

Schools Forum			
<b>REPORT TITLE</b>	<b>Alternative Provision Review</b>		
<b>KEY DECISION</b>	<b>Yes</b>	<b>Item No.</b>	<b>5</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>17 March 2016</b>

## 1. Purpose of the Report

To consider the recommendations of the High Needs sub group and to consider the high needs funding block for next year.

## 2. Recommendation

A. The Schools Forum agree to the following savings from the High Needs sub group for the funding of the Alternative Education provision

<b>Ref</b>	<b>Saving</b>	<b>£'000</b>	<b>School/college</b>
1	<b>Support for SEN Learners</b> (£244k in 16/17 & £177k in 17/18)	421	Abbey Manor College
2	<b>Intervention Funding</b> (£158k in 16/17)	158	Abbey Manor College
3	<b>Equalisation of funding bands</b> (£170k in 16/17 & £120k in 17/18)	290	New Woodlands
4	<b>Medical Programme</b> (£70k in 17/18)	70	Abbey Manor College
5	<b>Social Worker</b> (£45k in 17/18)	45	Abbey Manor College
6	<b>Social Worker</b> (£45k in 17/18)	45	New Woodlands
7	<b>Teenage pregnancy</b> budget and excluded pupils (£97k in 17/18)	97	Abbey Manor College
	<b>TOTAL</b>	1,126	

B. That of the above savings

£625k is applied to the High Needs budget pressure

and

£501k is applied to a central commissioning fund.

### **3. Background**

- 3.1 The current forecast indicates a spending pressure of £2.9m on the High Needs Block in 2015/16. This grows to £4.1m in 2016/17. This forecast allows for growth in pupils numbers and accounts for inflation.
- 3.2 If no measures are taken to contain the growth in pupil numbers, together with inflation this would increase the shortfall in 2017/18 by £1.5m and total savings required would be £5.6m
- 3.3 There is a carry forward on the DSG from 2014/15 of £2.2m which can be used to offset part of this year's overspend. This leaves a balance of £0.7m. Ceasing the devolved funding to secondary schools for attendance and welfare from April 2015 leaves a balance of £0.5m to be found. The Schools Forum agreed at the meeting on 10 December 2015 to charge the balance to the schools contingency.
- 3.4 A Task Group was set up in 2013 by the Schools Forum to review the costs of funding high needs pupils. Specifically the group were asked to make recommendations on how the costs could be reduced to meet the funding provided by Central Government.
- 3.5 The task groups approach this year was to look at all the funding within the high needs block to examine where savings could be made or better value for money could be achieved. A number of work streams were set up.
- 3.6 The work streams are shown in Appendix 1 of this report. One of the workstreams considered Alternative Provision. Their review was presented to the Forum in December 2015 and the conclusions of the workstream on Alternative Provision are shown in Appendix 2
- 3.7 The recommendation from the High Needs Sub Group Alternative Provision workstream was that savings of between 20% - 30% should be anticipated. This recommendation was agreed by the Forum on the 10 December 2015. Sitting along side this was an Alternative Provision review being undertaken by a consultant and CYP officers. A full consultation with stakeholders was also held.

### **4. Alternative Education Review**

- 4.1 Currently the evidence suggests that Lewisham may not be providing a sufficiently effective inclusive education for all children and young people or the appropriate range of alternative education pathways as we have:

- high levels of permanent exclusion compared to London and the national position;
- an increasing number of expensive out of borough placements, particularly for primary aged girls;
- increasing numbers of fixed term exclusions and short term intervention;
- concerns about the continuity of service as some alternative providers are financially vulnerable;
- alternative provision not registered with 'independent school' status; and
- at KS4 schools reliant on the local FE College for provision but this is unable to directly recruit 14-16.

4.2 The approach of the Alternative Provision workstream was to consider the overall budget for Alternative Provision as part of the Lewisham Alternative Provision Review.

4.3 The purpose of the Alternative Provision workstream of the HNB changes, agreed by Schools Forum, is to ensure equitable and transparent resourcing for AP in Lewisham at costs comparable with our statistical neighbours:

- Funding follows the pupil and the amount is based on pupil need.
- Pupil Place funding is based on national guidelines.
- Top up funding is based on a locally agreed banding arrangement that meets pupil need.
- The methodology for SEN / AP at NW and AMC should be in line with other specialist provision.

4.4 Current practice around intervention placements is under review to ensure value for money, effective use of the High Needs Block and appropriate placements for children and young people.

## 5. Approach to Savings

5.1 The approach has been to achieve the proposed savings and an additional allocation which will allow some resources to be redirected to provide for overall better service provision.

5.2 The proposed savings in summary over the next three years are as follows:

5.3 **For 2015/16 the budget from the HNB for New Woodlands School is currently:**

Budget	£
Social Worker	£45,000
Pupil places and top up funding (base budget)	£2,172,000

<b>Total</b>	<b>£2,217,000</b>
<b>Average funding per pupil (based on 112)</b>	<b>£20,000</b>
(Plus Outreach)	£585,000

5.4 **For 2018/19 budget for New Woodlands School: assumptions for budget planning purposes**

- Budget based on places: Base Funding at £10,000 (nationally set)
- Top Up based on banding approximately £6,800 (tbc but in line with special school banding)
- Building capacity = 140 places
- Average funding per pupil (max 140 places) £16,800
- (Outreach Service is separate)

5.5 **For 2015/16 the budget Abbey Manor College is currently (due to historically agreed allocations):**

<b>Budget</b>	<b>£</b>
Support for SEN learners	£421,000
Social Worker	£45,000
Intensive Programme, Pupils not Permanently Excluded and Teenage Pregnancy	£97,000
Pupil places and top up funding (base budget)	£3,000,000
<b>Total</b>	<b>£3,563,000</b>
<b>Average funding per pupil (160)</b>	<b>£22,000</b>
(Plus Hospital and Home Tuition budget )	£235,000

5.6 **For 2018/19 budget for Abbey Manor College: assumptions for budget planning purposes:**

- Budget based on places (commissioned for PEX)
- Base Funding at £10,000 (nationally set)
- Top Up £8,000 (tbc but comparable with statistical neighbours and nationally PRUs of a similar size)
- Building capacity = 170 places (of which 125 Broadoak Campus and 45 John Evelyn Campus)
- Average funding per pupil (max 170) £18,000
- Exact places which will be commissioned by the LA and paid for by High Needs block will be agreed and confirmed following the Alternative Provision Review

### 5.7 Changes for 2016/17 and 2018/19

	<b>New Woodlands</b>	<b>Abbey Manor College</b>
<b>Where we are now</b>	Average funding per pupil (based on 112) @ £20,000 = £2,217,000 (Plus Outreach Service £585,000)	Average funding per pupil (based on 160) @ £22,000 = £3,563,000 (Plus Hospital and Home Tuition £235,000)
<b>Where we want to be</b>	Average funding per pupil (max 140) @ £16,800 = £2,352,600 Plus Outreach Service (£585,000)	Average funding per pupil (max 170) @ £18,000 = £3,060,000
<b>Savings (HN Block)</b>	16/17: £115,000 17/18: £165,000	16/17: £115,000 17/18: £200,000 Hospital and Home Tuition: £30,000
<b>LA resource / Commissioning</b>	16/17: £55,000	16/17: £287,000 17/18: £119,000 Hospital and Home Tuition: £40,000

### 5.8 This table shows a summary of proposed changes

Ref	Saving	Amount £	Establish
1	<b>Support for SEN Learners</b> (£244k in 16/17 & £177k in 17/18)	421	Abbey Manor College
2	<b>Intervention Funding</b> (£158k in 16/17)	158	Abbey Manor College
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7	<b>Teenage pregnancy</b> budget and excluded pupils (£97k in 17/18)	97	Abbey Manor College
<b>High Needs Block Saving</b>			
<b>2016/17</b>			230
<b>2017/18</b>			395
<b>LA resource and commissioning</b>			
<b>2016/17</b>			342
<b>2017/18</b>			159

## 5.9 Rationale for savings

### 5.9.1 Support for SEN Learners (AMC)

Currently there is very limited SEN support because very few learners have high levels of identified SEND need. SEND funding should be allocated to Abbey Manor College learners in the same way as learners in other schools i.e. through EHC Plans. Therefore it is proposed to cease allocating this block sum as all required SEND funding should be allocated through place funding and Top Up.

Part of this saving will need to be recycled to improve coordination of placements into AP by the LA and also for commissioned places where AMC is not suitable.

### 5.9.2 Intervention Funding (AMC)

Intervention places should be fully funded by schools. Currently schools are paying for intervention places but there is a HNB allocation of £158,000 which is double funding. It is proposed to cease this HNB allocation from September 2016.

### 5.9.3 Equalisation of funding Bands (NW)

In 2014/15 the special school top up funding bands were standardised across all special schools. Prior to this an ASD pupil would have a different Top Up rate if they were placed in one school when compared to another special school. Largely the differences were minimal.

There was an exception to this for New Woodlands, where the standardisation of funding rates would create a reduction on funding of £290k. In 2014/15 it was decided at the time to protect the New Woodlands budget while work was undertaken to assess the nature of the pupil needs in the school.

It is now proposed to implement (over two years) the equalisation of special school funding for New Woodlands. This removes the additional funding for New Woodlands and brings the allocation in line with other special schools in Lewisham. The top up rate for the school would be £6,800.

### 5.9.4 Medical Programme (AMC)

A 30% withdrawal from the budget of the Hospital School and Medical Programme = £70,000. This is because the Home Tuition element does not meet statutory requirements and is being withdrawn. The Hospital School budget remains. This saving will need to be recycled into the LA budget for centrally commissioned places.

- 5.9.5 Social Worker – AMC  
Removal of extra Social Worker budget = £45,000. AMC could consider funding such a post from their core budget but first discuss how best they can work with CSC and early help services.
- 5.9.6 Social Worker – NW  
Removal of extra Social Worker budget = £45,000. NW will need to consider whether to fund from core budget.
- 5.9.7 Teenage pregnancy budget and excluded pupils (AMC)  
Removal of the Intensive Programme, Pupils not Permanently Excluded and Teenage Pregnancy budget = £97,000 because these services are not being provided. Part of this saving will need to be recycled to improve coordination of placements into AP by the LA and also for commissioned places where AMC is not suitable.
- 5.9.8 This will not only achieve the saving required but will allow for modest investment in improving the system overall.
- 5.9.9 The Alternative Provision Review is considering the commissioning and funding models that will support the Lewisham Strategy to meet needs of the 'right pupils in the right provision'. AP review will make recommendations which will need to be discussed with AMC, NW and mainstream/special schools before they are finalised.
- 5.9.10 The proposal is to have a stronger and more strategic approach by the LA, clearer about what provision is required, better commissioning for need and with reporting back to Schools Forum for accountability of spend.
- 5.9.11 It is hoped that this workstream of the HNB savings is not seen as a cuts exercise but a proactive attempt to put AMC and NW onto a more sustainable footing going forward and also to improve the system to support Lewisham CYP needing AP.

## **6 High Needs Sub Group**

The sub group discussed these proposals at their meeting on the 7 March 2016. They were keen to ensure that there was a clear rationale for the differences in funding between providers. This rationale should come from the banding review. The group felt that it was important that the process for determining the banding for each pupil was clear and transparent and that all funding followed the pupil.

The sub group discussed whether the funding should be linked to the age of the pupil but felt this needed more discussion.

**7 Conclusion**

The Alternative Provision workstream proposals are only partly to meet the savings required, they are designed to deliver better value for money of the remaining funding by reconfiguring the service. This will allow greater flexibility and the targeting of provision.

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