

CABINET

16th April 2019

SEND CAPITAL PROGRAMME UPDATE

Report of the Strategic Director for People

Strategic Aim:	Creating a brighter future for all.	
Key Decision: Yes	Forward Plan Reference: FP/080219	
Cabinet Member(s) Responsible:	Mr D Wilby, Portfolio Holder for Lifelong Learning, Early Years, Special Educational Needs & Disabilities, Inclusion	
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Ward Councillors	All	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves a maximum allocation of £200k from earmarked reserves set aside in the 19/20 budget to fund start-up costs of the new Special Educational Needs and Disabilities (SEND) provision to be established at Uppingham Community College (UCC)
2. Delegates authority to the Strategic Director for People and the Strategic Director for Resources to decide how the maximum allocation will be applied.
3. Delegate authority to the Strategic Director for People in consultation with the Deputy Director of Corporate Governance and the Portfolio Holder for Lifelong Learning to enter into all necessary agreements to progress the project.
4. Notes overall progress in delivering this project.

1 PURPOSE OF THE REPORT

- 1.1 Rutland County Council has been granted funds as part of the DfE Special Provision Capital Fund over three years (2018-21). Recently an additional Capital allocation was announced which brings the DfE contribution to £848,837. Rutland County Council (RCC) had already agreed to supplement existing funding by £200k if there was a need.
- 1.2 In May 2018 (86/2018), Cabinet delegated authority to Director for People to award the grant to the school in consultation with the Portfolio Holder for Lifelong Learning to spend up to £700k. Whilst a decision was made to pursue new provision at UCC, the Director is unable to progress with the delegation as this provision will require some startup funding before it is likely to break even. The Director does not have budget provision to meet the startup funding required.
- 1.3 This report also highlights the progress with the planned building programme.

2 SEND CAPITAL PROGRAMME OBJECTIVES

- 2.1 The Capital Programme sets out to achieve the following objectives;
 - Use the DfE Capital funding to provide in-county education places for children with Special Educational Needs or Disabilities (SEND) and who have an Education, Health and Care plan (EHCP).
 - Reduce pressure on the SEND system and specifically on the Designated Special Grant (DSG) High Needs Block funding.
 - Increase local provision and be less reliant on out of county or independent provision, so that children with SEND have excellent access to local education. Children who are able to attend, are better able to build positive peer and community links and are more prepared for adulthood and independence.
 - Support effective transitions for children from Primary to Secondary school and to post 16 provision and onto adulthood.
 - Manage the flow of young people into secondary education and ensure that they have opportunities to experience a supportive mainstream curriculum
 - Have a positive impact on the financial cost and physical impact of transporting children with SEND which comes from the Council's General Fund
 - Grow quality of practice and support to families, and respond to what children and families tell us is important about local schools and services.
 - Deploy resources to meet wider SEND system changing strategic objectives. Assist in encouraging aspirational inclusion leadership in schools. As a Centre of Excellence it is implicit that any provision and the expertise of the staff, will be fully utilised to ensure that staff in other schools and settings have the skills and confidence to support children in mainstream education, and additionally to offer

outreach to support parents and carers in their role as a child's carer and educator.

2.2 A range of options to fulfil these aims were explored, however;

- The DfE Grant conditions limit some options, such as use for children without Education, Health and Care Plans.
- The amount of Capital and lack of accompanying revenue funding precludes a stand-alone special provision in county.
- The overall numbers of children with any one difficulty or disability in any year group fluctuate, so predicting need can be problematic.

2.3 Options for supporting Social Emotional and Mental Health needs differently are being developed at Primary phase, where the biggest impact and progress could be made to reducing future need.

3 PLANNED PROVISION AND THE NEEDS OF CHILDREN

3.1 Due to the challenges above it was agreed that the programme would focus on the second largest cohort of children whose needs, it was predicted, could best be served by an in county provision. A 10 place provision, planned at Uppingham Community College, will therefore serve the needs of children with Communication and Interaction needs (as described in the DfE SEND Code of Practice), children might exhibit the following;

- have high social anxiety which could result in school refusal, inability to make friends and interact with peers or adults
- be unable to manage with a rigid timetable which undermines their ability to access learning,
- have cognitive functioning which requires more flexible teaching than in a mainstream class
- exhibit Autistic Spectrum traits which mean that they need additional help to maintain their focus on learning
- they might have missed curriculum areas or are behind their peers academically and need specialist support to provide them with a better educational outcome.

3.1.1 Appendix A, provides more detailed information about the proposed specification for the new provision.

PROGRAMME CHALLENGES

3.2 The Programme has encountered the following challenges in meeting all of the programmes objectives;

- 3.2.1 The DfE have provided Capital but no Revenue funding – this affects support to any provision as it starts up, in the first year prior to intake, and through until it has enough children attending with their associated pupil funding, until the provision breaks even.
- 3.2.2 Ideally, any new provision would start with a full group of children across each year group, there are a range of reasons that this is not possible;
- Parents can choose educational placements, and the potential for moving children in current placements from other provision is likely to be low, as places are perceived to be ‘hard won’.
 - RCC cannot move children without parental consent (and would not wish to).
 - There are challenges that preclude children in Key Stage 4 moving schools due to curriculum/exam board matching.
 - Parents have already communicated concerns that their children will be ‘made’ to move schools, RCC has assured them this is not the case, but will work with families who may consider a planned move to the new provision.
- 3.3 That said, the business modelling done would indicate that the provision has the **potential to meet all of the Programme objectives for Rutland in the medium term**, albeit not the key financial ones in the short term.

4 FINANCIAL IMPLICATIONS:

- 4.1 As indicated in section 2 there are various financial considerations in relation to this project:
- how the capital cost of the new provision is funded;
 - whether or not the new provision is financial viable and the implications of this;
 - the wider implications of the current deficit of the High Needs Provision.

CAPITAL COST

- 4.2 As indicated in para 1.1, the Council has DfE grants of £849k and has added a further £200k from Other Education Capital Grants to bring total funding available to £1,049k. The current estimated capital cost of the new provision can be met within available resources.

- 4.3 The table below shows when we will receive the funding from the DfE.

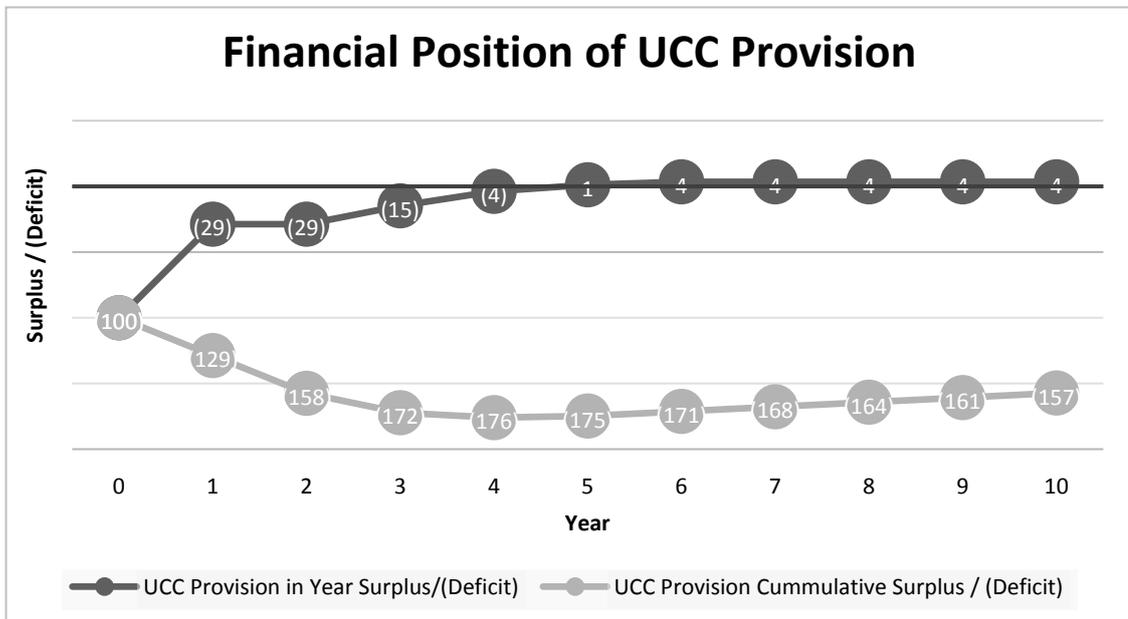
Year	DfE SEND Grant (£000)	Other Education Grants	Total
Held	0	200	200
2018/19	166	0	166
2019/20	283	0	283
2020/21	400	0	400
Total	849	200	1,049

- 4.4 As explained in para 5.5 the build programme is expected by January 2020. The Council would be holding £650k at this point to fund the works.
- 4.5 Depending on the timing of fit out costs, the Council may have to fund (in cash terms) £50k to support the development. This would be a short term cash flow and the Council does has available funds to support this.

FINANCIAL VIABILITY OF THE UCC PROVISION

- 4.6 The Council has worked out the potential financial viability of the new provision based on a variety of assumptions explained below:
- **No secondary intake** - The service looked at groups of secondary aged children who would be suitable for this provision who are placed elsewhere. Due to potential complications of returning any of these children we have not assumed returning students in the model. If we secure returning students this will improve the financial model, depending on current costs of placement.
 - **Average costs used from test cohorts** - A study of the relevant cohort in April 2018 showed the average cost of a placement was £40k, the current cohort have, by comparison, average placement costs of £25.6k. When comparing costs to existing provision the Council has used the following
 - Current Cohort (as above) £25.6k
 - April Cohort (as above) £40.4k
 - Average Cohort (average cost of both current and April cohort) £33.0k
 - **2 students per year intake after year 3** - There are small numbers in any year group and the younger in age of the children the less confident the service has to predict the likelihood of children needing this particular provision. Numbers will fluctuate with families moving in or out of Rutland. The Business Model assumes that from year 3, 2 students per year would flow through the provision
 - **No children placed in the set-up year** - Year 0, the set-up year, there are no children placed, which means no placement funding to support the provision with startup activity such as recruiting staff, or for training or to put in place education resources.
 - **Salary inflation built in** - Salary Increases have been included in the model – no other inflation has been applied to expenditure or income.
 - **Costs/funding drawn from UCC business plan** - The costs and funding for the provision are based on the business plan submitted by UCC, sensed check by RCC (Finance and People Directorate)
- 4.7 The graph below summarises the financial viability of the provision. The key points to note about the graph below are;
- The Provision breaks even in year 5 (9 students being placed in the provision)

- The current modelling shows that the provision would need additional support of £176k before the breakeven point.
- Year 0 shows a significant deficit due to set up costs of the provision prior to officially opening in September 2020 when the school will begin receiving funding. The set up costs include Teachers pay, learning materials etc.



4.8 In its 19/20 Budget, the Council set aside £200k in earmarked reserves to help tackle the SEND challenge currently faced through a lack of government funding. It is proposed that this fund is used, if necessary, to support initial deficits. There will need to be a legal agreement around how this fund is applied to restrict the use of the funds to the provision etc. Within this agreement will be an understanding that the capacity in the provision will be fully utilized to ensure that staff in other schools and settings have the skills and confidence to support children in mainstream education.

HIGH NEEDS

4.9 Costs of High Needs provision are met through ring fenced High Needs funding from Government. In its Consultation on the implementation of new arrangements for reporting deficits of the dedicated schools grant, the Government has made it clear that “there is no requirement for local authorities to top-up the grant from general funding or from non-ring-fenced revenue reserves.”

4.10 Presently, because of a rising caseload and insufficient funding, the Council is carrying a deficit of £255k on the High Needs block. This deficit can only be recovered through future underspends on the High Needs block allocation. The Council can accelerate recovery of the deficit by applying to the Secretary of State for a transfer of funding from the Schools Block to High Needs thereby increasing the High Needs allocation and the possibility that there may be an underspend. This is not an ideal scenario as Schools would receive less core funding.

4.11 Instead, the Council is working with Schools on plans to recover the deficit. The new provision is over the medium term likely to reduce costs and help our recovery plan.

5 THE PLANNED DEVELOPMENT

- 5.1 The school will repurpose and completely refurbish an area of the site that is currently used for inclusion support, community provision and a classroom space to study drama, in order to create a new SEND facility on the school campus.
- 5.2 To create space for the new SEND facility, a replacement drama teaching classroom will be developed adjacent to the existing school hall/drama studio. This is the preferred option as the newly developed SEND facility requires a much larger multifunctional space, which can be better delivered by completely refurbishing the existing areas outlined above.
- 5.3 Viability work is reaching greater certainty, predicted costs are within the ranges expected and the capital works can proceed if Cabinet agree to support the startup revenue funding.
- 5.4 Planning consultation has begun and is due to conclude in mid May 2019, a press release has been timed to highlight the purpose and benefits to wider Rutland citizens. Other key communication milestones are set out in a Communications plan.
- 5.5 Building work would be expected to take place between July 2019 and January 2020, with first Year 7 students admitted in Sept 2020.
- 5.6 The Programme is exploring business cases for use of remaining Capital (348k).

6 CONSULTATION

- 6.1 The consultation activity conducted with parents, carers and young people emphasised the importance of using the space in this integrated way. Parent carers and young people will continue to be involved in shaping the design and use of the space.

7 ALTERNATIVE OPTIONS

There is an alternative option available to the council:

Not agree to fund the shortfall in start-up revenue costs and initial pressure on the high needs block. However without funding the shortfall the project cannot go ahead. This effectively means not spending the £700k Capital grant as the project is not viable.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 Legal agreements with covenant conditions to protect the funding awarded will be drawn up. These will cover delivering the agreed plan for the building development, maintaining funding allocation to separate elements of the scheme, as well as ensuring the facility continues to be used for its defined purpose.
- 8.2 There will be a separate funding agreement with the school for the revenue startup

costs as discussed in para 4.8.

- 8.3 The delegations recommended ensures that the project board have the authority to conclude these agreements.

9 DATA PROTECTION IMPLICATIONS

- 9.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks or issues to the rights and freedoms of natural persons.

10 EQUALITY IMPACT ASSESSMENT

- 10.1 A full Equality Impact Assessment is not required because there are no service, policy and organisational implications. The LA is legally obliged to meet the needs of children with SEND and this programme will be developing an enhanced service locally available to children and their families.

11 COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are no community safety implications
- 11.2 The LA has a statutory obligation to safeguard vulnerable children at home and in the community, some children with SEND may be supported as Children in Need under Section 17 of the Children Act 1989.

12 HEALTH AND WELLBEING IMPLICATIONS

- 12.1 Children with SEND placed at the provision would have access to full benefits of a whole school environment, peer and community connections and relationships. These are evidenced to improve long term resilience, aspiration and wellbeing.
- 12.2 The plans for the facility, which are currently out for consultation as part of the planning process, set out how the most accessible central areas of Uppingham Community College will be repurposed to provide a bespoke learning environment for children with SEND. They also show where classrooms will be replaced to ensure there is no overall loss of teaching space for existing students.

13 ORGANISATIONAL IMPLICATIONS

- 13.1 Environmental implications – the opportunity to enhance existing physical spaces through the capital grant. Provision developed will need to meet SEND regulatory guidelines, this has been part of considerations during feasibility stages.
- 13.2 A Planning Application is in process, which is due to conclude in mid May 2019
- 13.3 Staff recruited to deliver the Enhanced Resourced provision, once it is build and running, will be employed by Uppingham Community College.

14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- Cabinet commit up to £200k to fund the deficit in start-up for the new provision at UCC to meet the objectives of the Programme
- Cabinet Delegate power to the Strategic Director for People in consultation with the Deputy Director of Corporate Governance and the Portfolio Holder for Lifelong Learning to enter into all necessary agreements to progress the project.
- Cabinet agree to proceed with the development as described in this report.

15 BACKGROUND PAPERS

15.1 There are no background papers.

16 APPENDICES

16.1 APPENDIX A-Resourced Provision at Uppingham Community College, Draft

16.2 APPENDIX B- Vision for the Uppingham Community College Resourced Provision

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.