

Subject: Young Persons' Support Service

Purpose of report

1. The purpose of the report is to update Schools Forum on the financial position of the Young Person's Support Service (YPSS) and to present a number of options for addressing the projected overspend within the service. The options presented include actions to reduce expenditure in addition to proposals for additional investment.

Schools Forum is asked to consider the range of options and make a recommendation on the actions to be taken in the current year.

Schools Forum is also asked to consider the appropriate level of funding for the service moving forward in to 2011/12.

Background

2. The YPSS has a statutory requirement to provide a full time appropriate educational provision for Key Stage 3 and Key Stage 4 pupils who are permanently excluded or have no school place, as well as appropriate provision for pupils with medical needs or who are on a fixed term exclusion of more than 15 days. In addition to this, outreach work in partnership with schools in identifying at an early stage and supporting young people at Key Stage 3 and Key Stage 4 who are at risk of exclusion, in order to prevent permanent exclusion. Over the past few years, the increasing upward trend of excluded pupils has led to fewer opportunities to offer preventative programmes in YPSS centres and a loss of income to the centres. Increasing demands on statutory provision and decreasing ability to achieve income targets have resulted in an adverse variance for 2009/10.

Main considerations for School Forum

3. Contributing Factors

3.1 2009/10 Outturn Position

The outturn position for the Young Persons' Support Service for 2009/10 was an overspend of £188,000. A number of actions have already been taken to prevent this pattern of spending repeating itself in 2010/11.

Upon examination of several financial years, it is apparent that expenditure has been increased in line with historical income levels. These have decreased in recent years due to increased demands on statutory provision (see table below) and the consequent reduction in the ability to achieve income targets through preventative work in YPSS centres.

	2007/08	2008/09	2009/10
Number of Excluded pupils	57	74	71 (projected)
Number of pupils with no school place	8	10	15
Number of pupils with medical needs	77	78	85

3.2 Benchmarking with Statistical Neighbours

Using s52 government returns, a comparison of expenditure in Wiltshire with our Children's Services statistical neighbours was reported to Schools Forum in December 2009. This indicated that Wiltshire ranked 8th out of 11 authorities in terms of funding for Pupil Referral Units and Behaviour Support (measured as £ per pupil in the county).

Budget Table 1 (Net) £ per capita Statistical Neighbours

	PRUs/ Behaviour Support/ Education Otherwise (Sum of 1.3.1 to 1.3.3)
ENGLAND - Average (mean)	84
Children's Services Statistical Neighbours	
Average (median)	72
Minimum	42
Maximum	132
869 West Berkshire	72
835 Dorset	87
931 Oxfordshire	42
873 Cambridgeshire	132
865 Wiltshire	62
916 Gloucestershire	89
885 Worcestershire	52
933 Somerset	89
893 Shropshire	44
935 Suffolk	105
850 Hampshire	64

Wiltshire (out of 11 - Descending Order)

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Looking at a selection of other regional and statistical neighbours also indicates that Wiltshire has a consistently lower than average cost per pupil within the YPSS, budgeted and actual net expenditure in 08/09, 09/10 and 10/11. Wiltshire is ranked the 2nd or 3rd lowest spender across all years for the selection of these authorities;

Unit Cost Benchmarking - S52 Government Return

	Budget 2008-09	Ranked	Budget 2009-10	Ranked	Budget 2010-11	Ranked
BANES	29,609	4	20,994	2	37,720	3
Cornwall	29,349	3	57,254	6	132,179	5
Herefordshire	4,347	1	3,343	1	8,549	1
N Somerset	50,303	6	40,486	4	-	
S Gloucestershire	38,265	5	49,146	5	55,818	4
Wiltshire	20,841	2	32,283	3	35,662	2
Average	23,851		30,419		38,701	

	Gross Outturn 2008-09	Ranked	Gross Outturn 2009-10	Ranked
BANES	29,309	3	20,994	2
Cornwall	31,640	4	58,746	6
Herefordshire	4,694	1	3,585	1
N Somerset	50,303	6	39,167	4
S Gloucestershire	48,694	5	51,333	5
Wiltshire	24,512	2	30,422	3
Average	26,641		30,542	

In order to address the projected overspend for 2010/11 a number of options are considered below. These options are a combination of service reductions and investment proposals aimed at bringing expenditure in to line but also potentially addressing the relative position in terms of funding.

3.3 Options

Option 1

The amount spent across the four centres in 09/10 on alternative provision was £217,000. Through reduced usage and improved commissioning strategies, spending will be reduced by 10%; £20,000. This is good practice and will happen across all options.

In order to continue service delivery at current levels and allow flexibility for ongoing improvement within the service, the additional dedicated schools grant would be £150,000 at option 1.

Option 2

As option 1 plus a further saving of £50,000 through reductions in Teaching and Support staff.

The impact of these reductions would be: 50 hours per week reduced preventative service to schools; diminished support for pupils at risk of exclusion; risk of increase in permanent exclusions leading to a risk of poorer outcomes for vulnerable pupils; poorer relationships between YPSS and schools..

The additional investment required from dedicated schools grant would be £100,000 at option 2.

Option 3

As option 1 plus a further saving of £100,000 being the full year cost of 2.0fte teacher (£82,000) and a 0.5fte teaching assistant (£18,000.)

The impact of these reductions would be: significantly reduced preventative service to schools (100 hours per week); diminished support for pupils at risk of exclusion; high risk of increase in permanent exclusions; further pressure on YPSS budget with reduction in income generation; non-specialist teachers would be required to teach maths and science ; risk of poorer outcomes for vulnerable pupils; poorer relationships between YPSS and schools; negative impact on Ofsted outcomes.

The additional investment required from dedicated schools grant would be £50,000 at option 3.

The options and consequent loss of staff are summarised in the table below:

	Shortfall	Commissioning Savings	Teaching Savings (part year)	Number of Teachers	Teaching hours "lost" per week	Investment Required
	£	£	£			£
Option 1	170,000	20,000			0	150,000
Option 2	170,000	20,000	50,000	2	50	100,000
Option 3	170,000	20,000	100,000	4	100	50,000

Environmental impact of the proposal

4. None anticipated

Equalities impact of the proposal

5. Behaviour & Attendance Collaboratives - the new duty comes into effect from September and feasibility meetings are planned with heads and stakeholders to align services to federations, assuming the coalition government do not remove the duty. If significant investment does not take place, a fair and equitable balance of available service will be harder to deliver to Wiltshire's federations.

Risk assessment

6. The financial risk is that based on current income levels and commitments of expenditure, no action would lead to overspend at a similar level to 2009/10 financial year which is unacceptable.
7. The potential impact of the Academies Bill on the service is difficult to quantify. There will be a reduction in the Dedicated Schools Grant for central services however the current methodology for calculating that reduction does not impact on direct provision to pupils within PRUs. It is not clear how any "topslice" will be calculated in the future.
8. Internal Review - an internal operational review of the YPSS has been commissioned and will provide the basis for 2011/12 planning. A reduced service would not provide the flexibility required to follow through any action planning.

Financial implications

9. The service, operating at current expenditure commitments would overspend at a similar level as 2009/10.
10. Staffing reductions and implications of these are contained in the main body of the report.

Legal implications

11. Option 3 will require advice and support from the Council's HR team.
12. The service is known to be funded at a low level in comparison to statistical neighbours. Relationships between schools and centres vary – further investment plus the internal review will provide the platform for excellent relationships and a move to working with the behaviour & attendance collaboratives.

Options considered

13. Options 1-3 as proposed in the main body of the report. Options rejected included, no action and a larger request for service growth funding. In view of the current national funding position, neither was considered viable.

Conclusions

14. Significant investment is required in the YPSS service in order to: bring Wiltshire PRU provision in line with average spending by statistical neighbours; allow YPSS to meet statutory requirements as well as providing preventative services; allow flexibility service improvements and alignment with the Federations following the planned operational review.

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Background papers

S52 data provided from statistical neighbours
Pupil data from local authority registers

Appendices

None.