



Report to Policy Committee

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Report of: Joe Horobin

Report to: Education, Children and Families Policy
Committee meeting

Date of Decision: 19th March 2024

Subject: Renewal of contract with Nexus multi-academy
trust to deliver the Medical Needs Education
Service

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 2618				
Has appropriate consultation taken place? None Required	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

This report sets out the proposal to re-commission the Medical Needs Education Service from an external provider. This will be for a 2-year term and with a total value of £3,347,171 over that period.

This report describes the current service provision and the background to the proposed commission of the Medical Needs Education Service.

This report sets out the need for a re-commission of the Medical Needs Education Service.

This report describes the service to be commissioned.

Recommendations:

It is recommended that the Education, Children and Families Policy Committee:

- 1) Approves the commissioning of a service contract with a term of 2 years from September 2024 and a value of £3,347,171 for the provision of the Medical Needs Education Service from an external provider.

Background Papers:

No background papers

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Finance: Anna Beeby
	Legal: Richard Marik
	Equalities & Consultation: Bashir Khan
	Climate: Matthew Peers
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	SLB member who approved submission: Andrew Jones
3	Committee Chair consulted: Councillor Dawn Dale
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Polly McKinlay
	Job Title: Strategic Commissioning Manager, Education
	Date: 15 th February 2024.

1. PROPOSAL

- 1.1 The Medical Needs Education Service is a well-established service which delivers education for up to (currently 100) primary and secondary pupils, the vast majority who access learning in their centre located in

Hillsborough, and around 10% who access at home. This Service is currently delivered by Nexus Multi Academy Trust at Chapel House.

- 1.2 This provision is aimed at those pupils who otherwise would not receive suitable education due to mental health or other medical health needs, This service enables the Council to meet its statutory duty under s19 Education Act 1996 to make provision for the education of pupils who are unable to access school due to illness or medical needs.
- 1.3 The service currently achieves positive outcomes for pupils, who meet targets set for their learning in the majority of cases. Attendance improves for most pupils, despite their health needs – with average attendance going from 3% to 43%. Of those who complete Y11, in 2023 94% achieved appropriate qualifications in English and Maths and 90% progressed to a post-16 education offer. Alongside learning, there is a strong focus on personal development, resilience and well-being, and pupil and family feedback show that this is highly valued, with 80% of students saying they are mostly or always happy with the provision.
- 1.4 Most pupils remain on their school roll and Nexus maintains contact with the pupil's school, with a view to reintegration if the pupil is well enough. In partnership with Commissioning and Attendance & Inclusion, work is ongoing to increase the proportion of pupils who return to school.

COMMISSION

- 1.5 The Council are currently party to a contract for the delivery of the Medical Needs Education Service with Nexus Multi-academy Trust and this is due to expire on 31 August 2024.
- 1.6 The Council therefore proposes to re-commission the service from 1 September 2024 for a cost of £3,347,171 and a period of 2 years from an external provider.
- 1.7 Continuing to provide the service will enable the Council to meet its statutory duty under s19 Education Act 1996 to make provision for the education of pupils who are unable to access school due to illness or medical needs.
- 1.8 Demand for the service is growing and it has now reached maximum capacity. Therefore the service will also be extended from a capacity of 100 to 130 pupils. It is proposed that the new service will have a term of 2 years from September 2024 and a value of £3,347,171.
- 1.9 This figure includes additional funding for the expansion of the service from 100 to 130 places, at a cost of £430,000 over two years and additional funding for a prevention element of the contract at a cost of £26,250 over two years.
- 1.10 This will be mostly funded from the Dedicated Schools Grant. The

additional £430,000 funding element was agreed by Education and Skills Senior Leadership Team on 29th February and by Schools Forum on 26th February. A small sum of £26,250 over two years will come from the Exclusion Prevention budget and this will fund the prevention pilot.

- 1.11 Schools are charged for the service received by pupils at Chapel House. The age-weighted pupil unit (*AWPU*) is the basic funding that all pupils attract and which is given to schools. The Council invoices schools which have referred children to Chapel House, to claw back the *AWPU* schools have received for a child which no longer attends. It is estimated that an additional £35k per year will be clawed back through the expansion of places.

RATIONALE FOR EXPANSION AND REVIEW OF SERVICE

- 1.12 In Sheffield, non-attendance at school is an issue: 7.2% of sessions were missed in HT1 2023 compared to 4.5% in HT1 2018. This picture is reflected nationally and one of the reasons behind this growth is emotionally based school avoidance, underlying which is an increasing incidence and complexity of mental health issues in children and young people. This was evidenced recently in the House of Commons Education Committee report “Persistent absence and support for disadvantaged pupils”, September 2023.¹
- 1.13 In connection to this, we are seeing an increased number of referrals (and acceptances) for the services at Chapel House, which are now under intense pressure and as a result, need to expand to accommodate up to an additional thirty children. To accommodate up to thirty additional children, two new classes will be established in the proposed service. This is what the additional £430,000 over two years will pay for.
- 1.14 The Council are also committing to undertake a review of the service, starting in April, to identify how the Council can better manage demand pressures on the service, whether it is being used for the right purposes or whether there are gaps in upstream work that could better meet needs.
- 1.15 The council also intends to establish a prevention pilot as part of the proposed service, working with selected schools to help improve the attendance of pupils who may be at risk of needing a service such as Chapel House.
- 1.16 This is intended to improve the attendance of struggling pupils, by providing them with enhanced self-esteem, increased resilience and coping mechanisms to aid anxiety. Currently, children often reach Chapel House once they have been absent from school for a long time. Identifying and working with these children earlier could help prevent them from spiralling into complete non-attendance, becoming medically

¹ [Persistent absence and support for disadvantaged pupils \(parliament.uk\)](https://www.parliament.uk/publications/2023/09/persistent-absence-and-support-for-disadvantaged-pupils/)

unfit for school and needing to attend Chapel House.

- 1.17 The upstream intervention pilot will work with ten students from one school each term, providing a mixture of CBT and talking therapy to build resilience, and activities such as baking to promote social skills and teamwork. The afternoons would be used for graded exposure work and 1-1 sessions, also working with family as needed to rebuild parental confidence in the school. The aim is to improve individual outcomes but also to improve the school's capacity to help future students improve their attendance.
- 1.18 This upstream intervention aspect of the service will last the duration of the service. It will cost £45k per annum (included in contract cost figures above) – or £1.5k per child. This will be partly funded from the expansion of places at Chapel House (given that the number of students increases throughout the year there is some staff capacity at the beginning of year) and partly from a contribution of £26,250 from the exclusion prevention budget, where a saving has been identified from a service being decommissioned.
- 1.19 The intention is that the upstream intervention pilot will work on a “spend to save” basis. The cost of a place to the Council at Chapel House is £8k per annum (with schools paying an additional £6k in AWPU), with average length of stay being 1.2 years. Therefore, if three children from the cohort of 30 are prevented from going to Chapel House under the upstream intervention pilot, the service balances financially as well as achieving benefits for students.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The proposed commission is in line with the vision for high quality alternative provision described in the SEND and Alternative Provision Improvement Plan (Department for Education, 2023).
- 2.2 The proposed commission is in line with commitments set by the Council within the Inclusion Strategy to identify needs and put the right support in place.
- 2.3 The proposed commission will support the ambition in the Council's 22/23 Delivery Plan for every young person in our city to get the education that they need to help them succeed, and to be safe and happy. It will also support the strategic goal laid out in the 22/23 Council's Delivery Plan for good transition support to provide young people who have additional needs with the start they need for the future they want.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Consultation is not required as we are requesting to continue the service.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 The provision under this contract enables children and young people experiencing health or mental health issues or pregnancy to access education where they otherwise would not be able to do so.
- 4.1.2 The majority of children needing this service are unable to attend school due to mental health difficulties, and this provision will enable them to continue with their education until they are ready to return to school. Most children accessing the existing service had very low or zero attendance prior to accessing, and in almost all cases their attendance increased significantly.
- 4.1.3 About 30% children needing the service are eligible for Free School Meals, which is above the national average. By providing access to education, the service may have a positive long term impact on financial inclusion for children facing multiple disadvantages.

4.2 Financial and Commercial Implications

- 4.2.1 It is proposed that the new service will have a term of 2 years from September 2024 and a value of £3,347,171.
- 4.2.2 This figure includes additional funding for the expansion of the service from 100 to 130 places, at a cost of £430,000 over two years and additional funding for a prevention element of the contract at a cost of £26,250 over two years.

4.3 Legal Implications

- 4.3.1 The Council has duty under s19 Education Act 1996 to make arrangements for the provision of suitable education at school or otherwise than at school for those children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless such arrangements are made for them.
- 4.3.2 These arrangements are permitted by the Local Government (Contracts) Act 1997 and go some way to ensuring the Council can meet its statutory duty.

4.4 Climate Implications

- 4.4.1 We encourage providers to consider the climate impacts of delivering the service (such as use of office space, staff and client travel, energy and resource use) and opportunities to increase awareness of positive climate action, and to take appropriate steps to reduce their impacts in

the delivery of the service.

- 4.4.2 Pupils will be given opportunities to engage with environmental issues. Where appropriate, pupils will be encouraged and supported to use public transport to access the provision, and active travel will be encouraged within the pastoral and well-being curriculum. The Medical Needs Education service is currently based at Hillsborough barracks, which is a relatively central position within the city and well-placed for transport links.
- 4.4.3 Targets for understanding and improving the climate impact of this provision will be included in the new contract.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not to renew this contract. This option was rejected because it would leave the Council unable to meet statutory duties relating to pupils with medical needs that make them unable to attend school.
- 5.2 Providing the service in-house. This option was rejected as the Council does not have the expertise or staffing required for this delivery and could not mobilise this in time for the start of the contract.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Re-commissioning of the service is the preferred option as it will allow the Council to meet statutory duties in regard to providing education for children and young people with medical needs.

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