

## **Schools Forum – 16 January 2018**

### **Special Schools Expansion**

#### **1. Introduction**

The Council has a duty to ensure there are sufficient school places for resident children who want a school place.

At the meeting on 13 December 2017, Cabinet approved proposals to significantly enlarge Old Hall school, Shepwell Short Stay School, The Jane Lane school (from 1 September 2018); Oakwood school and Mary Elliot school (from 1 September 2019); and the proposal to significantly enlarge and alter the designation of Castle College of Business and Enterprise to that of 'Communication, Cognition and Learning' (from 1 September 2018). The estimated cost of the special schools expansion schemes is just under £10 million.

Cabinet had previously approved proposals to provide additional special school places at the special schools. They approved a process of statutory consultation on each of the proposals, under school organisation regulations. Cabinet had also approved the creation of additional places at three special school sites to meet the demand for places in September 2017.

#### **2. Report Detail**

The proposal at each of the schools was as follows:

##### **2.1 Old Hall Special school**

Old Hall School is a special school in Short Heath ward. It caters for children of nursery and primary school age with complex special educational needs. The school is a local authority maintained school and is currently rated Good by Ofsted. In terms of physical capacity, it currently has 60 places though 80 places have been commissioned/funded from April 2017. There were 4 nursery age children and 75 primary age children on roll in May.

There were some internal adaptations to the school over the summer that created 8 additional teaching spaces for September 2017.

The proposal is for a significant enlargement of the school of 16 places by September 2018.

##### **2.2 Shepwell School**

Shepwell School is a short stay school (medical needs) principally for pupils of secondary school age with provision for children on the Autistic spectrum (ASC). It provides home and hospital provision plus SEN outreach to other schools in the borough. It is in Willenhall South ward. It is a local authority maintained school and is currently rated as Good by Ofsted. There are currently 30 short stay places and 15 places in the provision for students with ASC.

The proposal is for a significant enlargement of the school of 15 places to 60 in total by September 2018.

### 2.3 **Castle Business & Enterprise College**

Castle Business and Enterprise College is a school for pupils with Moderate Learning Difficulties (MLD) and additional special educational needs. It provides places for children and young people aged 7-19. In May 2017, there were 29 primary age pupils, 79 secondary age pupils and 20 post 16 students at Castle. It is in Bloxwich West ward. It is a local authority maintained school and is currently rated as Outstanding by Ofsted. It has a current capacity of 100 with around 120 commissioned places.

The proposal is to significantly enlarge the school's capacity by 30 places to 130 places from September 2018.

Additionally, it is proposed to change the school's designation from that of 'Business and Enterprise College' to 'Communication, Cognition and Learning' to better reflect the types of special educational needs it meets. The school will be re-named Castle School:

"At this time of significant and exciting change and expansion it is time to move away from the College status, as this does not reflect the current ethos and standing of our school. We are an 'Outstanding' School and wish to be identified as such and would like the consultation to take this into consideration" (Headteacher).

### 2.4 **The Jane Lane School**

The Jane Lane School is a school for pupils with Cognition and Learning Difficulties. It provides places for children and young people aged 7-19. In May 2017, there were 26 primary age pupils, 66 secondary age pupils and 37 post 16 students at Jane Lane. It is in Bentley & Darlaston North ward. It is a local authority maintained school and is currently rated as Good by Ofsted. It has a current capacity of 120 with around 130 commissioned places.

The proposal is to increase capacity at the school by 30 places to 150 places by September 2018.

During consultation, the school defined itself as 'a school for cognition and learning with additional resources for autism and other communication problems'.

### 2.5 **Oakwood School**

Oakwood School is a school for nursery and primary age pupils with Severe Learning Difficulties (SLD), Profound & Multiple Learning Difficulties (PMLD) plus Medical Needs. In May 2017, there were 7 nursery age places and 67 primary age pupils on roll. It is in Aldridge North & Walsall Wood ward. It is a local authority maintained school and is currently rated as Outstanding by Ofsted. It has a current capacity of 66 places with 75 commissioned places this year. 6 new places have been created in the school this year by creating a meeting room in a 'shepherd's hut' in the school yard. The proposal is to provide an additional 32 places in all – 6 were created for September 2017 and a further 26 places are proposed for the longer term.

The proposal is to increase capacity at the school by 32 places to 98 places by September 2019.

## **2.6 Mary Elliot School**

Mary Elliot School is a school for secondary age pupils with complex special educational needs and learning difficulties. In May 2017, there were 86 Year 7 – Year 11 pupils on roll and 40 post 16 students. (Many children from both Old Hall and Oakwood schools transfer to Mary Elliot). It is in Birchills Leamore ward. It is a local authority maintained school and is currently rated as Good by Ofsted. It has a current capacity of 110 places with 127 commissioned places this year.

The proposal is to provide 30 additional places at Mary Elliot School to 140 by September 2019, with 20 initially funded.

## **3 Consultation & Decision Making**

### **3.1 Decision Making**

Where the local authority is the proposer of a change for a community special school and it wishes to increase by 10% or 20 pupils, or decrease numbers, it must follow a statutory process for making ‘prescribed alterations’ that includes a public consultation lasting 4 weeks.

Proposals to increase the size, age range or designation of schools, including special schools, are to be subject to a process of statutory consultation. For local authority maintained schools, the requirements are set out in the School Organisation Prescribed Alterations to Maintained Schools, England, Regulations 2013.

The Council as the decision maker can reject the proposal; approve the proposal without modification; approve the proposal with modifications, having consulted the governing body; or, approve the proposal – with or without modification – subject to certain conditions (such as the granting of planning permission) being met.

### **3.2 Summary of Responses to Consultation**

Consultation ran from 2 November to 30 November. There were no objections from any of the ‘statutory’ consultees to the proposals to significantly enlarge the special schools. Of the written responses (the questionnaires) 83% supported the proposal; 14% were ‘unsure’ while 2% were against the proposal.

A number of respondents expressed the views that this was good news and was a good investment in the schools concerned.

- “It is awesome. It will provide greater and wide scope of opportunity to children who have such definite [special] needs”
- “much needed enlargement to an excellent school”
- “an enlargement would greatly benefit children from around the borough”.

There was a small number of responses where respondents were either ‘unsure’ or did not support the proposal. Views were expressed that:

- A particular school could not cope with its existing numbers, so should not increase, as well as expressing concerns over the effect of increased transport and the effect of building works;
- There were worries of larger classes and the need to ensure there was sufficient staffing and resourcing for the school;
- There was a risk (at another school) to the school's small school ethos through expansion, with a preference for a completely new school on another site.

Other issues raised in the consultation centred on the building options for some of the expansion schemes, as distinct from the proposal to enlarge each school.

#### **4. Financial Implications**

- 4.1 Existing Specialist School Alterations/Expansions: Cabinet on the 26<sup>th</sup> April 2017 approved the recommended expansion for capital works necessary to secure the additional special school Key Stage 1 provision required from September 2017. The required alterations identified are estimated to cost £0.834m (as detailed in the below table) of which £0.554m is profiled to be spent in 2017/18 and £0.280m in 2018/19.

Regarding funding, Schools Forum previously agreed, at their meeting on 9 December 2014, to allocate £1m of DSG revenue balances to be utilised to create additional SEN places, and a request to dis-apply the regulations (and utilise revenue funding for capital costs) was then made to the Secretary of State who formally approved the use of up to £1m of DSG revenue balances to be utilised for capital purposes. The total costs remain within this funding envelope without a need to utilise any further Basic Need funding, and once completed, any remaining balance can contribute towards any further specialist school capital works identified.

- 4.2 New Proposed Specialist School Alterations/Expansions: As detailed within the report, the proposed expansions could involve extensions, alterations, remodelling or new buildings at the school sites and initial estimated costs outlined in the table below are for capital works (and related fees).

<b>Proposed expansion</b>	<b>Number of additional places created/funded</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>20% Contingency</b>	<b>Total Cost</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Old Hall Special school – option D. September 2018	16	253,200	904,050	0	0	231,450	<b>1,388,700</b>
Shepwell school-option B. September 2018	15	33,800	906,142	291,903	0	246,369	<b>1,478,214</b>
Castle Business and Enterprise College-option B. September 2018	30	19,211	1,095,405	347,437	0	292,411	<b>1,754,463</b>
Jane Lane school – option A01/03. September 2018	30	17,939	829,853	374,886	112,227	266,981	<b>1,601,887</b>
Oakwood school-option B. September 2019	15	15,342	569,864	190,238	147,332	184,555	<b>1,107,331</b>
Mary Elliot school-option 1A. September 2019	20	31,168	1,216,430	333,286	192,951	354,767	<b>2,128,601</b>
	<b>126</b>	<b>370,659</b>	<b>5,521,745</b>	<b>1,537,750</b>	<b>452,510</b>	<b>1,576,533</b>	<b>9,459,197</b>

The total estimated build cost for the new proposed expansions, is a total cost of £9.459m (as detailed in the table above), all to be funded from the Basic Need Capital fund. This capital grant is allocated by the Department for Education to local authorities, based on pupil place number forecasts, to deliver the additional places in schools to meet expected demand. In terms of net capital funding available, including 2018/19 confirmed DfE allocation of £21.6m, there is circa £18.782m of Basic Need funding currently available and uncommitted on the assumption the schemes recommended in the primary school expansion programme are approved. There are proposed expansions of Leighswood School, Manor Primary School, Old Church CE Primary School, Salisbury Primary School, Short Heath Foundation and St Michael's CE Primary School from 1 September 2019.

- 4.3 As part of the feasibility works being undertaken, a profile of the estimate build costs over 2017/18 and future years has been undertaken to ensure each stage of the build can be appropriately funded. As per the above table, costs of £0.371m are expected to be incurred during 2017/18, which remains affordable within the current funding profile. The majority of costs are profiled to be incurred during 2018/19, where the current allocation of £21.616m has been confirmed via the DfE.
- 4.4 Historically there have been significant risks associated with increased costs for existing school enlargement. It is therefore prudent to ensure the full Basic need allocation available is not fully committed in order to ensure an appropriate level of contingency remains. The contingency level is currently set at 20% using the estimated costs as a basis and will be monitored as each scheme progresses. There is therefore £1.577m set aside as a contingency for these proposed expansions. If the estimated costs do not increase further, a level of Basic Need Funding would remain uncommitted at the end of each project. This funding is ring

fenced to school enlargement projects and would therefore be carried forward into future years until such time as additional places in schools are required (including Special School places and Pupil Referral Unit places).

- 4.5 Each of the six specialist schools will be asked to contribute 100% of their 2018/19 Devolved Formula Capital (DFC) allocations towards the overall costs of the schemes. This funding is allocated by the Department for Education to Local Authorities and is passported directly to schools on an annual basis to contribute towards school capital schemes.
- 4.6 The revenue costs of providing / supporting all special school places and high needs provision that are available and required are funded through the High Needs Block of the Dedicated Schools Grant (DSG) funding that the authority receives.
- 4.7 For 2017/18 the places that have been commissioned by the local authority, including those additional places that were planned to be available from September 2017 that were set out in the April cabinet report, are affordable within the totality of High Needs Block DSG funding and balances that are available to the authority.
- 4.8 When additional high needs places are created, this does not necessarily result in an increase in DSG High Needs Block funding that is paid to the local authority by the Education and Skills Funding Agency (ESFA) – any increase would be dependent on the total amount of high needs funding available nationally.
- 4.9 As such the authority needs to ensure that the additional places in special schools that it is seeking to create, once occupied, are likely to be affordable within the DSG High Needs block funding that it is expecting to receive.
- 4.10 The average annual cost of a special school place in Walsall is circa £22k per year. The forecast from the Council's Special Educational Needs team is that 50% of the places that are created will be filled when they become available (either September 2018 or September 2019 dependent on the school), with the remaining 50% then filled in the following September (September 2019 or September 2020 dependent on school).
- 4.11 This would indicate that revenue costs for these places that will need to be met from the DSG High needs Block are likely to increase by £1.012m in 2018/19, a further £1.386m in 2019/20 and a further £374k in 2020/21 – a total increase of £2.772m across the period which would be ongoing into 2021/22 onwards.
- 4.12 Over the same period the indicative allocations that the authority is expecting to receive for its DSG High Needs Block funding for 2018/19 are expected increase by £747k in 2018/19, and then increase by a further £843k in 2019/20, increase by a further £941k in 2020/21 and a further £969k in 2021/22 – a total increase of £3.500m across the period.
- 4.13 It should also be noted that there is an underspend on the current high needs block funding of circa £500k per year which is also expected to be ongoing across this period.

- 4.14 This shows that the potential funding that will be available is likely to be sufficient to fully pay for the expected increase in costs in every year until 2021/22, with the exception of 2019/20 where a one off contribution of £308k from DSG High Needs Block Reserves will be required to be used (this is within the level of DSG High Needs Block reserves which are available) – this is summarised in the table below:

	<b>2018/19 (£m)</b>	<b>2019/20 (£m)</b>	<b>2020/21 (£m)</b>	<b>2021/22 (£m)</b>	<b>Total Use of Reserves (£m)</b>
Cumulative Indicative Change in High Needs Block Funding	0.747	1.590	2.531	3.500	
Estimated Ongoing Underspend on Current High needs Block Funding	0.500	0.500	0.500	0.500	
<b>Total Change in Funding</b>	<b>1.247</b>	<b>2.090</b>	<b>3.031</b>	<b>4.000</b>	
<b>Estimated Increase in Costs</b>	<b>1.012</b>	<b>2.398</b>	<b>2.772</b>	<b>2.772</b>	
<b>Amount to be funded from DSG High Needs Block Reserves</b>	<b>0.000</b>	<b>0.308</b>	<b>0.000</b>	<b>0.000</b>	<b>0.308</b>

- 4.15 It should be noted that the indicative DSG High Needs Block funding allocations for future years are based on the notional information released by DfE regarding the move to a national high needs funding formula and will be subject to change over this period. As such there is a risk, that if any actual funding increase is not in line with the indicative increases set out, that the authority may need to review the overall use of the DSG High Needs Block funding to identify options available to it to ensure that costs overall are in line with funding available.

## 5. Legal Implications

- 5.1 The Children and Families Act 2014 and The Special Education and Disability Regulations 2014 requires local authorities to keep the provision for children and young people with SEN and disabilities under review (including its sufficiency), working with parents, young people and providers (SEND Code of Practice, January 2015 Chapter 4).
- 5.2 A local authority has a general duty, under section 14 of the Education Act 1996, to secure that there are available in its area sufficient schools “in number, character and equipment to provide for all pupils the opportunity of appropriate education.”

## **6. School Improvement**

- 6.1 Additional places are needed in order to meet an increasing demand for special school places in the Walsall Borough the proposed expansion of these six special schools will enable the local authority to meet its statutory duty to ensure that there are sufficient schools and school places available and will not jeopardise the viability of any other school, special or mainstream.
- 6.2 All special schools in Walsall are rated either as Good or Outstanding by Ofsted. Statutory guidance is clear that “it is expected that, where possible, additional new places will only be provided at schools that have an overall Ofsted rating of ‘good’ or ‘outstanding’”. The proposals will create additional quality places to meet changing needs that parents and young people will find attractive and which will create conditions that will help to improve the educational outcomes for those young people.

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