

**Item 8**

**TITLE OF REPORT: Pupil Referral Unit Formula Update**

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**Purpose of the Report**

To bring to Schools Forum the proposed amendments to the Pupil Referral Unit (PRU) Funding Formula to Schools Forum for Approval.

**Background**

There have been no changes to the PRU funding formula since 2013/14 when the formula was first introduced. Work has been undertaken over a number of months to look at provision maps for pupils who attend the PRU and Hospital and Home.

Following this work site visits to other regional PRU's have taken place, and overview of their funding arrangements provided.

Following this work a meeting was held with the head teacher to devise a draft PRU formula and modeling was undertaken.

Following model is a result of the modeling and refinement, and has been agreed by the Pru head teacher, Educationgateshead and finance officers.

The proposed formula comprises of place funding and a number of top ups.

**Fixed Cost top up** – based on the current fixed costs of the PRU, and provides a contribution towards the PRU's fixed costs that do not have a direct link with the number of pupils attending the setting, e.g. contributions towards the costs of head teacher, caretaker, utilities etc.

**Outreach funding** – The proposed formula makes an allocation for an outreach worker which would fund a post to assist in the PRU carryout a number of functions including transition arrangements, improving attendance, assisting children managing and taking responsibility for their own behavior.

The pupil related top ups are based on the general types of pupils who receive their education through the Pru:-

- **Permanently excluded** children (banded at 3 levels)
  - **Band 1** Children that can be taught in groups of 10 to 15
  - **Band 2** Children that can be taught in groups of 4 to 6
  - **Band 3** Children that have significant additional needs and may need 1:1 support to learn or supervision during contact time with other students

- **Home and Hospital**

- Children at full time places at Heworth Hall
- Part time places at Heworth Hall including alternative provision
- Home tuition

The proposed rates are:-

<b>Top Ups</b>	<b>Amount</b>	<b>Band 1</b>	<b>Band 2</b>	<b>Band 3</b>
<b>Fixed Costs</b>	£297,396			
<b>Outreach</b>	£60,000			
<b>Permanent Exclusion</b>		£0	£5,000	£10,000
<b>Heworth Hall –Full Time</b>	£0			
<b>Heworth Hall – Part Time Including AP</b>	£2,500			
<b>Home Tutor</b>	£0			

A draft banding criteria has produced for permanent exclusions and will be reviewed during 2016/17 to make the criteria more robust.

### **Band 1**

Referral to Behavior Support Services for intervention work following permanent exclusion or (if places are available) for intervention work to avoid a permanent exclusion - can be taught in groups of 10 to 15 pupils - Place Cost funding only.

### **Band 2**

Young person requires specialist assessment of their learning and behavioral needs to establish underlying causes and inform intervention work. This may lead to an ECHP to identify specialist provision and placement. Young person to work in smaller groups of 4 to 6 pupils - Place Cost funding plus £5k.

### **Band 3**

Young person has significant additional needs requiring specialist support or supervision. This may include 1:1 support for learning or supervision during contact time with other students. In some cases higher level supervision (e.g. 2:1) may be required, or extended support from specialist services is necessary. These students may have, or need an ECHP to inform their long term educational placement. Place Cost funding plus £10k

Appendix 1 provides a comparison between 2015/16 budget (using £10,000 place funding for the full year) and the proposed new formula. The modeling method complies with the Schools and Early Years Finance (England) Regulations 2015 and DfE Operational Guidance. The new funding model for permanent exclusion calculation purposes estimates that 25% of pupils will be in Band 1, 50% of pupils will be in Band 2 and 25% of pupils in Band 3.

The calculated difference between the current and proposed formulas is at appendix 1, and is a comparison based on 2015/16 budget. The proposed formula will cost an additional £45,363 using this basis.

Appendix 2 provides a comparison between the current and proposed formula using actual pupil numbers for 2015/16. This demonstrates that if the new formula had been in place for 2015/16 the PRU would have received £154,168 less funding than under the current formula.

Appendix 3 provides a comparison between the current and proposed formula using projected pupil numbers for 2016/17. This demonstrates that if the new formula is in place for 2016/17 the PRU will receive £404,178 less funding than under the current formula.

## **Proposal**

That Schools Forum approves the proposed new PRU funding formula comprising of the following elements:-

- Place funding at £10,000 per commissioned place
- Fixed cost top up funding of £310,752
- Outreach funding of £60,000
- Permanent exclusion top up funding
  - Band 1 £0
  - Band 2 £5,000
  - Band 3 £10,000
- Home to Hospital
  - Heworth Hall full time £0
  - Heworth Hall part time including alternate provision £2,500
  - Home Tuition £0

## **Recommendation**

It is recommended that Schools Forum approves the proposed new PRU funding formula For the following reasons

- To enable the PRU budget to be set for 2016/17 in accordance with Schools and Early Years (England) Regulations 2015.
- To have a formula that provides suitable and stable (as possible) funding for the PRU, Home and Hospital provision
- To provide a formula that provides better value for money for the Local Authority

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## Appendix 1

<b>Old Funding, Old numbers</b>					
<b>PRU Funding Budget 2016/2017</b>	<b>Commissioned Places</b>	<b>Average Occupancy Autum and Spring Terms</b>	<b>Place Funding</b>	<b>Top Ups</b>	<b>Total</b>
			£10,000		
Permanent Exclusion	42	29	£420,000	£507,007	£927,007
HHTS - Heworth Hall	30	19	£300,000	-£28,823	£271,177
HHTS - Home Tutor	25	15	£250,000	£4,725	£254,725
Short Term Referral	6	4	£60,000	£16,624	£76,624
<b>Total</b>	<b>103</b>	<b>67</b>	<b>£1,030,000</b>	<b>£499,533</b>	<b>£1,529,533</b>
<b>Top-Ups</b>					
	Amount				
Permanent Exclusion	£17,483				
HHTS - Heworth Hall	-£1,517				
HHTS - Home Tutor	£315				
Short Term Referral	£4,156				
<b>Old Numbers, New Funding</b>					
<b>PRU Funding Budget 2016/2017</b>	<b>Commissioned Places</b>	<b>Average Occupancy 2015/16</b>	<b>Place Funding</b>	<b>Top Ups</b>	<b>Total</b>
			£10,000		
Fixed Costs					£297,396
Out Reach					£60,000
Permanent Exclusion	48	33	£480,000	£165,000	£645,000
HHTS - Heworth Hall Full Time	15	10	£150,000	£0	£150,000
HHTS - Heworth Hall Part Time	15	9	£150,000	£22,500	£172,500
HHTS - Home Tutor	25	15	£250,000	£0	£250,000
<b>Total</b>	<b>103</b>	<b>67</b>	<b>£1,030,000</b>	<b>£187,500</b>	<b>£1,574,896</b>
				<b>Difference</b>	<b>-£45,363</b>
<b>Top-Ups</b>					
	Band 1	Band 2	Band 3		
Permanent Exclusion	£0	£5,000	£10,000		
HHTS - Heworth Hall Full Time	£0	£0	£0		
HHTS - Heworth Hall Part Time	£2,500	£0	£0		
HHTS - Home Tutor	£0	£0	£0		

## Appendix 2

<b>Old Funding New Numbers</b>					
<b>PRU Funding Budget 2016/2017</b>	<b>Commissioned Places</b>	<b>Average Occupancy 2015/16</b>	<b>Place Funding</b>	<b>Top Ups</b>	<b>Total</b>
			£10,000		
Permanent Exclusion	42	48	£420,000	£839,184	£1,259,184
HHTS - Heworth Hall	30	17	£275,000	-£25,789	£249,211
HHTS - Home Tutor	25	26	£229,167	£8,190	£237,357
Short Term Referral	6	2	£55,000	£8,312	£63,312
<b>Total</b>	<b>103</b>	<b>93</b>	<b>£979,167</b>	<b>£829,897</b>	<b>£1,809,064</b>
<b>Top-Ups</b> Sept 2015 to Mar 2016					
Permanent Exclusion	£17,483				
HHTS - Heworth Hall	-£1,517				
HHTS - Home Tutor	£315				
Short Term Referral	£4,156				
<b>New Numbers and Funding</b>					
<b>PRU Funding Budget 2016/2017</b>	<b>Commissioned Places</b>	<b>Average Occupancy 2015/16</b>	<b>Place Funding</b>	<b>Top Ups</b>	<b>Total</b>
			£10,000		
Fixed Costs					£297,396
Out Reach					£60,000
Permanent Exclusion	48	50	£480,000	£250,000	£730,000
HHTS - Heworth Hall Full Time	15	10	£150,000	£0	£150,000
HHTS - Heworth Hall Part Time	15	7	£150,000	£17,500	£167,500
HHTS - Home Tutor	25	26	£250,000	£0	£250,000
<b>Total</b>	<b>103</b>	<b>93</b>	<b>£1,030,000</b>	<b>£267,500</b>	<b>£1,654,896</b>
				<b>Difference</b>	<b>£154,168</b>
<b>Top-Ups</b>	<b>Band 1</b>	<b>Band 2</b>	<b>Band 3</b>		
Permanent Exclusion	£0	£5,000	£10,000		
HHTS - Heworth Hall Full Time	£0	£0	£0		
HHTS - Heworth Hall Part Time	£2,500	£0	£0		
HHTS - Home Tutor	£0	£0	£0		

### Appendix 3

<b>Old Funding projected Numbers</b>					
<b>PRU Funding Budget 2016/2017</b>	<b>Commissioned Places</b>	<b>Projected Occupancy 2016/17</b>	<b>Place Funding</b>	<b>Top Ups</b>	<b>Total</b>
			£10,000		
Permanent Exclusion	48	64	£480,000	£1,118,912	£1,598,912
HHTS - Heworth Hall	30	19	£275,000	-£28,823	£246,177
HHTS - Home Tutor	25	26	£229,167	£8,190	£237,357
Short Term Referral	6	4	£55,000	£16,624	£71,624
<b>Total</b>	<b>109</b>	<b>113</b>	<b>£1,039,167</b>	<b>£1,114,903</b>	<b>£2,154,070</b>
<b>Top-Ups</b> Sept 2015 to Mar 2016					
Permanent Exclusion	£17,483				
HHTS - Heworth Hall	-£1,517				
HHTS - Home Tutor	£315				
Short Term Referral	£4,156				
<b>New Funding Projected Numbers</b>					
<b>PRU Funding Budget 2016/2017</b>	<b>Commissioned Places</b>	<b>Projected Occupancy 2016/17</b>	<b>Place Funding</b>	<b>Top Ups</b>	<b>Total</b>
			£10,000		
Fixed Costs					£297,396
Out Reach					£60,000
Permanent Exclusion	48	68	£480,000	£340,000	£820,000
HHTS - Heworth Hall Full Time	15	10	£150,000	£0	£150,000
HHTS - Heworth Hall Part Time	15	9	£150,000	£22,500	£172,500
HHTS - Home Tutor	25	26	£250,000	£0	£250,000
<b>Total</b>	<b>103</b>	<b>113</b>	<b>£1,030,000</b>	<b>£362,500</b>	<b>£1,749,896</b>
				<b>Difference</b>	<b>£404,174</b>
<b>Top-Ups</b>					
	Band 1	Band 2	Band 3		
Permanent Exclusion	£0	£5,000	£10,000		
HHTS - Heworth Hall Full Time	£0	£0	£0		
HHTS - Heworth Hall Part Time	£2,500	£0	£0		
HHTS - Home Tutor	£0	£0	£0		