



NOTICE OF MEETING

Schools Forum

Thursday 18 October 2012, 4.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

To: The Schools Forum

Schools Members:

Sue Barber, Primary School Governor
Liz Cole, Primary School Representative
Trisha Donkin, Primary School Representative
Ed Essery, Primary School Governor
Brian Fries, Secondary School Governor
Martin Gocke, Pupil Referral Unit Representative
Keith Grainger, Secondary Head Teachers Representative
Louise Lovegrove, Primary School Representative
John McNab, Secondary School Governor
Joanna Quinn, Primary School Representative
Tony Reading, Primary School Governor
Paul Salter, Secondary School Representative
Trudi Sammons, Primary School Representative
Margaret Saner, Secondary School Governor
Anne Shillcock, Special Education Representative
John Throssell, Primary School Governor (Vice-Chairman)
Kathy Winrow, Secondary School Representative

Non-Schools Members

George Clement, Union Representative (Chairman)
Kate Sillett, PVI Provider Representative
Vacant, 14-19 Partnership Representative
Vacant, Diocese Representative (Roman Catholic)
One Vacancy, Diocese Representative

ALISON SANDERS

Director of Corporate Services

EMERGENCY EVACUATION INSTRUCTIONS

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If you require further information, please contact: Amanda Roden

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Published: 9 October 2012

Schools Forum
Thursday 18 October 2012, 4.30 pm
Council Chamber, Fourth Floor, Easthampstead House, Bracknell

AGENDA

Page No

1. **Apologies for Absence/Substitute Members**

To receive apologies for absence and to note the attendance of any substitute members.

2. **Declarations of Interest**

Members are asked to declare any personal interest and the nature of that interest, in respect of any matter to be considered at this meeting. Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

3. **Minutes and Matters Arising**

To approve as a correct record the minutes of the meeting of 13 September 2012.

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4. **School Funding Reform**

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5. **School Funding Reform Confidential Annex**

Annex contains exempt information and is circulated to members only.

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6. **Dates of Future Meetings**

The next meeting of the Schools Forum is scheduled for Thursday 13 December 2012 at 4.30pm in the Council Chamber at Easthampstead House.



**SCHOOLS FORUM
13 SEPTEMBER 2012
4.30 - 4.55 PM**

Present:

Schools Members

Ed Essery, Primary School Governor
Brian Fries, Secondary School Governor
Louise Lovegrove, Primary School Representative
John McNab, Secondary School Governor
Joanna Quinn, Primary School Representative
Trudi Sammons, Primary School Representative
Margaret Saner, Secondary School Governor
Anne Shillcock, Special Education Representative
John Throssell, Primary School Governor (Vice-Chairman)

Non-Schools Members:

George Clement, Union Representative (Chairman)
Kate Sillett, PVI Provider Representative

Also Present:

Karen Frost, Bracknell Forest Council
Amanda Roden, Bracknell Forest Council
David Watkins, Bracknell Forest Council

Apologies for absence were received from:

Sue Barber, Primary School Governor
Trisha Donkin, Primary School Representative
Andrew Fletcher, Secondary School Representative
Tony Reading, Primary School Governor
Paul Salter, Secondary School Representative
Kathy Winrow, Secondary School Representative

9. **Election of Chairman**

RESOLVED that George Clement be elected Chairman of the Schools Forum for the academic year 2012/13.

GEORGE CLEMENT IN THE CHAIR

10. **Appointment of Vice-Chairman**

RESOLVED that John Throssell be appointed Vice-Chairman of the Schools Forum for the academic year 2012/13.

11. **Declarations of Interest**

Louise Lovegrove declared an interest in respect of Item 8 in relation to Cranbourne Primary School as a governor at the school.

12. Minutes and Matters Arising

New members of the Schools Forum were welcomed at the meeting.

RESOLVED that the minutes of the meeting held on 19 July 2012 be approved and signed by the Chairman as a correct record, subject to the following amendments:

- Minute Item 5, page 4: The Forum would need to make final decisions on changes at its meeting on 18 October to ensure the DfE could be informed of the composition of the 2013-14 BF Funding Formula by the 31 October deadline.
- Minute Item 5, page 4: Evening briefings for governors had been arranged for 11 and 12 September, and not 21 and 22 September.
- Minutes Item 5, page 4: **RESOLVED** rather than **RESOVLED**.

13. Schools Forum Constitution

The Forum received a report which advised members of changes to the Schools Forum Constitution following the publication by the Secretary of State School funding reform: next steps towards a fairer system on 26 March 2012.

The Forum noted the revised Schools Forum Constitution incorporating these changes which were expected to be confirmed in October 2012. The necessary steps would be taken to appoint a Pupil Referral Unit (PRU) representative once the new regulations came into force.

14. Free Early Education for Two Year Olds

The Forum received a report which updated members of the Schools Forum on the new duty to provide substantially more free education and child care places for two year olds with the funding of places and associated support services being added to the Dedicated Schools Grant.

From September 2013, the 20% most disadvantaged 2 year olds should have an early education place, with this figure rising to 40% from September 2014. Provision could also cover looked after children and other needy families at local discretion.

The development of two year old places would grow substantially over the next two years, with an expected increase in Bracknell Forest from 60 to 300 places at September 2013, and 300 to 600 places from September 2014.

Local authorities would be required to fund early years providers of free early education for two year olds through an early years single funding formula (EYSFF) for two year olds, just as local authorities currently had an EYSFF for three and four year olds. This requirement would start from 1 April 2013.

RESOLVED that the Schools Forum:

- i. **NOTED** that the changes around participation rates, support for providers and funding arrangements for early education for 2 year olds;
- ii. **AGREED** that the draft work programme and timetable (paragraph 5.18 and Annex A);
- iii. **NOTED** that in respect of the new arrangements for 2 year olds, the Schools Forum it will be required in the new year:

- a. the composition of the Early Years Single Funding Formula for 2 year olds (paragraph 5.17)
- b. the range of support services required (paragraph 5.17), and
- c. the level of budget to be funded from within the Dedicated Schools Grant (DSG) (paragraph 5.19).

15. **2012-13 Budget Monitoring and other Financial Matters**

The Forum received a report which updated members of the Schools Forum on the 2012-13 forecast budget monitoring position for the Schools Budget as at the end of July and for members to agree an extension of one year to the licensed deficit agreement at Cranbourne Primary, with the £0.050 million deficit being fully repaid by 31 March 2014.

Provisional budget monitoring information available at the end of July indicated that the Schools Budget would be under spent by £0.221 million this year. This forecast variance comprised of an over spend of £0.284 million against approved budget allocations, additional income of £0.337 million against the original estimate made for Dedicated Schools Grant (DSG) income and a further £0.168 million additional income as a result of the 2011-12 under spend being greater than the amount anticipated when the budget was agreed in March.

Cranbourne Primary was the only school in deficit by £0.029 million at the end of the 2011-12 financial year and the school had an agreed £0.050 million licensed deficit. This had been reduced by £0.023 million during the last year, but the governing body had requested that the repayment schedule be extended by a further year to 31 March 2014. A medium term budget plan was in place that governors were committed to deliver to which showed a return to surplus by 31 March 2014. As the Forum was not quorate at the last meeting, no decision could be taken. If agreed Cranbourne would have been in deficit for five years, which was the maximum allowed under the Scheme for Financing Schools.

RESOLVED that the Schools Forum:

- i. **NOTED** the budget variances being forecast on the 2012-13 Schools Budget that in total aggregate to a net under spending of £0.221m (paragraph 5.3);
- ii. **AGREED** the repayment term for the £0.050m licensed deficit previously agreed for Cranbourne Primary School be extended by one year, for full repayment to be made by 31 March 2014 (paragraph 5.6).

16. **Dates of Future Meetings**

The Forum noted that the next meeting was scheduled for Thursday 18 October 2012 at 4.30pm in the Council Chamber at Easthampstead House but meetings would be cancelled if there was no business to discuss.

CHAIRMAN

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TO: SCHOOLS FORUM
DATE 18 OCTOBER 2012

SCHOOL FUNDING REFORM
(Director of Children, Young People and Learning)

1 PURPOSE OF REPORT

- 1.1 This report summarises the results of the Financial Consultation exercise with governing bodies and other interested parties. It reports on schools' views regarding a number of changes proposed to the way funds are allocated to mainstream schools which the Schools Forum is requested to take into account when making proposals for the 2013-14 Bracknell Forest Funding Formula for Schools which are formally agreed by the Executive Member.
- 1.2 A number of budget developments have also been identified by schools through the consultation which are also reported. Decisions on setting the 2013-14 budget will be sought at a later date.

2 RECOMMENDATIONS

Items for all Forum Members:

- 2.1 The outcomes from the financial consultation with schools are NOTED including additional comments made by schools;
- 2.2 To CONSIDER whether those schools losing money at April 2013 through these funding reforms should be allowed to retain any significant surplus balance without a valid reason, to 31 March 2015 (paragraphs 5.36 – 5.38);

Items for School representatives only:

- 2.3 The recommendations set out in the boxes in paragraphs 5.7 to 5.17 and 5.19 to 5.32 are AGREED;
- 2.4 To AGREE whether a high pupil mobility factor is applied to:
- i. Primary schools;
 - ii. Secondary schools (paragraph 5.18).
- 2.5 The Executive Member is requested to agree that the Bracknell Forest Funding Formula for Schools is amended accordingly.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Schools Forum has to be consulted on changes to the Bracknell Forest Funding Formula For Schools (the "Formula"), with the Department for Education (DfE) needing to be notified of the 2013-14 Formula no later than 31 October 2012.
- 3.2 The changes proposed ensure compliance with the draft School and Early Years Finance (England) Regulations, 2013.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 These were considered by the Working Group with various options recorded in the minutes of the relevant meetings.

5 SUPPORTING INFORMATION

Introduction

- 5.1 Reports on school funding reform have previously been presented to the Schools Forum. These have confirmed that there will be no changes to the national funding system before the start of the next Spending Review Period (2015), but that for April 2013, there would be an impact on local arrangements for schools from the following key changes:
1. The simplification and standardisation of the way that resources are distributed to schools through the Funding Formula, with each LA required to inform the DfE of its new Formula no later than 31 October, 2012.
 2. Creating a national benchmark for funding schools in their general budgets to support pupils with special educational needs;
 3. Delegation of additional resources to schools for services currently managed centrally by the Council.

Financial Consultation - Process

- 5.2 To help guide the process, the Schools Forum established a School Funding Review Group (the "Group"), with membership from head teachers, governors, school bursars and LA officers to work through the new requirements. This Group agreed the questions to be asked of all schools through a 12 week consultation, and in general, offered a recommendation for change.
- 5.3 The deadline for responses was 28 September. By the publication date for this report a response had been received from 30 out of 37 schools (81% response rate). A response sheet has been received from 24 primary schools (77%), 5 secondary schools (100%) and 1 secondary academy school (100%). Responses from the secondary academy school have been reported with all other secondary schools.
- 5.4 The consultation was divided into seven sections. The questions are set out below and responses summarised, together with recommendations for any changes that should be applied. Where questions have been specific to one phase of education, then only responses from relevant schools have been reported.
- 5.5 Unless otherwise stated, the recommendations represent the most popular response from schools. The responses were reviewed by the Group on 4 October, where additional information was also presented on three areas of the consultation. Further explanation of these issues is provided within the report and relates to:
- Question 12 – should there be a high pupil mobility factor?
 - Question 16 – should there be a contingency to allocate funds to qualifying schools with levels of pupils with special educational needs significantly above the numbers and needs provided for in their general funding?
 - Question 23 – should there be a deferred admission to reception factor?

5.6 It should be noted that in general there was a strong consensus of opinion from respondents, with at least 73% of replies supporting the same proposal on 23 out of 26 questions (88%). The areas where there was less agreement related to:

- Question 4 - The method to be used to distribute funds to schools to recognise deprivation where the most popular option received 40% of responses. Note the Group did not make a recommendation to schools on this question;
- Questions 13 and 14 - The method to be used to distribute funds to schools from factors that would be non-compliant with the new funding regulation. The most popular option for property related items attracted 53% of responses with the most popular option for non-property related items attracting 57%.

A detailed summary of responses can be found at Annex 1, with restricted Annex 2 listing all the comments received. Annex 3 shows the paper considered by the Review Group at its meeting on 4 October, together with the draft minutes.

Financial Consultation – Outcomes and proposals for change

1. Formula Factors that are FULLY compliant with the new arrangements

5.7 **Question 1 (Primary Schools Only)**

Do you agree that the way schools are funded for 3 and 4 year olds through the Early Years Single Funding Formula should remain unchanged?

Responses from 22 relevant schools (92%) supported the proposal. 2 schools (8%) did not make a response to this question.

The Forum is recommended to agree that there are no changes to the way schools are funded for 3 and 4 year olds through the Early Years Single Funding Formula.

2. Formula Factors that are PARTIALLY compliant with the new arrangements

5.8 **Question 2 (Secondary Schools Only)**

Do you support the use of differential Key Stage 3 and Key Stage 4 per pupil funding rates for secondary schools?

Responses from 5 relevant schools (83%) supported the proposal. 1 school (17%) did not agree and preferred a uniform per pupil funding rate.

The Forum is therefore recommended to agree that differential per pupil funding rates be applied at Key Stage 3 and Key Stage 4.

5.9 **Question 3 (Secondary Schools Only)**

If differential rates are used, do you agree that the current funding ratio of approximately 1 : 1.20 should continue?

All 6 responses from relevant schools supported the proposal.

The Forum is therefore recommended to agree that the funding ratio between KS3 and KS4 pupils continues at 1 : 1.2.

5.10 **Question 4 (All Schools)**

Which method should be used for allocating funds to schools to reflect deprivation?

In agreeing the consultation document, the Group could not select a preferred option to recommend to schools for allocating funds to recognise deprivation as none of the available options was clearly the best.

Responses from 12 schools (40%) supported Option C: 40% on FSM numbers, 60% on IDACI bandings increasing by factor of 0.5. The next most popular response related to Option A: IDACI bandings increasing by factor of 0.5, which was favoured by 8 schools (27%). 2 schools (7%) did not make a response to this question.

Whilst there is no clear majority of responses favouring one option, the Forum is recommended to agree the most popular reply and implement Option C: 40% on FSM numbers, 60% on IDACI bandings increasing by factor of 0.5 for funding schools for deprivation.

5.11 **Question 5 (Primary Schools Only)**

Do you think the threshold to trigger funding for primary schools for low prior attainment should be set at below 73 or below 78 on the Early Years Foundation Stage Profile?

Responses from 17 relevant schools (71%) supported funding pupils with scores below 78. 7 schools (29%) preferred to fund scores below 73.

The Forum is therefore recommended to agree that the threshold to trigger funding for primary schools for low prior attainment should be set at below **78** on the Early Years Foundation Stage Profile.

5.12 **Question 6 (Primary Schools Only)**

Do you agree that in order to protect the smallest schools, all primary schools should receive the same lump sum payment of £150k, and that the £174k shortfall in current allocations should be financed from a deduction to the unallocated funds currently distributed via fixed lump sum payments?

Responses from 19 relevant schools (79%) supported the proposal. 5 schools (21%) did not agree.

The Forum is therefore recommended to agree all primary schools should receive the same lump sum payment of £150k financed from a deduction to the unallocated funds currently distributed via fixed lump sum payments.

5.13 **Question 7 (All Schools)**

Which method should be used for re-distributing funds to schools that exceed the £150,000 cap proposed for a lump sum payment?

Responses from 24 relevant schools (80%) supported Option A: 55% by pupil numbers, 15% on deprivation and 30% on low prior attainment for primary schools, and 65%, 15% and 20% for secondaries. Option B; 15% by pupil numbers, 35% deprivation and 50% low prior attainment was the next most popular option, being supported by 4 schools (13%).

The Forum is therefore recommended to agree that any funds available after allocating £150,000 to each school as a fixed lump sum payment should be distributed 55% by pupil numbers, 15% on deprivation and 30% on low prior attainment for primary schools, and 65%, 15% and 20% for secondaries.

5.14 **Question 8 (Secondary Schools Only)**

If allowed by the DfE, do you agree that an additional factor should be added to the BF Funding Formula to target relevant funds only to the schools that will incur costs from joint use of sports facilities?

Responses from 5 relevant schools (83%) supported the proposal. 1 school (17%) did not agree with the creation of a factor to fund relevant schools that use joint sports facilities.

Note, in September, the DfE finally confirmed that an additional factor could be used in BF to fund schools with joint sports facilities.

The Forum is therefore recommended to agree adding an additional factor to fund relevant schools that will incur costs from joint use of sports facilities.

5.15 **Question 9 (Secondary Schools Only)**

If an additional factor is not permitted to target funds to relevant schools with joint use sports facilities, which method should be used to distribute the funds?

Responses from 5 relevant schools (83%) supported Option A, Fixed amount per secondary aged pupil. However, as set out above in question 8, as the majority of responses from secondary schools support a specific factor for joint use sports facilities, which has now been agreed by the DfE, this is the recommendation being made to the Forum, making this question unnecessary.

No recommendations are made in respect of question 9.

5.16 **Question 10 (All Schools)**

Which method should be used for distributing funds to schools to support EAL pupils?

Responses from 26 relevant schools (87%) supported Option A: EAL pupils in the education system for up to three years. 4 schools (13%) did not support the proposal.

The Forum is therefore recommended to agree that schools are funded for EAL pupils for the first three years that the pupils are in the education system.

5.17 **Question 11 (All Schools)**

Which method should be used for distributing funds to schools to support Looked After Children (LAC)?

Responses from 28 relevant schools (93%) supported Option A: Pupils who have been LAC at any time. 2 schools (7%) preferred Option C: Pupils who have been LAC for at least 6 months.

The Forum is therefore recommended to agree that schools should receive funding for pupils who have been LAC at any time.

5.18 **Question 12 (All Schools)**

Do you agree that a factor should be included in the BF Funding Formula to allocate resources to schools facing high pupil mobility outside normal admissions periods?

Responses from 26 relevant schools (87%) supported the proposal. 4 schools (13%) did not agree.

The possibility of including this factor within the funding reforms was only confirmed at the end of June. The BF Formula has this factor and specifically targets those schools, where pupil turbulence is significant – the threshold for triggering funding is where the number of non-routine admissions as a percentage of pupils on roll is greater than 10%. Only Primary schools triggered this funding in 2012-2013

The DfE prescribed methodology, operating on the data providing by them, would require funding at a flat rate for each non-routine admission, with no opportunity for targeting resources. An exemplification of this is shown in Appendix A of Annex 3 for Primary and Appendix 2 for Secondary schools. The Review Group agreed that the issue of a High pupil mobility factor for Primary schools would be further discussed at Schools Forum and a decision made there. However, a High pupil mobility factor was not considered necessary for Secondary schools.

Paragraphs 3 to 8 of Annex 3, the Review Group Meeting of 4 October, provide further information on this matter.

The School representatives on the Forum are therefore recommended to agree whether a high pupil mobility factor should be included in the Formula for Primary Schools, and to confirm that a high pupil mobility factor should not be included in the Formula for Secondary Schools.

3. Formula Factors that are NON compliant with the new arrangements

5.19 **Question 13 (All Schools)**

Which method should be used for allocating funds to schools for the disallowed property related factors?

Responses from 16 relevant schools (53%) supported Option A: 80% pupil numbers, 10% deprivation and 10% low prior attainment. The next most popular response was Option C: Equal amount per pupil which 10 schools (33%) preferred.

The Forum is therefore recommended to agree that funds to schools for the disallowed property related factors be allocated 80% by pupil numbers, 10% by deprivation and 10% by low prior attainment.

5.20 **Question 14 (All Schools)**

Which method should be used for allocating funds to schools for the remaining disallowed factors?

Responses from 17 relevant schools (57%) supported Option A: 80% pupil numbers, 10% deprivation and 10% low prior attainment. The next most popular response was Option C: Equal amount per pupil which 8 schools (30%) preferred.

The Forum is therefore recommended to agree that funds to schools for the disallowed non-property related factors be allocated 80% by pupil numbers, 10% by deprivation and 10% by low prior attainment.

4. Review of funding schools for special educational needs (all schools)

5.21 **Question 15**

Do you agree that local arrangements for supporting pupils with additional educational needs should be in accordance with the DfE recommendation that schools are funded to meet around the first £6,000 of additional need?

Responses from 26 relevant schools (87%) supported the proposal. 4 schools (13%) did not agree, but did not provide an alternative option.

The Forum is therefore recommended to agree that schools are funded to meet around the first £6,000 of additional educational needs for each pupil from their general funding.

5.22 **Question 16**

Do you agree that a fund should be created to support schools that admit levels of pupils with special educational needs significantly above the numbers and needs provided for in their general funding?

Responses from all 30 schools supported the proposal.

In the modelling which had been undertaken to give schools formulaic funding to provide the first 16 hours of additional support to pupils, it was established that 3 schools are particularly disadvantaged by this approach. The DfE have indicated that an SEN Contingency Fund, operating to locally defined criteria, could be set up to provide funding to schools in such circumstances. However, the interaction of the reconstruction of the DSG into Schools Block, High Needs Block and Early Years Block means that any MFG top up funding would have to be applied first, providing the 1.5% maximum funding reduction, after which, additional SEN Contingency Funding could be given, subject to schools meeting the specified criteria. This process results in different financial outcomes than those anticipated when the consultation was written and it now seems likely that the operation of such a fund would not be as originally expected.

It was agreed that the basic principle of such a Contingency was correct, but that further work and analysis should be undertaken and reported back to the Schools Forum for a decision at a latter stage.

The Forum is therefore recommended to agree in principle that a fund should be created to support schools that admit levels of pupils with special educational needs significantly above the numbers and needs provided for in their general funding, pending further information on operational and financial implications.

5.23 **Question 17**

Which method should be used for allocating additional funds to schools to meet around the first £6,000 of additional support needs required by individual pupils?

Responses from 22 relevant schools (73%) supported Option A: 65% of budget allocated by head count data, 15% by deprivation and 20% on low prior attainment, using the prescribed DfE model. The next most popular reply was Option C: 50% of budget allocated by head count data, 50% by deprivation, which was supported by 4 schools (13%).

The Forum is therefore recommended to agree additional funds be allocated to schools to meet around the first £6,000 of additional support needs required by individual pupils with 65% of budget allocated by head count data, 15% by deprivation and 20% on low prior attainment, using the prescribed DfE model.

5.24 **Question 18**

For reasons of practicality, do you agree that the dividing line for calculating the funding transfer to schools for the first £6,000 of additional pupil support needs should be set at the closest NWPU banding, rather than the actual value needed to achieve the £6,000 threshold?

Responses from all 30 schools supported the proposal.

The Forum is therefore recommended to agree that the value of additional pupil support needs to be added to school budgets should be set at the closest NWPU banding, rather than the actual value needed to achieve the £6,000 threshold.

5. Additional delegation (all schools)

5.25 **Question 19**

Do you agree that all of the services subject to delegation for the first time from April 2013 should be allocated to schools through Option A as detailed in Appendix O of the Review of the BF Funding Formula booklet?

NB Allocation basis for Option A is generally per pupil, with EAL support proposed to be allocated by reference to numbers of EAL pupils, and Behaviour Support Services to be allocated 35% by an amount per pupil, 15% by agreed deprivation measure and 20% by low prior attainment.

Responses from 29 relevant schools (97%) supported the proposal. 1 school disagreed.

The Forum is therefore recommended to agree that for newly delegated items, funding should be allocated to schools through Option A as detailed in Appendix O of the *Review of the BF Funding Formula* booklet.

5.26 **Question 20**

To maintain a strategic approach in the use of the funds for items 1-5 in Table 3, do you agree that the Schools Forum should be requested to de-delegate all relevant funding?

NB items 1-5 in Table 3 are school contingencies, support to schools in financial difficulties, English as an Additional Language, SIMS and other licences and staff supply cover for official absences.

Responses from 27 relevant schools (90%) supported the proposal. 3 schools (10%) did not agree.

The Forum is therefore recommended to agree that funds for school contingencies, support to schools in financial difficulties, English as an Additional Language, SIMS and other licences and staff supply cover for official absences should be de-delegated and centrally managed by the Council.

5.27 **Question 21**

In respect of Behaviour Support Services, items 6-9 in Table 3, do you agree that from April 2014, the service should be operated on a trading basis, but to allow sufficient time to prepare the service for change, that for 2013-14 only, the budget is returned for central management by the Council?

NB items 6-9 in Table 3 are the local CMCD programme, Behaviour and Education Support Team, Anti-bullying co-ordinator and Social and Emotional Aspects of Learning (SEAL).

Responses from 29 relevant schools (97%) supported the proposal. 1 school disagreed.

The Forum is therefore recommended to agree that the local CMCD programme, Behaviour and Education Support Team, Anti-bullying co-ordinator and Social and Emotional Aspects of Learning (SEAL) absences should be de-delegated and centrally managed by the Council for 1 year.

6. Impact of the MFG and mechanisms to cap schools receiving a financial gain (all schools)

5.28 **Question 22**

If required, do you agree that schools above the MFG and in receipt of per pupil funding increases should meet the cost of financing the protection required for schools below the MFG, with schools receiving the largest financial gain, contributing a larger proportion of their increase (option A)?

Responses from 29 relevant schools (97%) supported Option A: those schools receiving the largest financial gain, contributing a larger proportion of their increase to fund the losses at other schools. 1 school (3%) preferred Option B, all schools receiving a financial gain have their per pupil funding reduced by the same fixed percentage.

The Forum is therefore recommended to agree that if required, those schools above the MFG and in receipt of per pupil funding increases should meet the cost of financing the protection required for schools below the MFG, with schools receiving the largest financial gain, contributing a larger proportion of their increase (option A).

7. Other matters

5.29 **Question 23 (Primary Schools Only)**

Do you agree that any additional funding received through the DSG to reflect deferred entries into reception classes should be allocated to schools on a per pupil basis?

Responses from 23 relevant schools (96%) supported the proposal. 1 school (4%) did not agree.

In June, for the first time, the DfE indicated that LAs could recognise pupils that have deferred entries into Reception classes, and are not, therefore included on the October census that is used for funding purposes. No information was available as to how this would operate, or number of pupils involved, so the BF consultation sought views on whether such a factor should be used. Now that DfE have provided relevant pupil data on deferred admissions that will be taken into account in the 2013-14 DSG calculation, it does not appear to be a particularly significant issue for BF schools.

There were 36 more reception pupils on the January Census 2012 compared to the October Census 2011. As set out above, this has funding implications, as in future school budgets will

be based on October Census data and not January Census. However, it was also noted by the Group that schools already admit pupils across all year groups in year with no budget adjustment, unless overall pupil numbers increase by 20. It was agreed that further work should be undertaken to determine where the number of deferred admissions becomes significant, so that schools satisfying qualifying criteria would be eligible to funding from a centrally retained contingency, but that no specific factor should be included in the BF Funding Formula.

Subsequent to the Review Group meeting of 4 October, on checking with the 3 schools with the highest proportion of deferred admissions, it seems that these have significantly reduced in 2012, with 2 of the 3 schools expected to have all reception pupils in by the end of September. This change may be as a result of 2011 being the first year of September admissions, with all schools now expecting September starts. Based on the views of the Group and this updated information, the LA is now proposing that no specific account is taken of deferred admissions to reception classes in setting school budgets.

The Forum is recommended to agree that no specific factor be included for deferred admissions to reception classes, but if a significant financial issue arises, it is dealt as an exceptional item through the school contingency.

5.30 **Question 24 (All Schools)**

Do you agree that when required, the Schools Forum should set up a specific centrally managed budget to allocate in year to schools experiencing significant in-year growth in pupil numbers?

Responses from 28 relevant schools (93%) supported the proposal. 2 schools (7%) did not agree.

The Forum is therefore recommended to agree to set up a specific centrally managed budget to allocate in year to schools experiencing significant in-year growth in pupil numbers.

5.31 **Question 25 (Primary Schools Only)**

Do you agree that in order to target resources to schools facing additional costs in order to comply with Key Stage 1 infant class size regulations that limit pupil numbers to no more than 30 a teacher, that a specific fund is set up, financed from half the funding relevant schools currently receive through the small school 'missing pupil' factor?

Responses from 20 relevant schools (83%) supported the proposal. 4 schools (17%) did not agree.

The Forum is therefore recommended to agree that a specific fund is set up, financed from half the funding relevant schools currently receive through the small school 'missing pupil' factor to support schools facing additional costs to meet the impact of infant class size regulations.

5.32 **Question 26 (All Schools)**

Do you agree that where there are real, identifiable costs arising as a result of a new, reorganised or closing school, that the Schools Forum should set aside specific funding to finance the additional costs?

Responses from 26 relevant schools (87%) supported the proposal. 1 school (3%) did not agree and 2 schools (7%) did not make a response.

The Forum is therefore recommended to agree that when necessary, specific funding should be set aside to finance the additional costs arising from new, reorganised or closing schools.

5.33 For questions 24, 25 and 26, which recommend creating various contingency funds, the Forum will need to agree criteria for the allocation of funds and agree each year a level of appropriate budget. Decisions on these matters will be sought later as part of the budget setting process.

Budget developments and pressures (all schools)

5.34 **Question 27**

Are you aware of any areas of budget pressure or areas of new development that you would like to be added to school budgets, subject to sufficient funds being available?

The following items were identified:

- Building maintenance;
- Rising cost of utilities;
- Funds to update ICT equipment;
- Full funding for 4 year olds;
- Impact from industrial action;
- In-year arrivals of pupils with SEN;
- Capacity of borough to assist schools in real emergency situations (floods, roof collapse, heating failure).
- Early Years Foundation Stage: compliance to the new framework

Budget proposals will need to be considered by the Schools Forum at a later date, so at this stage, no decisions are required.

Additional comments from schools

5.35 Whilst the finance consultation asked school views on specific questions, general comments were also invited. 14 schools made a total of 38 comments and these related to:

- justifying the option chosen to a question (19 comments);
- suggestions that are not allowed by DfE Regulations (5);
- concerns relating to the changes to SEN funding (4);
- concern about the long term use of EYFS profile test results which is recognised by DfE as something requiring change in the future (1);
- preference to a fundamental review of the relative weighting of resources distributed through each factor of the formula (1);
- preference for greater level of funds to be allocated by deprivation factors and low prior attainment (1);
- budget pressures (1);
- other matters (6).

None of the additional comments are considered significant enough to warrant a change to the recommendations set out above, which in general have been determined from the majority wishes of respondents.

- 5.36 One further comment was made that the Forum is asked to consider. This relates to a request to suspend for two years the scheme to claw-back significant surplus school balances as some schools losing money through the reforms may wish to use balances to help smooth the financial effect.
- 5.37 Members of the Forum will recall that where primary and special schools have a year end revenue balance greater than 8% of their annual budget, or secondary schools 5%, the excess above these thresholds is considered a significant surplus balance and will therefore be subject to claw-back and redistribution within the Schools Budget, unless it is being held for a valid reason. This is on the basis that annual funding should be spent on pupils in school that year and not held back unnecessarily. Valid reasons for significant balances are defined as:
- i. Capital building and construction projects
 - ii. Furniture, IT and other one-off expenditure of a capital nature
 - iii. Infrastructure, maintenance and refurbishment
 - iv. Staffing remodelling and restructuring
 - v. Specific curriculum resources
 - vi. Balances held in respect of pupil focused extended activities
 - vii. Money held to fund budget deductions known to be occurring in the next financial year e.g. fall in pupil numbers.
 - viii. Other high cost activities, of a long term nature, agreed in advance with the Director of Children, Young People and Learning and the Schools Forum.
- 5.38 Views of the Forum are therefore sought on whether those schools losing money at April 2013 through these funding reforms should be allowed to retain any significant surplus balance without a valid reason, to 31 March 2015.

Revised voting arrangements for School Forums

- 5.39 Members of the Forum will be aware that new Regulations have come into effect that governs the operation of Schools Forums. One change that is now in place relates to the voting arrangements. These are now restricted by allowing only schools and Academy members (and the private, voluntary and independent sector - PVI members) to vote on the funding formulae and de-delegation of budgets. Therefore, the recommendations in this report have been divided between those addressed to all members, and those addressed specifically to school and academy members.

Next steps

- 5.40 Changes to the BF Funding Formula need to be agreed by the Schools Forum and confirmed to the DfE by 31 October 2012. The decisions taken at this meeting will determine the content of the Council's return.
- 5.41 The Council is required to make a final return no later than 18 January 2013. This is not expected to allow any changes in the composition of the BF Funding Formula, but will allow changes to units of resource being applied to reflect revisions required from the October 2012 census update and budget decisions that have yet to be taken.

- 5.42 The Council's constitution requires formal agreement to any changes to the BF Funding Formula to be agreed by the relevant Executive Member. This is scheduled to take place on 13 November. As the Executive Member has observer status on the Forum, formal agreement to the Formula after the DfE submission deadline of 31 October is not expected to result in any difficulties.
- 5.43 The funding reforms will also require the Council to reconsider the basis adopted to charge schools for buy-back services. In future, it is unlikely that the Council will be able to maintain the position of charging for each service at the amount allocated to individual schools through the Funding Formula - the "in and out" basis. This is because the removal of factors currently used to target funds to schools on the basis of estimated cost of provision will result in the allocation of budget for some traded services being unrepresentative of cost and therefore make charges uncompetitive. More work on this will be undertaken during the autumn and be included on SLAs offered to schools.

Conclusion

- 5.44 There was a very good response rate from schools to the finance consultation (81%) with a strong consensus of the way forward. On most issues there is a clear majority of schools supporting the changes proposed, which the Forum is being asked to agree. Should any late responses be received, they will be included in the presentation to the Forum.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are contained within the main body of the report.

Borough Treasurer

- 6.2 Changing the Funding Formula will result in a redistribution of funding to schools. Unless additional resources are allocated from the government, those schools receiving a financial gain, will need to have their increases capped to moderate the financial impact on those schools losing. The proposals presented in this report, together with the Minimum Funding Guarantee, minimise the short term impact of funding changes.

Impact Assessment

- 6.2 DfE has undertaken a full impact assessment and considers the proposed changes have the potential to reduce the barriers and inequalities that currently exist. The document can be found at:

<http://www.education.gov.uk/consultations/downloadableDocs/School%20funding%20reform%20-%20Equality%20Impact%20Assessment.pdf>

Strategic Risk Management Issues

- 6.3 The most significant issues are expected to be:
1. The redistribution of funding between schools may result in a number of schools receiving real terms reduction to their funding for a number of years. This could have an adverse impact on pupil attainment. The budget to support schools in financial difficulties will be available to support relevant schools, provided it is returned for central management.

2. Additional delegation of services to schools could result in them ceasing to be provided. If there is low interest from schools, trading may prove uneconomic which could result in the withdrawal of support services which would then be more difficult and costly to provide if a need occurred at a later date.

7 CONSULTATION

Principal Groups Consulted

- 7.1 School Funding Review Group, all schools.

Method of Consultation

- 7.2 Meetings and 12 week formal consultation.

Representations Received

- 7.3 Included in the report.

Background Papers

Various supporting documents, including the consultation papers, all of which can be found at:

<http://schools.bracknell-forest.gov.uk/schoolfundingreform.htm>

Contact for further information

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FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012 OUTCOMES		TOTALS			%
		PRIMARY	SECONDARY	TOTAL	
<u>Formula Factors that are FULLY compliant with the new arrangements</u>					
1	Do you agree that the way schools are funded for 3 and 4 year olds through the Early Years Single Funding Formula should remain unchanged?				
	Yes	22	N/A	22	92%
	No	0	N/A	0	0%
	No response	2	N/A	2	8%
<u>Formula Factors that are PARTIALLY compliant with the new arrangements</u>					
2	Do you support the use of differential Key Stage 3 and Key Stage 4 per pupil funding rates for secondary schools?				
	Yes	N/A	5	5	83%
	No	N/A	1	1	17%
	No response	N/A	0	0	0%
3	If differential rates are used, do you agree that the current funding ratio of approximately 1 : 1.20 should continue?				
	Yes	N/A	6	6	100%
	No	N/A	0	0	0%
	No response	N/A	0	0	0%
4	Which method should be used for allocating funds to schools to reflect deprivation?				
	A. IDACI bandings increasing by factor of 0.5?	6	2	8	27%
	B. IDACI bandings increasing by a factor of 1?	4	1	5	17%
	C. 40% on FSM numbers, 60% on IDACI bandings increasing by factor of 0.5?	9	3	12	40%
	D. Other (please specify).	3	0	3	10%
	No response	2	0	2	7%

FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012		TOTALS			%
		PRIMARY	SECONDARY	TOTAL	
5	Do you think the threshold to trigger funding for primary schools for low prior attainment should be set at below 73 or below 78 on the Early Years Foundation Stage Profile? A. Below 73 B. Below 78 No response	7 17 0	N/A N/A N/A	7 17 0	29% 71% 0%
<u>Formula Factors that are PARTIALLY compliant with the new arrangements (continued)</u>					
6	Do you agree that in order to protect the smallest schools, all primary schools should receive the same lump sum payment of £150k, and that the £174k shortfall in current allocations should be financed from a deduction to the unallocated funds currently distributed via fixed lump sum payments? Yes No No response	19 5 0	N/A N/A N/A	19 5 0	79% 21% 0%
7	Which method should be used for re-distributing funds to schools that exceed the £150,000 cap proposed for a lump sum payment? A. 55% by pupil numbers, 15% on deprivation and 30% on low prior attainment for primary schools, and 65%, 15% and 20% for secondaries B. 15% by pupil numbers, 35% deprivation and 50% low prior attainment C. 50% by pupil numbers and 50% by deprivation D> 50% by pupil numbers and 50% by deprivation No response	20 2 1 1 0	4 2 0 0 0	24 4 1 1 0	80% 13% 3% 3% 0%
8	If allowed by the DfE, do you agree that an additional factor should be added to the BF Funding Formula to target relevant funds only to the schools that will incur costs from joint use of sports facilities? Yes No No response	N/A N/A N/A	5 1 0	5 1 0	83% 17% 0%

FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012		TOTALS			%
		PRIMARY	SECONDARY	TOTAL	
9	If an additional factor is not permitted to target funds to relevant schools with joint use sports facilities, which method should be used to distribute the funds?				
	A. Fixed amount per secondary aged pupil	N/A	5	5	83%
	B. 50% by pupil numbers, 25% deprivation and 25% low prior attainment	N/A	1	1	17%
	C. 65% by pupil numbers, 15% on deprivation and 20% on low prior attainment	N/A	0	0	0%
	D. Other (please specify at the end of this section).	N/A	0	0	0%
	No response	N/A	0	0	0%
10	Which method should be used for distributing funds to schools to support EAL pupils?				
	A. EAL pupils in the education system for up to three years	20	6	26	87%
	B. EAL pupils in the education system for up to two years	2	0	2	7%
	C. EAL pupils in the education system for up to one year	2	0	2	7%
	No response	0	0	0	0%
<u>Formula Factors that are PARTIALLY compliant with the new arrangements (continued)</u>					
11	Which method should be used for distributing funds to schools to support Looked After Children (LAC)?				
	A. Pupils who have been LAC at any time.	22	6	28	93%
	B. Pupils who have been LAC for at least 12 months	0	0	0	0%
	C. Pupils who have been LAC for at least 6 months	2	0	2	7%
	No response	0	0	0	0%
12	Do you agree that a factor should be included in the BF Funding Formula to allocate resources to schools facing high pupil mobility outside normal admissions periods?				
	Yes	20	6	26	87%
	No	4	0	4	13%
	No response	0	0	0	0%

FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012		TOTALS			%
		PRIMARY	SECONDARY	TOTAL	
<u>Formula Factors that are NON compliant with the new arrangements</u>					
13	Which method should be used for allocating funds to schools for the disallowed property related factors?				
	A. 80% pupil numbers, 10% deprivation and 10% low prior attainment?	12	4	16	53%
	B. 55% by pupil numbers, 15% on deprivation and 30% on low prior attainment for primary schools, and 65%, 15% and 20% for secondaries?	3	1	4	13%
	C. Equal amount per pupil?	9	1	10	33%
	D. Other (please specify at the end of this section).	0	0	0	0%
	No response	0	0	0	0%
14	Which method should be used for allocating funds to schools for the remaining disallowed factors?				
	A. 80% pupil numbers, 10% deprivation and 10% low prior attainment?	13	4	17	57%
	B. 55% by pupil numbers, 15% on deprivation and 30% on low prior attainment for primary schools, and 65%, 15% and 20% for secondaries?	3	1	4	13%
	C. Equal amount per pupil?	8	1	9	30%
	D. Other (please specify at the end of this section).	0	0	0	0%
	No response	0	0	0	0%
<u>Review of funding schools for Special Educational Needs</u>					
15	Do you agree that local arrangements for supporting pupils with additional educational needs should be in accordance with the DfE recommendation that schools are funded to meet around the first £6,000 of additional need?				
	Yes	20	6	26	87%
	No	4	0	4	13%
	No response	0	0	0	0%

FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012		TOTALS			
		PRIMARY	SECONDARY	TOTAL	%
16	Do you agree that a fund should be created to support schools that admit levels of pupils with special educational needs significantly above the numbers and needs provided for in their general funding?				
	Yes	24	6	30	100%
	No	0	0	0	0%
	No response	0	0	0	0%
17	Which method should be used for allocating additional funds to schools to meet around the first £6,000 of additional support needs required by individual pupils?				
	A. 65% of budget allocated by head count data, 15% by deprivation (i.e. prescribed DfE IDACI bandings, with funding increasing by a factor of 0.5 at each band) and 20% on low prior attainment, using the prescribed DfE model.?	17	5	22	73%
	B. 50% of budget allocated by head count data and 50% on low prior attainment, using the prescribed DfE model.?	2	0	2	7%
	C. 50% of budget allocated by head count data, 50% by deprivation (i.e. prescribed DfE IDACI bandings, with funding increasing by a factor of 0.5 at each band).?	3	1	4	13%
	D. To replicate the traditional allocation of funds to schools for targeted grants. For primary schools, 55% of budget allocated by head count data, 30% on low prior attainment 15% on prescribed DfE IDACI bandings, with funding increasing by a factor of 0.5 at each band. For secondary schools, this option is identical to Option A.	0	0	0	0%
E. Other (please specify at the end of this section).		2	0	2	7%
	No response	0	0	0	0%
18	For reasons of practicality, do you agree that the dividing line for calculating the funding transfer to schools for the first £6,000 of additional pupil support needs should be set at the closest NWPU banding, rather than the actual value needed to achieve the £6,000 threshold?				
	Yes	24	6	30	100%
	No	0	0	0	0%
	No response	0	0	0	0%

FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012		TOTALS			%
		PRIMARY	SECONDARY	TOTAL	
<u>Additional delegation</u>					
19	Do you agree that all of the services subject to delegation for the first time from April 2013 should be allocated to schools through Option A as detailed in Appendix O of the <i>Review of the BF Funding Formula booklet</i> ?				
	Yes	23	6	29	97%
	No	1	0	1	3%
	No response	0	0	0	0%
20	To maintain a strategic approach in the use of the funds for items 1-5 in Table 3, do you agree that the Schools Forum should be requested to de-delegate all relevant funding?				
	Yes	21	6	27	90%
	No	3	0	3	10%
	No response	0	0	0	0%
21	In respect of Behaviour Support Services, items 6-9 in Table 3, do you agree that from April 2014, the service should be operated on a trading basis, but to allow sufficient time to prepare the service for change, that for 2013-14 only, the budget is returned for central management by the Council?				
	Yes	24	5	29	97%
	No	0	1	1	3%
	No response	0	0	0	0%
<u>Impact of the MFG and mechanisms to cap schools receiving a financial gain</u>					
22	If required, do you agree that schools above the MFG and in receipt of per pupil funding increases should meet the cost of financing the protection required for schools below the MFG, with schools receiving the largest financial gain, contributing a larger proportion of their increase (option A)?				
	Option A	23	6	29	97%
	Option B	1	0	1	3%
	No response	0	0	0	0%

FINANCIAL CONSULTATION WITH SCHOOLS - July to September 2012		TOTALS			%
		PRIMARY	SECONDARY	TOTAL	
<u>Other matters</u>					
23	Do you agree that any additional funding received through the DSG to reflect deferred entries into reception classes should be allocated to schools on a per pupil basis?				
	Yes	23	N/A	23	96%
	No	1	N/A	1	4%
	No response	0	N/A	0	0%
24	Do you agree that when required, the Schools Forum should set up a specific centrally managed budget to allocate in year to schools experiencing significant in-year growth in pupil numbers?				
	Yes	22	6	28	93%
	No	2	0	2	7%
	No response	0	0	0	0%
25	Do you agree that in order to target resources to schools facing additional costs in order to comply with Key Stage 1 infant class size regulations that limit pupil numbers to no more than 30 a teacher, that a specific fund is set up, financed from half the funding relevant schools currently receive through the small school 'missing pupil' factor?				
	Yes	20	N/A	20	83%
	No	4	N/A	4	17%
	No response	0	N/A	0	0%
26	Do you agree that where there are real, identifiable costs arising as a result of a new, reorganised or closing school, that the Schools Forum should set aside specific funding to finance the additional costs?				
	Yes	23	3	26	87%
	No	1	0	1	3%
	No response	0	3	3	10%

BF School Funding Review Group

Meeting 4 October 2012

Agenda Item 4

Review of responses to the BF consultation on school funding reform

1. The draft report to the Schools Forum on outcomes to the Financial Consultation with schools has been previously circulated for information. The Group is requested to review the report and in particular consider the recommendations to be made to the Forum meeting on 18 October relating to proposed changes to the Funding Formula for Schools and de-delegation of budgets. Each recommendation from paragraph 5.6 to 5.31 needs to be considered, taking account of the views of schools following the consultation.
2. There are 3 areas within the report that require additional consideration in the light of additional information and guidance from the DfE. These are as follows:
 - i. Question 12 – should there be a high pupil mobility factor?
 - ii. Question 16 – should there be a contingency to allocate funds to qualifying schools with levels of pupils with special educational needs significantly above the numbers and needs provided for in their general funding?
 - iii. Question 23 – should there be a deferred admission to reception factor?

(i) High Pupil Mobility Factor

3. Members of the Group will recall that the option to continue using a high pupil mobility factor was only confirmed by the DfE at the end of June, but how it would operate was not explained. The BF consultation therefore asked should there be a high pupil mobility factor, to which 89% of respondents agreed.
4. Operational details have now been confirmed, and as expected, allow only one method of allocating funds. The data to be used must be the relevant October census to identify the start date of each pupil who started in the last three academic years, but did not start in August or September (or January for Year 1). Each non-routine admission over the relevant period must be funded at the same per pupil amount, although separate primary and secondary funding rates can be applied. There is no opportunity to target funding only to those schools with the highest proportion of non-routine admissions on their roll.
5. Using the data supplied by the DfE delivers a very different outcome from that currently in practice in the BF Formula which allocates funding for excessive non-routine admissions based on the last complete academic year data. The number of non routine starters as a percentage of statutory pupils is calculated and funding triggered where this is 10% or greater. For each non routine starter, an allocation of £119 is given. 6 primary schools currently receive funding through this factor, in the total sum of £18,090. All secondary schools have less than 10% non-routine admissions and did not, therefore receive any high pupil mobility funding in 2012-13. This indicates that separate approaches may be relevant for primary and secondary schools.
6. Annex A sets out the outcome if a high pupil mobility factor is used for **primary schools**. It shows 2012-13 funding allocations for high pupil mobility, those due under the new prescribed funding arrangements, and the funding each school would lose to finance such a factor, as the BF consultation document assumed such a factor would not be

allowed, and therefore distributed the funding 80% on pupil numbers, 10% on deprivation and 10% on low prior attainment.

7. Annex A shows that the operation of a high pupil mobility factor does not target funding to those with greatest proportionate non-routine mobility, but funds each admission at the same value.

The Group are asked to consider for Primary schools:

- i. **Whether a high pupil mobility factor should be used?**
- ii. **If yes, how, and to what total value it should be funded at?**

8. Annex B sets out the outcome if a high pupil mobility factor is used for **secondary schools**. It confirms no funding allocations were made for 2012-13, but illustrates the distribution under the new prescribed funding arrangements, if the £24 per relevant pupil funding rate in primary schools is used. Clearly, funding would need to be redistributed to finance this allocation and the amount each school would lose to finance such a factor, with the assumption that this would be an amount per pupil on roll of around £1.16, is also shown.

The Group are asked to consider for Secondary schools:

- i. **Whether a high pupil mobility factor should be used?**
- ii. **If yes, how, and to what total value it should be funded at?**

(ii) Contingency for schools admitting a disproportionate number of SEN pupils

9. The DfE recognises that there may be some cases where the Funding Formula does not adequately reflect the number or needs of SEN pupils in individual mainstream schools. This may happen particularly where a school develops a good reputation for SEN and attracts many SEN pupils, but this is hard to reflect in the formula. Therefore, local authorities will be allowed to provide additional funding, subject to schools meeting locally defined criteria. Initial modelling of options to delegate this funding indicated that three schools are not adequately resourced through a formulaic approach, and the Group agreed that £0.190m should be top-sliced from the newly delegated funds to ensure a fair allocation of funding. This amount was provisional and would be subject to confirmation by the Schools Forum through the normal budget setting process.
10. Further analysis of the impact from this option has identified a complication with the MFG that was not previously anticipated. This results from a change in the way that the Dedicated Schools Grant will be constructed, with its division into three separate, un-ring-fenced parts; an Early Years Block, a High Needs Pupils Block and a Schools Block.
11. The SEN contingency must be funded from the High Needs Block, where funding allocations are not governed in the same way as the Funding Formula with more freedom to determine how money is spent. To provide the necessary funding, a top-slice was proposed from the Schools Block, which all schools contribute to from their share of the SEN funding currently distributed on the basis of named pupils, of which a small number of schools would lose significantly from the redistribution, hence the proposal for the SEN contingency, with the funds allocated to the majority of schools being £0.190m greater than the current amount.
12. Our original expectation was that adding back additional funds to those schools with a disproportionate number of SEN pupils would be taken into account in the operation of the MFG. However, on using the DfE Toolkit, it became apparent that any contingency

allocation would have to be applied after the MFG calculation, which means relevant schools below the MFG as a result of reduced SEN funding would receive an MFG top up, to be funded from schools receiving an overall gain from the new arrangements, as well as a further contingency allocation.

13. As this impact has only just come to light, full financial implications have yet to be determined, but it may be possible to add a criteria for allocations from the SEN contingency that they must take account of the impact from the MFG arising from changes to SEN funding in the Formula.
14. Group members will be aware that the MFG is not a straightforward calculation, and in some instances schools must absorb some loss of funding before the maximum 1.5% deduction in per pupil funding is applied. This means that in some instances the MFG would not fully compensate schools with a disproportionate number of SEN pupils, as they could be required to absorb some financial loss.

The Group are asked to NOTE the complications associated with the SEN contingency and that further information and proposals will be presented to the Schools Forum at a later date.

(iii) Deferred admission to reception classes

15. The DfE has stated that there will now be an adjustment to DSG allocations made to LAs to recognise pupils that have deferred entries into Reception classes, and are not, therefore included on the October census that is used for funding purposes. This will reflect the difference in Reception pupil numbers between the October and January counts of the previous academic year. The adjustment is not funded through new money, but rather by dividing total existing funds by more pupils i.e. the deferred entries, thereby reducing the per pupil funding rate. This adjustment then identifies an amount of DSG associated with these pupils.
16. The funding can be applied to all schools through the per pupil amount i.e. not just those with Reception pupils, or none, or just primary or just secondary, but if the per pupil amount is not used it must be distributed through the Formula and not used to fund centrally retained expenditure.
17. Data supplied by the DfE for the current financial year indicates that there were 36 deferred entries to Reception classes between October 2011 and January 2012 which is 2.7% of total relevant admissions. The highest number of deferred entries at a school is 6, which is equivalent to a 21% increase on the original number of admissions. The next highest number is 5, with the next highest percentage 11%. Only 2 schools have deferred admissions greater than 10% or 4 pupils compared to October. Annex C shows the change in admissions by school.
18. During the year, many schools admit additional pupils for which no funding is received. Considering the numbers involved in BF for deferred admissions to Reception classes, there does not appear to be a significant, widespread issue. Therefore, it is proposed that further work is undertaken to determine what constitutes a significant number of deferred admissions, and then allocate funds from a centrally held contingency, when qualifying criteria is met. This would operate in a similar way to the allocation of additional funds to schools that experience significant in-year growth in pupil numbers.

19. Three schools had reductions in reception numbers, and there is no facility to reduce budgets in such instances.

The Group are asked to agree that further work is undertaken to establish what constitutes a significant number of deferred admissions, with the likely outcome that funding would be allocated from a centrally retained contingency, when qualifying criteria is met.

Comments made by schools through the finance consultation

20. Whilst the finance consultation asked school views on specific questions, general comments were also invited and these will all be reported to the Schools Forum. 14 schools made a total of 35 comments and these are in the process of being evaluated and where any are considered significant, will be highlighted in the report.

Summary

21. As expected, the outcomes from the consultation responses, and updates on school data and additional information and guidance from the DfE have had an impact on the financial modelling show at previous meetings and included on the consultation document. Furthermore, the effect of the MFG will also be different for a number of schools. Work is underway to calculate individual school budgets under the new arrangements, if they had been in place for the current financial year i.e. restate the 2012-13 budget using the 2013-14 Funding Formula, but this has yet to be completed.

Contact for queries:

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High Pupil Mobility – Primary Schools

Ref	School	Starters as % NOR for 2012-2013 allocation	Mobility funding 2012-2013	Proposed new high pupil mobility using new DfE prescribed methodology	Remove funding included on BF consultation document (1)	Change in funding
1	Ascot Heath Infant	5.11%	£0	£283	-£375	-£92
2	Ascot Heath Junior	2.53%	£0	£191	-£443	-£251
3	Binfield Primary	3.40%	£0	£446	-£741	-£295
4	Birch Hill Primary	5.59%	£0	£706	-£761	-£55
5	College Town Infant	10.65%	£2,142	£689	-£412	£277
6	College Town Junior	13.73%	£4,642	£669	-£552	£117
7	Cranbourne Primary	5.10%	£0	£478	-£362	£116
8	Crown Wood Primary	8.57%	£0	£809	-£570	£239
9	Crowthorne Primary	5.59%	£0	£552	-£404	£148
10	Fox Hill Primary	19.29%	£3,213	£858	-£350	£508
11	Great Hollands Primary	8.06%	£0	£756	-£907	-£151
12	Harmans Water Primary	7.35%	£0	£1,397	-£1,401	-£4
13	Holly Spring Infant	13.16%	£1,785	£575	-£438	£138
14	Holly Spring Junior	4.98%	£0	£287	-£472	-£185
15	Jennetts Park Primary	n/a	£0	£0	-£396	-£396
16	Meadow Vale Primary	2.97%	£0	£442	-£995	-£552
17	New Scotland Hill Primary	3.43%	£0	£364	-£372	-£8
18	Owlsmoor Primary	4.58%	£0	£698	-£833	-£135
19	The Pines Primary	6.37%	£0	£339	-£468	-£129
20	Sandy Lane Primary	9.62%	£0	£1,712	-£1,291	£422
21	St Joseph's Primary	2.25%	£0	£196	-£415	-£219
22	St Margaret Clitherow Primary	5.06%	£0	£364	-£445	-£81
23	St Michael's (East) Primary	3.85%	£0	£278	-£471	-£193
24	St Michael's (Sand) Primary	6.56%	£0	£442	-£361	£81
25	Uplands Primary	3.93%	£0	£278	-£341	-£63
26	Warfield Primary	2.22%	£0	£308	-£374	-£66
27	Whitegrove Primary	4.97%	£0	£962	-£784	£178
28	Wildmoor Heath Primary	13.64%	£2,499	£617	-£298	£319
29	Wildridings Primary	13.17%	£3,808	£1,254	-£850	£403
30	Winkfield St Mary's Primary	5.75%	£0	£597	-£410	£187
31	Wooden Hill Primary	5.43%	£0	£541	-£799	-£258
	Total Primary	6.90%	£18,090	£18,090	-£18,090	£0

(1) 80% pupil number, 10% deprivation, 10% low prior attainment.

High Pupil Mobility – Secondary Schools

Ref	School	Starters as % NOR for 2012-2013 allocation	Mobility funding 2012-2013	Proposed new high pupil mobility using new DfE prescribed methodology	Remove funding included on BF consultation document (1)	Change in funding
32	The Brakenhale	7.12%	£0	£1,124	-£1,057	£66
33	Easthampstead Park	7.30%	£0	£1,339	-£859	£479
34	Edgbarrow	2.20%	£0	£741	-£1,141	-£399
35	Garth Hill College	2.83%	£0	£1,411	-£1,460	-£49
36	Ranelagh	0.40%	£0	£72	-£880	-£809
37	Sandhurst	4.61%	£0	£1,793	-£1,082	£711
	Total Secondary	4.08%	£0	£6,479	-£6,479	£0

(1) Equal amount per pupil for illustrative purposes.

Deferred entries to reception classes

Ref	School	Total numbers in reception as at October 2011 Census	Total numbers in reception as at January 2012 Census	Change - Only positive number changes are taken into account	% Change
1	Ascot Heath Infant	66	69	3	4.35%
2	Ascot Heath Junior	0	0	0	0.00%
3	Binfield Primary	59	60	1	1.67%
4	Birch Hill Primary	59	60	1	1.67%
5	College Town Infant	74	73	0	0.00%
6	College Town Junior	0	0	0	0.00%
7	Cranbourne Primary	29	29	0	0.00%
8	Crown Wood Primary	50	52	2	3.85%
9	Crowthorne Primary	28	30	2	6.67%
10	Fox Hill Primary	29	30	1	3.33%
11	Great Hollands Primary	53	51	0	0.00%
12	Harmans Water Primary	89	89	0	0.00%
13	Holly Spring Infant	86	87	1	1.15%
14	Holly Spring Junior	0	0	0	0.00%
15	Jennetts Park Primary	29	29	0	0.00%
16	Meadow Vale Primary	87	88	1	1.14%
17	New Scotland Hill Primary	30	30	0	0.00%
18	Owlsmoor Primary	65	70	5	7.14%
19	The Pines Primary	29	30	1	3.33%
20	Sandy Lane Primary	84	88	4	4.55%
21	St Joseph's Primary	30	30	0	0.00%
22	St Margaret Clitherow Primary	30	30	0	0.00%
23	St Michael's (East) Primary	34	34	0	0.00%
24	St Michael's (Sand) Primary	29	29	0	0.00%
25	Uplands Primary	29	30	1	3.33%
26	Warfield Primary	30	30	0	0.00%
27	Whitegrove Primary	58	60	2	3.33%
28	Wildmoor Heath Primary	24	27	3	11.11%
29	Wildridings Primary	50	52	2	3.85%
30	Winkfield St Mary's Primary	23	29	6	20.69%
31	Wooden Hill Primary	52	51	0	0.00%
	Total Primary	1,335	1,367	36	2.62%

2.70%

School Funding Review Group***DRAFT*** Minutes of meeting held 4 October 2012

(10.30 am to 11.45 am)

Present:

Bob Welch	Chief Adviser
Paul Clark	Head of Departmental Finance - CYPL
Angela Fright	School Funding Officer (job share)
Alison Travers	School Funding Officer (job share)
David Watkins	Chief Officer: Strategy Resources and Early Intervention (Chair)
Tony Reading	Primary governor representative (Sandy Lane)
John McNab	Secondary governor representative (Edgbarrow)
Kathy Winrow	Academy representative (Ranelagh)
Carol Alexander	Primary school bursar (Fox Hill)
Alison Alder	Secondary school bursar (Garth Hill)

Apologies:

Paul Salter Brian Fries Trisha Donkin Martin Gocke (apologies received after meeting)	Secondary school representative (Brakenhale) Secondary governor representative (Easthampstead Park) Primary school representative (Holly Spring Junior) Special school governor representative (Kennel Lane)
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Ref	Item	Action
1	<p><u>Apologies for absence</u></p> <p>Apologies for absence were received from Paul Salter Secondary school representative (Brakenhale), Brian Fries Secondary governor representative (Easthampstead Park), Trisha Donkin Primary school representative (Holly Spring Junior) and Martin Gocke Special school governor representative (Kennel Lane)</p>	
2	<p><u>Minutes and matters arising from the last meeting</u></p> <p>The minutes from the last meeting were agreed as a correct record.</p>	

3/4	<p><u>Update from the previous meeting / review of responses to the BF consultation on school funding reform</u></p> <p>The group was taken through the report on the responses to the consultation to be taken to Schools Forum 18 December. The level of response rate was good at 81%, with 30 responses in total from primary and secondary schools.</p> <p>The report was reviewed and all recommendations made in it approved by the Group.</p> <p>Additional comments from schools had not been reviewed in detail so had not been provided for the meeting, though for transparency, these would be presented in full to the Schools Forum.</p>	
	<p>It was noted that revised voting arrangements for Schools Forum meant that school funding changes could only be voted on by school representatives. Changes to the BF Funding Formula needed to be agreed at the School Forum meeting 18 October for confirmation by the DfE by 31 October 2012 deadline.</p> <p>The group was also informed of the implications for buy-back arrangements as a result of the funding reform. The current practice of charging schools the amount of their allocations would be replaced by the charge being the actual cost of the service. School Bursars should be alerted to this change as it may have an implication on their budget planning.</p> <p>There were 3 areas in the report to Schools Forum, which needed to be considered in greater detail, the first of these being:</p> <p>(i) High pupil mobility factor</p> <p>The possibility of including this factor within the funding reforms was only confirmed at the end of June. Our current formula has this factor and specifically targets those schools, where pupil turbulence is significant – the threshold for triggering funding is where the number of non-routine admissions as a percentage of pupils on roll is greater than 10%. Only Primary schools triggered this funding in 2012-2013.</p> <p>The DfE methodology, operating on the data providing by them, would provide funding at a flat rate for each non-routine admission, with no opportunity for targeting resources. An exemplification of this was given, dealing with Primary and Secondary schools separately. After discussion, it was agreed that the issue of a High pupil mobility factor for Primary schools would be further discussed at Schools Forum and a decision made there. However, a High pupil mobility factor was not considered necessary for Secondary schools,</p> <p>(ii) Contingency for schools admitting a disproportionate number of SEN pupils</p> <p>In the modelling which had been undertaken to give schools formulaic funding to provide the first 16 hours of additional support to pupils, it has</p>	<p>PC</p> <p>PC for Forum</p>

	<p>previously been noted that 3 schools are particularly disadvantaged by this. The DfE had indicated that a Contingency Fund, operating to locally defined criteria, could be set up to provide funding to schools in such circumstances. However, the interaction of the reconstruction of the DSG into Schools Block, High Needs Block and Early Years Block meant that MFG would have to be applied first, providing the 1.5% maximum funding reduction, after which, additional contingency funding could be given, subject to schools meeting the specified criteria. This process results in unexpected financial outcomes which will be fully quantified once the outcomes from the consultation have been fully determined.</p> <p>It was agreed that the basic principle of such a Contingency was correct, but that further work and analysis should be undertaken and reported back to the Schools Forum for a decision at a latter stage.</p> <p>(iii) Deferred admission to reception classes</p> <p>It was reported that deferred admissions, based on parental choice, was not particularly significant for BF. DfE data provided, indicated that there were 36 more reception pupils on the January Census 2012 compared to the October Census 2011. This has funding implications, as in future school funding will be based on October Census data and not January Census, as previously. However, it was also noted that schools already admit pupils across all year groups in year with no budget adjustment, unless overall pupil numbers in crease by 20. It was agreed that further work would be undertaken to determine where the number of deferred admissions becomes significant, so that schools satisfying qualifying criteria would be eligible to funding from a centrally retained contingency, but that no specific factor should be included in the BF Funding Formula.</p>	<p>AT/AF</p> <p>AT/AF</p>
	<p>It was also confirmed to Group members that as some of the responses from schools in the consultation were not as expected, in particular around funding schools for deprivation, and that DfE had now provided the full data set to calculate school budgets under the new funding arrangements, there will be different financial outcomes for each school than those displayed in the BF consultation document. The Group were reminded that this point has regularly been made to schools and set out in the BF consultation document.</p>	
<p>5</p>	<p><u>Any Other Business</u></p> <p>The meeting concluded with expressions of thanks from David Watkins to Paul Clark and his team and to all the group members for their contributions to the Review Group meetings</p>	

Circulation of notes: To all Group Members, nominated substitutes and Director of Children, Young People and Learning

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Agenda Item 5

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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