

NORTH LINCOLNSHIRE COUNCIL

PEOPLE CABINET MEMBER

FUNDING, STAFFING AND LEGISLATION FOR PUPIL REFERRAL UNITS

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To inform the Cabinet Member of the changes to funding, staffing and legislation for pupil referral units effective April 2013.
- 1.2 To seek approval to update the establishment to reflect the changes affecting the Young Persons' Education Centre and the Darley Centre; amending the financial and workforce monitoring and reporting for North Lincolnshire pupil referral units.

2. BACKGROUND INFORMATION

- 2.1 North Lincolnshire has two Pupil Referral Units or 'PRU's. Each Pupil Referral Unit has a management committee that acts in a similar way to a governing body of a mainstream school. The management committee has a strategic role setting out and monitoring the aims and objectives of the unit to ensure children are safe, have their needs met and receive a good standard of education.
- 2.2 The Darley Centre was established in 2005. It provides for children aged 11-14 (Key Stage 3) on the roll of a mainstream school and at risk of permanent exclusion because of behavioural difficulties or who have been permanently excluded from a mainstream school. In their last Ofsted inspection report dated 15 February 2012, the Darley Centre was described as a "good PRU because the majority of pupils return successfully to mainstream."
- 2.3 The Young Persons' Education Centre (YPEC) was established in 2001 as a Pupil Referral Unit providing education for pre- and post-natal students. It now has twenty places and has widened its remit to include vulnerable young people with a range of needs. The latest Ofsted report on YPEC, published 4 February 2011 judged the overall effectiveness of this PRU to be outstanding.
- 2.4 The Government has given Pupil Referral Unit management committees delegated budgets and control of staffing, as outlined in the schools White Paper 2010 and, in part, enacted by the Education Act 2011.

- 2.5 Changes made by the Education Act 2011 require the delegation of budgets to PRUs from 1 April 2013, the School and Early Years Finance (England) Regulations 2012 (and relevant guidance) prescribe how PRUs budget shares are to be calculated, and changes made in the Pupil Referral Units (Misc Amendments) (No2) Regs 2012 require local authorities to delegate to PRU Management Committees the necessary powers to spend any budget delegated to them.
- 2.6 PRU Management Committees now have the power to sign contracts, spend budgets and approve expenses and responsibility for all other financial decisions necessary to manage and spend budgets effectively, such as maintaining accurate accounts.
- 2.7 These changes essentially give PRUs similar autonomy over budget and staffing decisions as that enjoyed by maintained schools.
- 2.8 The current establishment of North Lincolnshire Council recognises that the governing body of a maintained school is the immediate employing authority; although the Council remains the ultimate employer. Currently, the management boards of the YPEC and Darley Centre are not recognised as the immediate employing authority and human resource issues are handled as if the staffs are directly employed by North Lincolnshire Council.

3. OPTIONS FOR CONSIDERATION

- 3.1 There is only one option being presented for consideration, which is to recognise the legislative changes affecting the Young Person's Education Centre and Darley Centre. In practice this means:
- providing the PRUs with delegated budgets and the associated powers to spend their budget
 - recognising that the PRU management boards are the immediate employer of their staffs and amend the establishment to reflect this change
 - updating the Council financial and workforce monitoring to reflect the new requirements

4. ANALYSIS OF OPTIONS

- 4.1 The option presented meets the requirements of the statutory guidance for local authorities. The employment rights of staff are unchanged. Updating the establishment will make it clear which employees are within the structure of each PRU, should either Management Committee exercise their right to seek academy status at a later time.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Finance

PRUs are funded from the Dedicated Schools Grant (DSG). Since 1 April 2013, the management committees of PRUs have delegated budgets. They also have responsibility for all other financial decisions necessary to manage and spend budgets effectively. Each PRU Management Committee

is required to meet the requirements of the Consistent Financial Reporting (England) Regulations 2012. The way funding is allocated to PRUs has also changed from 1 April 2013, in line with changes to 2013/14 school finance.

5.2 Staffing

The relevant parts of the School Staffing (England) Regulations 2009 now apply to PRUs and North Lincolnshire Council remains the employer of all staff. Primary responsibility for all decisions about the recruitment and management of staff (including appointing, appraising, suspending or dismissing members of staff) now sits with the management committee of each PRU, rather than the local authority. The local authority continues to be responsible for agreeing pay and conditions. As with community schools; the local authority carries out the actual appointments of staff based on each management committee's decisions.

There are no changes to the terms and conditions of individual staff members.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

6.1 Statutory – the option presented meets legislative requirements detailed throughout the report and is consistent with the statutory guidance for local authorities.

7. **OUTCOMES OF CONSULTATION**

7.1 The new arrangements have been discussed with the Heads of the YPEC and Darley Centre. The right to a delegated budget and staffing control has been welcomed by both Heads of the PRUs. Schools Forum has agreed the funding mechanism for the delegation to PRUs.

7.2 Employees based at the PRUs have been advised that processes for appointing, appraising, suspending or dismissing members of staff now rests with the Management Committee of their PRU.

8. **RECOMMENDATIONS**

8.1 That the Cabinet Member approves the updating of the Council's establishment and associated financial and workforce monitoring to reflect the new delegations to PRU Management Committees for funding and staffing. In practice this means:

- providing the PRUs with delegated budgets and the associated powers to spend their budget
- recognising that the PRU management boards are the immediate employer of their staffs and amend the establishment to reflect this change
- updating the Council financial and workforce monitoring from 1 April 2013 to reflect the new requirements

DIRECTOR OF PEOPLE

Civic Centre
Ashby Road
Scunthorpe
North Lincolnshire

Author: Pete Thorpe

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Background Papers used in the preparation of this report:

Alternative Provision: Statutory guidance for local authorities: January 2013