

REVIEW OF THE BEHAVIOUR, ATTENDANCE AND IMPROVEMENT PARTNERSHIP (BAIP) SERVICE LEVEL AGREEMENT AND THE DEVOLVED FUNDING FORMULA FOR ALTERNATIVE EDUCATION PROVISION

To: **Children and Young People Committee**
Meeting Date: **13 March 2018**
From: **Wendi Ogle-Welbourn: Executive Director, People and Communities**
Electoral division(s): **All**

Forward Plan ref: **n/a** *Key decision:* **No**

Purpose: **To provide Members with further information on the Devolved Funding Formula for Alternative Education Provision developed in consultation with the Leads for Cambridgeshire's Behaviour Improvement Partnerships (BAIPS).**

Recommendation **Members are asked to:**

- a) note the additional information provided, in particular the detailed Community Impact Assessment setting out how each secondary school would be affected by the implementation of the new Funding Formula, and the impact of adopting the proposed transitional cap for one year.**
- b) give approval to officers to proceed with the implementation of the new Funding Formula effective from 1 September 2018, and the proposed one year transitional arrangement which is aimed at minimising the impact on those schools which will receive a lower level of funding than currently.**

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1. BACKGROUND

- 1.1 Since 2009 Cambridgeshire has had in place a devolved approach to the provision of alternative education for secondary aged children. Schools use the funding they are allocated to commission and secure suitable alternative education for those pupils with needs and behaviour that have become unmanageable within the mainstream setting, or have medical needs which mean they are unable to access mainstream lessons. The model means that children remain on the roll of their school and school leaders retain responsibility for their attendance, attainment and outcomes.
- 1.2 As set out in the Department for Education's (DfE) 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 to "change accountability arrangements so that a pupil's mainstream school will retain accountability for their educational outcomes" and to "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."
- 1.3 Nationally, schools will be responsible for the budgets from which AP is funded on the basis it will provide schools with stronger incentives to take preventative approaches and to achieve value for money when identifying the best and most suitable AP for any child that needs it.
- 1.4 Cambridgeshire secondary schools manage their devolved funding by being part of one of four Behaviour, Attendance and Improvement Partnerships (BAIPs). Each BAIP nominates a lead Head Teacher who organises BAIP meetings and liaises with the Local Authority. The County Alternative Education Provision Manager is the key link officer with the BAIPs, with a principal role to quality assure the provision commissioned by schools.
- 1.5 The current funding formula has been in place since April 2012. To date, with no new money in the system, but changing pupil numbers and levels of demand, despite efforts to do so, it has not proved possible to secure an agreement to a new formula. In 2018/19 the amount of devolved funding will be £4.994 million.
- 1.6 However, at the start of the financial year 2017/18 it was agreed, in consultation with the BAIP Leads to look again at revising the formula in response to a number of pressures in the school funding system:
 - i. the lack of any immediate uplift in the High Needs Block
 - ii. the growth in pupil numbers
 - iii. the opening of new schools since the formula was originally agreed, for example, Cambourne Village College
 - iv. the increased complexity of needIn addition, the following were identified as important changes to take into account:

- i. the academisation of The County School Pupil Referral Units in Cambridge City and Wisbech
- ii. the decommissioning of The County School's Huntingdon Learning Base
- iii. the introduction of the National Funding Formula for schools

The terms of reference for the task and finish group established to undertake the review are attached as **Appendix 1**.

- 1.7 At the Children and Young People (CYP) Committee meeting on 9 January 2018 Members considered a report setting out the conclusions of that review. Members requested a further report be presented to them at their March meeting providing more detailed information on the impact on individual schools as a result of the implementation of the new funding formula.

2. MAIN ISSUES

- 2.1 The system of devolved funding has brought about many improvements. For example, there has been a significant reduction in permanent exclusions; schools have developed in-house provision that is better meeting pupils' needs; and the Local Authority has been able to develop a rigorous quality assurance role without the encumbrance of being a provider.
- 2.2 Cambridgeshire's approach is the government's preferred way forward for AP nationally, and officers are contributing to the Department for Education's (DfE's) AP analysis work and the recently announced Education Select Committee's review.
- 2.3 In undertaking the review of the current funding formula and Service Level Agreement (SLA), the main aims have been to ensure that:
- the improvements secured to date are built upon;
 - there is transparency in terms of how funding allocations have been derived; and
 - there is consistency with the national funding formula.

Using October 2017 school census data provided by the Education and Skills Funding Agency (ESFA), the resulting proposed formula therefore applies the same factors as the national funding formula which are, Basic Entitlement (Key Stage 3 and Key Stage 4 Pupils), Free School Meals (FSM) entitlement, Looked After Children (LAC) numbers, English as an Additional Language (EAL), Prior Attainment and the Income Deprivation Affecting Children Index (IDACI). IDACI 2015. The latter is provided by the Department for Communities and Local Government and provides a set of relative deprivation for small areas linked by postcode.

The key principles underpinning the review are attached as **Appendix 2** and the updated SLA is attached as **Appendix 3**.

- 2.4 The initial proposals, including revisions to the funding formula were presented to Cambridgeshire Secondary Heads (CSH) on the 11 October 2017. Within the

accompanying report and at the meeting, all Head Teachers were requested to provide feedback on the proposals either individually or via the BAIP Leads by the 8 November 2017.

- 2.5 On the 16 November 2017 the feedback received was discussed by the task and finish group and the final proposals and next steps were agreed. These were subsequently presented to CSH the Director of Learning and the BAIP Lead for East and South Cambridgeshire Improvement Partnership (ESCIP).
- 2.6 In recognition of the pressures on schools, the CSH were asked for their views on whether a further top-slice should be applied to the Schools Block DSG to increase the fund available for AP in the High Needs Block Dedicated Schools Grant (DSG). The feedback received was considered by the task and finish group. The final decision taken by BAIP Leads was to keep the total funding allocation unchanged.
- 2.7 It was agreed, however, to support those schools whose funding would decrease by more than 10%, to apply a transitional cap of 10% for the period 1 September 2018 to 31 August 2019 for those schools affected as well as those whose funding would increase by more than 10%. The exceptions to this would be the new Littleport secondary school which opened in September 2017 and Trumpington Community College and Cambourne Village College, to recognise the fact that these schools are still growing to their planned operational capacities by a year group a year. This means that £240,227 of the available funding would be reallocated to these schools, diluting the amount of available to all the others. The revised funding formula will be implemented in full thereafter from September 2019. The AP funding formula will then be refreshed annually, using the latest available census data (the October census of the previous year). The SLA will be for three year period 2018-2021.
- 2.8 As requested by Members at their meeting on 12 January 2018, a Community Impact Assessment (CIA) is attached as **Appendix 4**. This details by school grouped by BAIP:
- Their current funding allocations
 - Their illustrative funding allocation without a transitional cap being applied, the difference between that amount and their current allocation and what this is in percentage terms. The illustrative funding allocation is based on the October 2017 census.
 - Their proposed funding allocation with a transitional cap of 10% if this was applied to schools which would both gain and lose 10% or more of their current funding allocation, based on the October 2017 census and the difference between this and what they could receive if no cap was applied.
- 2.9 As will be evident, the schools which will gain the most in percentage terms are the new schools which, as in the case of Littleport, have only just opened or, are still growing, as in the case of Trumpington and Cambourne Village College. Excluding these and the Cambridge Academy for Arts and Science (the former University Technical College), without a 10% funding cap:
- In the City, the school which would lose the greatest amount would be Netherhall (-18.96% without the transitional 10% cap). In contrast, the school which would see the greatest gain would be North Cambridge Academy (+33.95%).

According to the February 2018 return from schools to the County AP Manager, 15 (2%) of the 830 students at Netherhall attend Alternative Provision.

- In East Cambridgeshire, the school which would lose the greatest amount is Soham (-18.83% without the transitional 10% cap). According to the February 2018 return from schools to the County AP Manager, 12 (1%) of the 1,378 students at Soham attend Alternative Provision.
- In Fenland, no school would gain or lose more than the 10% cap threshold. Cromwell would be the only school to lose funding (-9.45%) whilst Thomas Clarkson would gain the most (+2.50%). According to the February 2018 return from schools to the County AP Manager, 12 (1%) of the 1,026 students at Cromwell attend Alternative Provision.
- In Huntingdonshire, Ernulf in St Neots would be the school which would lose most (-26.46% without the transitional 10% cap), whilst its partner school, Longsands would gain the most (+65.57% without the transitional 10% cap). This is a reflection of falling rolls at Ernulf, as detailed in Appendix 4. According to the February 2018 return from schools to the County AP Manager, 11 (2%) of the 518 students at Ernulf attend the Alternative Provision at Prospect House. At Longsands, 13 (1%) of the school's population of 1,436 attend the Alternative Provision at Prospect House. It should also be noted that like East Cambridgeshire, there is no PRU provision in Huntingdonshire.
- In South Cambridgeshire, the school which would lose most would be Sawston (-21.85% without the transitional 10% cap), whilst Impington would gain the most (+15.88% without the transitional 10% cap). It should be noted that Gamlingay Village College will close at the end of the autumn term 2019. The funding it currently receives will be redistributed via the funding formula in 2019/20.

2.10 Longsands would be the school which would benefit most should the transitional 10% cap not be applied. It would receive an additional £111,545 in 2018/19.

2.11 There would be a one off funding pressure of £20,821 if the decision was taken to apply the 10% transitional cap to those schools which would lose or gain 10% or more of their current funding allocation.

2.12 As will be evident, there will, inevitably be winners and losers as a result of implementing the new funding formula. The initial impact will be reduced on those which would lose the most as a result of the planned transitional arrangement. There would also be schools which would lose significantly should the Council not proceed to implement the formula which, was agreed in consultation with the BAIP Leads and has been subject to review by CSH.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

3.1.1 An appropriately skilled workforce is essential to Cambridgeshire's economic prosperity. High quality alternative provision means that fewer young people are at risk of becoming NEET (Not in Education, Employment or Training).

3.2 Helping people live healthy and independent lives

3.2.1 The life chances of young people who are permanently excluded from school are significantly poorer. High quality AP reduces the risk of this happening.

3.3 Supporting and protecting vulnerable people

3.3.1 This review of Alternative Education Provision in Cambridgeshire will help to ensure that:

- vulnerable children and young people at risk of failing to achieve full participation in learning have access to a relevant curriculum that is appropriate for their needs and meets statutory and legal requirements;
- schools maximise their capacity to be able to fully engage their most vulnerable students in learning to promote inclusion, maintain placements and reduce exclusions; and
- the necessary support arrangements required to stabilise a young person's educational placement are identified and plans are put in place which are then regularly reviewed to make sure that the needs are addressed and do not escalate.

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

4.1.1 If a 10% cap is applied, this would create a one off £20,821 pressure for the 2018/19 financial year only. Thereafter, there would be no pressure on the Local Authority budget because the proposals would fall within the limits of available resource in the High Needs Block element of the dedicated schools grant currently allocated to Alternative Provision.

4.2 Statutory, Legal and Risk Implications

4.2.1 The recommended proposals meet all statutory requirements.

4.3 Equality and Diversity Implications

4.3.1 There are no significant implications.

4.4 Engagement and Communications Implications

4.4.1 There has been extensive consultation with secondary schools and BAIP Leads which is described in the main body of the report, Impact Assessment and Appendices.

4.5 Localism and Local Member Involvement

4.5.1 There are no significant implications within this category.

4.6 Public Health Implications

4.6.1 There are no public health implications

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Martin Wade
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes or No Name of Officer:
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer:
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Hazel Belchamber
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Jo Dickson
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Hazel Belchamber
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer:

SOURCE DOCUMENTS

Source Documents	Location
Current SLA	Hereward Hall, March
AP Directory	Contact: Anna Wahlandt@cambridgeshire.gov.uk or on 01354 750369