

# Cabinet

6 September 2022

## SEND Capital Strategy Implementation Plan

### For Decision

**Portfolio Holder:** Cllr T Ferrari, Economic Growth, Assets & Property

**Local Councillor(s):** All

**Executive Director:** J Sellgren, Executive Director of Place

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**Report Status:** Public

#### Brief Summary:

The Special Educational Needs and Disabilities (SEND) Capital Strategy 2020 – 2025 was agreed by Cabinet on 8<sup>th</sup> December 2020 and committed to future capital funding to a programme of work to deliver increased SEND specialist provision across the County. This was to support the mitigation of the deficit on the High Needs Block and support more children being educated locally in their communities.

At their meeting on 6<sup>th</sup> April 2021 Cabinet agreed a funding commitment of between £35m and £40m to support the implementation of the SEND Capital Strategy, subject to further feasibilities and planning. The further work has been completed and this paper details ten schemes at an estimated total cost of £31.5m to create an additional 228 places over three years with places available from September 2023 to September 2025.

Details of the specific schemes is commercially sensitive and so is contained in a confidential Appendix within the meaning of paragraph 4 of schedule 12 A to the Local Government Act 1972 (as amended).

#### Recommendation:

That Cabinet:

1. Approve the budget allocation as set out in the Appendix to enable a range of projects to be delivered as part of the SEND Capital Strategy. The projects set out total an approximate delivery of 228 new specialist places for the capital investment plus any yet to be determined variation to the PFI contract at The Sir John Colfox Academy.
2. Delegate authority to the Executive Director for Place, in consultation with the Executive Director for People - Children's to enter construction contracts at the appropriate time, in line with an existing delegation. This will be subject to the outcome of the formal consultation process in respect of each project and provided that following procurement, the project is within the set budget level of this Cabinet paper.
3. Delegate authority to the Executive Director for People – Children to agree to the commencement of any required 4-week formal consultation period, in line with relevant statutory guidance. Exercise of this delegation will be necessary if a school is to be required to formally expand their capacity by more than 10% or 20 places as part of this programme of works, at the appropriate time.

**Reason for Recommendation:**

To show the progress of the implementation of the SEND capital strategy and to approve the next phase of projects for delivery.

1. **The Special Educational Needs and Disabilities (SEND) Capital Strategy and High Needs Block (HNB) Management Strategy**
  - 1.1 The SEND Capital Strategy 2020-2025 was approved by Dorset Council Cabinet on 8<sup>th</sup> December 2020.
  - 1.2 The Strategy set out the demand and provision for pupils with an Education Health and Care Plan (EHCP). There were c.2,800 pupils with an EHCP in August 2020 and as at June 2022 there are now approximately 3,300 pupils with an EHCP.
  - 1.3 The High Needs Block (HNB) Management Strategy sits alongside the Special Educational Needs and Disabilities (SEND) Capital Strategy for 2020 to 2025 and was approved by Cabinet on 8<sup>th</sup> November 2021.
  - 1.4 The HNB Management strategy cites that further capital projects will be brought forward to support the expansion of specialist provision.
  - 1.5 The purpose of this Cabinet report is to bring forward the next phase of projects which are focused on:
    - 1.5.1 expanding the Council's existing special schools;

- 1.5.2 growing the Council's pupil referral unit provision (for children with social, emotions and mental health needs); and
  - 1.5.3 growth of resourced provision (to be known as inclusion hubs) which is provision for children with special educational needs and disabilities in mainstream schools.
- 1.6 This paper seeks approval to create approximately 228 additional places to meet the needs of SEND children within Dorset. This programme will contribute to the council delivering its HNB management strategy, where reducing the council's use of independent specialist provision by expanding its own provision is a central feature.
- 1.7 The growing SEND cohort nationally and locally within Dorset brings financial pressure to the Dedicated Schools Grant (DSG) and the Council's revenue budget. The current statutory instrument protecting the Council's budget from the DSG is scheduled to end in 2022-23, and from April 2023 responsibility for accounting for and funding the deficit could transfer to Dorset Council.

## **2. Inclusion Hubs in mainstream schools**

- 2.1 Inclusion hubs are specialist resourced provisions within mainstream school settings, which make provision for children and young people with an EHCP to allow them to remain in mainstream settings with suitable support. This allows pupils with EHCPs to remain with their peer group, to access a broader curriculum.
- 2.2 In an inclusion hub, pupils spend most of their time (usually well over 50% of their timetable) in mainstream classes. They attend the inclusion hub facilities for individual support, to learn a specific skill or to receive therapeutic support.
- 2.3 Inclusion hubs will have one of two designations. This is because the prevalent needs of pupils with an EHCP are either one of these:
- One type of inclusion hub will meet the needs and ambitions of children and young people with Communication and Interaction needs (C&I).
  - The second type of inclusion hub will support children and young people with Social, Emotional and Health (SEMH) difficulties.
- 2.4 To meet the prevalent needs of pupils with EHCPs in each locality there needs to be a mix of Communication and Interaction and SEMH inclusion hubs across all phases of education. Where there is an existing inclusion hub in a primary setting, a secondary (or a first, middle and upper school) inclusion hub will be commissioned to provide a stable transition to through the phases for pupils with EHCPs.

2.5 The inclusion hubs must be at the heart of the school to achieve the most benefit for all pupils at a school. They should allow pupils to move flexibly between mainstream and hub settings, to encourage inclusion of pupils with an EHCP.

2.6 There are several inclusion hubs, which are included as part of this report for approval and delivery between September 2023 and September 2025. Please see the Appendix for the details of these.

### 3 **Analysis of projects in train and a gap analysis of future projects required**

3.1 There are a range of projects currently under development that will contribute to meeting need for maintained specialist places.

3.2 Beacroft School expansion – currently in progress.

- The Beacroft school expansion was approved by Cabinet on 27<sup>th</sup> July 2021. The project involves refurbishing the former Wimborne First School premises to provide additional places for post 16 pupils. This frees up space on the main school campus for the admission of additional pupils and provides a transition to a post 16 provision that is more like a college.
- The project is adapting one of the blocks of accommodation on the site to specifically cater for students with complex needs. This block would be able to accommodate up to 24 of the additional 80 places and has been specifically targeted to this need as the post 16 cohort are those predominately being educated in independent placements.
- The approved budget from the SEND Capital budget to undertake the proposed works at the School Lane premises for the Post 16 provision is £3.917m and is expected to be completed by May 2023.
- This budget allocation does not make any allowance for any works which could be undertaken on the main Colehill campus, which will be required to deliver an increase in under 16 places.

3.3 Osprey Quay 14-19 AP Special School for ASC and SEMH ranges – proposed to open in September 2024.

- The project is a Department for Education (DfE) led free school meaning it is being funded and project managed by the DfE.
- The new special school, which will be located at Osprey Quay on Portland, will aim to provide up to 75 places for children and young people aged 14-19 years with special educational needs or disabilities (SEND).
- The Council is supporting the DfE and Delta Education Trust to support the delivery of this scheme.

#### **4 Process for delivery of the SEND Projects proposed in this Cabinet report**

- 4.1 The prioritisation across the programme is for the projects at special schools including Mountjoy School, and secondly Westfield Sixth Form and thirdly for the urgent need for further capacity in the East Dorset Learning Centre. Dorset specialist provision is typically rated Good or Outstanding and we would seek to expand this excellent provision that already exists.
- 4.2 The inclusion hubs programme follows additional special school and alternative provision places priority overall. The schools within this proposed programme provide an excellent education for pupils and are highly sought after by parents, so should be expanded further in future phases where possible.
- 4.3 This programme is driven by technical deliverability including value for money and engagement with Dorset schools. This Cabinet paper seeks approval to develop the projects identified in Appendix 1 in terms of technical deliverability at the same time as working with the schools involved. It is anticipated that because of this further technical work and school engagement that some projects may prove not to be deliverable within the budget set out in this report or final agreement may not be reached with schools. The over-programming of projects is a mitigation to this risk.
- 4.4 One of the main risks to the programme that is mitigated by over-programming is the availability of suitable sites. Dorset schools and trusts are custodians of significant land holdings for educational use. Some of these projects propose potentially purchasing land.
- 4.5 There are a wide range of factors that may impact on the delivery. Some of these factors are known and quantifiable at this point and some are unknown or unforeseeable despite a clear risk approach to this programme.
- 4.6 The approach taken has been to price the knowns and include various allowances for unknowns in the cost plans to mitigate their risk to the costs of the programme. Optimism bias is also calculated.
- 4.7 Provisional sums have been included for items such as retaining structures, drainage, electrical transformer capacity, brise soleil to address over-heating and other risks that the desk top viability study and engagement with the schools has highlighted. A narrative of the consideration of these factors is included at Appendix 1 and includes but is not limited to; planning, ground conditions, scheduling in terms of on-site requirements particularly with respect to consideration and requirement of school operating requirements and views expressed through consultations with schools.
- 4.8 A programme for the delivery of additional places is set out in Appendix 1.

- 4.9 External consultants AECOM have been appointed to support this initial viability study and have produced a revised High-level Order of Cost Estimate for the SEND Programme. The costs included within this estimate have been benchmarked against cost data from a recent (May 2021) Hampshire County Council National School Delivery Report, with specific allowances for any site abnormalities included as extra over.
- 4.10 In addition, a 20% combined design and construction risk allowance is included with a further 13.78% allowed for optimism bias (OB) based on standard Dorset Council budgeting requirements. The OB was calculated by AECOM following guidance from the HM Treasury's Green Book.
- 4.11 An inflation allowance has also been included and based upon AECOM's latest tender price indices (TPIs). The allowance for inflation is linked to the programme and when the works are due to complete. This allowance ranges from 10% - 20% depending on the programme.
- 4.12 Further technical feasibility studies will need to be undertaken at some school sites. For example, if additional land is secured to increase the capacity of accommodation at Mountjoy School then this will require further feasibility to refine the cost plans and understand the risks and timing of delivery of any provision.
- 4.13 Approval of this Cabinet report will allow the programme to move to this next and vital phase, to deliver more specialist provision for the children and young people of Dorset.
- 4.14 Prescribed alterations are required when making changes to the size, type or location of a school. They are statutory consultation requirements that are aimed "to ensure that good quality school places can be provided quickly where they are needed; those local authorities (LAs) and governing bodies (GBs) do not take decisions that will have a negative impact on other schools in the area; and that changes can be implemented quickly and effectively where there is a strong case for doing so.
- 4.15 In line with these aims it is expected that, where possible, additional new places will only be provided at schools that have an overall Ofsted rating of 'good' or 'outstanding'. Schools which do not fall within the above categories should only be expanded where there are no other viable options. Requirement to undertake a full consultation as the proposal to expand the School will increase numbers by more than 10% or by more than 20 places." Statutory Department for Education Guidance – 'Making significant changes ('prescribed alterations') to maintained schools October 2018'.
- 4.16 The guidance requires the Local Authority, as the proposer and decision maker, initiate a four-week consultation through the publication of a notice to expand

numbers, followed by a formal decision through Cabinet to agree the expansion subject to the responses to and outcome of the consultation. The notice will identify and detail the reasons for the change, the extent of the change and the timelines as to when the additional places will be made available. This process can commence once agreement to progress with this project is given.

- 4.17 A similar process exists for academies where they will be required to follow the Making significant changes to an open academy (January 2022) guidance.
- 4.18 On completion of the prescribed alterations (set out above), the project will be able to proceed to delivery. This will involve procurement of contractors, planning applications (where required) and preparation for the logistics of the works on site with the school.

## 5 Financial Implications

### Capital Funding

- 5.1 The SEND Capital Strategy 2020-2025 is supported with a capital allocation of up to £40M to enable the expansion of local specialist provision by approximately 500 places to support the council's management of the high needs funding for children and young people with SEND.
- 5.2 Of the £40M originally earmarked for SEND provision, £15.5M has been spent on the acquisition and set up of Coombe House School at the Dorset Centre of Excellence. This leaves a balance of £24.5M.
- 5.3 In addition, the DFE has allocated Dorset Council £7.0M of High Needs Capital to cover the period 2021-24. The SEND capital implementation strategy will therefore be funded as follows:

	£'m
SEND Capital Budget	24.5
DFE High Needs Provision Capital Allocation	7.0
<b>Total Budget</b>	<b>31.5</b>

### The High Needs Block of the Dedicated Schools Grant

- 5.4 The Council received an overall grant of £47m (2022/23 allocation) through the High Needs Block to fund provision for children and young people with SEN in the 2022/23 financial year. The High Needs Block has a forecast in-year deficit on the budget for the 2022/23 financial year.

- 5.5 The greatest pressure on the High Needs Block comes from the Independent and Non-Maintained Special School spend of approximately £14m and therefore the imperative to grow specialist provision in maintained schools and academies to offset this is clear.
- 5.6 The growing pressure on the High Needs Block is unlikely to ease in the immediate short term, even as improvements in inclusive practice are implemented in schools and the growth in the cohort slows. However, improvements in practice will support the improvement of inclusive practices in our schools to ensure more children and young people can be supported in state funded educational settings to the future.

#### Value for Money

- 5.7 The tendering process will be a means of ascertaining value for money, as competition will drive value.
- 5.6 As mentioned above, the High-level Order of Cost Estimate has been based upon robust benchmark costing from recent similar Hampshire schemes and national benchmarks. AECOM allowances are aligned with this data which demonstrates value for money at this early stage. Please note the overall costs are somewhat inflated, as there is a significant amount of risk pricing included within the Estimate.

### **6 The Dedicated Schools Grant (DSG) “Safety Valve”**

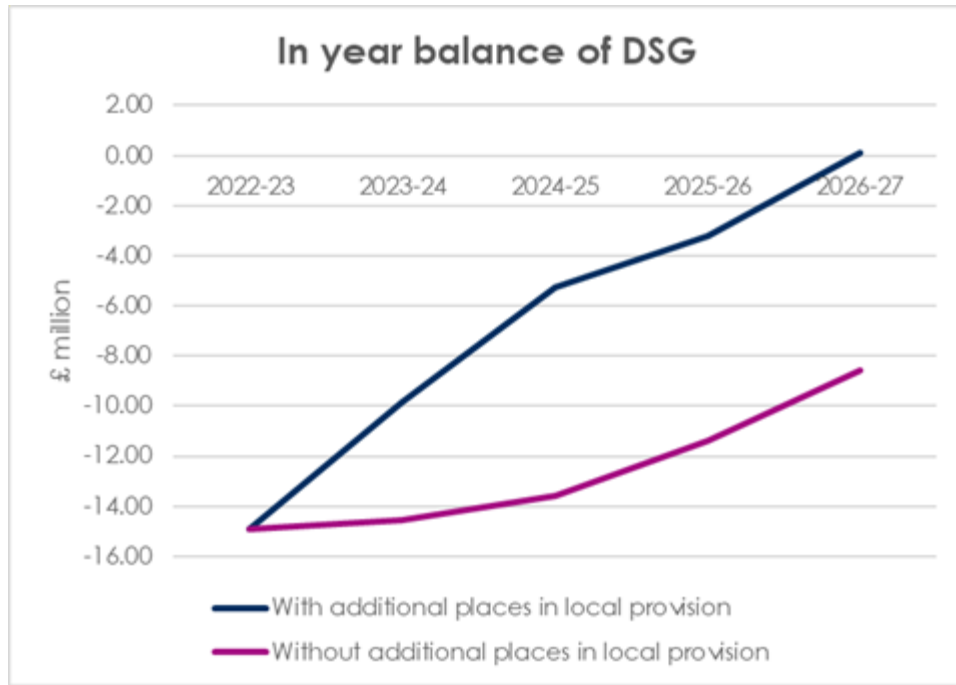
- 6.1 The Dedicated Schools Grant ‘Safety Valve’ Agreement is an agreement between the DfE and Dorset Council for the years from 2021-22 to 2025-6 and is available online here ([link](#)).
- 6.2 At paragraph 2 “the authority undertakes to reach an in-year balance on its DSG account by the end of 2026-27 and in each subsequent year”. Further at 3.9 “Direct an increase in sufficiency through Dorset SEND Capital Strategy 2020-2025 to expand specialist provision for children and young people”.
- 6.3 The Council submit quarterly monitoring reports to the Department for Education. The Q2 monitoring report to be provided on the 15<sup>th</sup> of September will reference those projects approved for delivery on 7<sup>th</sup> September 22 by Cabinet to demonstrate the progress being made by the council to deliver this commitment.
- 6.4 Appendix 3 contains a detailed commentary of the financial position across capital and revenue relating to the SEND Capital Programme.

### **7 Revenue implications**

- 7.1 Revenue costs for the running of the school will be paid from the High Needs Block of the Dedicated Schools Grant (DSG).



- 7.2 The average cost of a placement in independent special school placements are £55,700 per pupil, compared to an average cost of a place at a maintained special school which are delivered at an average of £23,127 per pupil. This is an average difference of £32,573 per pupil per annum. If this saving is applied over a child's maximum fourteen-year education duration, then this would total a saving of £459,276 for a single child.
- 7.3 Currently 8% of pupils are in Independent Specialist Provision, Non-Maintained Special Schools (INMSS) and Specialist Post 16 provision (SPI) costing 31% of the revenue cost for places and top ups. The safety valve agreement aims to reduce this to 1% of pupils (costing 4% of the funding for places and top ups).
- 7.4 The potential savings to the High Needs Block is based on the assumption that 50% of the new places created will be taken up by children in existing high cost, independent placements that would then return to Dorset created provision, through partnership working with families. The remaining 50% of places would be to support new demand and cost avoidance of children that would otherwise require an independent specialist placement.
- 7.5 The graph below shows the impact of the additional places described in this paper and how they support the safety valve programme. Without the additional places and assuming that the proportion of children in each type of school remains as it is now, the costs to the High Needs Block would continue to rise giving a deficit in the High Needs Block in 5 years' time of over £100m which would continue to rise annually by ~£6m. With the local places the DSG revenue will be able to balance moving forwards. The 'safety valve' agreement contributions from DfE and Dorset Council and our assumptions for DSG funding will have removed the cumulative deficit in this period leaving the high needs block to balance within its grant income.



## 8 Climate implications

- 8.1 It is anticipated that the delivery of this project will enable suitable places to be located more locally which will avoid the significant travel implications some pupils currently have to undertake.
- 8.2 More local provision to meet the highest levels of need will reduce travel for pupils and therefore reduce climate impact.
- 8.3 As with all property related work climate change implications are always considered and will be addressed where possible. For example, in the options appraisal for each provision e.g. Westfield South Annexe proposal the option of re-purposing an existing Council building to avoid the climate impact of new construction and additional built assets has been considered for each project.

## 9 Well-being and Health Implications

- 9.1 The provision of good quality SEND local education provision is essential for health and wellbeing of children, young people, and families.

## 10 Other implications

- 10.1 Not used

## 11 Risk Assessment

11.1 Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: High

Residual Risk: High

11.2 A schedule of risks is maintained by the Assets and Property team for the programme.

11.2 Rising inflation is having an impact on construction costs nationally.

11.3 Rising construction material costs and labour shortages may start to impact capital projects (including Free School delays). This includes capital projects costing more than initially thought and taking longer to deliver than expected due to later start times.

11.4 These risks have been factored into this report.

## **12 Equalities Impact Assessment**

12.1 This proposal will increase the number of Special School places available to Dorset pupils, with the intention of reducing the number having to be placed outside the Council area and in independent special schools. An equalities impact assessment was completed as part of the original SEND Capital Strategy.

## **13 Appendix (Exempt)**

- Programme
- 220721 Dorset SEND-Project Sheets
- Narrative on known and unknown risks to the SEND Capital programme
- Detailed commentary on SEND programme – capital and revenue

## **14 Background papers**

**SEND Capital Strategy 2020-2025 approved by Cabinet 8<sup>th</sup> December 2020**

**SEND High Needs Block Management Strategy approved by 8<sup>th</sup> November 2021**