

Schools Funding Forum 10th May 2018

ITEM 4

Subject Heading:

Olive AP Academy – funding arrangements

Report Author:

David Allen – Strategic Finance Manager

Eligibility to vote:

All members

SUMMARY

This report summarises the Local Authority’s agreement with Olive AP Academy - Havering on the funding to be allocated for the alternative educational provision to students excluded from their secondary school and in support of young people who have become disengaged with their education.

RECOMMENDATIONS

That the Schools Funding Forum notes the funding arrangements for Olive AP Academy – Havering.

REPORT DETAIL

At the meeting held on 22nd February 2018, the Chief Executive Officer of the Olive Academies Trust presented a case for an increase in the funding that the local authority allocates to the Havering provision.

For financial year 2017-18 the funding was as follows:

KS	Places	Per place	Per pupil	Total charge	Total funding
KS3	24	£10,000	£8,000	£18,000	£432,000
KS4	40	£10,000	£8,000	£18,000	£720,000
Total	64				£1,152,000

A request was made to increase the number of places to 74 from 1st April 2018 and to 84 at a time to be agreed and also to introduce a two-tier funding arrangement which would increase the funding to Olive AP Academy for, depending on the options, 34 of the 64 places, 39 of the 74 places or 45 of the 84 places. The requested increase was shown in the table below. The Chief Executive Officer advised that these figures represented the minimum level of funding required by Olive, a reduction of up to 50% from Olive's benchmarked funding based on other local authorities.

The higher funding rate would be in recognition of students with more complex needs in order that appropriate specialist provision can be provided for them.

Olive's options for additional funding were as follows

	Option 1			Option 2			Option 3		
	Places	Funding per place £	Total funding £	Places	Funding per place £	Total funding £	Places	Funding per place £	Total funding £
Place funding	64	10,000	640,000	74	10,000	740,000	84	10,000	840,000
Top up band 1	20	8,000	240,000	35	8,000	280,000	39	8,000	312,000
Top up band 2	34	17,455	593,453	39	17,455	680,726	45	16,000	720,000
Total			1,473,453			1,700,726			1,872,000
Increase			321,453			548,726			720,000

The request was discussed fully at the meeting and it was agreed that local authority officers meet with representatives of the Olive Academies Trust to discuss options.

The meeting took place and other local authorities were contacted to compare levels of funding. As a result, it was recognised that Havering's funding allocation was low relative to other local authorities although this was in the context of Havering's DSG High Needs settlement being the lowest per capita in London. It was also recognised that this was a necessary provision for Havering that has already received a significant level of support from the LA and there has been constructive engagement by secondary school head teachers. An improvement in the current quality of provision was only likely to be achieved with increased funding although the LA was not in a position to meet the minimum level of funding requested.

The following was offered to Olive which has been accepted by its Trust Board although they expressed concerns about meeting the shortfall which would require further discussion with the LA.

1. An additional allocation of £180,000 to be reflected in an increased top up rate;
2. An 'up-front' assumption of income from the AWPU deduction from excluding schools of £70,000, also to be reflected in an increased top up rate;
3. The ability to offer intervention places to secondary schools at a charge, with the costs to schools supported from the central Social inclusion Fund.