

READING BOROUGH COUNCIL
REPORT BY COMMISSIONING SERVICES

TO:	READING SCHOOLS FORUM		
DATE:	9 JULY 2015	AGENDA ITEM:	7
SUBJECT:	COST ANALYSIS PROJECT FOR FE COLLEGES & SPECIAL SCHOOLS		
SERVICE:	EDUCATION, CHILDRENS'S & EARLY HELP SERVICES	WARDS:	All
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1 PURPOSE OF REPORT

- 1.1 To update Schools Forum on Valuing Care's project work investigating spend in special schools and further education colleges.

2. RECOMMENDED ACTION

- 2.1 For Schools Forum to note Valuing Care's report.
2.2 For Schools Forum to agree on how they wish to be updated in the future.

3 BREAKDOWN

- 3.1 There are two elements to this project:
- i) Berkshire wide further education college cost analysis
 - ii) Reading special school cost analysis
- 3.2 We want to achieve an understanding of all cost lines for the pupils put forward for this exercise. This will create transparency through comparison of the costs, against standard benchmarked costs, using the cost analysis database of Valuing Care. We hope this exercise will help us demonstrate good value for money. It may also give us a basis for renegotiation of costs if appropriate.

4 BACKGROUND

- 4.1 In the special schools and FE colleges we place most of our young people, we have seen an increase in charges. We need to ensure that they represent good value for money.
- 4.2 Valuing Care were recommended to RBC by other local authorities. This was on the basis of SEN school cost exercises they have been involved in since 2008. They have a proven track record in helping local authorities to understand costs in education. Valuing Care are experts in analysing and negotiating care costs. We know they have worked with two of the providers before, and know their business models well. This makes analysing their costs easier.
- 4.3 We are not engaging Valuing Care to carry out negotiations on costs. They are not working on any commission basis or percentage basis. They will be on a fixed fee structure. If as a result of this exercise RBC feels it appropriate, there will be separate discussions regarding costs.
- 4.4 <http://www.valuingcarefm.com/>

5. BERKSHIRE FURTHER EDUCATION COLLEGE COST ANALYSIS PROJECT

- 5.1 Valuing Care have been working with the six unitary authorities in Berkshire. The project will see a number of colleges investigated by Valuing Care. Costs are broken down by these colleges into Element 1, 2 & 3. For a long time, colleges have been insisting that a breakdown of Element 1 costs is too difficult to provide. The Berkshire wide group members have instructed Valuing Care to obtain a breakdown of Element 2 & 3 costs from all the colleges. This is to be submitted on a Hampshire Template. The colleges are familiar with this format and it will keep data consistent. Valuing Care will then present a report of their findings to Berkshire wide group members. It will then be decided what the next steps are.
- 5.2 Valuing Care will be investigating costs at the following FE colleges:

Bracknell & Wokingham College
Berkshire College of Agriculture
Reading College
East Berkshire College
Newbury College

For the latest updates on Valuing Care's efforts to obtain data from these colleges, please see **Appendix 1**.

6. READING SPECIAL SCHOOL'S COST ANALYSIS PROJECT

6.1 This project sees Valuing Care working with Reading Borough Council's SEN team, Finance department and Children's Commissioning team. A number of special schools will be investigated by Valuing Care. Reading would like to understand full breakdowns when it comes to the costs of our learners. Valuing Care will collect data in their chosen format and provide Reading Borough Council with a report.

6.2 Given the measures in Reading, Valuing Care will be investigating costs of the following special schools:

High Close School
Brookfields School
The Avenue School
Thames Valley School
The Children's Trust

A number of schools are refusing to co-operate with the review. A school has not responded and another school is saying that it does not know what is being asked for. Therefore progress to date has been very limited and there is concern about whether the work can be completed given there appears to be a lack of 'buy in' to the legitimacy of the agreed review.

6.3 The High Needs Block has a structural overspend. Schools Forum and RBC are looking at each cost line in depth within the High Needs Block. One of the projects that has been identified by RBC is the need to look at the costs of the special schools we have the most placements with and discover where there have been cost increases.

7. PAN BERKSHIRE AND VALUING CARE WORKING GROUP

7.1 The next meeting between Berkshire local authority commissioning staff, SEN management and Valuing Care project leads is scheduled for 24 July. This meeting will see Valuing Care present a report on SEN costs for Berkshire FE colleges. We will be reviewing their findings from the element two and three data submitted by the colleges. As a group, we will then decide the next steps.

Appendix 1: FE Colleges - Latest update from Valuing Care

Valuing Care (VC) has called round the colleges to ensure they received their latest letter. Nobody thought any of the colleges would have submitted information by the requested deadline. The colleges are still working as a group and writing to Berkshire for further discussion over the template. It was understood that BCA would be sending the letter on behalf of all colleges. Having said this, a number of the colleges have been submitting their information to Valuing Care.

Bracknell & Wokingham College have returned their costings. Bracknell's submission wasn't in Valuing Care's format, but they wanted to get something across. Reading College (RC) had a couple of queries. VC discussed these with RC, who have now submitted their information. VC will be doing the analysis on their data.

BCA said they were doing her best to gather the information, although they didn't think the format of the template was suitable. They also couldn't identify one of the students. VC are following this up..

Newbury have requested help completing the Valuing Care template. VC have arranged a teleconference this Thursday to work through queries and complete Newbury's submission.

East Berkshire are confused with regard to separating element 1 from elements 2 and 3. They have asked VC to clarify things. VC will be providing support and hopes to have their data this week.

All analysis will be dealt with once data is received. VC have reworked the project timelines