## Report Title: Approval to consult over proposals for Coln House Special School, Fairford

### Dates between which decision will be taken

<table>
<thead>
<tr>
<th>Earliest date</th>
<th>Latest date</th>
</tr>
</thead>
<tbody>
<tr>
<td>14&lt;sup&gt;th&lt;/sup&gt; October 2016</td>
<td>21&lt;sup&gt;st&lt;/sup&gt; October 2016</td>
</tr>
</tbody>
</table>

### Children & Young People and Strategic Commissioning

| Cllr Paul McLain |

### Key Decision

| No |

### Background Papers

- Due Regard Statement
- Financial Viability Assessment
- Ofsted Report May 2016

### Location/Contact for inspection of Background Documents

Background papers can be found by contacting Lynn Morris, Strategic Lead SEND and Post 16

### Main Consultees

The following will be engaged in the consultation process:
- School staff, governors,
- Town Council, District Council
- Neighbouring Local Authorities including other LA’s who have placed pupils at the school
- GCC councillors
- MP
- GAPH, GASH, GASSH
- Gloucestershire special schools
- Clifton Diocese
- Diocese of Gloucester
- Local secondary school
- Trade Unions, Teaching Unions
- Local community
- Regional School’s Commissioner

### Planned Dates

Consultation – 24<sup>th</sup> October 2016 – 2<sup>nd</sup> December 2016
<table>
<thead>
<tr>
<th>Divisional Councillor</th>
<th>Cllr Ray Theodoulou</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officer</td>
<td>Any representations should be sent to:</td>
</tr>
<tr>
<td></td>
<td>Lynn Morris, Strategic Lead SEND and post 16</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:lynn.morris@gloucestershire.gov.uk">lynn.morris@gloucestershire.gov.uk</a></td>
</tr>
<tr>
<td></td>
<td>by 5.00pm on Thursday 13 October 2016</td>
</tr>
<tr>
<td>Purpose of Report</td>
<td>To seek approval to commence consultation on the future of Coln House School</td>
</tr>
<tr>
<td>Recommendations</td>
<td>It is recommended that the Lead Cabinet Member for Children and Young People and Strategic Commissioning should agree to commence a consultation on the proposal to close Coln House Special School with effect from 31st March 2017</td>
</tr>
<tr>
<td>Reasons for</td>
<td></td>
</tr>
<tr>
<td>Recommendations</td>
<td>Demand for places at Coln House School has reduced over a number of years and is forecast to fall further in the future. This has led to increasing concerns over the School’s financial viability</td>
</tr>
<tr>
<td>Resource Implications</td>
<td>There are no immediate resource implications arising from this report. The costs of the consultation will be met from within existing resources.</td>
</tr>
</tbody>
</table>
Background

Coln House School, in Fairford, is a mixed residential and day school for pupils aged 9-16 with Social Emotional and Mental Health Needs (SEMH). The school is currently funded for 40 pupils.

A combined inspection of education and residential provision from 24-26 May 2016 led to a judgement of special measures. Residential provision was judged not to meet minimum national standards. In the light of the serious safeguarding concerns raised by inspectors the LA carried out a further safeguarding review and a programme of welfare interviews with individual students. Since the LA could not be assured of the safety of students, the LA removed all pupils from the school with effect from 4 July 2016. Working with parents/carers, alternative placements have been secured which meet each pupil's individual needs. Consequently, there are no students currently attending the school.

Demand for places at Coln House School has reduced over a number of years. This has led to increasing concerns over the school’s financial viability. These concerns were first shared with governors in February 2015. In the months prior to the removal of children from the school, the LA provided cash advances of £97,000 so that staff and creditors could be paid.

Under new legislation the Regional Schools Commissioner (RSC) would normally issue an Academy order to any school which goes into Special Measures. The RSC wanted to consider the financial viability of the school before taking this step.

The financial viability assessment analysed future demand for places for children and young people with SEMH. There is a reducing demand for placements of the type provided by Coln House School as a result of the council’s Building Better Lives Policy and the Commissioning Strategy for improved Special Educational Needs and Disability (SEND) outcomes which sets out an approach which aims to meet needs in a flexible, personalised way, near to where children live so that they can be supported in their local community.

As a result of increased refinement in identification of need, there has been an increase in the number of SEND statements/Education, Health and Care Plans which identify categories such as Autistic Spectrum Disorder (ASD) rather than SEMH.

Some young people will always require 52 week a year residential specialist provision to meet their needs but demand for such placements will reduce over time as more effective, integrated early intervention develops. Such residential provision can be provided by independent specialist providers.

Based on historical patterns of demand for places, the number of pupils attending Coln House School is projected to fall to 20 by 2018/19. This will result in an in year deficit of £1.2m and cumulative deficit of £2.5m.
The assessment has been verified by an Independent Consultant and by a finance director from another LA.

The RSC has stated that if closure of the school is the recommended next step, following completion of the consultation process the Department for Education will confirm that an Academy Order will not be issued. If it is not clear from the consultation what the next steps would be for Coln House, then an Academy Order will be issued as set out in the Schools Causing Concern Guidance, under the Secretary of State’s duty to issue an academy order to a school that has been judged inadequate.

Options

1. That the LA should consult over the proposal to close the school

Risk Assessment

Failure to effectively engage with key stakeholders over proposals for the future of the school will result in a legal challenge to the council’s proposals.

Mitigation:

To ensure all stakeholders and interested groups have an opportunity to give their views to fully inform the decision making process.

Officer Advice

To consult and seek the views of stakeholders and other interested parties over the proposals for the future of the school.

Equalities considerations

A due regard statement has been produced. The proposal does not discriminate against any of the protected groups and actively seeks to improve outcomes for children with additional needs.

Performance Management/Follow-up

A consultation process will commence on 24th October – 2nd December 2016. All the consultation responses from people who have responded will be put together into a report for the Lead Cabinet Member for Children and Young People and Strategic Commissioning to help decide on the future of Coln House School.

If the Lead Cabinet Member decides that the best option is to close the school the local authority will publish a statutory notice with proposals for closure from the 31st March 2017. The publication of the notice will allow a further 4 week period for people to respond to the proposal before a final decision is made in the New Year.
<table>
<thead>
<tr>
<th><strong>Report Title</strong></th>
<th>Approval to consult over proposals for Coln House School, Fairford</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory Authority</strong></td>
<td>Gloucestershire County Council’s statutory duty under the Education Act 2011</td>
</tr>
<tr>
<td><strong>Relevant County Council policy</strong></td>
<td>Building Better Lives</td>
</tr>
<tr>
<td><strong>Resource Implications</strong></td>
<td>There are no immediate resource implications arising from this report. The costs of the consultation will be met from within existing resources.</td>
</tr>
<tr>
<td><strong>Sustainability checklist:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Partnerships</strong></td>
<td>Working in partnerships with other providers will help to provide more tailored support for children and young people with SEMH</td>
</tr>
<tr>
<td><strong>Decision Making and Involvement</strong></td>
<td>The Cabinet Member for Children and Young People and Strategic Commissioning will decide whether to publish a statutory notice to close Coln House School from 31st March 2017, based on feedback obtained as part of the consultation process and Officer recommendations.</td>
</tr>
<tr>
<td><strong>Economy and Employment</strong></td>
<td>No impact</td>
</tr>
<tr>
<td><strong>Caring for people</strong></td>
<td>No impact</td>
</tr>
<tr>
<td><strong>Social Value</strong></td>
<td>Supporting children and young people with SEMH closer to where they live will enable the settings to work closely with the whole family</td>
</tr>
<tr>
<td><strong>Built Environment</strong></td>
<td>No Impact</td>
</tr>
<tr>
<td><strong>Natural Environment' including Ecology (Biodiversity)</strong></td>
<td>No Impact</td>
</tr>
<tr>
<td><strong>Education and Information</strong></td>
<td>This will provide the opportunity to improve the outcomes for pupils with SEMH</td>
</tr>
<tr>
<td><strong>Tackling Climate Change</strong></td>
<td>Carbon Emissions Implications? Neutral</td>
</tr>
<tr>
<td></td>
<td>Vulnerable to climate change? No</td>
</tr>
</tbody>
</table>
| **Due Regard Statement** | Has a Due Regard Statement been completed?   | Yes  
|                          | Yes - considerations included in main body of report |  
|                          | A copy of the full Due Regard Statement can be accessed on GLOSTEXT via http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1 |  
|                          | Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail: jo.moore@gloucestershire.gov.uk. |  
| **Human rights Implications** | None |  
| **Consultation Arrangements** | Consultation document sent to all stakeholders. Website set up to record electronic responses and FREEPOST address for written responses. Drop in sessions will be held with interested parties to discuss any concerns. |
Annex 1(a)

Coln House Financial Viability Assessment
September 2016

1. Introduction

Coln House is a mixed residential and day school for pupils aged 9-16 with Social Emotional and Mental Health Needs (SEMH). It is located in Fairford, a small market town in the south east of Gloucestershire, close to the border with Swindon. The school is currently funded for 40 pupils.

2. Future Demand for Places

There are currently 291 children and young people in Gloucestershire with a statement of special education needs or education, health and care plan which identifies Behavioural, Emotional and Social Difficulties or SEMH as the primary need. The needs of the majority of these children can be met in mainstream.

The council’s Building Better Lives Policy and the Commissioning Strategy for improved SEND outcomes sets out an approach which aims to meet needs in a flexible, personalised way, near to where children live so that they can be supported within their local community.

The council has agreed a strategy with the Schools Forum focussed on improving outcomes for our most vulnerable children as well as targeting resources based on complexity of need. This is important to ensure that the High Needs Block of the DSG is effectively managed and spend is kept within budget. This has already resulted in greater numbers of young children with SEND being placed in local, mainstream provision, for example. The overall objective is to reduce reliance on expensive, out of county residential provision and place more children in county with appropriate support. Many of these children also have care needs and experience has shown that for many young people it is more effective to use flexible provision which includes residential placements as a short term intervention.

Nevertheless there will always be some young people who need 52 week a year specialist provision. But it is expected that the council’s demand for such placements will reduce over time as more effective, integrated early intervention develops and local specialist provision becomes available. The council is working actively on an innovative free school proposal to meet our commissioning aims through our Innovations Project with the DfE. When need reduces to small numbers it can still be more cost effective to use independent specialist providers rather than ‘maintain’ state provision.

3. Projections for Coln House School

The school offers day placements and weekly boarding, Monday to Thursday evening inclusive.
The council’s projections indicate that numbers of pupils on roll at Coln House School would reduce from 35 to 20 by 2018/19 with only three of these being residential provision.

The projections assume that:

- Good quality day placements for pupils with SEMH will continue to be available at The Peak/Greenfield and will also be available at the proposed free school
- Day pupils will continue to be allocated at the school nearest to home address
- Where a pupil’s needs are to be met through a 52 week placement, that will be procured from the independent sector
- The free school will provide short term residential provision as part of a more holistic package to meet pupils’ needs and that of their families.

4. Financial Projections

As detailed in Annex 1 (b), on current projections, and if children had not been removed from the school in July 2016, the cumulative deficit at Coln House by 31st March 2019 would have been £2.5m. The projection assumes:

- A continuation of the current mix of pupils in terms of level of needs
- The current staffing model continues

Our forecast is that we will need residential places for 3 pupils in 2018/19. In order to become financially viable Coln House would need to have over 20 residential pupils on an ongoing basis.

Commentary

Coln House is a specialist and relatively small special school. Because it offers residential provision and caters for pupils with high needs the value of the top-ups is higher than for any other maintained special school or special academy in Gloucestershire. It is therefore vulnerable to changes in demand.

Concerns about Coln’s medium term financial viability have been raised with governors over the last two years. The demand for places has fallen and is forecast to fall further. Consideration of one proposal - to convert Coln House to 52 week residential provision - was halted by a combination of concerns over the quality of provision at Coln and the outcome of the Ofsted inspection of the residential provision in January 2016. Demand for day placements at Coln House increased temporarily when the other in-county options for day placements for secondary age pupils with SEMH – The Peak and Greenfield Academy – were in Special Measures. The council is now confident to commission places from those schools and for the majority of day pupils The Peak/Greenfield is the nearest school. Alternative
residential placements are readily available in the independent sector, again for the majority of pupils, nearer to the home address than Coln House.

5. Buildings

Coln House is not located near to where the greatest number of children with SEMH live and is in inadequate buildings. The main building is listed so there are severe restrictions on options for remodelling. In addition all of the teaching accommodation would ideally need to be replaced. A broad estimate is that £2.9m of investment would be required to bring just the teaching accommodation up to a good standard. Given the forecasts of future demand that would not be a sound investment and in any event the council does not have capital funding available to meet these needs. The route to appropriate buildings, in the right location, offering the integrated approach that the council wants to commission is likely to be through a free school bid.

6. The Current Financial Position

At 31st March 2016 the school had a surplus of £18,724. The surplus at 31st March 2015 was £245,052 so the in-year deficit in 2015/16 was £226,328. So even without a forecast significant reduction in demand Coln House was heading for an unsustainable deficit.

The following additional advances have been made to Coln House in 2016/17 in order to ensure that it has sufficient funds to pay staff and creditors:

<table>
<thead>
<tr>
<th>Advances to date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-16</td>
<td>£50,000</td>
</tr>
<tr>
<td>Jun-16</td>
<td>£27,000</td>
</tr>
<tr>
<td>Aug-16</td>
<td>£20,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£97,000</strong></td>
</tr>
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</table>

Following the removal of pupils in July 2016, from September we expect to be making monthly advances of £140,000. If the full staffing complement were to be in place through to 31st March 2017 and no pupils placed the deficit for the 2016/17 will be £843,700. In reality costs will reduce through further staff leaving so the deficit will be lower but not appreciably so. The cost is being met from the High Needs Block of the Dedicated Schools Grant which, in common with other local authorities’, is under severe pressure.

7. Conclusions

In summary:

- The council has no need to commission places from Coln House in order to meet the needs of children and young people with SEMH
• It has been apparent for a couple of years that the school would become financially unviable. Those forecasts have become a reality— the school has been running a large and unsustainable deficit

• Coln House now requires £140,000 a month of public funding to pay staff and bills

• Coln House does not offer the type of provision we need, it is also in the wrong location and in inadequate buildings

• The decision in July to remove the children from the school on safety grounds has created a greater urgency to resolve the financial situation but the removal has not created the financial position

• If the school were to remain open it would continue to be a major drain on the High Needs Block, and provision for vulnerable children in the county would suffer as a consequence

**Note – funding of special schools in Gloucestershire**

*Under national regulations special schools receive £10,000 per place with a ‘top-up’ for each pupil on roll, that top-up being determined according to the needs of each individual pupil. Gloucestershire operates a model where one of five funding bands is applied to each pupil, the process being moderated by the Gloucestershire Association of Special School Headteachers (GASSH). Allocations are made to schools each month for place and top-up funding. Some schools, including Coln House, have their own bank accounts so receive their monthly allocations in the form of bank transfers*
Annex 1(b)

Coln House School funding projections with realistic referrals

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Day pupils</th>
<th>Residential Pupils</th>
<th>Total pupils</th>
<th>Balance B/Fwd from previous Years</th>
<th>Commissioned Place Funding £10,000 per place</th>
<th>Funding residential</th>
<th>Funding topups</th>
<th>Grant/other income</th>
<th>Total funding</th>
<th>Running costs expenditure</th>
<th>In Year Deficit</th>
<th>Cumulative Surplus / Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>18</td>
<td>17</td>
<td>35</td>
<td>245,052</td>
<td>379,164</td>
<td>728,855</td>
<td>524,106</td>
<td>74,353</td>
<td>1,706,478</td>
<td>1,932,806</td>
<td>-226,328</td>
<td>18,724</td>
</tr>
<tr>
<td>2016/17</td>
<td>18</td>
<td>14</td>
<td>32</td>
<td>18,724</td>
<td>400,000</td>
<td>546,798</td>
<td>451,484</td>
<td>75,650</td>
<td>1,473,932</td>
<td>1,893,499</td>
<td>-419,567</td>
<td>-400,843</td>
</tr>
<tr>
<td>2017/18</td>
<td>19</td>
<td>7</td>
<td>26</td>
<td>-400,843</td>
<td>260,000</td>
<td>273,399</td>
<td>387,487</td>
<td>75,650</td>
<td>996,536</td>
<td>1,893,499</td>
<td>-896,963</td>
<td>-1,297,806</td>
</tr>
<tr>
<td>2018/19</td>
<td>17</td>
<td>3</td>
<td>20</td>
<td>-1,297,806</td>
<td>200,000</td>
<td>117,171</td>
<td>298,067</td>
<td>75,650</td>
<td>690,888</td>
<td>1,893,499</td>
<td>-1,202,611</td>
<td>-2,500,417</td>
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</tbody>
</table>
ANNEX 2 - Response from the Regional Schools Commissioner

The RSC has stated that if closure of the school is the recommended next step, following completion of the consultation process, the Department for Education will confirm that an Academy Order will not be issued. If it is not clear from the consultation what the next steps would be for Coln House, then an Academy Order will be issued as set out in the Schools Causing Concern Guidance, under the Secretary of State's duty to issue an academy order to a school that has been judged inadequate.
ANNEX 3 – Commissioning Verification

Coln House School

1. I have been asked to provide independent verification of the commissioning numbers associated with the Viability Assessment of Coln House School.

2. Projecting pupil numbers for specialist educational provision is an essential but intrinsically speculative exercise for local authorities. Such projections are reached by combining known information (i.e. data on pupils already in the system) with trend data (patterns of need and provisions represented over time). This produces an evidence based estimate of the likely future demand to inform commissioning of places.

3. In practice this generally provides a workable benchmark for forward planning, other than for needs that cannot reasonably be forecast. The additional information sought (see 5 below) indicates that this process is well established and embedded within Gloucestershire County Council and that it has been a relatively effective tool over time in commissioning specialist placements.

4. The data within the annex 1 (b) provided for the viability assessment is based principally on known information from 2015-19. In order to endorse or question these projections I have needed to consider a broader range of data and information to establish trend data over the last five years.

5. The further data and information considered has included
   1) Place purchase and places filled at Coln House School (day and residential) from 2011 to 2016.
   2) Overall Social, Emotional and Mental Health\(^1\) (SEMH) specialist places purchased for Gloucestershire pupils from 2011-2016 in maintained schools, academies and independent schools.
   3) Discussion with the Strategic Lead for SEND Development and Post 16 to confirm and clarify issues arising from the data.
   4) Consideration of the findings of the two Ofsted inspections undertaken in January and May 2016 that found the residential and educational provision to be inadequate.

6. Trend data for Coln House school is affected by a number of factors. Places purchased and filled over the past five years have fluctuated due to (a) restrictions in admissions criteria imposed by the previous headteacher leading to reductions in day placements (b) placements that would otherwise have been made to Peak and Greenfield schools whilst they were in Special Measures that temporarily increased numbers and (c) provision decisions made by the current headteacher that resulted in recent placements of some younger children.

7. However, even taking account of these fluctuations, it is clear that there is a

\(^1\) Prior to the 2014 SEND Code of Practice, these were known as Behavioural, Emotional and Social Difficulties (BESD)
reducing demand for placements at the school which is in line with the level of
decline in demand / place purchase for specialist SEMH placements for the local
authority as a whole. A number of factors have contributed to this, including:

1) A general increase in the level of SEND (special educational needs and
disability) met in mainstream schools, in line with the SEND Code of
Practice 2014.

2) Fewer SEND statements / Education, Health and Care Plans for SEMH,
balanced by an increase in numbers under other categories of SEND such
as ASD (Autistic Spectrum Disorder). This increased refinement in
identification of need has led to a corresponding increase in specialist
provision for other needs.

3) A modestly rising trend for residential out of county SEMH placements
over the same period. The majority of those are for 52 week provision,
reflecting the more complex needs and placement requirements of these
pupils that cannot be met at 4 night/ term time only provision made at Coln
House School.

8. Forward projections for Coln House School do not take account of the fact that
new placements at the school might not reasonably be made unless/until the
current inadequate standard of residential and educational provision identified in
the two inspections are addressed. As with Peak and Greenfield schools in the
same situation, admissions may need to be made to other schools during the
improvement period which would further erode the numbers of pupils actually
placed at the school, and further exacerbate / undermine the financial position.

9. Trend and known data indicates that Peak and Greenfield Academy is a closer
placement for the vast majority (80%) of pupils of primary pupils in specialist
SEMH provision likely to transition to secondary specialist placement. (Most
pupils live in Gloucester and Cheltenham.) Similarly, out of an estimated 10 in-
year referrals for secondary specialist SEMH placement, only 1 would live closer
to Coln House School than to Peak and Greenfield Academy.

10. Taking account of this range of data and information, and the processes in place,
in my view the commissioning numbers associated with this viability assessment
have been derived on a reasonable basis. They may in practice represent an
over statement of actual pupil numbers that could/would be placed in the next 2-3
years, for the reasons cited above.

Celia Butler