

AGENDA ITEM

REPORT TO CABINET

16TH JANUARY 2025

**REPORT OF CORPORATE
MANAGEMENT TEAM**

KEY DECISION

Children's Services - Lead Cabinet Member – Councillor Lisa Evans

Additionally Resourced Provision in Mainstream Schools – Outcome of EMS Consultation

SUMMARY

In September 2024, a report was considered by Cabinet, for information only, on the consultation relating to increasing capacity in mainstream schools within Stockton-on-Tees, by transferring current Enhanced Mainstream Schools (EMS) to Additionally Resourced Provision (ARP) and SEN Units.

REASONS FOR RECOMMENDATION(S)/DECISION(S)

Following consideration of the outcome of the consultation, it is now requested that Cabinet decide on the recommendations from this, including the investment of high needs funding into the programme to ensure its success.

RECOMMENDATIONS

1. For Cabinet to support the recommendation to transfer Enhanced Mainstream Schools to ARP and SEN Units from September 2025.
2. For Cabinet to agree to invest up to an additional £730,000 p.a. into these provisions from the High Needs block of the Dedicated Schools Grant.
3. To agree to allocate £85,000 from the High Needs provision capital allocations for investment in the SEND Unit at Preston Primary School to increase capacity from 8 to 16 places in September 2025.

DETAIL

Background

1. The Council successfully submitted a revised Delivering Better Value (DBV) plan to DfE on 19 February 2024. This plan was formally agreed by Government and requires the Council to fully mitigate the aggregated Dedicated Schools Grant (DSG) deficit by 2027/28, because if left unmitigated the number of Education Health and Care Plans (EHCPs) was forecast to reach 2,564 by January 2027 (2,280 at time of submission) which would result in an unmitigated aggregated deficit of £34.8m by the end of 2027/28 compared with a current (end of 2023/2024) deficit of £3.8m.
2. The plan to reduce the deficit and provide long-term stability is based on eight mitigations, the most significant of which (in terms of deficit reduction and long-term sustainability) is to increase

capacity in our local mainstream primary and secondary schools thereby reducing the need for significantly more expensive independent special school and out of area special school placements.

3. There is a need to improve outcomes for children with special educational needs across the Borough and respond to the increasing demand for specialist support at the earliest opportunity. This fits with the Council's vision of providing earlier intervention to reduce demand for expensive placements which are often out of Borough and aligns with the overarching strategy of SEND locally and the priority areas in the Delivering Better Value Action Plan.
4. The Council has a statutory duty to ensure there is sufficient and suitable educational provision to meet the need of all its children and young people. Stockton-on-Tees currently has a significant shortfall in provision relating to pupils with Special Educational Needs. There is a need for a Cabinet decision to commit funding to increase the number of placements for children with SEND in the Borough.
5. The proposal to introduce a model of Additional Resourced Provisions and SEND Units would align with the Department for Education Guidance and allow for clear registration of the provision with benefits to schools and families. It would allow parents to request these schools in line with the duties in the Children and Families Act 2014 and would give parents additional choice of school placements, as opposed to current options of mainstream or special schools.
6. As a result of the pressure on places, more children are being allocated specialist places within the private sector, including the use of independent and alternative provision to support children not able to access a local special school place. This results in lengthy journeys for vulnerable children and pressure on families, whose children are educated away from their local communities. As well as having a significant impact on children's experiences, this is a costly solution; fees charged by the private sector are significantly higher than the costs related to children attending local schools. There are also associated transport costs for children attending schools outside the area which impact on core revenue funding.
7. Local and national data demonstrate increasing demand for places for children and young people with Education, Health and Care Plans is set to not only continue but expected to accelerate in line with national trends.
8. In the academic year 2023/2024, 126 children in Years 1-11 transferred from mainstream schools into special schools in and out of the Borough. In the academic year 2024/25 so far, this number is already at 65 additional children. With a lack of special school places available, there is a requirement to respond locally to this. Work is also ongoing to upskill and support all mainstream schools in the Borough, however, the impact of this will not be immediately seen.
9. In September 2024, Cabinet agreed for consultation to take place with all stakeholders to determine that the proposal meets the needs and priorities of children and families within the Borough and that school leaders agreed with and understood the proposals. The consultation also gave an opportunity for schools to express an interest in becoming an ARP / SEN Unit for the additional places required.
10. The consultation was largely positive, with over 251 responses and only 8.37% of those responses disagreeing with the proposals. Over 86% of the responses from parents and carers stated that they strongly agreed or agreed with the proposals.

Proposed interventions

11. The proposal is to realign existing EMS provision and transfer them into ARP and SEND Units, with 100 additional places in the areas of need that respond to the increase in demand. For

example, to reduce the number of places available where there is a lower demand, i.e. sensory and physical, HI/VI and increase places for children with speech and language needs or autism spectrum disorder.

12. The establishment of ARPs and SEND Units ensures that where possible more children with an EHCP can be taught alongside, and within, a mainstream school environment. This has educational benefits for those children whilst also assisting the Council to better utilise the limited funding available through the Dedicated Schools Grant (DSG) as it allows those learners for whom the provision is appropriate to be placed in more cost-effective provision. The establishment of specialist resourced provision across the Borough further increases the range of SEND provision available to meet the needs of children, particularly those children with significant additional needs being able to access a mainstream curriculum.
13. A number of new schools have applied to be additionally resourced provisions. Some schools, who are currently EMS have asked to withdraw. This will not impact the children accessing the provision and the EMS will remain operational until all children leave.
14. ARP/SEN Unit place costs plus appropriate top-up funding will be funded from the High Needs block of the Dedicated Schools Grant (DSG). This is a ring-fenced revenue grant received on an annual basis from the DfE.
15. The Council currently spends £1.9m per annum on EMS provisions for 209 places in Stockton schools, but by transferring these into SEN Units/ARPs and creating up to 100 additional places for children across the Borough, there will be an additional ongoing financial requirement of around £730,000 per year (assuming all placements are full) from High Needs funding in addition to current spend. Without the interventions there is a risk that the 100 children who would be placed in these ARPs would be placed in a an out of area agency placement with an average cost of £60,000 per annum resulting in a total annual cost of £6m.
16. These changes in provision would therefore deliver a cost avoidance of £5.27m per annum by 2026/27 and the cumulative impact of this is £13.61m by 2027-28 and is summarised in the table below:

Financial Year	2025/26 (part yr)	2026/27 (full yr)	2027/28 (full yr)	Total
Cost of 100 places in Independent Special #	£3.5m	£6m	£6m	£15.5m
Additional cost of 100 places in SEN Units/ARPs	£430k	£730k	£730k	£1.89m
Annual saving against unmitigated forecast **	£3.07m	£5.27m	£5.27m	£13.61m

17. Some financial modelling based on the transport costs of children currently in our EMS' indicate that the creation of 100 new ARP places could add a pressure of around £225k to the Council's annual Community Transport budget. The exact cost will be determined by the placement of the ARPs and the location of the children enrolled and it is important to note that if the ARP places were not made available locally, then this cost pressure would be significantly higher as children would require transport out of area.
18. There is also an opportunity to deliver some capital works costing around £85,000 at Preston Primary School. This will ensure the creation of a SEND unit that is able to permanently accommodate 16 pupils. This will generate a cumulative saving of £1.59m by 2027-28.

19. The table below summarises the cumulative saving against the unmitigated DBV deficit position of £34.8m referenced in paragraph 1:

	By 2027/28
Savings anticipated from Capital investment	£1.59m
Savings anticipated from the EMS review above	£13.61m
Total cumulative savings expected by 2027/28.	£15.2m

Latest DfE funding announcement

20. DfE has recently announced the High Needs Dedicated Schools Grant (DSG) allocations for 2025/26. The allocation for SBC is £44.2m (£40.78m in 2024/25). This is an increase of 7.4% and an additional £2.2m on the estimated funding in the DBV plan (This was a 3% increase as suggested by DfE).

21. The proposals described above, supported with the additional HN funding should give SBC a good basis on which to develop a more fit for purpose HN system in the Borough; one that is in-line with the DBV plan and that will enable the LA to mitigate the aggregated DSG deficit by 2027/28.

COMMUNITY IMPACT IMPLICATIONS

22. An Equality and Poverty Impact Assessment was completed on 2.12.24 in relation to this decision. No further or mitigating actions were required.

CORPORATE PARENTING IMPLICATIONS

23. By creating more SEND placements locally, there is a further opportunity to minimise out of area placements for children in our care, therefore ensuring stability of education with teaching staff who have a higher knowledge and skillset.

24. The ARP provisions will have appropriate governance and quality assurance to monitor quality and progress of all children.

FINANCIAL IMPLICATIONS

25. The £730,000 per annum cost of delivering the additional 100 places following the move towards the ARPs model is funded from the additional £2.2m of DSG money referenced in paragraph 20 and is built into the current DSG plan.

26. The £85,000 for the capital intervention is funded from the High Needs provision capital allocations that are reflected in the capital programme.

27. The potential pressure in respect of the Community Transport budget falls outside of the DSG and within the Council's General Fund; as such this will be considered in the MTFP Budget report to Cabinet and Council in February 2025.

LEGAL IMPLICATIONS

28. By ensuring that there are sufficient places to meet the needs of children in the Borough, the Council remains compliant with the legal responsibilities of The Children and Families Act 2014.
29. Legal services have been consulted on the proposals and agree with the above statement. The EPIA has been shared.

RISK ASSESSMENT

30. This is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk

BACKGROUND PAPERS

EMS Consultation Information Report to Cabinet - September 2024
EMS Consultation Document to Key Stakeholders - September 2024
Equality & Poverty Impact Assessment - December 2024
Report to Cabinet – School Investment Strategy - January 2025

Name of Contact Officer: Elisha Dyball
Post Title: Strategic Lead DBV
Telephone No. 01642 527164
Email Address: Elisha.Dyball@stockton.gov.uk