

From: Roger Gough, Cabinet Member for Children, Young People and Education
Matt Dunkley, CBE, Corporate Director of Children, Young People and Education

To: Children's, Young People and Education Cabinet Committee – 28th June 2019

Subject: **National and Local Developments affecting Alternative Provision and Pupil Referral Units and KCC consultation to change the existing alternative provision funding model**

Classification: **Unrestricted**

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: All

Summary:

Kent's Pupil Referral Units and Alternative Provision (PRU/AP) system was reformed in 2013-15 to address the issues of unsustainable demand for PRU placements due to the high number of pupils being permanently excluded by Kent schools. The new PRU model has been effective in managing demand through more outreach and preventative work and the PRU Attendance and Inclusion Service has helped develop increased inclusivity in schools.

In December 2018 a consultation was launched by CYPE with Headteachers and schools to address challenges of inconsistency in performance, value for money and accountability across the spectrum of alternative provision.

In March 2018, the Department for Education (DfE) issued policy guidance which set out the Government's vision for alternative provision and outlined its reforms to raise standards and improve outcomes for all children in alternative provision.

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to:

- 1) note the national and local drivers for PRU/AP reform; and
- 2) note the proposed change to Kent's PRU/AP funding model

1. Introduction

- 1.1. Local Authorities have a legal duty to make suitable educational provision for pupils who have been permanently excluded from schools or who are unable to access mainstream education due to medical or mental health conditions.
- 1.2. The Government issued statutory guidance on Alternative Provision and PRU reform in 2013, when there was an unsustainable level of demand for PRU placements due to the high numbers of permanent exclusions both nationally and in Kent.
- 1.3. Alternative provision refers to education a pupil receives away from their school, arranged by local authorities or by the schools themselves.
- 1.4. As a response, Kent PRUs and Kent Health Needs Education Service KHNES system underwent a significant transformation between 2013 -15.
- 1.5. After a public consultation, Kent County Council re-organised the original eight PRUs for behaviour needs and three Health Needs Education Services for physical and mental health needs. Following this transformation programme, by October 2015 the number of behaviour PRUs was reduced from eight to six with Health Needs Education Services merged into one Kent Health Needs Education Service.
- 1.6. Swale Inclusion Service (PRU) subsequently closed in September 2018, moving to a devolved district model of AP delivery.
- 1.7. As a result, there are broadly three models under which the re-organised PRUs currently operate:
 - a) **Devolved model** - in the devolved Districts of Canterbury, Ashford and Swale there is no DfE registered PRU and local secondary schools use the High Needs Block PRU funding to support schools' internal inclusion strategies and interventions. Each secondary school in a devolved District(s) model signs up to a binding Service Level Agreement with Kent County Council, ensuring that the Local Authority's legal duties are delivered through the school's internal provision and interventions.
 - b) **Delegated model** – in the delegated Districts of Thanet and Dover and Tonbridge and Tunbridge Wells, there is a DfE registered PRU. The High Needs Block PRU funding is fully delegated to the PRU Management Committee who sign a Service Level Agreement with Kent County Council to ensure the Local Authority's legal duties related to excluded pupils are delivered via the PRU service.
 - c) **Mixed model** - Subsequently, a third model emerged in Maidstone and Malling, Folkestone and Hythe and Dartford and Gravesham that maintains a reduced size local PRU while devolving a proportion of PRU funding directly to the secondary schools in the District(s). This model promotes inclusive practice in schools but also recognises the need for students to occasionally be educated offsite in a designated DfE registered provision.

This type of arrangement also requires all of the schools in the local area to be signed up to the model under a Service Level Agreement.

2. How Kent County Council fulfils its legal duty related to exclusion

- 2.1. Local Authorities have a legal duty to provide suitable full-time education to every pupil who has been permanently excluded from school – ‘sixth day provision’.
- 2.2. There are two main approaches that Local Authorities use to fulfil this legal duty:
 - a) placing a permanently excluded pupil in a PRU or
 - b) working in partnership with schools to find suitable alternatives to permanent exclusion, such as time out placements, managed or directed moves.
- 2.3. Before the PRU transformation in 2013- 15, schools were reporting concerns that Kent PRUs did not meet schools’ needs. Even though capacity within the range of provision had been increased to 900 places, reports demonstrated that most arrangements were full by the October of any given new school year.
- 2.4. As a result of the Early Help and Preventative Services restructure in 2015 the newly formed PRU, Inclusion and Attendance Service (PIAS) worked with the School Improvement Team to refocus on prevention and empowering schools with a strategic aim to better manage demand and to reduce exclusions.
- 2.5. Evidence reported to DfE by Kent shows that most PRUs in Kent have reduced the number of placements while increasing their capacity for outreach support and advice in schools, with the impact of empowering schools to be more inclusive in terms of behaviour management and discipline policy.
- 2.6. In addition, within the period of four years, the total number of pupils attending PRUs has been reduced from 896 in Autumn 2014 to 414 Autumn 2018 (excluding Health Needs).
- 2.7. The number of permanent exclusions from secondary schools has been reduced from 120 in 2014 to 46 in 2017/18, the best in the South East Region.
- 2.8. Kent’s preventative approach to reducing permanent exclusion and reforming PRUs was recognised in the DfE national survey of PRUs in October 2018 and by the recent ISOS report into best practice nationally.

3. Performance of PRUs

- 3.1. After the PRU reorganisation, a Quality Assurance Framework was introduced in 2016 with the School Improvement Team taking the lead to regularly monitor, support and advise PRUs on Leadership and Management, the quality of teaching and learning as well as the Ofsted readiness.

- 3.2. A dedicated PRU Board meets once every school term, (six times a year), chaired by the Director of Integrated Children's Services to gain oversight and to make decisions to raise quality of PRU services.
- 3.3. Currently in Kent there are five DfE registered PRUs and one Health Needs Education Service which are subject to Ofsted inspection.
- 3.4. As of April 2019, Ofsted inspection grades for the six provisions are as follows:
- i. 1 x Outstanding (Two Bridges School serving Tunbridge Wells, Tonbridge and Sevenoaks)
 - ii. 2 x Good (Enterprise Learning Alliance serving Thanet and Dover; Birchwood PRU serving Folkstone and Hythe)
 - iii. 2 x Requires Improvement (Maidstone Alternative Provision Service serving Maidstone and Malling; Kent Health Needs Education Service covering whole Kent)
 - iv. 1 x Inadequate (North West Kent Alternative Provision Service serving Dartford and Gravesham)
- 3.5. Focussed support has been provided by the School Improvement Team to improve the quality of teaching and learning at the PRUs that have been judged as "Requires Improvement" or "Inadequate"; and regular formal and informal monitoring visits from both Ofsted and the school improvement service demonstrate that good progress is being made across all provisions.
- 3.6. Kent County Council is one of the very few Local Authorities to maintain its position of requiring every pupil in the PRU to be dual rolled with their mainstream school, unless in exceptional circumstances. This in effect places a condition of receiving PRU funding, requiring mainstream schools to keep pupils on roll while they are placed in a PRU. This position is held on the basis of evidence showing that the dual-rolling of PRU pupils strengthens the connection between pupil and school and encourages reintegration.

4. The Cost of Pupil Referral Units in Kent

- 4.1. In Kent, PRUs and Alternative Provision have an overall annual expenditure of £11.5m covering both the delegated model with a DfE registered PRU and the devolved model in which schools use the PRU funding for school-based interventions and the inclusion collaboration without a registered PRU.
- 4.2. In 2018/19, £4.9 m of the annual expenditure was devolved to schools to support inclusive practices.
- 4.3. Nationally the average cost per PRU pupil a year is £18,000 although the cost varies significantly between different Local Authority areas.
- 4.4. The latest data collection indicated an actual number of pupils placed at the five behaviour PRUs is 414. These places are funded by the remaining £6.5 m resulting in an average cost per pupil placement of £15,700. However, calculations vary by PRU with two provisions exceeding the national figure.

- 4.5. To understand this variance one factor which needs to be considered, is the level of additional outreach and primary support offered. Some PRUs have been more successful in increasing the levels of outreach provided to schools thereby reducing the need to refer a student to PRU provision and diverting more resources to fund outreach work.
- 4.6. In the devolved areas that do not keep a DfE registered PRU and the local secondary schools use the devolved PRU funding for schools' inclusion work, the LA has less success in establishing the actual number of pupils the schools are supporting with the PRU funds, hence the need for a more robust accountability measure than the current SLA signed between the LA and the schools provides.

5. The Drivers for Further Improvement

- 5.1. The Local Authority is clear in its expectation that schools in districts should work collaboratively and use their allocations flexibly to meet the needs of all children in their district, those of primary school age as well as secondary age.
- 5.2. In December 2018 a consultation was launched by CYPE with Headteachers and schools to address challenges of inconsistency in performance, value for money and accountability across the spectrum of alternative provision.
- 5.3. The LA wishes to raise standards and improve outcomes for all children and believes this is best achieved by putting the resources in the hands of the education experts, the local schools, to work collaboratively together to develop solutions for their young people. Evidence of excellent practice in the county includes fully devolved collaborations, no permanent exclusions and high levels of support and reintegration rates.
- 5.4. National Drivers for Reform: In March 2018, the DfE issued policy guidance which set out the Government's vision for alternative provision and outlined its reforms to raise standards and improve outcomes for all children in AP. The roadmap that the Government set out in the Guidance aims to ensure that:
- The right children are placed in alternative provision
 - Every child in alternative provision receives a good education
 - Every child can make a successful transition out of alternative provision
 - Alternative provision becomes, and is recognised as, an integral part of the education system
 - The system is designed to achieve high quality outcomes for children and value for money for the taxpayer
- 5.5. The Prime Minister announced the intention to launch a review of school exclusion in October 2017, in response to the Race Disparity Audit. Edward Timpson was announced to independently lead the review in March 2018, which set out to explore how schools use exclusion and why certain groups of children, including children in need, those in care, as well as those with SEND or from certain ethnic groups, are more likely to be excluded.

- 5.6. New analysis conducted for the Review shows that some pupil and school characteristics are associated with greater risk of exclusion, even after controlling for other factors which could influence exclusions. In particular:
- 78% of pupils who are permanently excluded either have SEN, are classified as in need or are eligible for free school meals. 11% of permanently excluded children have all three characteristics
 - Boys with social, emotional and mental health difficulties (SEMH) but no statement were around 3.8 times more likely to be permanently excluded than a non-SEN child
 - Disadvantage is strongly associated with exclusion. Children in receipt of Free School Meals were around 45% more likely to be excluded than other pupils
 - Black Caribbean were around 1.7 times more likely, and Mixed White and Black Caribbean children were around 1.6 times more likely, to be permanently excluded compared to White British children. Indian and Bangladeshi pupils are around half as likely to be permanently excluded
 - Children on a Children in Need Plan are around 4 times more likely to be permanently excluded compared to those with no social care classification.
 - Children who have a Child Protection Plan are around 3.5 times more likely to be permanently excluded, and children who are looked after are around 2.3 times as likely to be permanently excluded than children who have never been supported by social care
- 5.7. The review makes 30 recommendations to Government as it highlights variation in exclusions practice across different schools, local authorities and certain groups of children. It highlights current AP quality as 'unreliable' and outcomes 'poor'.
- 5.8. The Local Authority is clear in its expectation that schools in districts should work collaboratively to meet the needs of all children in their district, those of primary school age as well as secondary age including those challenging learners awaiting the outcome of an Education, Health and Care Plan (EHCP) assessment.

6. KCC consultation on any future funding model

- 6.1. Before considering the potential range of funding options that exist for AP within Kent, it is necessary to understand the current funding model and why this then needs to be broken down into two different stages.
1. The first stage involves allocating the total Alternative Provision budget between districts.
 2. The second stage involves the allocation within each district depending on the agreed model of operation.
- 6.2. In order to address some of the ongoing challenges outlined above, CYPE ran a consultation with all schools and alternative provision Heads and their Management Committee chairs between December 2018 and February 2019. Stuart Collins, Director of Integrated Children's Services, led the consultation and then met with all of the Alternative Provision Heads and Management Committee

Chairs on 12th February and 5th April 2019, before attending the School Funding forum on 2nd May to discuss the findings and consider the detail.

- 6.3. Following the responses to the consultation and during discussion with the Heads and Chairs at the February meeting, there was broad agreement for 10 of the 14 proposals to be taken forward. At a further meeting held on 5th April to discuss the detail of the 4 outstanding issues, two further proposals received broad agreement and the 2 remaining issues were adjourned for further work.
- 6.4. The detail below captures the sequence of agreement and the remaining issues still to be resolved and the ongoing actions to address these:
 - 6.4.1. **Proposal:** To continue to calculate the district allocation using the existing formula. **Outcome:** Following the consultation feedback, this was agreed. Details of this can be found on Kelsi, by following the link and scroll down to the Alternative Provision District Budgets section: <https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2019-20>
 - 6.4.2. **Proposal:** For Management Committees to introduce a fair representative voting system to determine financial arrangements and funding passed to schools. **Outcome:** Following the consultation feedback, this was agreed.
 - 6.4.3. **Proposal:** To provide the same incentives for schools within the devolved arrangements to engage with the support mechanisms available to them as with the delegated model. **Outcome:** Following the consultation feedback, this was agreed.
 - 6.4.4. **Proposal:** For the Local Authority to ensure that it has a presence on all Management Committees. **Outcome:** Following the consultation feedback, this was agreed.
 - 6.4.5. **Proposal:** To reallocate the selective school proportion across the non-selective school cohort within each district, once the financial envelope for the districts is calculated, on a pro-rata basis. **Outcome:** Following the consultation feedback, this was agreed.
 - 6.4.6. **Proposal:** For the number of commissioned places at PRUs within each district to reflect the funding formula methodology (which includes a recognition for deprivation) and will, therefore, vary, based on need but total 0.42% for the County. **Outcome:** Following the Heads and Chairs meeting on 12th February, this was agreed.
 - 6.4.7. **Proposal:** For Local Authority contracts to include criteria which reduce 'in year' or 'future years' allocations for those schools and academies that take the money but fail to operate in a way that is inclusive. **Outcome:** Agreed at the Heads and Chairs meeting on 12th February.
 - 6.4.8. **Proposal:** To develop a system whereby the Local Authority contributes to the local collaboration by serving as the Chair of the In Year Fair

Access Panel (IYFAP) and provide administrative support for these panels, to ensure data collected is consistent across the county. **Outcome:** This proposal was declined. However, further work was undertaken to consider the role and funding for a consistent Local Authority Clerk (akin to a Magistrates Clerk) to work across each of the IYFAP to advise and support the Management Committee on process, consistent management, implementation and application of incentives for schools to engage. This new proposal was agreed at the Heads and Chairs meeting on 5th April.

- 6.4.9. **Proposal:** To challenge schools which opt out of collaboration or deviate from the terms which agree the sums going to each school or does not engage with the In Year Fair Access processes, through the imposition of a financial penalty. **Outcome:** Received broad agreement at the Heads and Chairs meeting on 5th April. However, it was agreed that the detail of this arrangement needed more work and would be fed back before sign-off.
- 6.4.10. **Proposal:** For funding to be devolved to the local Headteachers, under a contract with the Local Authority. **Outcome:** Received broad agreement at the Heads and Chairs meeting on 5th April. However, it was agreed that the detail of this arrangement needed more work and would be fed back before sign-off.
- 6.4.11. **Proposal:** That the Local Authority should seek redress and reinforce financial incentives where a school's performance or engagement in the process falls below published expectations. **Outcome:** Received broad agreement at the Heads and Chairs meeting on 5th April. However, it was agreed that the detail of this arrangement needed more work and would be fed back before sign-off.
- 6.4.12. **Proposal:** That any financial penalty in a delegated model should apply equally in a devolved model. **Outcome:** Received broad agreement at the Heads and Chairs meeting on 5th April. However, it was agreed that the detail of this arrangement needed more work and would be fed back before sign-off.
- 6.4.13. **Proposal:** To move to using Published Admission Number (PAN), rather than the previous October census numbers, as this will provide higher allocations to those schools who are traditionally operating under capacity and are, therefore, likely to take a disproportionately higher share of our most challenging children. **Outcome:** Following a number of discussions throughout the consultation and the 2 meetings it was decided that in order to remove the chance for any school or district to be significantly negatively impacted KCC school finance team would develop an option 3 which would be broadly between the PAN and Roll figure. This proposal has now been accepted by the School's Funding Forum.
- 6.4.14. **Proposal:** To move to a model whereby, for districts with delegated arrangements where they have a physical PRU, only a proportion of the

district allocation is delegated to the PRU (under Place Plus methodology), and the remaining balance of the district allocation is devolved to schools. **Outcome:** There were mixed views within and across the 5 district arrangements with a physical PRU setting. As a result senior officers from within CYPE have been attending the management committees to discuss the detail and potential impacts for each of the delegated districts, with reports to be fed back to the School Funding Forum.

7. Primary Provision

- 7.1. DfE figures suggest that, nationally, 14% of Alternative Provision is delivered to primary aged children. As a result, over the past few years, KCC has provided some additional time limited funding from the Dedicated Schools Grant (DSG) reserve to support the development of primary provision through new ways of working.
- 7.2. It has been communicated widely that this funding has now ceased and in Kent, all of the £11.5m Alternative Provision funding is focussed toward provision for KS3 and KS4.
- 7.3. In the PRU transformation, Kent County Council took the strategic decision not to have a PRU for pupils of primary school age. In its stead, the Local Authority invested one-off funding for primary schools to set up eight nurture group interventions projects, supported by a LA behaviour management consultant and the Specialist Teaching and Learning Service (STLS).
- 7.4. However, KCC has consistently been clear in its expectation that districts should use their whole allocation flexibly, to meet the needs of all children within their district, including those of primary school age.
- 7.5. Good practice examples are in place, which demonstrate effective primary school nurture groups that are funded by local schools with input and support provided by the Local Inclusion Forum Teams (LIFT), Specialist Teaching and Learning Service (STLS) and the Inclusion Steering Groups.

8. The Application of Education Health and Care Plans (EHCP) in Alternative Provision

- 8.1. This relates to education provision for challenging learners awaiting the outcome of an EHCP assessment. There are times when learners arrive in Kent in need of specialist provision but for a range of reasons, they have not had the EHCP completed (usually due to a lack of consistency in their educational placements).
- 8.2. Schools in each district will need to ensure that they have a mechanism which enables these learners to access education pending the outcome of an EHCP referral. These children are unable to access a special school without an EHCP.
- 8.3. Until an EHCP is complete, the learners are regarded as mainstream children, but it may not always be appropriate for them to attend a mainstream school.

These will ordinarily be placed through the IYFA arrangements, with a named school identified as an onward route from the PRU provisions.

9. Conclusion

- 9.1. The AP Funding Working Group met on 5th April represented broadly by the representatives from schools, PRUs, management committees and the Local Authority.
- 9.2. The findings of the consultation have been reported to the School's Funding Forum on 2nd May 2019 and will be again on 27th June 2019. It is believed that 5 of the 7 districts could be transitioned into a new model as soon as September 2019. However, while officers will work closely with alternative providers and mainstream settings to develop the details described above, in order to mitigate against any cliff edge scenario, it may be necessary to build in a period of transition across the remaining two of the seven districts.

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to:

- 1) note the national and local drivers for PRU/AP reform; and
- 2) note the proposed change to Kent's PRU/AP funding model

Report Authors

Stuart Collins

Job title: Director of Integrated Children's Services (West Kent and EHPS Lead)
Telephone number: 03000 410519
Email address:
stuart.collins@kent.gov.uk

Ming Zhang

Job title: Head of PRU, Inclusion, & Attendance
Telephone number: 03000 416867
Email address: ming.zhang@kent.gov.uk

Celia Buxton

Job title: Principal School Improvement Adviser
Telephone number: 03000 412321
Email address:
Celia.Buxton@theeducationpeople.org

Relevant Directors

Stuart Collins

Job title: Director of Integrated Children's Services (West Kent and EHPS Lead)
Telephone number: 03000 410519
Email address: stuart.collins@kent.gov.uk