

**AGENDA ITEM**

**REPORT TO CABINET**

**17<sup>th</sup> July 2025**

**REPORT OF SENIOR  
MANAGEMENT TEAM**

**KEY DECISION**

**Portfolio Title - Lead Cabinet Member – Councillor Clare Besford, Cabinet Member of Children & Young People**

**SEND CAPITAL INVESTMENT STRATEGY**

**SUMMARY**

This report seeks Cabinet approval for capital investment in the development and enhancement of Special Educational Needs and Disabilities (SEND) provision across the borough. This funding is required to support two planned projects aimed at increasing local capacity and ensuring the Council meets its statutory obligations to children and young people with SEND.

**REASONS FOR RECOMMENDATION(S)/DECISION(S)**

Cabinet approval is required for the following reasons:

- The scale of the proposed capital expenditure.
- Investment is essential to meeting growing and changing demand for SEND places, fulfilling statutory duties under the Children and Families Act 2014.
- Increasing local provision will help reduce escalating high needs expenditure on high cost out of area placements and pressures on community transport.
- Timely approval is necessary to meet key deadlines for design, procurement, and delivery to ensure commencement of work to begin in the upcoming academic year.

**RECOMMENDATIONS**

It is recommended that Cabinet:

1. Agree to invest £5.35m of capital funding to St John the Baptist Primary School, to undertake necessary building work and essential works to the school to maintain the 24 SEND Unit places and allow for the displaced early years provision to be reunified in the main school building.
2. Agree to invest £1.7m of capital funding at Mill Lane Primary School, to create a SEND Unit for children with Speech, Language and Communication Needs.
3. Delegate authority to the Director of Children's Services, in consultation with the Cabinet Member for Children and Young People, to take all necessary steps to deliver the projects within the approved budgets.
4. Cabinet delegate the transfer of budget caused by cost variations within the approved programme to the Section 151 Officer and the Director of Children's Services in consultation with the Cabinet Member for Resources and Transport and the Cabinet Member for Children's and Young People.

5. Delegate authority to the Director of Children's Services, in consultation with the Director of Finance Performance and Transformation and Cabinet Member for Children and Young People, to allocate the contingency of £600,000 if required within the approved programme.

## DETAIL

1. The number of children and young people in Stockton with Education, Health and Care Plans (EHCPs) continues to rise, placing increasing pressure on the borough's existing SEND provision. Through analysis and planning as part of the Deficit Management Plan relating to The Dedicated Schools Grant, Stockton on Tees planned for a 9.8% year on year increase in the number of children and young people with Education, Health and Care (EHC) Plans. This is notably higher than the Northeast regional average increase of 7.4% and the national average of 6.1%, however, the demand has outweighed this in the current academic year.
2. It is projected that there will continue to be substantial growth in need overall for our children and young people with SEND, and particularly within speech, language and communication (rising 410 pupils to 698 in 2027) and ASD / Neurodevelopmental needs (rising from 497 children and young people in 2024 to 698 in 2027)
3. The number of EHCPs for school aged pupils is projected to increase from 2,048 in 2024 to 2,503 in 2027. The number of school age pupils with EHCPs attending mainstream schools or academies is projected to rise to from 698 in 2024 to 811 by 2027, followed by a projected increase in maintained special schools or special academies from 685 in 2024 to 758 by 2027.
4. Recent data from the Department for Education (DfE) highlights a continued national increase in the of pupils identified with Speech, Language and Communication Needs (SLCN) as their primary type of need. As of January 2025, 24.9% of all pupils receiving SEND Support in England were identified with SLCN. In the Northeast region, this figure is slightly higher at 26.3%, reflecting regional pressures on early years and primary provision. In Stockton-on-Tees, the proportion is above regional and national averages, with 28.7% of pupils at SEND Support level identified with SLCN. This upward trend underscores the urgent need to expand specialist and inclusive provision locally, particularly considering increasing complexity of need and the growing number of children requiring early intervention, being identified in the Early Years (0-5)
5. Nationally, the proportion of pupils receiving with EHC Plans for Cognition and Learning (C&L) is approximately 21.3%, while Communication and Interaction (C&I) needs account for 19.6% of all EHC Plans as of 2025. In the Northeast, these figures are slightly elevated, with C&L at 22.8% and C&I at 21.1%, reflecting regional trends of earlier identification and higher levels of need. In Stockton-on-Tees, the demand is higher, with C&L needs representing 24.5% and C&I needs 38.2% of all children with EHC Plans. This local increase in both categories, particularly among children with overlapping need, confirmed a need to redevelop the provision available locally.
6. In response, the Council has undertaken a review of its enhanced mainstream schools and will open additionally resourced provision and SEND Units across the borough from September 2025.
7. Planned investments are aligned with the refreshed Council's SEND and AP Strategy which promotes early intervention, inclusive practice, and high-quality local provision wherever possible. It also encompasses the required mitigations set out in the DSG Deficit Management Plan.

8. The Council currently have £9.31m of available unallocated capital resources comprising the following:
- £1.56m Unallocated Basic Need Grant
  - £3.87m Unallocated High Need Capital Funding
  - £3.88m of Developer Contributions towards education

St John the Baptist Primary School

9. In September 2024, the council opened a SEND Unit for children with communication and interaction difficulties and learning difficulties at St John the Baptist Primary School. This is a 24 placed provision, comprising of three classes for children who are currently reception age. There are currently 24 reception aged children in this provision, and it is full.
10. To effectively meet the children's needs on site and to ensure that appropriate support and space was available, the school temporarily displaced its Early Years Provision into mobile classroom facilities. Investment is therefore required in the building, to ensure longevity of the SEND Unit, including updates to toileting and dining facilities and breakout and intervention space, but also to ensure that children in the Early Years mainstream admissions at the school, are fully integrated into school with access to continuous provision, as required in statutory guidance, for all children who are following an Early Years Foundation Stage Curriculum.
11. There is a requirement for an urgent decision to be made in respect of this, owing to the tight timescales and building requirements related to the structural updates. To ensure completion of planning, in time for the start of the new academic year in September 2025, works must be agreed no later than July 2025. This also relates to a further temporary classroom being added to site, which must be done during summer holidays and requires a lead in and planning time. The company must allocate this unit within their production schedule imminently to guarantee availability and timely delivery. This is essential to enable the school to decant in line with the agreed programme, with a planned start date of February 2026 for the main phase of works.
12. Any delay or pause at this stage would significantly impact the delivery timeline and may require further negotiation with the school, potentially affecting the broader programme.
13. The costs of this intervention have been derived from outline design to RIBA stage 3. More detailed design work is to be carried out to progress to RIBA stage 4 and a greater degree of cost certainty. If this results in the costs of the scheme exceeding the funding envelope, then a further report will be brought back to Cabinet.
14. Investing £5.35m of capital will save the council a minimum of £1.44m per year on revenue cost avoidance on the High Needs Block of the Dedicated Schools Grant. This is based on an alternative of placing 24 children in an out of area independent school at an average minimum cost of £60,000 per year per place. This would be the only viable alternative option (assuming availability).
15. The children placed at St John the Baptist are currently in reception, therefore have 6 years remaining in primary school. Once children are moved to out of area provision it is unlikely that they return and therefore consideration must also be given to secondary school costs and placement. Children placed at St John the Baptist will transfer into SEND Unit or Specialist Secondary provision in the local area.

	<b>Per Child</b>	<b>24 places at primary age</b>
Revenue cost per year out of Area Placement	£60,000	£1,440,000
Revenue cost per year St Johns	£14,000	£336,000
Annual Cost Avoidance	£46,000	£1,104,000

\*Average out of area placement cost incurred by the Council.

16. Given the children in the temporary solution at St Johns are currently in reception, they can be expected to stay in place for a further 6 years, thus meaning the £1.104m per annum cost avoidance of this intervention could equate to £6.6m over their time in Primary School.

#### Mill Lane Primary School

17. Children with speech, language and communication needs is the biggest growth area of need within the borough. Since February 2025 we have now seen a total of 52 additional EHCPs agreed for under 5's, of which 42 are specifically for Speech and Language related.
18. Stockton on Tees currently have 1281 children in primary school with an EHC Plan detailing their primary need is speech, language and communication needs. This is similar to our statistical neighbour averages and national averages.
19. Consultation undertaken in September and October 2024 also established request from both parents and schools to have a dedicated resource and space for children with speech and language needs as part of the ARP & SEND Unit offer in borough.
20. It is therefore proposed that a new ten place speech and language SEND Unit for children aged three onwards is built at Mill Lane Primary School, to provide turnaround intervention enabling children to reintegrate into mainstream provision, maximising usage and capacity of the provision.
21. This setting is for children with significant language delays and language disorders and will mitigate the cost of the increasing demand for private speech and language therapy services, including out of area referrals and school placements out of the borough, which would be independent provision.
22. This placement would initially be for a total of 10 children, but proposed space would admit up to 30 children at one time at maximum capacity and would allow the school additional space for their own discrete class to meet the school's own rising need.
23. Design work has been completed to RIBA stage 4 for all elements of this scheme, with the exception of the mechanical and electrical components. As such there is confidence that these costs are robust.
24. Investing £1.7m will allow for 10 places, with flexibility to plan for up to 30 places. This will provide 3 well-proportioned classrooms, improved changing facilities and intervention spaces, with flow to the outside for supported continuous provision.

25. Running costs from High Needs Funding (Designated School Grant) of £110,000 per year have already been agreed in line with the additional revenue costs agreed by Cabinet in January 2025. This was on the basis that having ten children in this setting will generate a cost avoidance of £49,000 per year per place.
26. Initial placement is for ten children, however, by 2028/2029 this space will allow for up to thirty children to require flexible in and outreach places, meaning that in a 30 place provision could offer provision for up to 90 children a year who require short term intensive speech and language intervention. (Based on three children per year in one place).
27. The unmitigated cost per place is £60,000 therefore the overall saving per child per year is £49,000. This equates to an overall cost avoidance of £490,000 in year one of opening but could rise to £1.47m per annum as capacity increases as the service is slowly built up in a managed way.

	<b>Per Place</b>	<b>10 places (Expected for 26/27)</b>	<b>30 places (Expected by 28/29)</b>
Revenue cost per year out of Area Placement	£60,000	£600,000	£1,800,000
Revenue cost per year Mill Lane	£11,000	£110,000	£330,000
<b>Annual Cost Avoidance</b>	<b>£49,000</b>	<b>£490,000</b>	<b>£1,470,000</b>

General Contingency across the programme.

28. Whilst contingency and inflation are built into the projects, for financial prudence it is suggested that a £600,000 programme contingency be held for the interventions, with approval given by members for this to be allocated as required to the Director of Children's Services and the Director of Finance Transformation and Performance, in line with cabinet's approved delegated responsibilities.

## COMMUNITY IMPACT IMPLICATIONS

29. An EPIA was undertaken as part of planning and no mitigating actions were required.
30. Increasing local SEND placements strengthens inclusive communities, improves outcomes for children, and reduces reliance on costly out-of-area provision. It also supports families, creates local jobs, and enhances long term sustainability of services.

## CORPORATE PARENTING IMPLICATIONS

31. In relation to children who are in our care, who have an Education, Health and Care Plan, failure to meet SEND sufficiency destabilises the council's corporate parenting duty to act in the best interests of children in our care, particularly in securing appropriate education and support. It risks legal, ethical, and reputational consequences by failing to uphold statutory responsibilities and equality principles.

## FINANCIAL IMPLICATIONS

32. The £7.65m identified in this report, alongside a further £1.66m identified in the Schools Capital Investment report are funded from the £9.31m of resources outlined in paragraph 13.
33. These interventions utilise all available funding. Any new interventions not covered within the current capital programme would require further funding to be identified. Whilst there is the

potential for future school capital to be announced there is no certainty on timing or amounts at present This includes no funding being available for the Alternative Provision Free School that is currently pending DfE approval, whereby in order for this to progress the Council would be required to fund the abnormal costs, on which high level estimates of £800k-£1m have been provided.

34. The schemes in both this report and the Schools Capital Investment Strategy are collectively summarised below for completeness.

St John the Baptist Primary School	£5,350,000
Mill Lane Primary School	£1,700,000
Mainstream School Investment (not SEND related)	£1,660,000
Additional Scheme Contingency	£600,000
<b>Total</b>	<b>£9,310,000</b>

## LEGAL IMPLICATIONS

35. The Council as Local Education Authority has a duty under The Children and Families Act 2014 to ensure sufficiency of suitable educational placements for Children and Young People with SEND
36. Any failure to meet these duties can result in Judicial reviews brought by families or SEND Tribunal rulings against the council, requiring costly out-of-area placements or compensatory education being issued by the Local Ombudsman.
37. Cabinet must also consider any potential breach of rights under the following legislation if sufficient provision for children and young people cannot be allocated within the borough.
- The Children and Families Act 2014.
  - The Equality Act 2010.
  - The Human Rights Act 1998.

## RISK ASSESSMENT

38. This SEND investment strategy is categorised medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk

## WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

39. No impact to Wards noted

## BACKGROUND PAPERS

Cabinet Report: Extended Mainstream Schools Consultation Information Item, September 2024.  
Cabinet Report: Additionally Resourced Provision in Mainstream Schools, Outcome of EMS Consultation, January 2025

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