

CABINET

DATE	14 th January 2026
REPORT OF	Councillor Margaret Cracknell - Portfolio Holder for Children and Education
RESPONSIBLE OFFICER	Ann-Marie Matson - Director of Children's Services
SUBJECT	Department for Education Free School for Social, Emotional, and Mental Health Needs Required Council Capital Budget Approval
STATUS	Open
FORWARD PLAN REF NO.	CB 01/26/03

CONTRIBUTION TO OUR AIMS

The new specialist school 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 SEND local community. This would generate local employment opportunities both for qualified and specialist staff, as well as support staff roles too. Locally employed adults will spend in the local economy as well.

Environmentally and financially transporting children to school will reduce, as the school will prevent the need for out of borough places travel twice daily. Those aged 14+ can be supported to grow in independence where appropriate in accessing their education provision. It will enable the Authority to plan more effectively to reduce Dedicated Schools Grant (DSG) spend.

Schools and academies are a critical element of the borough's infrastructure and strategically, the new school contributes to the delivery of the SENDAP Sufficiency Strategy 2024-2029 towards ensuring appropriate education sites and suitable place availability for our children and young people.

EXECUTIVE SUMMARY

It had 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 specialist education. The Authority was successful in its bid for a Department for Education (DfE) Free Special School focussing on social emotional and mental health need. This will be a DfE delivery and build.

The land for the free school has been agreed with Lincolnshire Housing Partnership (LHP) and is being transferred to the Authority's ownership, The Authority have been working in partnership with the DfE and the Wellspring Academy Trust, who were procured to run the school, to progress the concept design and the feasibility stage of the project. Feasibility stage including surveys and consultation with the Environment Agency (EA) has now been concluded which has identified estimated additional costs for the Authority.

Approval is required to secure the estimated additional £2.3 million capital funding and to enable the Authority to enter into the DfE contract for the project to progress. This will bring the costs of the Authorities capital contribution to the scheme of £3.3 million.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the additional estimated capital funding costs required and authorises the increase to the capital programme.
2. Delegates Authority to the Director of Children's Services in consultation with the Portfolio Holder for Children and Education and s151 Officer to agree to the required s.151 funding letter and enter into contract with the Department for Education (DfE) on behalf of the Authority.
3. Delegates authority to the Director of Children's Services in consultation with the Portfolio Holder for Children and Education to carry out all activity reasonably arising in connection with the implementation and ultimate delivery of the project, accepting that this is led by DfE.
4. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute all documentation arising.

REASONS FOR DECISION

This will enable the DfE free specialist school project to progress.

1. BACKGROUND AND ISSUES

- 1.1 The Government 's 2021 Spending Review allocated significant funds (£2.6bn) to support children with special educational needs and disabilities (SEND), and build 60 new free schools, a mixture of both special schools and schools for alternative provision. Cabinet approved in September 2022 for the Authority to submit a bid to DfE, and to accept the DfE funding; ,approval to also acquire the identified land at an assumed minimal cost. The Authority were informed that it's bid for a specialist free school, focussing on social emotional and mental health needs, had been approved. The Authority then entered into the DfE process.
- 1.2 The Authority representative was a member of the DfE procurement team to secure a Trust to deliver the new school. Wellspring Academy Trust were successful in their bid.
- 1.3 The Authority have worked collaboratively in partnership with the Trust and DfE to develop concept designs. Feasibility has been undertaken and costs estimated. Whilst the DfE will fund the costs for delivery of the new school, the Authority are required to fund any costs associated in getting the land ready for

building and other costs such as flood mitigation and infrastructure and highways works.

- 1.4 The land identified to build the new school on has now been agreed and is being secured into the Authority's ownership. Several land options were explored as part of the Authority's preparation. During the feasibility stage, due to flood risk issues further exploration of land options was undertaken. There is no other land identified as suitable or available to develop the school on in the short to medium term.
- 1.5 The SEMH free school will enable one hundred and fifty children and young people to be educated in Borough. Using the current average out of area placement cost and assumed placement cost of the new SEMH school, a reduction of approximate £3 million per year could be realised through the uptake of these places. In addition, daily education transport and time would be reduced. Every month the project is delayed the Authority is missing the opportunity to reduce education placement and education transport costs and educate our children within the borough they live.
- 1.6 The numbers of children and young people who require additional support through an Education Health and Care Plan with SEMH needs continues to rise. The SENDAP Sufficiency Strategy (2024-29) identified the new free school as being essential in contributing to meeting needs in Borough. There are currently one hundred and sixty-nine children out of area in this profile.
- 1.7 The project has incurred delay to enable DfE to reach the end of feasibility stage. This has been caused by several factors including delay due to the Environment Agency not providing their advice until August 2025. As a result of the Environment Agency's advice around the risk of a flood event, there has been an impact on the concept design and specification work. Further approval decisions are needed in relation to the additional costs identified, that are the responsibility of the Authority to fund to enable the project to move forward. Indicative costs for the Authority and impact on programme timescales are now understood.
- 1.8 One of the significant costs has been as a result of the Environment Agency (EA) position regarding flood risk and the need to mitigate these with changes to the current concept design. The Authority sought independent advice which acknowledged that the EA position could not be challenged and the mitigation position was correct and unavoidable. This cost, along with highways and infrastructure works are the responsibility of the Authority to fund.
- 1.9 Following the EA position, the current school concept design option now needs to be redesigned by the DfE to meet the necessary flood prevention mitigation. The project has paused, as the DfE will only proceed once the Authority have committed to the additional capital costs of circa £2.3 million pounds. The options are to either raise the single building or to create a two-storey building. The Authority is working closely with the DfE regarding the capital costs and capping of the amount the Authority will be reasonably liable for.
- 1.10 The programme has already been delayed due to DfE factors, reprioritising

projects and procurement of the technical team as well as understanding the EA position. The current revised programme is suggesting the new school could now open in academic year 2028.

- 1.11. The impacts of benefits of a new school and the regeneration of that area remain as well as the positive outcomes for the children, young people with SEND and their families in the Borough.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

- 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.
- 2.2 The impact of not having the capital secured for the new school costs which the Authority are responsible for will result in the project stopping. This will result in places not being available to meet demand locally and significant continued impact on increased revenue costs.
- 2.3 It is anticipated that the requirements will be funded through capital programme. There are no capital receipts that can contribute to the project.
- 2.4 There is a saving to the Authority by contracting working with DfE who will fund the rest of the school build, project team and development utilising their resources.
- 2.5 There is a reputational risk to the Authority if the new school does not go ahead and we will not meet our SENAP Sufficiency Strategy outcomes.

3. OTHER OPTIONS CONSIDERED

- 3.1 Not approve the capital spend and enter into contract with the DfE. There would be no increase in places or improvement to existing specialist provision for pupils with high need across the borough. External placements and associated costs will significantly impact on revenue spend.
- 3.2 To build the school on another piece of land that is not in flood risk zone or with similar infrastructure challenges. This would significantly delay the programme, as the current exploration has identified there is no suitable available alternative in the short to medium term. The delay may cause further application through the free school process, and costs to increase due to market forces. Most of the Borough is in a flood zone. A change in location would redirect investment from an area where there is significant benefit of regeneration. Financial and outcome benefits for children would be significantly delayed.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 4.1. There are potential positive reputational implications for the Local Authority resulting from the decision to fund the capital costs and enter into contract with the DfE. A new school will be created in the Borough which is required.
- 4.2. The Council's communications team are integrated as part of the project undertaking. The relevant ward members and community were consulted and all are aware of the new school project. Following cabinet approval there will be further community and ward Councillor briefings undertake during the duration of the project.

5. FINANCIAL CONSIDERATIONS

- 5.1 There is significant impact on the Authority's revenue spend as identified in the report if the project doesn't proceed or is significantly delayed. The additional £2.3 million capital expenditure will create reduction of future revenue costs estimated at £3 million per year due to reduction in external places once fully occupied.
- 5.2 The Authority will incur significant increased revenue spend if independent external placement continue to have to be used, including high transport costs and staff time.
- 5.3 External placement costs and specialist school places are funded by the dedicated school grant high needs block. Any reduction in costs supports the mitigation of the DSG deficit position.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

- 6.1 Approving the decision to accept the grant will enable children and young people with SEND to be educated in their communities in spaces and places which are fit for purpose and meet identified needs, rather than having to be transported to external provision due to lack of sufficiency in North East Lincolnshire.
- 6.2 Children and young people have been consulted about the project. Their voices will continue to be captured and inform design and development.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

- 7.1 All of the DfE and 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.
- 7.2 Educating children and young people in their own communities will positively impact on environment due to the reduction in education transport.

8 CONSULTATION WITH SCRUTINY

Consultation with the Children and Lifelong Learning Scrutiny Panel is planned.

Equally ward members will be regularly briefed. .

9 FINANCIAL IMPLICATIONS

- 9.1 The costs associated with land mitigations for the new school will be funded as part of the council's capital programme, no grant funding is available to support this scheme. The build costs of the school remain the responsibility of the Department for Education
- 9.2 There are significant future revenue cost reductions associated with the increased provision of in-borough placements as demonstrated within the report. Education for pupils with SEND is funded by the Dedicated Schools Grant, which is in a deficit position within NELC, the school is one of the mitigations identified to manage this over the medium to long term.

10. LEGAL IMPLICATIONS

- 10.1. The wider benefits that come with the ultimate delivery of the proposed school are clearly made out. Whilst the Council is a collaborative partner and has limited delivery responsibilities it must be appreciated that the project rests with Department for Education. The Council will continue to support the project, recognising the wider benefits, and the delegations sought are reasonable considering this role.
- 10.2. With ultimate delivery being beyond the control of the Council, it is important that progress is made at pace.

11. HUMAN RESOURCES IMPLICATIONS

- 11.1 As the new school provision will be delivered by an external trust there are no HR implications

12. WARD IMPLICATIONS

Impacts on all wards although the site is within the East Marsh ward

13. BACKGROUND PAPERS

[SENDAP Sufficiency Strategy 2024-2029](#)

Cabinet report September 2022 SEMH free school
[5.-Cabinet-Minutes-21st- Sept-2022.pdf](#)

Officer decision record July 2024
<https://www.nelincs.gov.uk/your-council/decision-making/how-decisions-are-made/>

14. CONTACT OFFICER(S)

Ann-Marie Matson - Director of Children's Services

Jennifer Steel – Service Director Education and Inclusion

Rachel Revell Deputy Services Director SEND

**COUNCILLOR MARGARET CRACKNELL- PORTFOLIO FOR CHILDREN
AND EDUCATION**