

CABINET

DATE	16/06/2021
REPORT OF	Councillor Ian Lindley - Portfolio Holder for Children, Education and Skills
RESPONSIBLE OFFICER	Lisa Arthey - Director of Children's Services
SUBJECT	Higher Needs Provision Capital Allocations Grant
STATUS	Open
FORWARD PLAN REF NO.	CB 06/21/16

CONTRIBUTION TO OUR AIMS

The project directly supports Stronger Economy, Stronger Communities by ensuring that suitable, sufficient, good quality high need pupil places are available to meet the needs of the immediate local community and new residents generated from inward investment growth.

Schools and academies are a critical element of the Borough's infrastructure and strategically, if the objective of growth is to be achieved then education sites and suitable place availability must correlate as this aspiration is realised.

EXECUTIVE SUMMARY

The Higher Needs Provision Capital Allocations grant (HNPCA) aims to enable the Local Authority to invest in providing new places or to improve existing provision for pupils with high needs across a range of different educational settings.

It has been identified that there is currently a lack of provision within North East Lincolnshire which results in a disproportionate number of children and young people having to travel outside the borough to receive appropriate education.

There are no proposals yet as to how the HNPCA funding will be utilised. As proposals are developed effective engagement and consultation with parents, carers, young people, schools and academy trusts will be undertaken before decisions are made on the scheme to be implemented.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Authorises the Director of Children's Services in consultation with the Portfolio Holder for Children, Education and Skills to accept £883,216 of grant funding from the Department for Education (DfE) on behalf of the Local Authority.
2. Delegates authority to the Director of Children's Services, in consultation with the Portfolio Holder for Children, Education and Skills to develop plans and commence related consultation and procurement exercises, including awards of contracts, to deliver the scheme to provide new places or improve existing provision where this benefits children and young people with high needs.

REASONS FOR DECISION

A decision is required, as it will enable the DfE grant funding to be received by the Local Authority and for the project to proceed to identify solutions, in consultation with parents, carers, young people, schools and academy trusts, and then to implement the development of new places or improve existing provision where this will benefit children and young people with high needs.

1. BACKGROUND AND ISSUES

- 1.1 In March 2021 the Local Authority was informed that we had been allocated £883,216 HNPCA funding for financial year 2021-22 to support the creation of High Needs places or the improvement of existing provision.
- 1.2 Funding for years beyond 2021-22 will be subject to the outcomes of the Governments next Spending Review and the current guidance should not be taken as an indication of any future methodology or approach to High Needs capital funding.
- 1.3 The HNPCA is being provided as an un-ringfenced grant, subject to certain conditions detailed in the Grant Determination Letter. The funding is intended to address the need for places for academic year 2022/23 but it is not time bound, and it will be for the Local Authority to determine how best to use this funding to meet our local priorities.
- 1.4 Funding will be paid to the Local Authority in one instalment in July 2021 and whilst the grant funding is not ring-fenced there is a requirement to verify that this funding has been spent on capital projects through the section 151 officer's return.
- 1.5 North East Lincolnshire's children and young people with special educational needs are not being met as effectively as they could be due to a lack of local provision which results in a disproportionate number having to travel outside the borough to receive appropriate education. North East Lincolnshire is placing a number of children outside the borough at a substantial cost to the High Needs budget.
- 1.6 There has been a rise in the numbers of children and young people who require additional support through an Education Health and Care Plan.
- 1.7 There is a predicted growth in North East Lincolnshire's population, leading to a rise in the numbers of school age children and a corresponding rise in the numbers of children and young people with special educational needs that cannot be met within the mainstream sector.
- 1.8 The primary need of children in receipt of an EHCP for the majority of placements outside North East Lincolnshire are within the area of Social Emotional and Mental Health (SEMH) or Autism spectrum disorder (ASD).
- 1.9 The two special provisions are full with very little physical capacity to increase

numbers currently.

- 1.10 There are no firm proposals yet as to how the funding will be utilised, however the funding will be used in line with the SEND transformation plans. As proposals are developed effective engagement and consultation with parents, carers, young people, schools and academy trusts will be undertaken before decisions are made on the scheme to be implemented.

2. RISKS AND OPPORTUNITIES

- 2.1 There is a significant risk that the Local Authority will be unable to meet its statutory duty under the Education Act to provide sufficient, suitable places for the children in the borough to go to school, resulting in reputational damage and possible intervention from Government Office.
- 2.2 The impact of not having the capital secured for future years will result in a delay in the programme delivery, not achieving timely spend and would result in places not being available to meet demand.
- 2.3 It is anticipated that the high need requirements will be funded through capital receipts in future years, however until those are released and until such time as this funding is forthcoming it should be assumed as part of the Local Authority's capital programme to ensure the programme of increasing high need pupil places continues to mitigate the risks as outlined.
- 2.4 The Local Authority has a statutory duty to ensure the provision of suitable and sufficient school places. Further consideration is urgently required regarding how they can have comfort for its citizens that sufficient, suitable places are available for its pupil cohort with high needs. The Local Authority will need to grow strategic sites across the borough with the support of capital allocations to ensure that sites have the required and suitable provision.
- 2.5 The receipt of the grant into the Local Authority will allow us to build local capacity and enable more young people to stay in the local area by updating and adapting existing education provision.
- 2.6 The number young people with SEND and specifically, Social Emotional and Mental Health needs and Autism is steadily increasing each year. This grant will enable the Local Authority to grow its education provision for this group of young people, improving their outcomes and enabling them stay in their local community.
- 2.7 The grant will contribute towards the Local Authorities aspiration to the reduce the number of young people with SEND from being placed out of area.
- 2.8 There is a high level of academisation in the borough and the Local Authority will be reliant on working with the academies and Trusts where there may be opportunities to develop provision. There is a risk that an Academy or Trust may not wish to develop SEND provision within their schools and Trusts.

3. OTHER OPTIONS CONSIDERED

- 3.1 Decline the DfE grant funding and do nothing – There would be no increase in places or improvement to existing provision for pupils with high need across the borough.
- 3.2 Decline the DfE grant funding and seek to use capital funding from the Local Authority. This option would increase Local Authority expenditure unnecessarily given the DfE grant funding offer that is available

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1 There are potential positive reputational implications for the Local Authority resulting from the decision as it will provide assurances that progress is being made towards the delivery of new places or improvements to existing provisions for pupils with high needs across a range of educational settings.
- 4.2 The impact on children with SEND in the borough will be positive if the grant funding is received. More children will be able to be educated within their own communities, which will better prepare them for their transition into adulthood and future contributors to the local economy.
- 4.3 An action plan has been discussed with the Council's communications service which will ensure that a robust, comprehensive communications plan is in place.

5. FINANCIAL CONSIDERATIONS

- 5.1 The HNPCA grant funding offers £883,216 towards the cost of providing new places or improving existing provision for pupils with high needs across a range of educational settings.
- 5.2 The capital and revenue costs of expanding an established school or academy would be significantly less than the expenditure required to acquire suitable sites and build new schools/academies across the borough.
- 5.3 The Council has no indication of grant allocations post 2021/22, should the sum allocated not be sufficient to complete the identified project the Council would need to prioritise and realign budgets to provide any additional funding required to meet its statutory requirement.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 6.1 All of the local authority's school schemes incorporate wherever possible, energy efficient saving measures which are already captured within the Schools Asset Management Plans. Any new advancements in technology and materials are also considered, explored and implemented wherever possible.

7. CONSULTATION WITH SCRUTINY

- 7.1 There has been no consultation with Scrutiny

8. FINANCIAL IMPLICATIONS

The financial implications of accepting the grant are included within the body of the report. This grant will assist in the creation of additional local provision which from a financial perspective should assist in reducing the need to use high cost out of area placements. This will be a crucial strategy in reducing the cost pressure on the Dedicated Schools Grant (DSG) and assist in bringing the DSG Account back into balance from its deficit position. The on-going revenue running costs any such new provision will be met by the DSG High Needs Block allocation.

9. LEGAL IMPLICATIONS

The Council is subject to a range of statutory obligations in terms of education provision, including meeting the requirements of those children with higher needs. It is clear that the grant funding detailed above will assist and support the Council in meeting those needs.

Once funding is realised any subsequent decisions by the Director, in consultation with the Portfolio Holder, should be captured on requisite officer decision records in accordance with internal governance mechanisms. The delegations sought are appropriate.

10. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications contained within this report

11. WARD IMPLICATIONS

11.1 Impacts on all wards

12. BACKGROUND PAPERS

[High Needs Provision Capital Allocations \(HNPCA\) Grant Determination \(2021\)](#)

[High Needs Provision Capital Allocations Guidance](#)

13. CONTACT OFFICER(S)

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