

Report to: Schools' Forum

Date of meeting: 12 July 2024

Report By: Carolyn Fair

Title: PEX Funding

Purpose: To provide an update on PEX funding across the County and to make a recommendation for Schools' Forum to take forward.

Recommendations:

- a) That Schools' Forum agrees to the principle that funding shall follow pupils and therefore be transferred between schools, Academies and the Local Authority unless the pupil is from outside of East Sussex.
 - b) That Schools' Forum agrees that where a pupil is permanently excluded, the school will passport to the LA the remainder of the age weighted pupil unit (AWPU) for that financial year, based on the calculation set out within the School and Early Years Finance (England) Regulations 2012.
 - c) That Schools' Forum agrees that where the exclusion occurs after the October census (the date when schools indicate that they should receive funding for a child for the following financial year) the school or academy will also be required to pay the following year's full year AWPU.
 - d) That Schools' Forum agrees that where a pupil transfers within the same financial year to another school or academy, the amount that the new school receives, will be calculated in accordance with the School and Early Years Finance (England) Regulations 2012.
 - e) That Schools' Forum recommend an early review of the East Sussex Fair Access Protocol (FAP) that will clearly set out the funding principles for permanently excluded pupils and ensure all schools, including academies adhere to them.
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1. Background

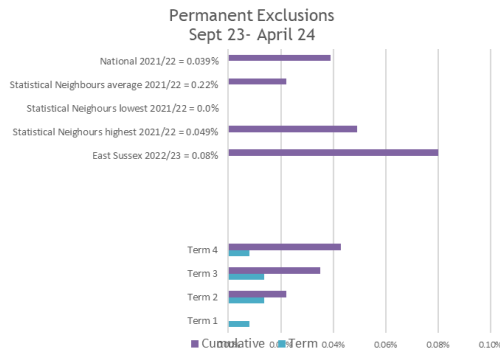
- 1.1 Annually, the local authority spends just over £2m of the High Needs Block on Alternative Provision (AP) specifically at College Central (across element 2, place funding, and element 3, top-up funding). This is mainly Tier 3 long-term provision for permanently excluded pupils and fulfils the Local Authorities statutory duty to provide Day 6 provision as outlined in Section 19 of the Education Act 1996.
- 1.2 In 2022/23 and 2023/24 we have seen a significant increase in permanent exclusions specifically at secondary.

- 1.3 The local authority currently commissions 140 AP places per annum: 108 secondary places and 32 primary places. This is currently provided by College Central, part of the SABDEN multi academy trust. This provision has been operating above capacity for the last two academic years and has been unable to provide statutory Day 6 provision since January 2024. In February 2024, College Central was inspected by Ofsted where they were placed into Special Measures and graded Inadequate.
- 1.4 In 2023/24 there has been an in-year increase in the expenditure on Alternative Provision of £225k as the local authority has been funding alternative Day 6 provision for all pupils who have been permanently excluded since January 2024. This increased pressure is forecast to continue into the Autumn Term 2024.
- 1.5 The transfer of College Central to a new provider, London South East Academy Trust (LSEAT) is scheduled to complete in the Autumn Term 2024. There is a need to accommodate these additional numbers but also ensure that we invest appropriately in preventative provision to reduce the upward pressure on places. We are currently forecasting an increase of £3m on this provision with a 56% increase in commissioned places at secondary which can be used at Tier 2 (short-term places) and Tier 3 (long-term places). We have also commissioned an Outreach Service which will provide Tier 1 provision across East Sussex at an additional cost of £0.5m.
- 1.6 In East Sussex, if a pupil is permanently excluded from a maintained school, the age weighted pupil unit (AWPU) for that financial year, based on the calculation set out within the School and Early Years Finance (England) Regulations 2012, is transferred to the local authority. However, we do not clawback the AWPU for pupils excluded from academies. This means that maintained schools are subsidising the cost of alternative provision for permanently excluded pupils where academies are not.
- 1.7 The High Needs Block forecast for 24/25 and 25/26 means that there is a significant risk of overspend which will have an impact on all mainstream schools, both maintained and academies. It is timely to review the current and forecast pressures of permanent exclusions on the HNB so that there is full transparency about the implications of decisions on the potential for inter-block transfers by Schools' Forum in the autumn.

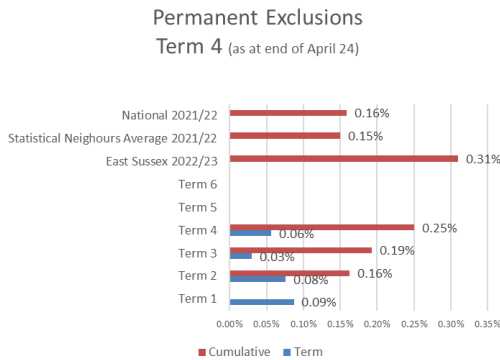
2. Supporting Information

- 2.1 The significant increase in permanent exclusions is having a direct impact on the High Needs Block forecasting. Therefore, we need to move to a more equitable system where all schools agree to the principle of the money following the pupils and therefore be transferred between schools, Academies and the Local Authority (unless the pupil is from outside of East Sussex).
- 2.2 **Primary:** The graph below shows that in 2022/23, permanent exclusions at primary were at 0.08% which was significantly above the National 2021/22 figure. So far, this academic year 2023/24 we are at 0.04% which would signal a reduction in permanent exclusions at primary however, there are two terms of reporting remaining. There have been 25 permanent exclusions at primary,

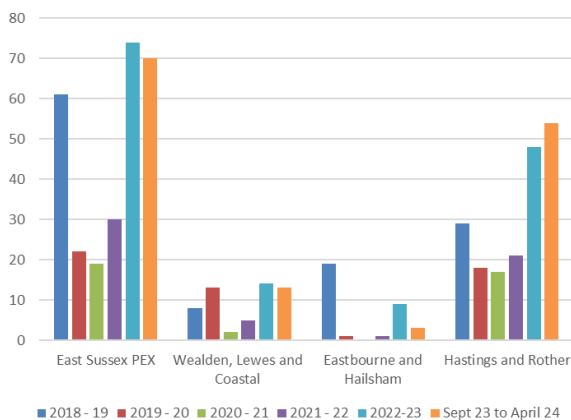
between September 23 and April 24. Of these, 15 have been from academies (60%).



2.3 **Secondary:** The graph below shows that in 2022/23 permanent exclusions at secondary were at 0.31% which was significantly above the National 2021/22 figure. There have been 70 permanent exclusions at secondary, between September 23 and April 24 with our forecasting indicating that we will see an increase on the 2022/23 figure by the end the academic year. Of these 70 permanent exclusions at secondary, 60 have been from academies (86%)



2.3 The significant increase in permanent exclusions is concentrated in one part of the county: Rother, Rye and Hastings which is illustrated by the graph below.



2.4 In academic year 2022/23 the local authority clawed back £11,788 of the age weighted pupil unit (AWPU) from maintained schools. The total recouped is only a fraction of the actual costs incurred by the High Needs Block to make provision for permanently excluded pupils. Furthermore, those schools who are disproportionately contributing to the number of pupils who are permanently excluded are, overall, contributing far less to the costs of the provision.

- 2.5 We have been reviewing the policy in other LAs to see if there are ways in which we can develop fairer funding arrangement which will contribute to the longer-term costs of provision and reduce exposure to all schools through costs to the High Needs Block. At present, we are making one recommendation in relation to the funding following the pupil. We propose to return to Schools' Forum in the autumn to present further changes to the Element 3 Top-up funding and transport costs relating to the placement of permanently excluded pupils at East Sussex Academy for Schools' Forum to consider, once we have completed our research with other LAs.
- 2.6 To ensure that there is absolute clarity and transparency about the arrangements for pupils who are permanently excluded from school, we propose to conduct an early review of the Fair Access Protocol and include funding agreements within this document.

3 Recommendations

3.1 In the light of the above, the following recommendations are made:

- a) That Schools' Forum agrees to the principle that funding shall follow pupils and therefore be transferred between schools, Academies and the Local Authority unless the pupil is from outside of East Sussex.
- b) That Schools' Forum agrees that where a pupil is permanently excluded, the school will passport to the LA the remainder of the age weighted pupil unit (AWPU) for that financial year, based on the calculation set out within the School and Early Years Finance (England) Regulations 2012.
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