

Meeting: Schools Forum
Date: 26 January 2015
Subject: The Academy of Central Bedfordshire (ACB)
Report of: The Governing Body of the Academy of Central Bedfordshire
Summary: To secure the future viability of The Academy of Central Bedfordshire in terms of revenue funding.

Contact Officer: Helen Redding

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency (if appropriate) N/A

RECOMMENDATIONS:

That the Schools Forum

- 1. Give a view on a proposed recalculated rate of top up funding for Group 1 and Group 2 students at the Academy of Central Bedfordshire that reflect the need to offer the full broad, balanced and relevant curriculum to both groups of students.**
- 2. Support the request for additional allocation from the High Needs Block as proposed of £384,539 in order to ensure transparency and certainty of the revenue funding for The Academy of Central Bedfordshire.**
- 3. Support a review of the provision of transport to ensure cost effective, efficient transport arrangements for both Group 1 and 2 students and meets the Council's legal obligations.**

Background

1. The vision for The ACB was developed 3 years ago to set up an Alternative Provision Free School for up to 140 students that will include the existing PRU provision. It is a locally based provision dedicated to positive experience with clearly defined success pathways for its students. The curriculum is personalised and appropriate to the needs of the students.
2. The vision reflects the absolute commitment to ensuring the very best educational opportunities and outcomes for all students in Central Bedfordshire and recognition that there needed to be a more ambitious approach for the most vulnerable. It is clear that young people who are disaffected with, and disengaged from, education are more likely to experience significant limitations to their life chances and opportunities.

3. The central aims are to:
 - eliminate permanent exclusion in Central Bedfordshire and reduce fixed term exclusions;
 - re-engage disaffected and disengaged students;
 - ensure all pupils achieve tangible accredited outcomes;
 - improve the education offer for disaffected and disengaged students;
 - improve student learning, achievement and progression rates;
 - develop expertise in effective behaviour management across all schools;
 - commission a range of quality assured offsite AP providers;
 - create a value for money alternative to existing Pupil Referral Units;
 - improve educational attainment in Upper and Middle schools;
 - ensure good levels of attendance.
4. In recognition that some students will not return to mainstream school, full-time provision is necessary avoiding the disrupted education that previously affected some students through repeated moves using the Fair Access Protocol. This supports the priority of reducing the number of young people not in education, employment and training (NEET) as well as improving the life chances of some of our most vulnerable students.
5. The ACB is governed by the Upper/Secondary School heads with representation from Middle Schools and The Local Authority. The ACB is led by an executive Headteacher with a Principal, Head of School and two assistant headteachers across its two sites.
6. The Local Authority's commitment to the vision was supported by the granting of two sites, both on 125 year leases. The success of the bid secured £3 m of capital funding for refurbishment / new build to create state of the art vocational provision on both sites.
7. The partnership working of the Local Authority and schools to establish The ACB was recognised as a noteworthy proposal by the DfE with Charlie Taylor (the former Government Advisor on Behaviour) stating 'It was an exceptional bid with a real focus on the needs of the students within the partnerships of the schools.'
8. Since opening The ACB has had two successful HMI monitoring visits and a commissioned mock Ofsted. Visiting HMI Andrew Weymouth noted, 'The Academy of Central Bedfordshire has made significant strides to address the challenges of opening of an effective AP Free School..... Robust systems have been put in place to track pupil progress and identify individuals for further support....Students have positive and constructive relationships with staff and each other... There is a culture of self-improvement supported by clear systems for reviewing performance in all aspects'.
9. The initial funding model which was scrutinised and approved by the DfE was that the school would accommodate 95 students in year 1, 120 in year 2 rising to 140 in year 3. This model generated a predicted budget of £1,965,564 which included start-up funding. It was based on the following assumptions:
 - The EfA would top slice from the Local Authority £8000 per agreed place.
 - The number of group 1 students would be consistent with the number of students previously attending CBPRU (50).
 - The budget that had been available to the PRU would be paid to the ACB via a contract (£556,000)

- That middle schools would collectively buy back 15 group 2 places in year 1, moving to 20 places in year 2 (based on consultation) rising again in year 3. ((£5,070 x 15 = £76,050 (AWPU + Pupil Premium) with an additional £1,000 per place for transport)).
 - The upper schools would buy 3 group 2 places in year one (30 places) rising to 5 places each in year 2 rising again in year 3. ((£5,700 x 30 = £171,000 (AWPU + Pupil Premium) with an additional £1,000 per place for transport)). Five additional places were available if required for either school group.
10. The ACB opened in September 2013 on the Houghton Regis site, however due to planning delays the Stotfold site was not available until late Spring 2014 (at this point in the term it was not feasible to use the site until September 2014).
 11. The initial contribution from the Local Authority over and above the £8000 per place was initially agreed at £556,760 for September 2013 to March 2014 and £581,461 from April 2014 to March 2015, subject to further clarification from the EfA with regard to future funding for Alternative Provision Free Schools. This was highlighted in the January 2014 High Needs Block Paper to the Schools Forum. The Top up paid by the Local Authority for 50 places equated to £11,629/place.
 12. Demand in year 1 demonstrated the need for places from the LA and commissioning schools. In recognition that some students should not return to mainstream school (as set out in the original vision) the number of group 1 students rose to 79 as the Fair Access Protocol was not applied where this was not in the best interests of the students involved. Some students did proceed to have a Statutory Assessment of SEN and be placed at Oak Bank School. It was not possible to meet the full demand for group 2 places as the limitations of opening on one site, coupled with the increased numbers of group 1 students, resulted in limited capacity in the key vocational teaching areas.
 13. Unlike with the former Central Bedfordshire PRU, the AWPU for group 1 students did not transfer with them. It is proposed that this is rectified in 2015/2016.
 14. Feedback from commissioning schools is that there is a demand for full time group 2 students which wasn't costed within the originally bid in terms of staffing, particularly in core subjects. The review of budget will enable this to be delivered.
 15. From September 2014, predicted demand has increased to 120 full time places which has been approved by the EFA, and has increased the specialist place numbers reported by the Local Authority, and therefore High Needs Block allocation. However upper/secondary schools have not all commissioned the projected 50 places for group 2 students and middle schools have not been in a position to guarantee the purchase of the 20 places allocated to them.
 16. This has resulted in uncertainty of future revenue funding and The ACB's ability to appoint appropriate staff across two sites

Transport (not currently funded by High Needs Block)

17. Under the current transport arrangements, all group 1 students who are entitled to transport are transported by the LA and all group 2 students are transported by The ACB. This arrangement is financially ineffective as there are instances where two different vehicles pick students up from geographically very close addresses, in one instance from the same house.
18. The desired position is that all transport is run by one provider and that this provision is appropriately funded. Currently The ACB is providing transport at a net loss of £110,000 per annum which is not sustainable.
19. The ACB is currently working with the LA undertaking detailed modelling on the provision of transport to the Academy to inform the procurement of a suitable service that is cost effective, efficient for both Group 1 and 2 students and meets the Council's legal obligations.

Way forward

20. From discussions at both upper and middle school heads meetings and with the Local Authority there has been unanimous support to seek assured revenue funding to reflect true demand for full-time places (group 1 and group 2) in the future.
This paper is therefore requesting:
 - The LA increases their commissioned places to 80 to reflect the demand for Group 1 places experienced in 2013/2014.
 - The AWPU transfers with group 1 students to The ACB from the date when the student access a place.
 - Middle School places are available but are commissioned as required to reflect the uncertainty of numbers and need and funded by the individual school on the same basis as other commissioned places (AWPU plus Pupil Premium)
 - Any agreed funding mechanism must take into account the real cost of each place which we calculate at approximately £18,005.
 - All group 2 places are commissioned with guaranteed funding from all upper and secondary schools and a subsidy from the Local Authority to bring the value up to the cost of a place.
21. There needs to be a more transparent and sustainable model of funding that is based on the actual cost of a place. In order to achieve this calculations have been based on a staffing model that meets the increased demand and need for delivery of a full curriculum for both group 1 and group 2 students. The budget required to deliver this with a 3.6% surplus is £2,445,154.
22. The EFA has increased the place element of an Alternative Provision place from £8,000 to £10,000. This provides an EFA income of £1,200,000 which is top-sliced from the High Needs Block. The school also receives £64,510 Education Services Grant plus £50,560 start up grant (2015/2016 is last year of this).
23. This has taken £240,000 out of the £581,461 previously allocated by the Local Authority to the ACB contract (leaving £341,461).

24. Increasing the number of Group 1 Local Authority commissioned places by 30 to 80 to reflect the increase in numbers experienced in 2013/2014 equates to £240,150 top up funding (30 x £8,005).
25. While mainstream schools can have a split site element in their budget, special schools and Alternative Provisions have to have costs such as these built into the top-up element of their funding. This requires an additional £120,000 to be included in the top up element, in line with that received by Ivel Valley and Chiltern Area Special Schools.
26. Due to the responsibilities of the former PRU being undertaken by The ACB, the admissions, attendance and monitoring costs of £23,000 are charged to The ACB. It is proposed that this is built into the top up element.
27. The additional elements identified in paragraphs 24 – 26 equate to £383,150.
28. If these elements are added to the budget of £341,461 currently held by the Local Authority for the ACB contract, this comes to £724,611, and the figures attached propose a Local Authority contribution of £726,000 (£1,389 difference). Overall, this would require the Local Authority contribution for the top up to increase by £384,539 from 2014/2015. This would be adjusted once the AWPU value is known for 2015/2016. As the AWPU will rise in 2015/2016 due to the one year increase in allocation of DSG, the schools' contribution will rise as their contribution relates to AWPU plus Pupil Premium.
29. Further review is required in 2015:
 - To take into account the changing age ranges of schools (as the original vision was based on the three tier system).
 - To ensure the model is sustainable and will meet EFA requirements (EFA are currently reviewing funding arrangements for Alternative Provisions) regardless of changes in leadership within schools and the LA.
 - To ensure cost effective appropriate transport arrangements are in place. (Not currently funded through High Needs Block)

Appendices:

- Appendix 1 illustrates the present funding for 2014 /15 and includes all revenue and expenditure related to transport, which shows an in-year deficit
- Appendix 2 has factored in 30 additional LA funded places to reflect actual numbers, as well as a review of the calculation of the Top Up element.