

# CABINET



<b>Report subject</b>	<b>Capital Investment to Increase Special Educational Needs Capacity</b>
<b>Meeting date</b>	22 April 2020
<b>Status</b>	Public Report (Appendix 2 is exempt)
<b>Executive summary</b>	<p>The number of children and young people assessed as requiring a place at a specialist education provision in the BCP area has increased in recent years. Local provision to meet these needs is of high quality, but capacity has not been expanded sufficiently to meet this additional demand.</p> <p>As a result, increased use has had to be made of local Independent and Non-Maintained special schools which are comparatively expensive and often located outside of the BCP area. The result of this has been significant pressure on the school Transport budgets.</p> <p>In partnership with the BCP community of schools, a range of proposals have been developed to increase capacity and create new provision to meet the needs of these pupils. These will both deliver savings and ensure appropriate provision is available to meet needs closer to where children and young people live.</p> <p>This paper requests that funds are released to meet these costs. Resources are available to support this investment from existing DfE ring-fenced grant allocations for this purpose.</p>
<b>Recommendations</b>	<p><b>It is RECOMMENDED that Cabinet:</b></p> <ul style="list-style-type: none"> <li><b>(a) Approve the proposals set out at Appendix 2 in order to create additional capacity to meet the assessed educational needs of children and young people in BCP;</b></li> <li><b>(b) Approve the allocation of £0.65m of SEND capital grant and £1.47m of Basic needs capital grant to support the delivery of these proposals;</b></li> <li><b>(c) Approve the allocation of £0.25m of SEND capital grant to allow feasibility work to be undertaken in support of future proposals to increase capacity; and</b></li> <li><b>(d) Notes that a longer-term Children's Capital Strategy will be brought forward for Member approval in due course.</b></li> </ul>

<b>Reason for recommendations</b>	To enable the creation of additional capacity to meet the assessed educational needs of children and young people and reduce pressure on the High Needs Budget.
<b>Portfolio Holder(s):</b>	Councillor Sandra Moore, Portfolio Holder for Children and Families
<b>Corporate Director</b>	Judith Ramsden; Corporate Director Children's Services
<b>Report Authors</b>	Neil Goddard; Service Director, Quality and Commissioning. Helen Rice; Principal Asset Planning and Development Manager
<b>Wards</b>	All
<b>Classification</b>	For Update and Decision

## Background

1. The Council receives revenue funding through the Dedicated Schools Grant (DSG) to meet the costs of delivering education to all pupils within the BCP area. The DSG is made up of four blocks, the Schools Block (SB), Early Years Block (EYB), High Needs Block (HNB) and Central Service Block (CSB). The HNB is used to fund provision for children and young people who are assessed as having additional needs or requiring a specialist school placement. In recent years the HNB has faced significant budget pressures leading to an accrued and increasing overspend.
2. This is a national issue, with many Councils around the country struggling to contain spend on the HNB within available resources. There are many reasons for this, including demographic changes, the increasing costs of meeting higher level needs and statutory changes which included an increase to age at which HNB funding can be accessed.
3. For the 2020/21 financial year, the Department for Education (DfE) have increased the funding that is allocated through the HNB. However, this has not been sufficient to meet the additional costs and so further action is required to rebalance the budget and address the accrued overspend.
4. In partnership with the community of BCP schools and other stakeholders a HNB Recovery Plan has been developed with the aim of increasing inclusion and reducing the costs of meeting needs. A key feature of this are proposals to increase capacity and create new provision that can meet needs locally.
5. Detailed sufficiency analysis of specialist school places for children and young people with an Education, Health and Care Plan (EHCP) maintained by BCP Council shows that the need for places continues to increase. Local special schools are already at capacity, and as a result more children and young people are being placed in Independent and Non-Maintained Special Schools (INMSS) placements. The need to make greater use of INMSS has increased the cost of meeting needs and so contributed to the pressure on the High Needs Budget (HNB).

6. This analysis has shown that the most prevalent primary needs across Primary and Secondary age pupils are in the areas of Autistic Spectrum Condition (ASC), Learning Disabilities (LD), Social, Emotional and Mental Health (SEMH) and Speech, Language and Communication Needs. Forecasts suggest that these will continue to increase and will remain the most prevalent needs for some time. Of those currently placed in INMSS at Primary, Secondary and Post 16 the highest number have needs related to ASC.
7. Based on this analysis, and following detailed work with local schools, a set of proposals has been developed to increase capacity in the local system. This will be achieved by creating new 'satellite' provision that is located in mainstream schools but operated by a local special school, expanding existing specialist provision and creating resource bases in mainstream schools to provide for pupils with additional needs.
8. In many cases there will be a need to invest capital resource in creating appropriate facilities to allow these needs to be met effectively. The Council received capital allocations in support of Special Educational Needs and Disabilities (SEND) to support such expenditure. Councils can invest in new places and improvements to facilities for pupils with education, health and care plans (EHCP) in mainstream and special schools, nurseries, colleges and other provision. The Council also receives Basic Needs capital allocations which are used to ensure there are sufficient places locally for all children, including those in specialist settings. These resources are limited, and the proposals have been assessed on a Value for Money basis to ensure any investment delivers the maximum return in reducing costs.
9. The scale of the pressure on the HNB means that the delivery of the additional capacity must be expedited to ensure places are available from September 2020 wherever possible. Further proposals for delivery in 2021 are in development and will be the subject of a future report.
10. The proposed investments are set out in summary at **Appendix 1** and in detail at **Appendix 2** which includes commercially sensitive information and is therefore confidential. The available Children's Services ring-fenced capital resources are set out at **Appendix 3**. The total investment required is identified as £2.12m and it is proposed that this is met from £0.65m of SEND grant funding and a further £1.47m of Basic Needs Grant.
11. If implemented in full the proposals will create a total of between 121 and 135 additional places. When these are fully utilised a potential full year effect saving, compared to placements in INMSS, of circa £4m could be generated.
12. It is also proposed that £0.25m from SEND grant is allocated to support further feasibility work to allow future proposals to be developed and brought forward.

### **Summary of financial implications**

13. Appropriate monitoring and management of the capital spend, and work with schools to deliver the projects will be met from within existing resources.
14. A detailed Capital Strategy to support the delivery of Children's Services priorities is currently under development and will be brought to a future meeting. The Capital Strategy will outline and seek approval for the longer-term capital priorities of BCP

Council and provide an overview of estimated funding available to deliver these priorities. Members should be clear that the amount of grant funding available to deliver the longer term Strategy will consequently reduce by funding allocated to the proposals within this report (a reduction of £1.47m in Basic Need Grant funding and £0.9m in SEND funding).

15. The need to deliver on the proposals set out in this report by Sept 2020, in order to meet need and reduce costs, means that consideration of these is necessary in advance of the Capital Strategy Report is report. The commitment of capital resources required to support these proposals will form part of the strategy and consequently will reduce resources available to meet other priorities. This has been considered as part of the development of this report and reflects the priority given to the need for additional capacity. Priorities outlined in this report are complementary to the longer term priorities of the Children's Capital Strategy.
16. Officers are satisfied that the proposed utilisation of both Basic Need Grant and SEND Grant as outlined in this report complies with formal grant utilisation conditions.
17. Appendix 2 provides an estimate of total education Capital Grant funding available to meet the Children's Services capital needs.

#### **Summary of legal implications**

18. Councils have a statutory duty to ensure that there is a school place available for every child. The Children and Families Act 2014 requires councils to keep the provision for children and young people with SEN and disabilities under review (including its sufficiency).
19. Councils have a statutory duty to make transport arrangements for all eligible children including for all children who cannot reasonably be expected to walk to school because of their mobility problems or because of associated health and safety issues related to their special educational needs (SEN) or disability.

#### **Summary of human resources implications**

20. None

#### **Summary of sustainability impact**

21. Through ensuring additional appropriate provision is available to meet needs closer to where children and young people live there will be a reduction in the distances travelled to get to school and an increase in the numbers being educated within their own communities.

#### **Summary of public health implications**

22. None

#### **Summary of equality implications**

23. The proposed projects will enable appropriate provision is available to meet the needs of children and young people with special educational needs and/or disabilities. An assessment of equality impacts will be carried out for each project.

## **Background papers**

### **Appendix 1**

**Appendix 2** **CONFIDENTIAL** – Please note should Cabinet wish to discuss the contents of Appendix 2 the meeting will need to go into Confidential (Exempt) session.

### **Appendix 3**