

SCHOOLS FORUM – 23rd FEBRUARY 2017

Title of paper:	Secondary High Needs Devolved Funding Pilot
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Summary	
This report is a note to Schools Forum on the outcome of the LA consultation with Secondary schools on the future use of High Needs funding ring fenced for pupils who are at risk of or already permanently excluded from mainstream. The proposal includes for schools to take ongoing responsibility for the provision for pupils who would previously have been permanently excluded. The original pilot proposal was for all schools to opt in.	
Recommendation(s):	
1	To note that three trusts comprising of six secondary schools have accepted the LAs offer of their share of High Needs funding based on the July 2016 Finance Model and SLA presented by the LA. This group will form the High Needs Exclusions Pilot and is made up of The Greenwood Dale Academies Trust, Bluecoat Academies Trust and The Trinity Catholic School. Funding will be released for this current financial year (2016/17) prior to the end of the financial year and for financial year 2017/18.
2	To note that at present not all schools could agree to the pilot, due to high exclusion rates and an exclusion cost recovery clawback clause, some schools in the City are not incentivised to join under the current finance model.
3	To note that NCSEP and the LA will continue to work together to find a position where all secondary schools in the city will participate in these arrangements
4	To note the reinstatement of the Finance Sub Group of the School's Forum and that NCSEP will be expected to provide a termly update on progress in relation to the pilot proposal.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The High Needs budget is under increasing pressure due to the very high numbers of pupils who have been excluded from school over the past three years in particular.

Permanent Exclusions by School	2012/13	2013/14	2014/15	2015/16	2016/17	Grand Total
Djanogly City Academy	6	12	41	11	8	78
Farnborough Academy	5	10	12	13	5	45
Bulwell Academy	1	14	12	12	4	43
Top Valley Academy	3	6	5	8	15	37
Ellis Guilford School	3	7	6	8	5	29
The Oakwood Academy	2	4	7	10	3	26

NUSA		4	9	11		24
Emmanuel School	3	4	3	7	2	19
Nottingham Academy	4	5	3	5		17
Bluecoat Beechdale Academy		3	6	2		11
Fernwood School		1	2	2		5
Nottingham Girls' Academy		1	1			2
NUAST				2		2
Trinity Catholic School		1		1		2
Bluecoat Academy		1				1
Grand Total	27	73	107	92	42	341

Denewood and Unity Learning Centres are at their current capacity and additional provision has had to be brokered at additional cost. There are currently 105 pupils on the roll of Denewood and 143 on the roll of Unity. The additional cost currently stands at £2.205m for last academic year plus £1.899m so far this year.

Time period	PRU	External AP Costs £m
FY 2015/16	Denewood	0.885
FY 2015/16	Unity	1.320
FY 2016/17 to Oct	Denewood	0.642
FY 2016/17 to Dec	Unity	1.257

- 1.2 This exclusion trend cannot continue. This pilot proposed delegating contingency funds to schools under an equitable funding model which would also see schools taking responsibility for the provision for pupils who would previously have been permanently excluded from their school.
- 1.3 The Learning Centres currently fulfil the Local Authorities Education Duty with regards to permanently excluded pupils and in future will do so via a cost recovery mechanism. Schools will therefore still be able to permanently exclude pupils but there will be a charge for their provision. The cost recovery mechanism at present will only apply to the pilot schools and for financial year 17/18 is agreed at 15K per pupil. It is acknowledged that this sum does not represent full cost recovery.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The original proposal to devolve funding to all schools / academies was designed;
- to give Head Teachers/Principals a greater role in commissioning provision and services in line with their particular needs, based on the premise that they are best placed to make the decisions about which pupils should have priority access to such provision
 - to ensure quality and improve outcomes,
 - to increase flexibility to avoid exclusion and speed up support,
 - to help ensure that access to funding is equitable,

e. to ensure arrangements are financially sustainable and the process of locating the most appropriate provision for our students was streamlined,

- 2.2 The consultation with schools took place between October 2015 and November 2016 following on from Peter Gray's Report which was commissioned in Summer 2015. Final consultation took place in March 2016 with a view to implementation in April 2016. Several Finance models were tabled by the LA based on a sum of money that matched the budget for Denewood and Unity Learning Centre.
- 2.3 The pilot originally proposed individual sums of money representing their individual share of the budget to manage pupils at risk of exclusion. The LA urged schools and academies to consider earmarking funding and resources to support links between primary and secondary to develop effective transition support, resulting in better outcomes for pupils at all stages.

Not all schools have agreed to opt in to the pilot. The tables below show the final allocations to schools based on proposals tabled in January. Since this time schools are now subject to a clawback clause for exclusions post April 16. Under the current model some schools would receive no funds or would find themselves in a position where they had to pay funds to the LA. This is due to these schools having permanently excluded pupils during the current financial year - the costs of which go beyond the agreed and available funding. The cost of educating these pupils is subtracted from the sum of money allocated to the school under the current model, as agreed through the proposal.

The Nottingham Emmanuel School is committed to the pilot morally and will lead the way in a second wave of the pilot should funding be made available for all non-pilot schools to have a new floor agreed for the next financial year. It is noted that this would require additional funding and would need to come back to schools forum.

- 2.4 Option D Model (July 2016). The total sum made available to schools by the LA was £2,238,887.00:

OPTION D - Revised 75% Ever 6, 25% NOR option		Full Share
DfE no	School Name	
4006	Oak Wood School	115,857
4615	Bluecoat Academy	227,713
4003	Bluecoat Beechdale Academy	130,437
6905	Djanogly City Academy	123,038
4026	Ellis Guilford School	248,256
4005	Farnborough Academy	123,473
6907	Nottingham Academy	340,716
4020	Nottingham Free School	20,022
4000	Nottingham Girls' Academy	91,597
4004	Nottingham University Academy of Science and Technology	21,909
6906	Nottingham University Samworth Academy	156,308
6919	The Bulwell Academy	178,167
4064	The Fernwood School	109,526
4462	The Nottingham Emmanuel School	129,322
5404	The Trinity School	90,546
4002	Top Valley Academy	132,003
		2,238,887

2.5 The attributed costs of previously excluded pupils (up to 31 March 16) and remaining share:

DfE no	School Name	Attributed costs of previously excluded pupils					Full share less attributed costs				
		2016/17	2017/18	2018/19	2019/20	2020/21	2016/17	2017/18	2018/19	2019/20	2020/21
4006	Oak Wood School	261,321	181,046	97,889	51,502	15,148	-145,464	-65,189	17,967	64,355	100,709
4615	Bluecoat Academy	-	-	-	-	-	227,713	227,713	227,713	227,713	227,713
4003	Bluecoat Beechdale Academy	54,825	28,703	19,407	18,177	7,574	75,612	101,734	111,030	112,260	122,863
6905	Djanogly City Academy	581,243	323,302	130,269	22,721	-	-458,205	-200,264	-7,231	100,317	123,038
4026	Ellis Guilford School	273,976	185,745	81,797	15,148	-	-25,720	62,511	166,459	233,108	248,256
4005	Farnborough Academy	426,364	297,319	173,342	77,252	22,721	-302,892	-173,846	-49,869	46,221	100,752
6907	Nottingham Academy	120,790	77,252	22,721	-	-	219,927	263,464	317,995	340,716	340,716
4020	Nottingham Free School	-	-	-	-	-	20,022	20,022	20,022	20,022	20,022
4000	Nottingham Girls' Academy	36,354	15,148	-	-	-	55,243	76,449	91,597	91,597	91,597
4004	Nottingham University Academy of Science and Technology	-	-	-	-	-	21,909	21,909	21,909	21,909	21,909
6906	Nottingham University Samworth Academy	293,537	205,644	90,600	25,751	7,574	-137,229	-49,336	65,708	130,557	148,734
6919	The Bulwell Academy	315,347	207,664	146,077	84,826	22,721	-137,181	-29,497	32,090	93,341	155,446
4064	The Fernwood School	68,197	55,761	33,325	7,574	-	41,329	53,765	76,201	101,952	109,526
4462	The Nottingham Emmanuel School	148,479	86,056	33,325	7,574	-	-19,157	43,266	95,997	121,748	129,322
5404	The Trinity School	27,135	18,177	7,574	-	-	63,410	72,369	82,972	90,546	90,546
4002	Top Valley Academy	107,157	62,105	22,721	-	-	24,846	69,898	109,281	132,003	132,003
		2,714,724	1,743,921	859,045	310,524	75,738	-475,837	494,966	1,379,842	1,928,363	2,163,149

2.6 Indicative devolved funding with a floor of 43% to incentivise all schools:

4 **OUTCOMES/DELIVERABLES**

- 4.1 Funding will be monitored to ensure it is used effectively and appropriately as per the checks and measures in Section 4 of the SLA. The three signed SLA's are attached with this note.
- 4.2 Following schools forum a detailed pilot project plan will be drawn up.
- 4.3 A report will be delivered by NCSEP to the reinstated Schools Forum Finance Sub Group on a termly basis during the pilot which will include;
- a clear account of all spending by each academy
 - levels of exclusion per academy
 - impact and outcomes
- 4.4 The same report will also go to the Education Improvement Board on a termly basis to inform, evidence and rationalise city wide work streams in relation to AP.
- 4.5 The CLM system will be developed for the purposes of record keeping, tracking and monitoring progress of pupils and the impact of support. NCSEP will monitor the pilot and will report back to all schools via the Head teachers meetings and to the Finance Sub Group and to the EIB.

5 **FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 5.1 In the current government consultation on a High needs national funding formula and other reforms, the DfE have reiterated their intention for schools to have more responsibility in future for commissioning AP provision for their pupils including any whom they have permanently excluded. This would be accompanied by accountability for pupils' educational attainment and more control over the funding. They are looking at funding models including approaches already being taken in local authorities where funding for AP is distributed to schools or groups of schools. Recent indications from colleagues at the EFA are that this may be implemented in 2019/20.
- 5.2 A total of £5.565m is earmarked in the DSG reserve to supplement the annual PRU budget quantum and enable the implementation of a new AP model for the period 2016/17 to 2020/21. This was based on providing the devolved funding as shown in table 2.7 and supporting ongoing provision for pupils excluded prior to 31 March 2016.
- 5.3 As the model is not being implemented in full, this reserve funding will be required to make provision for new permanently excluded pupils from non-participating schools as well as to fund devolved allocations for the pilot schools. Latest modelling suggests that with exclusions at their current level, this earmarked reserve balance will be used up before the end of 2018/19.
- 5.4 There is therefore a risk that if revised national arrangements are not implemented by 2019/20 that there will no remaining funding earmarked in the reserve to support our local arrangements.

6 **LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

None

7 **HR ISSUES**

None

8 **EQUALITY IMPACT ASSESSMENT**

Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because the report is not establishing a new service or policy.

Yes

Attached as Appendix 1, and due regard will be given to any implications identified in it.

9 **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

Option D Financial Model (July 2016)

SLA Agreements (April 2016 to March 2018): Greenwood Academies Trust; Bluecoat Academies Trust and Trinity Catholic School

10 **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

PG review