

| West Berkshire Schools' Forum | |
|--------------------------------------|-------------------------------------|
| Title of Report: | PRU Budget Proposals 2015/16 |
| Date of Meeting: | 19th January 2015 |
| Contact Officer(s) | Cathy Burnham |
| For Discussion | |

1. Background

The way our two PRUs (Reintegration Service and Alternative Curriculum) receive their funding changed in April 2013 in line with the Government's school funding reforms for High Needs pupils. Schools were briefed about the financial changes for 2013/14 and in Nov 2013 and July 2014 were consulted again on alterations to the arrangements to fund Top Ups. The Schools Funding Forum requested a mid-year review to consider the impact of these alterations, with a further request for details with specific reference to the pressure on the High Needs Block. (for previous information on PRU funding see Nov 2014 HFG paper).

2. Current funding methods for Top Up only

The current funding arrangements (previously agreed with schools) are as follows:

- Four bands £74.69 - £160.72 per day
- Banding based on staffing ratio (e.g. Band 2: teacher 1:6, TA 1:6, + 25% 1:1)

Figure 1: Agreed Funding Arrangement

| | Cost to school | Duration of payment | Cost to High Needs Block |
|----------------------------------------|-----------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------|
| Primary – Reintegration Service | 50% Lowest banding only | 12 weeks maximum | Difference between lowest banding and actual banding. Difference between 12 weeks and actual duration of placement. |
| Secondary – Reintegration Service | Lowest banding only | 6 weeks only | As above – 6 weeks. |
| Secondary – KS4 Alternative Curriculum | £1500 per term pro rata. (Equivalent to AWPU) | Maximum of 2 years | Difference between AWPU and actual banding. |

3. Forecast Year End Outturns for The Pupil Referral Units and the High Needs Block PRU Top Up Cost Centre Financial Year 2014-15

3.1. The current budget for financial year 14-15 is £1,205m. As at month eight budget monitoring (November 2014), the PRU Top Up budget held within the High Needs Block was forecasting a year end overspend of £500k. The PRUs themselves are forecasting year end outturns of:

- Alternative Curriculum £265k surplus (Of which £138,000 from 13/14 is held for contingency to repair buildings, and £115,000 is held as contingency for potential future running costs).
- Reintegration Service £135k surplus (£120,000 is held as contingency for potential future running costs).

3.2. The following table sets out the changes to the overall PRU budgets (both the Alternative Curriculum and the Reintegration Service), from financial year 2010-11 to the current financial year 2014-15. Overall the increase to the PRU budget has been £670k.

Figure 2: PRU Budgets Financials Years 2010-11 through to 2014-15

| Budget Book Figures | | FY 10-11 | FY 11-12 | FY 12-13 | FY 13-14 | FY 14-15 |
|---------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 90320 | Pupil Referral Units | 1,207,310 | 1,421,250 | 1,455,830 | 672,000 | 672,000 |
| 90625 | Pupil Referral Units - Top Up Funding | 0 | 0 | 0 | 812,610 | 1,205,500 |
| | | 1,207,310 | 1,421,250 | 1,455,830 | 1,484,610 | 1,877,500 |
| | Change in budget year on year: | | 213,940 | 34,580 | 28,780 | 392,890 |

4. Financial Year 2015-16 Budget Proposal

4.1. A £500k increase to the 2014-15 funding level has previously been proposed for financial year 2015-16, i.e. a top up budget of £1.705m.

4.2. Post subsequent review amended proposals for the PRU Top Up budget are as follows:

- The 2014-15 budget is inflated by 2% to provide a base budget of £1.229m. Inflation will cover all salary and contractual increases. The increase in funding required from the High Needs Block is £24k for 2015-16.
- In order to mitigate against further pressures on the Top Up Budget a *single funding band* is proposed for all students. Actual costs per student will be calculated by the PRUs and interventions adapted accordingly. Other Local Authorities have also adopted this funding method.
- The new single daily banding rate will be **£103.25**. This is based on the average of the four banding rates, amended due to the change of base funding (from £8,000 per place to £10,000).

4.3. Current funding agreements outlined in figure 1 are:

4.3.1 anticipated to remain in place for financial year 2015-16, however, should a significant pressure be realised on the Top Up commissioning budget in year these arrangements will be reviewed,
Or

4.3.2 reviewed immediately, in time for April 2015. This would include schools paying a greater proportion of the real costs, either by increasing payments to the *single banding rate*, and/or increasing the duration of payment.

5. Recommendations

The Heads' Funding Group to review and consider recommendation to the Schools' Forum:

- 1) For financial year 2015-16 a single banding to be introduced across both Pupil Referral Units.
- 2) For financial year 2016-17 the PRU Top Up budget to be de-delegated to schools and schools directly commission services from PRUs, other alternative providers or develop their own resources.