

SURREY COUNTY COUNCIL**CABINET****DATE: 26 JANUARY 2021**

**REPORT OF: MRS JULIE ILES, CABINET MEMBER FOR ALL-AGE LEARNING
MR MEL FEW, CABINET MEMBER FOR RESOURCES**

LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR OF CHILDREN, FAMILIES AND LIFELONG LEARNING

SUBJECT: PLACEMENT VALUE AND OUTCOMES: DEVELOPING LOCAL SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) PROVISION TO MEET DEMAND IN SEPTEMBER 2021

ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT, TACKLING HEALTH INEQUALITIES AND ENABLING A GREENER FUTURE

SUMMARY OF ISSUE:

Surrey's existing maintained specialist estate, which includes places in specialist centres and units in mainstream schools and special schools, has 3,477 places of which 98% are currently occupied. This capacity constraint given the significant increase in demand requires in County provision of 5,100 specialist school places.

The demand for maintained specialist school places in Surrey for children and young people with SEND has grown significantly over the past 4 years from 2,859 planned places in 2017-2018 to 3,513 in 2021. As the county's specialist estate has not expanded at the same rate as the demand, this in turn has increased reliance on the independent sector to ensure all pupils are able to access suitable full-time education. The current position is that 400 additional specialist school places are needed on top of those already planned for the beginning of September 2021.

The SEND Capital Programme's work is aligned with Surrey's Community Vision 2030, which seeks to realise the local area's ambition that everyone benefits from education, skills and employment opportunities that help them to succeed in life. The SEND Partnership Strategy 2019 emphasises the better long-term outcomes for children and young people educated closer to home by local providers, who can successfully support children and young people who have SEND to live, learn and grow up locally to achieve their potential.

To that end, Cabinet initially approved £33.2m capital investment on 24 September 2019 to increase local specialist provision and deliver 883 additional specialist places phased between 2019-2030. This included three new special free schools, one of which is funded by Surrey County Council (SCC). A further capital investment of £36m was approved by Cabinet on 29 September 2020 to permanently expand existing maintained specialist provision by an additional 213 places, which will come online between 2021-2022.

In addition to the approval to create the specialist places outlined above, the scope of seven projects from previous phases of investment within the programme have been reviewed and affords the opportunity to provide an additional 87 specialist school places within the funding envelope already agreed. These 87 additional places will start to come online between 2021-2022 and support sufficiency of demand for September 2022.

The combined capital investment of £69.2m will increase Surrey's specialist estate by 1,183 places towards the 5,100 total projected demand.

After providing the 1,183 places above, to satisfy demand there is still a requirement of 400 additional specialist school places. Therefore, approval is now sought to further expand maintained provision by this quantity. It is expected that these new specialist places will be brought online through utilising and adapting capacity within existing SCC owned assets, as well as maintained schools, to deliver the offer for the start of the academic year 2021-2022.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Agrees the strategy and approves in principle the use of £11.5m of the total approved SEND Capital Funding of £79.6m for a programme of adaption and refurbishment of SCC owned assets and maintained schools in Phase 3 of the SEND capital programme to create 400 additional specialist school places in Surrey for September 2021.
2. Approves the delegation of authority to agree individual projects and resources to the Cabinet Member for All Age Learning and Cabinet Member for Resources, subject to a detailed business case for each scheme.

REASON FOR RECOMMENDATIONS:

Following the introduction of The Children and Families Act, 2014 and revised SEND Code of Practice in 2015, Surrey has seen the number of Education, Health and Care Plans (EHCPs) increase by between 11-18% each year, resulting in the projected demand for 5,100 specialist school places.

This significant increase in demand for specialist provision has led to a historic over reliance on the independent school sector. Surrey's ambition is to ensure sufficient maintained placement availability for the cohort of children and young people who have SEND and need specialist placements. The recommended Phase 3 SEND capital investment completes the planning for sufficiency of specialist school places in the academic year 2021/22.

DETAILS:

CONTEXT:

1. The Department for Education's 2019-2020 High Needs Benchmarking Tool identifies Surrey as an outlier with 4.4 per 1000 of the 2-18 population of children and young people with SEND placed in the independent sector; almost twice as many as compared to an average of benchmarking counties including Hampshire, Essex, Kent, East Sussex and Hertfordshire who have 2.25 per 1000. This results in approximately £71.5m cost on the current cohort of 1,350 pupils educated in non-maintained independent provision per year.

2. The Cabinet report dated 29th September 2020 highlighted increased demand of key stage transfer pupils for 2021/22. Further analysis and sufficiency modelling have been undertaken and projections based on 2020 EHCP numbers suggest a growth in demand across all year groups between Year 0 (age 4-5 years) and Year 14 (age 18-19 years) for an additional 400 places for September 2021. A range of factors including anticipated new Education Health and Care Plans (EHCPs), children and young people moving into the county with existing plans based on recent trends, as well as the proportion of children and young people with EHCPs currently educated in specialist provision.
3. Therefore, in order to provide sufficient specialist places for those that need them and ensure better value for money, 400 additional places in Surrey's maintained schools are critical for September 2021.
4. Based on an average unit cost of £53k per learner per annum for independent sector provision compared to the average cost for maintained specialist places at £23k per learner per annum, the provision of additional maintained specialist places would generate an approximate saving in 2021-2022 of £30k per place. Based on the maximum of 400 maintained places this realises c£7.9m in 2021-2022 as the places would come into effect from September 2021, or in a full financial year saving of around £11.9m. (Annex 3)
5. An Expression of Interest exercise was initiated by SCC Education Place Planning in collaboration with Land & Property services in early December 2020, along with the development of a new decision-making framework which was coproduced through local partnerships and the SEND Capital Programme Working Group. Mainstream and special schools were encouraged to submit applications for expansion, based on the shared understanding of demand. It was considered to be critical that all applicant schools were informed about the commitment and additional engagement required for expansion from the outset.
6. The factors for decision making include:
 - a. Leadership capacity on top of business as usual, as well as successfully managing additional complexities associated with COVID 19
 - b. Ofsted grading – in particular Leadership & Management, Quality of Education and Personal Development for Learners
 - c. Demonstrable impact of successful approaches to inclusion and transition
 - d. Historic as well as current occupancy and vacancies (changes to PAN for mainstream or NOR to specialist settings)
 - e. Demand by need type and schools' specialisms
 - f. Key Stage Transfer as well as in-year National Curriculum Year groups
 - g. High needs revenue costs, including therapies
 - h. Sustainability – use of existing and available space, recent expansions and modifications (either through basic need or priority building programmes)
 - i. Ability to have works undertaken during term time and holiday periods
7. All applications received from schools will be assessed by a panel of senior SCC officers from relevant SEND, Education and Land & Property departments, as well as Special School and Mainstream Phase Council Leads in January 2021.

DELIVERY OF ADDITIONAL PROVISION AND BENEFITS TO CHILDREN, YOUNG PEOPLE AND RESIDENTS

8. The provision of additional specialist places supports the county-wide inclusion agenda as well as increasing the availability of places for children and young people with SEND to access in Surrey. Sufficient in-county provision ensures specialist education provision that achieves high quality outcomes as well as good value for money.
9. Capacity created locally will make certain that SEND home to school transport distance and costs are reduced so that pupils attend their closest most appropriate school with shorter journey times. Opportunities for developing independent travel skills can be maximised as a result of children and young people being educated closer to home. This will also address local congestion around school sites as well as traffic flow around the county, which will be of benefit to Surrey's Green Agenda.
10. The distribution and occupancy of current Special Schools and mainstream Specialist Centres clearly illustrates that there is an existing lack of provision of Autism and Social Communication & Social Interaction Needs, Moderate Learning Difficulties and Social Emotional Mental Health Needs Special Schools and Specialist Centres. The proposed modification and expansion programme will ensure that additional places are matched appropriately to need type, phases of education and geographic locations. (Annex 1 and Annex 2)

CONSULTATION:

11. The recent disruption brought about by COVID-19 means that the consultation approach employed by the Council for decision-making for Phase 3 of the SEND Capital Programme is a continuation of the development of Surrey's SEND strategy, which was subject to full public consultation and reviewed by the Council's Cabinet on 29 January 2019. Consultees included education providers, SEND System-partners (Children and Adult Education Services, Social Care Services and Health providers), parent carers, children and young people, local districts and boroughs.
12. The Council has undertaken further engagement activities with schools in 2020, including encouraging settings to provide 'Expressions of Interest' (EOI) for capital expansion and targeted discussions with schools as well as Phase Councils. Different phases of schools have been included within this process including mainstream maintained and academy secondary and special schools. Comments and expressions of interest received from previous phases of programme as well as lessons learned have been used in the development of this report for approval.
13. Further public consultation will be required for each approved project going forward in line with statutory Planning Consultations and Judicial Review periods for Land & Property developments, as well as Department for Education Prescribed Alteration (Stage 2 Representation) and Free School Presumption (Section 10 Consultation) processes.

RISK MANAGEMENT AND IMPLICATIONS:

14. Sufficiency data requires close monitoring and frequent ratification to ensure projected demand for learners with EHCPs is up to date and accurate. This

guarantees an appropriate supply of specialist places, which are aligned with need as well as agreed capital and revenue projections for the Council.

15. Specific timescale risks associated with the statutory process including prescribed alterations, planning and procurement could mean that permanent expansion projects are not delivered by September 2021. This risk has been mitigated by the significantly narrower scope of the works to be completed for the third investment phase in the SEND Capital Programme. The project will be monitored by the SEND Capital Board and jointly planned by Education and Land & Property partners in regard to continued business justification, financial viability, progress, risks and issues as appropriate.
16. Targeted conversations with schools and multi-academy trust Chief Executive Officers took place in mid-December 2020 after the expression of interest exercise was initiated through communications with schools at the beginning of the month. This was to further ascertain and promote interest in school expansion with settings that have leadership capacity on top of 'business as usual' and resulted in highly positive feedback.
17. All building and refurbishment projects are required to include risk, issue and quality registers. A contingency allowance approved by Finance and Land & Property partners appropriate to the schemes is already built into the project budget to mitigate potential risks and issues. These will be subject to approval from the Capital Programme Board and reported to the SEND Capital Programme Board by exception for decision-making.
18. Evaluative processes for measuring the success of SEND Capital investment are employed in reviewing the impact and lessons learned from Phase 1 and 2 projects. Learning from experience is critical so that previous lessons learned can be applied, with the goal of seeking opportunities to continue to implement improvements throughout each phase of the programme. It is the responsibility of all officers involved with the SEND Capital Programme to look for lessons in order to drive sustainable change and progression.
19. A Programme Risk Register will be used to identify, manage and mitigate programme risks. In addition, each individual project within the programme will have a comprehensive costed risk, issue and quality register. These will be managed by the Land & Property project teams.
20. As refurbishment or modification work is likely to be completed through Measured Term Contracts Teams, external planning permission is unlikely to be required. Therefore, we will be able to access a much faster route through planning and procurement processes, as compared to new-build schemes.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

21. The capital investment required to complete this third phase of the programme is £11.5m, which is based on the development of 21 new specialist units at a cost of up to £550,000 per project.

22. A sustainable specialist estate will be developed to provide fit for purpose facilities for Surrey's children and young people who have SEND and require a specialist school placement, providing cost effective solutions to support revenue savings. The investment will be funded from existing capital programme budgets within Education, which have been repurposed in order to progress this next phase of the SEND Capital programme.

23. The total cost of the SEND Capital Programme is projected to be £79.6m:

Programme Phase	Investment
Phase 1	£39.9m
Phase 2	£21.3m
Phase 1 & 2 expanded schemes	£6.9m
Phase 3	£11.5m
TOTAL	£79.6m

24. This is funded by:

Approval period	Investment
24 September 2019	£33.2m
29 September 2020	£36m
Repurposed capital allocations *	£10.4m
TOTAL	£79.6m

* This has been assumed in the capital programme contained in the draft Medium-Term Financial Strategy

25. Each individual project will be required to demonstrate value for money and benefits realisation is achieved, in addition to being subject to robust cost challenge and scrutiny to drive optimum value as it progresses.

SECTION 151 OFFICER COMMENTARY

26. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. As such, the Section 151 Officer supports the revised SEND Capital Programme. The outcome will be factored into the Medium-Term Financial Strategy.

27. The capital requirement, set out in this report, is already factored into the draft 21/22 medium-term financial strategy (MTFS). The projected revenue benefits will come from the reduced unit cost of a placement within a Surrey maintained school compared to a Non-Maintained Independent setting. As part of the wider SEND transformation programme, this will contribute to reducing the High Needs Block annual deficit.

LEGAL IMPLICATIONS – MONITORING OFFICER

28. Section 13 of the Education Act 1996 places a general duty on the Council to secure that efficient primary and secondary education is available to meet the needs of the

population in its area. In doing so, the Council is required to contribute to the spiritual, moral, mental and physical development of the community. Section 14 of the Education Act 1996 places a duty on the Council to secure that sufficient schools for providing primary and secondary education are available in its area.

29. Part 3 of the Children and Families Act 2014 places a duty on the local authority to support children and young people in England with special educational needs or disabilities and to keep under review the educational provision in its area for those children and young people.
30. The best value duty is contained in s3 of the Local Government Act 1999 as a result of which the Council is under a duty to make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The relevant guidance states that Councils should consider overall value, including economic, environmental and social value when reviewing service provision.
31. In considering this Report, Cabinet must give due regard to the results of the consultation as set out in the report and the response of the Service to the consultation comments and conscientiously take these matters into account when making its final decision. As the implementation of the SEND capital program progresses individual plans or projects may need further consultations and cabinet approval. The report makes clear that these steps will take place at the appropriate time.

EQUALITIES AND DIVERSITY

32. The SEND Strategy, to which this programme of work aligns, was subject to a full Equalities Impact Assessment published on 21 January 2019. This EIA has been reviewed and remains relevant to the schemes outlined in this cabinet paper.
https://www.surreycc.gov.uk/data/assets/pdf_file/0008/188729/Annex-2a-SEND-Transformation-Programme-EIA-FINAL.pdf
33. The strategy focuses on inclusion and ensuring that children and young people who have 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 and young person who has SEND growing up in Surrey has the best possible start in life and equality of opportunity is maximised across the different need types and range of needs across the four quadrants of the county.

OTHER IMPLICATIONS:

34. 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. These benefits involve maximising local business opportunities and the social value they create across the county, including how local communities can be best supported and enhancing communications both internally and externally.

CORPORATE PARENTING/LOOKED AFTER CHILDREN IMPLICATIONS

35. The programme of capital investment directly supports both the Surrey Corporate Parenting Strategy 2020 and SEND Partnership Strategy 2019.

36. Increasing the sufficiency of provision in Surrey for children and young people who have SEND and/or who are looked after will enable better long-term outcomes, with children closer to home and more connected to local communities and support services.
37. Local capital investment improves value for money through the strengthening of collaboration with local providers, as well as other local authorities to manage the market more effectively.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS

38. The council has a duty to promote and improve safeguarding in education as well as educational outcomes for all children and young people who are vulnerable or disadvantaged. The creation of additional specialist capacity closer to home supports highly effective joint agency monitoring to safeguard children, to reduce placement breakdown and increased demand on care services.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

39. The provision of education places closer to home will reduce the average journey times for learners with EHCPs and is aligned with the vision and aspirations of Surrey's SEND Transport Transformation programme.
40. Design philosophy that has been adopted to create new or refurbish and extend existing buildings will support low energy consumption, reduce solar gain and promote natural ventilation. Any proposals will be in line with this policy and any new building will be to the standards in the local planning authority's adopted core planning strategy.

PUBLIC HEALTH IMPLICATIONS

41. No significant implications arising from this report.

WHAT HAPPENS NEXT:

42. Timescales
- a. Friday 05 February 2021: Notification to applicant schools
 - b. W/c 08 February 2021: Prescribed Alteration processes start with schools
 - c. February 2021-April 2021: Land & Property commence design development, planning & preparation including finalisation of costs with procured and appointed contractors
 - d. May 2021 – 31 August 2021: Work on sites and project delivery
43. Next Steps
- e. Completion of remaining Phase 1 and Phase 2 projects to approved timescales
 - f. Completion of the Phase 2 and Phase 3 SEND Capital Projects' feasibility assessments, as well as firm confirmation of reprofiled SEND Pipeline figures for 2021 onwards.
44. Future decisions about final projects and resource allocation will be expedited through delegated authority to Cabinet members for All Age Learning and Resources

45. Issue/outcomes will be communicated via the SEND Capital Programme Board to the CFLL Capital Board alongside monthly Cabinet Member briefings

Contact Officer:

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Consulted:

As part of Surrey County Council's ongoing transformation work, public consultations have been conducted to capture the users' voice on the principles and transformation work in each area of the council's strategy and offer. Each consultation has used open-ended questions to allow respondents to share their perceptions, attitudes and experiences.

Surrey residents were asked for their views on the draft SEND strategy which sets out 5 principles and 4 proposed areas of transformation to strengthen support for children and young people with special educational needs and disabilities (SEND), at a time when the amount of funding available is not keeping pace with the growing levels of need.

Results of Surrey's SEND Strategy Public Consultation were published in January 2019:

https://www.surreycc.gov.uk/_data/assets/pdf_file/0010/187381/Special-Educational-Needs-and-Disabilities-Consultation-Summary-Analysis.pdf

Annexes:

ANNEX 1: Current Special School provision for COIN, LAN and SEMH in Surrey

ANNEX 2: Current Mainstream Specialist Centre provision for COIN, LAN and SEMH in Surrey

ANNEX 3: Phase 3 SEND Capital Programme proposed schemes and the potential cost containment that could be realised, compared to continued use of the independent sector

Sources/background papers:

SEND Partnership Strategy 2019

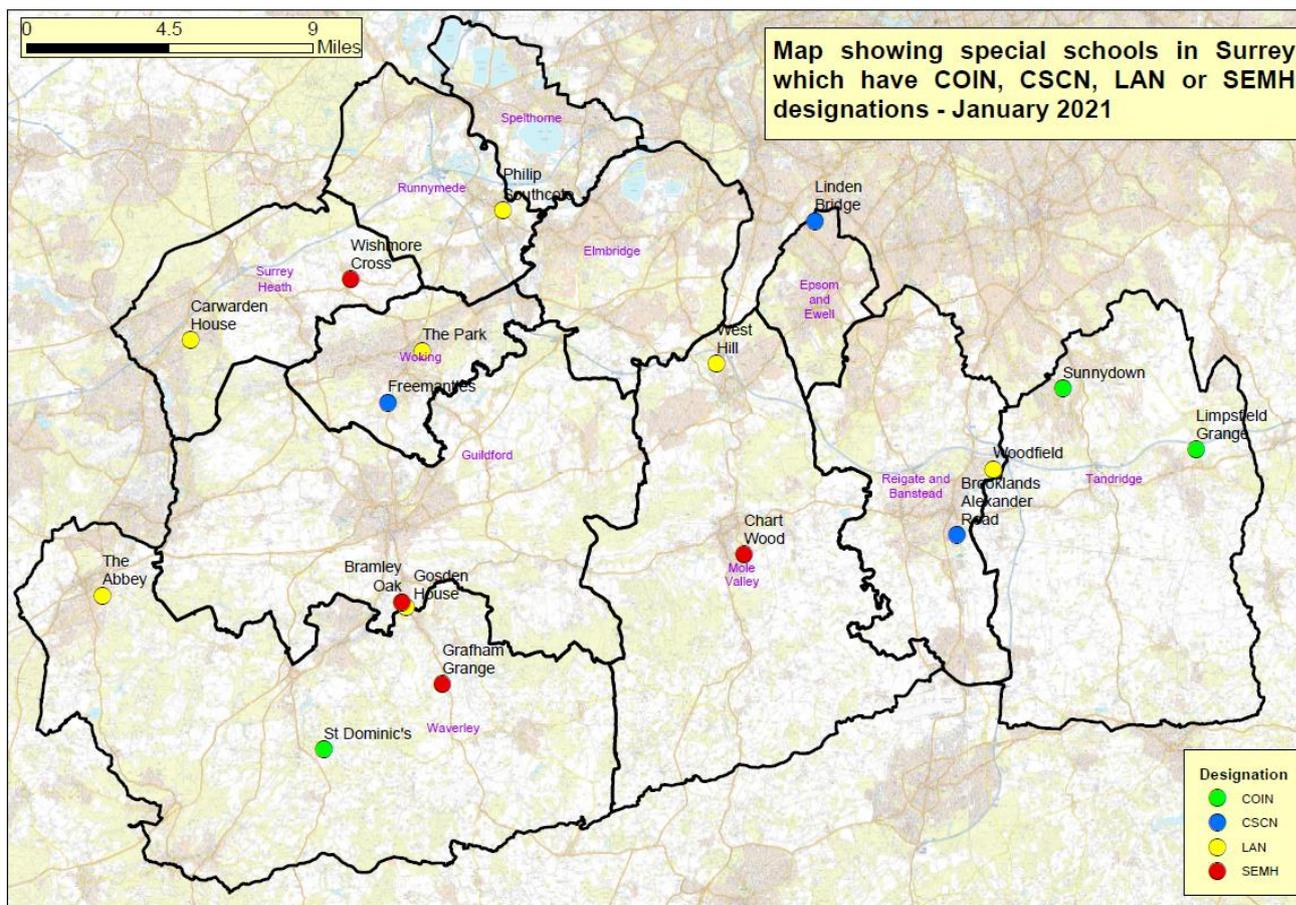
Expressions of Interest for September 2021

SEND Transformation Portfolio 2020

SEND Commissioning Strategy 2021

School Organisation Plan 2020

ANNEX 1: Current Special School provision for COIN, LAN and SEMH in Surrey



The North East, North West and South West quadrants are currently under-served for special school provision. The proposed schemes in Phase 3 would ensure a long-term sustainable position with year on year specialist school place availability that would support the phased reduction in use of the non-maintained independent sector.

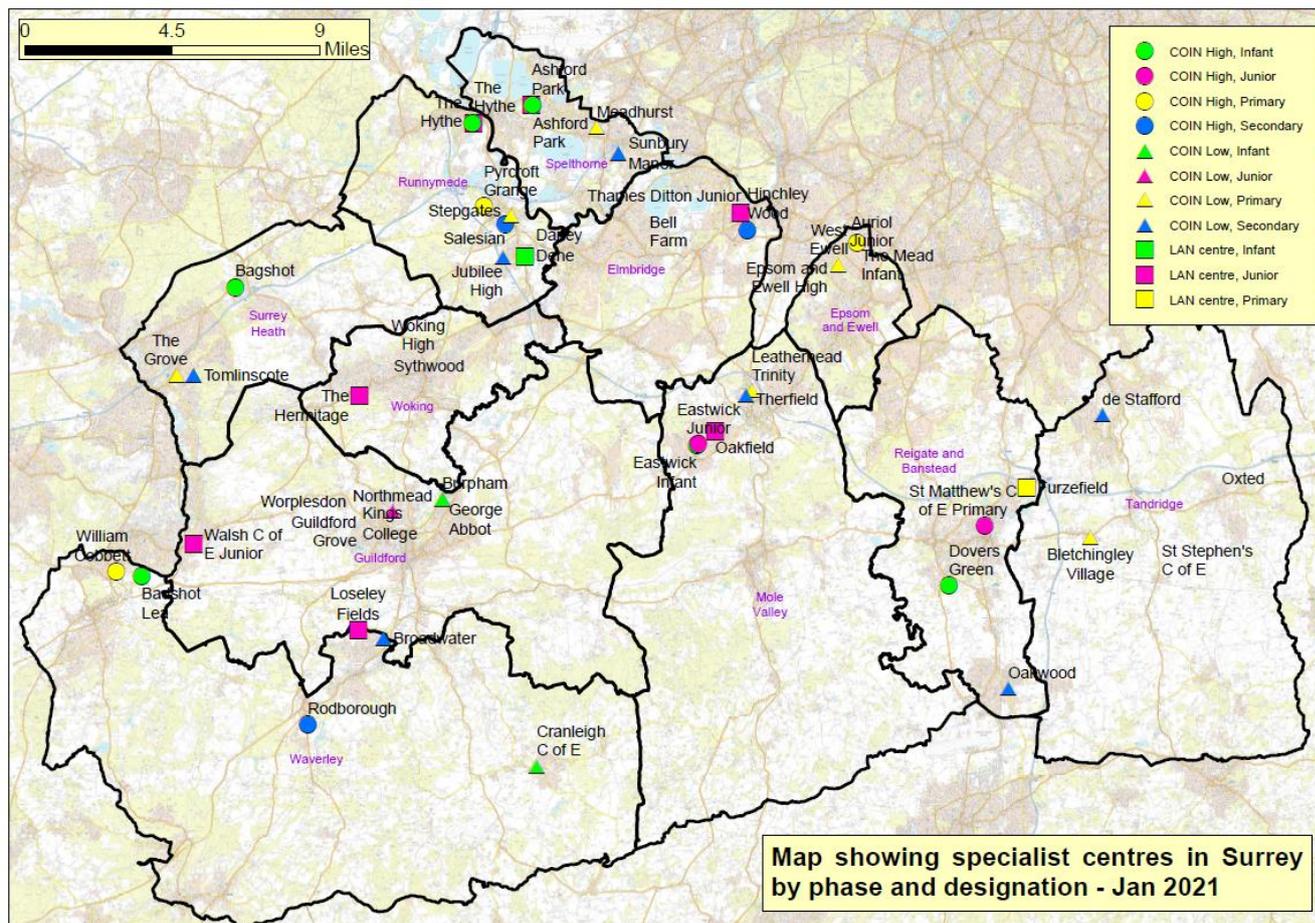
COIN: Higher functioning autism and communication & Interaction needs

CSCN: Complex autism, additional learning difficulties and social communication needs

LAN: Learning and additional needs (Moderate Learning Difficulties)

SEMh: Social, Emotional and mental health needs

ANNEX 2: Current Mainstream Specialist Centre provision for COIN, LAN and SEMH in Surrey



High COIN: Higher functioning autism and communication & Interaction needs

Low COIN: Speech and language needs

LAN: Learning and additional needs (Moderate Learning Difficulties)

SEMH: Social, Emotional and mental health needs

Specialist school places delivered through specialist centre provision affords children and young people the opportunity to spend approximately 40-50% of their education amongst mainstream peers, as well as receiving specialist support and education and that meets their more complex needs.

The local area's ambition is to maximise the development and use of specialist centre provision for pupils that have EHCPs to support Surrey's Inclusion strategy, as well as the right to a mainstream education for children and young people who have SEND.

ANNEX 3: Phase 3 SEND Capital Programme proposed schemes and the potential cost containment that could be realised, compared to continued use of the independent sector

Scheme	Need Type	Number of specialist school places	Place availability	Notional Capital Cost	Average NMI equivalent cost @ £53,000	Average Maintained equivalent cost @ £23,378	Potential cost containment
Special School modifications and expansions							
1	High COIN	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
2	High COIN	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
3	High COIN	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
4	High COIN	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
5	LAN (NE)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
6	LAN (NW)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
7	LAN (SE)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
8	LAN (SW)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
9	SEMH (NE)	35	September 2021	£550,000	£1.8m	£0.81m	£0.99m
10	SEMH (NW)	35	September 2021	£550,000	£1.8m	£0.81m	£0.99m
New specialist centre development through utilising existing undersubscribed maintained mainstream schools							
11	High COIN (NE)	25	September 2021	£550,000	£1.3m	£0.58m	£0.72m
12	High COIN (NE)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
13	High COIN (NW)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
14	High COIN (NW)	20	September 2021	£550,000	£1.06m	£0.46m	£0.6m
15	LAN (NE)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
16	LAN (NE)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
17	LAN (NW)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
18	LAN (NW)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
19	LAN (NE/NW)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
20	LAN (SW)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
21	LAN (SE)	12	September 2021	£550,000	£0.6m	£0.28m	£0.32m
Total		399		£11.5m	£21.2m	£9.3m	£11.9m