



## **NOTICE OF MEETING**

### **Schools Forum**

**Thursday 9 March 2017, 4.30 pm**

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

**To: The Schools Forum**

#### **Schools Members:**

John Throssell, Primary School Governor (Vice-Chairman)  
Dr Keith Stapylton, Primary School Governors  
One Vacancy, Primary School Governor  
Brian Fries, Secondary School Governor  
One Vacancy, Secondary School Governor  
Liz Cole, Primary School Representative  
Karen Davis, Primary Head Representative  
Trudi Sammons, Primary School Representative  
Grant Strudley, Primary Head Representative  
Keith Grainger, Secondary Head Representative  
Debbie Smith, Secondary Head Representative  
One Vacancy, Academy Governor Representative  
Martin Gocke, Pupil Referral Unit Representative  
Anne Shillcock, Special Education Representative

#### **Non-Schools Members**

George Clement, Union Representative (Chairman)  
Michelle Tuddenham, PVI Provider Representative  
Dominic Asater, 14-19 Partnership Representative  
Vacant, Diocese Representative (Roman Catholic)  
One Vacancy, Diocese Representative (Church of England)

ALISON SANDERS  
Director of Corporate Services

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Published: 28 February 2017

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**AGENDA**

Page No

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

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

**2. Declarations of Interest**

Any Member with a Disclosable Pecuniary Interest or an Affected Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

**3. Minutes and Matters Arising**

To approve as a correct record the minutes of the meeting of 12 January 2017.

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**4. Proposals for the 2017-18 High Needs Block**

To receive the proposals from the Council for the 2017-18 High Needs Block element of the Schools Budget.

11 - 28

**5. Bracknell Forest Councils proposals for Early Years funding from April 2017**

To receive and agree the proposals for 2017-18 Early Years budgets, including the structure and values to be attributed to the Bracknell Forest Council Early Years Funding Formula (EYFF).

29 - 56

**6. Bracknell Forest Councils provisional response to Stage 2 of DfE Funding Consultation**

To receive the council's draft response to Stage 2 of the consultations issued by the Department for Education (DfE) relating to proposed changes to education and school funding.

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**7. Date of Future Meetings**

The next meeting is scheduled for 20 April 2017.



**SCHOOLS FORUM  
12 JANUARY 2017  
16:33 – 18:00**

**Present:**

**Schools' Members**

John Throssell, Primary School Governor (Vice-Chairman)  
Dr Keith Stapylton, Primary School Governors  
Karen Davis, Primary Head Representative  
Grant Strudley, Primary Head Representative  
Keith Grainger, Secondary Head Representative  
Debbie Smith, Secondary Head Representative  
Martin Gocke, Pupil Referral Unit Representative  
Anne Shillcock, Special Education Representative

**Academies' Members**

Beverley Stevens, Academy School Representative

**Non-Schools' Members:**

George Clement, Union Representative (Chairman)  
Michelle Tuddenham, PVI Provider Representative

**Apologies for absence were received from:**

Brian Fries, Secondary School Governor  
Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning

**42. Declarations of Interest**

Keith Stapylton, Governor at Great Hollands, expressed an interest in Item 6 as Great Hollands has a Resource Centre.

**43. Minutes and Matters Arising**

Item 36 – Bracknell and Wokingham College had been approached regarding the 14-19 Partnership Representative Vacancy, this was being taken to their Senior Leadership Team for discussion.

Item 41 – The post item note had been added to the minutes as an error had been identified on the Early Years consultation document that needed to be corrected before it was distributed to providers for comment.

RESOLVED that the minutes of the meeting held on the 8 December 2016 be approved and signed by the Chairman as a correct record.

**44. Proposals For The 2017-18 Schools Block Element Of The Schools Budget**

The Forum were presented with a report which updated them on school funding and sought comments on the final proposals from the Council to the 2017-18 Schools Block element of the Schools Budget.

Provisional funding information had been available at the Schools Forum meeting on the 8 December 2016 as it had been important to make some early decisions so that budget planning could be suitably progressed so that the council would be able to meet the DfE deadline of 20 January 2017 for Local Authorities to submit the actual Funding Formula and units of resource that would be used in 2017/18.

The key points that were discussed were:

- The cost of additional pupils would be £0.324m less than previously expected as the growth at the new Warfield Woodhurst site had been included twice
- Rather than applying funding for pupil characteristics data such as deprivation and low prior attainment measures based on the reduced numbers included on the DfE dataset, to ensure the most vulnerable pupils continued to receive priority funding, allocations would be increased by the same 2.5% increase as being experienced in the number of pupils on roll. This would amount to a cost of £0.108m.
- The national business rate revaluation had been concluded and the details of the charging and transitional funding arrangements had been confirmed which resulted in an additional cost pressure of £0.122m.
- The community use of sport centres at Edgbarrow and Sandhurst schools had been reviewed by the council and would be transferred to the schools which had resulted in a £0.015m saving.
- The costs incurred against de-delegated budgets have been reviewed and highlighted areas where additional funding was required. Both maternity leave absence and premature retirement costs were increasing and therefore budget additions of £0.015m and £0.010m respectively were proposed.
- In year growth allowances paid to schools was forecast to over spend by £0.1m in the current year with the forecast for next year calculated at a pressure of £0.129m.
- Centralised copyright licenses was also forecast to overspend by £0.004m in the current year, as these costs were based on pupil numbers the overspend in 2017/18 was forecast to further increase from additional pupils to £0.006m.
- The report indicated a budget shortfall of £0.180m that would need to be financed from a one-off allocation from the surplus balance on the Schools Budget.

**RESOLVED** that the Forum Members **AGREED** the following recommendations:

As decision maker:

1. that the arrangements in place for the administration of central government grants are appropriate (paragraph 6.29);
2. the budget amounts for each of the services centrally managed by the council and funded from the School Block DSG as set out in Annex 2 (paragraph 6.31);

**RESOLVED** that the Forum Members **AGREED** in its role as the representative body of schools and other providers of education and childcare, the Forum **REQUESTED** that the Executive Member **AGREE** the following decisions for the 2017-18 Schools Budget:

1. that the budget for Schools Block DSG is reset to £66.395m and other Schools Block related grants reset to anticipated 2017-18 amounts (paragraphs 6.7 and 6.25);

2. to maintain appropriate funding allocations for the most vulnerable pupils, relevant budget allocations are increased by 2.5%, the same increase as pupil numbers (paragraph 6.13);
3. the net £1.932m of budget adjustments are allocated to the budget areas set out in Table 1 as follows:
  - a. £1.280m into delegated school budgets (column 1);
  - b. £0.025m into 'de-delegated' school budgets (column 2);
  - c. £0.627m into centrally managed budgets (column 3);
4. the £0.180m shortfall in funding is financed by a one-off allocation from the general balances of the Schools Budget (paragraph 6.24);
5. that the DfE pro forma template of the 2017-18 BF Funding Formula for Schools as set out in Annex 3 be submitted for the 20 January deadline (paragraph 6.23).

**RESOLVED** that the Forum Members **NOTED**:

1. that proposals in respect of the Early Years and High Needs Block elements of the Schools Block will be presented to the Forum in March (paragraph 6.4).
2. the cost pressures that schools are likely to need to finance from within existing resources, estimated at around 2% (paragraph 6.26).

**45. Update On School And Education Funding**

The Forum were updated on the potential implications for the council and schools from Stage 2 of the consultations issued by the Department for Education (DfE) relating to proposed changes to education and school funding. Following the outcomes from the Stage 1 consultation, a number of key decisions had been taken by the DfE that allowed for illustrative financial implications to be issued to LAs and schools. However, some areas still require attention meaning most figures needed to be viewed with caution. The Stage 2 consultation would end on 22 March 2017. The illustrations had been based on 2016/17 data, when the changes would come into effect in 2018/19, so would be subject to updating, but the information provided was a good starting point.

The key proposals of the DfE consultation and been included in the report to Members and confirmed that in general there would be an increase in funds to BFC schools but that the Council faced a significant loss of income from the reforms, most notably from withdrawal of the Education Services Grant (£1.237m) and the new formula proposed to allocate funds for High Needs Pupils (£2.327m).

The Forum discussed these key points:

- The indicative funding allocations for schools through the SNFF would have been 5.1% higher in 2016/17 than the amount actually received through the current funding framework.
- Schools would not be able to move directly to SNFF. A transitional funding protection scheme would be put in place which would limit the overall increase to 3% in year 1, with BFC schools expected to receive an average increase in funding of 2.1%. Losses would be capped at 1.5% per pupil.
- Based on the current data, four of the smaller schools would face reductions. This was as a result of a reduced lump sum payment to schools through the SNFF and a higher proportion of funds being allocated through deprivation

and low prior attainment measures rather than basic per pupil funding amounts.

- There would be an on-going role for LAs in aspects of School Improvement with new grant funding until 2019, which was outside the scope of the DfE consultation.
- Further questions were being posed by the DfE consultation and a draft response from the Council, if one is to be made, would be reported to the Forum in March.
- BFC were responsible for setting school budgets for 2018-19. The DfE would allocate funds to LAs through the new National Funding Formula and each area would need to decide whether to continue for one more year to fund schools on their local Funding Formula, seek to mirror the National Funding Formula, or move somewhere in between. This would be the key process decision for 2018-19 school budgets.
- 2019-20 budgets would be allocated by the Education Funding Agency through the National Funding Formula with minimal LA involvement.

As a result of the Members questions, the following points were made:

- The same top up rate would apply if a school place was offered to a pupil with High Needs from outside of the Borough as for a BFC pupil.
- The table in Annex 2 of the report highlighted that it was the smaller schools that were receiving the smallest increases or reductions to their baseline. It was a concern that the smaller schools who faced budget pressures would be asking for loans for assistance.

**RESOLVED** that the Forum **NOTED** the proposals from the latest stage of national funding reform and the financial implications anticipated at this time using 2016-17 data, in particular:

1. The potential benefit to schools of an initial funding increase in year 1 of the SNFF of £1.422m, an average rise in per pupil funding of 2.2%
2. A cut in council funding of up to £4.082m comprising:
  - a. A confirmed cut in general council funding available to support schools of £1.237m
  - b. a potential cut in education specific grants of £2.845m

#### 46. **High Needs Block Review**

The Forum revived an update report on the High Needs Block Review. Executive endorsement to implement the recommendations within the attached High Needs Block funding (HNBF) review report would be sought.

There had been a comprehensive review taken place which had considered key areas and as a result the report contained 4 broad recommendations for the future:

1. Increasing strategic leadership by the school sector across the SEND system in Bracknell Forest
2. Strong co-ordinated local authority leadership for planning of places and funding and commissioning
3. Greater coherence to the SEND system designed with the child's need at the centre
4. A data-rich SEND system that understands the differences it is making through planning and commissioning.

As a result of the Member's questions the following points were made:

- The report was in the Executive system and would be going to the Executive Committee on the 14 March 2016.
- The Independent Chair of the Strategic group had not yet been identified.
- The introduction of the Strategic group had been approved by DMT and would be set up prior to the Executive decision.
- There were concerns that the report had taken longer than expected to be produced, the report has been delayed but is now in the Council decision making process cycle.
- The SEN Strategic group would discuss the utilisation of any savings as it is important that costs currently met from this funding stream are reduced.
- The former over spend on post 16 provision was now under control.

Martin Gocke, Pupil Referral Unit Representative raised the following points and concerns:

- The report was helpful going forward however it highlighted the lack of LA data, knowledge, strategy and partnership working.
- It would be helpful if an action plan for delivery could be produced with timelines and responsibilities assigned.
- There had been a similar report produced in January 2015 and RISE had been the only action implemented.
- There were issues surrounding Kennel Lane School high needs which were still unresolved.
- In 2014 there had been a Peer Review undertaken which had recommended alternative quality provisions, there had been no feedback and nothing had happened since then.
- Concerns were raised whether the draft report had been circulated to Head Teachers, as drafting errors had been identified.
- The staffing structure for College Hall on page 45 of the report was incorrect as there was double counting and had not taken into account the teaching and learning allowance payments.
- Anne Shillcock commented that this was the same for the Kennel Lane figures.
- On page 66 of the report the role of the Management Committee at College Hall seemed to be ignored. It gave the impression that the changes could be done to College Hall rather than involving and working with College Hall.
- Previously there had been challenging discussions which had not been progressed.
- Mr Gocke questioned the validity of the review given there was no needs analysis undertaken to inform the future direction of travel. He questioned the point in reviewing what was there.
- There were concerns that the table on page 62 was not the view of the Meadowvale Head Teacher. Ian Dixon confirmed that this would be something the Strategic Group would look at as if 4/5 pupils could be educated in mainstream schools. This would save approx. £75k.
- The outline action plan could be drafted and would be shared if approved by the Executive.
- The Strategic Group would be formed in March/April.

Keith Stapylton, Primary School Governors Representative raised the following points and concerns:

- The Partnership Groups need to know what is going on and be better informed.
- The Governors need to be more involved going forward.
- More reports and discussions were needed moving forward.
- There was a lack of data in the report. Kennel Lane data which showed good practice had been included, but more schools needed to be involved.

Ian Dixon emphasised that a communication plan would be put in place to maximise the exposure of the review.

The Forums involvement and role going forward was discussed. Forum Member's wished:

- To have an important role to assist in achieving the outcomes of the report.
- Monitor and review the report and outcomes going forward, as Members felt that not enough time had been spent on this aspect of their work.
- Members wanted a more active role going forward including bringing items forward that they wished to go on the agenda.

Officers welcomed a more active approach from the Forum going forward. It was thought that the Strategic group would provide governance and drive the review work going forward but that did not preclude the Schools Forum being involved.

#### 47. **Local Authority Budget Proposals for 2017/18 - Tabled Report**

As part of the council's consultation process the Forum was presented with a report on the local authority budget proposals for 2017/18. At the time of the report the Provisional Local Government Financial Settlement had not been announced. As the Council had accepted the Government offer of a 4 year funding settlement in September 2016 it was anticipated that funding would be inline with the indicative 2017/18 figures received on 8 February 2016. David Watkins, Chief Officer, Children, Young People and Learning (CYPL) advised members that the report set out the overall financial arrangements and proposals for next year and that comments were sought in particular on the proposed changes for CYPL in respect of the revenue budget and capital programme.

The Forum was reminded that they were consulted yearly and the report was part of the formal consultation process. Any comments submitted would be fed to the Executive on the 14 February 2017 and Full Council on the 1 March 2017.

The Council had a legal obligation to set a balanced budget and this had been done through identifying the known commitments, service pressures and efficiency savings. In the face of significant reductions in grants to Local Authorities, a Transformation Board had been set up in October 2015 to develop and deliver a programme of work which would review the focus and delivery of services across the Council as one of the mechanisms to find savings to close the £26m budget gap in the medium term financial strategy.

There was a budget gap of approximately £5m in 2017/18 financial year, Elected members would be asked to adopt all or any of the proposed approaches in order to bridge the gap. These included:

- An increase in Council Tax
- An appropriate contribution from the council's revenue reserves.



- Identifying further expenditure reductions.

Members commented that they looked forward to playing an active roll in the next 12/18 months in assisting CYPL in the cost savings for the next financial year.

David Watkins, welcomed a more active roll from the Forum going forward.

**RESOLVED** that the Schools Forum comment on the 2017/18 budget proposals of the Executive for Children, Young People and Learning Department in respect of:

- 1) The revenue budget (Annexes B and C), and
- 2) The capital programme (Annex D)

48. **Dates of Future Meetings**

The Forum noted that future meetings would be held on the following dates:

9 March 2017  
20 April 2017  
22 June 2017  
13 July 2017  
14 September 2017  
19 October 2017  
7 December 2017  
18 January 2018  
22 March 2018  
19 April 2018

**CHAIRMAN**

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TO: SCHOOLS FORUM  
DATE: 9 MARCH 2017

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**PROPOSALS FOR THE 2017-18  
HIGH NEEDS BLOCK ELEMENTS OF THE SCHOOLS BUDGET  
Director of Children, Young People and Learning**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek comments from the Schools Forum on proposals from the Council for the 2017-18 High Needs Block element of the Schools Budget. There are also a small number of decisions for the Forum to consider in line with the statutory funding framework.
- 1.2 Comments are being sought so that these can to be presented to the Executive Member on 14 March when a formal decision on these matters is planned to be taken.

**2 RECOMMENDATIONS**

**That the Forum AGREES:**

- 2.1 **That the Executive Member sets the total initial Dedicated Schools Grant funded budget at £14.669m, it incorporates the changes set out in the supporting information and Annex 2, and relevant budgets are therefore updated to those summarised in Annex 3.**
- 2.2 **In its role of statutory decision maker, that there are appropriate arrangements in place for:**
1. **The education of pupils with SEN (paragraph 5.32), and**
  2. **The use of pupil referral units and the education of children otherwise than at school (paragraph 5.32).**
- 2.3 **The revised 2016-17 and provisional 2017-18 budgets for the Autistic Spectrum Disorder Special Educational Needs Unit at the Rise@GHC (paragraph 5.28 and Annex 1).**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the 2017-18 High Needs Budget is set in accordance with the funding framework, the views of the Schools Forum and the anticipated level of resources.

**4 ALTERNATIVE OPTIONS CONSIDERED**

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

## 5 SUPPORTING INFORMATION

### Background

- 5.1 This report presents proposals on the High Needs Block (HNB) element of the Dedicated Schools Grant (DSG) that supports pupils with special educational needs and disabilities (SEND) and is intended to fund a continuum of provision for relevant pupils and students from 0-24.
- 5.2 The Department for Education (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 consistently 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 budget for providers to deliver additional support for high needs pupils or students with additional needs of up to £6,000.  
Specialist and Alternative Providers (AP), such as special schools and Pupil Referral Units (PRUs) only cater for high needs pupils and therefore receive a minimum £10,000 (Element 1 funding plus Element 2) per agreed place.
  - 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. This element is paid to all provider types, for pupils with assessed needs above the £10,000 threshold.
- 5.3 Additionally, HNB DSG is also intended to be used where high needs provisions are not arranged in the form of places e.g. specialist support for pupils with sensory impairments, or tuition for pupils not able to attend schools etc.
- 5.4 The statutory regulatory framework also requires the Council to consult with the Schools Forum each year relating to the arrangements proposed to be put in place to meet various Schools Budget functions and where relevant, this is also included within the report.

### DfE Reforms

- 5.5 The Forum has previously received an update on DfE funding proposals in respect of NHB services which reported that a new national funding formula is expected to be introduced from April 2018, comprising the following elements and weightings for funds distribution, together with the indicative proportions for BFC:

Table 1: Proposed weightings for the HNB National funding Formula

Formula Factor	Amount £m	National Weighting %	BFC Weighting %
1. Pupils and students in SEN institutions at £4,000 each	£470	8.48%	6.92%
2. Historic spend	£2,500	45.08%	55.14%
3. Population	£1,250	22.54%	24.13%
4. Deprivation: FSM	£250	4.51%	2.52%
5. Deprivation: IDACI	£250	4.51%	0.77%
6. Low attainment: KS2	£188	3.39%	2.63%
7. Low attainment: KS4	£188	3.39%	2.43%
8. Children in bad health	£188	3.39%	2.22%
9. Disability Living Allowance	£188	3.39%	3.08%
10. Historic Hospital Education spend	£73	1.32%	0.15%
<b>Total</b>	<b>£5,545</b>	<b>100.00%</b>	<b>100.00%</b>

5.6 In addition to the main factors in Table 1, there will be further adjustments to each LAs HNB funding:

1. an area cost adjustment will be applied where relevant (7% uplift for BFC) to all factors other than historic spend as this will already reflect local cost variations.
2. an import / export adjustment so those LAs sending out more pupils to other LAs lose £6,000 per pupil funding to reflect the requirement of the resident LA to finance place funding in the SEN institutions in their area to be added to the £4,000 per pupil / student funding included in the main formula to achieve the £10,000 place funding cost.
3. and a funding floor adjustment to add the cash amount difference where the normal operation of the HNB formula results in a lower allocation than current spending. This ensures no LA receive less funds than at present. Having the floor in place will limit increases in funding to 3% in 2018-19 and 2019-20 to those LAs gaining from the new arrangements.

5.7 The initial illustrative funding information provided by the DfE with the Stage 2 consultation indicates that should the proposed National Formula be introduced, this will result in a £2.327m funding reduction for BFC. However, the proposed funding floor adjustment set out above in paragraph 5.6 (3) would ensure no reduction in cash funding and is therefore the essential element of the proposals from a BFC perspective.

5.8 For 2017-18, the DfE are making a small number of changes to the funding arrangements and these are set out below in the following section.

Provisional estimate of High Needs Block DSG income

Overview of DSG allocation process

- 5.9 The allocation of High Needs Block DSG income is the most complex part of the DSG. A separate calculation is made for each LA, initially set at the level of budget individual LAs planned to spend on high needs pupils in 2012-13, the year prior to the most recent funding reforms. The Education Funding Agency (EFA) then deduct £10,000 per place funding from each individual LAs total amount to purchase directly from providers all places in academies and non-maintained special schools, and those for post-16 students only in maintained schools and special schools. From the remaining DSG, each LA then funds all the places required in its own maintained schools and special schools for use by any LA, places for their own students in Independent Special Schools as these establishments are not directly funded for places by the EFA, and any Element 3 "top up" payments above the £10,000 funding threshold due for BF resident students to all providers.
- 5.10 In terms of the number of places that the EFA will directly fund and therefore deduct from each LAs HNB DSG, these have been rolled forward from the 2016-17 numbers with LAs able to request changes at the relevant institutions in exceptional circumstances following bids. The relevant amount of funding deduction is then set for the academic year irrespective of whether the places are actually taken up.
- 5.11 Where the EFA agrees to purchase an increased number of SEN places for an LA, then their retained HNB DSG is reduced accordingly. Similarly, if less places are funded directly by the EFA, there is an increase in the retained HNB DSG. There is no additional money from this process, rather an adjustment to the amount of DSG retained by LAs to prioritise to other HNB pressures, in consultation with their Schools Forum. There is a change to some aspects of post-16 place funding that is further explained below in paragraphs 5.20 to 5.22.
- 5.12 This approach to place funding, whilst providing a degree at funding stability for providers can result in poor value for money for LAs if the actual number of places required in each relevant institution is lower than the number being funded by the EFA. This was identified as a concern in the independent review of HNB report presented to the Forum at the last meeting as some institutions are funded for more places than the number of students on roll. BFC has requested a reduction to funded places in one institution for which the outcomes from the EFA place review are still awaited.
- 5.13 As well as Element 3 "top ups", the DSG can also be used to purchase additional places at providers, above the number purchased by the EFA. To reduce the potential of the EFA purchasing more pre-16 external places than required through the deduction to the BFC HNB DSG, the strategy of the council is to minimise the deduction to DSG for EFA funded places and use the resultant higher level of DSG to purchase extra places, but only when they are actually needed. Therefore, where the indicated number of places deduction is at or below the number required, it is accepted, and should actual places exceed the funded level, this is managed through the purchase of additional places by way of direct negotiation with providers. Where EFA deducts more places than required, a request for a reduction is made. This approach maximises funding flexibility for the LA.
- 5.14 The place funding for specialist post-16 institutions and non-maintained special schools is not currently included in the DSG HNB as the EFA allocate this funding directly to providers based on the number of children and young people attending, without reference to LAs.

- 5.15 The management of pre-16 place funding for PRUs and other AP providers, maintained schools with SEN Resource Units and maintained special schools are for the resident LA to determine. There is no decision making or other involvement of the EFA in the allocation of place funding to these institutions. LAs are free to change the numbers as required.

Changes for 2017-18

- 5.16 As part of preparations for the implementation of the funding reforms at April 2018, the DfE has been liaising with LAs to re-base budgets to ensure that each DSG funding block – Schools Block (SB), Early Years Block (EYB) and HNB - is set to the amount being spent and not the allocation from the DfE. This is required to ensure sufficient funding is available in each Block as in future there will be a ring-fence in place that will prevent LAs from moving money to reflect changing circumstances and priorities.
- 5.17 Members of the Schools Forum will be aware that from 2015-16, there has been a need to transfer £2.093m from the Schools Block to the HNB to meet unavoidable cost commitments. The DfE has now made this transfer permanent through the baselining exercise.
- 5.18 In considering the amount of baseline funding required in the EYB, there are a number of budgets that support children with HN that could be funded from either the EYB or the HNB. Evaluation of the potential impact of these aspects of DfE funding reforms, which was in advance of the publication of any financial information, indicated that maximising spend in the HNB was the best approach to take. This would lower the EYB baseline by £0.345m with a corresponding increase in the HNB, but with additional funding to be allocated to EY and taking account of the likelihood that HNB budgets would be protected to at least current cash levels, this was considered the best tactic to maximise overall future income.
- 5.19 There are 3 budgets transferring from EYB to HNB, although there is no change to operational arrangements:
1. Children's Development Centre (formerly Margaret Wells Furby). £0.166m.
  2. Special Educational Needs Co-ordinators. £0.148m
  3. General Support Services. £0.031m.
- 5.20 There is one main change to funding responsibilities for 2017-18. The DfE are transferring £125m of their Departmental post-16 budget that is currently outside the DSG into the HNB baseline. The transfer relates to place funding for high needs places in further education (FE) and post-16 charitable and commercial providers (CCP). These institutions currently receive £6,000 per place from the EFA as part of their post-16 allocations. With 43 places on the EFA transfer schedule, the HNB DSG will increase by £0.258m.
- 5.21 In future, deductions will be made from the increased LA HNB DSG for the EFA to continue funding institutions directly. The number of places to be funded will be determined from information to be collected from LAs. This change results in LAs having to manage any growth in places from within the HNB DSG rather than being managed by the EFA.
- 5.22 At this stage it is expected that the LA will take the same approach on funding these places as in other institutions, so will accept the funding transfer and an equivalent

Unrestricted

amount of EFA deduction of £0.258m for EFA directly funded places, making additional purchases only if required. Therefore, the initial budget proposals assume there will be no direct financial impact from this change.

- 5.23 As in previous years, the EFA has identified additional resources to be allocated into the HNB DSG. For 2017-18 there is £130m to allocate, an increase of £38m on the £92m available in 2016-17. This has been allocated to LAs based on population estimates of 2-18 year olds and results in BFC receiving £0.329m.
- 5.24 On the basis of this information, the EFA has calculated an initial 2017-18 High Needs Block allocation for BF of £14.669m, an increase of £0.674m on the current budget, although £0.345m will be needed to fund the costs transferred from the EYB through the baselining exercise, meaning a real increase in spending power of £0.329m. A summary of the DSG changes is set out in Table 2 below. The 2016-17 allocation is also shown for context:

Table 2: High Needs Block DSG calculation

Para Ref for changes	Item	2016-17 Actual £m	2017-18 Provisional £m
	Base funding	12.648	12.648
	Baselining exercise agreed by DfE:		
5.17	Transfer from Schools Block	2.093	2.093
5.18	Transfer from Early Years Block	n/a	0.345
	<b>Initial HNB DSG</b>	<b>14.741</b>	<b>15.086</b>
	Deduction for EFA direct funded places – existing institutions	-0.746	-0.746
5.22	Deduction for EFA direct funded places – new institutions i.e. CCP and FE places	n/a	-0.258
	<b>HNB DSG after places deduction</b>	<b>13.995</b>	<b>14.082</b>
	<b>2016-17 agreed base budget</b>	<b>13.995</b>	
5.20	Funding for places in new institutions i.e. CCP and FE places		0.258
	Share of £130m growth – based on 2-18 year olds population projections		0.329
	<b>Initial NHB DSG</b>		<b>14.669</b>
	<b>Increase to current budget</b>		<b>0.674</b>

- 5.25 As the final High Needs Block DSG will not be confirmed until the end of March, there is the possibility of adjustment to the places deduction. Should the final funding



allocation be significantly different from the £14.669m current on-going High Needs budget amount, revised proposals can be considered in-year.

- 5.26 To the £14.669m estimated HNB DSG can be added the £0.500m post-16 places grant paid by the EFA for Kennel Lane Special School, making a total gross budget after EFA places deduction of £15.169m.

*Update on budget requirement for Autistic Spectrum Disorder Unit: Rise@GHC*

- 5.27 The Forum has previously supported funding for the development of a 56 place Autistic Spectrum Disorder (ASD) pupil facility by converting the vacant building on Eastern Road through use of DfE capital grants with phased opening taking place from September 2015. The facility – Rise@GHC – is being managed by Garth Hill College with the funding model anticipating annual savings when fully open of around £0.468m on placement fees from 35 BF resident students, with additional placements being made, and paid for, by other LAs.
- 5.28 The LA has been in close contact with Garth Hill College in respect of the changing financial model with the latest projections shown at Annex 1. Taking account of these discussions, and a revised pattern of placements, the original budget plan needs to be amended which now indicates when fully open a saving of £0.397m can be achieved (column J, line 34 of Annex 1). The Forum is requested to agree the revised long term funding model at Annex 1, and in particular to note the initial budget allocation for 2017-18 (column E of Annex 1), including the draw down of £0.093m (column E, line 30 of Annex 1) from the SEN Resource Units Reserve and the revised plan for 2016-17 (column D of Annex 1).

*Update on current year budget performance*

- 5.29 Budget monitoring information as at the end of December indicates good progress continues to be made in managing down expenditure on high needs budgets, with a forecast saving of £0.633m. Other centrally managed budgets in the Schools Budget are anticipated to over spend by £0.009m, making an aggregate forecast under spending of £0.624m. Taking account of the brought forward surplus on the Schools Budget Unallocated Reserve, the in-year transfers to other specific reserves previously agreed, and the in-year surplus currently being forecast, this indicates a net surplus of £1.204m which is £0.544m above the minimum prudential level required by the Borough Treasurer to manage unforeseen circumstances.

*Proposed use of funding*

- 5.30 The Forum are aware that the independent review of HNB budgets has now reported outcomes and recommendations for change which are progressing through the council's decision making process. This is expected to approve the recommendations are formally discussed with stakeholders prior to detailed decisions on implementation. This process is projected to continue throughout the year in tandem with Children's Services transformation and therefore, at this stage, is not sufficiently advanced to include any proposals for change in the initial 2017-18 budget. However, should potential changes be possible this year, they will be presented to the Forum for a view before relevant budgets are updated.
- 5.31 Therefore, in calculating and planning the required level of budget for next year, the SEN Team, supported by Finance, has reviewed all High Needs budgets. As expected from services that are volatile and high cost in nature, a number of changes are proposed to ensure budgets are set at the level of future forecast expenditure needs,

thereby aiding effective monitoring. Annex 2 sets out the proposed changes that the Forum is recommended to agree. It only shows services where budgets are proposed to be changed, and for context and background, the budgets that are forecasting variances in the current year. The key proposed changes and assumptions are:

- 1 Kennel Lane Special School: Based on current pupil profile, a £0.059m saving will be achieved from lower cost Element 3 top up payments. £0.040m is proposed to be added to support an Early Opportunities pilot scheme to assess additional needs of under 5s.
- 2 Maintained schools and academies: the recent trend on these budgets is for increased cost pressures with a £0.164m forecast over spending in 2016-17. This is expected to increase to a pressure of around £0.235m in 2017-18. There is a further growth requirement for diseconomy funding for Rise@GHC of £0.192m which is set out in more detail in Annex 1. There is also a proposal to set aside £0.067m in the SEN Resource Unit Reserve to contribute to the diseconomies that will be experienced when the new SEN Unit opens at Binfield Learning Village. This is the approach that was adopted for the initial funding of the Rise@GHC.
- 3 Non-Maintained Special Schools and Colleges: this is the most significant budget being managed in the HNB, amounting to nearly £6m in 2016-17. The budget requirement calculation has been undertaken on the same overall basis as in previous years, with the most significant changes arising from:
  - a. Rolling forward current placement costs to August 2017 (for the final term of academic year 2017-18) and assuming the same pupil and student numbers through to the end of March 2018, using the average placement cost over the last 2 years. This shows a saving of £0.872m on the current base budget and compares to a £0.7m under spend currently being forecast for 2016-17.
  - b. Pre-16 pupil numbers are now considered to have been reduced to the ongoing level to be expected over the medium term – circa 40 fte compared to circa 60 fte up to 2014-15. Therefore, no specific adjustment for this age group have been made.
  - c. For 16 and 17 year olds, numbers have remained stable at around 40 fte for the last 3 years, so again, no specific changes have been made to this age group.
  - d. For 18 and 19 year olds, this is where the largest increase has been experienced as more young people seek to extend their education with an average increase of 13 fte in each of the last 2 years. A similar increase has been included for 2017-18 at £0.320m.
  - e. A general allowance for 5 fte extra placements to reflect changes that happen at short notice at a forecast cost of £0.153m.
  - f. The increase in students is expected to require the purchase of additional Element 2 place funding of £0.004m at post 16 providers as the council is not proposing to change the number of places to be directly funded at relevant institutions through the EFA deductions process as this can result in the purchase of places that are not needed (see paragraphs 5.10 to 5.12 above).

A provision for 15 extra payments from September 2017 has been included at £0.056m. This relates to items d. and e. above.

- g. A 1.5% provision for provider inflationary cost increases at £0.084m.

- 4 Education out of school: A number of cost pressures are being experienced, most notably a reduction in permanent pupil exclusions has meant the historic income receipts from schools of around £0.05m is not being achieved, creating a budget shortfall. There have also been a small number of placements required outside of College Hall PRU, most notably for primary pupils. Overall, the budget proposals include growth of 0.113m.
- 5 Other SEN Support Services: the proposed £0.029m budget increase mainly reflects the extra committed costs for pupils with additional education support needs for medical reasons.

- 5.32 The Forum is therefore recommended to agree this approach to setting the High Needs Block related budgets to the Executive Member and also confirm that as a consequence, appropriate arrangements are in place for the education of pupils with SEN and use of pupil referral units and the education of children otherwise than at school. Annex 3 identifies the resultant breakdown of the High Needs Block budget if the proposals in this report are agreed.

#### Next steps

- 5.33 The views of, and decisions taken by the Schools Forum at this meeting are expected to be adopted by the Executive Member in making final decisions for the 2017-18 Schools Budget on 14 March 2017.

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

### Borough Solicitor

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

### Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information with proposals affordable within the anticipated level of funds. However, with the amount of High Needs Block DSG yet to be confirmed, there remains the potential for receiving less funds than anticipated. If a funding shortfall does materialise, it will need to be dealt with in-year through the introduction of a programme of in-year savings or short term use of accumulated balances.

### Equalities Impact Assessment

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

Strategic Risk Management Issues

- 6.4 The funding reforms, tight financial settlement and the demographic growth and legislative pressures present a number of strategic risks, most significantly:
1. Insufficient funding to cover increases in the required number of high needs places.
  2. Price increases by providers.
  3. The ability of the market to absorb an increasing number of high needs pupils.
- 6.5 Based on current information, the budget proposals are considered appropriate, however, if cost increases are experienced, savings will be sought in year across the whole Schools Budget.

**7 CONSULTATION**

Principal Groups Consulted

- 7.1 None.

Background Papers

None.

Contact for further information

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Doc. Ref

G:\Executive\Schools Forum\81) 090317\Forum 2017-18 Schools Budget Preparations - HN Block.docx

## Funding Model for Rise@GHC as at March 2017

Ref	Costed at 2017-18 outturn prices	January to	Sept 2015 to	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2021-22
		August 2015	March 2016	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2021-22
		A	B	C	D	E	F	G	H	I	J
		Final	Final	Original	Final	Estimate	Estimate	Estimate	Estimate	Estimate	Original
<b>Places and staffing - academic year data:</b>											
1	<b>Projected Maximum No. of Learners</b>	0	8	16	16	24	32	40	48	56	56
2	BFC resident	0	6	11	11	12	17	22	27	32	36
3	Other LA resident	0	2	4	5	9	11	13	14	15	11
4	Vacancy	0	0	1	0	3	4	5	7	9	9
5	Number occupied places in costing model	0	8	15	16	21	28	35	41	47	47
6	Occupancy rate	0%	100%	94%	100%	88%	88%	88%	85%	84%	84%
7	Total No. of Teaching Staff (fte) (headcount)	1.00	3.00	4.00	4.80	6.80	7.80	9.80	9.80	9.80	10.00
8	Total No. of Learning Support Staff (fte) (headcount)	0.00	3.00	5.00	3.82	5.55	7.27	8.13	8.13	8.13	9.00
9	Total No. of Ancillary Support Staff (headcount)	0.00	3.00	4.00	2.73	3.19	3.19	3.19	3.19	3.19	5.00
10	Total all staff (fte) (headcount)	1.00	9.00	13.00	11.35	15.54	18.26	21.13	21.13	21.13	24.00
<b>Financials - financial year data:</b>											
11	Staffing	£36,400	£190,700	£391,800	£389,400	£557,400	£678,000	£788,600	£839,200	£838,800	£841,460
12	Premises	£0	£83,800	£144,700	£147,000	£145,500	£142,500	£142,500	£142,500	£142,500	£138,500
13	Supplies & Services	£10,900	£36,200	£74,300	£75,400	£85,600	£100,600	£123,040	£137,500	£147,660	£147,660
14	Transport	£250	£7,100	£12,250	£12,250	£12,250	£12,250	£12,250	£12,250	£12,250	£12,250
15	Contingency at underlying 2.5%	£1,500	£22,500	£0	£0	£41,600	£23,400	£26,600	£28,300	£28,500	£28,500
16	Total Income	£0	£700	£1,800	£1,900	£2,800	£3,850	£4,800	£5,750	£6,650	£6,650
17	<b>EXPENDITURE AT SCHOOL</b>	<b>£49,050</b>	<b>£339,600</b>	<b>£621,250</b>	<b>£622,150</b>	<b>£839,550</b>	<b>£952,900</b>	<b>£1,088,190</b>	<b>£1,154,000</b>	<b>£1,163,060</b>	<b>£1,161,720</b>
18	Income from other LA pupils @ £26,750	£0	-£35,000	-£87,500	-£97,200	-£196,100	-£271,900	-£325,500	-£363,400	-£390,100	-£283,000
19	<b>NET EXPENDITURE AT SCHOOL</b>	<b>£49,050</b>	<b>£304,600</b>	<b>£533,750</b>	<b>£524,950</b>	<b>£643,450</b>	<b>£681,000</b>	<b>£762,690</b>	<b>£790,600</b>	<b>£772,960</b>	<b>£878,720</b>
20	<b>CENTRALLY FUNDED SPECIALIST THERAPIES (BF STUDENTS ONLY)</b>		<b>£20,100</b>	<b>£22,100</b>	<b>£22,100</b>	<b>£23,900</b>	<b>£30,900</b>	<b>£41,100</b>	<b>£51,500</b>	<b>£61,700</b>	<b>£70,000</b>
21	Fee premium from Other LAs of £3,000 per place for 6 years		£0	-£7,000	-£10,800	-£22,100	-£30,600	-£36,600	-£40,800	-£17,500	-£12,500
22	<b>NET TOTAL COST TO BFC</b>	<b>£49,050</b>	<b>£324,700</b>	<b>£548,850</b>	<b>£536,250</b>	<b>£645,250</b>	<b>£681,300</b>	<b>£767,190</b>	<b>£801,300</b>	<b>£817,160</b>	<b>£936,220</b>

Unrestricted

Ref	Costed at 2017-18 outturn prices	January to	Sept 2015 to	2016-17	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2021-22
		August 2015	March 2016	C	D	E	F	G	H	I	J
		A	B	Original	Final	Estimate	Estimate	Estimate	Estimate	Estimate	Original
		Final	Final								
<b>Financials - financial year data:</b>											
<b>Income and charging</b>											
23	Cost of provision (financial year) (lines 17 and 20)	£408,750		£643,350	£644,250	£863,450	£983,800	£1,129,290	£1,205,500	£1,224,760	£1,231,720
24	Net cost per place for LAs to fund (place plus therapies)	£88,000		£54,000	£51,000	£46,000	£40,000	£36,000	£32,000	£28,000	£28,000
25	Estimated impact of 4 to 5 BFC non-LEA leavers @ £41,400	-£144,900		-£369,200	-£369,200	-£552,000	-£717,600	-£883,200	-£1,048,800	-£1,214,400	-£1,404,200
26	Estimated income from OLAs: (lines 18 and 21)	-£35,000		-£94,500	-£108,000	-£218,200	-£302,500	-£362,100	-£404,200	-£407,600	-£295,500
27	Estimated saving / income from OLA (lines 25 and 26)	-£179,900		-£463,700	-£477,200	-£770,200	-£1,020,100	-£1,245,300	-£1,453,000	-£1,622,000	-£1,699,700
28	Net additional cost(+) / saving(-) (lines 23 and 27)	£228,850		£179,650	£167,050	£93,250	-£36,300	-£116,010	-£247,500	-£397,240	-£467,980
29	Cummulative change	£228,850		£405,000	£387,700	£471,250	£422,150	£290,940	£26,440	-£389,000	-£323,955
30	Estimated draw down from SEN Unit Reserve (line 28)	£228,850		£179,650	£167,050	£93,250	£0	£0	£0	£489,150	£555,510
31	Total available in SEN Resource Unit Reserve	-£489,784	-£55,000	-£55,000	-£55,000					-£599,784	-£599,784
32	Estimated remaining balance in SEN Resource Unit Reserve									-£110,634	-£44,274
33	Estimated on-going saving - annual change					-£36,000	-£80,000	-£132,000	-£149,000		-£198,000
34	Estimated on-going saving - cumulative					-£36,000	-£116,000	-£248,000	-£397,000		-£468,000

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## Detailed changes proposed to the 2016-17 High Needs Budgets

Ref	Budget Area	2016-17 Current Budget  £	2016-17 forecast variance (December)  £	Proposed Budget Change			Provisional 2017-18 Budget  £	Summary comment on proposed budget change
				Baseline Adjustment: Early Years  £	Specialist Placements and top ups (Element 3)  £	Other budgets  £		

**Funds Delegated to Special School**

1	Kennel Lane Special School - original budget (BFC responsibility only)	3,682,820	0	0	-59,000	0	3,623,820	Current estimate is for initial budget requirement of £3.624m. Includes 185 purchased places and funding for anticipated BFC resident pupil top up payments.
2	Kennel Lane Special School - in-year budget changes (BFC responsibility only)	88,000	-76,000	0	0	0	88,000	
3	Kennel Lane Special School - Early Opportunities Nursery Pilot Scheme	0	7,000	0	40,000	0	40,000	There are 4 pupils in the KLS nursery as part of an Early Opportunities assessment pilot scheme, with funding of £0.005m per annum. The intention is to roll out the programme with estimated numbers of: Summer Term 2017 at 4 for £0.007m, Autumn Term and Spring term at 10 for £0.033m.

<b>Total Funds Delegated to Special School</b>	<b>-69,000</b>	<b>0</b>	<b>-19,000</b>	<b>0</b>	
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Unrestricted

Ref	Budget Area	2016-17 Current Budget  £	2016-17 forecast variance (December)  £	Proposed Budget Change			Provisional 2017-18 Budget  £	Summary comment on proposed budget change
				Baseline Adjustment: Early Years  £	Specialist Placements and top ups (Element 3)  £	Other budgets  £		

**Maintained Schools & Academies**

4	BF SEN Resource Unit Reserve	55,000	0	0	0	67,190	122,190	Contribution to earmarked Reserve to finance diseconomy costs at new SEN Resource Units. Growth amount represents the balance of funds after setting other budgets. It is intended to support the SEN Resource provision at Binfield Learning Village in a similar way to Rise@GHC.
5	BF Secondary School SEN Resource Unit	357,900	0	0	192,300	0	550,200	Reflects anticipated £0.643m cost of the Unit, as set out in Annex 1 (column E, line 19, less current budget of £0.357m), excluding £0.093m contribution from SEN Resource Unit Reserve (column E, line 30 of Annex 1) which is in addition to this DSG funded budget.
24 6	BF Secondary School SEN Resource Unit - Premium fee rate	-10,800	0	0	-11,300	0	-22,100	Additional income from other LAs as a contribution to diseconomy costs at the Rise@GHC. See column E, line 21 of Annex 1.
7	BF Primary Resource Units	344,050	-2,000	0	0	0	344,050	Includes cost of places and top ups in BF SEN Resource Units.
8	BF mainstream schools - Element 3 top up payments	688,000	64,000	0	100,000	0	788,000	Reflects current spend, plus allowance for additional payments, based on recent trend.
9	BF mainstream schools - Element 3 short term interventions	5,000	10,000	0	20,000	0	25,000	To prevent exclusions. Generally high cost. Current commitment to continue into 2017-18 plus allowance for 1 more mid-range cost placement.
10	Non BF schools - Element 3 top ups	867,000	77,000	0	100,000	0	967,000	Reflects current spend, plus allowance for additional payments, based on recent trend.
11	BF Early Years - Element 3 top up payments	0	15,000	0	15,000	0	15,000	Reflects current spend, which is anticipated to remain fairly stable.
12	BF mainstream schools – top up to schools with disproportionate number of HN pupils	100,000	-20,000	0	0	0	100,000	
13	BF specialist providers - financial difficulty support	14,470	-14,000	0	0	0	14,470	

<b>Total Maintained Schools &amp; Academies</b>	<b>130,000</b>	<b>0</b>	<b>416,000</b>	<b>67,190</b>
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Unrestricted

Ref	Budget Area	2016-17 Current Budget  £	2016-17 forecast variance (December)  £	Proposed Budget Change			Provisional 2017-18 Budget  £	Summary comment on proposed budget change
				Baseline Adjustment: Early Years  £	Specialist Placements and top ups (Element 3)  £	Other budgets  £		

**NMSS & Colleges**

14	Non-LEA special Schools pre 16	5,943,170	-700,000	0	-277,000	0	5,666,170	Forecast cost is £5.666m. Rolls forward current commitments, plus allowance for 15 new 19 and 20 year old placements reflecting recent experience, plus 5 for all other age ranges to reflect the volatile nature of the forecasts. Allowance for inflation at 1.5%.
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<b>Total NMSS &amp; Colleges</b>		<b>-700,000</b>	<b>0</b>	<b>-277,000</b>	<b>0</b>
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**Education out of School**

15	Alternative Provision - in-year income from permanent pupil exclusions	-60,000	40,000	0	0	50,000	-10,000	Reduction in income from permanent exclusions. Expected to remain at a lower level than previously.
16	Home Tuition	235,460	-22,000	0	0	-10,000	225,460	Reflects reduced current spend.
17	Outreach	94,130	-1,000	0	0	0	94,130	
18	EOTAS - Share of Head of Targeted Services	21,440	6,000	0	0	2,000	23,440	Reflects on-going current spend.
19	Alternative Provision for Primary Aged pupils without a statement	0	34,000	0	0	50,000	50,000	Children without EHCP but needing out of maintained school education. Reflects increased requirement with 7 placements anticipated next year.
20	Alternative Provision for Secondary Aged pupils without a statement	0	20,000	0	0	20,000	20,000	Children without EHCP but needing out of maintained school education. Reflects current spend which is expected to remain fairly stable.
21	Excluded pupil provision	16,860	1,000	0	0	1,000	17,860	Reflects on-going current spend.

<b>Total Education out of School</b>		<b>78,000</b>	<b>0</b>	<b>0</b>	<b>113,000</b>
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Unrestricted

Ref	Budget Area	2016-17 Current Budget  £	2016-17 forecast variance (December)  £	Proposed Budget Change			Provisional 2017-18 Budget  £	Summary comment on proposed budget change
				Baseline Adjustment: Early Years  £	Specialist Placements and top ups (Element 3)  £	Other budgets  £		

**Other SEN Services**

22	SEN Tribunals	16,650	5,000	0	0	0	16,650	
23	Equipment for SEND	22,070	-13,000	0	0	0	22,070	
24	Medical support to pupils	36,660	20,000	0	0	28,000	64,660	Mainly reflects full year costs of homecare provision for one child. Unable to leave the house.
25	Sensory Consortium Service	250,180	-10,000	0	0	0	250,180	
26	Occupational Therapy	37,300	-35,000	0	0	0	37,300	
27	SEN - share of Head Targeted Services	32,230	1,200	0	0	1,200	33,430	Reflects on-going current spend.
28	Integrated Therapies at the RISE	22,100	-3,000	0	0	1,800	23,900	To reflect additional pupil. See column E, line 20 of Annex 1.
29	High Needs Block Funding Review	34,000	-34,000	0	0	-4,000	30,000	One-off activity in 2016-17. Remaining budget required to fund the SEND Strategic Group and the development of enhanced data collection and management. Budget to be retitled.
30	Traveller Education	75,140	-9,000	0	0	0	75,140	
31	Early Years and Childcare - Teacher Counselling	108,190	2,000	0	0	2,000	110,190	Reflects on-going current spend.
32	Early Years and Childcare - SENCO	0	0	147,390			147,390	
33	Child Development Centre (was MWF)	0	0	165,960			165,960	
34	Early Years and Childcare - Support and Development of the EYFF	0	0	31,340	0	0	31,340	
35	Support for Learning	149,280	4,000	0	0	0	149,280	

<b>Total Other SEN Services</b>	<b>-71,800</b>	<b>344,690</b>	<b>0</b>	<b>29,000</b>
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<b>Grand Total – Relevant budgets only</b>	<b>-632,800</b>	<b>344,690</b>	<b>120,000</b>	<b>209,190</b>
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<b>TOTAL GROWTH</b>		<b>673,880</b>		
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## Summary 2017-18 High Needs Block Budgets

CHILDREN, YOUNG PEOPLE AND LEARNING DEPARTMENT									
	2016-17				Changes proposed for 2017-18				
	Original Cash Budget	Virements & Budget C/Fwds	Current Approved Budget	Variance Over/(Under) Spend	Baseline changes	Placements and top up payments	Other budgets	Initial Budget	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b><u>Schools Budget - 100% grant funded</u></b>									
<b>High Needs Block</b>									
Delegated Special Schools Budgets	3,476	295	3,771	-69	0	-19	0	3,752	
Post 16 SEN and other grants	-412	-88	-500	0	0	0	0	-500	
Maintained schools and academies	2,179	242	2,421	130	0	416	67	2,904	
Non Maintained Special Schools and Colleges	6,238	-294	5,944	-700	0	-277	0	5,667	
Education out of school	1,104	30	1,134	78	0	0	113	1,247	
Other SEN provisions and support services	1,227	-2	1,225	-72	345	0	29	1,599	
	<b>13,812</b>	<b>183</b>	<b>13,995</b>	<b>-633</b>	<b>345</b>	<b>120</b>	<b>209</b>	<b>14,669</b>	

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**TO: SCHOOLS FORUM**  
**DATE: 9 MARCH 2017**

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**BFC PROPOSALS FOR EARLY YEARS  
FUNDING ARRANGEMENTS FROM APRIL 2017  
Director of Children, Young People and Learning**

**1 PURPOSE OF DECISION**

- 1.1 The purpose of this report is to seek agreement from the Schools Forum on proposals for 2017-18 Early Years budgets, including the structure and values to be attributed to the Bracknell Forest Council Early Years Funding Formula (EYFF). There is also a decision for the Forum to consider in line with the statutory funding framework.
- 1.2 Comments are being sought so that these can be presented to the Executive Member on 14 March when a formal decision on these matters is planned to be taken.

**2 RECOMMENDATIONS**

**To NOTE:**

- 2.1 That the vast majority of responses to the consultation proposals on the Bracknell Forest Council Early Years Funding Formula supported the proposals made by the Council (Annexe A, Restricted Annex C and paragraphs 5.15 to 5.18).
- 2.2 The summary financial implications anticipated from the proposals on provider hourly funding rates, (paragraph 5.12).

**To AGREE:**

- 2.3 That taking account of the responses from providers, the following items are implemented as set out in the consultation document:
- a) the Bracknell Forest Council Early Years Funding Formula for 3 and 4 year olds (as summarised at Table 1).
  - b) the hourly funding rate for 2 year olds be increased to £5.46.
  - c) the Early Years Special Educational Needs and Disability Living Allowance Inclusion Fund Policy should be as set out in Annex 5 of the list of Annexes document that supported the consultation.
  - d) the budgets to be centrally managed by the council for:
    - i. SEN inclusion fund at around 1% of funds.
    - ii. Provider contingency at around 1.5% of funds.
    - iii. BFC services at around 3% of funds.
- 2.4 That taking account of the responses from providers, that eligibility for deprivation top up funding is assessed and updated on a termly basis, with

**eligibility to flexibility and quality top up funding assessed and updated once a year.**

**2.5 That the additional £0.034m of funds now available are added to the Provider Contingency budget.**

**2.6 The original Early Years budgets are set at the amounts set out in Annex B of this report, including the ring-fenced amounts for the Disability Access Fund and the Early Years Pupil Premium.**

**2.7 That there are appropriate arrangements in place for Early Years provision.**

### **3 REASONS FOR RECOMMENDATIONS**

3.1 The proposals made are considered to be the best available, taking account of the national and local priorities, provider responses from the consultation and the estimated level of available resources.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

4.1 These have been considered in earlier reports to the Schools Forum.

### **5 SUPPORTING INFORMATION**

#### Background

5.1 This report presents proposals on the Early Years Block element of Dedicated Schools Grant (DSG) that the Department for Education (DfE) allocates to Local Authorities (LAs) to fund provisions and support for children up to 5, including:

1. funding for three and four year olds entitlement to free education and childcare
2. participation funding for disadvantaged two year olds
3. the early years pupil premium
4. specialist and general support services.

#### DfE Reforms

5.2 The Forum has previously received an update on DfE funding proposals for 2017-18 in respect of EY services. This reported that in order to deliver the national policy objective of enabling more families to work by extending the free entitlement to childcare from 15 to 30 hours per week for parents that want to work, there would be £1 billion additional funding by 2019-20 to increase provider funding rates to encourage the development of the additional places that will be required from increased take-up. The key issues and changes required are:

1. the extension to 30 hours per week for eligible children would commence from September 2017
2. to encourage providers to increase capacity to ensure sufficient places are available, funding rates should increase

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3. to ensure funds are allocated to Local authorities (LAs) on a consistent and objective basis rather than continue with historic spending levels, an Early Years National Funding Formula (EYNFF) would be introduced
4. changes would be made to the way LAs could implement their local EY funding arrangements including:
  - a. changing the factors that can be taken into account in the determination of a provider's hourly funding rate
  - b. requiring at least 95% of an LAs EY funding to be passed on to providers, with at least 90% of the amount paid to providers having to be allocated through a uniform base rate that must be set at the same amount for all providers, irrespective of the setting type or characteristics
  - c. clarifying the expectation of arrangements to be put in place to ensure children with special educational needs or disabilities (SEND) can properly access the free entitlement.

### Provisional estimate of Early Years Block DSG income

5.3 As set out above, the DfE are introducing new funding arrangements for LAs to deliver their Early Years provisions and services for 3 and 4 year olds with an Early Years National Funding Formula (EYNFF) with four component parts:

1. A universal base rate for each 3 and 4 year old to be paid at £3.53 per hour for each eligible child;
2. Deprivation addition, based on eligibility to Free School Meals of pupils in Key Stages 1 and 2, to be paid at £2.13 per hour for each eligible child;
3. English as an additional language (EAL) addition, based on Key Stages 1 and 2 numbers, to be paid at £0.29 per hour for each eligible child;
4. Disability Living Allowance (DLA) addition, based on Department for Works and Pensions data of eligible children under 5, to be paid at £0.79 per hour for each eligible child.

An Area Cost Adjustment (ACA) is then applied in each LA based on addition labour costs and a Nursery rateable value cost adjustment. The uplift for BF is a factor of 31%.

5.4 Taking account of the estimated number of eligible children in each element of the EYNFF and the ACA uplift, the DfE has calculated the hourly funding rate for BF for 2017-18 at £4.93. This is the funding rate once the EYNFF is fully implemented. There will be 2 years of transitional funding protection where those LAs receiving the largest gains have a deduction taken in order to finance funding protection in other LAs. This results in a £0.27 per hour deduction in BF and therefore an initial rate of £4.66. Assuming a similar number of hours are provided at the DfE funding census points of each January during 2017-18 as were in 2016-17, then 1,010,110 hours will be funded by the DfE, delivering £4,707,110.

5.5 In terms of how the BFC funding rate compares to other LAs, as set out above, for 2017-18 this will amount to £4.66, with the average rate across England set at £4.77 and for the 19 LAs in the south east, there is an average rate of £4.75. Once the transitional funding protection is removed, the BFC rate rises to £4.93, with the average for England, as expected, remaining unchanged at £4.77, and the south east average increasing to £4.80. Therefore, once the transitional funding protection ends,

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the BFC funding rate will be 3.3% above the national average rate and 2.7% above the regional average.

- 5.6 In addition to the estimate of income to be received in relation to the current maximum of 15 free hours weekly education and childcare set out above, with this rising to 30 hours for eligible families from September 2017, there will be additional hours taken. The DfE has undertaken a provisional estimate based on national data and a range of assumptions and this calculates 219,184 additional hours of take up, which at £4.66 per hour, equates to further funding of £1,021,400.
- 5.7 The DfE are not proposing any significant changes to the way that LAs are allocated funding for the most disadvantaged 2 year olds as there is a relatively new allocation basis. The DfE have increased LA funding rates by 7.1%, which for BF results in an hourly funding rate of £5.88. Using current levels of take-up hours of 108,527, this indicates funding receipts of £638,140.
- 5.8 In addition to the funding set out above that will be delivered through the EYNFF, LAs will also receive additional, specific resourcing for the EY Pupil Premium at £0.53 per hour per child, and a Disabled Access Fund (DAF) to be paid to providers at £615 per eligible child. DfE estimate funding of £23,690 and £26,600 respectively. Both of these funding allocations are ring-fenced and must be allocated by LAs in accordance with DfE requirements.
- 5.9 Total estimated funding from the EY DSG Block in 2017-18 is therefore £6,414,940, as summarised below in Table 1.

Table 1: Estimated EY Block DSG income for 2017-18

Ref:	Item	Estimated amount
5.4	Funding for 3 & 4 year olds: existing 15 hours	£4,707,110
5.5	Funding for 3 & 4 year olds: additional hours	£1,021,400
	<b>Sub total: 3 &amp; 4 year olds</b>	<b>£5,728,510</b>
5.6	Funding for 2 year olds	£638,140
5.7	Funding for Early Years Pupil Premium	£23,690
5.7	Funding for Disability Access Fund	£24,600
	<b>Total</b>	<b>£6,414,940</b>

EY DSG income is recalculated in-year to reflect actual participation at each January census and therefore all amounts in Table 1 are estimates and subject to change once relevant data becomes available.

### BF consultation

- 5.10 In order to establish an appropriate local EY funding framework where this is permitted by the DfE, a consultation document was approved by the Forum for distribution in December. As well as needing to be affordable within the level of estimated income, which from Table 1 above is £5,728,510, the following key priorities were applied in formulating proposals:



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1. Target financial support to children that need it the most to succeed who providers then prioritise
2. Increase the number of free entitlement hours
3. Maximise quality of provision
4. Maximise the amount of funds paid to providers

5.11 The key element of the funding framework relates to the structure of the Early Years Funding Formula (EYFF) and the weightings to be applied to each factor and the associated proposals are summarised below in Table 2, with the full consultation document and supporting papers available to view at:

<http://schools.bracknell-forest.gov.uk/finance/early-years-funding-reform>

Table 2: Summary of the proposed BF Early Years Funding Formula

<b>EYFF Element</b>	<b>Consultation proposals</b>	<b>Outline hourly funding rate</b>
<b>Deprivation Supplement</b>	4% of EYFF via IDACI scores (low income families by post code) where more than 1 in 5 children are from low income families. Top up funding increase where 1 in 4 and again where 1 in 3 children are from low income families.  1% of EYFF via child eligibility to EY pupil premium.	£0.16, £0.32 or £0.48  £0.77.
<b>Flexibility Supplement</b>	1% of EYFF via a range of flexible measures e.g. extended day, weekend or, school holiday provision to attract additional funds	£0.05, £0.10, £0.15.
<b>Quality Supplement</b>	3% of EYFF via setting leadership qualification above Level 5 with 30% funding addition where above Level 6.	£0.14 or £0.18.
<b>Uniform base rate</b>	91% of EYFF and balancing amount after deduction of funds for supplements.	£4.00
	Average provider rate	£4.39
	Funding from DfE to BFC	£4.66

5.12 If all of the proposals in the BFC consultation are accepted, taking account of the assumptions used in generating the financial information, the following highlight changes are expected in provider funding rates:

1. 7 providers receive up to a 5% increase in hourly rate. Of these, 5 no longer receive qualification supplement (have Level 4 leaders), 1 gets lower quality, 1 no longer gets deprivation.
2. 24 providers receive an increase between 5% and 10%. Of these, 19 get lower quality of which 14 partially offset the loss with higher deprivation, 5

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receive low increases in deprivation, 1 receives a low increase in deprivation and less quality, 1 receives no supplements now or before.

3. 15 providers receive an increase of between 10% and 15%. 10 get higher deprivation, 5 get higher deprivation and less quality
4. 17 providers receive at least a 15% increase. All of these are schools, so benefit from 26% increase in base rate (see comment below). 16 also receive higher deprivation and less quality. 1 receives less deprivation and less quality.

The most significant factor influencing the outcome on provider funding rates is the DfE requirement for the same amount of hourly base rate to be paid to all providers with at least 90% of funding having to be distributed through the base rate factor. With the existing differential funding rates of £3.17 for maintained schools and £3.70 for PVI sector providers, it is inevitable and unavoidable that schools will receive the highest increases in hourly funding rates.

- 5.13 In addition to the proposals for the BF EYFF, other key questions on the consultation document related to:
1. The criteria to apply to determine the level of financial support for young children with special educational needs or disabilities should receive.
  2. Maintaining a contingency to manage in-year changes, in particular relating to extra payments to providers where additional hours are delivered or to provide short term specific financial support where there is a danger of insufficient places being available to children in an area if a provider closes.
  3. Capping the amount of funds to be managed centrally by the council to 3%, compared to the maximum permitted level of 5%
  4. The funding rate to be paid to providers delivering the free entitlement to 2 year olds

- 5.14 The two evening briefing sessions were attended by 81 people representing 61 providers. Written responses were received from 34 settings (47% of total). This is considered an excellent rate of response and the fact that fewer written replies were received than the number of providers attending the briefings is viewed as a positive sign in that the proposals do not cause concern to the non-respondents.

Annex A provides a numerical analysis of responses to all the questions, with confidential Annex C detailing the specific comments received.

### Summary outcomes

- 5.15 Annex A shows that for the vast majority of the 27 questions posed, respondents supported the proposals made in the consultation, with at least 50% of respondents agreeing with the proposal in 25 of the 27 questions.
- 5.16 For the 2 questions with less than 50% agreement with the proposal, question 13 related to the criteria to be used for the quality supplement, where 47% agreed with the proposal, 35% disagreed and 18% did not make a response. Excluding the no response replies, then 57% support the proposal.
- 5.17 For question 15, this related to the frequency of data collection from providers to calculate eligibility to top up supplement where an annual or termly option was offered. There is a mixed response to this question with 61% preferring deprivation

supplement to be updated on a termly basis, 57% preferring quality to be updated annually, with equal 50% support for annual and termly update for flexibility.

Detailed comments from providers

5.18 A number of providers made comments on the proposals and these are set out in full in the confidential Annex C. In summary:

1. 8 providers made comments on the proposed DAF (question 18). 2 supported the proposals, 5 made suggested change to the allocation of funding to providers, but this has to follow the DfE requirements, so is not permitted to change, with 1 provider requesting that the Education Health Care Plan (EHCP) process is accelerated. Whilst this comment is understandable, the process requires a period of validation of need and evidence that additional funds are required and has a statutory timeframe of 20 weeks to complete.
2. 7 providers made comments on the SEN Inclusion Fund (question 23). 4 supported the proposals, 1 requested that more notice was provided on SEN children entering settings although for September admissions, this is normally known by the end of April and is considered sufficient to plan transition, 1 requested that the relevant provider attended the panel. Here the intention is to have neutral members, including a representative from an early years setting but it would not be appropriate for a setting to represent their own request. 1 requested greater clarity, particularly around children with complex needs. The draft policy indicates that where specific interventions to support children are not successful, then the expectation is that a statutory assessment for an EHCP could commence.
3. There were 18 other comments from providers, some raising more than one matter with the general themes being:
  - a. Childminders are concerned that the funding rate to be paid is below what they are currently charging and therefore if they move to delivering the free entitlement they will suffer a loss of income. However, the amount that can be paid is directly linked to the funding provided by the government and hourly rate proposals meet the DfE conditions. 94.3% of funds received by the DfE are proposed to be passed on directly to providers through the EYFF, and when the SEN Inclusion Fund, DAF and Provider Contingency are included – the expectation being that these funds will ultimately be passed to providers – then 97.2% of funds will be received by providers.
  - b. The Quality supplement should include Ofsted ratings and leadership qualifications below level 5. However, the DfE do not allow this approach. Quality can only be recognised through qualifications or where high quality providers support others to develop their settings.
  - c. EAL support should be available to a wider range of languages. The current contract is supporting 20 languages. If more are required then providers need to present the requirement to the EY Team to consider whether further developments are possible.

Changes now proposed

5.19 Based on the responses to the consultation from providers, where there was a 47% response rate, and the vast majority indicating support for the proposals, the Forum is recommended to agree implementation of the original proposals with the exception of the Provider Contingency that should be increased by £0.034m to £0.119m. The

increase relates to the amount of unallocated funding available after reviewing the costs of the proposals and adding in the extra, specific £0.025m funding that will be received for the DAF.

- 5.20 In respect of question 15 that sought views on the frequency of checking provider eligibility to flexibility top up funding, there was 50% support for a termly update and 50% for annual update. To minimise data collection from providers, it is proposed to collect this information annually, which is the current arrangement. Other responses clearly support termly calculation of deprivation funding top ups and annual collection of quality data, and these timings are recommended to be agreed.

#### Next Steps

- 5.21 The Forum is recommended to agree this approach to setting the Early Years Block related budgets to the Executive Member and also confirm that as a consequence, appropriate arrangements are in place for Early Years provisions, which the LA is required to consult with the Forum on each year. This will allow for the new Funding Formula to be implemented at April 2017 and provisional budgets issued to providers in February.
- 5.22 As there are some significant changes from current funding arrangements, a review of the impact of the new arrangements will be undertaken towards the end of 2017 to consider whether any refinements are required for 2018-19.

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

### Borough Solicitor

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

### Borough Finance Officer

- 6.2 The financial implications arising from this report are set out in the supporting information and can be managed within the overall level of resources anticipated for Early Years provisions and support services.

### Impact Assessment

- 6.3 There are no specific impact assessments arising from this report as the admissions policy is not being changed.

### Strategic Risk Management Issues

- 6.4 The most significant issue anticipated from the proposals is failure to deliver the number of additional free hours required by parents. This is being mitigated by the expectation that provider funding rates will increase by an average of 14.1%.
- 6.5 However the majority of provision within the private, voluntary and Independent sector will only receive between 2.5% and 10% and it is possible that a number of providers will struggle to be sustainable particularly as they will not be able to charge for the additional hours above the 15 hours free entitlement as they currently do. This could result in some providers opting out of the scheme and charge parents direct. Most schools could receive the full amount available, and many have the capacity to extend, but currently many are not keen to change their model.

- 6.6 There is also the possibility that with a new funding formula, funds allocated to providers will exceed the budget. This could be as a result of additional hours needing to be paid, or providers becoming eligible to higher rate top up payments than those currently anticipated. There could also be additional cost pressures to support children with SEN. These will be managed through the £0.119m contingency and High Need Block budgets.
- 6.7 Many providers operate in community/church halls where it may not be possible to expand provision. There is a lack of available space in the borough for providers to rent.
- 6.8 There will be added pressure to recruit additional, qualified, staff at the appropriate levels as there is already a shortage.
- 6.9 The council is working closely with all providers offering business and practice advice, support and guidance and encouraging collaborative working between providers. This will also mitigate some of the above risks.

## 7 CONSULTATION

### Principal Groups Consulted

- 7.1 All providers in Bracknell Forest; trades unions and other interested parties.

### Method of Consultation

- 7.2 Responses to a written consultation document, two evening briefings to providers and the same presentation to bursars in schools at the scheduled briefings.

### Representations Received

- 7.3 The representations received are summarised in the body of this report and detailed in the annexes.

### Background Papers

None

### Contact for further information

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### Doc. Ref

G:\Executive\Schools Forum\81) 090317\Proposed Early Years Funding Formula etc.doc

	QUESTION	Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
	<b><u>In respect of the mandatory deprivation top up supplement:</u></b>							
1	Do you agree that the Income Deprivation Affecting Children Index (IDACI) should continue to be used as the deprivation measure? (IDACI is a geographical measure of deprivation at post code level, ranked by severity of deprivation, calculated from government from data that identifies areas with the lowest levels of family income).							
	Yes	9	11	1	4	3	<b>28</b>	82.35%
	No	0	0	0	0	1	<b>1</b>	2.94%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%
2	Do you agree that the Early Years Pupil Premium data should be introduced as a new deprivation measure, with eligible children attracting enhanced hourly rate funding? (EYPP is measure of deprivation mainly based on families receiving income support benefits).							
	Yes	9	10	0	4	3	<b>26</b>	76.47%
	No	0	1	1	0	1	<b>3</b>	8.82%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%
3	What proportion of funds do you think should be allocated through the deprivation measure in the BF EY Funding Formula?							
	Around 3% (£0.133m existing amount)	1	5	0	1	0	<b>7</b>	20.59%
	Around 4% (£0.178m)	2	1	1	0	0	<b>4</b>	11.76%
	Around 5% (£0.222m and recommended amount)	6	5	0	3	4	<b>18</b>	52.94%
	No response	0	0	0	0	5	<b>5</b>	14.71%

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QUESTION		Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
<b><u>Assuming the deprivation supplement measures are IDACI and EYPP:</u></b>								
4	What relative weighting should be applied to IDACI and EYPP?							
	IDACI at 80% and EYPP at 20% (recommended weighting)	7	5	1	4	2	<b>19</b>	65.52%
	IDACI at more than 80% and EYPP less than 20%	1	2	0	0	1	<b>4</b>	13.79%
	IDACI at less than 80% and EYPP at more than 20%	1	3	0	0	1	<b>5</b>	17.24%
	No response	0	1	0	0	0	<b>1</b>	3.45%
5	For the IDACI measure, do you agree that funding should be further targeted so that providers with 1 in 3 children from a deprived background receive 3 times the basic rate (Band 3 at £0.48), those with 1 in 4 children from a deprived background 2 times the basic rate (Band 2 at £0.32) and those with 1 in 5 children from a deprived background the basic rate (Band 1 at £0.16)?							
	Yes	8	9	1	4	4	<b>26</b>	76.47%
	No	1	1	0	0	0	<b>2</b>	5.88%
	No response / unsure	0	1	0	0	5	<b>6</b>	17.65%
6	Do you agree that to reflect the circumstances in childminder settings, the deprivation top up through the IDACI should only apply where data indicates at least 1 in 3 chance that the child(ren) are from deprived backgrounds (average score of at least 0.33), and that in such circumstances, funding will be applied at the lowest level, Band 1, estimated at £0.16 per hour? NB childminders would be funded on the same basis as all other providers for EYPP children?							
	Yes	9	9	1	3	3	<b>25</b>	73.53%
	No	0	0	0	0	1	<b>1</b>	2.94%
	No response / unsure	0	2	0	1	5	<b>8</b>	23.53%

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QUESTION		Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
<b><u>In respect of a discretionary rurality / sparsity top up supplement</u></b>								
7	Do you agree that there is no case for a rurality / sparsity supplement?							
	Yes	8	9	1	4	2	<b>24</b>	70.59%
	No	1	2	0	0	2	<b>5</b>	14.71%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%
<b><u>In respect of a discretionary flexibility top up supplement:</u></b>								
8	Do you agree that a flexibility supplement should be in place in BF?							
	Yes	9	6	1	3	4	<b>23</b>	67.65%
	No	0	4	0	1	0	<b>5</b>	14.71%
	No response / unsure	0	1	0	0	5	<b>6</b>	17.65%
<b><u>Assuming a flexibility top up supplement is agreed:</u></b>								
9	Do you agree with the local definition at Annex 4 of the list of Annexes document around providing the free entitlement without restrictions of hours or days of availability, including early and late in the day, during school holidays, weekends attempting to accommodate changes in patterns of attendance, and innovative arrangements agreed by the Director of Children, Young People and Learning?							
	Yes	6	7	1	4	4	<b>22</b>	64.71%
	No	2	4	0	0	0	<b>6</b>	17.65%
	No response / unsure	1	0	0	0	5	<b>6</b>	17.65%



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	QUESTION	Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
10	What proportion of funds do you think should be allocated through the flexibility top up in the BF EY Funding Formula?							
	Around 0.7% of total funds (£0.028m current level)	2	4	0	1	1	8	23.53%
	Around 1% (£0.044m recommended level)	6	6	1	3	3	19	55.88%
	Around 1.5% (£0.061m)	0	0	0	0	0	0	0.00%
	No response / unsure	1	1	0	0	5	7	20.59%
	<b><u>In respect of a discretionary quality top up supplement:</u></b>							
11	Do you agree that a quality supplement should be in place in BF?							
41	Yes	9	10	1	3	1	24	70.59%
	No	0	1	0	1	3	5	14.71%
	No response / unsure	0	0	0	0	5	5	14.71%
	<b><u>Assuming a quality top up supplement is agreed:</u></b>							
12	What proportion of funds do you think should be allocated through the quality top up in the BF EY Funding Formula?							
	Around 2.0% of total funds (£0.087m)	0	1	0	2	1	4	11.76%
	Around 3% (£0.131m, and recommended level)	8	6	1	2	2	19	55.88%
	5.5% (£0.240m, current amount)	1	3	0	0	0	4	11.76%
	No response / unsure	0	1	0	0	6	7	20.59%

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	QUESTION	Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
13	Do you agree that funding should be further targeted so that settings with Graduate Level 6 leaders and above receive base rate funding plus 30%, around £0.18 per hour, and those with Foundation Degree Level 5 leaders receive base rate funding at around £0.14 per hour and those with lower level leadership qualifications would not receive any top up funding?							
	Yes	9	4	1	1	1	<b>16</b>	47.06%
	No	0	7	0	3	2	<b>12</b>	35.29%
	No response / unsure	0	0	0	0	6	<b>6</b>	17.65%
	<b><u>In respect of a discretionary English as an Additional Language (EAL) top up supplement:</u></b>							
14	Do you agree that support to providers with EAL children should continue to be delivered through a specialist contract managed by BFC?							
	Yes	7	9	1	4	2	<b>23</b>	67.65%
	No	2	2	0	0	2	<b>6</b>	17.65%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%

Unrestricted

QUESTION		Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
<b><u>In respect of updating provider eligibility to hourly top up supplements:</u></b>								
15	For each of the following top up supplements, do you prefer an annual or termly update to determine provider eligibility?							
	Deprivation (requires LA activity) Annual	2	6	0	2	1	11	39.29%
	Deprivation (requires LA activity) Termly	7	5	1	1	3	17	60.71%
	Flexibility (requires LA and provider activity) Annual	6	5	0	2	1	14	50.00%
	Flexibility (requires LA and provider activity) Termly	3	6	1	1	3	14	50.00%
43	Quality (requires LA and provider activity) Annual	7	5	0	2	2	16	57.14%
	Quality (requires LA and provider activity) Termly	2	6	1	1	2	12	42.86%
<b><u>In respect of the uniform hourly base rate:</u></b>								
16	Taking account of your views on the right amount of funds to be allocated through top up supplements, and having to cap the total to no more than 10% of funds, how much do you think should remain to fund the uniform hourly base rate?							
	Below 91% of total funds	0	0	0	0	0	0	0.00%
	Around 91% of total funds (recommended level)	8	8	1	3	4	24	70.59%
	Above 91% of total funds	1	3	0	0	0	4	11.76%
	no response	0	0	0	1	5	6	17.65%

Unrestricted

QUESTION		Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
<b><u>In respect of updating provider eligibility to hourly top up supplements:</u></b>								
17	Do you agree that the uniform hourly base rate is introduced at April 2017 rather than being phased in over 2 years?							
	Yes	9	11	1	3	4	<b>28</b>	82.35%
	No	0	0	0	0	0	<b>0</b>	0.00%
	No response / unsure	0	0	0	1	5	<b>6</b>	17.65%
<b><u>Meeting children's additional needs: Disability Living Allowance</u></b>								
18	18. Do you have any comments on the policy proposed to support children with disabilities, as set out in sections 2 and 6 of Annex 5 of the list of Annexes document?							
	Yes	4	3	0	0	1	<b>8</b>	25.00%
	No	4	8	1	4	7	<b>24</b>	75.00%
<b><u>Meeting children's additional needs: SEN Inclusion Fund</u></b>								
19	Do you agree that there should be 3 levels of additional support; low at up to 6 hours a week, moderate at above 6 and up to 9 hours a week, with high at above 9 and up to 15 hours a week?							
	Yes	7	11	1	4	4	<b>27</b>	81.82%
	No	1	0	0	0	0	<b>1</b>	3.03%
	No response / unsure	0	0	0	0	5	<b>5</b>	15.15%

## Unrestricted

	QUESTION	Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
20	Do you agree that in exceptional circumstances, alternative funding arrangements can be put in place?							
	Yes	9	11	1	4	4	<b>29</b>	85.29%
	No	0	0	0	0	0	<b>0</b>	0.00%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%
21	Do you agree that it is reasonable to base the funding allocation on £9.30 per hour staff costs?							
	Yes	7	10	1	2	4	<b>24</b>	70.59%
	No	2	1	0	2	0	<b>5</b>	14.71%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%
22	What level of funds do you think should be retained in the SEN Inclusion Fund for allocation to providers?							
	Less than 1%	0	0	0	0	1	<b>1</b>	3.45%
	Around 1%	7	11	0	4	3	<b>25</b>	86.21%
	More than 1%	2	0	1	0	0	<b>3</b>	10.34%
23	Do you have any comments on the proposed funding policy to support children with Special Educational Needs as set out in Annex 5 of the list of Annexes document?							
	Yes	2	3	0	0	2	<b>7</b>	21.21%
	No	7	8	1	4	6	<b>26</b>	78.79%

## Unrestricted

QUESTION		Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
	<b>Provider contingency:</b>							
24	Do you agree that a contingency should be retained to meet the cost of in-year increases in take-up and to support providers facing financial hardship where this relates to ensuring sufficiency of places for parents and other in-year cost pressures?							
	Yes	7	11	1	3	4	<b>26</b>	76.47%
	No	2	0	0	1	0	<b>3</b>	8.82%
	No response / unsure	0	0	0	0	5	<b>5</b>	14.71%
25	If a contingency is supported, what level of funds should it contain?							
	Around 1% of funds (£0.057m)	1	1	0	1	1	<b>4</b>	11.76%
	Around 1.5% (recommended level, and £0.086m)	7	8	0	3	3	<b>21</b>	61.76%
	Around 2.0% (current amount, £0.115m)	0	2	1	0	0	<b>3</b>	8.82%
	No response	1	0	0	0	5	<b>6</b>	17.65%
	<b>Funds proposed to be centrally managed by the council INSIDE the 5% cap:</b>							
26	Taking account of the council's statutory duties, what level of funds within the 5% cap do you consider it appropriate for the council to centrally manage on behalf of providers?							
	Around 3% of funds (recommended level, £0.16m)	9	11	1	4	4	<b>29</b>	100.00%
	Around 4% (£0.215m)	0	0	0	0	0	<b>0</b>	0.00%
	Around the maximum amount of 5% (£0.27m))	0	0	0	0	0	<b>0</b>	0.00%

Unrestricted

QUESTION		Schools	Pre-schools	Day Nursery	Private Nursery	Child minder	TOTAL	
27	<b>Funding for 2 year olds:</b>							
	Do you agree that provider funding rates should be increased by 7.1%, the same amount as the funding rate paid to BFC?							
	Yes	7	10	1	4	3	<b>25</b>	75.76%
	No	0	0	0	0	0	<b>0</b>	0.00%
	No response / unsure	2	0	0	0	6	<b>8</b>	24.24%
	Total	9	11	1	4	9	<b>34</b>	
	Maximum	17			55		<b>72</b>	
	Response rate	53%			45%		<b>47%</b>	





Unrestricted

<b>2017-18 Budget</b>	3 and 4 year olds							2 year old olds		
	Hourly / fixed funding rate	Funded hours per week	Funded weeks per year	Total funded hours	Total <b>EXCLUDING</b> additional 15 hours	Total <b>INCLUDING</b> additional 15 hours	Total	Hourly / fixed funding rate	Total funded hours	2 Year Old Funding
<b>Total through the EY Funding Formula</b>	<b>£4.39</b>	(average)			<b>£4,438,410</b>	<b>£5,401,600</b>	<b>94.29%</b>	<b>£5.46</b>	<b>108,527</b>	<b>£592,560</b>
Current average rate	£3.85									
Change	£0.54	14.1%								
<b><u>Funding to be managed by the Council</u></b>										
<i>Outside the 5% cap of EY Funding Formula:</i>										
SEN Inclusion Fund	1.0%	of total available funds				£57,290	<b>1.00%</b>			£6,380
Provider Contingency	1.5%	of total available funds				£85,930	<b>1.50%</b>			£9,570
Balance to be added to Provider Contingency						£23,690	<b>0.41%</b>			£10,490
<i>Within the 5% cap of EY Funding Formula: circa £270,000</i>										
BFC Services:	3.0%	of total available funds								
Management of the EY Funding Formula					£47,750					£0
Free milk					£11,210					£0
Early Years Development Officer X 2					£72,580					£0
Out reach: To support delivery of sufficient places.					£0					£17,600
EAL specialist Support					£28,460					£1,540
						£160,000	<b>2.79%</b>			£19,140
<b>Total BFC estimate of funding to be managed by the Council</b>						<b>£326,910</b>				<b>£45,580</b>
<b>Total</b>						<b>£5,728,510</b>	<b>100.00%</b>			<b>£638,140</b>
<u>Other Budgets</u>										
Early Years Pupil Premium						£23,690				
Ring Fenced Disability Access Fund	£615	per child with DLA	40			£24,600				
<b>Deprivation supplement</b>						<b>£48,290</b>				

## Comments made on the consultation

Provider type	Provider	Comment
<b>18. Do you have any comments on the policy proposed to support children with disabilities, as set out in sections 2 and 6 of Annex 5 of the list of Annexes document?</b>		
Childminder	DW	The proposal sounds fine to me
Pre-school	Birch Hill	I agree with the proposal
Pre-school	Owlsmoor	We feel that awarding the DAF on an annual basis would lead to inequality if the child moved setting as there is no requirement for the funding to follow the child i.e. equipment may have been purchased to support the child but there is no requirement for this equipment to be sent onto the new setting and no funding will be received at the new setting to provide the necessary equipment
Pre-school	South Hill Park	Fully support the policy. My only reservation would be that perhaps there should be guideline for 'best practice' which might states that when a child leaves a setting then they could pass some money on to the new setting if it has not already been allocated towards something and also that if the care is split between 2 settings then perhaps they could agree a split in the money. I agree that this cannot be put in policy because if the money has already been spent then a setting should not have to refund it but asking settings to consider best practice for the sake of the child may be a good idea
School	New Scotland Hill	We require some further clarification of the allocation of the DAF
School	Owlsmoor	We would welcome more clarity, particularly around children who have complex needs and are admitted into mainstream schools without any support.
School	Sandy Lane	Regarding parent nominated provider: would it be possible to consider allocating the funding to the provider that provides most of the care and education? Regarding the child moving settings: Would it be possible to move the funding with the child?
School	Uplands	The process for applying for and getting an EHCP should involve quicker input from both provider and LA as the current process could take as long as the child is in nursery, so by the time the child receives an EHCP they would be ready to move to reception. This may need to involve additional Early Years intervention and support in identification

Restricted

Provider type	Provider	Comment
<b>23. Do you have any comments on the proposed funding policy to support children with Special Educational Needs as set out in Annex 5 of the list of Annexes document?</b>		
Childminder	DW	The proposal sounds fine to me
Childminder	RW	I do believe that extra funding should go to who need it.
Pre-school	Birch Hill	I agree with the proposal
Pre-school	Owlsmoor	Although schools will be given a transition fund we find, at present, that there is insufficient time between the school knowing which children will be attending and the end of the school year to arrange for all relevant professionals to attend a TAC meeting, thus enabling the school to plan sufficiently for the child's needs. We think the transition fund should also be linked to the schools being made aware earlier that a named child will be attending in September. Why is the onus being put on the provider to arrange the TAC meeting and not the child's Keyworker, as we are under the impression that it is part of their remit to liaise with all professionals involved with a child
Pre-school	South Hill Park	I think the panel needs to include someone from the setting which is making the application or someone from the panel needs to be representing the setting and have seen the child and spoken with the person applying in detail. Otherwise, potentially what is happening is that a group of professionals are making a decision but do not actually have enough in-depth knowledge of the child or what is needed in that particular setting on a day-to-day basis
School	Meadow Vale	Early intervention for SEN is crucial, therefore, clear guidance and funding availability is paramount to this
School	Owlsmoor	We would welcome more clarity, particularly around children who have complex needs and are admitted into mainstream schools without any support.

Restricted

Provider type	Provider	Comment
<b>Other comments</b>		
Childminder	CP	I was unable to find anywhere on the form to input my concerns about as a childminder being paid termly in arrears for the 30 hours funding from September 2017. As a self employed professional with bills to pay monthly this would be an issue for me and I'm sure many others, My main income comes from 3 yr olds I have in my care and to not get paid for a couple of months could potentially put me into considerable debt. Is there any reason why we couldn't receive this money monthly?
Childminder	WD	I feel that there should be more finances available for EAL - so that providers can use it towards buying dual language resources for their setting - which will then be retained by the setting for future use
Childminder	EC	I am a childminder and currently work alone with 24 children on my books and care for 12 every day. Settings apart from us get the deprivation supplement but I have just as many children as them plus if a child does half with another setting they would get the deprivation supplement and I wouldn't?
Childminder	JB	I think that it is ridiculous that childminders / nurseries and pre-schools should be asked to be creative in their delivery of the 30 hours "free" funding. I also think that Bracknell Forest council should not give up on fighting how this funding is delivered and should join the dialogue to help get the government to change their proposals on how it is delivered. Can I recommend that Bracknell Forest council Early Years has a look at the following Facebook group "Champagne Nurseries on Lemonade Funding" - this a group of nurseries and childminders who are campaigning to change how the "free" hours are delivered
Childminder	JW	Unfortunately I feel that I cannot complete this form as there is so much I don't understand/am not clear on. However from what I understand, my feelings are that the base rate of £4.10 is not in line with what a lot of current childminders, including myself, charge. This means a drop in income. I know that Ascot will be on a higher rate of £4.90 for doing the same job as Bracknell childminders and I feel this is unfair due to where we live. It sounds to me that being put onto the higher rate would be easier and would not incur any losses to childminders income and therefore we would not have to try and cover our losses in other ways, such as charging for administration. However, as mentioned I understand very little about this funding. I think that providing a simple on line calculator for us to input our information to calculate losses/gains (dependant on rate) would be beneficial and we would therefore have a clearer picture of how it will leave us financially.

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Restricted

Provider type	Provider	Comment
<b>Other comments</b>		
Childminder	LF	Unfortunately, the consultation documentation does not make easy reading and therefore makes it extremely difficult to comment at the level you seem to expect. I was unable to attend the arranged meetings also due to other commitments. However, what I can comment on is the effect that I believe this will ultimately have on the level of quality care provided to our youngsters in Bracknell Forest. If Childminders like me are dictated to how much they can earn from a placement, there will be an impact on the level and quality of care provided. It doesn't seem fair that any local authority, or Government can place a limit on what someone is paid and at the same time promote equality through minimum wage. I strongly believe that the impact of this initiative will be damaging to the Childminding businesses because of over complex, and under funding.
Childminder	AW	I do not feel in a position to complete this form due to lack of knowledge and understanding. I was unable to attend the meeting due to personal circumstances but have spoken to someone who did attend. To be honest the whole funding situation is going over my head, I do not understand how this is going to benefit my setting. I am hearing mixed reports as to how complicated the system is going to be. I am also extremely concerned regarding how this will impact me financially. I together with a many childminders work very hard and long hours for a rate that is well below the national minimum wage so to be advised that there is a potential risk of us receiving less than what we are charging per hour now is unacceptable especially when we are aware that a different Borough will have a base rate of £4.90 per hour compared to what is being offered for Bracknell Forest of £4.10. I cannot help feel that the funded 30 hours is more designed for Nursery settings than childminders working on their own and working 48 weeks a year. There has to be a lot more explanation in leman's terms so that it is fully understood and a fair hourly rate that warrants the job that the childminder does. I cannot help feel that more and more childminders will decide that this is no longer a viable career option.
Childminder	RW	For some reason my iPad will not let me put X in the boxes above. Obviously my main concern as a childminder is about the 30 hour free funding coming in September 2017 and how will affect my business and my income. I do have some understanding on how it will be worked out and that things still need to be finalised through Bracknell Forest Council. I'm also aware that in Ascot their base rate will be a minimum of £4.90 an hour but I also understand that is under a different Council. The deprivation supplement sounds like a postcode lottery to me and may not reflect individual circumstances. I'm not sure top ups for this and that are the way to go and not just have a higher base rate for all providers. However I will look at my business plan when we know the final verdict and see where I will have to make adjustments in order to evolve my own business

Restricted

Provider type	Provider	Comment
<b>Other comments</b>		
Pre-school	Birch Hill	<p>Quality Supplement: If a provider has a qualification of level 4 or below and they are deemed outstanding by OFSTED then they should also qualify for a quality supplement. If its solely based on qualifications then the name of the supplement should be changed to qualifications supplement!</p> <p>EAL: Although I agree with the current arrangement for EAL it would be helpful to have small amount of funding available for resources for those languages not covered by the service. For example, I regularly seem to have Hungarian children, and funding to purchase dual language books would be beneficial.</p>
Pre-school	Chavey	<p>As much as I agree with deprivation being important I am slightly concerned that the intentions for the quality of staff top up is being reduced. I personally feel level 4 is equivalent to level 5. And even level 3 should be recognised. You will find most staff will do level 3 but anything over is hard for them with there personal lives. Also they do not receive anything more for going higher as the money is not there to pay them. If you do have a graduate and they qualify they move on straight away as there is more money for them elsewhere. This is a waste of staff time as it takes a lot of work and effort to train someone up just for them to leave. As deprivation is so important surely having staff that are qualified at level 3 or above is important, but something needs to be in place to help providers support there staff and an incentive to encourage them. I personally do not feel flexibility is as important. This I feel is unfair to those settings that are run in halls and are not able to be as flexible as others as the hall may be used at other times. Also most pre-schools are staffed by parents and that this job suits them so they can pick up and drop there children off themselves, have holidays with them. If we were to offer weekend or holiday sessions we might as well become a nursery and you will lose the quality of staff you may have already I do agree that we should receive the new base rate straight away but yet again the minimum wage is going up by 30p in April so by taking away the quality of staff for myself I am not gaining anything as I am having to pay it out to staff. EAL is important but at present not enough different languages are available to help settings and also most of the time they do not turn up to the settings which is awkward when we have informed the parents this is happening. Also they do not return messages</p>
Pre-school	Owlsmoor	<p>Question 4: We agree with 80%/20%, however we think that as the EYPP becomes embedded and more eligible parents claim this funding a heavier weighting should be given to EYPP.</p> <p>Question 15: Although we have answered this, will the new Provider Portal mean that we do not have to complete a lot of information each year on the census? Will we simply have to log on check what is correct and alter what has changed? Once we know how the Provider Portal will work this may change the answer we have given to this question.</p> <p>Also, we have answered to termly for the Flexibility but once all the changes settings are likely to make around the introduction of the 30 hours we may wish to change our answer to this as well. Therefore, there are too many factors we do not know the answers to at present to answer this question accurately.</p>

Provider type	Provider	Comment
<b>Other comments</b>		
Pre-school	South Hill Park	<p>1 The SEN support funding needs careful management. Settings are finding it more and more difficult to include children with SEN and the systems in place do not always offer enough support for providers.</p> <p>2 SEN funding needs to be agreed before the beginning of the term. Where money is being used to fund extra staff we cannot wait until the term has started to know whether or not the wages will be covered because they will already be working.</p> <p>3 The PLA support for EAL is excellent where available but there are so many languages which are not covered and for those that are they seemed overstretched (I have been waiting for Polish support for over a term now).</p> <p>4 The BFC financial year runs from April whereas in practice most changes are experienced by settings from September, therefore deprivation figures are likely to change at this point too. I don't necessarily think the figures for this need to be looked at termly but they should be looked at again for the Autumn Term.</p> <p>5 My personal belief is that flexibility should be provided by having different types of quality provision, e.g. day care, school nurseries, Pre-schools, childminders all offering what they feel they can do best. The local authority should not try to impose flexibility in certain ways if a setting does not believe that is best for them as a business and a quality provider. Settings should know what their own strengths are and direct parents to other providers if they cannot meet their needs.</p>
Pre-school	Whitegrove	<p>As much as I agree with deprivation being important I am slightly concerned that the intentions for the quality of staff top up is being reduced. I personally feel level 4 is equivalent to level 5. And even level 3 should be recognised. You will find most staff will do level 3 but anything over is hard for them with their personal lives. Also they do not receive anything more for going higher as the money is not there to pay them. If you do have a graduate and they qualify they move on straight away as there is more money for them elsewhere. This is a waste of staff time as it takes a lot of work and effort to train someone up just for them to leave. As deprivation is so important surely having staff that are qualified at level 3 or above is important, but something needs to be in place to help providers support their staff and an incentive to encourage them. I personally do not feel flexibility is as important. This I feel is unfair to those settings that are run in halls and are not able to be as flexible as others as the hall may be used at other times. Also most pre-schools are staffed by parents and that this job suits them so they can pick up and drop their children off themselves, have holidays with them. If we were to offer weekend or holiday sessions we might as well become a nursery and you will lose the quality of staff you may have already I do agree that we should receive the new base rate straight away but yet again the minimum wage is going up by 30p in April so by taking away the quality of staff for myself I am not gaining anything as I am having to pay it out to staff. EAL is important but at present not enough different languages are available to help settings and also most of the time they do not turn up to the settings which is awkward when we have informed the parents this is happening. Also they do not return messages</p>

Restricted

Provider type	Provider	Comment
<b>Other comments</b>		
Private nursery	Rectory Lane	As a manager/owner of 2 'Outstanding' settings. There appears to be no incentive to be 'outstanding'. More emphasis has been put on the level of qualification. I am a level 6 graduate leader but there are many level 3 led 'outstanding sessions'
Private nursery	Rowans	As a manager/owner of 2 'Outstanding' settings. There appears to be no incentive to be 'outstanding'. More emphasis has been put on the level of qualification. I am a level 6 graduate leader but there are many level 3 led 'outstanding sessions'
School	Meadow Vale	A very robust, clear and well-explained consultation, thank you
School	New Scotland Hill	The timing of this consultation was not helpful
School	Owlsmoor	At this stage we are not considering taking 2 year olds



TO: SCHOOLS FORUM

DATE: 9 MARCH 2017

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**BFC PROVISIONAL RESPONSE TO STAGE 2 OF THE DEPARTMENT FOR EDUCATION  
CONSULTATION ON SCHOOL AND EDUCATION FUNDING REFORMS  
Director of Children, Young People and Learning**

**1 PURPOSE OF REPORT**

- 1.1 To present to the Schools Forum the council's draft response to Stage 2 of the consultations issued by the Department for Education (DfE) relating to proposed changes to education and school funding. The Stage 2 consultation ends on 22 March 2017.

**2 RECOMMENDATIONS**

- 2.1 **To NOTE the council's draft response to the Stage 2 DfE consultation on school and education funding reform.**
- 2.2 **To AGREE what response, if any, is made to the Stage 2 DfE consultation on school and education funding reform by the BF Schools Forum.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure the Schools Forum is in a position to consider what response, if any, it wishes to make to the Stage 2 DfE consultation on school and education funding reform.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable.

**5 SUPPORTING INFORMATION**

Background

- 5.1 The Schools Forum has been kept up to date on the planned national reforms of school and education funding with regular briefings where the key proposals from Stages 1 and Stage 2 of the DfE funding consultation processes were set out. For additional information, the detailed report on the Stage 2 proposals is presented to the last meeting of the Forum is attached at Annex A.

The Stage 2 DfE consultation documents can be found at:

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

- 5.2 The council has developed a draft response to the consultation questions as set out below. Most responses are intended to maximise funding to BF schools and the council.

Updated DfE proposals – Stage 2

*Detailed formula design proposals*

- 5.3 The most significant part of the consultation in terms of commentary provided by the DfE and questions posed relates to the design proposals for the schools national funding formula (SNFF). There are 14 related questions which are set out below, followed by the draft BFC response and explanation.
- 5.4 Forum members will recall from the last meeting that in summary, and based on 2016-17 funding data, the proposed SNFF would deliver an extra £1.433m to schools in year 1, potentially rising to an additional £3.24m (5.1%) when fully implemented. However, not all BF schools are forecast to receive a gain. In the first year of the SNFF, 4 schools would receive reduced funding, ranging from 0.2% to 1.3%, with 33 experiencing a gain of between 0.2% and 2.9%. The proposed maximum permitted increase in year 1 is 3%.
- 5.5 Comments for inclusion on the draft consultation response are in normal type face, additional background information to further explain matters are set out in *italics*.

**1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?**

BFC draft response:

No.

BFC draft comment:

Whilst the Council supports targeting resources to pupils with additional needs, it does not believe there is a case to increase the proportion of funds through deprivation and low prior attainment measures from the current average of 11.9% to 16.8%. Whilst as highlighted in the consultation document there may be an expectation that some core per pupil funding will also support pupils with additional needs, this is only likely to be of any significance in the most deprived areas (top 33% of secondaries is quoted in the consultation) but there is no evidence that this should equate to a 4.9% increase in funding through these measures. The consequence of this is lower core per pupil funding allocations which is not considered fair for the majority of pupils in schools.

We fully support the need for funding stability and a 3% cap on losses in the first 2 years of change mirror the current 1.5% maximum funding loss through the Minimum Funding Guarantee which schools are familiar with. However, any funding floor needs to unwind over time for there to be a truly uniform National Funding Formula in place. A time limit to funding protection should be in place.

It would be helpful for context to know what proportion of schools are expected to continue to benefit from funding protection after the 2 year period.

**2. Do you support our proposal to set the primary to secondary ratio in line with the current national average of 1:1.29, which means that pupils in the secondary phase are funded overall 29% higher than pupils in the primary phase?**

BFC draft response:

No response provided to consultation options of “Yes”, “No – the ratio should be closer”, “No – the ratio should be wider”.

BFC draft additional comment:

There is no question that delivering secondary school education costs more than primary. For such a fundamental and significant consultation, rather than maintaining the current average ratio, the council would prefer the decision is based on some evidential research. The approach to this area of the consultation is at odds with Question 1 which abandons the current funding ratios for deprivation and low prior attainment and proposing significant increases.

**3. Do you support our proposal to maximise pupil-led funding, so that more funding is allocated to factors that relate directly to pupils and their characteristics?**

BFC draft response:

Yes.

BFC draft additional comment:

The council supports a formula with high pupil-led funding but considers a greater proportion than proposed should be given to basic core per pupil funding that all pupils attract. The consultation doesn't provide evidence to confirm how a higher proportion through pupil characteristics would improve overall pupil outcomes.

**4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language)?**

BFC draft response:

No – allocate a lower proportion to additional needs.

BFC draft additional comment:

There is no evidence in the consultation that this should equate to an additional 4.9% of total funds being allocated through these measures. The consequence is lower core per pupil funding allocations which is not considered fair for the majority of pupils in schools. A lower increase only is supported.

**5. Do you agree with the proposed weightings for each of the additional needs factors?**

BFC draft response:

For each of the relevant factors; the comment is to allocate a lower proportion.

*The data for each factor is; deprivation pupil related (5.5% compared to current average 4.5% and BFC rate of 1.6%); deprivation area related (3.9% compared to current average 3.1% and BFC rate of 2.4%); low prior attainment (7.5% compared to current average 4.3% and BFC rate of 3.4%); English as an Additional Language (1.2% compared to current average 0.9% and BFC rate of 0.4%).*

BFC draft additional comment:

For each factor, the response is there is no evidence in the consultation that this should equate to the proposed increase in funding through this factor. The consequence is lower core per pupil funding allocations which is not considered fair for the majority of pupils in schools. A lower increase only is supported.

**6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?**

*The DfE have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while a more sophisticated indicator is developed. The DfE currently prescribes the method that all Funding Formulas must use to allocate resources to schools for pupil mobility outside normal admissions periods. The data used must be the relevant October census to identify the start date in each of the last three academic years of each pupil who did not commence in August or September (or January for Year 1). Funding is then targeted only to those schools with at least 10% pupil turnover, with funding allocated only to those pupils over the 10% threshold. The DfE are seeking comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.*

BFC draft response:

None.

BFC draft additional comment:

None.

**7. Do you agree with the proposed lump sum amount of £110,000 for all schools?**

BFC draft response:

No – allocate a higher amount.

BFC draft additional comment:

Fixed costs funding should be linked to the inescapable costs that all schools are likely to face and should not be set at a level that only contributes to them because a per pupil funding system naturally favours schools with the most pupils. We believe that at least £160,000 should be included in this factor, to cover the cost of a Head Teacher (circa £60k), some leadership support (circa 0.5 fte £25k), receptionist / admin support (circa £20k), Finance support (circa 0.5 fte £15k), Site Manager / caretaker/ cleaner (circa 1.0 fte £20k) plus some unavoidable premises costs that are generally fixed in nature, but can also vary with pupil numbers such as insurances, utilities and repairs and maintenance (circa £20k).

In addition, the experience in BFC is that the smaller schools tend to struggle with their finances, particularly 1 form entry schools that are not full as there is limited scope for cost savings and even when pupil numbers can increase they are generally low numbers delivering limited amounts of additional funds. For these schools the fixed lump sum is a vital element of the funding formula with any proposal for a reduction likely to cause further financial difficulties to this group of schools.

**8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools?**

BFC draft response:

No comment.

*Note this is an insignificant factor, proposed to allocate 0.08% of funds compared to the current 0.05%.*

**9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?**

BFC draft response:

No.

BFC draft additional comment:

No. Neither do we agree that the 2018-19 growth factor should be based on historic spend. Whilst this may work relatively well for in-year allocations for schools opening a small number of classes which will tend to follow a pattern and not significantly change across an area from one year to the next, this is not the case for the 'implicit' funding mentioned in the consultation where there is such a significant change in a school that the DfE expects LAs to adjust census data to ensure a school receives an appropriate budget allocation. Typically, in our experience, this relates to the opening of a new school where there are no pupils on roll at the normal census point used for funding purposes, and for the first few years thereafter where numbers significantly increase. Providers of these schools would have taken on the responsibility of running the school on the expectation that the diseconomy funding proposed by the LA would be forthcoming, but these proposals make that extremely difficult to deliver.

In Bracknell Forest, we have £0.315m of 'implicit' growth funding in our budget for 2017-18, but with 2 new schools opening in September 2018, we are expecting this to increase to £1.459m. So funding 2018-19 on 2017-18 budgets is totally inappropriate and unfair.

The council believes that there is no valid reason for the EFA not to be able to continue to fund new schools through the national funding formula on adjusted pupil numbers. From their own autumn census data, individual LAs will be able to assess how much funding relevant schools need in accordance with local funding policies, provide the EFA with a relevant amount by the end of October for the EFA to make an appropriate variation to pupil numbers, set the national pupil and other funding rates, and deliver to schools the resultant budget in January.

It is unreasonable to expect LAs to manage a shortfall in funding through their own diminishing resources.

The council believes this approach to the Growth Fund should continue into the longer term as a more balanced and fair approach than the lagged pupil growth data proposed in the consultation.

**10. Do you agree with the principle of a funding floor that would protect schools from large overall reductions as a result of this formula? This would be in addition to the minimum funding guarantee.**

BFC draft response:

No.

BFC draft additional comment:

The council believes that the -1.5% maximum per pupil funding reduction permitted through the Minimum Funding Guarantee affords sufficient protection to schools each year and would ensure a true national funding formula is in place over time. Including a floor factor ensures those schools overfunded continue to be overfunded on an indefinite basis.

**11. Do you support our proposal to set the floor at minus 3%, which will mean that no school will lose more than 3% of their current per-pupil funding level as a result of this formula?**

BFC draft response:

No.

BFC draft additional comment:

There should not be a floor in place. The MFG is sufficient and ensures that over time all schools move to the national funding formula which is the intention of the reforms, to make sure schools with the same number of pupils and characteristics receive the same level of funding wherever they are across the country. The only difference should be the area cost adjustment.

**12. Do you agree that for new or growing schools the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?**

BFC draft response:

None.

BFC draft additional comment:

We do not support the use of a funding floor as the MFG is sufficient.

**13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5% per pupil? This will mean that schools are protected against reductions of more than 1.5% per pupil per year.**

BFC draft response:

Yes.

BFC draft additional comment:

Schools are familiar with the mechanism and the rate is realistic in the current economic environment.

**14. Are there further considerations we should be taking into account about the proposed schools national funding formula?**

BFC draft response:

Yes. The proposal to fund premises related factors on historic costs as “the distribution of these costs is unlikely to change significantly year-on-year” will not be correct for all schools. Aside from the annual uplift in business rates in line with the September RPI, many schools will be subject to revaluations to reflect expansions or new build programmes in response to rising pupil numbers. There is also the impact of transitional relief from the 2017 revaluation and the annual impact that will arise each year from the phasing out. These schools are at risk of being disadvantaged more than other schools.

**15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?**

*Question 15 is missing from the on-line response form. The question numbering in this report reflects those recorded in the DfE consultation document. As a result the following questions are numbered differently on those on the response form.*

Central school services DSG block

- 5.6 *This part of the DSG contains funds for the ‘retained’ statutory and regulatory duties<sup>1</sup> currently funded through the Education Services Grant as well as the Schools Block funding currently held centrally by LAs<sup>2</sup>. The Stage 1 consultation confirmed the expectation that ‘retained’ statutory and regulatory duties funding allocated on a per pupil basis, should be retained centrally by LAs. In respect of the Schools Block funding currently held by LAs, Stage 1 proposed that the historic costs elements continue to be funded at current budget amounts with funding for all other elements to be allocated to LAs on a per pupil basis, with an area cost uplift where appropriate.*
- 5.7 *Forum members will recall their previous decision that confirmed funding for ‘retained’ statutory and regulatory duties would be centrally managed by the LA to make a contribution to relevant costs. For the current Schools Block items, and based on 2016-17 funding data, the new formula would result in a £0.112m (17.45%) funding cut for Central School Services. Transitional protection limits this to £0.016m in the first year. Centrally managed historic commitments, in general, those that support vulnerable children and are combined with other budgets directly funded by the council outside the DSG, would initially be cash protected at current expenditure levels (£0.406m for BFC), with long term funding plans yet to be announced. Transitional arrangements would be put in place to limit losses to 2.5% per pupil in each of the next 2 years which would be funded by limiting gains to 2.4% per annum.*

<sup>1</sup> Educational Welfare, Asset Management and statutory and regulatory duties e.g. strategic service planning, Finance, HR, Legal etc

<sup>2</sup> School Admissions, servicing of Schools Forums, fees to independent schools for pupils with SEN, centralised copyright licence, LA initiatives and historic cost elements of providing combined education and children’s services, e.g. Family Intervention Team, Looked After Children Education Service.

- 5.8 *The Stage 2 consultation now proposes that 90% of funds available for the current Schools Block items are allocated according to pupil numbers, with an area cost adjustment, but with the remaining 10 % via the Ever6 Free School Meals deprivation measure, to recognise the importance of particular services for schools, such as education welfare services, in areas of high levels of socio-economic deprivation.*

**16. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?**

BFC draft response:

No. A lower proportion should be allocated to the deprivation factor.

BFC draft additional comment:

Whilst there may be a case that some duties in the central school services block have a close link the socio-economic deprivation, this may only relate to the education welfare service highlighted in the consultation document. The basis of the 10% value has not been substantiated and appears too high.

**17. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?**

BFC draft response:

Yes.

BFC draft additional comment:

For consistency with the maximum loss a school can experience, a 1.5% limit on reductions should be applied.

**18. Are there further considerations we should be taking into account about the proposed central school services block formula?**

BFC draft response:

No.

BFC draft additional comment:

None.

High Needs DSG block

- 5.9 *Stage 1 of the DfE consultation process indicated that the DSG allocation to BF for the HN budget will be 15% lower under the HN National Funding Formula (HNNFF), which equates to £2.327m. In the first instance, no LA is proposed to receive less cash than at present, but this may change through the course of the current DfE consultation.*



**1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?**

BFC draft response:

No response to “Yes” or “No” options.

BFC draft additional comment:

We are concerned for the long term funding prospects of high needs children in Bracknell Forest. Whilst the proposals suggest no LA will lose funds over the next 4 years, we are an authority requiring a 15% top up from the Floor, so if this is removed, over time, face significant challenges. We believe the formula does not properly reflect the circumstances of small LAs that do not have the resources to develop a range of specialist provisions either in terms of capital investment or managing the risk of having to “sell” spare places to other LAs as the local population is too small to warrant an economically efficient local provision. Therefore we are required to purchase a disproportionate number of out of area places at costs that are generally higher than would be the case if a local provision could be established. This is a significant cost driver for small LAs and should be properly reflected in the formula.

**2. We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?**

*This question is divided into two:*

- I. Historic spend factor - to allocate to each local authority a sum equal to 50% of its planned spending baseline

BFC draft response:

Allocate a higher proportion.

BFC draft additional comment:

A higher amount should be allocated in the first 4 years of the new formula to recognise the difficulty in reducing costs that are committed to fees for pupil education for many years and also for those areas with very limited in-house specialist provisions, but nonetheless need to place children with a wide range of SEND, necessitating significant numbers of out of area placements. The development of new schools is not possible as the local population is too small to sustain an economically efficient local provision.

- II. Basic entitlement - to allocate to each local authority £4,000 per pupil

BFC draft response:

This is about the right amount.

BFC draft additional comment:

It reflects the current level of basic entitlement funding in the 16-19 national formula..

**3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?**

- Population - 50%
- Free school meals eligibility - 10%
- IDACI - 10%
- Key stage 2 low attainment - 7.5%
- Key stage 4 low attainment - 7.5%
- Children in bad health - 7.5%
- Disability living allowance - 7.5%

*No comment from the council on these proposals which in general reflect the independent research by Isos that argued a basket of measures should be used that together represented a reasonable proxy but that there was no rationale to give any particular factor more weighing than others. DfE indicates that changing the relative weightings has little effect on the overall distribution.*

**4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in this document.**

BFC draft response:

Yes.

BFC draft additional comment:

At least for the first 4 years to reflect the high proportion of costs that are committed for a number of years.

**5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?**

BFC draft response:

Yes.

BFC draft additional comment:

At least for the first 4 years to reflect the high proportion of costs that are committed for a number of years.

**6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?**

*The limited flexibility relates to allowing funds to be moved to reflect the way children and young people with high needs are placed. It relates:*

- Continuing to allow LAs to use their HNB funding to support mainstream schools that are particularly inclusive
- For 2017-18 LAs are able to transfer funding between their SB and HNB

- From 2018-19 and in subsequent years, LAs will be able to transfer funding between the HNB, the central schools services block and the EYB budgets that LAs are allowed to retain centrally
- From 2018-19 subject to consent of the Schools Forum, LAs will be able to transfer funds from what schools receive through the SNFF into the HNB to facilitate area-wide initiatives. There could be a cap on the amount that can be transferred from schools, possibly around 2% or 3% of the HNB allocation i.e. around £0.3m to £0.45m

BFC draft additional comment:

Yes.

BFC draft response:

Where schools agree that support to HN pupils is best delivered through a strategic, area wide approach, there should be the option for the Schools Forum to agree a funds transfer.

**7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?**

*The DfE are developing proposals on the level of flexibility to allow in the longer term. Full consultation on any proposals would be undertaken at a later stage, but for now, only initial comments are being sought.*

BFC draft additional comment:

Nothing to suggest at this stage.

**8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?**

BFC draft additional comment:

Nothing to suggest at this stage.

**9. Is there any evidence relating to the eight protected characteristics as identified in the Equality Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take into account?**

BFC draft additional comment:

No comment.

Next Steps

- 5.10 The council and Schools Forum need to decide what response, if any, is made to the latest DfE funding consultations. The changes proposed are important and have a significant financial impact. The DfE expects to publish the outcomes from this second stage of the consultation exercise by the summer of 2017. This will confirm final policy decisions and the composition of the national funding formulae that will be used to calculate individual school and local area DSG allocations. It is also expected to include updated potential financial implications for LAs and schools.

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

### Borough Solicitor

6.1 The relevant legal issues are identified within the body of the report.

### Borough Treasurer

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

### Equalities Impact Assessment

6.3 The DfE has completed an EIA on the impact of these proposals.

### Strategic Risk Management Issues

6.4 The proposed reforms indicate significant future financial challenges for the council which are expected to be managed through proposals included in the High Needs Block Review.

## **7 CONSULTATION**

7.1 Not appropriate.

### Background Papers

None.

### Contact for further information

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### Doc. Ref

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**TO: SCHOOLS FORUM**  
**DATE: 12 JANUARY 2017**

**UPDATE ON SCHOOL AND EDUCATION FUNDING**  
**Director of Children, Young People and Learning**

**1 PURPOSE OF REPORT**

- 1.1 To update on the potential implications BFC and schools from Stage 2 of the consultations issued by the Department for Education (DfE) relating to proposed changes to education and school funding. Following the outcomes from the Stage 1 consultation, a number of key decisions have now been taken by the DfE that allow for illustrative financial implications to be issued to LAs and schools. However, some areas still require attention, with further questions being posed, meaning most figures need to be viewed with caution. Stage 2 consultation ends on 22 March 2017.

**2 EXECUTIVE SUMMARY**

- 2.1 The Stage 2 proposals for Schools and High Needs (HN) funding reform have now been published, which as expected, set out changes very similar to the original proposals but reflect some changes as a result of comments received at Stage 1. This announcement follows the conclusion and implementation of changes to Early Years (EY) funding that are required by the DfE which were reported to the Schools Forum in December. An EY consultation from BFC is now out with local providers for comments.

- 2.2 Using 2016-17 data, the key financial impacts anticipated for BF are.

1. For schools, the proposed Schools National Funding Formula (SNFF) would deliver an extra £1.433m in year 1, potentially rising to an additional £3.24m (5.1%) when fully implemented. Not all BF schools are forecast to receive a gain. In the first year of the SNFF, 4 schools would receive reduced funding, ranging from 0.2% to 1.3%, with 33 experiencing a gain of between 0.2% and 2.9%. The maximum permitted increase in year 1 is 3%.
2. For BFC, there is a confirmed £1.237m reduction in income from the withdrawal of Education Services Grant (ESG) funding and the potential for a £2.845m reduction in education specific funding through the Dedicated Schools Grant (DSG), so in total up to £4.082m. The potential loss on the DGS comprises:
  - a. The DSG allocation to BF for the HN budget is 15% lower under the HN National Funding Formula (HNNFF), which equates to £2.327m. In the first instance, no LA is proposed to receive less cash than at present, but this may change through the course of the current DfE consultation.
  - b. The planned new DSG block for on-going LA services – central school services block – will be allocated to LAs through a new formula which will result in a £0.112m (17.45%) funding cut. Transitional protection limits this to £0.016m in the first year.
  - c. Centrally managed historic commitments will also initially be included within the central school services DSG block, and cash protected at current expenditure levels. It is unclear how these costs, which for BF amount to £0.406m will be funded after year 1 of the SNFF.

### **3 RECOMMENDATIONS**

#### **3.1 To NOTE the proposals from the latest stage of national funding reform and the financial implications anticipated at this time using 2016-17 data, in particular:**

- 1. The potential benefit to schools of an initial funding increase in year 1 of the SNFF of £1.422m, an average rise in per pupil funding of 2.2%**
- 2. A cut in council funding of up to £4.082m comprising:**
  - a. A confirmed cut in general council funding available to support schools of £1.237m**
  - b. a potential cut in education specific grants of £2.845m**

### **4 REASONS FOR RECOMMENDATIONS**

- 4.1 To provide an update on anticipated changes to school and education funding, including an outline of the potential financial and other implications that need to be managed.

### **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Not applicable.

### **6 SUPPORTING INFORMATION**

#### Background

- 6.1 The Schools Forum has been kept up to date on the planned national reforms of school and education funding with regular briefings where the key proposals from Stage 1 of the DfE consultation process set out the intention to:

1. Move to new national funding formulae to allocate funds:
  - a. directly to schools through a consistent approach across the country, including national rates of funding. The Education Funding Agency (EFA) will allocate the funds through the SNFF with minimal LA involvement,
  - b. to LAs for their ongoing areas of responsibility relating to high needs pupils (through the HNNFF) and for early years provisions (through the EYNFF).
2. Remove the existing £600m of grant funding allocated to LAs to meet statutory and regulatory education related services whilst maintaining all the existing responsibilities. Funding Regulations will be updated to allow schools to in future contribute to the costs.
3. Introduce changes on a phased basis from April 2017, with the expectation that the SNFF will be fully implemented from April 2019, via the EFA.
4. Add to the SNFF an additional £500m through the current spending review period to March 2020 to ensure more schools gaining from the changes receive the full benefit earlier than would otherwise be the case whilst at the same time adding protection to limit loses to those schools that at present receive more funds than would be allocated through the SNFF.

## Updated DfE proposals – Stage 2

### Introduction

- 6.2 On 14 December 2016, the DfE published Stage 2 of its proposals for Schools and High Needs funding reform. This builds on Stage 1 of the process and sets out details of the intended detailed operation of the new funding formulae, including the amount of funds to be allocated through each element. To establish the likely financial impact at both LA and individual school level, the DfE has also published illustrative funding allocations that would have been received in 2016-17, had the new formula been in place.
- 6.3 More questions are posed during this second stage of the consultation process with a closing date for responses of 22 March 2017. Full implementation is planned for April 2019, although transitional funding arrangements will initially be in place to protect those schools and areas facing the largest funding reductions.
- 6.4 It is important to note that the illustrative financial impact anticipated from the proposed changes on individual schools and LAs that the DfE has published are based on 2016-17 data. Whilst this is helpful, when the final changes are agreed, they will be introduced for the first time in 2018-19, and will therefore be based on a data set 2 years in the future which may result in very different outcomes from those calculated from the 2016-17 data.

### Key proposals

#### For schools - The SNFF

- 6.5 In terms of the actual construction of the SNFF, it will comprise the same 12 elements as outlined in the Stage 1 consultation<sup>3</sup>, plus the inclusion of a factor for high mobility. The relative weighting of funds through each element are also confirmed and has largely been based on the average current distribution of funding made by LAs with the main differences to this approach relating to increasing funding on additional needs factors and also recognising disadvantage in a broader sense to ensure more resources reach schools serving the “just managing group”. The DfE consultation document states. in summary, “we are proposing:

#### **Across the whole formula, to:**

- maintain the primary to secondary ratio in line with the current national average [BFC comment: i.e. 1:1.29 which means secondary schools receive on average 29% more per pupil funding than primaries. This compares to the 36% funding differential currently in place in BF]
- maximise the proportion of funding allocated to pupil-led factors compared to the current funding system, so that as much funding as possible is spent in relation to pupils and their characteristics

#### **With regard to basic per-pupil funding, to:**

- reflect that the majority of funding is used to provide a basic amount for every pupil, but that some of this funding is at present specifically supporting pupils from disadvantaged backgrounds. To do this, we propose increasing the total spend on the additional needs factors in the national funding formula

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<sup>3</sup> Age weighted pupil unit, deprivation, low prior attainment, English as an Additional Language, lump sum, sparsity, rates, Private Finance Initiative, split site, exceptional circumstances, growth and area cost adjustment.

- continue to increase the basic rate as pupils progress through the key stages

**With regard to additional needs funding, to:**

- increase total spend on the additional needs factors (socio-economic deprivation, low prior attainment, English as an additional language, and mobility) to recognise that some basic per-pupil funding is currently supporting pupils from disadvantaged backgrounds, and recognise disadvantage in a broader sense
- continue to have a substantial deprivation factor, in addition to the pupil premium, to ensure schools with pupils from a socio-economically disadvantaged background attract significant extra funding, and within this:
  - increase the amount of funding explicitly targeted towards deprivation
  - include a greater weighting towards areas with high concentrations of just managing families who do not typically qualify for FSM deprivation funding, through the use of a significant area-level deprivation factor (using the Income Deprivation Affecting Children Index, IDACI). This will help to ensure that we are supporting all those whose background may create a barrier to their education, not only those with a history of free school meal (FSM) eligibility
- increase substantially the weighting of the low prior attainment factor, because we know that attainment data is one of the strongest indicators of how children are likely to do later, and we want to target funding to schools to help all pupils catch up
- continue to have an English as an additional language factor, increased in terms of total spend in comparison to the current system because the national funding formula will fund all eligible pupils consistently
- protect local authorities' spend on the current mobility factor, while we develop a more sophisticated mobility indicator for use in the national funding formula from 2019-20 onwards, as discussed in our response to the stage one consultation

**With regard to school-led funding, to:**

- continue to provide every school with a lump sum, but at a lower level than the current national average so that we can direct more funding to the pupil-led factors.. [BFC comment: this will be £110,000 with BF currently funding primary schools at £160,000 and secondaries at £170,000].
- provide small and remote schools with additional funding, over and above the lump sum, to recognise that they can face greater challenges in finding efficiencies and partnering with other schools
- proceed with our proposal to fund rates and premises factors (PFI; split sites; exceptional circumstances) in 2018-19 on the basis of historic spend, but with an adjustment to the Private Finance Initiative (PFI) factor so that it is automatically updated in line with inflation, using the RPIX measure<sup>7</sup>
- proceed with our proposal to fund the growth factor on an historic basis for 2018-19, and seek views through this consultation on what we think would be a better approach for the long term, using lagged growth data

**With regard to geographic funding, to:**

- recognise the higher salary costs faced by some schools, especially in London, by making an area cost adjustment. We will use the hybrid area cost adjustment methodology, which takes into account variation in both the general and teaching labour markets



**To ensure sufficient stability, we also propose:**

- to build in an overall 'funding floor', so that no school will face a reduction of more than 3% per-pupil overall as a result of this formula

**And during transition:**

- The minimum funding guarantee of minus 1.5% per-pupil in any year will continue, providing additional stability for schools
- schools will receive gains of up to 3% per-pupil in 2018-19, and then up to a further 2.5% in 2019-20. The real terms protection on the national core schools budget means we can invest resources - over and above flat cash per-pupil - in 2018-19 and 2019-20 to increase the rate at which we can allocate gains. We are able to allocate around £200 million in each year above flat cash per-pupil, allowing us to combine significant protections for those facing reductions and more rapid increases for those set to gain."

6.6 LAs will be responsible for allocating individual school budgets in 2018-19, but the total area allocation will be based on the aggregate funding schools would have received if the SNFF was fully operational. Based on 2016-17 data, BF schools would benefit by £1.433m from this change. LAs can continue to use their own local Funding Formula, although the DfE "encourages" LAs to adopt the NFF. Whilst the Schools Block amount will be ring fenced for schools, the DfE will allow funding transfers to the High Needs Block if there is local agreement.

6.7 The key changes in funds to be distributed through the SNFF compared to the current BF Funding Formula are that less money will in future be allocated through basic per pupil funding and the fixed lump sum allocation with more through deprivation and low prior attainment measures. These differences are not completely unexpected as they reflect long standing key priorities of the government. With BF being a relatively low deprivation area, the local funding formula reflects this with low weightings to the relevant factors with a higher weighting for basic per pupil funding.

6.8 A diagrammatic layout of the current 2016-17 national LA spend through the factors of their Funding Formula, the BF specific amounts, and what the DfE are proposing for the SNFF is set out in Annex 1, with a summary below in Table 1.

**Table 1: Comparison of 2016-17 school funding formula factor distribution weightings**

Funding Formula Factor	LA average	BFC Weighting	DfE SNFF	Change LA to SNFF	Change BFC to SNFF
Basic per-pupil funding	76.60%	80.04%	72.50%	-4.10%	-7.54%
Deprivation	7.60%	3.96%	9.30%	1.70%	5.34%
Low prior attainment	4.30%	3.35%	7.50%	3.20%	4.15%
EAL	0.90%	0.35%	1.20%	0.30%	0.85%
Mobility	0.10%	0.04%	0.10%	0.00%	0.06%
Lump sum	8.20%	9.37%	7.10%	-1.10%	-2.27%
Sparsity	0.05%	0.00%	0.08%	0.03%	0.08%
Premises	1.80%	2.32%	1.80%	0.00%	-0.52%
Growth	0.50%	0.59%	0.50%	0.00%	-0.09%

Indicative financial implications for BF schools

- 6.9 Funding for BF schools through the SNFF would have been 5.1% higher (£3.24m) in 2016-17 than the actual amount received through the current funding framework. 4 schools would experience a cash reduction in funding (from 0.2% to 1.6%), 33 schools would experience an increase (from 0.2% to 11.6%). The increase in funding mainly reflects the relative low per pupil funding currently received in the BFC DSG compared to the uniform national amount that will be paid through the SNFF.
- 6.10 Schools would not move directly to the SNFF as funding protection will be in place. After applying transitional funding protection to cap per pupil increases to no more than 3% and limit annual losses to no more than 1.5%, there would have been an overall increase of 2.2% (£1.433m). As expected, the effect of this is to reduce the amount of losses (now from 0.2% to 1.3%) and limit the gains (now from 0.2% to 2.9%).

Annex 2 sets out the illustrative budget allocations for 2016-17, showing actual budget **with de-delegation amounts included**, budget on the full SNFF, and budget on the SNFF after transitional funding protection. Note, there are some minor differences between the 2016-17 baseline budget presented by the DfE and that calculated by the council. This has been queried with the DfE.

Questions now being proposed by the DfE on the SNFF

- 6.11 There are 14 questions (1-14) being posed by the DfE relating to the structure and weightings being proposed for the SNFF, 1 (15) relating to the impact on school budgets and 3 (16-18) relating to the new central school services DSG block which is further explained below at paragraph 6.21. The questions are set out in Annex 3.

For LAs:

High Needs Block

- 6.12 The role for LAs moving forward will concentrate on ensuring every child has a school place, ensuring the needs of vulnerable pupils are met and acting as champions for parents and families. To deliver these duties, LAs will remain responsible for HN and EY funding. For EY, there has been a separate DfE consultation which has now concluded, with the BFC local consultation with proposed changes now open and distributed to providers for comment. In addition, LAs will continue to receive a part of the Schools Block DSG (see paragraph 6.21).
- 6.13 In terms of the HN funding, responses to the stage 1 consultation agreed that the principles were correct but there was concern over whether the proposals put forward would deliver them. For example, there were queries around what a 'fair' system was and also the meaning of 'efficient'. Other concerns were raised around whether a simple system was the best approach to take on what is a very complex and varied range of needs.
- 6.14 However, the DfE has confirmed that the composition of the elements will be as outlined in the Stage 1 consultation<sup>4</sup>, although a number of minor changes will be made to the detailed operation of some elements, together with a new addition of a funding floor factor to ensure no LA sees a cash reduction under the HNNFF compared to current funding. The floor factor has been introduced to recognise the fixed cost nature of many

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<sup>4</sup> Basic amount for pupils and students in SEN institutions, population factor, disability living allowance, children in bad health, KS2 low attainment, KS4 low attainment, Free School Meals, Income Deprivation Affecting Children Index, historic spend, plus an area cost adjustment.

## Unrestricted

commitments LAs have in terms of fees for students that could be in the same institutions for many years to come.

- 6.15 Proposed relative weighting of funds through each element are now set out in the consultation and summarised below in Table 2, together with the indicative BFC weightings. Annex 4 provides more detail on the weightings applied to items 3 - 9.

Table 2: Proposed weightings for the HNNFF

Formula Factor	Amount £m	National Weighting %	BFC Weighting %
1. Pupils and students in SEN institutions at £4,000 each	£470	8.48%	6.92%
2. Historic spend	£2,500	45.08%	55.14%
3. Population	£1,250	22.54%	24.13%
4. Deprivation: FSM	£250	4.51%	2.52%
5. Deprivation: IDACI	£250	4.51%	0.77%
6. Low attainment: KS2	£188	3.39%	2.63%
7. Low attainment: KS4	£188	3.39%	2.43%
8. Children in bad health	£188	3.39%	2.22%
9. Disability Living Allowance	£188	3.39%	3.08%
10. Historic Hospital Education spend	£73	1.32%	0.15%
<b>Total</b>	<b>£5,545</b>	<b>100.00%</b>	<b>100.00%</b>

- 6.16 In addition to the main factors in Table 2, there will be further adjustments to each LAs HN funding:

1. an area cost adjustment will be applied where relevant (7% uplift for BFC) to all factors other than historic spend as this will already reflect local cost variations.
2. an import / export adjustment so those LAs sending out more pupils to other LAs lose £6,000 per pupil funding to reflect the requirement of the resident LA to finance place funding in the SEN institutions in their area to be added to the £4,000 per pupil / student funding to achieve the £10,000 place funding cost.
3. and the funding floor adjustment to add the cash amount difference where the normal operation of the HNNFF results in a lower allocation than current spending. This ensures no LA receive less funds than at present. Having the floor in place will limit increases in funding to 3% in 2018-19 and 2019-20 to those LAs gaining from the new arrangements.

- 6.17 The DfE will review the effectiveness of the HNNFF in 4 years.

Questions now being proposed by the DfE on the HNNFF

- 6.18 There are 5 questions (1-5) being posed by the DfE relating to the structure and weightings being proposed for the HNNFF, 2 about allowing flexibilities between school and HN budgets (6-7) and 2 further general questions (8-9). These are set out in Annex 5.

Schools Block

- 6.19 Aspects of the SNFF also relate to on-going responsibilities for LAs. Despite earlier announcements, there will be a continued role in aspects of School Improvement, with:
1. New grant funding until March 2019, (outside the scope of this consultation)
  2. The option to seek additional funds from maintained schools through the 'de-delegation'<sup>5</sup> route for services outside the statutory and regulatory provisions.
- 6.20 The consultation also reaffirmed that the DfE will be completely withdrawing £600m of ESG currently paid to LAs to deliver 'general' education related statutory and regulatory duties although all the existing responsibilities will remain. There will be limited transitional funding in 2017-18 with BFC expected to receive £0.446m compared to the current £1.237m.
- 6.21 Funding responsibility for the new Central School Services Block that was set out in Stage 1 will be added as a 4<sup>th</sup> Block to the DSG. This will:
1. Contain funds for the 'retained' statutory and regulatory duties currently funded through the ESG and the Schools Block funding currently held centrally by LAs<sup>6</sup>.
  2. Be allocated through a new national funding formula and not be based on current spending. It will comprise:
    - i. A per-pupil factor and an element according to deprivation, based on Ever6 Free School Meal eligibility, with both adjusted for area cost factors. This is intended to fund ongoing responsibilities previously financed through the ESG, as well as school admissions, servicing of Schools Forums, fees to independent schools for pupils with SEN, the national centralised school copyright licence and LA initiatives.
    - ii. An allocation to continue funding combined education and children's services at the current amount, provided there is evidence the actual historic commitments remain in place. The expectation of the DfE is that these costs will "unwind over time" and long term proposals for future funding arrangements for these budgets will follow.
  3. In keeping with current requirements, LAs will need agreement of the local Schools Forum on proposed areas of spend in this DSG funding block.
  4. Will include transitional funding protection that will limit per pupil funding increases to 2.4% in 2018-19 and limit per pupil funding losses to no more than 2.5% in both 2018-19 and 2019-20.
- 6.22 A new HN strategic planning fund for 2016-17 was also announced by the DfE with the intention of providing funding to each LA to fund a strategic review of their high needs provision, to maximise effectiveness and value for money. The Forum previously agreed that such a review should be undertaken in BF, the outcomes of which are included on a separate agenda item. The £0.053m unring-fenced allocation will be used to finance this review which was initially intended to be funded from the HN Block.

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<sup>5</sup> If maintained schools agree, then 'de-delegation' allows for a per pupil deduction to be made from their delegated budget and passed back to LAs to centrally manage a service, outside a formal trading agreement.

<sup>6</sup> School Admissions, servicing of Schools Forums, fees to independent schools for pupils with SEN, centralised copyright licence, LA initiatives and costs of providing combined education and children's services, e.g. Family Intervention Team, Looked After Children Education Service.

Indicative financial impact for BFC

For BFC

- 6.23 Withdrawal of the 'general duties element' of the ESG without a compensating reduction in responsibilities will result in a loss in income to the council of £1.237m; £0.791m in 2017-18 and a further £0.446m in 2018-19. The Council's Efficiency Plan, which sets out the 4 year medium term budget position, includes the expectation that school support services will need to move to an affordable cost base over that period. This work will be progressed through the Council's Transformation Programme which includes representation from 3 primary and 1 secondary head teacher. Moving forward, the Forum has agreed that maintained schools will make a contribution to these costs, with the rate for 2017-18 set at £20 per pupil, compared to the £77 per pupil currently received through the ESG.
- 6.24 The illustrative funding allocations that have been published for **the HN Block** with 2016-17 data tables indicate that funding will remain unchanged under the NFF at £15.185m, but this is only as a result of a 15% Funding Floor Factor addition in the value of £2.327m. 78 other LAs are receiving Funding Floor Factor top ups, although the average rate of support is only 3%. This highlights the extreme importance of the floor factor to maximising income for HN pupils in BF. 72 LAs are forecast to receive an immediate funding increase. For the South East, 14 out of 19 LAs lose money. There is a similar picture for inner and outer London LAs. Yorkshire and the Humber, the North West and the West Midlands being the areas most likely to gain.

Annex 6 shows a high level breakdown of the HNNFF allocation to BFC using the current proposed formula and 2016-17 data. Appendix 7 shows

- 6.25 Once the transitional funding protection is removed, there will be a £2.327m reduction in funding to support HN pupils. No end date has yet been specified for how long the funding protection will be in place but a potential future funding cut of 15% could emerge. The DfE recognise the importance of funding stability in HN budgets but are likely to come under pressure from responses from LAs not receiving their full increase from the HNNFF for full implementation at a faster rate.
- 6.26 In respect of the **central school services block**, funding for the £0.406m historic commitments will remain unchanged for the first year under the SNFF. It is unclear what will happen thereafter, and presents a risk to future funding levels and the range of support services available to vulnerable children. The illustrative funding figures for ongoing responsibilities anticipated from the SNFF compared to current spend also shows a future reduction in funding, this time in the value of £0.112m, a 17.4% reduction from the £0.643m current spend. Transitional funding protection will limit the first year reduction to 2.5%, £0.016m. In a similar theme to the proposals in the HNNFF, the DfE is likely to come under pressure from responses from LAs not receiving their full increase from the SNFF for full implementation at a faster rate.
- 6.27 The DfE has indicated that further consultations and decisions will be required in respect of
1. HN funding for special free schools
  2. HN funding for post-16 providers
  3. Alternative education provision funding, including making a greater role for schools in commissioning
  4. Funding of historic commitments in the Schools Block e.g. combined services budgets.

## 5. Role of the Schools Forum

### Next Steps

- 6.28 The DfE expects to publish the outcomes from this second stage of the consultation exercise by the summer of 2017. This will confirm final policy decisions and the composition of the national funding formulae that will be used to calculate individual school and local area DSG allocations. It is also expected to include updated potential financial implications for LAs and schools.
- 6.29 Local consultations will need to follow the announcement of national outcomes, which should be expected for autumn 2017. For schools, the key question is likely to relate to whether the SNFF is adopted fully in 2018-19 in advance of the 2019-20 deadline, the BF Funding Formula continues to be used unchanged, or if there should be a one-year phased transition from the BF formula to one that is a closer match to outcomes expected from the SNFF.
- 6.30 With confirmed funding reductions for 2017-18, and the likelihood of significant further reductions in future years, the council will need to consider how relevant services are structured and funded. For HN funding, where the largest reductions could occur, the areas for potential change highlighted in the separate agenda item on HN funding will form the initial focus moving forward, taking account of the views of schools and other partners.
- 6.31 The council will further consider the stage 2 consultation documents and a decision will be taken later as to what response, if any, will be made. Should a response be made, it is expected that this will be reported to the Schools Forum at the next meeting on 9 March.

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

### Borough Solicitor

- 7.1 The relevant legal issues are identified within the body of the report.

### Borough Treasurer

- 7.2 The anticipated financial implications are set out in the supporting information.

### Equalities Impact Assessment

- 7.3 The DfE has completed an EIA on the impact of these proposals.

### Strategic Risk Management Issues

- 7.4 The proposed reforms indicate significant future financial challenges for the council which are expected to be managed through a combination of:
- The transformation programme, that will focus on the services that support schools that the council would be expected to fund from its general resources, and
  - The proposals included in the High Needs Block Review.

## 8 CONSULTATION

8.1 Not appropriate.

### Background Papers

DfE consultation documents and supporting papers that can be found at:

<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

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### Doc. Ref

G:\Executive\Schools Forum\80) 120117\Update on school and education funding - January 2017.doc

## Summary LA School Funding Formulae and proposals from the DfE for the SNFF

Formula factor		2016-17 Actual budget allocations						SNFF						
		National weighting	Amount £m	Weighting	BFC				National weighting	Amount £m	Units of resource			
					Units of resource						Primary	Secondary	Primary	Secondary
					Primary		Secondary							
Basic per-pupil funding		76.60%	£24,369	80.04%	KS1	£2,831	KS3	£4,060	72.50%	£23,255	KS1	£2,712	KS3	£3,797
					KS2		KS4	£4,060			KS2		KS4	£4,312
Deprivation	Current FSM	4.50%	£1,432	1.58%	£452		£1,391		5.40%	£1,746	£540		£785	
	Ever6 FSM				£0		£0				£980		£1,225	
	IDACI A	3.10%	£992	2.38%	£1,422		£4,665		3.90%	£1,239	£575		£810	
	IDACI B				£1,219		£3,998				£420		£600	
	IDACI C				£1,016		£3,331				£360		£515	
	IDACI D				£813		£2,665				£360		£515	
	IDACI E				£609		£1,999				£240		£390	
	IDACI F				£406		£1,333				£200		£290	
Low prior attainment		4.30%	£1,367	3.35%	£579		£960		7.50%	£2,394	£1,050		£1,550	
English as an additional language		0.90%	£282	0.35%	£230		£230		1.20%	£388	£515		£1,385	
Mobility		0.10%	£23	0.04%	£315		£0		0.10%	£23	More work required			
Lump sum		8.20%	£2,610	9.37%	£160,000		£170,000		7.10%	£2,263	£110,000		£110,000	
Sparsity		0.05%	£15	0.00%	£0-£25,000		£0-£65,000		0.08%	£27	£0-£25,000		£0-£65,000	
Premises	Rates	1.80%	£567	2.32%	Estimated actual costs				1.80%	£569	More work required			
	PFI													
	Split sites													
	Exceptional circumstances													
Growth		0.50%	£174	0.59%	£375,100				0.50%	£167	More work required			
Total		100.00%	£31,831	100.00%					100.00%	£32,071				



**DfE Illustrative school budget allocations through the proposed NFF using 2016-17 data**

	The baseline funding is the total core funding from the schools block and MFG in 2016-17 (or 2016/17 if an academy). Other grants/funding sources are excluded.	These columns show illustrative NFF funding if the proposed formula had been implemented in full and without any transitional protections in 2016-17. We use pupil numbers and characteristics from 2016-17 to illustrate the NFF impact, and compare to the school's baseline funding, including MFG.		In the first year of transition towards the formula, LAs will continue to determine funding locally. This column illustrates the change in the amount the department would allocate to LAs in respect of each school, taking into account the maximum change proposed in NFF year 1 (gains of up to 3% and an MFG of -1.5% per pupil).	
School Name	Baseline funding	Illustrative NFF funding if formula implemented in full in 2016-17, without transitional protections		Illustrative NFF funding in the first year of transition	
	Funding the school received in 2016-17 or 2016/17	Illustrative total NFF funding	Percentage change compared to baseline	Illustrative NFF year 1 funding	Percentage change compared to baseline
	[a]	[b]	[c] = [b]/[a] - 1	[d]	[e] = [d]/[a] - 1
Fox Hill Primary School	£849,000	£875,000	3.1%	£870,000	2.5%
Holly Spring Junior School	£1,135,000	£1,232,000	8.5%	£1,166,000	2.7%
Holly Spring Infant	£1,051,000	£1,173,000	11.6%	£1,079,000	2.7%
Wildmoor Heath School	£763,000	£770,000	1.0%	£770,000	1.0%
College Town Infant	£825,000	£850,000	3.1%	£846,000	2.5%
Cranbourne Primary School	£765,000	£759,000	-0.9%	£759,000	-0.9%
Uplands Primary School	£778,000	£774,000	-0.5%	£774,000	-0.5%
College Town Junior School	£912,000	£941,000	3.1%	£935,000	2.6%
Ascot Heath Infant School	£761,000	£770,000	1.2%	£770,000	1.2%
Owlsmoor Primary School	£1,764,000	£1,892,000	7.3%	£1,813,000	2.8%
New Scotland Hill Primary School	£779,000	£792,000	1.7%	£792,000	1.7%
Birch Hill Primary School	£1,415,000	£1,511,000	6.8%	£1,453,000	2.7%
Wooden Hill	£1,262,000	£1,321,000	4.7%	£1,296,000	2.7%
Crown Wood Primary School	£1,704,000	£1,866,000	9.5%	£1,751,000	2.8%
Wildridings Primary School	£1,451,000	£1,609,000	10.9%	£1,490,000	2.7%
Meadow Vale Primary School	£1,999,000	£2,184,000	9.2%	£2,054,000	2.8%
Harmans Water Primary School	£2,145,000	£2,349,000	9.5%	£2,205,000	2.8%
Whitegrove Primary School	£1,512,000	£1,578,000	4.3%	£1,553,000	2.7%
Sandy Lane Primary School	£2,110,000	£2,329,000	10.4%	£2,169,000	2.8%
Great Hollands Primary School	£1,561,000	£1,708,000	9.4%	£1,603,000	2.7%
Crowthorne	£786,000	£794,000	1.1%	£794,000	1.1%
St Michael's I, Sandhurst	£713,000	£701,000	-1.6%	£704,000	-1.3%
Warfield	£1,048,000	£1,054,000	0.6%	£1,054,000	0.6%
Ascot Heath Junior School	£869,000	£867,000	-0.2%	£867,000	-0.2%
Winkfield St Mary's	£779,000	£780,000	0.2%	£780,000	0.2%
Binfield	£1,388,000	£1,451,000	4.5%	£1,426,000	2.7%
St Michael's Easthampstead	£895,000	£920,000	2.8%	£918,000	2.6%
St Joseph's Catholic Primary School	£795,000	£799,000	0.5%	£799,000	0.5%
St Margaret Clitherow Catholic	£780,000	£792,000	1.5%	£792,000	1.5%
The Pines Primary School	£955,000	£997,000	4.3%	£980,000	2.6%
Jennett's Park CofE Primary School	£1,211,000	£1,222,000	0.9%	£1,222,000	0.9%
The Brakenhale School	£4,238,000	£4,522,000	6.7%	£4,358,000	2.8%
Edgbarrow School	£4,802,000	£5,064,000	5.5%	£4,938,000	2.8%
Sandhurst School	£4,119,000	£4,332,000	5.2%	£4,235,000	2.8%
Garth Hill College	£6,871,000	£7,272,000	5.8%	£7,063,000	2.8%
Easthampstead Park	£4,032,000	£4,084,000	1.3%	£4,084,000	1.3%
Ranelagh School	£3,583,000	£3,725,000	4.0%	£3,687,000	2.9%

Note: There are minor differences (up to £5k) between the DfE calculation of 2016-17 school budgets and those of the council. This is being queried.

**DfE Consultation questions relating to the SNFF**

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?
2. Do you support our proposal to set the primary to secondary ratio in line with the current national average of 1:1.29, which means that pupils in the secondary phase are funded overall 29% higher than pupils in the primary phase?
3. Do you support our proposal to maximise pupil-led funding, so that more funding is allocated to factors that relate directly to pupils and their characteristics?
4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language)?
5. Do you agree with the proposed weightings for each of the additional needs factors?
6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond?
7. Do you agree with the proposed lump sum amount of £110,000 for all schools?
8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary schools and up to £65,000 for secondary, middle and all-through schools?
9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term?
10. Do you agree with the principle of a funding floor that would protect schools from large overall reductions as a result of this formula? This would be in addition to the minimum funding guarantee.
11. Do you support our proposal to set the floor at minus 3%, which will mean that no school will lose more than 3% of their current per-pupil funding level as a result of this formula?
12. Do you agree that for new or growing schools the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity?
13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5% per pupil? This will mean that schools are protected against reductions of more than 1.5% per pupil per year.
14. Are there further considerations we should be taking into account about the proposed schools national funding formula?
15. Are there further considerations we should be taking into account about the impact of the proposed schools national funding formula?
16. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?
17. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?
18. Are there further considerations we should be taking into account about the proposed central school services block formula?

### Proposed Formula Factor Weightings for the HNNFF

Formula Factor	Proposed weightings			Data source used for illustrative allocations
	SEN (90%)	AP (10%)	Combined	
Population	50%	50%	50%	Office for National Statistics (ONS) 2018 population forecast for 2-18 year olds
Deprivation:				
Free School Meals (FSM) eligibility	8.3%	25%	10%	Number of children eligible for FSM
Income Deprivation Affecting Children Index	8.3%	25%	10%	ONS 2014 data of children in bands A-F
Low attainment:				
Key Stage 2	8.3%	0%	7.5%	Children not achieving level 3 or above in KS2 tests 2011-15
Key Stage 4	8.3%	0%	7.5%	Children not achieving 5+ A* to G GCSEs in 2011-15
Health and disability:				
Children in bad health	8.3%	0%	7.5%	Children in bad or very bad health in the 2011 census
Disability living allowance (DLA	8.3%	0%	7.5%	Children aged 0-15 for whom parents receive DLA

The DfE has calculated the proposed weightings from a separate consideration of those factors that are relevant for SEN and disability, which based on the annual Section 251 financial returns comprise about 90% of total relevant spending, and those that are relevant to alternative provision (AP), which comprises about 10%).

### DfE Consultation questions relating to the HNNFF

10. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

*We ask respondents to bear in mind with the following two questions that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor.*

11. We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?

- Historic spend factor - to allocate to each local authority a sum equal to 50% of its planned spending baseline
- Basic entitlement - to allocate to each local authority £4,000 per pupil

12. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

- Population - 50%
- Free school meals eligibility - 10%
- IDACI - 10%
- Key stage 2 low attainment - 7.5%
- Key stage 4 low attainment - 7.5%
- Children in bad health - 7.5%
- Disability living allowance - 7.5%

13. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in this document.

14. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

15. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

16. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

17. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

18. Is there any evidence relating to the eight protected characteristics as identified in the Equality Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take into account?

**Illustrative funding allocation for BFC through the HNNFF  
(Excluding the Funding Floor Factor)**

Formula Factor (NB BFC area cost adjustment = 1.07)	Amount
Basic entitlement factor (pupils and students in SEN institutions at £4,000 each) (6%)	£927,667
Historic spend factor (47%)	£7,394,845
Population factor (21%)	£3,235,842
FSM factor (2%)	£338,531
IDACI factor (1%)	£103,894
Bad health factor (2%)	£297,863
Disability factor (3%)	£412,893
KS2 low attainment factor (2%)	£352,070
KS4 low attainment factor (2%)	£326,533
Funding floor factor (15%)	£2,327,219
Hospital education funding (0%)	£20,000
NFF allocation before import/export adjustment (100%)	<b>£15,737,356</b>
Import/export adjustment (-4%)	<i>(£552,000)</i>
Illustrative high needs NFF final allocation	<b>£15,185,356</b>

Note, the £15.185m funding allocation is prior to the EFA deduction made to directly fund academies and non-maintained special schools for £10,000 per place funding for high needs pupils, which typically amounts to around £1m.

**Illustrative funding allocation to BFC through the HNNFF including the national average weighting with the effect of the Floor Factor**

Formula Factor	BFC Weighting		National Average With Floor
	Without Floor Factor %	With Floor Factor %	
1. Pupils and students in SEN institutions at £4,000 each	6.92%	5.89%	8%
2. Historic spend	55.14%	46.99%	45%
3. Population	24.13%	20.56%	23%
4. Deprivation: FSM	2.52%	2.15%	4%
5. Deprivation: IDACI	0.77%	0.66%	4%
6. Low attainment: KS2	2.63%	2.24%	3%
7. Low attainment: KS4	2.43%	2.07%	3%
8. Children in bad health	2.22%	1.89%	3%
9. Disability Living Allowance	3.08%	2.62%	3%
10. Historic Hospital Education spend	0.15%	0.13%	1%
Funding Floor Factor	0.00%	14.79%	3%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100%</b>