



## **NOTICE OF MEETING**

### **Schools Forum**

**Thursday 17 July 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, Secondary 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

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Published: 8 July 2014

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**Council Chamber, Fourth Floor, Easthampstead House, Bracknell**

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**AGENDA**

	Page No
<b>1. Apologies for Absence/Substitute Members</b> To receive apologies for absence and to note the attendance of any substitute members.	
<b>2. Declarations of Interest</b> 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.	
<b>3. Minutes and Matters Arising</b> To approve as a correct record the minutes of the meeting of 13 March 2014.	1 - 6
<b>4. Membership of the Schools Forum</b> To advise the Forum of a change to membership.	7 - 8
<b>5. Education Capital Programme</b> To provide the Forum with an update on the Education Capital Programme.	9 - 22
<b>6. Schools Budget Outturn 2013-14</b> To inform members of the Forum on the 2013-14 Schools Budget provisional outturn and to agree the allocation of balances and the use of Earmarked Reserves.	23 - 34
<b>7. School Balances 2013-14</b> Annual Report to update members of the Forum on the level of balances held by schools as at 31 March 2014.	35 - 48

8. **Budget Update 2014-15** 49 - 62  
To update the Forum on the latest position on the level of Dedicated Schools Grant (DSG) income anticipated for 2014-15 and to present proposals in respect of the budget shortfall anticipated on the High Needs Block element of the Schools Budget.
9. **DfE Consultation on Fairer Funding in Schools 2015-16** 63 - 76  
To update the Forum on the Department for Education (DfE) consultation *Fairer Schools Funding in 2015-16* which presents proposals on how an extra £350m should be allocated to Local Authorities through the Dedicated Schools Grant in 2015-16.
10. **DfE Consultation on Savings to the ESG in 2015-16** 77 - 114  
To update the Forum on the Department for Education (DfE) consultation *Savings to the Education Services Grant (ESG) for 2015-16* which seeks to gather views on how £200m of savings can be achieved notionally against the services intended to be funded from the ESG in 2015-16 and the potential impact.
11. **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 18 September 2014
  - Thursday 16 October 2014
  - Thursday 27 November 2014
  - Thursday 15 January 2015
  - Thursday 12 March 2015
  - Thursday 23 April 2015

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**SCHOOLS FORUM  
13 MARCH 2014  
4.30 - 5.45 PM**

**Present:**

**Schools Members**

Sue Barber, Primary School Governor  
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  
Anne Shillcock, Special Education Representative  
John Throssell, Primary School Governor (Vice-Chairman)

**Non-Schools Members:**

Robin Sharples, Oxford Diocese (Church of England)

**Apologies for absence were received from:**

George Clement, Union Representative (Chairman)  
Trudi Sammons, Primary School Representative  
Kate Sillett, PVI Provider Representative  
David Stacey, Primary School Governor Representative  
Kathy Winrow, Academy School Representative

**JOHN THROSSELL, VICE-CHAIRMAN IN THE CHAIR**

**24. Declarations of Interest**

There were no declarations of interest.

**25. Minutes and Matters Arising**

**RESOLVED** that the minutes of the meeting held on 16 January 2014 be approved and signed by the Chairman as a correct record.

Matters Arising

At the meeting of the Forum on 16 January 2014, Forum Members had expressed concern in relation to the Local Authority Budget Proposals for 2014/15. The 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 were advised that their concerns had been brought to the attention of the Executive, and the Labour Group had proposed some amendments in line with the Forum's comments, but that when put to the vote the budget proposals had been accepted as originally proposed.

26. **2013-14 Allocations from the School Specific Contingencies and other Budgets centrally managed by the Local Authority**

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

One correction was made to Annex 2 at page 15 of the agenda papers, where the number of forms of entry at September 2013 for Woodenhill Primary should have read 1.67 and not 2.

There were five different circumstances under which schools could receive in-year funding allocations and the Schools Forum had previously agreed allocation criteria for four of them with the report setting out resultant amounts by school. For the fifth circumstance, funding for exceptional and unforeseen circumstances, the report set out a proposal that officers consider claims in the first instance for a formal decision to be taken by the Forum. There was one such claim contained in the report.

In considering whether funding criteria remained valid and appropriate, Forum members suggested that in respect of in-year allocations to schools experiencing significant in-year increases in pupil numbers, that further options be considered, particularly in relation to supporting single form entry schools.

Any scenario would need to be approved by the Department for Education (DfE) and would need to have a tight definition. Forum members should forward suggestions to Paul Clark for discussion at the next meeting of the Forum on 24 April 2014.

**RESOLVED** that the Forum:

- i. **NOTED** the funding allocations made to schools during 2013-14 in respect of;
  - significant in-year increases in pupil numbers (paragraph 5.12);
  - schools required to meet the Key Stage 1 Class Size regulations (paragraph 5.15);
  - new and expanding schools (paragraph 5.16);
  - support to schools in financial difficulties (paragraphs 5.22 to 5.28).
- ii. **AGREED**:
  - that in the first instance, claims from schools for additional funding to cover exceptional items continued to be considered by the Heads of Service covering Finance, Human Resources and Property, for subsequent decision by the Forum (paragraph 5.5);
  - the funding allocation proposed to cover exceptional and unforeseen costs in a school (paragraph 5.8).
- iii. **CONSIDERED** whether any changes needed to be made to the existing criteria used to distribute centrally managed funds to schools (paragraph 5.29); to be reviewed at the next meeting of the Forum.

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

The views of the Schools Forum were sought on proposals from the Council for the 2014-15 Early Years and High Needs Block elements of the Schools Budget. There were also a small number of decisions for the Forum to consider in line with the statutory funding framework.

For the Early Years Block, a revised calculation of forecast DSG income was now available, together with updated cost estimates for payments to providers for the free entitlement for early years education and childcare and the roll out of provision to the most deprived 2 year olds. Creating sufficient places to meet forecast demand for 2 year olds was identified as a high priority, and proposals had been made here also, to use unallocated 2014-15 funding as well as re-investing the forecast under spending from 2013-14 into this area. In line with the funding settlement from the DfE, rates paid to providers of the free entitlement would remain unchanged from those paid in 2013-14.

In respect of the High Needs Block, which was recognised as the most complex and volatile area of the budget build, the DfE had still to confirm final funding allocations to Local Authorities, and therefore the Council was not in a position to present budget recommendations which would now need to be presented later, following receipt of reliable data. The report therefore presented an update on current forecasts.

A recalculation of potential income from the DfE had been undertaken, and this indicated a small reduction in funding from 2013-14 of £0.011m. Looking at forecast costs, these were now expected to increase by £0.250m which was a further £0.050m increase on the amount expected in January.

Should the actual income from the DfE indicate a potential over spend in 2014-15, proposals would be presented to the Forum on how this could be managed, which could include making in-year savings, drawing down from the estimated £0.5m surplus balance on the Schools Budget, or a combination of both.

The Forum also considered a proposal from the Local Authority to update criteria to be used to allocate the SEN Contingency to schools to reflect characteristics of pupils currently in schools. Members of the Forum requested that further options for allocation be considered and presented to the next meeting of the Forum, including introducing thresholds based on actual numbers of pupils as well as percentage of pupils on roll at a school.

**RESOLVED** that the Forum **AGREED**:

That the Executive Member make the following decisions:

For the 2014-15 Early Years Block funded budgets:

- i. 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;
- ii. that a new hourly funding rate supplement of £9.00 be paid to providers taking 2 year olds with severe or complex needs;
- iii. 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;

- iv. the total initial budget was set at £5.383m, it incorporated the changes set out in paragraph 5.12, and relevant budgets were therefore updated to those set out in Annex 2.

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

- v. 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 were 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:

That no budget decisions were made until the level of government funding was more certain.

- vi. In its role of statutory decision maker, that there were appropriate arrangements in place for:
  - c. early years provision,
  - d. the education of pupils with SEN, and
  - e. the use of pupil referral units and the education of children otherwise than at school.
- vii. Revised eligibility criteria for allocating funds to schools from the SEN Contingency (paragraph 5.39), would be considered again at the next meeting of the Forum.

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

The Forum received a report in relation to support for a two year extension to the current centrally managed contract for the supply of broadband and related internet services to schools.

The existing service was considered to be of a high quality and reliability, with 91% of schools that responded to the Local Authority consultation supporting the proposed contract extension which would deliver small cost savings over the next 2 years.

Schools would be offered a 2 year contract for broadband and internet services, with break options, although any schools withdrawing would need to fund the cost of any penalty payments due to the provider.

A new procurement process, using existing EU procurement compliant framework agreements, would commence in 2015 for a new contract to start during 2016.

**RESOLVED** that the Schools Forum **AGREED**:



- i. 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.

29. **Confidential Annex**

30. **Dates of Future Meetings**

The Forum noted that the next meeting was scheduled for 24 April 2014 at 4.30pm in the Council Chamber at Easthampstead House. If there was no business to discuss meetings would be cancelled.

**CHAIRMAN**

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Unrestricted

## SCHOOLS FORUM 17 July 2014

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### MEMBERSHIP OF THE SCHOOLS FORUM Director of Corporate Services

#### **1 INTRODUCTION**

- 1.1 To advise the Forum of a change to its membership.

#### **2 SUPPORTING INFORMATION**

- 2.1 Nominations were recently sought to fill two vacancies for primary school governor representatives on the Forum following the end of the term of office for Tony Reading and there was one other vacancy in this category. One application form has been received; from Tony Reading, who is a governor at Sandy Lane Primary School.
- 2.2 With one application, there is no need to hold an election and in accordance with the procedures for appointment to the Forum, Mr Reading has been duly appointed to fill one of the vacancies. It is proposed to appoint Mr Reading for a period of three years until 31 August 2017.

#### **3 EQUALITIES IMPACT ASSESSMENT**

- 3.1 There are no issues.

#### **4 STRATEGIC RISK MANAGEMENT ISSUES**

- 4.1 There are no issues.

#### Background Papers

None

#### Contact for further information

Amanda Roden, Democratic Services: 01344 352253  
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#### Doc. Ref

Membership of the Schools Forum

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TO: SCHOOLS FORUM  
DATE: 17 JULY 2014

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## CAPITAL PROGRAMME UPDATE Director, Children, Young People and Learning

### 1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide Schools Forum with an update on the Education Capital Programme.

### 2 RECOMMENDATION

- 2.1 **That Schools Forum notes the current status and progress of the projects, which are set out in the main body of the report.**

### 3 REASONS FOR RECOMMENDATIONS

- 3.1 The Education Capital Programme constitutes a significant capital investment into the school estate with multiple projects across all sectors. It is appropriate that Schools Forum be aware of the Programme and the key projects that come under it.

### 4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not applicable

### 5 SUPPORTING INFORMATION

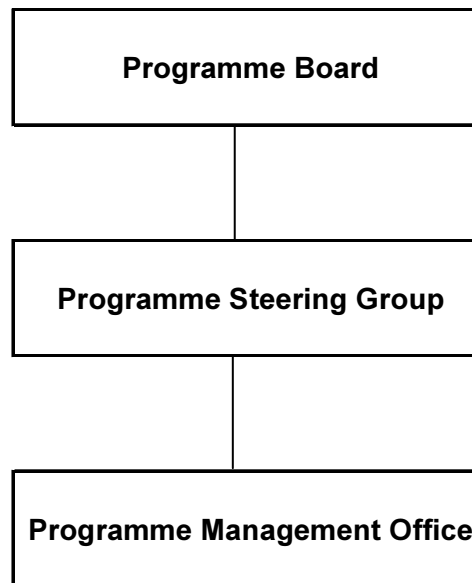
#### Managing Partner

- 5.1 In 2013/14 the Council re-tendered its contract for the managing partner organisation which provides the consultancy support for the delivery of the Education Capital Programme. The new managing partner Atkins Ltd who have taken over from EC Harris and are now fully functional in this role. Atkins maintains a Programme Management Office which forms part of the CYPL Education Capital & Property Team, based in the Council offices at Time Square.

#### Programme Governance

- 5.2 The programme governance arrangements are set out on the organisation chart below. The Programme Management Office reports to a Programme Steering Group (PSG), which is chaired by the Chief Officer Strategy, Resources & Early Intervention. PSG is accountable to the Education Capital Programme Board (ECPB), which is chaired by the Director of Children, Young People & Learning and includes Executive Members and Headteacher representatives.

Programme Organisation Chart



The Education Capital Programme

- 5.3 The Education Capital Programme continues to constitute both a major challenge and a major achievement for CYPL. The focus of the programme is on the essential Compliance, Capacity and Condition priorities as set out in the CYPL Asset Management Plan.
- 5.4 The value of the school places projects currently funded on the programme is £17.7m. Adding the value of the identified future projects not currently funded, then the overall value of the Education Capital Programme could exceed £100m. There is a further £1.9m available in the current year for school planned maintenance works, £0.6m of Devolved Formula Capital directly managed by schools, £0.3m to assist with the implementation of universal infants free school meals and £0.8m for other projects not directly impacting on schools. In total, the approved capital budget for 2014-15 amounts to £21.3m, of which £8.063m is the under spend brought forward from 2013-14.
- 5.5 To update Schools Forum on the current scope and shape of the Programme, the summary details of the individual projects that come under it have been set out in the following sections.

Amen Corner North

- 5.6 The proposed housing development by Wilson Developments on the Amen Corner North site is expected to construct 400 new dwellings. This would yield up to 1FE of additional primary pupils, so a 1FE site and school buildings are being sought as developer contributions through the Section 106 process.
- 5.7 The project is currently at Stage 0 Strategic Direction. The estimated cost if the Council were to provide a new school would be in the region of £5.2m; however the Council is currently engaged with the developer for them to undertake the construction in lieu of S106 contributions.
- 5.8 The earliest that these new school places could come on stream is September 2017.
- 5.9 Areas currently being worked on include planning permission, funding and site acquisition.

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- 5.10 The Amen Corner North development is located in the secondary catchment of Garth Hill College.

### Amen Corner South

- 5.11 The proposed housing development by the John Nike Group on the Amen Corner South site has the potential to construct up to 725 new dwellings. This would yield up to 2FE of additional primary pupils, so a 2FE site and school buildings are being sought as developer contributions through the Section 106 process.
- 5.12 The project is currently at Stage 0 Strategic Direction. The estimated cost if the Council were to provide a new school would be in the region of £9.4m, however the Council will be seeking a developer construct route in lieu of S106 contributions.
- 5.13 The earliest that these new school places could come on stream is September 2017.
- 5.14 Areas currently being worked on include planning permission, funding and site acquisition.
- 5.15 The Amen Corner South development is located in the secondary catchment of Garth Hill College.

### Blue Mountain Education Village

- 5.16 The proposed 'Learning Village' at Blue Mountain will include a secondary school for 7-9FE, a primary school for 2FE and SEN resourced units for up to 40 places co-located together on the same site taking advantage of shared facilities wherever possible, such as kitchen, dining, staff rooms, admin areas, sports facilities, playing fields, assembly, specialist teaching areas etc.
- 5.17 The project is at RIBA Stage 1: Preparation & Brief, with an estimated cost of up to £38m, and construction is planned to be completed for September 2018.
- 5.18 The new secondary school is expected to open to 2-3FE, with capacity to expand to up to 9FE over the following years to keep pace with rising pupil numbers. The new primary school is expected to open to 1FE with capacity for future expansion to 2FE.
- 5.19 Areas currently being worked on include planning issues, funding, site acquisition, and finding a suitable provider for the new school.

### Brakenhale Expansion

- 5.20 The final Phase 4 of the expansion of The Brakenhale School from 6.5 to 7FE is currently being tendered for a start on site in August 2014.
- 5.21 The project is at RIBA Stage 3: Developed Design, and the value is £1.2m. Funding is from DfE Basic Need grant.
- 5.22 The Phase 4 works include a two storey extension to the Post 16 accommodation to create additional teaching spaces.

Cranbourne Classrooms

- 5.23 This project is to replace two old modular classroom buildings, and also to create an additional surge classroom on site.
- 5.24 The project is at RIBA Stage 3: Developed Design and has a total value of £1.1m, being partly funded from the capital receipt from the sale of the former schoolhouse and DfE Basic Need grant.
- 5.25 The work is currently being tendered for a start on site in July 2014, however planning permission has not yet been obtained. The impact of the 30 additional pupils in the proposed surge classroom has been flagged by the Highways Officer under road safety due to the already congested state of Lovell Road outside the school. The planning outcome will be determined by the Planning Authority in July 2014, after which the project will either proceed with the surge or be reduced in scope to exclude the surge.
- 5.26 Cranbourne Primary school is located in the secondary catchment of the RBWM Charters School.

Crown Wood Expansion

- 5.27 The final Phase 3 of the project to expand Crown Wood Primary school from 1.5FE to 3FE completed in May 2014. The phase 3 project value was £3.6m of which £0.6m remains to be spent in 2014-15.
- 5.28 The project is at RIBA Stage 7: In use.
- 5.29 The Phase 3 works included demolition of old modular buildings in use by KS2 which have been replaced by a new traditionally built two story teaching block, including a new hall and staff/front entrance/admin areas.
- 5.30 Crown Wood Primary School is located in the secondary catchment of The Brakenhale School.

Eastern Road SEN Facility

- 5.31 This project is for creation of 56 new SEN places at the former BROCC Adult Social Care site on Eastern Road.
- 5.32 The project is at RIBA Stage 2 Concept Design.
- 5.33 The project has a total value of £1.7m and is being funded from a DfE Targeted Basic Need grant for completion by September 2015.
- 5.34 The facility will be provided and run by Garth Hill College, and will be for secondary ASD pupils, allowing the Council to address the anticipated growth of pupil numbers in this area, and more significantly to reduce the number and cost of out of Borough placements.

Easthampstead Park Refurbishment

- 5.35 A small project to bring back into use key ancillary and teaching spaces which have been taken out of use over time as pupil numbers have fallen in this school. The construction of the new Jennett's Park Primary School and proposed new primary construction at TRL mean that pupil numbers at Easthampstead Park are now expected to rise.



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- 5.36 This project is at RIBA Stage 1: Preparation & Brief, and has a project budget of £0.2m drawn from S106 contributions.
- 5.37 Works are planned to take place during 2014/15.

### Garth Hill College Expansion

- 5.38 This project is for the creation of 350 additional places at Garth Hill College by September 2015 as a condition of DfE Targeted Basic Need grant. This will be achieved by decanting Post 16 into a purpose built stand alone post 16 centre and converting the vacated post 16 spaces in the main building to general teaching. Decant of Post 16 into a new building will also free up timetabled Post 16 teaching spaces in the main building for use by KS3/4.
- 5.39 The project is currently at Stage 3 Developed Design, and the total construction project budget was £7.6m of which £7.3m remains to be spent. Tenders are expected to be returned at the end of June 2014, with a construction start on site during the 2014 autumn term.
- 5.40 Expansion of Garth Hill College will remove the need for bussing North Bracknell pupils to other schools and will address the forecast deficit of North Bracknell Secondary school places for the next 2-3 years until Blue Mountain is built.
- 5.41 Expansion by 350 places would result in the PAN at Garth Hill College rising from its current 270 to 312.
- 5.42 The Council is in the process of purchasing the Wick Hill car park from Bracknell & Wokingham College which will provide the additional site area to support the expansion, including additional parking, drop-off and pick-up.

### Harmanswater Surge Classroom

- 5.43 A surge classroom is being taken at Harmanswater Primary School for September 2014.
- 5.44 There is no construction work required because this school used to be bigger in the past and has a spare classroom. There is a small budget for furniture and equipment and ICT which is being purchased by the school to fit out the room.
- 5.45 Harmanswater Primary school is located in the secondary catchment of The Brakenhale School.

### Jennett's Park Expansion

- 5.46 Jennett's Park Primary school was built to 1FE in all year groups from September 2011 and began its expansion to 2FE in the intake year from September 2012.
- 5.47 The Programme includes a small budget for furniture and equipment and ICT to kit out the new classrooms as they come on stream over the summer holidays each year. The expansion will be complete to 2FE in all year groups from September 2018.
- 5.48 Jennett's Park Primary School is located in the secondary catchment of Easthampstead Park Community School.

Meadow Vale Expansion

- 5.49 The final Phase 2 of the project to expand Meadow Vale Primary school from 2FE to 3FE completed in May 2014. The phase 3 project value was £1.6m of which £.2m remains to be spent in 2014-15.
- 5.50 The project is at RIBA Stage 7: In use.
- 5.51 The Phase 2 works included extensions to the existing school buildings at ground and first floor level to create the additional teaching spaces required.
- 5.52 Meadow Vale Primary School is located in the secondary catchment of Garth Hill College.
- 5.53 The Headteacher has raised a number of issues at the end of the construction which are currently being worked through with the contractor Balfour Beatty.

Owlsmoor Expansion

- 5.54 The final Phase 3 of the works to expand Owlsmoor Primary School from 2.3 to 3FE are currently being tendered with a view to construction starting on site in September 2014.
- 5.55 The project is at RIBA Stage 3: Developed Design.
- 5.56 The value of the Phase 3 works is £3.2m of which £3.1m remains to be spent and is being funded largely from a DFE Targeted Basic Need grant for completion by September 2015.
- 5.57 The Phase 3 works include construction of additional classrooms in stages as extensions to the existing buildings. The old nursery modular is being demolished and relocated into the main building to make space for the parking and drop-off/pick-up facilities required to support the expansion.
- 5.58 Owlsmoor Primary school is located in the secondary catchment of Sandhurst school.

The Pines Expansion

- 5.59 Phase 1 of the expansion of The Pines Primary School from 1FE to 2FE has been tendered with a view to construction starting on site at the end of June 2014. This followed an enabling phase of works in the summer of 2013.
- 5.60 The project is at RIBA Stage 4: Technical Design
- 5.61 The expansion of The Pines is being achieved by bringing the former Infant School building back into school use. Schools Forum will recall that the Pines Infant & Junior Schools were amalgamated and reduced in size under the South Bracknell Review in 2004/05. Since then the vacated Infant School building has been in use as a base for CYPL professional teams. The majority of the professional teams were relocated to the Bracknell Open Learning Centre in May 2014 to make space for the school expansion.
- 5.62 The Phase 1 project budget is £1.6m of which £1.3m remains to be spent and is being funded largely from a DFE Targeted Basic Need grant for completion by September 2015. There will be a Phase 2 project to complete the expansion with an estimated project budget of £0.6m but this will not be required to be completed until September 2018.
- 5.63 The Phase 1 works include reorganisation of the Foundation Stage to achieve co-location of the additional reception class with the school nursery, adjacent to the pre-school which

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meets in the Community Centre. This has involved the conversion of the former Infant school buildings for use by KS2.

- 5.64 The Phase 1 works to refurbish the lower school building back into school use will be completed in sections with the first ready for the school intake in September 2014 and the balance of the Phase 1 work planned to be completed during the 2014 autumn term.
- 5.65 The Pines Primary School is located in the secondary catchment of Easthampstead Park Community School.

### Planned Works Programme

- 5.66 For 2014/15 the Council is continuing to run a Planned Works programme for schools utilising DfE Schools Capital Maintenance grant. Planned Works comprises a number of work streams including
- Planned maintenance
  - Disabled access
  - Fire Safety
  - Prevention or control of legionella
  - Asbestos
- 5.67 The value of the 2014/15 programme is £1.9m split between approx 50 projects at various schools.
- 5.68 The majority of projects are planned maintenance to which schools make a contribution of up to 10% of the cost subject to a ceiling of 75% of their annual Devolved Formula Capital budgets. The largest single work element is roofs.

### TRL Crowthorne

- 5.69 The proposed housing development by Legal & General on the TRL site in Crowthorne is expected to construct up to 725 new dwellings. This would yield up to 2FE of additional primary pupils, so a 2FE site and school buildings are being sought as developer contributions through the Section 106 process.
- 5.70 The project is currently at Stage 0 Strategic Direction. The estimated cost if the Council were to provide a new school would be in the region of £9.1m, however the Council will be seeking a developer construct route in lieu of S106 contributions.
- 5.71 The earliest that these new school places could come on stream is September 2016.
- 5.72 Areas currently being worked on include planning permission, funding and site acquisition.
- 5.73 Whilst the TRL development will generate enough pupils to warrant a 2FE site, the demand for school places is also dependent on the feasibility of expanding Wildmoor Heath Primary school to accommodate pupils arising from the Broadmoor housing development. If Wildmoor Heath can be expanded, TRL will be 2FE but if it can't then TRL may need to accommodate up to 3FE. We are currently evaluating the feedback from planners on the pre-planning application for Wildmoor Heath expansion to determine the outcome of this.
- 5.74 The TRL development site is located in Bracknell Forest but falls under the catchment of Wokingham's Hatch Ride primary school. Both LAs will need to amend their Designated Area boundaries at the appropriate time to create a DA for TRL that falls wholly within Bracknell Forest.

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- 5.75 The TRL development is located in the secondary catchment of Easthampstead Park.

### Warfield East

- 5.76 The proposed housing development by TLB Seaton on the Warfield East site is expected to construct 1,510 new dwellings. This would yield between 2-3FE of additional primary pupils, so a 3FE site and school buildings are being sought as developer contributions through the Section 106 process.
- 5.77 The project is currently at Stage 0 Strategic Direction. The estimated cost if the Council were to provide a new school would be in the region of £13.7m, however the Council is currently engaged with the developer for them to undertake the construction in lieu of S106 contributions.
- 5.78 The earliest that these new school places could come on stream is September 2019.
- 5.79 Areas currently being worked on include planning permission, funding and site acquisition.
- 5.80 The Warfield East development is located in the secondary catchment of Garth Hill College.

### Warfield West

- 5.81 The proposed housing development by Berkley Homes on the Warfield West site is expected to construct 690 new dwellings. This would yield between 1-2FE of additional primary pupils, so a 2FE site and school buildings are being sought as developer contributions through the Section 106 process.
- 5.82 The project is currently at Stage 0 Strategic Direction. The estimated cost if the Council were to provide a new school would be in the region of £9.1m, however the Council is currently engaged with the developer for them to undertake the construction in lieu of S106 contributions.
- 5.83 The earliest that these new school places could come on stream is September 2016.
- 5.84 Areas currently being worked on include planning permission, funding, site acquisition, and finding a suitable provider for the new school places.
- 5.85 The Warfield West development is located in the secondary catchment of Garth Hill College.

### Wildmoor Heath Expansion

- 5.86 The possible future expansion of Wildmoor Heath from 1FE to 2FE would be required to create the additional primary school places arising from the proposed construction of 400 new houses on the Broadmoor Estate.
- 5.87 The project is at RIBA Stage 2: Concept Design, following master-planning in 2012 in consultation with the school. It is currently being taken through to planning pre-application to determine the feasibility.
- 5.88 The expansion may not actually be required until 2020, and if it does proves to be feasible it will be put on hold until the Broadmoor housing commences. The early initiation of this project is to inform the Council's Spatial Planners about the numbers of additional school places required on the neighbouring TRL site. If Wildmoor Heath can be expanded then

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TRL will only need to provide 2FE, but if Wildmoor Heath cannot be expanded then TRL will need to provide 3FE.

- 5.89 Wildmoor Heath Primary and the Broadmoor housing falls within the secondary catchment of Edgbarrow School.

### Winkfield St Mary's Surge Classroom

- 5.90 A project to create a surge classroom at Winkfield St Marys Primary School.
- 5.91 The project is at RIBA Stage 2: Concept Design. The total project budget is £0.3m and is being funded from a DFE Targeted Basic Need grant for completion by September 2015.
- 5.92 The surge classroom is being taken forward as the first phase of a master plan agreed with the school in 2013 for the ongoing development of the school buildings, but future phases of the master plan are not currently funded.

### Wooden Hill Partitions

- 5.93 This is Phase 1 of a project to create internal partitions around individual classrooms. Wooden Hill is the last of the open plan layout primary schools in the Borough. The open plan layout was a design concept from the 1960s which has largely been replaced with conventional classroom layouts across the UK.
- 5.94 The project is at RIBA Stage 4: Technical Design, and the Phase 1 project budget is £0.1m
- 5.95 The works are planned to take place over the 2014 summer holidays.
- 5.96 The future Phase 2 is not currently funded, but will be subject of a bid on the 2015/16 Programme.

### Universal Infant Free School Meal

- 5.97 In December 2013 the Government announced that every child in Reception and Years 1-2 in state funded schools will receive a free school lunch from September 2014. The government has allocated £0.3m of capital grant funding for this in Bracknell Forest maintained schools, and a programme of works is being undertaken at eight schools over the 2014 summer holidays to provide the additional heavy equipment and cooking capacity required.

### Places for 2 year olds – free entitlement

- 5.98 The Forum received a report in March setting out the shortage of places for 2 year olds who are eligible to the free entitlement to early years education and childcare. It was agreed that the £0.3m of Dedicated Schools Grant funding would be converted to capital and added to the remaining DfE grant to create a £0.4m budget which is considered sufficient to meet the costs of immediately required developments.

### Youth Hub

- 5.99 Proposals for the creation of the new Youth Hub for Bracknell are currently being explored as part of a housing project being led by Thames Valle Housing. The scheme would consist

## Unrestricted

of demolition and redevelopment of the Coopers Hill site to provide flats and a dedicated Youth Hub space for young people.

- 5.100 The project is at RIBA Stage 2: Concept Design, and plans are at an early stage. The overall project costs is not yet known but it is hoped that the majority of the cost will be met by Thames Valley Housing as part of the land deal.
- 5.101 The site is covenanted for use by young people, and we are currently engaged with planners over the feasibility and impact of the development. Relocation of the groups who currently rent space on the site including Youth Line and MIND will form part of the project.

### Other Projects

- 5.102 There are a number of other projects managed within the Education Capital Programme that whilst not school specific, support the work of the CYPL programme. These amount to £0.2m

Annex 1 sets out the schemes in the programme and an outline of those expected in the next 7 years.

### Priority Schools Building Programme 2

- 5.103 In May 2014 the Education Funding Agency announced the second phase of its Priority Schools Building Programme – PSBP2. This is a new capital grant funding stream worth £2bn nationally, and will be a five year programme operating between 2015 to 2021 undertaking major rebuilding and refurbishment projects in schools and sixth form colleges in the very worst condition.
- 5.104 Bracknell Forest Council will be submitting expressions of interest for the 5 schools with the highest condition need as identified from condition surveys, which are the closest match to the eligibility criteria. Schools Forum will note however that even with the scale of need at these 5 schools it is unlikely that we will be successful because the value of condition need in each school is still well below the rebuild cost.
- 5.105 We will submit expressions of interest in any case because we don't know how many other LAs will be bidding, or the extent of their need. The principle here is nothing ventured nothing gained. Expressions of Interest must be submitted by 21-July and announcements are expected in December 2014.

## **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 6.1 The Contents of this report are noted.

### Borough Treasurer

- 6.2 The Borough Treasurer is satisfied that no significant financial implications arise from presenting this update.

Equalities Impact Assessment

- 6.3 All the new construction under this Programme will be designed and built to comply with current British Standards for accessibility for disabled people.

Strategic Risk Management Issues

- 6.4 The strategic risk management issues are as follows:

ISSUE		RISK	COMMENT
1	Cost Risk	HIGH	Only £17m of the £100m programme school places programme is currently funded. Future funding from developer contributions, DfE grants and Council borrowing will be required to deliver the key projects.
2	Programme Risk	MEDIUM	The majority of work is required to be delivered for the start of an academic year. Programmes are therefore generally constrained and must be carefully managed.
3	Planning Risk	MEDIUM	Development of existing schools within their already built up communities results in challenging planning conditions associated with Highways to mitigate the impact of the development on neighbours. Planning continues to be a significant risk.
4	Staff Capability Risk	LOW	The Council's managing partner Atkins Ltd. has a significant resource both in terms of their range of technical ability and numbers of personnel. Having a managing partner of this size and calibre is a critical success factor in being able to deliver the Programme.
5	Contractor Risk	MEDIUM	The results of recent procurements suggest that the construction market may be changing. Contractors are now more selective in which jobs to tender for, and we need to ensure our tenders are attractive in the marketplace going forward.

## 7 CONSULTATION

- 7.1 At Programme level Headteacher representatives sit on the Education Capital Programme Board, and they participate in all the work and decisions of that Board. Their role is to represent the views of all Headteachers and they both advise the Board on school issues arising from individual projects or at programme level, and ensure that the Board continues to be school-focused in terms of outcomes.
- 7.2 At project level the individual school Headteacher and Governing body as key stakeholders are consulted initially on the proposed schemes, and then again on the details of the proposed designs. Following appointment of contractors Headteachers are invited to attend all site meetings (or to send representatives) so that the school and the contractor's expectations are informed and remain closely aligned. In practice the majority of Heads maintain a close personal involvement throughout the design and construction phase, and

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historically projects have been the most successful where this relationship is established, maintained and effective.

- 7.3 With larger projects, the wider school community including pupils, parents and staff are consulted along with neighbouring residents prior to submitting for planning permission. This ensures that feedback is captured on the proposed developments while they are still in draft form so that designs can then be amended based on feedback received. The statutory planning consultation on the proposed projects then follows, but this is made easier by the pre-planning consultation above.
- 7.4 Headteachers are also invited to attend Post Implementation Reviews (PIRs) of individual projects which are held within 3 months of completion of the work. PIRs are an essential component of the performance of the project, and include assessment of the performance of the contractor, managing partner and the Council under such headings as Health & Safety, meeting the brief, project delivery on budget, on programme etc. Individual PIRs also capture lessons learned and are reported to the Programme Board. The average performance across the whole Education Capital Programme of the 16 major projects from PIRs undertaken since 2010 is 85%.

### Background Papers

Further details on individual projects on the Programme are available should Schools Forum wish to view them.

### Contacts for Further Information

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Bracknell Forest Council - Education Capital Programme									
Scheme	Schemes yet to be financed and on hold								Forecast funding to be identified £000
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
Current Budget £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast spend for the year £000	Forecast funding to be identified £000

**School Places Programme - as reported to the Education Capital Programme Board in June 2014**Primary Schools

Amen Corner North	25.0	75.0	3,123.0	1,867.0	140.0	0.0	0.0	0.0	5,205.0
Amen Corner South	25.0	100.0	3,400.0	4,280.0	1,580.0	50.0	0.0	0.0	9,410.0
Cranbourne Classroom & Nursery	1,100.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Crown Wood Surge & Expansion	602.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Harmans Water	10.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Holly Spring Surge & Expansion	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jennett's Park	15.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Meadow Vale Surge & Expansion	166.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Owlsmoor Surge & Expansion	3,098.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
The Pines Surge & Expansion	1,323.4	0.0	0.0	615.0	0.0	0.0	0.0	0.0	615.0
TRL	50.0	3,200.0	4,285.0	1,515.0	100.0	0.0	0.0	0.0	9,100.0
Warfield East	50.0	0.0	0.0	100.0	3,900.0	5,050.0	3,450.0	1,210.0	13,710.0
Warfield West	50.0	3,200.0	4,285.0	1,515.0	100.0	0.0	0.0	0.0	9,100.0
Wildmoor Heath Surge & Expansion	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Winkfield St Mary's Surge Classroom	309.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wooden Hill partitions	113.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Secondary Schools

Brakenhale Expansion	1,247.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Easthampstead Park	165.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Garth Hill Expansion	7,361.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Special Schools

Eastern Road SEN	1,688.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Other items

Blue Mountain Learning Village	121.5	1,174.0	33,147.0	1,933.0	1,116.0	346.1	0.0	0.0	37,716.1
Project Management Overheads	170.1	0.0	150.0	150.0	150.0	150.0	150.0	0.0	750.0

**Sub total - New School Places**

<b>17,704.2</b>	<b>7,749.0</b>	<b>48,390.0</b>	<b>11,975.0</b>	<b>7,086.0</b>	<b>5,596.1</b>	<b>3,600.0</b>	<b>1,210.0</b>	<b>85,606.1</b>
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**Planned Maintenance Programme:**

Roof repairs	1,146.5
Other planned works	467.4
Professional fees	239.1

**Other external funding**

Devolved Formula Capital	565.5
Universal Infant Free School Meals	282.5
Places for 2 year olds	405.8
Estimated additional S106 income	251.8

**Other projects**

Capita One (EMS) Upgrade	99.5
Youth Facilities	92.1
Asbestos Management	5.0
Larchwood Outdoor Play Surface	1.4

**Total Programme**

<b>21,260.8</b>
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**TO: SCHOOLS FORUM**  
**DATE: 17 JULY 2014**

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**2013-14 PROVISIONAL OUTTURN ON THE SCHOOLS BUDGET**  
**(Director of Children, Young People and Learning)**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to inform members of the Schools Forum on the 2013-14 Schools Budget provisional outturn and to agree the allocation of balances and the use of Earmarked Reserves.

**2 RECOMMENDATIONS**

**That the Schools Forum NOTES:**

- 2.1 that the outturn expenditure for 2013-14, subject to audit, shows net income of £0.390m which represents a £0.360m under spending (paragraph 5.5);
- 2.2 that after previously agreed transfers to and from earmarked reserves, the Schools Budget under spent by £0.495m (paragraph 5.6);
- 2.3 the main reasons for budget variances (paragraph 5.7);
- 2.4 the previously agreed year end transfers to and from Earmarked Reserves (paragraphs 5.9 and 5.10);
- 2.5 that the current balances on specific earmarked reserves within the Schools Budget amount to £5.889m (paragraph 5.8);
- 2.6 the current balance on the Schools Budget General Reserve of £0.691m (paragraph 5.12);
- 2.7 the approach to setting a minimum balance for the Schools Budget General Reserve (paragraphs 5.13 to 5.17).

**That the Schools Forum AGREES:**

- 2.8 to close the Family Tree Nursery Reserve and transfer the £0.090m balance into the Schools Budget General Reserve (paragraph 5.11);

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 The recommendations are intended to inform the Schools Forum of financial performance against budget in the 2013-14 financial year and to agree new proposals for the use of Earmarked Reserves.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not appropriate.

#### **5 SUPPORTING INFORMATION**

##### 2013-14 Schools Budget Revenue Expenditure

- 5.1 In March 2013, based on recommendations of the Schools Forum, the Executive Member for Children, Young People and Learning approved the Schools Budget for 2013-14 with £85.072m of grant funding. This was to be funded from the estimated amount of DSG income that would be received from the DfE at £78.865m, anticipated income of £4.163m to reflect sixth form grant income from the Education Funding Agency and £2.044m from the Pupil Premium. In addition to grant funding, there is also a budget of £1m for other income making total estimated funding of £86.072m. Spend proposals to this level were also agreed, resulting in a net nil budget.
- 5.2 Subsequent to this decision, anticipated income was updated by adding £0.368m to reflect revised sixth form grant income from the Education Funding Agency (EFA), including new income in respect of Kennel Lane Special School, with £3.984m deducted from the DSG. Of this, £3.503m was in respect of the Ranelagh Academy school, as the EFA recoups this amount based on the amount determined through the BF Funding Formula for Schools to pay Ranelagh direct, with a further £0.481m deduction to reflect outstanding adjustments for High Needs and Early Years pupils. Therefore, the final budgeted amount of funding was set at £82.456m.
- 5.3 There has also been one change to the overall expenditure budget. A £0.030m contribution was made by Kennel Lane Special school from their revenue budget to finance capital expenditure and a budget transfer is therefore required from revenue to capital which reduces the revenue expenditure budget to £82.426m. The year end net revenue budget was therefore -£0.030m.
- 5.4 In accordance with DfE Funding Regulations, a number of self-balancing budget adjustments have also been made during the year to reflect the transfer of funds from centrally managed budgets where schools have met qualifying criteria. The most significant adjustments reflect changes in SEN funding for named pupils, allocations from the school specific contingency, mainly in respect of increases in pupil numbers and managing the financial impact of Key Stage 1 class size Regulations, and support to schools in financial difficulty.

##### Provisional Outturn Position

- 5.5 The provisional final accounts for the Schools Budget, as summarised at Annex A, shows net income of £0.390m and a cumulative under spend of £0.360m. This comprises over spendings of £1.257m against approved budget allocations and under spendings of £1.617m. These figures remain subject to change, pending external audit, although no significant movement is anticipated.

- 5.6 Some expenditure in the Schools Budget is financed from accumulated balances held by schools and in accordance with conditions of DSG cannot be taken into the general balances of the Schools Budget. In 2013-14, schools drew down £0.135m of funds from their balances. Therefore, the £0.360m net under spending on the overall Schools Budget becomes a net under spending of £0.495m for retention within the balances of the Schools Budget. Paragraphs 5.8 to 5.12 below explain further the use of balances and reserves.
- 5.7 An explanation of the main changes from the approved budget plan, after transfers to or from reserves and balances are as follows:
- i. **Delegated School Budgets – nil variance.** Statutory Regulations require balances on school budgets to be earmarked to individual schools. There was an aggregate £0.101m withdrawal from balances during the year. Note College Hall Pupil Referral Unit withdrew £0.034m, re note iv, making a combined withdrawal of £0.135m from school reserves.  
A report on school balances is included as a separate Agenda item for this meeting.
  - ii. **Other School Grants - £0.002m under spend.** This variance relates to an over allocation of 2012-13 Pupil Premium Grant which has not been reclaimed by the DfE.
  - iii. **SEN provisions and support services - £0.167m over spend.** The most significant element of over spending relates to the cost of external placements for post 16 pupils with SEN where spend was £0.095m above budget. This expenditure reflects support packages approved by the EFA which were not ultimately funded through the realignment of DSG allocations. Significant cost reductions have been made on a number of post 16 placements – over £0.2m in a full year – which illustrates the financial difficulty being experienced through the reforms to High Needs pupil funding. The other significant over spending relates to high cost packages required to support pupils with severe medical conditions which over spent by £0.099m. There were a number of other variances across the range of support services and other direct provisions.
  - iv. **Education out of school - £0.056m over spend.** There was an over spending of £0.047m for home tuition which arose from more pupils needing support, including a number that could not be accommodated in the Pupil Referral Unit.
  - v. **Pupil behaviour - £0.064m under spend.** There was a £0.057m under spend at the Behaviour Support Team, mainly on staffing, as a result of a number of posts becoming vacant together with further savings on premises costs, general resources and earning additional rental income. Other minor variances occurred across the range of other support services.
  - vi. **School staff absence and other items - £0.203m under spend.** A number of variances occurred on the services that support schools of which the most significant comprised; a £0.076m under spending on the cost of official school staff absences, of which maternity leave cover represented £0.049m of the under spend; a £0.030m under spending on the school contingency, mainly from fewer in-year allocations to schools experiencing significant increases in pupil numbers; a £0.031m under spending on the early years contingency as increases in numbers of 3 and 4 year olds in maintained schools

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receiving the free entitlement to education and childcare were lower than expected; a £0.038m under spending on estimated cost increases for business rates at schools being expanded to meet the requirement for additional places to accommodate the increase in pupil numbers; £0.014m under spending on premature retirement and dismissal costs in schools; and a £0.011m under spend from the charge for the Carbon Reduction Tax.

- vii. **Combined Service Budgets - £0.009m over spend.** These budgets support the every child matters agenda and when combined with budgets for similar services that are funded by the Council can result in a greater overall impact and educational benefit. As a consequence of increased numbers, costs of supporting looked after children over spent by £0.027m, £0.016m on transport costs to BF schools and £0.011m on additional educational support. This was partially offset by a £0.17m under spending at the Margaret Wells Furby Children's Resource Centre as a result of requiring a lower level of service delivery than allowed for in the budget.
- viii. **Early Years provisions and support services - £0.307m under spend.** The most significant variance arose from £0.418m less expenditure than anticipated on the new duty to provide the free entitlement to education and child care for 2 year olds as take up was lower than provided for in the DSG allocation plus the expectation that funds would be carried forward for the on-going support and development of provision for which the 2013-14 DSG allocation also included funds for 2014-15. There was a £0.084m overspend on the free entitlement to education and child care for 3 and 4 year olds in private, voluntary and independent settings.
- ix. **Support to schools in financial difficulty – £0.151m under spend.** The Forum received a report in March setting out use of this budget and confirmed the £0.151m under spending.
- x. **Under spend to be transferred to Earmarked Reserve - £0.495m.** The balance of under spending on budgets centrally managed in the Schools Budget. This is transferred into the Schools Budget General Reserve for use in a future year.

Annex A sets out the full Schools Budget at a summary level, with the above notes referencing to the appropriate lines with budget variances.

### Balances and reserves

- 5.8 As part of the financial planning process, there is the opportunity to establish and maintain reserves and balances. Earmarked Reserves are sums of money which have been set aside for specific purposes and a number of Schools Budget reserves have been created, following requests from the Schools Forum. Each year these reserves can have funds added or deducted depending on financial performance and the purposes for which they were created. Balances reflect year end unspent funds and can be held separately as an unring-fenced amount or be transferred to Earmarked Reserves for a specific purpose.

Table 1 below provides a summary of movements last year and current balances on the earmarked reserves with column 5 showing total funds of £5.889m.

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Table 1: Earmarked reserves related to the Schools Budget

Reserve	Balance B/Forward 1-Apr-13 <b>1</b> £ 000	Movement in year <b>2</b> £ 000	Initial Balance 31-Mar-14 <b>3</b> £ 000	Year end Transfers <b>4</b> £ 000	Final Balance 31-Mar-14 <b>5</b> £ 000
<u>School Balances:</u>					
Primary	-2,696	-292	-2,988	0	-2,988
Secondary	-1,697	373	-1,324	0	-1,324
Special	-78	19	-59	0	-59
College Hall PRU	-102	34	-68	0	-68
	-4,573	135	-4,438	0	-4,438
<u>Earmarked Reserves</u>					
SEN Resource Units Reserve	-490	0	-490	0	-490
School Meals Catering Re-tender Reserve <b>(note a)</b>	0	-40	-40	0	-40
School Expansion Rates Reserve <b>(note b)</b>	0	-112	-112	0	-112
Schools Job Evaluation Reserve <b>(note c)</b>	-285	0	-285	167	-118
Family Tree Nursery Reserve <b>(note e)</b>	-90	0	-90	90	0
	-865	-152	-1,017	257	-760
<u>Schools Budget General Reserve</u>					
Brought Forward Balance	-517	0	-517	0	-517
In-year under spend	0	-495	-495	0	-495
Transfer to School Meals Catering Re-tender Reserve <b>(note a)</b>	0	40	40	0	40
Transfer to School Expansion Rates Reserve <b>(note b)</b>	0	112	112	0	112
Early Years draw down in 2014-15 <b>(note d)</b>	0	0	0	259	259
Transfer from Family Tree Nursery Reserve <b>(note e)</b>	0	0	0	-90	-90
	-517	-343	-860	169	-691
Total earmarked reserves	-5,955	-360	-6,315	426	-5,889

5.9 Column 2 from Table 1, movement in year, reconciles to the Schools Budget net variance of £0.360m. This includes the following previous decisions of the Forum:

Note a: 20 June 2013; to transfer £0.040m from the Schools Budget General Reserve into a School Meals Catering Re-tender Reserve to finance any future mobilisation costs on the school meals catering contract, should there be a change of supplier. In order to provide financial assistance to the provider to mobilise delivery of the contract in advance of the commencement date, it may be appropriate for funds to be made available to assist cash flow that is then repaid at the expiry of the contract.

Note b: 16 January 2014; that a new School Expansion Rates Reserve is created to finance future anticipated cost increases arising from the school expansion programme, and that it is initially

funded through a £0.112m transfer from the Schools Budget General Reserve.

- 5.10 A number of year-end transfers, as set out in column 4 of Table 1 have also been processed, in accordance with previous decisions of the Forum:

Note c: 16 January 2014: that £0.144m is drawn down from the Job Evaluation Reserve to fund estimated 2014-15 costs to mainstream schools and £0.023m for Kennel Lane Special School arising from implementation of the Bracknell Forest Supplement – the equivalent of the Living Wage - for non-teaching staff in schools.

Note d: 13 March 2014: 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:

- i. Trajectory funding: to support the development of provisions for 2 year olds, currently estimated at £0.118m
- ii. 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.

This original decision was made on the expectation that £0.259m in total would be under spent and a budget plan was produced on that basis. The final outturn for 2013-14 was for a £0.333m underspend. As £0.259m is considered sufficient to deliver the key outcomes, the additional £0.074m is proposed to be retained within the Schools Budget General Reserve.

- 5.11 A new transfer is also now proposed at column 4 of Table 1;

Note e: To close the Family Tree Nursery Reserve and make the £0.090m balance available in the Schools Budget General Reserve. This reflects the likelihood that no further liabilities will arise as a result of closing the Nursery.

- 5.12 Column 5 of Table 1 shows that the accumulated unused balance on the Schools Budget General Reserve totals £0.691m. This funding can only be used to support expenditure in the Schools Budget. Therefore, £0.691m of uncommitted funds are available for future use in the Schools Budget.

Annex B provides a summary of the purpose and policy of each reserve together with recent levels of funds.

#### Setting a prudential minimum level of balances

- 5.13 In managing the Schools Budget General Reserve, it is appropriate to set a minimum level of funds that should be maintained to manage unforeseen circumstances and to also plan for any future changes that may have a financial impact. This helps to manage risks in a planned, rather than reactive manner.



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- 5.14 As set out in Annex A, there was £82.426m of planned spend within the final Schools Budget for 2013-14. Of this total £67.599m is delegated to individual school governors to manage, including the Pupil Premium. There is a further £0.761m under the control of the Management Committee of College Hall Pupil Referral Unit, making a total expenditure budget controlled by schools of £68.360m. A separate agenda item shows that the aggregate level of surplus school balances at 31 March 2104 was £4.438m, which is over 6% of annual spend. This is considered more than adequate to manage unforeseen circumstances at individual schools.
- 5.15 Clearly, within the average 6% surplus balance some schools will be above this level and others below it. To help schools facing financial difficulty, there is the option to borrow money from the aggregate surplus of all school balances to help effect budget change over a number of years.
- 5.16 With the aggregate level of school balances considered adequate, consideration needs to be given to the level of balances to be held in respect of the remaining £14.066m budget managed on behalf of schools by the Council. Taking account of the assessed risk in terms of budget volatility and value, Table 2 below sets out that £0.510m is considered the minimum level of balance that needs to be held for in-year pressures.

Table 2: Calculation of minimum level of balances

	Final Budget £000	Contingency % of budget	£000
<b><u>LEA managed items</u></b>			
SEN provisions and support services	7,750	5.00%	390
Education out of school *	388	3.00%	10
Pupil behaviour	441	3.00%	10
School staff absence and other items	907	2.00%	20
Combined Service Budgets	690	2.00%	10
Early Years provisions and support services	3,739	2.00%	70
Support to schools in financial difficulty	151	0.00%	0
<b>Total</b>	<b>14,066</b>	<b>3.63%</b>	<b>510</b>

\* Figure adjusted from Annex A in respect of College Hall Pupil Referral Unit.

The level of minimum balance to be held to cover unforeseen circumstances on budgets managed on behalf of schools by the Council is proposed to be reviewed each year.

- 5.17 In terms of future possible events, there are a number of earmarked reserves within the Schools Budget such as the Schools Expansion Rates Reserve, the Job Evaluation Reserve and the SEN Resource Units Reserve which are considered adequate to cover the most significant know future pressures. At this stage it is assumed that the 2.3% increase in employers' contribution to the Teachers Pension Scheme, effective from September 2015, and estimated to cost £0.848m in a full year will be funded from the BF share of

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the £350m additional funding to be made available in the DSG in 2015-16, which is estimated at £1.4m.

### Conclusion

- 5.18 Balances and Earmarked Reserves held in the Schools Budget are considered sufficient to meet future know cost pressures together with adequate resources to manage unforeseen cost pressures that may arise in-year.
- 5.19 In aggregate, schools are also considered to be holding sufficient balances.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

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

### Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information. The budget variances were reviewed during the year and where appropriate, have been built into the 2014-15 budget.

### Equalities Impact Assessment

- 6.3 There are no specific impacts arising from this report.

### Strategic Risk Management Issues

- 6.4 There are no specific strategic risk management issues arising from this report.

## **7 CONSULTATION**

- 7.1 Not applicable.

### Background Papers

None

### Contact for further information

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Paul Clark, Head of Departmental Finance (01344 354054)  
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### Doc. Ref

G:\Executive\Schools Forum\67) 170714\2013-14 Schools Budget outturn.doc

### 2013-14 PROVISIONAL OUTTURN STATEMENT FOR THE SCHOOLS BUDGET

	Approved Budget			Outturn Net Spend	Estimated Variance			Transfer to(+) / from(-) reserves	Final variance	Note
	Expenditure	Income	Net		Under spending	Over spending	Net variance			
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b><u>Delegated and devolved funding</u></b>										
Delegated School Budgets	65,547	-4,523	61,024	61,125	-597	698	101	-101	0	i
Other School Grants	2,052	-2,052	0	-2	-2	0	-2	0	-2	ii
	<b>67,599</b>	<b>-6,575</b>	<b>61,024</b>	<b>61,123</b>	<b>-599</b>	<b>698</b>	<b>99</b>	<b>-101</b>	<b>-2</b>	
<b><u>LEA managed items</u></b>										
SEN provisions and support services	7,750	-969	6,781	6,948	-221	388	167	0	167	iii
Education out of school	1,149	-4	1,145	1,236	-2	92	90	-34	56	iv
Pupil behaviour	441	-7	434	370	-66	2	-64	0	-64	v
School staff absence and other items	907	-20	887	683	-211	8	-203	0	-203	vi
Combined Service Budgets	690	0	690	699	-31	40	9	0	9	vii
Early Years provisions and support services	3,739	0	3,739	3,432	-336	29	-307	0	-307	viii
Support to schools in financial difficulty	151	0	151	0	-151	0	-151	0	-151	ix
	<b>14,827</b>	<b>-1,000</b>	<b>13,827</b>	<b>13,368</b>	<b>-1,018</b>	<b>559</b>	<b>-459</b>	<b>-34</b>	<b>-493</b>	
<b>Dedicated Schools Grant</b>	<b>0</b>	<b>-74,881</b>	<b>-74,881</b>	<b>-74,881</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Under spend to be transferred to Earmarked Reserve</b>									<b>495</b>	<b>x</b>
<b>TOTAL - Schools Budget</b>	<b>82,426</b>	<b>-82,456</b>	<b>-30</b>	<b>-390</b>	<b>-1,617</b>	<b>1,257</b>	<b>-360</b>	<b>-135</b>	<b>0</b>	
<b>Net Variance</b>			<b>-360</b>							

See paragraph 5.7 for an explanation to the notes to variances.

## Earmarked reserves relating to the Schools Budget

Reserve	Purpose	Policy	Value
School Balances	These funds are used to support future expenditure within the Schools Budget relating to individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LA has no practical control over the level of balances.	March 10 £1.815m March 11 £2.909m March 12 £4.627m March 13 £4.573m March 14 £4.438m
Family Tree Nursery	A reserve was created following the agreement to set up a self funding Nursery. It holds fee income from ongoing trading.	Whilst the Nursery has now closed, there remained the possibility that some one-off costs may need to be met in 2013/14, including the potential requirement to repay DfE start-up grant. This has been reviewed and there is considered to be a low risk of future liabilities and the balance has therefore been transferred to the general Unallocated Schools Budget Balance.	March 10 £0.110m March 11 £0.110m March 12 £0.090m March 13 £0.090m March 14 Nil
Discretionary Schools Budget Carry Forwards	The statutory requirement to carry forward school balances has been extended to cover those held at College Hall Pupil Referral Unit. 2012 School Funding Regulations require carry forwards at Pupil Referral Units to be ring-fenced for use only by Pupil Referral Units.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LA has no practical control over the level of balances.	To better reflect current School Funding Regulations, these balances are now included above in the School Balances Reserve.
SEN Resource Units	To set aside in a reserve for building adaptations to allow for the creation of SEN resource units on school sites.	To finance capital expenditure to assist with the development of local, cost effective provisions to support pupils with SEN.	March 12 £0.491m March 13 £0.490m March 14 £0.490m

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<b>Reserve</b>	<b>Purpose</b>	<b>Policy</b>	<b>Value</b>
Job Evaluation	To set aside an earmarked reserve for the Job Evaluation exercise	To help finance costs arising from the implementation of the Job Evaluation Review.	March 12 £0.285m March 13 £0.285m March 14 £0.118m
Schools Budget General Reserve	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose than a future years' Schools Budget.	March 10 £0.139m March 11 £0.595m March 12 £0.398m March 13 £0.517m March 14 £0.691m

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**TO: SCHOOLS FORUM**  
**Date 17 JULY 2014**

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**2013-14 SCHOOL BALANCES**  
**(Director of Children, Young People and Learning)**

**1 PURPOSE OF REPORT**

- 1.1 This is an annual report, the purpose of which is to update members of the Schools Forum on the level of balances held by schools as at 31 March 2014, how these compare to the previous financial year and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.
- 1.2 In light of the small number of schools that continue to increase their surplus balances, the Forum is asked to consider whether changes should be made to the existing criteria within the claw-back scheme, including the potential to add an absolute cap on the percentage of budget that can be retained.

**2 RECOMMENDATIONS**

**That the Schools Forum NOTES:**

- 2.1 **The level of aggregate surplus revenue balances as at 31 March 2014 totalled £4.438m, a decrease of £0.135m (2.9%) from the previous year (paragraph 5.3 (1));**
- 2.2 **That at 6.3% of annual income, average surplus balances are in excess of the amount required for working balances and that more funds could have been spent by schools on their key priorities (paragraph 5.3 (3));**
- 2.3 **That significant surplus revenue balances totalled £1.251m, an increase of £0.107m (9.3%) from the previous year (paragraph 5.6);**
- 2.4 **The average surplus balance for a primary school is £0.096m (6.4% of budget) and £0.264m (4.3%) for secondaries (paragraph 5.3 (5));**
- 2.5 **The largest surplus balance as a percentage of budget is 26.9% (was 16.8%) and that there are very limited circumstances where this can be warranted (paragraph 5.3 (6));**
- 2.6 **That £0.247m of Devolved Formula Capital grant remained unspent at 31 March 2014, a decrease of £0.196m (56%%) from the previous year (paragraph 5.21 (1));**
- 2.7 **That relevant schools had indicated that the £0.014m of Devolved Formula Capital grant funding that is due to expire at 31 August 2014 will be fully spent (paragraph 5.21 (5)).**

**That the Schools Forum AGREES:**

- 2.8 That all of the qualifying significant surplus balances held by schools have been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 5.8).**
- 2.9 That the LA presents options to amend the approved claw-back scheme to the next meeting of the Schools Forum to consider whether attempts should be made to reduce the highest levels of surplus balances through encouraging additional spend in relevant schools (paragraph 5.16).**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 It is appropriate for the Schools Forum to be aware of, and where relevant, comment on these financial matters.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable.

**5 SUPPORTING INFORMATION**

Calculating Statutory School Balances

- 5.1 The School Funding Framework provides a statutory requirement for the balance of expenditure made by each school compared to its budget share to be carried forward for use by individual governing bodies in the next financial year. This requirement is confirmed in the Scheme for Financing Schools which applies to both surplus and deficit balances and relates to all revenue funds held by schools in local authority accounts.
- 5.2 Attached at Annex A is a list of individual school balances as at 31 March 2014. For comparison, the annex also shows the change from the 2012-13 year end position. Annex B provides a summary profile of deficit and surplus balances.
- 5.3 Some comments on the analysis are as follows:
1. Aggregate surplus balances have decreased by £0.135m, from £4.573m to £4.438m. This is a decrease of 2.9%.
  2. There has been a net increase in surplus balances in the primary and PRU sectors of £0.258m (+9.2%). Aggregate surpluses in the secondary and special sectors have decreased by £0.393m (-22.1%).
  3. On average, at 6.3% of total budget, overall reserves are considered to be at a more than adequate level required for working balances to cover unforeseen circumstances and therefore more money could have been spent by schools on their key objectives.
  4. The aggregate surplus balance of £4.438m comprises £4.467m from surpluses (was £4.609m) and £0.029m in deficits (was £0.036m). There



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has been a marginal deterioration in the level of surpluses and a marginal improvement in the level of deficit balances.

5. The average surplus balance for a primary school is £0.096m (6.4%) and £0.264m (4.3%) for secondaries.
6. The largest surplus balance as a percentage of budget is 26.9% (was 16.8%) and the greatest deficit is 2.1% (was 2.9%). There are very limited circumstances where a surplus balance of 26.9% of annual income can be warranted.
7. Two primary schools were in deficit at the end of the 2013-14 financial year. For Wildmoor Heath, the Forum has previously agreed a loan arrangement with the school and taking the advance into account, means there was a £0.006m surplus balance. For College Town Junior School, this is the second successive year that a deficit balance has been reported. A balanced budget plan has been submitted for 2014-15 which is expected to be delivered, in particular after taking account of recent staffing changes that will reduce salary costs by around £0.021m from those included in the budget plan. Therefore, no significant concerns exist in respect of schools with deficit balances.

### Significant surplus balances

- 5.4 Following consultation with schools, the Forum agreed that where significant balances are not being held for a valid purpose, with effect from 2012-13 accounts, a claw-back scheme would be applied to remove relevant amounts for re-distribution within the Schools Budget. This was based on the principle that generally speaking, the significant majority of annual funding should be spent on pupils in school that year and not held back unnecessarily.

Annex C sets out the agreed policy for the scheme to claw-back significant surplus balances.

- 5.5 Members of the Forum will recall that balances in excess of 5% for secondary or 8% for primary and special schools or PRUs have been defined as significant and that a range of valid purposes have been agreed that permit schools to retain surplus balances above these levels.
- 5.6 Ten schools were identified as holding a significant surplus, which is unchanged compared to the end of 2012-13, of which seven continue with a significant surplus for the third consecutive year. The aggregate level of significant surplus balances amounts to £1.251m, an increase of £0.107m (9.3%).
- 5.7 In light of the significant redistribution of funds between schools at April 2013 as a consequence of the national school funding reforms, the Forum determined that any significant surplus balance held by a school losing money through these changes would not be subject to claw-back before 31 March 2015. Taking account of this new condition means only three schools out of the original ten held significant surpluses that would be subject to the claw-back scheme which in total aggregate to £0.258m, a decrease of £0.212m compared to last year.
- 5.8 Relevant schools have provided statements that confirm that these funds are being held for valid reasons, as set out in the scheme, and all the significant surpluses are planned to be spent during 2014-15. The Forum is therefore recommended to agree

that no claw-back should be applied to 2013-14 balances. A summary of intended use of the significant surpluses is as follows:

- £0.160m for capital buildings and construction
- £0.020m for furniture, IT and other one-off expenditure of a capital nature
- £0.010m for staffing remodelling and restructuring
- £0.251m for a known future budget reduction

Note: schools have indicated that more money will be spent on these items than is held on significant surpluses, with the excess being financed from within surpluses not categorised as significant.

- 5.9 It is important that schools carefully plan their budgets and balance the need to hold funding as a contingency for the future whilst at the same time ensuring the maximum investment is made in the school each year to help achieve improvement targets. A prudent approach to spending is recommended in the current economic climate with tight financial settlements, but this should not in itself lead to continued increases in balances.

#### Tackling significant surplus balances

- 5.10 In general, schools in Bracknell Forest manage their finances well, spending the majority of funding in-year on current pupils, although average surplus balances continue to be above the level expected to be required to manage unforeseen in-year changes and future pressures. However, there are a number of schools approaching a surplus balance of 15% of annual income or over. Such levels were not anticipated when the criteria for the claw-back scheme were agreed.

- 5.11 Whilst there is no desire to claw-back money from schools, and that has been the case to date, there is still a responsibility to challenge those with the largest surpluses as to why more is not being spent on the educational needs of pupils in schools right now. Taking account of the latest data on balances, and the on-going trend of increasing surpluses in a small number of schools suggests that further controls should be considered. The Forum is therefore asked to consider whether the LA should bring forward proposals to amend the claw-back scheme, which could include some or all of the following:

1. Removing the clause that schools losing money from the April 2013 funding reforms are excluded from the scheme. Based on 2013-14 data, this would bring 7 more schools with significant surpluses within the scheme conditions with aggregate significant surplus balances of £0.992m.
2. Current 5% and 8% thresholds should continue to determine what is a significant surplus, but then apply an absolute cap to the level of a surplus balance that can be retained. For example at double the current threshold, so potentially the higher of 16% of annual income or £0.150m for primary, special and PRUs or 10% for secondary schools. The retention of money above this level would be conditional on individual cases made by schools to the Schools Forum, but the expectation would be that any significant surplus balance above the second threshold would be lost.

Note, the £0.150m minimum level for primary, special and PRU would represent a 21% balance for the smallest school, a 16% cap would be £0.114m which is considered too low. No minimum level is proposed for

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secondary schools as a 10% balance equates to £0.483m for the smallest school, which is considered more than adequate.

3. Apply a banded claw-back / banded claw-back and absolute cap. For example, current 5% and 8% thresholds continue to determine what is a significant surplus, then provided it is being held for a valid reason, schools can keep a limited share of surplus balances in bands of 50% increases on the current threshold. So secondary schools could keep 75% of a surplus between 5% and 7.5%, then 50% between 7.5% and 10%, the 25% between 10% and 12.5%, then nothing above 12.5%. A similar model would be applied to primary schools using relevant bandings compared to the 8% significance level.
- 5.12 As set out above, should any significant surplus funds be removed from schools, then School Funding Regulations require it to be spent within the Schools Budget and the Forum would be asked to make recommendations for intended use to the Executive Member for Children, Young People and Learning. One area that may be an appropriate use would be to develop a targeted support service for school leadership and management around the use of resources and prioritisation to help schools effectively spend their money. This would help manage risks around existing and future significant surplus balances and ensure appropriate levels of investment are made each year on achieving school improvement targets.
- 5.13 Any change in claw-back scheme conditions would be a decision for the Schools Forum to take, but must be after consultation with schools. The earliest that any change could be implemented would be from the end of the 2014-15 financial year.
- 5.14 To better understand how schools are accumulating the highest levels of surplus, those currently exempt to claw-back through losing money at 2013 from the national funding reforms have been asked to submit information to explain the intended use of the aggregate £0.992m significant surplus in the same way that schools subject to the scheme conditions have. A summary of intended use is set out below in Table 1:

Table 1: Intended use of significant surplus balances at schools outside the criteria of the claw-back scheme

Intended use	Amount to spend 2014-15	Amount to spend after 2014-15
Capital building and construction projects	£0.195m	£0.331m
Furniture, IT and other capital expenditure	£0.047m	£0.060m
Infrastructure, maintenance and refurbishment	£0.125m	£0.096m
Staff remodelling and restructuring	£0.121m	£0.165m
Specific curriculum resources	£0.040m	£0.140m
<b>Total</b>	<b>£0.528m</b>	<b>£0.792m</b>

Note: schools have indicated that more money will be spent on these items than is held on significant surpluses, with the excess being financed from within surpluses not categorised as significant.

5.15 Some comments on Table 1 are as follows:

1. Only 40% of funds are planned to be spent in 2014-15, with substantial amounts set aside for future years which could result in some schools maintaining significant surplus balances at the end of 2014-15.
2. 40% of intended expenditure has been set aside for capital building and construction.
3. Overall, 65% of intended spend relates to capital expenditure.
4. Specific curriculum resources account for 14% of planned spend.

Whilst it is important to maintain and develop school buildings and other assets to make school facilities fit for purpose, the spending plans of schools are considered to place too much importance on such areas at the expense of greater investment to secure school improvement targets.

5.16 It is recommended that further proposals for updating the claw-back scheme, taking account of the views of the Schools Forum received tonight, should be presented at the next meeting of the Schools Forum.

#### Revised calculation of balances as a percentage of budget

5.17 In presenting this data for 2014-15 school balances, there will be a change in the calculation of the year end balance as a percentage of budget. Rather than including the balance from the previous financial year within the total budget, the calculation will now be made only against the funding received for the relevant year. This change ensures that percentages are not distorted by significant prior year surplus balances. It has the effect of increasing the percentage rate for individual school balances and categorising more schools with significant surpluses, but is now considered the most appropriate calculation to make. Note, there is no change in the level of balance at an individual school, just the percentage rate the balance comprises compared to funding.

Annex D has been added to illustrate the effect of the proposed change had it been applied against 2013-14 balances. This shows 26 schools have no more than a 0.5% change in figure, 6 change between 0.5% and 1%, with the remaining 6 changing by more than 1%. The largest change is 5.51%.

#### Capital Funding

5.18 Schools receive direct funding for capital projects through the DfE Devolved Formula Capital Grant (DFC). DFC is allocated as a specific grant through a national formula, paying a fixed lump sum of £4,000 for all schools and £11.25 per pupil for primary aged pupils, £16.88 for secondary aged pupils and £33.75 for those in special schools. The average allocation to a primary school is £7,420 and for a secondary school £22,920.

5.19 DFC is provided in response to the continuing need for additional resources and must be spent on improving the condition and suitability of school accommodation as well as ICT hardware. Individual projects need to be at least £2,000 to qualify as capital related expenditure and need to be approved by the Council before they can proceed. Schools can pool their funding amongst each other or add it as a

contribution to projects undertaken by the Council. Funding must be spent on eligible expenditure within 3 years and one term of receipt or be returned to the DfE.

- 5.20 As voluntary aided (VA) schools own and are responsible for the maintenance of their buildings, different arrangements are in place, outside local authority accounts, and therefore, information on the 5 VA schools in Bracknell Forest are not available for inclusion in this report.

Annex E provides a summary of individual school balances of DFC as at 31 March 2014.

- 5.21 Some comments on the analysis are as follows:

1. Aggregate unspent balances have decreased by £0.196m, from £0.443m to £0.247m. This is a decrease of 56% and is mainly accounted for through a number of significant schemes being completed by schools.
2. The level of capital balances are not considered excessive as schools tend to save funds over a number of years before committing to significant projects.
3. The aggregate level of surplus balances continues to fall significantly as projects complete and less funding is being provided by the DfE.
4. Five schools had a deficit balance at year end. which aggregate to £0.021m. These will all be financed through funding allocations to be received in 2014-15.
5. Four schools were in danger of having to return unspent grant at 31 August 2014, which aggregates to £0.014m. Relevant schools have been informed of this risk and all have indicated that they intend to fully spend the amounts by the deadline.

### Conclusions

- 5.22 At 6.3%, the aggregate level of school revenue balances is considered to be higher than required to cover normal in-year variances against the budget and suggests that more money could have been spent in-year on key priorities. Within the overall total, as should be expected, a small number of schools are running deficits in order to implement financial change over the medium term, in a managed way. Consideration also needs to be given as to whether action needs to be taken against those schools that continue to increase their significant surplus balances.
- 5.23 In respect of capital grants, the majority of schools continue to secure total funding for a project from DFC before it commences, hence balances are in excess of annual funding allocations. With DFC funding having been reduced by approximately 80% from April 2011, schools are now undertaking much lower value projects and will therefore need to carefully consider which are their highest priority projects.
- 5.24 Overall, schools continue to show resilience to the difficult economic climate and the impact of the national funding reforms which indicates good cost control and financial planning.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

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

### Borough Treasurer

6.2 The financial implications of the report are outlined in the supporting information.

### Equalities Impact Assessment

6.3 There are no specific impact assessments arising from this report.

### Strategic Risk Management Issues

6.4 There are no specific strategic risk management issues arising from this report

### Other Officers

6.5 There are no issues arising from this report that are relevant to other officers.

## **7 CONSULTATION**

### Principal Groups Consulted

7.1 Not applicable, applying statutory regulations.

### Method of Consultation

7.2 Not applicable.

### Representations Received

7.3 Not applicable.

### Background Papers

None.

### Contact for further information

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### Doc. Ref

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**2013-14 School Revenue Balances**

School	2013-14 Budget (excluding balance due on loan advances)	2013-14					Significant surplus - initial calculation	Significant surplus - after MFG adjustment  To be checked
		Total Amount	Percentage of total Budget	Change from 2012-13	Percentage of total Budget last year	Change in Percentage of total Budget		
Ascot Heath Infant	£764,492	-£26,873	-3.52%	-£3,561	-3.07%	-0.44%	£0	£0
Ascot Heath CE Junior	£894,195	-£40,556	-4.54%	£20,883	-6.85%	2.31%	£0	£0
Binfield CE Primary	£1,416,433	-£53,372	-3.77%	-£9,672	-3.27%	-0.50%	£0	£0
Birch Hill Primary	£1,512,252	-£26,020	-1.72%	£79,427	-6.72%	5.00%	£0	£0
College Town Infant & Nursery	£910,743	-£66,672	-7.32%	-£9,521	-6.46%	-0.86%	£0	£0
College Town Junior	£954,459	£19,812	2.08%	£3,827	1.64%	0.44%	£0	£0
Cranbourne Primary	£714,972	-£5,506	-0.77%	-£25,794	2.86%	-3.63%	£0	£0
Crown Wood Primary	£1,703,795	-£242,529	-14.23%	-£57,882	-13.17%	-1.06%	-£106,225	£0
Crowthorne CE Primary	£813,783	-£11,997	-1.47%	£28,619	-4.96%	3.48%	£0	£0
Fox Hill Primary	£920,197	-£99,637	-10.83%	-£27,870	-8.17%	-2.66%	-£26,021	£0
Great Hollands Primary School	£1,564,262	-£84,284	-5.39%	-£32,834	-3.37%	-2.02%	£0	£0
Harmanswater Primary	£2,835,778	-£762,526	-26.89%	-£280,289	-16.84%	-10.05%	-£535,664	£0
Holly Spring Infant	£1,116,800	-£75,187	-6.73%	-£11,176	-6.73%	-0.00%	£0	£0
Holly Spring Junior	£981,716	-£51,568	-5.25%	£28,785	-8.09%	2.84%	£0	£0
Jennets Park Primary School	£1,041,342	-£35,088	-3.37%	-£7,871	-3.04%	-0.33%	£0	£0
Meadow Vale Primary	£2,048,615	-£112,582	-5.50%	-£26,986	-4.36%	-1.14%	£0	£0
New Scotland Hill Primary	£829,676	-£34,578	-4.17%	-£17,510	-2.09%	-2.08%	£0	£0
Owsmoor Primary	£1,809,975	-£81,093	-4.48%	£15,297	-5.26%	0.77%	£0	£0
The Pines School	£947,588	-£112,453	-11.87%	£22,397	-14.07%	2.21%	-£36,646	£0
Sandy Lane Primary	£2,580,436	-£379,666	-14.71%	-£3,662	-15.88%	1.16%	-£173,231	£0
St Joseph's Catholic Primary	£855,975	-£81,749	-9.55%	-£24,590	-6.44%	-3.11%	-£13,271	£0
St Margaret Clitherow Primary	£792,003	-£11,050	-1.40%	£30,692	-5.23%	3.84%	£0	£0
Winkfield St Mary's CE Primary	£751,778	-£9,597	-1.28%	-£590	-1.24%	-0.04%	£0	£0
St Michaels Easthampstead	£915,725	-£53,730	-5.87%	£4,411	-6.42%	0.55%	£0	£0
St Michaels CE Primary, Sandhurst	£786,675	-£35,411	-4.50%	£25,052	-7.44%	2.94%	£0	£0
Uplands Primary	£771,606	-£25,630	-3.32%	-£6,474	-2.44%	-0.88%	£0	£0
Warfield CE Primary	£834,733	-£98,923	-11.85%	-£43,386	-6.83%	-5.02%	-£32,144	-£32,144
Whitegrove Primary	£1,547,585	-£74,220	-4.80%	£14,424	-5.66%	0.87%	£0	£0
Wildridings Primary	£1,596,248	-£229,009	-14.35%	-£6,933	-14.76%	0.41%	-£101,309	£0
Wildmoor Heath Primary	£728,366	£9,080	1.25%	£20,134	-1.38%	2.62%	£0	£0
Woodenhill Primary & Nursery	£1,395,975	-£95,859	-6.87%	£10,615	-7.51%	0.64%	£0	£0
College Hall PRU	£863,434	-£67,586	-7.83%	£34,345	-12.00%	4.18%	£0	£0
The Brakenhale	£5,219,305	-£82,372	-1.58%	£12,984	-1.86%	0.29%	£0	£0
Easthampstead Park	£4,836,312	-£344,086	-7.11%	£18,260	-7.39%	0.28%	-£102,270	-£102,270
Edgbarrow	£6,392,623	-£292,587	-4.58%	£14,901	-4.93%	0.35%	£0	£0
The Garth Hill	£7,783,903	-£513,242	-6.59%	£176,174	-9.29%	2.69%	-£124,047	-£124,047
Sandhurst	£4,919,700	-£91,438	-1.86%	£150,803	-4.66%	2.80%	£0	£0
Kennel Lane	£3,566,727	-£58,457	-1.64%	£19,575	-1.98%	0.34%	£0	£0
<b>Total</b>	<b>£70,920,182</b>	<b>-£4,438,241</b>	<b>-6.26%</b>	<b>£135,004</b>	<b>-6.52%</b>	<b>0.27%</b>	<b>-£1,250,829</b>	<b>-£258,462</b>
Total with loan advances		<b>-£4,519,351</b>	<b>-6.37%</b>					
Primary average	£1,204,457	-£96,402	-6.35%					
Secondary average	£5,830,369	-£264,745	-4.34%					
Primary minimum	£714,972	-£762,526	-26.89%					
Primary maximum	£2,835,778	£19,812	2.08%					
Secondary minimum	£4,836,312	-£513,242	-7.11%					
Secondary maximum	£7,783,903	-£82,372	-1.58%					

## Unrestricted

## Annex B

**Summary profile of deficit and surplus school balances**

Sector	2012-13		2013-14		Change in carry forward 2012-2013 to 2013-2014		2013-14 Carry Forward as % of final budget
	Final Budget	Carry Forward	Final Budget (excludes loans)	Carry Forward (excludes loans)	(+ increase / - decrease in surplus)		
Primary and PRU	£37,267,877	£2,798,366	£38,201,612	£3,056,059	£257,693	9.21%	8.00%
Secondary and Special	£32,828,948	£1,774,879	£32,718,570	£1,382,182	-£392,697	-22.13%	4.22%
<b>Total</b>	<b>£70,096,825</b>	<b>£4,573,245</b>	<b>£70,920,182</b>	<b>£4,438,241</b>	<b>-£135,004</b>	<b>-2.95%</b>	<b>6.26%</b>

Analysis of level of Reserves									Memo Item Surpluses Over £75,000
Deficits		Surpluses					Significant Surpluses		
Number	Largest	Number	Largest	No. 0-5% of budget	No. 5-8% of budget	No. > 8% of budget	Number	Amount	

**2012-13**

Primary and PRU	2	£20,288	30	-£482,237	10	12	8	8	-£708,521	12
Secondary and Special	0	£0	6	-£689,416	4	1	1	2	-£435,471	6
<b>Total</b>	<b>2</b>	<b>£36,273</b>	<b>36</b>	<b>-£4,609,518</b>	<b>14</b>	<b>13</b>	<b>9</b>	<b>10</b>	<b>-£1,143,992</b>	<b>18</b>

**2013-14**

Primary and PRU	2	£19,812	30	-£762,526	14	8	8	8	-£1,024,512	13
Secondary and Special	0	£0	6	-£513,242	4	2	0	2	-£124,047	5
<b>Total</b>	<b>2</b>	<b>£28,892</b>	<b>36</b>	<b>-£4,467,133</b>	<b>18</b>	<b>10</b>	<b>8</b>	<b>10</b>	<b>-£1,250,829</b>	<b>18</b>

**Change 2012-2013 to 2013-2014**

Primary and PRU	0	-£476	0	-£280,289	4	-4	0	0	-£315,991	1
Secondary and Special	0	£0	0	£176,174	0	1	-1	0	£311,424	-1
<b>Total</b>	<b>0</b>	<b>-£7,381</b>	<b>0</b>	<b>£142,385</b>	<b>4</b>	<b>-3</b>	<b>-1</b>	<b>0</b>	<b>-£106,837</b>	<b>0</b>



### Approved scheme to control significant surplus school balances

Normal text indicates the wording for the BFC Scheme. Words in italics are offered as an explanation to the Scheme text and are not part of the Scheme.

#### Controls on surplus balances

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

- a. the Authority shall calculate by 30 June each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;

*Balances Devolved Formula Capital and any other specific grant funded activities are excluded, unless allowed for in the relevant grant conditions.*

- b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance from the previous financial year;

*In this context, a prior year commitment is defined as a project previously agreed with the Authority to be excluded from the claw-back calculation, for example, capital building and construction projects – see c.i to viii below for full criteria to be used to establish a valid commitment against a surplus balance.*

- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.

The criteria to consider whether sums are properly assigned are as follows:

- i. Capital building and construction projects
- ii. Furniture, IT and other one-off expenditure of a capital nature
- iii. Infrastructure, maintenance and refurbishment
- iv. Staffing remodelling and restructuring
- v. Specific curriculum resources
- vi. Balances held in respect of pupil focused extended activities
- vii. Money held to fund budget deductions known to be occurring in the next financial year e.g. fall in pupil numbers.
- viii. Other high cost activities, of a long term nature, agreed in advance with the Director of Children, Young People and Learning and the Schools Forum.

In October 2012, the Schools Forum agreed another criteria where funds could be properly assigned as follows:

- ix. Those schools losing money at April 2013 through the funding reforms be allowed to retain any significant surplus balance without a valid reason until 31 March 2015.

## Unrestricted

*The condition outlined here is intended to ensure schools can build up reserves towards particular projects but cannot defer implementation indefinitely. A change in the plans of a school is not allowed to be the only criterion by which a sum can be considered to be properly assigned or not. After the accounts are closed each year, the Authority will contact schools with significant surplus balances to agree whether any of the balance has been properly assigned for a specific purpose and can therefore be deducted from the claw-back calculation.*

*The above specified criteria have previously been approved by the Schools Forum following consultation with schools where they were supported by the vast majority of respondents.*

- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, then the Authority shall deduct from the current year's budget share an amount equal to the excess.
- e. the calculation will be made against the final budget for the year in question i.e. after any contingency funding, significant in-year pupil growth allocation etc. The deduction will be made annually in arrears i.e. the final balance at 2011-12 calculated against the final budget for 2011-12 (known around June 2012) will be deducted at the start of the 2013-14 financial year.

*This paragraph has been added to make clear that the calculation will be made against final and not initial budgets. It is also proposed to delay any claw-back for one year to allow relevant schools time to plan for the change when setting subsequent budgets.*

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.

**2013-14 School Revenue Balances -**  
**Using the methodology to be applied from 2014-15**

School	2013-14 Budget (excluding balance due on loan advances)	Total Balance (Unchanged from current calculation)	Revised Percentage of total Budget	Original Percentage of total Budget	Change in Percentage of total Budget
Ascot Heath Infant	£741,180	-£26,873	-3.63%	-3.52%	-0.11%
Ascot Heath CE Junior	£832,756	-£40,556	-4.87%	-4.54%	-0.33%
Binfield CE Primary	£1,372,733	-£53,372	-3.89%	-3.77%	-0.12%
Birch Hill Primary	£1,406,805	-£26,020	-1.85%	-1.72%	-0.13%
College Town Infant & Nursery	£853,592	-£66,672	-7.81%	-7.32%	-0.49%
College Town Junior	£970,444	£19,812	2.04%	2.08%	-0.03%
Cranbourne Primary	£735,260	-£5,506	-0.75%	-0.77%	0.02%
Crown Wood Primary	£1,519,148	-£242,529	-15.96%	-14.23%	-1.73%
Crowthorne CE Primary	£773,167	-£11,997	-1.55%	-1.47%	-0.08%
Fox Hill Primary	£848,430	-£99,637	-11.74%	-10.83%	-0.92%
Great Hollands Primary School	£1,512,812	-£84,284	-5.57%	-5.39%	-0.18%
Harmanswater Primary	£2,353,541	-£762,526	-32.40%	-26.89%	-5.51%
Holly Spring Infant	£1,052,789	-£75,187	-7.14%	-6.73%	-0.41%
Holly Spring Junior	£901,363	-£51,568	-5.72%	-5.25%	-0.47%
Jennets Park Primary School	£1,014,125	-£35,088	-3.46%	-3.37%	-0.09%
Meadow Vale Primary	£1,963,019	-£112,582	-5.74%	-5.50%	-0.24%
New Scotland Hill Primary	£812,608	-£34,578	-4.26%	-4.17%	-0.09%
Owlsmoor Primary	£1,713,585	-£81,093	-4.73%	-4.48%	-0.25%
The Pines School	£812,738	-£112,453	-13.84%	-11.87%	-1.97%
Sandy Lane Primary	£2,204,432	-£379,666	-17.22%	-14.71%	-2.51%
St Joseph's Catholic Primary	£798,816	-£81,749	-10.23%	-9.55%	-0.68%
St Margaret Clitherow Primary	£750,261	-£11,050	-1.47%	-1.40%	-0.08%
Winkfield St Mary's CE Primary	£742,771	-£9,597	-1.29%	-1.28%	-0.02%
St Michaels Easthampstead	£857,584	-£53,730	-6.27%	-5.87%	-0.40%
St Michaels CE Primary, Sandhurst	£726,212	-£35,411	-4.88%	-4.50%	-0.37%
Uplands Primary	£752,450	-£25,630	-3.41%	-3.32%	-0.08%
Warfield CE Primary	£779,196	-£98,923	-12.70%	-11.85%	-0.84%
Whitegrove Primary	£1,458,941	-£74,220	-5.09%	-4.80%	-0.29%
Wildridings Primary	£1,374,172	-£229,009	-16.67%	-14.35%	-2.32%
Wildmoor Heath Primary	£717,312	£9,080	1.27%	1.25%	0.02%
Woodenhill Primary & Nursery	£1,289,501	-£95,859	-7.43%	-6.87%	-0.57%
College Hall PRU	£761,503	-£67,586	-8.88%	-7.83%	-1.05%
The Brakenhale	£5,123,949	-£82,372	-1.61%	-1.58%	-0.03%
Easthampstead Park	£4,473,966	-£344,086	-7.69%	-7.11%	-0.58%
Edgbarrow	£6,085,135	-£292,587	-4.81%	-4.58%	-0.23%
The Garth Hill	£7,094,487	-£513,242	-7.23%	-6.59%	-0.64%
Sandhurst	£4,677,459	-£91,438	-1.95%	-1.86%	-0.10%
Kennel Lane	£3,488,695	-£58,457	-1.68%	-1.64%	-0.04%
<b>Total</b>	<b>£66,346,937</b>	<b>-£4,438,241</b>	<b>-6.69%</b>	<b>-6.26%</b>	<b>-0.43%</b>

## 2013-14 School Capital Balances

School	2013/14 new year funding	Carry forward			Amount that must be spent by 31 Aug 2014
		Total Amount (-surplus / + deficit)	Percentage of new year funding	Change from 2012/13 (-increase / +decrease)	
Ascot Heath County Infant	£6,318	£9,547	151.11%	£37,933	
Ascot Heath CE Junior	£6,689	-£11,328	-169.36%	-£6,009	
Birch Hill Primary	£8,556	-£20,756	-242.58%	£20,349	
Wildmoor Heath Primary	£5,940	£3,163	53.25%	£12,093	£3,598
College Town Infant and Nursery	£6,531	-£3,245	-49.68%	£5,873	
College Town Junior	£7,150	-£6,442	-90.10%	-£1,768	
Cranbourne Primary	£6,194	-£5,735	-92.60%	£346	
Crown Wood Primary	£7,589	-£16,943	-223.26%	£18,979	
Crowthorne CE Primary	£6,351	-£266	-4.19%	£4,196	£2,075
Fox Hill Community Primary	£6,160	-£7,057	-114.56%	£450	
Great Hollands Primary	£7,498	£4,590	61.22%	£9,556	
Harmanswater Primary	£11,386	-£13,727	-120.56%	-£2,459	
Holly Spring Infant and Nursery	£6,649	-£12,604	-189.55%	-£3,939	
Holly Spring Junior	£6,486	-£9,430	-145.38%	-£2,099	
Meadow Vale Primary	£9,484	-£8,771	-92.48%	£27,104	
New Scotland Hill Primary	£6,481	-£10,099	-155.84%	£2,151	
Owlsmoor Primary	£9,439	-£17,812	-188.70%	-£9,439	
The Pines Primary	£6,199	-£17,257	-278.37%	-£4,944	
Sandy Lane Primary	£10,643	-£8,084	-75.95%	-£4,662	£4,875
St Marys CE Primary (Winkfield)	£6,334	-£2,079	-32.82%	£7,968	
Uplands Primary	£6,363	£3,573	56.15%	-£1,590	
Warfield CE Primary	£6,329	-£16,393	-259.03%	-£5,867	
Whitegrove Primary	£9,040	-£6,251	-69.15%	-£6,250	
Wildridings Primary	£7,864	-£2,303	-29.29%	-£2,302	
Woodenhill Primary and Nursery	£7,831	-£15,278	-195.11%	-£1,772	
Brakenhale	£21,229	-£8,751	-41.22%	£18,285	
Easthampstead Park	£18,664	-£2,078	-11.13%	£29,328	£3,702
Edgbarrow	£25,195	-£11,314	-44.91%	-£6,015	
Garth Hill	£27,743	-£22,223	-80.10%	£18,991	
Sandhurst	£21,770	£486	2.23%	£17,826	
Kennel Lane	£10,210	-£7,410	-72.57%	£4,790	
College Hall PRU	£5,221	-£5,181	-99.23%	£18,542	
<b>Total</b>	<b>£315,538</b>	<b>-£247,459</b>	<b>-78.42%</b>	<b>£195,643</b>	<b>£14,251</b>
Primary average	£7,420				
Secondary Average	£22,920				
Primary maximum	£11,386				
Primary minimum	£5,940				
Secodary maximum	£27,743				
Secondary minimum	£18,664				

**TO: SCHOOLS FORUM**

**DATE: 17 JULY 2014**

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**2014-15 BUDGET UPDATE  
(Director of Children, Young People and Learning)**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to update the Schools Forum on the latest position on the level of Dedicated Schools Grant (DSG) income anticipated for 2014-15 and to present proposals in respect of the budget shortfall anticipated on the High Needs Block element of the Schools Budget.
- 1.2 There are also a number of other budget matters being presented to the Forum including reporting back on progress made against matters raised for action at the last meeting.

**2 RECOMMENDATIONS**

**That the Schools Forum NOTES:**

- 2.1 that the amount of DSG funding expected for 2014-15, as confirmed by the Department for Education in April is £76.024m (paragraph 5.2);
- 2.2 that with the impact of early management actions, there is a forecast over spending on the Schools Budget of £0.333m which in the first instance will need to be financed from the Schools Budget General Reserve (paragraphs 5.8 and 5.9);

**That the Schools Forum AGREES:**

- 2.3 that in order to achieve significant medium term savings, the development of an SEN facility at Eastern Road is a high revenue budget priority (paragraph 5.12);
- 2.4 that £0.077m of additional financial support is provided to Jennett's Park Primary School in 2014-15 from the school specific contingency (paragraph 5.16);
- 2.5 that as the school is now well established, future top up funding to Jennett's Park Primary Schools should be made on the basis of the per pupil amount from the Funding Formula for Schools for 30 pupils, for the period each new class is open after the funding census has been taken, currently estimated at around £0.049m (paragraph 5.19);
- 2.6 whether any changes to the criteria for allocating funds in-year to schools experiencing significant increases in pupil numbers should be presented to all schools as part of the annual financial consultation (paragraph 5.29);

- 2.7 **whether a change in the fixed lump sum allocation payable to primary schools should be presented to all schools as part of the annual financial consultation (paragraph 5.29);**
- 2.8 **that the original criteria for allocating funds to schools from the SEN Contingency be applied in 2014-15 and that the need for change is reviewed as part of the 2015-16 budget setting process (paragraphs 5.34 and 5.35).**

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the Schools Forum is aware of and comments on relevant financial matters.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 These are set out in the supporting information or have been presented at earlier meetings of the Forum.

### **5 SUPPORTING INFORMATION**

#### Dedicated Schools Grant (DSG) income for 2014-15

- 5.1 At the January meeting of the Schools Forum, a budget was agreed for the Schools Block element of the DSG at £62.553m. However, at that stage, neither the Early Years Block nor High Needs Block amounts had been agreed by the Department for Education (DfE) which meant the initial budget was set on 2013-14 funding amounts for these elements of £5.312m and £11.871m making the total estimated amount of DSG £79.736m.
- 5.2 Subsequent to this initial budget setting meeting, the DfE confirmed a revised allocation for the Early Years Block of £5.383m, an increase of £0.071m and this was reported to the Forum in March. In April, the DfE confirmed final adjustments to the High Needs Block for 2014-15, which was set at £11.588m, a reduction of £0.282m from the amount received in 2013-14. At the same time, the DfE confirmed the funding deduction in respect of Ranelagh Academy of £3.501m, which equates to the amount of funding delivered through the BF Funding Formula for Schools. Taking these adjustments into account results in a total revised DSG allocation of £76.024m. Relevant budget adjustments will be processed to reflect the changes which will then allow for more effective budget monitoring.

#### Impact arising from the revised High Needs Block funding allocation

- 5.3 The High Needs Block covers funding for education provision for high needs pupils and students from birth to 25. This is in line with the requirements set out in the Children and Families Act, 2014.
- 5.4 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:

- a. **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.
  - b. **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).
  - c. **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.
- 5.5 As set out above, funding in the High Needs Block of DSG has reduced by £0.282m when the expectation was for marginal change. The unexpected change in DSG can be accounted for through two adjustments processed by the DfE. Firstly, place funding relating to Kennel Lane Special school at £0.530m was deducted. This was not part of the re-setting process used in 2013-14 and neither was set out with any clarity in the guidance notes. A number of other authorities, including 2 others in Berkshire were also not expecting this deduction. The second significant adjustment relates to a £0.178m addition as the Council’s share of £47m of new funding that remained unallocated after completing all LA adjustments for 2014-15 places. Overall, these two items amount to a net deduction of £0.352m.
- 5.6 The March 2014 budget report to the Forum indicated an estimated £0.273m pressure on the High Needs Block when compared against the 2013-14 DSG allocation. When items to be funded from income outside the DSG are excluded, the pressure is calculated at £0.261m. The latest estimated pressure on High Needs budgets shows an increase of £0.115m to £0.376m and reflects latest expectations on placements and additional costs arising from pupils with significant medical needs. This is summarised at Annex 1. With the 2014-15 DSG allocation now confirmed at £0.282m lower than last year, taken together there is a potential overspending of £0.658m.
- 5.7 In light of the forecast over spending, a range of savings have been put into place on support services that are not expected to have a significant impact on schools and pupils. This mainly relates to carrying vacancies for longer periods than would normally be the case and is expected to produce savings of £0.079m. There will also be additional income from the Education Funding Agency to support post 16 pupils at Kennel Lane Special school (KLS) of £0.130m and reflects the full year effect of the new grant received for the first time in 2013-14. These two elements reduce the forecast High Needs over spending to £0.449m.
- 5.8 Should there be an under spending within the Schools Block or Early Years Block elements of the DSG, this could be applied to part fund the forecast over spending on the High Needs Block. Budget monitoring forecasts at the end of May indicate that other budgets will under spend in aggregate by £0.116m, making a projected year end over spending of £0.333m. Clearly this forecast is made very early in the financial year, so will be subject to change. A detailed forecast outturn for 2014-15 will be presented to the next meeting of the Forum by which time trends will be more established and it may also have been possible to make further savings through management actions.
- 5.9 It was reported to the Forum in March that if an over spending is still forecast after the amount of DSG has been confirmed, then there may be a requirement to draw

down funding from the surplus in the Schools Budget General Reserve, which, as set out in another paper on tonight's agenda, has a balance at 31 March 2014 of £0.691m. At this stage it seems highly likely that a significant amount of the balance in the General Reserve will be required to support current year expenditure.

- 5.10 The most significant impact on reducing spend on high needs pupils would be to increase the number of available places in maintained provision, and this is something the Council has been seeking to achieve for a number of years. The Forum was informed in June 2013 of the opportunity to bid for DfE Grant to develop an SEN facility at the vacant Eastern Road site that was under a long term lease to the Council, but was no longer suitable as an adult social care day centre (called BROCC). The bid was successful, and the Council has been awarded £1.572m of grant which is ring fenced for this purpose, and must be delivered by September 2015. Other grant funding available for this scheme results in a total provisional budget of £1.688m.
- 5.11 The project is to create a 56 Autistic Spectrum Disorder (ASD) pupil facility by converting the existing building on Eastern Road. This was determined from the current number of pupils with ASD and the outcomes from a working group of head teachers and carers. The construction works will include creation of internal teaching, therapy and some specialist rooms within the confines of the existing building. There is also a significant element of repairs to bring the property back into effective use, including replacing part of the roof structure, internal refurbishment including rewiring, and creation of specialist facilities appropriate for SEN ASD pupils. External works will include creation of additional parking, drop-off and pick-up facilities together with external play, outdoor learning and break out areas.
- 5.12 Provisional calculations of revenue running costs for the facility have been made which indicate that once fully open, the facility could generate annual savings on placements of over £0.5m. However, it is unlikely that many pupils can be moved immediately from their current placements, meaning it will take up to 6 years for the facility to be fully open and payments to external providers to have fully reduced. During the short term, with relatively low numbers of pupils on roll, and ongoing payments being made to external providers, there will be a net additional cost which is estimated to aggregate to £0.8m in the first 3 years after opening. This will need to be managed within the Schools Budget until such time as annual savings exceed costs and options are currently being considered. On the basis of the potential for significant future savings, the Forum is recommended to agree that the development of this facility is a high priority when setting future revenue budgets.

#### DSG income for 2013-14

- 5.13 Members of the Forum will be aware that the initial allocation of Early Years Block DSG for 2013-14 was made on an estimated basis, using January 2012 Early Years Census, with the Council receiving £3,928.30 per pupil. The pupil numbers used for funding purposes were updated during the year for actual January 2013 and January 2014 head count data which means that the final Early Years Block funding was 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.
- 5.14 In June 2013, the DfE provided an initial funding update based on January 2013 actual numbers and this resulted in a funding reduction of £0.157m and the Early Years budget was reduced accordingly. The final adjustment to Early Years DSG,



using January 2014 actual numbers, was notified to the Council in June 2014. This resulted in £0.057m of extra income. As this was confirmed after the 2013-14 accounts had been closed, this additional income will be received in 2014-15 accounts and can therefore be used to support the budget difficulties being experienced on the High Needs Block. This additional income is therefore included in the net £0.116m under spending forecast outside the High Needs Block at paragraph 5.8.

Additional Financial Support to Jennett's Park Primary School

- 5.15 The Forum will be aware that the standard operation of the Funding Formula for Schools, which requires per pupil funding to be based on the October census prior to the start of the relevant financial year, does not adequately fund new schools that rapidly expand during the financial year. To address this, the DfE Funding Regulations allow for additional resources to be allocated to new, expanding or closing schools and this has been agreed and put in place in Bracknell.
- 5.16 Jennett's Park is the only school to qualify for additional funding as a new and expanding school, with the approach taken one of funding the school to meet costs required to operate the school, including new teachers and LSAs etc required for staffing new classes that need to be opened at the start of each academic year. It also reflects the agreed management structure that would tend to be over staffed and relatively expensive until the school reaches its full capacity. This approach has been designed to ensure that the school receives a fair allocation of funds based on the need to spend and that there is no under or over resourcing which would otherwise have implications on the level of funds available to all other schools. There has always been a commitment to revisit in-year the initial funds allocated in case there were any significant financial difficulties, and to date, this has not been required. This exercise indicates that £0.077m of additional financial support should be provided, which the Forum is requested to approve. There is £0.080m budget provision held in the School Specific Contingency for support to Jennett's Park and any exceptional financial circumstances that primary schools may experience.
- 5.17 The school is now well established with the main cost driver being needing to open a new classroom each year from September 2014 to September 2018. Forecast pupil numbers are set out below in Table 1.

Table 1: Forecast pupil numbers for Jennett's Park Primary School

Jennett's Park Primary	R	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Total
Actual October 2013	59	60	31	30	28	26	16	250
Estimate October 2014	60	60	60	31	30	28	26	295
Estimated change	1	0	29	1	2	2	10	45

Note: due to the on-going housing developments, it is possible that further in-year admissions will be taken from Year 3 onwards. This is expected to be insignificant as the PAN limits each Year Group from the current Year 2 to no more than 30.

- 5.18 With this greater stability, it is now proposed to set in place a formula to calculate future top up funding. This will address some matters raised by the school including reducing the amount of work involved in the annual funding negotiation, funding

Jennett's Park on a more consistent basis with other schools and providing predictability of income.

- 5.19 The recommendation in future is to allocate top up funding on the basis of the per pupil amount from the Funding Formula for Schools for 30 pupils for the period each new class is open when this is after the census point used for funding purposes. This approach would result in funding from September to March for a new class of around £0.049m (£0.084m in a full year from AWPU of £2,818 X 30 pupils). The extra income from this approach compared to the £0.023m schools receive through the contingency for significant in-year increases in pupil numbers (more than 20) is warranted because:
- There is a certain need for a new class which isn't always the case where a school NOR increases by 20
  - A contribution other than to the cost of opening a classroom is required until the school reaches its design capacity as it needs to cover proportionally high fixed and management costs
- 5.20 With the expectation of more new schools being constructed in the near future, there may be a requirement to review the way that relevant schools are funded to ensure fair and adequate funding allocations are made to both the new schools and those already open.

Financial support to schools experiencing excessive in-year increases in pupil numbers

- 5.21 In March, the Forum received an update on the in-year allocation of funds to schools through School Specific Contingencies. In response to the allocations of financial support to schools experiencing significant increases in pupil numbers, of which the existing criteria is set out in Annex 2, questions were posed as to whether the criteria used to fund schools properly reflects the circumstances of smaller schools. In particular the existing requirement to admit 20 additional pupils before funds are allocated is unlikely to be achieved at schools with less than 2 forms of entry.
- 5.22 The previous report set out that any change to this criteria, which could possibly include a lower threshold of say 10 additional pupils for the 13 schools with less than 2 forms of entry, would need to be approved by the DfE. It was also reported that 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;
  - Whether schools with less than 2 forms of entry 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 at the start of the year.
- 5.23 If for 2013-14 the required increase in pupil numbers to trigger a funding allocation for schools with less than 2 forms of entry was set at 10 rather than 20, then Fox Hill, Wildmoor Heath and Wooden Hill schools would have qualified for £0.070m of funding. To avoid double funding these schools for the same pupils, the first two

would have lost Key Stage 1 Class Size funding for the autumn and spring terms, at £0.030m which would have resulted in an overall net cost of £0.040m. There would have been no additional funding for Fox Hill, a £0.017m increase for Wildmoor Heath and a £0.023m increase for Wooden Hill. This illustration is a one year snap shot of the financial impact.

- 5.24 The Forum concluded that further information should be presented to this meeting for consideration. An additional option has therefore been included, with a funding threshold set at an in-year increase of 15 pupils for schools with less than 2 forms of entry. The potential impact of this and a funding threshold of 10 is summarised below in Table 2.

Table 2: Potential funding thresholds for in-year increases in pupil numbers at schools with less than 2 forms of entry

Financial year	Increase of 10 pupils		Increase of 15 pupils	
	No. extra qualifying schools	Additional cost	No. extra qualifying schools	Additional cost
2011-12	0	£0	0	£0
2012-13	0	£0	0	£0
2013-14	3	£39,976	1	£16,586
2014-15 (estimate)	1	£23,390	0	£0
2015-16 (estimate)	1	£23,390	1	£23,390

- 5.25 Due to the interaction with the Key Stage 1 Infant Class Size funding allocations, it is difficult to accurately project potential future funding allocations, but the table above illustrates the relatively small number of schools this is expected to affect. Modelling these options from current actual numbers on roll to each relevant school being full, which could occur if current increases in pupil numbers continue, would result in 4 schools qualifying for funding at £0.093m with the 10 threshold and 1 school at £0.023m with the 15 threshold. This is the maximum cost of implementing this change, should it be agreed, which would need to be funded from within the overall DSG income.
- 5.26 An alternative, or complementary change that the Forum may wish to consider to support smaller schools, would be to amend the Funding Formula for Schools. It can be seen from the 2013-14 School Balances paper elsewhere on this agenda, that 4 of the 5 primary schools with the highest percentage surplus balance are 3 form of entry schools, and 1 a 2 form of entry school. This information provides a degree of evidence to support a shift of funding from larger to smaller schools.
- 5.27 The limited flexibility now available for local discretion in the distribution of funds to schools means that the most effective way of increasing the budgets of smaller schools would be to maximise allocations through the fixed lump sum factor which pays the same cash value to each school, irrespective of size. Assuming such a change would be made on a cost neutral basis, there would need to be a corresponding reduction in the amount of funds distributed by pupil numbers.
- 5.28 The maximum lump sum payment permitted by the DfE is £170,000. This is £20,000 above the amount currently allocated to primary schools through the BF Funding Formula. Making this change on a cost neutral basis would require the per pupil funding amount to be reduced by £66.01 to £2,752.17. Annex 3 illustrates the impact

of such a change, if it had been in place for the 2014-15 financial year. As expected, this shows that the smallest school in terms of pupil numbers gains the most, at £8,053 and the largest school loses the most at £22,112.

- 5.29 The Forum is recommended to determine whether any changes to the criteria to allocate additional funds to schools experiencing excessive in-year increases in pupil numbers or the amount included in the fixed lump sum allocation should be presented to schools for comment. Any potential options would need to be included on the annual financial consultation with all schools and would be subject to agreement of the DfE, with implementation from 2015-16.

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

- 5.30 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 targeted funding:

- 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

- 5.31 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.

- 5.32 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, since which time there has been a 4.4% increase in the number of pupils in primary schools, it was proposed to the March meeting of the Forum to adjust the qualifying level for primary schools from the 4% threshold for pupil numbers classified as high needs to a reduced 3% threshold. This adjustment would result in the same 2 primary schools (total of 20 pupils) receiving additional funds and the Forum was recommended to agree this change in funding threshold.

- 5.33 Having considered this proposal, the Forum made no decision but requested further information be presented at this meeting including consideration of adding a further trigger to release funds when a minimum number of High Needs pupils were enrolled at a school. A re-examination of the criteria outlined in the guidance from the DfE emphasises that the allocating of additional funding is on recognising those schools that have a "disproportionate" number of High Needs pupils on roll and the use of an "absolute" number, as suggested in the Forum discussion, is not in accordance with current guidance.

- 5.34 The DfE will be issuing further guidance on this matter when the Operational Guidance for 2015-16 budgets is produced towards the end of July. In the circumstances, therefore, it is recommended to implement the original threshold criteria that were approved by the Forum and the DfE at the start of the current financial year. As a consequence, for 2014-2015, no primary schools will be eligible for a funding allocation from the High Needs Contingency but 3 secondary schools

will qualify. When clearer guidance is received, this issue can be reviewed for the 2015-16 financial year.

- 5.35 Annex 4 sets out the £0.074m of funding allocations that result from applying the original criteria which the Forum is now asked to approve.

## **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.

### Equalities Impact Assessment

- 6.3 Not required.

### Strategic Risk Management Issues

- 6.4 The reduction in High Needs funding and recurring budget pressures indicate a significant over spending. In the first instance, this will be managed through a draw down of funds from the Schools Budget General Reserve.

## **7 CONSULTATION**

- 7.1 Not appropriate at this stage.

### Background Papers

Previous budget reports to the Forum.

### Contact for further information

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### Doc. Ref

G:\Executive\Schools Forum\67) 170714\2014-15 Budget Update.doc

## High Needs Block Budgets

Budget Item	2013-14 Actual Budget £	2014-15 expected change at March £	2014-15 expected change at July
<b>Element 3 top-up payments.</b> 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	£129,000
Non-BFC maintained schools	£950,000	£2,000	£2,000
Kennel Lane Special School *	£1,213,650	£23,000	£0
PVI providers	£4,250,000	£-90,000	£-500,000
FE colleges	£315,000	£173,000	£659,000
<b>Elements 1 and 2 for specialist places</b> – For block purchase of places in BFC maintained specialist providers, at the £10,000 per place:			
Kennel Lane Special School	£1,850,000	£0	£0
BFC maintained schools	£292,000	£-32,000	£-32,000
BFC academy **	£50,000	£-50,000	£-50,000
<b>Education out of school:</b>			
College Hall Pupil referral Unit	£711,490	£0	£0
Home Tuition	£252,160	£20,000	£29,000
Family Outreach Work	£99,130	£0	£0
<b>Other support to high needs pupils:</b>			
Teaching and Support Services	£704,350	£0	£0
Sensory Impairment Service	£226,470	£0	£0
Autism Support Service	£84,000	£25,000	£25,000
Traveller Education	£75,140	£0	£0
Other, e.g. specialist equipment, medical support etc	£146,010	£32,000	£64,000
Targeted Services – agreed at Forum September 2013	-	-	£50,000
To purchase of 15 unfunded Element 2 places	-	£90,000	£0
Change in DSG	-	£-11,000	£0
<b>Sub total</b>	<b>£11,871,120</b>	<b>£273,000</b>	<b>£376,000</b>
<b>Remove non-DSG budget items:</b>			
KLS funding from Job Evaluation Reserve		£-23,000	-
Add back estimated increase in DSG income		£11,000	-
<b>Total High Needs Block Budget</b>	<b>£11,871,120</b>	<b>£261,000</b>	<b>£376,000</b>

\* £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.

### **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.**

## Potential impact from increased allocations to Primary schools through fixed lump sum allocations

Ref	School	Form of entry as at September 2014	Actual funding for 2014-15				Funding with revised Formula			Change		Ref
			October 2013 number on roll	2014-15 per pupil allocation	2014-15 Lump sum	Combined allocation 2014 15	Revised Lump sum	Revised Per pupil allocation	Revised Total Allocation	Amount	Percent	
1	Ascot Heath Infant	2.5	207	£583,362	£150,000	£733,362	£170,000	£569,699	£739,699	£6,337	0.86%	1
2	Ascot Heath CE Junior	2	239	£673,544	£150,000	£823,544	£170,000	£657,768	£827,768	£4,224	0.51%	2
3	Binfield CE Aided Primary	2	410	£1,155,451	£150,000	£1,305,451	£170,000	£1,128,389	£1,298,389	£-7,063	-0.54%	3
4	Birch Hill Primary	2	388	£1,093,452	£150,000	£1,243,452	£170,000	£1,067,841	£1,237,841	£-5,611	-0.45%	4
5	College Town Infant and Nursery	3	213	£600,271	£150,000	£750,271	£170,000	£586,212	£756,212	£5,941	0.79%	5
6	College Town Junior	3	282	£794,725	£150,000	£944,725	£170,000	£776,111	£946,111	£1,386	0.15%	6
7	Cranbourne Primary	1	202	£569,271	£150,000	£719,271	£170,000	£555,938	£725,938	£6,667	0.93%	7
8	Crown Wood Primary	3	426	£1,200,542	£150,000	£1,350,542	£170,000	£1,172,423	£1,342,423	£-8,119	-0.60%	8
9	Crowthorne CE Primary	1	209	£588,998	£150,000	£738,998	£170,000	£575,203	£745,203	£6,205	0.84%	9
10	Fox Hill Primary	1	193	£543,908	£150,000	£693,908	£170,000	£531,168	£701,168	£7,261	1.05%	10
11	Great Hollands Primary	2	367	£1,034,270	£150,000	£1,184,270	£170,000	£1,010,045	£1,180,045	£-4,224	-0.36%	11
12	Harmans Water Primary	3	624	£1,758,541	£150,000	£1,908,541	£170,000	£1,717,353	£1,887,353	£-21,188	-1.11%	12
13	Holly Spring Infant and Nursery	3	282	£794,725	£150,000	£944,725	£170,000	£776,111	£946,111	£1,386	0.15%	13
14	Holly Spring Junior	3	248	£698,907	£150,000	£848,907	£170,000	£682,538	£852,538	£3,630	0.43%	14
15	Jennetts Park Primary	2	251	£707,362	£150,000	£857,362	£170,000	£690,794	£860,794	£3,432	0.40%	15
16	Meadow Vale Primary	3	503	£1,417,542	£150,000	£1,567,542	£170,000	£1,384,340	£1,554,340	£-13,201	-0.84%	16
17	New Scotland Hill Primary	1	206	£580,544	£150,000	£730,544	£170,000	£566,947	£736,947	£6,403	0.88%	17
18	Owlsmoor Primary	2.5	500	£1,409,087	£150,000	£1,559,087	£170,000	£1,376,084	£1,546,084	£-13,003	-0.83%	18
19	The Pines Primary and Nursery	2	199	£560,817	£150,000	£710,817	£170,000	£547,681	£717,681	£6,865	0.97%	19
20	Sandy Lane Primary	3	638	£1,797,995	£150,000	£1,947,995	£170,000	£1,755,883	£1,925,883	£-22,112	-1.14%	20
21	St Joseph's Catholic Primary	1	210	£591,817	£150,000	£741,817	£170,000	£577,955	£747,955	£6,139	0.83%	21
22	St Margaret Clitherow Catholic Primary	1	206	£580,544	£150,000	£730,544	£170,000	£566,947	£736,947	£6,403	0.88%	22
23	St Michael's Easthampstead CE Aided Primary	1	241	£679,180	£150,000	£829,180	£170,000	£663,272	£833,272	£4,092	0.49%	23
24	St Michael's CE Aided Primary (Sandhurst)	1	203	£572,089	£150,000	£722,089	£170,000	£558,690	£728,690	£6,601	0.91%	24
25	Uplands Primary	1	211	£594,635	£150,000	£744,635	£170,000	£580,707	£750,707	£6,073	0.82%	25
26	Warfield CE Primary	1	209	£588,998	£150,000	£738,998	£170,000	£575,203	£745,203	£6,205	0.84%	26
27	Whitegrove Primary	2	444	£1,251,269	£150,000	£1,401,269	£170,000	£1,221,962	£1,391,962	£-9,307	-0.66%	27
28	Wildmoor Heath	1	181	£510,090	£150,000	£660,090	£170,000	£498,142	£668,142	£8,053	1.22%	28
29	Wildridings Primary	2	369	£1,039,906	£150,000	£1,189,906	£170,000	£1,015,550	£1,185,550	£-4,356	-0.37%	29
30	Winkfield St Mary's CE Primary	1	207	£583,362	£150,000	£733,362	£170,000	£569,699	£739,699	£6,337	0.86%	30
31	Wooden Hill Primary and Nursery	1.66	325	£915,907	£150,000	£1,065,907	£170,000	£894,454	£1,064,454	£-1,452	-0.14%	31
Totals			9,393	£26,471,109	£4,650,000	£31,121,109	£5,270,000	£25,851,109	£31,121,109	£0	0.00%	

Maximum gain

£8,053 1.22%

Maximum loss

£-22,112 -1.14%



## Proposed allocations from the 2014-15 SEN Specific Contingency

			% pupils with top-up		top-up as % total budget		Overall		
	Primary rate		4.00%		2.00%				
	Secondary rate		2.00%		1.00%				
Ref	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 allocations	Ref
1	Ascot Heath Infant	2	0.97%	No	1.16%	No	No		1
2	Ascot Heath CE Junior	5	2.09%	No	1.72%	No	No		2
3	Binfield CE Aided Primary	1	0.24%	No	0.04%	No	No		3
4	Birch Hill Primary	7	1.80%	No	1.68%	No	No		4
5	College Town Infant and Nursery	1	0.47%	No	0.44%	No	No		5
6	College Town Junior	4	1.42%	No	0.80%	No	No		6
7	Cranbourne Primary	0	0.00%	No	0.00%	No	No		7
8	Crown Wood Primary	8	1.88%	No	1.58%	No	No		8
9	Crowthorne CE Primary	4	1.91%	No	2.17%	Yes	No		9
10	Fox Hill Primary	2	1.04%	No	0.66%	No	No		10
11	Great Hollands Primary	11	3.00%	No	2.66%	Yes	No		11
12	Harmans Water Primary	7	1.12%	No	0.90%	No	No		12
13	Holly Spring Infant and Nursery	1	0.35%	No	0.68%	No	No		13
14	Holly Spring Junior	9	3.63%	No	2.56%	Yes	No		14
15	Jennetts Park Primary	2	0.80%	No	0.70%	No	No		15
16	Meadow Vale Primary	3	0.60%	No	0.38%	No	No		16
17	New Scotland Hill Primary	4	1.94%	No	2.40%	Yes	No		17
18	Owsmoor Primary	3	0.60%	No	0.78%	No	No		18
19	The Pines Primary and Nursery	2	1.01%	No	1.30%	No	No		19
20	Sandy Lane Primary	13	2.04%	No	1.91%	No	No		20
21	St Joseph's Catholic Primary	5	2.38%	No	3.54%	Yes	No		21
22	St Margaret Clitherow Catholic Primary	2	0.97%	No	0.39%	No	No		22
23	St Michael's Easthampstead CE Aided P	3	1.24%	No	1.24%	No	No		23
24	St Michael's CE Aided Primary (Sandhur	0	0.00%	No	0.00%	No	No		24
25	Uplands Primary	1	0.47%	No	0.45%	No	No		25
26	Warfield CE Primary	2	0.96%	No	1.74%	No	No		26
27	Whitegrove Primary	3	0.68%	No	0.68%	No	No		27
28	Wildmoor Heath	1	0.55%	No	0.22%	No	No		28
29	Wildridings Primary	7	1.90%	No	1.78%	No	No		29
30	Winkfield St Mary's CE Primary	0	0.00%	No	0.00%	No	No		30
31	Wooden Hill Primary and Nursery	8	2.46%	No	3.10%	Yes	No		31
32	The Brakenhale	14	1.64%	No	1.15%	Yes	No		32
33	Easthampstead Park Community School	18	2.59%	Yes	1.02%	Yes	Yes	£19,800	33
34	Edgbarrow	23	2.20%	Yes	1.75%	Yes	Yes	£25,300	34
35	Garth Hill College	25	1.88%	No	0.69%	No	No		35
36	Ranelagh CE	26	3.35%	Yes	1.98%	Yes	Yes	£28,600	36
37	Sandhurst	11	1.30%	No	0.76%	No	No		37
<b>Primary total</b>		<b>121</b>	<b>1.29%</b>	<b>0</b>	<b>1.29%</b>	<b>6</b>	<b>0</b>	<b>£0</b>	
<b>Secondary total</b>		<b>117</b>	<b>2.11%</b>	<b>3</b>	<b>1.31%</b>	<b>4</b>	<b>3</b>	<b>£73,700</b>	
<b>Total ALL</b>		<b>238</b>	<b>1.59%</b>	<b>3</b>	<b>1.30%</b>	<b>10</b>	<b>3</b>	<b>£73,700</b>	

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TO: SCHOOLS FORUM  
DATE 17 JULY 2014

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**DEPARTMENT FOR EDUCATION (DfE) CONSULTATION:  
FAIRER SCHOOLS FUNDING IN 2015-16  
(Director of Children, Young People and Learning)**

**1 PURPOSE OF REPORT**

- 1.1 This report updates the Schools Forum on the Department for Education (DfE) consultation *Fairer Schools Funding in 2015-16* which presents proposals on how an extra £350m should be allocated to LAs through the Dedicated Schools Grant in 2015-16.
- 1.2 This report also confirms the intention of the DfE to increase the employer contribution rate to the teachers pension scheme from September 2015 from 14.1% of basic pay to 16.4%.

**2 RECOMMENDATIONS**

That the Schools Forum NOTES:

- 2.1 That based on 2013-14 data, the proposals contained in the DfE consultation *Fairer Schools Funding in 2015-16* if implemented, would result in an additional £1.4m (2.3%) of funding for the Bracknell Forest Schools Budget (paragraph 5.5);
- 2.2 The Council's response to the DfE consultation *Fairer Schools Funding in 2015-16* as attached at Annex A;
- 2.3 Proposals from the DfE to increase the employers contribution to the Teachers Pension Fund from 14.1% to 16.4% of basic pay from September 2015, which is estimated to increase costs in schools by £0.848m in a full year (paragraphs 5.9 and 5.10).

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the Schools Forum is aware of these important financial matters.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

**5 SUPPORTING INFORMATION**

Introduction

- 5.1 On 13 March 2014, the DfE published a consultation titled *Fairer Schools Funding in 2015-16*. This is the next phase of school funding reform for 5 to 16 year olds and is

intended to “begin to address the unfairness of the current funding system and provide some help to authorities that are the least fairly funded.” It sets out proposals to target an additional £350m of funds to those LAs currently receiving the lowest levels of per pupil funding through the Dedicated Schools Grant (DSG). Initial calculations from the DfE indicate that BF could benefit from an extra £1.4m (2.3% increase in funding) if the proposals are implemented as set out in the consultation.

The consultation proposals and associated documentation can be viewed at:

<https://www.gov.uk/government/consultations/fairer-schools-funding-2015-to-2016>

#### Background and consultation proposals

- 5.2 2015-16 will be the third year of reforms and like 2014-15 there will be no significant changes in the way LAs can distribute funds to schools, so the BF Funding Formula can remain as it is if that's what schools want. There will also be on-going funding protection at individual school level with the Minimum Funding Guarantee, which will remain in place, and in general continue to limit per pupil reductions in funding to no more than 1.5% compared to 2014-15 amounts.
- 5.3 What will change in 2015-16 is that the DfE has confirmed that £350m of additional money will be available and the intention is to target the funds to LAs currently receiving the lowest levels of per pupil funding through the DSG. 2015-16 is the last year of the current spending review period, so no information is currently available on spending plans for subsequent years.
- 5.4 The key proposals from the consultation are:
- To determine those LAs currently receiving the lowest funding levels, current average funding rates used in factors in each LAs Funding Formula would be used and when these are multiplied by the number of eligible pupils in each area, if the calculated level of funding on this basis for an individual LA is lower than that currently received through the DSG, then a funding top up will be allocated from the £350m.
  - The proposal is that per pupil funding factors i.e. the Age Weighted Pupil Unit (AWPU), deprivation, Looked After Children, pupils with low prior attainment and pupils who speak English as an additional language, would be used to distribute around 75% of the money, and other non-pupil related factors for the fixed 'lump sum' payments that are paid at an equal amount to all schools in an area and small schools (NB no BF schools are small in terms of the DfE definition), to distribute around 25% of the money.
  - Where relevant, the calculation would be uplifted for high cost areas, for which the consultation includes proposals for how such areas would be determined. This shows a 5.7% uplift for BF.
  - Based on 2013-14 data, and the available £350m, the first part of the calculation would be to set the minimum AWPU rate at the current LA average amount, which would result in there being sufficient funds to set minimum funding levels for all of the other factors “close” to the current LA average.
- 5.5 Calculations in the consultation indicate that BFC would gain £1.4m (2.3%) through this proposal. However, should the 5.7% uplift for high cost areas not be included in final decisions, it is unlikely that BF would see a funding gain at all. This is therefore a crucial element of the proposals for BF schools.

- 5.6 Should the proposals be implemented, the actual budget change in 2015-16 will be calculated against 2014-15 budget data so is likely to change from the illustrative figures in the consultation, although any changes are not expected to be significant. LAs receiving additional money would have freedom on how that is used within the Schools Budget. It does not have to be allocated to schools and any money allocated through the local Funding Formula, would be for local determination – there will be no requirement, for example, to distribute through any particular factor.
- 5.7 62 LAs out of 151 receive a share of the funding based on the 2013-14 data, ranging from an 11.3% increase in funding to less than 0.1%. Cash amounts range from £24.8m to 0.1m.

#### Teachers' Pension Scheme (TPS) Rate

- 5.8 There has also been an announcement on a changed rate to the TPS. An actuarial valuation of the TPS has been undertaken to establish the forecast deficit on the scheme and to determine the contribution rate required for the next 4 years. This has determined that the total required contribution rate is 26%.
- 5.9 The rate is to be funded by both staff and schools. The average employee rate will be set at 9.6%, with the balance of 16.4% to fall on schools. This compares to the current employer rate of 14.1%. The change is to be effective from September 2015, so will have a part year impact in 2015-16 financial year, before a full cost impact in 2016-17.
- 5.10 Based on costs incurred by schools in the 2013-14 financial year, this change will result in additional spend in schools of around £0.484m in 2015-16, rising to £0.848m in a 2016-17. Excluding any changes that may arise from the consultation, the DfE has indicated that LAs will be funded at the same per pupil funding rates in 2015-16 as used in 2014-15, meaning schools will need to absorb this cost pressure.

#### Conclusion

- 5.11 The proposals in the consultation are consistent with the messages being sent by the DfE in respect of national funding priorities, with the calculation methodology used for the distribution of the extra £350m being simple and transparent. With the potential additional funds for BF indicated on the consultation, it is important for the Council to make a supportive response to the consultation to maximise the likelihood of the proposals being implemented.

The Council's response to the consultation is attached at Annex A.

- 5.12 In terms of the TPS, this change will present a significant cost pressure for schools, which will be phased in part way through financial year 2015-16 with the full impact arising from 2016-17. Around 60% of the additional funds proposed in the *Fairer Schools Funding in 2015-16* consultation will need to be used to finance this known cost increase.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

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

### Borough Treasurer

6.2 The financial implications are set out in the supporting information.

### Impact Assessment

6.3 Not applicable.

### Strategic Risk Management Issues

6.4 None identified.

## **7 CONSULTATION**

7.1 CYPL Management Team and the Borough Treasurer.

### Background Papers

None:

### Contact for further information

David Watkins, Chief Officer: SR&EI (01344 354061)

[david.watkins@bracknell-forest.gov.uk](mailto:david.watkins@bracknell-forest.gov.uk)

Paul Clark, Head of Departmental Finance (01344 354054)

[paul.clark@bracknell-forest.gov.uk](mailto:paul.clark@bracknell-forest.gov.uk)

G:\Executive\Schools Forum\67 170714\DfE consultation on Fairer Schools Funding in 2015-16.doc



**Consultation Response Form**

**Consultation closing date: 30 April 2014**  
**Your comments must reach us by that date**

**FAIRER SCHOOLS FUNDING IN 2015-16**

If you would prefer to respond online to this consultation please use the following link: <https://www.education.gov.uk/consultations>

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

<b>Please tick if you want us to keep your response confidential.</b>	<input type="checkbox"/>
Reason for confidentiality:	

Name:	Paul Clark
Please tick if you are responding on behalf of your organisation.	<input checked="" type="checkbox"/>
Name of Organisation (if applicable): Bracknell Forest Borough Council	
Address: Time Square Market Street Bracknell Berkshire RG12 1JD	

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's ['Contact Us'](#) page.



Please mark the box that best describes you as a respondent.

<input type="checkbox"/> Maintained school	<input type="checkbox"/> Academy	<input checked="" type="checkbox"/> Local authority
<input type="checkbox"/> Governor	<input type="checkbox"/> Bursar	<input type="checkbox"/> Parent
<input type="checkbox"/> Schools forum	<input type="checkbox"/> Trade union organisation	<input type="checkbox"/> Other

Please Specify:  
Bracknell Forest Council

1 Do you agree that the existing distribution of schools funding is unfair?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
---	-----------------------------	-----------------------------------

Comments:  
The range in per pupil DSG funding paid to LAs – from £3,450 to £8,595 with the highest amount more than double the lowest – seems far too wide to be able to justify in terms of cost of education provision in different areas. The gap should be narrowed.

2 Do you agree with our proposed choice of characteristics to which to attach minimum funding levels?

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
---	-----------------------------	-----------------------------------

Comments:

Given our proposal to set minimum funding levels such that we can afford to fund all local authorities at those levels or above in 2015-16, do you agree with the proposed values of the minimum funding levels?

3 a) Age Weighted Pupil Unit

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 b) Deprivation

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 c) Looked-after children

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 d) English as an additional language

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 e) Low prior attainment

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 f) Lump sum

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Not Sure
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3 g) Sparsity

Unrestricted

Yes       No       Not Sure

Comments:  
The use of current average funding rates is simple to understand, transparent and fair.

4 Do you agree that labour market cost differences should be taken into account as we allocate the £350m?

Agree       Disagree       Not sure

Comments:  
These are known and quantifiable costs so must be reflected in the distribution of funds for it to remain fair.

5 Do you agree this should be calculated using the hybrid approach we have set out?

Agree       Disagree       Not sure

Comments:

We agree that the proposal is an acceptable method.

6 If you do not agree that we should use a hybrid approach, what would you prefer we used?

<input type="checkbox"/> Use teacher pay bands only	<input type="checkbox"/> Use a general labour market measure only	<input type="checkbox"/> Use an alternative method
---	---	--

Comments:

**Sparsity Review**

7 We introduced a sparsity factor for the first time in 2015-16. How helpful has this factor been in ensuring that sufficient funding is targeted at small schools serving sparsely populated areas?

<input type="checkbox"/> Useful	<input type="checkbox"/> Not useful	<input checked="" type="checkbox"/> Not sure
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Comments:

No schools in our authority meet the funding criteria.

8 Do you think it would be useful to revise the criteria for the sparsity factor to take into account the average number of pupils in each year group, rather than the number of pupils in the school? If so, how?

Useful

Not useful

Not sure

Comments:

No schools in our authority meet the funding criteria.

9 Are there any other changes you would like to suggest to improve the operation of this factor, and why?

Comments:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

<b>Please acknowledge this reply.</b>	<input checked="" type="checkbox"/>
E-mail address for acknowledgement: <a href="mailto:paul.clark@bracknell-forest.gov.uk">paul.clark@bracknell-forest.gov.uk</a>	

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
------------------------------	--

All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [aileen.shaw@education.gsi.gov.uk](mailto:aileen.shaw@education.gsi.gov.uk)

Unrestricted

**Thank you for taking time to respond to this consultation.**

Completed responses should be sent to the address shown below by 30 April 2014

Ministerial and Public Communication Division, Level 2, Department for Education,  
Mowden Hall, Staindrop Road, DARLINGTON DL3 9BG

Send by e-mail to:

[SchoolFunding.CONULTATION@education.gsi.gov.uk](mailto:SchoolFunding.CONULTATION@education.gsi.gov.uk)

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TO: SCHOOLS FORUM  
DATE 17 JULY 2014

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**DEPARTMENT FOR EDUCATION (DFE) CONSULTATION:  
SAVINGS TO THE EDUCATION SERVICES GRANT FOR 2015-16  
(Director of Children, Young People and Learning)**

**1 PURPOSE OF REPORT**

- 1.1 This report updates the Schools Forum on the Department for Education (DfE) consultation *Savings to the Education Services Grant (ESG) for 2015-16* which seeks to gather views on how £200m of savings can be achieved notionally against the services intended to be funded from the ESG in 2015-16 and the potential impact.
- 1.2 It also presents the consultation response from the Council and the actions that are likely to be required for the Council's 2015-16 budget, provided the outcomes from the consultation are consistent with the original proposals.

**2 RECOMMENDATIONS**

**That the Schools Forum NOTES:**

- 2.1 **The proposals from the DfE consultation;**
- 2.2 **The anticipated approach to be taken by the Council to achieve the required savings (paragraph 5.36);**
- 2.3 **The Council's response to the consultation at Appendix 4.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the Forum is aware of the consultation and the potential implications for schools and the Schools Budget.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

**5 SUPPORTING INFORMATION**

**Introduction**

- 5.1 This report provides a briefing to the Schools Forum on an expected funding reduction to LAs from the DfE and sets out some options on how BFC can respond to the likelihood

of reduced resources. It presents some difficult issues for consideration on sensitive and high profile services.

### **Background to ESG**

- 5.2 On 27 March 2014, the DfE published a consultation titled *Savings to the Education Services Grant (ESG) for 2015-16*. This is in response to the June 2013 Spending Round announcement that £200m (approximately 20%) of savings were required from the ESG in 2015-16. A 20% reduction in the £2.122m ESG paid to BFC in 2013-14 equates to £0.424m. The Council's 2015-16 Medium Term Budget plan includes a funding cut of £0.4m.
- 5.3 The ESG is a per pupil grant paid to LAs – at £113 for 2014-15 (£116 in 2013-14) - and academies – at £140 – based on the number of pupils in maintained schools / academies and is intended to fund the cost of services that local authorities must provide without charge to maintained schools, but that academies secure and pay for independently. The intention is to move to a position where LAs and academies receive the same level of per pupil funding, but a date for this has yet to be set. The services intended to be covered, which are outside the Schools Budget, and therefore Council responsibilities, are:
- Therapies and other health related services
  - Central support services, such as clothing grants, outdoor education, music services
  - School Improvement
  - Education Welfare
  - Statutory / Regulatory duties such as HR, Finance, Health and Safety, Legal and procurement.
  - Premature retirement cost (new provisions only)
  - Monitoring National Curriculum assessment
- 5.4 In addition to the £113 per pupil allocation, LAs only also receive £15 for all pupils in their area – maintained and academy schools – to fulfil statutory duties that do not transfer to academies. The services covered are set out below and it can be seen that some fall into both elements of the grant, meaning for example, some aspects of Education Welfare must be provided to academies without charge, whereas others are only available without charge to maintained schools.
- Education Welfare
  - Education related asset management
  - Statutory / Regulatory duties such as whole service planning, including children's services.

The consultation and associated documents can be viewed at:

<https://www.education.gov.uk/consultations/index.cfm?action=consultationDetails&consultationId=1958&external=no&menu=1>

### The consultation

5.5 This is an important consultation as it will help to shape expectations and future funding levels for relevant education services. Put simply, the consultation asks the following questions on the services intended to be funded from ESG:

- Does there need to be clarification on the LA role?
- What level of savings do you think you could make on the service?
- If your spend is above the median for this service, can you explain why?
- What would prevent your LA from spending at the level of the 25% lowest spending LAs?

5.6 The following paragraphs of the report set out views expressed by the DfE with some comments added relating to the BF position. Clearly, there will be views other than those expressed by the DfE.

#### *Overview*

5.7 With the focus of the consultation needing to look at how savings can be managed on the intended services, the DfE has analysed the budget returns that all LAs are required to make each year under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009. It is acknowledged that there are differences in how LAs record expenditure and interpret budget lines which can result in an artificial variation in results.

Appendix 1 shows the guidance provided by the DfE to LAs to assist the completion of ESG relevant lines on the S251 statement. A financial benchmarking report from these returns is presented to the Forum for information each year.

5.8 There are also different views between LAs about which services should be provided, how they are provided and for which services schools can be charged. Crucially, DfE recognise that by charging schools for more services it simply transfers costs from LAs to schools, but this is accepted as it “gives schools both greater choice (over which services they chose to buy) and greater purchasing power (because they can buy services from a competitive market).”

5.9 Building on field work undertaken at 18 LAs – including BFC - before the publication of this consultation, and the analysis from recent S251 returns, the thrust of the consultation is to question why some LAs appear to be providing high quality services for much lower costs than others, how much savings can be made and the impact of making those savings. The 2013-14 S251 returns also show that average planned per pupil spend on ESG services is £125 compared to the £116 funding allocation and that some authorities are increasing their expenditure whilst others are achieving reductions.

#### *Delivery model options*

5.10 Using their experiences from the field work visits to LAs, DfE have provided case studies to illustrate different delivery models that can provide more cost effective services, yet maintain quality:

- **Collaboration.** Both between LAs for economies of scale and between schools. Kent County Council is cited as reducing school improvement

spending by 36% through greater collaborations between schools whilst performance at KS2 and KS4 have increased by 21% and 11% respectively. Wigan has reduced school improvement spending by 78% whilst performance at KS2 and KS4 have increased by 16% and 14% respectively. It seems that most of the savings have been achieved by making schools pay for more services.

There has been little success for BFC in developing collaborative services of this type with other LAs. The main exceptions to this being; the Berkshire Joint Arrangements, but very few significant new collaborations have been developed since 1998; and regional procurement agreements. Experience indicates this is not likely to be an immediate or significant savings option for the Council.

- **Charging for services.** The real question here is which services can be legitimately charged for and what parts of them? Some LAs report zero or negative amounts on certain ESG budget lines which is believed to be due to their charging policies, which could include a small element for profit. Croydon and Darlington are held up as LAs that have made savings through this approach.
- **Efficiency savings through restructuring.** Including having flatter management structures and consolidation of back-office functions. The examples quoted in the consultation – Croydon, Darlington and Wigan – seem to be a variation on charging as it mainly talks about encouraging schools to take on increased responsibility for their own education services i.e. pay for them rather than the LA.

The Council has, and continues to review structures with the objective of reducing costs and therefore this option is unlikely to produce any significant savings.

DfE indicate that they “expect many LAs to adopt some of the strategies [as set out directly above] to achieve savings to ESG services”.

*Clarification of services funded by ESG*

- 5.11 The DfE S251 analysis has identified wide ranging levels of planned spend by LA and the DfE concludes from this that there is a requirement to provide greater clarification of expectations around what LAs should be doing. Spending only to the level of DfE expectation and looking at the delivery models set out above are seen by the DfE as key to reducing expenditure.
- 5.12 Note the S251 analysis uses the median average spend for benchmarking purposes which lists values in sequential order and selects the centre most value. This means the extreme values – either very low or very high – do not in general overly influence the outcome. Each £1 per pupil spend in 2013-14 by BFC amounts to around £16,000 total expenditure.

Appendix 2 provides some detail behind the charges included on the BFC S251 statement. It also shows that CYPL controlled budgets amount to 80% of spending and Corporate Services 20% and the extent of overhead recharges to the cash budgets managed by relevant services, both Departmental within CYPL and from Corporate Services. Summary comments are included in the text below.

### School Improvement

- 5.13 At £229m, and 22%, School Improvement is the second highest spend area in ESG services nationally. Average planned per pupil spend in all England on school improvement for 2013-14 was £31 (BFC £41), with the lowest spending quartile average at £19. Within the average, there is significant variation in spend by LAs – from £0 to £239. If BFC spent at the lowest quartile rate, then savings of £0.352m would be achieved. Appendix 2 shows more information on the range of budgets and adjustments involved in calculating the BF cost of School Improvement for the S251 return.
- 5.14 In terms of LA responsibilities, there remains a duty to exercise education functions with a view to promoting high standards. However, this needs to be done in the context of increasing emphasis on school-to-school support. The Schools Causing Concern statutory guidance has been updated to make this clear. It sets out the importance of early intervention and of swift and robust action to tackle failure, including the issue of Warning Notices and the use of Interim Executive Boards. The DfE considers that LAs “statutory functions do not require a highly resource intensive school improvement service”. There is however a remaining contradiction in the expectation that LA’s engage in school improvement and are open to inspection on their work through Ofsted.
- 5.15 The data collected under S251 does not support the view that high levels of spend in school improvement leads to improvements in school performance. Figures 4 and 5 in Annex B of the DfE consultation document support this statement. However, this analysis excludes high cost intensive programmes such as London Challenge which have improved outcomes for many inner city schools.
- 5.16 The DfE believe that significant savings can be achieved on LA funded school improvement services.

### Statutory and regulatory duties

- 5.17 At £296m, and 29%, Statutory and Regulatory duties represent the highest area of expenditure within the ESG. Average planned per pupil spend in all England on statutory and regulatory duties for 2013-14 was £47 (BFC £84), with the lowest spending quartile average at £28. Generally speaking, expenditure in each LA has remained similar between 2012-13 and 2013-14. If BFC spent at the lowest quartile rate, then savings of £0.896m would be achieved.
- 5.18 Relevant duties are defined in School Funding Regulations – see Appendix 1 for an overview - which include whole service planning, Finance functions, including audit and procurement, HR functions, data storage and links between the LA and schools and legal services. They are somewhat clouded as some fall within the services that transfer to academies, whilst others remain for the LA to continue to provide for all schools, and are therefore within the £15 per pupil element of ESG. The S251 statements do not separately capture LA spend on this category between these two elements which makes it difficult for the DfE to establish real levels of planned spend, although a survey was conducted with LAs to gather information in 2011 of which 16 LAs (out of 151) responded, and the DfE used the 5 lowest spending levels to set the £15 funding rate.

- 5.19 DfE conclude that there is a wide variation in how statutory duties are being interpreted and fulfilled and that clearer definitions should be provided. The implication of which suggests a dilution of responsibilities and / or transference to schools.

#### Education Welfare Services

- 5.20 At £83m, Education Welfare Services (EWS) represent 8% of expenditure within the ESG. Average planned per pupil spend in all England on EWS for 2013-14 was £14 (BFC £15), with the lowest spending quartile average at £9. Within the average, there is significant variation in spend by LAs – from £0 to £85. If BFC spent at the lowest quartile rate, then savings of £0.096m would be achieved.
- 5.21 EWS promote regular school attendance and investigate poor attendance. They prepare cases and work with courts on prosecutions, monitor employment of those under 16, and track pupils missing from education. Part of the EWS service is covered by the £15 element of ESG and relates to maintained and academy schools. The DfE believes there is duplication and scope for savings.
- 5.22 In a similar theme to the work on School Improvement, analysis of S251 budget data compared to actual reductions in absence rates does not support evidence that high spending results in low absence rates. Figure 8 of Annex B on the DfE consultation illustrates this point.

#### Central Support Services

- 5.23 At £63m, Central Support Services – clothing grants, outdoor education, music services etc. - represents 6% of expenditure within the ESG. Average planned per pupil spend in all England on central support services for 2013-14 was £6 (BFC £0), with the lowest spending quartile average at £1. At nil spend, there is no scope to make savings on this area in BFC.

#### Asset Management

- 5.24 At £63m, Asset Management represents 6% of expenditure within the ESG. Average planned per pupil spend in all England on Asset management for 2013-14 was £7 (BFC £17), with the lowest spending quartile average at £3. Within the average, there is significant variation in spend by LAs – from -£1 to £129. If BFC spent at the lowest quartile rate, then savings of £0.224m would be achieved.
- 5.25 This is intended to support the effective and efficient management of school buildings and resources and with much of this delegated, there “is scope for LAs to cease to fund this separately”. In a similar theme to EWS service, as part of Asset Management is covered by the £15 element of ESG and relates to maintained and academy schools, the DfE believes there is duplication and scope for savings.
- 5.26 For BFC, £0.082m relates to CYPL spend and £0.187m from Corporate Services. This is the only element of ESG funded services where CYPL spend is below that of Corporate Services. The option to charge more spend to capital grants may need to be considered, but will need to comply with the accounting code of practice and will have a consequential reduction in funds available to spend on actual capital projects of which the long term success of such a strategy will be dependent on continuation of grants.

PRC/Dismissal costs (new provisions)

- 5.27 At £31m, PRC/Dismissal costs represent 3% of expenditure within the ESG. More than half of LAs did not spend any money, which means the median average is nil although highest cost was £86. BFC spent £2, although this moved to nil in 2014-15 in response to changes in School funding Regulations and therefore, no scope exists to make savings on this area.

Therapies and health related services

- 5.28 At £12m, this represent 1% of expenditure within the ESG. More than half of LAs did not spend any money, which means the median average is nil although highest cost was £100. BFC spent nil so there is no scope to make savings on this area.

Monitoring national curriculum assessment

- 5.29 At £6m, this is the lowest spending element at less than 1% of expenditure within the ESG. More than half of LAs did not spend any money, which means the median average is nil although highest cost was £25. BFC spent £1 which represents the assessed cost of the service which would otherwise be included within school improvement and this is where the relevant spend is likely to be recorded by LAs reporting nil spend on this duty.

**BF position**

- 5.30 The following table sets out BF spend levels against relevant lines for the 3 financial years 2012-13 to 2014-15. For 2013-14, which is used in the DfE consultation, as well as showing per pupil spend in BFC, average per pupil spend against statistical neighbours, the 20 LAs closest to BFC in terms pupil numbers and termed "small" LAs in the table, the lowest spending quartile and all of England are also included.

Budget data from S251 statements

Service	2012-13 Budget  £k	2013-14						2014-15 Budget  £k
		Budget  £k	Per pupil spend (median)					
			BFC  £	Statistical neighbour  £	"Small" LAs  £	Lowest Spend quartile  £	All England  £	
Therapies and health related	0	0	0	0	0	0	0	0
Central support services	0	0	0	4	4	1	6	0
Education Welfare and safeguarding	245	239	15	12	15	9	14	209
School improvement and related activity	658	658	41	41	33	19	31	580
Education asset management	250	271	17	4	14	3	7	257
Statutory/regulatory duties	1,392	1,356	84	45	66	28	47	1,378
PRC/dismissal (new costs)	24	26	2	5	0	0	0	0
Monitoring NC assessment	15	15	1	0	1	0	0	15
<b>Total</b>	<b>2,584</b>	<b>2,565</b>	-	-	-	-	-	<b>2,439</b>

- 5.31 Analysis from the table and Appendix 3 which illustrates spend by “small” LAs shows:
- 2013-14 budget in BFC for ESG related services at £2.565m is £0.443m (20%) above the £2.122m grant receipt.
  - Within the £2.565m spend, £2.040m (80%) relates to CYPL budgets with £0.525m (20%) from Corporate Services recharges.
  - Within the CYPL spend, £0.149m relates to Departmental overheads allocated from general support services.
  - Within the Corporate Services spend, £0.355m relates to services directly provided on Valuers (£85k), Surveyors (£94k), Audit (£50k), Procurement (£49k), Legal Services (£44k) and Customer Contact (£32k), and £0.170m is the calculated share of general shared costs e.g. accommodation, IT, Agresso.
  - Planned spend on relevant budgets has decreased between 2012-13 and 2013-14 by £0.019m (0.7%).
  - Each £ per pupil spend in 2013-14 by BFC amounts to around £16,000 total spend.
  - Expenditure reductions of £0.126m (4.9%) were achieved in 2014-15 as part of CYPL savings. Savings achieved by Corporate Services would also have had an impact on recharge amounts.
  - The national and statistical neighbour benchmark levels indicate that relatively high levels of expenditure are being incurred on School Improvement, Education Asset Management and Statutory / Regulatory duties and these are the areas to concentrate efforts.
  - The “small” LAs benchmarking levels demonstrate the additional costs faced by such LAs where the only expenditure levels below the all England average relates to central support services.
- 5.32 As set out above, care needs to be taken in viewing the figures as different LAs will treat the same expenditure differently. For example, Chief Officer Learning and Achievement and Personal Assistant are recorded against Statutory / Regulatory duties in BFC, other LAs may have such costs, or a share of them, within School Improvement. There will also be differences in the apportionment of recharges and Departmental overheads which must be included to ensure services are shown on a full cost basis. There is also the likelihood that some LAs charge asset management costs against DfE capital grants. This needs to be in accordance with the accounting code of practice, which only allows spend to be charged to capital if a new or enhanced asset results, so any abortive costs from projects that do not proceed are disallowed and must be funded from the Council’s general revenue money. Such a change would clearly results in less funding available for construction works, and would be a risk.
- 5.33 Other factors to take into account for BFC are the relative small size of the authority, with limited ability to achieve the economies of scale available to larger LAs and the relative high costs in the area, which is recognised in the overall Local Government Financial Settlement through the Area Cost Adjustment. Therefore, the ESG flat per pupil allocation funding methodology does not properly reflect the cost base of small LAs. The analysis of the 20 LAs closest to BFC by size shows across ESG services the median per pupil spend is £133 compared to £105 for all England, with BFC at £160. This is shown in Appendix 3.



## **Conclusion**

- 5.34 Based on the significance of the expected funding cut, it was important that a response was made to this consultation in an attempt to protect the interest of BF schools and the Council.
- 5.35 Whilst some service specific comments are made in the response, there are 2 general, but significant comments that have also been added:
- Relative small size of BFC. The financial data in the table at paragraph 5.30 clearly demonstrates that small LAs tend to spend more on service provision than the England average. This is most likely to be as a result of limited opportunities to benefit from significant economies of scale.
  - The grant distribution method.
    - The current universal per pupil funding methodology discriminates against small LAs. A minimum fixed lump sum per LA should be included
    - The current universal per pupil funding methodology discriminates against high cost LAs. An Area Cost Adjustment should be included.

The BFC response is shown at Appendix 4.

## **Next steps**

- 5.36 The benchmarking data, whilst it contains flaws and limitations indicates that the areas where BFC should concentrate efforts to effect savings are:
- School improvement;
  - Asset management;
  - Statutory / regulatory duties.

It seems that the best approach to take to make savings would be through:

- Reducing the scope of services currently being provided without charge to schools;
  - Charge schools for a wider range of services;
  - A combination of both;
  - Charging more costs to capital (subject to accounting code of practice).
- 5.37 DfE will publish a response to the consultation in summer 2014 but this is likely to be after the Council has finalised budget proposals for 2015-16 so it is likely that decisions on these matters will need to be made in advance of final decisions from the DfE.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### **Borough Solicitor**

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

Borough Treasurer

- 6.2 The financial implications are set out in the supporting information. With the expectation of a £0.4m cut in funding from April 2015, it is important that appropriate savings options are identified.

Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 Reductions in planned spend on relevant services may result in inadequate support to schools which may result in higher levels of expenditure over the medium to longer term.

If requiring schools to pay for services currently provided without charge is adopted, this will require a high level of buy back if it is to be successful, otherwise compensating expenditure reductions will still need to be achieved.

**7 CONSULTATION**

- 7.1 Service managers and Management Teams in both CYPL and CS.

Background Papers

None:

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INSTRUCTIONS AND GUIDANCE FOR FINANCIAL REPORTING ON THE

**SECTION 251  
FINANCIAL DATA COLLECTION  
COVERING FUNDING PERIOD  
2013-14**

**PLEASE READ THIS GUIDANCE CAREFULLY  
AS IT CONTAINS ESSENTIAL INFORMATION  
TO HELP YOU COMPLETE YOUR  
WORKBOOK**



**2.0.1 Therapies and other health related services** Costs associated with the provision or purchase of speech, physiotherapy and occupational therapies should be recorded here. Include any expenditure on the provision of special medical support for individual pupils which is not met by a Primary Care Trust, National Health Service Trust or Local Health Board.

**2.0.2 Central support services** Includes expenditure on:

- pupil support: provision and administration of clothing grants and board and lodging grants, where such expenditure is not supported by grant.
- music services: expenditure on the provision of music tuition or other activities which provide opportunities for pupils to enhance their experience of music.
- Visual and performing arts (other than music): expenditure which enables pupils to enhance their experience of the visual, creative and performing arts other than music.
- Outdoor education including environmental and field studies (not sports): expenditure on outdoor education centres – field study and environmental studies etc. – but not including centres wholly or mainly for the provision of organised games, swimming or athletics.

**2.0.3 Education welfare service** Education Welfare Service and other expenditure arising from the LA's school attendance functions. Where Education Welfare Officers are directly involved in issues related to [The Children Act 1989](#), the relevant expenditure should be charged to line 3.3.2.

Expenditure in connection with powers and duties performed under Part 2 of the Children and Young Persons Act 1933 (Enforcement of, and power to make bylaws in relation to, restrictions on the employment of children).

**2.0.4 School Improvement** Expenditure incurred by a local authority in respect of action to support the improvement of standards in the authority's schools, in particular expenditure incurred in connection with functions under the following sections of the [2006 Act](#):

- (a) section 60 (performance standards and safety warning notice),
- (b) section 60A (teachers' pay and conditions warning notice),
- (c) section 63 (power of local authority to require governing bodies of schools eligible for intervention to enter into arrangements),
- (d) section 64 (power of local authority to appoint additional governors),
- (e) section 65 (power of local authority to provide for governing bodies to consist of interim executive members) and Schedule 6; and
- (f) section 66 (power of local authority to suspend right to delegated budget).

**2.0.5 Asset management - education** Include expenditure in relation to the management of the authority's capital programme, preparation and review of an asset management plan, negotiation and management of private finance transactions and contracts (including Academies which have converted since the contracts were signed), landlord premises functions

for relevant academy leases, health and safety and other landlord premises functions for community schools.

**2.0.6 Statutory/ Regulatory Duties** Expenditure on **education** functions related to:

- the Director of Children’s Services and the personal staff of the director:
- planning for the education service as a whole;
- functions of the authority under [Part 1 of the Local Government Act 1999](#) (Best Value) and also the provision of advice to assist governing bodies in procuring goods and services with a view to securing continuous improvement in the way the functions of those governing bodies are exercised, having regard to a combination of economy, efficiency and effectiveness;
- revenue budget preparation; the preparation of information on income and expenditure relating to education, for incorporation into the authority’s annual statement of accounts; and the external audit of grant claims and returns relating to education;
- administration of grants to the authority (including preparation of applications), functions imposed by or under [Chapter 4 of Part 2 of the 1998 Act](#) and, where it is the authority’s duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions;
- authorisation and monitoring of:
  - (i) expenditure which is not met from schools’ budget shares;
  - and
  - (ii) expenditure in respect of schools which do not have delegated budgets,and all financial administration relating thereto;
- the formulation and review of the methods of allocation of resources to schools and other bodies;
- the authority’s monitoring of compliance with the requirements of their financial scheme prepared under section 48 of the 1998 Act, and any other requirements in relation to the provision of community facilities by governing bodies under section 27 of the 2002 Act;
- internal audit and other tasks necessary for the discharge of the authority’s chief finance officer’s responsibilities under section 151 of the Local Government Act 1972;
- the authority’s functions under regulations made under [section 44 of the 2002 Act](#);
- recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from

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schools' budget shares and who are paid for services carried out in relation to those of the authority's functions and services which are referred to in other paragraphs of Schedule 1 to the School and Early Years Finance (England) Regulations 2012. This relates to staff centrally funded and whose work falls within the scope of the LA Budget;

- investigations which the authority carry out of employees or potential employees of the authority or of governing bodies of schools, or of persons otherwise engaged or to be engaged with or without remuneration to work at or for schools;
- functions of the authority in relation to local government superannuation which it is not reasonably practicable for another person to carry out and functions of the authority in relation to the administration of teachers' pensions;
- retrospective membership of pension schemes and retrospective elections made in respect of pensions where it would not be appropriate to expect the governing body of a school to meet the cost from the school's budget share;
- advice, in accordance with the authority's statutory functions, to governing bodies in relation to staff paid, or to be paid, to work at a school, and advice in relation to the management of all such staff collectively at any individual school ("the school workforce"), including in particular advice with reference to alterations in remuneration, conditions of service and the collective composition and organisation of such school workforce;
- determination of conditions of service for non-teaching staff and advice to schools on the grading of such staff;
- the authority's functions regarding the appointment or dismissal of employees;
- consultation and functions preparatory to consultation with or by governing bodies, pupils and persons employed at schools or their representatives, or with other interested bodies;
- compliance with the authority's duties under the [Health and Safety at Work etc. Act 1974](#) and the relevant statutory provisions as defined in section 53(1) of that Act in so far as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such tasks by governing bodies and where necessary the giving of advice to them;
- the investigation and resolution of complaints;
- legal services relating to the statutory functions of the authority;
- the preparation and review of plans involving collaboration with other local authority services or with public or voluntary bodies;
- provision of information to or at the request of the Crown and the provision of other information which the authority are under a duty to make available;
- Expenditure incurred in connection with the authority's functions pursuant to regulations

made under [section 12 of the 2002 Act](#) (supervising authorities of companies formed by governing bodies);

- Expenditure incurred in connection with the authority's functions under the discrimination provisions of the Equality Act 2010 in so far as compliance cannot reasonably be achieved through tasks delegated to the governing bodies of schools; but including expenditure incurred by the authority in monitoring the performance of such tasks by governing bodies and where necessary the giving of advice to them;
- Expenditure on establishing, and maintaining electronic computer systems, including data storage, in so far as they link, or facilitate the linkage of, the authority to schools which they maintain, such schools to each other or such schools to other persons or institutions.
- Expenditure in connection with the authority's functions in relation to the standing advisory council on religious education constituted by the authority under [section 390 of the 1996 Act](#) or in the reconsideration and preparation of an agreed syllabus of religious education in accordance with [schedule 31 to the 1996 Act](#);
- Expenditure in respect of a teacher's emoluments under [section 19\(9\) of the Teaching and Higher Education Act 1998](#) except such expenditure which falls to be met from a school's budget share;
- Expenditure on the appointment of governors, the making of instruments of government, the payment of expenses to which governors are entitled and which are not payable from a school's budget share and the provision of information to governors.
- Expenditure on making pension payments other than in respect of schools.

**2.0.7 Premature retirement costs / Redundancy costs (new provisions)** any budget for payments to be made by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of the school, after 1<sup>st</sup> April 2013 under [section 37, Education Act 2002](#).

This line is meant to be for new costs in the financial year, in this case 2013-14. For old costs please record in line 2.2.3 (Pension costs – includes existing early retirement costs)

**2.0.8 Monitoring national curriculum assessment** Expenditure on monitoring National Curriculum assessment arrangements required by orders made under [section 87 of the 2002 Act](#).

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Appendix 2

2013-14 planned spend by BFC on ESG related services

Cost Centre Description	Original Budget	Corporate Services recharges - direct	Corporate Services recharges - reallocated (1)	Reallocate CYPL overheads (2)	Reallocate CSC and Youth costs (3)	Allocation to other lines on S251 (4)	Revised Budget 2013-14	CYPL	CS
	£	£	£	£	£	£	£		
<b><u>Education Welfare Service</u></b>									
Children & Families	108,620	0	6,850	9,197	0	0	124,667	117,817	6,850
Education Welfare Service	160,060	0	9,470	12,727	0	0	182,257	172,787	9,470
EWS - transfer to LA functions on child protection	0	0	0	0	0	-68,000	-68,000	-68,000	0
<b>Total Education Welfare Service</b>	<b>268,680</b>	<b>0</b>	<b>16,320</b>	<b>21,924</b>	<b>0</b>	<b>-68,000</b>	<b>238,924</b>	<b>222,604</b>	<b>16,320</b>
<b><u>School Improvement</u></b>									
Education Centre	26,600	0	1,590	2,119	0	0	30,309	28,719	1,590
L & A Staff vacancy Factor LA	0	0	0	0	0	0	0	0	0
L & A - core funding	583,770	0	41,240	55,420	0	0	680,430	639,190	41,240
L & A - transfer to NC assessment line	0	0	0	0	0	-15,000	-15,000	-15,000	0
L & A Staff Training & Development	3,880	0	230	302	0	0	4,412	4,182	230
L & A Commissioned Services	-46,510	0	-2,740	-3,701	0	0	-52,951	-50,211	-2,740
School Improvement MIB	9,780	0	580	776	0	0	11,136	10,556	580
<b>Total School Improvement</b>	<b>577,520</b>	<b>0</b>	<b>40,900</b>	<b>54,916</b>	<b>0</b>	<b>-15,000</b>	<b>658,336</b>	<b>617,436</b>	<b>40,900</b>
<b><u>Education Asset Management</u></b>									
Planning Property and Contracts (PPC)	82,100	0	9,430	12,070	-12,120	0	91,480	82,050	9,430
Valuers	0	85,040	0	0	0	0	85,040	0	85,040
Surveyors	0	94,130	0	0	0	0	94,130	0	94,130
<b>Total Education Asset Management</b>	<b>82,100</b>	<b>179,170</b>	<b>9,430</b>	<b>12,070</b>	<b>-12,120</b>	<b>0</b>	<b>270,650</b>	<b>82,050</b>	<b>188,600</b>



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Cost Centre Description	Original Budget	Corporate Services recharges - direct	Corporate Services recharges - reallocated (1)	Reallocate CYPL overheads (2)	Reallocate CSC and Youth costs (3)	Allocation to other lines on S251 (4)	Revised Budget 2013-14	CYPL	CS
	£	£	£	£	£	£	£		
<b><u>Statutory and Regulatory duties</u></b>									
Customer Contact	0	31,810	0	0	0	0	31,810	0	31,810
Audit	0	50,200	0	0	0	0	50,200	0	50,200
Procurement	0	49,090	0	0	0	0	49,090	0	49,090
Legal Services	0	44,940	0	0	0	0	44,940	0	44,940
Information Technology - Section	83,550	0	4,950	6,632	-12,190	0	82,942	77,992	4,950
ICT Contracts & Equipment - LEA	83,300	0	5,930	7,117	0	0	96,347	90,417	5,930
Commissioning & Policy	64,470	0	3,810	5,119	-21,880	0	51,519	47,709	3,810
Management Team	620,580	0	36,460	49,302	-278,130	0	428,212	391,752	36,460
Governor Services	49,100	0	2,920	3,907	0	0	55,927	53,007	2,920
S.A.C.R.E.	1,530	0	100	132	0	0	1,762	1,662	100
Finance	309,800	0	19,720	25,227	-35,000	0	319,747	300,027	19,720
Office Costs	54,170	0	0	-54,170	0	0	0	0	0
Human resources	143,650	0	9,060	11,576	-51,880	0	112,406	103,346	9,060
Head of Performance and Governance	65,330	0	4,460	5,500	-43,750	0	31,540	27,080	4,460
<b>Total Statutory and Regulatory duties</b>	<b>1,475,480</b>	<b>176,040</b>	<b>87,410</b>	<b>60,342</b>	<b>-442,830</b>	<b>0</b>	<b>1,356,442</b>	<b>1,092,992</b>	<b>263,450</b>
<b>Total PRC/Dismissal Cost</b>	<b>9,885</b>	<b>0</b>	<b>15,640</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,525</b>	<b>9,885</b>	<b>15,640</b>
<b>National Curriculum monitoring</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>
<b>Grand Total</b>	<b>2,413,665</b>	<b>355,210</b>	<b>169,700</b>	<b>149,252</b>	<b>-454,950</b>	<b>-68,000</b>	<b>2,564,877</b>	<b>2,039,967</b>	<b>524,910</b>
								2,564,877	

### Notes to Appendix 3

- (1) Covers accommodation, health and safety, Personnel, IT, Agresso, Payroll and office services. Totals £805k for Education related services. Allocated prop rata to gross budget
- (2) Covers CYPL Departmental costs for training, recruitment and office services. Totals £178k for Education related services. Allocated pro rata to gross budget.
- (3) Some cost centres support education and other services. Non-education costs removed.
- (4) Adjustment for costs that need to be included in other lines of the S251 statement

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### Budget summary by Department:

	<b>CYPL</b>	<b>CS</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Education Welfare Service	222,604	16,320	238,924
School Improvement	617,436	40,900	658,336
Asset management	82,050	188,600	270,650
Statutory / regulatory duties	1,092,992	263,450	1,356,442
PRC (new provisions)	9,885	15,640	25,525
Monitoring national curriculum assessment	15,000	0	15,000
<b>Total</b>	<b>2,039,967</b>	<b>524,910</b>	<b>2,564,877</b>

## 2013-14 planned spend by small Unitary Authorities on ESG related services

	Therapies and other health related services	Central support services	Education welfare service	School improvement	Asset management - education	Statutory/Regulatory duties - education	Premature retirement cost/Redundancy costs (new provisions)	Monitoring national curriculum assessment	Total
<b>ENGLAND - Average (mean)</b>	<b>2</b>	<b>10</b>	<b>13</b>	<b>35</b>	<b>13</b>	<b>49</b>	<b>8</b>	<b>1</b>	<b>131</b>
<b>ENGLAND - Average (median)</b>	<b>0</b>	<b>6</b>	<b>14</b>	<b>31</b>	<b>7</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>105</b>
<b>ENGLAND - Minimum</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>-2</b>	<b>-1</b>	<b>-6</b>	<b>0</b>	<b>0</b>	<b>-19</b>
<b>ENGLAND - Maximum</b>	<b>100</b>	<b>155</b>	<b>85</b>	<b>239</b>	<b>129</b>	<b>324</b>	<b>86</b>	<b>25</b>	<b>1,143</b>

95 SMALL LAs:

<b>Average (mean)</b>	<b>2</b>	<b>4</b>	<b>22</b>	<b>34</b>	<b>17</b>	<b>86</b>	<b>2</b>	<b>1</b>	<b>168</b>	
<b>Average (median)</b>	<b>0</b>	<b>4</b>	<b>15</b>	<b>33</b>	<b>14</b>	<b>66</b>	<b>0</b>	<b>1</b>	<b>133</b>	
<b>Minimum</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>25</b>	
<b>Maximum</b>	<b>9</b>	<b>12</b>	<b>85</b>	<b>68</b>	<b>55</b>	<b>183</b>	<b>21</b>	<b>5</b>	<b>438</b>	
867	Bracknell Forest	0	0	15	41	17	84	2	1	160
836	Poole	0	5	13	20	28	61	0	1	128
890	Blackpool	0	4	37	51	14	66	0	2	174
800	Bath & North East Somerset	0	12	12	40	6	48	0	0	118
868	Windsor and Maidenhead	4	0	6	33	4	45	0	0	92
876	Halton	4	4	85	53	0	107	4	0	257
884	Herefordshire	0	0	0	20	55	63	21	1	160
921	Isle of Wight	0	9	17	27	23	27	0	2	105
813	North Lincolnshire	0	6	29	68	30	183	0	5	321
805	Hartlepool	0	3	7	25	11	118	0	0	164
871	Slough	9	0	19	-2	2	143	0	1	172



**Appendix 4**

**Consultation Response Form**

**Consultation closing date: 19 June 2014  
Your comments must reach us by that date**

**SAVINGS TO THE EDUCATION SERVICES GRANT FOR 2015-16**

**If you would prefer to respond online to this consultation please use the following link: [www.education.gov.uk/consultations](http://www.education.gov.uk/consultations)**

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes, primarily the Freedom of Information Act 2000 and the Data Protection Act 1998.

If you want all, or any part, of your response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it to be confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 1998, and in the majority of circumstances, this will mean that your personal data will not be disclosed to third parties.

<b>Please tick if you want us to keep your response confidential.</b>	<input type="checkbox"/>
Reason for confidentiality:	

Name:	Paul Clark
Please tick if you are responding on behalf of your organisation.	<input checked="" type="checkbox"/>
Name of Organisation (if applicable): Bracknell Forest Council	
Address:	Time Square, Market Street, Bracknell, RG12 1JD

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the Ministerial and Public Communications

Division by e-mail: [consultation.unit@education.gsi.gov.uk](mailto:consultation.unit@education.gsi.gov.uk) or by telephone: 0370 000 2288 or via the Department's '[Contact Us](#)' page.

Please mark the box the best describes you as a respondent.

<input type="checkbox"/>	Maintained schools	<input type="checkbox"/>	Academies	<input checked="" type="checkbox"/>	Local authorities
<input type="checkbox"/>	Governors	<input type="checkbox"/>	Bursars	<input type="checkbox"/>	Parents
<input type="checkbox"/>	School forums	<input type="checkbox"/>	Trade union organisations	<input type="checkbox"/>	Other

Please Specify:  
Bracknell Forest Council

In responding to the questions in this consultation, we ask you to pay particular attention to any potential impacts on the protected characteristics set out in the Equality Act 2010 (sex, race, disability, age, religion or belief, sexual orientation, pregnancy and maternity, and gender reassignment).

### School Improvement

- 1 a) How could the clarification of the role of local authorities in school improvement in Section 4.2 help local authorities to make savings?

Comments:

The role of the LA in terms of school improvement in Bracknell Forest is articulated in our policy for Challenge, Support and Intervention which was developed with schools and as such requires no further clarification. Intervention is funded by the LA whilst schools purchase support and additional challenge and through a Service Level Agreement or on a 'Pay as You Go' scheme. This approach has proved to be popular with schools as they welcome the rigour of this approach, the brokering of support from a range of service providers and the in-depth local knowledge of the LA team, including others service areas including school finance, HR, children's social care, safeguarding and SEN.

There is an implicit assumption that schools have the capacity to support other schools where a school is struggling. As even our best schools struggle to recruit staff in key subject areas it is difficult to comprehend how reliance on such an approach can be guaranteed to secure long term, sustained improvement. Whilst schools play an important part in sharing effective practice and supporting teachers' professional development in our experience they have been reluctant to release key staff to work for substantial amounts of time in schools requiring improvement.

An element missing from section 4.2 relates to LA involvement in the performance management of headteachers and senior staff in order to ensure governors secure effective performance. The great majority of schools purchase this as a bought in

service from the LA and would continue to do so but the LA may not be in a position to provide it if the service is reduced to the minimalist model postulated in the consultation document.

1 b) Is further clarification or guidance from the Department on the role of the local authority in school improvement needed in order to have a clear set of expectations?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Not Sure
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Comments:

It is very clear from the Ofsted reports on the inspection of LA school improvement services that there is a quite reasonable expectation that the LA has excellent knowledge of all schools, establishes a clear vision for education, supports schools to improve through commissioning support, including through Teaching Schools, and uses its powers of intervention quickly and appropriately. This is at odds with the general tenor of the consultation document which questions the role of LA's in school improvement.

Relying on schools to support other schools is a high risk strategy as there may not be the capacity for even the most successful schools to release staff to work in weaker schools, nor the willingness to do so. The recent issues with the inability of some academy sponsors to secure improvement in their schools, where they have considerably greater control than LA's on some areas of a school's work, is worthy of closer examination.

1 c) In addition to the examples set out in Section 3.2 of the consultation document, how else could local authorities provide school improvement more efficiently?

Comments:

This Authority has collaborated with other LA's, charges for services, has made efficiency savings through restructuring, commissions services from external providers and training organisations, works closely with the our local teaching school, has a good working relationship with our one Academy school, has been proactive in working with all schools to consider alternative forms of governance, deployed SLEs and experienced heads to support other schools, is actively involved in the new arrangements for initial teacher training through two schools direct schemes, has no headteacher vacancies and very few governor vacancies, has good systems for the regular audit of school finances and procedures and strong systems for safeguarding children, dealing with staff capability and conduct and intervening when necessary.

If by efficiently what is meant is at a lower cost per pupil then this could only be achieved through staff reductions and this would put at great risk all of the above.

- 1 d) What level of saving is it possible for your local authority to make on school improvement? If cost pressures on school improvement have changed recently, please describe below.

Comments:

It would be difficult to effect further savings without losing detailed knowledge of school performance and issues affecting pupil progress, and in particular that of vulnerable groups of children and young people.

As salaries for senior staff and headteachers in schools have risen considerably it has proved difficult to recruit school improvement professionals with the necessary expertise to rigorously challenge schools where improvement is required.

This LA has successfully implemented intervention in schools through the establishment of Standards Monitoring Boards. For schools in Ofsted categories the LA has established Management Intervention Boards and, where necessary, IEBs. All such strategies cost money. Where a school is unable to fund the required improvements from their own budgets then additional resources are required and approval sought from the Schools Forum. However, much of the preparatory work and on-going monitoring is funded from the school improvement budget and, were this to be reduced further, these successful interventions, commented upon favourably by Ofsted, will not be sustainable.

- 1 e) If your local authority's expenditure is above the median (£31 per pupil) for this service, can you help us understand why this is?

Comments:

We question the consistency of financial returns on which these figures are based as the expenditure per pupil appears to vary so greatly across the country. The school improvement budget for Bracknell Forest funds a range of functions including the leadership of the virtual school, the monitoring of home educated pupils and other functions that may be included elsewhere in the returns made by other LA's.

In addition, the grant distribution method does not properly reflect the cost base that different authorities and academies face and should be amended because:

- The current universal per pupil funding methodology discriminates against small LAs and individual academies. S251 data demonstrates that the smallest LAs in terms of pupil numbers have higher per pupil spending levels. A minimum fixed lump sum per LA / academy should be included with a per pupil amount top up
- The current universal per pupil funding methodology discriminates against high cost LAs. An Area Cost Adjustment should be included.

- 1 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (up to £19 per pupil)?

Comments:

In order to maintain the current service level of monitoring the performance and quality of leadership and management (including governance) in all schools, irrespective of their



Ofsted inspection grade, it is necessary to have sufficient high quality and experienced staff.

### Statutory and regulatory duties

2 a) Which statutory and regulatory duties require greater clarification or guidance?

Comments:

#### Legal

- There is a lack of clarity as to which Legal Services costs should be met by schools and those which should be met by the Local Authority, (and if so which Local Authority budget heading the costs should be charged to). In particular it is not clear as to how legal costs for the following services should be accounted for:-
  - o Special Education Needs advice and appeals
  - o advice on Exclusions and Admissions (including appeals)
  - o Employment Tribunal proceedings and advice
  - o non-school attendance prosecutions
  - o school complaints
- Greater clarity required on apportionment to ensure consistency across LEA's (e.g. legal, procurement, audit etc).

#### Governor support

LA statutory duties towards Governing Bodies. The Local Authority believes that there is a significant range of activities being provided in this respect and greater clarity would enable decisions to be made with regard to alternative delivery models.

#### General

The LA statutory role is enshrined in legislation - many pages of legislation therefore tinkering with one area has implications for other areas of spend

2 b) In addition to the methods set out in the case studies in Section 3.2, how else could local authorities fulfil statutory and regulatory duties more efficiently?

Comments:

- Shared procurements both across the Council and with other LAs. (Already carried out.)
- Shared audit service to reduce cost and improve resilience. (Already in place.)
- Council's could look at ways to charge schools for this work or do less of it or at a lower standard
- In respect of IT data links with schools, Capita software is dominant in the market place and LAs have little or no influence over software and maintenance charges.

Can DfE bring pressure to reduce charges made to LAs in a similar way that copyright licensing etc have been successfully reduced?

2 c) What level of saving is it possible for local authorities to make on statutory and regulatory duties? If cost pressures on statutory and regulatory duties have changed recently, please describe below.

Comments:

- Continuous savings are already sought in these areas and further savings will potentially destabilise services e.g. savings on IT systems to transfer data between schools and the LA would be at the expense of data integrity, there would be less frequent system upgrades and there would be limited managed User Acceptance Testing from Business users
- Cost pressures on customer contact from admissions due to pressure on school places.
- Increased volume of SEN cases and advice requiring Legal Services.
- No savings as the services have already been streamlined and reduced through other Government initiatives and reductions since 2010. The recent Children and Families Act places more responsibility on LA but has to date not provided any new burdens funding. Any changes to the current funding mechanisms will place the SEN reforms in jeopardy which are implemented from September 2014

2 d) Do you think that the Department needs to change its expectations of local authorities with regard to statutory and regulatory duties in order for savings to be realised? If so, how?

Yes
  No
  Not Sure

Comments:

Yes – if savings need to be made.

The Local Authority prides itself on the close working relationship with its schools, including their Governing Bodies. Service users rightly have high expectations of the level and quality of service they provide as this impacts on overall school performance and the amount of headteacher time tied up outside core education delivery. If the level of funding is to be reduced, the Department needs to recognise that this kind of delivery is unlikely to be sustainable and that what will result will be a bare minimum level of service which would impact on schools and governing bodies.

2 e) If your authority's expenditure is above the median (£48 per pupil) for this service, can you help us understand why this is?

Comments:

- Small LEA with a fixed set of responsibilities leads to low economies of scale.
- South East area is a high cost area.
- The Section 251 statement is a blunt instrument with flaws. Education spend is

considered every year and reviewed and reshaped to meet needs across schools. The recent budget years have created at best a stand still budget for schools whilst there have been increasing numbers of pupils to provide for from reduced LA resources.

2 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£6<sup>1</sup> to £28)?

Comments:

There are cost increases on centrally retained Schools Budget items, such as Admissions Services where due to the pressure on school places, more and more queries are having to be dealt with, including appeals. School Finance Regulations cap spend on this and other services to the amount agreed in the previous year meaning cost increases are falling on the LA. This restriction should be removed so that where agreed by the local Schools Forum, costs could be increased in response to demand.

We believe that the Council is well run and efficient but the small size and high cost area impact on unit costs. Making further cost reductions would put at risk the checks and balances in place that support schools in statutory duties and the proper management of their affairs through the delivery of appropriate levels of support.

### **Education welfare services**

3 a) Why do you think there is such significant variation in spending on education welfare?

Comments:

Every service is different and every area has its own set of demographics. Some areas provide solely a statutory service whilst others see the benefits of investing in early intervention and prevention.

It is also worth noting that some areas have not converted so heavily to academies and this will affect the commissioning.

In some areas schools are used to having and wish to continue to have their services delivered by the local authority. It is also important to recognise that services are designed around the service users and schools are more inclined to engage with services that are designed to meet the welfare needs of their pupils so that they can concentrate on the academic and curriculum elements.

Those areas with particularly high absence rates may wish to invest more, as the more you invest in education welfare services the less you may have to invest in alternative provision or alternative programmes to re-engage those who have fallen into a pattern of non attendance or those who have been excluded from school.

<sup>1</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

3 b) How do you think local authorities could provide this service more efficiently?

Comments:  
Authorities could ask for schools to contribute more funding to the running of education welfare services. It would also be more efficient if local authorities targeted attendance through earlier intervention however this requires a realistic level of staffing. This would require schools and EWS to look at attendance patterns of families and historical information to target those most at risk of poor attendance

3 c) What level of saving could your local authority make to education welfare? If cost pressures on education welfare have changed recently, please describe below.

Comments:  
NIL – The local authority has cut back on this service in the last decade, reducing staffing by 2/5; a significant reduction in a small service. More recently the authority has made further savings to this service and is currently operating a buyback service through a service level agreement with our schools. An income target has been set by the local authority and the SLA has to hit that target in order to maintain the staff already in the education welfare service

3 d) Is further clarification or guidance from the Department needed about our expectations in respect of education welfare services? If so, why?

Yes       No       Not Sure

Comments:  
We are very clear about what we need and should be doing to tackle attendance, Inclusion v Exclusion and supporting young people and their families to get the best possible outcomes from their education.

3 e) If your authority's expenditure is above the median (£14 per pupil) for this service, can you help us understand why this is?

Comments:  
The local authority has in the past had a significantly high number of permanent exclusions and this has resulted in services being developed to help schools prevent those exclusions. The impact of these additional services has resulted in a reduction in exclusions but it is early days and any significant cut to those services will at this stage risk the early intervention and prevention work that these services are currently undertaking.  
  
The EWS is supporting and working directly with families to address and turn around

poor attendance, using the legal process as a last resort.

3 f) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (£0 to £9)?

Comments:

The impact on the service would be detrimental to the support given to Bracknell Forest Schools. The Local Authority has worked hard in partnership with schools to improve attendance and reduce permanent exclusions. By reducing the budgets to run these services we are endangering the positive work that has been built up to improve and maintain good attendance as well as the work around inclusion.

There would also be an impact on other services, eg Children's Social Care, as any reduction to the attendance and inclusion services would reduce the ability to work in a multi agency approach with families.

3 g) Do you agree that the duties required for this service are fulfilled by local authorities, and therefore should be covered by the local authority retained duties funding (set out in Section 6)? If not, which aspects do academies hold responsibility for and should therefore be paid for by the standard ESG rate?

Agree

Disagree

Not sure

Comments:

We agree that the local authority should fulfil its duties to ensure that all children and young people access and regularly attend full time education. It is the responsibility of schools to monitor and put in strategies to a point, then the LA need to intervene to provide advice and work with families to prevent any deterioration in attendance.

Academies and maintained schools should be working at an earlier stage to identify patterns and address concerns whilst engaging with other agencies. The service currently supports all local schools to fulfil this obligation, this should continue.

However, to move these functions to LA retained duties will require an appropriate increase in the £5 per pupil funding rate which was set on the basis of survey results from 16 LAs and then using only the 5 lowest results, so it is unclear whether the current rate can be justified.

### Central support services

- 4 a) Are there any reasons why local authority expenditure on central support services could not be significantly reduced, if not stopped altogether? Please give details below.

Comments:  
BFC is a nil spend LA on this category. If we spent at the lowest 25% rate, costs would increase by £16,000.

- 4 b) If you do not think this could be stopped altogether, how much of a saving could local authorities make to these services? If cost pressures on central support services have changed recently, please describe below.

Comments:

- 4 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Not Sure
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Comments:

- 4 d) If your authority's expenditure is above the median (£6 per pupil) for this service, can you help us understand why this is?

Comments:

- 4 e) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£10 to £1)?

Comments:

## Asset management

5 a) Which services are your local authority funding under the 'Asset Management' heading?

Comments:

### Children's Services Department functions:

- Creation of an Asset Management Plan
- Contribute to creating the School Places Plan
- Planning for school places
- School Capacity Strategy
- Net Capacity Assessments of schools
- Suitability Surveys of schools
- Access Audits of schools
- Instructing on Landlord & Tenant issues
- Schools Property Manual
- Schools Environmental Management Report
- Training for schools
- Advice & guidance to schools on asset management
- Advice & guidance on schools devolved construction projects
- Education Capital Programme management, planning and commissioning of work and financial control
- Planned Works Programme management, planning and commissioning of work and financial control
- Buildings health and safety requirements

### Valuers

- Planning for additional school places requires land acquisitions and disposals. Ways of massing sites can be complicated and time consuming, particularly when linked to new housing developments.
- The time and cost of valuers appraising, negotiating and acquiring sites can be speculative and cannot be capitalised.

### Surveyors

- Compliance and assessing building condition reflects the duties LA are required to carryout.
- The LA retains its statutory responsibilities for compliance even if the schools may not always be aware of current regulations and responsibilities, therefore, the LA has to both monitor compliance and ensure they can provide technical support when required.

5 b) Could your local authority join up asset management relating to education with asset management across all local authority services, if this is not already happening?

Yes  No  Not Sure

Comments:  
Asset Management is already carried out in conjunction with all Council assets.

5 c) Are there reasons why local authority expenditure on asset management, under the standard ESG rate, could not be significantly reduced if not stopped altogether? If cost pressures on asset management have changed recently, please describe below.

Comments:  
We do not believe this could be stopped altogether without serious safety and buildings condition consequences and no capacity to plan for and deliver the additional school places required. Whether and to what extent it could be reduced depends on what is required to be delivered by LAs under asset management and school place planning. Essential support for schools would need to be ensured/continued and many schools, particularly smaller primary schools do not have the staffing resources to manage all of their asset management functions. If asset management is clearly defined and standardised across all LAs then a better picture of the resource implications and benchmarked costs for these could be established. At present our view is that because each LA is doing asset management differently, benchmarking costs has only limited meaning

5 d) If you do not think this could be stopped altogether, how much could local authorities save by delivering this service in a different way?

Comments:  
It is impossible at this stage to estimate any potential cost savings of any/all of the potential measures

5 e) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

Yes  No  Not Sure

Comments:  
We agree that expenditure should be aligned to meet the essential elements of asset management. These were at one time set out clearly by DfE but the current guidance on what constitutes essential work under asset management is not so clear. DfE should be clear about their expectation on LAs to deliver asset management for the education estate and then resources should be reviewed/re-aligned to these priorities. DfE is looking to standardise information about school places, building condition etc so a standard approach by all LAs would provide better management information and



potentially reduce central government costs e.g. over the condition surveys undertaken in addition to LA condition surveys required to justify allocation of Schools Capital Maintenance grant. It makes no sense to duplicate these surveys when a standard methodology could be prescribed and adopted by all LAs as was the case in 2000/01.

In addition, it is important to clarify exactly what the DfE expects LAs to do to deliver their place planning duties and statutory landlord functions.

5 f) If your authority's expenditure is above the median (£7 per pupil) for this service, can you help us understand why this is?

Comments:

- Significant pupil growth.
- Deteriorating building stock – compliance issues due to age of building.
- South East costs, building inflation.
- No economies of scale, small LA.
- Less competition amongst contractors as economy improves.

5 g) What would prevent your local authority from reducing costs to match the lowest spending 25% of local authorities (-£1<sup>2</sup> to £3)?

Comments:

- Significant pupil growth.
- Deteriorating building stock – compliance issues due to age of building.
- South East costs, building inflation.
- No economies of scale, small LA.
- Less competition amongst contractors as economy improves.

### Premature retirement costs/ redundancy costs (new provisions)

6 a) Are there any reasons why schools could not take financial responsibility for redundancies? Please give details below.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Not Sure
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Comments:

BFC is a nil spend LA on this category from 2014-15, although guidance from DfE could be improved to make clear that schools should fund all these costs.

<sup>2</sup> We do not know at this stage why this local authority has recorded a negative planned expenditure on this service and we will explore this during the consultation period.

- 6 b) If you are a local authority that is funding early retirement, why are you not requiring schools to do so?

Comments:

- 6 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

### Therapies and other health-related services

- 7 a) Given the high needs budget that local authorities have, and the improved joint working between health and education authorities which should result from the provisions within the Children and Families Bill, are there any reasons why funding for therapies and other health-related services should continue from ESG? If cost pressures on therapies and other health-related services have changed recently, please describe below.

Comments:  
BFC is a nil spend LA on this category.

- 7 b) Is there a need for further clarification or guidance from the Department about what local authorities are expected to provide in terms of therapies and other health-related services. If so, why?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Not Sure
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Comments:  
S251 guidance for line 2.0.1 clearly places an expectation that LAs fund costs not covered by the Health Sector. This needs to change if these costs can confidently be funded from the DSG.

- 7 c) If your authority's expenditure is above the median (£0 per pupil) for this service, can you help us understand why you are spending that amount and what prevents you from reducing your expenditure to £0?

Comments:

### Monitoring National Curriculum assessment

- 8 a) What level of savings could local authorities make to this service?

Comments:  
None

Although we could reduce the amount of monitoring the LA undertakes this would have a detrimental effect on our knowledge of schools and in ensuring that assessments are accurate and robust.

The LA could reduce the number of the team, many of who are from schools, and consequently the number of schools visited. This would save on the, quite small, Costs of teacher release. However, this would reduce capacity and make this statutory process reliant on a few staff who may move to other LA's or retire.

8 b) If cost pressures on monitoring national curriculum have changed recently, please describe below.

Comments:

The requirements of the STA in terms of LA audit of national curriculum assessments and the procedures for administering the tests have increased. This has meant that the LA has needed to increase the team of staff from schools, recently retired headteachers and LA officers to undertake the work

8 c) Is further clarification or guidance from the Department needed in order to have a clear set of expectations? If so, why?

Yes  No  Not Sure

Comments:

8 d) Given that some local authorities are charging for this service and not incurring any net expenditure, is this something your local authority could do? If not, please help us understand why.

Yes  No  Not Sure

Comments:

We believe that this is a coding error by those authorities who have indicated no net expenditure.

In order to maintain public credibility in the outcomes of national curriculum assessments and tests it is vital that there is rigorous scrutiny and inspection of procedures and processes. This is an aspect of the English educational system that is recognised as a cornerstone of secure accountability. It was not always the case but examples of deliberate cheating and falsification of pupils' test scores are now very rare indeed. There have been no such incidents in this LA due in part to the robust nature of our programme of unannounced visits to schools

**How the savings will affect academies**

9 a) What level of saving could your academy make by adopting some of the strategies we have set out in Section 5 of the consultation document?

Comments:

9 b) Can you provide any additional examples of methods that academies can use to increase value for money from the ESG funding?

Comments:

9 c) What would be the consequences of a less generous protection in 2015/16 for academies against losses in ESG than the protection offered in 2014/15?

Comments:

9 d) What would be the consequences of reducing the academies rate of ESG to the local authority rate in 2015/16?

Comments:

**The local authority retained duties funding**

10 a) What further savings could your local authority make from:

- i) education welfare services;
- ii) asset management; and
- iii) statutory and regulatory duties

As covered by the local authorities retained duties funding?

If cost pressures on the local authority retained duties have changed recently, please describe below.

Comments:  
No savings possible.

10 b) Is further clarification or guidance about these duties from the Department needed in order to have a clear set of expectations? If so, why?

Yes       No       Not Sure

Comments:

The original cost calculation of duties for these functions was completed on an unsatisfactory basis with little evidence to support the £15 per pupil ESG funding rate – the 5 lowest spending LAs from 16 responses. This needs to be reviewed.

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below.

<b>Please acknowledge this reply.</b>	√
E-mail address for acknowledgement: <a href="mailto:paul.clark@bracknell-forest.gov.uk">paul.clark@bracknell-forest.gov.uk</a>	

Here at the Department for Education we carry out our research on many different topics and consultations. As your views are valuable to us, please confirm below if you would be willing to be contacted again from time to time either for research or to send through consultation documents?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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All DfE public consultations are required to meet the Cabinet Office [Principles on Consultation](#)

The key Consultation Principles are:

- departments will follow a range of timescales rather than defaulting to a 12-week period, particularly where extensive engagement has occurred before
- departments will need to give more thought to how they engage with and use real discussion with affected parties and experts as well as the expertise of civil service learning to make well informed decisions
- departments should explain what responses they have received and how these have been used in formulating policy
- consultation should be 'digital by default', but other forms should be used where these are needed to reach the groups affected by a policy
- the principles of the Compact between government and the voluntary and community sector will continue to be respected.

If you have any comments on how DfE consultations are conducted, please contact Aileen Shaw, DfE Consultation Coordinator, tel: 0370 000 2288 / email: [aileen.shaw@education.gsi.gov.uk](mailto:aileen.shaw@education.gsi.gov.uk)

**Thank you for taking time to respond to this consultation.**

Completed responses should be sent to the address shown below by 19 June 2014

Unrestricted

Send by post to: Emily Barbour, Funding Policy Unit, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT

Send by e-mail to: [esg.CONULTATION.education.gsi.gov.uk](mailto:esg.CONULTATION.education.gsi.gov.uk)