

DERBYSHIRE COUNTY COUNCIL

**CABINET MEMBER FOR STRATEGIC POLICY, ECONOMIC
DEVELOPMENT AND BUDGET**

20 September 2016

**Joint Report of the Director of Finance and the Assistant Chief
Executive**

**DERBYSHIRE CHALLENGE FUND – REVIEW OF INDEPENDENT
AND NON-MAINTAINED SPECIAL SCHOOL PROVISION FOR
DERBYSHIRE CHILDREN AND YOUNG PEOPLE**

1. Purpose of Report

To seek agreement for funding from the Derbyshire Challenge Fund in order to carry out a review of placements of Derbyshire pupils with special educational needs and disabilities (SEND) currently placed in independent and non-maintained special schools, in order to determine:-

- The reasons leading to placements at independent providers
- Why local maintained or mainstream placements were not able, or perceived as not being able, to meet the needs of these children and young people
- Any gaps, or perceived gaps, in provision or support available in maintained provision
- What action is needed in order that the needs of all children and young people with SEND can be met within local maintained or mainstream provision.

2. Information and Analysis

There are currently around 100 Derbyshire children and young people in independent and non-maintained schools. In most instances, there is significant additional cost associated with this provision.

A review of the cases to identify opportunities for improving outcomes for children has been proposed as set out in the bid as attached at Appendix 1. The additional funding would enable a review of case work to identify potential savings. A proportion of any savings identified may need to be re-invested in the Authority's own provision to ensure needs can be met locally.

The work would be undertaken by the Education Psychology Service, with support from the children's commissioning team. The purpose of the bid is to recover a contribution of salary costs for additional work undertaken by an Education Psychologist (£20,662) and a Commissioning Manager (£9,000) to conduct an economic and needs evaluation assessment.

3. Financial Considerations

The value of the bid is £29,622 which includes the salary costs for the additional work undertaken by an Education Psychologist and a Commissioning Manager. Although it is difficult to calculate what potential savings there may be as this is dependent on the analysis; we would aim to reduce annual placement costs by 10%. Based on current costs, this could equate to approximately £400,000 although a proportion of this would need to be re-invested to meet the needs of these pupils locally.

4. Social Value Considerations

In considering the award of this funding work will be undertaken during the lifetime of the project where appropriate, to capture and deliver social value initiatives.

5. Human Resources Considerations

The review would be undertaken by the Education Psychology Service, with support from the Children's Commissioning Team. The funding will support existing resource to carry out the review therefore no further workforce recruitment will be necessary.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: legal and human Rights, equality of opportunity, health, environmental, transport, property and crime and disorder considerations.

7. Background Papers

Original bid and monitoring forms are held in the Derbyshire Challenge Fund File.

8. Officers' Recommendations

That the Cabinet Member approves the bid to the Derbyshire Challenge Fund.

**Peter Handford
Director of Finance**

**Mags Young
Assistant Chief Executive**

**DERBYSHIRE COUNTY COUNCIL
DERBYSHIRE CHALLENGE FUND BID PROPOSAL FORM
2015/2016**

Please complete the below information as fully as possible and return your completed form to Paul Stone, Finance Manager Tel: 01629 539239

Paul.Stone3@derbyshire.gov.uk

Department	Children's Services
Service Area	Performance, Quality and Commissioning
Lead Officer	James Gracey
Grant Requirement	£29,622
Time Period	6 months
Overview of Bid – please include details of why this funding is required, the benefits that will be produced and the timescales involved (500 words max)	
<p>The aim of the project is to conduct a review into independent and non-maintained special school provision for Derbyshire children and young people with Special Educational Needs and Disabilities to determine why independent placements were purchased, why county placements were not felt to be able to meet these children and young people's needs and to determine what we would need to provide to meet the needs of these children and young people within our own provision. A number of previous studies and reviews have identified that there is probably an 'invest to save' opportunity to reduce the cost of independent and non-maintained special school placements whilst meeting young people's educational and health needs better in local provision.</p> <p>Derbyshire County Council has around 100 children in independent and non-maintained schools due primarily to educational need. The majority (94%) are daily attendance and the annualised cost of the current placements is just over £4m. The average cost of a placement to DCC is around £40k although for many placements, the cost to the public purse is higher as a further £10k is paid by the Education Funding Agency to secure the provision of each place in a Non Maintained Special School. The range of current costs per year is from just under £3,000 pa to £96k pa with around a third of placements costing between £30k and £50k per year. In addition to the placements costs, the authority currently spends around £0.75m on transporting this group of pupils from home to school. Transport costs for an individual child can be as high as £45k per annum and are related to the needs of the child as well as the distance travelled.</p> <p>This research has the potential to identify opportunities for improving outcomes for children by identifying whether it is possible to make</p>	

suitable provision closer to home in order that children remain closer to their community. There are potential opportunities to: reduce transport costs which are a charge against the council's budget (the majority of these young people will not be affected by any decision from the current consultation on transport), placement costs and improve the provision for the young people resulting in better outcomes. The largest groupings of primary need are Autism Spectrum Condition and Social, Emotional and Mental Health which account for two thirds of current placements.

The project would be carried out by the Education Psychology Service, with support from the children's commissioning team, to complete an economic and needs evaluation to assess whether enhanced local services would reduce the demand for independent and non-maintained special school placements and therefore reduce the cost to the local authority.

This would include:

- Reviewing the number and cost of current independent and non-maintained special school placements for children and young people with SEND, and trends over past 3-5 years.
- Analyse why those placements were needed, and what would have to be put in place to meet these needs locally within Derbyshire schools.
- Mapping what services there are in Derbyshire that can support the needs of this cohort, including looking at sensory issues and therapeutic interventions.

Timescales:

- Data gathering and analysis-End of June
- Options appraisal – End of August
- Construction of business case – End of September

The department has been projecting an overspend all through 2015-16 – the majority of which can be linked to the lead-time of budget reductions compared to the date at which those reductions have been applied. This is being covered by the department's brought forward underspend. In 2016/17, the reductions are also challenging and the remaining brought forward underspend will be required to cover the projected overspend for 2016/17. Again, the overspend is due to a structural deficit in the budget and the lead-in time for budget reduction eg children's centre closures. Pressures increase for 2017/18 with the planned withdrawal of the Education Services Grant and the changes to High Needs Block Funding and Central authority spend that are

indicated in the two recent consultations issued by the DfE. These consultations indicate that the amount of funding available for High Needs Block spending and central authority spend will not only have inflationary pressures (as the funding is cash flat) but will also have to absorb likely reductions in grant funding so that sufficient is available to the DfE for the National Funding Formula for schools. This therefore means that the department has no available funding of its own to carry out this analysis and secondly, the need for that analysis to result in savings compared to the current payments for provision for children with additional needs has become even more important.

Although it is difficult to calculate what potential savings there may be as this would depend on the outcome of the work carried out by the Education Psychology analysis; we would aim to reduce annual placement costs by 10%. Based on current costs this could equate to approximately £400,000 reduction in the annualised cost of independent and non-maintained schools. Although a proportion of this may need to be re-invested in our own provision to ensure the needs of these young people are met locally.

FINANCIAL BUSINESS CASE

For bids Please supply the below information?

Please detail the areas in which the Challenge Fund Grant will be spent.		
	2015/16	2016/17
Salary		Education Psychologist-£20,662 Commissioning Manager-£9,000
Running Costs		
Total Revenue Expenditure		
Capital Expenditure		

Additional Information – please detail below any other additional information you wish to be taken into account e.g. are there any on-going cost implications

Will the Challenge Fund Grant be used for Capital purposes? No

If Yes, what proportion of the Challenge Fund Grant will be used for capital purposes?

Other Resource Implications

Please give details of the impact the Challenge Fund Grant will have on	
Property usage	N/A
IT usage	N/A

ORGANISATIONAL BENEFITS

How does your Challenge Fund bid contribute to the following?	
Departmental Service Plans	<p><u>Childrens Services 2016-17</u></p> <p><u>Budget and resource management</u></p> <ul style="list-style-type: none"> Supporting schools to develop new models of working to reduce overall costs. <p><u>Vulnerable Young People</u></p> <ul style="list-style-type: none"> Improving support for Children and Young People with Learning Disabilities/Autism and behaviour that challenges, to enable more Children and Young People to continue to live at home and reduce reliance on residential placements. Improving our range of support for young people so they can remain with their families. Completing a sufficiency review so as to ensure we are able to care for young people in Derbyshire by Derbyshire. <p><u>Commissioning Strategy</u></p> <ul style="list-style-type: none"> Delivering the requirements of the Special Educational Needs and Disability (SEND) Reforms to jointly commission services for children with additional needs. Local Area partners effectively meet the needs and improves the outcomes of disabled young people and those who have special educational needs.
Council Plan Pledges	<p>Innovation</p> <p>Income-potential savings in costly independent and non-maintained provision.</p> <p>Potential savings from transport costs.</p>
Service Transformation	Transforming Services
Emerging Policy	
Risk Register	

Compliance Requirements	
External Performance Review	
Internal Performance Review	

BENEFITS TO LOCAL PEOPLE

Please provide details of the anticipated improvement/benefits to local people/communities and communities of interest, including protection of frontline services.

Support children and young people to be closer to their family homes and therefore improve and support their well-being.

Support the delivery / sustainability of local services.

Children with complex needs get their needs identified early and appropriate support is put in place.

Support smooth transition into adult life for young people as they are closer to home.

Reducing unnecessary expenditure on costly independent and non-maintained special school provision will help release funding across partnerships to invest in local provision.

This work aligns with the current DCS project to commission Sector Led Improvement to look at reducing distant SEND placements.

The SEND agenda provides an opportunity to review the various spending streams and define the service required to support children with complex needs and disabilities.

Reducing distant placements and ensuring young people receive services within their local communities will support better preparation for adulthood and a smoother transition from children's services to adult services where necessary. Better outcomes and improved transition has the potential to reduce long-term costs for adult services.

Bid Approval

Departmental Strategic Director

Jane Parfremment



Date of Approval

10 March 2016

CMT

Date of Approval

06 July 2016

Leader/Deputy Leader

Date of Approval

