

West Berkshire Schools Forum	
Title of Report:	PRU Funding
Date of Meeting:	9th March 2015
Contact Officer(s)	Cathy Burnham
For Decision	

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 end budget monitoring the PRU Top Up budget held within the High Needs Block was forecasting a year end overspend of £400k. 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. Amended proposals for the PRU Top Up budget are as follows:

- 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).

5. Recommendations

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

- 1) For financial year 2015-16: Schools continue to pay lowest banding rate as per fig 1. A single banding to be introduced across both Pupil Referral Units for LA Top Up only. This will reduce pressure on HNB.
- 2) For financial year 2016-17 the PRU Top Up budget to be delegated to schools who can directly commission services from the PRUs, other alternative providers or develop their own resources. Further work on this proposal will continue in 2015 with Head Teachers' participation.