**Schools Forum: EOTAS funding for Alternative Provision**

**Background**

From 1 April 2013 the EOTAS team has provided a service in partnership with schools/academies to identify and then support those children and young people of statutory school age who are temporarily unable to attend school and may need alternative education programmes arranged for them. The arrangement of an alternative programme, quality assurance of providers, monitoring of progress and re-integration into school are services provided by EOTAS via the DSG budget.

Regarding pupils who are considered by EOTAS to be at risk of permanent exclusion and who are referred to the team by schools/academies, a revised prevention of exclusion model was agreed by Schools Forum with effect from 1st April 2013 to coincide with the new formula funding arrangements:

* In the case of the **Pupil Referral Unit** (PRU), the Council agreed to continue to meet any additional Transport Costs provided that agreement is sought in advance of the placement. The Council also pays the cost of the placement up to £8,000 which was agreed then on a pro rata basis to be £41 per day. Schools/academies are charged the Top-Up costs (in excess of £8 000) for the placement directly from the PRU on a pro-rata basis. Where the Alternative Provider is a Special School like Atkinson House, the same principles apply except that the Top-Up relates to costs in excess of £10,000.
* In the case of other **Alternative Providers** (eg Skills 4U, GUST) the same principles currently apply as above. When a school commissions a place with one of these other Alternative Providers, provided that the pupil has been referred to EOTAS and the placement is agreed, the Council meets up to the first £8,000 of each full-time place on a pro-rata basis (£41 per day) and the additional Transport Costs, with the school meeting the Top-Up costs on a pro-rata basis. The provider invoices the school for the full costs, and the Council reimburses the school for the £8,000 base cost on a pro-rata basis. The average daily Top Up cost of an independent Alternative Provider varies but averages at £65.

In February 2014 Schools Forum reviewed the arrangements implemented from April 2013. Although it was felt that the basic principles on which the new funding of AP arrangements were sound the actual reimbursements to schools had been over generous and some schools were benefiting financially. In some cases the LA was funding the AP programme entirely and schools retained all the pupil led funding even though the pupil was not in school at all.

It was agreed that the funding ratio between the LA and schools needed to be adjusted.

From April 2014 therefore the EOTAS budget has met up to the first £4,875 of each full time place on a pro-rata basis, with the school funding any costs above this. This equated to a reimbursement of £25 per day from the EOTAS budget to the school.

In the case of a pupil who has been permanently excluded we continue to meet the full cost of alternative provision and transport.

**Current concern**

In the academic year 2012-13 there were 23 permanent exclusions. However, since 2013 the number has risen sharply to 41 in 2013-14, reaching 50 in 2014-15.

There are a number of underlying factors for this rise. Permanent exclusions and the number of pupils in Alternative Provision continue to rise, both of which create pressures on the EOTAS budget. It would seem that for 2015-16 the funding arrangement is no longer working as an effective prevention model and the budget is not therefore supporting improved outcomes for pupils. Thus we are reviewing the model.

**Implications for EOTAS budget**

DSG allocation for permanent exclusion and prevention of exclusion April 2015- March 2016:

Allocated to end p5 (August)

£ £

* Payments to alternative providers and PRU for

permanent exclusions 415,030 174,886

* Re-charge to schools and academies (£25 per day) for

those at risk of permanent exclusion 89,550 97,290

* Pupil travel to alternative provision 139,850 132,112

Sub-total 644,430 404,288

Based on the expenditure above, average spend per month since 01.04.15:

* Average monthly cost of alternative provision incl PRU 54,435
* Average monthly re-charge to schools and academies 19,458
* Average monthly cost of pupil travel to alternative provision 26,422

Monthly total 100,315

Year-end forecast based on average expenditure to end of August (p5)

Overspend **340 000**

We spend more on transport than we do on education provision. The transport cost includes fares incurred when pupils do not attend their provision but insufficient notice has been given to cancel. This cost can be significant, with a recent example of costs amounting to £500 in one morning for transport not used.

**Proposed action**

A review of the current model of support from EOTAS suggests that better value for money could be achieved for schools to improve outcomes for pupils at risk of permanent exclusion. Our proposed action is:

1. **To adapt the current model with immediate effect and up to 31st March 2015**

* Measures to reduce cost of transport:
  + within an agreed radius, parents are responsible for transporting their children to an education setting
  + after a risk assessment to ensure safety, make more effective use of bus passes
  + use the procurement process of Alternative Providers currently underway to engage providers who include transport in their overall cost (eg GUST, Choysez)
  + review with schools the geography of Alternative Providers used and agree a radius around each secondary/high school outside of which EOTAS will fund transport
* Reduce cost of non-attendance at alternative provision:
  + Cease the alternative provision arranged if a pupil does not attend for a minimum number of days eg 10, unless there are mitigating circumstances such as health/medical needs
  + Ensure a more consistent approach to prosecution by Education Welfare for pupils in Alternative Provision
* Schools/providers/EOTAS to work together to improve re-integration into mainstream school.
* Commit to continuing with the current model but until the budget is spent then suspend funding until 1st April 2016.

1. **Funding from 1st April 2016**

* In collaboration with schools, review how EOTAS uses the budget to support inclusion and agree a revised model for April 2016.