

Dudley Schools Forum – 8th July 2014

Report of the Interim Director of Children's Services

Dudley's Behavioural Pupil Referral Unit Review and Restructure

Purpose of Report

1. To provide Schools Forum with the latest position in respect of the Pupil Referral Unit behavioural service (Sycamore Short Stay School) review and restructure following the implementation of the 2013/14 DfE school funding reforms.

Discussed at HTCF – BWG

2. Yes - 2 July 2014.

Schools Forum Role and Responsibilities

3. The Schools Forum Regulations 2013 include a section on the consultation on financial issues. Where the authority must consult the Schools Forum annually in respect of the authority's functions relating to the schools budget, in connection with the following:
 - arrangements for the education of pupils with special educational needs;
 - arrangements for the use of pupil referral units and the education of children otherwise than at school;
 - arrangements for early years provision;
 - administrative arrangements for the allocation of central government grants paid to schools via the authority.

The authority may consult the forum on such other matters concerning the funding of schools as they see fit.

Actions for Schools Forum

4. For Schools Forum to note the information update in the respect of the Pupil Referral Unit review and restructure.

Attachments to Report

5. Appendix A - Sycamore Short Stay School Consultation responses

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Background

2. At the March 2013 Schools Forum meeting the Dedicated Schools Grant budget planning report outlined the requirement for the local authority to consult with Schools Forum in respect of those functions relating to the schools budget, and in particular, the arrangements for the use of Pupil Referral Units and the education of children otherwise than at school was discussed.
3. With the introduction of the 2013/14 school funding reforms a review and restructure of Dudley's behavioural Pupil Referral Units was required due to the low number of places commissioned this has had an adverse impact on the funding arrangements for the Sycamore Short Stay School from 2013/14 which has made the transition from a centrally funded service to a delegated place led provision significantly more financially challenging. An initial report was presented in July 2013 with further update in December 2013.

2013/14 School Funding Reforms

4. As part of the national School Funding Reforms there have been a number of significant funding changes to affect Pupil Referral Units (PRUs). In Dudley, this applies to the Sycamore Short Stay School (Behaviour PRU) and Cherry Tree Learning Centre (Emotional and Medical PRU).
5. From April 2013 PRUs now have:
 - a. A similar autonomy over budget and staffing decisions to maintained schools and access to freedoms offered under Academy status. In particular:
 - The management committees of PRUs will have delegated budgets together with responsibility for all other financial decisions necessary to manage and spend budgets effectively, such as signing contracts and ensuring accurate accounts are maintained. They will have the power to carry forward deficit or surplus budget balances at the year end.

- PRUs have primary responsibility for all decisions about the recruitment and management of staff (including appointing, appraising, suspending or dismissing members of staff) and this responsibility will sit with the management committee of a PRU, rather than the local authority. As with community schools, however, the local authority as the employer will carry out the actual appointments of staff, based on the Management Committee's decisions and the local authority will remain the employer of staff in PRUs and will continue to be responsible for agreeing pay and conditions of employment.
 - The PRU Management Committee will be required to meet the requirements of the Consistent Financial Reporting (England) Regulations 2012 and will be responsible to satisfy the requirements of the Schools Financial Value Standard (SFVS).
- b. For the behavioural PRU, all direct state-funded Alternative Provision institutions (to include PRUs) now receive base funding of £8,000 per planned place, topped up by funding from the commissioning local authority or school for each pupil admitted to the PRU. There is however some indications from the DfE that this may be increased to £10,000 at some point in time. Medical and Emotional PRUs (Cherry Tree Learning Centre) are now funded on a historical basis until such time that the DfE decide on an appropriate funding methodology.

Update on Sycamore Short Stay School Review

6. Currently, the Sycamore Short Stay School is operating across two locations. Primary provision from the Mere Site and Secondary provision from the Sycamore Green Site. The Abberely Site that provided provision to secondary aged pupils was closed at the end of the spring 2014 term. The Mere site is scheduled to close to Primary pupils and staff at the end of this term. Therefore, from the 1 September 2014 all behaviour provision will be located on a single site at Sycamore Green.
7. A proposed staffing restructure that was based on a 32 place (20 secondary/12 primary) single site provision, including a range of Outreach Work to mainstream school, was presented to staff / union colleagues as part of the ongoing consultation. This consultation closed on 21 May. Responses from staff and unions were presented at a subsequent Management Committee Meeting (Appendix A) with a decision taken to proceed with the proposed structure as planned. This decision was endorsed by Directorate Strategic Leadership Team. Staff and unions have been informed and an agreed time line is in place for selection interviews and slotting in of staff (Appendix A). The location of all behaviour provision onto a single site and new staffing structure are key factors in ensuring a more cost effective service that incorporates a more flexible and targeted staffing resource.
8. Funding for a further 20 secondary places has been identified within the high needs block to be distributed across the secondary townships.

9. As recorded at the December 2013 Schools Forum, Primary Head agreed to de-delegate the equivalent of a single pupil basic led funding amount of £3,124 per school in order to maintain Primary Outreach work for 2014/15. Secondary Heads through Fair Access Panel Townships are currently considering their support requirements for 2014/15 as part of Inclusion development work.
10. Management Committees are in place for both Cherry Tree Learning Centre and the Sycamore Short Stay School in line with DfE requirements. Both committees have a membership of 11, which consists of school, community, Local Authority, staff and parent members. In line with DfE requirements they are working towards fully delegated powers although in the case of the Sycamore Short Stay School the Local Authority has retained an overview given the current projected budget deficit. The Governance Team have been instrumental in providing ongoing support during this transitional period.
11. Funding arrangements for Emotional and Medical PRUs (Cherry Tree Learning Centre) still remain as before, with no further news on a funding formula from the DfE. Cherry Tree Learning Centre will therefore continue to be funded on a historical basis in respect of the 76 places identified in September 2012. Discussions are currently being held with the local authority in respect of the variations in pupil numbers and the degree of need being experienced since 2012/13.

Financial Support for PRUs

12. As outlined at the July and December 2013 Schools Forum meetings, Dudley's behavioural PRU (Sycamore Short Stay School) was under review to ensure the structure and the service are fit for purpose and in line with the new funding arrangements. As, however, the restructure would not be complete until September 2014 then, as an interim measure, the Director of Children's Services outlined the need to provide additional financial support from the Dedicated Schools Grant to the Sycamore Short Stay School on a contingency basis over and above the place plus top up funding approach. This is permitted within the School Finance Regulations.
13. The support from the contingency budget for 2013/14 was agreed at £266,086, the actual support required from the contingency was £219,217, a reduction of £46,869 due to vacancy savings and careful management.
14. For 2014/15, the support from the contingency budget will reduce to £105,198. This reflects the planned service restructure and realignment which is effective from 1 September 2014. The current forecast suggests that all of the contingency will be required this financial year.
15. In providing financial support to the behaviour PRU from the contingency budget does mean that any financial decisions made by the Management Committee must be within the financial framework of funding approved and that the Sycamore Short Stay School will not have a roll forward, surplus or deficit, for 2014/15.
16. From April 2014 maintained primary schools agreed to de-delegate funding of £234,285 to support the primary outreach function from the Sycamore Short Stay School. As part of the de-delegated services, an in year update and final year end

report will be provided for 2014/15.

17. There is also a plan to trade the secondary outreach function from September 2014 with an expected income target of £86k for 2014/15. This strategy is necessary to support the proposed staffing structure.

18. A fundamental part of the restructure plans for the Sycamore Short Stay School is that by 2015/16 the service is fully sustainable financially without the support of the local authority's contingency budget. The indicative figures for 2015/16 indicate that the budget will be in balance; a further update will be provided to Forum in the Spring 2015 term. The indicative forecast assumes that funding will continue to be allocated on the place plus methodology for 32 places at £8,000 per place with top up funding based on a Band F of £12,819.

Finance

19. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.

20. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.

21. From 1 April 2006, the Schools Budget has been funded by a direct grant: Dedicated School Grant (DSG).

Law

22. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

23. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

Schools Forum to note:

- The updated position of the Sycamore Short Stay School following planned relocation onto a single site and staffing restructure.
- That a further update will be provided in the Spring 2015.



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