

Cabinet Meeting on Wednesday 19 October 2022

High Needs Provision Capital Allocation Funding



Cllr Jonathan Price, Cabinet Member for Education (and SEND) said,

“We want all children with special educational needs and disabilities (SEND) to be able to reach their potential by receiving the right support at the right time in their own communities, at their local school or nearest suitable place of education.”

“Supporting these projects will allow schools to make extra provision and increase their capacity to provide support where it can make a real difference.”

Report Summary:

Staffordshire County Council (SCC) will receive a total of £13,287,793 High Needs Provision Capital Allocations (HNPCA) funding covering financial years 2022-23 and 2023-24. The funding is to support local authorities to deliver new places and improve existing provision, within education settings, for children and young people with special educational needs and disabilities (SEND).

A public consultation was held during June and July 2022 on the proposals for the funding.

Approval is being sought to use the funding within Staffordshire Educational settings to:

- a. Increase access to mainstream placements for children and young people with high needs (who might otherwise require more specialist provision) with the development of resource bases;
- b. Increase the local availability of high needs places to help reduce the requirement for out of area placements/placements at independent special schools; and
- c. Approve the Director for Children and Families be given delegated authority to allocate the funding to the individual capital projects at educational settings.

Recommendations

I recommend that Cabinet:

Approve the utilisation of the funding within Staffordshire Educational settings to:

- a. Increase access to mainstream placements for children and young people with high needs (who might otherwise require more specialist provision) with the development of resource bases.
- b. Increase the local availability of high needs places to help reduce the requirement for out of area placements/placements at independent special schools.
- c. Approve the Director for Children and Families be given delegated authority to allocate the funding to the individual capital projects at educational settings.



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Recommendations of the Cabinet Member for Education (and SEND)

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- c. Approve the Director for Children and Families be given delegated authority to allocate the funding to the individual capital projects at educational settings.

Local Member Interest:

N/A

Report of the Director for Children and Families

Reasons for Recommendations:

Introduction

1. In October 2021, the government announced that it will invest £2.6bn between 2022 and 2025 to support local authorities to deliver new places and improve existing provision within education settings, for children and young people with special educational needs and disabilities (SEND), particularly those with more complex needs, and for those pupils who require alternative provision.
2. As part of this funding commitment, in March 2022 it announced two further years of High Needs Provision Capital Allocations (HNPCA), covering financial years (FY) 2022-23 and 2023-24.

The total HNPCA funding for Staffordshire is as follows:

	Year	
	2022-3	2023-4
£	£6,188,561	£7,099,232

3. The funding is intended to address the need for places in academic years 2023/24 and 2024/25, this paper outlines the core strategy/principles only for how this funding will be prioritised and detailed programmes of works will be developed accordingly. This is a significant increase on the allocation received in 21/22 of £2.4m. In addition to the funding detailed in the table above, £3.1m of previous year's allocations is currently uncommitted, so the total investment "pot" is £16.4m.
4. A public Consultation was held during June and July 2022 on the proposals for the funding and the outcome of the consultation have been included in this report.

Strategic Approach

5. Staffordshire County Council is proposing to use this capital investment to support the Vision and Priorities outlined in the Staffordshire Special Educational Needs and Disabilities (SEND) Strategy 2021-2026
6. The SEND Strategy Vision is: *"All children and young people with SEND are given the opportunity to achieve everything that they can. They engage with the right support at the right time from their parents/carers, the community and the professionals that work with them to make this happen."*
7. Key areas of focus within the strategy are:
 - a. children and young people are given the opportunity to be educated in their local mainstream education setting whenever it can meet their needs
 - b. wherever possible children will access education placements that are close to home to help develop friendships in their local community and promote independent travel.
8. Staffordshire County Council is therefore proposing to use the High Needs Provision Capital Allocation funding on projects which will increase:
 - a. access to mainstream placements for children and young people with high needs (who might otherwise require more specialist provision), with the development of resource bases.
 - b. the local availability of high needs places to help reduce the requirement for out of area placements/placements at independent special schools.

9. This proposal and the HNPCA funding will support Staffordshire's response to the outcome of the Local Area SEND revisit inspection in January 2022. As part of the work on the Accelerated Progress Plan, a County wide Review of Specialist Provision is being undertaken, led by the Head of SEND. This Review will co-design and co-produce, with partners, a model of graduated specialist provision that ensures equality of access to education which meets the individual needs of our children and young people in their local community.
10. This also underpins the Dedicated Schools Grant deficit management plan which is being implemented to address the shortfall in the High Needs funding.
11. The HNPCA funding will be fundamental in ensuring the required specialist provision is in place across the county, supporting the achievement of the Local Area's Accelerated Progress Plan.

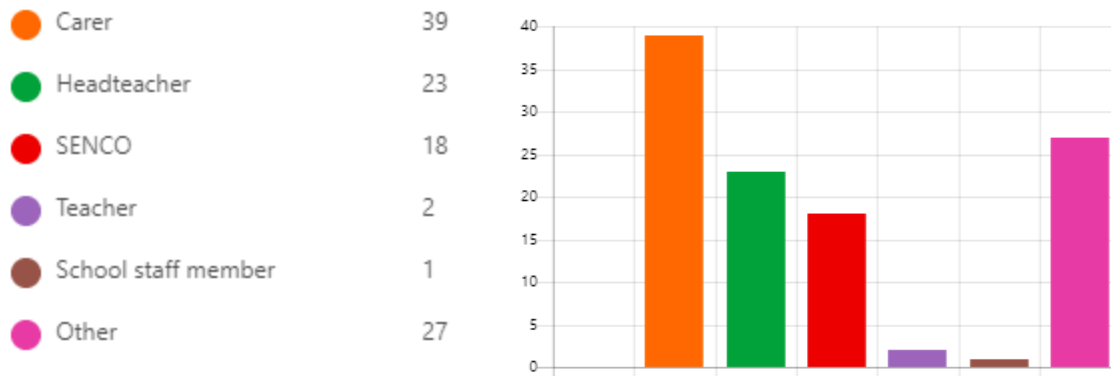
The Staffordshire Picture

12. Staffordshire currently maintains Education, Health, and Care Plans (EHCP) for 6,650 children and young people. The proportion of children with an EHCP continues to increase year-on-year which reflects the national and regional trend. In Staffordshire schools the proportion of children and young people with an EHCP has increased over the past five years from 3.3% in 2017/18 to 4.3% in 2021/22. A higher proportion of children in Staffordshire schools historically have had an EHCP than the regional and national average. In 2021/22, 4.3% of school aged children in Staffordshire had an EHCP compared to 3.8% in West Midlands and 4.0% nationally. More school aged children in Staffordshire attend specialist provision at 52% compared to 38% nationally. 8.3% of children and young people with an EHCP in education attend an independent or non-maintained special school compared to 5.4% nationally.

Consultation

13. A consultation was undertaken during June and July 2022 to gain the views of children, parents/carers, and wider stakeholders on the proposals for this HNPCA funding.
14. The consultation was circulated to Schools, School Governors, Parent/carer forum, SEND and Inclusion Partnership Board, SEND information Advice and Support Service (SENDIASS) who circulated to parent support groups, SCC Officers and it was accessible on the SEND Local Offer.

15. A total of 99 responses were received from the following groups. The majority of responses received were from schools as shown below, followed by Parents/Carers.



16. Of the 99 responses

- a. 86 agreed with the proposal
- b. 13 did not agree.

More information on the consultation is outlined in Appendix 4.

Legal Implications

17. Prior to the use of the grant funding officers will need to ensure that the proposed use is in accordance with the HNCPA grant funding conditions. Failure to comply with these conditions could result in all or part of the funding being required to be repaid.
18. Officers will also need to ensure that the funding when allocated is efficiently spent to ensure value for money as required by the DfE:
19. "A local authority should seek to ensure funding paid out under this grant is spent efficiently. To which end, it should thoroughly evaluate all procurement options for projects – including the DfE construction frameworks and output specification – to demonstrate value for money. A local authority should encourage academy trusts and other responsible bodies to do the same, should they procure a construction project directly."
20. All SCC frameworks are value for money tested. To ensure value for money all contractors appointed to work on the projects funded will either be selected from SCC Frameworks or tenders will be sought from the Constructing West Midlands – CWM2 Framework. In terms of resources all heating and lighting will be provided using efficient technologies.

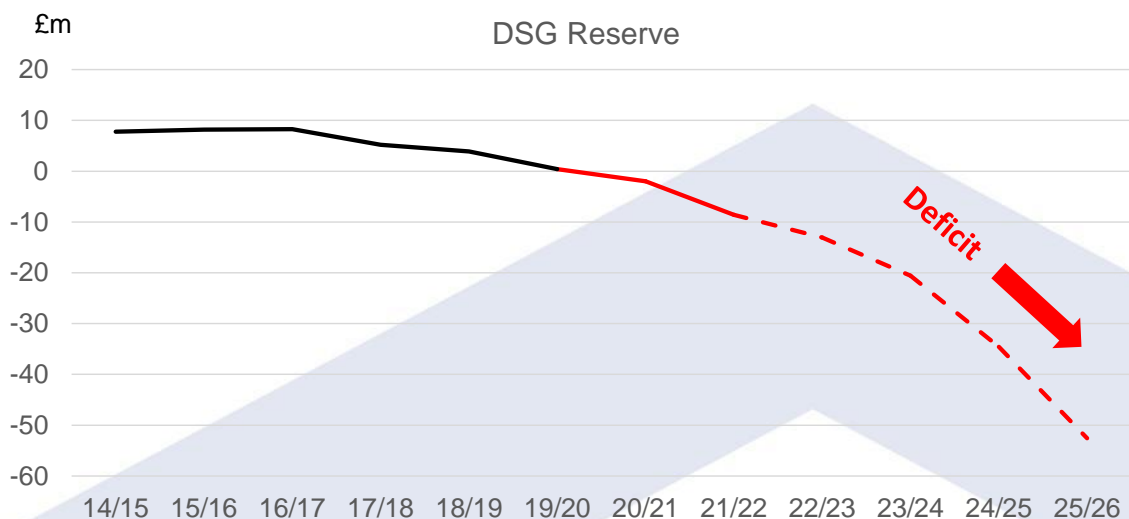
21. Further, in accordance with Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 capital receipts can only be used, inter alia, for meeting capital expenditure. When allocating this funding, officers will ensure that it is not used for revenue expenditure of any kind, such as training or staff costs.

Resource and Value for Money Implications

22. Finance and Strategic Property colleagues have reviewed the HNCPA grant funding regulations and proposals and made the following comments:

23. In recent years Staffordshire has seen significant year on year rises in demand for SEND support. This is funded from the High Needs Block (a ring-fenced part of the Dedicated Schools Grant- DSG) and, due to historic government underfunding in this area, has been overspending annually.

24. At the end of 21/22, the Council had an accumulated 'DSG deficit' of £8.6m. This was an increase of the deficit of £6.6m from 2020/2021. This represents 1.7% of the total DSG and 8.5% of the High Needs Block which is proportionately lower than many other local authorities. Given the level of annual overspend, this will worsen rapidly over the next four years; accordingly, the Council must now bring forward a 'deficit management plan' to address the shortfall:



25. Staffordshire County Council is not alone in this position, it is a pressure that is impacting on the majority of councils across the sector. Based on the current deficit Staffordshire does not meet the criteria to access the

DfE Safety Valve or Delivering Better Value in SEND programmes, as these are for those local authorities with the greatest deficits.

26. The DSG conditions of grant now require Staffordshire to implement a medium-term Deficit Management Plan 2022 - 2026. This plan builds on the SEND and Inclusion Transformation Programme and the Accelerated Progress Plan which was implemented following the latest local area SEND inspection.
27. These plans are aimed at improving the outcomes for Staffordshire's children and their families. They aspire to deliver an inclusive system underpinned by restorative practice and integrated into the District Footprint / Locality Model. However, this will take time and the issue is exacerbated by limited capacity within the system.
28. The Government acknowledges the pressures impacting on Local Government and has provided additional support including the High Needs Provision Capital Allocations capital investment. This will be used to enhance capacity within our mainstream schools, deliver new places and improve existing provision for children and young people with special educational needs and disabilities or who require alternative provision. The proposals within this report are consistent and supportive of the Council's wider transformation ambitions and the key actions and strategies outlined in the draft 'deficit management plan' currently being worked up.
29. The DSG allocation to the Local Authority is based on pupil numbers and will therefore increase each year as pupil numbers rise. The majority of this increase will be allocated to the schools with the additional pupils through the Schools Funding Formula.
30. Future capital repairs costs of any new projects delivered will either be the responsibility of the local authority in respect of mainstream schools, or the school themselves in respect of Academies, as is the case currently. The responsible party will need to prioritise schemes to manage costs within the funding available to them.
31. Schools will be responsible for any revenue implications of the developments e.g., teaching and support staff and maintenance costs of any new buildings. Such costs will need to be contained within their overall revenue budgets.
32. Property Services will commission ENTRUST to undertake feasibility studies to understand the efficacy of the proposals along with the potential challenges, permissions required and impact of each development.

33. In addition, an independent cost analysis exercise will be undertaken to provide an accurate understanding of the full costs which will include a margin for inflation.
34. To ensure value for money all contractors appointed to work on the projects funded will either be selected from SCC Frameworks or tenders will be sought from the Constructing West Midlands – CWM2 Framework. All SCC frameworks are value for money tested. In terms of resources all heating and lighting will be provided using efficient technologies.

Climate Change Implications

35. The County Council is committed to helping save energy and reduce carbon emissions and energy saving features are incorporated into building projects wherever possible. The additional places reduce the need for travel for pupil's and provides the opportunity to walk to school reducing emissions and having a positive effect on health & wellbeing.
36. In addition to direct financial savings through reduced energy usage, the investment provides a better learning environment for staff and students through improved heating & lighting.

List of Background Documents/Appendices:

Appendix 1 - S31 Grant Determination Letter for High Needs Provision Capital Allocations (HNPCA) (31/5995)

Appendix 2 – High Needs Provision Capital Allocations Guidance

Appendix 3 - Community Impact Assessment

Appendix 4 - Consultation Summary

Contact Details

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