

READING BOROUGH COUNCIL

REPORT BY DIRECTORATE OF CHILDREN, EDUCATION & EARLY HELP SERVICES

TO:	Reading Schools Forum		
DATE:	9 July 2015	AGENDA ITEM:	6
TITLE:	Head Teachers / School's Forum short life working group on SEN finances		
SERVICE:	Education, Children and Early Help Services	WARDS:	All
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 The report summarises the background and process that the sub group followed that resulted in the attached report and recommendations from that group. It also describes the process to take the report and recommendations forward and any residual matters to be considered by the LA.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 To note the content and recommendations of the report from the sub group.
- 2.2 To make recommendations to the LA as to which recommendations to take forward.
- 2.3 To note the next steps to be taken by the LA.

3 POLICY CONTEXT

- 3.1 The local authority has a statutory duty to ensure that every young person in Reading has access to an appropriate education. The High Needs block of the overall Dedicated Schools Grant is targeted to provide support for those with additional needs. This is in addition to the "Notional SEN" element of the budgets delegated to schools.

4 BACKGROUND

4.1 A group has been formed to look at addressing the 2015/16 budget gap of circa £0.9m on the high needs block. The agreed Terms of Reference for the short life working group are:-

1. To reach a view, with recommendations, to put to school's forum, about what changes need to be considered in order to make structural changes that deliver a saving of around 1 million pounds year on year.
2. Explore and make recommendations as appropriate, to school's forum, if the structural budget savings can be achieved via allocating resources from within the SEN High Needs Block, in a different way. This may require rethinking how we deliver services / provision, what to keep and where to redesign.

4.2 As noted previously the key issues were considered to include:

1. The need to clarify and/or reconsider the admissions criteria for our current specialist settings.
2. Lack of funding in Key Stages 3 and 4 for students with ASD and how do we build additional resource to meet the increase demand for specialist provision.
3. Pattern of service delivery. For example we have ASD services that are not connected and offer no specialist outreach services to schools. We spend over 2 million on EBSD services (eg, Cranbury College, Behaviour Support Services, Phoenix, The Haven and Holybrook) but the services are not joined up and exclusion rates are high. Is this effective spend especially in the light of 12 new places at High Close at a cost of £48K per place due to lack of provision in Reading?
4. Balance between part time specialist provision with specialist outreach support going to host school locally (via cluster) provided vs new specialist full time provision to meet demand.
5. Training for teachers and how schools can receive specialist support that makes a difference with regard to ASD and EBSD.
6. Unfilled places in our specialist provision and appropriate place costings
7. Balance between early intervention & prevention and specialist provision

4.4 As part of process we reviewed line by line the make up of the high cost block as noted in Appendix A to the report.

5 REPORT FINDINGS AND RECOMMENDATIONS

5.1 The report and recommendations of the group are attached as Appendix 1 to this report. These will be presented by John Cosgrove, Head Teacher at Christ the King School.

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- 5.2 Schools Forum is asked to consider the findings of the report and vote on the recommendations that it wishes to commend to the LA to take forward.
- 5.3 The Local Authority will consider the input from Schools Forum, along with other views to bring forward a formal proposal that will be consulted on with schools, parents and partners. It will be the objective of the LA to implement the as many of the proposals as soon as possible, however for substantial changes a longer timescale may be proposed.
- 5.4 The LA would like to acknowledge the hard work of the group and their commitment to the task in what was a challenging task.

6 FINANCIAL IMPLICATIONS

- 6.1 If the recommendation of the report are adopted in full, the financial implications would be as noted in the table below.

	15-16	16-17
1st Savings Target	900k	900k

Service / Provision		
Reduce Avenue Banding to Berkshire Levels	62k	105k
Closure of Snowflakes	60k	100k
Closure of The Haven	100k	170k
Remove Hard to Place Funding	70k	100k
Cease funding for setting up Nurture Groups	52k	52k
School Travel Contribution	100k	100k
Introduce Buyback for Massage Therapy	0k	52k
TOTAL	444k	679k

Remaining	456k	221k
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- 6.2 As can be seen from the table there still a budget gap. Therefore the LA will need to develop further savings proposals to ensure that the high needs block is on a firm financial footing going forward. These will be part of the firm proposals.

1. Introduction

- 1.1. In January 2015 a working party was established by Reading Schools' Forum to look at cost savings which might be made in the High Needs Block.
- 1.2. In 2014-15 there was a £1.3 million overspend on SEN in Reading and the working party was asked to find £900,000 of annual savings for the future.

2. Summary conclusions

- 2.1. The large overspend is due in the main to RBC not having sufficient suitable provision for all children and having to pay large annual sums for out of Borough provision for a relatively small number of young people. Keeping control of costs in the future will require additional provision which might be more expensive in the short term.
- 2.2. The greatest area of need is for ASD and SEMH; both of these are growing areas of need, while MLD and S and L are diminishing.
- 2.3. Improvements can be made to current provision at little or no cost, and in some cases funds might usefully be re-directed.
- 2.4. Immediate cuts to funding could be made totalling £579,000.
- 2.5. Adjustments to the allocation of costs should be made to save the High Needs Block a further £100,000 – although these adjustments would not represent a net saving to the Authority as the costs would have to be found from elsewhere in the budget.
- 2.6. Further savings depend on changes to provision which cannot be immediately effected. The savings have to be estimates but could be significant: in the hundreds of thousands of pounds.

3. Membership

Members of the working party were representative of different stakeholders: Reading Parents' Forum, Primary and Secondary Headteachers, Special School heads, and officers from the Local Authority.

Chris Stevens, SEN Manager (chair),
Marianne Best, head of Cranbury College,
Sue Bourne, head of The Avenue Special School
Ramona Bridgeman of Reading Parents' Forum,
Charlie Clare, head of Geoffrey Field Junior,
John Cosgrove, head at Christ the King,
Steven Davies, RBC Finance officer,
Gill Dunlop of Behaviour Support,
Deborah Hunter, Senior Educational Psychologist RBC
Julie Noctor, deputy at Highdown,
Nicola Maytum, head of John Madejski Academy,
Eileen McElligott, Councillor RBC,
Tara Robb of Reading Parents' Forum,
Karen Salter, head of Whitley Park,
Lee Smith, head of Holybrook,
Theresa Shortland, RBC Early Years,

Others were invited who were unable to attend any meetings, and not all of the above were able to attend every meeting. Others who were not strictly members of the working party but who did attend one or more meetings included:

Lisa Bedlow, Head of Caversham Nursery and New Bridge Nursery
Robert Durnford, RBC auditor,
Russel Dyer of RBC,
Kevin McDaniel of RBC,

4. Previous reviews

Neither Peter Gray's "*Review of specialist provision and services for children with SEN and disabilities in Reading mainstream schools and settings*", nor Jenny Tuck and Anita Devi's "*SEN Review: Narrowing the Gap*", was available to the working party until the very end of its deliberations. Both have informed our conclusions, but it is probable that neither has been given the regard it should have had.

5. General Principles

We have had regard to the fact that children with SEND in Reading have a greater number of exclusions and do less well than their peers when compared with similar towns. The High Needs Block funding should ensure that services benefit as many children with SEND as possible and as far as possible we avoid children having to travel to access services. This includes strengthening mainstream provision for children and statements or EHC plans.

6. Note on High Needs Block Funding, Schools Block and Age-Weighted Pupil Units (AWPU)

- 5.1 During this process some apparent anomalies in funding which have come about for sound historical reasons have been noted. Funding for the Schools Block and the High Needs Block comes in specified grants from the Dedicated Schools Grant (DSG). However, every year the High Needs Block makes a payment of around £1.3 million to the Schools Block. This is in respect of SEN funding for pupils with statements in Bands 4 and 5 and part of Band 6 funding. Meanwhile, every year, £1.1 million is transferred from the Schools Block to the High Needs Block to cover projected overspends in the High Needs Block. This represents a net payment from the High Needs Block to the Schools Block of around £200,000 annually.
- 5.2 Pupils who are educated in specialist Resources are paid for by a per place sum which is the same for each setting + a per-pupil top up which varies depending on the need and the setting. Schools do not receive AWPU for these pupils. Therefore each pupil who leaves mainstream for a Resource saves the Schools Block around £4,000. (AWPU = £3,226 for KS1 and KS2; £3,949 KS3 and £4,503 KS4.) If the purpose of the High Needs Block is to meet the *additional* costs that come with pupils who have SEND, the AWPU for these pupils should still be a charge on the Schools Block. If the Resources are full there are 94 of these pupils: 43 primary and 51 secondary. It could legitimately be argued that the High Needs Block is subsidising the Schools Block by a sum of around £350,000 in lost AWPU.
- 5.3 The working party has made no recommendations about 5.1 and 5.2 but members of Schools Forum should be aware of these points in any discussion of High Needs Block funding.

7. Detailed recommendations

- 7.1. The High Needs Block funding (see Appendix A) is divided into 3:
 - a. Resource base funding of £2.65 million in 2015-16;

- b. Top up funding of £9.8 million;
 - c. Specific projects and services costing £1.9 million.
- 7.2. All Special Schools and Specialist Resource Bases attract a grant from the Education Funding Agency (EFA) of £10,000 per place. This is the Base Funding identified in a. There is no gain in cutting this funding as the EFA would reduce its grant to Reading by the same amount.
- 7.3. It would be very cost effective if further Specialist Resources that were funded in the same way could be set up in Reading. It seems worth making this case to the EFA, but recent requests for additional Resource places from other authorities in Berkshire have been rejected. We recommend that additional Resources should be established.
- 7.4. There appears to be a specific issue over the provision for secondary pupils who are not in mainstream schools. Phoenix College is single sex. It caters for boys only and there is no provision for girls. Phoenix also has a number of unfilled places and many of its pupils come from out of Borough. It is therefore not benefitting Reading as much as it should. Much of the £10,000 per place funding from the EFA is being spent for the benefit of non-Reading pupils while Reading has to pay for more expensive provision for its pupils. We recommend that Phoenix be made more attractive to parents and that provision for girls should be part of its offer. Parent carers value the supportive ethos of Phoenix but would like improved sports facilities and space at the college, as well as increased choices at GCSE.
- 7.5. The top up funding in b. contains the £1.3 million paid to mainstream schools for Band 6 pupils, and the £7.2 million “per pupil” top up paid for pupils in special schools and Specialist Resources. These top up sums range from £1,718 per year at the EP Collier S and L Resource, to £27,000 at Thames Valley Free School, £44,000 at High Close and more than £100,000 at other provisions out of Borough. We recommend that Reading should develop further specialist provision so that fewer children and young people need to go to very expensive out of Borough provision. Additional provision is needed at both primary and secondary, but there is a particular lack in secondary, in ASD and in SEMH, with a pattern of pupils moving to out of Borough specialist provision at the age of eleven.
- 7.6. One particular apparent anomaly in this top up funding is the relative cost of places at Special Schools. Reading places children at Addington, Brookfields and The Avenue. The Avenue, with 105 Reading pupils on roll, charges £1,000 more per pupil than either of the other special schools. Pupils are allocated to bands, reflecting their level of need, and the top up cost for each band is £1,000 more per pupil at The Avenue than at the other equivalent schools. We recommend that this funding should be equalised with an annual saving of £105,000.
- 7.7. The bulk of potential savings in the short term have to come from c. the specific projects. At £1.9 million this is the smallest element of the High Needs Block, but the most easily saved. All of the expenditure in this area is valuable and valued, however, if savings are to be made this is where they must come from.
- 7.8. Snowflakes at New Bridge Nursery is a provision for ASD for children of Nursery age. The specialist staff work with 5 children in the morning and 5 in the afternoon and also provide support and advice to other settings. Peter Gray noted in his report that this was an expensive provision, and though we are convinced that it does excellent work, we do not believe that Snowflakes is cost effective enough to be maintained at a time when we need to make savings. We recommend ending the provision at Snowflakes at a saving of £100,000.
- 7.9. The Haven at Reading Girls’ School was originally intended to be the girls’ equivalent of Phoenix. However, as it cannot offer permanent placements it was always going to struggle to meet the long term needs of girls with complex emotional and behavioural difficulties. We recognise that it does valuable work with vulnerable girls at the point of transition to secondary school, but nevertheless we recommend that it should close at a saving of £170,000

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- 7.10. The Hard to Place Fund provides a relatively small amount of money (£1,900 per pupil) to schools which are prepared to take a pupil who might otherwise be hard to place. This is a one-off payment, not a recurring one, and headteachers are willing to see it go. The fund also provides for specialist language tuition for pupils who arrive in Reading from abroad in Year 11. Nevertheless, the working party recommends that it should end at a saving of £100,000.
- 7.11. Nurture Groups are effective and worthwhile provision. However, this funding benefits the pupils of only 4 schools in the Borough and it seems anomalous that funding for projects which are not available to all should come from de-delegated funds. We recommend ending funding for these projects at a saving of £52,000.
- 7.12. The ASD and SEN support service pays for the role of the SEN advisor (currently vacant), two part time specialist ASD advisory teachers for primary (one of whom retires this summer), and certain other services amongst which are two massage therapists. Massage therapy is a great benefit to the pupils, and schools have found these massage therapists very useful, but as with the Nurture groups it seems anomalous that de-delegated funds should pay for a service which is available to a few, but not to all. We recommend that the SEN advisor role be filled full time, from a 0.8 post currently, so that the SEN advisor is available to support all children and young people 0- 25: currently Early Years settings lack SEN advice.
- 7.13. We further recommend that one ASD advisory teacher be retained but that the other is not replaced on her retirement this summer. We would support that the ASD Resources at Blessed Hugh Faringdon and Christ the King be encouraged to provide more training and support to other schools for ASD. Parent carers have said that some mainstream schools are already excellent, but not all. Teachers' understanding of ASD, ADHD and sensory processing issues as well as the ability to differentiate the curriculum are key to whether a child succeeds in mainstream
- 7.14. In addition we recommend that the massage therapy becomes a bought in service for which schools are charged. The cumulative saving to the High Needs Block of the changes in 7.12 – 7.14 is at least £52,000 and may be more.
- 7.15. The £100,000 identified on the costings as SEN Transport is in fact a notional contribution to the cost of transport, which is actually £1.5 million. Though it will save the LA no money overall we recommend removing this from the High Needs Block at a saving of £100,000.

8. Medium Term potential savings

- 8.1. In 2015-16 Reading will pay Sensory Consortium £330,000. This is our share of a Berkshire wide contract. Sensory Consortium works with 139 pupils in Reading (2013-14 figures) of whom 53 are visually impaired and 86 hearing impaired. This amounts to £2,400 per pupil, a sum we believe does not represent value for money. The contract is due for renewal in 2016 and we believe the Authority should be looking for alternative provision or to negotiate a more favourable contract.
- 8.2. Funding for the CAT teams is not part of the High Needs Block spending. However, Jenny Tuck and Anita Devi's report notes the frustration that schools and headteachers feel about the work of the CAT teams. In particular they mention the school consultation meetings, which are a very expensive use of resources and are not valued by schools. We understand that the Education Service's contribution to the CAT teams is £200,000 a year and we recommend that this be looked at very carefully as a source of potential savings.

- 8.3. There is some concern about the £239,000 funding for RBC's OT and SALT contract. Jenny Tuck and Anita Devi's review notes that schools find they cannot access this and are buying in their own provision. We need to know how widespread this double paying is, what exactly RBC is paying for, what exactly each school is entitled to, and whether it is delivering value for money. The suspicion now is that it is not.
- 8.4. It is a statutory obligation that all local authorities must have a Virtual Head for looked after children. However, at £115,000 this is a very expensive post for a small local authority like Reading. We would like to see discussion with neighbouring authorities about the possibility of sharing this post, with a consequent saving.
- 8.5. The group has requested more information about how many children the £120,200 Early Years Support money which provides Preschool Teacher Counsellors and Portage. Some early years' settings don't feel they get the benefit they could from this money.
- 8.6. Peter Gray's report notes some inconsistency of approach to the provision of Behaviour Support following Government initiated changes over the past five years, and comments that there are "issues around level of impact (Reading still has a high number of primary fixed-term exclusions) and outcomes for some of the more complex cases." He goes on to comment that there are particular issues at secondary age and states: "There is evidence that this resource could be used more cost-effectively (and with better outcomes)." We recommend that this is one area in particular where further work is vital with a view to providing a more effective and cost-effective service.
- 8.7. £1,000,000 has been budgeted for Cluster funding. There is concern from schools about how this money might be accessed, and the SEN Manager has tabled proposals for changes in its allocation. This, we believe, needs further careful study as the current arrangements may not be delivering resources to the best effect for the benefit of all pupils with SEND including those who do not have statements or EHC plans.
- 8.8. The working party has noted the costs of some reviews (£500 per hour) and cautions against further expensive reviews, which will reduce potential savings. We also hope that the recommendations in the two reports from Peter Gray and Jenny Tuck and Anita Devi will be considered seriously and acted upon.

9. Further recommendations

- 9.1. The structural overspend on SEND can only be tackled properly by providing more specialist places in Reading so that we do not have to send children to very expensive provision out of Borough. Half of all statemented SEMH children in Reading attend Special or Independent Schools and 40-45% of statemented ASD children in Reading attend Special or Independent schools in all year groups with the exception of year 10 children where the numbers increase to 62%.
- 9.2. In order effectively to plan to meet the needs of children with SEND in Reading, we need clear information about the costs of each provision, what it provides, the numbers of children it provides a service for and the outcomes for children. We note that there is currently no accurate data about the outcomes for children who attend some provisions.
- 9.3. At the same time we believe that provision for SEND in Reading can be improved. We believe there should be:
- Training hubs developed at existing Resources.
 - A clear statement published to all schools detailing what support and help is available, what it costs and how it can be accessed.

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- Further primary mental health workers (we note that the Health Service is making a commitment to this effect). We have suggested that the SEN and ASD service might usefully employ an additional 3 educational psychologists and 3 additional primary mental health nurses.
- Additional Resource Units for ASD and SEMH: for primary and secondary. This could include a re-designation of existing Resources, for which we would certainly get the £10,000 place funding from the EFA, as well as new Resources, for which EFA funding might not be forthcoming.

9.4. We therefore recommend that the Working Party should continue to meet in order to consider Peter Gray's report and Jenny Tuck and Anita Devi's review and to help in re-shaping SEND provision with a view to using our budget to best effect and that it should report back to Schools Forum before the start of the 2016-17 financial year.

John Cosgrove

July 2015

On behalf of the Working Party

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Appendix A

High Cost Block Budget 15-16		14,366,813	
	Description	15-16 Proposed Budget	
		14-15 Estimated Spend	
Base Funding	E P Collier (12 Places @ 10k)	120,000	120,000
	Holybrook (32 Places @ 10k)	320,000	320,000
	Phoenix (56 Places @ 10k)	560,000	560,000
	Blessed Hugh Farringdon (13 Places @ 10k)	130,000	130,000
	Christ The King (21 Places @ 10k)	210,000	210,000
	Manor (10 Places @ 10k)	100,000	100,000
	Cranbury Base Funding (132 Places @ 8k April to August)	440,000	1,056,000
	Cranbury Base Funding (132 Places @ 10k Sept to March)	770,000	-
Top-Up Funding	Independent & Alternative	2,600,000	2,803,518
	Special & Resource	4,600,000	5,883,282
	Mainstream - RBC Cluster Funding	1,000,000	848,917
	Mainstream - NON-RBC	300,000	272,935
	Cranbury Top-up Funding	750,000	900,000
	Early Years 1:1 Funding	60,000	40,000
	Post 16 Provision (FE Colleges)	491,000	491,000
Projects + Posts + Departments	Newbridge ASD Project (Snowflakes)	100,000	100,000
	Reading Girls BESD project (The Heaven)	170,000	170,000
	Hospital Funding (Commissioned to Cranbury)	136,000	111,000
	Sensory Consortium	330,000	300,000
	Speech and Language + Occupational (RBC Contract)	239,000	239,000
	Early Years Support	120,200	120,200
	Hard to Place Fund	100,000	100,000
	Travellers Education	35,000	35,000
	SEN Transport	100,000	100,000
	4 Nurture Groups (13k Each) Transferred from Schools Block	52,000	39,000
	School Kitchens For Special and Resource	16,000	16,000
	ASD & SEN Support Service	234,100	210,000
	Virtual Head for Looked After Children	115,100	115,100
	Admissions, CME & Behaviour Lead	89,200	89,200
	SEN Lead	79,400	79,400
		14,367,000	15,559,553