

<b>West Berkshire Schools' Forum</b>	
<b>Title of Report:</b>	<b>Pupil Referral Unit Budget and Funding Arrangement Proposals 2014/15</b>
<b>Date of Meeting:</b>	<b>3<sup>rd</sup> March 2014</b>
<b>Contact Officer(s)</b>	<b>Cathy Burnham &amp; Ian Pearson</b>
<b>For Decision</b>	

## **1. Background**

- 1.1 The funding of Pupil Referral Units (PRU) changed in April 2013 from being a centrally retained funded and managed service to each unit having a delegated budget and funded by means of place funding plus top up funding from the commissioner of the place.
- 1.2 The number of places to be funded is agreed by the DfE, and this funding is fixed at £8,000 per place for the full financial year. The place funding is received by the local authority within the Dedicated Schools Grant (DSG) High Needs allocation and passed on to the relevant unit.
- 1.3 The cost of each place over and above £8,000 is met by a top up fee, which is paid by the commissioner of the place at a daily rate for the actual number of days the pupil is in the unit. Generally, the commissioner of the place is the local authority (where the pupil lives) for permanent exclusions, and the school for fixed term exclusions. The local authority contribution is paid from the High Needs DSG allocation and the schools' contributions are paid from their delegated budgets.
- 1.4 For 2013/14, the local authority has subsidised payments due from schools from the high needs budget, and no additional funds were delegated to schools.
- 1.5 This report sets out the budget required to be set for payments from the high needs budget in 2014/15, and the funding arrangements for the commissioning of places in each PRU.

## **2. Budget Proposal for 2014/15**

- 2.1 The place funding and the top up funding for places commissioned by the local authority is met from the High Needs Block. This block also pays for Home Tuition and any other services commissioned from the PRUs. The proposed budget for 2014/15 is as follows:

	<b>Budget 2013/14</b>	<b>Forecast 2013/14</b>	<b>Budget 2014/15</b>
PRU Place Funding	672,000	672,000	672,000
PRU Top Up Funding	812,610	1,105,500	1,205,500
PRU Outreach	76,880	197,000	197,000
Home Tuition	148,270	282,000	282,000
Vulnerable Children	80,000	80,000	80,000
<b>TOTAL</b>	<b>1,789,760</b>	<b>2,336,500</b>	<b>2,436,500</b>

2.2 The place funding received in 2013/14 was based on 84 places – 36 places in the Reintegration Service and 48 places in the Alternative curriculum. A bid for the same number of places has been made to the DfE for 2014/15. Notification of the actual number of places to be funded is due by the end of March 2014.

2.3 Top up funding is demand driven and the 2013/14 forecast has been calculated according to actual placement costs, some of which were on higher bandings than anticipated. A contingency of £100,000 has been added to the 2013/14 forecast figure to allow for changes to the funding rates charged by the PRUs and revised funding arrangements with schools in 2014/15 (see below). This budget will need to be closely monitored during the year.

2.4 Outreach has overspent in 2013/14 because the original budget didn't include a LAC post and some staffing. This is now included in the 2014/15 budget.

2.5 Home Tuition is overspent in 2013/14 due to additional tutor costs. This is now included in the 2014/15 budget.

2.6 The vulnerable children's grant has been fully spent. A report will follow which analyses this funding. It is proposed that this funding arrangement for schools continues for 2014/15.

### **3. Funding Arrangement Proposals for 2014/15**

3.1 Appendix A sets out the arrangements that have been in place for 2013/14 and the proposed arrangements for 2014/15 – for each type of placement, the commissioner of the place is listed alongside the payment arrangements and funding flows.

#### **3.2 New proposal for Primary schools:**

The LA continues to meet the full cost of permanent exclusions, and the relevant AWPU is repaid to the LA by the excluding school. For all other placements, schools pay only 50% of the lowest funding band regardless of the resource needs of the pupil, with the balance paid by the LA from the High Needs block. This is at the fixed daily rate set by the Reintegration Service, but with a cap set at 12 weeks (approximately £2,250). This allows security and certainty of costs for schools. If a pupil is not ready to reintegrate after 12 weeks (as decided jointly between the school and LA with advice from other

professionals) then all further costs of the placement is met in full by the LA from the High Needs Block to prevent need for permanent exclusion.

### 3.3 New proposals For Secondary schools:

The LA continues to meet the full cost of permanent exclusions, and the relevant AWPU is repaid to the LA by the excluding school. For all other placements:

Alternative Curriculum: Schools pay £1,000 per term (£3,000 per year) towards the cost of the placement for a maximum period of 2 years. The balance is paid by the LA from the High Needs Block. Schools retain the AWPU to provide them with the funding to be used towards making the payment. Pupils remain on the school's roll until after October census which provides them with the AWPU funding for year 2 if relevant. The pupil will then be on dual roll with the PRU.

Reintegration Service: schools to pay only the lowest funding band regardless of the resource needs of the pupil with the balance paid by the LA from the High Needs block. This is at the fixed daily rate set by the Reintegration Service, but with a cap set at 6 weeks (approximately £2,250). If reintegration is not considered appropriate after this time, the funding of a continued place at RS will be met in full by the LA from the High Needs Block to prevent need for permanent exclusion.

3.4 In summary, the difference between the actual cost of a PRU place and the cost to schools will be paid by the LA from the high Needs Block.

3.5 The actual funding rates for 2014/15 will be notified by the PRUs in due course once they have completed their budget estimates for 2014/15.

3.6 The Reintegration Service will be developing more capacity for primary outreach and Early Intervention Groups, with funding from the High Needs Block.

3.7 A working group reporting back to the Schools' Forum will be formed in the summer to discuss further funding arrangements for 15/16. This may include options for paying 'upfront' for places or working in partnerships or clusters to pay for blocks of places.

### **RECOMMENDATION:**

1. The 2014/15 High Needs budgets as detailed in section 2 are approved
2. The 2014/15 funding arrangements for PRUs as set out in section 3 are approved

### **Appendices**

Appendix A – PRU Funding Arrangements 2013/14 and 2014/15

## Pupil Referral Unit Funding Changes: a briefing April 2013

From 1 April 2013, the management committees of PRUs will have delegated budgets. The Reintegration Service and the Alternative Curriculum will function as 2 schools, but with one joint management committee acting as a Governing Body. Home Education will remain within The Reintegration Service but will be separately funded so while there will be changes to its structure and procedures (see separate information to follow), schools will see no changes to the current Home Education funding arrangements.

The way PRUs receive their funding will be changing from April 2013, in line with the Government's school funding reforms for High Needs pupils. The PRUs will receive base funding of £8,000 per place, with the number of places being agreed by the DFE. This will then be subject to a top up funding from the commissioning LA or school for each pupil admitted to the PRU.

n.b. The top up rates and payment process as set out in this briefing will be in place for 2013/14 only. It will be monitored throughout the year and amendments will be proposed for 2014/15. The PRUs and the LA, in close consultation with the schools, will work on a re-structuring of the service in order to ensure value for money and effective provision. This year, secondary schools will not have to pay a £3500 lump sum to The Reintegration Service for managing the fixed term exclusions, but will pay the daily top up rate for their actual admissions.

The top up funding is calculated on the needs of each individual pupil, and the PRUs have identified 4 bands of student based on the staffing ratio required (see below). The banding needs to be agreed by the PRU Headteacher and the commissioner prior to the pupil taking up a place. Top up funding is payable for the actual number of days the pupil is allocated the place.

<b>Pupil Referral Units ***</b>				
<b>New Banding</b>	<b>Staffing Ratio Funding is Based On</b>	<b>Total Funding Rate 2013/14</b>		
		<b>£</b>	<b>Top Up £ Annual</b>	<b>Top Up £ Daily Rate</b>
Band 1	Teacher 1:6, TA 1:6	22,191	14,191	74.69
Band 2	as band 1 + 25% 1:1	26,278	18,278	96.20
Band 3	as band 1 + 50% 1:1	30,364	22,364	117.71
Band 4	as band 1 + 100% 1:1	38,536	30,536	160.72

\*\*\*2014/15 Rates still to be determined

The funding for pupils attending **The Reintegration Service** is as follows:

Pupil Profile	Base funding from DfE via LA	Commissioner	Cost to commissioner	Funding Transferred	Payment method	Proposed Change for 2014/15
<b>1. Primary permanent exclusion</b>	£8k	LA	Top up according to banding	AWPU repaid by school to LA (pro rata)	LA pays RS 6 weekly/half termly in arrears	No change
<b>2. Primary permanent exclusion with SEN statement</b>	£8k	LA	Top up according to banding	AWPU & SEN top up repaid by school to LA (pro rata)	LA pays RS 6 weekly/half termly in arrears	No change
<b>3. Primary fixed term exclusion</b>	£8k	school	Reduced costs this year only. School to pay 50% of top up at daily rate. LA to pay 50% of top up at daily rate	School keeps AWPU	RS invoices school / LA pays at end of fixed period (or 6 weekly/half termly if a longer placement)	School to pay 50% of band 1 top up at daily rate up to a maximum of 60 days. LA to pay balance (full cost after 60 days)
<b>4. Primary fixed term exclusion with SEN statement</b>	£8k	school	Reduced costs this year only. School to pay 50% of top up according to banding at daily rate. LA to pay 50% of top up at daily rate	School keeps AWPU & SEN top up	RS invoices school / LA pays at end of fixed period (or 6 weekly/half termly if a longer placement)	School to pay 50% of band 1 top up at daily rate up to a maximum of 60 days. LA to pay balance (full cost after 60 days)  School <u>does not</u> receive SEN top up
<b>5. Primary short courses and part-time and full time in-reach placements</b>	£8k	school	Reduced costs this year only. School to pay 50% of top up according to banding at daily rate. LA to pay 50% of top up at daily rate	School keeps AWPU (& SEN top up if relevant)	RS invoices school / LA pays at end of fixed period (or 6 weekly/half termly if a longer placement)	As above

Pupil Profile	Base funding from DfE via LA	Commissioner	Cost to commissioner	Funding Transferred	Payment method	Proposed Change for 2014/15
<b>6. Primary pupils currently in Reintegration Service at 1/4/13</b>	£8k	school	No extra costs to school. LA to fund 100% of top up	School keeps AWPU unless on single role at RS	LA pays RS 6 weekly/half termly	No longer applicable
<b>7. Secondary permanent exclusion</b>	£8k	LA	Top up according to banding. School repays AWPU to LA.	AWPU repaid by school to LA	LA pays RS 6 weekly/half termly	No change
<b>8. Secondary permanent exclusion with SEN statement</b>	£8k	LA	Top up according to banding if LA is the commissioner. School repays AWPU to LA. School repays SEN top up to LA.	AWPU and any SEN top up repaid by school to LA	LA pays RS 6 weekly/half termly	No change
<b>9. Secondary fixed term exclusion</b>	£8k	school	Top up according to banding	School keeps AWPU	RS invoices school at end of fixed period (or 6 weekly/half termly if a longer placement)	School to pay band 1 top up at daily rate up to a maximum of 30 days. LA to pay balance (full cost after 30 days)
<b>10. Secondary fixed term exclusion with SEN statement</b>	£8k	school	Top up according to banding	School keeps AWPU & SEN top up	RS invoices school at end of fixed period (or 6 weekly/half termly if a longer placement)	School to pay band 1 top up at daily rate up to a maximum of 30 days. LA to pay balance (full cost after 30 days)  School <u>does not</u> receive SEN top up

<b>Pupil Profile</b>	<b>Base funding from DfE via LA</b>	<b>Commissioner</b>	<b>Cost to commissioner</b>	<b>Funding Transferred</b>	<b>Payment method</b>	<b>Proposed Change for 2014/15</b>
<b>11. Secondary at risk of exclusion, full or part time place</b>	£8k	school	Top up according to banding at daily rate.	School keeps AWPU (& SEN top up if relevant)	RS invoices school at end of fixed period (or 6 weekly/half termly if a longer placement)	As above
<b>12. LAC pupils &amp; UAS cared for by West Berkshire</b>	£8k	LA	Top up according to banding	Payment made from LAC budget	LA/Virtual Headteacher pays RS 6 weekly/half termly	No change
<b>13. Pupils placed by PPP on a temporary basis until integrated into a new school</b>	£8k	LA	Top up according to banding	AWPU and any SEN top up repaid by school to LA, who then transfers the relevant portion of this funding to the new school	LA pays RS 6 weekly/half termly in arrears	No change
<b>14. Pupils from out of area without a school, or coming from an Out-County PRU</b>	£8k	LA	Top up according to banding	N/A	RS invoices relevant commissioner at the end of a fixed period or 6 weekly/half termly	No change

The funding for pupils attending the KS4 **Alternative Curriculum** is as follows:

Pupil Profile	Base funding from DfE via LA	Commissioner	Cost to commissioner	Funding Transferred	Payment	Proposed Change for 2014/15
<b>1. Permanently excluded - admission via PPP</b>	£8k	LA	Top up according to banding	AWPU & any SEN top up repaid by school to LA.	In April for summer term. In September & January with adjustments	No change
<b>2. Requested change of placement – admission via PPP</b>	£8k	school	School to pay a reduced rate, for this year only, of £3k per year (£1k per term from September 2013). LA to fund remaining top up costs according to banding.	AWPU & any SEN top up repaid by school to LA.	PRU to invoice school termly. LA pays top up termly	School to pay £1,000 per term (£3,000 per year) for a maximum of 2 years. LA to fund remaining top up costs according to banding.  School keeps AWPU <u>but not</u> SEN top up.  Pupil to remain on school roll until after the October census following their placement.
<b>3. Pupils from out of area without a school, or coming from an Out-County PRU</b>	£8k	LA	Top up according to banding	N/A	PRU to invoice commissioning LA	No change