

**Agenda Item
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Report Status

For information/note
For consultation & views
For decision

Report to Haringey Schools Forum: 25th June 2020

Report Title: Alternative Provision Financial Modelling 2020 and beyond

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Purpose:

1. To inform Schools' Forum members of the work underway to reshape the finances for Alternative Provision in light of the agreed Change Model
2. To set out the financial issues yet to be resolved to deliver the Change Model
3. To enable a discussion about the appropriate process to address the pressing issues in the High Needs Block

Recommendations: Schools' Forum is asked to:

1. Note the contents of the report
2. Establish a new, time limited working Group comprising members from across the schools' community and the Council to bring together discussions about the range of AP/HNB finance issues facing schools in Haringey

1 Introduction.

- 1.1 Haringey Council is responsible for arranging suitable full-time education for permanently excluded pupils, and for other pupils who, because of illness or other reasons, would not receive suitable education without such provision.
- 1.2 The Council, with partners, has been carrying out a review of Alternative Provision, which has now concluded, producing a comprehensive Change Model to improve outcomes for children and young people for implementation over the next two to three years. The focus has shifted fully to delivery of this Change Model, working to a comprehensive Programme Plan across 8 strands. To facilitate this, the former Alternative Provision Review Group has been remodelled as a Programme Delivery Board, reporting to the Start Well Partnership Board. The Programme Delivery Board has new and tighter membership, building on the relationships made during the Review phase and reflecting the focus on delivery and reporting against key milestones. The Board acts as the body for resolving any issues within the strands, which have been reshaped as projects. Taking forward these strands with Schools, the NHS, parents, young people and the voluntary sector as well as colleagues across the Council is necessary to ensure that a whole systems and preventative approach remains firmly in place, and as has always been anticipated will take approximately 2 years to become fully embedded, taking us up to 2022.
- 1.3 Finance is a key enabler of the Model for Change and there has been investment in additional finance expertise and capacity to support the Project Team to understand in more detail the issues and to agree a way forward, which will be sustainable and ensure our investment contributes to stronger outcomes and a system response.
- 1.4 This brief paper sets out the work to date and the issues yet to be resolved, in light of which it also puts forward a recommendation to establish a new DSG wide group, to ensure the financial issues facing schools are considered in the round.

2 Summary of work to date

- 2.1 The work to date has been carried out on the principle that spend on Alternative Provision is a fundamental driver for spend throughout the High Needs Block. The tendency in recent years to separate out spend on Alternative Provision from other lines of spend in the High Needs Block has not offered a helpful financial model and going forward the interdependency of spend on a range of areas such as educational psychology, alternative provision, mental health interventions, independent schools and wider welfare support needs to be accepted. This will

support an understanding of how funding follows the pupil as well as of how it can support individual settings.

- 2.2 The work to date is therefore being seen as part of the wider Sufficiency Planning for the High Needs Block which comprises a wide range of areas for consideration a number of which are strongly aligned to the findings of the Alternative Provision Review.
- 2.3 For Alternative Provision, the focus has been on the following areas:
 - 2.3.1 Tracking spend to deliver the current model of Alternative Provision – and understanding how spend here has a knock-on impact for other areas of spend on the High Needs Block
 - 2.3.2 Identifying areas of overspend against current budgets based on the above
 - 2.3.3 Building the cost base for all elements of Model for Change being implemented next academic year, from the bottom up
 - 2.3.4 Understanding which elements of the new ways of delivering AP can be funded elsewhere and for how long, based on Model for Change.
- 2.4 The Council has secured additional capacity to lead the forensic work and to follow the money across a range of settings. The aim is for the financial model to enable the whole systems changes which are needed – both in the immediate and in the longer term.

3 Key issues to be resolved

- 3.1 There are several pressing financial issues which the financial model will need to address and resolve. These issues are listed here, and officers are working through them at pace.
- 3.2 Funding the Alternative Provision Hub
 - 3.2.1 The Alternative Provision Hub, to be based on the former Stamford Hill School site, will meet the educational, social and therapeutic needs of children and young people under the governance of the Haringey Tuition Centre from 1st September 2020. This hub will be resourced to offer direct intervention, reintegration support and outreach into mainstream schools, combining teaching, pastoral and specialist input. Whilst there will be a focus on secondary age pupils, both at KS3 and KS4, the provision will meet the needs of primary age children where other interventions have not had the necessary impact. For all children, the focus will remain consistently on support, intervention, attainment, and reintegration where possible, setting aspirations and ambitions high for achievement both educationally and socially. The Hub comprises the current provisions of the two Pupil Referral Units in the borough: the Tuition Service and the Octagon. As part of the Model for

Change, the new provision being established will over time reshape our approach to alternative provision.

3.2.2 Using the emerging structure for the new provision, and mindful of the HR and TUPE processes currently underway, the budget is being built from the bottom up to ensure that the provision has a sustainable basis for future development. The funding currently available to the Octagon and to the Tuition Service will need to be reshaped to ensure all aspects of the new model can be implemented.

3.2.3 There are longstanding issues also about the funding model for the Tuition Service which will be picked up and incorporated into how we are establishing the new model. At this stage, it is important that decisions affecting either of the two PRUs in the borough are considered together as they will affect how the new Hub is established. For example, the extent to which referring schools fund all placements at the Tuition Service needs to be agreed and fed into the new operating model.

3.3 Investment in new models

3.3.1 With the High Needs Block, and indeed the rest of the DSG, under severe pressure (as is set out in other papers on this agenda, which show the DSG overall carrying a £7.96m deficit as of 31st March 2020), there feels little room to manoeuvre despite the evident scale and complexity of need in the borough. However, it is argued that this is indeed the moment to adopt a more dynamic approach to funding and investment – so that the principles of prevention and early intervention, of strengths based and relationship based practice, of a relentless focus on needs and not behaviour, of engagement and of joint working and collaboration can really shine through. As part of the financial modelling, we are building investment into the prevention and early intervention elements of our work – even on a short-term basis – to effect change throughout the system.

3.3.2 Examples of where we are taking this approach, are the piloting of nurture hubs in primary and secondary school settings. We need to tease out the pros and cons of the funding flows into these provisions – and whether embedding early intervention is better served by funding responsibility sitting with schools or with the Council. Schools have traditionally funded pupil placements in AP and there is no direct contract between the Council and the AP Provider for this particular provision. The development of new provision, such as the Nurture hubs raise some fresh questions as to whether schools fund this provision directly and how, or whether it should in effect fall into a new, more centrally coordinated funding model.

4 Process to address key issues

- 4.1 Officers are acutely aware that the financial modelling work for Alternative Provision is taking place at a time of extreme challenge. Not only are the medium to long term impacts of the Covid-19 pandemic yet to be understood, but there are long-standing and increasingly severe financial pressures for many local schools due to falling rolls, increasing demand for SEND and SEMH interventions and reducing support through the DSG.
- 4.2 Whilst Schools' Forum and the associated Working Groups offer an excellent opportunity both to tease out details within the four notional blocks of the DSG: Schools, High Needs, Early Years, and Central School Services Block and to bring consequent decisions to Forum for decision, it is suggested that there would be benefit in creating a Working Group which can look across the blocks, recognising the level of strain in the system, and consider how this might be resolved, in part through a better understanding of how the various financial issues affecting schools interplay with each other. This would be an opportunity to explore the wider financial landscape for schools, as well as to agree how decisions on the High Needs Plan sufficiency plan and say the Alternative Provision Review will have a fundamental influence for every school in the borough.

5 Conclusion

- 5.1 This brief paper sets out the proposed approach to funding the implementation of the Alternative Provision Review. The increasing concerns about the financial capacity of the system to respond to need, particularly given the emerging understanding of the impacts of the Covid-19 pandemic on children and young people's mental health and wellbeing, as well as on their learning outcomes, require a fresh approach which aims to reset our model genuinely on a fresh footing.