Schools Forum

24th Sept 2018

Report of the Strategic Director for Children's Services Permanent Exclusions - money following the pupil clawbacks

1. Purpose of the Report

To ask the Schools Forum to approve changes to the operation of the LA's clawback of funding calculations following a pupil's permanent exclusion.

2. <u>Information and Analysis</u>

The DfE's School Regulations state that, where a pupil is excluded, money should follow in-year from the excluding school or academy to the provision that takes responsibility for the education of the pupil. Additionally, if a school or academy admits a pupil following a permanent exclusion in the same financial year, it should receive additional funding. The above provisions act independently of whether or not a particular pupil was on the School Census in the first place.

2.1 <u>Financial Adjustment</u>

2.1.1 Background and Current Arrangements

The LA must deduct from the school's budget in-year the amount within the schools block formula that relates to the age and personal circumstances of the excluded pupil. This deduction is pro-rata to the number of weeks left in the financial year, from the relevant [exclusion] date.

The deduction not only covers basic entitlement funding but should also include other pupil led factors such as deprivation. In 2017-18 Derbyshire deducted the Age Weighted Pupil Unit (AWPU) i.e. basic entitlement funding, together with the Pupil Premium and Ever 6 Free School Meals (FSM) funds applicable to a specific pupil.

For 2018-19, Derbyshire's mainstream funding formulae largely mirror the National Funding Formula (NFF), thereby including a number of factors not previously adopted. In terms of pupil led funding, Derbyshire's formulae now include Current FSM eligibility and Income Deprivation Affecting Children Index (IDACI). The inclusion of these factors in Derbyshire's formulae meant that the existing LA multipliers for Ever6 FSM were reduced from £1,472 to £540 (Primary) and £1,921 to £785 (Secondary) this year.

Given the above changes to the LA's formulae in 2018-19 the Authority proposes to amend the basis for calculating the excluded pupil adjustments to include the new IDACI and Current FSM indicators.

There were 165 permanent exclusions in 2017-18 where a money following pupil adjustment was necessary, resulting in clawbacks from schools and academies totalling £0.403m. The additional funding which will be clawed back as a result of including the Current FSM and IDACI indicators will be offset by the reduction in the

amount deducted in respect of the Ever 6 FSM indicator, as that indicator's multiplier is now much lower in value. The net impact of the changes is expected to be broadly neutral but the revised basis for the calculations would more closely align with the National Funding Formula.

2.2 Academies

The regulations for schools also apply to academies. They state that adjustments should relate to the Local Authority financial year but that this can be changed to the academy financial year, by local agreement. In summary, the effects of changing from the LA financial year to the academy financial year are:

- Any pupils that are permanently excluded in the summer term would generate a claw-back to the end of that term <u>only</u>, instead of a further 30 weeks to the end of the Authority's financial year.
- By contrast, pupils excluded in the autumn and spring terms would generate a further claw-back for the following summer term (i.e. 22 weeks) to the end of the academy's financial year.

The Authority's proposes to move to an academic year calculation for academies as the adjustments would more closely align with the basis on which academies are funded.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, financial, social value, health, property and transport considerations.

4. Background Papers

Papers held in Children's Services Finance.

5. Officer's Recommendations

That the Schools Forum supports:

- (i) The revised basis for excluded pupil adjustments as set out in 2.1.1; and
- (ii) The change to the claw-back mechanism for schools that have converted to academy status as set out in 2.2

JANE PARFREMENT
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