

Report to:	SCHOOLS' FORUM
Date:	14 January 2021
Reporting Officer:	Tom Wilkinson – Assistant Director, Finance Tim Bowman – Assistant Director, Education
Subject:	EXCLUDED PUPILS FUNDING RECOVERY PROCESS AND REDETERMINATION OF BUDGETS
Report Summary:	A report on the process for the redetermination of budgets where pupils have been excluded which will be implemented from 1 April 2021.
Recommendations:	Schools' Forum are asked to support the approach outlined in relation to the administration of funding flows.
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial and policy framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>The funding regulations confirm that where a pupil is excluded the funding should follow the child; the guidance outlines the approach that should be taken by Local Authorities.</p> <p>The most cost effective method of adjusting the funding is using the average Tameside school values.</p>
Legal Implications: (Authorised by the Borough Solicitor)	As set out in the financial implications it is critical that the conditions in the funding regulations are adhered to which is explained in the main body of the report.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.
Access to Information:	<p>NON-CONFIDENTIAL</p> <p>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</p>
Background Information:	The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner, Financial Management, Children's and Safeguarding Services



Telephone: 0161 342 3216



e-mail: christine.mullins@tameside.gov.uk

1. INTRODUCTION

- 1.1 This paper outlines for Schools' Forum an overview of the recommended changes to the exclusions funding process, highlighting the changes to the current arrangements.
- 1.2 The current process removes budget based on Basic Entitlement (AWPU), pro-rata to the relevant date of exclusion for the financial year. This budget is then allocated to the Pupil Referral Service (PRS) as in most cases this is the provision where the excluded pupil will be placed.
- 1.3 The Schools Revenue Funding Operational guidance outlines where pupils are excluded, funding should flow in-year from the school that has excluded the pupil to the provision that takes responsibility for the pupil. If a school subsequently admits a pupil who has been permanently excluded during that financial year, the school should then receive additional funding.
- 1.4 It should be noted that under regulation 22 of the School and Early Years Finance (England) Regulations 2020, any deductions or increases relating to pupil exclusions are not included in the minimum funding guarantee (MFG). A deduction can be made even if it reduces the budget share below the MFG and an increase will be in addition to the MFG.

2. FUNDING REGULATIONS

- 2.1 The Schools Revenue Funding Operational guidance states; where pupils are excluded, funding should flow in-year from the school that has excluded the pupil to the provision that takes responsibility for the pupil. If a school subsequently admits a pupil who has been permanently excluded during that financial year, it should then receive additional funding.
- 2.2 The regulations also apply to pupils who leave a mainstream school for reasons other than permanent exclusion, and are receiving education funded by the local authority other than at a school such as alternative provision, or specialist setting.
- 2.3 The regulations 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 as individuals.
- 2.4 The regulations go onto to state when the local authority (LA) makes any adjustments for excluded or admitted pupils it must deduct from the school's budget the amount within the formula relating to:
 - the age and personal circumstances of that pupil, and
 - pro-rata to the number of complete weeks remaining in the financial year from the 'relevant date'*
 - The budget share must also be adjusted for the pupil premium on the same basis as the school formula adjustments

* The 'relevant date' is the sixth school day following the date of permanent exclusion.

3. SCHOOLS AND ACADEMIES

- 3.1 Adjustments to school budgets will be made on a financial year basis and adjustments will include all pupils regardless of whether they have been on the census in the first place, and whether the school has received funding for them, in line with the operational guidance.
- 3.2 Adjustments to both maintained mainstream schools and academies will be treated in the same way.

4. ADMINISTRATION OF SCHOOL BUDGET ADJUSTMENTS

- 4.1 The following pupil led factors will be included in the funding adjustment to be transferred between settings, and will be the relevant values for primary and secondary sectors;

- Basic Entitlement
- Free School Meals (FSM)
- FSM Ever6
- Education as an Additional Language (EAL) (year 3)

In addition, Pupil Premium funding will be deducted for any pupils who are currently eligible for FSM.

- 4.2 Due to the nature of schools funding this would mean a different monetary value for each individual school based on the make-up of pupils on roll at the October census point, for the pupil led values. To ensure the amounts are transparent and universally known by all schools and academies, it is proposed that the funding is administered on the 'average' per pupil values across Tameside rather than the individual schools. Table A below gives an overview of the average funding adjustments and the minimum and maximum deductions for individual schools across Tameside (based on 2020/21 funding data).

Table A – Funding Adjustment Values	Primary KS1 & KS2			Secondary KS3			Secondary KS4		
	Avg. £	Min £	Max £	Avg. £	Min £	Max £	Avg. £	Min £	Max £
Basic Entitlement	2,857	2,857	2,857	4,018	4,018	4,018	4,561	4,561	4,561
FSM	104	15	249	85	46	128	85	46	128
FSM6	159	31	352	267	185	371	267	185	371
EAL	43	-	242	25	-	64	25	-	64
Total	3,163	2,903	3,700	4,395	4,249	4,581	4,938	4,792	5,124

- 4.3 A review of the North West authorities approach was undertaken in September 2019, and all authorities who have included the other pupil led factors, administer using the average per pupil values in agreement with Schools' Forum. Schools' Forum agreement is sought to administer this in the same way at Tameside.
- 4.4 Pupil Premium reallocations will be made using pupil data from Key to success, where the pupil is eligible. The values based on 2020/21 are

Pupil Premium values	£
Primary	1,355
Secondary	935

- 4.5 The deductions will be pro rata to the number of complete weeks remaining in the current financial year from the 'relevant date' (the only exception being where the exclusion takes place after 1 April and the pupil would normally have left at the end of the school year).
- 4.6 The values will be updated accordingly each financial year.

5. ADMITTED PUPIL FUNDING AND REDISTRIBUTION OF FUNDS

- 5.1 The allocation basis and the cash values outlined in section 4 would be used in the same way to funded admissions of excluded pupils in schools.

- 5.2 Any residual funding once admissions funding has been distributed will be reallocated to the Tameside Pupil Referral Service (TPRS) as in most cases this is the setting where excluded pupils will be placed.
- 5.3 Adjustments to school budgets will take place as and when the schools finance team is notified. A review will then take place on a termly basis before any funding is reallocated to the TPRS.

6. INTER AUTHORITY EXCLUSIONS/ADMITTED PUPILS

- 6.1 The same criteria and calculation will apply between local authorities where a pupil is excluded from a maintained school in one local authority, and is either:
- Subsequently provided with education in the same financial year at a maintained school, or otherwise than at school in a second local authority.
 - subsequently provided with education in the same financial year at a pupil referral unit, or otherwise than at school in a second local authority, and then at a maintained school or otherwise than at school in a third local authority

7. ACADEMY SCHOOLS

- 7.1 The same criteria and calculation will apply where a pupil is excluded from an Academy school. Historically there has been a refusal by some Academy schools in Tameside to pass over funding to the LA where pupils have been excluded, as the regulations stated that the LA had to agree with the Academy to recover the funding on behalf of pupils.
- 7.2 DfE have in more recent years amended the funding agreements with Academy's with an Exclusions agreement that states that Academy Trusts shall, if invited to do so by an LA enter into an agreement in respect of the Academy with that LA which has the effect for exclusions funding as it would if the Academy were a maintained school. This is in accordance with regulation.
- 7.3 It is recommended that all Academy schools in Tameside are invited to enter into an agreement. This will take place in advance of 1 April 2021.

8. CONCLUSION

- 8.1 The funding allocation for exclusions needs to be updated in line with the regulations to take account of other pupil led factors

9. RECOMMENDATIONS

- 9.1 As set out at the front of the report.