

**NORTH YORKSHIRE COUNTY COUNCIL**

**EXECUTIVE REPORT**

**9 June 2020**

**SCHOOLS CONDITION CAPITAL PROGRAMME – 2020/21**

Report of the Corporate Director – Children and Young People’s Service

Annexes B & C of this report contain information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended).

**1.0 PURPOSE OF THE REPORT**

1.1 To seek Executive approval for the Schools Condition Capital Programme for 2020/21

**2.0 EXECUTIVE SUMMARY**

2.1 In announcements made in April 2020 the DfE allocated Schools Condition funding totalling £9.783 m to North Yorkshire County Council for 2020/21.

2.2 This is a further single year allocation. A one-year programme for 2019/20 was approved by the Executive in June 2019 and is currently being delivered. It is monitored through the quarterly capital report.

2.3 Funding is provided separately for the provision of additional school places (through the Basic Need Grant). A £44m programme for 2018 - 21 was approved by the Executive in July 2018 and is currently being delivered. The current programme will be reviewed later during 2020 following a recent funding announcement.

2.4 The amount of funding allocated to the LA to meet the condition needs of maintained school buildings will continue to reduce as schools convert to academy status.

2.5 This report proposes a one-year programme of investments to address the condition and suitability needs of school buildings in 2020/21.

2.6 A draft of this report (excluding the private appendices) was presented to the Schools Forum on 21 May 2020.

**3.0 GOVERNMENT ANNOUNCEMENTS**

3.1 The Schools Condition Grant allocation for 2020/21 was announced on 15 April 2020.

3.2 The Schools Condition Grant is part of the Single Capital Pot and may be used for all local priorities, although they are intended specifically for investment in schools (and notionally for Children’s Centres). Schools Condition funding does not have to be used strictly for maintenance; it is the only capital funding stream available to support other capital improvement works e.g. compliance, suitability, invest to save projects or investment required to address strategic service priorities.

3.3 Academies receive their funding for condition related investment and devolved capital direct from the Education and Skills Funding Agency (ESFA) so are not included in these figures.

The amount deducted from Schools Condition Grant for 2020/21 is based on open academies at the beginning of November 2019 and those expected to open on or before 31 March 2020. This means that no projects have been included in the proposed 2020/21 programme for any schools which were expected to convert by 31 March 2020 (including those where conversion has been delayed). It is proposed that where projects have been included in the programme but schools later become an academy, a judgement will be made about whether the scheme should proceed or not. This will take account of the nature and value of the project, the stage of design development reached and the extent to which the project will extend beyond the date of conversion. This reflects the policy that schools convert to academy status in their existing condition.

- 3.4 Academies can bid for capital funding to the Academies Condition Improvement Fund (CIF). The window for CIF applications for 2020/21 closed in December 2019 and the next bidding round will be later in 2020 for 2021/22. School buildings will continue to be maintained safely for as long as they remain maintained by the local authority. If essential work is needed in Summer 2020 then this will continue to completion.
- 3.5 The allocation is once again 100% grant funded (no borrowing approvals or PFI). There is no time-limit on expenditure so can be carried forward if unspent at the end of the financial year without risk of claw back. The following tables compare the allocations over the past three years:

Capital Funding Allocation – LA Schools (Community, Voluntary Controlled & Foundation)

	2018/19	2019/20	2020/21
LA School Condition Allocation	£11,588,948	£10,151,416	£9,783,429
Devolved Formula Capital (LA Schools)	£ 4,009,335 (inc £2.4 m one-off additional allocation)	£1,489,666	£1,404,029

- 3.6 There is no indication at this stage of capital funding for condition beyond 2020/21. It is difficult to estimate the scale and speed of academy conversions and therefore the potential level of reduction year on year. Recent conversions have been placed on hold due to the Covid-19 situation but are expected to resume in due course.

IMPACT OF EDUCATION REFORM

- 3.7 In March 2016 a White Paper entitled 'Educational Excellence Everywhere' was published indicating the intention that all schools should become academies by 2020 or have a plan that would see them convert no later than 2022.
- 3.8 The White Paper signalled the creation of a new duty on local authorities to facilitate conversion, with existing duties on asset management to continue until such point as all schools have converted.
- 3.9 Subsequent announcements by the Secretary of State rowed back from the element of compulsion for all schools but schools continue to convert. Increasingly this is in the form of Multi Academy Trusts where a number may convert at a similar time. As schools convert the local authority's Schools Condition allocation will continue to reduce. This will continue to have an impact on flexibility within the programme to address strategic investment needs.

**4.0 CAPITAL PLAN 2019/20**

- 4.1 The programme historically includes a small amount of general contingency which helps to address high tenders and to respond to emerging condition issues. The general

contingency in the 2019/20 programme has been used to address in year top ups and overspends for the 2019/20 programme and programmes in previous years. The remaining general contingency to roll forward from 2019/20 into 2020/21 stands at £90k. Carry forwards from individual programme budgets are shown in Annex A including £279k carried forward from the 2019/20 Capital Planned Maintenance Programme.

## **5.0 PRIORITIES FOR INVESTMENT**

5.1 The Local Priority Statement which spells out the County Council's priorities for investment in schools was reviewed and approved by full council in February 2015 following consultation. A further review is scheduled for later in 2020 for completion before the 2021/22 Schools Capital Programme is set.

5.2 The key priorities contained within the statement are reflected in the proposed 2020/21 capital programme. They are:

- Providing new school places in areas of growth
- Supporting school improvement through collaboration between schools and the restructuring of educational provision
- Meeting key local service priorities or statutory service obligations
- Enabling savings or efficiencies to be made in the use of property
- Ensuring compliance with statutory and regulatory requirements
- Maintaining the condition of the school estate to ensure buildings continue to be safe, warm, weather-tight and fit for their purpose.

## **6.0 PROPOSED SCHOOLS CONDITION CAPITAL PROGRAMME 2020/21**

7.1 Annex A provides a proposed Capital Programme for 2020/21. The following sections of the report provide the rationale for each element of the programme. Confidential Annex B indicates the proposed local priorities for investment in 2020/21. For reasons of commercial sensitivity individual project budgets are not published.

### General Compliance issues

7.2 The County Council continues to help schools with issues emerging from Ofsted inspections around the health, safety and welfare of pupils, including boundary and internal security issues which may have a bearing on judgements around the safeguarding of children. Schools often have insufficient funding to address these issues themselves and look to the local authority for support. The costs of such adaptations can be significant. A number of such schemes were undertaken in programmes over the last three years. It is proposed that any further urgent schemes should be funded from compliance sums in-year if concerns arise.

7.3 It is proposed that £154.4 k of unallocated compliance funding from 2019/20 plus an additional allocation of £70k should form the £224.4k budget for compliance in 2020/21.

### Capital Planned Maintenance

7.4 The total maintenance backlog in schools across the County continues to be significant despite the ongoing programme of planned capital work. It is therefore important that investment continues to be made in maintaining and preventing further deterioration in the fabric of school buildings.

7.5 The continued low value of annually allocated Devolved Formula Capital (DFC) impacts on the level of funding available from schools to contribute towards the Capital Planned Maintenance Programme which addresses structural issues such as roof and window

replacements, mechanical and electrical upgrades etc. There was a one-off additional DFC allocation announced in January 2019 which has benefited schools but no indication yet that this will be repeated in future years. With the previous agreement of the Schools Forum/Education Partnership projects are now only be included in the programme on the understanding that schools will contribute all of their available DFC in that financial year. In some cases this means that schools will be asked to fully fund maintenance projects that have been identified through condition surveys as a high priority rather than other projects they might have hoped to progress. On this basis an assumption has been made that £250 k will be contributed by schools to the Capital Planned Maintenance budget in 2020/21.

- 7.6 A Capital Planned Maintenance budget of £3.83m (including fees and contingency) is proposed for schools and Children's Centers in 2020/21.
- 7.7 The one-year programme has been developed taking account of the highest priority condition items, as identified through the annual condition survey and discussions with schools, with the remainder as a contingency for urgent unplanned work which emerges mid-year. Once again this year it will contain a smaller number of higher value projects than in previous years as there are some schools which still have growing maintenance backlogs requiring significant investment.
- 7.8 Priority compliance and emergency works that arise during the year will be met by either the General Compliance or contingency funding, this may include items such as priority legionella works, boiler replacements and fire alarm replacements. Work to increase electrical capacity which emerges as a significant additional cost will need to be accommodated within project costs or prioritised from contingencies if necessary.
- 7.9 Confidential Annex C (not for Publication) provides a list of the proposed schemes for inclusion in the 2020/21 Programme. Advance planning has been undertaken once again this year to ensure that this programme can be commissioned and delivered in a timely fashion although the Covid-19 situation may impact of some schemes which were due for delivery this summer.

#### Condition and Asbestos Surveys

- 7.10 In previous years the County Council paid an annual fee to Jacobs and later Mouchel for undertaking condition and asbestos surveys, in line with the contract. These surveys help to inform investment priorities and are not replaced by the national Property Data Survey/Condition Data Collection which looks at higher level condition in order to inform central government capital allocations. The costs of this work were uplifted annually in line with inflation.
- 7.11 This work was brought back in-house in 2016. It has been agreed that in 2020/21 CYPS will continue to be recharged on the basis of a proportionate contribution to internal costs for Building Surveyors in the Property Service undertaking the survey work. The financial provision in 2020/21 will be £300k which represents a £50k reduction on the previous year in recognition of Academy conversions.

#### Asbestos Management

- 7.12 A large number of the County Council's school buildings contain asbestos which is managed in situ. Following 2018 guidance on the management of asbestos in schools it was proposed to undertake some risk based assessment of asbestos to ensure school asbestos management plans are available. There is a remaining budget of £50k from 2019/20. It is proposed t this is carried forward to 2020/21 to allow any further investigations to continue.

### Lath and Plaster Ceilings

- 7.13 Lath and Plaster ceilings are inspected and reviewed by Maintenance Surveyors as part of the annual condition data inspection, with condition being recorded on the survey. Further inspection and investigations are undertaken if condition causes concern. We continue to address failing ceilings from contingencies in the planned maintenance programme. This strategy has been agreed between the property Risk Manager and the Investments and Delivery Hard FM Maintenance Officers.

### Accessibility Related Works

- 7.14 Schools Access Initiative funding was withdrawn in 2011/12. It is necessary to continue to make provision for some accessibility work in the programme to address the needs of individual children and for any significant access related work that emerges from other developments. In addition to a carry forward of £99.5k it is proposed to set aside an additional sum of £200k from the 2020/21 allocation for such projects.

### Proposed Specialist Provision Capital Investment

- 7.15 Specialist provisions in North Yorkshire have come under intensive pressure in recent years and we have been aware for a significant period of time that our range of provisions - whilst around the shire county average - were stretched in terms of meeting all needs in all localities. Significant growth in the number of Education Health and Care Plans (EHCPs) have accentuated the pressure and led to the authority having to deploy a significant number of placements in the independent sector. Given that the cost differential between an average cost of place in the independent sector and the average cost of a place in a special school is typically £42,000 this places significant additional pressure on the High Needs budget.
- 7.16 It is particularly the pressure on our high needs budget that has led the authority to conduct a future proofing review of our specialist provision. It is considered that significant investment in both extending the range and remit of specialist and targeted provisions, and enhancing the suitability and quality of learning environment in our existing facilities, could both improve the learning outcomes and experience for a wider cohort of young people and reduce the dependency on out-of-county placements.
- 7.17 A report was presented to the Schools Forum on 12 March 2020 (shown at Annex D) which considered the challenge of securing the capital funding required to address some of our ambitions including:
- **Autism** – development of a new special school to meet the needs of high functioning pupils who cannot thrive within a mainstream environment but require curriculum stretch
  - **Social and Emotional Mental Health (SEMH)** – development of locality based provisions to meet the needs of secondary pupils and potentially upper Key Stage 2 pupils
  - **Targeted provisions** – roll-out of Phase 2 and Phase 3 of the targeted provisions programme
  - **Modernising special schools** – ensuring that our maintained special schools have the facilities and present in a way that makes them comparable to Independent Special schools
  - **Investment in PRS** – particularly addressing the condition / curricular facilities available for the Pupil Referral Service
- 7.18 Over the past decade the amount of investment through Schools Condition Grant on special schools has been minimal compared to that for mainstream Schools. Since 2010 the LA

has received c. £118m in SCG of which only c. 3.8m (3%) has been invested in planned maintenance or improvement projects at North Yorkshire special schools. Of that over £1m relates to a single project, that being the recent expansion at the Forest School through the 2018-19 Programme.

- 7.19 It was discussed with Schools Forum (via Appendix D) that it would be appropriate to establish a specific fund to support specialist provision investment. It is therefore now proposed that in 2020/21 a Specialist Provision Targeted Capital Programme (SPTCP) is created by virtue of commitments against the annual Schools Condition Capital Programme.
- 7.20 In addition to committing some of our annual School Condition Grant we are also discussing with the DfE whether there could be scope to identify funding streams that may be made available to expand / reorganise specialist provision i.e. in the hope of developing a joint funding approach.
- 7.21 It is proposed that SPTCP commitments within the School Condition Capital Programme would only be set against the funding allocated for investment in modernisation and suitability related schemes. The Programme element for planned maintenance would be unaffected by this proposal and would continue to be prioritised on condition basis across all schools. Only maintained school premises would benefit from SPTCP investment given that NYCC does not receive Schools Condition Grant for Academies.
- 7.22 It is proposed that moving forward the following governance principles should apply:
- Commitments for the SPTCP could be for individual projects, or for block sums to build up an SPTCP fund
  - SPTCP funded projects will only be undertaken on maintained school sites in North Yorkshire
  - Commitments to individual SPTCP projects would require Member approval/ratification either through the NYCC Executive through presentation of the annual School Condition Capital Programme, or through the quarterly capital monitoring arrangements should it be necessary to approve a project in mid-cycle
  - Schools Forum and CYPS Executive Members would receive bi-annual reports on the deployment of block sums (noting commercial sensitivity) and the overall position of the SPTCP and its associated fund
  - Total annual contributions to the SPTCP from Schools Condition Grant would not exceed £2m per year, or 40% of the Programme element for modernisation and suitability schemes
  - Schools Forum agreement would be required should the LA wish to allocate more than 40% in any single year
  - Should the LA be successful in securing significant external funds for SPTCP purposes then the whole SPTCP approach would be revisited with the Schools Forum and Executive prior to any further Schools Condition Grant commitments being made to the SPTCP
- 7.23 Annex A confirms that the proposed SPTCP allocation for 20/21 is £1.6m representing 28% of the overall £5.73m allocated for modernisation and suitability schemes. Further work is required to determine the first priority schemes for the initial SPTCP allocation so they are not noted in this report. The first call on the SPTCP funding is likely to be for further developments to complete the satellite provision of Mowbray School at Ripon, and proposals are currently being finalised.

Proposed Capital Investment – Strategic Priorities:

- 7.24 A number of strategic priorities are proposed as described in the following sections. The total value of these priority investments in mainstream schools is £3.388m. Further detail is included in Appendix B (not for publication). It will not be possible to include all of the projects which schools have asked the local authority to support. Remaining bids will be reconsidered in future years.

#### School Modernisation

- 7.25 It is proposed to undertake a further programme of strategic priorities to bring accommodation at a number of schools up to modern standards. The 20/21 programme will prioritise 14 projects. These projects match the key priorities described at 6.2 of this report. Most of the schemes identified for inclusion have had advance feasibility work undertaken in 19/20 to provide better cost certainty moving forward.

#### Replacement of Prefabricated Classroom Units

- 7.26 A review of the condition of Prefabricated /Portable Classroom Units has been undertaken again this year to determine whether there are any which are beyond economic repair or at risk of becoming unsafe. Where the school has no further use for them in the long term they are removed or demolished to reduce the school's maintenance liabilities. The local authority will continue to support this wherever possible.
- 7.27 Where new or replacement teaching accommodation is required this will be with permanent buildings wherever viable although in some cases it will be necessary to consider portable or modular solutions for cost or technical reasons. Portable solutions will also be provided where accommodation is genuinely temporary. These would be to a specification which is energy efficient, meets all current building regulations and provides a pleasant environment for teaching and learning. Schools are giving good feedback about the quality of more recent portable and modular teaching spaces. It is proposed to undertake feasibility studies for the replacement of a small number of temporary classrooms and carry forward funding will be retained for any schemes which are subsequently progressed.
- 7.28 Previous school modernisation programmes have included the replacement of HORSAs buildings. The condition of such buildings is monitored and buildings maintained but none are scheduled for replacement this year.

#### Development of Future Programme – Advanced Feasibility

- 7.29 It is proposed to make an additional provision of £149k in 2020/21 for advance feasibility work required as part of the early development of projects for the Capital Programme in 2021/22. It is hoped this will comprise of approximately 18 feasibility studies depending on their individual complexity. The purpose of this is to provide greater cost certainty moving forward, an approach which is increasingly proving to be successful. The advanced feasibilities will include some of the bids received from schools. If appropriate, following completion of feasibility work, capital allocations for a project(s) may be made against the general contingency or other uncommitted elements of the 20/21 Capital Programme. Should this be required, any additional commitments would be reported through the quarterly capital monitoring report.

#### Strategic Support for Capital Delivery

- 7.30 The Capital Programme and individual projects within it are commissioned and sponsored by CYPS Strategic Planning staff but following restructuring of the property function they are now delivered by staff working within the Corporate Property Service. It is proposed to continue funding one Band N post, now within the Capital Programme Team. This post provides support for the delivery of the CYPS Planned Maintenance Programme and other

parts of the CYPS Capital Programme. Monitoring arrangements will be in place by the Property Service to record the work undertaken in respect of individual schemes.

### General Contingency

- 7.31 It is necessary to retain an element of client contingency within the programme to ensure that funding is available where unforeseen additional costs arise as schemes develop through feasibility and into detailed design and procurement. There is an element of contingency included within the proposed Capital Planned Maintenance Programme to meet unforeseen emergency work which emerges during the year relating to asbestos or other urgent and unplanned infrastructure requirements. The general contingency, will address any additional costs associated with 2019/20 schemes yet to be completed as well as those in the proposed 2020/21 programme. The value of the proposed contingency for 2020/21 is £850k which compares to £1.69m last year.

## **8.0 DELIVERY OF PROGRAMME**

- 8.1 CYPS will commission the programme via the Property Service's Capital Programme Team in line with established corporate arrangements. The Property Service is responsible for directly delivering and/or procuring, via the North Yorkshire consultancy 'Align Property Partners', the required technical and professional advice and for procuring schemes from the County Council's framework contractors. Every effort will be made to ensure the programme can be commissioned and delivered in a timely fashion although the Covid-19 situation may impact on schemes and particularly those which are currently due for delivery this summer.

## **9.0 RECOMMENDATIONS**

- 9.1 The Executive is recommended to:
- i. Approve the proposed Schools Capital Programme for 2020/21 as summarised in Annex A and including the allocation to the Specialist Provision Targeted Capital Programme.
  - ii. Approve the governance principles for the Specialist Provision Targeted Capital Programme as set out in paragraph 7.22
  - iii. Approve the list of strategic priority / modernisation schemes as set out in Confidential Annex B
  - iv. Approve the Planned Capital Maintenance Programme as set out in Confidential Annex C
  - v. Agree the continuation of the approach for dealing with any schools which convert to Academy status following the approval of the Programme as laid out in paragraph 3.3

Stuart Carlton  
Corporate Director – Children and Young People's Service  
COUNTY HALL, NORTHALLERTON  
26 May 2020

Report Author – Andrew Dixon, Strategic Planning Manager

Appendix A – Schools Capital Programme 2020/21  
Appendix B – Strategic priority / modernisation schemes



Appendix C – Planned Capital Maintenance Programme 2020/21  
Appendix D – Report to Schools Forum 12 March 2020

<b>Proposed Schools Condition Capital Programme 2020/21</b>	
	<b>Amount (£)</b>
<b>Potential Capital Funding Available:</b>	
Capital Planned Maintenance Programme contingency 19/20 carry forward	279,500
General compliance/H&S 19/20 carry forward	154,400
Accessibility Schemes 19/20 carry forward	99,500
Asbestos inspections 19/20 carry forward	50,000
Prefabricated Classroom Replacement Programme 19/20 carry forward	646,500
Advanced Feasibility 19/20 carry forward	1,000
Estimated contribution from School's Devolved Formula Capital (DFC) in 20/21	250,000
General contingency 19/20 carry forward	90,100
Schools Condition Allocation 20/21	9,783,429
<b>Total Potential Capital Funding Available</b>	<b>11,354,429</b>
<b>Capital Maintenance and Compliance/Regulatory Requirements:</b>	
General Compliance and Health & Safety (b/f from 19/20 + £70k)	224,400
Capital Planned Maintenance Programme (b/f from 19/20 + £250k DFC contributions + £3,304,657)	3,834,157
Condition Survey & Asbestos Surveys – internal fee	300,000
Asbestos Inspections (b/f from 19/20)	50,000
Accessibility Schemes (b/f from 19/20 + £200 k)	299,500
<b>Total Capital Maintenance and Compliance/Regulatory Requirements</b>	<b>4,708,057</b>
<b>Proposed Capital Investment – Strategic Priorities:</b>	
Prefabricated Classroom Replacement Programme (c/f from 19/20)	646,500
Advanced Feasibility (c/f from 19/20 + £149k)	150,000
Modernisation/Suitability Schemes	3,388,000
Specialist Provision Targeted Capital Programme - <i>Total annual contributions to the SPTCP from SCG will not exceed £2m per year, or 40% of the Programme element for improvement schemes</i>	1,600,000
<b>Total Proposed Capital Investment - Strategic Priorities</b>	<b>5,734,500</b>
Strategic Support for Capital Projects (Band N post) – Investment and Delivery Team	61,000
<b>Total Proposed Investment</b>	<b>10,503,557</b>
General Contingency	850,872



**NORTH YORKSHIRE  
SCHOOLS FORUM**

<b>Date of meeting:</b>	12 March 2020
<b>Title of report:</b>	<b>Specialist Provision - Capital Investment</b>
<b>Type of report:</b> Delete as required	For discussion only
<b>Executive summary:</b> Including reason for submission	To brief Forum on the need for investment in North Yorkshire Specialist Provision and the proposal to develop a Specialist Provision Targeted Capital Programme
<b>Budget / Risk implications:</b>	None
<b>Recommendations:</b>	To note the contents of the report
<b>Voting requirements:</b>	N/A
<b>Appendices:</b> To be attached	Appendix A – Glossary of Terms
<b>Report originator and contact details:</b>	Martin Surtees, <a href="mailto:Martin.surtees@northyorks.gov.uk">Martin.surtees@northyorks.gov.uk</a> Andrew Dixon, <a href="mailto:Andrew.Dixon@northyorks.gov.uk">Andrew.Dixon@northyorks.gov.uk</a>
<b>Presenting officer:</b> If not the originator	Martin Surtees and Andrew Dixon

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is:

- to brief Forum on the case for increased investment in the Special School estate and wider specialist provision in North Yorkshire;
- to explain the concept of a Specialist Provision Targeted Capital Programme and to explore how this may impact upon the School Condition Capital Programme from 2020/21 onwards.

**Specialist Provision – Capital Investment**

## 2.0 BACKGROUND

THE ISSUES AND THE AMBITION

- 2.1 Our specialist provisions have come under intensive pressure in recent years and we have been aware for a significant period of time that our range of provisions - whilst around the shire county average - were stretched in terms of meeting all needs in all localities (which is a particular challenge to an authority with such a sparsely distributed pupil population).
- 2.2 That pressure has been exacerbated by the significant growth in EHCPs from 2014 onwards – increasing from 1,737 plans in December 2014 to 3,057 plans in December 2019.
- 2.3 Both the growth in numbers of EHCPs, and the particularly rapid growth in the plans relating to ASD and SEMH, have accentuated the pressure and in turn have led to the authority having to deploy a significant number of placements in the independent sector. (\*1)
- 2.4 Given that the cost differential between an average cost of place in the independent sector and the average cost of a place in a special school is typically £42,000 this places significant additional pressure on the High Needs budget. (\*2)
- 2.5 In terms of modernising and extending our range of specialist provisions, we have tried to help ourselves, both in terms of extending our existing capacity and setting the aspiration for more robust pathways in the SEN strategic plan.
- 2.6 For example, we have extended the numbers of places at Forest Special school through the deployment of School Condition Grant and deployed Special Provision Capital Fund (SPCF) to develop additional provision and capacity at Mowbray Special School (\*3).
- 2.7 To further “help ourselves” to modernise and update the portfolio of specialist provisions, we have also engaged with the free school process and been successful in securing the Free school in the Selby area as part of Wave 13.
- 2.8 Nevertheless we consider that:
- a number of our existing special schools are at the position in terms of the space on their sites that further expansion would be either unfeasible or prohibitively expensive (\*4)
  - their specialisms / designation are not in the areas where we are experiencing most acute pressure
  - their geographical location does not always support pupils being supported close to their local communities
- 2.9 In addition to the desired investment in Special School provision we also, as a result of the SEND Strategic Plan, have committed to provide more robust pathways through the

**Specialist Provision – Capital Investment**

development of targeted provisions. These 31 provisions will be invaluable in supporting pupils who with some additional specialist support can continue to access mainstream provision.

- 2.10 We have therefore taken stock due to a combination of:
- increased pressure for independent sector placements and the very real challenges of quickly identifying appropriate provision to support all young people, and
  - the increasing pressure on the high needs budget.

- 2.11 It is particularly the pressure on our high needs budget that has led the authority to conduct a future proofing review of our specialist provision. The hypothesis for that review is that:-

*Significant investment in both extending the range and remit of specialist and targeted provisions, and enhancing the suitability and quality of learning environment in our existing facilities, could both improve the learning outcomes and experience for a wider cohort of young people and reduce the dependency on out-of-county placements.*

- 2.12 Within that headline hypothesis, there are some implicit assumptions of :-

- putting the child's/ young person's needs at the centre of placement decisions
- striving to achieve placements which meet the child's/ young person's needs and as far as possible do so in the local community
- recognising that our range of specialist provisions can never fully meet the needs of all children and young people

- 2.13 Also at the heart of the hypothesis is reducing the dependency on independent sector placements. Given the trends in those placements and the pressure points, it is inevitable that part of our focus is on the specialist provisions for pupils with Autism and SEMH.

- 2.14 Our initial analysis has concluded that there are significant gaps in provision, and that our ambition would be to deliver a Specialist Provision Target Capital Programme (SPTCP) which potentially includes the following elements :- (\*4)

- Autism** – development of a new special school to meet the needs of high functioning pupils who cannot thrive within a mainstream environment but require curriculum stretch
- SEMH** – development of locality based provisions to meet the needs of secondary pupils and potentially upper Key Stage 2 pupils
- Targeted provisions** – roll-out of Phase 2 and Phase 3 of the targeted provisions programme
- Modernising special schools** – ensuring that our maintained special schools have the facilities and present in a way that makes them comparable to Independent Special schools (\*5)
- Investment in PLP /PRS** – particularly addressing the condition / curricular facilities available in PRS, and ensuring that the PLP hubs have sufficient capacity and appropriate facilities to meet the more complex needs and increasing numbers of Post-19 learners

**Specialist Provision – Capital Investment**

THE CAPITAL CHALLENGE

- 2.15 The scale of capital investment necessary to deliver such a programme as set out at section 2.6 above would be of the order of £10s of millions. It must be emphasised that at this juncture we do not have a definitive capital resource to meet those requirements.
- 2.16 The **potential** available capital resources to support this future proofing programme comprise:-
- local authority schools capital – in the form of the School Condition Grant made available to meet the needs of all maintained schools in the local authority
  - SPCF – this resource has been fully allocated – and we are not anticipating further rounds, although it could be a vehicle for the DfE to enhance specialist provision capacity
  - other DfE funding streams – currently the only other vehicle available within the maintained sector is the Free School programme, although our strategic planning capacity is inhibited by the uncertainty over the timing of future waves and the designation of projects for each wave
  - local authority capital resources / reserves (\*6)
  - schools own devolved resources
- 2.17 The uncertainty over the scale of the programme is partly because we are discussing with the DfE whether there could be scope to identify funding streams that could be made available to expand / reorganise specialist provision, and in ways that might work more advantageously than the current configuration of the free school programmes. An outline business case is being developed that will enable the authority to reach judgements about the scale of likely capital investment and funding routes.
- 2.18 Forum Members will be familiar with School Condition Grant (SCG). It is allocated annually to the Local Authority for investment in the condition of our maintained school stock. Forum see the nature of the Schools Condition Capital Programme (although not the amounts committed to individual projects due to commercial sensitivity) each year prior to Member approval. Typically the amount received is broadly split 50/50 between planned capital maintenance projects and improvement schemes related to condition/suitability. This approach has been consistent for several years and we intend to maintain the same broad principle moving forward.
- 2.19 The amounts we receive reduce each year in line with academy conversions:

2017/18	£11,940,118
2018/19	£11,588,948
2019/20	£10,151,416

- 2.20 Over the past decade the amount of investment through SCG on special schools has been minimal compared to that for mainstream schools. Since 2010 the LA has received c. £118m in SCG of which only c. £3.8m (3%) has been invested in planned maintenance or improvement projects at North Yorkshire special schools. Of that over £1m relates to a single project, that being the recent expansion at the Forest School through the 2018-19 Programme.

**Specialist Provision – Capital Investment**

- 2.21 School Condition Grant is the only external capital resource that the LA can have some certainty about, although the specific amounts are never known until the annual funding announcement. It is therefore proposed that a fund is built up for investment in the SPTCP outlined above at section 2.6 by virtue of commitments against the annual Schools Condition Capital Programme. To emphasise, it is our strong contention that without constructing such a programme it is likely that we will continue to face exponential growth in independent sector placements.
- 2.22 It is proposed that commitments within the School Condition Capital Programme would only be set against the funding allocated for investment in suitability and condition related schemes. This element of the Programme for 2019/20 totalled £5.52m. The Programme element for planned maintenance would be unaffected by this proposal and would continue to be prioritised on condition basis across all schools.
- 2.23 It is suggested that moving forward the following principles would apply:
- Commitments for the SPTCP could be for individual projects, or for block sums to build up an SPTCP fund
  - Commitments to individual SPTCP projects would require Member approval/ratification either through the NYCC Executive through presentation of the annual School Condition Capital Programme , or through the quarterly capital monitoring arrangements should it be necessary to approve a project in mid-cycle
  - Schools Forum would receive bi-annual reports on the deployment of block sums (noting commercial sensitivity) and the overall position of the SPTCP and its associated fund
  - Total annual contributions to the SPTCP from SCG would not exceed £2m per year, or 40% of the Programme element for improvement schemes
  - Schools Forum agreement would be required should the LA wish to allocate more than 40% in any single year
  - Should the LA be successful in securing significant external funds for SPTCP purposes then the approach set out in this report would be revisited with the Schools Forum prior to any further SCG commitments being made to the SPTCP
- 2.24 Starting in 2020/21 an amount could be earmarked over a 5 year period to begin to address the ambitions and priorities of the Specialist Provision Targeted Capital Programme. However, clearly this would be a long way short of being sufficient to address all of the identified needs within North Yorkshire. The LA will continue to develop and actively discuss our business case for investment routes with the DfE in the coming months.
- 2.25 The anticipated timetable, subject to funding announcements, is that the proposed 2020/21 School Condition Capital programme will be presented to Schools Forum on 21 May 2020. As usual practice this will be for information only. The Programme will then proceed to NYCC Executive for approval on 9 June 2020.

**Specialist Provision – Capital Investment****3.0 RECOMMENDATIONS**

- 3.1 Schools Forum will note the proposed approach towards developing a Specialist Provision Targeted Capital Programme using School Condition Grant and provide feedback on the suggested principles set out at 2.15.

STUART CARLTON

Corporate Director – Children and Young People's Service

**APPENDIX A - Glossary of terms**

**School Condition Grant (SCG)** – the amount allocated to NYCC by Central Government on an annual basis to address condition issues in maintained schools

**School Condition Capital Programme** – the annual programme containing commitments to both maintenance and improvement projects using SCG and any other funding stream available to the LA at the point in time

**Specialist Provision Targeted Capital Programme (SPTCP)** – is proposed to tackle the gaps in specialist provision in North Yorkshire and the ambitions of the SEND Strategic Plan. It would form a part of the overall School Condition Capital Programme, but be considered as a discreet programme and fund.

**Specialist Provision Capital Funding (SPCF)** – short term funding provided to LAs by Central Government which has now ceased.

**Notes**

(\*1) Whilst our planned expenditure on Independent sector placements has risen dramatically over the past five years (from £1.39 million in 2014-15 to a latest estimate of £6.93 million for 2019-20), we still consider that the number of placements and associated costs are not out of line with other local authorities.

(\*2) There is a wide range of cost of placements within the independent sector (ranging from circa £35k per annum upto £90k per annum) – and whilst some placement pressure is considered to emanate from the limited range of in-house specialist provisions, it is acknowledged that there will always be a small cohort of pupils whose needs are sufficiently complex and specialist that an independent sector placement will be the most appropriate solution to meeting their needs.

(\*3) facilitating an additional 40 places at Mowbray School and an additional 25 places at the Forest School

(\*4) this summary of a potential programme will be tested further through the development of a full outline business case – by June. Schools Forum and in particular the High Needs Sub Group will be involved in discussions regarding the content of the final programme. The outline business case



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will also assess delivery timescales, programming of the various projects and the investment priorities for differing levels of capital resource availability.

(\*5) our ambition would extend to also include academies, but the available funding to address the condition of academy special schools sits within the Condition Improvement Fund.

(\*6) the mandate of the local authority to deploy capital reserves to meet schools capital requirements is being tested in the light of the announcements on ringfencing of DSG related expenditure.