

MONEY FOLLOWING EXCLUDED PUPILS (MFEP) PROTOCOL

1. INTERPRETATION

In this Protocol:

'The LA' means Birmingham City Council acting in its capacity as local authority; **'maintained school'** means a community, foundation, voluntary-controlled ('VC'), voluntary-aided ('VA'), or trust school, which is maintained by the LA, but not a special school or pupil referral unit.

'Academy school' means an academy or free school but not a special school or alternative provision academy.

'The School Finance Regulation' refers to The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024 or such succeeding regulations as are in force at the relevant time.

'MFEP' means 'Money Following Excluded Pupils' and relates to the charges or payments made under the School and Early Years Finance (England) Regulations 2015 in relation to pupils permanently excluded from a school.

A **'child in care'** is also referred to as a **'looked after child'** and is a child who is (a) in the care of a local authority, or (b) being provided with accommodation by a local authority in the exercise of their social services functions (see the definition in Section 22(1) of the Children Act 1989).

'AWPU' is the Average Weighted Pupil Unit – the amount of funding per pupil per financial year, as agreed by Schools Forum.

'Schools Forum' is the body made up of representatives from schools and academies, with some representation from other non-school organisations that acts, among other things, in a consultative role for changes to the local funding formula.

The **'relevant date'** is six days after the pupil is permanently excluded from the school, when the LA becomes responsible for the pupil's education.

'Funding period' means the financial year beginning 1st April each year. Reference to a determination or redetermination of a budget share or amount to be allocated is for the financial year funding period unless otherwise stated.

'The formula amount' means the relevant amount of funding as calculated in accordance with the formula set out in Reg 37 of the School Finance Regulations. Or set out the s37 formulae in full.

2. BACKGROUND AND PRINCIPLES

This Protocol sets out the MFEP arrangements which will apply to all maintained and academy schools in Birmingham as below:

- The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024 made under section 47 of the School Standards and Framework Act 1998 state that where a child is permanently excluded from a maintained school the Local Authority (LA) must redetermine (reduction) to the excluding school's budget share. Equally, where a permanently excluded pupil is admitted to a new school, the LA must redetermine (increase) the receiving school's budget share.
- In respect of Mainstream Academies, and Special Academies which admit pupils without EHC Plans, under clause 2.D of the Special School: supplemental funding agreement, the Academy Trust must, if asked to by a LA, enter into an agreement which has the effect that where:
 - *the Academy admits a pupil who has been permanently excluded from a maintained school, the Academy itself or another academy with whom the LA has a similar agreement; or*
 - *the Academy Trust permanently excludes a pupil from the Academy; then the arrangements for payment will be the same as if the Academy were a maintained school, under the School Finance Regulations.*

The purpose of the redetermination of budget share is to ensure that there is funding available to support with the cost of the child's ongoing education.

3. CHARGING ARRANGEMENTS

Birmingham budget shares of maintained schools will be reduced, and academies will be charged the formulae (set out in Reg 37 of the 2024 School Finance Regs) when permanently excluding a pupil. The charge will be a reclaim of funding that has been or is due to be allocated for the pupil and will be used to contribute to the cost of the pupil's ongoing education.

The MFEP charge will differ according to the point in the year that the pupil is excluded. 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 October census date the school would have received funding for the whole of the following financial year. The exclusion charges, therefore, include funding for the relevant period of both years (the 'funding period'). All references within the Regulations regarding the amount to reduce by refer to the 'funding period' and not the financial year.

In the case of permanent exclusions from academies between the October census and 31 March, the Dedicated Schools Grant (DSG) is reduced by the Education Skills Funding Agency (ESFA) for the following financial year. This is because the calculated budget for academy recoupment includes all pupils at the preceding October census, regardless of whether any were subsequently excluded by the academy.

The regulations stipulate that academies are to be treated the same as maintained schools regardless of their different financial year or that actual pupil numbers can be used instead of lagged pupil numbers in school budget calculations in certain circumstances. The basis on which the ESFA funds an individual academy will not, therefore, be taken into account in the calculation of exclusion charges. If the academy did not restore funding through the exclusion charge, all DSG funding to support the education of the excluded pupil in the following financial year would be lost.

4. FUNDING RECLAIMS MANAGED BY BCC SCHOOL'S FINANCE TEAM

- **For a pupil excluded in the autumn term (before the October census date) –** Funding will be reclaimed pro-rata based on the number of full weeks of the financial year (1 April-31 March) remaining after the relevant date of the exclusion.
- **For a pupil excluded in the autumn or spring term (after the October census date but before 31 March) –** Funding will be reclaimed pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the relevant date of the exclusion. In addition, a full year amount will be charged for the following financial year to reflect funding that the pupil attracts as a result of having been included on the October census. However, if the pupil is in year 11, funding relating to the next financial year will be taken to the end of the academic year (31 August).
- **For a pupil excluded in the summer term (after 31 March) –** Funding will be reclaimed pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the relevant date of the exclusion. However, if the pupil is in year 11, funding will be taken to the end of the academic year (31 August).

The funding rates reclaimed will be the AWPU values agreed with Schools Forum for the relevant financial year.

The LA financial year is used as the basis for calculating the amount of funding to be reclaimed because this is the period on which school budgets are calculated and is also the basis on which the Education Skills Funding Agency (ESFA) recoup Dedicated Schools Grant from the LA to pass on to academies. The LA does not take into account how an academy's individual funding agreement works. If an academy has concerns on how permanent exclusion reclaims impact on their budgets, this should be discussed with the ESFA and/or the Secretary of State.

Maintained schools will be charged via a budget adjustment at the end of the relevant financial year. Notification and details of the adjustments to be made will be notified in a letter to the school following the confirmation that the permanent exclusion has been upheld. Schools may arrange to update their Local Accounting System immediately.

Academies will receive notification and details of the amount due following the confirmation that the permanent exclusion has been upheld and this will be followed by an invoice.

5. PAYMENT ARRANGEMENTS – FAIR ACCESS PLACEMENTS

The regulations allow for a similar system of payments to be made to schools receiving permanently excluded pupils. Such placements will be made through the Fair Access Protocol and will apply to pupils that have been permanently excluded from a Birmingham school.

Funding additions:

The payments outlined below will only be arranged when the pupil has been on roll for more than 12 school weeks.

- **For a permanently excluded primary pupils placed at another school through the Fair Access Protocol in the autumn term (before the October census date)** – Funding will be allocated pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the date that the pupil goes on roll at the new school.
- **For a permanently excluded Secondary pupils placed at another school in the autumn term (before the October census date)** Funding will be allocated pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the date that the pupil goes on roll at the new school.
- **For a permanently excluded pupil placed at another school through the Fair Access Protocol in the autumn or spring term (after the October census date)** Funding will be allocated pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the date that the pupil goes on roll at the new school. In addition, a full year amount will be allocated for the following financial year to reflect that the pupil was not included on the October census, except if the pupil will then be in year 11 in which case the amount will be calculated up to 31 August.
- **For a permanently excluded pupil placed at a new school through the Fair Access Protocol in the summer term (after 31 March)** Funding will be allocated pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the date that the pupil goes on roll at the new school. However, if the pupil is in year 11, funding will be allocated to the end of the academic year (31 August).

Maintained schools will be allocated the relevant funds via a budget adjustment at the end of the relevant financial year. Notification and details of the adjustments to be made will be notified in a letter to the school following the confirmation that the pupil has been on roll for more than 12 school weeks from the date that the pupil went on roll. Schools may arrange to update their Local Accounting System immediately.

Academies will receive notification and details of the amount to be allocated following the confirmation that the pupil has been on roll for more than 12 school weeks from the date that the pupil went on roll, and this will be followed by the payment.

6. CHILDREN IN CARE

Permanent exclusions of children in care will be rare and alternatives will be sought in conjunction with the child's social worker and Virtual School where possible (see Birmingham Virtual School [further guidance](#)).

Where a permanent exclusion of a child in care is subsequently rescinded by a school or academy following an alternative school placement or provision being found, the school budget share will be redetermined or the academy will be charged in the same way as if the permanent exclusion had been upheld.

LAC Pupil Premium funding is not under its conditions of grant to be used to fund education provision as the DSG is the funding source intended for this purpose. The APWU and the top up funding will be reclaimed and allocated on pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the relevant date of the exclusion. However, if the pupil is in year 11, funding will be taken to the end of the academic year (31 August).

7. PERMANENT EXCLUSIONS OF CHILDREN WITH AN EDUCATION HEALTH AND CARE PLAN

Permanent exclusions of children with an Education, Health and Care Plan will be rare. Schools must call an early annual review (notifying SENAR) if they feel they can no longer meet need and there is evidence that needs have changed. It is the school's responsibility to continue to provide suitable educational arrangements as set down in section F of the EHCP plan.

If there is a change of school both the school budget share will be redistributed, and the top up funding will be reclaimed and allocated on pro-rata based on the number of full weeks of the financial year (1 April – 31 March) remaining after the relevant date of the exclusion. Academies will be charged in the same way as if a permanent exclusion had been recorded. However, if the pupil is in year 11, funding will be taken to the end of the academic year (31 August).

8. FINANCIAL BACKGROUND

Schools are funded through the DSG which is a government grant and distributed through a funding formula by the local authority. Any deductions from a school's budget in respect of excluded pupils are ringfenced and will be held centrally and used to a) fund 6th day provision or b) until such a time that the funds can be passed on to the school that admits the previously excluded pupil through fair access.

The MFEP protocol is expected to ensure schools are adequately funded and their budgets are more reflective of the number of pupils on roll.

9. REFERENCES

The Schools and Early Years Finance (England) Regulations 2015 (para. 23)
<http://www.legislation.gov.uk/ukxi/2015/2033/regulation/23/made>

Section 2.20 of the Academy and Free School: Master Funding Agreement
www.gov.uk/government/publications/academy-and-free-school-multi-model-master-fundingagreement