



Report to: Schools Forum

Date of Meeting(s): 18th June 2020

Subject: Permanent Exclusion – Budget Deductions

Report of: Eleni Ioannides – Interim Director Children and Families

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Summary: To outline the current position in relation to budget/AWPU recovery following the permanent exclusion of pupils, and to outline a proposal to amend the budget deductions to align with ESFA funding guidance.

Recommendation(s): To note information included in relation to changes to the values for calculating budget adjustments.

Implications:

*What are the **financial** implications?* As set out in the report below.

*What are the **staffing** implications?* None

Risks: n/a

Please list any appendices:-

N/A

1. Introduction

- 1.1 Financial regulations currently set out that deductions should be made from school budget shares in respect of the funding provided for pupils that have been permanently excluded. The ESFA's school's operational guide sets out the deductions which should be made in these circumstances.
- 1.2 The purpose of this report is to outline the current position in relation to deductions from budgets for permanent exclusions here in Wigan, and to provide forum members with information on proposed changes.

2. Current Position

- 2.1 Where a pupil is permanently excluded an amount is recovered from the excluding school's budget. This is currently based on an historic Basic Entitlement (AWPU) value dating back to 2017/18. This has not been reviewed or updated year on year. The value recovered is pro-rated from the date of exclusion.
- 2.2 The ESFA's operational guide outlines the following in relation to budget deductions for permanent exclusions:

'209. When a pupil is excluded from a mainstream maintained school, the local authority must deduct from the school's budget in-year the amount within the formula relating to the age and personal circumstances of that pupil, pro rata to the number of complete weeks remaining in the financial year from the 'relevant date'.

210. This means the deduction should cover not just the basic entitlement but also the relevant amounts for pupil-led factors, such as free school meals or English as an additional language, where the pupil would attract funding through those criteria.'

Although the regulations specifically reference just maintained schools, the guidance states that the same approach should also be applied to academies and that this is reflected within the wording of the model funding agreements for academies.

- 2.3 In view of the above, Wigan Council's approach does not align with these provisions as only Basic Entitlement (albeit an historic value) is currently recovered and not the other pupil led factors.
- 2.4 Budget shares are also recovered for pupils where their medical needs are such that they prevent them attending mainstream schools. This is currently based on the same value as permanent exclusions and will also need to be updated to reflect ESFA guidance. Recovery in these circumstances is permitted within the guidance which states that the provisions equally apply

where a pupil leaves a mainstream school for reasons other than permanent exclusion and are receiving education funded by the LA.

- 2.5 The sums recovered from budget shares and through the charges for permanent exclusions is used to support with the cost of Alternative Provision and tutoring for these pupils. In 2019/20, income from these sources amounted to approx. £523,000. The total cost of alternative provision, tutoring and placements commissioned by our inclusion team in 2019/20 amounted to approx. £3.5 million (including place funding deducted from the High needs block).

3. Proposals

- 3.1 It is proposed that the value recovered from school budgets is amended to align with the provisions of the ESFA's guidance highlighted in 2.2 above. Therefore, in addition to the recovery of the Basic Entitlement (AWPU) factor value, it is proposed that the other pupil led factors are also taken into account when calculating the value (such as deprivation, low prior attainment, English as an additional language).
- 3.2 Administratively, it would not be feasible to obtain information on the specific characteristics of each pupil to which this applies and calculate the value on this basis. It is therefore proposed that the values applied are calculated based on the basic entitlement value plus an average of the other pupil led factors calculated by sector. Consultation with other neighbouring authorities found that other LA's apply an average in this way when calculating their budget deductions.
- 3.3 The following table outlines the proposed new values to be recovered for Primaries, KS3 and KS4 using averages of the pupil led factors as outlined above. Values are based on the 2020/21 funding formula and the October 2019 census data.

Table 1: Updated Values for Budget Recovery

Sector	Current Value (BE/AWPU only)	New Value (All Pupil led factors)	Increase
Primary	£2,916	£3,682	£766
KS3	£4,159	£4,912	£753
KS4	£4,717	£5,461	£744

- 3.4 It is recommended that these new values are implemented from September 2020. Values would continue to be pro-rated and will sit alongside the £4,000 charge previously agreed by Schools Forum. The values will subsequently be updated year on year based on averages calculated using the funding formula and Autumn Term census data.

4. Recommendations

- 4.1 To note the information included in this report outlining changes to budget deductions for pupils that are permanently excluded or are placed in alternative provision due to medical needs.
- 4.2 Forum members are asked to confirm if any further information is required in respect of the matters within this report.