

Agenda Item No: 5, Appendix 1

Report Title: **Terms of Reference: Review of the BAIP Service Level Agreement and the devolved funding formula for Alternative Provision**

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1.0 Background

- 1.1 In the context of proposed national schools funding reforms, notwithstanding any change of government or government policy, the proposals set out in the Department for Education's (DfE's) White Paper "Educational Excellence Everywhere" and the forthcoming Local Authority (LA) strategic review of high needs provision, there is a real opportunity to review the existing BAIP Service Level Agreement and devolved funding formula for Alternative Provision. A review will provide an opportunity to implement change, where possible, in order to manage some of the emerging demographic pressures in the most efficient and effective way, within the limits of available resource and known significant budgetary pressures on the High Needs Block element of the Dedicated Schools Grant.
- 1.2 As set out in the DfE's White Paper "Educational Excellence Everywhere" and the required national reforms to Alternative Provision (AP), Cambridgeshire's AP devolved funding model supports the government's drive (prior to the dissolution of Parliament) to *"change accountability arrangements so that a pupil's mainstream school will retain accountability for their educational outcomes and will take a lead role in commissioning their provision, including when they have permanently excluded the pupil but the pupil has not subsequently enrolled at a different mainstream school. Mainstream schools will support AP providers to deliver a broad and balanced curriculum and high quality teaching by sharing subject specialists and facilities that smaller alternative providers would otherwise find hard to access."*
- 1.3 Nationally, schools will be responsible for the budgets from which AP is funded. The DfE proposed this on the basis it would provide schools with stronger incentives to take preventative approaches and to achieve value for money when identifying the best and most suitable alternative provision for any child that needs it.

2.0 National Context

- 2.1 The DfE have created a High Needs Strategic Planning fund to support LAs to carry out a strategic review of their high needs provision. The DfE state that they *"...anticipate that local authorities will use the funding provided to increase their capacity so that their review and planning of specialist provision is high-quality and collaborative, where appropriate undertaken jointly with neighbouring authorities. Where such review and planning work has already been undertaken along the lines envisaged, this fund can be used to help implement the outcomes of the reviews."*

2.2 To demonstrate transparency and accountability, LAs are required to publish the outcomes of the strategic review of their high needs provision by March 2018.

3.0 Local Context

3.1 The current funding formula has been in place since April 2012. The initial intention was this formula would be in place for 3 years, to match the original 3 year commissioning of PRU places. However, the 3 year commissioning of PRU places ended earlier than planned on 31st August 2014, following transfer to the revised charging methodology as defined by the DfE.

3.2 The increasing number of children with complex needs requiring special school places, has resulted in a growing pressure across the High Needs Block. Equally, spend on a number of other areas such as SEN Units, SEN Placements and Out of Schools Tuition have historically overspent. Alongside this the illustrative figures published as part of the national High Needs funding reforms suggest that Cambridgeshire will be on the funding floor and as such will not receive any uplift in high needs funding for at least 2-3 years. As a result of the increasing need and lack of any immediate uplift in funding there is a need to review how the current resources are allocated to ensure it is being used in the most appropriate and efficient way to best meet the needs of the young people it is required to support.

3.3 It is proposed to establish a time-limited task and finish group to undertake a review of the current BAIP Service Level Agreement.

4.0 Triggers for this review -

4.1 There are a number of local triggers for this review, including:

4.1.1 Catchment schools that are out of county - the current funding formula does not recognise that there are a number of Cambridgeshire resident children whose catchment school is out of county.

4.1.2 New secondary schools - the current funding formula does not recognise the development of the new secondary schools

4.1.3 Establishment of free schools

4.1.4 Establishment of Multi Academy Trusts (MATs)

4.1.5 Demographic change – since the current funding formula was implemented there has been some significant changes in Cambridgeshire’s demography.

4.1.6 The Academisation of The County School Pupil Referral Unit in Cambridge City and Wisbech and the decommissioning of The County School’s Huntingdon Learning Base (HLB)

4.2 It is recommended that outcomes from the proposed task and finish group should inform a wider set of recommendations in the local strategic plan. Key areas identified for review include:

- 4.2.1 Funding Allocations – a detailed review of how the High Needs Block is used to support those children and young people with life-long complex needs, and how the funding can be used differently.
- 4.2.2 SEMH Provision – ensuring there is a coherent graduated response for children and young people experiencing difficulties resulting from their psychological and emotional wellbeing. This review will include support for pupils in school; those at risk of exclusion; and those needing to access short or longer term provision within the County.
- 4.2.3 An integrated 0 – 25 years SEND Service – identified need for a more targeted approach for children and young people with complex needs, bringing together services across CFA to provide a more coordinated and cost effective response.

5 Governance Arrangements

5.1 Reporting to Keith Grimwade, Service Director for Learning, a task and finish group will be established, comprised of the following Officers and BAIP leads/representatives.

Hazel Belchamber	Head of Service: 0 – 19 Place Planning and Organisation Service
Anna Wahlandt	County Alternative Education Provision Manager
Rob Stephens	Finance Business Partner
Martin Wade	Strategic Finance Manager
Phil Garnham	Area Senior Adviser, Schools Intervention Service
Carol Way	County Inclusion Manager
Rob Campbell – ESCIP Jodh Dhesi/Chris Tooley – City Sam Griffin/Rick Carroll – Hunts Jane Horn – Fenland Jonathan Digby – CSH Kate Coates - CPH	BAIP Leads

5.2 The task and finish group will identify areas for change that will require formal approval from all members. The approval process will be as below:

- 1) *Draft* ToR for ‘A full and comprehensive review of the existing BAIP Service Level Agreement and Devolved Funding Arrangements’ to be approved by group members/BAIP Leads on behalf of their schools

- 2) The task and finish group to report findings and recommendations to BAIP Leads meetings.
- 3) BAIP Leads to formally request that recommendations from the review are implemented as a key component of the LA's wider review of High Needs Strategic Plan, commissioned by the DfE.

5.3 There are a number of potential interdependencies that may impact this review; both in scope and the timeframe in which changes can happen. These include

- National funding reforms; the DfE were originally due to publish stage 2 consultation results in the summer of 2017. We now await confirmation of this due to the general election.
- The potential opportunity for Cambridgeshire to work as a key partner with the DfE to influence proposed changes to national policy through the National Funding Reforms.
- The LA's strategic review of high needs provision, set in the context of increasing budgetary pressure in the High Needs Block
- The LA's current review of education services
- The LA's children's change programme

6 Project Aims and Scope

6.1 Within the limits of available resource and known significant budgetary pressures on the High Needs Block element of the dedicated schools grant, the project aims to make best use of resource available to commission AP. The task and finish group aims to develop:

1. A set of proposals to enable the LA and Schools to meet the requirements set out in the DfE's White Paper "Education Excellence Everywhere".
2. A revised BAIP SLA and funding formula for AP that supports schools to:
 - remain accountable for the education of pupils in AP and responsible for commissioning high expert provision for pupils with needs and behaviour that have become unmanageable within the mainstream setting
 - commission AP to meet defined needs including significant behavioural problems; complex medical or mental health conditions; and extreme vulnerability due to personal and social issues. AP providers to work with the mainstream school to put in place a tailored plan for each pupil to support them to achieve the high quality qualifications they need in adult life.
 - retain accountability for their educational outcomes and take the lead role in commissioning their provision, including when they have permanently excluded the pupil but a pupil has not subsequently enrolled at a different mainstream school
 - be responsible for the budgets from which AP is funded, to achieve value for money when identifying the best and most suitable AP.
3. A revised BAIP SLA and funding formula for devolved AP that supports the LA to:

- Ensure sufficiency of AP (the Children and Families Act 2014 reaffirms the role of local authorities for securing effective provision for those with high needs).
- Deliver a fairer and clear funding for schools based on the needs and characteristics of pupils and the best use of funds.

7 Timescales

7.1 An indicative timescale for the review/implementation:

February 2017	Request for review of funding formula made by BAIP Leads
May 2017	Draft ToR reviewed and discussed at BAIP Leads 18/05/17
May 2017	Final ToR agreed by BAIP Leads and shared with all schools
May – July 2017	Review of High Needs Block Spend to be undertaken
June 2017	LA Education Services proposals to be published
June – October 2017	Task and finish group to lead review and prepare recommendations
Summer 2017	DfE to publish Stage 2 consultation results – Subject to confirmation.
March 2018	Publication of Cambridgeshire’s High Needs Strategic Plan
April – September 2018	Implementation of revised funding formula and BAIP SLA , with appropriate transition arrangements as required (to be determined)
September 2019	Implementation of National Schools Funding Formula