

Children and Families Committee

Date of Meeting:	16 January 2023
Report Title:	School Organisation – funding review for Springfield School: Dean Row site.
Report of:	Deborah Woodcock, Executive Director of Children’s Services.
Report Reference No:	CF/67/22- 23
Ward(s) Affected:	All Wards

1. Purpose of Report

- 1.1** The purpose of this report is to provide information to committee regarding the need for the council to increase the funding envelope for the new Springfield Special school satellite site at Dean Row in Handforth, Wilmslow, following detailed assessment of the required works from £3m to £6.1m. This programme of works is a critical mitigation within the SEN High Needs management plan in that it will provide additional in-borough SEN places and reduce the need for high-cost independent placements.
- 1.2** It is now the case that this key programme of work cannot be delivered within the revised funding envelope and therefore this paper outlines the necessity to uplift funding in order to complete the programme and attempt to achieve the completion deadline of autumn term 2023.
- 1.3** The ongoing and extensive work to develop a scheme to provide a further SEN special school site in the north of the borough has progressed from an initial feasibility to detailed costings and timescales with the appointed contractor. This progression has now provided a more detailed assessment

of the funding envelope required; this is substantially above the initial scoping exercise.

- 1.4 This report therefore provides a detailed explanation of the reasoning for this increase in costs.

2. Executive Summary

2.1 As the Strategic Commissioner of school places, Cheshire East Council has a statutory duty to ensure that there are sufficient places in our schools to meet the needs of residents. Having the right educational placement for all children and young people is key to supporting children and young people achieve their potential and to develop the range of skills and experiences they need to equip them for adulthood. This approach is in line with our strategy to increase local specialist provisions as set out in the high needs management plan.

2.2 Due to the increasing level of complexities of children and young people identified through assessment, the demand for special school places continues to increase. Committee has previously received reports on both the growing pressures on SEN High Needs funding and provided approval to progress with the scheme at Dean Row for a satellite school. Both of these papers emphasised the critical need for more in borough SEN places in specialist settings.

2.3 The background information outlines the timeline and key milestones which explains the significant increase in costs which fundamentally relate to the current economic climate and the costs of materials and services to deliver capital projects within agreed costings. In summary:

- **July 2021** – Committee report approved project and delegation to enter into contract with anticipated costs of £3m.
- **6 October 2022** - Corporate Policy committee approved uplift in costs to £4.1M
- **19 October 2022** – Revised Contractors costs of £5.3 M
- **09 December 2022** -ODR published in relation to virement.

Full timeline of activity shown with appendix 1.

2.4 It is important to note that previous reports on this project have offered alternative options including the potential to further invest on the Springfield school site in Crewe rather than have a satellite site in the north. Committee need to be aware that since this scheme was approved, the council has commissioned and progress another scheme to expand the

Crewe site thus maximising the available space. In summary therefore, Springfield school (Crewe) is now at its maximum capacity both in terms of pupil numbers and available space.

3. Recommendations

- 3.1** For Children and Families Committee to note the requirement to increase the cost of the build for the delivery of additional SEN places at Springfield School, Dean Row, Handforth to £6.1 m.
- 3.2** For Children and Families Committee to note that the Executive Director of Children's Services has completed the necessary documentation for the virement of this additional funding for this scheme and the awarding of the contract to build.

4. Reasons for Recommendations

- 4.1** The detailed account of the increase in costs is contained within appendix 1 along with the chronology of dates when actions were required to respond to the challenges of increasing costs.
- 4.2** The original permission was to build a school with up to 80 places to increase overall places at Springfield school to assist with the deficit in special school provision for SEN. Inflationary cost have been covered by two further committee virements giving a total budget of £4.1m. Unfortunately, the revised contractual costs at Stage 2 resulted in the requirement for a further uplift which was subsequently quality assured to seek assurance that these costs were appropriate. Therefore, the cost has changed significantly from the original permission granted. Despite the increase in build costs, officers recommended that this scheme still provides the urgent need for additional special school places but will result in a longer period to accumulate the savings.

5. Other Options Considered

- 5.1** The option to do nothing and not increase special school provision across the borough would result in increasing costs for out to borough places and failure to provide high quality local provision to meet the local need of our families.
- 5.2** There is an option to consider further alternative sites for the increasing demand. The service is working closely with colleagues in the assets team to identify other potential local sites to address the forecast need for specialist school places across the borough. However, the timescales require the Education Directorate to progress at pace and seeking an

alternative site and commencing all necessary stages to deliver to opening would be both lengthy and not provide any savings of costs.

- 5.3** There is the option to not increase in-borough SEND provisions but utilise independent and/or out of borough specialist provisions. This is not a viable option due to the significant increase in costs for such places which will only further increase the financial pressures on the council due to SEND.

6. Background

- 6.1** The SEN Sufficiency Statement for Children & Young People with Special Educational Needs dated August 2020 highlights the need for significantly more specialist school places within the borough.

- 6.2** Children & Families committee at its meeting of 12 July 2021 determined to make use of an existing Cheshire East Council asset (Dean Row Centre) as a satellite school site for the purpose of an expansion of Springfield School, Crewe. This expansion will provide a specialist setting for children and young people with Autism Spectrum Disorder (ASD). Springfield School is an Ofsted “outstanding” rated school providing education for children with SEND from its existing site in Crewe.

By delivering this scheme, the Council will provide up to an additional 80 placements towards the overall shortfall of places as identified within the updated sufficiency statement.

The proposal will help the Council with its priority to ensure that all children have a high quality, enjoyable education that enables them to achieve their full potential through supporting the Councils sufficiency shortfall and the differing needs of its children as a result of a growing population

The delivery of the scheme will ultimately support the Council’s ambitions to provide more in borough specialist school placements to support its residents whilst helping the Directorate with its management plan in reducing the overall deficit within its dedicated schools grant budget.

The scheme recently secured positive planning determination, this process has taken 5 months to complete and despite the positive working relationship between the planning department and school organisation team, this has increased the delay to the project and has also resulted in additional costs due to the increase in raw materials etc.

In order to progress with the implementation of the scheme, the Council's projects team received an updated cost plan for the delivery of the scheme at a value of £6,079,770.46. The breakdown of this is a contract value of £5,319,855.45 and the balance being client-side direct costs including consultancy fees, and client-side risk.

The values have been considered by the Council's appointed external consultants in their stage 2 tender evaluation report (attached) and deemed to be value for money taking into account the unprecedented increases in material costs due to Brexit, the impact of the war in Ukraine, the worldwide energy crisis and inflationary pressures across the board and have been compared benchmarking analysis.

Unfortunately, these revised figures are significantly in excess of the current agreed budget figure of £4,120,000. This figure was agreed at Corporate Policy Committee on the 6 October 2022 following the council's review of projects. This was uplifted from the original budget of £3 million which was agreed at Children and Families Committee on 12 July 2021.

Given the urgent need to provide additional placements from this site from September 2023 and because the programme is already expected to run beyond this date for delivery as a result of planning challenges it is recommended that the budget be reflected to meet a build cost of £6,079,770.

Other options to consider in this instance would be to reduce the scope of the scheme which would result in a reduced quality building which may not be fit for purpose given the vulnerability of the children. Also, this may result in the need for amendments to the planning approval which would further delay the scheme and impact on the wider budgetary problems currently faced within the SEND sector. Currently prices are increasing at an extraordinary and unprecedented pace, if we were to reduce the scope and not progress with the appointment of the contract at this point, we could end up with a lesser scheme, but the costs will not be reduced accordingly.

Appendix 1 which accompanies this paper is provided to give the specific breakdown in the increased costs as well as key timelines for the project implementation to date.

7. Consultation and Engagement

- 7.1. In accordance with the guidance issued by the Department for Education, Making significant Changes ('prescribed alterations') to maintained schools, section 5, formal consultation was undertaken in May 2021 and with the outcomes reported to Committee in July 2021.

8. Implications

8.1. Legal

All decisions have at least three elements to make them effective. a) the resources to actually carry out the decision b) the authority from the committee or constitution to make the decision, c) the ability to fund or vire money is via a budget.

The current committee authority is limited to a school conversion of Dean Row at a build cost of £3m, as supplemented by further decisions contained in committee finance reports covering inflationary increases giving a total of £4.1m.

The revised scheme has resources committed via the Executive Director. The Executive Director also has authority to vire a further £2m under the financial procedure rules to make available a total build cost of £6.1m.

The current committee authority is limited to £4.1m for an additional 80 places and must be revised to give authority to increase agreed expenditure/budget by a further £2m to build a school at a cost of £6.1m for up to 80 places.

9. Finance

9.1 In terms of estimating the mitigation of further SEN spending that this scheme will ultimately achieve; this would be factored into the overall DSG High Needs recovery plan. The information below is based on the latest average cost to the council per pupil per year for placing children in a Cheshire East Council SEND school and the average placement cost per pupil per year for buying placements at independent non maintained schools.

- The average cost per pupil at a CEC School is £13,800 pa.
- The average cost per pupil at an independent non maintained school is £55,500 pa.

This equates to a per pupil mitigation of costs of £41,700 pa.

9.2 The High Needs and School Condition budget allocations have already been approved as part of the capital programme.

The additional funding for the virement of £1,979,770m will be funded from the following unallocated grant within the Children and Families Capital Programme: -

- £750k from School Condition Grant/Emerging priorities (Currently there is £1.3m unallocated, and will leave us with £550K to address any issues that arise such as boiler break downs etc)
- £1,229,770m from High Needs Capital Grant (Currently unallocated High Needs grant stands at £3.819m 2023-24 allocation and £46k from the 2022-23 allocation).

10. Policy

- 10.1** The establishment of an additional SEN special school provision would support the council in meeting its duty to provide sufficient school places. Local authorities are under a duty to ensure sufficiency of school places in their area (section 14 of the Education Act 1996).

The SEND Code of Practice requires us to consult with parental preference schools and parents have a right to appeal where we are unable to name their preference school through the tribunal process.

- 10.2** The proposal will allow more children access to in-borough specialist provision with the intention of supporting children and young people in achieving the best possible outcomes.
- 10.3** The option of new provision will provide more places for children within their local community, allowing them to build friendships with people who live close to them and spend less time travelling.
- 10.4** By providing more local school places within Cheshire East the expansion will allow for some savings on transport when compared to educating children out of borough, thus allowing the council to make best use of its resources.

11. Equality

- 11.1** An updated Equality Impact Assessment will need to be completed once there is an understanding of the age, gender and needs of pupils attending the school at opening.

12. Human Resource

- 12.1** There are no direct human resource implications for the council, but as this new school provision forms part of a current maintained school, the local authority will work with Springfield school in the appointment of additional

specialist staffing to ensure high quality staffing is achieved, both teaching and non-teaching

13. Risk Management

- 13.1** As outlined in the finance section, the DfE have confirmed capital funding grants which allows for the virement of funding. This funding is already available and therefore is not reliant on future funding allocations
- 13.2** Planning Permission – has already been gained on this scheme.
- 13.3** Force Majeure – The global Covid pandemic has identified that there can be some risks that on impact cannot be mitigated against and will inevitably cause some delay, disruption, and any additional costs.

14. Rural Communities

- 14.1** The creation of new SEN provision would potentially bring benefit to rural communities in that it will result in additional special school places which would be available to residents within a more reasonable travel distance.

15. Children and Young People/Cared for Children

- 15.1** In accordance with the programme to provide more specialist school places within Cheshire East, this proposal will provide more spaces for children to learn and develop friendships with other local children.
- 15.2** The savings made from providing better value school places will allow for more efficient budgeting by the service which in turn will reduce pressure on the High Needs budget.

16. Public Health

- 16.1** There are no direct implications for public health however, some children and young people currently travel significant distances to access the specialist provision they may require. This can have an impact on their emotional wellbeing and can significantly lengthen the school day. The proposal to submit applications for new free schools will mean children getting a placement in their local school thus keeping them in their local community.
- 16.2** By reducing the distances which children are having to make to attend school the proposal will also help reduce congestion on the roads and therefore reduce emissions improving the air quality and making a better environment to live in.

16.3 Any increase in SEND provision will require strategic joint commissioning of specialist health services to ensure resources for such services as physiotherapy are sufficient to meet increased demand as more localised school places are generated.

17. Climate Change

17.1 Providing additional SEN places will enable Cheshire East children the ability to secure at place at their local school thus reducing the need to travel outside of the area which will reduce energy consumption.

17.2 Cheshire East Council are very aware of their environmental education and stewardship role and are very interested in promoting sustainability in general.

17.3 It is noted that any funding is for a capital project and not for the ongoing running costs. Therefore, as part of the detailed design process, the design team will be exploring how the expansion could be designed to minimize future running costs. Systems that save on energy consumption will be considered, particularly for electricity, with absence detection being the preferred lighting strategy.

Access to Information	
Contact Officer:	Mark Bayley Mark.bayley@cheshireeast.gov.uk
Background Papers:	<p>Agenda for Children and Families Committee on Monday, 12th July, 2021, 2.00 pm Cheshire East Council</p> <p><i>Constitution: Chapter 3 – Part 3 Page 47</i></p> <p><i>18. Virement between budget heads (excluding reserves / contingencies)</i></p> <p><i>Virement Amount</i> <i>In excess of £500,00 up to and including:</i></p> <ul style="list-style-type: none"> • £1,000,000 revenue; or • <u>£5,000,000 capital</u> <p><i>Approval Level</i> <i>Relevant Member(s) of CLT and Chief Finance Officer in consultation with Chair of the relevant Committee and the</i></p>

	<p><i>Chair of Finance Sub-Committee</i></p>
--	--