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| <b>Date of meeting:</b>                                      | Thursday, 27 September 2018  |
| <b>Title of report:</b>                                      | <b>Pupil Referral Service (PRS) and Alternative Provision (AP) Budget and Funding Modelling</b>  |
| <b>Type of report:</b><br>Delete as required                 | For Discussion/ Information  |
| <b>Executive summary:</b><br>Including reason for submission | The paper outlines proposals for the future Pupil Referral Service (PRS) and Alternative Provision (AP) budgets and associated funding. The paper outlines proposals to retain current numbers of commissioned placements using a benchmarked top-up. The paper also proposes providing locality steering groups with funding to monitor performance and drive change locally within an agreed governance framework. |
| <b>Budget / Risk implications:</b>                           | Savings of up to £1.5m are proposed.   |
| <b>Recommendations:</b>                                      | That members of the Schools Forum note the contents of the report.   |
| <b>Voting requirements:</b>                                  | None   |
| <b>Appendices:</b><br>To be attached                         | None   |
| <b>Report originator and contact details:</b>                | Chris Reynolds, SEND Placement Officer<br><a href="mailto:Chris.Reynolds@northyorks.gov.uk">Chris.Reynolds@northyorks.gov.uk</a>   |
| <b>Presenting officer:</b><br>If not the originator          | Chris Reynolds – SEND Placement Officer  |



## **NORTH YORKSHIRE SCHOOLS FORUM**

### 1.0 PURPOSE OF THE REPORT

#### 1.1 The purpose of this report is to:

- Outline proposals for the future Pupil Referral Service (PRS)/ Alternative Provision (AP) budgets and associated funding and the implications of this
- Outline next steps for this work.

### 2.0 BACKGROUND

2.1 The local authority has a statutory responsibility under the Children and Families Act 2014 to keep its special educational provision under review, to ensure sufficiency in placements to meet the needs of children and young people with special educational needs and/or disabilities (SEND), working with parents/carers, young people and providers.

2.2 Additionally, the local authority must ensure education provision is offered for all young people from the sixth day of a permanent exclusion from their school.

2.3 In order to meet these statutory duties, North Yorkshire has been developing its Strategic Plan for SEND Education Provision 2018-2023 (the Strategic Plan). The plan was approved by the Council's Executive on Tuesday 4<sup>th</sup> September 2018.

2.4 The Strategic Plan includes a range of proposals for targeted provision, including proposals about changes to the current arrangements for PRS/AP. This provision in North Yorkshire comprises:

- Craven PRS
- Sunbeck (Hambleton/Richmondshire)
- The Grove Academy (Harrogate/Knaresborough/Ripon)
- Scarborough PRS
- Ryedale Out Of School Education (ROOSE)
- Whitby Outreach
- The Rubicon Centre (Selby)
- Provisions in Ryedale and Whitby are alternative provisions overseen by schools and are not registered as pupil referral services.

2.5 The changes proposed in the Strategic Plan include:



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- A changed role for PRS/AP;
- Commissioning provision on a place basis in line with other Local Authority models and NYCC Special School commissioning;
- Making changes to the way provision for children and young people with medical needs is commissioned;
- Allocation of High Needs Block funding to local steering groups to support key stakeholders, including parents, schools and LA Officers, to influence.

2.6 Developing the North Yorkshire Inclusion Partnership, a county and locality based approach to joint accountability and decision making, is a key aspect of the SEND Strategic Plan. This approach will introduce more local decision making in respect of children and young people with SEND through local area steering groups and inclusion panels. It is proposed that an agreed amount of funding should be available for each local area to shape provision in the area with the aim of meeting needs locally and reducing exclusion.

2.7 In addition, the Strategic Plan aims to meet the needs of children and young people with SEND within the High Needs Budget allocated to North Yorkshire. This includes PRS and AP funding. The High Needs Budget allocation for North Yorkshire is £44.8m and, as reported in Item 2.4a, is currently projecting an overspend of £5.5 million.

2.8 Proposals for PRS/ AP budget modelling and associated funding in this report is therefore set in the context of the Strategic Plan. Responses to the formal consultation on the Strategic Plan have also been taken into account. In particular, there have been amendments to proposals for provision for medical needs which mean that in-reach provision for these pupils needs to be commissioned for an additional year (2019-20) from PRS/ AP.

### 3.0 CURRENT POSITION

3.1 The total PRS/ AP budget 2018-19 (excluding provision for pupils with medical needs) is £4,593,900. This is made up as follows:

| <b>PRS/AP budget 2018/19 (£k)</b> |              |
|-----------------------------------|--------------|
| Place/top up                      | 1,923        |
| Discretionary                     | 2,671        |
| <b>Total</b>                      | <b>4,594</b> |



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3.2 PRS provision in North Yorkshire currently show surplus budgets ranging from £128k and £765k under the current funding model.

### 4.0 PROPOSED APPROACH TO BUDGET MODELLING

4.1 The following approach to the PRS/AP budget is proposed:

- The PRS/ AP budget model should be completely place-based and in line with funding arrangements for Special Schools and other LA PRS/AP funding models;
- The number of places currently commissioned should be increased;
- There should be a specified number of EHCP places in each PRS (not AP) and the remainder of places would be flexible preventative places or for pupils who have been permanently excluded. Places commissioned in AP would be flexible places and those for pupils who have been permanently excluded;
- Each place should be funded at £10,000 plus £7,000 top-up (subject to agreement of new top up arrangements). The proposed top-up of £7,000 is in line with regional and national figures obtained from other Local Authorities. EHCP places may have a different top up depending on needs but this would be agreed at point of placement
- For 2019-20, 28 in-reach medical needs places are to be commissioned pending further work on medical outreach/in-reach in line with the Strategic Plan. These would be funded at £10,000 and to be in addition to main commissioned places. The funding for these places would be from the budget for medical needs.
- A small contingency should be retained centrally to cover infrequent situations such as a child or young person moving into an area and provision needing to be made.
- An agreed amount to be allocated to local areas for steering groups to be determined subject to agreement of a proportionate contribution from schools.

4.2 Establishing a new budget model that is comparable and equitable in comparison to North Yorkshire Special School and regional PRS budgets will also achieve a saving of between £1.3 million and £1.5 million dependant on the number of places commissioned. Three options based upon the model outlined above are provided in this report



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- 4.3 NYCC will continue to invest a significant proportion of High Needs Block funding, between £3.09 and £3.29m, to develop and implement a sustainable model of Alternative Provision and assist locality steering groups to shape the provision needed locally.
- 4.4 It is proposed to provide £771k to support local steering groups to monitor performance and drive change locally. This money will be used to enhance the offer to children and young people (0-25) and allow area leaders, within an agreed governance framework, to have greater influence in responding to identified priorities.
- 4.5 In line with funding regulations it is proposed to cease notice period funding currently applied in AP and PRS funding models. In addition, where the local authority seeks to commission further places at a PRS/ AP provision which has filled all of the commissioned places it has been funded for, agreement will, in future, need to be reached with the PRS/ AP provision on the level of top-up funding required. In line with the High Needs Operational Guidance, the local authority should not automatically be charged an extra £6,000 or £10,000 per head if it's agreed that the institution can provide the support package for additional pupils and students at marginal additional cost. Funding above commissioned places would be agreed following consideration by designated LA officers and a representative of the Alternative Education Provider.
- 4.6 The table below shows the proposed overall breakdown of the budget and proposed numbers of commissioned places:

| Option | PRS/AP budget | Number of places | Contingency (held centrally) | Local area steering groups | Total      | 2019/20 Saving | 2020/21 Saving  |
|--------|---------------|------------------|------------------------------|----------------------------|------------|----------------|-----------------|
| 1      | £2,210,000    | 130              | £112 920                     | £771 000                   | £3 093 920 | -<br>£947,573  | -<br>£1,500,000 |
| 2      | £2,312,000    | 136              | £112 920                     | £771 000                   | £3 195 920 | -<br>£888,073  | -<br>£1,398,000 |
| 3      | £2,414,000    | 142              | £112 920                     | £771 000                   | £3 297 920 | -<br>£828,573  | -<br>£1,296,000 |

4.7 In 2019/20 it is proposed to commission 28 in-reach medical places across the PRS at a cost of £280,000. This will be a transitional arrangement for one year whilst a new delivery model for medical provision is developed and established. It is envisaged that medical provision will cease to be delivered by the PRS from 2020/2021.

#### 5.0 FINANCIAL MODELLING FOR AP IN EACH LOCALITY

5.1 Based on the overall budget noted in paragraph 4.3, and the proposed model in paragraph 4.1 further work has taken place on the implications of the proposals for each locality.

5.2 In modelling place numbers for each area, data on SEN support, school population and deprivation has been taken into account to arrive at the proposed number of places. Number of medical need places is based on secondary school population data and also information on recent and current referrals has been taken into account.

5.3 The proposals for the funding to be allocated to each local area has taken into account SEN support, primary and secondary school population and deprivation measures to arrive at how this should be split across the county.

5.4 The table below sets out proposals for each locality and resulting budgets based upon the options outlined above. Proposed local area funding is also included.

#### Option 1

| Area                                  | Number of places (EHCP/ Flexible / PEX) | Total place funding (£k) | Number of medical in reach places (19/20 only) | Total medical place budget (Medical funding) (£k) | Total AP budget (£k) | Local area funding (£k) |
|---------------------------------------|---|--------------------------|--|---|----------------------|-------------------------|
| Craven                                | 13                                      | 221                      | 3  | 30  | 251                  | 75                      |
| Hambleton/<br>Richmondshire           | 28                                      | 476                      | 5  | 50  | 526                  | 168                     |
| Harrogate/<br>Knaresborough/<br>Ripon | 28                                      | 476                      | 8  | 80  | 556                  | 165                     |

|              |            |              |           |            |              |            |
|--------------|------------|--------------|-----------|------------|--------------|------------|
| Selby        | 18         | 306          | 4         | 40         | 346          | 110        |
| Scarborough  | 24         | 408          | 4         | 40         | 448          | 135        |
| Whitby       | 6          | 102          | 2         | 20         | 122          | 38         |
| Ryedale      | 13         | 221          | 2         | 20         | 241          | 80         |
| <b>Total</b> | <b>130</b> | <b>2,210</b> | <b>28</b> | <b>280</b> | <b>2,490</b> | <b>771</b> |

**Option 2**

| Area                            | Number of places (EHCP/ Flexible/ PEX) | Total place funding (£k) | Number of medical in reach places (19/20 only) | Total medical place budget (Medical funding) (£k) | Total AP budget (£k) | Local area funding (£k) |
|---------------------------------|--|--------------------------|--|---|----------------------|-------------------------|
| Craven                          | 13                                     | 221                      | 3  | 30  | 251                  | 75                      |
| Hambleton/ Richmondshire        | 30                                     | 510                      | 5  | 50  | 560                  | 168                     |
| Harrogate/ Knaresborough /Ripon | 29                                     | 493                      | 8  | 80  | 573                  | 165                     |
| Selby                           | 20                                     | 340                      | 4  | 40  | 380                  | 110                     |
| Scarborough                     | 24                                     | 408                      | 4  | 40  | 448                  | 135                     |
| Whitby                          | 7                                      | 119                      | 2  | 20  | 139                  | 38                      |
| Ryedale                         | 13                                     | 221                      | 2  | 20  | 241                  | 80                      |
| <b>Total</b>                    | <b>136</b>                             | <b>2,312</b>             | <b>28</b>                                      | <b>280</b>  | <b>2,592</b>         | <b>771</b>              |

**Option 3**

| Area                     | Number of places (EHCP/ Flexible / PEX) | Total place funding (£k) | Number of medical in reach places (19/20 only) | Total medical place budget (Medical funding) (£k) | Total AP budget | Local area funding |
|--------------------------|---|--------------------------|--|---|-----------------|--------------------|
| Craven                   | 14                                      | 238                      | 3  | 30  | 268             | 75                 |
| Hambleton/ Richmondshire | 31                                      | 527                      | 5  | 50  | 577             | 168                |



|                                       |            |              |           |            |              |            |
|---------------------------------------|------------|--------------|-----------|------------|--------------|------------|
| Harrogate/<br>Knaresborough/<br>Ripon | 30         | 510          | 8         | 80         | 590          | 165        |
| Selby                                 | 20         | 340          | 4         | 40         | 380          | 110        |
| Scarborough                           | 26         | 442          | 4         | 40         | 482          | 135        |
| Whitby                                | 7          | 119          | 2         | 20         | 139          | 38         |
| Ryedale                               | 14         | 238          | 2         | 20         | 258          | 80         |
| <b>Total</b>                          | <b>142</b> | <b>2,414</b> | <b>28</b> | <b>280</b> | <b>2,694</b> | <b>771</b> |

5.5 During 2019-20, it is proposed that the local area funding is allocated to PRS and AP's to support with transition the to the new model.

5.6 The table below shows how these options compare to current PRS/AP budgets:

| <b>Option 1</b>                       |                                   |   |  |
|---------------------------------------|-----------------------------------|---|--|
| <b>PRS/Area</b>                       | <b>Current Funding 18/19 (£k)</b> | <b>Proposed AP/PRS Funding 19/20 (£k)</b> | <b>Total Proposed Area/AP Funding 19/20 (£k)</b> |
| Craven                                | 498                               | 251                                       | 326  |
| Hambleton/<br>Richmondshire           | 920                               | 526                                       | 694  |
| Harrogate/<br>Knaresborough/<br>Ripon | 1,224                             | 556                                       | 721  |
| Selby                                 | 709                               | 346                                       | 473  |
| Scarborough                           | 946                               | 448                                       | 583  |
| Whitby                                | 212                               | 122                                       | 160  |
| Ryedale                               | 309                               | 241                                       | 321  |
| <b>Option 2</b>                       |                                   |   |  |
| <b>PRS/Area</b>                       | <b>Budget 18/19</b>               | <b>Proposed budget 19/20</b>              | <b>Total Proposed Area/AP Funding 19/20</b>      |
| Craven                                | 498                               | 251                                       | 326  |
| Hambleton/<br>Richmondshire           | 920                               | 560                                       | 728  |



|                                       |                     |                                  |   |
|---------------------------------------|---------------------|----------------------------------|---|
| Harrogate/<br>Knaresborough/<br>Ripon | 1,224               | 573                              | 738   |
| Selby                                 | 709                 | 380                              | 490   |
| Scarborough                           | 946                 | 448                              | 583   |
| Whitby                                | 212                 | 139                              | 177   |
| Ryedale                               | 309                 | 241                              | 321   |
| <b>Option 3</b>                       |                     |                                  |   |
| <b>PRS/Area</b>                       | <b>Budget 18/19</b> | <b>Proposed budget<br/>19/20</b> | <b>Total Proposed<br/>Area/AP Funding<br/>19/20</b> |
| Craven                                | 498                 | 268                              | 343   |
| Hambleton/<br>Richmondshire           | 920                 | 577                              | 745   |
| Harrogate/<br>Knaresborough/<br>Ripon | 1,224               | 590                              | 755   |
| Selby                                 | 709                 | 380                              | 490   |
| Scarborough                           | 946                 | 482                              | 617   |
| Whitby                                | 212                 | 139                              | 177   |
| Ryedale                               | 309                 | 258                              | 338   |

- 5.7 An Equality Impact Assessment (EIA) has been written in respect of the proposed budget modelling.
- 6.0 PERMANENT EXCLUSION AND SCHOOL CONTRIBUTION
- 6.1 It is proposed that places at the PRS can be accessed flexibly by schools in each locality. These places would be accessible as an alternative to permanent exclusion and managed locally between schools and the PRS.
- 6.2 Where schools permanently exclude flexible places will reduce accordingly.
- 6.3 The use of flexible placements at the PRS with an emphasis on reintegration to school will be fully funded by the LA.



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6.4 A recharge of all pupil led funding will be applied pro rata at the point of any permanent exclusion. It is proposed that the LA works with schools via the Schools Forum to agree an additional pro rata contribution towards the future education of those young people who are permanently excluded. This is in line with the arrangements within other LAs.

### 7.0 NEXT STEPS

7.1 The next steps for the PRS/AP budget modelling are:

- Undertake a public consultation from 5<sup>th</sup> October – 35 day consultation
- ISOS transformation workshops from 17<sup>th</sup> October – 2<sup>nd</sup> November