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To:	Education Cabinet Committee 21 November 2012
Subject	Review of PRUs and Alternative Provision
Classification:	Unrestricted

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Summary:	This is an information report for Members which sets out the process of the review of the PRUs and Alternative Provision, and the progress to date. It identifies the range of options which schools have considered as part of the initial consultation on the Pupil Referral and Alternative Curriculum review and seeks Members' views on the next stages of the consultation to the wider stakeholder group.
Recommendations:	That the Education Cabinet Committee notes the progress to date and supports the next phase of the consultation on the preferred options for each District with a wider stakeholder group, including young people, education, social care and health professionals. The consultation beginning on 3 December 2012 and ending on 21 March 2013.

## 1. Introduction

1.1 The Review was instigated as part of a strategy to significantly reduce permanent exclusions in Kent, which are high compared to national figures, and to improve the quality of education and outcomes for young people following alternative curriculum provision aged 14-16. Outcomes for these young people have been poor. The initial stages of the Review into PRU/AC provision in Kent were informed by a scoping document which was shared with Headteachers and PRU/AC Mangers in March 2012. This set out a number of options for future delivery which are intended to bring about the necessary improvements. The feedback from this first stage of the consultation process informed the options for change outlined in this report. The local responses to the options were discussed at consultation events in each District. A further paper on each District's preferred options was shared with Headteachers on the 26 October 2012.

1.2 Following the DfE report into Alternative Provision and Pupil Referral Units (PRU), guidance was published in July for Local Authorities and schools. This is intended to establish a clearer governance and funding arrangement for alternative providers and ensure that provision for young

people at risk of exclusion and disengaging from school is of the highest quality.

1.4 The two key changes for PRUs are:

- With effect from April 2013, PRUs will have delegated budgets and powers in the same way as schools
- In order to encompass this development, the Management Committees of the PRUs will become, in effect, a governing body. New guidance amends the constitution of the Committee to ensure that it is composed primarily of secondary Headteachers or their representatives in the local area, thus ensuring the PRU responds to local schools' and young people's needs.

1.5 The principal driver to this change is the imperative to ensure that PRUs are providing the highest quality education and opportunity for young people, ensuring that issues of low attainment, literacy and participation 14-19 are addressed. In order to support this drive, the revised Ofsted inspection framework makes schools responsible for ensuring the quality of the alternative provision they use and the destinations of young people post 16.

1.6 Local Authorities remain responsible for providing full time education for young people permanently excluded from school and they will retain the capacity to maintain PRUs (in effect, a commissioned Alternative Provider). However, the majority of places in a PRU are filled by young people who are not permanently excluded from school; they may be on fixed term exclusion; part way through a transfer between mainstream schools or occupying a time out place as part of a strategy to improve their behaviour in their own school ("a positive referral"). Up to now, these places have been funded through the Local Authority (LA) top slicing the Dedicated Schools Grant (DSG).

1.7 In future, the LA will only be able to buy or commission places for young people who have been permanently excluded from school. Any remaining funding will be devolved to schools in order that they may take on the role of commissioning or organising provision themselves; this includes commissioning places at existing PRUs.

## **2. Financial Implications**

2.1 At present financial arrangements for PRUs are very different from other schools as the PRUs use the Authority's central accounting systems. From April 2013 government guidance requires that PRUs have a delegated budget. This would change existing requirements for budgeting, monitoring and reporting, although these changes would only have a minor effect on the PRUs. A delegated budget would also have the consequence that any budget surplus or deficit would be carried forward to the following year rather than treated as part of the overall ELS budget position.

2.2 It is recognised that in some Districts this may impact on the levels of funding available. The new DfE formula will have a significant impact on the development of new provisions and proposed local changes set out in this report. Current information from the Education Funding Authority provides an allocation of £8k per placement for excluded learners plus top up (to be

defined locally). This nationally set figure could have a major impact on the size and shape of provision for placements, depending on top up arrangements and funding for earlier intervention designed to avoid exclusion. The implications of these new funding arrangements will need to be carefully considered as the structural options for each District are developed in more detail. The Local Authority aims to negotiate the details of this new funding formula as part of this consultation in preparation for the delegation and devolution of centrally retained resources and the budgets for existing PRUs. The current DSG allocation for PRU/ AC provision is £11 million.

2.3 During the initial consultation Headteachers were concerned to ensure that the transfer of funding to schools from the LA would be fair, equitable and transparent and that we develop a clear funding model. At present, the basis for devolution of funds is yet to be determined and is part of the next phase of consultation. The DfE suggests that a model constructed around indicators of deprivation such as Free School Meals and IDACI would be the most appropriate basis for funding distribution. There are, however, a number of objections to using deprivation alone, and it will be necessary to consult during the next phase of this review widely with Headteachers and stakeholders before an agreed model is finalised.

### **3. Bold Steps for Kent**

3.1 Within the Bold Steps for Education priorities there is a target to reduce Permanent Exclusions in Kent to 50 or fewer by 2015. It is anticipated that new localised management of provision for disaffected young people at risk of exclusion will support this ambition. The intended outcome of the PRU/ AC review will be to establish high quality provision locally managed by groups of schools working together, to support all young people at risk of disengaging from school.

### **4. Background and Context to the PRU/AC Review**

4.1 Guidance from the Department of Education (DfE) on new statutory duties for Local Authority and powers concerning Alternative Provision was published on 27 July 2012. This guidance covers:

- education arranged by Local Authorities for learners who are excluded, because of illness or other reasons
- education arranged by schools for learners on a fixed term exclusion
- learners being directed by schools to off site provision

4.2 Alternative Provision is defined as: *“education arranged by local authorities for pupils who, because of exclusion, illness or other reasons, would not otherwise receive suitable education; education arranged by schools for pupils on a fixed period exclusion; and pupils being directed by schools to off-site provision to improve their behaviour”*. (DfE Guidance July 2012).

4.3 In addition to the provision made by the Local Authority, many schools operate their own internal provision or use organisations such as Skillforce,

Challenger Troop and other 3rd Sector providers working outside of the structures of a PRU.

4.4 The key changes to the statutory powers and duties of the Local Authority are:

- a. From September 2012 if a Local Authority thinks a new Pupil Referral Unit needs to be established in their area they must seek proposals from potential providers for the establishment of an Academy, either an Alternative Provision Academy or an Alternative Provision Free School.
- b. The Secretary of State now has the power to direct a Local Authority to close a Pupil Referral Unit which requires special measures or significant improvement, and make an AP Academy order to a Pupil Referral Unit which requires special measures or significant improvement and to establish an Interim Executive Board when required.
- c. The Management Committees of Pupil Referral Units need to have community members outnumbering all of the other members. Community members should be Headteachers or representatives from schools and not LA employees.
- d. Governing Bodies of maintained schools have the power to direct a learner off-site for education in order to improve his or her behaviour. The new regulations require the Governing Body to:
  - ensure that where the learner has a statement, parents/carers are given clear information about the placement: why, when, where and how it will be reviewed
  - keep the placement under review and involve the parents in the review

4.5 This legislation does not apply to academies although they provide academies with an example of good practice. Management Committees of Pupil Referral Units may apply for an academy order in relation to a failing PRU requiring special measure or significant improvement.

4.6 Local Authorities have the power, but not the duty, to arrange educational provision where not already established for pupils aged 16 to 18 in line with the Raising of the Participation Age by 2015. The guidance set out within these new regulations gives a number of clear recommendations when planning and delivering alternative provision, which need to be considered within the next phase of the PRU/AC review

## **5. Proposed options for change**

5.1 Initial consultation began with schools in March in order to establish their preferences for a way forward in each District. Overall there was very positive support for the proposals set out below. However, there is a need to have further discussions with schools and other partners on these options to confirm the details of the delivery model for each District. All options need to consider the impact of the recent changes to the LA duties in relation to PRU/AC provision set out in section 4 of this report

5.2 Officers have taken into account the degree of local support for the overall options outlined below, identified the risk assessments of the options for learners, schools and the Local Authority (LA). This report provides a summary of these discussions within the local and emerging national context. Through the District discussions the following options for PRU/AC provision have come forward these are;

- **Option 1 Full delegation to all schools with no funded PRU provision**

This would mean, in effect, that the entire budget for PRUs /Alternative Provision currently managed by the Local Authority would be devolved to mainstream schools in the District. They would be accountable for making full time provision for all pupils permanently excluded from school as well as pupils on fixed term exclusion or who arrived in the authority from out county. Schools would be able to commission from any providers they chose, but would remain responsible for assuring quality and the educational outcomes for the young people. The possible disadvantages to this option are that unless there is close collaboration and agreement between schools on the services to be commissioned, funding could become dissipated and services for young people might fracture and fail to deliver quality or consistency.

This was the preferred option for **Ashford and Shepway**.

- **Option 2 Minimalistic PRU provision**

Funding would be delegated and/or devolved to the PRU via a formula. If appropriate the devolved element of this funding could be given to a lead school in effect nominating a single school to administer funding and commission services for all the schools in the area but overseeing the management of the PRU. This model may restrict the work of the PRU but would give schools greater flexibility on the early intervention work. In at least one District this option sits alongside a proposal to fund additional KS2 provision and support within the Primary phase. The possible disadvantages to this model are in the amount of additional work that will entail for the Lead School.

This was the preferred option for **Canterbury and Swale**.

- **Option 3 Full delegation to a lead PRU**

Full delegation and devolution of funds to a Lead PRU will mean that the PRU becomes the provider and commissioner of all services. The additional weighting of community members, local Headteachers and school representatives on the PRU Management Committee or governing body would allow opportunity for schools to focus upon the services they want as well as being able to directly assure quality and improve educational outcomes. The disadvantage to this model is that it restricts the flexibility and creativity of schools in addressing their own problems effectively within school.

This is the preferred option for **Dartford, Gravesham, Dover and Thanet, Maidstone and Malling, West Kent Tonbridge, Tunbridge Wells and Sevenoaks**.

## **6. Key Outcomes from the Initial Consultation to date**

6.1 The majority of schools accept the ambitions for improvement for PRU/AC provision and agree that any new provision should:

- develop effective local planning and referral systems
- provide high quality time out and alternative curriculum placements which include provision for English, Maths and Science GCSE qualifications
- develop different delivery models to significantly reduce exclusions and improve outcomes for young people
- provide flexible and responsive provision for young people and robust early intervention and support, including managed moves and effective support for children at KS2
- provide high quality progression pathways for all young people aged 14-19 within the District

### 6.2 Locally Managed Provision

There was widespread agreement to increased local management of PRU/AC provision, including the delegation or devolution of funding. There is a broad consensus amongst schools that local decision making and commissioning of the provision would:

- reduce permanent exclusions
- contribute to the development of collaborative responsibility across schools
- improve outcomes and progression for learners
- ensure there are local systems in place to assess a young person's needs
- support the development of new local provision better matched to the needs of young people in the area
- provide opportunities for earlier intervention (particularly at KS2) to support young people likely to develop a range of behaviour difficulties

### 6.3 Governance

The development of new robust governance arrangements was a key point of discussion in all the early consultation meetings and schools welcomed further guidance from the LA. Governance of these new local arrangements needs to be developed in all Districts to oversee In Year Fair Access protocols, processes and/or Inclusion Forums.

The operational systems which would sit under these governance arrangements could include:

- A strategic group of Headteachers and Principals to oversee the planning and commissioning of provision, quality assurance, referral and reintegration systems. This could be the Management Committee or governing body of the PRU which under the new DfE requirements must have significant representation from local schools. There would be separate governance arrangements while schools enter into an SLA with the LA.

- Additionally, in some Districts there were proposals for an operational group or Inclusion Forum, which would involve senior leaders working with the PRU/AC Manager, Headteachers/ Principals and other stakeholders to consider individual cases, plan provision including managed moves and share good practice.

## **7. Other issues**

### **7.1 KS 2 provision**

There is widespread support amongst Headteachers for the establishment of provision and services to address the needs of children in KS2 who are likely to present with emotional, social and behavioural problems as they enter adolescence. At present such provision is limited, and the review provides an opportunity to consider how this need might be met most effectively.

### **7.2 Student Travel**

Some Districts are currently served by an arrangement of PRUs that require students to travel considerable distances in order to attend. This acts as a disincentive to those who are already vulnerable to poor participation. Schools in these Districts are beginning to consider how a review of existing provision might begin to support a more coherent range of local provision which will support greater engagement and improved outcomes for young people.

### **7.3 Integration with other provision and services including the Health Needs PRUs**

The Kent Integrated Adolescent Service (KIASS) is now running pilots in Thanet, Dartford, Asford and Tunbridge Wells. Schools are keen to ensure that any reconfigured or new PRU service sits firmly within a structure of integrated adolescent support that is able to support a continuum of provision and enable the engagement of a range of support agencies.

The Health Needs PRUs are outside the scope of this review. However, it is important to note the contribution they make to the mental and emotional health provision for young people and ensure that they continue to be represented at local inclusion forums.

## **8. Conclusions**

8.1 Young people excluded from school present as some of the most vulnerable in society. They are likely to have poor literacy and numeracy skills, and to be amongst the group that find themselves not in education, employment or training, and likely to be involved in crime and anti-social behaviour. It is essential, therefore, that the Local Authority and schools work together to ensure that the range of Alternative provision including PRUs meets their needs well and improves their educational and wider social development.

8.2 Although schools have responded positively to the early consultation by expressing support for one particular option over another, there is a need for these changes to be discussed further in the next phase of the review to work out the practical details of implementation for 2013.

8.3 The Local Authority appreciates that there will not be a ‘one size fits all’ solution for Kent and that it is preferable to a number of local “best-fit” solutions. It is proposed that there will be continuing dialogue with schools both individually and in Districts, in order to achieve the best local outcomes.

8.4 Any structural changes to the existing PRUs which result in a reduction of staff through redundancy must be funded within the financial envelope which contains PRU provision. Moreover, such changes will take time to implement. Central government anticipates that funding for existing PRUs in 2013/14 will be at no less than 98.5% of the level it was in 2012/13. This allows a degree of leeway in the amount of time available to work with Headteachers and other stakeholders to ensure that changes to provision will meet the needs of young people in Kent and achieve the goal of improved educational and post 16

8.5 The process of reviewing the structure and funding of current provision has begun and it is important that all those stakeholders who are affected have an opportunity to express their views both on existing options, but also on other ideas they may have.

## 9. Next Steps Timeline

November	Further discussions to take place within the Districts to ensure schools are content with the proposed options for each locality
December	Consultation with PRU/AC staff on the implications for each district
December /January	Consultation with key Stakeholders in the District including young people
March	Member approval on agreed options for change in each district for implementation by September 2013

## 10. Recommendations

10.1 Members are asked to note the progress to date and to support the recommendation to undertake an extended consultation on the proposed options for change for PRU/AC provision in each District

## Background Documents

*Kent County Council report to inform the review of Pupil Referral and Alternative curriculum Provision 16 March 2012*

*Education Committee Pupil Referral Units and Alternative provision in Kent May 2012*

*Review of AC/PRU Provision: Summary of Proposals and Next Steps 23 October 2012*


*A Guide for Local Authorities, Headteachers, and Governing Bodies of Schools, pupil Referral Units and other providers of Alternative Education. (Cleared by Ministers 17<sup>th</sup> July 2012)*



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