

Schools Funding Forum 7th July 2016

ITEM 7

Subject Heading:

**Proposed Alternative Provision
Funding from September 2016**

Report Author:

**Paul Tinsley – Education Inclusion and
Support Manager**

Eligibility to vote:

All Members

SUMMARY

The need for academisation of the Havering PRS has been set out in previous reports. This report sets out the possible funding implications in relation to the proposed new arrangements around support for vulnerable pupils at risk of exclusion or who have been excluded from school. It provides details of current funding allocations and how this would differ with the proposed new funding model. Given that the Olive AP Academy provision will be limited in terms of places available, it also provides possible options for supporting pupils at risk that would not be supported via this provision.

RECOMMENDATIONS

1. That approval be given to the de-delegation of £300k to support an enhanced LA Behaviour Support/Outreach team for primary provision
2. That approval be given to the LA retaining sufficient funding to allow for the commissioning of places out of borough for permanently excluded pupils
3. That, in the light of the Education Excellence Everywhere White Paper, consideration be given to devolving funds to secondary schools to explore models for supporting excluded/at risk pupils, thus reducing the need to purchase additional places out of borough.

REPORT DETAIL

At the time of writing, negotiations with Olive Academies Trust are nearing a conclusion and therefore the signing of an Academy Order is imminent. If academisation is held up beyond the planned September start date, the designated HMI has advised she will return with a view to a second full inspection, leading to closure of the Havering PRS. In addition to the reputational damage for the Borough, this action would incur major costs in relation to staff redundancies and leave the LA without a facility to accommodate pupils who are permanently excluded.

The LA is currently working closely with Olive Academies Trust with a view to the signing of an academy order for the transfer of our KS3 and KS4 provisions. The proposal is to offer Olive Academies Trust a long lease on the Birnam Wood site for a facility, initially for up to 35 pupils who are either excluded or at risk of exclusion and a separate KS3 intervention facility from Petersfield Depot (subject to planning and satisfactory refurbishment of the site). The Trust is willing to take over responsibility for running the PRS from September, provided they receive 'a letter of comfort' from the Council to confirm that the above facilities will be available and that the LA will pay for the agreed number of places to be commissioned for KS3 and KS4 pupils.

Following negotiations with the Trust, the cost per pupil place was agreed at a level suggested in discussions with secondary head teachers, and represents a saving as compared with current costs of commissioning places from the Havering PRS. The proposed costs range from £15k per place to £18k per place. The current cost of a place in the Havering PRS is £19k per place. Some research has been undertaken as to the costs of a place at other LA PRUs and it would appear that the funding model proposed by the Trust is in line with the lower end of the current market rate.

In addition to the KS3 and 4 provisions commissioned from Olive, it will be necessary for the LA to retain some of the current PRS budget as there may be a need to commission some places out of borough where pupils are permanently excluded and cannot be accommodated in borough. This is the case in relation to primary pupils, as there will be no primary PRU, and also secondary pupils in respect of space limitations that will restrict the number of pupils Olive can support. It is also proposed that some element of the existing PRS budget is devolved to secondary schools to support intervention work with pupils at risk of exclusion. This approach could be supported by the LA's Alternative Provision Commissioner and is in line with current proposals in the White Paper, 'Educational Excellence Everywhere'. Paragraph 6.76 of the White Paper states, in relation to AP in future that:

'We will change accountability arrangements so that a pupil's mainstream school will retain accountability for their educational outcomes and will take a lead role in commissioning their provision, including when they have permanently excluded the pupil but the pupil has not subsequently enrolled at a different mainstream school. Mainstream schools will support AP providers to deliver a broad

and balanced curriculum and high quality teaching by sharing subject specialists and facilities that smaller alternative providers would otherwise find hard to access.

The suggestion is that mainstream schools will need to be far more involved in decisions around commissioning alternative provision and in working alongside such providers.

With regards to primary provision, the Primary PRU (based at the James Oglethorpe School site) will be replaced by a new model, which will focus on early intervention and building behaviour confidence in all our primary schools. The LA will continue to provide outreach support and training for primary schools to this end. The current budget for the Primary PRU would be used to support an enhanced outreach service. Three children's centres would be made available for primary schools to refer pupils for part time intervention and support work off site. The current budget could be used to redeploy existing Primary PRU staff with experience in teaching pupils with challenging behaviour. Two early help officers could also be appointed to address any parenting/family issues in relation to these pupils.

A budget of £300k would be de-delegated to the LA to support this inclusive approach and enhance the existing Behaviour Support team so that an outreach service could be provided to primary schools. The focus of the primary model would, in essence, be on early intervention/prevention and building confidence/skills across all schools to deal with more challenging behaviour from pupils. A new member of staff has been employed within the LBH education inclusion team to support primary schools in their dealing with vulnerable pupils and families. Funding would also need to be held centrally by the LA to pay for the education of any permanently excluded primary pupils. There have been two permanent exclusions of primary pupils this year and this is in line with average rates across outer London boroughs. A threshold framework has been developed so that all schools are held accountable to a common framework around supporting pupils in school before considering a permanent exclusion.

With regards to the Medical Needs provision, Frances Bardsley Academy has agreed to take on the responsibility of hosting this provision from September, including the TUPE responsibilities for appropriate staff. A new build would be provided at the school site in due course (see financial implications) and 18 places commissioned at a cost of £16k per place. Frances Bardsley Academy is willing to take on responsibility for operation of the Medical Needs provision from September 2016 at the current facility, subject to agreement to fund a new build.

Financial implications and risks:

Revenue

The current cost of funding the PRS (Pupil Referral Service) in 2016-17 is £2,285,000 potentially rising to £2,465,000 if all places are filled. The funding is comprised of place-led funding of £10k per place (x 134 places = £1,340,000) and £9,000 per pupil on roll (reduced by 50% for dually registered pupils who attend the medical provision). The pupil-led cost for 2016-17 is £945,000 potentially rising to £1,125,000 if all places are filled.

These costs are met from the High Needs Block of the DSG. The High Needs Block is under considerable pressure from the costs of increasing number of placements of children with special education needs and disabilities. The Schools Funding Forum and secondary school head teachers would need to be advised of any increased costs of this provision as it could impact on other funding streams.

The national funding arrangements of Pupil Referral Units and Alternative Provision Academies allocates £10,000 per place with an additional per pupil amount charged by the provider. On top of the £10,000 place funding, Olive Academies Trust is currently proposing to charge the following for the agreed number of places:

From September 2016 – March 2017 (As at present)

KS	Category	Places	Per Place	Per Pupil	Total Charge	Total Funding
KS3	Exclusion	6	£10,000	£9,000	£19,000	£114,000
KS3	Intervention	19	£10,000	£9,000	£19,000	£361,000
KS4	Exclusion	20	£10,000	£9,000	£19,000	£380,000
KS4	Intervention	15	£10,000	£9,000	£19,000	£285,000
Total		60				£1,140,000

From April 2017 (new funding model)

KS	Category	Places	Per place	Per pupil	Total charge	Total funding
KS3	Exclusion	6	£10,000	£5,000	£15,000	£90,000
KS3	Intervention	19	£10,000	£5,000	£15,000	£285,000
KS4	Exclusion	20	£10,000	£8,000	£18,000	£360,000
KS4	Intervention	15	£10,000	£6,000	£16,000	£240,000
Total		60				£975,000

In relation to excluded pupils funding would be transferred from the excluding school based on a proportion of the AWPU (age weighted pupil unit)

In addition to these costs the Medical Needs Provision would be £388,000, plus £34,000 for transfer of Hospital Education Service staff. Primary provision would be £300,000 and 18 places (year 11 later arrivals) would cost £180,000.

Distribution of places would be:

- Olive Academy Trust – 60 places
- Frances Bardsley – 18 places
- Primary Model – 18 places
- Year 11 late arrivals (formerly PRU 20) – 18 places

With 134 places available for place led funding by EFA, this would leave 20 places to allow for some additional places to be commissioned out of borough (permanently excluded pupils) and some funding to be delegated to schools to support pupils who would be at risk of permanent exclusion.

One possible model is as follows:

Primary permanent exclusions: 4 x places @ £25,000 per place = £100,000

KS3/4 additional intervention permanent exclusion places commissioned from schools: 8 places @ £15k per place = £120,000

KS4 permanent exclusion places, funding retained by LA: 8 places sourced out of Borough @ £25k per place = £200,000

The total cost across all provision, from April 2017, would therefore be £2,263,000 compared to a current total cost (when full) of £2,465,000. Additional funds of £202,000 could therefore be allocated to the Social Inclusion Fund, which is used to encourage schools to undertake innovative work with pupils at risk of exclusion/disengaging from learning