

Pupil Referral Unit (PRU) Funding Model

DRAFT Consultation Document

Kent County Council

Children, Young People and Education

30th November 2018 – 25th January 2019

Link to Kelsi to be inserted

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Overview

Who should take part in this consultation?

This consultation is for the attention of the Headteacher, Chair of Management Committee and Heads of Pupil Referral Units (PRUs)

What is the consultation about?

We would like to hear your views on the following proposals which seek to develop a new funding model for Pupil Referrals Units (PRUs) and Alternative Provision (AP) in Kent, to ensure that all schools operate in a way that is inclusive whilst continuing to improve performance.

- Revisions to the additional measures for the allocations of funds to districts
- Option A: Devolved funding model
- Option B: Delegated funding model

How to respond to this consultation

To submit a response to this consultation, please complete the proforma (to be drafted) and send to apconsultation@kent.gov.uk

Please respond by: 25th January 2019

Contact details for further information:
apconsultation@kent.gov.uk

Introduction

This report outlines the proposals to raise standards and improve outcomes for all children in alternative provision in line with the Government's vision published in March 2018. The two different stages of the current model are explained with the recommendation to continue to calculate the district allocation using the existing formula but to include additional elements.

Two different models for the ongoing funding of PRUs and Alternative Education Provision are detailed in this document. The rationale applies equally to districts operating under either a delegated funding model (with a PRU) or districts operating under a devolved arrangement. Both models include the capacity for the Local Authority to exercise financial redress where school's performance or engagement is below expectation and fails to operate in a way that is inclusive.

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 including those challenging learners awaiting the outcome of an Education, Health and Care Plan (EHCP) assessment.

Details on all proposals are contained within this consultation.

Pathway of Proposals

These proposals have been presented/discussed at the following forums, ahead of formal consultation, to ensure good stakeholder engagement has taken place as a foundation to the consultation itself:

- PRU Heads and Chairs Meeting, 31st October 2018
- PRU Management Committees (feedback provided to Director ICS West Kent by 11th November 2018)
- Headteacher Briefings, 26th November 2018 and 4th December 2018
- School Funding Forum, 30th November 2018
- Kent Association of Headteachers Area Boards, 27th – 29th November 2018

Background and Context

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

The roadmap which the Government set out in the Guidance aims to ensure:

- a. That the right children are placed in alternative provision
- b. Every child in alternative provision receives a good education
- c. Every child can make a successful transition out of alternative provision

- d. Alternative provision becomes, and is recognised as, an integral part of the education system
- e. The system is designed to achieve high quality outcomes for children and value for money for the taxpayer

Model, Engagement and Quality of Provision: In Kent, we have a range of models, provisions and outcomes and there are currently concerns over the quality of some of the provisions in Kent. An up-to-date picture of the current inspection outcomes are listed below at Figure 1.

Figure 1: Inspection Outcomes

	Date of Inspection	Grading	Date of Inspection	Grading
Dartford and Gravesham (NWK)	Jun '13	1	Oct '17	4 (SW)
Maidstone and Malling	Sep '12	2	Jun '17	3
Shepway	Sep '16	3	Jun '17	Sec. 8 (MRI)
Thanet and Dover	Nov '14	2	Inspection due	
Tonbridge and Tunbridge Wells	Jan '14	2	Mar '18	1

Maidstone and Malling: Following the 'Requires Improvement' grading in June 2017, the provision is expecting an Ofsted monitoring visit.

Thanet and Dover: The provision is currently judged as 'Good', with a disproportionately high number of children attending the PRU.

Shepway: Previously run by Charlton Athletic, the PRU now has a new team and the most recent monitoring visit noted the PRU is making the required progress.

Tonbridge and Tunbridge Wells: Two Bridges School received an outstanding rating from Ofsted, in March 2018.

North West Kent Alternative Provision: NWK received an Inadequate grading in October 2017. However, Ofsted recognised the potential of the new Headteacher and the progress which had been made in the short time that she had been in post. In addition, the accommodation at the Limes is not currently fit for purpose and temporary accommodation has had to be found for the next academic year. The change in leadership is having a significant impact across the board and recent monitoring by the Local Authority (Local Authority) shows that Dartford and Gravesham are making good progress., It is anticipated that maintaining the current level of progress would bring the setting out of 'serious weaknesses' within 18 months.

Current Kent Funding Model and Future Options

Before considering the potential range of funding options that exist for AP within Kent, it is necessary to understand the current funding model and how this breaks down into two different stages:

1. The first stage involves allocating the total AP budget between districts:
2. The second stage involves the allocation within each district, depending on the agreed model of operation.

Kent's current AP budget (excluding Health Needs) is £11.5m (£11.2m, after deductions for administration and London fringe allowance).

Stage 1 – Allocations to Districts

The first stage currently allocates a fixed annual budget through the application of a formula which utilises the same objective data already used to calculate individual secondary school budgets. This provides a total sum per school and these individual school sums are aggregated to form the district total.

The detail of the 2018-19 allocations can be found on the Kelsi website, by following the link below: https://www.kelsi.org.uk/_data/assets/pdf_file/0011/78977/Appendix-2-2018-19-School-allocations-summarised-in-App-1.pdf

Our recommendation is to continue to calculate the district allocation using the existing formula as:

- it already has a clear and accepted evidence base
- it is based on objective data
- it provides an allocation per district, which can then be delegated and/or devolved depending upon the choice of individual district management committees
- it works on a fixed budget, funded from the High Needs Block

However, in addition, **we are proposing to include the following:**

- i. 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.
- ii. Once the financial envelope for the district is calculated, reallocate the selective school proportion across the non-selective school cohort within each district, on a pro-rata basis.
- iii. Develop a system whereby the Local Authority contributes to the local collaboration by serving as the Chair of the In Year Fair Access Panel and by providing administrative support for these panels, to ensure data collected is consistent across the county.

Appendix 1 is a model showing the impact of these proposals on individual school and district allocations.

It is **proposed** that, where a school opts out of collaboration or deviates from the terms which agree the sums going to each school or does not engage with the In Year Fair Access processes, then these schools should be challenged through the imposition of a financial penalty.

Stage 2 – Allocations within Districts

Each district has decided, locally, whether it is appropriate to have a formal PRU, operating under a delegated funding model, or to manage without a PRU, through a devolved funding model. A formal PRU is defined as one who has a DfE number.

Based on this understanding, we believe there is a need for two (and only two) different funding options within this stage.

Option 1: Devolved Funding Model

Funding is devolved to the local Headteachers, under a contract with the Local Authority.

If a school or group of schools subcontract provision to another provider, this further provision must have DfE registration.

Subcontracting arrangements would not be permitted to provisions who remove the pupil from the school's roll.

The contract will also include guidance on cross district arrangements, where a PRU pupil attends a school outside their home district.

At the heart of this proposal, we would seek to include criteria in the contract **which reduces '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**.

It is proposed that the Local Authority would seek redress and impose a financial penalty where a school's performance or engagement in the following was below published expectations:

a. Permanent Exclusions

If a KS3 or KS4 pupil is permanently excluded, a reduction of £1,500 per month (£18k per annum) per pupil will be taken from the devolved sum. The deduction would commence in the month following the exclusion and continue for the duration of the children statutory education and for a minimum of a full 12 months, regardless of the age of the pupil.

The Local Authority will put in place mechanisms that will enable funds to follow the pupil to their onward education provision.

b. Fixed Term Exclusions

The Local Authority are very concerned about the number of children missing education for more than 10 days in a school year due to fixed term exclusions and expect a continuous effort to reduce the number of fixed-term exclusions.

Where this is happening for more than 0.5% of the cohort or where KCC has other concerns about the rates of exclusion, additional support will be provided by the Local Authority, to help the school to reduce this. The cost of this support will be deducted from the devolved sum.

c. Elective Home Education and Children Missing Education

Where evidence shows that a young person has been inappropriately taken off-roll by a school to electively home educate (EHE) e.g. to avoid exclusion, to halt poor attendance or to manipulate attainment outcomes, the cost of the additional resource required to reintegrate that young person back into school will be deducted from the funding.

Evidence will include school records and Digital Front Door notifications and parental feedback.

d. In Year Fair Access (IYFA) (statutory processes)

To reduce unnecessary delays in registering a pupil on a school's admission register, the Local Authority will seek to educate the young person through tuition until the point of admission. The cost of that tuition will be deducted from the devolved sum.

Unnecessary delays of two school weeks or more, from the date of the IYFA meeting, which are caused by the school.

e. Acting Outside of the Admission Code

Deliberate dissuasion of vulnerable children:

- Where evidence shows, that a vulnerable young person has been deliberately dissuaded by the school to prevent admission, the school will receive a penalty of £1,000, which will be deducted from the devolved sum.
- Evidence will include school records, SEN officer feedback and parental feedback.

Children being off rolled during census who have not been reported to the Local Authority or who have been off rolled illegally or without notification to the Local Authority through the Digital Front Door:

- Where evidence shows, that a young person has been deliberately off-rolled and the school hasn't followed appropriate process, the school

will receive a penalty of £1,000 per pupil (deducted from the devolved sum) and any additional costs incurred by the Local Authority to resolve the issue for the young person.

- Evidence will include census returns, Digital Front Door information and school records.

Option 2: Delegated Funding Model

For districts with delegated arrangements where they have a physical PRU, we are proposing to move to a model whereby 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, operating in the same way as set out in Option 1: Devolved Funding Model (above).

PRUs are governed by their local Management Committees, who agree the financial arrangements and funding passed to schools. In the past, this has caused concerns regarding conflict of interests, especially where an area has more than one school represented by the same Trust. Where this presents inequalities, Management Committees could select to introduce a fair representative voting system.

In any new model, the Local Authority will ensure that it has a presence on all Management Committees.

In terms of specific issues, some Trusts have greater representation while not all schools have membership on the Management Committee and, on occasion, some schools claim to not have been involved in or informed of decisions.

Each Management Committee should be open to membership by all Headteachers of the schools in the area that the PRU serves. It may not need to be a requirement for all Headteachers to be a member, but the opportunity should be in place if they wish to join.

We will commission places at the PRU and fund them at £18k per place. The number of commissioned places for the county will be calculated at 0.42% of the total KS3 and KS4 children. Based on current number this equates to 341 places ($81,157 \times 0.42\%$).

The number commissioned within each district will 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.

It is proposed that the same incentives for schools within the developed arrangements to engage with the support mechanisms available to them are applied as with the delegated model.

Any penalty, in line with the above, would apply to the school through their devolved proportion of the funding.

The table below provides an illustration of the above proposal for individual PRUs of both the commissioned places (delegated model) and the remaining balance devolved to districts. Please note that the total number of places of 242 is less than the 341 mentioned above as some districts operate a devolved model.

PRU	Places @ 0.42% of KS3 & 4 pupils	Budget @ £18k/place £'000	District Total	Remaining balance devolved
North West Kent	64	£1,149k	£2,113k	£964k
Maidstone and Malling	44	£784k	£1,442k	£658k
Shepway	22	£404k	£744k	£339k
Thanet and Dover	73	£1,310k	£2,410k	£1,100k
Two Bridges	40	£716k	£1,318k	£601k
	242	£4,364k	£8,026k	£3,662k
		54%		46%

Primary Provision

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.

It has been communicated widely that this funding has now ceased and in Kent, all of the £11.5m AP funding is focussed toward provision for KS3 and KS4.

However, KCC has consistently been clear in its expectation that districts should use their allocations flexibly, to meet the needs of all children within their district, including those of primary school age.

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.

Education Health and Care Plans (EHCP)

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).

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.

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.

Timetable and Decision-Making Process

Consultation Starts	30 th November 2018
Consultation Ends	25 th January 2019
Finalised Proposals presented to Schools' Funding Forum, for decision	March 2019 – Date TBC
Implementation, including Support and Planning	March 2019 – April 2019 onwards, based on individual district requirements with an expectation that all areas will have moved to the revised model by the financial year April 2020.