



Havering
LONDON BOROUGH

Notice of KEY Executive Decision

Subject Heading:	Transition Plan for Havering Pupil Referral Service (PRS)
Cabinet Members:	Cllr. Damian White - Deputy Leader (in the absence of the Leader) Cllr. Robert Benham – Cabinet Member for Children and Learning
CMT Lead:	Mary Phillips – Assistant Director for Learning and Achievement
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Policy context:	The Council has a statutory duty to provide alternative education for pupils who have received a permanent exclusion, or who cannot attend school due to long term medical needs.
Financial summary:	Estimated capital costs associated with the provision of various aspects of the longer-term new PRS model

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	<p>are £4.44m, to be funded from Capital Contingency, in the first instance.</p> <p>Other sources of funding such as s.106 developer contributions are being reviewed with the aim of reducing the call on capital contingency. In addition, if the sale of the ARC site is agreed capital receipts of around £1.2m may be generated.</p> <p>There will be various one-off revenue costs funded from contingency and the DSG.</p> <p>Annual Costs: The revenue costs of the Pupil Referral Service (PRS) are met from the High Needs Block of the Dedicated Schools Grant (DSG). The revenue funding of £2.5m currently set aside to fund the existing PRS will be split between the various alternative provisions being recommended in this report.</p> <p>Further details are contained within the financial implications section.</p>
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Reason decision is Key

The Council and Olive Academies Trust (the Sponsor identified by the DfE) have been working to secure the transfer of the KS3 and KS4 components of the Pupil Referral Service with effect from 1 September, 2016. Until very recently the longer-term plan for the academy was based on exploring the viability of two possible sites in the Borough, with agreed temporary arrangements to be put in place from September.

The Council and the Trust have now been made aware that this approach to the longer-term solution would not be acceptable in relation to the assurances and the requisite documentation required by the DfE in order to secure sign-off of the Funding Agreement (which establishes the academy). In order for this to happen the Council and the Trust have to agree on a single named site to be included in the documentation. The deadline for submission to the DfE of all the legal documentation (Commercial Transfer Agreement, leases etc.) is imminent.

The Council will, therefore, need to grant a 125 year lease for the agreed site (as per DfE requirement) to Olive Academies Trust. As this would be an agreement entered into on a voluntary basis on the part of the Council (rather than as a result of a statutorily imposed process and the site value is in excess of £1m, it requires approval effectively to agree to a disposal at nil value of this site, namely the Robert Beard site.

In addition, approval is required for the disposal of the site currently used as provision for KS4 PRS pupils (The Arc) in Albert Road, subject to the requisite agreement by the Secretary of State. If approval is given it is intended that the capital receipt for the site contribute to the capital costs for the proposed new-build element for the Olive Academy to ensure there is sufficient capacity for the places required.

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Date notice given of intended decision:	22 August 2016
Relevant OSC:	Children and Learning
Is it an urgent decision?	Yes. Using special urgency provisions contained in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012
Is this decision exempt from being called-in?	Yes. Exemption from call-in was agreed by Councillor Gillian Ford (Chairman of Overview & Scrutiny Board) on 22 August 2016.

The subject matter of this report deals with the following Council Objectives

- Havering will be clean and its environment will be cared for
- People will be safe, in their homes and in the community
- Residents will be proud to live in Havering

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

- 1) That approval is given to discontinuing the Pupil Referral Service in its current format and that the following arrangements are put in place: transfer of KS3 and KS4 provision to Olive Academies, transfer of Medical Needs Provision to Frances Bardsley and reprovision of primary support as set out;
- 2) That approval is given to discontinuing the use of the current Manor Campus building in Albert Road as a permanent KS4 PRU provision.
- 3) That approval is given, for the disposal of the Manor Campus Building in Albert Road in order to generate funding for the works required for the new academy (subject to agreement from the Secretary of State). There will be temporary use of this site by Olive for KS3 provision whilst other arrangements (below) are completed;
- 4) That approval is given to the disposal at nil value of the Robert Beard site (excluding HOPWA House premises) on a 125 year lease at a peppercorn with no premium consideration payable for the site granted to Olive Academies Trust;
- 5) That the delivery of Youth Service provision on the Robert Beard site be secured by means of a separate 125 year (less one day) lease back to the Council from Olive Academies, contracted outside the security of tenure provisions of the Landlord & Tenant Act 1954, at a peppercorn throughout, but with a fair contribution according to use made by the Council to Olive Academies for the running costs of the Youth Centre building and associated shared facilities within the Robert Beard site;
- 6) That approval is given to a lease to Olive Academies Trust to utilise the Albert Road site on a temporary basis pending the Greenvale site becoming available on the Birnam Wood site;
- 7) That approval is given for the improvements required to the Birnam Wood site from September 2016;
- 8) That a commitment be given to Olive Academies Trust by way of a Development Agreement in relation to the further development of the Birnam Wood site and assurances provided to Olive Academies Trust that an amount up to £2.5 million be available for such further development;
- 9) That agreement is given to the transfer of the Medical Needs provision to LIFE Education Trust with commitment to a new build subject to an Academy order and funding arrangements with the Department of Education being put in place with the LIFE Trust of the Medical Needs provision on the Frances Bardsley Academy site;
- 10) That approval is given to discontinue the existing Primary PRU provision at James Oglethorpe and that the existing site at the James Oglethorpe Primary School be returned to the School.
- 11) That delegated approval is given to the Director of Asset Management after consultation with the Deputy Director of Legal and Governance to negotiate and as necessary complete the necessary agreements for the new build provision at the

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Francis Bardsley site referred to at recommendation 9.

BACKGROUND

The current provision for the authority's pupils who are permanently excluded, or cannot attend school due to long term medical issues, is via the Manor Green College. The College is composed of four elements:

- Primary provision (James Oglethorpe campus)
- Green Vale Medical Needs Provision (based on the Robert Beard Youth Centre site)
- Birnam Wood key stage 3 site (based on the Robert Beard Youth Centre site)
- Manor Campus key stage 4 site (based at Albert Road, Romford).

As there were identified performance issues with this provision, the Ofsted judgement in February 2015 placed the College into special measures. Prior to this, the Local Authority had already started discussions with the Department for Education (DfE) about academisation. The Ofsted judgement accelerated the local authority's efforts to work with DfE to identify a sponsor to academise the Havering PRS. Only one sponsor has been identified by DfE, Olive Academies Trust. The Trust will take on the key stage 3 and 4 provisions, but not primary or medical needs provisions. As a result, the authority has been working with The Frances Bardsley Academy to transfer the Medical Tuition provision to their proposed new Trust (see later) and with primary schools to develop an alternative approach to a Primary PRU.

The only alternative to academisation was to close the Havering PRS and seek to commission places from outside the Borough until other options could be explored. This would require all staff to be redeployed or offered redundancy and would lead to significantly increased costs, as costs of commissioning out of Borough places, including transport, would be in excess of current costs and would not necessarily be in the best interests of the young people. The imperative for the transfer to happen as quickly as possible is that there needs to be a step-change in the quality of provision for these vulnerable young people.

Havering has, therefore, been working closely with Olive Academies Trust with a view to the imminent signing of a Funding Agreement for the transfer of our KS3 and KS4 provisions. The Trust was, however, unwilling to take on the existing KS4 site at Albert Road as part of the permanent solution due to the building's location and condition. The DfE and Ofsted have also commented on the unsuitability of this building. The Birnam Wood Campus site (current KS3 provision) is part of the Robert Beard Youth site, as is the Medical Needs provision site.

Havering officers have been working to find suitable sites for the long-term solution and, at the request of Olive Academies Trust, have been working on two possible options for the longer-term site for the academy. This approach of pursuing two potential options was made known to the DfE some time ago. Officers from Havering and Olive have, therefore, been working on the basis that the Funding Agreement could be signed-off with agreed temporary arrangements in place (set out below in this

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report) whilst a later decision is made between the two parties on which of the longer-term site options was the most appropriate, taking into account time for resolving issues, submission of planning applications, design of new-build and any required phasing of the works.

During a conference call on Thursday, 11th August, however, DfE officials stated that, in order for the Funding Agreement to be submitted to the Minster for approval, there would need to be clarity about the long-term site and that this would require the naming of a single site with information about any proposed building, including timescales and costs. They also stated that all the documentation needed to be with them in less than two weeks from 11th August. If this deadline was not met, the earliest possible transfer date would be 1 October. This falls outside of the timescale advised by HMI for the return visit to the existing Pupil Referral Service.

As a result of this stipulation by the DfE, the Trust stated that, given the timescale associated with securing one of the two possible sites (resulting from potential protracted negotiations and/or legal processes) their preference would be for the Robert Beard site to be the permanent site for the new academy.

PROPOSAL FOR NEW OLIVE ALTERNATIVE PROVISION (AP) ACADEMY

The current proposal is, therefore, to offer Olive Academies Trust a 125 year lease on the Birnam Wood site with a commitment for the Council to develop further this site to accommodate more pupils in future, subject to planning consent(s) and conservation area consent(s). The entire Robert Beard site falls within the St Andrew's Conservation Area and it is therefore subject to specific policies.

Officers from Property Services, working on the documentation for the leases required for submission to the DfE have advised that, given that the authority would be entering into the lease arrangement with Olive Academies Trust voluntarily (and not as a result of a statutorily imposed process) and that the Robert Beard site has a value in excess of £1m, this would require the authority effectively to agree to a disposal at nil value of the site.

A general consent has been issued by the Secretary of State (DCLG) under Section 123 of the Local Government Act 1972 for the disposal of land at less than best consideration (up to an undervalue of £2 million). Whilst the existing use value for education and youth services is under £2 million, the potential value of the Robert beard site for alternative higher value uses is above £2m, the LA may not be able to dispose of it under the general consent and might well need a specific SOS consent. However, the proposed academy lease will have a restriction on use for educational use.

When this was raised with then DfE the response was that academisation of the PRS should be treated in the same way as academisation of a school. This means that the part of the site currently occupied by the secondary PRS could be treated as a forced academisation and a lease issued with reference to that part of the site. If this were the case, then it is likely that the residual value of the rest of the site would be below £2m and, therefore, would fall within the general consent and would be for the authority to agree the disposal for purposes of issuing the 125 year lease to Olive

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Academies Trust.

Advice has also been received relating to Manor Green (The Arc) in Albert Road which houses the KS4 provision of the PRS. Given that Olive Academies Trust, the DfE, Ofsted and the authority do not consider these premises fit for purpose for the new academy, and that there is a capital cost to establishing sufficient capacity in the academy, the realisation of a capital receipt from this site could contribute to that cost. This would require approval from the Secretary of State that the site could be disposed of and a decision by the authority so to do.

Proposed temporary arrangements for the academy

From September 2016 it is planned for the Birnam Wood site to open as an Olive AP Academy to support, initially, up to 35 KS4 pupils who are either excluded or at risk of exclusion. The Birnam Wood site would then be developed to accommodate up to 60 pupils. In the interim, the current proposal by Olive Academies Trust is to operate an interim KS3 intervention facility from part of the existing Manor Campus on Albert Road and a separate KS4 facility at Birnam Wood. With regards to the Birnam Wood site, there is some initial refurbishment and security work needed at an estimated cost of c£40,000. In addition, there will also be some costs in the region of £250,000 as set out in the exempt section of this report.

The Council is acutely aware of the requirement to continue to deliver Youth Service provision from the Robert Beard centre and this will be confirmed by means of a separate lease agreement between the Trust and the Borough's Youth Service and will incorporate arrangements for shared use of some facilities and the continuing use of the Robert Beard Centre for this purpose. In addition, the Trust will require use of the Medical Tuition Service facility when it becomes available.

The LA has already commissioned Olive Academies Trust to provide comprehensive support for existing PRS staff in order to improve the learning experience and outcomes for pupils. The Trust is willing to take over responsibility for running the PRS from September 2016, provided the requisite legal documentation is in place. These will cover, inter alia, confirmation from the Council that the above facilities will be available (including additional new-build) according to an agreed timescale; leases for the various elements of the arrangements (as referred to earlier in this report) and that the LA will pay for the agreed number of places to be commissioned for KS3 and KS4 pupils.

A letter of commitment will be provided to Olive confirming the Authority's willingness to provide up to £2.5m of capital investment to develop the additional places on the Robert Beard site. Agreement has been reached with Olive around those staff that will transfer to new provisions with regards to KS3, KS4, primary and medical needs.

Following negotiations with secondary heads and agreement from Schools Funding Forum, the cost per pupil place was put to Olive Academies Trust as set out in the financial implications and risks section below. 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 these range from £15k to just under £23k.

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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 the Borough where pupils are permanently excluded and cannot be accommodated in the Borough.

It is also proposed that some element of the existing PRS budget is added to the current Social Inclusion Fund, which is available to schools to support intervention work with pupils at risk of exclusion. This will 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.

PRIMARY PROVISION

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.

Schools Funding Forum has agreed that the current budget for the Primary PRU can be used to support an enhanced outreach service, including staff who previously worked within the Primary PRU. Three children's centres would be made available for part time intervention and support work off site. Schools Funding Forum has also sanctioned use of part of this budget to appoint two early help officers to address any parenting/family issues in relation to these pupils. This will be funded from the £300k for the primary model mentioned in the financial implications. Intervention places would be agreed via the Primary In-Year Fair Access Process (IYFAP).

It is also intended to introduce peer reviews where a primary pupil is at risk of permanent exclusion, whereby an experienced head teacher from another school would look at the work undertaken to support a pupil at risk and to advise on any additional support that might be offered.

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

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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. We will keep this approach under review to ensure the needs of pupils are being met.

MEDICAL NEEDS PROVISION

With regards to the Medical Needs provision, Frances Bardsley Academy is forming a partnership Trust called LIFE (Learning Is For Everyone) Education Trust. The Trust 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 Frances Bardsley Foundation Academy, Brentwood Road, Romford (see financial implications) and 18 places commissioned at a cost of £16k per place.

LIFE Education Trust is willing to take on responsibility for operation of the Medical Needs provision from September 2016, subject to agreement to fund a new build (on the Frances Bardsley site). In the interim, the LA will commission LIFE Education Trust to take on responsibility for operation of the Medical Needs provision from September 2016. The Trust will apply for approval to become an AP Academy subject to agreement to fund a new build. It is planned for the new build to be operational from Spring Term of 2017 (subject to planning) and the Trust would be granted use of the current Green Vale Medical Tuition building, built into lease arrangements, until the new build is completed. At this point the LIFE Education Trust would leave the Green Vale building and its continuing use would be available to Olive Academies Trust as part of their KS3 and KS4 AP Academy provision.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3, Section 2.1 (g) - To allocate and control financial and land and property resources, to determine priorities in the use of these resources, and take any other action necessary to achieve those objectives.

Part 3, Section 2.1 (h) - To have overall responsibility for acquisitions and disposal of any interest in land, buildings or the real and leasehold property of the Council and to have responsibility for land and property used for operational purposes, 'in principle', disposals of land in excess of £1,000,000.

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The Deputy Leader, acting in the absence of the Leader, has exercised his right under Section 9 of the LGA2000 to exercise any executive function.

STATEMENT OF THE REASONS FOR THE DECISION

There is an urgent need to have a solution to DfE requirements for the Council to transfer the PRS to a suitable academy Trust with a suitable site and long term plan to develop the facilities as a solution to satisfy DfE that appropriate action is being taken to deal with the Manor Green College having being placed in 'special measures'. The requirement to name the long-term site and get the associated documentation in place was only recently confirmed by the DfE.

Olive Academy Trust has been identified by the DfE as a suitable provider and the Robert Beard site has been identified as the site to be offered to them on an academy lease of 125 year lease at a peppercorn. This is effectively a disposal of an interest in land and premises in excess of £1m.

The Leader of the Council has delegated that decisions on disposals of values in excess of £1m be decided at Cabinet. The next Cabinet Meeting is on the 21st September 2016 which will be too late for the Council to satisfy the DfE that it has a solution to the 'special measures' issue.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Closure of Havering PRS and use of expensive out-of-Borough provision.

Out-of-Borough placements are increasingly difficult to secure, often more expensive than in-house provision and not necessarily in the best interests of the young people. In addition, there would have to be a consultation period which would not be completed before the next Ofsted

2. Alternative sites

The search by officers for alternative sites was extensive, but resulted in only one other possible option which has now been discounted by Olive, given the significant accommodation and potential planning issues associated with occupation of the site.

PRE-DECISION CONSULTATION

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Initial meetings have been held with secondary and primary school heads, oneSource
- Property Services, oneSource – Legal Services,

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: ..Sue Imbriano.....

Designation: Project Manager Schools, Learning & Achievement

Signature:

Date: August 2016

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Secretary of State issued an Academy Order on 8 February 2016 requiring that Manor Green College be converted into an Alternative Provision Academy. On 30th August, the Secretary of State confirmed that she will enter into a funding agreement so that Manor Green College will convert to into an academy. The Council has received confirmation from the Department of Education, that the conversion applies to the KS3 and KS4 provision only.
2. The Secretary of State has also give her consent pursuant to para 4(2) of Schedule 1 of the Academies Act 2010 (as substituted by Schedule 14 of the Education Act 2011) and Section 77 of the School Standards Framework Act 1998 for the authority for the disposal of the publicly funded land to Olive Academies. In addition the Secretary of State (DCLG) has issued a general consent under Section 123 of the Local Government 1972 for disposal of land at less than best consideration up to an undervalue of £2 million for the purposes set out in this report.
3. Section 13 of the Education Act 1996 provides that a local education authority shall (so far as their powers enable them to do so) contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary education. This power enables the Council to make the contributions and support in favour of the academies outlined in this report.
4. Cherubs Pre-School have been in occupation of some of the Robert Beard Youth Centre building) for at least the last eleven years. The Pre-School use is considered incompatible with the proposed expansion of the existing PRU at the Robert Beard site and will have to be moved out of the site as soon as possible.
5. As it is considered that the Pre-School's occupation is a mere hiring agreement from month to month without exclusive possession of all of the space used by them, the Council does not have a legal obligation to find them alternative premises to move to. However, the Council's Early Years Team would not want to lose the pre-school places from this locality. Therefore, the Council will be keen to assist them relocate in timely fashion to suitable premises and without loss of any continuity of provision. If the Pre-School, with any necessary assistance of the Council, can't find any suitable alternative premises in the locality swiftly, the Pre-School space in the Robert Beard Youth Centre building may not be available to Olive Academies as soon as planned / hoped / contracted. .
6. The proposed arrangements to enter into a Development Agreement with Olive Academies would place an obligation on the Council to apply for and obtain planning permission in order to carry out two extensions at the Robert Beard site at

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the Council's own expense. Phase 1 is envisaged to be an extension to be built around part of the Tuition Centre building at the front of the Robert Beard site. Phase 2 is envisaged to be an infill of the courtyard entrance and loading area to the existing Birnam Wood PRU building on the Robert Beard site and improvements to link up the buildings with a possible covered walkway.

7. In the event that planning permission and / or conservation area consent is not forthcoming in the manner required, the Council would be in breach of its development obligations and thereby liable for all costs and expenses incurred by Olive Academies (albeit capped at £2.5 million) in the event that Olive Academies exercise their right under the Development Agreement to assume responsibility for carrying out extensions and improvements themselves. This ability for Olive to step in and do the work themselves was a requirement imposed by the DfE.
8. Further, if the Council fails to adhere with the other terms of its development obligations, such as failing to complete the development and improvements within the agreed timescale specified in the Development Agreement, the Council would, again, be liable for all costs and expenses incurred by Olive Academies (albeit capped at £2.5 million) in the event that Olive Academies exercise their right under the Development Agreement to assume responsibility for carrying out the development and improvements themselves. Again, this ability for Olive to step in and do the work themselves was a requirement imposed by the DfE.
9. In respect of The ARC, Albert Road site, there are references in the title information to a restriction contained in an earlier Conveyance dated 9 November 1876 (no copy document found in our Deed Packet) and a Conveyance 29 September 1883 requiring the land to be used for a school only, there is to be no buildings within ten feet of any road and a fencing requirement.
10. The existing Frances Bardsley academy trust is in the process of transferring to be part of a multi-academy trust called LIFE (Learning is for Everyone). There are risks around this change in the Academy's management team with the possibility of it affecting the Council's ability to deliver the proposed new build PRU on the Frances Bardsley Academy site. The future arrangements proposed in respect of the Medical Provision are also subject to an Academy order and funding arrangements with the Department of Education being put in place with the LIFE Trust.
11. The boilers within the Robert Beard Tuition building at the front of the site serves both the Tuition building and the main Robert Beard Youth Centre building. New boilers costing £70,000 are in the process of being fitted and new windows costing £15,000, giving a total cost of £85,000. The Council is funding £20,000, but £65,000 is coming from a Veolia North Thames Trust (VNTT). The grant funding agreement contains a covenant requiring the Council to advise VNTT of any change in the ownership or use of any of the assets/facilities. This includes any material change in the conditions under which the grant was originally made. e.g. restricting public access. The final payment of the last 10% (£6,500) of the grant monies will not be made until such time as VNTT have received a satisfactory project completion form. There is a risk that part, or even all, of the £65,000 may

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have to be returned to VNTT. In such event, up to the total works costs of £85,000 may have to be funded by the Council instead of the original proposal of just £20,000. An additional liability of up to £65,000.

FINANCIAL IMPLICATIONS AND RISKS

Financial implications and risks:

There are a number of financial implications and risks associated with this decision and these are set out below.

Capital

Estimated costs are inclusive of works, fees and surveys:

Improved security measures at Birnam Wood site	£ 40,000
New medical provision at Frances Bardsley Academy	£ 800,000
Contingency #	£ 250,000
Expenditure as detailed in the exempt appendix of this report	£ 250,000
Potential remodelling and extension works to Robert Beard / Birnam Wood	£2,500,000
FF&E and IT	£ 100,000
Fees and statutory approvals	£ 500,000
Total Costs	£4,440,000

Funding

Capital Contingency/Capital Receipts* **£4,440,000**

Capital Receipts*

Contingency has been included to cover any costs associated with returning Oglethorpe site to school// transferring the Green Vale site to Olive/funding the boiler and window replacement at Robert Beard should the VNTT grant be withdrawn.

* The value of the sale of the current ARC, Albert Road (KS4) site has been estimated at £1.2m (after pre-sale expenses) although there is a formal process for gaining Secretary of State agreement given the site is currently used for education provision. The case to be presented is that the Council is not removing the amount of education provision within the Borough, simply relocating it.

Use of Capital Contingency has been agreed by the s151 officer in the first instance, should it be possible to realise capital receipts from the sale of the ARC Albert Road site it will be used to replenish the Capital Contingency.

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There are also some other potential sources of funding available such as s106 agreements and grants. However their availability towards the schemes above has not been confirmed. Further analysis will be undertaken to maximise the use of these alternative sources and minimise the use of Capital Contingency.

Risks

There is a risk that costs will rise as the parties work together to develop the capital schemes. Careful negotiations will be necessary to ensure that specifications are fair and in line with space / equipment guidelines provided to other schools / academies as part of the school expansion programme.

Furthermore, as with most capital schemes, there is a risk that the scheme could overspend due to issues arising during the build process, however careful project management should minimise these risk.

In addition, there are risks as highlighted above associated with the sale of the ARC, Albert Road site, together with the potential loss of the VNTT grant of £65k as outlined in section 11 of the legal implications.

One off Revenue Costs

There will be various costs of relocation (e.g. storage, removals, etc.) associated with reconfiguring the PRS. These are estimated at £20,000 and will be funded from the contingency budget.

There are also potential one off costs related to redundancies of the existing PRS staff, given that Olive will be commissioned to provide fewer places than originally anticipated. This will be funded from the DSG.

Ongoing Revenue Costs

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.

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There are currently 134 places within the PRS and it is recommended that they are distributed as follows:

Olive Academy Trust - KS3 & KS4	60 places
Frances Bardsley - Medical Needs	18 places
Primary Model	18 places
Year 11 late arrivals (formerly PRU 20)	18 places
Out borough places	<u>20 places</u>
TOTAL PLACES	134 places

Costs will continue to be met from the High Needs Block of the DSG as follows:

Olive Academy Trust - KS3 and KS4 provision

On top of the £10,000 place funding, Olive Academies Trust is currently proposing to charge the following for the agreed number of places:

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

The costs per student range from £15k to £18k which is a reduction from the current costs of £19k per student. This will be introduced from April 2017 and a

However, the LA will also transfer to Olive Academy the AWPU that it deducts from schools for permanently excluded pupils. This will be on a pro rata basis from the date of admission to the end of the financial year based on the value of the AWPU which is currently £4,542 for KS3 and £4,740 for KS4. For 6 KS3 exclusions and 20 KS4 exclusions, the maximum additional income in a full year would be £122,060.

Frances Bardsley Medical Needs Provision

In addition to these costs, the Medical Needs Provision would be funded at £388,000.

This is based on £100,000 to provide an outreach service plus £288,000 which funds 18 places (£16k per place). In addition to this, the Council currently receives additional funding from direct from the DfE to provide a hospital tuition service and £34,000 of this will be allocated to the Academy to fund the transfer of Hospital Education Service staff.

Primary Model

Key Executive Decision

Primary provision would be £300,000

Year 11 Late Arrivals

18 places (year 11 later arrivals) would cost £180,000.

Out Borough 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 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.

Provision	Places	£
KS3 & 4 at Olive	60	975,000
Medical needs at Frances Bardsley	18	288,000
Outreach service at Frances Bardsley		100,000
Primary model	18	300,000
Year 11 late arrivals	18	180,000
Out of borough placements	20	420,000
Social Inclusion Fund		202,000
TOTAL funding of new provision		2,465,000
Budget for existing provision		2,465,000

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are TUPE issues involved in the transfer of employees to Olive Academies Trust and Frances Bardsley Academy. There are unknown costs around staff redundancies for the Primary model at this stage and/or resulting from Olive wishing to have a staffing model which does not make use of all existing Havering PRS staff.

Key Executive Decision

The costs of making the majority of staff redundant should Olive withdraw, or the PRS be closed before Olive can take over responsibility, have to be calculated as yet, but would be significant for the Council.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are social implications in that, the reaction of a local community to the siting of a facility for pupils with challenging behaviour in their area is often negative and could cause concern. However, the Birnam Wood PRU facility has been operating for some time at the Robert Beard site and therefore the use is not totally new to the site, merely being intensified. Nonetheless, the Council may well receive complaints about the proposed provision. Olive Academies Trust is very alert to this issue and to the need to develop constructive relationships with the local community. There are also concerns arising from the current position whereby the authority is failing in its duty to provide appropriate educational opportunities for these vulnerable young people. See also attached EIA analysis.

BACKGROUND PAPERS

EIA

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

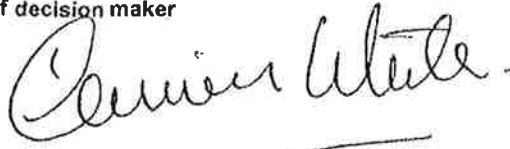
Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed



Name: COUNCILLOR DAMIAN WHITE

Cabinet Portfolio held: DEPUTY LEADER

CMT Member title:

Head of Service title:

Other manager title:

Date: 2/2/16

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 2 September 2016

Signed

