

# Report for Schools Forum – Charges for Permanently Excluded Pupils

## Report to Schools Forum

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| <b>Title:</b>            | <b>Charges for Permanently Excluded Pupils</b>   |
| <b>Date:</b>             | 12 <sup>th</sup> June 2018   |
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| <b>Schools affected:</b> | All mainstream schools   |

### 1 Purpose of Report

- 1.1 This report was first considered at Schools Forum Funding Group on 2<sup>nd</sup> March 2018.
- 1.2 At its meeting on 16<sup>th</sup> January 2018, Schools Forum agreed to delegate to the Schools Forum Funding Sub Group, a review of the current local agreement for Charges for Permanently Excluded Pupils and to consider the options.
- 1.3 An additional appendix has been added by Schools Finance for relevant financial information and including some further points that arose at SFFG in regard funding levels for Excluded and Managed Exclusions as part of the discussion. (NB Schools Finance will present the appendix information as needed at School's Forum itself.)

### 2 Background

- 2.1 The Local Authority has received a number of queries from schools regarding Buckinghamshire County Council's deduction methodology for excluded pupils following the publication of the 'Schools Revenue Funding 2018 to 2019 Operational Guide (December 2017)', see Appendix 1. In particular, the following part of the local agreement that was agreed by Schools Forum on 27<sup>th</sup> September 2016:
- Calculate the charge/allocation for the full funding period, i.e. for the remainder of the current financial year **and the whole of the next financial year if the exclusion is after the October census** and the pupil is not in year 11.
- 2.2 Buckinghamshire County Council's rationale for this methodology was because it was deemed fairer:
- Schools will be aware that the funding formula is calculated according to lagged pupil numbers and data (from the preceding October school census). Therefore, if a pupil is excluded before the October census date, the school will receive no further formula funding for the pupil beyond the end of the current financial year. However, for a pupil excluded after the census date the school will receive funding for the whole of the following financial year. The exclusion charges,

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therefore, include funding for the relevant period of both years (the funding period).

2.3 The current local agreement and methodology was set after advice from the ESFA:

- The Regulations also permit you to deduct funding for the remainder of the funding period, but not for the following funding period. I am aware, however, of some local authorities which have made a local agreement with their schools to deduct the following year's funding as well. This is not in the Regulations, so you would need to gain the agreement of all of your schools if you wanted to do this.'

2.4 Further advice was sought and received from the EFA prior to the Schools Forum meeting on 16th January 2018, which was as follow:

- 'Whether the pupil was or was not included in the census is not relevant as you are claiming for a similar pupil, not that pupil so the cost you are reclaiming is to enable you to re-determine another schools budget to cover the costs of that pupil in your financial year.'

### 3. Issues

3.1 In order to fully understanding the issues it might be useful to consider the following from the Operational Guide 2018-19:

- **Redetermination of budget shares**

75. It's not permissible to make an in-year redetermination of schools' budget shares other than in the explicit circumstances allowed for within the school finance regulations, which relate to:

- Sixth form funding
- Early years funding
- Reallocation of funding for excluded pupils
- Rates

3.2 In considering the options, it is worth noting, prior to the December 2017 publication there was very little reference made in any Operational Guide other than making reference to the School and Early Years Finance (England) Regulations. The Operational Guide 2015-16 stated:

- These funding arrangements should work alongside the finance regulations (regulation 23 of the School and Early Years Finance (England) Regulations 2014 that provide for adjustments to maintained school budget shares to take account of pupils permanently excluded, or otherwise leaving the school, where the local authority makes and funds the required AP.

3.3 Lack of clarity over the definition of the funding period was given as the reason for adopting the local agreement, although the Regulations at the time of the report to Schools Forum in September 2016 did specify the funding period: "funding period" means the financial year beginning on 1st April 2016.' i.e. the local authority's financial year. The Local Authority's report to Schools Forum in September 2016 stated:

- The School and Early Years Finance (England) Regulations 2015 states that where a child is permanently excluded the Local Authority must re-determine an excluding school's budget share. All references within the Regulations regarding the amount to reduce by refer to the 'funding period' and not the financial year. The regulations do not provide specific dates for the funding period and schools and the local Authority need to agree this period.

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3.4 There is no dispute regarding Buckinghamshire County Council's factors in calculating the amount to be deducted. These are AWPU, Prior Attainment, Deprivation, FSM and Pupil Premium (these are based on averages for the school and not an individual child).

3.5. The relevant parts of Schools Revenue Funding 2018 to 2019 Operational Guide (December 2017)' for consideration are as follows:

- We have included an explanation of adjustments to school budgets relating to excluded pupils in this guidance, because we receive enquiries about this.
- The provisions also act independently of whether a particular pupil has been on the census in the first place, and whether the school has received funding for them.
- The adjustment for a particular exclusion relates only to the current financial year, and **cannot be applied to subsequent years**.
- The only exception to using the number of weeks remaining in the financial year is where the exclusion takes place after 1 April, in a school year where the pupil would normally have left at the end of that school year.
- As the wording relates to the finance regulations, the adjustments should also relate to the local authority financial year; local authorities can change this to the academy financial year, by local agreement.

### 4. Reasons for Recommended Change

4.1. By changing the methodology to deduct budget for the remaining of the financial year to 31st March for maintained schools and to 31st August for Academies and not for a subsequent year, the local agreement would comply with the Financial Regulations and with the 'Schools Revenue Funding 2018 to 2019 Operational Guide (December 2017)', coming into effect 1st April 2018.

### 5. Options to be considered:

5.1. Change the procedure to follow the operational guidance from 1st April 2018. This would require recalculations of deductions and additions of funding for schools respectively.

5.2. Confirm the local agreement and write to the schools concerned about the process.

Reference:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/691111/Operational\\_guide.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691111/Operational_guide.pdf)

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### Appendix 1 Financial Information on Exclusions and Managed Moves.

The following financials currently apply;

Excluded Pupils receiving school gets;

- i) £1500
- ii) £Awpu remaining

Managed Exclusions receiving school;

- i) £500
- ii) £1000 on success

The discussion at SFFG also touched on issues around the financial values the receiving school was getting against the work entailed both for Permanent Exclusions and Managed Moves. If the Exclusions money per pupil went up in value (e.g. to total £3000) then managed moves would also need to rise, to avoid perverse disincentives and recognise similar work.

The current numbers are provided further below in a table (see next page). The figures in the table are academic year figures further work will be needed to convert to financial years the actual payments.

However at outturn 2017/8 the budget (all grant funded – DSG including payments and related costs of the work) was fully spent in this area and therefore any increase in costs will need to be carefully planned in the light of current numbers and trends. There may be a need, in any increase in monies provided to receiving schools, for further funding to bridge the gap. As touched on at SFFG, the work of receiving schools, particularly that early on in taking a pupil, may be extensive and valuing this work and the wider inclusion agenda, has a number of potential benefits that were recognised at SFFG.

Forum may wish to consider these issues further.

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| Exclusions and Managed moves by academic years |                          |         |                                    |            |                   |                             |
|--|--------------------------|---------|------------------------------------|------------|-------------------|-----------------------------|
|  | Numbers by academic year |         | Standard Costings by academic year |            |                   | Notes                       |
|  | 2016/7                   | Current | 2016/7                             |            | Max/Tp Date costs |                             |
|  |                          |         | Unit cost                          | Total Cost |                   |                             |
| Exclusions<br>(was 106 at June 2017)           | 112                      | 58      | 1500                               | 168,000    | 87,000            |                             |
| Managed (28 in 2015/6)                         | 49                       | 58      | 1500                               | 73,500     | 87,000            | Max Cost if 100% successful |
| Of which                                       |                          |         |                                    |            |                   |                             |
| Failed   |                          | 19      | 500                                |            | 9,500             |                             |
| Successful                                     |                          | 20      | 1500                               |            | 30,000            |                             |
| Ongoing  |                          | 19      | 500                                |            | 9,500             |                             |
| Sub Total                                      |                          | 58      |                                    |            | 49,000            |                             |
| Totals   |                          |         |                                    | 241,500    | 136,000           |                             |