

MEETING:	Schools Forum
MEETING DATE:	5 June 2015
TITLE OF REPORT:	Pupil Referral Unit Funding – Final Proposals
REPORT BY:	School Finance Manager

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

County-wide.

Purpose

To seek Schools Forum's agreement on the final proposals for Pupil Referral Unit (PRU) funding effective from 1 September 2015 following consultation with Herefordshire Association of Secondary Headteachers.

Recommendation(s)

THAT: the final proposals as agreed with the Herefordshire Association of Secondary Headteachers are approved for implementation from 1st September 2015 as follows:

- (a) the local authority fully funds vacant, second and third year key stage 4 places at £10,000 per place;
- (b) funding for first year places (key stage 4) is shared by the secondary school seeking the place (both permanent exclusions and placed for other reasons) and the local authority on a sliding scale per academic year as set out below
 - (i) Academic year 2015/16 school £4,000 local authority £6,000
 - (ii) Academic year 2016/17 school £5,000 local authority £5,000
 - (iii) Academic year 2017/18 school £6,000 local authority £4,000;
- (c) high needs top-up payments as determined by the assessment matrix, and expected to be on average £5,000 per pupil, to be paid by the local authority to the PRU for key stage 3 and 4 pupil pro-rata

to occupancy; and

- (d) **Key stage 3 places are funded per half term at £1,666.67, irrespective of the number of days occupied, payable by the school requiring placement.**

Alternative Options

- 1 A range of options have been explored with School Forum's Budget Working Group (BWG) and following further consultation with Herefordshire Association of Secondary Headteachers (HASH), a minor adjustment is proposed to the draft proposals considered by the Forum in March.

Reasons for Recommendations

2. To approve new PRU funding arrangements effective from 1 September 2015

Key Considerations

Background

3. The DfE have increased the funding for each PRU place to £10,000 from September 2015 and Schools Forum considered draft proposals for a revised PRU funding scheme at the meeting in March 2015 and approved formal consultation with HASH. The proposed new funding arrangements bring PRU funding into line with special schools and other specialist provision. HASH suggested a minor amendment for the funding of Key Stage 3 places which has been accepted.

Final Proposals

- 4 The following table provides summary of the original funding model discussed with School Forum in March 2015

Basic information collected for pupils entering PRUs between Sept 2009 and August 2012	St Davids	Aconbury
	56 places 75% occupancy rate 14 vacant places 22 1st year places 20 2nd year places	24 places 75% occupancy rate 6 vacant places 9 1st year places re intervention 9 2nd/3rd year (6+3)
New High Needs Top Up Model from 1st September 2015 Local authority commissions vacant & 2 nd /3 rd year places New 1 st year placements "Pay as you Go" LA/school contribution on sliding scale of £10,000	£340,000 i.e. 44%	£150,000 i.e. 46%
High needs top-up at £5k average	£220,000 i.e. 29%	£90,000 i.e. 27% (on a half termly basis)
School funded		
2015/16 school £4,000		
2016/17 school £5,000	£88,000 i.e.12%	£36,000 i.e. 11%

Further information on the subject of this report is available from Malcolm Green, school finance manager, on Tel (01432) 260818

2017/18 school £6,000	£110,000 i.e. 15%	£45,000 i.e. 14%
	£132,000 i.e. 18%	£54,000 i.e. 17%

5. The original proposals also sought to make the KS3 provision more cost effective by charging a termly place fee (based on the £10,000 place cost) which takes account of the short term nature of key stage 3 intervention places and the difficulties in immediately filling a vacant place. The original termly fee was proposed as £3,333 for the autumn term, £2,500 for the spring term and £4,167 for the summer term, any intervention placement in the term will incur the full termly cost instead of the strict pro-rata charge as now. HASH considered that the charge of a full termly fee was unduly harsh and considered a scheme based on a half termly fee would be much fairer, as such the local authority is willing to moderate the KS3 placement fees so that £1,666.67 is payable per half term, irrespective of whether summer, autumn or spring half terms.
6. Additionally, the local authority is concerned that increasing numbers of pupils are staying on for second and third year placements and included in the original proposal was an increase in the schools place contribution on a sliding scale as follows;
- 2015/16 local authority £6,000 school £4,000 (which is a savings on the current £4,325 charge)
 - 2016/17 local authority £5,000 school £5,000
 - 2017/18 local authority £4,000 school £6,000

Community Impact

7. There is no community impact as the proposals simply seek to rebalance how schools and DSG fund the PRU. Only if schools, as a result of these proposals, modify their usage of PRU places will there be a community impact as it is possible that the number of places on offer will have to be reduced.

Equality and Human Rights

8. There are no implications for the public sector equality duty.

Financial Implications

9. The costs of the PRU funding proposals are met in full by Dedicated Schools Grant and the proposals seek to provide a fair balance between schools and the high needs block of DSG in light of DfE mandatory funding changes. The financial changes are necessary due to the DfE increasing the commissioned place cost by £2,000 to £10,000 from September 2015. Schools Forum agreed delegation of £150,000 additional funding for high schools in 2015/16 from the high needs block to assist schools in meeting the PRU charges.

Legal Implications

- 10 The purpose of this report is to seek the Schools Forum's agreement on final PRU funding proposals. As such there are no specific legal implications.
- 11 Section 10 of the Schools Forums (England) Regulations 2012 sets out the local authority's duties to consult with the Schools Forum on school funding issues.

Risk Management

- 12 The consultation process with HASH and the BWG ensures that risks are identified and minimised prior to a final decision by Schools Forum in June 2015. There is a risk that the funding model does not provide a sustainable budget for the PRU and in which case Schools Forum will be asked to consider revised charges.

Consultees

- 13 None.

Appendices

- None

Background Papers

- None identified.