



NOTICE OF MEETING

Schools Forum

Thursday 17 January 2013, 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

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If you require further information, please contact: Amanda Roden
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Published: 9 January 2013

Schools Forum
Thursday 17 January 2013, 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 18 October 2012.

1 - 8

4. **Setting the baseline for the 2013-14 Schools Budget**

9 - 26

5. **Proposals for the 2013-14 Schools Budget**

27 - 50

6. **Local Authority Budget Proposals for 2013-14**

51 - 80

7. **Dates of Future Meetings**

The next meeting of the Schools Forum is scheduled for Thursday 7 February 2013 at 4.30pm in the Council Chamber at Easthampstead House but given the close proximity of this date it is likely that the Schools Forum will next meet on Thursday 14 March 2013, unless there is no business to discuss.



**SCHOOLS FORUM
18 OCTOBER 2012
4.30 - 4.53 PM**

Present:

Schools Members

Sue Barber, Primary School Governor
Ed Essery, Primary School Governor
Brian Fries, Secondary School Governor
Martin Gocke, Pupil Referral Unit Representative
Louise Lovegrove, Primary School Representative
Joanna Quinn, Primary School Representative
Paul Salter, Secondary School Representative
Trudi Sammons, Primary School Representative
Anne Shillcock, Special Education Representative
John Throssell, Primary School Governor (Vice-Chairman)

Non-Schools Members:

George Clement, Union Representative (Chairman)

Apologies for absence were received from:

Liz Cole, Primary School Representative
Trisha Donkin, Primary School Representative
Keith Grainger, Secondary Head Teachers Representative
John McNab, Secondary School Governor
Margaret Saner, Secondary School Governor
Kate Sillett, PVI Provider Representative
Kathy Winrow, Secondary School Representative
Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning

17. Declarations of Interest

John Throssell declared an interest in agenda item 4 being Chairman of Governors at Crown Wood School.

18. Minutes and Matters Arising

RESOLVED that the minutes of the meeting held on 13 September 2012 be approved and signed by the Chairman as a correct record.

19. School Funding Reform

The Forum considered a report summarising the results of the Financial Consultation exercise with governing bodies and other interested parties. It set out schools' views regarding a number of changes proposed to the way funds were to be allocated to mainstream schools which the Schools Forum was requested to take into account when making proposals for the 2013-14 Bracknell Forest Funding Formula for Schools which would be formally agreed by the Executive Member for Children, Young People & Learning.

The Forum noted the outcome from the financial consultation with schools. It was reminded that it had received reports on school funding reform which had confirmed that there would 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:

- The simplification and standardisation of the way that resources were distributed to schools through the funding formula, with each local authority required to inform the Department for Education of its new formula no later than 31 October, 2012.
- Creating a national benchmark for funding schools in their general budgets to support pupils with special educational needs;
- Delegation of additional resources to schools for services currently managed centrally by the Council.

A School Funding Review Group with membership from head teachers, governors, school bursars and local authority officers had worked through the new requirements and agreed the questions to be asked of all schools through a 12 week consultation period. Responses had been received from 30 out of 37 schools (81% response rate).

The Forum was advised that, in general, there had been 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.
- 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%.

The changes proposed ensured compliance with the draft School and Early Years Finance (England) Regulations, 2013.

In response to a question, the Forum was advised that information relating to Kennel Lane School and the College Hall Pupil Referral Unit would be presented to it too.

The Forum was duly invited to consider its decision on each of the questions posed as part of the consultation.

RESOLVED that

- 1 Those schools losing money at April 2013 through the funding reforms be allowed to retain any significant surplus balance without a valid reason until 31 March 2015;
- 2 The decisions in respect of each of the questions posed as part of the consultation be as follows:

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?

That there are no changes to the way schools are funded for 3 and 4 year olds through the Early Years Single Funding Formula.

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?

That differential per pupil funding rates be applied at Key Stage 3 and Key Stage 4.

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?

That the funding ratio between Key Stage 3 and Key Stage 4 pupils continues at 1:1.2.

Question 4 (All Schools)

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

That Option C: 40% on FSM numbers, 60% on IDACI bandings increasing by a factor of 0.5 for funding schools for deprivation be implemented.

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?

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.

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?

That 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.

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?

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.

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?

That an additional factor be added to fund relevant schools that will incur costs from joint use of sports facilities.

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?

That, in view of the decision relating to question 8 being agreed by the Department for Education, no action is necessary in relation to this question..

Question 10 (All Schools)

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

That schools are funded for EAL pupils for the first three years that the pupils are in the education system.

Question 11 (All Schools)

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

That schools should receive funding for pupils who have been looked-after children at any time.

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?

That a high pupil mobility factor should be included in the Formula for Primary Schools, but should not be included in the Formula for Secondary Schools.

Question 13 (All Schools)

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

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.

Question 14 (All Schools)

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

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.

Question 15

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

That schools are funded to meet around the first £6,000 of additional educational needs for each pupil from their general funding.

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?

That, in principle, 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.

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?

That 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 Department of Education model.

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?

That the value of additional pupil support 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.

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?

That for newly delegated items, funding should be allocated to schools through Option A as detailed in Appendix O of the Review of the Bracknell Forest Funding Formula booklet.

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?

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.

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?

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.

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)?

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).

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?

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.

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?

That a specific centrally managed budget to allocate in year to schools experiencing significant in-year growth in pupil numbers be set up.

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?

That a specific fund be 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.

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?

That when necessary, specific funding should be set aside to finance the additional costs arising from new, reorganised or closing schools.

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?

That further consideration be given to the following items as part of the budget building process:

- *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*

- 3 The Executive Member for Children, Young People & Learning be requested to agree that the Bracknell Forest Funding Formula for Schools be amended accordingly.

20. **Dates of Future Meetings**

The Forum noted that its next meeting was scheduled for Thursday 13 December 2012 at 4.30pm in the Council Chamber at Easthampstead House.

CHAIRMAN

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TO: SCHOOLS FORUM
DATE 17 JANUARY 2013

SETTING THE BASELINE FOR THE 2013-14 SCHOOLS BUDGET (Director of Children, Young People and Learning)

1 PURPOSE OF REPORT

- 1.1 This report sets out the changes being made from April 2013 by the Department for Education (DfE) to the structure of education funding through a re-configuration of the Dedicated Schools Grant (DSG). It is a technical paper that explains the implications and confirms that a new budget baseline needs to be established and that the approved BF Schools Budget needs to be aligned with the new baseline before the 2013-14 budget setting process can commence.

2 RECOMMENDATIONS

- 2.1 **The changes being made to the composition of the DSG, as set out in the supporting information are NOTED;**
- 2.2 **The provisional amounts in each DSG Block for Bracknell Forest, as summarised in Table 3 at paragraph 5.28 are NOTED;**
- 2.3 **The Executive Member is requested to agree:**
- i. **the amount that the adjusted DSG for 2012-13 exceeds the current approved budget by is allocated as set out in paragraph 5.26;**
 - ii. **the consequential budget virements that are summarised in Annex 5.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 **To ensure that the baseline for the 2013-14 Schools Budget properly reflects the new funding framework.**

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

Introduction

- 5.1 Whilst there are no plans to change the way that LAs are funded for the responsibilities that fall within the Schools Budget before the next spending review (to be implemented from April 2015), the DfE intends to make some changes to the composition of the DSG, including making transfers of funds to follow new responsibilities. These changes are important as they will set the short term funding

base for Education Services and will require some budget adjustments to correctly set the Bracknell Forest baseline for the 2013-14 Schools Budget.

- 5.2 LAs currently receive funding for schools and education through the ring-fenced DSG, the local authority Formula Grant and the Pupil Premium. These elements will continue, subject to the adjustments set out below:
- a) The DSG will be split into three notional blocks (high needs, early years and schools);
 - b) The DSG will be based on an earlier count of pupil numbers; i.e. October rather than January, and,
 - c) There will be a transfer of funding from LAs into the DfE for central education services. The DfE will administer this money as a separate grant, paying relevant amounts on a per pupil basis to authorities and to Academies on a national funding rate.
- 5.3 Until such time as national funding arrangements change, the DfE intends to continue to fund LAs for each pupil on roll through the DSG. For BFC, the uniform amount of per pupil funding for 2012-13 is £4,861.

Reconstructed DSG

- 5.4 From 2013-14 the DSG will be split into three notional blocks – high needs, early years and schools. In 2013-14 these will be calculated based on individual LAs 2012-13 budgets, constrained to the total DSG received in 2012-13. Therefore, in the first instance, each block will be based on previous spending decisions. The blocks will not be ring-fenced but a ring-fence will continue on the DSG as a whole so that it can only be spent on the functions for which it has been allocated. Annex 1 reproduces the relevant DfE text on how the different blocks of the DSG will be calculated for 2013-14.

High Needs Block

- 5.5 The High Needs Block will cover funding for education provision for high needs pupils and students from birth to 25. This is in line with the proposals set out in the Green Paper on SEN and disability. Members of the Forum will recall that High Needs Pupils are defined by the DfE as those requiring more than £10,000 of support each year.

A broad outline of the services falling within the High Needs Block is set out in Annex 2.

- 5.6 The High Needs Block will use as a baseline the 2012-13 budgeted spend on high need pupils and students. This will be determined from the 2012-13 Section 251 Budget Statements – the national expenditure returns that the DfE uses to produce the financial benchmarking tables that are reported to the Forum each year. Additionally, there will be a funding transfer from the Education Funding Agency (formerly the Young People's Learning Agency (YPLA)) in respect of SEN students aged 16-25 in further education providers and independent specialist providers which are currently funded outside the DSG through a specific grant.
- 5.7 This EFA grant for 2012-13 was confirmed at £0.516m, but this was after the BF Schools Budget was set using the 2011-12 amount of grant, which was ultimately £0.026m less than the revised actual grant receipt. This shortfall will need to be funded from the overall DSG income.

- 5.8 The new funding arrangements will also remove the current inter authority SEN recoupment arrangements where LAs charge each other for non-resident SEN pupils attending their special schools where their cost of education exceeds their per pupil DSG funding rate. This is a complex adjustment and requires resetting budgets for each LA to ensure that the resident LA has the £10,000 per place core funding in its base budget to meet the new mandatory payments to specialist providers. Where other LAs are currently paying a recoupment charge, they need to transfer appropriate funds to the home LA. However, it is not a straightforward £10,000 per place adjustment as this too is amended to take account of the core funding rate received by LAs. Therefore it is the net amount that needs to be transferred and this has been confirmed with the DfE as a deduction of £0.197m. A funding reduction was expected, reflecting the Council's position as a net exporter of SEN pupils.
- 5.9 A similar adjustment needs to be made between LAs and the EFA to reflect the £10,000 core per place funding that the EFA will in future make to private, voluntary and independent (PVI) sector Special Schools. The DfE has yet to propose the amount of deduction for this part of the High Needs Block, so it remains outstanding.
- 5.10 Whilst these changes will reduce annual fee payments paid by £10,000, the funding transfers are based on historic placement data, and therefore the full financial implications can not be determined with complete accuracy until placements required in 2013-14 are known. Furthermore, specialist providers will be revising their charges in the light of the new arrangements and this may result in higher or lower payments being required than is funded in the High Needs Block.
- 5.11 For maintained Pupil Referral Units (PRUs), special schools and mainstream schools with designated special units or specially resourced provision, base funding will be "passport" through the home LA at the prescribed £8,000 or £10,000 per place.
- 5.12 Further net nil effect changes are required as adjustments to the originally submitted Section 251 Budget Statement are needed as there are a number of budget allocations that will need to be accounted for differently in the new framework. For example, the budget for the Autistic Spectrum and Social Communication Service managed at Kennel Lane Special School (KLS) will need to be re-classified on the Section 251 Budget Statement as it is currently paid to KLS to provide an outreach service to mainstream schools, but does not directly benefit the pupils at KLS. Therefore the funding needs to move from the Special School line where it currently sits on the Section 251 Budget Statement to the line relating to SEN Support Services as it will need to be delivered in future through a formal commissioned service. Relevant adjustments are summarised at Annex 5, based on the Section 251 Budget Statement format.
- 5.13 The High Needs Block will be adjusted for new places in maintained schools and academies, and this data is currently being checked and reviewed which could result in changes to the level of DSG. There is also the potential for further adjustments on the post-16 SEN funding as the DfE continues to work towards the new arrangements for August 2013, and is not expected to confirm final funding amounts on this element of the DSG until March. However, at this stage provisional figures for these outstanding adjustments indicate a reduction in funding of £0.063m. As set out above, the High Needs Block will be notional – local authorities and Schools Forums will be able to move resources flexibly between the different notional blocks within the DSG, subject to the existing central spend limit. Services within the High Needs Block are experiencing significant cost pressures which can not be managed without additional resources, and this is further discussed on the next agenda item.

- 5.14 The DfE envisage that the creation of the notional High Needs Block will facilitate the more personalised approach to funding proposed in the SEN and disability Green Paper. The Green Paper pathfinders are currently testing what provision could be included in a SEN personal budget, including through the use of direct payments to individuals for education and health provision. Further information about this will be made available by the DfE as the pathfinder programme develops. The reforms of high needs education funding are intended to enable any provision funded from the local authority's notional High Needs Block, above elements 1 (core education funding) and 2 (additional support funding), to be included in a SEN personal budget. This would mean parents and students becoming commissioners of services from schools.

Early Years Block

- 5.15 The Early Years Block will initially cover 3 and 4 year olds receiving the entitlement to 15 hours a week free education and childcare that is paid to providers – maintained schools and private, voluntary and independent sectors – through the Early Years Single Funding Formula (EYSFF). It will also cover the early years contingency, central expenditure on under 5s and high needs pupil funding where this is not included in the High Needs Block. As previously reported to the Forum, the DfE intends to widen the free entitlement to the most deprived 2 year olds, and a funding addition to the 2013-14 Early Years Block of £0.894m has been confirmed by the DfE.
- 5.16 Early Years is currently funded in the DSG from the January count, with top up funding to a minimum of 90% of the relevant population in LAs below this threshold. BFC participation is above 90% so is funded on actual January head count data. The DfE propose to construct funding for the Early Years Block through continuing to use the January count (taking the relevant pupil numbers from the School Census and all pupils on the Early Years Census), but then updating in-year to reflect actual pupil numbers. This adjustment is proposed because early years funding differs from main school funding with providers having to be funded for the pupil numbers that they actually have during the financial year, rather than fixed to the January census as is the case for schools. This is because there are many small providers which need to be paid promptly for increases in numbers of children in order to be able to cope with cash-flow.
- 5.17 This means for 2013-14, the initial notional Early Years Block would be based on each LAs planned early years spending for 2012-13 and on the January 2012 count. This would be updated for the January 2013 count in summer 2013 and the allocations would be adjusted at the end of the financial year using the January 2014 count. This is intended to more accurately reflect the children that LAs have to fund during the financial year and reduces financial risks to the BF Schools Budget as in-year increases in take up will result in additional funding.

- 5.18 The DfE plan to phase out the 90% funding floor for 3 year olds from 2013-14.

Schools Block

- 5.19 The Schools Block will cover funding delegated to primary and secondary schools (not special schools as these are in the High Needs Block), including the new delegations required under the new framework, and a the consequential smaller range of central services which will be drawn from the 2012-13 Section 251 Budget Statements. The notional funding in the Schools Block will be determined from deducting the notional High Needs and Early Years Blocks from each authority's final Dedicated Schools Grant, and is therefore a balancing figure.

A broad outline of the services falling within the Schools Block is set out in Annex 3.

- 5.20 The main change for the notional Schools Block relates to using a different census point for funding purposes. Currently the DSG is not confirmed until three months into the financial year (for example, the 2012-13 DSG allocations were not confirmed until the end of June 2012). This is because DSG allocations are based on pupil numbers from the January School Census. To enable earlier budget setting from 2013-14, the notional Schools Block will be calculated using pupil numbers from the October School Census (so for 2013-14, pupil numbers from the October 2012 School Census). In order to ensure that all schools are funded on the same data point, the change would also apply to the setting of maintained school and Academy budgets.
- 5.21 Using data from the October Census rather than the January Census for the notional Schools Block was expected to allow the DSG to be confirmed in December, subject to DfE decisions on national spending levels. However, the complications with the determination of the High Needs Block means that only the Schools Block and initial Early Years Block amounts have been confirmed. Whilst the DfE believe this will then “enable maintained school and Academy budgets to be notified by 31 March, or earlier”, as shown in the short indicative timetable in Table 1 below, it creates uncertainty over the affordability of High Needs liabilities.

Table 1: DfE indicative timetable for the calculation of 2013-14 school budgets

Date	Action
4 October 2012	School Census Day
31 October 2012	Local authorities submit provisional Schools Budget pro-forma to the Education Funding Agency (EFA).
28 November 2012	School Census database closed.
10 December 2012	EFA confirms DSG allocations for 2013-14 (prior to recoupment of funding for Academies).
22 January 2013	Local authorities submit final data for Schools Budget pro-forma.
February – March 2013	Local authorities confirm budgets for their maintained schools. EFA confirms Academy budgets.

Setting the funding level for each DSG Block

- 5.22 The DfE has undertaken an exercise with LAs to validate the baseline funding to be made available in each DSG Block for 2013-14. This started in August and with the exception of parts of the High Needs Block has now been completed.
- 5.23 As well as reflecting the adjustments set out in the above sections, there also needs to be an adjustment to the starting budget in respect of the future funding of hospital education. In certain circumstances pupils will receive their education in hospital rather than in school, and current arrangements are for the LA where the hospital school resides to charge the resident LA for any pupil placements during the year. These arrangements are to change, whereby in future, full funding for hospital education will be provided to the LA the hospital school resides in which would in future pay for the cost of service and not charge other LAs. A funding transfer is

therefore required to relevant LAs, which the DfE has determined will be on a per capital amount per LA, equivalent to £8.50 per pupil. This equates to £0.128m for BF but with current costs estimated at £0.030m represents a loss of funding of £0.098m. The DfE has justified this approach to funding on the “assumption that over time, demand for hospital services should be roughly even across the country”.

- 5.24 Table 2 below summarises the core funding from the DfE compared to the approved Schools Budget which shows the DfE allocating £0.157m more than in the current base budget. This reflects the fact that the original 2012-13 Schools Budget was set before the DSG level was confirmed in June at £76.487m, £0.387m below the actual amount of DSG. In setting the budget £0.243m was set aside as a contingency for in-year cost pressures. Furthermore, £0.086m was set aside for the LACSEG deduction for the academy school. The remaining £0.058m variance is accounted for by slight differences between DfE census numbers and BFC calculated equivalents. Using the final DSG as the starting point for next year’s budget, rather than that approved by the Forum, also absorbs the £0.230m one-off funding from the 2011-12 under spending which would otherwise have had to be removed from the funding envelop, creating a consequential pressure.

Table 2: Core funding from DfE for 2012-13

Budget Area	Provisional Funding £m
Final DSG for 2012-13	76.487
Total DfE baseline	76.487
Agreed Bracknell Forest Schools Budget:	
Estimated DSG	76.100
Under spend from 2011-12	0.230
Approved base budget	76.330
Amount baseline exceeds approved budget	0.157
Amount baseline exceeds on-going approved budget	0.387

- 5.25 There is one further adjustment being made to the Schools Block DSG and this relates to funding for induction for Newly Qualified Teachers (NQTs). The induction regulations have changed so that teaching schools can act as the ‘appropriate body’ for the induction of newly qualified teachers in maintained schools. Before these changes were made, only local authorities could act as the appropriate body for maintained schools for which a charge for carrying out this role could not be made. The DfE has made a funding transfer between the LA Formula Grant and DSG for this change, which amounts to £0.022m for BFC. This funding must be delegated to schools, with LAs now able to charge where schools commission them to carry out the role.
- 5.26 Table 2 above indicates additional funding of £0.157m, which increases to £0.387m when the £0.230m one-off budget funded from the 2011-12 under spend is excluded, as this amount is not part of the on-going base budget. In addition to this, there is the £0.022m added to meet the cost of NQT induction, and this is proposed to be ring-

fenced for the purpose it has been allocated. The funding increase is therefore recommended to be applied as follows:

- a) £0.230m to make permanent the funding added from 2011-12 balances, initially for one-year only;
- b) £0.128m to finance the hospital education top slice being removed by the DfE from the DSG baseline;
- c) £0.026m to finance the shortfall in the current budget compared to the actual grant receipt to be received from the EFA to support post 16 students with SEN;
- d) £0.022m added to school budgets in respect of NQT induction;
- e) The remaining £0.003m is considered as unallocated funding, the use of which is to be agreed when setting the 2013-14 Schools Budget.

5.27 In respect of item d) above, cost of NQT induction, it is proposed to allocate the funds to primary and secondary phases in proportion to the average number of NQTs recruited over the last 3 years, which is 33.8 and 34 respectively, at a fixed amount per pupil, by phase. The estimated per pupil rate under this proposal would be £1.22 and £1.97 respectively.

5.28 Table 3 below summarises the totals expected in each DSG Block, before the outstanding adjustments in the High Needs Block. Annex 4 maps the detailed budget on the Section 251 Budget statement format to the new DSG Blocks.

Table 3: DSG re-basing to 2013-14 price base

Para ref	Budget Area	Provisional Funding £m	Provisional per pupil funding £
5.24	Final DSG for 2012-13	76.487	4,861
5.25	Add 'appropriate body' role in induction for NQT	0.022	
5.7	Add EFA post 16 SEN grant	0.516	
5.8	Less High Needs Pupils in other LA schools	-0.197	
5.23	Less funding transfer for hospital education	-0.128	
5.9	Deduction for High Needs Pupils in private /voluntary/ independent settings etc.	TBC	
5.13	Less provisional deduction for new places and post-16 high needs pupils	-0.063	
5.15	Addition for free entitlement for 2 year olds	0.894	
	Total provisional funding baseline	77.531	
	Provisional High Needs Block	12.193	N/A
	Provisional Early Years Block – 3 and 4 year olds – 2 year olds *	4.576 0.894	3,928
	Provisional Schools Block – Core amount – Induction of NQT *	59.846 0.022	4,187

* These items are classified by the DfE as adjustments to the DSG base as they have been added for new responsibilities arising from 2013-14 and are not therefore part of the initial published baseline amounts.

- 5.29 The final amounts used in the Early Years and Schools Blocks will be divided by relevant pupil numbers to determine the new per pupil funding rates for 2013-14 which will be multiplied by new pupil numbers to determine the amount of DSG. Therefore, it is important that the funding Blocks are correctly stated.
- 5.30 It can be seen from Table 3 that the per pupil funding rates for Early Years and Schools Block budgets are below the current uniform rate, which means that increases in per pupil numbers, which current trends indicate will continue, will be funded at a lower amount than in the past. The impact on these changes on the High Needs Block will not be known until the DfE confirms how the High Needs Block will be funded. As set out above, services within the High Needs Block are experiencing significant cost pressures which can not be managed without additional resources.
- 5.31 There are a number of consequential budget virements required from these changes to move approved budgets in the council's accounts to the areas that they now need to be held in. These have a net nil effect and the Forum is requested to recommend to the Executive Member that these virements are agreed, as summarised in Annex 5.
- 5.32 As budget decisions are taken, over time, the expectation should be that budgets by each notional DSG Block will not equate to published levels of DSG funding.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal issues are addressed within the main body of the report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information.

Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 The most significant issues from the DSG re-configuration are expected to be:
1. The separate funding blocks will change the way LAs are funded for changes in pupil numbers, with LAs experiencing significant pupil growth, like BFC, likely to receive smaller increases in funding than under the current DSG allocation.
 2. Paying all specialist providers a core £10,000 per place, either from the home LA or EFA could cloud the charges raised, which may result in an overall cost increase.

7 CONSULTATION

7.1 Not applicable.

Background Papers

None:

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Arrangements for calculating the baseline of the Dedicated Schools Grant blocks from 2013-14

1. We will use information from 2012-13 Section 251 statements to calculate the baseline for each of the blocks. The notional High Needs and Early Years Blocks will be subtracted from each authority's final Dedicated Schools Grant (DSG), before recoupment of DSG for Academies was deducted, and the balance will be shown as the notional Schools Block. We will give authorities the chance to confirm that these figures are correct before using them in the new system. We will also need a separate data collection to confirm the number of places funded for special educational needs and alternative provision within the notional High Needs Block.
2. As we will be balancing back to final DSG allocations, the blocks will exclude sixth form funding and any additions to the schools budget from local authority resources and previous years' DSG underspends. These adjustments will be applied to the notional Schools Block unless authorities specifically request an adjustment to one of the other blocks.
3. A move to the October Census will mean that we need to use a different baseline for 2012-13. For most authorities there is a difference in numbers between the October and January School Censuses, though for 90% of authorities it is less than 0.5%.
4. To neutralise the impact of this change, we propose to rebase the current Guaranteed Unit of Funding (GUF) i.e. the current £4,861 per pupil paid to BFC. A new 2012-13 GUF will be calculated for each local authority using October 2011 pupil numbers: the final 2012-13 DSG allocation (prior to recoupment of funding for Academies) would be divided by the October 2011 pupil numbers. In local authorities where fewer pupils are counted in October than January, this will create a higher GUF, and vice versa. The October 2012 pupil numbers would then be applied to the reset GUF to determine the DSG allocation (prior to recoupment) for 2013-14.

Note that this would not change the current GUF announced for 2012-13, which will continue to be used to calculate the 2012-13 DSG allocations.

5. Currently local authorities are allowed 15 weeks to complete the January Census, whereas the October Census only allows 8 weeks. This means that pupil numbers can be provided by the first week of December, allowing the Education Funding Agency (EFA) to confirm the DSG before the end of the autumn term. However, schools, local authorities and the Department for Education will have less time to spend on cleaning the data. The main issue resulting from this reduced timetable is un-resolved duplicate pupils, for example where two schools are claiming to be the main registration of a dual registered pupil. Discussions with local authorities about duplicate pupils can be quite lengthy, so the shorter time-scale in the October Census may not give enough time for all the duplicate issues to be resolved. However, we believe that the advantages of earlier budget certainty for schools and Academies make this change worthwhile. We will, of course, work with local authorities and schools to ensure that data issues are resolved as quickly as possible.

DSG Reform: Composition of the High Needs Block

High Needs Block

- Delegated budgets of special schools
- Centrally funded provision for individual pupils
- Special Educational Needs (SEN) support services
- Support for inclusion
- Independent special school fees
- Inter-authority SEN recoupment
- Pupil referral units
- Education out of school
- Delegated allocations relating to individual pupils – Individually Assigned Resources
- Delegated allocations relating to special units and specially resourced provision in mainstream schools
- Post-16 SEN expenditure
- Adjustments will be made for base funding of high needs places in provision not maintained by the authority, but to which it sends pupils.
- Additions will be made for budgeted spend on high needs students aged 16-25 in further education (FE) providers and independent specialist providers held by the Young People's Learning Agency.

DSG Reform: Composition of the Schools Block

Notional Schools Block	
<p>Mandatory delegation: Responsibility of Schools and Academies</p> <p>Staff costs*</p> <p>Premises costs*</p> <p>Learning resources*</p> <p>Supplies and services*</p> <p>Finance*</p> <p>HR*</p> <p>Payroll*</p> <p>ICT support*</p> <p>Legal services*</p> <p>Caretaking and cleaning*</p> <p>Building maintenance*</p> <p>Day to day health and safety compliance*</p> <p>Training and professional development*</p> <p>Governor training*</p> <p>Grounds maintenance*</p> <p>Staff absence cover* (except for limited central retention)</p> <p>Premature retirement costs (unless agreed otherwise by LA)</p> <p>Funding threshold and performance pay**</p> <p>14-16 practical learning options**</p> <p>School meals**</p> <p>Extended services/community facilities (other than joint use)**</p> <p>Admissions authority functions (where a school is its own admissions authority)</p> <p>Securing careers guidance</p> <p>Support for pupils with low cost high incidence SEN below the threshold</p>	<p>Optional delegation or centrally retained for maintained schools, but within academy budgets</p> <p>Support for schools in financial difficulties</p> <p>Allocation of contingencies</p> <p>Free school meals eligibility</p> <p>Insurance</p> <p>Licences/subscriptions</p> <p>Supply cover – long-term sickness, maternity</p> <p>Support for minority ethnic pupils or underachieving groups</p> <p>Support for low cost high incidence SEN</p> <p>Behaviour support services</p> <p>Library and museum services</p> <p>Supply cover for LA-wide trade union and other public duties</p>

Notional Schools Block (continued)

Central Services

Co-ordinated admissions scheme

Servicing of schools forums

Carbon Reduction Commitment

Schools forum approved DSG funding of non-schools budget items:

Contribution to combined budgets

SEN transport

Termination of employment costs

Capital expenditure funded from revenue

Prudential borrowing costs

* - already within delegated budgets

** - currently optional central retention

Re-stated 2012-13 Section 251 budget statement with new DSG Funding Blocks

ELEMENT OF THE SCHOOLS BUDGET	Net £k	Early Years Block £k	High Needs Block £k	Schools Block £k	Total £k	Differ- ence £k
1.0.1 (a) Individual Schools Budget - Primary pre statutory aged	1,284	1,284	0	0	1,284	0
1.0.1 (b) Individual Schools Budget - Primary statutory aged	31,904	0	0	30,942	30,942	-962
1.0.1 (c) Individual Schools Budget - Secondary statutory aged	27,159	0	0	26,176	26,176	-983
1.0.1 (d) Individual Schools Budget - Special schools	3,645	0	3,561	0	3,561	-84
1.0.1 (e) Individual Schools Budget - PVI pre statutory aged	2,768	2,768	0	0	2,768	0
1.0.2 Pupil premium allocated to schools	0	0	0	0	0	0
1.0.3 Pupil premium - managed centrally	0	0	0	0	0	0
1.0.4 Threshold and Performance Pay (Devolved)	0	0	0	0	0	0
1.0.5 Central expenditure on education of children under 5	224	224	0	0	224	0
1.1.1 Support for schools in financial difficulty	304	10	14	280	304	0
1.1.2 Contingencies	304	120	3	392	515	211
1.2.1 Provision for pupils with SEN (including assigned resources)	722	0	1,699	0	1,699	977
1.2.2 SEN support services	1,006	0	1,090	0	1,090	84
1.2.3 Support for inclusion	0	0	0	0	0	0
1.2.4 Fees for pupils with SEN at independent special schools & abroad – original budget reduced by £26k to reflect overstated EFA post 16 SEN grant	3,982	0	3,919	0	3,919	-63
1.2.5 SEN transport	0	0	0	0	0	0
1.2.6 Fees to independent schools for pupils without SEN	30	0	0	30	30	0
1.2.7 Inter authority recoupment	966	0	769	0	769	-197
1.2.8 Contribution to combined budgets	563	157	0	406	563	0
1.3.1 Pupil Referral Units	782	0	782	0	782	0
1.3.2 Behaviour Support Services	496	0	1	495	496	0
1.3.3 Education out of school	289	0	289	0	289	0
1.3.4 14-16 More practical learning options	220	0	20	200	220	0

Unrestricted

ELEMENT OF THE SCHOOLS BUDGET	Net £k	Early Years Block £k	High Needs Block £k	Schools Block £k	Total £k	Differ- ence £k
1.4.1 Support to underperforming ethnic minority groups and bilingual learners	128	0	1	127	128	0
1.5.1 School meals/milk - nursery, primary and special schools	11	11	0	0	11	0
1.5.2 Free school meals eligibility	0	0	0	0	0	0
1.5.3 School kitchens repair and maintenance	0	0	0	0	0	0
1.6.1 Insurance	0	0	0	0	0	0
1.6.2 Museum and Library Services	0	0	0	0	0	0
1.6.3 School admissions	176	0	0	176	176	0
1.6.4 Licences/subscriptions	91	0	1	90	91	0
1.6.5 Miscellaneous (not more than 0.1% total of net SB)	40	2	1	37	40	0
1.6.6 Servicing of schools forums	21	0	0	21	21	0
1.6.7 Staff costs supply cover (including long term sickness)	358	0	13	345	358	0
1.6.8 Termination of employment costs	54	0	2	52	54	0
1.6.9 Purchase of carbon reduction commitment allowances	80	0	0	80	80	0
1.7.1 Other Specific Grants	0	0	0	0	0	0
1.8.1 Capital Expenditure from Revenue (CERA) (Schools)	0	0	0	0	0	0
1.8.2 Prudential borrowing costs	0	0	0	0	0	0
Adjustment by DfE for high needs pupils in other LAs at line 1.2.7	-197	0	0	0	0	197
Adjustment by DfE for high needs pupils in non-maintained schools at line 1.2.4	-63	0	0	0	0	-63
Adjustment by DfE for 2 year old education and childcare	892	892	0	0	892	0
Adjustment to EFA post 16 grant at line 1.2.4	26	0	26	0	26	0
Remove EFA funded sixth form budgets at community schools in line 1.0.1 (c)	-4,057	0	0	0	0	4,057
Add academy school budget not in line 1.0.1 (c)	3,297	0	0	0	0	-3,297
Induction of NQT / unallocated as per paragraph 5.26	25	0	0	22	0	-3
1.9.1 TOTAL SCHOOLS BUDGET	77,531	5,470	12,193	59,868	77,531	0

Summary of required budget virements – taken from Annex 4

Service Area NB all figures £k	Autism outreach (1)	State ments over £6k (2)	SEN contingency (3)	Academy school statements below £6k (4)	SEN Resource units to £10k per place (5)	New school contingency (6)	Key Stage 1 contingency (7)	Remove EFA funded 6th forms (8)	Add excluded academy budget (9)	Baseline change for other LA SEN pupils (10)	Difference
1.0.1 (b) Individual Schools Budget - Primary statutory aged		-355	-82		-314	-100	-111				-962
1.0.1 (c) Individual Schools Budget - Secondary statutory aged		-224	-108	158	-52			-4,057	3,300		-983
1.0.1 (d) Individual Schools Budget - Special schools	-84										-84
1.1.2 Contingencies						100	111				211
1.2.1 Provision for pupils with SEN (including assigned resources)		579	190	-158	366						977
1.2.2 SEN support services	84										84
1.2.4 Fees for SEN pupils on non-maintained schools										-63	-63
Adjustment by DfE for high needs pupils in other LAs at line 1.2.4										63	63
1.2.7 Inter authority recoupment										-197	-197
Adjustment by DfE for high needs pupils in other LAs at line 1.2.7										197	197
Remove EFA funded sixth form budgets at community schools in line 1.0.1 (c)								4,057			4,057
Add academy school budget not in line 1.0.1 (c)									-3,300		-3,300
1.9.1 TOTAL SCHOOLS BUDGET	0	0	0	0	0	0	0	0	0	0	0

Notes to explain the changes are shown on the next page.

Notes to the budget virements:

1. The **autism outreach** service is operated by Kennel Lane Special School and delivered to mainstream settings. It is not therefore part of the core provision at KLS and should not be included in the funding provided through the Council, but instead be a contracted services, which the Council pays for and KLS receives income. The funding therefore needs to move from KLS (1.0.1 9d)) to SEN support services (1.2.2).
2. **Statements over £6k** relates to moving funding above the new £6k threshold that is currently allocated to schools in their delegated budget for named pupils to a separate budget that will pay “top up” funding on a named pupil basis where the assessed cost of need exceeds £6k.
3. **The SEN contingency** was agreed at the last meeting of the Schools Forum and is to be established to allocate additional funding to schools that admit a disproportionate number of high incidence, low cost pupils where the normal operation of the Funding Formula does not allocate sufficient funds. The money needs to be moved from mainstream school budget (1.0.1 (b) / (c)) to provision for pupils with SEN (1.2.1).
4. The **academy school statements below £6k** adjustment is required because the Section 251 statement requires this budget to be held as a provision for pupils with SEN (1.2.1) which the Council pays to the academy during the year. In future, funding for these costs will be included in the delegated budget, so the funding needs to be moved accordingly (to 1.0.1 (c)).
5. **SEN Resource Units at £10k per place** requires the relevant funding to be moved from the Individual Schools Budget (lines 1.1.1 (b) / (c)) to provisions for pupils with SEN as under the new framework, these establishments are no longer included within a school’s delegated budget allocation.
6. **New school contingency** relates to additional payments required to new schools to reflect the rapid increase in pupil numbers between the census point used for funding and the actual number on roll at the start of the academic year.
7. **The Key Stage 1 contingency** was agreed at the last meeting of the Schools Forum. It would be used to allocate funds to schools meeting qualifying criteria in relation to additional costs arising from class size legislation. It is being funded from “small” primary schools.
8. **Remove EFA funded 6th forms** is required as the Section 251 statement requires this funding to be included, although it is from a specific grant and not the DSG. The new baseline reflects only DSG funded expenditure so needs to be removed.
9. **Add excluded academy budget** is required as the Section 251 statement requires this funding to be excluded, although it is funded from the DSG, so in establishing the new baseline, it needs to be added on.
10. **Baseline change for other LA SEN pupils** is required as set out above in paragraph 5.8 where the current inter authority SEN recoupment arrangements where LAs charge each other for non-resident SEN pupils attending their special schools where their cost of education exceeds their per pupil DSG funding rate are to cease, with funding adjustments between LAs to reflect the new financial responsibilities.

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TO: SCHOOLS FORUM

DATE: 17 JANUARY 2013

PROPOSALS FOR THE 2013-14 SCHOOLS BUDGET (Director of Children, Young People and Learning)

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present to the Schools Forum an update on school funding and to seek comments on proposals from the Council for the 2013-14 Schools Budget. Within the overall budget setting process, there are a number of decisions that the Forum has responsibility for, and these are presented for a decision. This report builds on the previous agenda item and assumes the proposals made there are supported.
- 1.2 There is a very tight timetable to meet, with views of the Schools Forum on the proposals being sought in advance of the 22 January deadline for submitting to the Department for Education (DfE) the actual Funding Formula for Schools to be used in 2013-14 and associated units of resource.
- 1.3 The Executive Member for Children, Young People and Learning is responsible for agreeing the Schools Budget and has already agreed that due to the tight timescale, the Director of Children, Young People and Learning can make final decisions on the 2013-14 Schools Budget, after taking into account the views of the Schools Forum and the overall level of resources.

2 RECOMMENDATIONS

- 2.1 **That the forecast budget data and associated financial matters set out in the report are NOTED;**
- 2.2 **In its role of statutory decision maker, the Forum AGREES the following matters in respect of the 2013-14 Schools Budget:**
 1. **that the initial budget amounts for services to be centrally managed by the council are as set out in Annex 1;**
 2. **the criteria to be used to allocate funds in-year to schools experiencing excessive increases in pupil numbers or unavoidable costs arising from Key Stage 1 class size regulations are as set out in Annex 4;**
 3. **that the arrangements in place for provisions for statemented pupils (where not delegated) are appropriate.**

2.3 In its role as the representative body of schools and other providers of education and childcare, the Forum REQUESTS that the Executive Member AGREES the following decisions for the 2013-14 Schools Budget:

- 1. that the £0.251m of savings proposed on the Schools Block are agreed (paragraph 5.20);**
- 2. the allocation of the £1.606m additional resources is made to the budget areas set out in Annex 3;**
- 3. the unallocated budget balance at Annex 3 of £0.442m be distributed to schools by reference to pupil numbers, deprivation and low prior attainment (paragraph 5.23);**
- 4. all pupils in secondary schools are funded at the same uniform rate (paragraph 5.28);**
- 5. per pupil funding rates in the BF Funding Formula do not exceed 98% of the per pupil funding received by the Council from the DfE (paragraph 5.29);**
- 6. the £0.190m funding originally agreed for an SEN contingency for mainstream schools now be used to fund the forecast over spending on placements in out of borough special schools (paragraph 5.34);**
- 7. the costs associated with Copyright Licensing Agency and Music Publishers Association are in future funded by way of a transfer on a per pupil basis from delegated school budgets to one that is centrally managed (paragraph 5.35);**
- 8. the £0.269m budget to support in-year changes in SEN costs in mainstream schools now be used to fund the forecast over spending on out of borough special schools (paragraph 5.44);**
- 9. the new £0.894m funding to widen participation of 2 year olds in education and childcare should initially be ring fenced for this purpose (paragraph 5.50).**

2.4 NOTES that after meeting the cost of additional pupils and other unavoidable cost pressures, schools will receive around £0.256m of unallocated funds to target towards their priorities or other pressures (paragraph 5.54).

3 REASONS FOR RECOMMENDATIONS

3.1 To ensure that the 2013-14 Schools Budget is set in accordance with the new funding framework and the anticipated level of resources.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 These have been considered during the earlier stages of the budget setting process. Where relevant, new options are set out in the supporting information.

5 SUPPORTING INFORMATION

Introduction and update

- 5.1 The changes that need to be made by April 2013 arising from the DfE reforms to school funding mean that normal processes for setting the Schools Budget need to be revised. Whilst an annual financial consultation with schools has been undertaken, and the majority views of schools have been used to determine the new Bracknell Forest Funding Formula for Schools, the timetable set by the DfE for the provision of budget information means that it will no longer be possible for the Forum to consider budget proposals on two occasions – February and March – with all budget decisions relating to schools now needing to be taken early in 2013 in order for them to be confirmed to the DfE by the 22 January deadline.
- 5.2 Whilst bringing forward the budget setting timetable will be of benefit to schools who can now expect their funding level to be confirmed in February, rather than towards the end of March, it significantly compresses the time available to make relevant calculations and decisions as the DfE did not release the required budget setting data until 10 December. This is of particular concern as 2013-14 is the first year of the new Framework and there are still some aspects where the full financial implications to schools and the Council are unclear, creating uncertainty in the decision making process. This most significantly relates to high needs pupils.
- 5.3 Since the Council's June publication of the estimated financial impact from the reforms on individual schools, there have been a number of updates to our calculations which for some schools result in a significantly different budgetary impact from those originally illustrated. This was reported to the Forum in October in advance of the Council's first data submission to the DfE on the 2013-14 Funding Formula. The main changes between June and October arose from:
- The DfE providing all of the data required for making budget calculations. At the time the BF consultation document was published there were a number of gaps which were filled with local data, most notably aggregate scores from national tests, rather than the one year of data initially provided by the DfE
 - Some amendments were made to the factors used in the Funding Formula; pupil mobility is now reflected in funding primary schools, and joint use of sports facilities in secondary schools
 - There were different outcomes from the BF consultation than initially assumed and included in the financial calculations. This was most significant in relation to funding schools for deprivation.
 - A revision was made to the calculation of the Minimum Funding Guarantee to reflect updated guidance from the DfE
- 5.4 To ensure schools have the best available information for their financial planning, in November, the initial 2012-13 budget was re-calculated using the Funding Formula that will be in place in 2013-14. This exercise was based on the data submission made to the DfE in October, as agreed in outline by the Forum, and fully allocated the approved budget. It showed schools the funding that would have been received had the changes been in place this year, and ensured an up to date financial assessment had been provided. It also established the starting point for 2013-14 school budgets, using October 2011 census data.

- 5.5 Schools were also provided with a means to broadly estimate funding that may be received in 2013-14. Calculations with pre-populated October 2012 head count and free school meals eligibility data were provided, with all other data as at October 2011. The October 2011 data will need to be updated to October 2012 on final 2013-14 budgets, as will the units of resource, which will change through the budget setting process.

Financial settlement

- 5.6 The October 2010 Spending Review continues to shape Education funding, with the key decisions being:
1. There will be annual real terms growth of 0.1% for 5-16 year olds;
 2. That there is an assumed £1 billion of savings to be made by schools in back office functions and procurement;
 3. That overall, there will be a 60% reduction in capital spend;
 4. That funding for the Pupil Premium, to be targeted at disadvantaged pupils, will reach £2.5 billion by 2014-15, which for an average school represents a further 6.5% on top of the Funding Formula allocation.
- 5.7 In this context, the financial settlement for the 2013-14 Schools Budget was announced on 19 December. As expected, there has been no uplift to per pupil funding rates, which remain unchanged for the third year in a row.

Proposals for the 2013-14 Schools Budget

Overview of the Schools Budget

- 5.8 The Schools Budget is funded by a 100% ring fenced government grant called the Dedicated Schools Grant (DSG). It can only be spent on the purposes prescribed by the DfE and funds delegated school budgets and a range of centrally managed pupil and school related budgets. Any under or overspending in a year must also be ring fenced and applied to a future Schools Budget. LAs can add to this grant from their own resources, but are not allowed to plan to spend at a lower amount. The strategy of the Council is to plan for the Schools Budget to be funded to the level of external funding, with the Executive Member authorised to agree the budget allocation between schools and centrally managed budgets.
- 5.9 Each school's budget is protected through the Minimum Funding Guarantee (MFG) which limits the change in per pupil funding that a school can receive each year on most, but not all budget allocations. The DfE has again set the MFG at a negative amount and schools can receive a **reduction** in per pupil funding on relevant budget allocations of no more than 1.5%. The rate is unchanged from April 2011. To help finance the additional cost of the MFG that arises from these funding reforms, the DfE now allows a cap to be applied to schools receiving a financial gain. The Forum has previously agreed to apply a cap, up to the level required to cover the cost of top up funding paid to schools below the MFG. For 2012-13, the MFG amounted to £0.061m and was funded from the overall DSG. The new capping provision to be applied to remove funds from schools receiving a financial gain means that the MFG budget required for 2012-13 becomes a saving in 2013-14.

Elements of the DSG

- 5.10 As detailed on the previous agenda item, the DSG has been re-configured into three separate parts; the High Needs Block, the Early Years Block and the Schools Block, each of which are funded separately. Whilst there is no ring fence requiring funding from each Block to be spent on relevant items, in this first year of the new arrangements, where 2012-13 budgets have been aligned to the new Blocks, it is expected that planned spend in each Block can be managed to the amount of allocated DSG funding, although that is likely to change over time. Proposals relating to the High Needs and Early Years Blocks are detailed in separate sections below, with the following paragraphs relating to the Schools Block.

Schools Block

- 5.11 Income for each financial year from the Schools Block DSG is based on actual statutory aged pupil numbers in schools at the October prior to the start of each financial year (previously the most recent January census data was used) multiplied by the per pupil amount for each LA, as determined by the DfE. As set out on the previous agenda item, the relevant rate for the Council has been set at £4,187.
- 5.12 The data set provided by the DfE on 10 December indicates that pupil numbers to be used to determine the amount of Schools Block DSG have increased by 318 (+2.2%), from 14,292.5 (October 2011) to 14,610.5 (October 2012) and this will generate income of £61.179m, an increase of £1.330m. The breakdown in change in numbers shows 324 extra pupils in primary schools (+3.7%), and 6 less in secondary schools (-0.1%). Whilst primary schools are currently facing significant growth in pupil numbers, as the pupils move through year groups, there will be future growth in secondary school numbers with a resultant increased pressure for places.

Budgets proposed to be centrally managed by the Council

- 5.13 In terms of Schools Block items that are proposed to be centrally managed by the Council on behalf of schools, the relevant amounts must be approved by the Forum. In addition, there remains in place a mechanism to control annual increases in budget, although this is now applied differently compared to previous years, and does not apply to all budgets. Annex 1 sets out the 2012-13 budgets, together with the transfers from delegated school budgets to create a contingency to support schools in meeting the Key Stage 1 class size regulations that limit classes to no more than 30 pupils per teacher and the contingency to support new schools, both of which were agreed at the last meeting of the Forum. Annex 1 also groups together budgets where expenditure controls exists. The Forum is now requested to formally agree the starting point for centrally managed budgets in 2013-14.
- 5.14 Members of the Forum will recall that the funding reforms also require additional delegation of centrally managed services to schools, although where agreed by relevant representatives on the Forum, budgets for maintained schools – not academies - can be “de-delegated” and returned for central management. Decisions have previously been made by the Forum to “de-delegate” all relevant budgets, where this is permitted by the DfE. In total £1.338m is involved, with the October 2012 census now being used to distribute funding through the Formula, rather than October 2011 as illustrated on the June consultation document. The £0.200m funding currently centrally managed to support practical learning options for 14-16 year olds must be delegated to secondary schools, with the council proposing to offer a Service Level Agreement to schools in order to continue the collaborative work

currently being undertaken. Annex 2 confirms amounts and provides further detail on relevant items.

Savings and pressures proposals

5.15 The Council believes that the new Funding Framework requires a change to the way that the budget is set, with a more simplistic, high level approach needing to be adopted. This mainly arises from the tight financial settlements being made by the government and the restricted number of allowable factors which limits the ability to selectively target resources only to those schools facing cost pressures. Therefore, the following key principles, listed in priority order, have been used as a guide in making budget proposals:

- A. It has been included in the financial settlement from the DfE and it is consistent with local funding priorities;
- B. It relates to a new or amended statutory responsibility / DfE Regulation;
- C. There is sufficient income to fully fund changes in pupil characteristics, i.e: changes in pupil deprivation, low prior attainment, number of looked after children, English as an additional language and mobility;
- D. The pressure relates to a key local priority;
- E. Any remaining funds should be allocated using per pupil, high deprivation and low prior attainment, in the same proportion as the distribution of funds at the start of the financial year (around 93.6%/3.1%/3.3% in primary and 90.7%/4.6%/4.7% in secondary). If sufficient funding remains for this principle, schools would then be free to deploy the resources to their key priorities and any school specific pressures.

5.16 The financial consultation with schools sought views on potential budget developments, should additional funding be available, and the following items were highlighted.

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

Using the budget setting principles above, the Council does not consider the new Funding Framework suitable for making budget decisions at this level of detail and that schools should make their own decisions on where to apply any additional funds, which should be allocated on a consistent basis to all schools.

- 5.17 As well as the pressures identified by schools, some of which are specific to individual, or small groups of schools, there are other cost increases that generally speaking, all schools will face next year including:
1. 1% assumed public sector pay award (estimated at £0.541m);
 2. Contractual increments due to staff (no estimate available);
 3. Cost increase on the Local Government pension scheme where contributions to the repayment of the accumulated deficit are expected to increase by 15% (estimated at £0.040m);
 4. Business rates, where the national rate in the pound charged on properties will be increased by 2.6% (estimated at £0.033m);
 5. Induction of Newly Qualified Teachers (NQTs) (estimated at £0.022m);
 6. General inflation on non pay at around 2.6% (September RPI rate) (estimated at £0.222m).

Using the budget strategy set out in paragraph 5.15, whilst these items are real cost pressures, they have not been reflected in the financial settlement from the DfE and are not therefore proposed to be funded. The exceptions to this being item 4. the increase in business rates, which the Council is obliged to fund in school budgets by DfE Regulation and which meets principle B of the budget strategy, and item 5. induction of NQTs, which meets principle A of the budget strategy.

- 5.18 The other specific pressures that are considered to meet the criteria being used to make budget proposals are:
1. Increase in pupil numbers (principle A);
 2. Increased cost of business rates arising from school expansions as new classes are built, which DfE Funding Regulations require schools to be funded on the basis of estimated actual costs (principle B);
 3. Changes in pupil characteristics e.g. eligibility to FSM (principle C).
- 5.19 In respect of the increase in pupil numbers as recorded on the October 2012 census, current forecasts indicate that numbers will continue to rise during the year, further increasing cost pressures at the start of the 2013-14 academic year. The DfE recognises the need to provide schools with sufficient funding to meet increases in intake, and therefore allows funding to be held in the schools' contingency, with the latest forecast indicating the need for additional resources next year of £0.163m.
- 5.20 There are four areas of savings for schools that can also be taken into account in setting next year's budget. Criminal Records Bureau (CRB) checks have costed around £0.030m less than the funding allocated to schools; top up funding to the new Jennett's Park Primary School that is required to reflect the special circumstances arising from a rapid increase in roll that cannot adequately be reflected through the Funding Formula can be reduced by £0.070m to £0.100m, although the final amount may need to be changed in the light of discussions with the school; the new school meals catering contract for primary schools will result in a subsidy payment being received, rather than having to fund net aggregate costs of £0.090m; and the MFG will in future be a net nil cost, with schools gaining from the reforms financing the cost of those facing budget reductions, saving £0.061m. Overall, £0.251m of relatively straightforward savings are proposed.

- 5.21 With additional DSG income of £1.330m, savings of £0.251m, and as detailed on the previous agenda paper, £0.003m unallocated from the restated base budget and a £0.022m addition for induction of NQTs, there is £1.606m of unallocated funding available in the Schools Budget next year.
- 5.22 Members of the Forum will be aware from previous budget setting exercises that a net financial gain accrues at times of increasing pupil numbers, with the converse applying when pupil numbers fall. This is because the DSG per pupil funding amounts to £4,187 and the average change in per pupil funding allocated to schools through the Funding Formula was £2,746. This results in £1,441 surplus income per new pupil compared to the baseline from the previous year. The net gain from 327 additional pupils, equates to an increase in income of £0.471m. Note there are minor differences in pupil numbers used to calculate DSG compared to those in the local Funding Formula which is mainly due to different treatment of pupils in SEN Resource Units.
- 5.23 Taking account of the pressures set out above in paragraphs 5.16 to 5.19, and the key budget setting principles adopted at paragraph 5.15, the Council proposes that the net increase in funds is allocated as set out below in Table 1, which the Schools Forum is invited to endorse. Further details of each item are provided at Annex 3.

Table 1: Proposed allocation of addition £1.606m Schools Block income

Ref	Item	Amount £000
	<u>A. Included in the funding settlement:</u>	
1	Financial impact of change in pupil numbers	
	Primary Schools	£914
	Secondary Schools	-£16
2	Estimated in-year increase in pupil numbers*	£163
3	'Appropriate body' role for Newly Qualified Teachers	£22
	<u>B. Required by DfE Funding Regulation</u>	
4	Change in business rates	
	Inflationary pressure	£33
	Increase from school expansions	£46
	<u>C. Changes in pupil characteristics:</u>	
5	Financial impact from change in pupil characteristics	
	Deprivation – FSM	£65
	Deprivation – IDACI	£18
	Low prior attainment	-£83
	Looked After Children	£1
	English as an Additional Language	£3
	Pupil Mobility	-£2
	Sub total	£1,164
	<u>E. Remaining balance:</u>	
6	For general allocation to all schools **	£442
	Total available	£1,606

* £0.163m funding proposed for in-year increases in pupil numbers must be retained centrally for allocation to schools in-year. All other proposed uses of the £1.606m relate only to delegated school budgets.

** To be allocated to schools as per budget principle E at paragraph 5.15, using per pupil, high deprivation and low prior attainment measures, in the same proportion as the existing distribution of funds (around 93.6%/3.1%/3.3% in primary and 90.7%/4.6%/4.7% in secondary). The allocation of funds between primary and secondary phases would be in proportion to total funds allocated through these three key factors.

- 5.24 As expected, allocations for relative high deprivation have increased as more families become eligible for benefits that trigger FSM eligibility, although there is a lower increased allocation on the IDACI deprivation measure. The continued improvement in end of Key Stage test results reduces the funding allocated to support low attainment.
- 5.25 Assuming all of the budget proposals made in this report are accepted, there would be 11 schools below the MFG; 10 in the primary sector and 1 in secondary. The total cost increases from £0.061m to £0.357m. As set out above in paragraph 5.9, the cost of MFG will be met by capping increases at schools experiencing a financial gain so the increased cost has no overall impact on the budget requirement. 17 schools will have their gains limited; 14 in the primary sector and 3 in secondary.
- 5.26 Under the current economic conditions, there is an on-going recognition that schools face financial difficulties, which for those with the greatest loss in funds are protected through the MFG. The funding framework makes targeting resources to specific pressures difficult to achieve which means in most instances, additional funds will need to be distributed through reference to per pupil, high deprivation and low prior attainment measures. Schools are then free to deploy additional resources to their key priorities and any school specific pressures.

Other matters relating to the Schools Block and delegated school budgets

Change proposed to the per pupil funding rate for Secondary Schools

- 5.27 The Council's June financial consultation with schools proposed that there should be differential per pupil funding rates for Key Stage 3 and Key Stage 4 pupils in secondary schools. This recognises the different cost of providing education by Key Stage. Now that the DfE has confirmed how the DSG will be re-configured, an unexpected outcome has arisen. The £4,187 per pupil DSG funding in the Schools Block compares to the October data return to the DfE which included provisional allocations through the BF Formula of £2,854 for primary aged pupils, £3,774 for those in Key Stage 3 and £4,500 in Key Stage 4. Clearly, in the context of the Schools Block DSG per pupil funding of £4,187, the intended funding level at Key Stage 4 is not affordable and needs to be adjusted.
- 5.28 Views have been gathered from all secondary head teachers on options to amend the funding rate, with agreement reached that all secondary aged pupils should be funded at the same rate irrespective of Key Stage, which at the starting point of the 2013-14 budget setting process equated to £4,058.
- 5.29 As an additional measure, it is proposed to cap the per pupil funding rate used in the BF Funding Formula at no more than 98% of the per pupil rate allocated to the

Council by the DfE. This proportion is above the current 96.9% to allow for limited growth. Should the cap need to be applied, it is proposed that additional resources are allocated through deprivation and low prior attainment in proportion to existing funding allocations. Even with this change there remains the risk that the per pupil funding rate in the local Funding Formula will remain so close the Schools Block DSG per pupil funding rate, that there may still be future difficulties in setting the overall Schools Budget. The most likely scenario when this would happen is if there is a significant increase in secondary aged pupils, a significant decrease in primary aged pupils, or a combination of both.

Contingency for funding schools for in-year increases in pupil numbers

- 5.30 To provide additional, in-year financial support to schools experiencing significant increases in pupil numbers, LAs are permitted, subject to agreement of their Schools Forum, to retain funding in a contingency for allocation once qualifying criteria is met. The Forum has previously supported setting up such a fund, for allocation where there is an increase of at least 20 pupils between the census point used for funding school budgets, and the actual intake at the start of the next academic year. Some minor changes are now proposed to the text to reflect the use of the October census for funding purposes, which is attached at Annex 4, which the Forum is recommended to agreed. The Forum must now be consulted before any money is allocated to schools from such a fund.

Contingency for funding schools to meet Key Stage 1 class size regulations

- 5.31 In a similar way to which funds can be retained for allocation in year to schools experiencing significant increases in pupil numbers, LAs are also permitted to create a contingency to allocate funds in-year to support schools facing additional costs to ensure Key Stage 1 class size regulations to limit classes to no more than 30 pupils per teacher are not breached. Response to the consultation with schools supported the creation of a such a fund and the criteria proposed to be adopted is now also attached at Annex 4, which the Forum is recommended to agreed. The Schools Forum must be consulted before any money is allocated to schools from such a fund.

SEN specific contingency

- 5.32 In the light of further work on school budgets, the Council has reconsidered the need for the SEN contingency which the Schools Forum agreed should be established in the High Needs Block from a transfer of £0.190m from delegated school budgets. This was originally proposed to protect funding levels at three schools which on initial modelling were facing large funding reductions as a result of allocating £1.221m of the budget that previously supported statemented pupils, on a named basis, to the formulaic approach now required by the DfE.
- 5.33 It was originally expected that any top up to a school from the SEN contingency would be taken into account before the MFG was applied. This would mean that relevant schools would receive sufficient funding for SEN without the need for a general top up from the MFG. However, the DfE Regulations require that as the SEN contingency would be funded from the High Needs Block, it must be added after any MFG top up, which only applies to Schools Block funding. Therefore, the three schools losing money from this element of the reforms receive the same level of funding protection as would be applied to any other reductions that arise from the normal operation of the Funding Formula. It is therefore considered inappropriate to apply SEN contingency funding top ups when the national funding protection

mechanism has already been applied. All other funding reductions are protected through the 1.5% limit applied through the MFG, and for consistency, the Council believes that the same approach should be taken with SEN funding. Should any school experience funding difficulties due to the number and needs of SEN pupils below the high needs threshold, a request for additional funding can be made to the Forum for consideration.

- 5.34 Members of the Forum will be aware that there is a cost pressure arising from out of borough SEN placement costs. This was reported in September 2012 as a forecast year end over spending of £0.436m, with “it seems highly likely that a significant budget pressure will arise for 2013-14 at a time of flat funding settlements”. The most recent budget information indicates a year end over spending of £0.540m, with a full year effect pressure of £0.505m in 2013-14. It is therefore proposed that the £0.190m SEN contingency set up for mainstream schools is used to part fund the forecast pressure on external SEN placements.

New arrangements for the Copyright Licensing Agency (CLA) and Music Publishers Association (MPA)

- 5.35 The DfE has agreed with the CLA and MPA to purchase a single national licence managed by the DfE for all state-funded schools in England. This means that local authorities and schools will no longer need to negotiate individual licences. As a result, there will be savings both in administration and in the overall cost of the licence which will apply to both maintained schools and academies. To facilitate this change, the DfE will allow local authorities to hold money centrally rather than include it in school budgets. This means that the funding currently included in delegated school budgets to fund this obligation will need to be de-delegated. The amount involved is £0.030m and is proposed to be removed on a per pupil basis, which is how the funding was originally allocated to schools for this purpose.

Pupil Premium

- 5.36 Whilst there is no increase in funding rates for schools through the DSG, a 50% uplift has been confirmed for the unit rates paid through the Pupil Premium, which is mostly targeted to schools based on the number of pupils on roll that have been eligible to a FSM at any point in the last 6 years - the ‘Ever 6’ method. Overall, funding is forecast to increase by £0.617m, from £1.423m to £2.044m, with FSM and looked after children being funded at £900 (was £600) and children from service families at £300 (was £250).

Update on Job Evaluation Project

- 5.37 The Forum has asked to be kept up to date on the Council’s Job Evaluation Project. This is still under review with all jobs within the Council, including school support staff roles, having been ranked under the revised job evaluation scheme. This has then led to financial modelling to assess the affordability and fairness of the scheme. This will then be taken forward for further discussion with the trade unions.
- 5.38 The current stage of the project is to discuss the financial models with the trade unions and consider options for the introduction of the scheme. This includes consideration for phasing the implementation over a period of time, for example 4 years, to spread the costs of implementation. Although there is no definitive date when the new scheme could be implemented due to the required time scales to

introduce such a scheme, it is likely that this will not be implemented until the 2014/15 financial year at the earliest.

- 5.39 Once implementation is confirmed a complete set of template job profiles will be available for all school based support staff roles. These will be available for schools to adopt. The HR Team will then work with headteachers to identify which of the job profiles match the actual roles being undertaken at the school. These will then be sent to the staff concerned who will be given the opportunity to agree to the match or, where appropriate, challenge the decision made. This will be done via an appeals process. This will provide schools with an opportunity to review their support staff structures. The Forum has previously agreed that £0.285m of the 2011-12 Schools Budget under spend should be put aside in an earmarked reserve to help finance the cost of this project, should it be required.

Impact from proposals on the per pupil funding rate

- 5.40 Assuming all the proposals in this report are implemented there would be a per pupil funding rate for primary schools of £2,849 and for secondary schools £4,080. These are both within 98% of the DSG, which caps 2013-14 per pupil funding at £4,103.

High Needs Block

- 5.41 The High Needs Block will cover funding for education provision for high needs pupils and students from birth to 25. This is in line with the proposals set out in the Green Paper on SEN and disability. High Needs Pupils are defined by the DfE as those requiring more than £10,000 of support each year. Costs below this threshold are to be met from general funds in budgets delegated to schools and allocated from the Schools Block.
- 5.42 As set out on the previous agenda item, the DfE has yet to confirm all the funding adjustments required to the High Needs Block. However, it is clear from rolling forward current commitments in non-BF special schools that there is a significant budget pressure, currently estimated at £0.505m. This is before inflation, and the Council is currently negotiating with providers to maintain charges at 2012-13 prices. If this is not successful, then the pressure will increase further.
- 5.43 The main reason for the cost increase is the need to accommodate an extra 9.5 full time equivalent pupils in out of borough non-LEA special schools where the average cost of a placement is £0.049m. A number of factors have contributed to the additional numbers including the growth in population, medical advances resulting in a number of children who would have not survived child birth or into their teenage years surviving and a lack of specialist local provisions. Placements are made in non-LEA special schools only after exploring every alternative, and they are all discussed at SEN Panel where there are representatives from schools, the Education Psychologist Service, health professionals and others. The cost forecast includes £0.2m for potential placements that based on past experience may arise as a result of placement breakdowns, but which at this stage are not certain in numbers or costs. This pressure is considered unavoidable and therefore needs to be funded.
- 5.44 As set out above in paragraph 5.34, the Council is proposing that the £0.190m SEN contingency for mainstream schools is transferred to part fund this pressure, which would then reduce to £0.315m. It is proposed to meet a further £0.269m of additional costs from the budget for in-year allocations to schools to support SEN pupils, where costs will be greatly reduced in future as lower level support costs are to be funded

from within original delegated school budgets. The remaining forecast shortfall of £0.046m will need to be managed in-year against centrally managed budgets, or from accumulated reserves.

Early Years Block

- 5.45 The Early Years Block will initially cover 3 and 4 year olds receiving the entitlement to 15 hours a week free education and childcare that is paid to providers – maintained schools and private, voluntary and independent (PVI) sectors – through the Early Years Single Funding Formula (EYSFF). It also covers the early years contingency, central expenditure on under 5s and high needs pupil funding where this is not included in the High Needs Block. There are no changes proposed to this part of the budget as the re-configured DSG funding is considered sufficient to cover costs, and will be subject to recalculation based on actual take up of the free entitlement, so will increase or decrease in response to changing demand.
- 5.46 As no inflation has been included in the DfE funding allocation, no changes are proposed to the per pupil funding rates paid to providers through the EYSFF. This is in accordance with principle A of the budget setting process detailed in paragraph 5.15.
- 5.47 From September 2013, the free entitlement will be widened to cover the least advantaged 2 year olds, and a update paper on this was presented to the Forum in September. The DfE have confirmed revenue funding of £0.894m to fund providers taking 2 year olds and the associated support services, and a capital grant of £0.170m for developing sufficient places.
- 5.48 The revenue allocation is split into place funding of £0.642m and trajectory funding of £0.252m. The place funding will be used to purchase around 200 free early education places from April 2013 for 2 year olds of 15 hours per week and will also provide further support for those 2 year olds with additional educational needs. The trajectory funding is allocated to support building capacity in the PVI sector and will be used to create non-statutory places in preparation for the 2014 entitlement which rises to an average of 40% of 2 year olds, although different percentages will apply to LAs dependant on their relative levels of deprivation.
- 5.49 In respect of the £0.170m capital funding, this will be used to support capacity building and it is anticipated that this fund will be heavily targeted in areas identified as requiring completely new provision due to existing lack of childcare.
- 5.50 A further report on the intended provision for 2 year olds will be presented to the 14 March Forum meeting, and at this stage it is proposed that the allocated funding is initially ring fenced for the intended purpose. The March Forum meeting will also need to agree the amount of funding to be centrally retained by the Council for early years activities and the hourly rate to be paid to providers.

Use of accumulated balances

- 5.51 The latest forecast for the year end balance on the centrally managed Schools Budget items is for a £0.202m surplus. As set out above, any year end balance must be applied to the Schools Budget and not added to the Council's general reserves. Due to the relatively small amount involved, together with the possibility of further changes to the forecast before the end of the financial year, it is not proposed to include any potential carry forward surplus in the 2013-14 funding envelope. This

proposal also takes into account the additional risks associated with the new Funding Framework and providing a funding source for any in-year cost increases, for example around high needs pupils, or in-year increases in pupil numbers.

Other decisions required from the Schools Forum

- 5.52 The content of this report complies with requirements of the School and Early Years Finance (England) Regulations 2012. In addition to this, in setting the 2013-14 Schools Budget, there is also a requirement from the Schools Forum (England) Regulations that needs to be complied with. This relates to the Forum commenting on arrangements that the Council plans to make available in relation to provisions for statemented pupils (where not delegated). Any changes in provisions have been made to comply with the new funding framework, or relate to budget changes, as set above in the supporting information. The Forum is therefore requested to agree the proposed arrangements.
- 5.53 The Schools Forum Regulations also require the council to seek comments on arrangements for pupil referral units and other education out of school and early years provisions. Members will recall that there are significant changes to operational and funding arrangements in alternative education provision and early years arrangements need to change to reflect the new entitlements for 2 year olds, and a full update on these matters is proposed to be presented to the Forum on 14 March.

Conclusion

- 5.54 Despite the flat funding settlement, through implementing a range of relatively straightforward savings and making use of the financial gain arising from a net increase in pupil numbers, £0.442m of new resources have been allocated through the Funding Formula. This is after fully funding schools for increases in pupil numbers and changes in pupil characteristics. In addition to this, an extra £0.617m is forecast to be received by schools from the Pupil Premium making a total increase in funding of £1.059m. These additional resources are sufficient to finance the unfunded cost of the assumed 1% pay award and 2.6% general inflation on other items of £0.803m, with £0.256m remaining to meet other cost pressures, or for schools to develop their local priorities.

Next steps

- 5.55 The views of, and decisions taken by the Schools Forum will be considered by the Director of Children, Young People and Learning in making final decisions for the 2013-14 Schools Budget, in consultation with the Executive Member. This will be in advance of the 22 January deadline for submission to the DfE of the 2013-14 Funding Formula for Schools. Budgets can then be confirmed to individual schools, which is expected to be some time in February.
- 5.56 Further work is on-going relating to the High Needs Block items, where decisions are awaited from the DfE to confirm the level of funding to be received next year. At this stage, proposals have been made against an estimated amount. There is also work outstanding on formulating plans for the use of the new funding made available to support the expansion of provision for 2 year olds. Further details on this will be presented to the 14 March meeting of the Forum.
- 5.57 The 14 March meeting of the forum will also receive an update report on funding Kennel Land Special School and College Hall PRU. This will include proposals for

additional delegated budgets, in accordance with the new Funding Framework and will incorporate the findings of the separate working groups reviewing future arrangements.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions (including consultation) are addressed within the main body of the report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information. The proposals meet the requirements of the appropriate funding regulations and are considered affordable based on current information.

Equalities Impact Assessment

- 6.3 The budget proposals ensure funding is targeted towards vulnerable groups and an EIA is not required.

Strategic Risk Management Issues

- 6.4 The funding reforms and tight financial settlement present a number of strategic risks, most significantly:
1. Known SEN cost pressures and other volatile, demand led budgets. The current proposals allow for £0.459m of the £0.505m anticipated SEN pressure being funded, but costs could continue to increase during the year. This would need to be contained by managing savings on other centrally retained budgets, or drawing down from the £0.202m surplus expected to be carried forward from 2012-13.
 2. Managing the new commissioning model of SEN services, with many providers recalculating charges in light of the new funding arrangements may lead to higher cost increases than would otherwise be expected.
 3. Providers could experience financial difficulty, placing at risk the availability of sufficient provisions to meet the needs of BF children.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Not applicable.

Method of Consultation

- 7.2 Not applicable.

Representations Received

- 7.3 Not applicable.

Background Papers

None

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Initial 2013-14 Schools Block budgets to be centrally managed by the Council

Budget item	Schools Budget Centrally Managed		
	Allocations to schools £	Centrally retained £	Total £
<u>Part 1: Spending limited to amount agreed in the previous financial year</u>			
Combined Services Budgets*:			
Family Intervention Project	£0	£100,000	£100,000
Educational Attainment for Looked After Children	£0	£133,590	£133,590
School Transport for Looked After Children	£0	£42,890	£42,890
Young People in Sport	£0	£18,050	£18,050
Common Assessment Framework Co-ordinator	£0	£42,470	£42,470
Domestic Abuse	£0	£6,000	£6,000
Education Health Partnerships	£0	£30,000	£30,000
SEN Contract Monitoring	£0	£32,680	£32,680
Miscellaneous (up to 0.1% of Schools Budget):			
Forestcare out of hours support service	£0	£4,846	£4,846
Borough wide Initiatives	£0	£25,264	£25,264
Support to Schools Recruitment & Retention	£0	£7,464	£7,464
School Admissions	£0	£175,967	£175,967
Schools Forum	£0	£21,440	£21,440
Termination of employment costs	£0	£52,003	£52,003
Sub total Part 1 items	£0	£692,664	£692,662
<u>Part 2: No restriction on annual increases</u>			
Schools Contingency:			
Unforeseen, significant expenditure	£10,000	£0	£10,000
Excessive in-year growth in pupil numbers	£169,458	£0	£169,458
New school in year growth **	£170,000	£0	£170,000
Key Stage 1 class sizes **	£111,392	£0	£111,392
Boarding Placements for Vulnerable Children	£0	£25,877	£25,877
Carbon Reduction Commitment	£0	£80,000	£80,000
Sub total Part 2 items	£460,850	£105,877	£566,727
Total Part 1 and Part 2 items	£460,850	£798,541	£1,259,391

* Combined Service Budgets funded by the DSG generally support vulnerable children and link to other programmes funded by the Council which together result in better, more effective use of resources with improved outcomes for children than if provided independently.

** Budget amounts agreed in October as part of the review of the Funding Formula.

Items subject to additional delegation / de-delegation

Budget item	Schools Budget Centrally Managed		
	Budgets to be delegated £	Budgets to be de-delegated £	Total £
<u>Part 5: Items that can be de-delegated from a maintained school's budget</u>			
Behaviour Support Services *:			
Local CMCD Programme – offers training to all teachers in 3 secondary schools, equipping them with classroom management skills.	£0	£31,870	£31,870
Behaviour Support Team – provides support to young people, children and their families in the home environment and schools to manage behaviour.	£0	£367,350	£367,350
Anti-bullying co-ordinator – assists schools in their capacity to address bullying issues.	£0	£25,027	£25,027
Social & Emotional Aspects of Learning (SEAL) – a whole school approach to promoting the social and emotional skills that underpin effective learning, positive behaviour, regular attendance, staff effectiveness and the emotional health and wellbeing of all who learn and work in schools.	£0	£71,190	£71,190
Schools in Financial Difficulty – additional support where a school is in, or likely to fall into one of the Ofsted categories of causing concern.	£0	£280,000	£280,000
English as an Additional Language – to support under performing EAL pupils.	£0	£127,065	£127,065
SIMS and other licences – purchase of the licence required by the software that performs most finance and administration tasks in schools.	£0	£90,453	£90,453
Official staff absence e.g. maternity leave, union or magistrates duty, jury service, council membership, staff suspension.	£0	£345,420	£345,420
Practical Learning Options for 14-16 year olds – supports the development and provision of opportunities for learners at KS4 which better meets the needs of some learners than the traditional curriculum.	£200,360	£0	£200,360
Total Schools Budget	£200,360	£1,338,375	£1,538,735

* to be delegated from April 2014, with SLA available for schools to purchase a service where required.

Note, the different Parts referred to in Annexes 1 and 2 are as defined in the School and Early Years Finance (England) Regulations 2012.

Of the Parts not detailed in these Annexes:

- Part 3 relates to central early years expenditure, with budget proposals on these matters to be brought to the March 14 meeting of the Forum.
- Part 4 defines funding that may be retained centrally for high needs pupils. There are no conditions or limits attached to this Part, and the proposals in the report are in accordance with the Regulations.

**Proposed budget developments for the 2013-14 Schools Block
Element of the DSG**

Description	2013/14 £'000
<p>1. Change in pupil numbers</p> <p>Pupil numbers have increased by 318 (+2.2%), from 14,292.5 (October 2011) to 14,610.5 (October 2012) and this will generate income of £61.179m, an increase of £1.330m. The breakdown in change in numbers shows 324 extra pupils in primary schools (+3.7%), and 6 less in secondary schools (-0.1%). There is a cost pressure of £0.914m in primary schools and a saving of £0.016m in secondary schools.</p>	898
<p>2. Estimated in-year increase in pupil numbers</p> <p>The Forum has previously agreed to allocate additional funds to schools that experience exceptional increases in pupil numbers at the start of an academic year, with the funding threshold set at an increase of 20 pupils, with qualifying schools then receiving a budget addition to fund the cost of a teacher from September to March. Rolling forward current pupil numbers by one year group indicates the need to fund 13 more classes at the start of academic year 2013-14. Allowing for 2 further classes from growth in other year groups indicates a need for 15 extra classes. The current budget is sufficient for 8 classes, so requires growth for 7 more. The budget requirement is reassessed each year.</p>	163
<p>3. Induction for Newly Qualified Teachers (NQTs)</p> <p>The induction regulations have changed so that teaching schools can act as the 'appropriate body' for the induction of newly qualified teachers in maintained schools. Before these changes were made, only local authorities could act as the appropriate body for maintained schools for which a charge for carrying out this role could not be made. The DfE has made a funding transfer between the LA Formula Grant and DSG for this change, which amounts to £0.022m. This funding must be delegated to schools, with LAs now able to charge where schools commission them to carry out the role. It is proposed to allocate the funds to primary and secondary phases in proportion to the average number of NQTs recruited over the last 3 years, which is 33.8 and 34 respectively, at a fixed amount per pupil, by phase. The estimated per pupil rate under this proposal would be £1.22 and £1.97 respectively.</p>	22

Description	2013/14 £'000
<p>4. Change in business rates</p> <p>There are two areas of budget pressure on business rates; firstly a 2.6% increase in the national rate levied, costing £0.033m; and secondly, increases in school floor areas following expansions to accommodate more pupils are estimated to result in cost increases of £0.046m. DfE funding regulations require LAs to provide in school budgets the estimate actual cost of business rates.</p>	79
<p>5. Change in pupil characteristics</p> <p>The October pupil census provides an update on the pupil characteristics that are used for funding purposes. This relates to changes in pupil deprivation, both FSM eligibility and IDACI scores, low prior attainment, number of looked after children, English as an additional language and mobility. Overall, there is a small net increase in budget allocations between October 2011 and 2012.</p>	2
<p>6. Remaining balance of funds</p> <p>After applying the budget principles set out in the body of the report, there is an unallocated budget balance of £0.442m. It is proposed to be allocated to schools as per budget principle E at paragraph 5.15, using per pupil, high deprivation and low prior attainment measures, in the same proportion as the existing distribution of funds (around 93.6%/3.1%/3.3% in primary and 90.7%/4.6%/4.7% in secondary). The allocation of funds between primary and secondary phases would be in proportion to total funds allocated through these three key factors.</p>	442
Total Available	1,606

Proposed criteria for making allocations from the Schools Contingency

1. Criteria for in-year budget allocations to schools experiencing significant growth in pupil numbers

The School Specific Contingency shall include funding for an allocation to those schools that experience exceptional increases in pupil numbers between the October census used for funding original budgets and actual pupil numbers on roll on the following October census

To assist schools in meeting the additional costs arising in such circumstances, an in-year budget addition will be made where the whole school number on roll from Reception up to Year 11 increases up to the point that a new teacher needs to be appointed. An increase of 20 pupils has been established as the relevant threshold point at which additional funding would be allocated. A second allocation would be made should numbers increase by 40 and so on, with further funding allocations for each additional increase above the 20 threshold.

The amount of additional funding is calculated from the cost of appointing a teacher on Mainscale Point 6 – salary and employer on-costs - for the period September to March.

There is one exception to this general rule. When a school is funded on the basis of estimated actual costs, which is ordinarily a new school or one that opens additional forms of entry during a financial year, it will not be entitled to any in-year growth allowances, provided funds for the additional costs that will arise from a planned significant in year increase in pupil numbers are allocated from an alternative source.

The allocated funding may need to be scaled if demand significantly exceeds the budget allocation, with final decisions to be determined each year by the Schools Forum.

2. Criteria for in-year budget allocations to schools to meet unavoidable costs arising from the Key Stage 1 class size regulations that limit classes to no more than 30 pupils per teacher

The School Specific Contingency shall include funding for an allocation to those schools that experience unavoidable costs arising from the Key Stage 1 class size regulations that are not resourced through the Funding Formula.

Numbers in reception, Year 1 and Year 2 will be collected termly from the relevant school census to determine the total number of pupils in each school affected by the relevant Regulations. Where the aggregate number of pupils does not equate to a multiple of 30, additional resources will be added at the amount required to cover the cost of appointing a teacher on Mainscale Point 6 – salary and employer on-costs - for the relevant period, after taking account of the funding delivered through the Funding Formula. Funding will be added on a “missing pupil” basis.

There is one exception to this general rule. When a school is funded on the basis of estimated actual costs, which is ordinarily a new school or one that opens additional forms of entry during a financial year, it will not be entitled to any top up funding from the Key Stage 1 class size contingency, provided funds for the additional costs that will arise are allocated from an alternative source.

Unrestricted

The allocated funding may need to be scaled if demand significantly exceeds the budget allocation, with final decisions to be determined each year by the Schools Forum.

An illustration of the funding calculation is as follows which would need to be updated each year to reflect budget decisions and the cost of employing a teacher (all units of resource are illustrative and not actual):

- a. The per pupil funding rate is assumed to be £2,850 (A)
- b. The cost of a teacher on Mainscale Point 6 – salary and employer on-costs - is £38,800 (B)
- c. To have sufficient income from the Funding Formula to employ a teacher, a school needs $\text{£}38,800 \text{ (B)} / \text{£}2,850 \text{ (A)} = 13.61$ pupils (C)
- d. The Funding Formula therefore provides sufficient funding to appoint a teacher provided there are 14 pupils (C)
- e. Therefore where the number on roll exceeds a multiple of 30 by 13 or less, the school would be entitled to top up funding
- f. Funding will be added, pro rata for part year, for each missing pupil, plus a one-off £1,750 for the 0.61 unfunded pupil as per c. above.
E.g. a school with 13 pupils above the multiple of 30, in a full year would receive through the Funding Formula $13 \times \text{£}2,850$, which totals £37,050, and would therefore be entitled to £1,750 top up funding, which makes total funding of £38,800, sufficient to employ a teacher
A school with 8 pupils above the multiple of 30, in a full year would receive through the Funding Formula $8 \times \text{£}2,850$, which totals £22,800, and would therefore be entitled to top up funding of £16,000 ($\text{£}38,800 - \text{£}22,800$) i.e. 5 “missing pupils” at £2,850 plus £1,750. This would be sufficient to cover the £38,800 cost of employing a teacher.

Children admitted **in-year** as an “excepted pupil” in accordance with The School Admissions (Infant Class Sizes) (England) Regulations 2012, or other relevant legislative requirement will not be included in the calculation for top up funding as they will not impact on the need to recruit a teacher. The exclusion will apply for the full period the child is on roll at the school to the end of Key Stage 1.

“Excepted pupils” currently include those that are admitted to the school outside a normal admission round:

- as a result of the local authority specifying the school in the child’s statement;
- are looked after;
- were in error initially refused admission;
- are from a service family.

“Excepted pupils” on the roll of a school at the October census will generate per pupil funding for a school in the next budget. These funds will be taken into account in any top up funding calculations.

Separate calculations will be made each term, based on data obtained from the relevant census.

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TO: SCHOOLS FORUM
DATE 17 JANUARY 2013

LOCAL AUTHORITY BUDGET PROPOSALS FOR 2013/14
(Director of Children, Young People & Learning)

1 PURPOSE OF REPORT

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and other interested parties for a period of at least six weeks. This report presents an overview of the Council's budget position and the specific proposals relevant to the Children, Young People and Learning (CYPL) Department to the Schools Forum for comment.
- 1.2 The 2013/14 budget process has been characterised by unprecedented levels of uncertainty around the level of central government support and proposed changes to the funding regime (e.g. localisation of business rates). At the time the Executive agenda was published (4 December) the Provisional Local Government Financial Settlement had not been announced. Therefore, in the absence of the provisional settlement, the proposals were based on a number of assumptions regarding government funding.
- 1.3 All comments received on these budget proposals will be submitted to the Executive on 13 February along with details of the final finance settlement. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, who will formally approve the 2013/14 budget and Council Tax on 27 February 2013.

2 RECOMMENDATIONS

- 2.1 **That the Schools Forum comments on the 2013/14 budget proposals of the Executive for the Children, Young People and Learning Department in respect of:**
- i. **The revenue budget (Annexes B and C), and**
 - ii. **The capital programme (Annex D).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Executive seeks the views of the Schools Forum as an interested party on the 2013/14 budget proposals.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered is included in the report and its Annexes.

5 SUPPORTING INFORMATION

Revenue Budget

Commitment budget 2013/14 – 2015/16

- 5.1 Initial preparations for the 2013/14 budget have focussed on the Council's Commitment Budget for 2013/14 – 2015/16. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2012/13 budget was set.
- 5.2 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in July and are reflected in the summary in Table 1. The most significant are set out below:
- Decreases in projected landfill tax and waste disposal costs (-£0.417m).
 - The Council will now be able to make a full pre-payment on its pension fund contributions for a further year and thus earn a higher discount than could be earned through its own investment opportunities (-£0.200m).
 - Increases in the projected Minimum Revenue Provision (£0.405m). This is based on new council financed capital spend divided by the resulting assets life. The latest projection incorporates the latest forecast for capital spend and receipts.
- 5.3 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £0.749m to £71.581m next year, before consideration is given to allowances for inflation and the budget proposals identified by individual Departments in 2013/14. The commitment budget for CYPL is shown in more detail in Annex A.

Table 1: Summary Commitment Budget 2013/14-2015/16

	Planned Expenditure		
	2013/14	2014/15	2015/16
	£000	£000	£000
Base Budget	72,330	71,581	71,064
<i>Movements in Year:</i>			
Chief Executive / Corporate Services	-10	-72	56
Children, Young People and Learning (excluding schools)	-360	-160	30
Adult Social Care, Health and Housing	-113	-144	-10
Environment, Culture & Communities	-1,083	44	186
Non Departmental / Common	817	-185	50
<i>Total Movements</i>	-749	-517	312
Adjusted Base	71,581	71,064	71,376

Provisional Local Government Finance Settlement 2013/14

National Perspective

- 5.4 Alongside the publication of the 2012/13 Local Government Financial Settlement the Government set out a timetable for a major reform of how Councils are funded. It is widely recognised that England has one of the most centralised local government funding systems in the world and the reforms proposed would try to achieve two key priorities: economic growth and localism.
- 5.5 The reforms centre on the retention of business rates by local authorities, dismantling centralised pooling and the complex funding formulae of the current system. However these reforms will be implemented against a backdrop of significant reductions in public expenditure, and whilst 2013/14 was projected to be the year of minimal reductions (as per Spending Review 2010 Control Totals), it has become clearer over the last few months that additional financial pressures and considerable uncertainties will be faced by the sector as a whole.
- 5.6 The Government's firm proposals in relation to business rates became an Act in November 2012 following the publication of a technical consultation in July 2012. However, as at early December, many of the operational details of the scheme and the all important funding control totals had still not been published. Indeed a fundamental element of the baseline calculation was significantly changed as late as the 22 November 2012. The Chancellor of the Exchequer made his Autumn Statement on the 5 December, much later than in previous years, with the Provisional Local Government Settlement for 2013/14 announced on 19 December.
- 5.7 In order to meet the Council's consultation obligations, an informed judgement has had to be undertaken on the future level of funding expected to be received, recognising the considerable uncertainty that results from such a late settlement announcement. The Council has therefore assumed a 4.5% reduction in general grant, equating to a funding reduction of £1.04m on last year. By way of comparison, the national reduction in general grant for 2013/14 predicted in the 2010 Comprehensive Spending Review is 2%.
- 5.8 This local forecast makes no assumptions about the £13.7m of Specific grants (principally Early Intervention Grant and Learning Disability & Health Reform Grant) received by the Council. The Council will not know the outcome of these allocations before the Provisional Settlement and as such any changes from the 2012/13 level will have to be considered as part of the next stage in the budget planning process.
- 5.9 Based on the number of additional properties that have been built and liable for Council Tax in the last 12 months, the budget proposals assume an additional New Home Bonus grant of £0.5m. The actual figure will be announced as part of the Provisional Settlement in December.

Council Tax

- 5.10 Following the acceptance of the Council Tax Freeze Grant and the resulting zero increase in both 2011/12 and the current year, Council Tax at present levels will generate total income of £48.812m in 2013/14. In addition a further £0.432m will be generated from an increase in tax base primarily arising from the occupation of new properties during 2013/14.

- 5.11 A surplus will be generated on the collection fund in the current year, primarily due to a reduction in write-offs and the Council's share of this surplus is estimated to be £0.268m.
- 5.12 The Government has again prioritised keeping Council Tax increases to the minimum possible next year. To support this aim, the Department for Communities and Local Government has announced that it will give Councils who agree to freeze or reduce Council Tax in 2013/14 a grant equivalent to a 1% increase in Council Tax. This grant will be provided for two financial years.
- 5.13 The Executive intends to accept the Government's offer to work in partnership with local authorities to protect council tax payers with a council tax freeze, thereby passing on the benefit to the council tax payers for a third consecutive year. The working assumption upon which the proposals in this report are based at this stage, therefore, is that there will be no increase in Council Tax and that the Council will receive additional grant from central Government of £0.492m.
- 5.14 The Local Government Finance Bill makes provision for the localisation of Council Tax Support in England by imposing a duty on all billing authorities to make a Localised Council Tax Benefit Scheme (LCTBS) by the 31 January 2013. The new schemes will operate on the basis of providing a discount on the Council Tax liability depending upon the local criteria established in the LCTBS and will therefore reduce the overall Tax Base. The Council is still developing its scheme proposals and intends to apply for the one-off transitional grant of £0.119m (£0.141m including preceptors) made available by the Department for Communities and Local Government. The scheme will be considered by the Executive on the 8 January 2013 and as such these budget proposals do not allow for the impact, if any, of the LCTBS. At the same meeting in January the Executive will also be considering potential changes to Council Tax exemptions and discounts. At this stage no impact on the Council's budget has been assumed.
- 5.15 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the final settlement, the results of the consultation and the final budget proposals.

Budget Proposals for 2013/14

Service pressures and Developments

- 5.16 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular the scope to invest in new service provision is self evidently severely restricted. Nevertheless, it is important to retain a clear focus to ensure that the Council continues to protect and, wherever possible, improve services and to invest in the Borough, focussing on protecting front line services and delivering the Council's Medium Term Objectives. In preparing the 2013/14 draft budget proposals each department has evaluated the potential pressures on its services and these are summarised below in Table 2:

Table 2: Service Pressures/Development

	£'000
Chief Executive / Corporate Services	137
Children, Young People and Learning (excluding schools)	484
Adult Social Care, Health and Housing	623
Environment, Culture & Communities	155
Council Wide	50
Total Pressures/Developments	1,449

5.17 Many of the pressures are simply unavoidable and respond only to changing demographic trends, particularly as they principally relate to increases in children and young people in care, increases in client numbers within Adult Social Care or the economic climate. They do, however, also support the Council's six overarching priorities and medium term objectives in the following way:

- promote health & achievement (£0.5m);
- create a Borough where people are safe, and feel, safe (£0.5m);
- sustain economic prosperity (£0.1m).

5.18 The Children Young People and Learning proposals include a substantial pressure to cover the care and accommodation costs of children currently being looked after where numbers have increased by 16% over the last 2 years, together with associated support services. There are also pressures relating to the management of the assessment process for children with SEN and an impact on the LA budget from the School Funding Reforms. The full proposals from CYPL are detailed in Annex B.

5.19 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure, details of which are set out below in the paragraphs that present the proposed capital programme.

Service Economies /Balancing the Budget

5.20 Since April 2012 the Executive and CMT have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed. This list totals £2.312m and is summarised in Table 3, with Annex C setting out the full proposals from CYPL. As in previous years, these economies focus as far as possible on central and departmental support rather than on front-line services. However, since it became a Unitary Authority the Council has successfully delivered savings of around £55m in total. Against this background of continually bearing down on costs and driving to improve efficiency it is becoming increasingly difficult to find further savings in these areas, which would not compromise the Council's ability to function effectively.

Table 3: Summary Service Economies

	£'000
Chief Executive / Corporate Services	436
Children, Young People and Learning (excluding schools)	398
Adult Social Care, Health and Housing	806
Environment, Culture and Communities	672
Total Savings	2,312

Council Wide Issues

5.21 Apart from the specific departmental budget proposals there are some Council wide issues affecting all departments' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended. However the current view on these issues is outlined in the following paragraphs:

a) Capital Programme

The scale of the Council's Capital Programme for 2013/14 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts, government grants, developer contributions or borrowing from internal resources. The proposed Council Funded Capital Programme amounts to £12.190m with an externally funded programme of £11.272m. After allowing for projected receipts of approximately £5m in 2013/14, a £1.1m contribution from revenue balances to part fund works at Times Square and carry forwards, but excluding the self-funding Invest to Save schemes, the additional revenue costs will be £0.033m in 2013/14 and £0.394m in 2014/15. These figures include on-going costs associated with the maintenance and support of IT capital purchases.

b) Interest and Investments

After a very uncertain and economically challenging start to the year, there are initial signs that economic growth has returned after three quarters of recession. However the normal economic indicators used to evaluate the financial health of the country have been impacted by a range of unique circumstances, including the Queen's Jubilee and associated additional bank holidays followed closely by the London 2012 Olympics. Inflation has struggled to make further downward progress in the last quarter, and the latest forecasts by the Bank of England suggest it is unlikely to fall below the 2% target over the next 12 months. As a result of the above, GDP posted a quarterly rise of 1% in Quarter 3, however this is unlikely to contribute enough to generate positive growth for the year as whole and as such 2012 is likely to be seen as adding to the worst and slowest recovery from recession of any of the five recessions since 1930. There remain huge uncertainties in economic forecasts due to the following major difficulties:

- the impact of the Euro-zone crisis on financial markets and the banking sector;
- the impact of the UK Government's austerity plan on confidence and growth;
- monetary policy action failing to stimulate growth in western economies
- and the potential for weak growth or recession in the UK's main trading partners – the EU and the US.

The overall balance of risks remains weighted to the downside. Given the weak outlook for economic growth, the prospect for any interest rate changes before the end of 2014 are very limited.

Unrestricted

The 2013/14 budget is therefore based on an average rate of return of approximately 1% and reflects the lower cash balances as a result of the 2012/13 and proposed 2013/14 Capital Programme

The Council can once again make maximum use of the arrangement to make a pre-payment on its pension fund contributions and thus earn a higher discount than could be achieved through its own investment opportunities. With no change in interest rates predicted over the next 18 months, the change in total investment income expected by the Council need only reflect the impact of the capital expenditure in 2013/14 and the actual level of balances that exist on 1st April 2013. The net impact of these is a £0.015m pressure, being £0.033m related to the Capital Programme and additional income of £0.018m from the slightly higher predicted cash balances based on current trends.

There is a risk, however, that the Council's cash-flow will differ from past years as a result of the reforms to the local government funding mechanism (Business Rates Retention). Unfortunately it is too early to predict any impact before the full scheme proposals are published by the government. As such any change in interest rates or cash balances will clearly have an impact on the overall investment income generated by the Council with every 0.1% reduction in the average rate of return adding a £0.022m pressure to the General Fund.

The Council reviews the annual Treasury Management Strategy Statement under the requirement of the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Local Government Act 2003 required the Council to "have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the capital investment plans are affordable, prudent and sustainable".

c) Provision for Inflation and Pay Awards

The Commitment Budget excludes the cost of inflation on both expenditure and income. In past years, the Council has restricted the provision for inflation on prices as a general economy measure, to help address the underlying budget gap, although pay awards have been fully funded. In the context of the Council's overall financial position, it is again prudent to consider where the provision for inflation on prices can be limited as an economy measure, although some exceptions will be necessary to reflect actual increases that will not be containable without real service reductions or to meet contractual commitments. In particular it will be important to have realistic discussions with key providers about what level of inflation is genuinely necessary on some contracts and placements.

At this stage the inflation provision is not finalised, although for planning purposes a sum of £2.100m has been added to the budget. This compares to a provision of £1.521m last year and reflects the fact that a provision for pay of 1% is required for 2013/14 (0% in 2011/12 and 2012/13) in line with the Chancellor's statements. This will be achieved by:

- Assuming a pay award of no more than 1%;
- Negotiating to minimise inflation on contracts;

Unrestricted

- Using the Consumer Price Index for a number of budget lines rather than the Retail Price Index;
- Increasing fees and charges by 2.5% unless this is inconsistent with the Council's income policy.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2013.

d) Fees and Charges

The Council established a policy for the review of fees and charges when setting the 2001/02 budget. This requires each Department to consider the level of charges against the following criteria:

- Fees and Charges should aim, as a minimum, to cover the costs of delivering the service;
- Where a service operates in free market conditions, fees and charges should at least be set at the market rate;
- Fees and charges should not be levied where this is an ineffective use of resources, i.e. the cost of collection exceeds any income generated.

It is estimated that most prices, where the Council charges users a fee for services, will need to increase by around 2.5% to recover the costs of those services. However, where current economic conditions and the market rate indicate a different percentage, for example for leisure income, this has been applied. Certain other fees also attract a different percentage as they are determined by statute. The proposed fees and charges that can be determined by CYPL that are not proposed to increase by around 2.5% are as follows:

- attendance at youth centres to remain unchanged to maintain current throughput
- Adoption fees increased by 1% in line with national agreement that is linked to the pay award
- Fostercare charges increased by national rate of 2%
- Fees charged to schools for consultancy and professional development courses to remain unchanged
- Room hire and sale of goods at the Education Centre to remain unchanged to reflect current market conditions

e) Corporate Contingency

The Council manages risks and uncertainties in the budget through the use of a general contingency added to the Council's budget. During the next year the Council will face significant risks on its budget particularly in relation to:

- demand led services;
- retention of business rates by councils;
- the localisation of Council Tax support;
- the transfer of Public Health functions to councils;
- the continuing general economic uncertainty.

This scale of risk requires the consideration of an increase in the general contingency. The Borough Treasurer therefore recommends that the general contingency should be increased by £1m to £2m in order to set a realistic and deliverable budget in 2013/14. It should be possible to reduce the level of contingency at some point in the future when the level of risk and uncertainty diminishes.

The Executive will need to make a judgement on the appropriate level of contingency at its February meeting, taking advice from the Borough Treasurer who will need to certify the robustness of the overall budget proposals in the context of the Council's remaining general and earmarked reserves. All the reserves will be reviewed to ensure that they are sufficient to manage the financial risks facing the Council in the coming years.

f) Members Initiative Fund

It is proposed that a council wide revenue budget of £0.420m (£0.010m per Member) is created to fund small projects based on members' knowledge of local ward priorities or in conjunction with partners and other stakeholders.

Spending on Schools

- 5.22 From 2013/14 the DSG will be split into three notional blocks – schools (which will still include delegated school budgets and a smaller number of centrally managed services), early years and high needs, each with their own funding rate. In the first instance, each block will be based on 2012/13 budgeted spend. The blocks will not be ring-fenced but a ring-fence will continue on the DSG as a whole so that it can only be spent on the functions for which it is meant.
- 5.23 With the new funding framework comes a new timetable for the production of budgets. The DfE requires councils to confirm the actual budgets to be allocated to schools by 22 January 2013, even though relevant information required to calculate budgets will not be supplied before 10 December 2012. To meet this requirement, 2013/14 school budgets will have to be set on the basis of the estimated level of DSG plus any accumulated balance. The draft budget proposals therefore assume the Schools Budget is set at the level of DSG and that any accumulated deficit or surplus is managed to a nil balance by the end of the funding period.
- 5.24 Decisions around the final balance of the budget between spending by schools and that on services managed by the Council is the responsibility of the Executive Member for Children, Young People and Learning, although the Schools Forum must be consulted, and in certain circumstances, agree to spending increases on the services managed by the Council.

Summary position on the Revenue Budget

- 5.25 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £73.753m as shown in Table 4.

Table 4: Summary of proposals:

	£'000
Commitment Budget	71,581
2013/14 Budget Pressures	1,449
2013/14 Budget Economies	-2,312
Capital Programme	33
Changes in Investment Income	-18
Inflation Provision	2,100
Increase in Contingency	1,000
Members Initiative Fund	420
New Homes Bonus 2013/14	-500
Draft Budget Requirement 2013/14	73,753

- 5.26 Without the provisional finance settlement assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to £70.867m. This arises from Government grants (£22.083m), the Collection Fund surplus (£0.268m), additional Council Tax Freeze Grant (£0.492m) and Council Tax (£49.244m). The Council will also lose £1.22m in Council Tax Freeze Grant which was received in 2012/13 for one year only. Both the 2013/14 freeze grant and Council Tax yield may be impacted upon by decisions on the Local Council Tax Benefit Scheme and any technical changes to exemptions and discounts which will be taken by the Executive on the 8 January and Full Council on 23 January.
- 5.27 With the potential overall cost of the budget package being consulted on in the region of £73.753m, this leaves a potential gap of around £2.886m (£1.734m plus additional contingency of £1m and members' initiative fund of £0.420m, less the Collection Fund surplus of -£0.268m). Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:
- an appropriate contribution from the Council's revenue balances, bearing in mind the Medium Term Financial Strategy;
 - identifying further expenditure reductions.

Balances

- 5.28 The Council has an estimated £9.9m available in General Reserves at 31 March 2013. Details are contained in Table 5.

Table 5: General Reserves as at 31 March 2013

	£m
General Fund	10.3
Planned use in 2012/13	(0.4)
Estimated Balance as at 31 March 2013	9.9

- 5.29 The Council's Accommodation Strategy is underpinned by a programme of reducing the number of buildings across the Council estate. Some of this is dependent on the improvements to Time Square designed to accommodate the vast majority of Town Centre staff in that building. To maximise the capacity of the building additional funding of £3m will be required (on top of the £1.22m currently provided for essential

maintenance in the 2012/13 capital programme). By amalgamating staff in Time Square annual savings of £0.156m are predicted when it vacates its current accommodation in Seymour House, and its short term replacement, Ocean House, along with Amber House. These savings will fund a significant proportion of the additional investment and the associated financing costs over a 17 year period (approximately £1.9m). The remaining funding of £1.1m will be financed from revenue balances.

- 5.30 The Council has, in the past, planned on maintaining a minimum prudential balance of £4m. This assessment is based on the financial risks which face the Council and the Borough Treasurer considers these in the February report to the Executive at which a final decision on the use of balances can be taken, taking account of the financial position likely to face the Council over the next three to four years.

Capital Programme

Introduction

- 5.31 The Local Government Act 2003 requires Councils to have regard to the Prudential Code for Capital Finance in Local Authorities when setting their capital expenditure plans, which must be affordable, prudent and sustainable.
- 5.32 The proposed capital programme for 2013/14 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions, some internal borrowing and £5.0m of capital receipts. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans which are set out above.

New Schemes

- 5.33 Within the general financial framework outlined above, Service Departments have considered new schemes for inclusion within the Council's Capital Programme for 2013/14 – 2015/16. Given that both capital and revenue resources are under pressure, each Department has evaluated and prioritised proposed schemes into the broad categories, set out in the Council's Corporate Capital Strategy and in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Unavoidable (Including committed schemes)

This category covers schemes which must proceed to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new statutory legislation etc. Committed schemes also include those that have been started as part of the 2012/13 Capital Programme. Also included within this category are those schemes that were previously funded from the General Fund Revenue Account, but which by their nature could be legitimately capitalised, thereby reducing pressure on the revenue budget. Schemes in this category form the first call on the available capital resources.

Within these categories, provision has been made to address the rolling programme of disabled access requirements to Council buildings (£0.1m). The works have been identified through independent access audits and have been prioritised to meet the needs of users of these buildings. Significant progress has been made in past years and a programme of works has been planned across a range of service areas.

Time Square

The Accommodation Strategy is underpinned by a programme of reducing the number of buildings across the Council estate. Some of these are dependent on the improvements to Time Square to accommodate the vast majority of Town Centre staff in that building. To maximise the capacity of the building and reduce the maintenance back-log additional funding of £3m (on top of the £1.22m currently provided for in 2012/13) will be required which will increase significantly the useful life of the building. By accommodating additional staff in Time Square annual savings of £156,000 are predicted from the release of two town centre buildings which will fund a significant proportion of this additional investment and the associated financing costs over a 17 year period (approximately £1.9m). The remaining funding of £1.1m will be financed from revenue balances.

In order to secure the current tendered prices and to avoid incurring the full cost of scoping and procurement for a second works programme, a request is made for the Executive to approve the £3m request in advance of the main consultation exercise. Providing this funding to complete a works programme will secure the envelope of the building, consolidate Customer Services and Registrars on one site improving service to the public, allow for works to heating, cooling & infrastructure and allow some office remodelling to accommodate 162 additional staff. It is also planned to achieve further efficiency savings where functions can be streamlined

Town Centre Highway Works

In order to facilitate transport movements around the Borough, including in the medium term the planned Town Centre redevelopment, it is necessary to fund a number of highway schemes. In particular works required on the Twin Bridges site. As such a funding need of £2.5m has been identified in the 2013/14 proposals with further commitments required in 2014/15 and 2015/16.

Maintenance (Improvements and capitalised repairs)

An assessment has been made of the condition of the Council's property assets to arrive at an estimate of the outstanding maintenance works required as follows.

Definition of Condition Categories:	
A: Good – Performing as intended and operating efficiently.	
B: Satisfactory – Performing as intended but showing minor deterioration.	
C: Poor – Showing major defects and/or not operating as intended.	
D: Bad – Life expired and/or serious risk of imminent failure.	
Priority:	
1	Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.
2	Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health & safety of the occupants and/or a minor breach of the legislation.
3	Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health & safety of the occupants and/or a minor breach of the legislation.
4	Long-term work required beyond a period of 5 years that will prevent deterioration of the fabric or services.

The figures below are based on the information held in the Building Group's property system as of the 30 November 2012. The system has been continually updated to take into account works that are already budgeted for within existing 2012/13 schools and corporate planned maintenance programmes:

Maintenance Backlog

		£ (000)	£ (000)
Schools	Priority 1C & 1D	1,439	
	Priority 2C & 2D	4,914	
	Lower Priorities	4,180	10,533
Corporate Properties	Priority 1C & 1D	2,074	
	Priority 2C & 2D	9,006	
	Lower Priorities	4,915	15,995
Total		<u>4,915</u>	<u>26,528</u>

Schools

Historically the Schools Maintenance Programme has been funded from the Capital Maintenance grant allocation from the Department for Education. The Council has been notified by the Department that the provisional allocation for 2013/14 will not be announced until January 2013 at the earliest. The 2012/13 allocation amounted to £1.89m and the assumption has been made at this stage in the budget process that the amount of grant funding will support the level of 1C and 1D liabilities identified above. This will be reviewed upon receipt of the final grant allocation.

Non-schools

For all non-schools property and in line with the policy adopted in previous years, the Asset Management Group has considered only those works that fall within categories 1C and 1D. From an analysis of the work required it is clear that a significant proportion of the works, whilst urgent, cannot be legitimately capitalised under the accepted accounting principles and must be met from a revenue budget. An allowance of £200,000 is available in the 2013/14 Revenue Budget proposals to meet such liabilities. However this will not be sufficient to meet the level of works identified within the 1C and 1D categories. Approximately £500,000 of the highest priority works can be legitimately capitalised and it is proposed to review the most effective way for the Council to fund any additional revenue works at the end of the current financial year as part of the 2012/13 Out-Turn Report.

The implications of failing to maintain Council buildings and to address the backlog will be a significant issue for the Council over the coming years and efforts will be focussed on ensuring that the highest priority items are tackled first, that efficiencies are maximised in the procurement of works and that maintenance which will result in energy efficiencies are undertaken through the invest-to-save programme.

Rolling programmes

These programmes cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's Medium Term Objectives and established Asset Management Plans.

Additional School Places

Historically the Schools Places Programme has been funded from the Basic Needs grant allocation from the Department for Education. The Council has been notified by the Department that the provisional allocation for 2013/14 will not be announced until January 2013 at the earliest. The 2012/13 allocation amounted to £6.539m and the assumption has been made at this stage in the budget process that the amount of grant funding will support £5m of required works. This will be reviewed upon receipt of the final grant allocation.

Other Desirable Schemes

In addition to the schemes identified in the above categories, each service has requested funding for other high priority schemes that meet the needs and objectives of their service and the Council's Medium Term Objectives. The net cost of schemes which attract partial external funding are included in the schemes put forward.

Invest To Save Schemes

These are schemes where the additional revenue income or savings arising from their implementation exceeds the internal borrowing costs. The Council's approach to Invest to Save schemes is included in its Capital Strategy and in accordance with the Capital Strategy it is proposed that a further £1m be included in the 2013/14 capital programme for potential Invest to Save schemes.

- 5.34 Scheme details relating to the CYPL Department are set out in Annex D, and these show externally funded expenditure only at £7.834m. The overall proposed capital programme requires £12.190m of funding from the Council. The following table summarises the draft programme for the CYPL Department.

Table 6: Summary of CYPL capital proposals:

Draft Capital Programme	2013/14 £000	2014/15 £000	2015/16 £000
External Funding:			
Maintenance	1,439	1,500	1,500
Additional school places	5,000	4,000	0
Other desirable schemes	1,395	1,065	1,065
Total draft programme	7,834	6,565	2,565

Schemes highlighted in years subsequent to 2013/14 are indicative only and not subject to approval at this stage. At this stage, the requirement for additional school places from 2015/16 is still being assessed.

Externally Funded Schemes

- 5.35 A number of external funding sources are also available to fund schemes within the capital programme, amounting to £12.945m of investment in 2012/13. External support has been identified from two main sources:

Government Grants

- 5.36 A number of capital schemes attract specific grants. It is proposed that all such schemes should be included in the capital programme at the level of external funding that is available.

A significant element of the grant-funded capital programme relates to the planned investment in Schools. In 2011/12 the Department for Education (DfE) changed the way in which it delivered funding to local authorities, moving from supported borrowing approvals to capital grant. This simple change had a significant impact on the authority, as the supported borrowing approvals represented little or no cash increase to the Council's resources, whereas the move to cash grants means the Council can effectively invest every £ of allocation from DfE.

The schools investment programme included in this report (and outlined in Annex D) is based on the latest available information on requirements, both maintenance and basic need, whilst at the same time reflecting the estimated level of funding that could be received in 2013/14 through the grant allocation process, based on the 2012/13 allocation. The actual level of grant received by the authority will not be known until January 2013 at the earliest. As such there is a presumption that the final agreed programme will be re-prioritised based on the level of funding actually received.

A second key constituent of capital grant funding relates to the Highway Maintenance and Integrated Transport Block. The Council's 2013/14 allocation was provisionally announced as part of a two-year settlement last year, and the Council expects this to be confirmed as part of the Provisional Local Government Settlement in December 2012.

Section 106

- 5.37 Each year the Council enters into a number of agreements under Section 106 of the Town & Country Planning Act 1990 by which developers make a contribution towards

Unrestricted

the cost of providing facilities and infrastructure that may be required as a result of their development. Usually the monies are given for work in a particular area and/or for specific projects. The total money available at present, which is not financially committed to specific projects, is £5.1m, although conditions restricting its use will apply to almost all of this.

Officers have identified a number of schemes that could be funded from Section 106 funds in 2013/14, where funding becomes available. These are summarised below

Department	Schemes	Budget
		<i>£000</i>
CYPL	Schools	250
ECC	Parks & Open Spaces	100
ECC	Local Transport Plan	1,000
	Total	1,350

The level of new funding available through Section 106 will reduce significantly in the future following the introduction of the Community Infrastructure Levy (CIL). However the more flexible CIL funding should offset this reduction.

Funding options

- 5.38 There are a number of important issues concerning the long term funding of capital expenditure. Following the transfer of the housing stock in 2008, the Council's capital receipts are limited to miscellaneous asset sales and the contribution from the VAT Shelter Scheme and Right-to-Buy claw back agreed as part of the transfer. These receipts are estimated to be in the region of £5.0m.
- 5.39 The proposed capital programme for 2013/14 has been developed, therefore, on the assumption that it will be funded by a combination of £5.0m of capital receipts, Government grants, other external contributions and some internal borrowing. The financing costs associated with the Capital Programme have been provided for in the Council's revenue budget plans.
- 5.40 Should any additional capital receipts be generated in 2013/14 the interest earned on these will be used to mitigate the revenue cost of the capital programme.
- 5.41 For 2013/14 it is unlikely that the Council will need to resort to external borrowing as it will be able to utilise resources held internally. However the Capital Finance regulations require the General Fund to set aside an amount which would be broadly equivalent to the amount the Council would need to pay if it borrowed externally. If any amendments are made to the capital programme, the revenue consequences will need to be adjusted accordingly. Executive Members will therefore need to consider the impact of the capital programme as part of the final revenue budget decisions.
- 5.42 The reduction in available capital receipts has placed greater emphasis on the capital programme and its impact on the revenue budget. Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance, and will necessitate taking a medium-term view of revenue income streams and capital investment needs.

- 5.43 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2013/14 to 2015/16 in February 2013, alongside its consideration of the specific budget proposals for 2013/14 and the Council's medium-term financial prospects.
- 5.44 Given the known revenue budget gap, there will need to be a careful balance between the level of the Capital Programme in future years against other revenue budget pressures and a thorough review, including the prioritisation of those schemes planned for 2014/15 onwards, will need to be undertaken during next summer.

Conclusion

- 5.45 When the final settlement is known, the Executive can consider the prudent use of revenue balances and appropriate level of Council Tax to support expenditure in line with the overall medium term financial strategy along with further possible reductions to augment the "core package". In doing this, it will be important to manage the budget process effectively so that the inevitable important service pressures can be responded to whilst, as far as possible, front-line services are maintained with minimal disruption and without creating long term problems for the Council.
- 5.46 All comments from the Schools Forum and others on the revenue and capital budget proposals will then be submitted to the Executive on 13 February 2013. This will allow the Executive to determine the final budget package and recommend the appropriate Council Tax level to the Council on 27 February 2013.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions (including consultation) are addressed within the main body of the report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out within the supporting information.

Equalities Impact Assessment

- 6.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. A number of the budget proposals require specific equality impact assessments to be carried out of which draft versions have been prepared. Consultation with equalities groups that are likely to be affected by the proposal is part of the assessment process. In respect of the Capital Programme, where necessary, impact assessments on specific schemes will be undertaken before work commences

Strategic Risk Management Issues

- 6.2 A sum of £2m is currently proposed to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. This is £1m more than the contingency set for 2012/13. The Executive will need to make a judgement on the level of contingency at its meeting in February.
- 6.3 The Borough Treasurer, as the Council's Chief Finance Officer (section 151 officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Borough Treasurer will report his findings in February, when the final budget package is recommended for approval.
- 6.4 The most significant risk facing the Council is the impact of the capital programme on the revenue budget. The scale of the Council's Capital Programme for 2013/14 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing from internal resources. This effect is compounded by future year's capital programmes. As revenue resources are limited it is clear that a capital programme of this magnitude is not sustainable in the medium term without significant revenue economies. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather
 - Availability of staff with appropriate skills to implement schemes
- 6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2013/14, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

CONSULTATIONPrincipal Groups Consulted

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Over 50's Forum, the Schools Forum, Parish Councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at www.bracknell-forest.gov.uk. There will also be a dedicated mailbox to collect comments.
- 7.2 The timetable for the approval of the 2013/14 Budget is as follows

Executive agree proposals as basis for consultation	11 December 2012
Consultation period	12 December 2012 - 22 January 2013
Executive considers representations made and recommends budget.	13 February 2013
Council considers Executive budget proposals	27 February 2013

Background Papers

None.

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paul.clark@bracknell-forest.gov.ukDoc. RefDoc. Ref G:\New Alluse\Executive\Schools Forum\60) 131212\LA Budget Proposals for 2013-14.doc

Commitment Budget 2013/14 to 2015/16

Item	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Children, Young People and Learning				
Approved Budget	12,809	12,781	12,421	12,261
<u>Suitability surveys</u> Suitability and access surveys are undertaken every three years to update the Asset Management Plan in order that up to date information is available to inform investment decisions on the capital programme.		-20		20
<u>Schools Music Festival</u> Biennial event which enables pupils from BF Primary schools to participate in a large scale production which links music, dance and art.		10	-10	10
<u>Local foster home placements</u> The investment in staffing agreed in the 2012-13 base budget has, as expected, resulted in more children being placed in local foster homes instead of expensive independent foster homes. The savings reflect the current looked after children population which is volatile, and therefore subject to change, often at very short notice.		-100	-150	
<u>Youth Service</u> Full year effect of the savings proposal implemented in 2012/13.		-250		
<u>Virements</u> Net Inter Departmental Virements (1).	-28			
Children, Young People and Learning Adjusted Budget	12,781	12,421	12,261	12,291

(1) These transfers net off to nil in the Council's budget, and most significant virements in CYPL relate to transferring £0.060m of funding to reduce domestic abuse to Corporate Services, and a budget addition of £0.032m to fund the increased contribution to finance the accumulated deficit on the Local Government Pension Scheme.

Revenue budget: proposed PRESSURES for CYPL Department

Description	2013/14 £'000	2014/15 £'000	2015/16 £'000
<p>Looked After Children</p> <p>Based on the current costed schedule of known placements, a pressure has been identified to ensure the fulfilment of statutory duties for children and young people in care (£295k). This reflects an increase in the number of children being looked after and requiring care and support from 82 when the budget requirement for 2012/13 was established, to 87.</p> <p>The increase in number of looked after children together with those on child protection plans has also had an impact on the number of required interventions. This has translated most acutely into extra demands on court proceedings and associated commissioned legal costs (£36k), an increase in use of the Emergency Duty Team which provides an emergency social work service for urgent situations which arise out of normal office hours and which cannot be left with an appropriate degree of safety until the next normal working day (£24k) and managing and reviewing cases of children at risk and on the Child Protection Register, within the statutory timescales (£28k).</p>	383		
<p>Special Educational Needs (SEN) Team</p> <p>There has been a significant increase in the workload of the SEN Team in recent years in terms of complexity of cases and numbers. Over the past 3 years, the number of statements issued has increased by 11% from 632 to 702. Coupled with an increasing need to design bespoke packages in particular for children with complex health needs and with local special schools at capacity, the work of the SEN team has significantly increased. This has impacted on the service provided which will be addressed through increasing the SEN Team Manager post to full time (from 0.8fte) and appointing an additional SEN Officer, on a temporary trial basis for 2 years.</p>	46		-35
<p>School Funding Reform</p> <p>New national funding reforms will result in the Council no longer being able to retain a share of income from other LA pupils with special educational needs placed in Bracknell Forest schools. Current arrangements allow for a share of income to be retained to reflect the estimated cost of support provided by the Council.</p>	55		
CHILDREN YOUNG PEOPLE AND LEARNING TOTAL	484	0	-35

Revenue budget: proposed ECONOMIES for CYPL Department

Description/ Impact	2013/14 £'000	2014/15 £'000	2015/16 £'000
<p>Additional income</p> <p>A small number of services are exceeding their income targets, either through improved trading, or additional external contributions, and where this is expected to continue, budgets will be increased accordingly. This relates to the School Improvement Team (£30k), Larchwood Short Break Unit (£20k), Children's Centres (£15k) and the Bracknell Open Learning Centre (£10k).</p>	-75		
<p>Managing new efficiencies on contracts and general expenses</p> <p>Efficiencies have been negotiated to reduce the cost of placements with a range of Independent Fostering Agencies and for the procurement of agency staff which will in total reduce expenditure by £17k.</p> <p>Spending on general operating expenses will be reduced by £67k from reductions to staff training and development (£21k), general efficiencies in the Youth Offending Service (£15k), reducing the use of external/professional journals to recruit hard to fill posts (£14k), greater use of the BF website for publishing documentation with reducing printing costs (£12k) and reductions in printed material at the Family Information Service, which provides information to parents and carers (£5k).</p> <p>A further saving (£15k) will be achieved from deleting a part time post that supports the Departmental Management Team. This post is vacant and can be covered from other posts.</p>	-99		
<p>Improved service delivery</p> <p>The management and support arrangements for the delivery of school place planning and commissioning have been reviewed. This has resulted in a more streamlined and automated process, centred on transactional activities that is less labour intensive. The two existing posts will be deleted and replaced with 1.5 full time equivalent posts at lower grades creating a total saving of £40k. The requirement for a lead officer remains and is covered below.</p> <p>A review of the management team has been undertaken as part of the three year programme to modernise the youth service which operates youth centres, outreach activities and targeted interventions for young people such as sexual health. This has identified the opportunity to delete two senior posts and make</p>	-90		

Unrestricted

Description/ Impact	2013/14 £'000	2014/15 £'000	2015/16 £'000
<p>other cost reductions. There will be consequential impacts on quality assurance and staff training, with a range of other activities absorbed into other posts or ceased. One new post would be created to take the operational lead for the Youth Service, commissioning, trading with schools and school places planning. This will deliver a total saving of £50k.</p>			
<p>Older looked after children, care leavers and direct payments</p> <p>The demand for some aspects of support are currently below the amount allowed for in the budget and based on the current profile of clients, a number of savings can be made against services that support vulnerable children. Reductions can be made on direct payments made to young people to manage their own care needs (£5k), computers for children in care (£5k), activities with social workers (£7k), finance for supported lodgings for young people who cannot live at home but are not quite ready to live independently (£6k) and setting up grants for young people leaving care to help the live independently (£30k).</p>	-53		
<p>Support for 13-19 year old pupils</p> <p>The service includes information, advice and guidance to young people, and additional support to those not in education, employment or training (NEET). It is provided externally via contract which has recently been re-configured to deliver a cost saving.</p>	-20		
<p>Choice Advice Service</p> <p>The independent parental Choice Advice service provides targeted support to parents and carers who need help in making an informed choice of school for their child. When introduced by the previous Government this was a statutory responsibility, however, this duty has now been removed. The post holder supporting this function will be made redundant, with relevant information being made available on the BF website.</p>	-11		
<p>Early Years, Childcare & Play – Graduate Leader Programme</p> <p>The fund available to support the expansion of graduates leading practice, particularly in day care, will be reduced, resulting in only those courses currently included in the programme continuing to receive funding to their completion. No new courses will be funded.</p>	-20		

Unrestricted

Description/ Impact	2013/14 £'000	2014/15 £'000	2015/16 £'000
<p>Extended Services</p> <p>Support to the Area Partnerships in the delivery and development of a range of extended services to young people will be reduced through deleting a part time post and reducing the level of resources that fund activities. Some support will in future be provided through the Youth Service.</p>	-30		
CHILDREN YOUNG PEOPLE AND LEARNING TOTAL	-398	0	0

CYPL Proposed Capital Programme

	2013/14 £000	2014/15 £000	2015/16 £000
Committed			
None	0	0	0
	0	0	0
Unavoidable			
None	0	0	0
	0	0	0
Maintenance			
None	0	0	0
	0	0	0
Rolling Programme / Other Desirable			
None	0	0	0
	0	0	0
TOTAL REQUEST FOR COUNCIL FUNDING	0	0	0
External Funding			
Capital Maintenance / Condition			
Schools	1,439	1,500	1,500
Basic Need (School Places)			
Additional Capacity - Primary	3,250	2,250	0
Additional Capacity - Secondary	1,750	1,750	0
	5,000	4,000	0
Other Schemes			
Fire Safety - Schools	200	200	200
Disabled Access - Schools	100	100	100
Suitability Improvements	200	200	200
Heatwave Mitigation Measures - Schools	45	45	45
School Kitchen Refurbishments	100	100	100
School Caretakers Houses	70	70	70
Carbon Reduction Measures	80	80	80
Ascot Heath Infants Classroom extension - School Bid	200	0	0
Wooden Hill Suitability Phase 2 - School Bid	100	0	0
	1,095	795	795
Total Schools Basic Need and Maintenance	7,534	6,295	2,295
Other			
Wooden Hill Suitability Phase 2 - School Funding	30	0	0
School Kitchen Refurbishments	20	20	20
Section 106 Contributions - Schemes less than £50k	250	250	250
Schools Devolved Formula Capital (ex VA Schools)	tbc	tbc	tbc
	300	270	270
TOTAL EXTERNAL FUNDING	7,834	6,565	2,565
TOTAL CAPITAL PROGRAMME	7,834	6,565	2,565

Capital Programme 2013/14 – Children, Young People and Learning

Maintenance – Schools	£1,439,000
See body of report	

Additional Capacity - Primary	£3,250,000
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A budget for provision of the additional primary school places required to meet the Council's statutory duty to provide sufficient primary school places from September 2013.

This includes works at Owlsmoor Primary which will be increased from a Published Admission Number (PAN) of 76 to a PAN of 90 in all year groups to create an additional 98 school places. And expansion of an as yet unselected South Bracknell Primary school by 1FE to create an additional 210 places. The demand for these additional places is derived from the School Places Plan which utilises housing, birth rate and demographic data to forecast school rolls in future years. These works form part of the CYPL School Capacity Strategy which has been drawn up with input from the Asset Management Group and Education Capital Programme Board, and is set out in the Education Estates Strategy approved by the Executive Member for Education.

Additional Capacity – Secondary	£1,750,000
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A budget for provision of the additional secondary school places required in North Bracknell to meet the Council's statutory duty to provide sufficient school places from September 2013 onwards.

This will involve works at Garth Hill College to increase the capacity of the school by 1FE. The method being explored is to construct a new detached post 16 building freeing up space in the main school for key stages 3 & 4.

The demand for these additional places is derived from the School Places Plan which utilises housing, birth rate and demographic data to forecast school roll in future years. These works form part of the CYPL School Capacity Strategy which has been drawn up with input from the Asset Management Group and Education Capital Programme Board, and is set out in the Education Estates Strategy approved by the Executive Member for Education.

This additional secondary capacity is expected to be required until construction of the proposed new secondary school in North Bracknell is completed, however this has been delayed and the earliest the new school is expected to be opened is September 2018.

Fire Safety – Schools	£200,000
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A budget to undertake fire compartmentation works in accordance with current Building Regulations following building surveys. Works include fire doors and suspended ceilings. Fire compartmentation is a key part of ensuring buildings are protected from fire risk. The majority of the works will be in schools which are a high fire risk due to the amount of paper etc. in the buildings.

This project also mitigates health and safety risks from both staff and pupils. If a fire breaks out in a school with proper fire compartmentation there is a good chance that the fire barriers will enable much of the buildings to be saved as they will prevent the spread of fire until the fire service arrives on site.

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Disabled Access – Schools	£100,000
<p>Disabled access works to school buildings to meet the needs of disabled staff, pupils and visitors.</p> <ul style="list-style-type: none"> - is in line with Council strategy to improve access for disabled pupils and potential pupils who are disabled to the curriculum and facilities of schools in Bracknell Forest, thereby meeting a statutory duty to plan systematically to improve access and avoid unreasonable discrimination - prevents greater cost of out – Borough placements, possibly in the independent sector. One placement of a physically disabled child in the independent sector would cost approximately £50k per annum - addresses health and safety issues in relation to the safe movement of disabled pupils around the school - meets customer demands – parental preference is enshrined in Sections 9 and Schedule 27 of the Education Act 1996 and in the Special Educational Needs and Disability Act 2001 as well as the associated codes of practice. - meets the specific needs of individual pupils and adults in schools who are physically disabled in accordance with the Council’s legal duty under the Disability Discrimination Act and Special Educational Needs and Disability Acts. 	

Suitability Improvements	£200,000
<p>Improvement works to the Department’s buildings and facilities identified and prioritised by Suitability Surveys under the CYP&L Asset Management Plan. There are 725 items of suitability works across all the CYP&L establishments and are distributed as follows:</p> <p>Schools: 686 items The majority of issues are due to under sized and poor shaped classrooms</p> <p>Youth Service: 5 items At Edgbarrow there is no dedicated toilet provision or visitor reception.</p> <p>Early Years: 15 items There are shortages in storage and play area</p> <p>Childrens social care: 12 items There are issues with solar gain and a lack of storage.</p> <p>Adult & Community Learning: 7 items There are issues with solar gain, no reprographic facility or medical room,</p> <p>Funds would allow capital works to address the Priority 1 suitability issues highlighted in the surveys. Suitability works include internal adaptations, refurbishment and remodelling.</p>	

Heatwave Mitigation Measures – Schools	£45,000
<p>Works to mitigate the impact of a heat wave on the delivery of CYP&L services, most particularly where these affect young or vulnerable children.</p> <p>Very hot weather has a disruptive effect on the delivery of CYP&L services most particularly to young and vulnerable children, who may be unaware of the effect that exposure to hot weather may have on them. Where these services are delivered in buildings, it may be possible to mitigate the effect of a heat wave by putting in place works to alter the buildings and/or mechanical and electrical services. This does not mean installing air conditioning which should only be considered as a last resort after other measures have first been considered. Works could include natural ventilation, shade, solar window film, mechanical ventilation (air handling), heat exchangers, provision of drinking water etc. The ideal solution will be likely to be different at each establishment and a package of measures may be required.</p> <p>Suitability surveys undertaken between 2006 and 2009 have identified 54 individual areas of concern where heat gain is having a direct impact on the quality of service across CYP&L establishments. Edgbarrow School was identified as having 11 classrooms affected by heat gain. By mitigating the impact of heat wave this will remove impediments to service delivery such as children being unable to concentrate in school, and also contribute to the health and well being of service users who would be spared from the debilitating effects of high temperatures.</p>	

School Kitchen Refurbishment	£100,000
<p>There are 30 school meal kitchens in Bracknell Forest schools which have intensive use and require periodic capital investment to keep them operating in line with statutory compliance issues such as gas safety and environmental health. Key items of the fabric, ventilation and heavy equipment are becoming obsolete or in need of urgent replacement.</p> <p>All school kitchens have been surveyed and a priority order has been established based on condition and need. Ascot Heath and Meadow Vale are currently the highest priority.</p> <p>All users of the school meals service (pupils and staff) will benefit. The refurbishments will also address H&S compliance issues identified by the occupational health officer during their regular inspections. The school meals service is a key component of the Healthy Schools initiative. Hot, nutritious meals benefit all pupils and staff on site and if they are successfully promoted through the School and the catering contractor.</p> <p>The refurbishments will also address H&S compliance issues identified by the Environment Health officer during their regular inspections. The school meals service is a key component of the Healthy Schools initiative.</p>	

School Caretakers Houses	£70,000
<p>A budget to bring school caretakers houses up to the national “Decent Homes” standard. Works include kitchen refurbishments, bathroom refurbishments etc.</p> <p>A rolling programme of works identified by recent “Decent Homes” surveys to be addressed. Works include Kitchen and Bathroom refurbishments in order to bring the homes up to the nationally recognised decent homes standard</p>	

Carbon Reduction Measures	£80,000
<p>This project will provide a budget for high payback energy projects in schools that will be prioritised by the CYP&L Schools Carbon Working Group.</p> <p>BFC has a Management Agenda to drastically reduce Carbon emissions. The Carbon Management Plan commits the Council to a target of reducing CO² by 30% for which schools on their own are responsible for approximately 40% of this figure.</p> <p>The objective is to reduce schools' carbon emissions which come under the responsibility of the Council under the Government's Carbon Reduction Commitment (CRC) which is effectively a carbon tax. This programme will mitigate and reduce this amount payable in future years by targeting high payback energy projects that will have the greatest impact in reducing carbon emissions.</p> <p>Suitable projects will be identified by the Borough Energy Manager.</p>	

Ascot Heath Infants Classroom extension – School Bid	£200,000
<p>The existing library is 5.8m x 5.6m (approx) and we would like to extend it to create a classroom 5.8m x 11m. Currently we have a reception class in a central, open shared circulation space through the centre of which is the entrance to our school hall.</p> <p>Once the new classroom is built we would relocate the library to the open central space. We would install partition walls at the other end to create a group withdrawal space / PPA room, neither of which we have in school.</p> <p>Finally in the large open area we would like to create a server and hub station/cupboard with air conditioning. These are currently located in the small staffroom. They are both noisy and create a large amount of heat and there is no air conditioning available to keep the servers at an optimum temperature.</p> <p>There are several reasons for this proposal:</p> <ul style="list-style-type: none"> • The reception children who are taught in the large open circulation space find it very difficult to concentrate as older children are continually walking through to go to PE or assembly in the hall. Extending the library to be used as a classroom will eliminate this problem and hence improve the surroundings for the children. • The open middle area with alterations would allow for the space to be used as a library and a group withdrawal room. At present there is no Group Room and this puts tremendous pressure on space and means that staff use the staff room for their PPA time but are constantly interrupted as the staffroom is used for other activities including small groups, cooking and meetings. • With alterations being made in the middle area this would allow for the server to be moved out of the staff room and to be placed in a room with air conditioning or at least adequate ventilation. This would improve the climate in the staff room as currently the server puts out a lot of heat and the staffroom becomes overheated. It also means that the servers will be kept in a suitable environment and should therefore prolong their life expectancy. 	

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Wooden Hill Suitability Phase 2 – School Bid	£100,000
<p>This project is to strengthen the Foundation Stage Provision by undertaking Phase 2 of a project to upgrade and refurbish the existing Foundation and Key Stage 1 classrooms.</p> <p>The layout of the accommodation in the main school building is restricting the delivery of the education service due to poorly shaped and undersized rooms. Access/circulation between rooms is also an issue for the school and the layout does not fit with modern teaching methods, as it is open plan with circulation through teaching spaces. A programme of works has been drawn up to revamp the accommodation by moving internal partitions to create proper sized classrooms and teaching spaces with an improved access, separate circulation and an improved general layout. This will improve service delivery for Foundation and Key Stage 1 and the provision of improved physical environments will also have a positive impact on performance.</p>	
Wooden Hill Suitability Phase 2 – School Bid	£30,000
Schools funding element – see above	
School Kitchen Refurbishment	£20,000
Schools funding element – see above	
Section 106 Contributions – less than £50k	£250,000
Various schemes or part funding to be agreed by Education Capital Programme Board	