



NOTICE OF MEETING

Schools Forum

Thursday 13 March 2014, 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
Karen Davis, Primary Head Representative
Ed Essery, Primary School Governor
Brian Fries, Secondary School Governor
Martin Gocke, Pupil Referral Unit Representative
Keith Grainger, Secondary Head Teachers 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
Anne Shillcock, Special Education Representative
David Stacey, Primary School Governor Representative
John Throssell, Primary School Governor (Vice-Chairman)
Kathy Winrow, Academy School Representative

Non-Schools Members

George Clement, Union Representative (Chairman)
Robin Sharples, Oxford Diocese (Church of England)
Kate Sillett, PVI Provider Representative
Vacant, 14-19 Partnership Representative
Vacant, Diocese Representative (Roman Catholic)

ALISON SANDERS
Director of Corporate Services

EMERGENCY EVACUATION INSTRUCTIONS

- 1 If you hear the alarm, leave the building immediately.
- 2 Follow the green signs.
- 3 Use the stairs not the lifts.
- 4 Do not re-enter the building until told to do so.

If you require further information, please contact: Amanda Roden
Telephone: 01344 352253
Email: amanda.rodan@bracknell-forest.gov.uk
Published: 4 March 2014

Schools Forum

Thursday 13 March 2014, 4.30 pm

Council Chamber, Fourth Floor, Easthampstead House, Bracknell

Sound recording, photographing, filming and use of social media at meetings which are held in public are permitted subject to the provisions of the Council's protocol for recording. Those wishing to record proceedings at a meeting are advised to contact the Democratic Services Officer named as the contact for further information on the front of this agenda as early as possible before the start of the meeting so that arrangements can be discussed and the agreement of the Chairman can be sought.

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**

Any Member with a Disclosable Pecuniary Interest or an Affected 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 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 16 January 2014.

1 - 4

4. **2013-14 Allocations from the School Specific Contingencies and other Budgets centrally managed by the Local Authority**

To present information to the Schools Forum on the in-year allocation of funds to schools through School Specific Contingencies and other centrally managed budgets that are funded from the Schools Block element of the Dedicated Schools Grant (DSG) and initially managed by the council.

5 - 22

5. **Proposals for the 2014-15 Early Years and High Needs Block elements of the Schools Budget**

To seek comments from the Schools Forum on proposals from the Council for the 2014-15 Early Years and High Needs Block elements of the Schools Budget.

23 - 44

6. **Provision of Broadband and Related Internet Services to Schools**

To provide the Schools Forum with an opportunity to comment on the proposal to take up the option to extend by two years the current broadband and internet contract for schools.

45 - 50

7. **Exclusion of Public and Press**

To consider the following motion:

That pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2012 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 8 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person.

8. **Confidential Annex**

51 - 52

9. **Dates of Future Meetings**

The next meetings of the Schools Forum are scheduled at 4.30pm in the Council Chamber at Easthampstead House for:

Thursday 24 April 2014
Thursday 26 June 2014

This page is intentionally left blank



**SCHOOLS FORUM
16 JANUARY 2014
4.30 - 5.45 PM**

Present:

Schools Members

Liz Cole, Primary School Representative
Ed Essery, Primary School Governor
Martin Gocke, Pupil Referral Unit Representative
John McNab, Secondary School Governor
Joanna Quinn, Primary School Representative
Tony Reading, Primary School Governor
Trudi Sammons, Primary School Representative
David Stacey, Primary School Governor Representative
John Throssell, Primary School Governor (Vice-Chairman)

Non-Schools Members:

George Clement, Union Representative (Chairman)

Apologies for absence were received from:

Sue Barber, Primary School Governor
Karen Davis, Primary Head Representative
Brian Fries, Secondary School Governor
Keith Grainger, Secondary Head Teachers Representative
Paul Salter, Secondary School Representative
Robin Sharples, Oxford Diocese (Church of England)
Anne Shillcock, Special Education Representative
Kathy Winrow, Academy School Representative
Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning

19. Declarations of Interest

There were no declarations of interest.

20. Minutes and Matters Arising

RESOLVED that the minutes of the meeting held on 28 November 2013 be approved and signed by the Chairman as a correct record.

21. Local Authority Budget Proposals for 2014/15

The views of the Forum were sought on the Local Authority Budget Proposals 2014/15. Under the Council's constitution, the Executive was required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. The report summarised the current position on the Council's budget preparations for 2014/15, and included proposed pressures and savings in relation to the budget with a focus on the proposals from the Children, Young People and Learning Department.

Comments received on these budget proposals would be submitted to the Executive on 11 February 2014 along with details of the final Financial Settlement which would allow for the consideration of views received in making final decisions. The 2014/15 budget and Council Tax was due to be formally approved by full Council on 26 February 2014.

RESOLVED that the Schools Forum requested the following comment be presented in respect of the 2014/15 budget proposals of the Executive for the Children, Young People and Learning Department on:

- i. The revenue budget (Annexes B and C), and
- ii. The capital programme (Annex D).

The Schools Forum were concerned regarding all of the proposed budget cuts in services in relation to Children, Young People and Learning and the potential impact on education and children and young people in Bracknell Forest, but were particularly concerned with budget cuts affecting the most vulnerable children, including the Early Years Service, and looked after children. The Forum noted that economies needed to be made but were concerned about the impact on frontline services at the Borough Council.

22. **Local Authority Proposals for the 2014/15 Schools Block Element of the Schools Budget**

The Forum received an update report on school funding and comments were sought from Forum members on proposals from the Council for the 2014-15 Schools Block element of the Schools Budget. Within the overall budget setting process, there were a number of areas that the Forum had responsibility for, and these were presented for a decision.

The views of the Schools Forum on the proposals were sought in advance of the 21 January 2014 deadline for submission to the Department for Education (DfE) and the actual Funding Formula for Schools to be used in 2014-15 with associated units of resource.

Adding together the estimated increase in Dedicated Schools Grant (DSG) income of £1.352m and £0.144m draw down from the Job Evaluation Reserve, there was additional income of £1.496m for next year's Schools Block budget. After taking account of £0.291m of savings and applying the agreed budget strategy in the development of pressures that should be funded, there was £0.404m remaining for general allocation to schools on the basis of pupil numbers, deprivation and low prior attainment. Added to this, there was around £0.5m additional income to schools from the Pupil Premium making £0.904m of unallocated funds for school use. This overall increase in funding was estimated to be around £0.156m more than the unfunded costs schools would face.

In order to take account of the most up to date cost and income forecasts, proposals in respect of the High Needs and Early Years Block budgets would be presented to the Forum for consideration at the next meeting.

RESOLVED that in its role of statutory decision maker, the Forum **AGREED**:

- i. that the arrangements in place for the administration of central government grants were appropriate (paragraph 5.38);

- ii. that the initial budget amounts for School Block DSG funded services to be centrally managed by the council were as set out in Annex 1 (paragraph 5.41);
- iii. the revised criteria to be used from the 2013-14 financial year to allocate funds in-year to schools experiencing unavoidable costs arising from Key Stage 1 class size regulations be amended to that set out in Annex 6 (paragraphs 5.42 and 5.43).

RESOLVED that in its role as the representative body of schools and other providers of education and childcare, the Forum **REQUESTED** that the Executive Member **AGREE** the following decisions for the 2014-15 Schools Budget:

- i. that a new School Expansion Rates Reserve was created to finance future anticipated cost increases arising from the school expansion programme, and that it was initially funded through a £0.112m transfer from the Schools Budget General Reserve (paragraphs 5.25 and 5.26);
- ii. that with effect from 1 April 2014, schools implement the £ equivalent of the Living Wage for non-teaching staff, and that £0.144m was drawn down from the Job Evaluation Reserve to fund estimated 2014-15 costs and allocated to schools through reference to pupil numbers and £0.023m for Kennel Lane Special School (paragraphs 5.19 – 5.22);
- iii. that the £0.180m of savings proposed on the Schools Block were agreed (paragraph 5.24);
- iv. the £1.496m of additional resources was allocated to the budget areas set out in Annex 3 (paragraph 5.29);
- v. that in accordance with the budget strategy, the unallocated budget balance at Annex 3 of £0.404m be distributed to schools by reference to pupil numbers, deprivation and low prior attainment (paragraph 5.32);
- vi. that the DfE pro forma template of the BF Funding Formula for Schools as set out in Annex 7 be submitted (paragraph 5.6).

RESOLVED that the Forum **NOTED** the following matters:

- i. that after meeting the cost of unavoidable cost pressures, schools would receive around £0.156m of unallocated funds to target towards their priorities or other local pressures (paragraph 5.46);
- ii. that proposals in respect of the Early Years and High Needs Block elements of the Schools Block would be presented to the Forum in March when more information was available in respect of funding and likely costs (paragraph 5.53);
- iii. that information in respect of funding allocations made to schools experiencing significant in-year growth in pupil numbers would be presented to the Forum in March (paragraph 5.45).

Primary School Representatives only:

- iv. In its role as statutory decision maker, Primary School Representatives **AGREED** the de-delegation of primary related Behaviour Support Services (paragraph 5.40).

Secondary School Representatives only:

- v. In its role as statutory decision maker, Secondary School Representatives **AGREED** the de-delegation of secondary related Behaviour Support Services (paragraph 5.40).

23. **Dates of Future Meetings**

The Forum noted that the next meeting was scheduled for 13 March 2014 at 4.30pm in the Council Chamber at Easthampstead House. If there was no business to discuss meetings would be cancelled.

CHAIRMAN

TO: SCHOOLS FORUM
DATE: 13 MARCH 2014

**2013-14 ALLOCATIONS FROM SCHOOL SPECIFIC CONTINGENCIES
AND OTHER BUDGETS CENTRALLY MANAGED BY THE LA
(Director of Children, Young People and Learning)**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present information to the Schools Forum on the in-year allocation of funds to schools through School Specific Contingencies and other centrally managed budgets that are funded from the Schools Block element of the Dedicated Schools Grant (DSG) and initially managed by the council.

2 RECOMMENDATIONS

That the Forum:

2.1 NOTES the funding allocations made to schools during 2013-14 in respect of;

- 1. significant in-year increases in pupil numbers (paragraph 5.12);**
- 2. schools required to meet the Key Stage 1 Class Size regulations (paragraph 5.15);**
- 3. new and expanding schools (paragraph 5.16);**
- 4. support to schools in financial difficulties (paragraphs 5.22 to 5.28).**

2.2 AGREES:

- 1 that in the first instance, claims from schools for additional funding to cover exceptional items continue to be considered by the Heads of Service covering Finance, Human Resources and Property, for subsequent decision by the Forum (paragraph 5.5);**
- 2 the funding allocation proposed to cover exceptional and unforeseen costs in a school (paragraph 5.8).**

2.1 CONSIDERS whether any changes need to be made to the existing criteria used to distribute centrally managed funds to schools (paragraph 5.29).

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Schools Forum supports how contingency funds have been allocated to schools and is aware of the total amount involved.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 These were considered as part of the budget setting process, including not setting aside contingency funds.

5 SUPPORTING INFORMATION

Background

- 5.1 Members of the Forum will be aware that the funding framework for schools is regulated by the Department for Education (DfE) and that this governs the conditions attached to how funds can be allocated to schools and also sets out the circumstances in which funds can be centrally managed by LAs. This report presents a summary of the in-year funding allocations provisionally made to schools through centrally managed LA budgets.
- 5.2 In deciding whether contingency budgets should be retained, it first needs to be established that the issue in question results in a direct and measurable cost for schools. Once this is satisfied, the following key principles need to be taken into account:
1. is there an allowable factor for use in the Funding Formula for Schools that could otherwise be used to accurately target funds to only those schools facing relevant costs?
 2. would it be reasonable for relevant schools to meet any additional costs arising from their main school budget?

If the answer to these questions is “no” then it may be appropriate to create a centrally managed contingency budget to support schools.

- 5.3 When it is agreed to set aside contingency funding, it is important to carefully consider the right amount of funding as it will need to come from the cash limited DSG. For every £ held in a school specific contingency there will be a consequential £ reduction in funds available to add directly into delegated school budgets. Whilst contingency monies ultimately get passed on to schools, it is important that the budget balance is set correctly. It is also important to apply the allocation of funds to schools in a consistent and transparent manner, and a range of policies have therefore been agreed to support this. All centrally managed budgets are subject to annual approval of the Schools Forum with policies regularly reviewed and updated to reflect changing circumstances and priorities.
- 5.4 Taking these factors into account, the Forum has agreed that the following five Schools Block budgets should initially be managed by the LA, for in-year allocation to schools, once approved qualifying criteria is met:
1. exceptional and unforeseen costs in primary schools;
 2. significant in-year increases in pupil numbers;
 3. schools required to meet the Key Stage 1 Class Size regulations;
 4. new and expanding schools;
 5. support to schools in financial difficulties.

In accordance with the funding framework, items 1 – 4 above are held as centrally managed budgets, following agreement of the Schools Forum. Item 5 is a de-delegated budget, initially included in the Funding Formula for Schools, but returned for central management, again after agreement of the Schools Forum.

Contingency allocations - £551,000 total budget

Exceptional and unforeseen items - £10,000 budget

- 5.5 Where a primary school faces exceptional, unexpected costs in-year that were not known when the budget was set and it would be unreasonable to expect the school to meet the costs, bids for additional funding can be sought. Claims are considered on a case by case basis by the Heads of Service covering Finance, Human Resources and Property. These services have been selected as the more significant claims generally relate to employee or buildings related matters. This is an informal arrangement that the Forum is now requested to approve as the agreed initial evaluation process for considering claims for exceptional funding.
- 5.6 One claim was received during 2013-14 which included an element of back dating into 2012-13. A member of the teaching staff at a primary school has been on long term sickness absence since April 2012. The teacher has been suffering with Rheumatoid Arthritis and the relevant specialist has indicated this has been caused by parvovirus which it is believed was contracted during working in school (caught from a child who was at school with the virus). Under such circumstances, the Conditions of Service for School Teachers (Burgundy Book) states "...full pay shall be allowed for such period of absence as may be authorised by the approved medical practitioner as being due to the illness". This is effectively to cover industrial injury/illness. The teacher has therefore continued to receive full pay through the period of absence (16 April 2012 to the expected resolution date of 30 April 2014) during which time the school has needed to recruit adequate classroom cover.
- 5.7 The school's staff absence insurance contributed towards the teacher's salary costs during the last financial year. However, the insurance has now expired meaning the school is covering the salary and associated cost of two teachers. Taking account of these factors, the school has incurred £58,620 more costs over the last 2 years than would be expected had the illness not occurred.
- 5.8 The officers considering this case agreed that this is an exceptional item that could not have been anticipated when the budget was set and it would be unreasonable to expect the school to meet the full costs. In deciding the level of additional financial support that should be awarded the officers concluded that in such circumstances, for each financial year, the following should be used as a guide in calculating any additional financial support:
1. schools should meet the first £5,000 of additional costs, as below this level it is considered reasonable for schools to fund unforeseen costs;
 2. that any funding allocation should be calculated from the lower of Point 6 of the Teachers' Main Salary Scale i.e. the same rate as used for all other funding allocations to schools based on teacher costs, and the actual costs of the substantive post involved;
 3. a deduction to any claim should be made for a contribution from an insurance scheme, irrespective of whether such a policy is in place. In setting budgets, schools are expected to make financial provision for staff absences, either through an insurance policy or from their general income.

Applying these principles to this particular case, the officers recommend that the school is allocated £38,900 from the contingency.

Due to the on-going status of this case, the school involved needs to remain confidential to protect the identity of the member of staff involved.

- 5.9 Claims from secondary schools are not ordinarily considered as there is an expectation that in-year changes can be managed from their higher level of resources, although bids can still be submitted for consideration on a case by case basis.

Significant in-year increases in pupil numbers - £332,000 budget

- 5.10 To provide in-year financial support to schools experiencing significant increases in pupil numbers, LAs are permitted to retain funding in a contingency for allocation once qualifying criteria is met. This reflects the requirement of the DfE to calculate school budgets on actual pupil numbers with no recognition of future increases and the impact this has on costs. To provide additional resources to schools facing in-year increases, the Schools Forum has agreed that funding allocations should be made 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. Admitting an additional 20 pupils is the point at which it has been agreed that schools would most likely need to open a new class and recruit an additional teacher. The general expectation is that schools can absorb up to 19 additional pupils without having to incur any significant additional costs.
- 5.11 The funding allocation is based on the cost of employing a Teacher at Main Scale Point 6 for the autumn and spring terms only. This is a short term funding measure as on-going funding beyond this point would be included in the next year's budget as relevant pupils would be on the October census used for funding purposes and therefore taken into account in the initial budget calculation. The relevant qualifying criteria used to calculate additional funding, as approved by the Forum and DfE, are set out in Annex 1.
- 5.12 Based on actual changes in pupil numbers, 11 schools received additional funding, which aggregated to £314,070. Annex 2 sets out individual school allocations and other relevant data.

Schools required to meet the Key Stage 1 Class Size regulations - £111,000 budget

- 5.13 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 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. Again, this allows the targeting of funds to schools facing real cost pressures that the Funding Formula is not permitted to deal with.
- 5.14 2013-14 is the first year that the Forum has agreed such a fund should be established and reflects the change in DfE Funding Regulations which no longer permit a factor to be used to allocate funds only to schools with Key Stage 1 pupils. 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 Main Scale Point 6 for the relevant period, after taking account of the funding delivered through the Funding Formula. Top up funding is provided on a "missing pupil" basis and is calculated at the amount required to meet teacher costs. To avoid double funding, if the same pupils result in schools receiving funding through the *significant in-year increase in pupil numbers* category then any Key Stage 1 specific funding is disallowed. The relevant qualifying criteria are set out in Annex 3.

Unrestricted

- 5.15 Based on actual changes in pupil numbers for the 2013 summer and autumn terms, and provisional numbers for the spring term 2014, 6 schools are entitled to additional funding, which aggregates to £72,323. Annex 4 sets out individual school allocations and other relevant data.

New and expanding schools - £100,000 budget

- 5.16 A specific budget has also been agreed to support new and expanding schools, with specific relevance to Jennett's Park Primary School. Top up funding has been set aside to reflect the special circumstances arising from a rapid increase in roll from a 1 form of entry school to 2 forms of entry at September 2013 as the DfE does not allow the increase in pupil numbers to be reflected in the initial budget. Based on the assessed additional costs that the school would face, on 20 June 2013, the Forum agreed that £110,000 should be allocated. This allocation is reported again for completeness.

Support to schools in financial difficulties - £284,000 budget

- 5.17 School Funding Regulations allow for additional funds outside the normal operation of the Funding Formula to be provided to schools considered to be in financial difficulty. In agreement with the Schools Forum, this de-delegated budget has been returned to the Council for central management. The agreed criteria to be used to allocate this funding is if, in the opinion of the Director of Children, Young People and Learning and the Borough Treasurer, a school:
1. was unable to set a balanced budget and were in need of a loan arrangement at the start of the relevant financial year, and/or
 2. was likely to fall into one of the categories of causing concern, including serious weakness and special measures without additional financial support.
- 5.18 In order to allow funds to be allocated within an appropriate time scale, the Forum has agreed to delegate a set of powers to the Director of Children, Young People and Learning to allocate funds up to but not exceeding £150,000 in any financial year, dependent on the Ofsted category of the school, or where there is considered a risk of being placed in a category. Any such allocations would subsequently be reported to the Schools Forum for information.
- 5.19 The level of allocation of funds would be:
- a. schools judged to be inadequate and having serious weaknesses (up to £20k per year)
 - b. schools deemed to be in need of Special Measures (up to £50k per year)
 - c. schools at risk of being judged to be inadequate (up to £30k per year)

Note the terminology has been updated in the criteria to reflect the latest Ofsted categories

- 5.20 Where schools enter an Ofsted category of concern (judged to have serious weaknesses or placed in Special Measures) the LA establishes a Management Intervention Board (MIB). The Board has an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school also attend the MIB to report on progress. A support plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement. Where the school is unable to fund these actions from its own delegated budget the MIB can request that

additional resources be sought. Any such requests are approved by the Director of Children, Young People and Learning.

- 5.21 For schools that are not in an Ofsted category but where additional LA support is deemed to be necessary a Standards Monitoring Board can be established of which the headteacher and Chair of Governors attend. The boards meet regularly to discuss progress and determine with the school where additional resources might be required. Requests for additional resources are subject to the approval of the Director of Children, Young People and Learning. Schools operating Standards Monitoring Boards remain confidential, due to the sensitive nature of the activity.

Allocations agreed in 2013-14

- 5.22 Under these delegated powers, the Director has agreed additional financial support to 6 schools, totalling £133,000.

Wildmoor Heath Primary - £18,760

- 5.23 Wildmoor Heath school was placed in Special Measures following an Ofsted inspection in December 2011. A MIB was established and the school has worked with the LA to improve outcomes for pupils. Funds have been used to support the professional development of staff and purchase additional teaching resources. The most recent Ofsted inspection report in July 2013 reported good progress and confirmed that the school had been removed from special measures.

Kennel Lane Special School - £40,000

- 5.24 In February 2014, the Ofsted report for Kennel Lane School was published. Overall the school has been judged to provide an inadequate standard of education although the school's report confirms that Kennel Lane has a thriving Early Years Foundation Stage and pupils make good progress in the primary phase at Key Stages 1 and 2. The work required to ensure this continues as pupils become older and progress through the secondary phase is already underway. Inspectors also noted other good features including.

- The relationships between staff and pupils are 'excellent'.
- Pupils are very well cared for and feel very safe.
- There is some good teaching at the school, which can be built upon.
- Adults are very skilled in managing challenging behaviour.

- 5.25 In their report, inspectors said: "Children make good progress in the Early Years Foundation Stage. The majority of pupils in Key Stage 1 also make good progress in both literacy and numeracy because teaching is consistently good. Key Stage 2 pupils, including those who attend an inclusion class at a local primary school, achieve well from their starting points because they are taught well."

- 5.26 A MIB has been established and an LA Statement of Action submitted to Ofsted. The school has developed a Raising Attainment Plan with the support of the LA. Both plans will be evaluated by Ofsted when the school has its first monitoring inspection. An initial view of the additional financial support needed to secure the required improvements has been costed at £40,000. This will be kept under review and may be subject to change in the new financial year.

Other schools - £74,240

- 5.27 Standards Monitoring Boards have been established in a number of schools, and based on assessed needs, additional funding has been allocated to 2 primary and 2 secondary schools. For the secondary schools, the prime area needing financial support has been in the recruitment and retention of specialist teachers, where due to shortages in the labour market, it has been necessary to use recruitment agencies and pay enhanced rates. One school has received £29,000 and the other £30,000. For the 2 primary schools, funding has been allocated to purchase additional teaching resources and staff training. One school has received £9,240 and the other £6,000.
- 5.28 The impact of the funding can be seen in improved examination and test results as well as more stable staffing. Schools judged to be requiring improvement (Ofsted grade 3) are monitored by Ofsted and reports indicate effective actions are being taken with schools receiving good support from the Local Authority. This in part is a reflection of the active interventions made by the Standards Monitoring Boards.

Qualifying criteria used to make funding allocations

- 5.29 To ensure that a consistent and transparent approach is adopted to the allocation of contingency funding to schools, the Forum has agreed a set of eligibility criteria to be applied, and these are attached as annexes to the report. The Forum is requested to consider whether any changes now need to be made.
- 5.30 In relation to this matter, a member of the Forum has questioned whether the criteria used to fund schools facing significant in-year increases in pupil numbers properly reflects the circumstances of smaller schools. In particular the need to admit 20 additional pupils before funds are allocated to what is a relatively small total number on roll. Any change to this criteria, which could possibly include a lower threshold of say 10 additional pupils for the 12, 1 form entry schools, would need to be approved by the DfE. In considering this matter, the Forum should take into account:
- Whether the current level of needing to admit 20 additional pupils is an accurate estimate of the point at which **most** schools would face a significant cost increase by needing to employ a teacher;
 - Do 1 form of entry schools need a lower threshold, bearing in mind that funding should only be allocated when there is a significant cost increase in a school;
 - Any change in eligibility criteria may have a budget impact. If more funds are required to finance a new policy, it would need to be funded at the expense of money going directly into school budgets.
- 5.31 If for 2013-14 the required increase in pupil numbers to trigger a funding allocation for 1 form of entry schools was set at 10 rather than 20, then Fox Hill and Wildmoor Heath schools would qualify at a cost of £0.047m. To avoid double funding these schools for the same pupils, both would lose Key Stage 1 Class Size funding for the autumn and spring terms, at £0.030m which would result in an overall net cost of £0.017m. There would be no change in overall funding for Fox Hill and a £0.017m increase for Wildmoor Heath. This illustration is a one year snap shot of the financial impact.

Conclusion

- 5.32 The funds approved by the Forum to be held in school specific contingencies allow for appropriate targeting of resources that is not possible through the simplified Funding Formula for Schools. Current arrangements are considered appropriate and ensure that financial support is provided when needed, and that clear and consistently criteria is applied in the allocation of resources. Based on current estimates, a total of £668,000 will be allocated to schools, which is £169,000 below budget and mainly arises from an under allocation of the budget to support schools in financial difficulty where required levels of support is difficult to predict but can involve substantial sums of money. The anticipated unspent budget will be ring-fenced for use in a future year's Schools Budget.

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. The allocations meet the requirements of the appropriate funding regulations, the agreed policies and can be funded from within existing budgets.

Equalities Impact Assessment

- 6.3 None identified.

Strategic Risk Management Issues

- 6.4 None identified.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Schools and the Schools Forum have previously been consulted on the wording of eligibility criteria to be used on these contingency funds.

Method of Consultation

- 7.2 Written consultation.

Representations Received

- 7.3 Included in relevant reports.

Background Papers

Relevant policy extracts have been added as annexes

Unrestricted

Contact for further information

David Watkins, Chief Officer: SR&EI

(01344 354061)

David.Watkins@bracknell-forest.gov.uk

Paul Clark, Head of Departmental Finance

(01344 354054)

paul.clark@bracknell-forest.gov.uk

Doc. Ref

G:\New Alluse\Executive\Schools Forum\66) 130314\2013-14 Funding Allocations from the Schools Contingency.doc

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. This relates to schools that agree with the LA to open a 'surge' class – i.e. one additional class to accommodate up to 30 additional pupils – where additional funding will be allocated irrespective of the actual number of pupils admitted, if the pupils in the 'surge' class are admitted after the census used for funding purposes. The funding allocation will be calculated in the same way as for general in-year growth, applied from the beginning of the term that the 'surge' class is open, *[i.e. rather than against the number of months the 'surge' class is open]*.

Where a 'surge' class opens after the census point used for calculating the school's budget for the next financial year, a further funding top up will be made to cover the full year cost of a teacher on Mainscale Point 6 and a Learning Support Assistant on Bracknell Forest pay point 12 for the relevant financial year. This funding will be made available for one year only at the commencement of the relevant financial year.

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.

Approved by the Schools Forum on 16 September, 2013.

**Funding allocations to schools experiencing
significant growth in pupil numbers**

School	Number of Forms of entry as at September 2013	Headcount October 2012	Headcount October 2013	Change in NOR	No. of extra classes for Growth / Surge	Growth allocation	Surge class allocation	Change in NOR
Ascot Heath Infant	2.5	207	207	0	0	£0	£0	0.00%
Ascot Heath CE Junior	2	239	239	0	0	£0	£0	0.00%
Binfield CE Aided Primary	2	416	410	-6	0	£0	£0	-1.44%
Birch Hill Primary	2	373	388	15	0	£0	£0	4.02%
College Town Infant and Nursery	3	221	213	-8	0	£0	£0	-3.62%
College Town Junior	3	278	282	4	0	£0	£0	1.44%
Cranbourne Primary	1	198	202	4	0	£0	£0	2.02%
Crown Wood Primary	3	379	426	47	2	£46,780	£0	12.40%
Crowthorne CE Primary	1	209	209	0	0	£0	£0	0.00%
Fox Hill Primary	1	181	193	12	0	£0	£0	6.63%
Great Hollands Primary	2	308	367	59	2	£46,780	£0	19.16%
Harmans Water Primary	3	624	624	0	0	£0	£10,000	0.00%
Holly Spring Infant and Nursery	3	258	282	24	1	£0	£23,390	9.30%
Holly Spring Junior	3	227	248	21	1	£23,390	£0	9.25%
Jennetts Park Primary	2	203	251	48	0	£0	£0	23.65%
Meadow Vale Primary	3	474	503	29	1	£23,390	£0	6.12%
New Scotland Hill Primary	1	206	206	0	0	£0	£0	0.00%
Owlsmoor Primary	2.5	485	500	15	0	£0	£0	3.09%
The Pines Primary and Nursery	2	174	199	25	1	£0	£23,390	14.37%
Sandy Lane Primary	3	587	638	51	2	£46,780	£0	8.69%
St Joseph's Catholic Primary	1	210	210	0	0	£0	£0	0.00%
St Margaret Clitherow Catholic Primary	1	201	206	5	0	£0	£0	2.49%
St Michael's Easthampstead CE	1	242	241	-1	0	£0	£0	-0.41%
St Michael's CE Aided Primary (Sandhur	1	212	203	-9	0	£0	£0	-4.25%
Uplands Primary	1	208	211	3	0	£0	£0	1.44%
Warfield CE Primary	1	204	209	5	0	£0	£0	2.45%
Whitegrove Primary	2	446	444	-2	0	£0	£0	-0.45%
Wildmoor Heath	1	163	181	18	0	£0	£0	11.04%
Wildridings Primary	2	340	369	29	1	£23,390	£0	8.53%
Winkfield St Mary's CE Primary	1	208	207	-1	0	£0	£0	-0.48%
Wooden Hill Primary and Nursery	2	315	325	10	0	£0	£0	3.17%
The Brakenhale	7	882	852	-30	0	£0	£0	-3.40%
Easthampstead Park Community School	8	718	694	-24	0	£0	£0	-3.34%
Edgbarrow	7	1,013	1,047	34	1	£23,390	£0	3.36%
Garth Hill College	9	1,306	1,333	27	1	£23,390	£0	2.07%
Ranelagh CE	5	764	772	8	0	£0	£0	1.05%
Sandhurst	7	900	843	-57	0	£0	£0	-6.33%
Total Primary	59	8,996	9,393	397	11	£210,510	£56,780	4.41%
Total Secondary	43	5,583	5,541	-42	2	£46,780	£0	-0.75%
TOTAL Primary and Secondary	102	14,579	14,934	355	13	£257,290	£56,780	2.44%

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.

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 therefore illustrative and subject to change):

- a. The per pupil funding rate is assumed to be £2,864 (A)
- b. The cost of a teacher on Mainscale Point 6 – salary and employer on-costs - is £40,100 (B)
- c. To have sufficient income from the Funding Formula to employ a teacher, a school needs $\text{£40,100 (B) / £2,864 (A) = 14 pupils (C)}$
- d. The Funding Formula therefore provides sufficient funding to appoint a teacher provided there are 14 pupils. The maximum top-up funding a school can receive is for 14 ‘missing’ pupils (C)
- e. Therefore where the actual number on roll exceeds a multiple of 30 compared to the number on roll funded in the original budget the school would be entitled to top-up funding
- f. Funding will be added, pro rata per term, for each missing pupil
The attached Annex sets out funding top-up rates, based on the cost of employing a teacher at £40,100 and the BF Funding Formula delivers sufficient funding to appoint a teacher provided there are 14 pupils. These factors and amounts are subject to annual re-calculation.

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;

Unrestricted

- 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.

Exceptions:

There are two exceptions to the general rule set out above:

1. In order to avoid double funding, a school will not be eligible for Key Stage 1 class size funding in the autumn and spring terms where the school has qualified of an in-year growth allowance for these pupils.
2. 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.

Approved by the Forum on 16 January, 2014.

**Funding allocations to support schools needing to meet the Key Stage 1 Class
Size Funding regulations**

School	Total KS1 pupils funded October 2012	K.S 1 Allocation summer term 2013	K.S 1 Allocation autumn term 2013	K.S 1 Allocation spring term 2013	Total
Ascot Heath Infant	207	£0	£0	£0	£0
Binfield CE Primary	177	£0	£0	£0	£0
Birch Hill Primary	179	£0	£0	£0	£0
College Town Infant & Nursery	221	£0	£0	£0	£0
Cranbourne Primary	87	£0	£0	£0	£0
Crown Wood Primary	199	£0	£0	£0	£0
Crowthorne CE Primary	88	£0	£0	£0	£0
Fox Hill Primary	87	£0	£13,367	£10,025	£23,392
Great Hollands Primary	150	£16,708	£0	£0	£16,708
Harmans Water Primary	270	£0	£0	£0	£0
Holly Spring Infant & Nursery	258	£0	£0	£0	£0
Jennetts Park CE Primary	114	£0	£0	£0	£0
Meadow Vale Primary	239	£16,708	£0	£0	£16,708
New Scotland Hill Primary	90	£0	£0	£0	£0
Owlsmoor Primary	223	£1,193	£955	£716	£2,864
Pines (The)	84	£0	£0	£0	£0
Sandy Lane Primary	285	£0	£0	£0	£0
St. Joseph's Catholic Primary	91	£0	£0	£0	£0
St. Margaret Clitherow Catholic Pry	90	£0	£0	£0	£0
St. Michael's E'stead CE Aided Pry	105	£0	£0	£0	£0
St. Michael's CE Primary, Sandhurst	88	£0	£0	£0	£0
Uplands Primary	89	£0	£0	£0	£0
Warfield CE Primary	88	£0	£0	£0	£0
Whitegrove Primary	181	£0	£0	£0	£0
Wildmoor Heath	70	£4,774	£3,819	£2,864	£11,457
Wildridings Primary School	163	£1,193	£0	£0	£1,193
Winkfield St. Mary's CE Primary	90	£0	£0	£0	£0
Wooden Hill Primary & Nursery	146	£0	£0	£0	£0
TOTAL Primary	4,159	£40,577	£18,140	£13,605	£72,323

Termly allocation detail for Key Stage 1 Class Size Funding

School	Original budget data			Summer Term data					Autumn Term data					Spring budget data				
	KS1 pupils as at October 2012	Number of classes that can be funded	Number of pupils above multiple of 30	KS1 pupils as at May 2013	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation summer term	KS1 pupils as at October 2013	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation autumn term	KS1 pupils as at January 2014	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra	KS1 Allocation spring term
Ascot Heath Infant	207	7	27	205	7	0	0	£0	207	7	0	0	£0	209	7	0	0	£0
Binfield CE Primary	177	6	27	178	6	0	0	£0	178	6	0	0	£0	180	6	0	0	£0
Birch Hill Primary	179	6	29	179	6	0	0	£0	178	6	0	0	£0	179	6	0	0	£0
College Town Infant & Nursery	221	7	11	210	7	0	0	£0	213	7	0	0	£0	213	7	0	0	£0
Cranbourne Primary	87	3	27	90	3	0	0	£0	87	3	0	0	£0	90	3	0	0	£0
Crown Wood Primary *	199	7	19	202	7	0	0	£0	215	8	1	14	£0	216	8	1	14	£0
Crowthorne CE Primary	88	3	28	89	3	0	0	£0	88	3	0	0	£0	89	3	0	0	£0
Fox Hill Primary	87	3	27	88	3	0	0	£0	91	4	1	14	£13,367	91	4	1	14	£10,025
Great Hollands Primary *	150	5	0	152	6	1	14	£16,708	168	6	1	14	£0	171	6	1	14	£0
Hannans Water Primary	270	9	0	266	9	0	0	£0	268	9	0	0	£0	268	9	0	0	£0
Holly Spring Infant & Nursery *	258	9	18	262	9	0	0	£0	282	10	1	14	£0	276	10	1	14	£0
Jennetts Park CE Primary **	114	4	24	119	4	0	0	£0	151	6	2	14	£0	151	6	2	14	£0
Meadow Vale Primary *	239	8	29	241	9	1	14	£16,708	268	9	1	14	£0	269	9	1	14	£0
New Scotland Hill Primary	90	3	0	89	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0
Owlsmoor Primary	223	7	13	226	8	1	1	£1,193	223	8	1	1	£955	226	8	1	1	£716
Pines (The) *	84	3	24	85	3	0	0	£0	98	4	1	14	£0	101	4	1	14	£0
Sandy Lane Primary	285	10	15	293	10	0	0	£0	292	10	0	0	£0	293	10	0	0	£0
St. Joseph's Catholic Primary	91	3	1	90	3	0	0	£0	90	3	0	0	£0	88	3	0	0	£0
St. Margaret Clitherow Catholic Primary	90	3	0	90	3	0	0	£0	89	3	0	0	£0	89	3	0	0	£0
St. Michael's E'stead CE Aided Primary	105	4	15	105	4	0	0	£0	105	4	0	0	£0	105	4	0	0	£0
St. Michael's CE Primary, Sandhurst	88	3	28	90	3	0	0	£0	85	3	0	0	£0	84	3	0	0	£0
Uplands Primary	89	3	29	90	3	0	0	£0	90	3	0	0	£0	89	3	0	0	£0
Warfield CE Primary	88	3	28	90	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0
Whitegrove Primary	181	6	1	180	6	0	0	£0	177	6	0	0	£0	179	6	0	0	£0
Wildmoor Heath	70	2	10	73	3	1	4	£4,774	78	3	1	4	£3,819	79	3	1	4	£2,864
Wildridings Primary School *	163	5	13	163	6	1	1	£1,193	169	6	1	1	£0	170	6	1	1	£0
Winkfield St. Mary's CE Primary	90	3	0	90	3	0	0	£0	89	3	0	0	£0	90	3	0	0	£0
Wooden Hill Primary & Nursery	146	5	26	144	5	0	0	£0	147	5	0	0	£0	149	5	0	0	£0
TOTAL Primary	4,159	140	469	4,179	145	5	34	£40,577	4,306	151	11	104	£18,140	4,324	151	11	104	£13,605

* Relevant schools also receive funding from significant increases in pupil numbers so to avoid double funding, autumn and spring term KS1 funding entitlement disallowed.

** Relevant school is funded for in-year cost increase from rising pupil numbers from new and expanding school contingency, so to avoid double funding, KS1 funding entitlement disallowed.

Criteria for the allocation additional funds to support schools facing financial difficulties

Outline of the scheme

School Funding Regulations allow for additional funds outside the normal operation of the Funding Formula to be provided to schools considered to be in financial difficulty. In agreement with the Schools Forum, funding of £0.304m has been set aside in the School's Budget for this purpose. The criteria to be used to allocate this funding has also previously been agreed, and a school would qualify for additional financial support if, in the opinion of the Director of Children, Young People and Learning and the Borough Treasurer, they:

1. were unable to set a balanced budget and were in need of a licensed deficit arrangement at the start of the relevant financial year, and/or
2. were likely to fall into one of the categories of causing concern, including notice to improve and special measures without additional financial support

Where additional funding is agreed, it is on condition that the senior managers and relevant governors of each school attend regular monitoring meetings with officers of the Council, provide such financial and other information that is requested, and do not make any significant deviations in spending, either in magnitude or by type without the approval of the Director of Children, Young People and Learning.

Before any proposed allocation of such funds is passed on to relevant schools, they are reported to and agreed by the Schools Forum. However, this can cause uncertainty and result in a delay in releasing resources to meet an immediate need.

Powers delegated to the Director of Children, Young People and Learning

In order to allow funds to be allocated within an appropriate time scale it is recommended that a set of principles be agreed by the School Forum which allows the Director of Children, Young People and Learning discretion to allocate funds up to but not exceeding a set level dependent on the Ofsted category of the school. Any such allocations would subsequently be reported to the Schools Forum.

The level of allocation of funds would be:

- d. schools issued with a Notice to Improve (up to £20k per year)
- e. schools deemed to be in need of special measures (up to £50k per year)
- f. schools at risk of either being issued with a Notice to Improve or entering special measures (up to £30k per year)

With a maximum value of aggregate allocations of £150k in any one financial year without the express approval of the Schools Forum.

Where schools enter an Ofsted category of concern (Issued with a Notice to Improve or placed in Special Measures) the LA establishes a Management Intervention Board (MIB). The Board has an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school also attend the MIB to report on progress. A support plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement. Where the school is unable to fund these actions from its own delegated budget the MIB can request that additional resources be sought. Any such requests are

Unrestricted

approved by the Director of Children, Young People and Learning. Funds would be allocated to the school from those held for schools in financial difficulty.

Approved by the Forum on 26 April, 2012

This page is intentionally left blank

TO: SCHOOLS FORUM
DATE: 13 MARCH 2014

**PROPOSALS FOR THE 2014-15 EARLY YEARS AND HIGH NEEDS BLOCK
ELEMENTS OF THE SCHOOLS BUDGET
(Director of Children, Young People and Learning)**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek comments from the Schools Forum on proposals from the Council for the 2014-15 Early Years and High Needs Block elements of the Schools Budget. There are also a small number of decisions for the Forum to consider in line with the statutory funding framework.
- 1.2 Recommendations agreed from this report will form the basis of proposals to be presented to the Executive Member for Children, Young People and Learning, who has responsibility for agreeing most aspects of the Schools Budget.

2 RECOMMENDATIONS

That the Forum AGREES:

2.1 That the Executive Member makes the following decisions:

For the 2014-15 Early Years Block funded budgets:

1. That funding rates for the free entitlement to early years education and childcare for 2, 3 and 4 year olds remain unchanged from those paid in the 2013-14 financial year;
2. That a new hourly funding rate supplement of £9.00 be paid to providers taking 2 year olds with severe or complex needs;
3. Providers of the free entitlement to early years education and childcare for 2 year olds continue to be funded on the basis of agreed number of places, rather than on actual participation;
4. The total initial budget is set at £5.383m, it incorporates the changes set out in paragraph 5.12, and relevant budgets are therefore updated to those set out in Annex 2.

For the 2013-14 forecast under spending on Early Years Block funded budgets:

5. That subject to there being a sufficient under spending on the overall Schools Budget, that any net under spending in 2013-14 on the following budgets are carried forward into 2014-15 as follows
 - a. Trajectory funding: to support the development of provisions for 2 year olds, currently estimated at £0.118m;
 - b. Payments to providers for the free entitlement to education and childcare for 2, 3 and 4 year olds: to support the

development of a sufficient number of places for eligible 2 year olds, currently estimated at £0.141m.

For the 2014-15 High Needs Block funded budgets:

- 6. That no budget decisions are made until the level of government funding is more certain.**
- 2.2 In its role of statutory decision maker, that there are appropriate arrangements in place for:**
- 1. Early years provision:**
 - 2. The education of pupils with SEN, and**
 - 3. The use of pupil referral units and the education of children otherwise than at school.**
- 2.3 The revised eligibility criteria for allocating funds to schools from the SEN Contingency (paragraph 5.39).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the 2014-15 Schools Budget is set in accordance with the new funding framework, the views of the Schools Forum and the anticipated level of resources.**

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 A range of options have been presented for consideration as part of the budget setting process.**

5 SUPPORTING INFORMATION

Background

- 5.1 A number of reports have previously been presented to the Schools Forum relating to the 2014-15 budget. So far, these have concentrated on the Schools Block element of Dedicated Schools Grant (DSG) which in essence funds delegated school budgets and the small number of services that the Department for Education (DfE) allows LAs to manage centrally on behalf of schools. This report presents proposals relating to the Early Years Block that funds provisions and support for children up to 5, including those in maintained school nurseries, and the High Needs Block that supports pupils with additional needs above £10,000, which is the national funding threshold set by the DfE.**
- 5.2 This two staged approach reflects the different timescales that relevant budget information becomes available, with Early Years Block DSG being partly set on January 2014 census, and the High Needs Block DSG not being confirmed until March 2014, whereas Schools Block DSG funding was announced in late December 2013.**

- 5.3 Members of the Forum will be aware that the Schools Budget is funded by a 100% ring fenced government grant, called the DSG. It can only be spent on the purposes prescribed by the DfE. 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, in general “passport” funds from each DSG Block into the services they are intended to finance, with the Executive Member authorised to agree the final budget allocation to schools and the amounts to be centrally managed by the Council. In setting each budget, the Executive Member has always agreed the recommendations proposed by the Forum.
- 5.4 The statutory regulatory framework also requires the Council to consult with the Schools Forum each year relating to the arrangements proposed to be put in place to meet various Schools Budget functions and this is also included within the report.

Early Years Block

Provisional estimate of Early Years Block DSG income

- 5.5 The Early Years Block income for 3 and 4 year olds is calculated in the same way as that for the Schools Block; an amount per pupil multiplied by pupil numbers. The DfE has confirmed that per pupil funding rates for each LA will remain unchanged from 2013-14, meaning no allowance for inflation or other pressures. The BF per pupil funding rate therefore stays at £3,928.30. The pupil number multiplier is calculated from a combination of relevant January censuses and adjusted in-year to reflect changes in take-up.
- 5.6 The initial allocation of Early Years Block DSG for 2014-15 will be made based on the January 2013 Early Years Census. This will be updated during 2014-15 for January 2014 and January 2015 pupil numbers which means that the final Early Years Block will be based on 5/12ths January 2014 numbers, to cover likely costs between April and August 2014, and 7/12ths January 2015 numbers, to cover likely costs between September 2014 and March 2015. The initial 2014-15 funding allocation for budget purposes is proposed to be based on the 1,125 eligible pupils at January 2103 which will generate £4.419m of DSG. As set out above, this will be subject to change once relevant census data becomes available, which is expected to become known at June 2014 and June 2015 respectively. If a significant change in income is anticipated, there will need to be an in-year review of budgets.
- 5.7 In addition to the core income based on the head count data of 3 and 4 year olds, DfE allocates fixed additional funding for the development of places for the most disadvantaged 2 year olds. This became a new statutory duty for LAs from September 2013, where initially LAs were required to provide 15 hours a week of free childcare for the 20% most deprived children. This supports the government programme to improve the attainment and life chances of the most vulnerable children.
- 5.8 From September 2014, eligibility for 2 year old provision increases from the 20% most deprived to the 40% most deprived. The programme will be expanded by widening the eligibility criteria to include where:
- they meet the eligibility criteria also used for free school meals;

Unrestricted

- their families receive Working Tax Credits and an annual income of no more than £16,190;
- they have a current statement of SEN or an Education, Health and Care plan;
- they attract Disability Living Allowance;
- they are looked after by the LA;
- they have left care through special guardianship or an adoption or residence order.

- 5.9 Funding from the DfE for 2 year olds continues to be divided into two elements; place funding which is expected to be passed on to providers for provision of places, and trajectory funding which is intended to help develop sufficient high quality local provision and support services. For allocations of funding for places, the DfE uses a £5.09 per hour pupil funding rate multiplied by a snap shot of eligible head count data held by the Department for Work and Pensions (DWP) and forecasts from Her Majesty's Revenue and Customs (HMRC). The financial settlement for BF identifies a potential 182 pupils at April 2014 (using DWP data) and 321 at September 2014 (using HMRC data). This produces funding of £0.190m and £0.670m respectively. A further £0.104m has been added for trajectory funding, with the DfE using September 2014 head count data as the basis of allocating funds to LAs. Overall, BF will receive £0.964m in 2014-15 for 2 year old funding, out of total national funding of £775m.
- 5.10 Taking account of the initial funding estimate for 3 and 4 year olds of £4.419m and £0.964m for 2 year olds, the initial Early Years Block DSG income is forecast to be £5.383m, and the initial budget is recommended to be set at this level.

Proposed use of Early Years DSG income

- 5.11 There are three main areas that Early Years Block DSG income has been allocated to fund in BF:
1. The local Early Years Single Funding Formula (EYSFF), which must be used to fund providers delivering the free entitlement of 15 hours a week of childcare and early years education for 3 and 4 year olds. The EYSFF is a sub-Formula to the main BF Funding Formula for Schools. Funds are allocated each term on actual participation levels, on an hourly funding rate basis, consisting of a base rate paid to providers (£3.17 for maintained schools, £3.71 for private, voluntary and independent (PVI) sector providers), supplemented by hourly rates where qualifying criteria is met for High Deprivation (ranging from 0p - 32p) and High Quality (ranging from 0p - 48p). Note: amounts quoted relate to the 2013-14 financial year, where the average provider funding rate is £3.84. Funding rates are set out in full at Annex 1.
 2. Provision of free childcare and early education for eligible 2 year olds (see paragraph 5.8 above for relevant criteria). To support LAs in their work with providers to expand capacity, the DfE has relaxed the rules on participation based funding and currently allows place based funding for 2 year olds. This is expected to be a temporary arrangement until at least 2015. The Forum agreed that this approach should be applied in BF for 2013-14. In order to avoid local formulae complexity, the DfE also encourage LAs to fund providers using a single hourly base rate without additional supplements. The Forum also agreed that this should be adopted in BF

where the affordable level of funding was set at £5.10 per hour. The one exception to this being an agreement to pay an additional supplement of £7.20 per hour for pupils with Special Educational Needs (SEN).

3. Central support services for 2, 3 and 4 year olds. Subject to agreement of the local Schools Forum, LAs are permitted to retain funds centrally to support early years providers. The current year budget includes agreement from the BF Forum to centrally retain funds for a contingency, designed to meet in-year cost increases from rising participation rates, SEN etc, a multi-professional assessment centre, specialist SEN support, and to meet the cost of providing free milk to children.

Annex 2 provides more details on Early Years budgets, including 2013-14 funding levels.

- 5.12 All elements of the budget as set out above in paragraph 5.11 are proposed to continue into 2014-15 unchanged, including retaining base funding rates and supplements at 2013-14 levels. However, some changes to budget amounts are proposed, as set out below:

1. Updated budget provision for payments to providers to reflect:
 - a. Actual participation rates for 3 and 4 year olds by provider during January 2013, April 2103 and October 2013, using current funding rates. Note; this is the most up to date data available to forecast the likely budget requirement next year, but payments will be adjusted in-year to reflect actual participation together with revised hourly rates should provider supplement payments for deprivation and quality change. Any differences in payments will be funded through the contingency. These costs are forecast to increase and in part, be funded from the allocation for 2 year olds;
 - b. Estimated places to be taken up for 2 year olds, based on DWP and HMRC headcount data adjusted to allow for an expected gradual increase in take-up of places, again with any in-year differences to be funded through the contingency. Experience from the current year indicates that there will be lower actual take up than the funded figures, with the circa 85% take up expected in 2013-14 being used as a guide for 2014-15. Part of the allocation is not expected to be required and is therefore proposed to be used to fund the cost increase anticipated on provisions for 3 and 4 year olds;
2. Payment of a second, higher additional hourly rate of £9.00 for 2 year olds with severe or complex needs, which is estimated to affect around 1% of all pupils;
3. Reduce trajectory funding by £0.147m to £0.104m, equivalent to the amount included in the 2014-15 funding settlement from the DfE;
4. Set aside a 5% contingency for in-year changes in take up of provisions by 2 year olds at £0.035m;
5. Set aside a provision of £0.106m to develop additional places to meet the accommodation shortage anticipated for 2 year olds. This amount is the balance of budget after meeting all of the assessed needs, and will remain uncommitted until it is clear that sufficient funds have been allocated for items 1-4 above. Paragraph 5.18 below sets out more information relating building up provider capacity.

- 5.13 The Forum is recommended to agree this approach to setting the budget and also confirm that appropriate arrangements are in place for Early Years provisions, which the LA is required to consult with the Forum on each year. Annex 2 identifies the resultant breakdown of the Early Years budget if the proposals in this report are agreed, with Annex 3 setting out further information on the proposals and details of the more significant budget calculations.

Changes proposed for 2015-16 Early Years Block DSG funding

- 5.14 The DfE has indicated that from the 2015-16 financial year, LAs will be funded for 2 year olds on actual participation rates which will be solely based on head count from the January 2015 School and Early Years censuses. Trajectory funding is expected to cease at that point as the entitlement will be fully implemented.
- 5.15 As the funding system moves to the number of children taking up the entitlement, rather than the agreed number of places based on eligibility, it is to be expected that the headcount data used to calculate DSG income will reduce, lowering income. It is therefore important to maximise use of funds now available in the development of sufficient numbers of high quality places.

Proposed use of 2013-14 Early Years under spending

- 5.16 To recognise the importance of successfully implementing the new duty on providing the free entitlement to eligible 2 year olds, and to reflect two years allocation of trajectory funding by the DfE in the 2013-14 funding settlement, in setting the 2013-14 Early Years Budget, the Forum agreed that subject to there being a sufficient overall year end surplus balance on the Schools Budget, that any under spend against the 2 year old element of the grant would be ring fenced and carried forward to 2014-15 for use to support successful delivery of the programme.
- 5.17 Latest information on forecast spend in 2013-14 (as at the end of the December reporting cycle) indicates that place funding will under spend by £0.231m, mainly as a result of less places being taken than forecast in the DfE funding settlement through a combination of insufficient capacity from providers and parental choice, with trajectory funding forecast to under spend by £0.118m, which was anticipated when the budget was set on the original basis of a two year plan in March 2013. There is also a forecast over spending of £0.090m on the free entitlement for 3 and 4 year olds that needs to be taken into account in the use of any budget balance from 2013-14, meaning net payments to providers is forecast to under spend by £0.141m.
- 5.18 Whilst this £0.141m forecast under spending on payments to providers was not expected, it presents an opportunity to assist in meeting the statutory duty to provide sufficient childcare by financing the development of additional places where shortages remain and there is no funding source. Sufficiency data identifies areas already lacking provision, added to which need is anticipated to increase at Crown Wood/The Parks, Jennetts Park/Great Hollands North, and Sandhurst. These areas will require capital investment to provide the level of accommodation required to meet local demand. Provisional costings indicate that £0.418m is required to finance the required projects, of which £0.153m is available from the DfE capital grant funding of £0.170m that was awarded in 2013-14 with the remaining £0.265m proposed to be financed by converting unallocated revenue funding to capital as follows:

- The 2013-14 forecast under spend on payments to providers of £0.141m;

Unrestricted

- £0.018m of the 2013-14 forecast under spending on trajectory funding of £0.118m;
- The 2014-15 unallocated revenue funding of £0.106m.

Annex 4 sets out detailed information on the proposed capital investments.

- 5.19 The Forum is therefore recommended to agree that provided the 2013-14 outturn for the overall Schools Budget has sufficient under spending, the net saving on Early Years payments to providers, currently estimated at £0.141m and trajectory funding, currently estimated at £0.118m are carried forward into 2014-15 to fund Early Years activities.

The High Needs Block

Coverage and outline of High Needs Funding

- 5.20 The High Needs Block covers funding for education provision for high needs pupils and students from birth to 24. This is in line with the proposals set out in the Green Paper on SEN and disability.
- 5.21 The DfE has determined that where the cost of provision is above £10,000 it will be classified as high needs. In such circumstances, a “place-plus” approach to funding will be used which can be applied across all providers that support high needs pupils and students as follows:
- Element 1, or “core education funding”**: equivalent to the age-weighted pupil unit (AWPU) in mainstream schools, which the DfE has stated the national average is around £4,000.
 - Element 2, or “additional support funding”**: a clearly identified budget for providers to provide additional support for high needs pupils or students with additional needs up to £6,000 (as set by the DfE).
 - Element 3, or “top-up funding”**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs.

Provisional estimate of High Needs Block DSG income

- 5.22 The High Needs Block is the most complex area of DSG funding and is subject to further change in 2014-15. Whilst the “place-plus” approach to funding providers will remain unchanged, the DfE are amending the way that the High Needs Block DSG will be calculated. Rather than looking at pre and post 16 levels of funding, the calculation will be undertaken separately with two sub blocks; one for schools and another for post schools. The change has been made as the DfE consider it more helpful to look at high needs funding for schools as a whole rather than making a division by pupil age. These changes will inevitably result in funding turbulence for LAs.
- 5.23 The schools sub block will include funding for the purchase of places at specialist providers that cater exclusively for pupils with needs above the £10,000 threshold, such as maintained special schools, non-maintained special schools and pupil referral units, at the current £10,000 / £8,000 per place i.e. elements 1 and 2. There will also be an allowance to fund “top up” payments i.e. element 3 to providers above

the £10,000 threshold. Funding will be “cash flat”, so no allowance will be added for inflation or other pressures. There is “some funding available for growth in places” but how that will be allocated will be dependent on the outcomes of data returns from all LAs. These set out anticipated 2014-15 academic year numbers of each LAs high needs pupils by expected provider and to ensure affordability, the DfE will not make funding decisions until all the data has been collected and analysed.

- 5.24 For the post school sub block, which covers Further Education (FE) Institutions and Independent Special Providers (ISP) including Charitable and Commercial Providers (CCP), LAs will be funded for top up payments only i.e. element 3, which are above the £10,000 threshold. The Education Funding Agency (EFA) – the executive agency arm of the DfE - will pay providers directly for elements 1 and 2.
- 5.25 On the basis of this new methodology, DfE have calculated an initial 2014-15 High Needs Block allocation for BF of £12.722m. This amount is after adding back the old post 16 SEN grant previously provided to LAs, at 2012-13 funding levels, for which BF received £0.543m and before deduction of schools sub block post 16 place funding of elements 1 and 2 which the EFA will pay directly to school providers and any other changes in funded places for pre-16 pupils that may be agreed.
- 5.26 The DfE has indicated that the schools sub block deduction for the 2014-15 academic year will be made on the basis of actual student numbers for the 2013-14 academic year. LAs can supply figures other than actual 2013-14 academic year numbers where “there are significant changes”. The BF return for post 16 students was made on the basis of forecast academic year student numbers as this is expected to rise by 16 students from 82 to 98 (20% increase). If the additional places identified are not funded by the EFA, then the council will need to negotiate an appropriate amount to pay to the providers for elements 1 and 2 but should retain a higher amount of DSG than would otherwise be the case as less places will be deducted.
- 5.27 In respect of pre 16 place numbers in the schools sub block, these are also subject to change which where agreed by the DfE will also have an impact on the initial High Needs Block funding amount calculated by the DfE. An analysis of known places indicates a reduction of 14 to 255 (5% decrease). Aggregate places in maintained schools are expected to remain unchanged, but the current student profile indicates 14 less places will be required in Non-Maintained Special Schools. This reduction just about offsets the increase in post 16 numbers highlighted above in paragraph 5.26 and therefore, provided the DfE accepts the changes proposed for high needs pupils on the BF data return, no significant financial impact should arise in the DSG allocation.
- 5.28 The LA data return with required high needs places included net addition places of 22. The balance of increase in numbers from the changes set out in paragraphs 5.26 and 5.27 relates to post school providers, where places are expected to increase by 20 to 50 (67% increase). Element 1 and 2 payments to providers of these places are an EFA responsibility and there is a risk that if insufficient funds exist at the EFA to finance the national change in numbers, individual LA funding allocations will be top-sliced to contribute to the cost of rising numbers or they will be unfunded with the consequence for LAs being the need to negotiate fees for unfunded places with individual providers and pay for elements 1 and 2 from DSG that does not reflect their numbers. This could present a full year pressure of up to £0.200m.

- 5.29 Taking account of the revised number of high needs places included on the BF return to the EFA, there is estimated to be a £0.840m deduction to the initial DSG amount of £12.722m to reflect element 1 and 2 funding transfers for the 98 post 16 high needs pupils. This would result in a revised High Needs Block funding of £11.871m which is £0.011m more than that received in 2013-14.
- 5.30 The BF return of head count data was completed and submitted to the EFA by the 23 December deadline, with the expectation that funding adjustments would be confirmed in February. However, there have been difficulties with the EFA's new data collection systems and funding allocations have yet to be confirmed. At this stage it is assumed that there will be no material impact from the outstanding adjustments although clearly, this may not be the case.
- 5.31 The complicated process to calculate funding, together with further changes to funding responsibilities and an incomplete data set makes it difficult to accurately forecast the likely level of High Needs Block income for 2014-15. A further factor to bear in mind is that the High Needs Block is calculated on an academic year basis, which means adjustments to funding allocations will take effect from September 2014 and therefore only have a part year effect on 2014-15 income.

Proposed use of High Needs DSG funding

- 5.32 As the DfE has yet to confirm all the funding adjustments required to the High Needs Block for 2014-15, it is not considered appropriate to present budget proposals at this time, but rather to wait for the release of detailed funding allocations and then present a decision report to the Forum for review in-year. The initial 2014-15 budget allocations will therefore remain unchanged from the current 2013-14 amounts. These are set out at Annex 5 for information.
- 5.33 The Schools Block Budget paper presented to the Forum in January indicated that initial work on likely costs in 2014-15 against High Needs budgets had shown a potential pressure of £0.200m. Work has been on-going since then to refine and update this amount with the latest estimate now showing a pressure of £0.273m, with the estimated budget impact set out in Annex 5. Of this total, £0.023m relates to the increased spend expected at Kennel Lane Special School from meeting the equivalent of the Living Wage, which will be financed from a draw down from the Job Evaluation Reserve, so the pressure on DSG income is £0.250m. This is before inflation, and the Council is currently negotiating with providers to maintain charges at 2013-14 prices. If this is not successful, then the pressure will increase further.
- 5.34 As set out above, there is also the possibility that the EFA will not fully fund the council for all required pupil places (elements 1 and 2), in which case a funding contribution will need to be negotiated with each provider. Experience in the current financial year shows that additional payments do have to be made to providers if placements are required outside those funded by the EFA. Clearly, there is a high probability that this will occur as place numbers for funding, which must be by individual provider, are requested by LAs in the December prior to the start of the academic year that the funding relates to.
- 5.35 During the 8 months between proposing the number of expected places required, and actual take up by students, there is the likelihood of numerous changes for a wide number of reasons. However, despite the probability of change in needs, there will be no adjustment to funding allocations. An allowance of £0.090m for the purchase of additional, unfunded places, has been made at this stage. Forum

members will be aware that SEN budgets are volatile and high cost, and therefore subject to significant change at short notice.

- 5.36 Once the High Needs Block DSG income is clarified, the Forum will be presented with relevant budget proposals. If an over spending is still forecast, then there may be a requirement to draw down funding from the surplus Schools Budget balance, which it is estimated will be around £0.5m at 31 March 2014 and then consider whether savings options need to be implemented to move spend into line with annual income. On the basis that no changes are being proposed to services provided through the High Needs Block, the Forum is requested to confirm that arrangements in place for SEN pupils and those in Pupil Referral Units and other education outside schools are appropriate.

High Needs Contingency – to be funded from the Schools Block DSG

- 5.37 In January, the Schools Forum and Executive Member agreed that an SEN specific contingency should be created to provide additional financial support to schools with a disproportionate number of high needs pupils with qualifying schools receiving £1,100 per high needs pupil. This had been calculated from setting aside £100,000 of the Schools Block DSG, with funding targeted to:
- Where the proportion of pupils on roll classified as high need exceeds 4% of total pupil numbers in a primary school and 2% in a secondary school
 - Where the proportion that top up funding paid to support High Needs pupils compared to the total budget allocated via the BF Funding Formula exceeds 2% in a primary school and 1% in a secondary school
- 5.38 These funding thresholds were set based on high needs pupil data as at October 2012 which would have resulted in 2 primary schools (total of 22 pupils) and 3 secondary schools (total of 70 pupils) receiving funding top ups.
- 5.39 Moving to the October 2013 census, 3 secondary schools (total of 67 pupils) trigger additional funding allocations, but there are no qualifying primary schools. As the original thresholds were set for the first time on the October 2012 data, during which time there has been a 4.4% increase in the number of pupils in primary schools, it is proposed to adjust the qualifying level for primary schools from those where 4% of pupil numbers are classified as high needs in primary schools to those where 3% of pupil numbers are classified as high needs. This change would result in the same 2 primary schools (total of 20 pupils) receiving additional funds and the Forum is therefore recommended to agree this change in funding threshold. Due to the volatility of numbers of high needs pupils and school demographics in general, it is likely that funding thresholds will need to be regularly reviewed.
- 5.40 Annex 6 sets out the funding allocations that result from applying the revised thresholds which the Forum is asked to approve.

Next steps

- 5.41 The views of, and decisions taken by the Schools Forum are expected to be adopted by the Executive Member in making final decisions for the 2014-15 Schools Budget. Proposals for High Needs budgets will be presented for a decision when there is greater certainty on the level of DSG income.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are comprehensively set out in the body of this report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information. At this stage it is unclear whether the DfE will allocate sufficient resources to meet expenditure commitments. If a funding shortfall does materialise, it will need to be dealt with through use of the accumulated surplus balance on the Schools Budget or through the introduction of in-year savings, or a combination of both.

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 together with on-going demographic growth present a number of strategic risks, most significantly:
1. Insufficient funding to cover increases in the required number of high needs places.
 2. Price increases by providers.
 3. The ability to absorb an increasing number of high needs pupils.
- 6.5 In the first instance, if insufficient funds are received from the DfE, these risks will be managed, if necessary, through use of the accumulated surplus balance on the Schools Budget that is estimated at £0.5m.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Schools Forum.

Method of Consultation

- 7.2 Written report.

Representations Received

- 7.3 To be gathered at 13 March meeting of the Schools Forum.

Background Papers

Previous budget reports to the Forum

Various DfE guidance notes and letters

Contact for further information

David Watkins, Chief Officer: SR&EI

(01344 354061)

David.Watkins@bracknell-forest.gov.uk

Paul Clark, Head of Departmental Finance

(01344 354054)

paul.clark@bracknell-forest.gov.uk

Doc. Ref

G:\New Alluse\Executive\Schools Forum\66) 130314\2014-15 Schools Budget Preparations - EY and HN Blocks.doc

**Provider funding rates for 3 and 4 year olds
(including eligibility criteria for supplements)**

<u>Funding rates - breakdown of hourly rate</u>	<u>Maintained Schools</u>	<u>PVI providers</u>
Hourly base rate (minimum amount, no eligibility criteria)	£3.17	£3.71
Deprivation Supplement (where eligibility criteria met)		
Band 3 Deprivation ranking within the 10% most deprived settings. Top up at 3 times the basic rate.	£0.32	£0.32
Band 2 Deprivation ranking below the 10% most deprived settings but still within the 35% of most deprived settings. Top up at 2 times the basic rate.	£0.21	£0.21
Band 1 Deprivation ranking below the 35% most deprived settings but still within the 60% of most deprived settings. Top up at basic rate.	£0.11	£0.11
Band 0 Deprivation ranking outside the 60% most deprived settings. No top up.	£0.00	£0.00
Quality Supplement - as measured by workforce qualifications (where eligibility criteria met)		
Band D Qualified Teachers on Upper Pay Scale 2 or higher cost with 75% of staff at level 3 or above.	£0.48	£0.48
Band C Graduate (level 5 or 6) leading the EYFS Practice and 60% of staff at level 3 or above.	£0.27	£0.27
Band B Level 4 or above leading the Early Years Foundation Stage (EYFS) and 35% of staff with a level 3 or above	£0.21	£0.21
Band A Other, lower qualification levels. No top up.	£0.00	£0.00
Maximum hourly rate	£3.97	£4.30
Minimum hourly rate	£3.17	£3.71
Average hourly rate	£3.65	£3.95

Early Years Block Budgets

Budget Item	2013-14 Actual Budget £	2014-15 Proposed Budget £
Free entitlement to early years education and childcare for 3 and 4 year olds:		
Maintained school nurseries	£1,284,140	£1,348,080
PVI provider settings	£2,687,830	£2,662,020
Provider Contingency – for in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty (3%)	£130,550	£130,550
Multi professional assessment centre – Currently provided through contract with Action for Children, based at Margaret Wells Furby Children’s Centre	£156,850	£156,850
Free milk – net cost of free milk to eligible children.	£11,210	£11,210
Special Educational Needs and other support e.g. Special Educational Needs Co-ordinators.	£147,390	£147,390
Free entitlement to early years education and childcare for 2 year olds:		
Payments to providers (including SEN supplements)	£643,100	£682,000
Trajectory funding: Outreach support, delivery of sufficient places, workforce development, publicity and marketing.	£250,900	£104,000
Provider Contingency – for in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty (5%)	-	£35,000
Development of sufficient places – convert revenue funding to capital	-	£105,900
Total Early Years Block Budget	£5,311,970	£5,383,000

Note: the initial 2013-14 Early Years budget of £5.470m was reduced by £0.159m to £5.311m to reflect the re-calculation of DSG following receipt of actual January 2013 head count data, which was lower than the January 2012 level used in the initial DSG calculation.

Early Years Block Budgets – Supporting Information

Budget requirement for payments to providers for 3 and 4 year olds

	Maintained Schools		PVI providers	
	Funded Hours	Costs	Funded Hours	Costs
January 2013	110,270	£402,440	203,339	£798,228
May 2013	138,086	£503,965	275,412	£1,088,204
October 2013	121,366	£441,676	195,573	£775,588
Grand total	369,722	£1,348,081	674,323	£2,662,021

Budget requirement for payments to providers for 2 year olds

FORECAST 2 YEAR OLD PLACE & SEN/AEN FUNDING 2014/15	% forecast places taken	Additional Places	Total No of Places	No of Hrs p/wk	No of Wk/s Summer term	Hourly Rate	Forecast Cost
---	-------------------------	-------------------	--------------------	----------------	------------------------	-------------	---------------

Place numbers

Summer 2013-14 Academic Year

(DfE forecast 182 places)

April			152	15	12	£5.10	£139,536
May		3	155	15	9	£5.10	£2,066
June		5	160	15	5	£5.10	£1,913
July		5	165	15	3	£5.10	£1,148
							£144,662 (A)

Autumn 2014-15 Academic Year

(DfE forecast 321 places)

September	70%		225	15	15	£5.10	£258,188
October	75%	16	241	15	11	£5.10	£13,464
November	80%	16	257	15	7	£5.10	£8,568
December	90%	32	289	15	3	£5.10	£7,344
							£287,564 (B)

Spring 2014-15 Academic Year

(DfE forecast 321 places)

January	70%		225	15	11	£5.10	£189,338
February	80%	32	257	15	7	£5.10	£17,136
March	90%	32	289	15	4	£5.10	£9,792
							£216,266 (C)

Budget requirement for payments to providers of 2 year olds (continued)**FORECAST 2 YEAR OLD PLACE & SEN/AEN FUNDING 2014/15****SEN/AEN Support Funding Higher Rate**

Summer 2013-14 Academic Year <i>(DfE forecast 182 places)</i>	Places	%	Rate	hrs	wks	Amount
April	152	4%	£7.20	9	12	£4,727.81
May	155	4%	£7.20	9	9	£69.98
June	160	4%	£7.20	9	5	£64.80
July	165	4%	£7.20	9	3	£38.88
Autumn 2014-15 Academic Year <i>(DfE forecast 321 places)</i>						
September	225	4%	£7.20	9	15	£8,748.00
October	241	4%	£7.20	9	11	£456.19
November	257	4%	£7.20	9	7	£290.30
December	289	4%	£7.20	9	3	£248.83
Spring 2014-15 Academic Year <i>(DfE forecast 321 places)</i>						
January	225	4%	£7.20	9	11	£6,415.20
February	257	4%	£7.20	9	7	£580.61
March	289	4%	£7.20	9	4	£331.78
SEN/AEN Support Funding Higher Rate						
Summer 2013-14 Academic Year <i>(DfE forecast 182 places)</i>						
April	152	1%	£9.00	15	12	£2,462.40
May	155	1%	£9.00	15	9	£36.45
June	160	1%	£9.00	15	5	£33.75
July	165	1%	£9.00	15	3	£20.25
Autumn 2014-15 Academic Year <i>(DfE forecast 321 places)</i>						
September	225	1%	£9.00	15	15	£4,556.25
October	241	1%	£9.00	15	11	£237.60
November	257	1%	£9.00	15	7	£151.20
December	289	1%	£9.00	15	3	£129.60
Spring 2014-15 Academic Year <i>(DfE forecast 321 places)</i>						
January	225	1%	£9.00	15	11	£3,341.25
February	257	1%	£9.00	15	7	£302.40
March	289	1%	£9.00	15	4	£172.80

Forecast SEN/AEN Funding	£33,416	(D)
--------------------------	----------------	------------

Contingency @ 5%	£35,000	(E)
------------------	----------------	------------

FORECAST TOTAL PLACE FUNDING 2014/15 (A) + (B) + (C) + (D) + (E)	£717,000
---	-----------------

Budget requirement for payments to providers of 2 year olds (continued)

- **Hourly rate** – as no allowance has been made for inflation in the DfE funding settlement, it is proposed that the hourly place funding rate remains the same at £5.10 per hour for 570 hours per year.
- **SEN/AEN** – a number of children accessing funded places will require additional support. The 2013/14 AEN allocation was based on a DfE commissioned report ‘Children with Special Educational Needs 2010: an analysis’ which identified that “Pupils with special educational needs were much more likely to be eligible for free school meals than those without special educational needs.” The same report identified that in 2010 approximately 21% of school aged children would be identified with SEN/AEN. However, based on 2013/14 although approximately 20% will have SEN/AEN, the majority of needs are quite low and can be supported within place funding. It is anticipated approximately 5% will require additional financial support and of this 5% providers have evidenced that the current hourly support rate of £7.20 is insufficient to meet the high needs of a small group of children (approx 1%) with complex needs. Two SEN supplements are therefore proposed for 2014-15:

- **Lower Additional Support Funding Rate £7.20 per hour**

Individual children’s needs are assessed by relevant professionals to ascertain support requirements to facilitate full access to early years provision and enable each child to develop and progress to their potential. Where deemed necessary an additional hourly support rate of £7.20 enables settings to provide appropriately qualified 1-to-1 support. The majority of children receive a maximum of 9 hours per week 1-to-1 rather than the full 15 hours as work is done to fully include them into group provision. This early intervention is aimed at minimising the potential for this need at age 3+.

- **Higher Additional Support Funding Rate £9.00 per hour**

For the small number of children presenting with severe and complex needs, as assessed by relevant professionals, an increased additional support funding rate is required to enable settings to provide appropriately qualified 1-to-1 support. £5.10 base hourly funding plus £9.00 per hour AEN funding is equivalent to the average hourly cost of a Level 5 qualified practitioner (no allowance for on-costs) total £14.10 per hour. These children are likely to require the full 15 hours per week funded at the additional hourly rate and are those most likely to be put forward for statutory assessment of SEN.

Budget requirement for payments to providers of 2 year olds (continued)

Trajectory Funding

Trajectory funding is intended to help develop sufficient high quality local provision and support services as the new duty is rolled out to more eligible children. All of the trajectory funding is proposed to be centrally managed within the Schools Budget to ensure a strategic approach is adopted in the use of this one-off funding.

Funding and support will continue to be targeted at those areas of the borough identified by the Childcare Sufficiency Assessment as having insufficient places to meet needs. This will include extension and development of existing provision and plans to build new provision.

When planning use of trajectory funding consideration has been given to the following:

- **Sufficiency (PVIs)** – currently, January 2014, 166 eligible 2 year olds are placed with childcare providers (including childminders). Whilst it appears that these placements have been achieved with minimal financial implications, it is important to recognise they have been placed to the detriment of 3 and 4 year olds places; as identified by the Childcare Sufficiency Assessment, i.e. providers would rather take funded 2 year olds with guaranteed place funding of £5.10 per hour than 3 year olds with participation funding at a substantially lower rate. Therefore continuing work to develop new places is considered a major priority. There has also been an impact on sufficiency of places for those non eligible families wishing to access childcare for 2 year olds.
- **Sufficiency (Maintained Schools)** – maintained schools have the option to deliver 2 year old early education, however no schools in Bracknell currently offer this service. Negotiations have been held with interested schools in BFC; however this avenue for providing places has not, to date, been successful. Work with schools is continuing, although it is not anticipated that this route will have any significant impact on the number of places, or be able to offer the flexibility required to meet parental need and demand.
- **Outreach and uptake** – The free entitlement for two year olds targets the least advantaged two year olds, including children in the hardest to reach families in the borough. Two outreach workers have been employed on fixed term contracts to encourage the uptake of the new entitlement. These roles have proved invaluable and have resulted in a successful identification, engagement and placement of in excess of 80% of eligible children each term. It is proposed to extend the fixed term contracts to March 2015.
- **Management** – trajectory funding will continue to support the cost of LA staff managing the expansion of the two year old free entitlement and developing the necessary provider capacity and quality of provision.

Proposals for additional capital investment to create sufficient places

Anticipated Funding	
Balance on £170,000 DfE capital grant from 2013-14	£153,000
2013/14 forecast net under spending on payments to providers	£141,000
Part of £118,000 forecast under spending on 2013/14 trajectory funding	£17,800
2014/15 unallocated revenue funding	£105,900
Total funding to support Capital Projects	£417,700
Project Plans	
Jennetts Park & Great Hollands North	
Planning costs support	£17,000
New Site Development contingency	£7,000
32 funded place set up costs @ £750 p/place	£24,000
Total Capital Plans	£48,000 (A)
Crown Wood & The Parks	
32 funded place set up costs @ £750 p/place	£24,000
Development of Provision (80sq M @ £2k p/sq m) - <i>new (extension) build costs</i>	£160,000
Professional fees @ 11%	£17,600
Contingency @ 10%	£18,400
Total Capital Plans	£220,000 (B)
Sandhurst	
32 funded place set up costs @ £750 p/place	£24,000
Development of Provision (30sq M @ £2k p/sq m) <i>new (extension) build costs</i>	£60,000
Internal works to make building suitable for use	£10,000
Professional fees @ 11%	£7,700
Contingency @ 10%	£8,400
Total Capital Plans	£110,100 (C)
Whitegrove / Warfield	
Adaption of building (exit door from main hall)	£5,000
8 funded place set up costs @ £750 p/place	£6,000
Contingency @ 10%	£1,100
Total Capital Plans	£12,100 (D)
Provider Portal	
Implementation of online portal for submission of claims by providers	£27,500
Total Capital Plans	£27,500 (E)
Total Capital Plans (A) + (B) + (C) + (D) + (E)	£417,700

Current 2013-14 High Needs Block Budgets

Budget Item	2013-14 Actual Budget £	Provisional change for 2014-15 £
Element 3 top-up payments. For pupils where assessed needs exceed the £6,000 cost of support threshold set by the DfE:		
BFC maintained schools and academy.	£651,720	£91,000
Non-BFC maintained schools	£950,000	£2,000
Kennel Lane Special School *	£1,213,650	£23,000
PVI providers	£4,250,000	-£90,000
FE colleges	£315,000	£173,000
Elements 1 and 2 for specialist places – For block purchase of places in BFC maintained specialist providers, at the £10,000 per place funding rate set by the DfE:		
Kennel Lane Special School	£1,850,000	£0
BFC maintained schools	£292,000	-32,000
BFC academy **	£50,000	-50,000
Education out of school:		
College Hall Pupil referral Unit	£711,490	£0
Home Tuition	£252,160	£20,000
Family Outreach Work	£99,130	£0
Other support to high needs pupils:		
Teaching and Support Services	£704,350	£0
Sensory Impairment Service	£226,470	£0
Autism Support Service	£84,000	£25,000
Traveller Education	£75,140	£0
Other, e.g. specialist equipment, medical support etc	£146,010	£32,000
Allowance for the purchase of 15 unfunded Element 2 places	-	£90,000
Potential DSG increase	-	-£11,000
Total High Needs Block Budget	£11,871,120	£273,000

* £0.023m to be released from the Job Evaluation Reserve to fund the estimated impact from adopting the equivalent of the Living Wage at Kennel Lane Special School.

** From September 2013, EFA became responsible for funding places in academy schools.

Proposed allocations from the 2014-15 SEN Specific Contingency

SCHOOL	No. top-up pupils by school	Top-up pupils %	Qualify? Yes / No	Top-up as % of school budget	Qualify? Yes / No	Qualify under both criteria?	2014-15 funding
Ascot Heath Inf	2	0.97%	No	1.16%	No	No	
Ascot Heath Jun	5	2.09%	No	1.72%	No	No	
Binfield	1	0.24%	No	0.04%	No	No	
Birch Hill	7	1.80%	No	1.68%	No	No	
College Town Inf	1	0.47%	No	0.44%	No	No	
College Town Jnr	4	1.42%	No	0.80%	No	No	
Cranbourne	0	0.00%	No	0.00%	No	No	
Crown Wood	8	1.88%	No	1.58%	No	No	
Crowthorne CE Primary	4	1.91%	No	2.17%	Yes	No	
Fox Hill Primary	2	1.04%	No	0.66%	No	No	
Great Hollands Primary	11	3.00%	Yes	2.66%	Yes	Yes	£12,100
Harmans Water Primary	7	1.12%	No	0.90%	No	No	
Holly Spring Infant and Nursery	1	0.35%	No	0.68%	No	No	
Holly Spring Junior	9	3.63%	Yes	2.56%	Yes	Yes	£9,900
Jennetts Park Primary	2	0.80%	No	0.70%	No	No	
Meadow Vale Primary	3	0.60%	No	0.38%	No	No	
New Scotland Hill Primary	4	1.94%	No	2.40%	Yes	No	
Owlsmoor Primary	3	0.60%	No	0.78%	No	No	
The Pines Primary and Nursery	2	1.01%	No	1.30%	No	No	
Sandy Lane Primary	13	2.04%	No	1.91%	No	No	
St Joseph's Catholic Primary	5	2.38%	No	3.54%	Yes	No	
St Margaret Clitherow Catholic Primary	2	0.97%	No	0.39%	No	No	
St Michael's Easthampstead CE Aided Primary	3	1.24%	No	1.24%	No	No	
St Michael's CE Aided Primary (Sandhurst)	0	0.00%	No	0.00%	No	No	
Uplands Primary	1	0.47%	No	0.45%	No	No	
Warfield CE Primary	2	0.96%	No	1.74%	No	No	
Whitegrove Primary	3	0.68%	No	0.68%	No	No	
Wildmoor Heath	1	0.55%	No	0.22%	No	No	
Wildridings Primary	7	1.90%	No	1.78%	No	No	
Winkfield St Mary's CE Primary	0	0.00%	No	0.00%	No	No	
Wooden Hill Primary and Nursery	8	2.46%	No	3.10%	Yes	No	
Brakenhale	14	1.64%	No	1.15%	No	No	
Easthampstead Park	18	2.59%	Yes	1.02%	Yes	Yes	£19,800
Edgbarrow	23	2.20%	Yes	1.75%	Yes	Yes	£25,300
Garth	25	1.88%	No	0.69%	No	No	
Ranelagh Church of England School	26	3.35%	Yes	1.98%	Yes	Yes	£28,600
Sandhurst School	11	1.30%	No	0.76%	No	No	
Primary total	121	1.29%	2	1.24%	6	2	£22,000
Secondary total	117	2.11%	3	1.18%	3	3	£73,700
Total ALL	238	1.59%	5	0.00%	9	5	£95,700

This page is intentionally left blank

TO: SCHOOLS FORUM
DATE: 13 MARCH 2014

PROVISION OF BROADBAND and RELATED INTERNET SERVICES TO SCHOOLS Extension of Contract

Director of Children, Young People & Learning

1 PURPOSE OF DECISION

- 1.1 To support a two year extension to the current centrally managed contract for the supply of broadband and related internet services to schools.

2 RECOMMENDATION

- 2.1 **That the option to extend by 2 years the current contract with RM for the provision of Broadband and Internet related services be supported and referred to the EXECUTIVE for approval.**

3 REASONS FOR RECOMMENDATION

- 3.1 To provide the Schools Forum with an opportunity to comment on the proposal to take up the option to extend by 2 years the current broadband and internet contract for schools.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The current term of the contract ceases on 31st August 2014. There is an option in the current contract to extend for one or two years. The alternative would be to re-tender for the contract or to cease the contract and for each school to make their own arrangements.
- 4.2 All schools were consulted on the above options with 22 schools responding (56%). Of these 20 schools (51%) requested an extension of the existing contract with 2 schools wishing for the LA to explore the option to re-tender under the South East Grid for Learning (SEGfL) framework.

5 SUPPORTING INFORMATION

Background and benefits of the Schools Broadband Network

- 5.1 Bracknell Forest schools benefit from a secure, high speed, high reliability private broadband network that was installed using significant capital funds (£200k) around 2010/11. The fibre optic connections provide well for current educational needs and offer an easy route for future expansion. The network is provided entirely for the benefit of schools – the Council has no connections. All Bracknell Forest Local Authority schools and the Academy currently buy the service through a Service Level Agreement.

- 5.2 Overall, the Bracknell Forest Schools Broadband network is a significant success. Schools express high levels of satisfaction with the service and connection speeds. Complaints are extremely rare given the number of users and the amount of access.
- 5.3 There are many significant benefits to the current arrangements, some of which are listed below:
- (a) It is an education specific private network rather than being a direct connection to the public internet. This means that security and network traffic can be controlled very effectively and there are no data download or upload limits. This is the type of connection recommended by the DfE in their buying guidance for schools (June 2013).
 - (b) Service broadband provision is over high speed symmetric (same speed for downloading and uploading) 'fibre optic to the premises'. This is significantly superior to domestic and small business connections that are referred to as 'fibre' but which rarely enter the building on fibre optic cable.
 - (c) It is a managed service with full helpdesk provision from the supplier and local escalation routes through the Bracknell Forest 'ICT Helpdesk'.
 - (d) A very effective firewall is in place to maintain system security, e.g. protecting against attempted network intrusions.
 - (e) Internet access is monitored and logged to safeguard pupils and staff and to provide a level of independent protection for Headteachers and Governors in the event of allegations of inappropriate access, etc.
 - (f) Providing the network security and filtering at a higher level reduces significantly the amount of equipment, technical expertise, responsibility and hence cost that is required by individual schools.
 - (g) Connections are filtered for education use and schools can control their own filtering locally. Further developments in filtering technology are being implemented.
 - (h) The system is very reliable and there are service guarantees and payments back to schools if the service goes down for more than a day. It has proved reliability and resilience.

Costs, charges and 'smoothing'

- 5.4 Provision of this type and quality is expensive, although comparisons with other Local Authorities and commercial offerings indicate that the underlying costs of Bracknell Forest connections are competitive for comparable services.
- 5.5 The aggregate level of funds delegated to schools to purchase the service, on the formula previously agreed by the Schools Forum matches the individual charges being made. However, the 'true' costs at individual schools have always been 'smoothed' to enable smaller schools to benefit from high speed fibre optic connections that they would otherwise not be able to afford. The largest primary schools and all mainstream secondary schools pay more than the actual 'true' cost to support this. The aim of this charging policy is to make the network as a whole affordable for the benefit of the education community by schools supporting one another. This has always been a fundamental principle of the Bracknell Forest Schools Broadband network.
- 5.6 The smoothing model has worked up to now, but is also a risk. If large schools opt to purchase broadband elsewhere, the schools broadband network in its current form would not be viable, as it would no longer be possible to subsidise the costs for smaller schools.

5.7 The costs for the largest secondary schools are currently higher and realistically over time the LA will need to consider a long term policy of gradually moving school charges closer to the 'true' costs. This will result in some schools being asked to pay more and some less than is currently the case.

5.8 The current and proposed contract costs are shown in confidential Annex A

Broadband options for schools

5.9 Although it is hoped that schools will realise the benefits of remaining with the Bracknell Forest Schools Broadband network, it is important to note what other options are available.

5.10 For larger schools, indications are that it would not be possible to purchase a directly comparable service at a particularly significant saving over the anticipated 2014/15 charges. This is partly because schools moving to a new connection would have to pay initial setup/installation charges, which could be significant and wipe out any savings in the short term. It would be possible for the largest schools to make a saving by purchasing a fibre connection with a lower level of service however, but they would also lose some of the benefits of the current shared network.

5.11 Small/medium sized primary schools and smaller secondary schools are unlikely to be able to buy a comparable connection for a lower cost. It would be possible to purchase alternative connection types that are cheaper but this would represent a significant downgrading of connection type. Given that the trend is for higher bandwidth use and increasing use of 'cloud' services, this would not seem to make sense.

5.12 Although the other options would not seem particularly attractive, it is a competitive market with companies appearing to 'cherry pick' schools from networks like ours which are easy to connect and relatively easy to manage. It is therefore important to make sure headteachers, school business managers and governors are provided with up to date information regarding the benefits of the current broadband network.

5.13 Should the two year extension be agreed by School Forum, schools would be offered a two year SLA to cover the contract period. The nature of broadband arrangements means that cancellation payments are due to the telecommunications provider, in this case Virgin Media, if schools terminate their agreements early. Those cancellation fees will have to be passed on to any school that leaves the SLA early.

5.14 Although expressions of interest from schools have been encouraging, the full extent of commitments will be assessed once SLAs have been agreed and the extension arrangement with RM will be adjusted accordingly.

5.15 Should the two year extension be agreed then a new procurement process, using existing EU procurement compliant framework agreements, would commence in 2015 for a new contract to start September 2016. During this time detailed discussions would take place with schools in relation to any 'smoothing' of costs and potential sign up to any new contract.

Conclusion and recommendations

5.16 Given that there are many benefits to retaining the Bracknell Forest School Broadband Network, and following a consultation with schools in the borough, it is clear that schools wish to continue to purchase broadband in this way. Similarly, given that Bracknell Forest schools continue to work together as a strong education community, it seems appropriate that a level of smoothing should continue in 2014/15 to protect smaller schools, whilst ensuring that the largest schools do not pay an excessive amount.

- 5.17 Following discussion at the ICT Advisory Group with headteachers and their representatives the LA has entered into discussions with our current broadband service provider to identify the most cost effective arrangements for 2014/15 and 2015/16. We are also looking at some 'value added' services that the supplier is intending to offer from August 2014. These include a Staff Proxy to enable staff in schools to get unfiltered access to the internet and a transparent proxy to enable use of personal devices should schools wish.
- 5.18 The Forum is recommended to agree the extension of the RM contract for 2 years to 31st August 2016.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Council is receiving legal advice in this matter from Messrs Nabarro LLP. SEGfL has sought written advice from Nabarro LLP, who drew up the original contracts, about the terms of contract extension. They conclude that extending the call-off contract is permissible under the Regulations as this is envisaged in the original Call-Off Contract General Terms and Conditions executed at the same time as the Framework Agreement. They have recommended that a Deed of Variation is agreed with RM Education to extend to August 2016. That Deed has been drafted by Nabarro.

Borough Treasurer

- 6.2 Schools are responsible for financing the cost of broadband and internet service from their delegated funding and as such, there is no significant financial implication on the Council from this report.

Equalities Impact Assessment

- 6.3 There are no equalities issues associated with the extension of the current contract.

Strategic Risk Management Issues

- 6.4 Although there are significant benefits, around the country many specialist education broadband networks like ours are ceasing to exist. This is usually either because Local Authorities are deciding not to provide non-statutory services, or because some schools (typically larger institutions) are opting to purchase services elsewhere. We understand that Reading and RBWM are both likely to cease providing a schools broadband network from April 2014.
- 6.5 The Bracknell Forest Schools Broadband network remains strong currently, but we are at a critical point as we approach the end of the contract initial term on 31 August 2014. Schools will be able to choose to purchase broadband elsewhere, and if this happens to a significant extent, the network will not be viable. If the current network were to cease to exist, almost certainly it would not be possible to re-establish it at a later date.

7 CONSULTATION

Principal Groups Consulted

7,1 ICT Advisory Group
Headteachers

Background Papers

None

Contact for further information

Bob Welch, Chief Adviser
01344 354185 bob.welch@bracknell-forest.gov.uk

This page is intentionally left blank

Agenda Item 8

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

Document is Restricted

This page is intentionally left blank