Appendix 2 – Children, Families & Education Services

Children & Family Services

Lead Member for Children, Families and Education: Cllr Tessa Munt
Executive Director: Claire Winter
Service Directors:

- Children and Families: Jayne Shelbourn-Barrow
- Commissioning and Performance: Richard Selwyn
- Inclusion: Rob Hart
- Education, Partnerships and Skills: Amelia Walker

Table 1: 2023/24 Children & Family Services as at the end of September 2023 (Month 6)

- 2023/24 net budget £123.1m, projected adverse variance £12.4m, adverse movement £0.6m
- 2022/23 net budget £107.1m, outturn adverse variance £21.2m

Service Area	Current Budget	Full Year Projection	Month 6 Variance	A/(F)	RAG Status	Movement From Month 5
	£m	£m	£m			£m
Children & Families						
Prevention Services	5.7	5.8	0.1	A	Red	0.1
Fostering & Permanence	13.3	12.6	(0.7)	(F)	Green	(0.7)
External Placements	38.4	48.8	10.4	A	Red	0.3
Fieldwork	9.1	10.0	0.9	A	Red	0.9
Disabilities	6.8	6.3	(0.5)	(F)	Green	(0.5)
Partnership, Audit & Quality	2.7	2.7	0.0	-	Green	0.0
Children Looked After	4.7	4.9	0.2	A	Red	0.2
Leaving Care	2.2	2.5	0.3	A	Red	0.3
CSC Management	(0.9)	(0.9)	0.0	-	Green	0.0
C&F Apportionments	0.0	0.0	0.0	-	Green	0.0
sub total	**82.0**	**92.7**	**10.7**	**A**	**Red**	**0.6**
Commissioning and Performance						
C&P Commissioning	2.0	2.0	0.0	-	Green	0.0
Performance and Transformation	4.4	4.3	(0.1)	(F)	Green	(0.1)
Business Support	4.1	4.1	0.0	-	Green	0.0
Children, Families & Education Team	0.7	0.5	(0.2)	(F)	Green	(0.2)
sub total	**11.2**	**10.9**	**(0.3)**	**(F)**	**Green**	**(0.3)**
Inclusion						
Special Educational Needs and Disabilities	3.1	3.1	0.0	-	Green	0.0
Vulnerable Learners	0.2	0.2	0.0	-	Green	0.0
Educational Psychology	2.1	2.1	0.0	-	Green	0.0
Inclusion Transformation and Partnerships	0.1	0.1	0.0	-	Green	0.0
SEND Transport	10.1	11.8	1.7	A	Red	0.0
Inclusion Strategic Management	0.2	0.2	0.0	-	Green	0.0
sub total	**15.8**	**17.5**	**1.7**	**A**	**Red**	**0.0**
Education, Partnerships and Skills						
Education Leadership	0.1	(0.1)	(0.2)	(F)	Green	(0.2)
Education Operations	(0.1)	(0.3)	(0.2)	(F)	Green	(0.2)
Curriculum and Literacy	(0.1)	0.4	0.5	A	Red	0.5
Education Places	0.6	0.7	0.1	A	Red	0.1
Home to School Transport	12.9	12.9	0.0	-	Green	0.0
EPS Management	0.7	0.8	0.1	A	Red	0.1
sub total	**14.1**	**14.4**	**0.3**	**A**	**Red**	**0.3**
Children, Families & Edcuation Services Total	**123.1**	**135.5**	**12.4**	**A**	**Red**	**0.6**

Children & Family Services - key explanations, actions, and mitigating controls

External Placements

The external placements budget is forecasting a total overspend of £10.4m, an adverse movement of £0.3m from month five.

Of this overall variance, the unregistered placement overspend is £3.4m a reduction of £0.8m from month five and the residential overspend is £4.5m at increase of £0.3m.

The service has been able to move children from out of unregistered placements therefore reducing the projected overspend. However, due to complexity of their need, these children have moved to residential care placements, which although less expensive than unregistered placements have increased the pressure on residential care budgets. We anticipate that all but one unregistered placement will end by the end of November, with the majority of these children able to move to Homes and Horizons residential homes.

Reconciliation of 23/24 actual expenditure against the 22/23 accruals processed has identified an under accrual of £0.9m. This will be noted as an unadjusted error in the 22/23 accounts and will remain as expenditure in 23/24. Therefore, offsetting the reduction in 23/24 placement spend resulting in a net adverse movement of £0.3m.

Internal Fostering

There are currently fewer in-house foster carers than planned in the 23/24 budget which has resulted in a projected underspend of £1.3m. However, there has been a significant increase in the number of connected persons (family and friends) foster carers so the pressure of £0.6m in this area is mitigating against the in-house fostering underspend.

There are a significant number of children in residential care beds with local providers whose needs would be best met in foster care. However, due to a lack of sufficiency in the internal and external fostering services, these children have had to be placed in residential care temporarily.

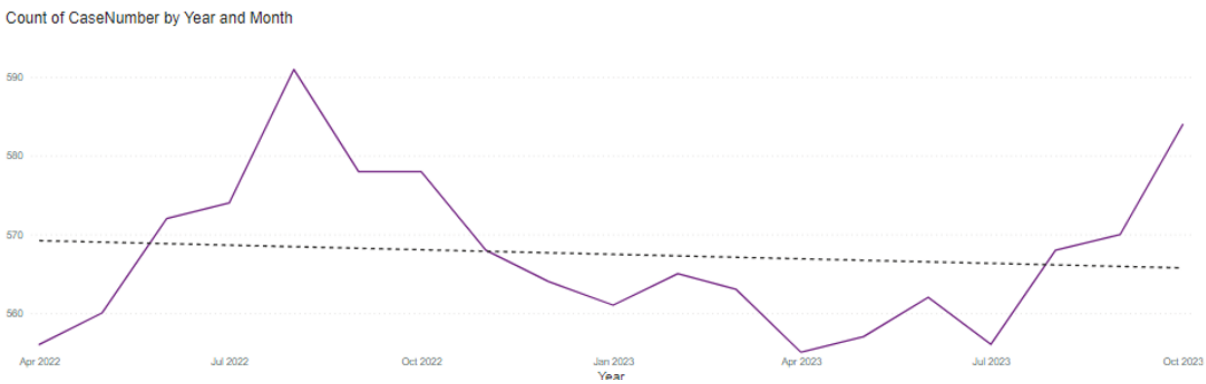
As part of the Children's transformation programme, intensive and ongoing work to increase the number of in-house foster carers will lead to up to 20 new foster care approvals by the end of March 2024. Currently we anticipate a minimum of five of these being able to care for children who are currently in the residential sector.

Fieldwork (Support for Children at Home)
In emergencies and when ordered to do so by the court, the service has provided 24/7 supervision of families in their own home. This is an expensive and usually externalised service. We are challenging the validity of this expenditure in the High Court.

The high number of 24/7 support at home packages has resulted in an overspend against the Fieldwork (section 17) budget of £0.9m.

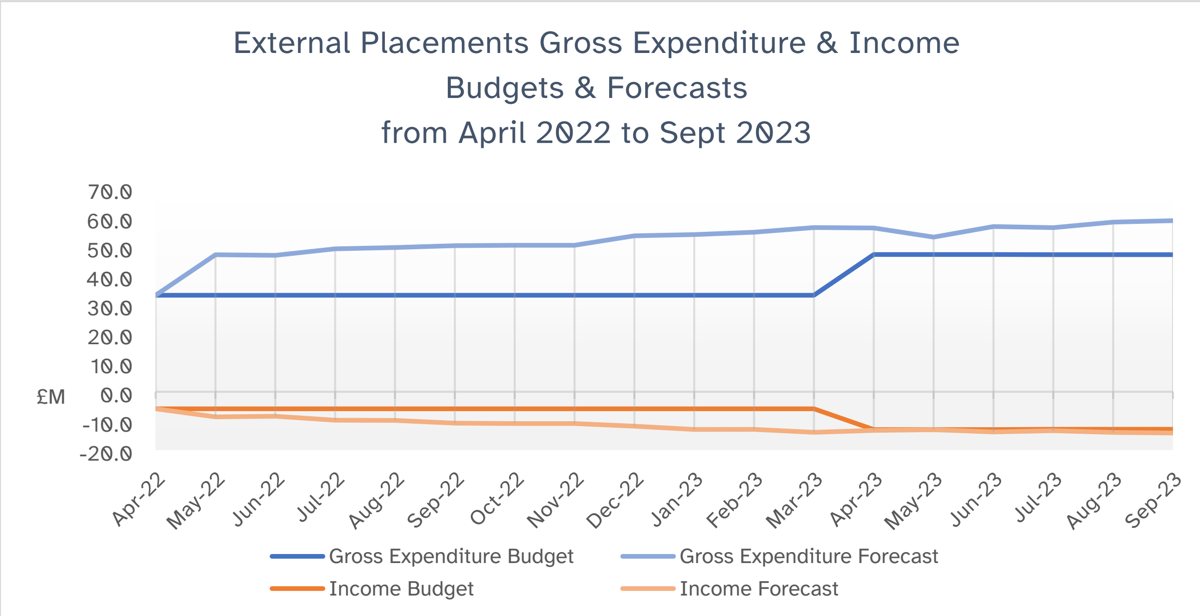
Children & Family Services – key performance cost drivers

The number of children in care had remained relatively stable for a significant period with an unexpected spike in the summer of 2022. This spike was largely children in their teenage years with complex needs. This has had an impact on the number of children in external placements and costs for these children were also higher than expected due to the complexity of their needs and the lack of sufficiency in foster placements.



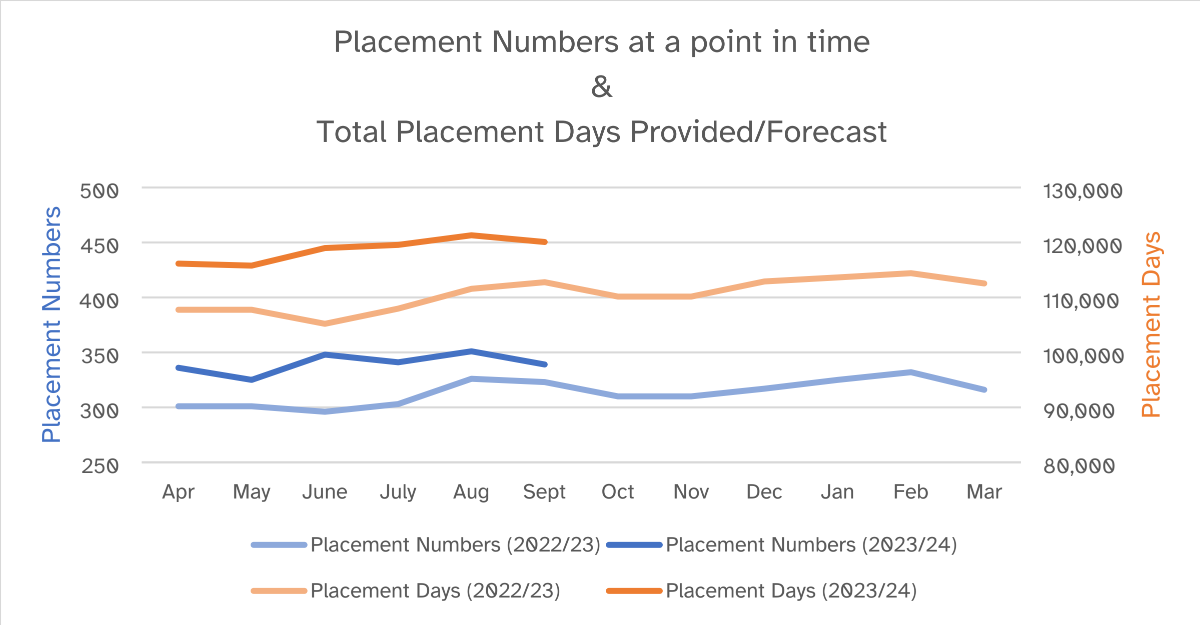
The number of children in care has increased by approximately 30 since July 2023. This largely relates to sibling groups where a non-accidental injury has occurred with the majority of these children being placed in foster care during court proceedings.

The external placements gross expenditure base budget for 2023/24 increased by £14.0m to £47.3m in 2023/24. The forecast gross expenditure for 2023/24 is £58.9m, resulting in a net forecast overspend of £10.4m due to the pressure being partly offset by NHS and DSG contributions.

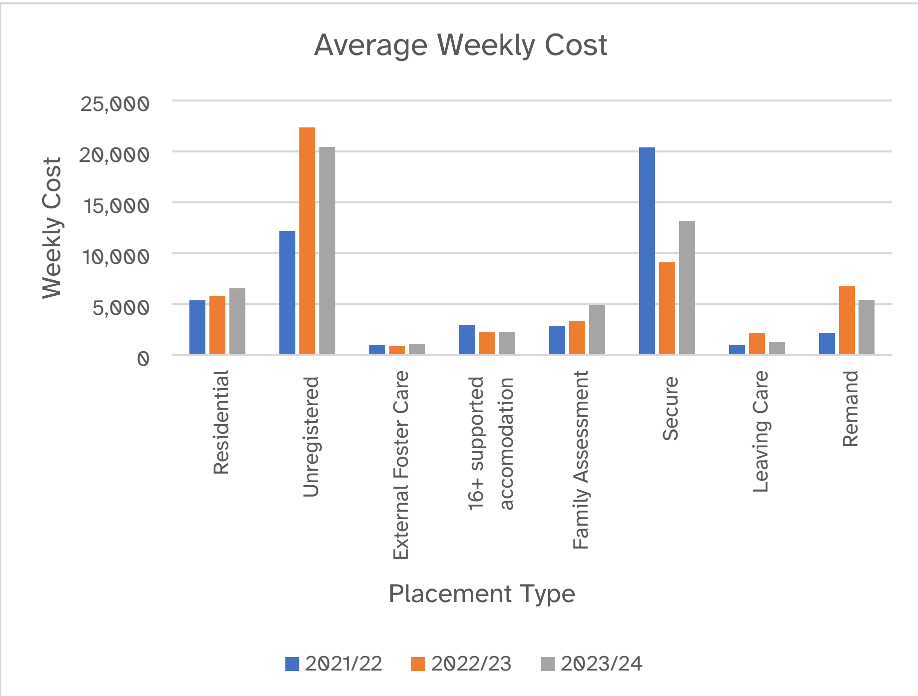


Placement numbers and the forecast number of placement days has increased compared to September last year, mainly due to:

- Increases in placements for Unaccompanied Asylum-Seeking Children (UASC), largely from the National Transfer Scheme, from a low base, which are only partly funded from the UASC Grant.
- Increases in residential placements due to both complexity of children and lack of sufficiency within the fostering sector.
- Increases in bespoke 16+ supported accommodation placements due to complexity of need.
- Reduction in external fostering placements.



The average weekly cost of unregistered placements continues to reduce and is now £20.4k, a 9% reduction on last year's average weekly cost. The average weekly cost of residential placements has increased by 13%.



Children & Family Services - key risks, future issues, and opportunities

A County Council Network and Society of County Treasurers report published on the 31 October 23 identified that, despite an increase in children service's budgets, county and large unitary authorities are predicting significant overspends in 23/24 in this area, due to rising demand and high care placement costs in a broken market. In this report, Children's Services accounted for 45% of the council's projected overspend for 23/24. This is mirrored in Somerset, where Children's Services projected overspend accounts for 44.2% of the Council's projected overspend.

As outlined above, there is significant increase in demand in Somerset particularly for placements for complex teenagers at high cost. An insufficiency of fostering provision compounds this as it does in many other local authorities nationally.

In parallel, there is a risk that the cost-of-living crisis and reducing budgets in partner organisations will have a significant impact on demand in children's social care including the number of children requiring support, and therefore the cost of services. Demand is already rising and has been doing so since the beginning of the pandemic. This is not levelling out.

Education Partnership and Skills (EPS) (medium risk)
EPS has a gross expenditure of £29.7m and is dependent on schools and academies buying the traded service.

Somerset schools are significantly underperforming, and the Council has initiated a five-year strategy in April 2023 to improve educational outcomes. The financial health of the education support services provided to schools and early years settings, and of the schools and settings themselves, is of concern, particularly in 2023/24 due to inflation.

The traded income assumptions continue to be updated in the financial model. Should schools (maintained and academies) choose to buy less than the trading assumptions this would result in a loss of income. The buy back for the following financial year will be calculated mid-year every year and services are resized accordingly.

As of month six, the EPS service is forecasting an overspend of £0.3m. Most of this adverse variance relates to course income in Somerset Centre for Integrated Learning (SCIL) and income for music education being lower than budgeted due to a reduction in the number of bookings.

Home to Schools Transport for Mainstream and SEN (high risk)

In 2022/23, the overall cost of mainstream passenger transport had risen by 50% since 2018 despite static demand, while demand for SEND transport has doubled in the same period, with per passenger costs increasing by 10% (See table below). A significant factor in the rise in demand for SEND transport was a rise in number of children with EHCPs.

	Demand Number of Passengers		Costs £m		Cost per passenger £/annum	
	SEN	**Mainstream**	**SEN**	**Mainstream**	**SEN**	**Mainstream**
Mar-23	1,252	8,212	8.9	12.3	7,109	1,498
Mar-22	1,112	7,825	7.0	9.9	6,316	1,269
Mar-21	885	8,003	5.4	9.7	6,052	1,217
Mar-20	857	8,074	5.3	9.4	6,209	1,168
Mar-19	758	8,347	4.6	9.8	6,073	1,175
Mar-18	674	8,400	4.4	8.1	6,468	968

Another driver of increased cost has been the increasing cost of contracted supply. Suppliers have been bidding higher for tenders and in addition to a 2% fuel allowance which was given to reflect inflation, this has driven up unit costs. The average annual cost of providing transport for every SEN child has risen from £6,468 in 2018 to £7,109 in 2023 (10% increase) and the average annual cost of providing transport to mainstream children has risen from £968 in 2018 to £1,498 in 2023, a 54% increase.

An additional £5.6m in relation to these demand and inflationary increases is included in the 2023/24 budget for mainstream and SEN transport. Forecasting future costs and demand is challenging. Edge Public Solutions were commissioned to conduct a deep dive review of Home to Schools Transport earlier this year, following unprecedented growth in demand and costs. Due to continued pressure from inflation and the increased number of SEND children being placed in special school settings, it is forecast that there will be an overspend of £1.7m in SEN transport as of month six.

In April 2023 Edge produced a report that summarised the review findings, detailed opportunities and made recommendations to make financial and service improvements. A Transport Board is now in place and addressing the issues identified in the review, to reduce financial pressures through efficiencies.

Opportunities

Our transformation programme includes the following, which taken together change the model of children's services in Somerset to improve the efficiency and effectiveness of how we use our limited resources. The transformation programme is drawing in a wide all-age partnership across health, care, and education, including:

- **Sufficiency strategy including edge of care** – describing emerging needs and response. The strategy will inform a children looked after transformation plan, overseen by the new CLA Outcomes Transformation Board.

- **Homes and Horizons** – a strategic partnership with the charity, the Shaw Trust, to deliver up to ten homes for children, up to 20 foster homes and therapeutic education provision for the most complex children in our care. This aligns with the political ambition to ensure that children from Somerset in our care have a home in the county and allows us to bring children who have been placed elsewhere home to their communities.

- **Education for Life strategy** – with the ambition and confidence to improve outcomes for children in both our maintained and academised sector schools over the next five years. This is a central pillar of the Council's work.

- **Our SEND strategy** – focussing with our partners on ensuring that our children with SEND are included with their peers in their schools and communities and well supported in all aspects of their lives. Two key elements of this that will help to address financial challenges are a focus on early identification and support to reduce demand for statutory support, and the focus on developing more inclusive mainstream education provision and specialist provision for children with social, emotional, and mental health needs.

- **Connect Somerset** – an early help partnership between the Council, the NHS, schools, the voluntary sector, and our communities, ensuring that professionals and communities work together to help families and residents to improve their lives. This work is integrated with the Neighbourhoods, Local Community Networks and Primary Care networks.

Transformation, Savings, and Income Generation

Children's Services revenue budget includes £4.6m of MTFP transformation and other savings.

Homes to Inspire/Strategic Partnership (on track) – The first five 'Homes and Horizons' children's homes have opened. Our first seven young people are settling in well, with a strong partnership approach currently supporting the transition of two further children into new homes from unregistered provision. The programme continues at pace with home 6 (due to open February 24). Planning work continues for the first annexes (for crisis provision) and pods (for Staying Close provision) and for the establishment of the registered Therapeutic Education Provision, and these aspects of the programme are the most at risk currently. Unless delivered on time this will impact on 2023-24 financial year savings. As reported to Children's Scrutiny Committee, the programme is on course to deliver system savings of £2m (of which £1.2m relates to Children’s Social Care, primarily by reducing the number of children in unregistered provision where costs would otherwise be significantly higher).

Family Safeguarding saving (on track) – this saving is about preventing children coming into care. The savings target, set in early 2020, relates to reduced numbers of children coming into care. The impact of the pandemic, which led to more children coming into care, could not be anticipated. Numbers of children in care have reduced significantly and are now stable evidencing the positive impact of this service on children remaining in their birth family.

Increased staff turnover (on track) – the £0.5m saving in 2023/24 increases the total turnover saving to £1m per year which is currently on track to be achieved across Children’s Services.

There is approximately £1.8m of MTFP savings at risk:

Diagnostic Review of Children’s Services (medium risk) – the Impower report identifies potential savings which deliver approximately 6 to 8 step downs from residential to in house fostering, but there is a risk that not all savings will be delivered in 2023/24 due to the unknown timescale to drive significant change in in-house fostering services.

Children, Families and Education Service– Dedicated Schools Grant (DSG)

Dedicated Schools Grant - key explanations, actions, and mitigating controls

The DSG is a ring-fenced grant which is allocated in four blocks:

- **Schools** funds the Individual Schools' Budgets of Academies and Local Authority Maintained schools.
- **Early Years** funds the provision of education for children from age three up to age five and for qualifying two-year olds.
- **High Needs** funds the place budgets at special schools, Enhanced Resource schools and Pupil Referral Units within the local authority's geographical boundary and other expenditure required to support children and young people with additional educational needs.
- **Central Schools Services** funds limited central expenditure on behalf of all schools and academies plus historic commitments that have been agreed by the Schools' Forum

The forecast in year variances by the four DSG blocks are outlined below.

Table 5: 2023/24 Dedicated Schools Grant Summary

DSG Block	Balance b/fwd at 1 Apr 2023 surplus/(deficit) £m	Total funding for 2023/24 £m	Allocation to Academies and LA Schools £m	Total funding available for services 2023/24 £m	2023/24 Forecast Month 6 £m	Forecast in-year variance surplus/(deficit) £m	Forecast balance c/fwd at 31 Mar 2024 surplus/(deficit) £m
Schools	2.6	372.0	373.3	(1.3)	0.3	(1.6)	1.0
Central Schools	5.6	5.0	-	5.0	5.0	-	5.6
Early Years	0.9	31.1	-	31.1	31.1	-	0.9
High Needs	(29.8)	83.6	10.2	73.5	88.6	(15.1)	(44.9)
Total	**(20.7)**	**491.8**	**383.5**	**108.3**	**125.1**	**(16.7)**	**(37.5)**

The DSG is forecast to have an in-year deficit of £16.7m in 2023/24 (a favourable movement of £0.1m from Month 5) giving a carried forward cumulative deficit of £37.5m when added to the brought forward balance of £20.7m. The main area for concern continues to be the High Needs Block with a forecast in-year deficit of £15.1m.

The main areas contributing to the adverse variance in the High Needs Block are:

1. Planned budget pressure (£5.5m adverse variance, no movement from Month 5)

   The planned budget allocation for 2023/24 included a forecast in-year pressure on the High Needs Block of £5.5 million. Largely this is due to two related factors: year-on-year growth in the number of children and young people with an EHCP (education, health, and care plan), (93% increase from 2019 to 2022) and a lack of sufficient provision within Somerset's maintained sector for children with social, emotional, and mental health needs.

2. Independent & Non-Maintained Schools (INMS) and Independent Post 16 Schools (£5.1m adverse variance, no movement from month 5)

   The effect of the significant increase in the number and cost of new INMS placements agreed through the LA's Placement and Travel (PAT) Panel or ordered by the SEND Tribunal continued in the first six months of 2023/24. In part, this has been due to insufficient availability of maintained specialist provision for pupils with social, emotional, and mental health needs.

3. Mainstream Schools & Academies (£1.5m adverse variance, no movement from month 5)

   Forecast additional increases in the number, complexity, and cost of new and extended EHCPs and related costed packages were not anticipated within the budget. The service is reviewing packages to limit the overspend.

4. Children Looked After (CLA) (£1.1m adverse variance, an adverse movement of £0.2m from Month 5)

   The average complexity and therefore, cost of CLA placements resulting in a contribution from education has increased above the budgeted assumptions. The adverse movement in Month 5 has resulted from further children moving into external placements during the month requiring educational contributions.

5. Special Schools (no variance, a favourable movement of £0.3m from Month 5)

   The favourable variance has arisen due to an error in the previous period forecast.

6. Education Other than at School (EOTAS) (£0.3m adverse variance, no change from month 5)

   There has been a significant increase in the number of EOTAS packages being agreed through the PAT Panel. Committed packages for the 2023 Summer term have been fully included but a number of these may not have started as planned. This would result in the related costs not being incurred and a future reduction in the forecast. Forecast costs for the Autumn 2023 and Spring 2024 terms are based on prior years and known cost increases.

7. Contribution from Growth Fund (£1.5m adverse variance, no change from month 5)

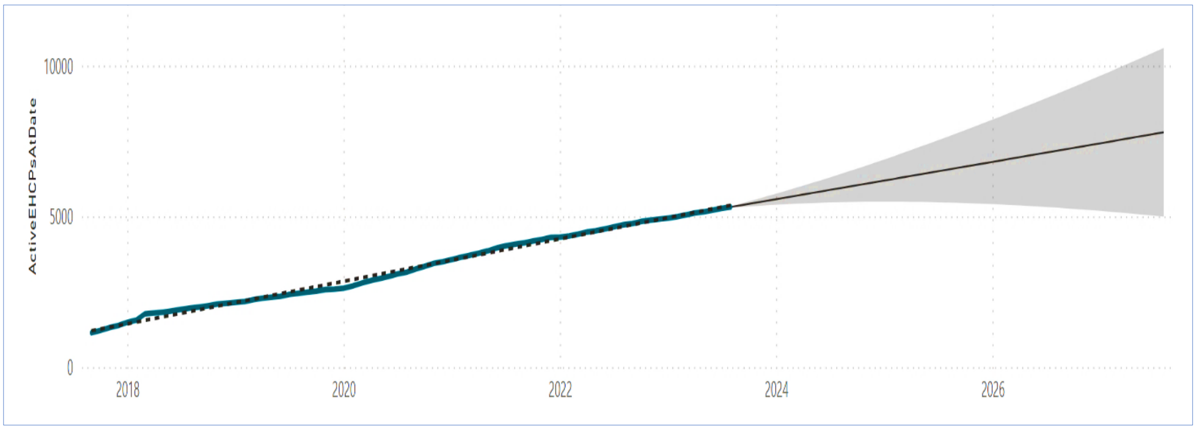
   In addition to the pressures noted above, the budgeted contribution from the Schools Block to the High Needs Block budget of £1.5m was removed in month five. This transfer has been removed because the Schools Block is now forecast to not have sufficient surplus to allow it to take place. The situation will be kept under review to identify if a transfer is possible before the end of the financial year.

   Because it is a movement of funds between two blocks within the DSG, this transfer does not have any net effect on the overall DSG deficit.
   The £1.5m adverse movement on the Schools Block consists of planned expenditure on growing schools and academies of £1.2m which is not included in the budget and unplanned expenditure on asylum seeking children of £0.3m.

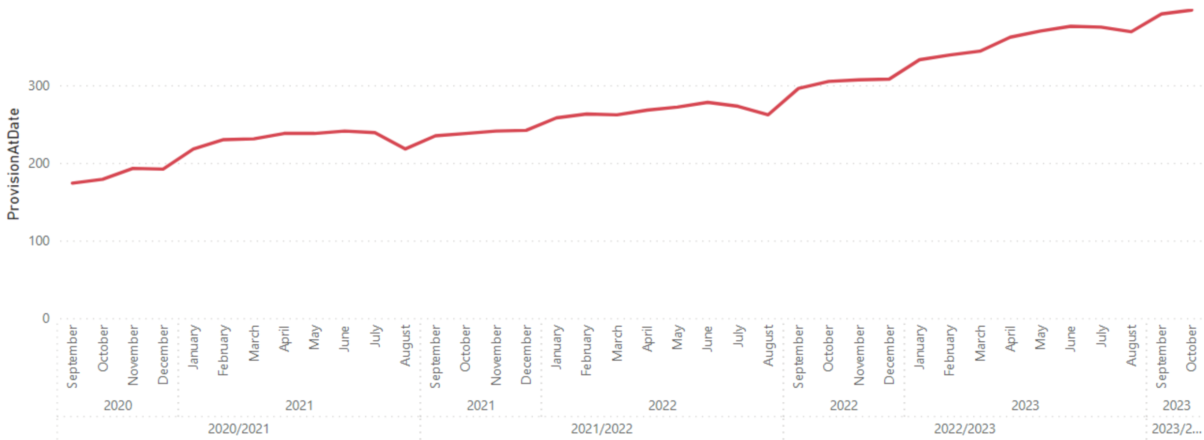
Dedicated Schools Grant - key performance cost drivers

Since 2018, Somerset has experienced a steady growth in the number of children with Education Health & Care (EHC) plans as shown below. Previously, Somerset was an outlier, nationally, with extremely low numbers of children with EHC plans, as there was a policy of allocating high needs funding to mainstream schools to support children. This policy was changed in 2018 to ensure there was better oversight and accountability for use of high needs funding. From 2018 to 2023 there was an increase nationally in the proportion of school pupils from 2.9% to 4.3%. Somerset is now slightly above the national level at 4.6% of pupils with an EHC plan. Projections show that the numbers are expected to continue to increase in future years.

Total Number of EHC Plans



The graph below shows the growth in the number of children accessing independent non-maintained specialist (INMS) schools. INMS schools are significantly more costly (Approx £55k per pupil per year) than placements in maintained specialist schools. These placements are only made where there is no viable alternative placement available in a maintained setting, so the growth is a result of not having sufficient maintained provision in Somerset to meet the range of needs.



Dedicated Schools Grant - key risks, future issues, and opportunities

The key issues relating to the DSG Reserves are:

1. The projected future overspends in the High Needs Block will continue to create increasing deficits within that block and hence within the overall DSG Reserves position. This is discussed further in the High Needs Block sections below.

2. The DSG had an overall cumulative deficit of £20.7m at 31 March 2023. The statutory override that allows the separation of DSG deficits from the

local authority's wider finances is due to expire in March 2026 whereupon the DSG deficit will need to be recognised within the local authority's overall level of reserves.

The key risks in the High Needs Block are:

1. Increased demand for education, health, and care plans (EHCP)

   The key driver for increases in high needs spending is increased demand for EHC plans. Having had one of the lowest rates of EHC plans nationally in 2018, Somerset has seen a continued increase in rates of EHC plans and the current rate of 4.6%, is now just above the national average of 4.3% (2022/23 figures). Although most children with EHC plans are educated in mainstream schools, there has been a gradual movement of children from mainstream settings into specialist settings, with demand for places exceeding the growth in the provision of specialist settings.

   £10.1m of DfE capital funding was made available in 2022 allowing the development of a new phase of the capital programme, which focuses on special school satellites, enhanced learning provision across the county and new therapeutic education capacity, to enable more children to access inclusive provision close to where they live. In addition, service transformation activity linked to the national Delivering Better Value (DBV) programme focuses on improving interventions and support at an early stage to prevent the need for so many EHC plans.

2. Sufficiency of provision of Social, Emotional and Mental Health (SEMH) support

   There is currently insufficient SEMH provision in Somerset with the only provider currently operating significantly below capacity. This has been caused by a poor Ofsted rating for this provider. In addition, the opening of a new special SEMH free school in South Somerset has been delayed from September 2022 to September 2024. These issues result in SEMH needs being met by higher cost INMS providers. In 2022 the Council successfully applied for another SEMH special free school in the Wells area, which will cater for 64 children. However, this is not expected to be delivered until 2027. These will help to address the current lack of SEMH provision.

Transformation, Savings, and Income Generation

There have been two key programmes of work to address the ongoing challenges in the high needs block. The specialist capital programme began in 2019, supported by investment from the local authority, to expand and improve Somerset's specialist estate. This has resulted in an increase of 361 additional places in specialist SEND provision across the county to date. In 2022, the Council received a £10.1 million DfE high needs capital grant, which is being used to fund further increases in specialist SEND capacity, through development of special school satellites, enhanced learning provisions in mainstream settings, and therapeutic education provision. In addition, the Council has successfully bid for two new Special Free Schools, which the DfE is responsible for delivering. The first was due to open in September 2022, but has been delayed and is now expected to open in September 2024. This will ultimately provide 120 new places. The second is due to open in 2027 and will provide a further 64 places.

Since April 2022, the service has been working with IMPOWER Consulting to identify further opportunities to improve outcomes for children and reduce pressures on high needs budgets. This work has focused on improving early identification and support and led to the set-up of a dedicated advice line for schools to support earlier intervention, as well as a trial of the Somerset Inclusion Tool (Valuing SEND) to improve planning around transitions for children with SEND. This is helping to identify children who can remain in mainstream settings with the right support, who might otherwise have moved into more specialist settings.

Following on from this, in summer 2022, Somerset was invited to participate in the DfE-led Delivering Better Value programme. This is aimed at 55 local authorities with significant high needs deficits, but not the 20 areas with the biggest deficits (who access a different "safety valve" programme). During autumn 2022 the service worked with Newton Europe and CIPFA to develop an improved understanding of our demand and financial trajectories in relation to high needs, as well as identify opportunity areas where improvements and efficiencies could be made. This has resulted in the award of a £1m grant from DfE to support transformation and test and learn activity.

Newton's analysis has suggested that there are opportunities for reducing high needs expenditure, which could realise a £1m benefit by the end of 2024/25, and a cumulative benefit of around £8m by the end of 2027/28. However, based on Newton's model, it is still expected that the cumulative deficit will continue to grow each year, unless there were to be significant changes to SEND policy or funding at a national level. Newton have reported that in each of the local authorities they have worked with, they are projecting that deficits will continue to grow, so Somerset is in line with other areas in this respect.

The Department for Education still requires the Local Authority to produce a DSG Deficit Management Plan to evidence how it will reduce the in-year deficit to zero by 31st March 2026 when the statutory override expires. The activities and opportunities identified through the work with IMPOWER Consulting and the DBV SEND programme are included in Somerset's DSG Deficit Management Plan with further mitigating actions being developed.

<u>Children and Family Services – Local Authority (LA) Maintained Schools Revenue Reserves</u>

LA Maintained Schools - key explanations, actions, and mitigating controls

These reserves are regarded as being under the control of the individual schools and not the local authority and are therefore not included in the calculation of the overall DSG reserves.

The overall revenue reserves of the 133 local authority's maintained schools were £19.8m at 31 March 2023. Projections for 2023/24 indicate a sharp downturn in the forecast for most schools, with overall revenue reserves expected to decrease by around £8m during the year and move into overall deficit during 2024/25.

- At the beginning of the year, seven schools shared a cumulative deficit position of £1.9m and 126 schools shared a cumulative surplus of £21.7m.
- Budget plans submitted by schools for 2023/24 show significant budgetary pressures with 102 of 122 plans submitted indicating projected in year deficits totalling £7.7m. These schools are now the focus of targeted work to review their budgets in detail and develop financial recovery plans.
- One school, Wadham Secondary, had a cumulative deficit of £1.5m at 31 March 2023 and does not have an agreed recovery plan. The underlying problems have now been addressed by an area restructure, but the historic deficit is too large to be recovered solely by this school. A proposal has been developed to manage down this deficit over a 5-to-10-year period. There is a risk that the local authority may be required to fund the deficit if the school is required to convert to an academy due to underperformance.

LA Maintained Schools - key risks, future issues, and opportunities

Somerset's education system as whole (both the academised and maintained sectors) is underperforming and the 2022 assessment outcomes showed a trajectory of decline. While funding and finance issues are significant factors contributing to school performance, they do not determine educational outcomes. However, a weakened support infrastructure around schools has been strongly associated with that decline and financial stability is necessary for strong and reliable support services. Ensuring that financial uncertainty does not disrupt the focus on improvement and the benefit of improvement for children is therefore a priority for the local authority.

Key stakeholders, including Schools and the Local Authority are currently being consulted on proposals that are designed to mitigate risks and provide clarity and stability in relation to financial measures associated with a change of status from local authority maintained to academy status.

These proposals have been considered by Scrutiny and were agreed on 2 August by the Executive:

a) Change the approach to managing Core Offer contracts when a school converts to academy status.
b) Update the Council's academy charge for schools electing to convert to academy status.
c) Apply Department for Education guidance when dealing with surplus and deficit balances on conversion to academy status.
d) Implement the proposal at (c) in relation to surplus and deficit balances effective from the date of decision (2 August 2023)

There are currently 13 schools with an academy order and a further ten that have notified of an intention to academise. Five of the schools with orders have directive academy orders due to underperformance which means that costs cannot be recouped but any surplus would be retained.