000	-£ 4,000	-£ 4,000
I	Basic entitlement (total) (B X H)	-£ 152,000	-£ 296,000	-£ 456,000	-£ 552,000	-£ 600,000
J	Import / Export adjustment per place	-£ 6,000	-£ 6,000	-£ 6,000	-£ 6,000	-£ 6,000
K	Number of non-WBC children on roll	19	37	57	69	75
L	Import Export Adjustment (J X K)	-£ 114,000	-£ 222,000	-£ 342,000	-£ 414,000	-£ 450,000
M	Effective value of import / export adjustment plus basic entitlement ( I + L )	-£ 266,000	-£ 518,000	-£ 798,000	-£ 966,000	-£ 1,050,000
N	Total cost to WBC (G+L)	£ 589,000	£ 1,147,000	£1,767,000	£ 2,139,000	£ 2,325,000
O	Comparator place costs (unit)	£ 60,000	£ 60,000	£ 60,000	£ 60,000	£ 60,000
<b>P</b>	<b>Total Place of comparator provision</b>	<b>£ 1,140,000</b>	<b>£ 2,220,000</b>	<b>£3,420,000</b>	<b>£ 4,140,000</b>	<b>£ 4,500,000</b>
<b>Q</b>	<b>Saving</b>	<b>-£ 551,000</b>	<b>-£ 1,073,000</b>	<b>-£1,653,000</b>	<b>-£ 2,001,000</b>	<b>-£ 2,175,000</b>

#### Notes

(D) Top up rate: Reading BC set this (in their initial proposals to DFE) at two levels. £20K and £30K, with an equal number of students in each band anticipated, hence the £25K figure given.

(H) Basic entitlement: £4k funding given to each LA for each pupil on the roll of a special school / specialist post 16 setting with funded places in the local authority's area through the HNB funding allocation.

(I) Basic entitlement total payment is based on the expectation that otherwise all children on the roll of the new school would be placed in schools outside the Wokingham area.

(L) Note that this is a notional figure as the actual adjustment will reflect the position for all schools with place funding and all children and young people.

As noted, there are a number of assumptions here, and elements of the scheme are still in development. What is critical though is that cost per place (place funding plus top up) is kept below the level of other schools (particularly independent special schools) that might otherwise be used. For this exercise a figure of £60k per child per year is used as a comparator. There are a number of schools meeting the needs of children with autism and SEMH through day provision where the costs are appreciably higher (£65 to £70K per child per year), though. To have a significant impact on the overall HNB spend, it is important that this becomes the school most children who would currently be placed in an independent special school are placed at. An important risk, is that the school does not become the school of choice, and children and young people who should be placed there, in fact continue to be placed at Independent Special Schools (with the agreement of the Local Authority or through Tribunal decisions).

Mitigation depends on (a) the Trust creating a school that does offer flexible and high quality places that are popular and do meet needs and (b) robust (and well resourced) processes to resist unnecessary high cost placements.

Home to school transport spend will also be reduced. On the basis of the average cost of transporting a child out of the borough is in the order of £10k, but only £5K within the borough, the potential savings per year would be:

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Number of children	19	37	57	69	75
Saving per child	£ 5,000	£ 5,000	£ 5,000	£ 5,000	£ 5,000
Total Saving	£ 95,000	£ 185,000	£ 285,000	£ 345,000	£ 375,000



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