

SURREY COUNTY COUNCIL**CABINET****DATE: 26 JULY 2022**

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REPORT OF CABINET MEMBER: DENISE TURNER- STEWART, CABINET MEMBER FOR EDUCATION AND LEARNING**LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR FOR CHILDREN, FAMILIES AND LIFELONG LEARNING****SUBJECT: FREEMANTLES SCHOOL PROJECT, PHASE 1 SEND CAPITAL PROGRAMME****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/ EMPOWERING COMMUNITIES****Purpose of the Report:**

The demand for specialist places for children and young people with SEND has increased significantly over the last 5 years, and this in turn has increased Surrey's reliance on the independent sector to ensure all pupils are able to access suitable full-time education.

Surrey's maintained specialist provision is full, and we are expanding this provision at pace to ensure children and young people who have special educational needs and disabilities (SEND) and require a specialist school placement can have their education needs met close to home and within maintained provision wherever possible.

Between 2019 and 2022 Cabinet approved a combined Capital investment of £139.6M for Phases 1-4 of the SEND Capital Programme. This is delivering approximately 2,300 additional specialist school places in Surrey between 2019-2026 to meet projected demand for up to 6,000 specialist school places by 2030/2031.

Surrey's ambition is to provide a Fit for Purpose Specialist Education Estate that is sustainable in the long term to actively reduce reliance on the independent sector. It is also an opportunity for schools to strengthen the inclusion offer to all children and young people with additional learning needs, therefore being of benefit to the local authority, local communities, and the school populations.

Freemantles School expansion project is one of the remaining Phase 1 SEND Capital Programme projects to be delivered that was approved by Cabinet in September 2019. The original brief to expand the school by 40 additional places for autistic children with severe or profound and multiple learning difficulties was increased in 2020 to 72 places and Cabinet subsequently approved an budget of approximately £10m in March 2021.

In addition to the delivery of a new two-story Secondary and Post 16 block on the site to expand the school by 72 additional places, two end of life demountables containing six classrooms are also being removed. These classrooms will be incorporated into the new build in order to re-provide space for 54 current pupils and fit for purpose accommodation that reflects the highly complex needs of the children on roll at the school. As such, overall project costs are now confirmed at £15.159m.

Recommendations:

It is recommended that Cabinet:

1. Approves the £15.159m SEND Capital funding against the Freemantles School Phase 1 Capital project. This an uplift to the individual scheme budget allocation within the existing SEND Capital Programme funding envelope.

Reason for Recommendations:

The project will deliver 72 additional specialist school places and re-provide 54 current specialist school places for autistic children with severe or profound and multiple learning difficulties in Surrey from September 2023 onwards.

The scheme represents good value for money at a cost of £120k per pupil place. Equivalent annual independent sector placement costs for the 72 new places would be a minimum of £3.8m per year compared to £1.6m per year for maintained special school placements.

Investing in the Freemantles expansion project now generates the positive impact on outcomes for pupils with complex special educational needs and disabilities, as well as improving the council's financial sustainability.

The Freemantles School expansion project is business critical to ensure Surrey County Council discharges its statutory duties under Section 3 of the Local Government Act 1999, Sections 13 and 14 of the Education Act 1996 and Part 27 Section 3 of the Children and Families Act 2014.

Executive Summary:

Business Case

1. Freemantles School, situated in Mayford Green, just off the A320 Guildford Road immediately to the south of Woking town centre, is a Local Authority state-maintained Special School for pupils aged 4-19 years with special educational needs and disabilities.
2. It is one of three Surrey special schools catering for the needs of autistic pupils with co-occurring complex severe or profound and multiple learning difficulties and draws its pupils mainly from the west of the county. Pupils on roll at the school are autistic and alongside their communication and interaction difficulties, frequently display complex emotional or behavioural difficulties that are directly related to their special educational needs and disabilities. Freemantles School is co-educational and non-denominational, and it was relocated from Chertsey in September 2007 to its current premises in Mayford Green.
3. Latest sufficiency modelling evidenced demographic demand for additional specialist school places in the medium term for September 2023. Primary age projections showed increasing demand from 1,893 places in 2020/21 with expected growth to 2,037 places in 2023/24. This represents 7.6% increase in demand for specialist school places over that 3-year period and is equivalent to over 140 places. The most prevalent primary needs for pupils aged 4-11 who require a specialist school placement (in order of prevalence) are Autism and Communication & Interaction needs and Severe or Profound & Multiple Learning Difficulties.
4. Secondary age projections showed significantly increasing demand from 2,238 places in 2020/21 to a peak of peak at 2,746 places in 2023/24. This trend is set to continue towards the end of the planning period and represents 22.6% growth within

that 3-year period and is equivalent to more than 500 places. The most prevalent primary needs for pupils aged 11-16 who require a specialist school placement are Autism and Communication & Interaction needs, Social Emotional & Mental Health Needs and Severe or Profound & Multiple Learning Difficulties.

5. Post 16 age projections showed significantly increasing demand from 457 places in 2020/21 to a peak of peak at 573 places in 2023/24. This trend is also set to continue to the end of the planning period and represents 25.3% growth within that 3-year period and is equivalent to approximately 120 places. The most prevalent primary needs for pupils aged 16-19 who require a specialist school placement are Autism and Communication & Interaction needs and Severe or Profound & Multiple Learning Difficulties.
6. The expansion of Freemantles School meets part of the county's demographic demand for all phases of education for autistic pupils aged 4-19 year with co-occurring Severe or Profound & Multiple Learning Difficulties. The project supports realisation of the Council's ambition is to further reduce the Council's reliance on the independent sector and reduce journey times between home and school, but most importantly ensure local children and young people with Special Educational Needs and Disabilities (SEND) who require specialist school placements can have their educational needs met close to home, and within state-maintained provision wherever possible.

Volatile Construction Industry Impact on project costs

7. Since March 2021, Planning has been approved via delegated Officer Decision and the project competitively tendered under a two stage Design & Build process. Project costs have increased due to:
 - changes in statutory Fire regulations for two-storey Special Schools
 - necessary changes to designs and services to achieve compliance
 - higher levels of inflation and significant price increases on materials resulting from Post-Brexit conditions, End-Pandemic conditions
 - The need to source more costly alternatives for unavailable materials (E.g., laminate and dyes) due to the War in Ukraine
 - EU materials supply challenges inflating costs and increasing programmes.

Benefits of proposed action to Surrey Residents:

8. The provision of additional specialist places will support the county-wide inclusion plan as well as increasing the availability of places for children and young people with SEND to access in the county.
9. Benefits realisation ensures specialist education provision is fit for purpose and creates additional employment/ supported internship opportunities for residents around areas of expansion.
10. Children and young people with SEND can access the help and support they need to thrive and achieve within their local communities. They can go to education provision that meets their needs, access services and play an active role in the community close to where they live.
11. Children, young people, and families have access to the same level of high-quality support wherever they live in Surrey. We have a good, shared understanding of our

children and young people who have SEND in Surrey and our support offer matches their identified needs.

12. Expanding Surrey's specialist provision aligns with the Next Steps programme and strategy for post-16 to create local further education and employment pathways such as apprenticeships and supported internships. This enables young people who have SEND to make a successful transition to adulthood and secure employment.
13. Capacity created locally will also ensure SEND home to school transport times are reduced in line with Department for Education recommendations, improving congestion and traffic flow around the county.
14. The local impacts will include improved provision of specialist places and more children with additional needs attending schools closer to their home, better connected to local communities and support services.
15. This project supports SCC corporate priorities including Embracing Surrey's Diversity, Tackling Inequality, and Supporting Independence. It also directly supports the CFLL priority to improve outcomes for children with additional needs in Surrey.

Consultation:

16. Public consultation has been carried out in line with statutory Planning Consultations and Judicial Review periods for Land & Property developments.
17. Public consultation and engagement was also undertaken in line with Department for Education statutory processes for Making Significant Changes to Maintained Schools or an Open Academy by Mutual Agreement. This public-facing work has demonstrated that fair and open local consultation has been undertaken with all those who could be affected by the Freemantles School expansion, and that the Local Authority has considered all responses received.

Risk Management and Implications:

18. Specific timescale risks associated with the statutory process including Making Significant Changes to Schools (DfE guidance, October 2018), planning and procurement could mean that permanent expansion projects are not delivered in readiness for the beginning of an academic year. This risk has been mitigated by forward planning statutory Education processes alongside and Land & Property processes.
19. The SEND Capital Programme's delivery will continue to be monitored by Surrey's Children, Families & Learning 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.
20. All building and refurbishment projects are required to include risk, issue, and quality registers. At a programme level estimated costs include allowances for design development and construction risk and are based on current costs. (i.e., exclude inflation). Estimated costs exclude uplifts for meeting the Operationally Carbon Net Zero target. These are subject to approval from the CFL Capital Programme Board and reported by exception for decision-making.

21. Evaluative processes for measuring the success of SEND Capital investment are employed in reviewing the impact and lessons learned from previous 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 to drive sustainable change and progression.
22. A Programme Risk Register is also used to identify, manage, and mitigate programme-level risks. This is managed by the Programme Managers for Education and Land & Property. In addition, each individual approved project within the programme has a comprehensive costed risk, issue, and quality register. These are managed by the Land & Property Schools Project Management teams.
23. Early discussions and Pre-Application consultation with the Planning Authority and Procurement ensure that potential contentious planning conditions and routes through procurement frameworks are mitigated early. Monthly programme review meetings between the Programme Managers and Planning were established in 2021 for this purpose.

Risk description	Mitigation action/strategy
Current construction industry market conditions	<ul style="list-style-type: none"> Mitigated by accurate cost planning, market analysis and 10% contingency provision
Covid-19 Pandemic – new variant outbreak leading to lockdown or significant impact to contractor working conditions	<ul style="list-style-type: none"> Contractor to initiate Covid-safe working protocols in agreement with SCC
Sector Inflation – Construction industry inflation risk is unpredictable at this time	<ul style="list-style-type: none"> Mitigated by accurate cost planning, market analysis and 10% contingency provision
Increased project costs - impact on Programme: fewer projects and specialist school places are deliverable than planned against approved budgets	<ul style="list-style-type: none"> The affordability gap may be partially closed by Surrey's DfE High Needs Capital Allocation Grant funding, and further closed by opportunities for Community Infrastructure Levy bids and SCC submission of two bids for the next wave of DfE announced Special Free Schools by Oct 2022. Any remaining gap will require consideration (reduce scope of the programme and the associated revenue impacts, or increase capital funding allocation), but the implication of this Cabinet report is a change in the allocation of approved budget to the Freemantles School expansion project and additional funding is not being sought from the programme at this time.

Financial and Value for Money Implications:

24. The improved investment in Surrey's specialist education estate (APPENDIX A) supports local schools to deliver high quality inclusive education to some of the county's most vulnerable children and young people.
25. The proposal will actively reduce reliance on the independent sector, improve the value for money and equitable deployment of limited resources of specialist placements. An

average Non-Maintained Independent placement costs around £53k, whereas a Maintained specialist placement costs around £23k, so each Maintained specialist placement has the potential to avoid cost of around £30k per annum.

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26. The Council's SEND Transformation Strategy and DfE Safety Valve Agreement with SCC sets out the cost containment targets to achieve a balanced in-year position to Surrey's Dedicated Schools Grant High Needs Budget by 2026/27, with the Capital Strategy the biggest single contributor to the cost containment required.
 27. The Capital investment required to complete the Freemantles School expansion project is £15.159m. The average cost per pupil of £120k for new build is based accommodation for 126 pupils (re-provision of 54 places and 72 new/additional specialist school places at the school) which falls within the value for money range that our cost consultants have advised upon. Once the 72 additional specialist school places have been created and filled at Freemantles School, this will represent an annual cost avoidance of approximately £2.16M and a payback period of approximately 6 years.
 28. The increase in scheme budget is to be managed within the existing approved SEND Capital budget envelope. The impact of inflationary pressures within the wider programme is being considered as part of the 23/24 MTFS refresh alongside potential funding options such as grant allocations.

Section 151 Officer Commentary:

29. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding 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.
30. As such, the Section 151 Officer supports the recommendations of this report as the future of the DSG HNB achieving the planned safety valve trajectory is a significant factor in the Council's medium term financial position. Expanding local SEND provision and reducing reliance on the NMI sector is the single biggest contributor to returning the DSG High Needs Block to financial sustainability.

Legal Implications – Monitoring Officer:

31. 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 (including special educational 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.

32. 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.
33. Section 27 Children and Families Act 2014 places a duty on the local authority to keep under review the educational provision for children and young people who have special educational needs and or a disability.

Equalities and Diversity:

34. The Freemantles School project, delivered under Phase 1 of the Capital Programme is expected to have a positive impact on Equalities and Diversity, as increasing numbers of Surrey children and young people with severe or profound and multiple learning difficulties will have their additional needs better met by a school in their local area.
35. An Equalities Impact Assessment was carried out in line with the Cabinet Member approvals for the Statutory Significant Change process in July 2021 (Annex 1)

Other Implications:

36. The potential implications for the following council priorities and policy areas have been considered.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	The programme of capital investment directly supports both the Surrey Corporate Parenting Strategy 2020 and SEND Partnership Strategy 2019-2022. 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. 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	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	The provision of specialist school places closer to home will reduce the average journey times for learners with EHCPs. This also supports the development of sustainable independent travel skills for pupils with SEND, which is aligned with Preparation for Adulthood outcomes. These benefits also 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.

Area assessed:	Direct Implications:
Compliance against net-zero emissions target and future climate compatibility/resilience	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. Commitment to drive forward the transition to a zero carbon built environment, through the pursuit of lower operational energy use, increased supply of renewable energy to Surrey's buildings and reduced embodied carbon – the GHG emissions associated with non-operational phases like construction.
Public Health	No significant implications arising from this report.

What Happens Next:

37. Contract Award: 1 August 2022 - 4 August 2022

38. Contract Delivery: 15 months as outlined in the Freemantles School programme

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Consulted:

Internal:

SEND Transformation Board
 CLFC Capital Programme Board
 Cabinet Members Denise Turner-Stewart, Natalie Bramhall and Becky Rush
 Directors of Education, Liz Mills and Land & Property, Simon Crowther
 Strategic Finance Business Partner CFL, Daniel Peattie
 Strategic Finance Business Partner Land & Property, Louise Lawson
 Education, Commissioning and Land & Property Staff

External:

Executive Headteacher and Governing Body, Freemantles School
 Parents, carers, pupils, and staff at Freemantles School
 Local schools
 Parent carer forum
 Parent and young people engagement groups
 Third sector organisations
 Local MPs, District/ Borough and County Councillors

Appendices

Appendix A: Surrey Specialist Education Estate as of Sep 2021 & SEND Capital Programme Phase 1 Geographical Locations

Annexes

Annex 1: Equalities Impact Assessment

Sources/background papers:

SEND Capital Programme Phase 1: Items 7 and 8 [Decisions Tuesday 24-Sep-2019 14.00 Cabinet.pdf \(surreycc.gov.uk\)](#)

SEND Capital programme Phase 2: Item 10 [Decisions Tuesday 29-Sep-2020 14.00 Cabinet.pdf \(surreycc.gov.uk\)](#)

SEND Capital Programme Phase 3: Item 12 [Decisions Tuesday 26-Jan-2021 14.00 Cabinet.pdf \(surreycc.gov.uk\)](#)

SEND Capital Programme Phase 4: Item 14 [Decisions Tuesday 25-Jan-2022 14.00 Cabinet.pdf \(surreycc.gov.uk\)](#)

Approval to Procure School Projects: Item 72 [Agenda for Cabinet on Tuesday, 30 March 2021, 2.00 pm - Surrey County Council \(surreycc.gov.uk\)](#)

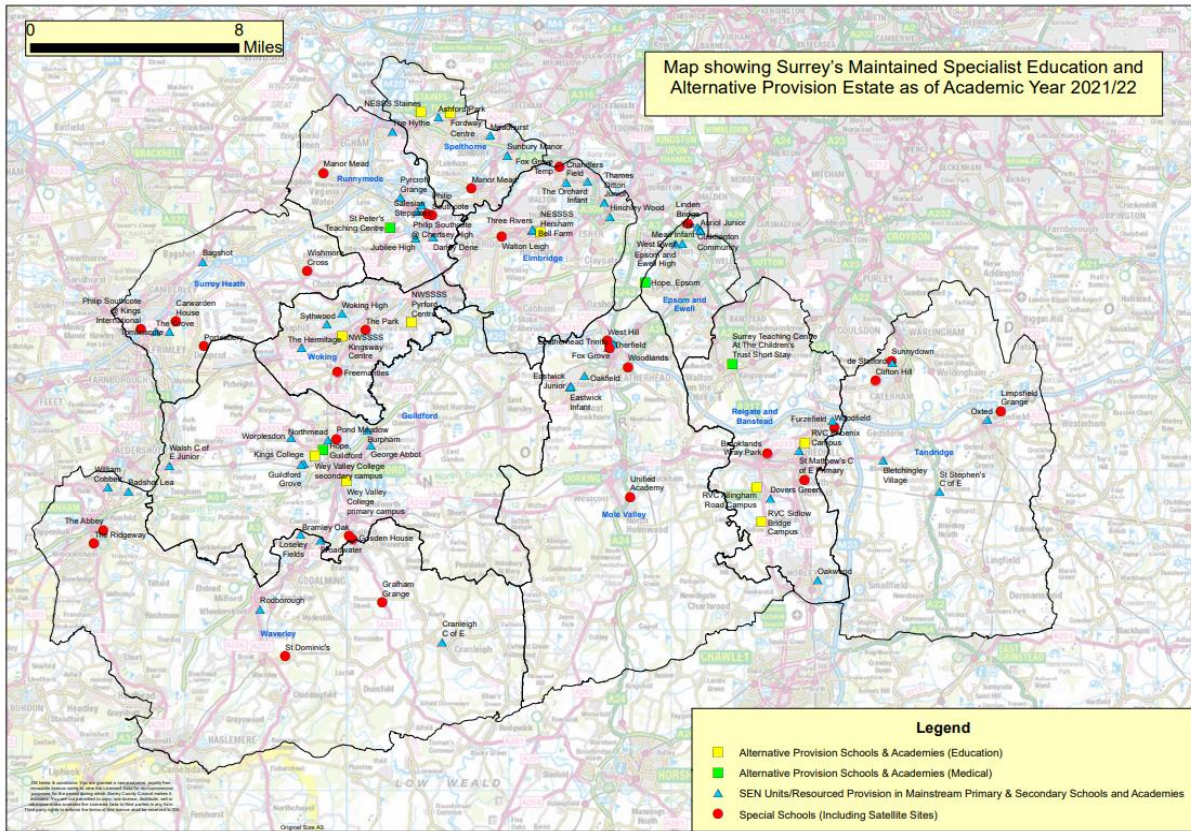
LA Consultation: [Proposal to expand Freemantles School - Surrey County Council - Citizen Space \(surreysays.co.uk\)](#)

Statutory Significant Change for Freemantles School expansion: [Statutory Notices for the expansion of Freemantles School - Surrey County Council - Citizen Space \(surreysays.co.uk\)](#)

APPENDIX A: Surrey Specialist Education Estate as of Sep 2021 & SEND Capital Programme Phase 3 Geographical Locations

A1: Surrey Specialist Education Estate as of Sep 2021

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A2: Map showing SEND Capital Programme Phase 1 Geographical Locations

