

KEY STAGE 4 LEARNING CENTRES

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1. Purpose of report

- 1.1 To update Schools Forum on the first phase of KS4 Learning Centre development and to consult on the proposed funding arrangements for the second phase, which will commence operation in September 2008.

2. Summary

- 2.1 This report:
- a) brings Forum up to date on the successful introduction of the first three KS4 learning centres (section 5);
 - b) proposes a scheme for funding the revenue requirements for the second phase of learning centre development amounting to £1,038k in 2008/09 and £1,163k in 2009/10 onwards (section 6);
 - c) suggests changes to the scheme for dual registered pupils to improve consistency and practice and adjusts costs for inflation from £4000 to £4200 per FTE place per annum.(section 7.2 onward)

3. Actions requested

- 3.1 Schools Forum is asked to approve these proposals.

4. Background

- 4.1 In October 2005, Schools Forum received a report presenting plans for the implementation of six KS4 learning centres based on six of the seven 14-19 planning areas. The October 2005 report identified the location of the first three centres in North Herts, Dacorum and Potters Bar, and their capital and revenue funding requirements. These centres have now been implemented as extended ESCs through integrating

existing ESC and YPU provision in those areas.

- 4.2 The purpose of the KS4 centres was to :
- increase provision in an area where Hertfordshire was unable to provide the statutory entitlement of 25 hours for all of its secondary age pupils that are out of school;
 - reduce pressure on ESCs to keep pupils for longer than necessary prior to reintegration;
 - ensure access to alternative (vocational) programmes for the most challenging KS4 pupils, following the recommendations of an Ofsted report in 2005;
 - increase capacity to deal with statemented (EBD) students for whom existing YPU provision did not cater.
- 4.3 The model for the KS4 learning centres was therefore based on the expansion of the model used in YPU, by :
- admitting pupils from the start of Year 10;
 - admitting pupils with statements for EBD, where alternative provision represented the most appropriate placement (this would require an annual review and formal ceasing of the student's statement);
 - providing a full 25 hour programme including formal tuition in core elements of the national curriculum and opportunities to undertake vocational education and work related learning;
 - providing access to a range of vocational provision by providing a pathway through the 14-19 strategy in schools, colleges and other providers.
- 4.4 Schools Forum agreed to the estimated full year revenue funding requirement of £1.910m for the first three centres, through a contribution from the schools block of £1.21m and a transfer by CSF of YPU budget provision to the new centres of £0.7m. Capital funding to develop the centres was found through the capital programme, largely based on extending provision for existing YPU schemes.

5. Phase 1 of KS4 Learning Centres

- 5.1 All three centres opened in September. More than 110 KS4 students are currently placed in the three centres, including about 35 dual registered students. The new accommodation enables a wider range of alternative programmes to be offered to the students, replacing the often inadequate accommodation used by YPU and ESCs in the past.
- 5.2 Heads of centres report that the new provision is generally going well, although given the tight timescale for the building work at two of the phase 1 centres, there have been premises snagging, equipment and ICT issues to resolve during the autumn term 2007.
- 5.3 Staff from the previous YPU and ESCs have worked very hard and co-operatively to develop the integrated provision. A significant number of

new staff, particularly in vocational subject areas, have been appointed, and they are being supported through their induction period.

- 5.4 While the first requirement of a KS4 centre is to provide for permanently excluded pupils, the intention is to work with local secondary schools within the SAPG to develop flexible and part-time packages for individual students which would prevent permanent exclusion. The national six-day exclusion requirements from September 2007 could have an impact on the whole ESC's capacity and hence this aspiration. It will also be important to work within the SAPG area to identify a range of vocational opportunities from the FE College and other providers to call upon in putting together students' individual programmes.

6. Financial Implications of Phase 2

- 6.1 It is important that the three phase 2 KS4 centres come into operation from the 2008-09 academic year, to complete the planned pattern of six centres across the county. This would give a minimum of 240 places, which are required to meet the current demand for KS4 students who are permanently excluded or at risk of permanent exclusion and for whom a return to mainstream school is not viable.
- 6.2 The second phase centres would be established from September 2008 with a revenue cost of £1.531m in 2008/09. The full year cost would be £2.064m from 2009/10. Phase 1 and phase 2 centres would have the same real terms level of full-year revenue funding.
- 6.3 Under the proposed financial plan, the summer term 2008 would be used to recruit staff for new posts in the centres, and establish curriculum programmes. A start up budget was included in phase 1 centre budgets to release existing staff to develop the new curriculum and organisational arrangements, to appoint new specialist staff in advance of September, and to purchase some of the additional equipment and resources required. Under the budget proposals presented here, phase 2 would receive a similar start up budget.
- 6.4 Under the phase 2 plan, staff from existing YPU teams and therefore their related pay budgets would transfer to the centres on 1 September 2008, along with budgets for purchased programme provision. YPU provision would be fully integrated within the KS4 learning centres at that point.
- 6.5 The table below shows the overall costs and budget contributions available.

Cost of Operating 3 Key Stage 4 Learning Centres in Phase 2

	2008/09 £,000	2009/10 £'000	2010/11 £,000

Operating costs	1,531	2,064	2,064
Less existing budgets			
- YPU budgets	469	732	732
- ESC budget	66	169	169
Total existing budgets and contributions	493	901	901
Net Cost	1,038	1,163	1,163

- 6.6 There is a net cost of the centres of £1,038k in 2008/09 and £1,163k in 2009/10, which would be a pressure on the schools budget falling within the requirements for the central expenditure limit calculation. A package of measure to address these needs has been prepared for consultation, which includes a potential contribution from Headroom, subject to decisions on the Schools' Budget.
- 6.7 In order to fund the net costs identified in the table above, the package of measures suggested is as follows:

Option	2008-09	2009-10 onward
Extension of AWPU clawback following permanent exclusion	£30k	£30k
Use of Boxmoor House residual budget	£658k	£693k
a) Headroom or b) Personalisation Funding	£350k	£440k
Total	£1,038k	£1,163k

Each of these items is described in more detail in the subsequent paragraphs.

6.8 Extension of AWPU Clawback

Forum are asked to consider whether the length of time which is taken into consideration when calculating the cost for an excluded pupil can be extended. Schools Finance regulations empower the Local Authority to adjust the number of pupils included in a determination or re-determination of the school's budget share to take into account the permanent exclusion of a pupil from a school. Under present arrangements, AWPU is deducted in respect of any pupil who is permanently excluded after PLASC up to the end of the summer term. The practical effect of the proposal would be that the deduction would be extended from the end of the summer term to the end of the

financial year, where a pupil had been included in the PLASC count on which the budget share had been based.

6.9 Any changes to the recovery methodology must be replicated in full in the adjustments made to increase the budget share of a school which subsequently admits or re-admits a permanently excluded pupil.

6.10 Boxmoor House

The Boxmoor House School budget share, based on zero pupils, is currently used to meet the costs of maintaining the site, supporting the project to re-establish provision on the site, and some residual staffing costs pending outcomes of investigation. The remainder of the budget share is used to support the cost of independent placements, as these have increased due to the closure of residential provision at Boxmoor House.

It is intended that the Boxmoor House site would reopen from September 2009. A primary objective of the re-provision is to reduce the number of independent placements currently made. It is estimated that the reduction in the independent placement budget should provide sufficient resources to meet the budgetary requirement of the new school on an ongoing basis. However, when the implementation plan becomes firm for the project, there may be need for start up support. This will be discussed with Forum once any requirement has been clarified, which is likely to be within the discussions of the budget for 2009/10.

6.11 Funding Options

The balance of resources could be met from either headroom, or from new funding provided in 2008-09 for the personalisation of teaching and learning and support of SEN.

a) Headroom

An option for the balance of funding would be a call on headroom. £350k is proposed for 2008-09, and it is anticipated at this stage that this sum would be available within the overall projections for headroom for the new financial year. In 2009/10, £440k would be sought from headroom. Forum is asked to approve this provisional allocation, subject to their consideration of overall pressures on the total headroom. Further information on the total level of pressures and savings on the Schools Budget will be presented to the Forum at the January 2008 meeting.

b) Personalisation

An alternative is the use of part of a new personalisation funding allocation to be provided by DCSF.

The DSG settlement for 2008/09 includes an increase of 3.1% in the base DSG allocation. In addition the DCSF has announced further funding for personalisation and SEN. The allocation for Hertfordshire is £7.752 million in respect of pupils of statutory age, of which some £1.450 million relates to pupils in Years 10 and 11. The allocations increase further in each of the next two years.

DCSF guidance for the use of these funds includes “early intervention to prevent children falling behind, particularly those with SEN”. This aligns well with the strategic objectives of the Key Stage 4 Centres, therefore it is proposed that approximately 25% of this funding for Year 10 and 11 pupils could be applied to support the Key Stage 4 Centres. This would reduce the demand against headroom which is available to be used more flexibly.

The use of the remainder of the personalisation funding will be discussed with Schools Forum in January as part of the budget report for 2008/09.

- 6.12 Forum are asked to express a preference from these alternatives for meeting the funding requirements for phase 2 KS4 Learning Centres.

7. Other Funding Issues

7.1 Capital Funding

Capital funding has been agreed in the capital programme at £750k per centre for the phase 2 developments, including temporary arrangements. However, the longer term solutions may require additional funding which will be subject to approval in the capital programme.

- 7.2 In South East Herts, options are being developed due to the need to relocate the centre to a different site from the one originally planned. Any alternative site is unlikely to be available until at least 2009/10, and a bid of £2.1 m funding has been made through the capital programme to provide for the necessary building and refurbishment works. In the interim, direct provision for students will be made through a range of accommodation, and by commissioning provision from Herts Regional College and other sources.

7.3 Dual Registration

It may be helpful to clarify the position with regard to dual registration, and thereby improve practice in this area. Key issues are:

- In September 2005, Forum agreed that schools should contribute to support programmes for dual registered pupils at KS4 evening centres, at a rate of £4000 per annum per FTE pupil. broadening a practice already developed amongst some ESCs;

- The original concept in respect of dual registration was that it made a contribution to supporting a student's provision in a centre, without being set at high enough rate so as to provide a financial incentive to exclude;
- Resources secured through school's contributions are additional to the core budget in the tables in section 6 of this report, and would enhance the provision made for students attending a KS4 learning centre, e.g. enabling additional commissioned services to be purchased over and above that which the centre budget can provide for to suit the needs of the student;
- Heads of ESCs have identified varying levels of support amongst schools in accepting these costs. In practice charging policy varies from area to area. It may be appropriate to permit each extended ESC to continue to negotiate purchasing arrangements and charges which suit local needs and circumstances, and encourage local collaborative arrangements, rather than set countywide prescriptive arrangements;
- The original guideline charge of £4000 has been eroded by inflation, and needs to be reviewed;

7.4 It may be helpful to explore the longer term potential of the KS4 centres in relation to dual registration. The original 240 places across the county were planned to cover those pupils permanently excluded and out of school, plus to give some capacity, which would vary between centres, for dual registration. The longer term vision was for the amount of part time placements to increase, and exclusions to decrease, through a more preventative mechanism such as the St Albans inclusion panel. This approach would enable more students to stay on the roll of the school and avoid permanent exclusion.

7.5 If successful, the number of permanently excluded students at KS4 centres would be relatively small, with a higher number of part time placements. If this was agreeable with local schools, a centre would be able to offer part-time placement out of its 40 places, e.g. 20 full-time places for permanently excluded students and 20 places which might be used to offer two days a week to 50 students. A centre could thus define on a regular basis its balance of full-time and part-time places, and after taking account of its full-time students, it would charge for a part-time place, and use the money to support programmes suitable to individual student needs. In collaboration with schools, flexible arrangements would be developed that enable as many young people as possible to complete their statutory education in mainstream provision with additional support from the Key Stage 4 Centres.

7.6 Forum are therefore asked to consider the following:

a) to indicate their support for dual registration charging as a county-wide policy, with local needs and circumstances taken into account by KS4 learning centres to encourage collaboration with schools;

b) that provision by a KS4 learning centre under a dual registration arrangement is supported by a written agreement between the school and the KS4 centre (for which a model would need to be developed);

c) that consideration be given to raising the dual registration guideline charge to £4200 per FTE pupil per annum from 2008/09 to bring it up to date, and annually thereafter;

and to give their views on the longer term development of the use of dual registration outlined in paragraphs 7.4 and 7.5

8. Conclusion

- 8.1 Schools Forum is asked to note the progress in establishing the first phase of Key Stage 4 Centres, and the intention to proceed with implementation of the remaining Key Stage 4 centres.
- 8.2 Schools Forum is asked to endorse the following proposals to provide a revenue budget for the centres, and to express a preference for the source from which the remainder of the budget requirement could be met:
- Extension of the time period for which AWPU could be clawed back following a permanent exclusion;
 - Use of the residual Boxmoor House budget; and either
 - Use of the headroom available within the basic allocation of DSG; or
 - Use of part of the new allocation for personalisation announced by DCSF for 2008/09.
- 8.3 Schools Forum is asked to endorse the proposals for a more formal arrangement for dual registered pupils described in section 7, and specifically to approve an increase in the guideline charge for dual registered pupils.