Department /Agency:	Title:				
DCSF	Impact Assessment of Regulation Section 154 of the Education and				

Available to view or download at:

http://www.

Contact for enquiries: Tim Youlden Telephone: 020 7340 8314

What is the problem under consideration? Why is government intervention necessary?

Section 154 of the Education and Skills Act 2008 enables schools to direct pupils off-site for behaviour related training. However, there is a risk that this power is used by schools to keep difficult pupils off mainstream school. Therefore, Government intervention is necessary to prevent indefinite referrals. This will ensure equitable treatment for all pupils.

What are the policy objectives and the intended effects?

The objective of the regulations and guidance is to ensure that the power in section 154 is used appropriately as a tool to improve behaviour and not just a way of removing pupils from the school. Alternative provision that is aimed primarily at behaviour improvement may not have enough of an academic element for pupils to progress and gain qualifications, so prolonged use of it will worsen the likely outcomes for pupils rather than improve them, potentially leading to an increase in the number of young people not in education, employment or training.

What policy options have been considered? Please justify any preferred option.

To provide the power to governing bodies without any safeguards, although this would not meet commitments made in Parliament. The safeguards were introduced during the passage of the Bill in response to concerns that pupils would be left indefinitely in off-site provision and that pupils with special educational needs could be particularly disadvantaged by section 154.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? We will seek to evaluate the impact of this legislation in late 2013, after the guidance and the legislative duty has been in place for 3 years.

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

Vernon Coaker

Date: 07/12/2009

Summary: Analysis & Evidence

Policy Option:

COSTS

Description:

ANNUAL COSTS One-off (Transition) Yrs 1 **Average Annual Cost** (excluding one-off)

Description and scale of key monetised costs by 'main affected groups' We have considered four scenarios that reflect the different number of meetings per year that we could expect (costs over 10 years) - See Evidence Base sector:

1) 3,150 meetings (costs = £3m), 2) 19,200 meetings (costs = £13.1m), 3) 36,300 (costs = £24m), 4) 57,600 (costs = £39.3m)

Total Cost (PV)

Other key non-monetised costs by 'main affected groups'

ANNUAL BENEFITS One-off Yrs BENEFITS **Average Annual Benefit** (excluding one-off) £

Description and scale of key monetised benefits by 'main affected groups' As follow, the number of pupils that have to benefit effectively (each year) from this intervention to cover the costs associated to each scenario in the most likely situation in brackets percentage of the pupil population in PRUs:

1) 17 pupils (0.19%), 2) 70 pupils (0.8%), 3) 130 pupils (1.4%) and 4) 210 punils (2.3%)

Total Benefit (PV)

Other key non-monetised benefits by 'main affected groups' This intervention is likely to reduce the pupil's average stay in alternative provision and, therefore, reduce costs since the cost of educating a child in alternative provision is around £15,000 compared to £4,000 per year in mainstream school. Yet this reduction in costs has not been quantified due to the lack of data.

Key Assumptions/Sensitivities/Risks Assume there will be no increase in the number of pupils referred off-site: that pupils will benefit from the provision and not be disruptive when they return to class.

Price Base Year 2008	Time Period Years 10	Net Benefit Range (NPV) £		NET BE	NEFIT (NPV E	Best estimate)	
What is the ge	eographic covera	ge of the policy/option?			England of	only	
On what date	Septembe	September 2010					
Which organis	sation(s) will enfo	rce the policy?			N/A	N/A	
What is the to	tal annual cost of	enforcement for these organ	nisation	s?	£ N/A		
Does enforce	Yes						
Will implemen	No	No					
What is the va	£ N/A	£ N/A					
What is the va	£ N/A						
Will the propo	No						
Annual cost (£ (excluding one-off)	Small	Medium	Large				
Are any of the	ese organisations	exempt?	lo	No	N/A	N/A	

Impact on Admin Burdens Baseline (2005 Prices)

(Increase - Decrease)

Increase of

£ N/A

Decrease of £ N/A **Net Impact**

£ N/A

Key:

Annual costs and benefits: Constant Prices (Net) Present Value

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

- 1. A school governing body already has the power under section 29(3) of the Education Act 2002 (as amended by the 2005 Act) to "require [registered] pupils at the school to attend at any place outside the school premises for the purposes of receiving any instruction or training included in the secular curriculum for the school". This power was intended to enable schools to send pupils to other schools or FE colleges to take academic or vocational subjects that their own school could not provide, and it also enables the school to send a whole class on a field trip or similar activity. Legislation already gives parents responsibility for their child's attendance at such off-site provision.
- 2. The power has also been applied for a number of purposes that may go beyond that stated in the 2002 Act. We know that some schools have used it for the purpose of sending challenging pupils to various forms of alternative provision without resorting to the more punitive exclusion legislation. Relying on section 29(3) in this way, where the underlying reason for transfer is behaviour-related rather than instruction- or training-related, was vulnerable to successful legal challenge. A successful challenge would create potentially serious problems for school partnerships to improve behaviour and tackle persistent absence. It would have meant that a partnership could not transfer a challenging pupil between schools or from school to partnership-managed alternative provision without the parents' consent, even in situations where the parent was a major part of the problem.
- Ministers therefore decided to introduce a power for governing bodies to refer their pupils to
 off-site provision specifically aimed at improving their behaviour and this amendment to
 section 29 of the 2002 Act was introduced as section 154 of the Education and Skills Act
 2008.
- 4. During the passage of the Education and Skills Bill through Parliament, concerns were raised that the new power would mean that governing bodies would be able to remove pupils from the school indefinitely, without regard to the needs of the pupil and whether those needs were being met by the off-site provision. There were particular concerns about the effect this would have on pupils with special educational needs. Were the power to be used in this way it could have the effect of a permanent exclusion, without the governing body having to comply with the statutory exclusions procedures and with the pupils and their parents having no right of appeal. Ministers therefore amended the relevant Bill clause to introduce safeguards for pupils who are referred off-site by governing bodies using the new power, to address the concerns raised by the opposition. Some of these safeguards are on the face of the primary legislation, while others are included in the regulations and guidance. Ministers gave a firm commitment during the passage of the Bill to all these safeguards, so it is not possible to now consider other options as an alternative to these agreed safeguards. Because of this, we have not included any reference to other options in this Impact Assessment.
- 5. The regulations and guidance set out the detail of how the power under section 154 should be exercised by governing bodies and these safeguards for pupils against the misuse of the power. The safeguards should ensure that the power will be used appropriately as a measure to address behavioural problems before they escalate to a level where exclusion becomes necessary, and not just as a way of removing pupils from the school because they are a problem to deal with. The safeguards set out in regulations and the potential benefits of each of them are:

• The governing body must give written notice of the requirement for a pupil to attend offsite provision not less than 2 school days before the requirement comes into effect. The notice must specify the address of the offsite provision, the number of days for which the requirement will be imposed, details of the person at the offsite provision to whom the pupil must report on first attending, the reasons for and objectives of imposing the requirement to attend offsite provision and the times of the sessions at the offsite provision.

This ensures that the requirement cannot be imposed without notice to the pupil and their parents. Any placement is likely to be more successful if the parents are supportive, so it is important that they are fully informed. This notice also ensures that the governing body is clear about what they want the placement to achieve and that the pupil and their parents are aware of it. It ensures that the governing body must be able to justify any decision to refer pupils offsite and that the placement is genuinely designed to address the pupil's behavioural problems.

 The governing body cannot require a pupil to attend offsite provision beyond the last day of the academic year in which the requirement is imposed.

This ensures that a governing body cannot simply refer a pupil to offsite provision and leave them there indefinitely, regardless of the benefit or otherwise to the pupil. This is designed to prevent a governing body from using offsite provision as a way of removing a pupil from the school without having to go through the exclusion process.

• The governing body must hold a review meeting every 30 days from the date that the requirement to attend offsite provision is first imposed. The regulations also specify the people who should attend the review meetings and that the outcome of each review meeting, and the reasons on which that outcome is based, should be sent to the pupil's parent (or the pupil themselves where they are 18) and, where the pupil has a statement of special educational needs to the local authority that maintains the statement, within six school days of the review meeting.

This requirement will ensure that governing bodies consider whether a pupil needs further time in the off-site provision to improve their behaviour. If not, the pupil can be reintegrated to school. If the governing body decide that the pupil could benefit from further time in the provision, they will have to state in writing their reasons for this decision. It also gives the governing body a chance to consider whether the offsite provision is being effective or whether some other provision might better meet the pupil's needs. Once again, this ensures that the power under section 154 is used for the right reason, that the pupils referred to offsite provision do not stay there any longer than necessary and that the provision is the best one for the pupil.

- 6. The safeguards set out in the guidance and the potential benefits of them are:
 - A pupil should not be required to attend offsite provision from the first day of the school year; a decision to refer to offsite provision should ordinarily be made after other interventions within the school setting have been tried.

If governing bodies were able to place a pupil in offsite provision from the first day of the school year, it would allow them to remove swiftly any pupils who they considered to be troublesome, based wholly on the pupil's behaviour in the previous year. This safeguard prevents this from happening and ensures that pupils are not referred to offsite provision without good reason, to the detriment of the pupil.

 Before sending pupils who have SEN to offsite provision an assessment should be carried out to see what can be done to improve their behaviour within the school setting, including an assessment of whether the pupil's special educational needs are being met. A pre-placement meeting should be held for pupils with SEN and a local authority representative of the local authority that maintains the statement who has expertise in SEN should attend the pre-placement meeting and any subsequent review meetings.

Both of these will ensure that pupils with special educational needs are not disadvantaged by the section 154 power. A high proportion of pupils who are in alternative provision have special educational needs. These are some of the most vulnerable pupils in the education system and it is essential that their needs are being met, whether in mainstream school or alternative provision. It is important that governing bodies consider whether the needs of such a pupil will genuinely be met by a placement and the pre-placement meetings, with input from the relevant local authority officer, should ensure that this is given sufficient consideration.

- 7. The guidance recommends that schools should draw up a reintegration plan to ease the pupil back into school in a planned way and to gain the most benefit from the off-site referral. But the reintegration plan is not a statutory requirement. We expect that any such reintegration plan will be drawn up before a direction is issued or during the review meetings where applicable the longer a pupil is away from his or her school, the more likely that a reintegration plan will be necessary. It should be possible for a classroom assistant to provide, at no extra cost, any extra support a pupil will need as part of a reintegration plan once they have returned to school.
- 8. The case for introducing the new section 154 power was made in the comprehensive impact assessment prepared for the introduction of the Education and Skills Bill. This further impact assessment is only concerned with the regulations and guidance made under the Bill, rather than the complete case for a new power.

Costs and benefits of Regulations and Guidance under Section 154 of Education and Skills Act

Costs

There were 8,430 pupils dual registered in January 2006, 9,004 in January 2007 and 9,200 in January 2008 (**Source: School census**). Therefore, we will be assuming that there are 9,000 pupils at any one time.

A school year is 190 days, usually spread out over three terms - 29 school weeks, so approximately 10 weeks per term.

Very few pupils will be directed to off-site provision within the first term of an academic year – the guidance accompanying the regulations makes clear that a direction should normally only be used where other interventions have been tried and failed, so it is unlikely that directions will be issued until the second term of an academic year. Therefore, we are looking at the 20 last weeks (two last terms)

Meetings

We expect each meeting to last an hour and involve:

- The head teacher (cost £38.59 per hour¹)

¹ See Tables 2 and 3 below – Head teachers in secondary schools

- LA representative where SEN pupil (cost £24.53 per hour²)
- SENCO where SEN pupil (cost £22.90 per hour³)
- School governor (cost £24.53 per hour⁴)

Total cost where a non-SEN pupil is involved (head teacher and school governor) = £63.12

Total cost where SEN pupil (head teacher, LA representative, SENCO and school governor) = £112.18

A reviewing meeting has to be held every 30 days

Review meetings (All pupils)

- Scenario 1 None of the 9,000 pupils stays in alternative provision (AP) longer than 29 days. Therefore no meetings are needed and no cost involved.
- 2. **Scenario 2** 2/3 of the 9,000 pupils stay in AP less than 30 days (no meetings, no cost). 1/3 of the 9,000 pupils stay 30 or more days. In this case there will be a meeting every 30 days (approx. 4 weeks). Number of meetings 3,000 x 5 (one meeting every 4 weeks means 5 meetings over 20 weeks) = 15,000 meetings per academic year.
 - a. Non-SEN (86% of 15,000 = 12,900). Cost £814,248
 - b. SEN ($14\%^5$ of 15,000 = 2,100). Cost £235,578
 - c. Total cost £1,050,000
- 3. **Scenario 3** 1/3 of the 9,000 pupils stay in AP less than 30 days (no meetings, no cost). 2/3 of the 9,000 pupils stay 30 or more days. In this case there will be a meeting every 30 days (approx. 4 weeks, 5 meeting over the 20 weeks of the last two terms). Number of meetings 6,000 x 5 = 30,000 meetings per academic year.
 - a. Non SEN (86% of 30,000 = 25,800). Cost £1,628,500
 - b. SEN (14% of 30,000 = 4,200). Cost £471,156
 - c. Total cost £2,100,000
- 4. **Scenario 4** All pupils stay in AP 30 or more days. Number of meetings 9,000 x 5 = 45,000 meetings per academic year.
 - a. No SEN (86% of 45,000 = 38,700). Cost £2,443,000
 - b. SEN (14% of 45,000 = 6,300). Cost £706,700
 - c. Total cost £3.150.000

Pre- placement meetings (only SEN Pupils)

SEN pupils have to have a pre-placement meeting.

We know that 14 % of those 9,000 pupils dual registered are SEN pupils, i.e., 1,260 pupils. However, in order to work out the number of meetings that will have to be held every year we would need to know their turn over. We do not have evidence regarding the time spent on alternative provision, so we decided to set up four different scenarios:

² The salary of the LA representative could vary among LAs, so we decided to take the top decile of the average earnings from the Annual Survey of Hours and Earnings 2009.

³ See Tables 2 and 3 below – Classroom teachers in secondary schools

⁴ School governor is an unpaid post, however there will be a cost of opportunity associated to attending these meetings. To determine the average opportunity cost of attending these meetings we drew on the top decile of average earnings from the Annual Survey of Hours and Earnings 2009.

Based on 2009 National Pupil Dataset.

1. Scenario 1 – If they stay (on average) 8 weeks, that will mean 1,100 meetings every 8 weeks for new comers, i.e., 1,260 x 2.5 (20weeks/8) = 3,150 meetings

Cost: 3,150 meetings x £112.18 each meeting = £353,367

2. Scenario 2 - They stay (on average) 6 weeks 1,260 x 3.33 = 4,200 meetings.

Cost 4,200 meetings x £112.18 each meeting = £471,156

3. Scenario 3 – If they stay (on average) 4 weeks, 1,260 x 5 = 6,300 meetings per year

Cost 6,300 meetings x £112.18 each meeting = £706,734

4. Scenario 4 – If they stay (on average) 2 weeks that will mean 1,260 meetings every two weeks, so 1,260 x 10 (20weeks/2) = 12,600 meetings per year

Cost 12,600 meetings x £112.18 each meeting = £1,413,468

Overall (review meetings + pre-placement meetings)

- 1. Minimum number of meetings (Scenario 1 review meetings + Scenario 1 pre-placement meetings) = 3,150 meetings. Cost (Scenario 1 + Scenario 1) = £353,367 per year. Costs over ten years (3.5% discount rate) = £3,041,672
- 2. Scenario 2 + Scenario 2 = £1,050,000 + £471,156= £1,521,156. Costs over ten years (3.5% discount rate) = £13,100,000
- 3. Scenario 3 + Scenario 3 = £2,100,000 + £706,734= £2,806,734. Costs over ten years (3.5% discount rate) = £24,160,000
- 4. Maximum number of meetings (Scenario 4 + Scenario 4) = 56,000 meetings. Cost (Scenario 4 + Scenario 4) = £3,150,000+ £1,413,468= £4,563,468. Costs over ten years (3.5% discount rate) = £39,280,902

Benefits

Benefits to pupils

Although we expect this new regulation to have a positive impact on pupils, it is difficult to quantify these benefits.

As an indicative guide we carried out the following break even analysis: we calculated the number of pupils who will have to benefit from this new regulation in order to cover costs - benefits estimates are based on the lifetime productivity gains that pupils are expected to obtained as a result of achieving the grades stated in table 1.8...

⁶ Internal DCSF analysis using LFS 2008/09 data, ASHE 2007 data, Mcintosh, S. (2007) 'A Cost-Benefit Analysis of Apprenticeships and Other Vocational Qualifications.' Research Report No 834; and Jenkins, A. Greenwood, C. & Vignoles, A. (2007) 'The Returns to Qualifications in England: Updating the Evidence Base on Level 2 and Level 3 Vocational Qualifications.' Centre for the Economics of Education

Break even analysis

Table 1

	Costs over ten	No. of pupils moving	No. of pupils moving	No. of pupils moving from
	years (to the closest ,000)	from no qualifications to 5+A*-C GCSEs per year to cover costs. In brackets as percentage of the 9,000 pupils dual registered.	from no qualifications to 1-4 A*-C GCSEs per year to cover costs. In brackets as percentage of the 9,000 pupils dual registered.	(vocational) Level 1 to Level 2 per year to cover costs (most likely situation) ⁷ . In brackets as percentage of the 9,000 pupils dual registered.
Minimum number of meetings	£3,042,000	2 (0.02%)	4 (0.04%)	17 (0.19%)
2. Scenario 2 + Scenario 2	£13,100,000	9 (0.1%)	18 (0.2%)	70 (0.8%)
3. Scenario 3 + Scenario 3	£24,160,000	16 (0.17%)	32 (0.35%)	130 (1.4%)
Maximum number of meetings	£39,281,000	25 (0.28%)	52 (0.58%)	210 (2.3%)

To show the likelihood of the impact we have quoted the percentage of pupils (of the 9,000 dual registered) who have to achieve the stated level of attainment to cover costs.

Benefits to LAs and DCSF

Table 1 refers to benefits to pupils. However, there will be also benefits to LAs and government since this regulation is bound to reduce the average stay in off-site provision and, therefore, the cost to LAs and DCSF – the average cost of off-site provision is £15,000 compared to £4,000 in mainstream school per year. Yet as we pointed out above we do not know the average time pupils spend on off-site provision nor to what extent this policy will reduce this time. As a result, to monetise this benefit was not feasible. We will use the consultation to collect information on these points. This will help to evaluate the effect of the policy in 3 years time.

We will use a variety of methods to evaluate the effect of the policy in 2013, including conducting deep dives in local authorities and schools, seeking the views of teacher unions and examining the statistics on dual registered pupils (those pupils who are registered with both a mainstream school and a Pupil Referral Unit – these pupils will be those who are most likely to have been referred to PRUs using the power conferred by section 154 of the 2008 Act).

⁷We think this is the most likely situation given that pupils in PRUs seem to be less academically oriented. Thus, according to the GCSE and Equivalent Results in England, 2008/09 SFR (http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000880/index.shtml - table 5) only 1.2 percent of KS4 pupils in hospital schools and PRUs achieved 5 GCSEs at grades A*-C or equivalent; 13.1 per cent achieved 5 or more grades A*-G; and 63.7 per cent achieved any pass. This compares with 45.6%; 90.6% and 98.8% for all schools.

Table 2

Teachers	' Workloads							
		2003	2004	2005	2006	2007	2008	
Prim ary								
	Heads	55.5	55.6	52.9	53.5	54.2	55.2	
	Deputy Hea	56.4	55.7	55.7	53.4	51.4	52.8	
	Classroom	51.8	52.5	50.9	50.1	51.5	52.2	
Secondar	y							
	Heads	60.9	60.8	62.6	65.1	57.6	59.5	
	Deputy Hea	56.5	54.1	58.1	61	53.6	58	
	Heads of F	52.7	51.6	51.2	51.5	50.2	52.9	
	Classroom	50.8	49.9	49.3	49.1	48.7	49.9	
Special								
oran a e norma y Austriania	Classroom	47.6	46.3	45.6	43.9	45	48.3	

Angle, H., Gilby, N., Fearn, A., Sasssett, C., Elston, D. and S. McGinigal (2008) "Teachers's workloads http://www.ome.uk.com/review.cfm?body=7

Table 3

Source: School Workforce in England - http://www.dcsf.gov.uk/rsgateway/DB/SFR/s000813/index.shtml

	2007				
Head	Annually	Weekly*	Daily**	Hourly***	Average number of hours per day
Nur/Pri Head	50,000	1,282.05	256.41	23.74	10.8
Sec Head	69,500	1,782.05	356.41	29.46	12.1
Dep/asst Head					
Nur/Pri Dep Head	42,100	1,079.49	215.90	20.56	10.5
Sec Dep Head	50,000	1,282.05	256.41	22.30	11.5
СТ					
Nur/Pri CT	30,400	779.49	155.90	15.28	10.2
Sect CT	33,400	856.41	171.28	17.48	9.8

^{* 39} weeks of work per year

2.3%† to Hourly*** 270.57 2009 = 2007's data uplifted by $2.45\%^1$ and $2.3\%^\dagger$ to account for 2008 and 2009's pay raise respectively Head Annually Weekly* Daily** Nur/Pri Head 52,762 1,353 24.88 Sec Head 73,339 1,880 376.10 30.87 Deplasst Head Nur/Pri Dep Head 44,425 1,139 227.82 21.55 Sec Dep Head 52,762 270.57 1,353 23.37 CT Nur/Pri CT 32,079 823 164.51 16.02 Sect CT 35,245 904 180.74 18.32

^{***} Based on average 2006, 2007 and 2008 (see Teachers' Workloads)

	2009 With On-C	osts (+ 25	%)	For employer's pension contributions go to http://www.teacherspensie
Head	Annually	Weekly*	Daily**	Hourly***
Nur/Pri Head	65,952	1,691	338.22	31.10
Sec Head	91,674	2,351	470.12	38.59
Dep/asst Head				
Nur/Pri Dep Head	55,532	1,424	284.78	26.94
Sec Dep Head	65,952	1,691	338.22	29.21
Classroom Teacher				
Nur/Pri CT	40,099	1,028	205.64	20.02
Sect CT	44,056	1,130	225.93	22.90

Supply Teacher

Data for permanent teachers more suitable due to quality of supply teacher data (see separate sheet)

^{** 5} days a week

^{***} Based on average 2006, 2007 and 2008 (see Teachers' Workloads)

¹ http://www.teachernet.gov.uk/docbank/index.cfm?id=12833

[†] http://www.teachernet.gov.uk/docbank/index.cfm?id=14150

^{* 39} weeks of work per year

^{** 5} days a week

^{* 39} weeks of work per year

^{** 5} days a week

^{***} Based on average number of hours per day 2006, 2007 and 2008 (see Teachers' Workloads)

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	Results in Evidence Base?	Results annexed?	
Competition Assessment	No	No	
Small Firms Impact Test	No	No	
Legal Aid	No	No	
Sustainable Development	No	No	
Carbon Assessment	No	No	
Other Environment	No	No	
Health Impact Assessment	No	No	
Race Equality	No	No	
Disability Equality	No	No	
Gender Equality	No	No	
Human Rights	No	No	
Rural Proofing	No	No	

Annexes

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