**Report to Hartlepool Schools’ Forum 10 June 2021**

**From Danielle Swainston (Assistant Director – Joint Commissioning)**

**Item 5 :** Proposal to increase capacity for SEND Education Provision

1. **Introduction**

1.1 The purpose of this report is to consult with Schools Forum on proposals to prudentially borrow £1.550m to increase capacity for Special Educational Needs and/or Disabilities (SEND) Education Provision at Catcote Academy. It is proposed to fund the annual borrowing repayment from the High Needs Block (HNB).

1. **Background**

2.1 The Children and Families Act 2014 and subsequent SEND Code of Practice: 0-25 years clearly sets out the duties placed on local authorities in relation to children with additional needs. Local authorities are required to ensure that provision is available to meet the needs of children with Special Education Needs and/ or Disabilities (SEND).

2.2 Funding for SEND is through the High Needs Block and SEND Capital allocations.

2.3 The local authority is required to undertake a strategic needs assessment understanding the supply of provision and the current and future demand. Hartlepool’s SEND JSNA can be found at <https://www.hartlepool.gov.uk/downloads/file/5753/send_jsna_2020>

2.4 Nationally there has been a steady increase in the number of children with SEND over the last three years from 2.8% (2017) of the child population with an Education, Health and Care Plan (EHCP) to 3.3% (2020). There has also been an increase in the number of children with SEN support plans from 11.6% (2017) to 12.1% (2020). Locally the increase in children needing support has significantly increased from 434 children and young people with EHC plans in 2014 to 725 in 2021.

2.5 High Needs provision and support is funded through the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) which the local authority receives. The Local Authority in consultation with Schools Forum make decisions on how the HNB is spent and consults stakeholders where required.

2.6 In addition to the High Needs Block funding (revenue) the local authority has recently received SEND capital funding. In 2018/19 the Authority was allocated £0.500m payable in 3 equal installments over financial years 2018/19 to 2020/21. A further £0.116m was received in May 2018 and a further £0.233m was allocated in December 2018. £0.500m is receivable in financial year 2021/22. This is to support the development of SEND provision in the area but the amount received does not meet the needs identified in the town.

2.7 The above capital monies was allocated to Springwell School to make modifications for children with Profound and Multiple Disabilities (which includes significant health needs). Of the above monies there is £0.201m left to support the project at Catcote Academy.

**3. Catcote Academy**

3.1 The current main building on Catcote Road has not had investment for a significant number of years with “temporary” arrangements to teach children in a demountable being in place for approx. 15 years. The current building is not fit for purpose due to:

* The building was not built to meet the varying needs that are now evident in the school population
* The complexity of children and young people’s needs have significantly increased over the last five years and the accommodation has not been adapted to meet these needs
* There are currently more children identified needing specialist provision than the current building can manage. This means that in Sept 2021 we have a significant number of children that are being educated off site at other buildings in Hartlepool. This is not appropriate for the children who are not part of the main Catcote family on Catcote Road or the staff who have to travel to various venues to teach.

3.2 There are currently 48 children being educated in the demountable and there are 22 children with Moderate Learning Difficulties (MLD) who will be educated at Centre for Excellence in Creative Arts (CECA) and Centre for Excellence in Teaching and Learning (CETL) as an interim arrangement from Sept 2021.

3.3 In addition there is a Looked after Child identified that needs specialist provision. This child has highly complex needs and if Catcote does not have the extra capacity created will have to be placed out of area in a residential provision which we do not believe is the right plan.

3.4 Based on all the above there is a requirement to invest funding at Catcote Academy to build additional provision to meet the needs of the children - those already attending and those due to start in Sept 2021.

3.5 Catcote Academy is the only secondary school in the town that has not had external investment to rebuild the school. The other five secondary schools have been rebuilt with funding provided from the Durham and Hexham Diocese or the Department for Education (DfE) under either the Buildings Schools for the Future Programme or the Priority School Buildings Programme.

**4. Proposal**

4.1 The cost of the project is £2.750m. Basic Need grant funding of £0.499m and SEND capital grant funding of £0.701m have been identified to support the project. It is proposed to fund the shortfall of £1.550m from prudential borrowing.

4.2 Over a 25 year period the annual cost of repayment would be £0.078m. It is proposed to fund this repayment from the HNB.

4.3 The Regulations allow the schools budget to be used for prudential borrowing for the purpose of facilitating the modernisation and rationalisation of the school estate, where the revenue savings expected to be achieved as a result are equal to or more than the expenditure expected to be incurred in borrowing the money.

4.4 If this project was approved the annual cost (without transport costs) to the HNB would be:-

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| --- | --- |
|  | £’000 |
| 22 Places at £10k per place | 220 |
| 22 Top Ups at 5ii £10,850 | 239 |
| Annual Prudential Borrowing Repayment | 78 |
| Total Cost to HNB | 537 |

4.5 If the 22 young people could not be educated at Catcote Academy the local authority would need to find provision out of town. This would cost the HNB between £40k and £60k per year per pupil. Therefore, the cost to the HNB (without transport costs) would be between £0.880m to £1.320m per year. It needs to be noted that there would still be a group of children being educated in the temporary demountable.

4.6 On the basis of the above figures the cost of this proposal provides a saving to the HNB of between £0.343m and £0.783m.

4.7 There are significant risks if this build does not go ahead:

* Children and young people currently using the demountable will have to continue to access this temporary accommodation which is not conducive to high quality education
* We would need to look for other education options for the MLD children identified to start in Sept 2021. This could cost between £0.880m and £1.3 m per year and would be against the principle that our children should be educated within their Hartlepool community.
* There would be no provision available at Catcote for children and young people from 2022 onwards other than those transferring from Springwell who could be accommodated within the numbers if there were sufficient leavers. Early mapping work with mainstream primary schools indicates there will be a cohort of at least 10 children who due to their extreme vulnerability with MLD needs will need to be accommodated at Catcote. If the provision is not accommodated at Catcote the children who need to be placed in out of area provision at a cost of £40-60k per annum per young person plus transport costs.

**5. Decision making**

5.1 A report will be presented to Children’s Services Committee on 23rd June 2021 to consult on the above proposal which will include the views of Schools Forum. Children’s Services Committee will refer to Finance and Policy Committee and full Council in July 2021 for final approval.

**6.** **Recommendations**

6.1 Forum is recommended to note the contents of the report.

6.2 Forum is asked to provide feedback on this proposal as set out in section 4.1 for inclusion in the Children’s Services Committee report.