Alternative provision market analysis

Research report

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Introduction

The Government announced its vision for reforming alternative provision (AP) in March 2018. This includes building a strong evidence base about how local AP operates and how to improve outcomes for pupils at classroom, institution and local area level. In terms of the latter, while some local areas have developed new ways of organising local provision and decision-making responsibilities for AP, there is presently no information that would allow informed consideration of these models. For this reason, the Department for Education (DfE) commissioned a team led by Isos Partnership to undertake research to gather information about how AP in local areas is organised, the factors that affect demand, and what makes for an effective "local AP system". We have gathered evidence through a survey that was completed by 118 local authorities (LAs), which was complemented by visits to 15 local areas to explore local AP arrangements in more detail with school, AP and LA leaders. The research was undertaken during the spring and summer terms 2018.

Chapter One: The make-up of local provision

The first theme we considered in our research concerned the make-up of local provision, or, in market terms, understanding the nature of "supply" in local AP markets.

The purpose and aims of AP

Most LAs use AP for a wide range of purposes, with the majority of LAs identifying multiple reasons why they would use AP. The most common reasons given were provision for excluded pupils (selected by 96% of LAs), provision for mental and physical health-related reasons (80%) and early, preventative support (78%). Other reasons, selected by between two thirds and a half of LAs, included using AP to provide positive alternative educational pathways (69%), reintegrating pupils who have been out of formal education (56%), placing pupils who have arrived mid-year (53%), and a lack of specialist provision (52%).[1]

These differences reflect differing approaches to arranging local support for inclusion, but our research suggests they also reflect whether LAs see the role of AP in more *reactive* (finding places in AP when pupils are out of mainstream education) or *pro-active* (fostering inclusion in mainstream education) terms. There are, however, challenges to operating in a more pro-active way. These include rising demand for AP (including from permanent exclusions), the diminution of support services, an erosion or lack of trust-

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[1] The purpose of fair access protocols is to ensure that, outside the normal admissions round, unplaced children, especially the most vulnerable, are found and offered a place quickly, so that the amount of time any child is out of school is kept to the minimum. Every LA is required to have in place a fair access protocol, developed in partnership with local schools.

based local partnerships and "disruptions" caused by new providers entering a local education system in an unplanned way. This can create a "catch-22" for LAs: rising demand causing greater pressure on AP and reducing the capacity of preventative services to step in and provide early support.

The provision that is available locally

One of the aims of the research was to build a greater understanding of the supply side of local AP markets, and specifically the make-up of local provision. We found that most LAs worked with a small group of AP providers, in most instances predominantly state-funded AP providers, from which they commissioned the bulk of their places: specifically, 83% of LAs reported that three quarters or more of the AP places that they commissioned were in state-funded AP. The majority (78%) of AP places commissioned from the high needs block were in state-funded provision (54% in pupil referral units (PRUs), 21% in AP academies, and 3% in AP free schools).[2] Independent AP accounted for 14% of AP places commissioned, although a minority of local areas reported using independent AP more extensively. Our research did not suggest that there was a single "right" model for organising AP: we saw examples of well-functioning local AP systems in which the majority of provision was commissioned from the state-funded sector, and those that commissioned from a variety of state-funded and independent provision. Our research suggested, however, that there can be challenges in terms of ensuring the right range of provision where one provider or sector provides all or almost all local AP.

Furthermore, the majority (84%) of places in local AP are commissioned for secondary-age pupils, with 14% for primary-age pupils and 1% for post-16 students. Scaled to the size of the local pupil population, we found that there were, on average, 11 primary-age places in local AP per 10,000 primary-age pupils, and 88 secondary-age places in local AP per 10,000 secondary-age pupils.[3]

The costs of AP

Our research found that, drawing on data from the 2017-18 financial year, the average cost of a full-time placement in AP for one academic year was £18,000. The average costs of placements in a PRU (£17,600), an AP academy (£18,100) and an AP free school (£18,300) were close to the overall average costs for all AP providers, but placements in independent AP were slightly higher (£20,400 for independent AP registered as a school, £19,000 for unregistered independent AP).

Levels of average costs of AP placements also varied across local areas. Our analysis did not suggest that there was a single factor or set of factors that could adequately explain these variations. We did not find that higher levels of use of AP or commissioning

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[2] In this report, we use the term 'state-funded' AP to refer to maintained PRUs, AP academies and AP free schools. We distinguish this from independent AP.

[3] These and other calculations scaled to 10,000 of the school population are taken from the school census data, *Schools, pupils and their characteristics: January 2018*.

from multiple AP providers were related to lower average costs. We drew two conclusions from this. First, we consider that cost is one area where local AP systems do not operate like traditional markets. In the AP market, providers do not appear to offer similar services and compete on price – nor, given that many AP providers are relatively small and given the finite resources available for local AP, would it necessarily be desirable for the local AP system to operate in this way. Second, our research suggested that a complex range of factors influence the cost of local AP. These include historical levels of funding relative to other local areas, local strategic decisions about inclusion, the nature of local provision, and the strength of partnerships between the LA, schools and AP providers.

The interface between AP and specialist provision for pupils with SEN

Another key consideration about the make-up of provision or "supply" in local AP markets is the interface between AP and special educational needs (SEN) provision. One reason for this is the significant proportion of pupils placed in AP who have an identified SEN and are either being supported at the level of SEN support or have an education, health and care plan (EHCP).[4] Another reason is that LAs reported to us that they were facing similar and related demand pressures for AP and specialist provision for pupils with social, emotional and mental health (SEMH) needs.

We found that 88% of LAs reported that they had some form of local, state-funded specialist SEMH provision, mostly in the form of special schools, and, as with the AP sector, predominantly for secondary-age pupils. Our research suggested that local areas with no specialist SEMH provision were likely to have fewer primary-age pupils in AP, but more secondary-age pupils placed in AP. Our research suggests that this reflects different approaches to inclusion in the primary and secondary phases, with a lack of specialist SEMH provision more likely to create additional demand pressures on AP in respect of secondary-age pupils.

It was most common (56%) for LAs to report that their local AP and local specialist SEMH provision operated separately. A quarter (24%) of LAs described arrangements whereby AP and specialist SEMH provision operated in an integrated (run by the same organisation) or combined (operating as a single service) manner.[5] Local areas said that all three models were contending with the twin challenges of rising demand and maintaining clarity about the respective roles of AP and SEMH provision. Our research suggested that models with separate AP and SEMH provision were better able to maintain clarity of respective roles, but integrated models may enable a more holistic

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[4] Data collected through our survey suggested that around four in 10 school-age pupils placed in AP were supported at the level of SEN support, and the proportion with EHCPs ranged from 18% in primary to 8% in Key Stage 4. We note that the figures for the proportion of pupils placed in AP with SEN support reported through our survey differ from the national census data. We offer an explanation for this discrepancy in the section on the interface between SEN and AP in chapter one.

[5] The remainder either had different arrangements across phases, did not have SEMH provision, or did not specify how their arrangements worked.

approach to inclusion support. Our analysis suggested that local areas with separate AP and SEMH provision were more likely to have fewer secondary-age pupils in AP (63 per 10,000 pupils, compared with 96 under combined or integrated models), slightly lower rates of secondary permanent exclusions (0.21 compared with 0.23), and fewer secondary-age pupils in specialist SEMH provision (32 compared with 44).[6] Our conclusion is not that there should be formal rules about which pupils should be supported in AP and which in specialist SEMH provision, but rather that this provides further evidence of the need to see AP as part of a system of broader inclusion support that requires careful strategic planning.

Arranging provision: The supply side of local AP markets

Our research suggests that there is not a single "best model" for arranging local AP. Instead, our research has underscored the importance of having a clear strategic plan that articulates a shared understanding of the role of local AP, can inform decisions about the most appropriate support pathway for a pupil, and can ensure the local offer of inclusion support can respond swiftly and flexibly to local needs.

In other words, local AP needs to be seen as system that has to be planned strategically, rather than as a traditional market. Indeed, our research suggests that, in certain important ways, AP does not operate like a traditional market. First, demand for AP is highly sensitive to changes in supply. In traditional markets, this would encourage growth, but increased demand in the AP market means there is increased pressure on local provision and strain on finite resources. Second, there are barriers to supply responding swiftly to changes in demand, such as LAs and providers not having the scope and resources to develop new provision (and the risk that new provision will encourage additional demand pressures). Third, new providers entering the market do not necessarily improve competition and market efficiency, but can, when their entry is unplanned, duplicate existing provision and undermine the local strategic plan for AP.

Chapter Two: How local alternative provision is used

While chapter one detailed how the national and local AP systems operate in terms of provision – or, in market terms, the nature of *supply* of AP – the focus of chapter two is how local AP is used, and the nature of and factors that affect *demand* for AP. We focused specifically not only on how AP is used, but on how and by whom decisions about the use of AP within local systems are made.

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[6] The data on exclusions that we have used here is taken from the most recent published national dataset, *Permanent and fixed-period exclusions in England: 2016 to 2017* (DfE).

Responsibility for pupils placed in AP

We asked LAs whether high needs block funding and responsibility for shaping local AP and placing pupils in AP were held centrally by the LA or devolved to schools (either individually or in partnerships). We found that:

- 76% of LAs had "centralised" arrangements, where responsibilities for high needs block funding for AP, shaping local provision and making decisions about placing pupils in AP sat with the LA; and
- 24% of LAs had "devolved" arrangements, where some or all of these responsibilities for funding, provision and placements were devolved to schools, either individually or in local partnerships.[7]

Our analysis suggested that local areas with devolved arrangements were more likely to use AP for preventative reasons, had fewer secondary-age pupils in AP (and pupils in elective home education, or EHE), and were more likely to report that their spend on AP was in line with what was budgeted. Even when taking account of the effect of deprivation, local areas with devolved arrangements had lower rates of secondary permanent exclusion and lower use of AP.[8] Local areas with devolved arrangements also had higher average costs of placements in AP, particularly in independent AP. Our research suggests that this reflects the fact that, although they are placing fewer children in AP, those they are placing have more complex needs.

As with the make-up of provision, overall, our research did not suggest there was a "right model" for arranging decision-making responsibilities for AP. Instead, our research suggested that an essential pre-condition for a well-functioning AP system is mainstream schools having strong individual and collective responsibility for pupils placed in AP. This means schools remaining *individually* connected to and responsible for the outcomes of pupils placed in AP, and *collectively* responsible for the AP system, its use, and the wider local education system in which it operates. Devolving decision-making and funding is one *means* of fostering these two levels of responsibility, but our research also identified alternative ways that these responsibilities can be fostered.

At the same time, however, LA and school leaders argued strongly that the current system does not incentivise such approaches. There was a strong consensus among school leaders in all of the local areas we visited that current funding arrangements for AP made it cheaper for schools to permanently exclude a pupil (since the LA would bear the cost) than to keep a pupil in mainstream school or place them in AP for preventative purposes (since the school would bear the cost). Similarly, LA officers and school leaders argued that fostering inclusion was not adequately recognised in the current

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[7] These categorisations are based on arrangements for secondary-age pupils. We chose the secondary phase as the point of comparison because the bulk of pupils placed in AP are of secondary age, and devolved models are comparatively more common in the secondary phase.
[8] The deprivation measure that we have used is the 2015 index of multiple deprivation.

accountability and inspection framework, which could further disincentivise schools from admitting, supporting or reintegrating pupils with additional needs.

Furthermore, we found that LAs played a key role in maintaining the system-level overview and framework within which could operate individual and collective responsibilities among mainstream schools for pupils placed in AP. This "key-working" role, which involved maintaining an oversight of all pupils not in full-time mainstream education or at risk of becoming marginalised, providing advice and brokering solutions, and supporting planning of pupils' reintegration into mainstream education, was an essential lynchpin of an effective local AP system. We did not come across a mature, well-functioning local AP system in which the LA was not playing this role.

Pupils' journey through AP

When considering the demand side of the local AP market, and looking at how local AP is used, our evidence suggested that the pattern of AP usage changed as pupils got older. Specifically, among secondary-age pupils:

- there are higher numbers of pupils placed in AP;
- placements in AP are more likely to be as result of permanent exclusion, and less likely to be for preventative reasons;
- placements tend to be longer term; and
- the profile of destinations changes, with reintegration to mainstream school less likely.

Pupils placed in AP

The majority of pupils placed in AP were of secondary age (85%). A very small proportion of placements in AP were for Key Stage 5 students (2%). Just over a quarter (26%) of LAs said they used AP for Key Stage 5 students, but only in very specific circumstances, such as on health-related grounds or to assist the post-16 transition for a care-leaver or young person with an EHCP. LAs also highlighted growing numbers of pupils not in full-time education and EHE: the likelihood of both increased for secondary-age pupils.

Reasons for placements in AP

We asked LAs for a breakdown of the reasons for placements in AP over the last 12 months. This revealed that secondary-age pupils were less likely to be placed in AP for preventative reasons (33% in primary, 26% in Key Stage 3, 20% in Key Stage 4) and more likely to be placed following permanent exclusion (36% in primary, 45% in Key Stage 3, 41% in Key Stage 4). The data also showed a small but significant proportion of pupils placed in AP because they had arrived mid-year and did not have a suitable school place or because of a lack of specialist SEMH provision.

Type and duration of placements in AP

While most (75%) pupils were placed in AP on full-time placements, primary pupils were more likely to have dual placements split between AP and mainstream school (31%)

compared with secondary pupils (11% and 10% in Key Stages 3 and 4 respectively). Most school-age pupils placed in AP were on their first placement in AP (85% for primary-age pupils, and 77% and 73% for pupils in Key Stages 3 and 4 respectively). This is significant, as it shows that growing demand for AP is not driven by a small number of pupils going through a cycle of mainstream placement breakdowns and moves into AP, but rather by increasing numbers of pupils leaving mainstream education and moving into AP. On average, placements in AP lasted between one term and one academic year, but were more likely to last longer for secondary-age, particularly Key Stage 4, pupils.

Destinations after AP

Almost two thirds of primary pupils (65%) and Key Stage 3 pupils (64%) returned to mainstream school, but this figure is lower among Year 10 (53%) and Year 11 (10%) pupils. As pupils approach the end of the secondary phase, they are less likely to return to mainstream school and more likely to complete their school career in AP, before moving onto college or employment. The proportion of young people previously placed in AP becoming not in education, employment or training (NEET) rises for Year 11 pupils (12%) and Key Stage 5 students (24%).

The demand side of local AP markets

Our consideration of how AP is used has underscored the importance of thinking of AP as a system, rather than as a traditional market, in which collective responsibility for the use of AP and its links to the wider support for inclusion and the local education system as a whole is paramount. It has also indicated that local areas are facing both rising levels and a changing nature of demand for AP – for example, 82% of LAs reported that demand for AP has increased in the last three years. Under these first two of our three research themes – of provision (market supply) and use (market demand) – our research suggests a picture of an AP system that is facing the challenges of meeting rising demand and improving outcomes. It is also a picture of local systems where strategic planning and collective responsibility are essential pre-requisites, but where there are constraints on and disincentives for local leaders to embed and sustain strategic, collectively responsible ways of working. In the final section of this report, we explore the characteristics of an effective local AP system and what is needed at local and national levels for those to become embedded.

Chapter Three: The effectiveness of local AP systems

Characteristics of an effective local AP system

Our consideration of how local AP systems (or markets) are operating currently, in terms of provision (supply) and use (demand), highlighted:

- the importance of having a strategic plan for AP and broader inclusion support;

- the need to foster the right combination of responsibilities between schools, AP providers and the LA and partner agencies for the placements and outcomes of pupils placed in AP; and
- the important inter-relations between AP and other parts of the local system, including mainstream education, SEN and disability (SEND), early help and social care, and local health services.

We have expanded on these points by setting out nine key characteristics that we have found would be required for local AP systems to operate effectively.

	Theme	Key characteristics of the local AP system
1	The make-up of local provision	**1. Quantity** – will depend on strategic decisions about role of local AP and other inclusion support. It is crucial to have a clear strategic plan for inclusion, and clear roles for all AP providers. Equitable access to support across the local area is also vital. **2. Range** – having the right range to (a) meet pupils' needs, and (b) provide appropriate support options and pathways (in-school, outreach, turnaround, long-term placements). **3. Quality** – having a well-developed QA framework (covering safety, attendance, engagement, progress, progression, wellbeing), and building provider quality pro-actively.
2	How local AP is used	**4. Financial realism** – ensuring that there is collective understanding of local resources available for AP in order to inform strategic choices, trust and equitable access to support. **5. Responsibilities** – (a) school-level responsibility for individual pupils placed in AP, their outcomes and destinations; (b) collective school responsibility for fair and equitable use of AP. Crucial oversight and QA role for LA. Join-up with SEND, early help is crucial. **6. Strategic planning** – pro-active fostering of inclusion to meet needs and manage demand (not just finding placements). Tight, informed, responsive commissioning.
3	The effectiveness of the local AP system	**7. Responsiveness** – ensuring AP providers are connected to the local system and see their role as responding to local needs, not defining and performing within their own niche. **8. Outcomes** – the local system has collectively agreed systems and performance measures, aligned to strategic priorities, that enable AP providers to demonstrate impact. **9. Funding** – funding is used flexibly to incentivise inclusion and support strategic priorities. Decisions are informed by financial considerations, and the overall impact on the high needs block is considered. Benchmarking is used to ensure value for money.

Creating the conditions for the characteristics of effective local AP systems to become embedded and to be sustained

In terms of what is needed to create the conditions for these characteristics to become embedded and to be sustained, LA officers, school and AP leaders made two sets of suggestions. The first related to the operation of and the policy framework governing the AP system. They apply to both local leaders involved with the local AP system, including AP providers, schools and LA officers, as well as to national policy. These suggestions were to:

- rearticulate the important roles and responsibilities both of LAs and of schools and AP providers to work together to ensure the local AP system operates effectively;
- revisit the fundamental purpose of AP within the education system, and the role of practices related to inclusion and exclusion in supporting this aim; and

- ensure frameworks of quality assurance (QA) and inspection recognise and take account of the diversity of local AP markets and the range of roles played by local providers.

The second related to areas of education policy that influence how AP is used. These included:

- ensuring that there is scope and that there are incentives for schools and colleges to offer the curriculum options to keep pupils engaged in education and included in mainstream settings;
- considering how to foster school responsibility for pupils placed in AP, and to recognise and encourage the work schools do to support and include pupils with additional needs; and
- ensuring the inspection framework balances standards and inclusion, taking account of inclusion, reintegration, and the movement of pupils off the school roll.

Through this research, we have gathered a wide range of evidence about how local AP systems (or markets) are operating – how provision (supply) is arranged, and how and by whom decisions are made about how AP is used and the implications of this for demand for AP. We highlight three overarching conclusions from our research.

First, the AP market does not operate as a traditional market. Unlike traditional markets where growth is a positive characteristic, the AP market is one where there is the need to ensure demand is carefully controlled and aligned to the supply of local provision. As we have described in this report, demand is highly sensitive to supply and to some extent dependent on actions taken in the mainstream education system, while there are challenges for local areas in ensuring the supply of provision keeps pace with demand. As such, our research suggests that it makes more sense to consider local AP as a *system*, rather than a *market*. Furthermore, the AP system is one in which strategic planning, a strong sense of the respective and shared responsibilities of mainstream schools, AP providers and the LA, and an understanding of the connections and inter-relations between AP, inclusion support and the wider local education system are central to its effective operation.

Second, our research has also found that there are barriers to local AP systems operating in this way. Some of these barriers relate to the aspects of the current policy framework governing the AP system. Among these is funding, and specifically the fact that mainstream schools currently bear the cost of placing a pupil in AP for preventative reasons, but not for a pupil who is permanently excluded. Another barrier highlighted by school leaders was the fact that the accountability and inspection system does not adequately recognise – and may inadvertently disadvantage – actions schools may take to include or reintegrate pupils with additional needs. Overall, school and LA leaders argued that the current policy framework does not incentivise – and in some ways can

act as a disincentive to – the kinds of responsibilities and actions needed in an effective local AP system.

Third, in considering what is needed to enable the AP system to operate effectively at local and national level, and achieve the best outcomes for the pupils it supports, we have highlighted what more could be done at both local and national level in relation to both the AP system and wider influences on the mainstream education system.

Alongside the other work the Department has commissioned, we hope that our research provides a useful insight into how local AP systems operate and what more could be done to ensure that there are effective arrangements for supporting pupils with additional needs in their local areas.

Introduction

Context and aims of the research

The Government announced its vision for reforming AP in March 2018, with a focus on ensuring high-quality support and progression for pupils supported in AP. A central part of this reform programme is building a strong evidence base about how local AP operates and how best to improve support and outcomes for pupils at classroom, institution and local area level.

The attention the AP sector is receiving is both timely and important. Currently, pupils placed in AP achieve poorer academic outcomes, on average, than their peers and are more likely to become NEET.[9] Feedback from LAs, schools and providers suggests that demand is rising. Publicly available data, which only relates to pupils in PRUs, suggests that the number of pupils in AP has increased by around 3,782 since 2012 (from 12,950 in 2012-13 to 16,732 in 2017-18).[10] This was a rise of 29% (between 2012-13 and 2017-18), compared to an overall rise in the pupil population of 7%. While this does not provide the full picture, it gives a sense of rising demand in PRUs that LAs, schools and providers suggested was being seen across the AP sector. While demand is increasing, local resources for AP are increasingly stretched, with published data suggesting that total spend from the high needs block on AP and spend per AP placement decreased between 2015-16 and 2017-18.[11] (We note that this published data is based on what LAs reported they spend, either themselves or through high needs block funding that is devolved to schools. While we know some LAs report their spend on AP differently, the overall trend appears to be one of decreasing spend on AP.)

While long-standing challenges, particularly related to pupil outcomes and destinations, remain, the Government and previous administrations have considered a range of reforms of the AP sector. The 2010 white paper, *The Importance of Teaching*, made a commitment to piloting mainstream schools taking on responsibility and funding for permanently excluded pupils. Consequently, the school exclusions trial was established. The trial ran from autumn 2011 to autumn 2014, and involved volunteer schools from 11 local areas. The evaluation of the school exclusions trial found that participating schools were less likely to permanently exclude pupils, and more likely to take responsibility for children at risk of exclusion and work in partnership with other schools and the LA.[12] In 2012, Charlie Taylor published an independent review of AP. The 2016 education white

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[9] For data showing academic outcomes, see DfE, *Revised GCSE and equivalent results in England: 2016 to 2017*, specifically the alternative provision tables. For data on rates of young people who are NEET, see *DfE, Destinations of KS4 and KS5 pupils: 2016*.
[10] DfE, *Schools, pupils and their characteristics*, data taken from 2012–2018 statistical releases.
[11] DfE, *Section 251: Budget level summary and high needs, 2015 to 2016*; *Section 251: Budget level summary and high needs, 2016 to 2017*.
[12] Institute for Education and National Foundation for Educational Research, *School exclusions trial evaluation: Research report*, July 2014.

paper *Educational Excellence Everywhere* set out the Government's ambition to align incentives, accountability, commissioning and funding responsibilities relating to AP more effectively at local level.

During this period, there has been increasing interest in different ways of organising local provision and decision-making responsibilities. There have also been policy reforms that have enabled PRUs to become academies, as well as routes for new AP free schools to be established. While new approaches have been developed in local areas, there is currently no information held about these approaches and "models" of local AP, nor comparable information about their effectiveness and impact. While there have been research and evaluative studies of aspects of practice and provision in the AP sector, there has not been consideration of how AP operates as a *system* and the inter-relation with the wider education system within a local area.

For this reason, in January 2018, the DfE commissioned a team led by Isos Partnership to undertake independent research to consider how the current AP market, at national and local level, operates. The research aims to improve understanding of the ways in which AP in local areas is organised (in market terms, exploring the nature of "supply"), the factors that affect demand for AP and how LAs and schools plan for this, and what makes for an effective "local AP system" or market.

This research forms one of several pieces of parallel work that the DfE has commissioned to gather evidence and inform future policy regarding AP. To complement this research, the DfE also commissioned a parallel research project that will focus on current practice within AP and will gather the views of school leaders, AP providers, children in AP and their parents.[13] In addition, Edward Timpson is undertaking an independent review of exclusions. Taken together, we hope that these research projects and Edward Timpson's review will help to inform both national policy and the work of those involved in commissioning and working with AP providers at a local level.

Scope of the research

For the purposes of this research, we have used the definition of AP found in statutory guidance.[14] This defines AP as:

- education arranged by local authorities for pupils who, because of exclusion, illness or other reasons, would not otherwise receive suitable education;
- education arranged by schools for pupils on a fixed-period exclusion; and
- pupils being directed by schools to off-site provision to improve their behaviour.

Within this definition, we include pupils placed in AP for reasons related to exclusion or the prevention of exclusion, pupils placed in AP to support engagement or re-

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[13] The parallel research project focused on current practice in AP was undertaken by IFF Research.
[14] Department for Education, *Alternative provision: Statutory guidance for local authorities* (January 2013).

engagement with education, and those placed in AP for health-related reasons (both physical and mental health). We should note, however, that while placements in AP for health-related reasons fall within the scope of the definition of AP, places and placements in designated hospital schools are not within the scope of this research.

The aim of this research has been to focus on AP within local education systems, working primarily with LAs and local partners in the AP and wider local education system to gather information about what provision is available and how it is used in each local area. Since this information does not currently exist, one of the tasks of this research has been to work with LAs to gather it. We have focused, therefore, on information that LAs hold. We have not asked LAs to gather *additional* information about how schools use AP from schools' own (delegated) budgets. Instead, our focus has been on information that LAs hold about the use of AP that is funded through the high needs block of the dedicated schools grant (DSG), whether this is held centrally or whether funding and the corresponding decision-making responsibility has been wholly or partially devolved to schools. Placements in AP by schools from their delegated budgets or placements by other agencies (such as parts of the National Health Service) are not within the scope of this research.

Our approach

We have approached this research in three phases.

Phase one: this involved the initial development and testing of our key research tools, including a survey of LAs, through three regional focus groups. The three focus groups were held in Nottingham (hosted by Nottinghamshire County Council), Leeds (hosted by Leeds City Council), and central London in early February, and were attended by representatives from 29 LAs.[15] LAs were selected to ensure the focus groups reflected a range of different local AP arrangements – including patterns of provision and ways of organising responsibility for the placement of pupils in AP – as well as contextual characteristics (type of LA, size of pupil population, proportion of pupils eligible for free school meals, rates of permanent exclusion and levels of per-pupil spending on AP).

Phase two: during the second half of the spring term, we ran an online survey that was sent to named AP lead officers in each LA in England. The survey was launched on 20 February and closed at the end of April. During this time, the survey was completed by 118 LAs (out of 152, so a response rate of 78%).[16] The LAs that completed the survey were broadly representative of all 152 LAs in England.[17]

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[15] The LAs that took part in the focus group are listed in Annex A.
[16] The LAs that responded to our survey are also listed separately in Annex A.
[17] Of the LAs that responded to our survey, 70% represented urban and 30% rural areas. We had representation from all nine geographical regions, with the highest proportion coming from London (18%) and the North West (15%), and the lowest from the East of England and the East Midlands (7% each). There was an even spread in terms of size of LA (based on pupil population) and levels of deprivation

Phase three: in the final phase of the research, we undertook in-depth fieldwork visits to 15 local areas to understand in more detail how their local AP arrangements operated and to explore the key themes from the analysis of the LA survey responses in phase two. We selected the 15 local areas to visit based on the following three sets of characteristics.

a. **Local AP arrangements** – we sought to ensure the local areas we visited reflected a range of different ways of arranging their local AP provision (ranging from local areas that used predominantly state-funded AP to those who used a more diverse range of independent AP) and organising decision-making responsibility for AP (ranging from those where this responsibility rested with the LA to those where responsibilities had been devolved or partially devolved to schools). We visited local areas that had AP free schools. We also visited local areas that had different ways of arranging local special school SEMH provision: local areas where SEMH provision was delivered separately from local AP, local areas where SEMH provision and AP were delivered by the same provider, and lastly local areas that had no specialist SEMH provision. This information was drawn from the responses to our online survey. We explain the differences between these "models" of local AP arrangements in more detail in chapters one and two.

b. **Comparable data related to the local AP system** – while there is a dearth of robust, benchmarked data that provides a clear sense of how a local AP system is operating, there are data sources that provide some, albeit a partial, insight into how the local AP system is operating. For the purposes of developing a sample of local areas to visit, we used the measure of the destinations of pupils placed in AP after they had left Key Stage 4 and rates of permanent exclusion for secondary-age pupils (both from published data) and the average cost per placement in AP (taken from responses to our survey). While none of these provide a measure of the effectiveness of the local system, we considered that, taken together, they provide a suite of measures that would ensure the local areas that we visited reflected a range of characteristics related directly to the local AP system.

c. **Contextual factors** – lastly, we ensured that the sample of local areas that we visited included LAs in different geographical areas, of different types, and with different levels of deprivation (using eligibility for free school meals for secondary-age pupils). We also ensured that the local areas that we visited different in terms of the make-up of the local education system (specifically the proportion of maintained schools and academies) and in terms of the proportion of schools judged good and outstanding schools.

(based on eligibility for free school meals for secondary-age pupils). Those LAs that did not complete the survey were slightly more likely to be small or medium in terms of the size of their pupil population, and were more likely to be urban authorities or London boroughs.

The 15 local areas we visited are listed in Annex A. Visits took place during the summer term, between May and July 2018. In each local area, we held in-depth discussions with a range of leaders and partners involved in or working with the local AP system, including:

- LA officers and elected members with responsibility for access, inclusion and AP;
- mainstream primary and secondary school and special school headteachers and senior leaders;
- local AP providers, including both state-funded and independent providers, reflecting the make-up of provision in each local area; and
- other leaders of the local AP system, such as leads within local school partnerships that have responsibility for AP or chairs of the local schools forum; and
- colleagues from other partner services and agencies, such as support for school improvement, SEND and broader inclusion services, early help services and children's social care, and local health-related education services.

How we have set out our findings

This report seeks to capture the key messages and findings that we have drawn together during the course of our research. It draws together the themes we began to explore in the focus group discussions (phase 1) and developed through our analysis of the survey responses from LAs (phase 2). It triangulates this with the detailed findings from our fieldwork visits to the 15 local areas (phase 3), added to which is some further analysis of the survey and published data that we carried out at the end of the research.

Throughout the project, we have structured our evidence-gathering around three broad themes:

1. **the make-up of local provision** – gathering evidence about the providers and places available locally, and the factors that shape local provision, to explore the nature of "supply" in local AP markets;

2. **how local AP is used** – who makes decisions about placements and funding, which pupils are placed in AP and what is their journey through the sector, and what factors shape demand for AP; and

3. **what makes for an effective AP system** – what conclusions can be drawn about how the current AP market is operating and what makes for an effective local AP system.

We have used these three themes to structure our evidence-gathering activities, including the survey of LAs and our local area visits, and have used these to set out our key findings in this report: the three chapters that make up this document correspond to these themes.

A word about the evidence we have gathered

Our approach to this research project has been informed by the lack of comprehensive, comparable information about AP arrangements in local education systems across England. For this reason, one of the key tasks of this research project has been to gather evidence from LAs across England about local AP arrangements. In their responses to our online survey, LAs provided a wealth of information, and we have spent time sorting through this and organising it into a consistent format to inform our analysis. We recognised that LAs would hold different levels of information, within different teams and services and in different formats, and we sought to design the survey in such a way as to enable them to provide the information that they had. This means that, for some questions, we have been able to draw on responses from all or the majority of the 118 LAs that responded to the survey, but, for others, the data we have been able to use are drawn from a smaller group of LAs. We have sought to make clear in the report where we have used responses from a smaller subset of LAs in our analysis.[18]

Furthermore, while we have sought to ensure that we asked for data in a format that was comparable and would allow benchmarking across local areas, we would still suggest that the data is treated with a degree of caution. First, through our discussions with LAs following the completion of the survey and through the fieldwork, we know that there remain some issues about the consistency of the data reported by LAs. Second, as we discuss in more detail in chapters one and two, there are reasons related to the different purposes of and needs supported by AP in local areas that suggest it would be advisable to proceed cautiously when comparing the characteristics of pupils placed in AP in one local area with those of pupils placed in another. Where possible, we have sought to triangulate our findings with other sources of published data to test their accuracy. While we hope that the data presented in this report provides an informative overall picture of the AP system nationally, we would advise that these cautions are kept in mind when interpreting our findings.

Acknowledgements

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[18] Where we have reported findings from our analysis of the survey data in percentages, we have rounded each figure to the nearest 1%. This means that, in some cases, at first sight the individual figures presented may add up to slightly more or slightly less than 100%. Likewise, where we have reported data from the survey on the costs of AP, we have rounded these figures to the nearest £100.

Chapter One: The make-up of local provision

The purpose and aims of AP

The first theme we considered in our research concerned the make-up of local provision, or, in market terms, understanding the nature of "supply" in local AP markets. Through the research, we gathered evidence about the type of AP providers that operate locally, the proportion of places commissioned for primary- and secondary-age pupils, the costs of local AP, and the inter-relation between AP and other specialist local provision. We start this chapter by looking at how local areas described the reasons for using local AP.

The reasons for which local AP is used

At the outset of our survey, we asked LAs about the main reasons for which AP was used in the local area. The results are shown in figure 1, below.

Figure 1: Breakdown of the main reasons for which AP is used locally given by LAs

Reasons for using AP – proportions of LAs selecting each option

Reason	Percentage
Provision for excluded pupils	96%
Provision for health-related reasons	80%
Early, preventative support	78%
Alternative pathways for engagement	69%
Provision for pupils reintegrating into schools	56%
Provision for new arrivals	53%
Due to lack of other specialist provision	52%
Provision for pupils off-rolled due to attendance	13%
Provision for pupils rolled off due to academic issues	12%

Most LAs responded to this question in a way that reflected the multiple purposes AP served in their local area. For example, 42 LAs selected between two and four options, and 66 selected between five and seven options, while small minorities selected fewer than two or eight or more. As the chart shows, the most common responses were provision for excluded pupils (96% of LAs selected this option). This was followed by (a) provision for health-related reasons (80%), which was defined to include both physical and mental health, and (b) early preventative support (78%), which includes both prevention of permanent exclusion as well as preventative interventions before a placement in AP is required. That support for excluded pupils and those not able to access mainstream school for health-related reasons were among the most commonly selected categories reflects the important duties of LAs to secure appropriate education places for school-age children in their local area.

At the same time, responses to this question also showed that LAs are using AP for a range of other purposes related to preventing pupils from being excluded from

mainstream schools, keeping them engaged or re-engaging them in formal education. As noted above, the third most commonly selected category (78%) was the use of AP for early, preventative support (to prevent pupils from being excluded, as distinct from preventing pupils from requiring a placement in AP). Almost seven in 10 (69%) LAs said that they used AP to provide positive alternative pathways to keep pupils engaged in education, and just over half (56%) suggested that AP was used to support the reintegration of pupils who have been out of education back into formal education.

Interestingly, around half (53%) of LAs stated that they used AP to provide places for pupils who arrived in the local area mid-year. As our fieldwork visits showed, this reflected differences in the way that local in-year fair access arrangements operate and their effectiveness. As we describe in chapter two, some local areas had strong and effective in-year fair access protocols. In other local areas, however, these arrangements functioned less consistently, leading to some pupils arriving mid-year needing to be placed in AP. In some instances, there were deliberate local processes in place that determined that some or all in-year arrivals should be placed in AP initially upon arrival in the local area, regardless of the pupil's needs.

Likewise, the fact that just over half (52%) said that they used AP due to a lack of other specialist provision reflected challenges in the interface between AP and specialist provision for pupils with SEN, particularly those with SEMH needs. This could relate to a lack of specialist provision, difficulty accessing that provision, or a lack of clarity about the respective roles of mainstream schools, AP and special schools. Throughout the survey, LA colleagues reflected on the increased demand for SEMH provision, and the way this could affect AP (for example, if there was a shortage of places in or lack of specialist SEMH provision locally) but also the way in which the interface in AP and SEMH provision could increase demand pressures on the latter. This is a theme to which we return at the end of this chapter.

How differences in local strategic approaches to inclusion can influence the role of local AP

From these responses, it becomes clear that, across local areas, AP is playing a range of different roles. Our fieldwork and the survey responses suggested that this partly reflects differences in local strategic approaches to inclusion. For example, local areas with an explicit focus on reducing permanent exclusions and preventing the need for AP are less likely to use AP for permanent exclusions and more likely to use AP for preventative and reintegrative purposes. Our evidence also suggested that the use of AP reflects differences in local operational practices, such as the effectiveness of fair access arrangements, access to other forms of inclusion support, and the effectiveness of partnership working with other agencies. Regarding partnership working, the effectiveness of a joined-up offer of early help and family support and access to child and adolescent mental health services (CAMHS) were seen as particularly important.

What also became clear from LAs' responses to the survey and from our fieldwork visits was a distinction between local areas where the role of AP:

a. was described in more *reactive* terms, focused on fulfilling statutory duties and of finding *places* within non-mainstream provision for pupils who for one reason or another were not in a mainstream or special school; and

b. was described in more *pro-active* terms, focused on a strategic approach to fostering inclusion, building mainstream capacity and preventing pupils from needing to be placed in AP.

Examples of LA descriptions of the role of AP in more *reactive* terms

'To support the LA's statutory responsibility to arrange suitable full-time education for permanently excluded pupils from the sixth day and for other pupils who, because of illness or other reasons, would not receive suitable education without such provision.'

'To provide education for any pupil who is without a school place due to permanent exclusion, no registered base within [the local area] or … providing education for those pupils too ill to attend school.'

Examples of LA descriptions of the role of AP in more *pro-active* terms

'We do not consider AP in isolation, but as part of a local continuum of provision for children and young people with SEMH needs. Our SEMH strategy has four strands, one of which is to ensure all young people have access to timely, evidence based, high quality intervention. This includes ensuring they are maintained in suitable education provision by reducing the use of AP and considering a different model of delivery for our main AP provider, building on their established good practice.'

'To work to achieve zero exclusions through working in partnership with schools.'

'LA funding for alternative education is allocated to [local] schools who have responsibility for arranging or commissioning suitable alternative education for children who cannot succeed in full-time mainstream lessons (due to behavioural or medical needs). The model means that children remain on the roll of their school and school leaders retain responsibility for their attendance, attainment and outcomes.'

This is not a sharp distinction, but rather a spectrum. In the survey responses and our fieldwork discussions, most LA colleagues recognised the need to balance these priorities. Specifically, they saw the need to balance being quick to respond to placement breakdowns week seeking to work pro-actively to prevent issues reaching the point where placements were at risk of breaking down. It was noteworthy that, among LAs that had devolved funding and decision-making responsibility to mainstream schools, an additional aim for local AP was to foster greater collective responsibility, and achieve better outcomes, for pupils placed in AP among mainstream schools.

Challenges to operating in a strategic, pro-active way

It is worth noting, however, that some local areas have found it difficult to make the shift from operating in a reactive to a more pro-active, strategic manner, even where they have recognised the necessity of doing so. In these areas, local leaders reflected on the challenges of turning around a situation characterised by:

- rising levels of demand for AP, and in many cases levels of permanent exclusion;
- LA officers and AP providers increasingly focusing on finding placements in non-mainstream provision for pupils who had been excluded or marginalised from the mainstream education system or were not in full-time education;
- the consequent diminution of preventative support services, specifically education inclusion services, but also the limited capacity from early help, family support, youth support and health-related services;
- a lack of well-established, trust-based partnerships between mainstream schools, AP providers and the LA; and
- limited flexibility to use resources to transform this situation and build up the inclusive capacity of mainstream schools and a joined-up up offer of preventative, targeted services.

In some areas, these challenges were manifesting themselves in something of a "catch-22" for LAs. The situation some, particularly smaller, LAs described was one where they knew they needed to create capacity for a more preventative, flexible, reintegration-focused approach to AP, but were not able to do so since all of their resources – money and staff time – were taken reacting to exclusions and finding placements in AP. Given LAs' statutory responsibilities, this was not something they could stop doing. Unless this balance could be shifted, however, the pressure on existing provision would worsen, making it even more difficult to turn around the situation and refocus AP on prevention and reintegration.

It is also important to note that pro-active, strategic approaches aimed at building school responsibility for AP and fostering inclusion can be undermined and the local AP system disrupted by factors beyond the LA's and local area's control. One such "disruption" to the local AP system described to us during our fieldwork was when a new provider entered the local system. This might be a mainstream school or AP setting joining a larger trust or sponsor, the establishment of a new AP free school, or a new leader of a mainstream school or AP setting who may not be fully aware of or comfortable with existing local inclusion arrangements. In some instances, the introduction of new leadership to a local area or provider had had a positive effect, bringing fresh thinking and new ideas. In other instances, new school or AP leaders might take up a more "isolationist" position towards local inclusion arrangements and implement a different approach to pupil behaviour and discipline. Where this was out of sync with local inclusion arrangements, this could have a disruptive and undermining effect.

In our survey, we asked LAs whether they considered that their local AP was planned strategically – in other words, whether AP was planned pro-actively, making best use of available evidence, and in line with the local area's priorities. All 118 responded to this question, and almost three quarters (71%) strongly agreed (14%) or agreed (57%) that local AP was planned strategically.[19] The comments made by LAs suggest, however, that this reflected a view that they and their partners do as much as they can to plan local AP, in the context of the series of demand pressures and challenges that local AP is facing outlined above.

It is also important to note that over a quarter (26%) of LAs commented explicitly that they were in the process of reviewing either aspects or the entirety of their local AP system. The survey did not ask about this directly, but it is noteworthy that a significant proportion of LAs described being in the midst of formal reviews relating to AP, in addition to others who described work they were doing to consider aspects of the local AP system. These reviews or projects included reviews of *provision* – developing primary AP, amalgamating (or separating) AP and specialist SEMH provision, or re-designating an AP provider as a special school to reflect the role that was being asked of them. Other LAs described reviews of key *processes*, such as funding, decision-making, partnership working and developing QA frameworks of local AP. Taken together, these responses provide a sense that LAs recognise the importance of strategic planning, but are operating in a context of significant and rising demand for existing provision, and a complex and changing landscape within the local education system and the wider partnership landscape. This can make partnership working more challenging, but also makes it all the more important to foster strong collaborative working with AP providers and schools to shape appropriate strategic responses and support pathways.

How the needs of pupils placed in AP can influence the role of local AP

In addition to strategic decisions, through this research we identified one further set of factors that influence the purpose and role of local AP. This relates to the range of pupil needs that may be met by AP in local areas. The key point that we would highlight here is that there are a range of additional needs that pupils may have that need to be met by a local education system. Across local areas, depending on strategic decisions and the availability, make-up and role of local provision and services, the ways in which pupils' different forms of additional needs may be met can and do vary significantly. This has implications when thinking about the role of local AP, but also when comparing different local AP systems.

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[19] The parallel research on AP practice carried out by IFF Research undertook telephone interviews with 276 school leaders and 200 AP provider leaders. In these interviews, IFF Research colleagues asked a series of parallel questions to those that we asked LAs in our survey. This included asked schools and AP providers whether they considered that local AP was planned strategically. While 73% of LAs 'strongly agreed' or 'agreed' with this statement, the proportions responding similarly among school leaders (37%) and AP providers (42%) was smaller.

In broad terms, from our fieldwork, we identified four broad groups of pupils who may be supported in AP in a local area. We should note that the description of these groups does not necessarily reflect their route into or the reason they were placed in AP, since this can vary from pupil to pupil, but rather the needs that they present when they arrive in AP.

1. **Pupils in AP due to one-off incidents or temporary circumstances** – this includes pupils who are placed in AP due to one-off incidents, such as violence towards a teacher or bringing an offensive weapon or a banned substance into school. It would also include pupils placed in AP in temporary circumstances, such as arriving in the local area mid-year and there not being a suitable school place available. What is distinctive about this group of pupils is that they are often placed in AP not due to a complex set of underlying needs, but rather due to an isolated incident or a short-term reason why they cannot be in a mainstream school. The support these pupils receive is, therefore, much more focused on ensuring they continue their education and are supported to return to a mainstream school as quickly as possible. In some instances, this may also include pupils who cannot be in mainstream school for reasons of physical health or pregnancy, although we came across very little provision for these groups of pupils. As we describe in the third category, most pupils placed in AP for health-related reasons had needs relating to mental, as opposed to physical, health.

2. **Pupils who need an alternative curriculum or learning environment** – this group would include pupils who are engaged with education, but where their mainstream schools have judged that they struggle to access learning and to regulate their behaviour in a mainstream environment. These pupils will often be those deemed to benefit from smaller group learning, more attention and support from teaching staff, and an alternative, more personalised curriculum than can be offered in most mainstream schools. These pupils may be placed in AP for part-time and or short-term placements, rather than because they have been excluded.

3. **Vulnerable pupils** – this group would include pupils who benefit from a more nurture-led, therapeutic-based learning environment. Their vulnerabilities may include having experienced abuse or neglect at home, and/or having mental health difficulties. These may be pupils who have not benefitted from family or pastoral support, or where their behaviour and a lack of understanding of their underlying needs have led to them being disciplined and excluded from mainstream schools. These may also be pupils who have refused to attend school or been withdrawn from school for mental health reasons. This group may also include pupils who have had periods out of education or been in EHE, and are being reintegrated into school-based education.

4. **Disengaged pupils** – this group would include pupils who are disaffected and have stopped engaging in their education. Often, they will come to AP with very low rates of attendance, having either stopped attending school or been excluded

due to non-attendance. In many instances, there may be complicating factors relating to family background or experience of the care system. This group of pupils will also include those at risk of becoming or already involved with gangs, and likewise those at risk of entering or already involved with the criminal justice system.

These are not neat distinctions. Many of the pupils placed in AP may have combinations of needs that fall into more than one of these groups. In our discussions with LA officers, AP providers and school leaders during our fieldwork visits, it became apparent to us that local areas were describing some broad but distinct sets of needs that different AP providers were meeting. For this reason, when discussing the purpose of AP and, later in this chapter, the roles of different provision within a local area, we have found it helpful to use the four broad groupings above to signify some of the different needs and pathways that will be required in a local AP system. Furthermore, while the first group of pupils will include those who are placed in AP following a permanent exclusion, the other three groups may include pupils who have not been excluded from schools but have been placed in AP through alternative routes. These alternative routes may include preventative placements, placements following in-year admissions decisions, or placements following a period in EHE or out of education altogether.

As such, decisions about how these different sets of needs are to be supported locally, and how this will be done across the mainstream education, AP and SEN system, will have implications for the role and purpose of local AP. This will also, in turn, have implications for how we compare local AP systems and how well local education systems as a whole support these groups of pupils. In one local area, for instance, all of these groups of pupils may be placed in AP, whereas in another, one group's needs may be met predominantly in mainstream settings and another through a model of outreach. Another local area may have a policy of reducing permanent exclusions and fostering in-school inclusion units, rather than placements in AP. All of these differences will affect the role and purpose of local AP, but also mean the four groups of pupils listed above will appear in different sets of data (the AP census, permanent exclusion figures, or in mainstream settings), which needs to be borne in mind when drawing comparisons between local areas.

Ensuring swift support and reintegration of pupils into mainstream schools in Middlesbrough

Middlesbrough is a local education system made up of 41 primary schools, seven secondary schools, four special schools, and three AP academies (which are part of the same multi-academy trust).

Partway through the 2016/17 academic year, numbers of permanent exclusions of secondary pupils were high and it was challenging for the LA to find appropriate provision for pupils who had been excluded. In response, the LA developed a small assessment centre. The aim of this provision was to ensure that primary- and secondary-age pupils who had been excluded due to a one-off incident or multiple fixed-term exclusions, and would benefit from a second chance in

a mainstream school, were able to continue their education and could be reintegrated quickly. The provision aims to prevent gaps in pupils' education and support swift reintegration, as well as maintaining regular contact with a professional for more vulnerable children.

The centre has achieved success in reintegrating both Key Stage 3 and 4 pupils into mainstream schools and settings, or finding placements in AP that are appropriate to the students' needs. In the 2016/17 academic year, five Key Stage 3 pupils and one Key Stage 4 pupil were reintegrated following successful managed moves, while 13 Key Stage 3 pupils and two Key Stage 4 pupils continued their education in another AP setting. In the 2017/18 academic year, three Key Stage 3 pupils and six Key Stage 4 pupils were successfully reintegrated, while 18 Key Stage 3 pupils and 17 Key Stage 4 pupils continued their education in another AP setting.

As one Year 11 pupil who had been supported through the assessment centre and had now taken his GCSEs in a mainstream school (achieving grades 5 to 8) put it, 'The staff here worked hard on getting me back into mainstream school. I was excluded, but this showed it was not the end of my education. I have a clear pathway now.'

The impact that the centre has had on pupils is also recognised by parents. As the parent of one Year 11 pupil who made a successful transition from the centre back into mainstream school commented, 'Our son has come home with outstanding results (all 8s and 7s) today and made us very proud. None of this would have been possible without the assessment centre.'

In the last two years for which there is published data, numbers of permanent exclusions in Middlesbrough fell from 35 (2015/16) to 26 (2016/17).

The provision that is available locally

Make-up of local provision by type of provider

In our survey, we asked LAs to tell us about the places they commissioned in local AP. A total of 111 LAs responded to this question.[20] Figure 2, below, shows the breakdown of places commissioned by provider type. The first three columns show state-funded AP provision (PRUs, academies, free schools); the next two show independent AP (both registered and unregistered). The remaining columns show AP places in unit-style provision attached to mainstream schools, AP places commissioned from (state-funded) special schools, AP places commissioned in further education settings, and any other type of provision (although LAs did not specify what this included).

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[20] In their responses, the 118 LAs that completed our survey reported a total of 16,665 places for school-age children (not including post-16 places). Published data on commissioned AP places for the 2017-18 academic year shows that there were 24,983 pre-16 AP places commissioned across 152 LAs (*High needs: Place allocations for the 2017 to 2018 academic year*). This suggests that the LAs that completed our survey reported slightly fewer AP places on average than is presented in the published national data.

Figure 2: Proportions of commissioned AP places by type of AP provider
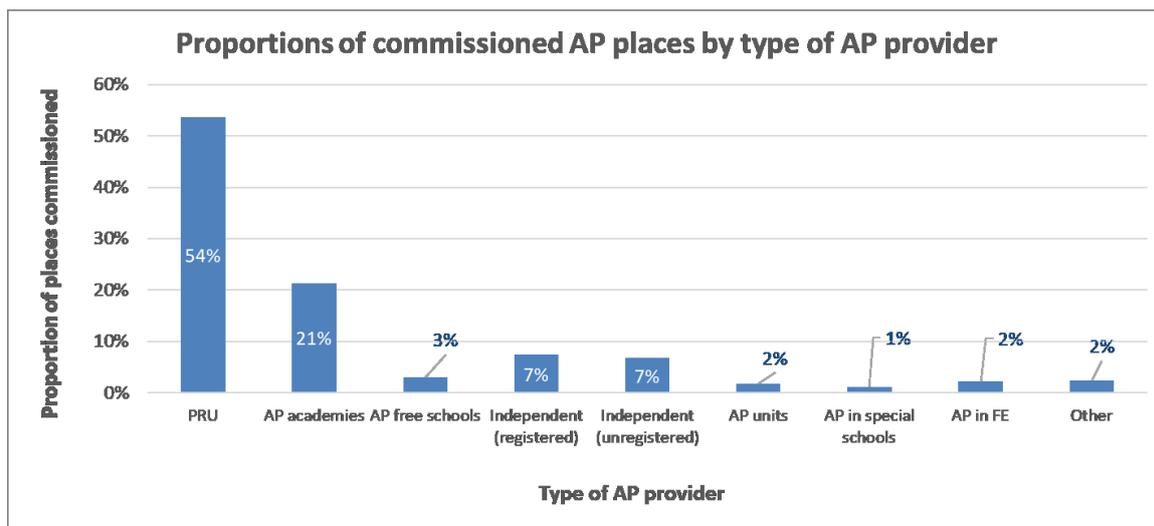
Figure 2 shows, for example, that 78% of places in AP are commissioned from state-funded AP – either PRUs (54%), AP academies (21%) or AP free schools (3%). The independent sector accounts for 14% of commissioned places. LAs reported commissioning other AP places from special schools and further education (FE) colleges, where specifically designated AP places were commissioned in addition to other SEN places or study programmes they may offer.

The other category it is worth explaining further is that of "AP units". Although these do not have a formal status, some LAs suggested that they or schools, using devolved high needs block funding, commissioned AP that was delivered through a separate unit linked to a mainstream school. LAs argued that these were different from "internal inclusion units" or similar arrangements that schools may use for their own pupils: AP units would generally serve pupils from across a wider group of schools within a locality. What we have called AP units were connected to a lead mainstream school, overseen by a member of the school's senior leadership, with the unit's staff formally employed by the lead mainstream school. Pupils attending AP units often remained on the roll of their own mainstream school, but attended the AP unit for some or all of their sessions, as they would if they attended another AP setting. The units tended to be located in a discrete part of the lead mainstream school's site or nearby. (It is important to note that these are not to be confused with SEN units or resourced provision, which would be formally commissioned for pupils with EHCPs by the LA.)

To analyse this further, we have also taken the number of AP places that LAs reported to us and scaled this to 10,000 of the local school-age population. This is displayed in figure 3, below, and shows a similar picture: namely, that the majority of places commissioned in AP, at both national level and (scaled to the size of the local pupil population) at local level, are in the state-funded sector, specifically in PRUs and AP academies.

Figure 3: Average number of AP places currently commissioned from the high needs block by type of AP provider per 10,000 pupils
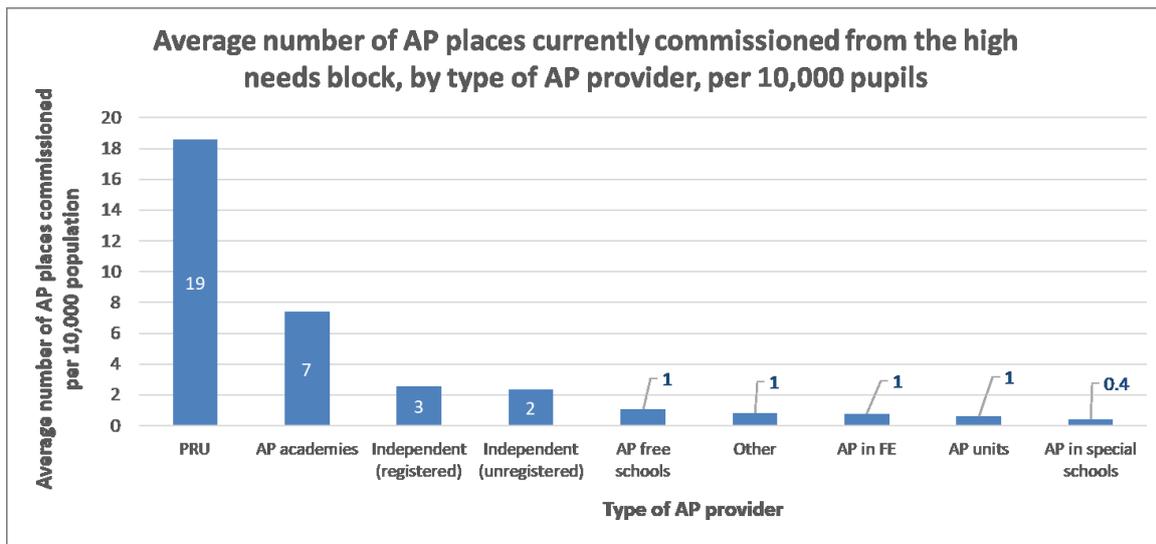
We also asked LAs to tell us about the number of AP providers with which they worked (those from which AP was commissioned, rather than only those located in their local area). A total of 118 LAs provided information in response to this question, identifying a total of 1,101 AP providers. Interestingly, 28% of these were state-funded AP providers (PRUs, AP academies and AP free schools), while 43% were independent AP providers (19% registered with Ofsted as an independent school, and 24% unregistered). Smaller proportions of providers included FE colleges (13%), AP units in mainstream schools (6%) and AP places commissioned in special schools (6%).

Many LAs said that they were working with an increasingly wide range of providers within their local areas. Some saw this as beneficial, bringing greater choice of provision and pathways. Others described related challenges, specifically overseeing placements, and assuring the quality and impact of a more diverse range of provision, particularly where pupils were not placed full-time in one provision. The majority of LAs reflected that this trend was, however, driven by necessity: the pressure on provision was forcing LAs and schools to look more widely for AP, including in the independent sector.

Overall, this presents a picture in which the majority of local AP systems are those in which the bulk of local AP places are commissioned from a small number of state-funded AP settings, with placements for individual or small groups of pupils being commissioned from a range of independent AP providers. In analysing the survey responses, we found that 83% of LAs reported that 75% or more of the places they commissioned in local AP were in state-funded provision. This is illustrated in figure 4, below. Just under four in 10 LAs (38% of those that responded to this question) appeared to have a "one main provider" model, where the bulk of places in local AP were commissioned from a single or small number of PRUs or AP academies – the latter often arranged by locality or key stage. It is worth noting that, under some of these arrangements, the main PRU or AP academy may then broker and sub-contract for additional AP for the pupils on its roll.

There are, however, some important exceptions to this overall picture. The remaining 17% of LAs made less use of state-funded AP and commissioned AP places from a wider range of providers. Among this latter group, the average proportion of places commissioned from state-funded provision was 40% (with the remaining 60% commissioned from independent providers). Most LAs in this group commissioned between two thirds and a half of their AP places from the independent sector. A very small number of LAs reported commissioning all, or almost all, places from independent providers. The overall picture here is of a spectrum ranging from local areas where all or almost all AP is commissioned from state-funded provision, in a number cases from one main provider or a few main providers, to local areas where all or almost all AP is commissioned from the independent sector.

We also considered whether there were any significant differences between the 17% of LAs that made less use of state-funded AP and the remaining 83% of LAs. The only significant difference we identified was that LAs that made use of a wider range of AP were more likely to be rural areas (40% of this group covered rural areas) compared to those that mostly used state-funded AP (19% of this group covered rural areas). In other respects – such as rates of permanent exclusion, size and average costs of AP placements, for example – there were no significant differences between those local areas that used state-funded AP and those that used a wider range of AP.

Figure 4: Illustration showing how LAs commission the majority of their provision from state-funded AP
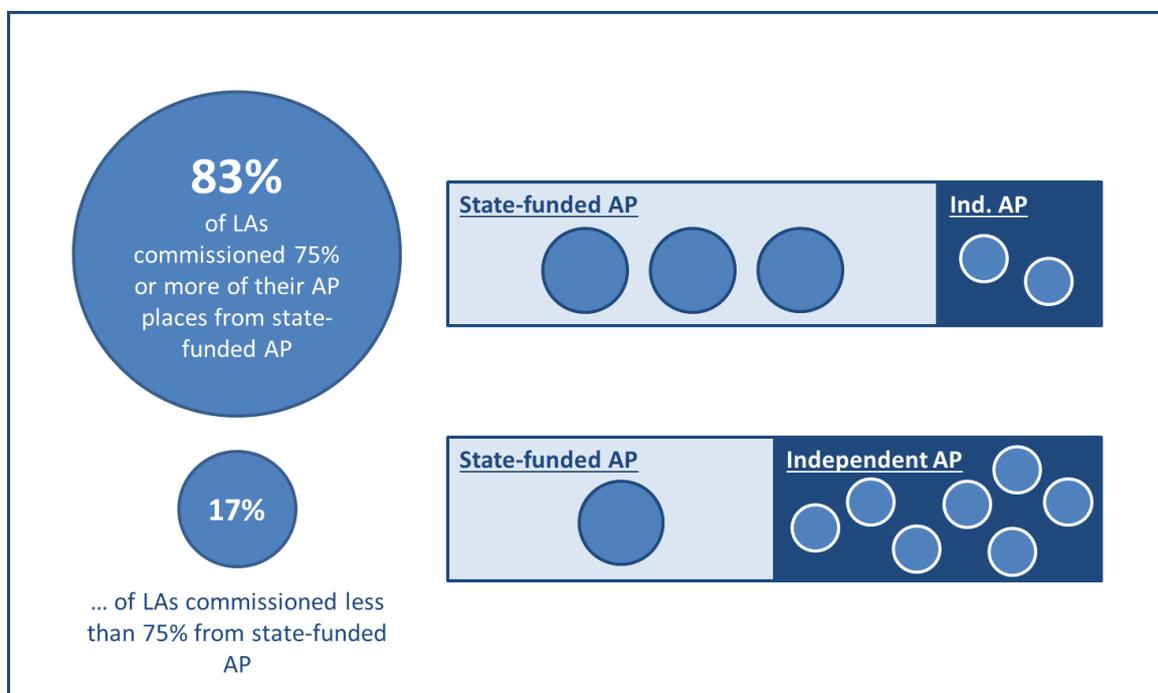
Assuring quality in the independent AP sector in Northumberland

Northumberland is a large, dispersed local area made up of old mining localities, market towns and sparsely populated rural areas. The local education system is made up of 123 primary schools, 34 secondary schools and eight special schools.

While there is a small PRU in the south of the county, the local area accesses the majority of its AP from the independent sector. Some providers are based in specific local communities and work closely with their neighbourhood secondary school. Others have a specific focus or curriculum offer. The LA has an inclusion support team, managed within its education welfare service, which helps to signpost the placement of pupils to provision that is most appropriate for their particular needs.

In order to provide support and ensure the quality of the local AP sector, the LA has established a strong provider network that meets regularly to exchange good practice, share challenges and participate in joint training. This has helped to identify gaps in provision and areas for further development.

The LA has also developed a robust QA approach. A former Ofsted inspector has been commissioned to make annual monitoring visits to each provider, with judgements made against an agreed QA framework. The framework has a strong emphasis on pupil progress, with a recognition that this may be relative to individual starting points, but a clear expectation that providers will help to "close the gap" and enable pupils to achieve positive post-school outcomes.

Looking ahead, a priority for the local system is reviewing the current pattern of provision and ensuring that there are sufficient full-time places to meet local needs.

Make-up of local provision by phase

The survey responses show that the majority of places in local AP were commissioned for secondary-age pupils. As figure 5 shows, LAs reported that 84% of the places that they commissioned in local AP are for Key Stages 3 and 4. A further 14% of places were commissioned for Key Stages 1 and 2, and only 1% were for Key Stage 5.

Figure 5: Phase breakdown of places commissioned in local AP
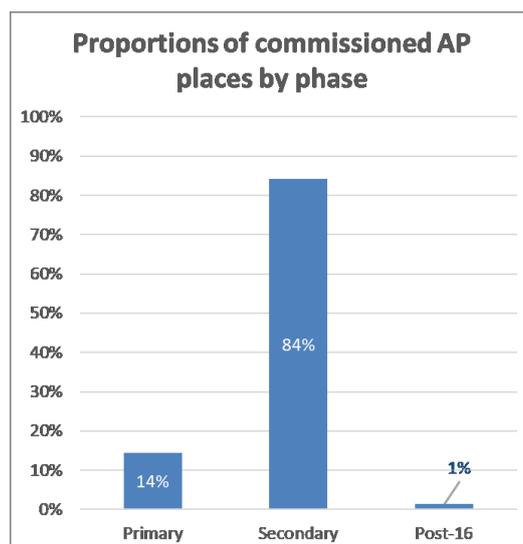
The survey data also suggest that Key Stage 4 accounted for the largest proportion of places, and that this is consistent across all provider types. The exception to this is the category of AP units. Our fieldwork suggests that these are more common in the primary phase, at least where they are commissioned formally, which is likely to explain why LAs reported that more places were commissioned in AP units for primary-age pupils than for pupils in Key Stages 3 and 4.

As figure 6, below, shows, for all types of dedicated AP providers, on average the largest number of places commissioned was for Key Stage 4. As well as the total and average number of places commissioned, we also calculated the average number of places per 10,000 school-age children – 10,000 primary pupils for calculating the average primary places and 10,000 secondary pupils for calculating the average Key Stages 3 and 4 places. We found that there were, on average, 11 primary AP places and 88 secondary AP places. Across local areas, lower levels of use are more common: at primary, it was most common for local areas to have between one and eight places; at secondary, the most common grouping was between one and 44 places. There were, however, a small number of outlying local areas that reported more than 30 primary-age places or more than 130 secondary-age places. Overall, this analysis underscores how the commissioning of AP places is heavily weighted towards secondary-age provision, in particular Key Stage 4.

Figure 6, below, also shows how the breakdown of places by phase differs between providers. Most striking is the high percentage of places in AP units and special schools that are allocated to primary-age pupils compared with other types of provider. Also interesting is the low percentage of Key Stage 3 pupils found in AP free schools.

Figure 6: Proportions of AP places commissioned by phase, shown for each type of provider

Proportions of AP places commissioned by phase, shown for each type of provider

Type of AP provider	Primary	KS3	KS4	KS5
PRU	13%	33%	53%	1%
AP academies	15%	27%	58%	
AP free schools	11%	10%	78%	
Independent (registered)	7%	24%	63%	6%
Independent (unregistered)	7%	36%	54%	3%
AP units	87%	5%	8%	
AP in special schools	34%	21%	45%	
AP in FE	2%	12%	78%	7%
Other	18%	10%	71%	
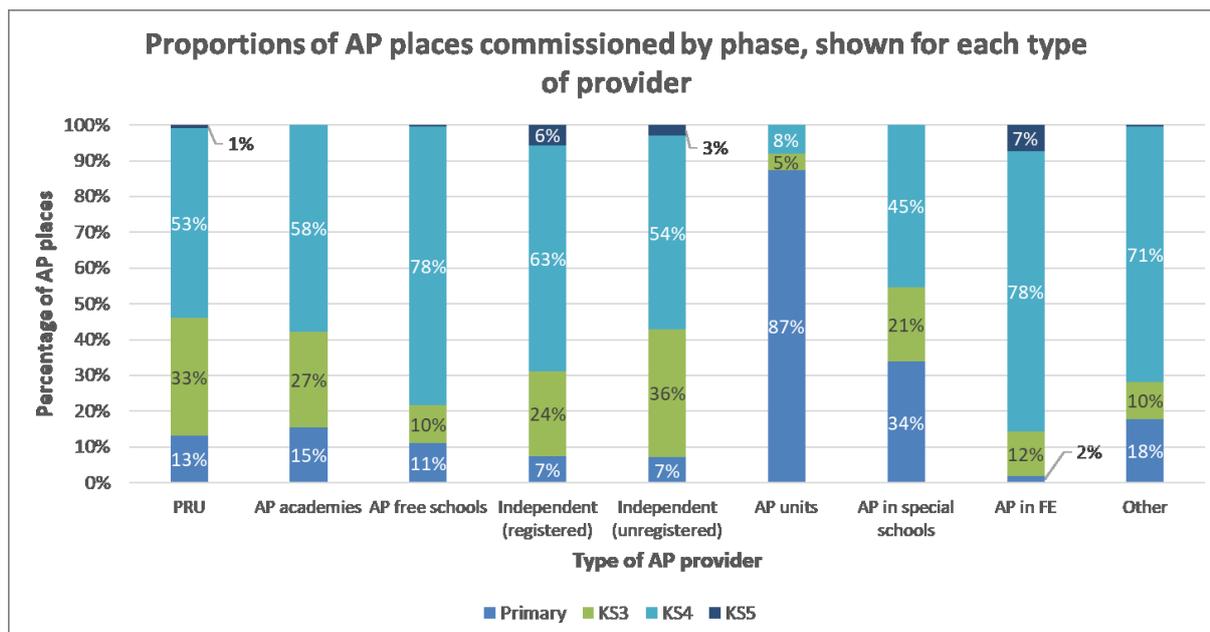
We also asked LAs to say whether they held information on how schools were using AP where this was funded from schools' delegated budgets, rather than using central or devolved funding from the high needs block. Fewer than half (43%) of LAs said either that they held this information or that they had sufficient information from which to estimate. Those LAs that were able to provide this information suggested that, on average, three quarters (75%) of their secondary schools, 19% of their primary schools, and 43% of their special schools made placements in AP. The range of responses regarding special schools' use of AP, excluding those LAs that responded with 0% or 100%, was between 5% and 75%.

Other services to support inclusion

We also asked LAs to comment on any other support for pupils at risk of exclusion or who would otherwise not receive appropriate education that was provided in the form of services rather than places in AP. A total of 82 LAs responded to this question. Their responses were split between those that did commission inclusion services (42, or 36% of all LAs who responded to our survey) and those that did not (40, or 34% of LAs that responded to the survey) – in terms of the latter, as one LA put it, 'we do not commission services, only places.' A further 36 (or 31% of those that responded to the survey) did not respond to this question. Given that the question was framed as one for LAs to answer if they commissioned support in the form of services, rather than places, the fact of not responding to the question may well suggest that they do not commission additional services either.

These responses suggest that between one third and a half of LAs commission additional services to support inclusion and prevent pupils requiring placements in AP. Part of the context here is the change in the arrangements for behaviour support funding: this funding was moved into the schools block of the DSG and made part of schools'

delegated budgets. This has meant that central behaviour support services can only be provided if schools agree to de-delegate this funding. The exception to this is outreach support from AP providers. In our fieldwork, we found that there was little understanding on the part of schools that they now had in their delegated budgets the funding that had previously been used to provide central behaviour support services, and little evidence that this money had been used to provide additional inclusion support. Some LAs were using their high needs block flexibly, distinguishing between commissioning *places* into which pupils would be placed and commissioning *inclusion services* to achieve certain outcomes (e.g. avoiding exclusions, fostering reintegration).

Where LAs reported that they were commissioning additional support and services, these largely fell into two types. First, there were support services aimed at fostering inclusion and building mainstream capacity. These were generally delivered through centralised support services, sometimes linked with other SEN, attendance and school improvement support services, or through outreach commissioned from AP or other providers. (A number of LAs also commented on the fact that increasing rates of permanent exclusion and demand for places in AP was eating into the capacity of AP providers to offer preventative, outreach-based support where this was part of their offer.) The data LAs provided suggested that the cost of providing such services ranged widely, but on average was close to being equivalent to the age-weighted pupil unit (AWPU) per pupil supported.[21] Second, there were support services that put together bespoke packages of personalised tuition for pupils requiring this form of support. The costs of this support per pupil were higher, ranging from £6,000 to upwards of £10,000 per pupil, according to the information the LAs provided.

For those LAs that did not commission inclusion services, some argued that they had taken the strategic decision to devolve funding to schools to build their capacity and collective responsibility. A small number said that they operated traded services, where support was bought back by schools. It is also the case, however, that a number of LAs stated explicitly that they did not have an offer of preventative support prior to a child requiring a placement in AP, or simply did not respond to the question. (As this was based on open text responses, the numbers of LAs in this latter category were too small to use for any further comparative, quantitative analysis.) This is an important point in terms of how those LAs are able to manage future demand, since it suggests that there is a proportion of LAs that do not have a clear offer of early support in place to prevent issues escalating and demand for placements in AP rising.

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[21] AWPU is the rate LAs set to allocate basic per-pupil funding for pre-16 pupils in mainstream schools.

Fostering collaboration and inclusion in Bath and North East Somerset

Bath and North East Somerset is a small but diverse local area, located between Wiltshire, Somerset and Bristol. The local education system is made up of 63 primary, 16 secondary and three special schools. The current offer of AP across the local area includes one primary and two secondary settings, which are commissioned by the LA in partnership with local schools to support pupils at risk of exclusion, who are without a school place or who have been permanently excluded.

The LA and schools have worked together to develop behaviour and attendance panels in six geographical areas. These cross-phase panels have been operating for seven years and focus on local fair access arrangements, managed transfers and referrals to AP. High needs block funding of around £180,000 per locality has been devolved to the six panels to enable them to deliver these functions.

In three of the six localities, school leaders have agreed to pool some of their own delegated resources (the equivalent of around £10,000 per locality) to develop additional capacity for preventative services. This allows the panels to purchase specialist services that benefit all children in their locality, such as access to professional assessments, art and play therapy, or bereavement and counselling support. Since the panels enable schools to access swift and effective support, the majority of local schools participate in the panels, playing an active role in decision-making about placements and shaping local provision.

The experience of panel discussions has, over time, helped to foster a more collaborative ethos, built on mutual trust and support, among headteachers. Headteachers now see this as a mature and effective way of working together to meet the additional needs of pupils in their localities. The LA considers that this approach has ensured that children without a school place are offered one quickly and that fair access arrangements operate swiftly and effectively. As a result, most placements in AP are for a short period of time.

Funding is in place until 2020, and the LA and school leaders are currently debating how best to sustain these arrangements after that.

Comparing models for arranging local provision

Our fieldwork and analysis did not suggest that there was a single "right model" for organising local AP. Given the set of inter-related factors that may affect the role and purpose of local AP, it is likely that the way provision is organised locally will always need to reflect specific local circumstances. Our fieldwork provided further support for this conclusion. In the sample of local areas that we visited, we included those that had predominantly state-funded provision (more than 75% of AP places commissioned in PRUs, AP academies or AP free schools) and those that had a more diverse local AP market (including those where the majority of places were commissioned from the independent AP sector). Through our visits, we saw examples of local areas with predominantly state-funded AP where LA, school and AP leaders reflected that local provision was well organised to meet and respond to local needs. At the same time, we also visited local areas with a similar profile and make-up of local provision where LA, school and AP leaders considered that provision and the AP system as a whole were operating in a less joined-up, less coherent and more reactive manner. Likewise, we visited local areas with more diverse AP markets, both those where local leaders

considered local provision to be well-organised, coherent and responsive, and those where provision was perceived by local leaders to be more reactive, with gaps in the local AP offer.

That said, we did find that there can be particular challenges associated with models of local provision at extremes of the state-funded / independent AP spectrum – those local systems with all or close to all provision vested in a single / small number of main state-funded provider(s) and those with all or close to all provision drawn from the independent sector.

Figure 7: Challenges for local areas where all or almost all provision is drawn from a single or small number of main state-funded providers, or from the independent sector

Challenges for local areas with all or close to all provision drawn from a single / small number of main state-funded provider(s)

The potential challenges here relate to being able to offer a range of complementary education packages and curricular offers that meet the wide range of needs that may result in a pupil being placed in AP. While some providers have been able to offer a variety of pathways for their pupils, the size of most AP settings (relative to, say, an average secondary school) means there will be limitations to what can be offered by a single provider. For example, a single main AP provider may be able to offer a range of academic and vocational programmes, but may not be in a position to offer some of the more complementary offers for small groups of pupils with very specific needs (young people at risk of sexual exploitation or involvement with gangs) or a full range of academic or college-style study programmes. Another challenge can be having a sufficient number of different settings to accommodate pupils who cannot be placed in the same setting. For example, this may include not placing pupils with a history of inappropriate sexualised behaviour with pupils who have been at risk of or experienced sexual exploitation, or managing requirements relating to placements of young people with gang affiliations, or other inappropriate placement combinations.

Challenges for local areas that rely predominantly on the independent sector

There are two potential challenges here. The first challenge relates to being able to put together sufficient "core" packages of full-time education placements. This can be the case in local areas where the AP market includes multiple providers, including AP settings not registered as independent schools, offering part-time placements, rather than full-time, five-days-per-week schooling. This can require significant work across multiple providers to put in place full-time education for a pupil. The second challenge relates to the difficulty of working with a large number of providers, some of which may account for a small proportion of local AP places, if there is the need to re-shape the local market – not just in terms of growing or reducing the *quantity* of provision, but also adapting the *type* of provision that the local area may need.

A key finding of this research, therefore, is that the different pathways of support that are needed by pupils can be provided through different combinations of local AP and by different types of AP provider. As such, there is not a single "right model" for organising local provision. Instead, it is important that there is a clear and strategic plan for local AP that captures what additional support and AP are available for pupils. By this we mean an arrangement of local AP that is:

- **coherent** – where there is clarity about how the different needs of pupils who may require something additional to a core mainstream offer of support are to be met and by which providers, and how this fits together coherently and comprehensively so that there are sufficient, high-quality, approved options for meeting local needs (and no gaps in the local AP offer);

- **flexible** – where there is flexibility to offer the right set of pathways for pupils with a wide range of needs and to respond swiftly to changes in local needs, and pupils can move between mainstream education and forms of support offered by AP, and back again, as is appropriate to their needs;

- **collectively understood** – so that those making decisions about placements in and using local AP have a shared understanding of the respective roles of local providers, how these have been established and why, and how they fit together; and

- **situated within the broader local education system, and with a wider focus on fostering inclusion** – so that AP is not seen in isolation, but as one part of a broader framework for supporting inclusion that includes support in mainstream settings, targeted and preventative services, and more specialist AP and SEMH provision.

Having a strategic plan or schema for AP can fulfil three related functions. The first function is to ensure that there is a shared understanding across the local system of the offer of local inclusion support and the role played within that by AP. The second function is to enable informed decisions about the most appropriate support pathway for an individual pupil, when it is appropriate for that pupil to receive additional support from the AP sector and likewise when and how that pupil can be reintegrated into mainstream education. The third function is to ensure that local AP, and the broader offer of local inclusion support, can be encouraged and helped to respond swiftly and flexibly to local needs. In short, effective approaches to organising local AP require that there is a clear strategic plan and framework through which can be agreed the most appropriate pathways for individual pupils who require something additional to the core offer in local mainstream education and/or in reintegrating into mainstream education.

> **Re-shaping the local AP to respond to local needs in Lewisham**
>
> Lewisham is an inner London borough made up of 65 primary schools, 14 secondary schools, five special schools (one of which specialises in SEMH needs) and one secondary PRU. The borough also commissions AP from a wide range of other providers, including independent AP.
>
> In 2015/16, Lewisham undertook a review of AP and wider inclusion support and provision, and developed a comprehensive programme of work to strengthen local AP arrangements.
>
> - **New arrangements for decision-making and fair access have been put in place**, which headteachers have welcomed.
>
> - **A new knife protocol has been agreed between the LA and schools**. As with other inner London boroughs, serious youth violence is a challenge in Lewisham. Central to the new protocol is an agreement not to treat carrying a knife as an offence automatically warranting an exclusion, since an exclusion could exacerbate a pupil's vulnerability. Instead, a pupil's underlying needs are considered and the most appropriate course of action is agreed.
>
> - **Significant work has been done to ensure there is a clear and coherent offer of local provision**. First, work has been done to broaden the curriculum offer in local AP. Second, responding to feedback from headteachers about pupils' needs related to trauma, work has been done with local CAMHS services to develop a multi-agency offer of support for pupils in AP. Third, a new QA framework has been developed for approved local AP providers. Fourth, the LA has supported local providers to understand and respond to changing local needs. For example, the LA has worked with one specialist local provider that supports a particularly vulnerable group of pupils to enable it to become registered as an independent school. Fifth, work has been done to redefine the respective roles of local AP and specialist SEMH provision as part of an overall continuum of local inclusion support. Regular network meetings are used to bring together local AP providers, build an understanding of provision that is locally available, and ensure there is a coherent and responsive local AP offer.
>
> This work demonstrates the importance of taking a whole-system, multi-agency approach and working pro-actively with local partners to ensure that inclusion and AP arrangements respond to local needs. The work is ongoing, but, in the last year for which there is data, Lewisham has seen a reduction in permanent exclusions from secondary schools from 78 in 2015/16 to 63 in 2016/17. Internal data held by the LA suggest that permanent exclusions from secondary schools have reduced further to 43 in 2017/18.

The role of unregistered independent AP

State-funded, independent registered and independent unregistered AP can all play a key role within a local AP system, and in the strategic plan a local area may have for AP. During our research, however, we detected some confusion about the role of independent unregistered AP, and about whether it was good practice for LAs and schools to be commissioning provision from these providers. In part, the way unregistered AP was viewed reflected anxiety about the consequences of falling foul of

the rules regarding the placement of pupils in unregistered AP.[22] We detected some confusion in local areas, on the part of schools and LA officers, about what needed to be in place when a pupil was being placed part-time in an unregistered setting. There was also a broader issue about a lack of clarity about who should have oversight of a pupil's overall education where their full-time education was provided through part-time placements in multiple settings. The DfE's statutory guidance on AP makes clear that this should be the commissioner, but our research suggests that there may be value in restating these rules and responsibilities and ensuring they are understood and applied consistently. In one local area that we visited, for example, the LA had worked with the regional Ofsted director to co-construct the section of its local AP framework that governed the use of unregistered AP to ensure the LA, schools and Ofsted had a shared understanding of responsibilities regarding the use of unregistered AP. This provided guidance to schools on how to apply national policy on the use of registered and unregistered provision and helped to make explicit their responsibilities in commissioning AP. In part, although to a lesser extent, this confusion also seemed to stem from the fact that having the label of being "unregistered" suggested that using a provider was not good practice.

Our research, particularly our fieldwork, suggested that independent AP that is not registered as an independent school can play an important role in local AP systems, complementing what is offered in mainstream schools and state-funded and independent registered AP. In many local areas, unregistered independent AP was offering part-time, personalised, niche provision for specific pupil groups (e.g. those at risk of exploitation, abuse or involvement in gangs) or who would benefit from developing key personal and social skills, and doing so in a way that complemented more formal, school-based education.

Putting in place a well-functioning strategic plan for local AP

It is more straightforward to describe a well-functioning strategic plan for local AP than to put one in place. This is because, in some important respects, the AP "market" does not operate like a normal market, and this can create three sets of additional challenges to commissioners and decision-makers when they are trying to shape the make-up of local AP.

   a. **In local AP markets, demand is highly sensitive to supply.** Our research suggests that this is particularly the case with regard to increases in supply, but to some extent also decreases in supply. What we mean by this is that the development of additional provision (supply) can create certain expectations on the part of mainstream schools, and that these expectations can in turn create

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[22] The statutory guidance on AP states: 'An AP provider should be registered as an independent school if it meets the criteria for registration (that it provides full-time education to five or more full-time pupils of compulsory school age, or one such pupil who is looked-after or has a statement of SEN).' (DfE, *Alternative Provision: Statutory guidance for local authorities, January 2013*)

demand pressures. In particular, these can include assumptions that certain kinds of pupil needs cannot be met in a mainstream environment, and that pupils with those needs will require a placement in non-mainstream provision. From our fieldwork, there was a strong message that the boundaries between mainstream and alternative education were not fixed, and could be shifted through local strategic decisions about inclusion. As we saw from our analysis, across local areas there is a range in the number of places commissioned in AP (as we describe earlier in this chapter), as well as in the number of pupils placed in AP (as we describe in chapter two).[23] In other markets, particularly those focused on growth, demand being sensitive to supply would be a positive characteristic. In the AP market, growth can mean less inclusion of pupils in mainstream education and increased pressure on places in AP and on finite local resources (including the high needs block). This can also lead to the sort of vicious cycle we described in the first section of this chapter, with local commissioners increasingly focused on reacting to placement breakdowns and finding additional AP places to keep up with rising demand. In other words, it is helpful to think of the AP market as a system that requires careful strategic planning and management of demand to ensure that agreed local approaches to inclusion are not undermined.

b. **It can be challenging for supply to respond swiftly to changes in demand** – first, this is because in many local areas the places where most needs start to arise (mainstream schools) are not the same as where decisions are taken about provision (the LA). This is particularly the case in local areas where there is not a sense of collective responsibility for pupils placed in AP on the part of mainstream schools, and where mainstream schools see themselves as "consumers" rather than "commissioners" of AP. Second, this is also because the LAs are not always in direct control of the "levers" that would enable them to make swift changes to local provision. For example, a number of LAs described challenges that they had experienced in getting agreement from the Education and Skills Funding Agency to amend the number of AP places commissioned from AP academies or free schools. Other LAs noted that they were not always able to access capital funding that might be used to enhance an AP setting to enable it to meet a different set of pupil needs. Third, this may also be because local provision is at full capacity, and thus there is no spare capacity (or the resources to develop an invest-to-save approach) to shift the make-up of local provision over time. Fourth, this can be further complicated by the fact that demand can change more rapidly than planned changes to local provision. Again, without careful strategic and collaborative planning, it is challenging for individual providers to have the confidence and

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[23] For example, the average number of primary-age pupils placed in AP was 11 per 10,000 primary-age pupils. In terms of how this varied across local areas, most LAs were clustered around the average (11), but there were a small number of outliers that reported more than 20 primary-age pupils placed in AP. Similarly, at secondary level, the average number of secondary age-pupils placed in AP per 10,000 secondary-age pupils was 98, but there were a very small number of outliers where LAs reported placing more than 145 secondary-age pupils in AP.

capacity to develop a new offer or for a new provider to enter the market. This can mean, however, that a local area is left without the right local provision to meet changing local needs. For these reasons, it can prove challenging for local areas to undertake both long-term strategic planning to support providers to develop new offers or to respond quickly to rapid changes in local needs.

c. **The make-up of local provision can be susceptible to disruptions caused by new providers entering the local market in an unplanned manner** – again, while in some markets the entry of new providers may be a positive thing, in local AP markets this needs to be handled carefully to avoid undermining the local strategic plan for AP, increasing demand and adding to pressure on local resources. For example, if a new provider – a new AP free school or a sponsor of an AP academy – enters the local market without there being clarity about how the role of their provision will fit with other AP and within the overall framework for inclusion, this can lead to duplication of roles, gaps in local provision and inequitable access to AP across the local area. Whether in the case of a provider expanding or a new provider entering the market, what is crucial is that this part of a planned, strategic and evidence-informed approach to ensuring local provision is arranged to be able to meet local needs.

In terms of AP free schools specifically, our research explored what was needed to enable AP free schools to play an effective and integrated role within the local AP system. During the research, several LAs described how they were developing, or were hoping to apply in future rounds to open AP free schools to develop, new provision needed by the local area in line with their local strategic plans. We also engaged local areas that had experienced more difficult relationships with AP free schools, in particular some that had been established in the first rounds of the free schools programme. We should note that some of these findings reflect the experience local areas had of working with AP free schools several years ago. We also recognise that some of these suggestions have already been incorporated into AP free school policy. For completeness, we include these points in full here. Our research suggested that the key factors for enabling an AP free school to play an effective role within the local AP system include:

- the AP free school being developed and driven in partnership by the local system;
- clarity and agreement about how the AP free school would fit with the overall strategy for inclusion and other local provision;
- ensuring that all partners understand clearly how the AP free school will be funded, particularly where the resources will be found following the transitional period (when the cost of the AP free school is funded nationally) and when responsibility for funding the place and top-up costs of the AP free school transfer to the local area's high needs block; and
- the AP free school, along with other providers, working collaboratively and being responsive to the needs of the local system.

We recognise that subsequent rounds of applications for AP free schools will be informed by these principles. From the feedback we gathered from local areas, particularly those keen to develop new local provision to meet their strategic priorities, our research suggests this approach will be very welcome.

The costs of AP

Average costs of a place in AP

We asked LAs to provide details of the costs of the places in AP commissioned from the high needs block for their local area. We asked, specifically, for information about the average cost by provider type and phase of a full-time equivalent place in AP for a full academic year, to ensure that we were comparing like with like. (All of the data presented here covers costs relating to the financial year 2017-18.) We used this information to analyse the average costs and how these varied across provider types, phase and other factors such as level of use of AP and the make-up of local provision.[24] A total of 101 LAs answered this question in our survey. Since not all LAs commissioned places from all types of providers – only 29 LAs that completed our survey had local AP free schools, for example – the numbers of data points for individual types of provider may be smaller than 101. Our analysis suggested that the average cost of a full-time placement for one academic year in AP was £18,000.[25] Figure 8 shows how this differs by provider type.

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[24] We calculated the average costs separately for each type of provider in each LA. We started by multiplying the average cost of a placement in a particular type of provider by the number of places commissioned by that LA. These were then added together and divided by the total number of places in that type of provider to arrive at an overall average cost for each type of provider. This provided what we have called a "weighted average" – so the average cost reflects the number of places commissioned, and did not simply reflect an average of averages. Not all LAs provided data in a form from which we could derive weighted averages. For these local areas, we used the data provided on the average cost for each type of provider and phase. We then combined the two, using weighted averages for the LAs where this was available and the standard averages where we did not. We considered that this was the most appropriate way to use the data LAs provided that did not exclude the data from certain LAs and that was likely to give the most accurate overall picture of the costs of AP. Where we discuss average costs in this report, this is the approach we have used to calculate those averages.

[25] For simplicity, all figures have been rounded to the nearest £100.

Figure 8: Average annual cost of a full-time equivalent placement in AP for one academic year, by type of provider
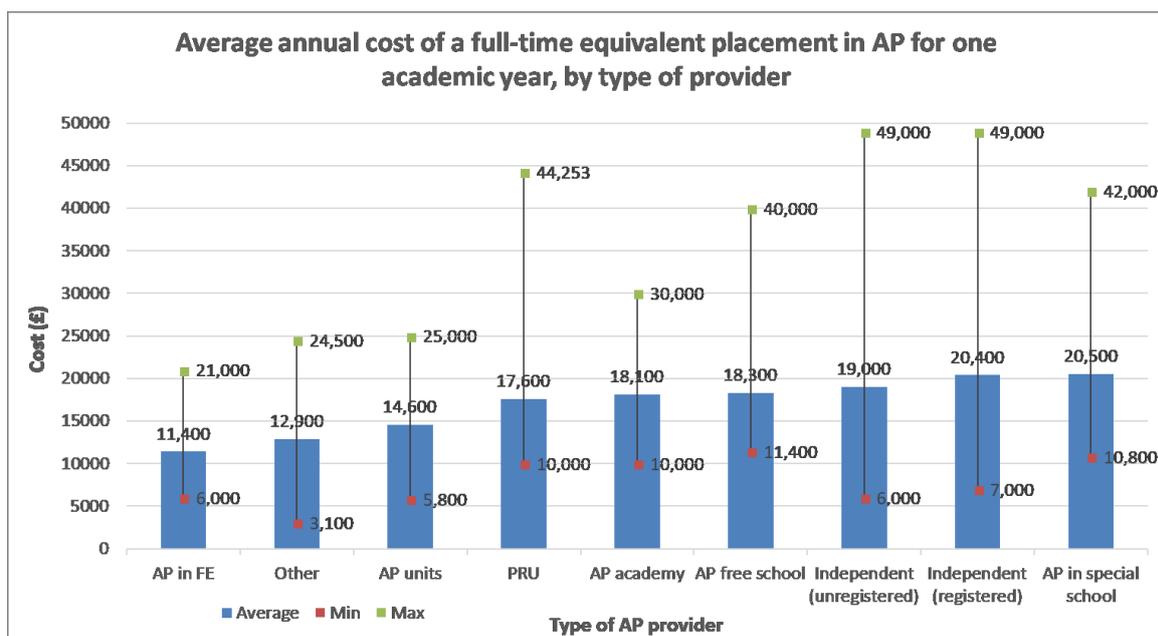
There are three points that we would highlight. The first is that the average cost of a place in state-funded AP (PRUs, AP academies and AP free schools) are closest to the average cost across all types of providers, and within +/- £400 of the average. This is unsurprising, given that the majority of places in AP (78%) are commissioned from state-funded AP providers. Across all three types of provider, costs ranged between £10,000 (which may reflect that LAs were just paying the place-led element) and £11,400 at the lower end, and between £30,000 (AP academies) and £40,000 or above (PRUs, AP free schools) at the upper end.[26] The number of LAs reporting the highest costs (above £30,000) in these types of provision was small, and thus it is not possible to draw any firm conclusions about the reasons for this.

Second, our analysis suggests that the average cost of a placement in independent unregistered AP (£19,000) and independent registered AP (£20,400) is higher than average. Independent registered AP is one of only two types of provider where average costs exceeding £20,000 were reported. (The other was for AP places commissioned from special schools.) Among both independent unregistered and registered AP, there was the widest range of costs. The lowest average costs of a placement in independent unregistered and independent registered AP were £6,000 and £7,000 respectively, and the highest for both types was £49,000.

It was also more common for LAs to report costs of more than £30,000 for a place in registered independent AP. Of the 46 LAs that provided information that we could analyse about the costs of places they commissioned in registered independent AP, eight

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[26] The numbers at the lower end of the cost spectrum were small, so this is unlikely to have had a distorting effect on our analysis. It also reflects the different ways in which local areas organise their AP place and top-up funding.

reported average costs of £30,000 or above. This is not to say, however, that independent AP is more expensive than state-funded AP. LAs argued that, in some local areas, these higher costs reflected the fact that they were commissioning places in independent AP for pupils with more complex needs as part of a well-planned strategic plan for local AP.

Third, there are some interesting points to be made about AP commissioned in other types of setting, specifically in "unit-style" provision linked to a mainstream school, in special schools or in FE providers. Specifically, the data appear to show that the average cost of commissioning an AP place in a special school is above average, at £20,500. This may reflect the fact that the average cost of a place in a special school can be higher than in AP, but we note that the number of responses here is small, and susceptible to being skewed by one or two LAs reporting very high costs in special schools. The data also show that the cost of commissioning AP placements in AP units and FE settings appears to be lower than average (£14,600 and £11,400 respectively). The fact that some LAs reported costs of less than £10,000 (the equivalent of the place-led element of AP funding) suggests that these figures may only include per-pupil top-up funding, given that mainstream schools and FE colleges receive mainstream per-pupil funding through separate mainstream funding formulae (e.g. the AWPU for mainstream schools). If the equivalent of mainstream per-pupil funding is included in these figures, they would be closer to the average costs of a place in state-funded AP settings.[27] It should be noted, however, that the numbers of LAs commissioning AP from these provider types are small – 12 LAs commissioned places from AP units, 13 from special schools, and 13 from FE providers.

Furthermore, we also used the data to analyse whether the average costs of a place in AP differed by phase. The results are shown in figure 9, below. This shows that, overall, the average cost of a place drops slightly as the age and stage of the pupils for whom it is commissioned increases. The data suggest that the average cost of an AP place in the primary phase is above average (at £19,500) and slightly above average for Key Stage 3 (at £18,600), but just below average for Key Stage 4 (at £17,800). This rises again slightly for post-16 students (£18,600). Our research suggests this may reflect both the higher demand for AP for secondary-age pupils, such that resources are spread more thinly. Our research also suggests that this may reflect different models of AP and inclusion support that local areas may use for the primary phase.

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[27] According to the school funding data for 2018-19 (see DfE, *National funding formula tables for schools and high needs: 2018 to 2019*), the average AWPU for primary, rounded to the nearest £100, is £4,100 (ranging from £3,600 to £5,900), and the average AWPU for secondary is £3,300 (ranging from £4,700 to £7,800).

Figure 9: Average annual cost of a full-time equivalent placement in AP for one academic year, by phase
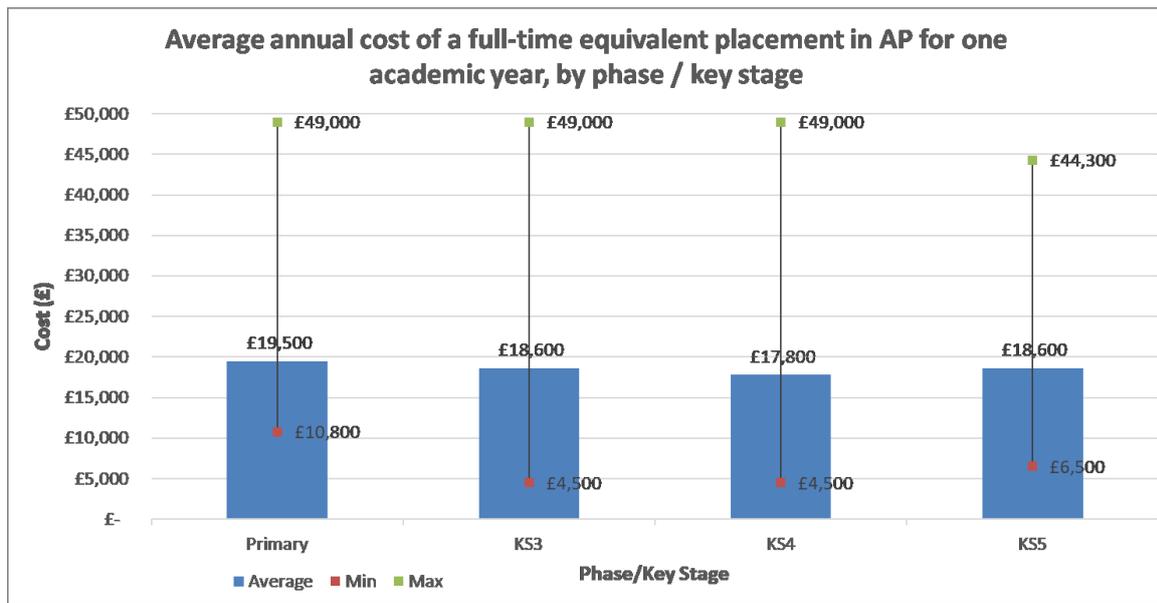
Factors that account for the differences in the average costs of places in AP across local areas

In addition to the differences by provider type and phase, what also comes across from the data we have presented is the range in average costs of places in AP across different local areas. Through our fieldwork, we identified a range of factors that were seen by local areas to influence the cost of local provision.

a. **Levels of historical funding** – LAs argued that the total amount of high needs block resources allocated to the local area relative to the size and levels of need locally could affect the average costs of placements in AP. Being more generously funded may allow some local areas to spend more on AP placements. At the same time, however, local areas that have traditionally spent more on AP placements would be likely to have higher levels of resources in the high needs block of the DSG, rather than in the schools block.

b. **Local strategic decisions about inclusion** – our research suggested that more inclusive local areas may have chosen to allocate more funding for inclusion through mainstream funding in the past. In these local areas, this funding would appear in the schools block of DSG rather than in the high needs block. This may mean that, until an exercise in 2017 allowing local areas to re-base their high needs block according to what they are now spending, the high needs block resources available to local areas that had been more inclusive may have been smaller than in other, similar local areas. Our fieldwork also suggested that the pupils placed in AP in the more inclusive local areas were likely to be pupils with the most complex needs. This would mean that the average cost per placement might be higher than for other, similar local areas.

c. **The make-up of local provision** – our research suggested that the make-up and availability of certain types of local AP and what they have charged historically or set as their prices were likely to affect the average costs paid by LAs. Feedback from LAs and AP providers suggested that, since this is not a market where providers offering similar services compete on price, and is one where provision is in demand, it can be difficult to reshape a provider's costs and price without destabilising the provider and the offer of local provision.

These factors, in addition to the strength of relationships between LAs, schools and AP providers, can combine in different ways, making it difficult to disentangle which specific factors account for the differences in average placement costs between local areas. Our analysis did not suggest, however, that there was a single factor or set of factors that were associated with different levels of spend on AP across local areas.

Figure 10: Table showing average costs by level of use of AP[28]
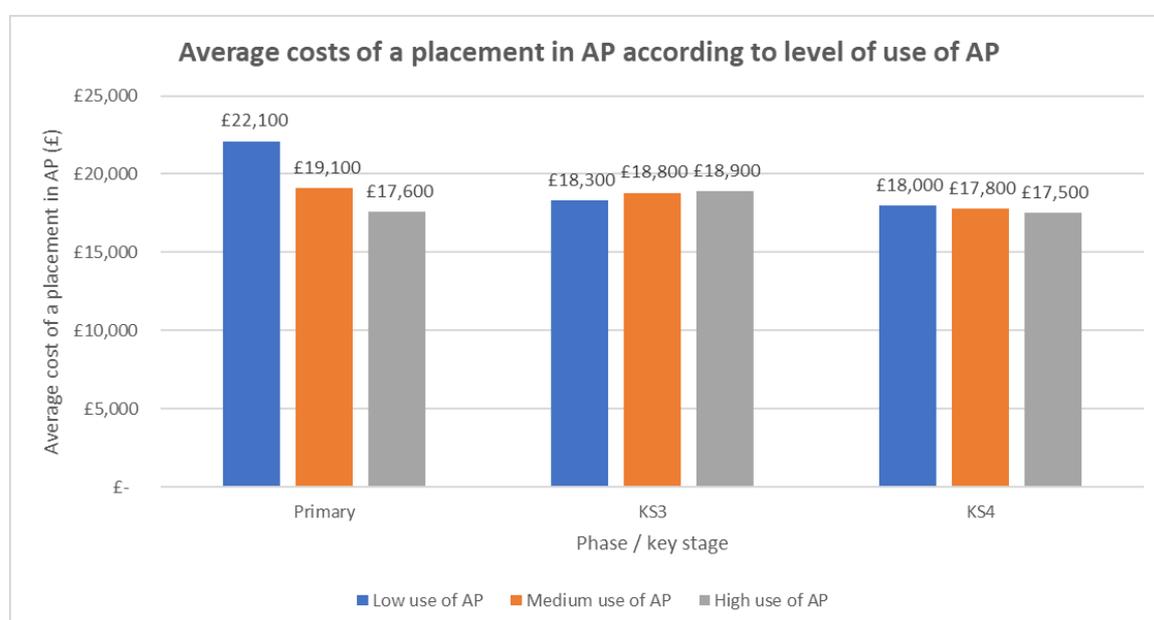
We also considered whether the *costs* of AP differed according to levels of *use* of AP. As figure 10, above, shows, LAs that made more use of AP at primary and Key Stage 4 reported a lower average cost of a placement in AP than those that made less use of AP. The differences are, however, relatively small, particularly at Key Stage 4. The picture is further complicated by the fact that we see the opposite pattern for Key Stage 3: LAs that were higher users of AP reported slightly higher average costs than those that made proportionately less use of AP.

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[28] The boundaries for low, medium and high usage of AP in the table are defined as follows. Low usage is defined as <5 pupils placed in AP per 10,000 pupils for primary and <59 pupils placed in AP per 10,000 pupils for secondary. Medium usage is defined as 5–18 pupils placed in AP per 10,000 pupils for primary, and 59–124 pupils placed in AP per 10,000 pupils for secondary. High usage is defined as >18 pupils placed in AP per 10,000 pupils for primary, and >124 pupils placed in AP per 10,000 pupils for secondary.

We also looked at whether there was a connection between the number of AP providers with which a local area worked and the average costs of a placement in AP. This is summarised in figure 11. The data show that the average costs increase slightly as the number of providers from which a local area commissions AP increases. Again, however, the differences are small. What this analysis does suggest, however, is that local areas are not seeing cost advantages of working with larger numbers of AP providers. It also shows that that, within local AP systems, providers are not necessarily competing with one another on price grounds. This is another way in which the AP market does not function like a standard market.

In addition, this analysis suggests, as several LAs reported to us, that a more diverse local AP market can mean that there are more providers, with a smaller proportion of placements, operating through more ad hoc purchasing of placements (as opposed to places being formally planned and commissioned). Some LAs shared illustrative examples of how providers had responded by increasing prices in order to keep their provision viable when LAs had sought to reduce the number of places that were commissioned from those providers.

Overall, therefore, our analysis did not suggest that there was a clear and discernible relationship between how the local AP market operated, either in terms of supply (number of providers) or demand (level of usage), and the average costs reported to us.

Figure 11: Table showing average costs for a placement in AP by the number of providers in a local area

Number of providers	1	2–4	5–10	More than 10
Average cost per place	£17,700	£17,700	£18,000	£18,300

The role of costs in the operation of local AP markets

The final point we would highlight regarding the costs of local AP relates to the role of costs in how local AP markets operate. Put simply, we found little evidence of AP providers competing based on price or of cost playing a significant role in influencing commissioning and placement decisions. We heard a small number of examples where schools had stopped using certain AP providers (both from delegated budgets and, where applicable, devolved high needs block funding) due to concerns about poor quality and high costs relative to the funding the mainstream schools received and could afford to pay. These instances were not, however, common across the local areas we visited.

This is one of the reasons why, in the preceding section of this chapter on the make-up of provision, we have used the term "strategic plan" rather than "menu" or "market". Local AP markets are not made up of multiple providers able to meet the same set of needs,

and thus competing against one another on quality and price. Even if this were the case, the finite resources available for local AP would mean that having excess capacity would not be an efficient way to run the local system. Indeed, in our survey and fieldwork, we heard messages from LAs about how their ability to influence the costs charged by AP providers was limited. Likewise, we heard from AP providers about the precariousness of their finances, and how susceptible these were to changes in pupil placements, which made it difficult for them to offer any flexibility on prices.

Furthermore, in some of the local areas we visited, we detected a lack of join-up between decisions about placements and strategic, long-term financial planning. This picks up the theme we described at the start of this chapter about some local areas becoming trapped in a reactive mode of operating, needing to react to placement breakdowns and exclusions, and to find and fund placements for those pupils. In some instances, placement decisions were not linked to long-term financial planning, nor did they take account of the long-term implications for pressures on the high needs block.

Overall, the evidence we have gathered on the cost of local AP further emphasises the importance of collaborative, strategic planning of provision and the use of resources in the local AP market. This evidence also, however, further highlights the challenges local areas face in ensuring the local AP system is planned strategically and effectively.

The interface between AP and specialist provision for pupils with SEN

The importance of considering the relationship between AP and SEN

Although not directly within the scope of this research – our focus is on the AP sector, rather than on the SEN sector – we are interested in the relationship within local systems between SEN, with a specific but not exclusive focus on SEMH needs, and AP. There are two reasons for this. First, a high proportion of pupils placed in AP have an identified SEN. In our survey, we asked LAs whether they would use AP for pupils with EHCPs, where an AP provider would be named on a pupil's EHCP. All 118 LAs responded to this question. Over two thirds (68%) said they would, 26% said that they would not, and the remaining 6% said they were not sure. They explained that they would often do this as a last resort, often due to a lack of other, often specialist SEMH, provision, or as a short-term "holding measure" while waiting for another placement to become available. In some instances, an AP setting would be named on the EHCP because it was deemed the most appropriate placement or had been requested by the parents. LAs estimated that, on average, they would have around 20 pupils with EHCPs placed in AP.

In our survey, we also asked LAs to provide information about the profile of pupils currently placed in AP, including whether those pupils had an identified SEN. A total of 72 LAs answered this question, the results of which are shown in the two charts in figure 12, below.

Figure 12: Proportion of pupils placed in AP with an identified SEN
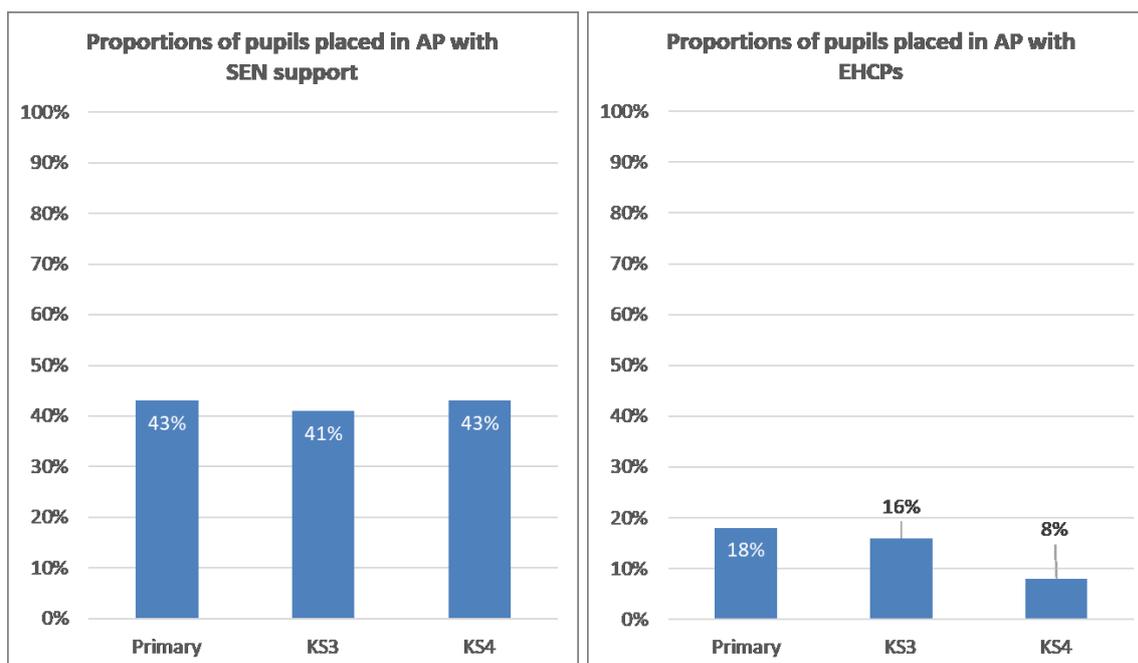
This shows that, across the primary and secondary phases, around four in 10 pupils placed in AP have had needs identified at the level of SEN support. Furthermore, the charts also show that the proportion of pupils with EHCPs in AP is higher in the primary phase (18%) than at Key Stage 3 (16%) or Key Stage 4 (8%). This figure rises significantly in Key Stage 5. As we describe in chapter two, this reflects the different uses of AP for post-16 students placed in AP.[29] Some of these children may have SEMH needs, but others are likely to have cognition and learning and/or communication and interaction needs as well. Another strong theme we heard described during the fieldwork was of pupils who had SEN but whose needs had not been identified in mainstream school or who had been given the label of "SEMH" when further assessment revealed that pupil's behaviour was the result of underlying and unmet communication and interaction or learning needs.

Second, as many local areas stressed to us during this research, within their local education system and related specifically to their local inclusion arrangements, there is an important interface between children placed in AP and those placed in specialist

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[29] We note that the data on proportions of pupils with SEN support reported through our survey look different from the published national census data. For example, while the survey data suggest around four in 10 pupils placed in AP have needs identified at the level of SEN support, the census data suggests this figure is 68% (this is not broken down by phase). One reason for the discrepancy may be related to the fact that the survey data covers pupils in all types of AP, whereas the census data only includes pupils placed in PRUs. We suggest a second reason may be that LAs, in completing the survey, gave data that they held on pupils. In some local areas, the LAs may have less direct information about pupils with SEN support placed in AP. The discrepancy may arise because the census data includes data from schools and AP providers, who will have more information about these pupils. The fact that the proportions of pupils placed in AP with EHCPs in AP reported in our survey (18% in primary, 16% in Key Stage 3 and 8% in Key Stage 4) are more in line with the census data (11%, not broken down by phase) would support this thesis, since LAs will have more information about pupils with EHCPs.

SEMH provision. This relates to the planning of pathways for children with different levels of SEMH needs, as well as the potential movement of children between local AP and specialist SEMH provision.

As such, in the survey, we asked LAs to say whether they had local specialist SEMH provision (state-funded provision, as opposed to places commissioned from independent or non-maintained special schools) and how this was organised. Of the 118 LAs that responded to our survey, 88% said they had some form of specialist provision. As shown in figure 13 below, similar to AP, the majority (68%) of places in specialist SEMH are commissioned for secondary-age pupils, compared to 32% in primary. As figure 13 also shows, while the bulk of places in both phases are commissioned from special schools, SEMH units are more common in the primary phase (15% of places) than secondary (4%).

Figure 13: Total number of places in specialist SEN provision for pupils with SEMH by phase
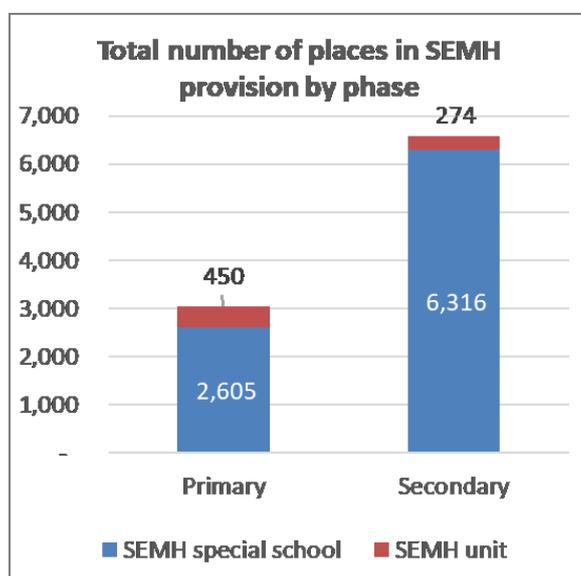
We looked at whether there was any relationship between the absence or presence of local specialist SEMH provision and the number of pupils placed in AP. We found that LAs that reported having no specialist SEMH provision at all commissioned fewer AP places for primary-age pupils (relative to the size of their pupil population), but more AP places for secondary-age pupils. This is shown in figure 14, below.

Specifically, local areas with no SEMH provision reported commissioning five primary places in AP per 10,000 primary-age pupils, compared to nine places in AP per 10,000 primary-age pupils in LAs that had specialist SEMH provision (based on 63 LA responses). Conversely, local areas with no specialist SEMH provision reported commissioning 97 secondary AP places per 10,000 secondary-age pupils, compared to 70 secondary AP places per 10,000 secondary-age pupils in LAs that had specialist SEMH provision (70 LA responses).

Our fieldwork evidence suggested that this could reflect the fact that LAs with a greater focus on inclusion support at primary level are less likely to have commissioned and to make extensive use of AP and specialist SEMH provision. Our evidence also suggested that mainstream secondary schools may find it more difficult to support and reintegrate pupils with SEMH needs, both those placed in AP and those who may need a placement in specialist SEMH provision. This would explain why, where there is no local SEMH provision, the needs of the secondary-age pupils who might require such a placement were likely to be met through local AP instead.

Figure 14: Total number of places commissioned in AP by phase, comparing local areas with some and those with no specialist SEMH provision
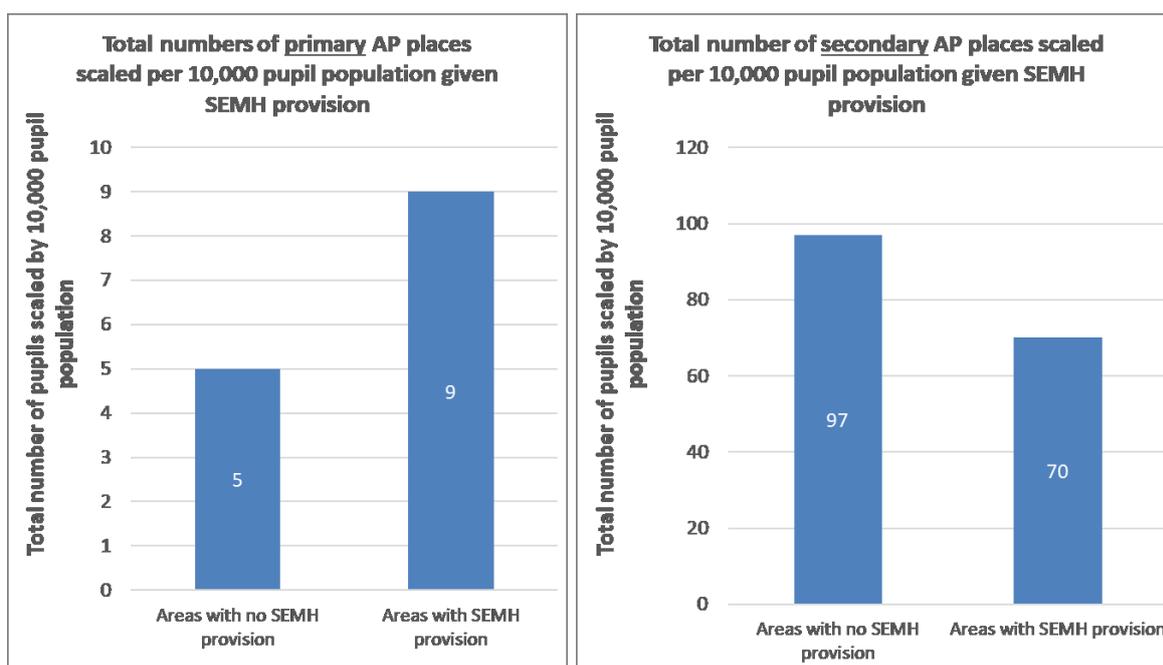
Models for organising local specialist SEMH provision

We were also interested to understand how local areas had arranged their SEMH provision and how that related to local AP provision. We asked those LAs who had local state-funded specialist SEMH provision to say whether:

- their local SEMH provision operated as a separate service / provision from local AP provision;
- their local SEMH provision and local AP operated in an integrated manner, by which we meant they were managed by the same organisation but operated as separate services day-to-day; or
- their local SEMH provision and local AP operated in a combined manner, by which we meant that they operated as a single service supporting pupils who had accessed the setting via the SEN statutory assessment and placement route and those pupils who had accessed the setting via the AP route.

Of the LAs that responded to our survey:

- over half (56%) said that their SEMH provision and AP ran as <u>separate</u> services;
- 19% said that their SEMH provision and AP ran in an <u>integrated</u> manner;
- 5% said that their SEMH provision and AP ran in a <u>combined</u> manner;
- a further 8% described other arrangements, usually where there were differences by phase – for example, where the provision at one key stage was separate but at another was integrated or combined; and
- a further 13% did not say (these are the LAs that said they had no SEMH provision, with the addition of one LA that said it had SEMH provision but did not provide any further information).

Implications of how the AP–SEMH interface is organised

Our research did not suggest that there was a preferable way of organising the interface between AP and specialist SEMH provision. Indeed, local areas with separate, integrated and combined models reported a similar set of challenges. These related to managing rising levels of demand for both AP and SEMH, while at the same time maintaining the distinctive roles and purposes of AP and SEMH, particularly maintaining the scope for local AP to provide short-term, preventative support and interventions, as well as longer-term placements. It is important to recognise, as the comments from LAs, AP providers and special schools bore out, that these demand pressures could come in either or both of two forms.

First, LAs argued that demand exceeding available places in specialist SEMH provision (or a lack of the right kind of specialist SEMH provision) could result in local AP supporting pupils with increasingly complex needs, including those with EHCPs, for longer-term placements. Year-on-year increases in the numbers of pupils with EHCPs, and the proportion of those pupils attending special schools, will have added to these pressures on local AP.[30] The effect, as one LA put it, was that local AP can become 'a de facto special school'.

Second, however, LAs also noted that AP settings were increasingly being required to undertake statutory SEN (education, health and care) assessments of pupils who had been excluded or placed in AP before their needs had been assessed through this route. LAs, AP providers and both mainstream and special school leaders considered that this could create additional demand for places in SEMH provision, since it was more difficult for these pupils, newly assessed for SEMH needs, to be reintegrated into mainstream settings. If, in turn, there were no places available in SEMH provision locally, then this

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[30] Nationally published data on children and young people with SEN shows that there has been a year-on-year increase in statements of SEN and EHCPs of 6.7% in 2016, 12.1% in 2017 and 11.3% in 2018 (DfE, *Statements of SEN and EHC Plans: England, 2018*). While the proportion of pupils with SEN with a primary need of SEMH has remained largely consistent over the last four years (16.7% in 2015, 16.3% in 2016 and 2017, 16.6% in 2018; DfE, *Special Educational Needs in England: January 2018*), the increase in the number of EHCPs will have created greater demand for places in specialist SEMH provision.

could mean those pupils staying in AP for longer, adding to demand pressures for both types of provision.

Many LAs described work they were doing to rethink their AP–SEMH arrangements. Several described how they were moving in the direction of greater integration, for example, by developing joined-up SEMH pathways that captured the distinct roles of local AP and SEMH. A much smaller number were moving in the opposite direction, looking to separate what were currently integrated AP–SEMH arrangements. In our research, we found that there were distinctive sets of benefits and risks to be managed in each model, which we thought would be useful to capture. These are set out in the table below.

Figure 15: Comparison of the potential benefits and potential risks of different models for organising local AP and specialist SEMH provision

	Separate AP and SEMH	Integrated or combined AP and SEMH	No local state-funded SEMH provision
Potential benefits	Can support clear distinction of respective roles and a more deliberate strategy of commissioning, planning placements and reintegration specific to each type of provision.	Can enable strategic commissioning of a full range of inclusive provision, with scope to use specialist staff and resources to offer a broader set of curriculum options and interventions (e.g. access to therapy services).	Can facilitate a more holistic approach to inclusion, with provision arranged according to needs, rather than assessment route.
Potential risks to manage	Can lead to pressure to create more EHCPs, if the AP provider considers that those pupils' needs would be better met in a special school. Pupils can end up being "held" in AP due to a lack of available specialist SEMH places.	Can allow "drift" or create expectations of a pathway into special school for pupils placed in AP. Can prove more challenging to maintain oversight of pupils in AP and those in specialist SEMH provision.	AP can become "blocked up" with pupils on long-term placements, with reduced capacity to offer preventative services. Can lead to increased reliance on independent / non-maintained special school provision for pupils with SEMH needs, due to lack of local state-funded provision.

	Separate AP and SEMH	Integrated or combined AP and SEMH	No local state-funded SEMH provision
Quotes from LAs	'Current lack of local specialist SEMH provision has led to some students with SEMH EHCP being placed in AP as a holding measure.' 'As our SEMH providers have few spare places, many of these students remain longer than expected in the PRU.' 'Local SEMH provision is at capacity, which results in children and young people with EHCP for SEMH being supported by AP provision for an extended period on occasions. … Those places that are currently taken up for extended periods effectively reduce the ability of AP to commit to extending their preventative offer.'	'Increasing numbers of pupils in AP supported through SEND – assessment leading to EHCP.' 'At any one time as many as 15–20% of AP students may be undergoing an EHCP application. This places pressure on AP places as students remain within the provision for longer periods … the co-location of [AP] placements with the special schools can promote a pathway into special as opposed to mainstream school.' 'AP providers are increasingly using capacity to provide specialist SEMH places, resulting in a reduction in places available for pupils who have been permanently excluded. …Some AP pupils react negatively to being placed within classes which comprise predominantly of pupils requiring specialist autism or SEMH provision.'	'Currently our special schools do not cover SEMH … this is a great concern and a shortfall in local provision.' 'No maintained SEMH school or SEMH academy for children presenting primarily with emotional issues that result in anxious and/or withdrawn behaviour. These children will be in AP and if KS4 likely to remain on full-time placement until the end of the key stage.'

Our analysis provided further support for these findings. We found, for example, that local areas with separate AP and SEMH provision were more likely to have fewer secondary-age pupils in AP (63 per 10,000 secondary-age pupils, compared to 96 in local areas with combined or integrated provision). They were also slightly more likely to have lower rates of permanent exclusion for secondary-age pupils (0.21) than local areas with combined or integrated provision (0.23).[31] At the same time, local areas with separate

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[31] Data on rates of permanent exclusions are taken from DfE, *Permanent and fixed-period exclusions in England: 2016 to 2017*.

arrangements had, on average, fewer secondary-age pupils in specialist SEMH provision (32 per 10,000 secondary-age pupils, compared to 44 in local areas with combined or integrated provision).

Our point here is not to suggest that there should be formal rules about which pupils should be supported in AP and which in specialist SEMH provision. The key point that we would highlight from the evidence we have gathered concerns the need to ensure that meeting pupils' additional needs is considered as part of an overall, joined-up approach to inclusion, one which encompasses areas like attendance and EHE, as well AP and SEN provision. At the same time, it is crucial that this overall approach is understood by LA officers responsible for working with and commissioning AP and those responsible for SEN, so as to ensure commissioning and placement decisions are joined up and provision can be planned and used to best effect.

A continuum of support for primary pupils with SEMH needs in Wandsworth

Victoria Drive is a maintained primary PRU which has been rated outstanding in its last four Ofsted inspections. It provides a continuum of support for pupils with SEMH needs, including:

- short-term / sessional group teaching on site (usually two half-days per week);
- advice and consultation to mainstream staff;
- individual support to pupils in mainstream settings as part of a programme of interventions; and
- family and mental health worker support and involvement in team-around-the-child meetings.

The PRU manages outreach support for primary pupils with moderate learning difficulties and support in mainstream schools for those pupils with SEMH needs who have EHCPs. There is an all-age SEMH special school for pupils with EHCPs who require a longer-term alternative to mainstream school.

Referrals for intervention and preventative placements in AP are considered at a panel, which meets four times termly. Schools complete a detailed referral form, which is followed by a pupil observation in the mainstream setting. Around 11–12 referrals are considered at each meeting. The type of intervention is decided on the basis of this assessment, in consultation with parents and referring schools. There is a formal structured process for target-setting and review.

There is a strong belief that improvements in pupil behaviour cannot be achieved out of context, and that there is generally a need to address environmental issues (school / classroom / family) as well as the skills of the individual child.

The model is now well established and has strong support from local primary school leaders, who see this as a cost-effective approach to managing behaviour concerns that also supports school improvement and staff development. Permanent exclusions at the primary phase in Wandsworth remain low (one to two per year). Local evaluations indicate positive pupil outcomes but also impact at school and individual practitioner level.

Chapter Two: How local alternative provision is used

Responsibility for pupils placed in AP

While chapter one has detailed how the national and local AP systems operate in terms of provision – or, in market terms, the nature of *supply* of AP – the focus of chapter two is how local AP is used, and the nature of and factors that affect *demand* for AP. In particular, we have been keen to consider how AP is used in the context of how and by whom decisions about the use of AP are taken. This flows from the fact that some local areas have, in recent years, developed models of devolving responsibilities and funding for pupils placed in AP to schools, either collectively or individually. For that reason, this chapter starts by considering some of the different ways in which local areas have arranged decision-making and funding responsibilities relating to AP. The chapter goes on to detail our findings about how AP is used currently and the factors that affect demand for AP.

Centralised and devolved models of decision-making and funding of AP

In our survey, we asked LAs to describe where certain key responsibilities for local AP sat. In particular, we asked whether funding from the high needs block for AP was held centrally by the LA or devolved to schools (either individually or in partnerships). Based on their responses about arrangements for secondary-age pupils, we then sought to put LAs into one of two main groups, which are explained below. (We return to look at these groups in chapter three, where we consider what conclusions we can draw from the survey and other data about these different models.)

1. **Centralised** – we defined this as where decisions about how funding from the high needs block is used for pupils in need of AP are taken centrally by the LA. This was by far the most common of the two models of arranging decision-making and funding responsibility for AP. We found that three quarters of LAs (76%, or 90 of the 118 LAs that completed our survey) came under this category. This category includes local areas where the high needs block resource for AP is held centrally by the LA. It also includes local areas where a central PRU or AP academy has responsibility for carrying out these central functions on behalf of the LA, and where the PRU or AP academy may broker additional support for pupils who are on its roll but educated in other AP settings. We considered that this latter model was more akin to the traditional, LA-led model, with the PRU essentially acting on the LA's behalf, and less in common with the models where responsibilities are devolved to mainstream schools.

2. **Devolved** – we defined this as being where funding from the high needs block for pupils requiring AP, along with responsibility for the shape of provision and decisions about the placement of pupils in AP, is devolved to schools. This includes models where funding is devolved to a formal, collective partnership of schools (in larger local areas this could be

a locality-based cluster) or to schools individually. (Our analysis suggested that, where local areas had devolved funding, it was more common for this to be devolved to partnerships than to individual schools.) This also includes models with differing levels of devolution. For example, in some local areas, all funding for pupils requiring AP has been devolved to schools – this includes pupils with the full range of needs we described in chapter one. In other local areas, funding may have been devolved for a particular group of pupils, such as those at risk of permanent exclusion, but the LA has retained the funding for pupils who may be permanently excluded or out of mainstream school for other reasons (in-year arrivals, or physical or mental health needs). For the purposes of our analysis, we have grouped together local areas where the LA reported that responsibilities were fully and where they were partially devolved. We have grouped these two sets of arrangements together partly because the numbers in each group are small. For instance, 21 LAs reported having devolved some parts of AP, for particular groups of pupils, to schools, while seven reported having devolved all funding for pupils placed in AP to schools. We also considered that this was sensible because these models have certain key characteristics in common, namely aspects of devolved funding, which make them a useful comparison to those local areas with centralised arrangements. In total, 24% (28) of LAs had devolved or partially devolved key decision-making and funding responsibilities for AP to schools.

We should note that, while many LAs (66%) had the same decision-making responsibility and funding arrangements in place for the primary and secondary phases, 34% (or 40 of the 118 LAs that completed our survey) had separate arrangements for each phase. The proportions of LAs that fall into each group, quoted above, refer to those LAs that had the same arrangements for both phases or, for those with separate arrangements, to arrangements for the secondary phase. We chose secondary as a point of comparison because devolved models are more likely to have been developed in the secondary than in the primary phase, and because, as we describe in chapter one and later in this chapter, the majority of commissioned places and pupils placed in AP are in the secondary phase. Indeed, among those LAs with separate phase-specific arrangements, responses to our survey suggested that models with an aspect of devolved responsibility were more common in the secondary phase (33%) than in the primary phase (18%).

Figure 16: Breakdown of AP decision-making and funding responsibilities for LAs that have separate phase-specific arrangements

	Proportions of LAs: Primary	Proportions of LAs: Secondary
Centralised	83%	68%
Devolved (partially or fully)	18% (10% partially, 8% fully devolved)	33% (23% partially, 10% fully devolved)

Empowering mainstream schools and fostering inclusive practice in Kent

Kent is a large local education system, made up of 454 primary schools, 98 secondary schools, 22 special schools and seven PRUs. In 2013, Kent began a large-scale reorganisation of local AP arrangements, which aimed to encourage mainstream schools to take greater responsibility for AP and inclusion.

At secondary level, headteachers across seven localities were invited to be part of the management committees of the local PRUs, and given the choice over what local inclusion support and AP arrangements they wanted. In some local areas, headteachers have developed an inclusion service that offers support through outreach, time-limited placements, and reintegration planning. In other localities, headteachers have retained a local PRU, but make up the management committee of that provision. In between the two models, schools in other areas have adopted a third option, splitting the devolved funding to develop their own in-school inclusion provision.

As a condition of receiving devolved funding, mainstream schools in Kent agree to maintain pupils who are placed in AP on their roll. Pupils in AP being dual-rolled in this way strengthens the connection between pupil and school and encourages reintegration. In the localities that we visited, headteachers described their role as being collectively responsible for local AP and inclusion support. Likewise, local AP and inclusion services described their role as being to respond to the needs of local schools and their pupils.

A strong LA QA process has been put in place that focuses on pupil progress and achievement, behaviour and attendance, and the setting's leadership and management, as well as taking into account the wider context of the local area (including rates of exclusions, EHE and other children not in mainstream education).

At primary level, funding has been devolved to eight primary inclusion partnerships to establish local inclusion facilities. For the last three years, these partnerships have been funded to develop locally-based support for inclusion and build capacity in mainstream schools through part-time, turnaround and intensive outreach and in-reach support.

Aside from the importance of fostering individual responsibility amongst schools for pupils placed in AP and collective responsibility for the education system in their localities, a key reflection from Kent's experience has been that the role of fostering inclusion and overseeing the use of AP is not limited to any one service. Doing this effectively requires a specific focus on inclusion: in Kent, inclusion and attendance advisers work on a district basis to prevent placement breakdowns and support schools to put in place effective inclusive practice. It also requires a strong focus on school improvement, strengthening teaching and leadership, while drawing in other agencies to provide holistic support. For example, over two thirds of children in AP in Kent have had some involvement with children's social care services or early help.

Comparing the last two years for which there is published data, the number of secondary exclusions in Kent fell from 49 (a rate of 0.05 in 2015/16) to 41 (a rate of 0.04 in 2016/17). During the same period, the rate nationally increased from 0.17 to 0.20. The rate of permanent exclusion among secondary schools is the lowest in the South East region.

In chapter three, we consider some of the differences we see when we compare the outcomes achieved by local AP systems that have centralised models with those that

have devolved models. In this chapter, we highlight three additional points about the different models for arranging decision-making and funding responsibilities for AP.

Fostering responsibility among mainstream schools for pupils placed in AP

First, while the analysis we present in chapter three suggests there are some discernible differences in how AP is used between centralised and devolved models, our findings do not suggest that there is a "right model" for arranging decision-making responsibilities relating to AP. Instead, our research suggests that what is an essential pre-condition to having a well-functioning AP system is having strong individual and collective responsibility on the part of mainstream schools for the pupils placed in AP in the local system. Devolving decision-making and funding is one *means* of fostering these two levels of responsibility, but we have also come across local areas that have achieved a similarly collaborative approach without devolution of funding and decision-making.

Fostering individual and collective responsibility for pupils in AP in Hampshire

Hampshire is a very large and relatively affluent county, yet with pockets of deprivation. It comprises 421 primary schools, 68 secondary schools, two all-through (primary and secondary) schools, 26 special schools, seven PRUs (one of which is an AP academy) and one AP free school. Around half of the secondary schools are academies, whereas the vast majority of the primary and special schools are maintained by the LA. There is a high percentage of good or outstanding schools and the county has historically achieved lower levels of exclusions than the national average.

It is striking that among schools and the local authority there is a strong sense of collective responsibility and joint endeavour relating to the successful operation of AP. Together, schools and the LA have achieved this through the following means:

a. **strong moral leadership** in schools and in the LA that puts the interests of children and young people centre stage;

b. **investment in prevention** – at primary level, the schools forum has voted to invest £2.4 million to pay for a county-wide primary behaviour service run through six purpose-built centres; at secondary level 60% of the 500 AP places commissioned are for schools to place young people at risk of exclusion, for a time-limited period;

c. **knowledgeable and respected LA advice and challenge to schools around inclusion** – one headteacher described the LA inclusion team as 'energetic and resourceful';

d. **a system of inclusion partnerships across the county**, led by headteachers, to develop cooperation around managed moves and successful reintegration into mainstream education for young people in AP; and

e. **effective leadership by the Education Centres** (Hampshire's PRUs), with an increasing focus on outreach to prevent young people being excluded or needing an intervention placement.

We provide some further explanation of what we mean by individual and collective responsibility below.

1. **<u>Individual responsibility for pupils placed in AP by a school</u>** – this is where a mainstream school continues to have a connection to a pupil placed in AP. By this, we mean that the school remains responsible for the pupil's placement in AP, their progress while in that placement, and their reintegration into school after that placement. Key here is avoiding the view that an excluded pupil ceases to be the responsibility of the mainstream school, and should be the responsibility of a separate part of the local education system. During our fieldwork, we came across approaches that had sought to foster this sense of responsibility through a range of means. Some local areas had sought to do this by devolving funding to schools, either individually or in local partnerships. Some local areas had agreed local policies with schools that pupils placed in AP would be dual-rolled (remain on the roll of their mainstream school as well as the AP setting). Other local areas had focused on building understanding among mainstream schools of the need for local AP to operate in a more dynamic manner, requiring pupils to be reintegrated from AP in order to create the capacity for local AP to be able to respond when needed. These local areas had created strong expectations locally that the majority of children placed in AP could and should be reintegrated successfully into mainstream schools, and had developed effective partnership-based inclusion decision-making panels to ensure this happened. For example, in one local area, each pupil placed in AP was allocated a "destination school" where they would move after their placement in AP, and which would be responsible for overseeing the pupil's placement and progress. This arrangement was accompanied by clear processes for planning for reintegration and support to build inclusive capacity in the receiving school. Such approaches were seen as beneficial to the pupil, the continuity of their education, their sense of self-esteem and engagement in learning (not feeling "rejected" by schools), and their chances of reintegration back into a mainstream school and of progressing successfully into further study or work beyond school.

2. **<u>Collective responsibility for schools for all pupils placed in AP locally</u>** – this is where school leaders recognise the interconnected nature of the local education system, particularly the way one school's decisions about inclusion or exclusion affect other schools, local AP, and the collective success of schools across the local area. The schools then agree to work together for the benefit of all schools and pupils in that locality, including taking collective responsibility for the pupils that are placed in local AP. This will entail having a strong, common moral purpose, rooted in ensuring that the local education system serves the needs of all pupils and communities, and will be underpinned by robust arrangements that ensure school leaders and partners work collaboratively to agree support for pupils, oversee placements in AP, and ensure pupils are reintegrated into mainstream settings as quickly as appropriate.

In figure 17 below, we have summarised what, from our fieldwork visits and the responses to the survey, we found to be the key factors that contribute to or corrode these twin senses of school responsibility for pupils placed in AP.

Figure 17: Factors that contribute to and corrode individual and collective school responsibility for pupils placed in AP

Contributing factors		Corroding factors
• Moral purpose, commitment to serving the local area • Clear, agreed inclusion framework	**1. Purpose and strategy**	• Isolationist attitudes – focus on what is good for individual schools • Pupils in AP are "not my responsibility"
• Strong, collaborative leadership • Stable leadership cadre (LA, schools) • High trust between local leaders	**2. Leadership**	• Lack of strategic leadership capacity across inclusion and education • High turnover of school / AP leaders • New providers, without induction
• Clear understanding and collective ownership of high needs block, spend on AP, resource implications of strategic and placement decisions	**3. Financial realism**	• Commissioning and placement decisions driven by short-term need • No understanding of AP resources • Unequitable access to AP for schools
• Regular data flows – visibility of all pupils not in mainstream education • Processes built on fairness – ensure equitable access to and use of AP	**4. Robust core processes**	• Perception of unfairness – some schools less inclusive than others • Little oversight of pupils not in full-time mainstream education
• Coherent, joined-up offer of support – education, inclusion, early help etc. • Flexible offer of support, responsive to pupils' and schools' support needs	**5. Driving action**	• Lack of core offer of preventative, capacity-building inclusion support • No join-up across agencies (inclusion, school improvement, early help)

Developing partnership working in Birmingham secondary schools

Birmingham is a large local education system comprising 298 primary, 86 secondary and eight special schools. Birmingham also has a large, multi-site PRU that supports primary- and secondary-age children. Local secondary schools operate in networks, which vary in size and how they operate. These secondary networks have historically played a role in deciding managed moves and in placements made through fair access protocols. More recently, some networks have sponsored the development of local AP free school provision to help meet pupil needs.

Birmingham is working towards fostering greater responsibility for places in local AP provision among the secondary networks. A formula is being used to determine the "shares" of PRU and AP free school places, based on numbers of pupils and indicators of deprivation in each network. The aim is to provide clarity about available capacity and expected levels of use, foster ownership of and responsibility for provision and pupils placed in AP, and ensure equitable access to the provision across the city.

The development is being led by the Head of the Virtual School for children in care, supported by senior LA officers and representatives from the secondary networks. There has been active discussion with secondary headteachers through individual and network meetings to help ensure clear understandings of the rationale and purpose of the change.

There are already signs of key cultural shifts, including:

a. greater understanding of provision and that this is a shared resource that needs to be managed collectively;
b. greater willingness to consider reintegration to release capacity for other pupils who need support from AP; and
c. increased debate about the role and value of permanent exclusion.

Numbers of permanent exclusions have reduced. According to the most recent published data, secondary permanent exclusions have dropped from 167 in 2015/16 to 152 in 2016/17. Internal data held by the LA show that permanent exclusions have reduced further to 132 in 2017/18.

Consideration is being given to a model for collaborative working in the primary phase, with the idea of establishing shared, school-based provision on a pilot basis.

An important oversight and key-working role for LAs

Second, in models that have developed a strong sense of individual and collective responsibility on the part of schools for pupils placed in AP, this has not come *at the expense of* a role for the LA and partner agencies. Instead, we found that LAs played a key role in creating and maintaining a framework within which school-level responsibility operated. The role was an essential lynchpin of an effective local AP system. We did not come across a local AP system that was seen by LA, school and AP leaders as a mature, well-functioning system in which the LA was not playing this role. Specifically, we found that, in those local AP systems that were seen by LA, school and AP leaders to be operating effectively, LAs played an important "key-working" role. This included:

- overseeing the day-to-day operation of the local AP system, using data to keep track of pupils at risk of exclusion or of being marginalised from the mainstream education system, pupils in AP, or those not in full-time education (which has important implications for safeguarding as well as pupils' education);
- providing early support and advice when pupil placements were at risk of breaking down;
- brokering support and helping to secure placements for pupils where this was needed;
- supporting mainstream school and AP leaders to work together to plan the reintegration of pupils who had been placed in AP or out of full-time education, including by drawing into this process other, complementary forms of support;
- drawing key partner agencies (particularly early help, family support, children's social care, health-related education services, mental health services, SEND services) into intelligence-gathering, decision-making and support discussions; and
- providing robust QA of and support to develop local provision.

This is not to say that some of these are functions that can only be provided by the LA. In some local areas we visited, functions such as brokering placements or planning reintegration were very much a collaborative endeavour involving schools and AP

providers. Our research suggested, however, that these functions would not be performed consistently effectively without the involvement of the LA and its unique role.

Bristol's Virtual Head for AP: Facilitating partnership, collaboration and joined-up commissioning

Bristol is a local education system made up of 105 primary, 22 secondary, 10 special and five AP schools. Bristol has been on a journey whereby LA and school leaders have sought to work together to strengthen partnerships and improve the quality of education within the city.

Recently, a specific focus has been on reducing numbers of permanent exclusions. In the 2015/16 academic year, there were 65 exclusions from secondary schools, but by 2016/17 this had reduced to seven. Internal data held by the LA suggest the figure for the 2017/18 academic year is of five permanent exclusions from secondary schools. Bristol has sought to develop a partnership-based model of secondary schools working together for Bristol children. This has been done by establishing new decision-making processes regarding the use of AP, seen by school leaders as fair and transparent. Fortnightly panel meetings allow schools to challenge one another about the appropriateness of referrals to AP. At the same time, these collaborative discussions have provided valuable opportunities for colleagues to share practice and learn from one another.

AP providers consider that pupils now make better progress in AP because placements are considered as a positive and helpful intervention, rather than as a punishment following permanent exclusion.

The process is managed, overseen and facilitated by a "Virtual Head" for AP. This is a new role, inspired by and operating in parallel with the role of the Virtual Head for children in care. The Virtual Head is able to take an overview and exercise oversight of the local AP system. This involves analysing placement trends and monitoring outcomes. As a respected former secondary school leadership member from Bristol, the Virtual Head is also able to engage schools in strategic discussions about current and future needs, and work with a range of AP providers across the city to shape, commission and quality-assure local provision.

By contrast, there were local areas we visited where this role was not being played. The implications of this role not being played effectively included a lack of a coherent offer of local provision, inappropriate placements in local AP, and inequitable demands placed on local AP by different schools. In some cases, there was also a lack of "grip" on numbers of pupils not in full-time mainstream education and a lack of established processes for getting pupils back into education as quickly as possible.

Figure 18, below, provides a summary of the crucial characteristics of an effective LA key-working function that we identified through our fieldwork.

Figure 18: Characteristics of an effective LA key-working function

Key characteristic	How LAs carry out this function
1. Strategic oversight of all "at-risk" pupils	LAs that operated in this way had a well-developed set of mechanisms to maintain real-time oversight of all pupils not in full-time mainstream education or at risk of becoming marginalised. These included having a regular flow of robust data and intelligence about pupils at risk of exclusion, in AP or in EHE. These informed regular discussions at local area and locality level about individual pupils, their placements, the support needed, and their future pathways.
2. Capacity and credibility to liaise with, support and challenge schools	A key role was that of the "Inclusion Officer", usually someone with experience of senior leadership of inclusion support in schools, who could have strategic, supportive and challenging conversations with schools within a particular geographical patch. Their role was to use their networks with local providers and services to broker support, placements and reintegration pathways. LAs that worked in this way felt the seniority of the role and credibility with schools was crucial.
3. Working with key partner agencies to provide a joined-up offer of support	LAs that worked in this way had well-developed arrangements for joining up discussions about inclusion with colleagues from SEN, early help, youth offending and local health services. This was seen as crucial to sharing intelligence and building up a holistic picture of a child, their education and family life, and being able to provide a coordinated offer of support from the agencies that needed to be involved that schools saw as adding additional, valuable support for pupils and their families.

A key oversight role that ensures children do not become marginalised from mainstream education in Nottinghamshire

Nottinghamshire is a large local education system, made up of 279 primary schools, 46 secondary schools and 11 special schools. Nottinghamshire does not have any PRUs. Following critical Ofsted judgements and discussions with Nottinghamshire headteachers, the PRUs were closed and a new model was put in place whereby high needs funding was devolved to schools to prevent exclusion and promote inclusion.

Funding is devolved separately on a district basis to primary and secondary schools respectively. The vast majority of Nottinghamshire schools are part of these partnership arrangements. Funding is calculated on an individual school basis, although the most effective partnerships have pooled their resources in a single "partnership pot". The partnerships also receive devolved funding for SEN, enabling them to take a holistic view of inclusion support in their localities. In the small number of instances where a school in Nottinghamshire does exclude a pupil, the cost of their placement is recovered from the school or partnership in question. The rate of permanent exclusions across all schools in Nottinghamshire in 2016/17 was 0.04, while across England it was 0.10.

A crucial part of ensuring this model works well is the role of the Vulnerable Children's Education Commissioning (VCEC) group. VCEC is a county-level group made up of LA officers from the fair access team, education inclusion services, EHE, children's services, youth offending, SEN and health-related support. A monthly meeting enables LA officers to consider those children at risk of becoming marginalised from mainstream education, and to identify which service(s) are best placed to provide support. According to LA officers, it enables issues to be raised, actions to be agreed, and decisions to be taken on whether a single-service or multi-agency response is required, so that children do not fall between different services. As

one member of VCEC put it, 'prior to this we would have had lots of emails and individual conversations about each child. Now we have a monthly process for raising issues and talking about what we know about children. Previously, this might not have happened at all or at least not very quickly. It has worked brilliantly.' There is also a parallel panel that oversees pupils who are placed in AP.

Challenges in fostering individual and collective responsibility for pupils placed in AP

Third, while there was consensus on the desirability and necessity of schools taking individual and collective responsibility for pupils placed in AP, there was also a strong view that the current system does not incentivise such approaches. Indeed, there was a strong consensus among LA officers and the majority of school leaders across all local areas that we visited that there are aspects of the current system that impede such approaches. Colleagues highlighted three ways in which the current AP and wider education system disincentivises school-responsibility-based models of inclusion.

1. **Funding** – in most local systems, unless there are alternative formal arrangements that have been agreed by all schools, it will be cheaper to exclude a pupil permanently than to place a pupil in AP. For example, a school may lose the *pro-rata* funding it received for that pupil (the AWPU and other per-pupil funding), but that may be considerably cheaper than the cost of a placement in AP, particularly for a pupil who has been permanently excluded. (For example, the average level of per-pupil AWPU funding received by a school is around £4,100 per primary pupil and £5,300 per secondary pupil. Where a school permanently excludes a pupil, they will lose this and any pupil premium funding for the pupil for the remainder of an academic year.[32] This compares to what we found, through our survey, to be the average cost of a full-time placement in AP for one academic year, of £18,000.) As we explain in the section below, some local areas have developed mechanisms so that schools do bear the cost when a pupil is permanently excluded, either through devolving funding for excluded pupils or charging tariffs when pupils are excluded. Responses to our survey suggest, however, that there are local areas where no such arrangements are in place, and where it remains financially disadvantageous for a school to seek to include and support, rather than permanently exclude, a pupil. At the same time, where local areas fund local AP purely on the basis of places commissioned and pupils placed in AP, this can create a corresponding incentive for AP providers to seek to fill their places, with little incentive to support inclusive practices through outreach or support the reintegration of pupils into mainstream schools. This is not to say that all mainstream schools and AP providers are acting in this way. Indeed, we found

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[32] These average figures are taken from DfE, *National funding formula tables for schools and high needs: 2018 to 2019*.

many examples of mainstream schools and AP providers working in partnership with the LA and partner agencies in a collaborative and inclusive manner. The key point that they noted, however, was that they were doing this in spite of some of the incentives in the current system, not because of them.

2. **<u>Performance measures</u>** – in some instances, LA and school leaders welcomed recent changes to performance measures at primary and secondary levels, particularly the increased focus on the progress of all pupils. Indeed, we note that the stated aim of changes to school performance measures and the curriculum was to ensure schools provided effectively for all pupils, including vulnerable pupils and those with additional needs. LA and school leaders also argued strongly, however, that the current suite of performance measures could disincentivise schools from wanting to continue to support pupils who may depress a school's performance figures. They argued that this would include pupils with additional needs who may benefit from support from AP, those at risk of exclusion, and those who may be in a position to reintegrate following a placement in AP. Another consequence reported to us was that schools would be less willing to place a pupil in AP for preventative reasons if they did not think the AP setting would be able to offer the breadth of curriculum necessary for a pupil to continue to achieve well across the subjects that count towards the school's Progress 8 score. In these instances, it was reported to us that schools were more likely to exclude a pupil permanently than to place them in AP for preventative reasons or seek additional inclusion support.

3. **<u>Inspection</u>** – school leaders and LA officers reported that they perceived a tension between improving school standards and inclusion within the school accountability framework, and that the latter was not adequately reflected in the school inspection framework. Schools reported some inconsistent messages about inclusion from inspectors, and often felt it was corrosive of collective school responsibility when schools that had excluded high numbers of children were feted and received glowing inspection judgements for their overall improvements. The argument put here was not to question those achievements, but to recognise that it was not conducive to a well-functioning local approach to inclusion and AP if schools were rewarded for improving education for the majority of their pupils without solutions being in place for those who would otherwise be marginalised from mainstream education.

Those local areas that had developed school-responsibility-based models noted that these arrangements rested on the goodwill of school leaders and their willingness to continue to work in this way. They voiced concerns about the long-term sustainability, namely that these arrangements were inherently susceptible to changes in the leadership of local schools, either at headteacher or trust level. While there are some examples of local areas making progress in developing school-responsibility-based models in the current context, we also came across several local areas that experienced significant

difficulties in overcoming the powerful sets of disincentives outlined above and creating the necessary ethos and conditions for school-responsibility-based models.

Other mainstream school financial responsibilities for AP

We know that funding and how it is arranged can be a powerful tool for reinforcing the strategic vision for how AP, like any other service, is used. As well as devolving funding from the high needs block, we also asked LAs what funding arrangements they had in place in instances where a pupil was excluded – whether schools had to pay a charge, how much and whether this was a one-off.

At present, the school finance regulations stipulate that LAs can only reclaim AWPU and pupil premium funding for the remainder of the academic year when a pupil is excluded permanently. There is scope for alternative arrangements to be put in place, but these require universal and formal agreement from local schools. As a result, while we found that some local areas had developed and put in place arrangements to address the situation where it was cheaper for a school to exclude a child than to place them in AP, there were other local areas in which LAs had sought to put in place similar arrangements but had not been able to secure the agreement of schools.

Our research suggests that one of the advantages of devolving funding to schools is that it is transparent to schools what the costs are of a placement in AP, whether due to a permanent exclusion or for another reason. Furthermore, in models where funding for excluded pupils is devolved to schools, but where the LA maintains an effective oversight of the local system, it can be easier to reclaim devolved funding in instances where a local school has permanently excluded a pupil. Our research also suggests that this can help to avoid perverse incentives where a school may have to meet the costs of a preventative placement in AP from its own delegated budget, but where the cost of an AP placement for an excluded pupil is met from the high needs block and has little direct effect on the excluding school's resources.

The survey responses suggested that the majority of LAs had some kind of financial arrangement in place when a school permanently excluded a pupil. LAs were more likely to have financial arrangements in place at secondary (75%) than at primary (66%) level. We looked at whether the financial arrangement was simply the removal of the *pro rata* AWPU and other per-pupil funding (such as the Pupil Premium), or an additional financial penalty. We found that the arrangements in the primary phase were more likely to result in the removal of AWPU and other per-pupil funding (71%), with only 28% of LAs saying an additional fine would be imposed where a primary school permanently excluded a pupil. At secondary level, 38% of LAs said that an additional fine would be imposed, with 59% saying that the financial arrangements in such instances would result in AWPU and other per-pupil funding being removed but no further fee being levied. (In each phase, a small number of LAs did not specify their arrangements.) The average charges over and above AWPU and other per-pupil funding were slightly higher for the secondary phase than for primary (£6,600 for secondary, £5,800 for primary).

Almost all LAs said that these were one-off payments, paid in respect of the school year in which the pupil was excluded. A very small number of LAs had arrangements in place that involved schools continuing to pay towards the costs of the pupil's placement in AP until the end of that phase of their education. This suggests, therefore, that it is only in a third of local areas (32%) where primary schools are required to make financial contributions, beyond the loss of per-pupil funding, when they permanently exclude a pupil. Likewise, similar arrangements for secondary schools are in place in just under a half (47%) of local areas.

Whole-system change in Barnsley

Barnsley is a local education system made up of 78 primary, 10 secondary, two special schools (one of which is part of an integrated model of AP and SEMH provision) and a PRU. Barnsley has developed a strong local partnership, collaborative working and effective challenge between schools and the LA, in the form of the Barnsley Alliance. A strong focus of the Alliance's work has been on promoting inclusion. There are three key elements to this.

a. **Re-shaping provision** – this includes supporting the development of in-school inclusion support for specific groups of pupils. It also includes broadening the range of alternative pathways, such as new 14–16 Key Stage 4 study programmes at Barnsley College, to complement the existing offer provided by Springwell (the local AP academy).

b. **Strengthening fair access and inclusion decision-making** – there are now regular meetings of headteachers (or deputies with decision-making responsibilities), with greater peer moderation and challenge. These are informed by a "tracker", which ensures there is a transparent system for monitoring moves between schools and AP. This mechanism ensures that no school is disproportionately affected by preventative pupil moves – the tracker also notes when a school may have placed pupils in AP or excluded a pupil and ensures that this can be "balanced" by managed moves and the reintegration of pupils following a placement in AP. The LA supports this process by providing key-working support and an integrated offer of education inclusion and early help. In Barnsley, early help services are aligned with the LA's education services, so that there is not an artificial split between support for children in schools and in the family.

c. **Re-shaping local funding** – the partnership has agreed a new, tariff-based funding system for AP. Under these arrangements, schools will pay a lower price for preventative places in AP and a higher price for placements due to permanent exclusion. These arrangements seek to avoid the situation where it is cheaper for a school to exclude a pupil. The LA is also considering how best to use existing funding to incentivise and reward inclusion.

This is a developing picture, and further work is planned to strengthen approaches to reintegrating pupils who have been placed in AP. Nevertheless, since the new arrangements were introduced, monthly referrals for discussion under fair access protocols have fallen from 25 to 30 to between four and five. Exclusions have risen slightly, from a low level, but remain below the national average. The view of the LA and school leaders is that these pupils are now visible to the system and can be supported in AP and to reintegrate more effectively.

Pupils' journeys through AP

Under the second of our three research themes – focusing on how local AP was used – we asked a series of questions to understand more about the pupils placed in AP and their journey through the local AP system – why they were placed in AP, the nature and length of their placements, and their destinations after AP. An overall pattern that we observed was that the profile of pupils placed in AP changes as pupils get older, particularly as they move from the primary phase into Key Stage 3 and Key Stage 4. (For the reasons we explain below, the profile of students placed in AP in Key Stage 5 is different.) As pupils move from primary and through secondary school, our evidence suggests that:

- there are higher numbers of pupils placed in AP;
- placements in AP are more likely to be as result of permanent exclusion, and less likely to be for preventative reasons;
- placements tend to be longer term; and
- the profile of destinations changes, with reintegration to mainstream school less likely.

We would make two additional points about how the data we present in this section should be interpreted. First, as we noted in the introductory chapter of this report, the composition of the population of pupils placed in AP differs between local areas – for example, one local area may support one group of pupils through mainstream inclusion support, whereas in another local area that same group of pupils would be placed in AP. The level of inclusive practice in local schools will also play a key role in determining which pupils with which sets of needs are placed in AP. This means that, when comparing the profile of pupils placed in AP across local areas, it is likely that comparisons will not always be like-with-like. The data we present in this section of the report provides an informative overall picture across the local areas that responded to our survey, but it is important to keep this caveat in mind.

Second, not all LAs hold the same information about pupils placed in AP, and thus not all LAs were able to answer every question in the section of our survey about pupils' journeys through AP. This was a point that was made to us during the initial focus groups with LA colleagues, and we designed the survey in such a way as to allow LAs to provide the data that they had. While almost all LAs could provide data on the total number of pupils placed in AP, the number of responses to the other questions is mostly within the range of 60 to 80 (51–68% response rate). The exception is the question about destinations of pupils after they leave AP, which 48 LAs, or 41%, answered. For each question, we specify the number of responses on which the analysis we present is based.

Pupils placed in AP

The pattern of pupil placements in AP, regarding both phase and type of provider, broadly matches the pattern of places commissioned in AP, which we described in chapter one. A total of 107 LAs responded to the survey question about the number of pupils placed currently in AP. In total, they identified 21,910 pupils placed in AP.[33] The breakdown of those placements by provider type and by phase is set out in figure 19, below.

It is noteworthy that the pattern of pupils placed in AP by phase and type matched the breakdown of places commissioned in AP, as we described in chapter one. Specifically, the majority of pupils placed in AP are in state-funded provision (78%, as compared to 78% of AP places), and are of secondary age (85%, as compared to 84% of places).

Figure 19: Proportions of pupils in AP commissioned from the high needs block by provider type and by phase
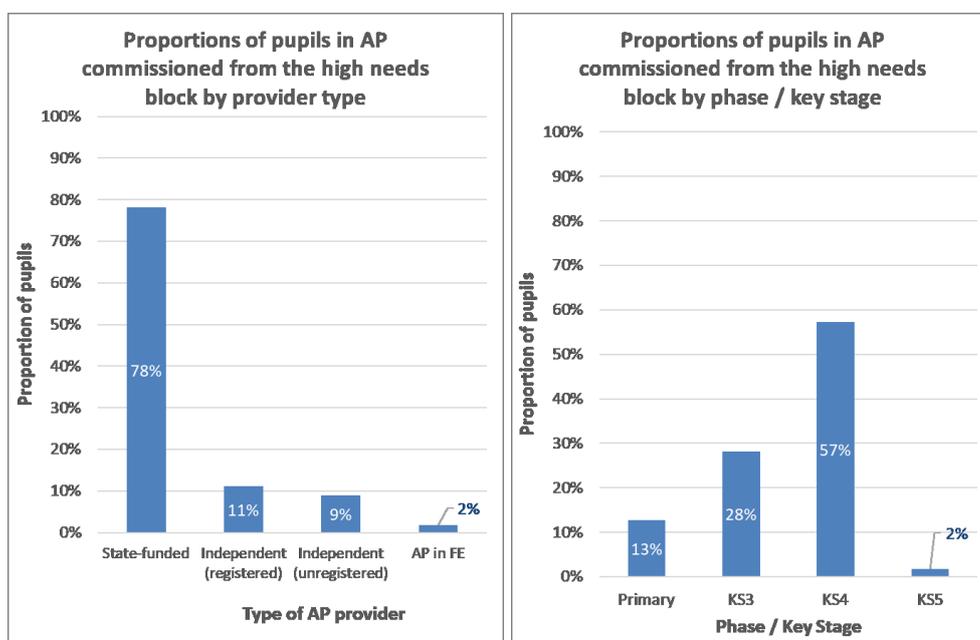
We also found that use of independent AP increases through the key stages.

- Among **primary**-age pupils placed in AP, 87% of those pupils were in state-funded AP, while 13% were in independent AP. A similar pattern was seen at **Key Stage 3**: among Key Stage 3 pupils placed in AP, 82% were in state-funded AP and 19% were in independent AP.

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[33] We note that this figure is higher than that given in the school census (16,694) and reported in *Schools, pupils and their characteristics: January 2018*. Our data show relatively consistent numbers of pupils in AP in Key Stages 4 and 5 when compared with the census, but higher numbers in both primary and Key Stage 3 than the census figures. This may reflect that, in answering our survey, LAs have included a wider range of what they have defined AP.

- Among **Key Stage 4** pupils placed in AP, 75% were in state-funded AP, with 22% placed in independent AP.
- At **Key Stage 5**, the proportion of students placed in AP who were in state-funded provision dropped to 44%, and the proportion of Key Stage 5 students placed in AP in independent provision rose to 37%. A further 19% of students placed in AP were in AP places commissioned in FE settings).

With regard to the placement of Key Stage 5 students in AP, we asked LAs whether and in what circumstances they would make placements in AP for post-16 students. All 118 LAs answered this question, with 26% saying that they would make placements in AP for post-16 students; 58% said they would not, and the remaining 15% said they were not sure. For those LAs that did make placements in AP for post-16 students, they said that they would do so in very specific circumstances, often when a pupil had an EHCP or had been in care, and where a placement in AP was the right next step for them in making the transition from school to ongoing education, employment and independent adulthood. Another alternative described by LAs was where students were placed in AP due to the need for them to access a smaller environment than a mainstream FE college. Alternatively, the circumstances might relate to specific health-related reasons, or to teenage parents. As we describe in the next section on reasons for placements in AP, a high proportion of Key Stage 5 students have been placed in AP for health-related reasons.

Following feedback from the focus groups, we also asked LAs whether they could tell us about the wider group of pupils who were not in full-time education and those who were in electively home-educated. A total of 67 LAs provided responses to this question. They estimated that there was a total of 3,893 school-age children not in full-time education. Of this total, 25% were primary-age pupils, 28% were Key Stage 3 pupils, and 47% were Key Stage 4 pupils. In addition, we asked LAs to tell us what proportion of pupils not in full-time education were currently placed in AP. This figure also rises with the age of pupils. Of the primary-age pupils that LAs reported were not in full-time education, 30% are placed in AP. For Key Stage 3 and Key Stage 4 pupils not in full-time education, the proportion in AP rises to 43% and 46% respectively. This suggests that, as pupils get older, the likelihood of not being in full-time education and of being placed in AP but not accessing full-time education rises.

In the same question, we also asked LAs about the numbers of children who were in EHE. The 67 LAs that responded to this question reported a total of 22,589 children in EHE. At present, there is no definitive, publicly available figure with which we can compare this. One comparison we can draw is with a report published in the education section of *The Guardian* in 2016.[34] This used data from 134 LAs in the 2014/15 academic year gathered through a Freedom of Information request and estimated the number of

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[34] Mansell, W. and Edwards, P, 'DIY schooling on the rise as more parents opt for home education', *The Guardian*, 12 April 2016.

children in EHE to be 30,298. While these figures are not necessarily directly comparable, it is possible to do a crude calculation that suggests that, if the numbers of children in EHE were replicated across all LAs, in 2014/15 there were 34,367 children in EHE.

Another comparison we can draw is with a survey carried out by the Association of Directors of Children's Services (ADCS) in October 2017.[35] Based on responses from 118 LAs, this survey found that, on the school census day of 5 October 2017, there were 35,487 children known to be in EHE. Extrapolated to all LAs in England, this suggested that there were approximately 45,500 children in EHE nationally. The ADCS survey also noted, however, that the number of children in EHE was very fluid, and could increase by up to a third over the course of an academic year.

If the numbers of children in EHE reported in data gathered from the 67 LAs that completed our survey were replicated across England, this would give a figure of 51,246. This is slightly higher than the estimate drawn from the ADCS survey, but within the range of variation in numbers of children in EHE that LAs reported could be seen during an academic year. This is, as we have said, a crude, illustrative calculation, and more data would be required to test whether it is accurate. It does, however, chime with what LAs reported about the growth in EHE through the focus groups, survey responses and fieldwork visits. For example, one LA we visited estimated that the numbers of children in EHE had doubled over the last three years.[36]

We should add that LAs did not consider that, in the main, this growth was the result of positive choices by parents about alternative philosophies of education. Instead, during the focus groups and our fieldwork, we heard anecdotal examples of non-inclusive practice on the part of schools.[37] These included schools encouraging parents to move their child into EHE by providing template letters for parents to sign, as an alternative to permanent exclusion. We also heard examples of parents opting for EHE to avoid a fine for their child's lack of attendance at school. LA officers were keen to emphasise not just the implications for a child's education, but also for child protection. During our fieldwork, several LAs raised concerns about vulnerable children, such as those subject to child protection plans, being placed in EHE.

Of the 22,589 children that LAs reported to us were in EHE, 37% were of primary age and 63% were of secondary age. In *The Guardian's* 2016 report, the comparable figures given were 43% for primary and 57% for secondary, while the ADCS survey found 36% of children in EHE were of primary age and 58% were of secondary age. When scaled to take account of the size of the local pupil population, we found that, on average, each LA

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[35] ADCS, *Summary Analysis of the ADCS Elective Home Education Survey October 2017.*
[36] In the ADCS survey, for example, 92% of LA reported a year-on-year increase in the number of children in EHE.
[37] Similarly, the ADCS survey found that dissatisfaction with school was the reason cited most commonly for families choosing EHE.

would have 41 primary-age children and 104 secondary-age children in EHE per 10,000 primary-age and secondary-age pupils respectively.

Reasons for placements in AP

We asked LAs if they held information on or could estimate the breakdown of the reasons for placements for pupils currently placed in AP. A total of 77 LAs provided some data in response to this question, although not all were able to provide information across all four key stages / phases. This is why we have included a category for the proportion of pupils that were not accounted for in the data. In all, 67 LAs provided data about primary-age pupils, 70 and 74 about pupils in Key Stage 3 and Key Stage 4 respectively, and 10 about Key Stage 5 students. The results, broken down by phase, are shown in figure 20, below.

Figure 20: Reasons for placements in AP, broken down by phase
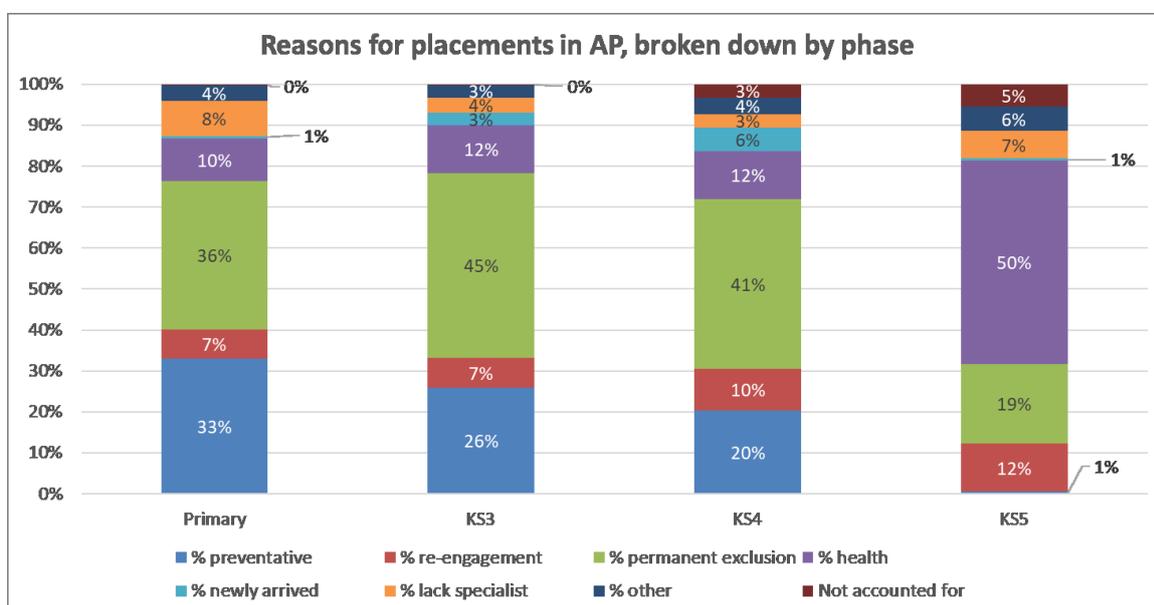
There are four points we would highlight from this. First, the data on reasons for placements in AP suggests that the use of AP for post-16 students is different from that for school-age pupils. While the number of responses regarding post-16 students in the chart above is small (10 responses), it is worth remembering that only 26% of LAs said they would use AP for post-16 placements. The data on reasons for placements in AP for post-16 students also chime with the broader sets of comments we heard during the focus groups and fieldwork, and through the comments made in the survey. As noted earlier in this chapter, this suggested that LAs would make post-16 placements in AP in specific circumstances, for example for pupils with health-related needs, EHCPs, and/or who had been in care to assist with transition to further study and their preparation for adulthood. In particular, the data in the chart above suggest that post-16 students are:

- more likely to be placed in AP for health-related reasons (50%, compared to between 10% and 12% for school-age pupils, depending on their phase / key stage);

75

- less likely to be placed in AP due to permanent exclusion (19%, compared to between 36% and 45% for school-age pupils); and
- less likely to be placed in AP for preventative reasons (1%, compared to between 33% and 20% for school-age pupils).

Second, it is noteworthy that the proportion of pupils placed in AP for preventative reasons, such as to avoid permanent exclusion, declines across the key stages. The proportion in the primary phase is 33%, which drops to 26% in Key Stage 3 and 20% in Key Stage 4. At the same time, the proportion of pupils placed in AP due to permanent exclusion rises for school-age pupils as they get older – 36% in primary, 45% in Key Stage 3 and 41% in Key Stage 4.

In part, this is likely to reflect the fact that rates of permanent exclusion for secondary-age pupils are higher than for primary (0.2% or the equivalent of 20 pupils per 10,000 for secondary, compared to 0.03% or three pupils per 10,000 for primary).[38] During the fieldwork, LA officers, school leaders and AP providers also argued that there were three other factors that explained why the use of AP was different in the primary and secondary phases.

1. **The importance of early intervention** – colleagues argued that it was easier to address the needs of a young person and give them the support they required to succeed in mainstream school at an earlier age. In other words, the earlier a pupil's needs are identified, the higher the chances of being able to put in place preventative support and avoid crises, placement breakdowns, marginalisation or exclusion.

2. **Different curricular and pedagogical models** – as well as being easier to meet a pupil's needs the younger they were, colleagues also argued that the way the curriculum and teaching and learning are organised in primary schools made it easier for pupils to be reintegrated after a placement in AP. Colleagues noted that at secondary level, particularly in Key Stage 4, the nature of the study programmes and qualifications, and in some cases schools' reluctance to admit pupils where this would depress their performance data, made it more difficult for pupils to return to a mainstream setting after a placement in AP. Anecdotally, LA officers argued that they often saw spikes of placements in AP and/or exclusions at the start of Key Stage 3, where the transition from primary to secondary school was highlighted as a particular challenge, and towards the end of Year 9, where schools were concerned a pupil would not cope with Key Stage 4.

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[38] DfE, *Permanent and fixed-period exclusions in England: 2016 to 2017*.

Rotherham's approach to transition between primary and secondary school

Rotherham is a relatively small urban local authority with 16 secondary schools, 94 primary schools and two pupil referral units. It is a locality with some areas of significant deprivation. The schools, the AP providers and the local authority in Rotherham have embarked on a journey to transform their approach to inclusion and alternative provision, which has involved:

a. developing area-based partnerships of secondary schools and primary schools to which some funding and decision-making responsibilities have been devolved – these partnerships are also leading the fair access process for their respective areas;

b. clarifying the remits of the two PRUs, investing in their leadership and developing a greater degree of partnership working with schools; and

c. investing in the development of capacity and expertise in the local authority.

These developments have seen the number of permanent exclusions in the city reduce from 50 in the 2015/16 academic year to 30 in 2016/17. To support this partnership approach to inclusion, Rotherham schools have developed deep and effective approaches to primary-to-secondary transition for the most vulnerable children. It is common practice in Rotherham schools for children potentially at risk of exclusion to visit their chosen secondary school on a weekly basis throughout Year 6 to develop their social, emotional and academic readiness for a new school environment. This work is, in many cases, aided by an educational psychologist or specialist teaching assistant who can also work with the families. One secondary school and its five feeder primary schools have developed an academic and pastoral transition programme focusing on the most vulnerable pupils, which extends from Year 4 through to Year 8. Secondary schools attest that this investment in preparing children who might otherwise struggle in a secondary school environment has paid dividends in reducing the 'shocks' in the system at Year 7, for pupils, families and staff alike.

3. **Different models of intervention and support** – lastly, LA, school and AP leaders noted that the models of support and intervention used in AP could differ by phase. During our fieldwork, we came across a number of examples of effective primary models of early support that were equipping young people not only to make a successful transition back to mainstream primary schools, but to succeed in mainstream education following their transition to secondary school. These included local primary inclusion partnerships and often involved nurture-based models. In several local areas we visited, the primary inclusion model had a strong, needs-based ethos with an emphasis on working across agencies to uncover and address underlying needs for younger children, rather than respond to what may present as disengagement or poor behaviour. Some local areas had started to extend or were planning to extend these primary-style, nurture-based models into early Key Stage 3 to help with pupils' transition from primary to secondary.

Figure 21: Key components of an effective approach to inclusion in the primary phase, as highlighted by the local areas we visited

Key characteristics of an effective approach to primary inclusion

1. **A child-centred ethos** – a strong, child-centred, needs-led ethos. In many local areas, this informed a view that primary-age pupils should not be excluded and placed in AP; instead, the focus should be on identifying and addressing underlying needs to enable them to flourish in mainstream education.

2. **A strong focus on turnaround and reintegration** – the approach is driven by an expectation that pupils may spend some of their time in AP, but the ultimate aim is to equip them to make a successful return to mainstream primary school and remain in mainstream education through the secondary phase. This expectation plays an important role in shaping the offer of support that is available.

3. **A dynamic and flexible offer of support** – often this starts with an offer of intensive outreach, where specialist staff have the capacity to work with pupils and staff in mainstream schools. This is often backed up by an offer of in-reach support, where pupils will spend 2–3 days per week in an alternative setting and the rest of their week in their mainstream school. It is crucial that staff from the pupil's mainstream school accompany them when they are in the alternative setting, so that there is a strong culture of team-working around the child, to ensure consistency of support for the child, and to build inclusive strategies and capacity in their mainstream school.

4. **Rooted in the school day, curriculum and pedagogy of a mainstream primary school** – while such inclusion models often include an aspect of therapeutic support for the child (play, speech and language), what is seen as crucial by AP providers and schools is that the inclusion support must not be so different from what the pupil will experience in mainstream school as to make transition and reintegration impossible. In local areas that used this approach, schools commented on the importance of support provided to the pupil being something that a mainstream school could feasibly do, and noted this has benefits in terms of reintegration, but that the inclusive skills and strategies the school gained were things from which wider groups of staff and pupils benefitted.

Supporting inclusion in primary schools in Hampshire

The development of Hampshire's Primary Behaviour Service started 14 years ago, at a point when primary exclusions were high and there was little consistency in the support provided to primary schools to manage behaviour. From small beginnings with little resource, the service has grown and developed over time to be a core part of the inclusion strategy, alongside other provision such as SEMH special schools and SEMH resourced provision within mainstream settings.

There are now six primary behaviour centres across the county, supporting around 500 primary-aged children each year through a mixture of consultation sessions, intensive outreach and in-reach programmes. Through their outreach, staff from the centres work with primary schools on coaching and mentoring staff, developing whole-classroom practice, modelling

strategies for managing behaviour, working with teaching assistants and lunchtime supervisors, as well as developing and reviewing action plans for individual children. Outreach is delivered initially on a six-weekly basis. The centres' work focuses on a behaviour-based curriculum and is intended to be a short-term intervention, allowing the pupil to remain successfully within a mainstream setting.

Only children who have already been supported through an outreach programme and who are still experiencing difficulties are considered for in-reach support. These children will come to the centre for two full days a week, normally for a maximum two terms. During this time, they will remain on the roll of their mainstream school. In the centres, children work in small groups to a specially developed behaviour-based curriculum. A number of mainstream primary schools in the county spoke very highly of the impact that adopting this behaviour curriculum had in their own schools – one headteacher described it as having 'revolutionised' her school's approach to behaviour management. For those pupils who are receiving in-reach support, teaching staff from their mainstream school will attend the centre and staff from the centre go out to the school to see the child in a mainstream setting. There is also significant work that takes place with the family and work with parents on therapeutic approaches to parenting.

Primary permanent exclusions in Hampshire are rare and below national average. Monitoring of outcomes undertaken by the council indicates that the very large majority of those children supported through the Primary Behaviour Service continue their education successfully in mainstream settings or, where appropriate, in special schools.

Third, it is interesting that the proportion of pupils placed in AP due to not having a suitable place because they arrived mid-year to the local area, while small, accounts for 3% and 6% respectively in Key Stages 3 and 4, but drops to 1% for both primary and post-16 respectively. As we noted in chapter one, around half of LAs said that they used AP to find placements for pupils who arrive in the local area mid-year. The small proportion of pupils placed in AP for this reason suggests that the numbers involved in each local area are low, but this should not detract from the wider point about some of the challenges and inconsistencies in the ways that local fair access arrangements and wider pupil placement practices operate. During our fieldwork, we found that these were operating in a range of ways. We have highlighted below some of the characteristics of effective fair access and inclusion decision-making arrangements. We also found a number of areas where these were operating less well, due to challenges in getting schools (particularly secondary) to take new arrivals, or where specific local practices required pupils arriving mid-year to be placed in AP initially.

Figure 22: Key elements of an effective system of fair access protocols

> **Key elements of an effective fair access system**
>
> 1. **Transparency** – processes informed by a regular flow of robust evidence, underpinned by clear documentation, with the right, holistic information about a child considered.
>
> 2. **Fairness** – so schools know that every school is taking their fair share and participating equally.
>
> 3. **Authority to take decisions** – those who represent schools have the power to make decisions at the meeting so that action can be taken swiftly.
>
> 4. **Regularity** – regular meetings, often between two and four weeks apart, but more frequently where necessary, to be in a position to act quickly.
>
> 5. **Area-based** – so schools have a collective responsibility for a "patch", especially within larger cities or shires.
>
> 6. **Peer support and challenge** – colleagues able to work with one another, to "look each other in the eye", and to be in a position to moderate each other's requests ("if that pupil were in my school …").
>
> 7. **No "back-doors"** – the panel is *the* decision-making process. There are not ways to circumvent or undermine the panel's decisions.
>
> 8. **Child-centred** – what is right for the child is the guiding principle, with a focus on finding the right immediate and long-term solution.
>
> 9. **Financial implications** – an understanding of the financial implications of failure.
>
> 10. **Removes barriers** – providing intensive support to schools during the initial transition period when a pupil joins the school so that issues can be addressed swiftly and reassure schools that they will be supported when reintegrating a pupil.
>
> 11. **Broader support** – a recognition that a child's needs may require support beyond education inclusion services – family support, early help, health services.
>
> 12. **Avoid "horse-trading" conversation** – impartial, independent arbiter for decisions that cannot be resolved.

Fourth, as with in-year arrivals, the data also show that there remains a small but telling proportion of pupils placed in AP due to a lack of local specialist SEMH provision. (We note that this demand for specialist SEMH provision could also reflect a lack of capacity to support pupils with SEMH needs in mainstream schools.) Unlike in-year arrivals, pupils placed in AP for this reason are seen across all phases and key stages. This is highest in the primary phase (8% of pupils placed in AP), drops to 4% in Key Stage 3 and 3% in Key Stage 4, but rises to 7% in Key Stage 5.

There is a final, additional point that we would highlight with regard to the initial placement of pupils in AP. Discussions with pupils placed in AP and their parents was not a central focus of our research, since it was important that this research did not duplicate the parallel research the DfE commissioned that involved developing case studies with

individual AP settings. Nevertheless, in the local areas where we were invited to speak to pupils and their parents, there was a strong theme about how they had not felt engaged in, informed about and empowered to influence the decision-making process leading up to the child being placed in AP. We heard strong messages from pupils, parents and AP providers about how an experience of feeling "rejected" and "done-to" by a mainstream school could leave a pupil and their family feeling hostile to and disengaged from education in general. AP providers reflected that working with families to rebuild engagement and trust in the education system was often an important priority when a pupil first joined their setting.

Type and duration of placements in AP

Next in our questions about pupils' journeys through AP, we asked LAs about the type of placements of the pupils currently placed in AP. We started by asking a question about the breakdown of placements in AP that were full-time, part-time (with the remainder in another AP setting or in a mainstream school) and pupils on reduced timetables in AP. The results are shown in figure 23, below.

As with other questions in this part of the survey, the number of LAs providing data varied across the phases and key stages, with 60 to 71 LAs providing data for school-age pupils, but a far smaller number providing data for Key Stage 5 students.

We highlight three points from this chart. First, the data suggest that three quarters of pupils (75%) were placed in AP on full-time placements in a single AP setting. This was, however, lower among primary-age pupils (around two thirds or 65% of pupils) than among secondary-age pupils (closer to eight in 10, or 79% and 77% for Key Stage 3 and Key Stage 4 pupils respectively). The data suggest that almost all Key Stage 5 students in AP are on full-time placements, although, as we note, the number of responses here is relatively small.

Figure 23: Proportions of pupils currently placed in AP according to the type of place, by phase / key stage

Proportions of pupils currently placed in AP based on the type of placement, by phase / key stage

| No. of LAs that answered | 60 | 69 | 71 | 5 |

■ Full-time in single AP setting   ■ Split between AP and mainstream   ■ Split between two or more AP providers
■ Place in AP, but on reduced timetable   ■ Not accounted for
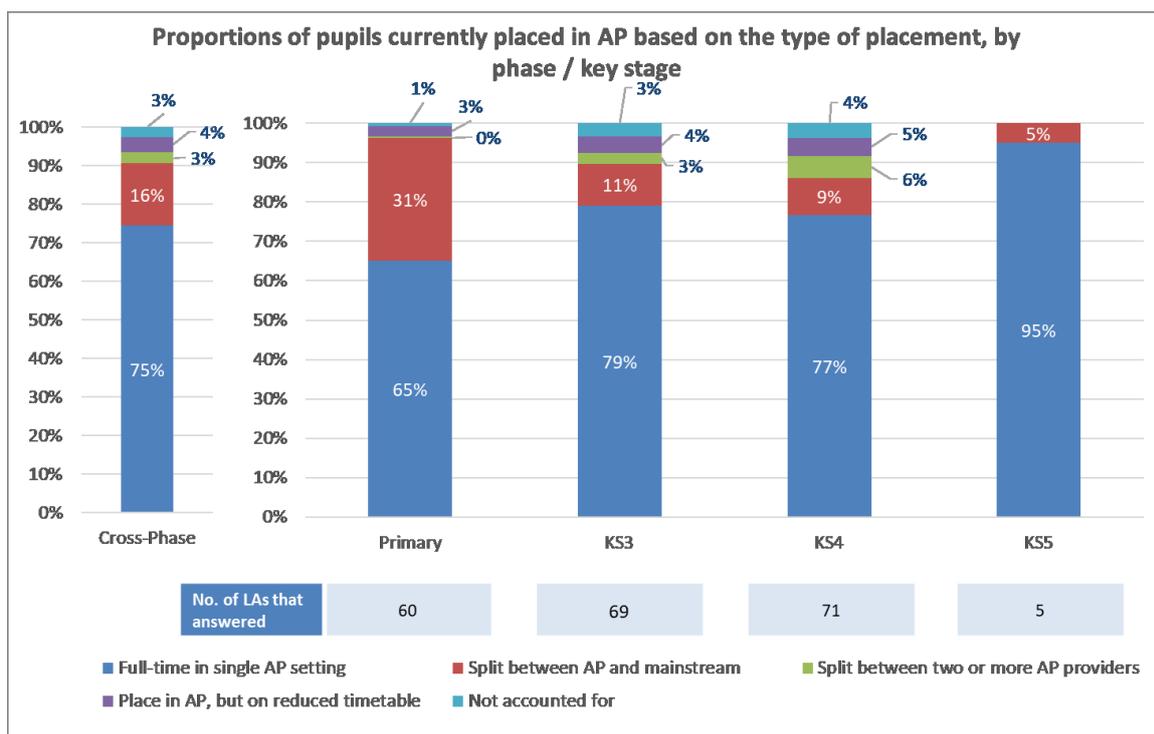
Second, we would draw attention to the fact that pupils are more likely to be on split placements between AP and a mainstream school in the primary phase (31%). This figure drops to 11% and 9% in Key Stages 3 and 4 respectively, and further to 5% in Key Stage 5. The survey responses and our fieldwork suggested that the use of preventative placements, where pupils remained on the roll of their mainstream school but spent time supported in an AP setting, was more common in the primary than the secondary phase.

At the same time, the proportion of pupils placed in AP whose placements are split with another AP provider rises as pupils get older. The data suggest that this figure is less than 1% for primary-age pupils, but rises to 3% and 6% in Key Stages 3 and 4 respectively. Our fieldwork suggests this may reflect the fact that it is more difficult for a single AP provider to meet all of a secondary-age pupil's academic, developmental and support needs, and thus that commissioners may use multiple providers to make up an equivalent package of full-time education for some secondary-age pupils. Through our fieldwork, we came across a number of instances where pupils may be accessing the academic, vocational and wider support aspects of their education from different alternative providers.

LA, school and AP leaders noted that, in some instances, moving children between multiple settings, relationships with adults and learning environments, for example through placements split between multiple providers, could have a negative effect on the pupil, for example in the cases of pupils with difficulties related to attachment. This is not to criticise the practice of creating packages of full-time education from placements split between multiple providers. We saw instances where such an approach was used to

good effect. Where this was done well, it was crucial that there was strong joint working across settings and a key "responsible person", either a LA officer or pastoral lead in a mainstream school, to oversee the overall placement and act as constant point-of-contact for the pupil.

Third, the data on types of placement support what we saw in the data on the number of pupils not in full-time education, which we presented in the previous section of this chapter. These data suggest that there remains a proportion of pupils across primary (3%) and secondary (4% at Key Stage 3, 5% at Key Stage 4) who are placed in AP and on reduced timetables. There may well be circumstances in which this is appropriate for the pupil, but, given children's entitlement to full-time education, these figures raised questions about the consistency of oversight of pupils placed in AP and their access to full-time education. It also underscores the point we made about the apparent mismatch in some areas between pupils needing stable, settled placements in which to engage with education and form positive relationships with adults, and the more shifting, part-time nature of some of their placements.

We then asked LAs what they could tell us about the proportion of pupils placed in AP for whom that placement was the first experience of AP compared to those who had been placed in AP previously. A total of 63 LAs provided some data in response to this question, but again the number of responses varied by phase / key stage – 53 for primary, 58 for Key Stage 3, 60 for Key Stage 4, and nine for Key Stage 5. The results are shown in figure 24, below.

Figure 24: Comparison of the proportion of pupils placed in AP for whom it was their first placement compared to those who had previously been placed in AP
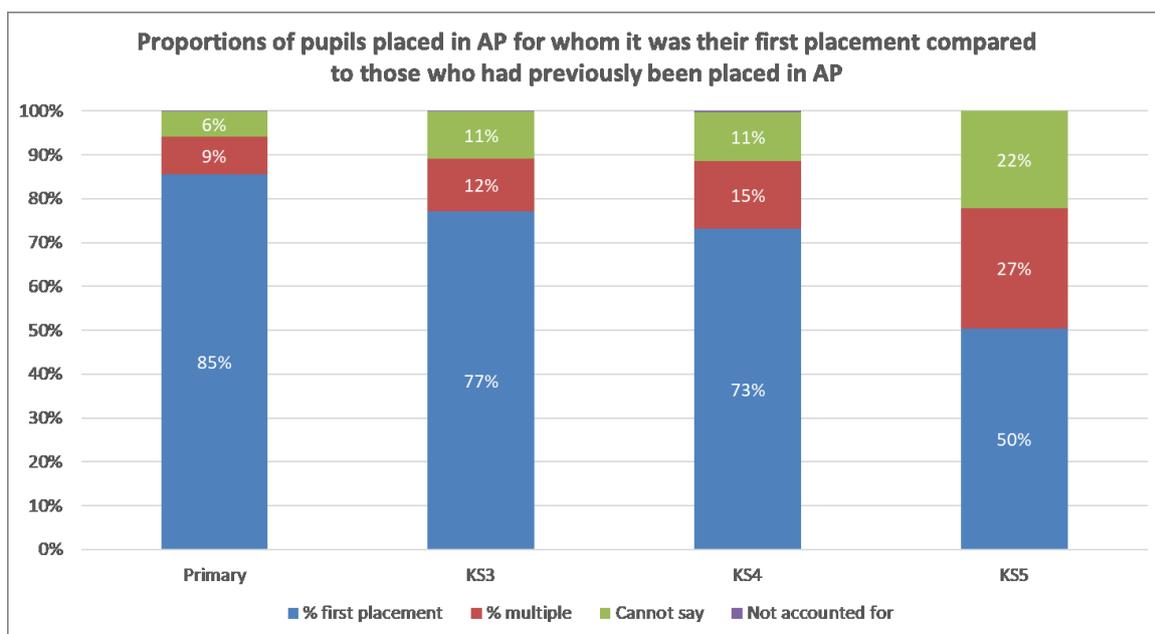

The key point we would highlight from these data is that proportion of pupils placed in AP for whom this was not their first placement in AP is relatively small: 9% in primary, 12% in

Key Stage 3 and 15% in Key Stage 4.[39] Given that LAs described using AP to support transition for students to FE and employment, it is not surprising that a higher proportion of Key Stage 5 students placed in AP had experienced previous placements in that sector (27%). It is striking, therefore, that the majority of pupils placed in AP are those for whom this placement is their first in AP: 85% for primary-age pupils, 77% for Key Stage 3 pupils, 73% for Key Stage 4 pupils, and 50% for Key Stage 5 students.

Turning to placement length, we asked LAs to tell us the typical breakdown of the proportion of pupils in AP by the length of their placements – whether these were up to half a term, between half a term and a term, between a term and one full academic year, or longer. The results, detailing the average proportions reported by LAs, are shown in figure 25, below. For this question, we asked LAs for data on Year 10 and Year 11 pupils separately. A total of 60 LAs provided data in response to part of this question – 51 for primary, 56 for Key Stage 3, 55 for Year 10, and 56 for Year 11.

Figure 25: Breakdown of placement length by phase / key stage / year-group
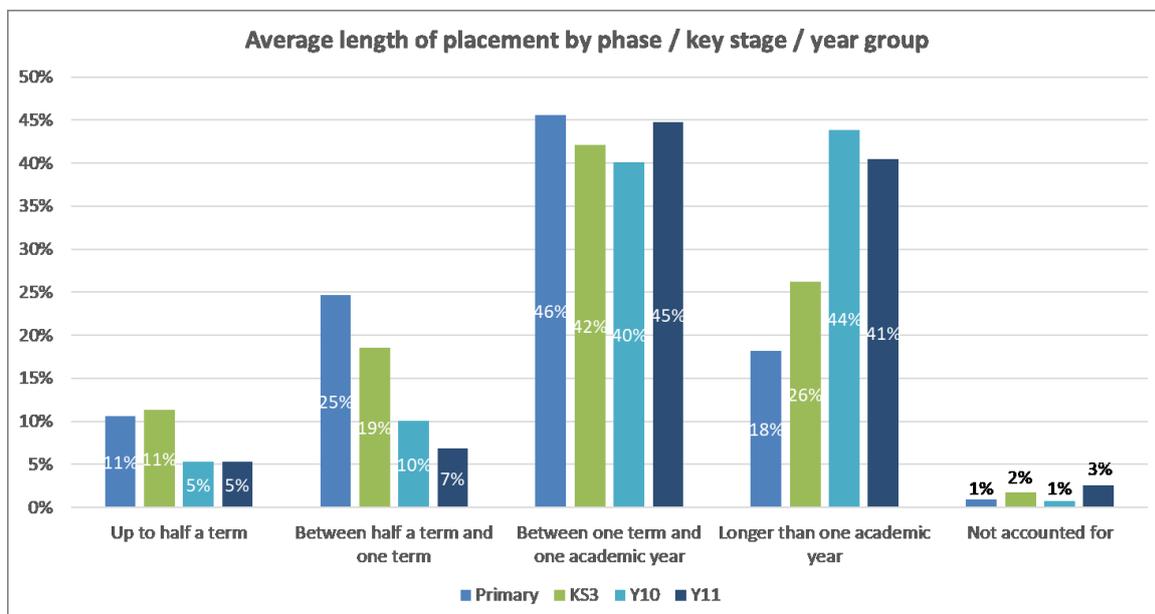
We would highlight two points from the data. First, we found that average length of a placement in AP was between one term and one academic year. Indeed, this was the most common length of placement (accounting for 43% of placements), followed by placements lasting more than a year (32%) and those lasting up to a term (23%, made up of 8% lasting up to half a term and 15% lasting between half a term and a term). Second, however, the data in the chart above shows how this overall picture differs when placement lengths are broken down according the age-groups of the pupils. In short,

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[39] This was one of the questions where the proportion of LAs who were not able to provide data was high. Our reflection on this is that the majority of data systems used by local areas are able to provide a clear snapshot of the pupils currently placed in AP at any given time, but fewer have the scope to provide data that can track data and trends over time, such as which pupils currently placed in AP had had a previous placement in AP.

longer-term placements are more common as pupils get older, particularly in Key Stage 4. The data suggest that the AP placements of primary-age and Key Stage 3 pupils are:

- more likely to be less than an academic year – 35% for primary-age pupils (11% up to a half term, 25% up to a full term) and 30% for Key Stage 3 pupils (11% up to a half term, 19% up to a full term), compared to 15% for Year 10 and 12% for Year 11 pupils; and
- less likely to be for more than an academic year – 18% for primary and 26% for Key Stage 3 pupils, compared to 44% for Year 10 and 41% for Year 11 pupils.

The data suggest that secondary-age pupils are more likely to be placed in AP for more than a term or more than an academic year. The data indicate that 84% of Year 10 pupils and 85% of Year 11 pupils are placed in AP for more than a term or more than an academic year. The proportions for primary pupils and Key Stage 3 pupils are 64% and 68% respectively. This chimes with our analysis of the data on reasons for placements in AP, as well as with the points from our fieldwork that we described earlier in this chapter about the fact it was more difficult to reintegrate Key Stage 4 pupils, who were thus more likely to stay in AP until the end of the key stage.

Taken together, the data on placement type, first-time placements and placement duration suggest that demand for AP is not necessarily being driven by a small number of pupils who move in and out of mainstream schools and experience multiple, repeat placements in AP. Instead, it suggests that, where demand is rising, it is being driven by an increasing number of pupils placed in AP and who require longer placements.

Destinations after AP

To complete our series of questions about pupils' journeys through AP, we asked LAs to provide or estimate the proportions of pupils placed in AP over the past 12 months going on to different types of destinations after AP. The results are shown in figure 26, below. A total of 48 LAs provided data in response to part of this question – 38 for primary, 40 for Key Stage 3, 39 for Year 10, 46 for Year 11, and eight for Key Stage 5.

We want to draw attention to three points from the data presented in this chart. First, a relatively high proportion of primary (65%) and Key Stage 3 (64%) pupils return to their previous or another mainstream school, but this figure diminishes as pupils get older, particularly in Key Stage 4. This figure drops to 53% in Year 10 and then sharply to 10% in Year 11. (Again, the fieldwork suggested this was due to the fact that reintegrating pupils was more difficult partway through Key Stage 4 studies, and that they were more likely to complete Key Stage 4 in AP, before moving on to another destination for their post-16 studies.)

Figure 26: Breakdown of the destinations of pupils after they left AP over the last 12 months

Proportions of pupils leaving AP by the destination to which they go after they leave

Legend:
- % previous mainstream school
- % another mainstream school
- % special school
- % another AP setting
- % further education / college
- % employment or training
- % EHE
- % NEET
- % unknown
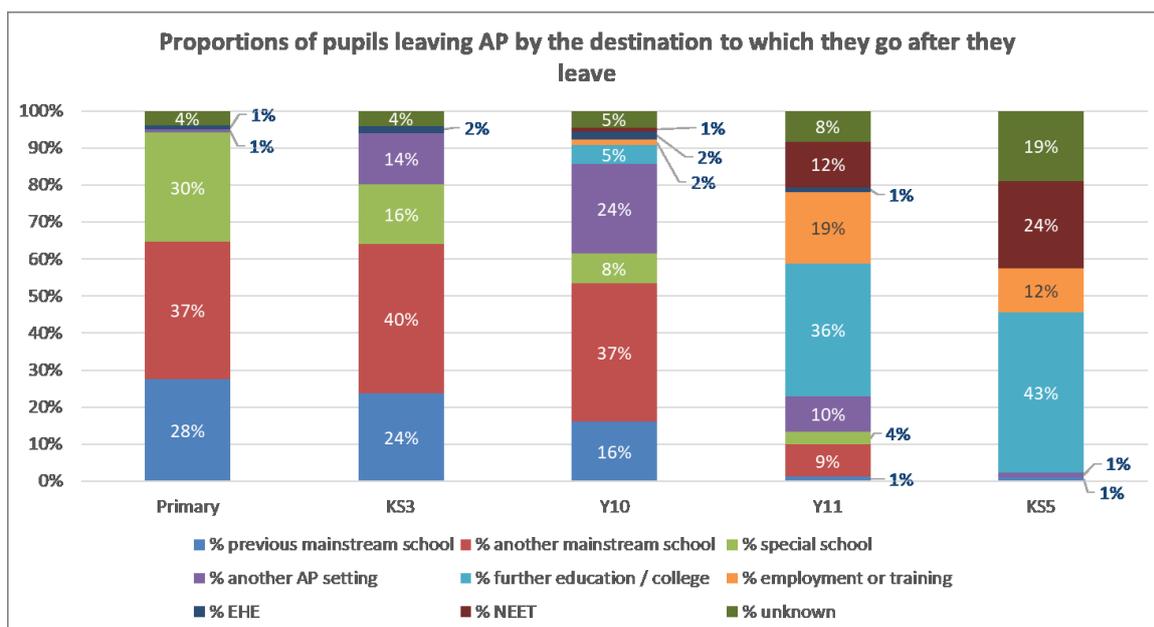
Supporting reintegration to mainstream schools in Redbridge

Redbridge is a London borough with 18 secondary schools, 55 primary schools and two PRUs. It is an area with high levels of deprivation, but there are also neighbourhoods in the borough that are among the least deprived in the country. A high proportion of schools are currently good or outstanding.

One of the defining features of Redbridge's approach to AP and inclusion is the strong expectation that places in the PRU are allocated on a temporary basis and that reintegration is the norm and not the exception. One of the two PRUs in the borough explained how this clear expectation of reintegration had enabled them to support more young people – although they are only commissioned to provide 48 places, during the 2017/18 academic year they had worked with 155 young people.

In order to support reintegration to mainstream school, pupils leaving the PRU remain dual-registered for a period of three months, during which time a mentor from the PRU will visit the mainstream school once a week. Decisions about where pupils are reintegrated following a period in the PRU are overseen by the Redbridge Inclusion Panel, which also brokers a large number of managed moves. This is led, in the main, by assistant headteachers who have the authority to take decisions on behalf of their schools. The panel is highly collaborative and solution-focused, with a strong ethos of offering pupils "another chance". There is also a strong working relationship with the LA. Although there is a weighting document that underpins the work of the panel to ensure that all schools contribute equally, in reality those who sit on the panel say that their discussions focus on what is right for an individual child and, as a result, it is very rare that there is a need to use the weighting document.

A further development which has been welcomed by schools and which is supporting Redbridge's approach to reintegration is the "short-stay" offer at the PRU. This is chiefly targeted at pupils at Key Stage 3 and offers a three-week intervention. During this time, the PRU will work with the young person on strategies to manage their behaviour and positive engagement, carry out assessments, and work with staff from the child's school and family. This is funded by schools and is seen to be having a very positive impact.

Given that returning to a mainstream school is more likely for younger children, but that older pupils might either return to a mainstream school or move to mainstream further education, we drew up a comparison of pupils moving to any mainstream destination. This includes a previous mainstream school, another mainstream school, or, where applicable, further education / college. These figures reveal a similar pattern, as shown in figure 27, below: 65% in primary, 64% in Key Stage 3, dropping to 58% in Year 10, 46% in Year 11 and 44% in Key Stage 5. When employment destinations are added to this picture, the data suggest that the proportion of pupils moving on to a mainstream education or employment destination remains relatively consistent for school-age children (between 60% and 65%), but drops slightly for Key Stage 5 pupils (56%). At the same time, as shown in figure 26, above, there is also a higher proportion of pupils previously placed in AP who become NEET (24%) or whose destinations are not known (19%) at Key Stage 5.

Figure 27: Proportions of pupils placed in AP returning to any mainstream destination – <u>not</u> including employment (left) and <u>including</u> employment (right)
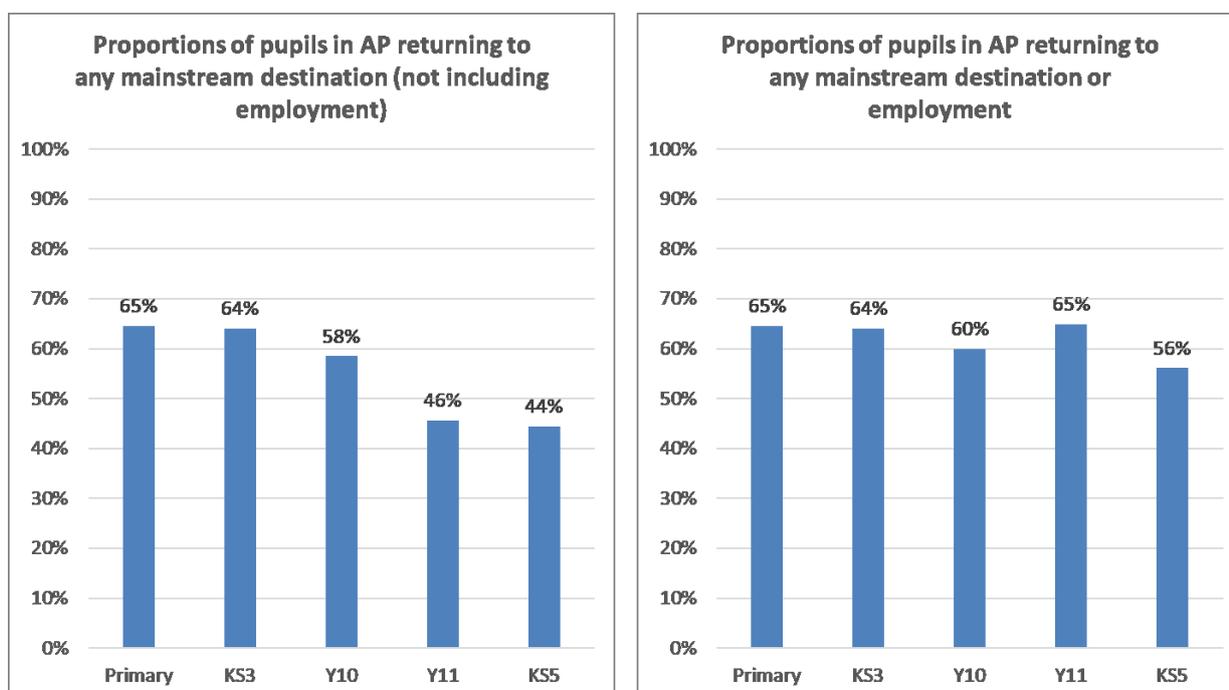
In response to another question in the survey regarding the extent to which pupils placed in AP were successfully reintegrated into mainstream settings, two thirds of LAs (67% of the 118 who answered this question) said this worked well 'to a significant extent' (10%) or 'to some extent' (57%). A quarter of LAs (25%) said 'not very' and 1% said 'not at all'. The discussions we had with LAs during the fieldwork suggested that some of these responses needed to be placed in context and should be interpreted in some instances not as "reintegration works well", but more in terms of "we are as successful as we can be given the challenges of making reintegration work well". In the box below, we capture what were reported to us by LAs, AP providers and school leaders through the survey responses and fieldwork visits to be the key ingredients of successful approaches to reintegration.

Figure 28: Key ingredients of successful approaches to reintegration

Key ingredients of successful approaches to reintegration

1. **A clear and widely understood expectation that reintegration into mainstream education was a key component of a placement in AP** – fostered through maintaining the previous or destination school's connection with the pupil placed in AP (e.g. pupil being dual-rolled, a mainstream schools being designated as the "destination school" into which the pupil will be reintegrated) and recognising that AP is a finite resource and that reintegration is necessary if AP is to be able to respond quickly to needs. As one school leader put it, 'if you want [AP] to be a revolving door, that means [schools] need to take back and empty it a bit'. AP providers and schools highlighted the importance of teaching staff at the mainstream school remaining in close contact with the pupil and the staff in AP, both to ensure the pupil's studies were aligned with what they would be doing in the mainstream school as well as to enable sharing of strategies and techniques for supporting the pupil. Where this worked less well, there was no expectation on the part of mainstream schools that pupils placed in AP would be reintegrated, and an unwillingness to do so (attributed, in many cases, to pressures related to the accountability framework and the curriculum).

2. **Close working with the pupil and family** – ensuring the pupil and parents had the same expectation of reintegration into mainstream school was underscored by AP providers and LA officers. If a pupil had had a positive experience in AP, this could mean they and their parents would be reluctant for them to leave AP. Getting them on board with the principle of and specific transition plan for reintegration was seen as crucial.

3. **Effective access and reintegration protocols, including a role for fair access and inclusion panels** – robust decision-making panels, meeting regularly, with good engagement from school leaders, as well as AP providers and the LA, and underpinned by a strong sense of trust and fairness were seen as a crucial pre-requisite for effective reintegration of pupils from AP. The regularity of meetings was seen as particularly important in order to avoid a pupil staying in AP and missing the "window" where reintegration was most likely to be successful. We came across a number of examples where local partnerships tracked rates of reintegration by schools to ensure that all schools were contributing equally to fair access and reintegration.

4. **A clear reintegration plan, backed up by an offer of support for pupils and the mainstream schools** – where reintegration appeared to be working best, the AP providers and schools worked closely together, supported by the LA, to put in place what was often a phased, graduated plan for the pupil to make the transition to a mainstream school. Where it worked less well, LAs, AP providers and school leaders saw this as resulting from some schools having unrealistic expectations that AP could "solve" or "cure" the problems that led to a pupil being placed in AP.

5. **Ongoing, regular monitoring** – as part of the "key-working function" described earlier in this chapter, ongoing monitoring, with further advice and support as necessary, was seen as crucial to ensuring reintegration was successful, progressed smoothly, and that any issues could be solved swiftly.

This further emphasises the overarching message that came through all of our evidence-gathering activities about the importance of developing a strong sense of collective responsibility and collaborative working between the LA, schools and local providers for pupils placed in AP. In the case of reintegration, such approaches were seen to be beneficial on an individual pupil level (ensuring they did not miss out on mainstream education where they would benefit from it) and on a system level (avoiding local AP becoming "blocked up" and losing the capacity to offer pro-active, preventative support).

Intensive support and swift reintegration in Shropshire

Shropshire is a large rural local authority with 127 primary, 20 secondary and two special schools. Shropshire has one main AP provider. Given the size of the county, the way AP is delivered has had to be adapted to Shropshire's geography. Currently, AP is delivered from eight hubs located across the county, to minimise the need for pupils to travel far to access AP.

Three primary AP hubs work as a flexible provision, where most pupils remain on the roll of their mainstream school. This dual placement model protects the capacity of local AP, ensuring it can reach and support more schools and their pupils. Close working between the AP hubs and mainstream schools ensures primary school staff gain skills and expertise in meeting pupils' additional needs.

The reintegration back into full-time mainstream education is facilitated by regular monitoring of progress and communication between the school and AP provider. This process is supported by LA services, such as the educational psychology service, who attend regular review meetings to ensure that the reintegration is successful and mainstream placements are sustained. The high levels of trust, respect and communication between professionals are seen as key ingredients for making this process work. Pupils usually make the transition back to full-time mainstream education following three months of engagement from the AP hub. Approximately 60% of the pupils supported through the dual placement model make a successful transition back to mainstream school, and the vast majority of these placements are successfully sustained. The LA and AP provider also report that this model helps to accelerate pupil learning and has strengthened relationships between schools and families.

Information about progress or possible areas for improvement for inclusive practice in schools is followed up through the school improvement monitoring process. This helps to build inclusive capacity across the whole of the local education system.

The second point we would make about the data on destinations is that, just as we see a reduction in pupils moving back to mainstream school as they get older, we see a similar trend in relation to pupils going on to a placement in a special school. The survey data show that 29% of primary-age pupils go on to a special school, but this drops to 17% for Key Stage 3, 9% for Year 10 and 4% for Year 11. The survey responses and our fieldwork visits suggest this reflects the fact that there is greater demand for SEMH provision for secondary-age pupils, and that existing provision for older children is more likely to be full. It may also reflect the fact that smaller numbers of primary-age pupils are placed in AP and excluded permanently, and thus there is an increased likelihood within

that group that pupils who require AP are more likely to have highly complex needs, some of which may require assessment and support through the SEND system.

Third, it is noteworthy that very few primary pupils (1%) exit AP and move to another AP setting. This figure rises through secondary and post-16 education: 13% at Key Stage 3, peaking at 25% in Year 10, then dropping to 11% in Year 11 and 10% at Key Stage 5. The fieldwork discussions with LAs and AP providers suggested a pattern of higher exclusions immediately before and for pupils going into Year 10. The spike in pupils placed in AP in Year 10 (25%) and the drop in Year 11 (11%) may reflect some of the initial challenges that local areas reported in terms of finding an appropriate placement for a pupil excluded at the start of Key Stage 4. The fieldwork also suggested this could reflect gaps in local provision, with the result that some pupils would be moved through a series of unsuccessful, short-term placements.

Demands on local AP

Trends in demand for AP

As well as asking LAs about the pupils currently placed in AP, we also asked them about trends in demand for AP, both in terms of how demand has changed over the past three years, how they anticipated demand changing in the future, and how they planned to respond to this. All 118 LAs responded to these questions.

We did not ask LAs to provide additional data on levels of demand – e.g. pupils placed in AP – over the past three years, but instead asked them to state whether demand had increased, stayed the same or decreased. In their responses, 82% of LAs stated that demand for AP had increased over the past three years. (A further 11% said demand had stayed the same, and only 5% of LAs said demand had decreased; 2% of LAs could not say.)

Interestingly, while over eight in 10 LAs said demand was increasing, a smaller proportion of LAs said that this was having the knock-on effect of the LA spending more than it had budgeted on AP over the past 12 months (the period covered by the 2017-18 financial year). In their responses, 49% of LAs said that their spending on AP from the high needs block had been largely in line with what they had budgeted to spend, while 42% said they had spent more than was budgeted. (A further 3% said they had spent less than was budgeted, and 7% could not say.) The fact that half of LAs said their spending was in line with what was budgeted may reflect effective budget management. It may also, however, reflect wider pressures on the high needs block, for example support for pupils with SEN, and difficulties securing additional resources to meet demand pressures. It also suggests that, for some LAs, demand is increasing while spending is largely flat, resulting in available resources being spread more thinly. There is some support for this from the published data on trends on AP spending: our analysis

of this suggests that planned spending per pupil dropped from £16,500 in 2015-16, to £16,400 in 2016-17 and to £15,400 in 2017-18.[40]

We also asked LAs to state whether the rate of permanent exclusion had increased at primary and secondary levels over the past 12 months. In their responses, 61% of LAs stated that the permanent exclusion rate had increased at secondary level (22% said it had remained the same, 15% that it had decreased, 3% could not say), and 47% said that the permanent exclusion rate had increased among primary schools (36% said it had remained the same, 13% that it had decreased, 4% could not say). We also asked LAs to comment on whether and how they saw demand increasing and changing. Around two thirds of LAs commented explicitly that they expected demand to continue to rise over the next three years.

Figure 29: Breakdown of LA responses to the question about changes to the rates of permanent exclusion at primary and secondary level over the past 12 months
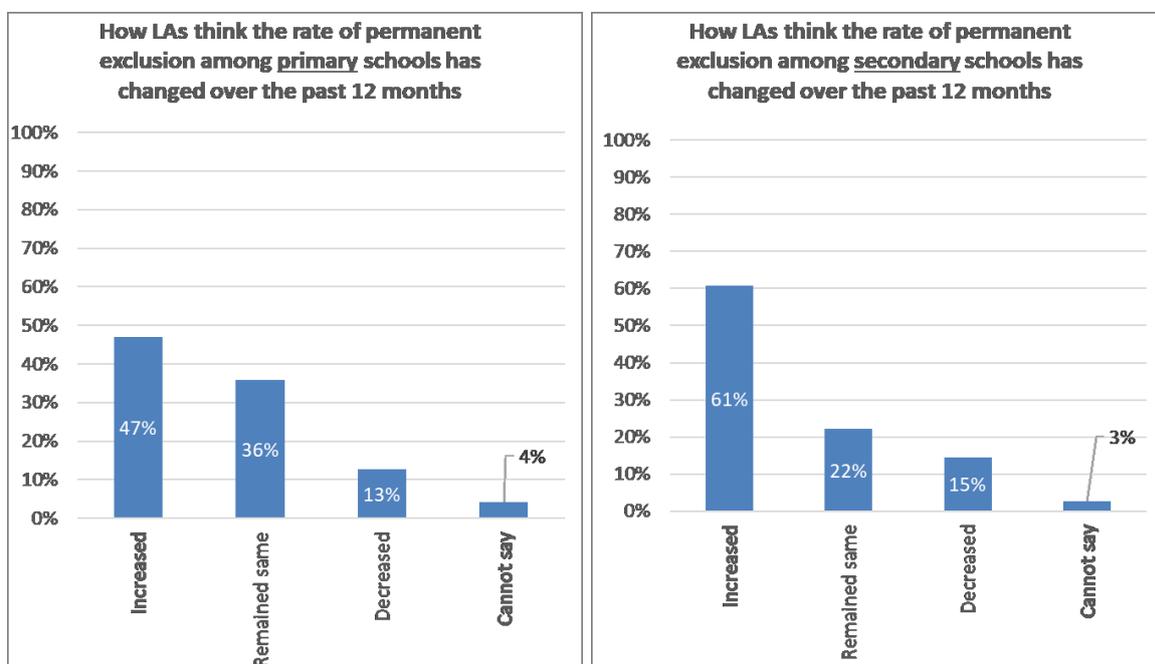
The changing nature of demand for AP

Another important dimension to this picture, which came out of our fieldwork visits, was how not only the *quantity* but also the *nature* of demand for AP was changing in local areas. The latter differed considerably across local areas, often reflecting specific characteristics of the local education system, socio-economic and demographic trends in the local population, and the interaction with neighbouring local areas. For example, one

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[40] These calculations have been made by dividing LA data on planned spend on AP (from DfE, *Section 251: Budget level summary and high needs, 2015 to 2016, 2016 to 2017, and 2017 to 2018*) by the number of pupils placed in PRUs, AP academies, AP free schools and LA AP (from DfE, *Schools, pupils and their characteristics: January 2016, January 2017 and January 2018*). The data on planned spend is taken from budget lines 1.0.1 (individual schools budget (before academy recoupment) for AP/PRUs), 1.2.1–1.2.12 (high needs budget for AP/PRUs), and 1.2.7 (other AP services for early years, primary, secondary, SEN/special schools and post-school).

LA with which we worked had witnessed a significant change in the local population, including a big increase in the proportion of families in receipt of benefits, which had in turn had a significant impact on the nature of the needs that local AP was being expected to meet. Several local areas to which we spoke discussed a growing challenge for local AP around gangs, specifically finding separate provision for pupils with rival gang affiliations who could not be placed in the same setting.

An added factor here was arrangements for cross-border placements of children in care. LAs that received high numbers of placements of children in care from neighbouring LAs argued that this could create additional demand pressures on AP in the receiving local area. Part of the challenge here is around decision-making, particularly whether the placing LA has considered local provision, and the clarity of respective responsibilities between the placing and educating LA. Several LAs we visited described cross-border disputes, and considered that further clarification of the respective roles of placing and educating LAs in respect of the placement in AP of children in care would be welcome. The other aspect of the challenge, however, is where the placement of children in care, particularly from urban to more rural local areas, brings to the educating local area and its AP system a new set of needs, such as gangs, to which it needs to respond. Another variation described to us was where several residential children's homes may set up in areas with relatively affordable accommodation, which could then have a knock-on effect on the demand for inclusion support and AP in that locality.

We also asked LAs whether they could comment on whether schools' use of AP, from their own delegated budgets, had increased, decreased or broadly stayed the same over the past three years. A total of 106 LAs responded to this question. Responses here were split, with similar proportions of LAs saying that they thought schools' use had decreased (32%) and increased (26%), with 11% of LAs saying that schools' use had largely stayed the same. A further 30% said that they did not have this information. Where LAs stated that schools' use was decreasing, they explained that the combination of changes to accountability measures and the curriculum, pressures on budgets and increasing complexity of need was leading to schools being less likely to use their delegated budgets to fund preventative placements in AP. Those LAs argued that this was resulting in a rise in rates of permanent exclusion. Several LAs also described that they were seeing increased use of AP by primary schools.

'The increasing pressure on schools' budgets has meant that many settings are unwilling to fund places at vocational AP settings. As a consequence, there is a cohort of young people who struggle to cope in mainstream settings and who may find themselves at risk of exclusion. Budget pressures coupled with the ever-increasing pressure on schools to meet Progress 8, attainment and attendance targets has led some schools to look to [alternative provision settings across the local area] to educate these young people.' (Local authority officer)

'Schools appear to be reducing their own offers to pupils from their delegated budgets for AP and permanent exclusions have increased.' (Local authority officer)

> 'An increasing number of local schools are currently stating that they can no longer afford to provide AP from their delegated budgets and are consequently forced to permanently exclude pupils who, in previous years, they would have placed in AP themselves.' (Local authority officer)

There were also LAs that described other trends in their local areas. First, those LAs that had devolved funding for AP to schools commented that they too had seen a reduction in schools' use of AP, but had not seen an increase in permanent exclusions. In other words, schools were using less AP, but were not excluding pupils at a greater rate. Instead, these pupils were being supported within mainstream education settings through enhanced inclusion support or were remaining on the roll of a mainstream school. (This is also further evidence of the limitations of comparing data on permanent exclusions or numbers of pupils placed in AP: in different local areas, pupils with the same sets of needs will be supported in different ways and settings, and will appear in different datasets.)

Second, a small number of other LAs reported a similar trend, albeit for different reasons. These LAs had seen a decrease in schools' use of AP and had not seen an increase in rates of permanent exclusions. They attributed this to work that had been done to give schools a transparent picture and greater understanding of the overall and finite capacity of local AP provision and resources. This sense of shared local resources had been used to foster collective ownership of and decision-making regarding the use of local AP.

Three sets of factors seen to be driving demand for AP

In the survey responses and from our fieldwork visits, LA, school and AP leaders identified three sets of factors that were driving or exacerbating the increase in demand for AP. There was strong consensus about these points.

1. **Increasing complexity of needs** – LA, school and AP leaders argued that local education systems, overall, from mainstream to more specialist AP and SEN provision, were supporting pupils with more complex combinations of needs. AP providers in particular described the fact that they were increasingly supporting pupils with chaotic home lives, with attachment issues, and with needs requiring more therapeutic support. While there was consensus about changes in the needs of pupils being placed in local AP, this is unlikely to be a new trend: the needs that local AP is expected to meet will always reflect the changing nature of the local area, local populations and the local education system. Furthermore, if increasing complexity of need is placing pressure on the AP sector, this suggests that the inclusive capacity in mainstream schools is not keeping pace with these changes. It is, therefore, unlikely that the increasing complexity of need is the only factor that is contributing to what LAs and the AP providers we engaged perceive to be increasing levels of need.

2. **<u>Diminishing preventative capacity</u>** – another factor highlighted to us was the diminution of the capacity of preventative services to provide support before a pupil's placement breaks down or they become marginalised. LA, school and AP leaders described this reduction at three inter-related levels. First, at provider level, they noted the reduction of capacity to provide preventative support due to capacity increasingly being taken up with longer-term placements and difficulties reintegrating pupils into mainstream settings. Second, at LA level, they noted that in many local areas there had been a reduction in the capacity of family support and early help services to step in and address issues in a child's family life that could be affecting their engagement with and behaviour in school. Third, at school level, as described above, they noted the pressure on school budgets, and the consequent reduction in, for example, pastoral / inclusion support and spend on preventative placements in AP.

3. **<u>Changes to the mainstream curriculum and accountability framework</u>** – LA and school leaders in all local areas we visited through the fieldwork, and many others through the survey responses, highlighted changes to the mainstream school curriculum, qualifications and performance measures, as well as the influence of inspection, as factors that meant that pupils whom schools would previously have been able to support were now more likely to be placed in AP.

In chapter one, we described the importance of thinking about local AP as a system in which strategic planning and a shared understanding of the role of AP and its relation to broader inclusion support and the wider local education system was crucial. In chapter two, we have described some of the ways that local areas have sought to foster this broader sense of shared understanding of and collective responsibility for local AP. This chapter has, however, also described the pressures that local AP systems are facing, the demand being placed on local AP and factors that are contributing to this, and some of the constraints that LA, school and AP leaders are facing on their ability to shape the provision / supply aspects of local AP systems and to manage these demand pressures. In the final chapter of this report, we turn to the questions of the most effective ways of organising local AP systems, the characteristics of an effective local AP system, and what is needed to create the conditions in which those characteristics can be embedded and sustained.

# Chapter Three: The effectiveness of local alternative provision systems

Throughout our research, we have gathered a significant amount of rich, detailed information about how local AP systems are planned, arranged and used, and how they operate day-to-day. The previous two chapters have summarised our key findings. In chapter one, we presented a picture of how local areas arrange local provision and emphasised the importance of thinking about local AP as a system in which there is a key role for collaborative, strategic planning of AP and its role within the wider local education system. In chapter two, we considered how local AP is used, and how and by whom decisions about the use of AP are made, and emphasised the importance of the local AP system being underpinned by mainstream schools taking individual and collective responsibility for pupils placed in AP.

Throughout this research, our aims have been to draw out from the body of evidence we have gathered the practical implications both for leaders working within and with the local AP system and for national policy-makers. For this reason, this final chapter attempts, first, to identify the key characteristics of an effective local AP system, and, second, considers what is needed at a national level to create the conditions for these characteristics to become embedded and to be sustained. Specifically, we consider what is needed to create these conditions in terms of (a) solutions that relate directly to the operation of the AP system and (b) those solutions that relate to other education policy areas that have an important influence on the way the local AP system operates. These points are not offered as formal recommendations. Instead, they are a collation of the key themes from our discussions with LA officers and members, school and AP leaders, to be considered alongside parallel research and reviews that the Department has commissioned.

Characteristics of an effective local AP system

During our discussions through the fieldwork and focus groups, and through the survey we distributed to LAs, we asked LA, school and AP leaders to reflect on the key characteristics of an effective local AP system. At the start of our research, we developed a version of this that we tested and refined through our evidence-gathering activities. The key characteristics that we drew from these discussions are summarised in figure 30 and described in further detail below.

Figure 30: Characteristics of effective local AP systems

Theme	Key characteristics of the local AP system
1 The make-up of local provision	**1. Quantity** – will depend on strategic decisions about role of local AP and other inclusion support. It is crucial to have a clear strategic plan for inclusion, and clear roles for all AP providers. Equitable access to support across the local area is also vital. **2. Range** – having the right range to (a) meet pupils' needs, and (b) provide appropriate support options and pathways (in-school, outreach, turnaround, long-term placements). **3. Quality** – having a well-developed QA framework (covering safety, attendance, engagement, progress, progression, wellbeing), and building provider quality pro-actively.
2 How local AP is used	**4. Financial realism** – ensuring that there is collective understanding of local resources available for AP in order to inform strategic choices, trust and equitable access to support. **5. Responsibilities** – (a) school-level responsibility for individual pupils placed in AP, their outcomes and destinations; (b) collective school responsibility for fair and equitable use of AP. Crucial oversight and QA role for LA. Join-up with SEND, early help is crucial. **6. Strategic planning** – pro-active fostering of inclusion to meet needs and manage demand (not just finding placements). Tight, informed, responsive commissioning.
3 The effectiveness of the local AP system	**7. Responsiveness** – ensuring AP providers are connected to the local system and see their role as responding to local needs, not defining and performing within their own niche. **8. Outcomes** – the local system has collectively agreed systems and performance measures, aligned to strategic priorities, that enable AP providers to demonstrate impact. **9. Funding** – funding is used flexibly to incentivise inclusion and support strategic priorities. Decisions are informed by financial considerations, and the overall impact on the high needs block is considered. Benchmarking is used to ensure value for money.

Theme 1: The make-up of local provision

It is an obvious point to make to say that an effective local AP system will have a sufficient quantity of provision: the key question is how it is decided what is *sufficient*. Our research suggests that this is not a question that can be answered quantitatively, but rather one that can only be answered by there being informed, collective decision-making and a shared understanding about the role of AP in relation to other education settings, specialist SEN, and other services (including those provided by partner agencies). In the absence of this shared understanding, there is an increased likelihood that inclusion support in mainstream schools will not be consistent and that AP will be used inappropriately. Furthermore, it is also likely that there will be demand pressures on local AP, and that there will be disagreements locally centring on the perceived insufficiency of provision and need to create more places in AP.

One dimension of this question about the quantity of local provision that must not be overlooked concerns equity. One of the challenges, particularly in larger local areas, either large rural areas or cities made up of districts or localities with different offers of local support and provision, is how to ensure that there is equitable access to support in each locality. This does not necessarily require a single, uniform offer of provision across all localities. Indeed, some of the local areas we visited had very deliberately given the choice to school leaders in each locality about how their proportion of local AP resources should be used. Again, with regard to ensuring equitable access, the question is one that can only be answered through informed, collective decision-making.

Clarity about the role of AP, the respective roles of providers, and how these fit with the roles of schools and other services is a crucial component of the concept of a strategic plan of AP and more broadly inclusion, which we described in chapter one. The other crucial aspect of this strategic plan relates to the range of local AP. Our evidence suggests that a characteristic of effective AP systems is that their strategic plan of local AP enables them to plan how the local system, including AP, can meet the needs of pupils who require support beyond what it has been agreed that local schools will provide from their own resources. This includes being able to call upon different services, providers, or aspects of the offer within a single provider to meet what can be very distinct sets of pupil needs and offer the right range of flexible educational pathways and support to enable those pupils to continue to engage, thrive and progress in their education career.

At the same time, effective local AP systems are ones where strategic leaders – often LAs, but in areas with devolved arrangements this can also include schools – take a pro-active role in putting in place a robust QA framework and working with providers to support them to develop their offers to meet the standards in that QA framework. Several of the local areas we visited had well-developed QA frameworks. Often, these frameworks focused both on compliance with important statutory requirements (safeguarding, health and safety), and on quality measures (teaching and learning) and outcomes (attendance, pupil progress, rates of progression after AP). They played an important role in giving schools the confidence to make informed decisions about the most appropriate providers to work with when making a placement, and enabling AP providers to demonstrate the impact of individual placements and of the local AP system overall.

Figure 31: Characteristics of an effective local framework for QA of AP

Characteristics of an effective local framework for QA of AP

1. **Roles and responsibilities** – clarity about the respective roles of schools and the LA in quality-assuring the provision, recognising that they have complementary roles.

2. **A local AP directory** – a good directory of local AP provision, maintained by the LA, of providers that schools can have confidence in using. (In systems with devolved arrangements, there may be agreements in place specifying that only approved providers may be commissioned from devolved funding.) Absolute clarity on the appropriate use of registered and unregistered provision. (Charlie Taylor's 2012 review also noted the importance of a local AP directory in ensuring there was an up-to-date and informed view about the quality and appropriateness of local provision, and encouraging effective local responsibility for QA.)

3. **QA visits** – regular visits by a suitably qualified LA lead (usually with experience of teaching and leadership roles) to AP providers to ensure the quality of provision, review outcomes, check statutory requirements are being met and help providers to build capacity and plan for the long term. Only providers that are regularly visited are in the directory.

4. **Tracking pupil progress** – clarity that schools are responsible, with established practice in place, for actively following up the progress of their pupils placed in AP through visits and regular dialogue, and joint planning for reintegration. As part of the framework, the LA may also carry out audits of schools' use of AP to ensure consistency, gather feedback and disseminate effective practice.

5. **Governance** – a governance board to oversee the QA process, made up of a mix of school leaders and LA officers. This body may collectively "own" the AP directory and QA framework.

6. **Data-sharing** – agreement with schools and providers on sharing data on individual pupils, placements, outcomes and costs so that placements and overall provider and system-level performance can be tracked.

7. **LA oversight and liaison role** – "inclusion and attendance officers" or the equivalent (people with experience of leadership and inclusion in schools) are able to work with schools to provide advice, broker support and offer constructive challenge around individual pupils and placements.

Theme 2: How local AP is used

A common trait across the local areas that we visited that had a strong sense of strategic purpose and collective responsibility for AP was a shared understanding of the financial context of the AP system and a broad sense of custodianship of those resources. These were local areas where strategic leaders had invested significant time in working with the schools forum and broader groups of school leaders and AP providers to build an understanding of:

- the current picture and trends in spending on AP;
- the overall amount of resource available for local AP;
- the factors that affected spending and pressure on the AP budget; and
- the strategic choices about the ways in which these resources could be used to shape local support for inclusion.

Local areas that had a less strong sense of strategic purpose and collective responsibility did not have this understanding of the local budget for AP, how it was used, how it could be used, and the impact of schools' or partners' actions on this. Furthermore, in these local areas, there was a strong sense that, where there were pressures on the high needs block, this was the responsibility of the LA, rather than partners across the local system.

Clarity about the financial context in AP and the factors that give rise to pressures – what we have called "financial realism" – is a crucial pre-condition for local leaders being able to work together collaboratively to make informed, strategic choices about, and tight, informed and responsive commissioning of, local inclusion support and AP.

This, in turn, is necessary to engender the right responsibilities on the part of schools with regard to the pupils they place in AP. As we described in chapter two, this involves a

dual sense of responsibility. First, this involved maintaining a connection between an individual school and the individual pupil that school has placed in AP. Second, this involves putting in place arrangements through which school leaders, working with the LA and other key partners, can maintain an effective overview and collective responsibility for the local education system, including the pupils placed in AP. Some local areas have done this by devolving some or all of the high needs block resources for AP to schools. Others have done it by encouraging pupils placed in AP to remain on the roll of their mainstream school. Other local areas have used central partnership-based inclusion panels to track the movement of pupils between schools and AP to foster trust, transparency and collective decision-making.

A key message from our research is that devolving funding to schools is not a panacea. Indeed, within the local areas we visited, there were questions raised about when it would be most appropriate to devolve funding to schools *collectively* or *individually*. The considerations put forward were that devolving funding to schools collectively was likely to be a more effective way of fostering collective responsibility for commissioning and placements in AP. At the same time, devolving funding to schools individually might be a sensible first step in building a connection between individual schools and the pupils they place in AP in local areas where there are not high levels of trust and a history of successful collaborative working between schools. As we described in chapter two, any move to devolve funding would require thought to be given as to how to ensure oversight of the system and children not in mainstream education, avoid destabilising existing providers, and build processes and capacity to enable schools to commission AP placements effectively.

The key point we would emphasise is that devolving funding is one means of creating and fostering individual and collective responsibility on the part of mainstream schools for pupils placed in AP. Given that it has been through our research that we have learned about these different approaches, we have not been able to classify all responsibility-based models so as to be able to compare them with other models. What we have been able to do, however, is isolate those local areas that have devolved funding for AP to mainstream schools and compare them with local areas that have what we defined as a more centralised model. As we explain in chapter two, by "devolved" arrangements we mean arrangements where LAs have devolved some or all high needs block funding for pupils placed in AP, and some or all responsibility for placing pupils and shaping AP provision, to mainstream schools. As we also explain, the extent of what has been devolved (whether funding for all pupils placed in AP or a specific group, such as those at risk of exclusion) and to whom funding has been devolved (schools individually or in partnerships) differ across local areas. While this is not a perfect comparison – since there will be a small number of local areas with responsibility-based models within the "centralised" group – we think there is still value in looking at the differences between local areas with devolved and centralised models.

Our analysis suggests that, on average, local areas with devolved models:

- were more likely to say that they used AP for preventative reasons (32% for Key Stage 4 AP placements among devolved models, 16% for centralised models), and less likely to say that they used AP due to pupils having been permanently excluded (29% Key Stage 4 AP placements for devolved models, 46% for centralised models);
- had fewer secondary-age pupils placed in AP (see figure 32, below), as well as fewer secondary-age pupils in EHE (44 per 10,000 pupils in devolved models, 58 per 10,000 pupils in centralised models);
- commissioned fewer places in state-funded AP, but slightly more in independent AP (see figure 33, below); and
- were more likely to report that their spend on AP was in line with what was budgeted (59% for devolved models, 44% among centralised models).

Figure 32: Average numbers of secondary-age pupils placed in AP per 10,000 pupils and average numbers of secondary-age pupils in EHE per 10,000 pupils comparing local areas with devolved or centralised models
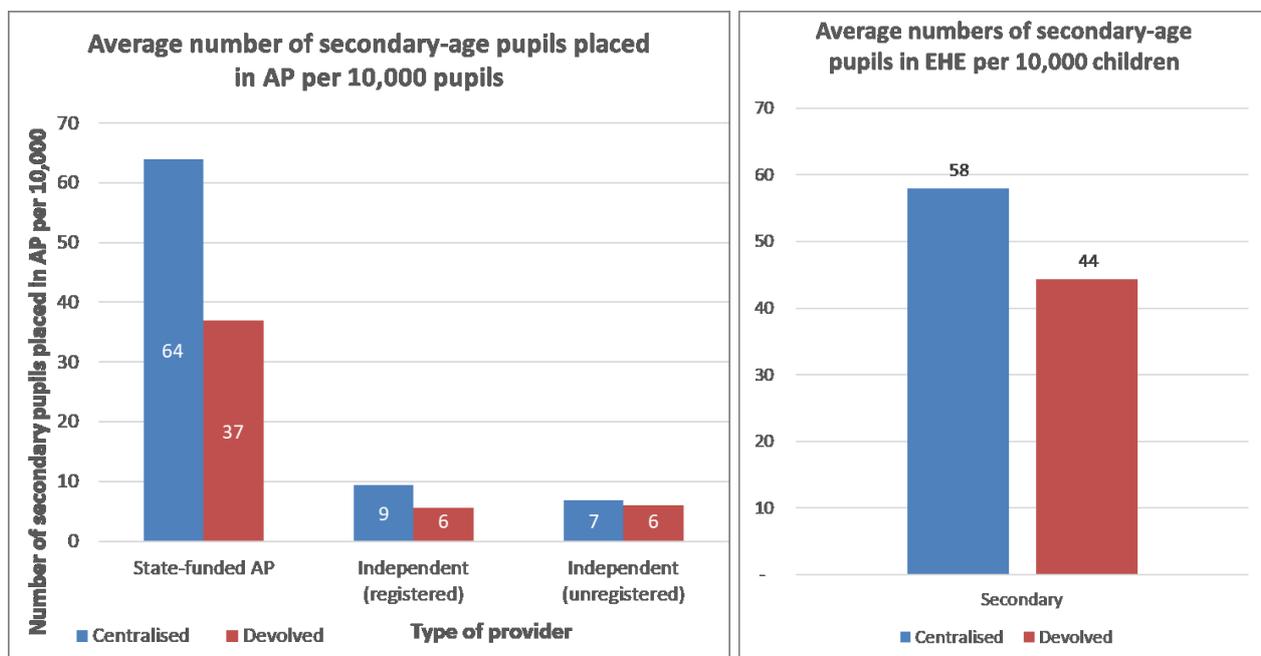
Figure 33: Average number of AP places commissioned per 10,000 pupils comparing local areas with devolved or centralised models, broken down by type of AP provider

Average number of AP places commissioned per 10,000 pupils, according to devolved or centralised models, broken down by type of AP provider
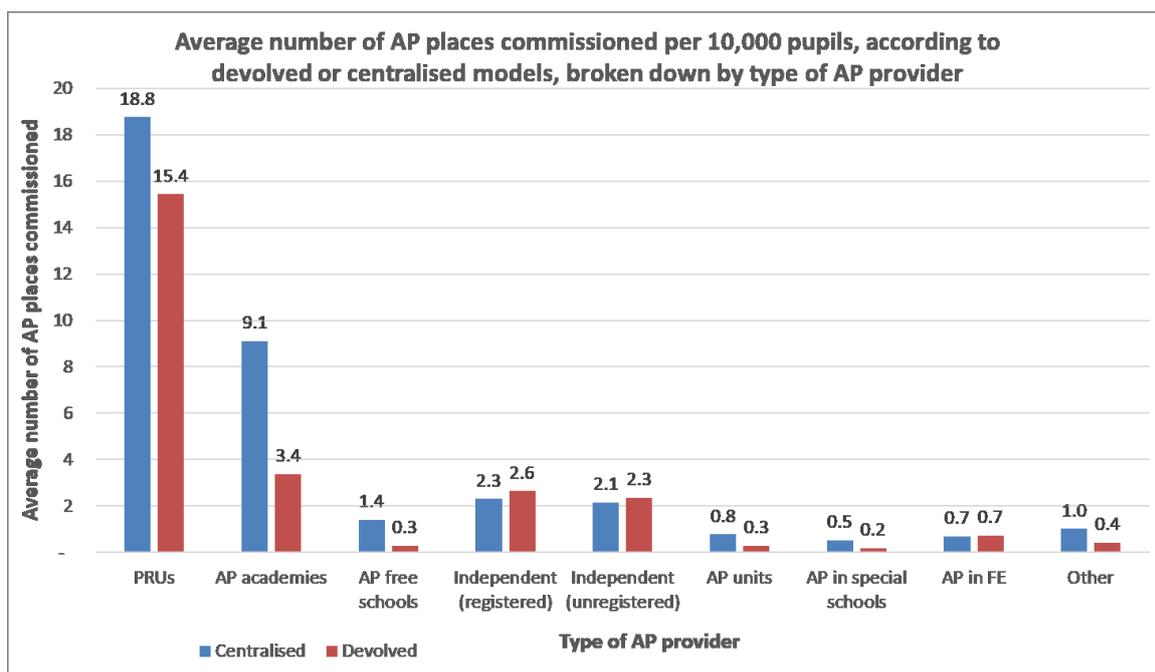
As part of this, we also undertook some regression analyses to see if these relationships were statistically significant. Because of the limited size of the sample (118 LAs responding to our survey), we think these analyses should be treated with caution, and used to corroborate and add to our wider evidence base. These regression analyses showed, first, that there was a strong positive correlation between the rate of permanent exclusion (secondary) and the level of use of AP, and that this was statistically significant. This is unsurprising given that, as we described in chapter two, permanent exclusion was the most common reason for a placement in AP. We also found, second, that both rate of permanent exclusion (secondary) and level of use of AP were positively associated with levels of deprivation, and this was statistically significant.[41] In other words, we found that local areas with higher rates of permanent exclusion of secondary pupils and that placed more pupils in AP were likely to be more deprived local areas. Third and lastly, the regression analyses also showed that, when controlling for deprivation, local areas with centralised models were likely to have higher rates of permanent exclusion and that local areas with devolved models placed comparatively fewer pupils in AP. These associations were statistically significant. This provides some additional support for our other analysis and the findings from the fieldwork, which suggested that one of the benefits of devolved (and more broadly responsibility-based) models would be fewer exclusions and fewer children placed in AP.

We note, however, that local areas with devolved models reported slightly higher average costs (£18,400) than centralised models (£17,900). This is shown in figure 34, below. The data suggest that local areas with devolved models had lower average costs for

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[41] The deprivation measure that we have used is the index of multiple deprivation.

placements in PRUs and AP academies, but higher costs for placements in independent AP (registered and unregistered) and AP units. Our fieldwork suggests this reflects the fact that local areas with devolved arrangements tend to place a smaller proportion of pupils in AP, but that these pupils are likely to have the most complex needs. As we note above, on average, local areas with devolved arrangements commissioned fewer places in state-funded AP and more places in independent AP; our analysis suggests the average cost of a placement in independent AP is higher than for state-funded AP. These two factors – the nature of the needs of pupils placed requiring placements in AP and the profile of available local provision – suggests why local areas with devolved models reported slightly higher average costs for placements in AP.

Figure 34: Average cost of an AP placement comparing local areas with devolved or centralised models, broken down by type of AP provider
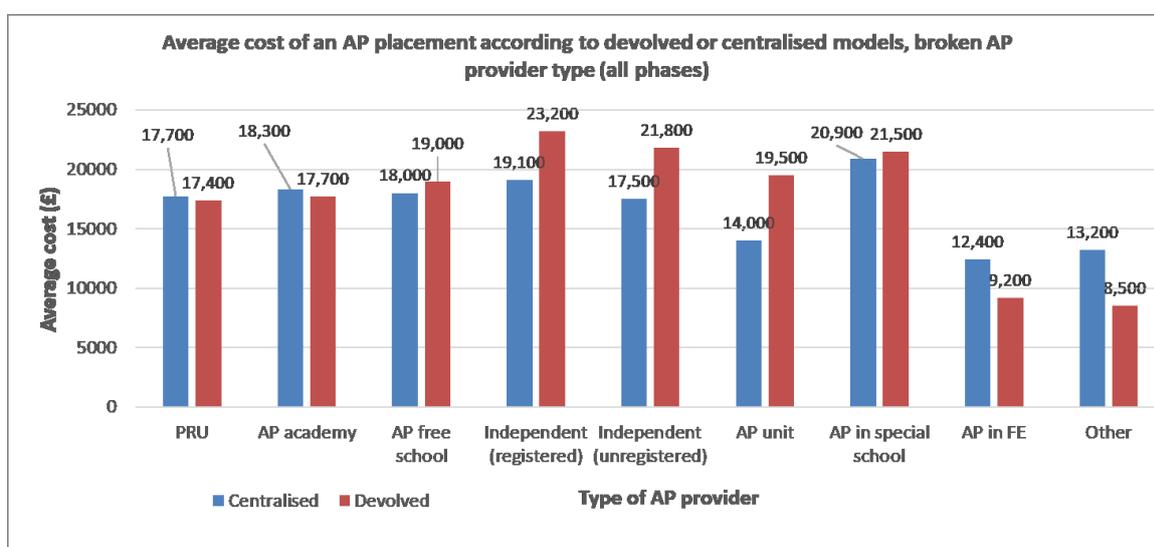
Those local areas with devolved arrangements were, however, also more likely to disagree with the statement 'local AP is able to respond to changes in local needs' and 'local AP achieves good outcomes for the pupils it supports'. Our regression analysis also suggested that pupils placed in AP in local areas with devolved arrangements were slightly less likely to successfully sustain their destinations after Key Stage 4 – to make a successful transition to a new placement – although this was not statistically significant. Our fieldwork suggests that this finding may reflect some of the challenges of shaping a local market and of maintaining oversight at local area level of pupils placed in AP in a more devolved and diverse system. It may also suggest that in areas where a smaller proportion of pupils are placed in AP their needs may be correspondingly greater. We note, however, that we came across local areas, those with both centralised and devolved arrangements, that had strong systems in place to ensure pupils had clear pathways and supported them to make successful transitions after AP.

Regardless of how decision-making responsibilities are arranged locally, what is crucial is that this operates within a strong system of monitoring, oversight and QA. In many of the local AP systems we visited, the LA played a key role in maintaining this overall framework through what one LA officer termed "tenacious key-working". We have described what this role entails in detail in chapter two. What we would underscore here

is the fact that this is a crucial role for maintaining an overview not just at the level of the overall system, but also of every pupil not in full-time mainstream education. Such an overview is necessary to ensure the local AP system operates effectively for pupils, AP providers and schools.

Developing a robust model of devolved responsibility for AP in Cambridgeshire

Cambridgeshire is a diverse county, encompassing rural and isolated areas as well as large towns and the city of Cambridge. In an otherwise affluent county there are pockets of significant deprivation – both urban and rural. The county has 209 primary schools, 34 secondary schools and two AP academies. Around 70% of AP in the county is currently commissioned from the independent sector.

Ten years ago, Cambridgeshire took the decision to devolve funding and responsibility for commissioning AP to individual schools. Subsequently, the local area was part of the school exclusions trial. Under this model all the high needs funding available for AP was devolved to schools, but, in return, schools very significantly reduced their permanent exclusions and agreed to meet the costs of AP for those pupils whose needs could not be met in mainstream schools.

Three years ago, the LA considered that, although the devolved model had delivered significant benefits, particularly in terms of reducing exclusions, it did not provide a sufficiently robust framework going forward. In particular, the QA framework was not strong enough, there were weaknesses in the LA-run PRUs, and not enough was known about the children placed in AP and the outcomes they achieved.

In order to strengthen their approach, first, the LA's Alternative Education Provision Manager worked very closely with all the county's secondary schools to develop a new service-level agreement (SLA), which set out clearly the funding that would be devolved to each individual school for AP and their responsibilities in using that funding and commissioning places. The new SLA, which will become operational in September 2018, will require schools to provide much more detailed information on the progress made by children they have placed in AP or for whom they have made additional arrangements within their school using their devolved AP funding.

Second, in parallel, a lot of work has been done to improve arrangements for quality assurance, which has been overseen by a QA Board, made up of headteachers and senior LA representatives. A local directory of provision has been developed, and schools are strongly encouraged to commission from providers that are in the directory. The LA offers regular dialogue and visits to assure quality, while the LA is also able to work with providers to build their capacity. Independent providers who engaged with this research compared this approach very favourably with "tick-box" exercises completed in other local areas and felt that it was instrumental in not just assuring quality, but also developing the quality of the provision.

A third important development has been the introduction of the education inclusion officer role. There are eight LA officers who work with schools across the county to provide consistent support and challenge to schools on their use of AP. As well as being able to work with schools on using the appropriate strategies to support pupils effectively in a mainstream environment, they can also help schools to access the most appropriate AP locally for the needs of the young person.

Theme 3: The effectiveness of the local system

As we described in chapter two, as well as schools feeling responsible individually and collectively for the pupils placed in AP, by the same token AP providers need to feel responsible and be responsive to the local system. This is not a point about a hierarchy of education providers in the local education system. Instead, it is to recognise the inter-connected nature of mainstream education and AP. Specifically, if there is a mismatch between the needs mainstream schools feel they require additional support to meet and what AP is able or willing to provide, then there will be pupils whose needs are not well served by the local education system. In several local areas we visited, we met AP providers who were directly commissioned by schools and described some of the ways in which they were seeking to shape their offers according to the needs that schools were identifying.

In other local areas, we came across AP providers who saw their role in isolation from the rest of the local system, had determined their own niche and were focused on performing well within that. In these latter instances, there was a perception among school leaders and the LA that AP providers were operating in a "selective" manner and refusing to admit pupils who had poor attendance or were unlikely to achieve academic qualifications. In some other local areas characterised by a lack of agreed roles and responsibilities for local AP, there was also a knock-on demand pressure on specialist SEMH provision, with AP providers saying that they could not meet needs and putting pupils forward for an education, health and care assessment.

As AP leaders pointed out to us, one of the challenges for their sector relates to how their performance and impact are measured. Particularly at secondary level, AP providers highlighted the fact that there was a debate to be had about whether their sector should be focused on Key Stage 4 outcomes or long-term engagement with education and progression into further education, employment or training. Some local areas we visited had developed frameworks locally that enabled AP providers to demonstrate their impact, both in terms of individual pupil placements and of the overall setting. These included balanced scorecards that combined pupil attendance, SEMH measures (using particular frameworks or tracking the frequency of "behaviour incidents"), and academic progress and attainment. One local area had developed "Progress 5" and "Progress 6" measures for AP settings that may not, on account of their size, be able to offer the full suite of subjects that would qualify for a Progress 8 score. Local areas also emphasised the need to track overall rates of reintegration of pupils from AP into mainstream schools.

A final important way in which local areas ensure their local AP system is operating effectively is through the use of funding. Just as local areas use funding to encourage a shared understanding and to shape collective choices about the use of resources, so too do the most effective local areas ensure that decisions about strategic commissioning and individual placements take account of their implications for the high needs block. This is done for strategic reasons, but also to inform benchmarking and considerations of value for money. Furthermore, funding is used flexibly to reflect local priorities, including

to balance the need for places as well as more preventative, capacity-building inclusion support. Specifically, local areas might use their high needs block to commission services on an outcomes-led basis that build capacity for inclusion. As we described in chapter one, some but by no means all local areas used their high needs block to commission inclusion services, such as outreach support from a local AP provider. Our research suggested, however, that few had developed an explicit, outcomes-focused commissioning approach to inclusion support.

## A word about using these nine characteristics of effective local AP systems

It is important to say that not all local areas operate in this way. In fact, responses to our survey suggested that even among those LAs who felt their local systems were closest to operating in this way, there were aspects of their local system that they considered requiring further strengthening. During the fieldwork, leaders in those local areas whose local systems bore some of these hallmarks raised concerns about the long-term sustainability of these arrangements. Leaders in those local areas that were seeking to embed these characteristics highlighted the challenge of shifting the culture within their local systems to a more collaborative, inclusive way of working that, as we have described in chapter two, the current policy framework does not incentivise.

We offer these nine characteristics of effective local AP systems not because they describe how most local AP systems operate, nor to suggest that the challenges facing local areas would be solved if all simply adopted these ways of working. For the reasons highlighted throughout this report, it is easier to describe what an effective local AP system would look like than to put one into practice. Instead, these nine characteristics are offered to show what would be required for effective local AP systems to operate. We turn next to consider what would be required to create the conditions for this to happen. Before we do, however, to give an indication of the distance left to travel between a system characterised by these practices and where the AP system is at present, we have included below a chart (figure 35) summarising the survey responses from LAs (118) when we asked them to say to what extent the following statements were true of their local AP systems.

There are three points we would highlight from this chart. First, this gives a sense of the different places local areas are at in developing their local AP systems. On most questions, around half of LAs have agreed with the statement about their local AP system and between a third and half have disagreed. A small minority (12%) of LAs strongly agreed or agreed with all six questions. Second, the statement with which LAs were most likely to agree was the one regarding whether local AP was able to meet the needs one would expect (63% of LAs agreed, 34% disagreed). LAs were most likely to disagree with the three statements that concerned whether their local AP system as a whole was able to respond to and manage demand – statements about the sufficiency of places, range of pathways, and responsiveness to changes in local needs. Third, and related to the preceding point, LAs were less likely to disagree with the statements about

outcomes and value for money (36% and 38% disagreed with each statement respectively). We note, however, that these were also the questions where the highest proportion of LAs (11%) responded that they were not able to say.

Figure 35: LA responses to self-evaluation questions about their local AP system
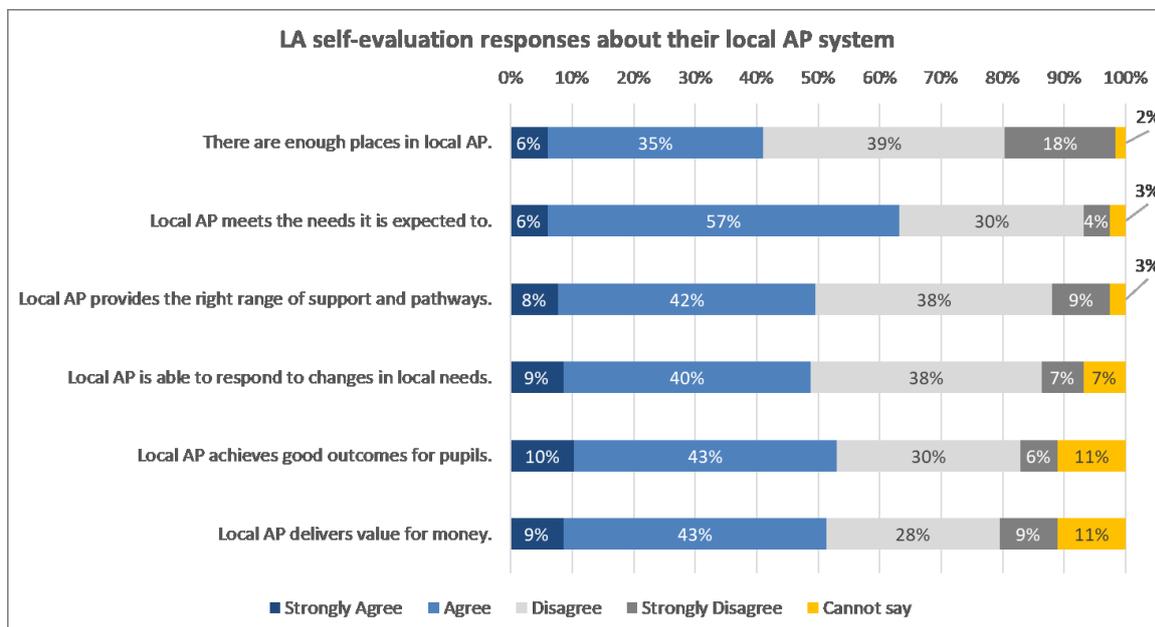
In the parallel research on practice in AP, carried out by IFF Research, school and AP provider leaders were asked the same set of self-evaluation questions about their local AP system as we asked LAs in our survey. The results are shown in figure 36, below.[42] There are two points that we would highlight here. First, it is noteworthy that responses from school leaders are less positive than those from LAs. Across all six self-evaluation statements, the proportion of school leaders who strongly agreed or agreed with the statement was lower than the corresponding figure for LAs. This difference was greatest for the statements relating to the sufficiency of places, whether local AP provides for the pupils' needs it is expected to, local AP's responsiveness to changing needs, and value for money. Second, responses from AP providers and LAs are generally more similar (e.g. on the statements relating to meeting pupil needs and responsiveness). AP providers are, however, more likely to say that local AP achieves good outcomes (71%, compared to 53% of LAs and 45% of schools) and provides value for money (70%, compared to 51% of LAs and 34% of schools).

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[42] The data in this chart is based on responses from the 118 LA who responded to our survey, and 200 school leaders (primary, secondary and special) and 276 AP provider leaders who took part in telephone interviews with IFF Research colleagues.

Comparison of self-evaluation responses about their local AP system from LAs, schools and AP providers

Creating the conditions for the characteristics of effective local AP systems to become embedded and to be sustained

As we have highlighted in chapter two of this report, leaders in some of the local areas we visited described to us the challenges in embedding new responsibilities and ways of working related to their local AP systems. At the same time, leaders in other local areas that had developed responsibility-based arrangements expressed concerns about the long-term sustainability of those arrangements. In this final section of the report, we turn to focus on what those LA, school and AP leaders considered would be needed nationally to create the conditions in which local areas could embed and sustain effective local AP arrangements.

Their suggestions fell into two broad categories. First, there were a set of suggestions relating to the policy framework governing the AP system. Second, there was an additional set of suggestions that concerned other areas of education policy that have an important influence on how and why local AP might be used. These are summarised in figure 37, below, and the points highlighted are then expanded upon below. In setting these out, we have sought to capture the thrust of the suggestions made to us. We have made no assumptions about whether and how these could be put into practice, but we would note that many could be accomplished without the need for legislative changes.

Overall, the message from our research has been that there are a set of actions that could be taken at national level that will help local AP systems to operate in a coherent and effective manner, while simultaneously recognising the way in which other areas of education policy interact with, influence and exert pressures and incentives on the use of AP locally. In creating the conditions for effective local AP systems to operate, it is vital

that these two areas of policy – that governing the AP system and that related to broader education policy – are aligned with one another.

Figure 37: Creating the conditions for characteristics of effective local AP systems to become embedded and to be sustained

Solutions relating to the <u>AP system</u>	Solutions relating to <u>broader policy areas</u>
1. Roles and responsibilities in the AP system – recognising the key strategic commissioner, oversight and key-working role played by the LA, but also underscoring the responsibilities of other providers to work as part of the local system.	**1. Curriculum** – ensuring that there is scope and that there are incentives for schools and colleges to offer the alternative curriculum options that can help to keep pupils engaged in education and included in mainstream settings.
2. The fundamental purpose of AP – considering whether this is (a) to support inclusion, complement mainstream education, and foster reintegration, or (b) to step in when pupils are excluded from the mainstream system.	**2. Performance measures** – considering how to foster connection and responsibility between schools and pupils placed in AP, and to avoid inclusive schools feeling that their work is not recognised and they are disadvantaged in performance measures.
3. The local AP market and QA – ensuring frameworks of QA and inspection recognise and take account of the diversity of local AP markets and the range of roles played by local providers. Consider a consistent QA framework for the sector.	**3. Accountability and inspection** – likewise, ensuring inspection framework balances standards and inclusion, taking account of inclusion, reintegration, and the movement of pupils off the school roll (EHE, managed moves, AP, exclusion).

Solutions relating to the AP system

First, there were a series of suggestions made to us about the need to rearticulate the roles and responsibilities of key stakeholders in local AP systems. Among these was a key message about the need, first, to recognise the crucial role of the LA as a strategic commissioner and arbiter of the local AP system, but also to ensure that LAs have the tools necessary to carry out this job effectively. As one senior LA leader put it, 'we are long on responsibility and short on power, in many areas, but in this one [AP] in particular.' LA leaders noted that, in the case of pressure on the high needs block, this was often seen by schools as something for the LA to resolve, when often the causes of these pressures were not within the direct control of the LA. One important means of managing these pressures is having pro-active, transparent, informed and collaborative engagement with all local schools and providers. This can be challenging in some local areas, particularly those that have not been able to maintain a function for supporting school improvement following the removal of the education services grant. In these local areas, there is no obvious means or capacity for engaging schools around standards and inclusion. Another important means for LAs of managing these pressures is being able to maintain a robust oversight of all pupils not in full-time mainstream education, including those in EHE. LAs said they would welcome changes that formalised expectations

around sharing data and overseeing the placement of pupils in EHE and others not in full-time mainstream education.

At the same time, in setting out these responsibilities, LA, school and AP leaders argued that it was important to underscore the fact that the AP system was not the *sole* responsibility of LAs, but that schools and AP providers had a responsibility to act as partners in and custodians of that system. This is particularly relevant in the case of new providers entering a local education system – when new sponsors, trusts or free schools enter the local system – but could also relate to existing local leaders who have adopted an isolationist stance with regard to local inclusion practices.

The key risk highlighted to us was that the entry of new providers could disrupt the balance of local provision or undermine local inclusion decision-making processes, particularly if the new providers took an isolationist stance. In part, the suggestion put forward here was to set out clearly the expectations that there will be local arrangements governing how finite local resources are used to shape local provision and how it is accessed, and that new providers entering a local system should have regard to and work with and within these arrangements. The suggestion was that this also includes arrangements related to tariffs for using AP and how schools will contribute to the costs of permanent exclusions, so that local arrangements can be put in place to avoid the perverse incentive whereby permanent exclusions are cheaper for schools than placing a pupil in AP for preventative reasons. In the case of new providers, this should be an important consideration when looking at new free school applications, or when Regional Schools Commissioners are brokering sponsors to work with a local mainstream school or AP provider.

LA, school and AP leaders suggested that there would be value in looking at the current national guidance on AP and using this to set out these key sets of inter-related responsibilities around local AP. At the same time, this may also provide an opportunity to ensure that the guidance on AP reflects the range of ways in which local provision and decision-making responsibilities are arranged.

Second, a series of points were made to us about the need to clarify and re-emphasise the fundamental purpose of AP. As LA, school and AP leaders put this to us, it was important to continue to be clear as to whether the purpose of AP within the wider education system was:

a. to support inclusion by providing a series of positively planned pathways that complement and are closely linked to what is on offer in mainstream schools, and wherever possible work towards pupils being supported to return to mainstream education; or
b. to respond to instances of exclusion or where pupils are at risk of being excluded or marginalised from mainstream education, where mainstream and alternative education are very separate, and there is less expectation that pupils will return to mainstream education.

Several of the LA and school leaders we engaged described the issue in these terms: whether AP served an *inclusive* or more *punitive* purpose. Interestingly, many of the pupils to whom we spoke perceived the experience of being placed in AP in similar terms. Pupils commented on the stigma associated with AP and some of the ways that staff at their previous mainstream schools had used AP as a threat to deter them from behaving in certain ways. We should also note that, among many of the pupils to whom we spoke, this had not been their experience.

'There was lots of stigma about coming here [to AP] … I was told it was a "behaviour school". People think no-one does any work here. I was scared when I first came here. My mainstream school tried to scare us with the threat of AP. I have found that is actually a school for people who try to learn, but struggle.' (Year 9 pupil placed in AP)

'I had previously thought coming to AP meant the end of my education … it has actually been a blessing in disguise.' (Year 10 pupil placed in AP)

Going back to first principles and considering the fundamental purpose of AP may not seem, at face value, a particularly practical suggestion for addressing some of the challenges facing the AP sector. What we found during the research, however, was that these debates were being had at local level. What was coming out of these local debates was leading to significant differences in how local areas made use of practices that dealt with exclusion (the use of fixed-term exclusion and permanent exclusion) and those that fostered inclusion (dual-roll placements, reintegration pathways, and setting tariffs to avoid perverse incentives that make permanent exclusion appear cheaper). The message from the local areas with which we worked was that they would welcome the fundamental purpose of AP, and the role that some of these practices should play in supporting that purpose, continuing to be articulated and re-emphasised at a national level.

Third, there were suggestions made to us about the operation of the AP market. As we described in chapter one, we found that in many local areas an important, complementary role was being played by independent AP that was not registered as an independent school. We also found, however, that in some instances there was anxiety about using unregistered AP due to the risk of falling foul of regulations governing its use and, to a lesser extent, about oversight, inspection and QA of unregistered providers. LA, school and AP leaders suggested that there would be value in restating what does and does not constitute appropriate use of unregistered AP and about who should be responsible for the oversight of a pupil's education when part of this is delivered in an unregistered AP setting. The example we highlighted in chapter one, where one local area had worked with its regional Ofsted director lead to clarify and articulate the expectations around appropriate use of AP and how this use would be treated by inspectors, offers one relevant way in which greater clarity at national and local level

could continue to be provided. This would also have broader application to any instances in which pupils' full-time education is made up of placements in multiple settings.

There may also be value in developing an inspection framework for unregistered independent AP that reflects the complementary role this plays to other full-time mainstream and alternative education. This could be something more akin to existing work-based learning frameworks, focusing on compliance with core processes and safeguarding, having a suitably qualified workforce, pupil attendance and engagement, and pupil progress.

At the same time, as we noted earlier in this report, some of the local areas we visited have developed robust local QA frameworks that give schools confidence when using local AP. Other local areas suggested that there may be value in drawing out from these the key components of an effective local QA framework for AP and providing this as an example that could inform the work of other local areas.

Solutions relating to broader policy areas

There were three related areas concerning mainstream education that were highlighted consistently across all local areas we visited and across the LA survey responses. These related to the curriculum, performance measures, and the accountability and inspection framework. First, LA, school and AP leaders noted that the changes to the curriculum, particularly in secondary schools, had had a significant impact on what mainstream schools were able to offer pupils at risk of exclusion or becoming marginalised. Specifically, they noted that the increased academic focus of the curriculum meant that schools were not able to offer the breadth of alternative curricular pathways that they would have been able to offer in the past. As a result, they said, there were pupils who were now placed in AP that mainstream schools would previously have been able to support.

Second, many LA and school leaders recognised the improvements brought about by the introduction of performance measures based on the progress of all pupils. Furthermore, they welcomed reforms to qualifications and performance measures that had removed perverse incentives to enter pupils for qualifications that may be less valuable in helping pupils to progress in their education, but that had an "equivalent value" to a school's performance data. Nevertheless, LA and school leaders argued strongly that this had created some disincentives for schools to be inclusive of pupils with additional needs and that the balance of these measures needed to be adjusted. Specifically, they argued that the current suite of performance measures could place schools in an invidious position when faced with placing a pupil in AP or reintegrating a pupil from AP knowing that this could have a negative impact on the school's Progress 8 score and other measures. For example, some schools explained that, in instances where they were considering placing pupils in an AP setting that was not in a position to offer the full range of mainstream qualifications to count towards Progress 8, their choice was between continuing to be responsible for those pupils but potentially seeing a drop in their Progress 8 score, or

considering alternative means of removing the pupil from the school's roll. LA, school and AP leaders suggested developing measures that took account of all pupils who had been on a school's roll (thus avoiding the perverse incentive to remove pupils from the roll) and being able to disapply or recognise the very different starting points of pupils reintegrated from AP. We recognise that any changes along these lines, particularly disapplication of certain groups of pupils, would need to be considered carefully to avoid creating new perverse incentives.

Third, and building on the preceding point, school leaders noted that they perceived the same tension between improving standards and promoting inclusion in the current inspection framework. They argued that inclusion was not always recognised within the inspection process, with some schools reporting mixed messages about the importance of inclusion in relation to improving standards. LA and school leaders were keen to recognise the work done by schools and trusts to turn around previously failing schools, but argued strongly that exclusion should not be seen as a legitimate tool for accelerating school improvement. In particular, they argued that it was not conducive to an effective local education system for one school to drive improvement by, among other things, placing a disproportionate burden on local AP and where the costs of supporting pupils excluded from that school were borne by the LA and other schools within the local education system.

Ensuring that local areas can put in place robust and enforceable financial arrangements governing the use of AP, particularly in instances of permanent exclusion, is one part of this. The other suggestion put to us was to ensure that the inspection framework does not unwittingly condone exclusive practices in the pursuit of higher standards. Many school leaders reflected on what they saw as the unfairness of less inclusive schools being praised for improving standards, without recognising the knock-on effect those less inclusive practices had had on the rest of the local education system. A key message that we heard consistently was the need to ensure inclusion featured strongly when considering the overall inspection judgements for schools. It was suggested to us that this might include inspectors considering, on the one hand, data on pupils who had been moved off a school's roll, numbers of fixed-term and permanent exclusions, pupils who had moved into AP or EHE, and, on the other, pupils who had been reintegrated following placements in AP.

Overall, school and LA leaders were not arguing against the principle of an ambitious curriculum and progress-based accountability. Instead, they were arguing that, if an important aim of the local education system is to support the inclusion and progress of pupils with additional needs, then the curriculum and accountability framework need to ensure that schools have the means to include and support pupils and are recognised for doing so. Their view was that the current curriculum made it more difficult to include pupils at risk of AP or of becoming marginalised, and that the accountability system contained disincentives to include and reintegrate those pupils.

At the same time, colleges also argued that there were disincentives for them to offer 14–16 study programmes. Some argued that the current funding arrangements did not always ensure that they received funding when they were providing full-time education for Year 10 and Year 11 students, particularly if those students did not continue to Key Stage 5 studies at that college. They also argued that they had been put off offering 14–16 programmes due to the risk of damage to a college's reputation if they received a poor Progress 8 score, given that this may not capture the nature of a Key Stage 4 student's study programme.

Through this research, we have gathered a wide range of evidence about how local AP systems (or markets) are operating – how provision (supply) is arranged, and how and by whom decisions about how AP is used and the implications of this for demand on AP. We highlight three overarching conclusions from our research.

First, the AP market does not operate as a traditional market. Unlike traditional markets where growth is a positive characteristic, the AP market is one where there is the need to ensure demand is carefully controlled and aligned to the supply of local provision. As we have described in this report, demand is highly sensitive to supply and to some extent dependent on actions taken in the mainstream education system, while there are challenges for local areas in ensuring the supply of provision keeps pace with demand. As such, our research suggests that it makes more sense to consider local AP as a *system*, rather than a *market*. Furthermore, the AP system is one in which it is central that:

a. there is a clear strategic plan for meeting the needs of pupils who may require AP, and that is situated within a broader framework of inclusion support;
b. there is the right combination of responsibilities between schools, AP providers and the LA and partner agencies for the placements of, funding for and outcomes of pupils placed in AP; and
c. the role of AP is seen in the context of its connections to and inter-relations with other parts of the local system, including particularly mainstream education, SEND, early help and social care, and local health services.

Second, our research has also found that there are barriers to local AP systems operating in this way. Some of these barriers relate to the aspects of the current policy framework governing the AP system. Among these is funding, and specifically the fact that mainstream schools currently bear the cost of placing a pupil in AP for preventative reasons, but not for a pupil who is permanently excluded. Another barrier highlighted by school leaders was the fact that the accountability and inspection system does not adequately recognise – and may inadvertently disadvantage – actions schools may take to include or reintegrate pupils with additional needs. Overall, school and LA leaders argued that the current policy framework does not incentivise – and in some ways can

act as a disincentive to – the kinds of responsibilities and actions needed in an effective local AP system.

Third, in considering what is needed to enable the AP system nationally and at local level to operate effectively, and achieve the best outcomes for the pupils it supports, we have highlighted what more could be done at both local and national level, in relation to both the AP system and wider influences on the mainstream education system. We recognise, however, that this is a complex endeavour, and that the Department will want to consider the findings of this research alongside the independent review of exclusions carried out by Edward Timpson and the parallel research on practice at school and AP setting level.

As we have noted, one of the challenges that confronts any research project or review concerning exclusions or AP is that the pupils who may fall within that definition will vary from one local area to another. For instance, the pupils who would be permanently excluded and placed in AP in one local area may be supported in in-school units and through targeted inclusion support in another. These pupils' needs may be very similar, but how those needs are met, and what it would appear is happening locally judging from the data on exclusions and AP placements, would be very different. Our research suggests that there is a balance to be struck between debates at national level about exclusion and the role of AP, and empowering schools, AP providers and LAs to work together at local level to shape appropriate and effective arrangements that support inclusion. If, however, in the future there was the desire to understand how different local areas supported pupils with similar needs, one way of doing this might be to undertake a longitudinal study of children who have accessed AP or have been deemed to be at risk of becoming marginalised from mainstream education, and to track their progression and placements through the local education system.

For the time being, however, alongside the other work the Department has commissioned, we hope that our research provides a useful insight into how local AP systems operate and what more could be done to ensure that there are effective arrangements for supporting pupils with additional needs in their local areas.

Annex A: Local areas that took part in this research

The 29 LAs that took part in the focus groups (phase one of the research) were:

Barnsley, Birmingham, Bournemouth, Bracknell Forest, Bristol, Cambridgeshire, Cumbria, Derby City, Derbyshire, Durham, East Sussex, Herefordshire, Hertfordshire, Islington, Kent, Leeds, Lincolnshire, Luton, Medway, Middlesbrough, Northamptonshire, Northumberland, North Yorkshire, Nottingham City, Nottinghamshire, Rotherham, St Helens, Stoke-on-Trent and Warrington.

The 118 LAs that responded to our survey (phase two of the research) were:

Barking and Dagenham, Barnet, Barnsley, Bath and North East Somerset, Bexley, Birmingham Blackburn with Darwen, Blackpool, Bolton, Bournemouth, Bracknell Forest, Bradford, Brent, Brighton and Hove, Bristol, Buckinghamshire, Bury, Cambridgeshire, Camden, Cheshire West and Chester, Cornwall, Coventry, Croydon, Cumbria, Darlington, Derby, Derbyshire, Devon, Doncaster, Dudley, Durham, Ealing, East Riding of Yorkshire, East Sussex, Enfield, Essex, Gateshead, Gloucestershire, Hampshire, Haringey, Hartlepool, Havering, Herefordshire, Hertfordshire, Isles of Scilly, Islington, Kent, Kingston-upon-Hull, Kingston-upon-Thames, Kirklees, Knowsley, Lambeth, Lancashire, Leeds, Leicester City, Leicestershire, Lewisham, Lincolnshire, Liverpool, Luton, Medway, Merton, Middlesbrough, Milton Keynes, Newcastle-upon-Tyne, Norfolk, North East Lincolnshire, North Lincolnshire, North Tyneside, North Yorkshire, Northamptonshire, Northumberland, Nottingham, Nottinghamshire, Oxfordshire, Peterborough, Plymouth, Poole, Portsmouth, Reading, Redbridge, Redcar and Cleveland, Rochdale, Rotherham, Salford, Sandwell, Sheffield, Shropshire, Solihull, Somerset, South Gloucestershire, Southampton, Southend-on-Sea, Southwark, St Helens, Staffordshire, Stockport, Stockton-on-Tees, Stoke-on-Trent, Suffolk, Sunderland, Sutton, Swindon, Tameside, Telford and Wrekin, Torbay, Tower Hamlets, Trafford, Walsall, Wandsworth, Warrington, Warwickshire, West Berkshire, Wigan, Wiltshire, Wirral, Wolverhampton, and Worcestershire.

(The City of London also contributed to the research, but we agreed that it would not complete the survey as this would not give an appropriate reflection of its local system.)

The 15 local areas that we visited during phase three of the research were:

Barnsley, Bath and North East Somerset, Birmingham, Bristol, Cambridgeshire, Hampshire, Kent, Lewisham, Middlesbrough, Northumberland, Nottinghamshire, Redbridge, Rotherham, Shropshire, and Wandsworth.

We are grateful to the colleagues with whom we worked from all of these local areas for the time and contributions that they gave to this research.