

CABINET

23 OCTOBER 2018

SPECIAL EDUCATIONAL NEEDS AND DISABILITIES FREE SCHOOL BID

Portfolio Holder: Councillor Andrew Mackness, Children's Services
(Lead Member)

Report from: Ian Sutherland, Director of People – Children and
Adults Services

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Summary

This report advises Cabinet of the opportunity to bid for a Special Educational Needs and Disabilities (SEND) Free School and asks Cabinet to note and support the bid.

1. Budget and Policy Framework

1.1 Special Educational Needs and Disabilities and Inclusion are within the remit of Cabinet.

2. Background

2.1 Medway Council published its SEND and Inclusion Strategy 2016-2020 in April 2016. This sets out the ambition that wherever possible the special educational needs of Medway children should be met so that they are able to learn and achieve in local provision, close to where they live. Generally, provision for children with SEND in Medway is good and children with SEND make good progress. However, the December 2017 Local Area SEND Inspection highlighted that the number of children from Medway educated outside local mainstream or maintained special schools was higher than statistical neighbours.

2.2 The government has established an initiative for Local Authorities to bid for a Special Educational Needs Free School, which provides an opportunity for the Council to increase provision to meet demand within Medway, therefore reducing the need to place children with Special Educational Needs and Disabilities out of area.

2.3 Central Government recently announced a Special Free School initiative and, on 13 August, published the two online forms that require completion by Local Authorities who would like to bid. The Department for Education (DfE) expects there will be approximately 30 new Special Free Schools from this programme with decisions made by the Secretary of State (SoS). The criteria includes:

- Joint bids with other Local Authorities. This is encouraged but not essential
- School must be a Special or Alternative Provision and a hybrid of both will not be approved.
- Only 1 bid per Local Authority is permitted, but further need can be identified in the application.
- Bids score higher if they reduce costs e.g. reduce out of area placements.
- Having a site is not a requirement, but bids with sites are preferred
- If the DfE cannot identify a site after approving a bid, it may delay or withdraw.
- Residential schools are unlikely to be approved.
- The school needs to complement existing provision, not create excess spare capacity.
- Local Authorities cannot run the school or co-sponsor.
- Proposer groups to run the school do not need to be academy trusts at the time of applying but if successful will need to convert.

2.4 Unlike the mainstream free school process, it is the Local Authority that submits the original bid, not the provider. The deadline for Local Authorities to submit bids was the 15 October 2018; after which the DfE will consider the responses and in early 2019 determine which have been successful. The DfE will then open up a further competition for providers to submit applications to operate the successful schools. The outcomes of this will be known in the summer of 2019. The DfE assesses all proposer group applications, with input from the Local Authority.

2.5 Bids may be approved in part, and approved bids are subject to change if some elements are not deliverable or value for money.

2.6 The timeframe for the Free School process means that if successful, it is unlikely that a new Special Free School will be operational until 2022. This will result in the need to look at interim measures to meet expected demand up to 2022.

3. Advice and analysis

3.1 Officers are currently undertaking an exercise to establish the wider picture of need across Medway's SEND sector, and whilst the outcomes of the needs analysis will take until early 2019 to fully complete, early findings are clear that certain types of need are under provisioned within Medway. In particular, provision for those children with complex needs. This is due to:

- an increase in birth rates in the general population;
- an increase in the incidence of children being born with or acquiring Profound and Multiple Learning Difficulties (PMLD);

- a decrease in infant and child mortality among children being born with PMLD; and
- an increase in number of children who have special needs moving into Medway.

3.2 The table below shows the expected increase in demand for complex Severe Learning Disability (SLD) and PMLD places, an increase of 25% over the period.

2018-19 - actual	2020-21	2021-22	2022-23
162	193	206	218

3.3 This initiative provides an excellent opportunity to acquire additional specialist provision to help meet demand without the Council being responsible for funding both the capital and revenue set up costs. The bid will focus upon the complex needs of these young people.

3.4 Because of the level of need of the pupils present, placing out of area can be expensive, particularly if residential placement is necessary due to little or no available places in neighbouring authority's maintained schools. For example, the average cost of a SEND placement in a 52 week facility is £140,000 per child and 38 weeks is £96,000. Taking the forecast demand in the table above, the out of area placement costs equate to an additional £4.8m in 2022-23 if no extra provision is provided and the additional pupils were all placed in 38 week provision, a cost per pupil of £85,714.

3.5 If placed in local provision that cost is likely to reduce to approximately £1.8m per year a saving of £3m on demand going forward, with a per pupil cost of £32,142.

4. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Insufficient SEND places are available to meet known and future demand	If no additional SEND provision is provided, then demand for places will not be met. This will lead to placements out of area away from families, their local communities and incurs a significantly higher cost than provision within Medway.	Approve progression of the Free School bid to help mitigate the under provision of places.	B2
No suitable site can be identified.	Should the bid be successful in principle but no suitable site can be found, then the bid may be cancelled and the opportunity missed.	Progress site searches.	B2

5. Consultation

- 5.1 Given the timing of Cabinet and the deadline for submitting a bid, the Cabinet Member for Children's Services and the Director for Children and Adults were consulted before submission. No stakeholder consultation is required at this stage, but should the bid be successful the provider will need to consult on the opening of the new school following DfE guidance and the new buildings will need to follow the full planning process including the statutory consultation.
- 5.2 No Diversity Impact Assessment accompanies this report, but one will need to be prepared as part of the consultation undertaken if the bid is successful. However, it is envisaged that any impact would be positive on diversity and equality.

6. Financial implications

- 6.1 The Local Authority must treat children and young people with high needs on a fair and equivalent basis when making arrangements for their funding, regardless of whether they are placed in a maintained provision, academies and free schools, providers in the further education sector, or non-maintained and independent provision.
- 6.2 The 2018-19 High Needs Dedicated Schools Grant (HN DSG) block allocation is £36.167m before academy recoupment and provides funding for pre-16 alternative provision, outreach programmes and top-up and commissioned places funding. The HN DSG funding needs to be sustainable.
- 6.3 From April 2019 onwards, funding for special free school places will initially be included in Medway's HN DSG allocation before the agreed number of commissioned places are deducted, and paid by the Education and Skills Funding Agency (ESFA) directly to the school. The top up funding associated with each pupil will need to be found from within our existing HN DSG allocation.
- 6.4 The new school will reduce reliance upon diminishing out of area provision. This in turn will reduce the potential cost of these placements on our HN DSG allocation as per sections 3.4 and 3.5 of the report.
- 6.5 The ESFA would provide the new school with a £220,000 start-up grant as well as providing the capital build cost.
- 6.6 The bid must demonstrate that the school will be financially sustainable, will be full in each of first 2 years and beyond.

7. Legal implications

- 7.1 The Council has a statutory duty to provide an appropriate place for all children who require one.

8. Recommendations

- 8.1 The Cabinet is asked to note the report and to support the bid for a new SEND Free School.
- 8.2 The Cabinet is asked, if the Local Authority is successful in its bid, to delegate authority to the Director of People – Children and Adults Services, in consultation with the Portfolio Holder for Children’s Services (Lead Member), to work with the Department for Education, who will hold responsibility for assessing applications from proposer groups.

9. Suggested reasons for decisions

- 9.1 Having a new SEND Free School for children with complex needs will help the council to meet known and future demand, to reduce the high cost of out of area placements and ensure that wherever possible children are educated close to their homes, families and communities.

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Appendices

None

Background papers

Medway SEND and Inclusion Strategy 2016-2020

https://search3.openobjects.com/mediamanager/medway/fsd/files/sen_strategyaw-online.pdf