

SURREY COUNTY COUNCIL**CABINET****DATE: 24 SEPTEMBER 2019****REPORT OF: MRS JULIE ILES– CABINET MEMBER FOR ALL-AGE LEARNING****LEAD OFFICER: DAVE HILL - EXECUTIVE DIRECTOR FOR CHILDREN, FAMILIES, LIFELONG LEARNING AND CULTURE****SUBJECT: SCHOOL PLACE PLANNING: STRATEGY FOR SPECIALIST PLACEMENTS****SUMMARY OF ISSUE:**

As part of the SEND transformation plan, approved by cabinet on 29 January 2019 a recommendation was made to provide more specialist school places in Surrey– in specialist provision in mainstream schools and in special schools – so that children with special educational needs and / or disabilities (SEND) could be placed closer to home. This will reduce travel time and enable children with SEND to be more a part of their local community, and, crucially, help to increase their progress, attainment and outcomes.

At present, there are insufficient places in mainstream (resourced places) and special schools in Surrey. This means the council is reliant on non-maintained independent schools (NMI) to meet the demand. On average, these schools are much more expensive, not local to the child's home, and rarely more effective than state-funded schools. Surrey currently has approximately 12 per cent of pupils with education, health and care plans (EHCPs) in NMIs. This is nearly double that of English local authorities (LAs), which have approximately six per cent of pupils with EHCPs in such provision, leading to significantly higher costs in the high needs block (HNB), which is the council budget used to fund SEN.

Accordingly, officers have drafted a ten year place planning strategy, the aim of which is to provide a greatly improved environment for children with the highest level of specialist needs and increase their outcomes through more newly-built or refurbished state-funded, local provision. This strategy is in two parts:

- a four year plan, which is intended to provide an extra 883 specialist places, including 77 'bulge' places, over that period. Each of these types of place provision will be reported to cabinet where appropriate as they are identified and require approval; and
- a broader 10 year plan, which is less specific and will be developed depending on whether improved practice reduces the need for specialist provision compared with current forecasts through more places within mainstream schools, but which currently projects the need for 1,693 additional specialist places in the period.

RECOMMENDATIONS:

It is recommended that cabinet:

1. approves 'in principle' the SEND place-planning strategic approach for a ten-year period (2019 to 2029);
2. approves the 77 bulge places for September 2019; and

3. agrees that future projects identified as part of this place planning strategy are, where appropriate, reported to cabinet or cabinet member for approval.

REASONS FOR RECOMMENDATIONS

Developing and maintaining the right Surrey specialist provision is vital in ensuring appropriate placements for the Surrey young people who require a specialist SEND placement. The proposed place-planning strategy will ensure a significant number of extra specialist places are provided that offer good value for money. This strategy is needed to make sure that activities in this area are coordinated and that there are a clear set of principles on which work will be based. This strategy will be reviewed on an annual basis.

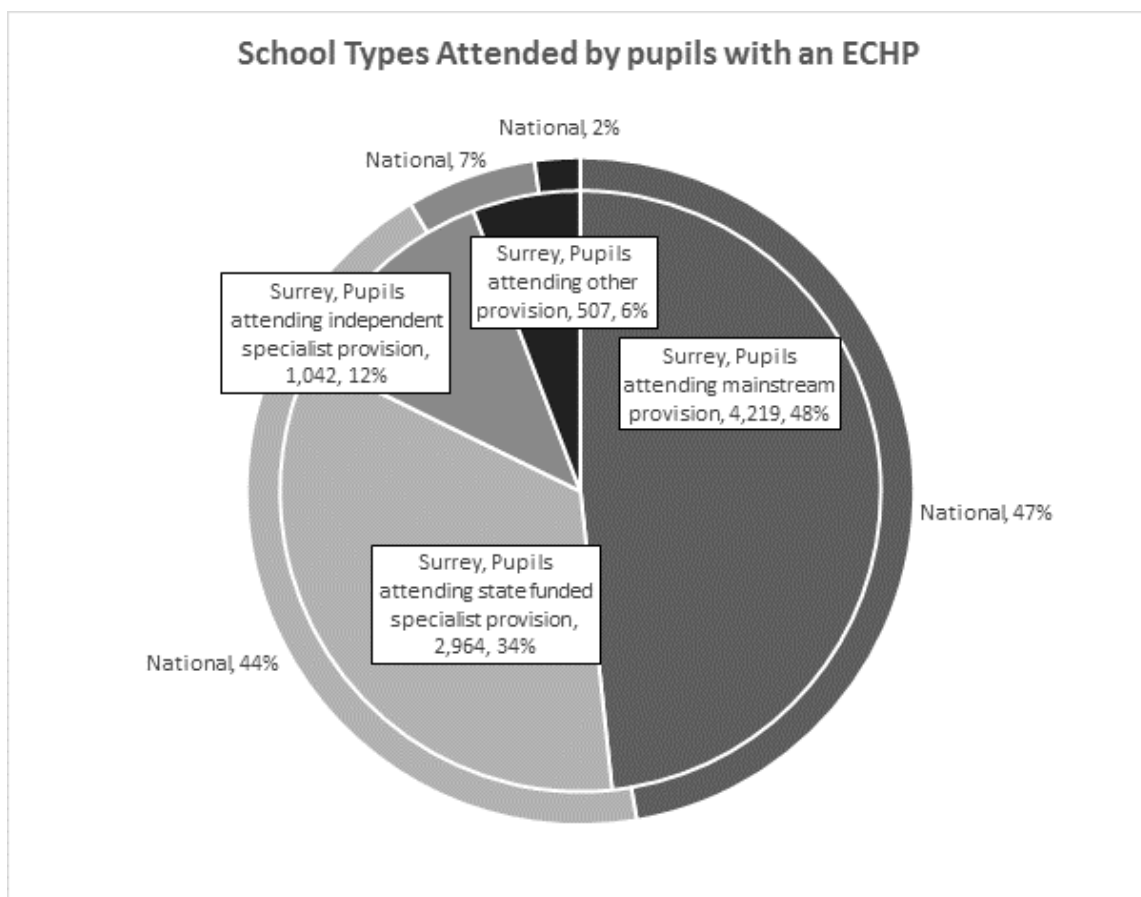
DETAILS

The context

1. The size of Surrey's specialist estate has not kept up with the growing demand. This has led to an increasing number and proportion of children being placed in NMIs, often out of county (in October 2018, over 40 per cent of our NMI placements were outside Surrey). As a proportion of the 2 – 18 population Surrey places nearly twice as many children in NMI SEND placements as our comparator counties (0.4 compared to 0.22 per cent). Although an NMI placement will be the most appropriate choice for some children, many of the children placed in NMIs are there because of gaps in Surrey's current provision.
2. Moreover, the location of these assets is not ideal and sometimes inappropriate. There are two key elements of the strategic approach set out in this report:
 - reconfiguring provision so that specialist provision is available much closer than presently to where pupils live; and
 - increasing opportunities for pupils with specialist needs (educational and behavioural) in mainstream schools and further education colleges.
3. A significant consequence of the current pattern of placements for pupils with SEND is a very high financial cost. This is due to the costs on placement in NMIs being (on average) much more expensive than specialist placements in special schools or resourced provision in mainstream schools. On average, the annual unit cost is £22,000 for state specialist placements and £48,000 for NMIs (120 per cent more).
4. The total NMI spend was £49m in 2018/19 and will be higher in 2019/20 as the number of pupils with EHCPs has continued to rise, with only a small number of temporary extra places available. If Surrey had reduced its expenditure on NMI provision in line with the average of its statistical neighbours this year, through having state-funded specialist places available, there would be a saving of about £12m. As a result, the current amount allocated to the HNB would reduce by approximately £12m.
5. Finally, there is a significant issue with the condition of the county's pupil referral units (PRUs). The PRU estate is very poor and dilapidated. In most, buildings are outdated and not fit for purpose. Currently, most of the buildings do not meet the current Department for Education minimum size requirements, which inhibits: sport, recreational and vocational opportunities, all of which are important for the children and young people who access PRU.

The current offer and the deficit of places

- Surrey currently has 24 special schools and 49 specialist units in mainstream schools providing a total of 3,091 places in 2018/19. These are a mixture of maintained schools and academies. In Surrey there are currently six designations based on the types of needs are: learning and additional needs (LAN), communication and interaction needs (COIN), complex social and communication needs (CSCN), severe learning difficulty and disability (SLDD), social emotional and mental health needs (SEMH) and hearing and visual impairment (HI/VI).
- In January 2019, there were 8,732 young people with an EHCP maintained by Surrey. The pie chart below shows the type of schools attended. The county has – as noted above in paragraph 1 – a very high percentage of pupils with SEND attending NMI's - 12 per cent against 6.3 per cent nationally. The overall percentage of pupils with an EHCP in mainstream schools reflects the national average, with those in state-funded specialist provision proportionately lower – hence higher costs to the HNB as relatively expensive NMI places must be utilised.



- In January 2019, 318 (10 per cent) of the 3,091 Surrey specialist places were occupied by children with EHCPs maintained by other local authorities and 191 children with EHCPs maintained by Surrey were placed in provision maintained by other local authorities. Surrey was a therefore net 'importer' of 127 SEND pupils in specialist placements.

Projecting future demand

- Projections of the demand for specialist SEND placements for ages 4 – 19 (reception to year 14) in Surrey over the next 10 years have been modelled, with the first four years (2019 to 2023) being the subject of detailed work. Based on pupil movement

trends and underpinned by demographic projections including birth rates, population estimates and housing growth, the forecast suggests an increase in the numbers of children with an EHCP and demand for Surrey placements from other local authorities.

10. The recent increase seen in the demand for specialist placements will begin to slow and then level off by 2024/25. The forecasts indicate there could be a 38 per cent increase in demand for mainstream placements and a 34 per cent increase in demand for specialist placements over the next decade.
11. The outputs of a forecasting model such as this are not a guarantee of what will happen. They merely show the predicted future numbers and trends based on a particular set of input assumptions. A key variable is the extent to which practice in schools improves, for example, in the early identification of educational needs, and the accommodation of a higher proportion of those children without the need for an EHCP, or with a plan but accommodated in the pupil's local school. This would increase the percentage of pupils with identified needs in mainstream (non-resourced) provision, freeing up places in resourced units and special schools, thus lowering the number of extra places needed.

Principles and strategic approach

12. The Council and key strategic partners including health have just finalised a SEND strategy that contains our ambitions for children as a partnership and provides the wider strategic view in which this place planning work sits. The strategic objective is that the council provides a place as close to every child's home as possible, and that out of county placements reduce year on year throughout the 10 year period.
13. The principles underpinning our strategic approach are that:
 - pupils with SEN should be able to attend their local school in most instances;
 - parental preference should be supported by increasing the number of appropriate places available in both resourced provision and special schools;
 - provision is flexible, e.g. meeting a wider range of needs and 'bulge' classes in special schools are provided to meet peaks of demand; and
 - a place in a high-quality state-funded school is available to every parent who wants one.
14. The desired outcome is that the progress, attainment and life-chances of children with SEN increases, through good-quality schooling that is local for most and with short journey times for the majority of children who cannot be provided with local places. Local schools have the additional benefit of local friendship groups and a community experience available to most children and young people.
15. The intention is to achieve this objective by:
 - transitioning children from NMI's into maintained provision at key transition points where that meets their needs;
 - reducing the number of new children entering into NMI's by providing sufficient maintained provision that delivers the best outcomes;
 - prevention and early intervention is delivered, which meets the needs of children without an EHCP, thus reducing demand for EHCPs as well as mitigating the forecast increase in future demand; and

- moving to fully shared accountability across the whole system between health, education and social care that has the child at the centre of our collective attention.
16. The council has strengthened considerably its resource capability and capacity to deliver the programme:
- the assistant director, SEND is in post and links programme delivery with SEND commissioning;
 - we have increased our programme and project management capacity;
 - a team of 6 seconded SENCO's has been recruited to support the roll-out of the graduated response over the next two years;
 - we are forming a strategic partnership with London South Bank University to support the develop of work around autism; and
 - an interim director of transformation is in place.
17. Table 1 below shows the number of pupils with specialist needs over the next four years 'as is' without the SEND transformation strategy, which was approved by the change management board in June 2019. While the overall increase in numbers is stark, it does not translate into the need for an extra 5,141 places. This is because Surrey has the overall capacity required in mainstream schools, and thus while the number and percentage of pupils with an EHCP will increase by 3,021, the places will be available through the normal place-planning work. Therefore, the actual number of specialist, independent and other places would be 2,120.

Table 1: forecast number of EHCPs by placement type

School type	2018/19	2019/20	2020/21	2021/22	2022/23	increase
Mainstream	4,219	4,832	5,540	6,338	7,240	3,021
Specialist provision	2,964	3,110	3,374	3,673	4,010	1,046
Independent provision	1,042	1,125	1,270	1,434	1,619	577
Other	507	570	697	841	1,004	497
Total	8,732	9,637	10,881	12,286	13,873	5,141

18. The SEND transformation strategy sets out a strategic plan that is intended to result in the reduction of 851 EHCPs between 2018 and 2023, achieved by meeting pupils' needs earlier. This will affect principally the number of pupils with EHC plans in mainstream schools, as shown in table 2 below (941 fewer EHC plans) with a small increase in specialist places, including independent and 'other' provision (90) being required.
19. There are three main parts to the place planning strategy:
- working with maintained primary schools (including nursery provision, and infant and junior schools) and secondary schools (including sixth-forms) to ensure that there is the expertise and willingness to provide places for most pupils with a level of need that has resulted in the issuing of an EHCP;
 - increasing the number of specialist places available, through bulge classes, expansions and opening new schools; and

- renewing the specialist estate, 'right sizing' the place numbers and ensuring that provision is appropriately placed in the county, and is as local as possible.
20. The strategy is intended to result in significant changes in the type of setting pupils with EHCPs attend by the 2022/23 school year. Mainstream schools are expected to meet the needs of increasing numbers of pupils without EHCPs, with state-funded specialist places increasing, reducing the dependency on independent providers (see table 2 below).

Table 2: potential reduction in EHCPs by 2023 as implied by the SEND strategy

School type	2018/19	2019/20	2020/21	2021/22	2022/23	change
Mainstream	4,219	4,832	4,314	3,796	3,278	-941
Specialist provision	2,964	3,110	3,335	3,560	3,785	+821
Independent provision	1,042	1,125	891	658	424	-618
Other	507	570	511	452	394	-113
Total	8,732	9,637	9,051	8,466	7,881	-851

21. Table 3 shows the places currently planned in the first four years, and the gap between this figure and the projected demand.

Table 3: additional specialist places planned against place demand – 2019 to 2023

Places and demand	2018/19	2019/20	2020/21	2021/22	2022/23
Additional places	0	208	145	350	180
Cumulative additional places	0	208	353	703	883
Additional place demand		146	264	298	337
Cumulative place demand		146	410	708	1,046
Place availability (plus or minus)		62	-57	-5	-162

22. If the transformation programme was not in place – or is unsuccessful – the number of specialist places required by the 2022/23 school year is projected to be 1,046, against the 883 places planned. In the first four years of the strategy, excess demand would have to be met through:
- additional temporary accommodation or arrangements for bulge classes, in specialist provision to be identified;
 - available specialist provision in other local authorities; and / or
 - NMI placements.
23. Should the transformation programme deliver the projected reductions in EHCPs by 10 per cent, the demand for specialist places will still increase by 821. This is because pupils' needs will be managed without so many independent and other provider places being needed. Table 4 below shows the effect on place availability in the specialist sector between now and 2023 – a surplus each year except for 2020/21.

Table 4: additional specialist places – 2019 to 2023 against possible reduced demand as implied by the SEND strategy

Places	2018/19	2019/20	2020/21	2021/22	2022/23
Additional places	0	208	145	350	180
Aggregate additional places	0	208	353	703	883
Additional place demand		146	225	225	225
Aggregate place demand		146	371	596	821
Place availability		62	-18	107	62

24. Delivery of the proposed additional places in parallel with the SEND transformation will see the demand for NMI and other placements reduce significantly – by 618 and 113 respectively. The extra places might enable the further reduction of NMI and other placements used. Alternatively, places can be made available for pupils with EHCPs in mainstream schools whose needs are not being met.

Planned projects, 2019-2023

25. There are 14 planned projects in the first four years of the strategy. These are listed in annex 1 (attached). The new places that will be created total 752. In addition to the extra places, an additional 131 places have been agreed with schools that have the capacity to accommodate more pupils with no capital costs. This is how the 883 additional places by September 2022 (see table 3 above) will be achieved. Individual planned projects will be subject to individual consultation and relevant statutory process where appropriate, this will include further referral to Cabinet and Cabinet Member

CONSULTATION:

26. The approach to development of the Surrey SEND strategy was subject to full consultation that was considered by the Councils Cabinet on 29 January 2019. Consultees included Schools, Parents, Pupils, Local Districts and Boroughs.
27. The Council has undertaken engagement activities with schools during the summer term developing the place strategy. All phases of schools have been included within this process including, Primary, Secondary, Special and Mainstream provision and representative from Academy, Aided and Community Schools. Comments received from this programme have been used in the development of this strategy

RISK MANAGEMENT AND IMPLICATIONS:

28. There is a risk that current forecasts of demand for pupils with an EHCP are inaccurate and that there is therefore an under or over supply of specialist places with consequent capital and revenue implications for the Council. To mitigate this the Council has invested in high quality forecasting tools and continually reviews and assess forecasts in relation to outcomes.
29. There is a risk that allied aspects of the strategy do not impact on both the number of EHCPs and the placement of pupils with an EHCP that would therefore undermine the deliverability of the Place strategy. To mitigate this we will review the demand patterns and assess each individual project before bringing forward for further approval. In addition we will update the programme beyond 4 years to ensure that future proposals are in line with demand patterns.

30. There will be specific risks associated with individual projects that relate to statutory process including Prescribed Alterations and Planning that could mean that specific projects cannot be continued. Each project will be subject to detailed consideration by Officers prior to submission to Cabinet or Cabinet member for approval where appropriate. Officers could review individual projects and bring forward alternative proposals for consideration in line with SEND strategy and overall demand profiles.

Finance and value for money implications:

31. The strategy to increase the proportion of pupils within maintained specialist provision against the proportion of those within non-maintained independent provision has a revenue benefit for the Council as indicated in paragraph 4 above. Additionally the SEND strategy to reduce the overall number of EHCPs due in part to more efficient early identification and support has further revenue savings for the High Needs Block.
32. The strategy assumes increases in maintained provision, elements of which will have capital implications as indicated in the Special Educational Needs and Disabilities (SEND) Capital Programme Paper. Each individual project will be subject to specific approval of Cabinet or Cabinet member to ensure that value for money is achieved. Additionally each project will be subject to robust cost challenge and scrutiny to drive optimum value as it progresses. The allocation of additional capital to complete the programme will have a borrowing cost for the council where it is above that provided by grant. Each individual project would need to be assessed through approval as to whether it achieved a financial benefit for the council set against this borrowing cost.

Section 151 officer commentary:

33. The Council is facing a very serious financial situation, whereby there are substantial savings which need to be achieved to establish a balanced budget on the High Needs Block of the Dedicated Schools Grant. This strategy is built around the need to reduce the cost of SEND as part of the SEND reset programme. The SEND reset aims for annual expenditure to be within annual High Needs DSG funding over three years. Without any action the cumulative deficit would increase to £250m by the end of 2022/23, but the reset reduces this cumulative deficit to £80m. As such, the Section 151 Officer supports the initiative to reduce reliance upon Independent, Non Maintained Independent Sector (NMI), schools and colleges through the creation of additional places in local authority maintained schools and academies.

Legal implications – monitoring officer:

34. Section 13 of the Education Act 1996 places a duty on a Local Authority (with responsibility to education) to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area including pupils with additional Special Educational Needs.
35. Section 9 of the Education Act 1996 specifies a general duty that children should be educated in accordance with their parents' wishes, so long as this is compatible with the provision of efficient instruction and training and does not mean unreasonable public expenditure.
36. There is a statutory requirement for consultation in as set out in the School Organisation (Prescribed Alterations to Maintained School) Regulations 2013 for a number of projects identified within the strategy. Such consultation will need to involve those directly affected by such changes together with relevant representative groups.

Further reports on individual projects will be presented to cabinet as and when they are identified and require approval.

Equalities and diversity:

37. The SEND strategy was subject to a full EIA published on 21 January 2019.
38. The strategy focuses on inclusion and ensuring that children with SEND can get a good education at a school close to their home. The aim of the strategy is to make sure that every child growing up in Surrey has the best possible start in life so that children and young people with special educational needs and disabilities are able to live, learn and grow up locally.
39. We also need to ensure that this provision is cost-effective, fair across the range of children and young people's differing needs and sufficient when taking into account predicted future rising levels of need.

OTHER IMPLICATIONS:

40. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

CORPORATE PARENTING/LOOKED AFTER CHILDREN IMPLICATIONS

- 41 This strategy would provide for the opportunity to bring forward proposals to increase provision for maintained education places for pupils with an EHCP in Surrey. It is likely therefore that these places would be closer to home and reduce the incidence of pupils, including LAC pupils, from being placed outside of the Council area. This would be of benefit for some of our most vulnerable children.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN IMPLICATIONS

42. The council has a duty to promote and improve educational outcomes for all children, particularly those who are vulnerable or disadvantaged. The strategy aims to allow for increased maintained provision closer to home for pupils with an EHCP and furthermore reduce the possibility of pupils with an EHCP not accessing appropriate education.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

43. The provision of education places closer to home should reduce the average distance for travel for pupils with an EHCP and further reduce unnecessary journeys where relevant when set alongside the Councils SEND Transport Transformation programme.

WHAT HAPPENS NEXT

Approval, by Cabinet, of the Place Planning Strategy and allied Capital Programme will allow for individual projects to be developed and come forward for specific approval by Cabinet or Cabinet Member where appropriate.

Contact officer: Liz Mills, Director of Education, Lifelong Learning and Culture

Consulted: Schools

Annexes:

Annex 1: SEND place planning strategy: additional places planned, 2019 to 2023

Sources / background papers

Special Educational Needs and Disabilities (SEND) Capital Programme