

SCHOOLS' FUNDING FORUM

SUBJECT:	Alternative Provision Delegated and Devolved Budgets 2014-15
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SUMMARY OF REPORT:

The formula used to distribute Alternative Provision (AP) District Budgets has already been agreed. The purpose of this paper is to recommend a distribution method that will pass the district budget to the institutions that will deliver Alternative Provision in each district. The recommendations from this paper will subsequently be presented to the SFF for consideration at its next meeting on the 13 December.

FOR:	Information and view
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1. Background

- 1.1 The overall level of Alternative Provision (AP) funding for the time being and foreseeable future is a fixed budget of £11.2m. AP districts have agreed a formulaic distribution of this budget. Appendix 1 details the amounts and formula factors used for distribution.
- 1.2 The 2013/14 national School Funding Reforms directed Local Authorities (LAs) to delegate all Pupil Referral Unit (PRUs) budgets. Due to the Alternative Provision (AP) reorganisation in Kent that was concluded during the summer, there have been transitional arrangements in place for funding AP in 2013/14. As the district AP delivery models have now been agreed we can now determine the most appropriate method for distributing AP district budgets from April 2014, whilst fully complying with the funding reforms.
- 1.3 The DfE have clearly stated that where a PRU exists and has a DfE number then it must have a delegated budget. Therefore the two options available are delegated budgets for a district with a PRU and a devolved budget for those districts that do not have a PRU.

2. Delegated and Devolved Budgets

Delegated

- 2.1 The DfE have stipulated that Place Plus is the only method that can be used to delegate funding to PRUs. The concept of Place Plus is that an amount of funding is identified for each individual pupil. The funding is then broken down into two elements, a place amount of £8,000 and a top up rate which is the difference between the individual pupil amount and the £8,000. For example a pupil costing £15,000 would consist of £8,000 place funding and £7,000 top up funding.

- 2.2 The PRU will be guaranteed a set number of places at £8,000 regardless of the actual number of pupils in the institution and the £7,000 will follow the pupil (paid on actual attendance).
- 2.3 The application of Place Plus is problematic for a number of reasons and will not fundamentally fit the overarching principle of allocating a finite budget to each district. We therefore will have to adapt the Place Plus methodology slightly for those districts with PRUs and in effect the full rate, including the top up, will be allocated for each place. Top up funding will not follow the pupil in real time. For example if district X has a budget of £200,000 and there are 10 places at the PRU they will receive £20,000 per place regardless of the actual number of pupils in the PRU at that point in time.

Devolved

- 2.4 Where a district does not have a PRU the funding will be devolved directly to schools/academies in the district using an agreed formula for distribution. In the majority of cases this will be the formula used to allocate funding at a district level (appendix 1). The exception to this is Ashford who will have the allocation equally split between four schools/academies.

3. Method of distribution for each district

- 3.1 Appendix 2 provides details of how AP is delivered in each district and documents whether the recommendation is to delegate or devolve.
- 3.2 Appendix 3 provides details of the AP district budgets split between KS3/KS4 and the place funding rate for districts that have got delegated budgets.

4. Points for Clarification

- 4.1 KS4 for both Tunbridge Wells, Tonbridge and Sevenoaks (TW,T& S) and Thanet and Dover (T&D) provisional have a funding rate of less than £8,000. In order for compliance with Place Plus the rate of funding per place must be at least £8,000. Therefore the number of places for TW,T&S has been reduced from 70 to 60 and the number of places for T & D has been reduced from 160 to 123 to achieve this.
- 4.2 Both Canterbury and Swale districts currently have a PRU, therefore would need to have a delegated budget using Place Plus. Appendix 2 recommends a devolved budget for these districts, however confirmation of this can only be given if the PRUs in each of the districts are not in existence from the 1 April 2014.
- 4.3 Dover purchases KS3 places from the Brook which is currently pending closure. The continuation of a delegated Place Plus budget for Dover is dependent on placement of pupils in a PRU.
- 4.4 As stated in paragraph 1.1 there is a finite AP budget. The distribution of this budget across districts is very likely to change on an annual basis as the data that underpins the district distribution is updated on an annual basis.
- 4.5 Dartford, Gravesham and Swanley district staffing costs are subject to London Fringe allowance. In acknowledgement that this pressure is unique to this district it is recommended that an additional 1.63% of funding is factored into their overall district allocation. The 1.63% is based the amount allocated to schools that incur London

Fringe allowance and would equate to an additional amount of funding of £31k based on the district budget detailed in appendices 1 and 3. The LA will fund this from existing LA budgets.

5. Recommendations

- 5.1 Members of the Schools' Funding Forum are asked to note the plan for PRU budgets in 2014/15 (and give any views accordingly).