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# Alternative Provision for young people with additional needs.

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**Report being considered by:** Schools Forum  
**On:** 06/02/2017  
**Report Author:** Caroline Simmonds  
**Item for:** Discussion      **By:** All forum Members

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## 1. Purpose of the Report

1.1 To update Headteachers on the proposals for *Alternative Education Provision: Education Plan for young people with additional needs*.

## 2. Recommendation(s)

2.1 For information and comment.

<b>Will the recommendation require the matter to be referred to the Council or the Executive for final determination?</b>	Yes: <input type="checkbox"/>	No: X
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## 3. Introduction/Background

3.1 The process of consultation and Council approval:

- A Joint Strategic Review was established in November 2014 and pre-consultation exercise was undertaken with secondary Headteachers in the summer 2015. A paper was brought to The Schools Forum on 25<sup>th</sup> May 2016 to seek comment and input on the 'Alternative Provision: Education Plan for young people with additional needs.
- The proposals were shared with the staff and following these meetings a formal consultation on Alternative Provision was posted on the West Berkshire website and closed on 27<sup>th</sup> September 2016 as a result of which some changes were made to the proposal.
- The Statutory notice, reflecting these changes, was posted on the West Berkshire website on the 24<sup>th</sup> October and closed on 21<sup>st</sup> November 2016. No representations were received.
- The proposals have successfully passed through the council procedure and were approved by Executive meeting on 19<sup>th</sup> January 2017.
- The proposal for restructuring of the service is currently out for consultation with staff and unions. The consultation will close on 3<sup>rd</sup> March.

### 3.2 Background to the restructuring of the Pupil Referral Units:

Following consultation and scrutiny by the council a structure for the new service was developed: 'Education Plan for alternative provision for young people with additional needs'. It stated that we would:

- I. Work in partnership with schools, and schools will work in partnership with each other, to integrate education for students with additional needs
- II. Ensure there is sufficient provision for those students who cannot attend mainstream school.
- III. Ensure provision for those students that the Council may become responsible for pupils who are permanently excluded from school or to avoid them from being permanently excluded. This will be achieved by consolidating the current arrangement of 2 schools and 6 sites, into a single Alternative Education Provision Service (AEPS). The AEPS will comprise a single school, with a single Headteacher, delivering the service on 4 sites.
- IV. The new service will be implemented from 1<sup>st</sup> September 2017

## 4. Supporting Information

- 4.1 The service will provide for students who the council might become responsible for because of permanent exclusion or the risk of permanent exclusion.
- 4.2 The proposal is to change the way in which Alternative Provision is delivered in West Berkshire and for the schools to work in partnership with the new provision to enable students to learn in the setting that best suits them and their needs.
- 4.3 To achieve a DSG budget saving through the restructuring of the existing structure of the Pupil Referral Units. Currently there are 2 separate services Alternative Curriculum and Reintegration Service each of which has a separate DFE number and management structure. We propose that the services are amalgamated to form one Alternative Education Provision with one management team and one DFE number. This will be achieved through:
  - Reducing management, staffing and administration costs through efficiencies, removing duplication and integrating service
  - By reducing the number of PRUs from 6 to 4 and the number of pupil places from 84 – 66 to achieve this, the proposed number of pupil places is.
    - Primary 12 – no change from current numbers
    - Secondary 46 – an increase of 10 from the original proposal and a reduction of 14 from current numbers
    - Post 16 – 8 but as the students are not full time they will be able to support 12 students which is no different from current numbers.
- 4.4 The service will be structured to provide a co-ordinated and continuous service which will best support the needs of the students.

## Alternative Provision for young people with additional needs.

- 4.5 The AEP will provide a brokerage service for schools to enable them to work with and support each other and the pupils within a mainstream setting.
- 4.6 That Home Education will remain as part of the new Alternative Education Provision Service for 2017/18 but may be reviewed again to ensure efficient use of resources and best outcomes for young people.

### 5. Options for Consideration

- 5.1 We have previously considered leaving the service, which is seen as OFSTED as good, unchanged but this is not financially sustainable in the current climate.

### 6. Budget implications

- 6.1 The AEPS has worked with officers to determine staffing a structure and contracts based on what is affordable within their budget.
- 6.2 The AEPS has worked with officers to determine teaching and learning provision, based on the needs of the student. Flexible provision and Outreach will be tailored to meet the needs of schools. Outreach is funded from outside this budget.
- 6.3 We have looked at the current levels of income and expenditure and built a cost model for the AEPS. There will be a saving between the cost model for the current PRUs and the proposed AEPS. The savings are delivered by scaling down the size of the Service (from 84 to 66 students, and from 6 to 4 sites).
- 6.4 As a result of the places not being supported from the central element of the High Needs Block, there will be a saving to this budget, which will help reduce the pressure on the High Needs Block.

Summary of Financial Changes	Proposed Model
Estimated annual expenditure of the PRU compared to 2016/17 budget will go down by:	£1,065,000
Annual Top Up charge paid by the commissioner of the place (the Council, a school) will change by:	+£1,631
Which is a change to the 2016/17 daily rate by:	+£9
The estimated saving to the High Needs Budget (compared to 2016/17 budget) will be:	£589,000
Schools commissioning places may potentially (between them) depending on use, be expected to pay annually an additional:  <i>(there will no longer be a subsidy from the LA)</i>	+£421,000

- 6.5 Charges to schools will be protected in the financial year 2017/18

- 6.6 The new model, as presented, (based on the staffing model) shows an increase cost to schools. The forum will have to agree if this is acceptable or whether the forum would want the model to review costs before full implementation in April 2018.

## **7. Conclusion**

- 7.1 The two existing services will be united to provide one service which will offer a budget saving while still providing a good education for students out of school. The savings will be achieved through, removing duplication and integrating services. In addition, the number of units will be reduced from 6 – 4 and pupil places reduced by 14 overall.
- 7.2 The service provided to students will be enhanced through there being a single co-ordinated service with one staffing structure. It will work in partnership with mainstream schools to ensure inclusion and enable students to learn in the setting that best suits them and their needs. The AEP will be proactive when working with schools and pupils and provide a brokerage service for schools so they can work together to meet the requirements of pupils with additional needs.
- 7.3 The proposed Alternative Education Provision Service will provide a budget saving of between £500k and £600k to the DSG High Needs Block this will help to reduce pressure on this block. The full cost for use of the service will be implemented from March 2018 though the Forum can agree a further reduction of the model if it wants to reduce the proposed new cost to schools.

## **8. Consultation and Engagement**

- 8.1 The Consultation has been comprehensive and documents have been considered by the Joint Strategic Review Group which includes Councillors, mainstream school representatives, Council Officers, the two Headteachers from the current PRUS and the Chair and Vice Chair of the PRU Management Committee. The proposals have also been considered, through public consultation, by service users or their carers, organisations, staff, Headteachers and schools. They have been presented to the Schools Funding forum and been through the council's Corporate Board, Operations Board and Executive.
- 8.2 In developing the proposal for the restructuring of the service the following council staff and Members have been consulted Councillor Lynne Doherty, Rachael Wardell (Communities Director), Ian Pearson (Head of Education), Cathy Burnham (Service Manager), Abi Witting (HR), Claire White (Finance), Rachel Craggs (Equalities), Leigh Hogan (Legal) and Chrys Healey acting Chair of the PRU Management Committee.

## **9. Heads Funding Group Recommendations**

- 9.1 i) That Home Education is reviewed prior to the 2018/19 financial year with the aim of looking to see how costs can be reduced.
- ii) That the staffing model for the new service is further reviewed before the 2018/19 financial year to see how costs to schools can be reduced to avoid the level of increase set out in 6.4.

## **10. Appendices**

- 10.1 Appendix A - Comparison of Costs, Charges and Income

Comparison of Cost, Charges & Income							
No. of Places	2015/16 ACTUAL	NEW PRU	CURRENT PRU 2016/17 BUDGET			NEW PRU	CHANGE
	Total 84	ORIGINAL PROPOSAL 60	RS 36	AC 48	Total 84	CURRENT PROPOSAL 66	-18
Cost Per Place	£30,377	£23,547	£36,446	£33,844	£34,959	£28,351	-£6,608
Cost Per Place net of Place Funding	£20,377	£13,547	£26,446	£23,844	£24,959	£18,351	-£6,608
Annual Top Up Charge Per Place	£19,618	£15,200	£17,670	£15,770	£16,720	£18,351	£1,631
Daily Rate to Charge Per Place	£103	£80	£93	£83	£88	£97	£9
<b>Total Expenditure</b>	<b>£2,551,698</b>	<b>£1,412,820</b>	<b>£1,312,050</b>	<b>£1,624,520</b>	<b>£2,936,570</b>	<b>£1,871,191</b>	<b>-£1,065,379</b>
<b>Income:</b>							
Total Place Funding	£840,000	£600,000	£360,000	£480,000	£840,000	£660,000	-£180,000
Total Paid by WBC (High Needs Block)	£1,275,913	£456,000	£573,810	£821,112	£1,394,922	£623,947	-£770,975
Total Paid by Schools	£168,714	£364,800	£84,000	£82,000	£166,000	£587,244	£421,244
Outreach paid by WBC	£117,000		£117,000		£117,000		-£117,000
Other Funding received by PRUs	£30,297		£12,300	£0	£12,300		-£12,300
<b>Total Income</b>	<b>£2,431,924</b>	<b>£1,420,800</b>	<b>£1,147,110</b>	<b>£1,383,112</b>	<b>£2,530,222</b>	<b>£1,871,191</b>	<b>-£659,031</b>
<b>In Year Surplus/(Deficit)</b>	<b>-£119,774</b>	<b>£7,980</b>	<b>-£164,940</b>	<b>-£241,408</b>	<b>-£406,348</b>	<b>£0</b>	<b>£406,348</b>
<b>Average Number of Places Commissioned</b>	<b>74</b>	<b>54</b>	<b>37</b>	<b>57</b>	<b>94</b>	<b>66</b>	
<b>Occupancy</b>	<b>87.66%</b>	<b>90.00%</b>	<b>103.4%</b>	<b>119.3%</b>	<b>112.5%</b>	<b>100.0%</b>	
<b>SUMMARY OF SAVINGS: Current PRU budget compared to new PRU</b>							
		<b>ORIGINAL</b>	<b>CURRENT</b>				
Estimated annual expenditure compared to 2016/17 budget will go down by:		£1,523,750	£1,065,379				
Annual Top Up charge paid by commissioner of place will change by:		£1,520	-£1,631				
Which is a change in the daily rate by:		£8	-£9				
Schools commissioning places may between them be expected to pay annually an additional: (there will no longer be a subsidy from the LA)		£198,800	£421,244				
<b>POSSIBLE HIGH NEEDS BLOCK SAVINGS (from September 2017)</b>							
	<b>2016/17 HN Budget</b>	<b>New PRU</b>	<b>2017/18 (part yr)</b>	<b>2018/19</b>			
Place Funding	£840,000	£660,000	£105,000	£180,000			
Top Up Funding	£1,033,340	£623,947		£409,393			
<b>Total compared to Budget</b>	<b>£1,873,340</b>	<b>£1,283,947</b>	<b>£105,000</b>	<b>£589,393</b>			
Compare top ups to 2015/16 Actual	£1,267,764	£623,947		£643,817			
Compare top ups to 2016/17 Forecast	£1,198,340	£623,947		£574,393			

in 17/18 payments made by schools will still be subsidised