

Alternative Provision (AP) Budgets for 2015-16

Section 1 – AP District budgets

1. Introduction

- 1.1 From April 2014 each Alternative Provision (AP) district received an individual budget based on an agreed formulaic distribution. District budgets will be re-calculated each financial year using the updated data sets provided by the DfE. The total available funding will be either devolved to a group of Schools and Academies or delegated direct to a Pupil Referral Unit (PRU). For the 2015-16 financial year there is no change to this methodology.
- 1.2 Overall budgets continue to be calculated and allocated on a district basis, it is then at the discretion of the individual district Management Committee (MC) to determine how this funding will be allocated at a local level.

2. Composition of District Budgets

- 2.1 The budget comprises of four different elements which in total add up to £11,558,124.
 - The historic AP central budget £11,249,579
 - Administration budget £223,000
 - London Fringe £16,505
 - Viability Budget £69,040

Historic AP central budget

- 2.2 Prior to April 2013 a Districts budget of £11,221,500 was held centrally. For 2015-16 this has been uplifted by 0.25% from DSG headroom (for full explanation see paragraph 2.4 below) making a new total of £11,249,579 available for distribution. The budgets will be allocated to districts using the following formula;
 - Pupil numbers - 50% (£5,624,790) which equates to £72 for each key stage 3 and 4 pupil.
 - Deprivation funding based on the Income Deprivation Affecting Children Index (IDACI) - 40% (£4,499,832) which equates to £502 for each eligible pupil.
 - Looked After Children (LAC) - 5% (£562,479) which equates to £957 for each eligible pupil.
 - English as an Additional Language (EAL) – 5% (£562,479) which equates to £404 for each eligible pupil.
- 2.3 The data used to distribute this funding is provided by the Department for Education (DfE) and is the same data used to calculate 2015-16 School and Academy budgets and is primarily based on the October 2014 census.

Appendix 1 provides a detailed breakdown of how each district budget has been calculated and Appendix 2 provides a detailed breakdown by school of the £11,249,579.

- 2.4 As part of the schools budgets calculation process an amount of headroom was generated within the Dedicated Schools Grant (DSG). In anticipation of this outcome the Schools' Funding Forum (SFF) members were consulted at its meeting on the 28 November to recommend a set of principles for allocating any headroom. They agreed that after meeting some known commitments any remaining headroom should be distributed to all providers (schools, academies, early year's settings, alternative provision) on an equitable basis. In total £3 million has been allocated to all providers, and this means that in total an additional £28,079 has been allocated to the Alternative Provision district budgets.

Administration Budgets

- 2.5 Each district has been provided with an administration budget, the basis of this calculation is the same as 2014-15.

London Fringe

- 2.6 An entitlement to additional pay exists for teachers within certain defined areas within or close to London. The data supplied by the DfE includes an indicator identifying those schools and academies that are located within the eligible area. In recognition of the additional salary costs an uplift of 1.63% is applied to the funding attributed to each school /academy within the entitled location. For information schools and academies in the school districts Dartford and Sevenoaks are entitled to funding for London Fringe. It is appropriate that PRU's located in these areas also attract this enhancement to cover the additional salary costs associated with qualified teachers. Funding will only be allocated on the basis that AP district staff are in receipt of the London Fringe allowance.

Viability Funding

- 2.7 This funding is allocated where necessary to smooth the transition in the amount of funding from the historic allocation to the new district based formula. Viability funding is time limited and is applied on an individual basis.

3 Delegated or Devolved Budgets

Delegated

- 3.1 The DfE rules stipulate that where there is a physical PRU they must have a delegated budget. The method for allocating a delegated PRU budget, prescribed by the DfE, is "Place Plus".

- 3.2 One of the fundamental aspects of the PRU review was to give districts the freedom to determine the delivery of AP in its district via the collective voice of its schools and academies. As there is a fixed overall budget and each district will determine its own delivery of AP it is not possible to apply Place Plus strictly as defined by the DfE.
- 3.3 Each district will receive an allocation determined by the factors outlined in paragraph 2.1 and 2.2. This will then be divided by a number of places to arrive at a notional funding rate per place. These rates will not be comparable between PRUs and are calculated merely to comply with DfE requirements.
- 3.4 In the first instance budgets will be allocated to each physical PRU based on the key stage allocations divided by a number of places. It is then at the discretion of the Management Committees (MCs) to determine how this funding is allocated at a local level via the PRU(s).
- 3.5 Funding will be allocated to individual PRUs as detailed in Appendix 3. There will not be any deviation from these documented amounts; however it is at the discretion of the MCs to re-allocate at a local level if necessary.
- 3.6 Funding will be allocated through schools advances system and profiled in 12 equal instalments.
- 3.7 Place Plus requires a defined sum/rate of funding for each pupil, the rate of funding is then broken down into three elements which is the method used to pass the funding to the institution.
- 3.8 Elements 1 & 2 are known as place funding and were nationally set at £8,000 for PRUs in 2014-15. Element 3 is the difference between the overall rate for the pupil and £8,000. For example a pupil that has a rate of £12,000, Elements 1 & 2 would be £8,000 and Element 3 would be £4,000.
- 3.9 From April 2015 the national rate for Elements 1 & 2 has been increased to £10,000. This does not have any financial impact on the underlying budget of PRU, it just presents the information in a different way. For example a pupil that has a rate of £12,000, Elements 1 & 2 would be £10,000 and Element 3 would be £2,000. The pupil still attracts the same total amount of funding.

Devolved

- 3.7 If a district does not have a physical PRU with a DfE number then they will have the option of devolving funding direct to a school/academy or a group of schools and academies in the district. MCs will be subject to a Service Level Agreement and will determine the distribution of this funding via consultation with the Head of PRU, Inclusion and Attendance.
- 3.8 Funding will be paid through the schools advances system and profiled in 12 equal instalments.

Section 2 – Warmstone and Health Needs PRU's

4 Introduction & Composition of Budget

- 4.1 In relation to funding,
- a) Warmstone is defined as a behavioural PRU which means that their delegated budget comes under the Place Plus funding methodology.
 - b) Oakfields, East Kent Health Needs and West Kent Health Needs are defined as hospital education placements. To meet the criteria the pupil is attending the institution following a referral from a doctor or medical practitioner.
- 4.2 These budgets comprise of two different elements:
- The historic AP central budget, including cost of living uplift from DSG Headroom.
 - Administration budget

The historic AP central budget

- 4.3 Prior to April 2013 budgets for Warmstone and the three Health Need PRUs were held centrally by the LA. As part of the national school funding reforms all PRUs are required to have delegated budgets. The budgets delegated in 2015-16 to Warmstone and the three Health Needs PRUs are set at the same historic budget level plus 0.25% cost of living uplifted (for details see paragraph 2.4). There is one exception to this where Oakfields Education Unit received additional budget to cover a shortfall in their initial baseline budget.

Administration Budget

- 4.4 Each district has been provided with an administration budget, the basis of this calculation is the same as 2014-15.

5 Delegated budget

- 5.1 The budgets delegated to Warmstone and the three Health Need PRUs are a fixed cash sum based on the LAs historic non-delegated budgets, plus an amount to meet the costs of additional administration responsibilities resulting from delegation. DfE guidance requires that the delegation of PRU budgets for Warmstone to comply with the Place Plus funding methodology. In order to comply with Place Plus, Warmstone will have its fixed budget divided by 37 places in order to have a notional funding rate per pupil.

- 5.2 DfE guidance does not require Health Needs PRUs to delegate funding under the Place Plus methodology. Therefore the budgets allocated to each of the three Health Need PRUs are the same as the historic non-delegated budgets.
- 5.3 Funding will be paid through the schools advances system and profiled in 12 equal instalments.

6 Individual Budgets

- 6.1 Appendix 3 provides details of both Warmstone and the three Health Need PRUs overall budget for 2015-16 and its funding rates per pupil.

Section 3 Pupil Premium

7 General

- 7.1 PRUs can receive the following types of pupil premium payments:

- E6FSM - Ever Six Free School Meals
- E4SC - Ever Four Service Children
- CiC - Children in Care
- PLAC - Post Looked After Children

- 7.2 If a pupil is eligible for one of these categories then the PRU will receive the relevant funding (2015-16 rates are shown later in this section). However if a pupil is eligible for more than one category, things become a little more complicated. This is particularly so when a pupil is eligible for either CiC or PLAC as well as E6FSM. The table below shows the possible combinations in the left hand side, and then the funding that those combinations will deliver in the right hand side.

Combinations				Funding			
E6FSM	E4SC	CiC	PLAC	E6FSM	E4SC	CiC	PLAC
Yes	Yes			Yes	Yes		
	Yes	Yes			Yes	Yes	
	Yes		Yes		Yes		Yes
Yes	Yes	Yes			Yes	Yes	
Yes	Yes		Yes		Yes		Yes

- 7.2 **E6FSM** - The eligibility criteria for E6FSM will remain the same as 2014-15. In 2015-16 the rate for a primary aged pupil (Years R to 6) will increase from

£1,300 to £1,320 and for a secondary aged pupil it will remain the same at £935.

The number of E6FSM funded pupils will be based on your January 2015 census. The DfE will be notifying us of the final allocation sometime during the summer. Due to the unpredictability of pupil numbers in a PRU we have not provided an indicative budget for E6FSM. As in 2014-15 PRUs are invited to submit an estimate of numbers to the LA so that we can provide you with an indicative budget that will be adjusted when we receive the final settlement in the summer from the DfE. Please submit indicative numbers to Ian Hamilton (contact details at the bottom of this document)

7.3 CIC

Guidance to follow

- 7.4 E4SC** - Eligibility exists if a Service Child is recorded on one of the January census returns for 2012, 2013, 2014 or 2015. The funding rate has remained at £300 per eligible pupil.

As we are not predicting that this will be a material amount of funding we have not provided an indicative budget. In the eventuality that a PRU has a pupil on its January 2015 census funding will be allocated to the PRU late in the summer when the LA receives notification from the DfE.

- 7.5 PLAC** - 2015-16 is the second year of PLAC PP and the funding rate remains at £1,900.

Eligibility exists for those pupils recorded on the January 2015 census who were looked after immediately before being adopted, or were placed on a Special Guardianship or Residence Order immediately after being looked after.

As we are not predicting that this will be a material amount of funding we have not provided an indicative budget. In the eventuality that a PRU has a pupil on its January 2015 census, funding will be allocated to the PRU late in the summer when the LA receives formal notification from the DfE.

- 7.6** To date we have no information from the DfE regarding PP funding rates for 2016-17, therefore for the purpose of estimating future year's budgets we have assumed that the funding rates will be maintained at the 2015-16 levels.

Contacts

For delegated budget queries please contact Ian Hamilton (School Budget and PVI Manager) and for devolved budget queries please contact either Ming Zhang (Head of PRU, Inclusion and Attendance) or Dino Dimarco (Senior Accountant).

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