

NOTICE OF MEETING

Schools Forum

Thursday 17 January 2019, 4.30 pm

**Room 4 Ground Floor South - Time Square, Market Street, Bracknell,
RG12 1JD**

To: The Schools Forum

Schools Members:

Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Martin Gocke, Pupil Referral Unit Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Leslie Semper, Academy School Representative (Headteacher)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)
One Vacancy, Academy Representative
One Vacancy, Secondary School Representative (Governor)

Non-Schools Members

Dominic Asater, 16-19 Partnership Representative
Michelle Tuddenham, PVI Provider Representative
Greg Wilton, Teacher Union Representative
One Vacancy, Diocese Representative

Gill Vickers
Executive Director: Delivery

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If you require further information, please contact: Derek Morgan
Telephone: 01344 352044
Email: derek.morgan@bracknell-forest.gov.uk
Published: 9 January 2019

Schools Forum

Thursday 17 January 2019, 4.30 pm

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RG12 1JD**

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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**

Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.

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

Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting.

3. **Minutes and Matters Arising**

To approve as a correct record the minutes of the meeting of 6 December 2018.

5 - 12

4. **Changes proposed to the free Childcare Places Payment Model and initial 2019-20 Budget Matters**

To update the Schools Forum on the outcome of the consultation with early years providers on proposed changes to the payment arrangements of the free childcare places entitlement and initial 2019-20 budget matters.

13 - 22

5. **Initial Proposals for the 2019-20 High Needs Block Element of the Schools Budget**

To provide an update to the Schools Forum on the funding arrangements expected to be in place in 2019-20 for the High Needs Block (HNB) element of the Schools Budget and to seek comments on the initial budget proposals that are being presented now by the Council.

23 - 42

6. **Proposals for the 2019-20 Schools Block and Central School Services Block Elements of the Schools Budget**

To present to the Schools Forum an update on school funding and to seek comments on the final proposals from the Council for the 2019-20 Schools Block and Central Schools Services Block elements of the Schools Budget.

43 - 66

7. **Local Authority Budget Proposals for 2019-20**

To present to the Forum for comment a summary of the current position on the Council's budget preparations for 2019/20 with a particular focus on the impact expected on the Children, Young People and Learning (CYPL) areas of the People Directorate.

67 - 90

8. **Dates of Future Meetings**

The next meeting of the Forum will be held at 4.30pm on 14 March 2019.

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**SCHOOLS FORUM
6 DECEMBER 2018
4.30 - 6.00 PM**



Present:

Schools' Members

Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Martin Gocke, Pupil Referral Unit Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Leslie Semper, Academy School Representative (Headteacher)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)

Observer:

Councillor Dr Gareth Barnard, Executive Member for Children, Young People & Learning (Observer)

Apologies for absence were received from:

Roger Prew, Primary School Representative (Governor)
Dominic Asater, 16-19 Partnership Representative
Michelle Tuddenham, PVI Provider Representative

67. New Members

The Forum welcomed new members Stuart Matthews, Leslie Semper and Richard Stok to their first meeting.

68. Declarations of Interest

Councillor Dr Barnard declared an interest in agenda item no. 9 [Proposals for the 2019-20 Schools Block Element of the Schools Budget] where it referred to the proposed financial contribution to Warfield Primary School, since his wife was a Governor at the School. He agreed to take no part in the consideration of this matter.

69. Election of Chairman

RESOLVED that Martin Gocke be elected Chairman of the Forum, to serve until the start of the new academic year in September 2019.

70. Election of Vice-Chairman

No Vice-Chairman was elected and the Forum agreed to consider this only if and when the Chairman was absent for any future meeting.

71. **Minutes and Matters Arising**

RESOLVED that the minutes of the meeting of the Forum held on 20 September 2018 be confirmed and signed by the Chairman as a correct record.

Arising from minute 61 and the request for further consideration of Special Educational Needs (SEN) support and alternative provision, the Chairman and other members suggested this was still necessary notwithstanding the report submitted for consideration under minute 73 below relating to a pilot scheme for short term additional specialist support for SEN.

ACTION: Rachel Morgan

72. **Schools Forum - Constitution**

The Forum considered a report presenting an updated copy of the constitution and membership.

It was necessary to keep the constitution of the Forum under regular review, in line with good practice and the latest guidance from the DfE. The opportunity had been taken to incorporate in the updated constitution a summary of the respective roles of the Forum, the Council and the DfE as outlined in the Education and Funding Agency's recently published guidance.

It was also important to ensure reference to academies was up to date and that where further schools become academies, then the number of academy representatives would need to increase. Accordingly the constitution had been updated to provide for the schools members to reflect the number of pupils in academy schools and those maintained by the LA, with maintained school representatives also reflecting the proportion of pupils in primary and secondary schools. As a result, the schools membership now comprised four Academy representatives and nine Maintained Schools' representatives (6 primary and 3 secondary). This meant that there remained a vacancy for one Academy representative and one Secondary School (Governor) representative. In the Non-Schools' Membership there was an outstanding vacancy for a Diocese Representative.

Other amendments had been incorporated to clarify the nomination and election process to fill vacancies for Schools' Members on the Schools Forum. Also, provision had been made for the re-imbursement of reasonable expenses in connection with attendance at meetings, which would cover such things as, for instance, car parking fees incurred.

The Forum noted the updated constitution and membership.

73. **Improving Leadership and Governance Over Special Educational Needs Support and the High Needs Funding Block**

The Forum considered a report putting forward a proposal to pilot a mechanism for children/young people to have prompt access to short-term additional specialist support from the High Needs Block without having to wait to go through an Education Health Centre (EHC) plan statutory needs assessment to access Element 3 'top up funding'.

The report had been prepared in response to recommendations from the independent review of the High Needs Block, which amongst other things highlighted the lack of

headteacher confidence in the current allocation of funding. A survey of school leaders had evidenced the need to develop increased confidence in the local SEND funding system across the school sector. Improved outcomes for children and young people with SEND in Bracknell Forest compared unfavourably with neighbouring Berkshire Authorities and the national average.

The January 2018 school census showed that there were 2,348 (11.1%) pupils requiring SEN support with 446 (2.1%) in receipt of an EHC Plan or equivalent. Costs of 'top-up funding' for Bracknell Forest mainstream schools have been steadily increasing from £667k in 2014-15 to a forecast £971k in 2018-19 (+45%). Also there was concern that not all children and young people were receiving the right level of support. A series of panels and processes existed to oversee children and young people at different levels and with different needs but there remained too many that 'fell through the net' or were not signposted correctly.

The report proposed the setting up of a pilot scheme to operate through to the end of the academic year which would establish a multi-agency hub to provide prompt, short-term and specified additional resource/support to children and young people through the High Needs Block in the form of 'top-up funding'. The hub would work in partnership with schools to meet the needs of children/young people more promptly and effectively, provide access to specialists as required, preventing as far as possible the need for further escalation. It was proposed to select five schools to work with during the spring term and a further five during the summer term to carry out the pilot so that this alternative approach could be evaluated in terms of improved outcomes and value for money. It was proposed to bring in outside specialists to set up the pilot and to assist in building up a commissioning market, with the schools to be selected from among those currently assessed as underperforming.

The Forum welcomed the proposals to introduce a pilot scheme and recognised that, whilst there appeared much promise in the proposal, it was better to begin in a small way and build gradually, learning as the pilot progressed. It was the Council's intention, following a successful pilot, to roll out the scheme to all schools for the 2019-20 academic year. There was, however, a concern that selecting underperforming schools to participate in the pilot was not necessarily appropriate. The Forum considered it would be far better to select schools for the pilot from among those where there were the most children and young people with an unmet need.

ACTION: Jackie Ross to ensure selection of schools into the pilot project would be those with significant unmet pupil needs and not overall school performance as implied in the report.

After further discussion it was **RESOLVED**, that taking into account the comments of the Forum as to the selection of the schools to participate:

- 1) To AGREE the pilot mechanism for children/young people to have prompt access to short-term additional specialist support from the High Needs Block without having to wait to go through an Education Health Care Plan statutory needs assessment to access Element 3 'top up funding'
- 2) To AGREE in principle that any identifiable costs from the proposal are financed from the SEN Strategic Reserve.
- 3) To AGREE that the proposed project is reviewed before the end of the summer term to determine ongoing sustainability.

74. **2019-20 Funding Policy for New and Expanding Schools**

The Forum considered a report presenting the revised text for the Start-up and Diseconomy Funding Policy for New and Expanding Schools to be applied in 2019-20. This followed on from discussions at the June 2018 Forum meeting where proposed changes to the 2018-19 policy were agreed in principle.

Supporting new and expanding schools in the initial years after they opened, often with relatively low numbers of pupils as housing developments progressed, can require significant amounts of additional financial support over a number of years. It was important to ensure that a clear, fair and transparent funding policy was in place (and was regularly reviewed) that could be applied consistently to all new and expanding schools, placing the minimum financial burden on existing schools. Whilst the policy document set out associated funding rates, it was stressed that these were illustrative, with final values to be agreed each year through the budget setting process.

The new policy was attached as Annex 2 to the report and contained the following three key changes that had been envisaged by the Forum at its previous meeting:

- A new category for one-off pre-opening start-up costs to recognise synergies and other benefits that arise when a group of schools by the same provider are opening simultaneously. This was relevant to the second school being opened by the Kings Academy Group and was a cost reduction.
- An underlying principle of the diseconomy funding model was to link per pupil funding rates for new schools to the minimum rates that the DfE are setting into legislation through the School National Funding Formula (SNFF). The national rates will increase in 2019-20 from £3,300 to £3,500 for primary aged pupils and from £4,600 to £4,800 for secondary aged pupils. The model had been updated with these changes, the cost of which was reflected in the DfE funding settlement.
- A new post-opening revenue grant allocation of £250 per primary aged pupil and £500 per secondary aged pupil had been added. This recognised that new schools experienced initial high costs of stocking up with general resources which the day to day budget allocation did not cover (and replicates the funding allocations the DfE makes to new free schools).

Appendix 3 of the Funding Model set out the forecast revenue impact from new/expanding schools, based on the Council's updated medium term forecasts. These would of necessity be reviewed each year as part of the Council's budget setting process.

The Forum also received a summary outcome from the review of school place planning in Bracknell Forest (attached as Annex 4 to the report). The review had examined the reasons why forecasts had not been as accurate as hoped. In particular there had been a failure to react quickly enough to the falling birth rate and a reduced number of children being brought forward from new housing development over the last three years compared to what was expected from previous trends. The summary concluded by setting out some recommendations for changes in the approach of the Council to place planning and provision. It was acknowledged that a number of these would require further detailed consideration, including specific consultation with schools. More accurate forecasts would be a key factor in drawing up the next School Places Plan.

RESOLVED that the updated Start-up and Diseconomy Funding Policy for New and Expanding Schools as set out in Annex 2 be agreed.

75. **Proposals for the 2019-20 Schools Block Element of the Schools Budget**

The Forum considered a report on the matters that could now be dealt with in respect of the Schools Block and Central School Services Block elements of the Schools Budget in order for the timely preparation of the 2019-20 budget. Whilst the DfE had yet to provide the final data that must be used to calculate individual schools budgets, decisions on some key matters were sought in order for a final budget to be presented to the DfE by the statutory deadline of 21 January 2019. (The Forum meeting on 17 January 2019 would present a final opportunity to take decisions on next year's budget should there be any revisions to the budget setting data currently available).

A high level of responses (69%) to the financial consultation with schools showed a clear direction for the development of school budgets. There was strong support from primary schools to continue the move to a local funding formula that closely matches the School National Funding Formula (SNFF) and that the Minimum Funding Guarantee should be used to ensure that all schools receive at least a +0.5% increase in per pupil funding. For secondaries, the preference was to meet the core objectives of the SNFF, but also to maintain a degree of funding stability with 2018-19 budgets.

The following key points in relation to the budget settlement were noted:

- Per pupil funding was forecast to increase by 2.3%, equivalent to £1.529m.
- This figure was reduced to £1.005m after putting aside a share of the increase to part cover the impact of cost pressures not properly recognised by the DfE in the national funding settlement.
- Schools had agreed that a small number of services should continue to be provided directly by the Council, including those requested by the de-delegation route (100% support in the consultation).
- It had further been agreed that maintained schools should each continue to contribute £20 per pupil towards the cost to the Council of meeting education statutory and regulatory duties (85% support in the consultation).
- A breakdown of the estimated Schools Block Dedicated Schools Grant (DSG) to be paid to the Council was given. (It remained an estimated figure until the DfE published verified school census and other data – due mid-December).
- The total forecast DSG for 2019-20 was £69.949m, an increase of £2.454m over the current year.
- The final figures would need to be adjusted to take account of an updated number of pupils on roll as a late school return was received after the publication of the report indicating 22 fewer pupils..
- A budget pressure for increased pupil numbers had been included in the proposals.
- Also included was a budget pressure of £1.3m for meeting cost of new schools.
- The Council's Executive had agreed in principle that, in order to reduce the financial impact on schools a contribution of approximately £1m would be made from Council resources towards the cost of new schools, spread over the next four years, and this had been included in the Medium Term Funding Plan (Annex 3 to the report).

Members of the Forum remarked that the £1m being provided by the Council to support schools was very welcome. The Chairman commented that this was the first time that the Council had made a financial contribution to schools from its own resources for many years and the Executive Member concurred. In response to a

question the Executive Member informed the Forum that final confirmation of Council funding would come through the Council's budget setting process.

The report also made reference to a further pressure raised by Warfield Primary school, which had since 2016 operated on a split site. As a result of additional pupil numbers arising from new house building, a new school of 2 forms of entry had opened on a site 1.167 miles from the original school. The school had identified a number of additional costs incurred as a result of the site configuration, mainly around staffing eg. reception, lunchtime controllers, site staff, together with costs associated with a minibus to enable sharing of curriculum and sporting activities across both sites. After discussions with the school on the amount claimed, a contribution of £75k could be justified and had been included in the draft budget proposals for consideration by the Forum. The Forum expressed the view that this provision should be kept under review since there may be some element of one-off costs included and/or other economies which could reduce the additional costs incurred by the school. Since this was a potential for other such claims to arise in future, it was suggested that the officers report to a future meeting proposing criteria as how such requests could be dealt with in the future.

ACTION: Paul Clark

After questions to clarify a number of the details, it was **RESOLVED** that:

1. The outcomes from the financial consultation with schools, as summarised in the report, be noted.
2. In accordance with the majority views of schools as expressed through the responses to the financial consultation:
 - i) the allocation of additional funds to primary schools should be through Option 3, which aims for a close fit to the 2019-20 SNFF allocation for each school;
 - ii) the allocation of additional funds to secondary schools should be through Option 2, which follows the core principles of the 2019-20 SNFF allocation, but also maintains funding stability with 2018-19 budgets; and
 - iii) in line with the principles for allocating funds to schools included in both Options 2 and 3, the Minimum Funding Guarantee should be set at +0.5% with any associated costs, as in previous years, being met by applying a cap to the schools receiving the highest per pupil gains.
3. The budget changes for 2019-20, as set out in Table 3 in the report, be agreed, with particular consideration given to:
 - i) the medium term funding strategy for meeting the additional cost from the Growth Fund, as set out in paragraphs 6.26 to 6.31 of the report;
 - ii) the request for additional funding from Warfield Primary School to finance the additional cost of operating across two separate sites as set out in paragraphs 6.34 to 6.36 of the report; and
 - iii) further to ii) above, a report be prepared for the Forum proposing criteria for how such requests could be dealt with in a fair and consistent manner.
4. To meet the expected financing requirements of the medium term funding strategy arising from new schools, the funds in the New School Reserve be increased to £1m.

5. On-going central retention by the Council of Central School Services funding for the services and amounts be as set out in Annex 4.
6. In order to provide more accurate budget information, provisional 2019-20 individual school budgets should be released at the beginning of January 2019, rather than before the end of the autumn term.

Item for Maintained Primary School representatives only:

7. The continued de-delegation of budgets for the services requested by the Council be agreed.

Item for Maintained Secondary School representatives only:

8. The continued de-delegation of budgets for the services requested by the Council be agreed.

Item for all Maintained School representatives (includes Special and PRU) only:

9. A £20 per pupil contribution continue to be made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties.

76. **Date of Next Meeting**

The next meeting of the Forum was to be held on 17 January 2019 commencing at 4.30pm (preceded by a briefing for members at 3.30pm).

CHAIRMAN

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TO: SCHOOLS FORUM
DATE 17 JANUARY 2019

CHANGES PROPOSED TO THE FREE CHILDCARE PLACES PAYMENT MODEL AND INITIAL 2019-20 BUDGET MATTERS

Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update the Schools Forum on the outcome of the consultation with early years providers on proposed changes to the payment arrangements of the free entitlement and initial 2019-20 budget matters.

2 RECOMMENDATIONS

To AGREE that:

2.1 Taking account of comments from providers to the consultation on the free childcare places payment model and efficiency proposals from the council:

- a) The current termly payment model for the early years free entitlements is retained
- b) An additional optional amendment task is introduced for the summer term for providers operating during the summer holidays
- c) Retaining the 60% advance payment rate paid to providers, based on each term's forecast participation rate
- d) Increasing the available time for providers to complete the forecast task from 1 to 2 weeks

To NOTE that:

2.2 Based on current information, the 2019-20 budget proposals for Early Years services are expected to confirm that:

- a) In light of the cash flat funding settlement from the government, that no changes are expected to be made in 2019-20 to provider funding rates
- b) Taking account of the cost of managing the provider portal and other associated systems, additional funds of around £0.011m are expected to be sought by the council to finance the cost of associated ICT software and maintenance costs.

2.2 Final 2019-20 budget proposals for Early Years providers and support services will be presented to the Forum for comment in March.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The proposed payment model is considered to be the best available, taking account of the local priorities, feedback from the Early Years (EY) Funding Steering Group, provider responses to the consultation and estimated level of available resources.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 Alternative options are detailed in the supporting information.

5 SUPPORTING INFORMATION

Background

5.1 In 2016 the government introduced changes to the early education and childcare statutory guidance for local authorities which introduced new guidance on the payment of the EY free entitlements to providers. The new guidance stated that:-

'Local authorities should pay all providers, particularly childminders, monthly and are expected to do so from September 2018. If a provider requests and the local authority agree an existing alternative sustainable method of payment may be continued.'

5.2 In summer 2017 the council undertook an analysis of what would be required to implement monthly payments and identified the following issues:-

- Payment software did not cater for monthly payments
- A monthly payment model that was acceptable to all providers would include a considerable increase in the administrative burden for Bracknell Forest Council (BFC)
- The only feasible monthly payment models which did not increase the risk of overpayments would require payments in arrears.
- Regardless of the monthly payment model selected, BFC did not have the capacity to run more than one model
- BFC did not have the resources to resolve the software and capacity issues
- Private, Voluntary and Independent providers (PVI), which includes childminders, indicated a strong preference to retain the existing payment arrangements (termly payments in advance) over a monthly payment model paying in arrears.

Based on this analysis and in the absence of a feasible monthly payment model the decision was taken to continue with the 'existing alternative sustainable method of payment'.

5.3 In June 2018 the government issued revised statutory guidance, which changed the guidance on monthly payments. The new guidance sets out that the councils should:-

'Pay all providers the full amount owed to them monthly unless they have good reason not to do so, for example, if, after consultation, the clear majority of providers opt for an alternative method of payment. Local authorities should be mindful of the concerns of smaller providers, particularly childminders, about their cash flow when making decisions about payment methods. Local authorities should regularly review how they pay providers to ensure that it continues to meet the needs of all providers in their area.'

5.4 In order to meet the requirements of the statutory guidance BFC must either implement a monthly payment model or be able to show that it has consulted with providers and must be able to evidence that it has reviewed the payment arrangements to ensure they continue to meet provider's needs.

5.5 As the difficulties and challenges in implementing a monthly payment model remain unchanged from the previous analysis in 2017, a consultation with providers registered to receive the free entitlement was undertaken to seek their views on the introduction of a monthly payments model and to review the funding arrangements currently in place should these be retained, including

- The timing of the forecast task & payment
 - The percentage of funding paid in the forecast payment
 - The introduction of alternate autumn forecast payments for providers open during the summer holidays
- 5.6 The payment model for schools and academies differs to that for other providers. While schools and academies were invited to participate in the consultation, Part One of the consultation has no relevance to their funding arrangements.

Current Payment Model

- 5.7 The current model for funding providers in Bracknell Forest is based on termly payments. It consists of 3 payments per term, with funding paid in advance as lump sum payments. The payments are:
- The Forecast Payment
 - 60% of this estimated funding as a lump sum before the start of the term.
 - based on estimated hours of attendance
 - The Actual Payment
 - balance of funding for the term
 - after schools census date
 - based on actual hours of attendance
 - The Amendment Payment
 - optional third payment
 - for corrections, new starters, leavers and changes to funded hours claimed
 - paid before the end of the term

Factors considered in the proposal

- 5.8 Implementing monthly payments is complicated with many issues that need to be taken into account; these include but are not limited to:
- How often is funding calculated
 - When is funding calculated
 - How do we account for variations in how many weeks a year providers are open
 - How do we account for changes in attendance patterns
 - How do we account for different attendance patterns in the same setting
 - Does a payment model increase the administrative burden for providers
 - Do BFC have the capacity and resources to administer a particular payment model
- 5.9 When considering payment models for inclusion in the consultation the following factors were taken into consideration:
- Minimizing the risk of overpayments or underpayments to providers
 - Ensuring the LA has the capacity to implement the proposal
 - Minimize the administrative impact on providers and the LA
 - Ensure providers retain the same level of funding they currently receive
 - Ensure the proposal does not increase the overall cost of the process

Initial Proposals

- 5.10 Three monthly payment models, which BFC could implement within the current available resources and capacity, were identified. Further analysis indicated that for one of the models there was an unacceptably high risk that providers could be overpaid, requiring additional administration for both BFC and the affected providers. The model was therefore discarded.
- 5.11 The PVI representatives of the Early Years Free Entitlement Steering Group (EY Steering Group) were presented with the two remaining payment models. As schools and academies are not funded via the same payment model as PVI providers, representatives from schools and academies were not invited to the meeting. Informed by the feedback from the EY Steering Group the decision was taken to consult on one of these models.
- 5.12 It is evident from analysis of the available payment models that BFC does not have the capacity or resources to operate more than one payment model. The consultation therefore offers providers a choice between the current model and one monthly payment model, with the outcome of the consultation determining the payment model for all PVI providers.

Bracknell Forest Consultation

- 5.13 To gather provider views on the proposed monthly payment model, a consultation with all providers registered to receive the free entitlement was undertaken in October 2018. The full consultation document and supporting documentation is available to view at:
- <http://consult.bracknell-forest.gov.uk/portal/>
- 5.14 Part One of the consultation set out the proposal to implement a monthly payment model, the key features of the proposed model are:
- The collection of participation data for the free entitlements will remain unchanged
 - Payments would be spread evenly across 4 months for each term
 - All payments in arrears of attendance
 - Due to varying term lengths the timing of payments does not align perfectly with term dates
 - the last payment of the spring term would be in April
 - the first payment of the summer term would be in May
 - the last payment of the summer term would be the end of August (including term time only providers)
- 5.15 Part Two of the consultation sought feedback from providers on the suitability of the current payment model, should this be retained. Feedback was sought on:
- Adding an additional amendment task in the summer term
 - The percentage of funding paid in the forecast task
 - How long forecast tasks are open
 - The timing of forecast tasks

Summary outcomes

- 5.16 At 35%, there was a good response rate from providers to the consultation. 20 out of 45 private, voluntary and independent (PVI) providers, 32 out of 85 childminders and 1 out of 17 schools and academies responded to the consultation.
- 5.17 Annex A provides a numerical analysis of responses to the consultation.
- 5.18 In response to Question 1, 72% or 38 out of 53 responses did not support the proposal to implement a monthly payment model.
- 5.19 Responses to question 2 indicated that 83% supported the introduction of an additional optional amendment payment for providers open during the summer holidays, although in question 3 only 32% indicated that they would make use of this amendment.
- 5.20 Question 4 asked respondents what percentage of the total forecast funding for the term they would prefer to be paid in the forecast payment. Responses do not indicate a clear preference, with 11 preferring 50%, 20 preferring 60% and 22 preferring 70%.
- 5.21 15% of respondents indicated in question 5 they had experienced difficulties completing the forecast task within the 1 week deadline and 23% indicated in question 6 that the 1 week deadline was not long enough.

Detailed comments from providers

- 5.22 Some providers made comments in their feedback in Part Two of the consultation and these have been taken into account in the proposals below.
- 5.23 In Question 5, 7 providers commented on the 1 week deadline for the forecast task, with 6 comments indicating difficulties completing the task due to lack of time.
- 5.24 In question 6, 11 providers indicated that 2 weeks for the forecast task would provide sufficient time to complete the task.

Changes now proposed

- 5.25 The proposals, based on the responses to the consultation from providers, which the Forum is recommended to agree are set out below:
 - a) Over two thirds of responses did not support the implementation of a monthly payment model. Schools Forum is recommended to retain the current termly payment model.
 - b) An additional amendment payment in the summer term was supported by the majority of respondents. Schools Forum is recommended to agree implementation of this proposal.
 - c) There was no clear preference for a change in the percentage of the total forecast funding paid in the forecast payment. Schools Forum is recommended to agree to retain the current rate of 60%.
 - d) A small number of providers have indicated they would benefit from an increase in the deadline for the forecast task from one to two weeks. As this is an administrative change only and implementing a two week deadline would have no detrimental effect on providers and BFC, a two week deadline for the forecast task will be implemented from April 2019.

- e) The majority of providers indicated they would prefer to keep the current timing of the forecast payment. No change to the timing of the forecast payment is proposed.

Update on 2019-20 Early Years budget position

- 5.26 In respect of Early Years Block items, in November the government confirmed that LAs would continue to be funded in 2019-20 at the same hourly funding rates for actual take up for the free entitlement to education and childcare for under 5 year olds at the same amounts as received during the current year. This means BFC will continue to receive £4.93 per hour for take-up by 3 and 4 year olds, and £5.88 per hour for take-up of 2 year olds.
- 5.27 Taking account of the cash flat funding settlement and the review of provider funding rates undertaken in advance of the 2018-19 budget, no changes are expected to be proposed to the elements of funding rates or their values in 2019-20.
- 5.28 In terms of centrally managed budgets, these are being reviewed with the possibility that a relatively minor cash increase will be sought to cover the cost of increased software costs associated with supporting data transfers to and from providers and enabling parents to access relevant data bases to make on-line enquiries and checks. Recent changes to processes and procedures, whilst introducing benefits, do require appropriate IT systems, with recent cost increases of £0.011m in relation to:
- Provider Portal Headcount – secure online provider portal for funded providers to input and submit headcount data for children accessing their free entitlements
 - Two Year Old Funding (2YOF) – secure online portal that enables parents, providers and professionals to quickly establish whether a child is eligible for two year old funding
 - Citizens Portal - 30 Hours – secure online parent portal that enables parents to check their 30 code directly and provides parents with a personalised dashboard that shows check results, earliest date 30 hours can be funded from, reconfirmation dates and results of rechecks. Parents are able to share their eligibility code with funded providers of their choice in a secure manner.
 - Self-Update Portal (SUP) – secure online provider portal that enables the digital collection of capacity, vacancy and sufficiency data at any time and the digital collection of Early Years Census data.
- 5.29 Should such a change be considered necessary, a proposal will be presented to the Forum in March. No other changes are anticipated to be requested at this stage.

Annex B sets out current provider funding rates which based on the cash flat funding settlement from the government, are expected to continue into 2019-20 unchanged from 2018-19 rates.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal issues are addressed within the report

Director of Finance

- 6.2 The Director of Finance is satisfied that no significant financial implications arise from this report.

Equalities Impact Assessment

- 6.3 No Equalities Impact Assessment is required as the proposed changes implement statutory guidance which includes eligibility criteria

Strategic Risk Management Issues

- 6.4 Changes to the payment of the free entitlements could result in an increase to the administration tasks that exceed the Early Help team's available capacity. This risk is considered to be low.

7 CONSULTATION

Principal Groups Consulted

- 7.1 All providers registered to receive the early years free entitlements.

Method of Consultation

- 7.2 The consultation was published using the Councils online consultation tool, with hard copies available on request. Responses could be submitted online, or via a downloadable response form which could be submitted by post or email. Feedback from the Early Years Funding Steering Group informed the proposals in the consultation.

Representations Received

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

BACKGROUND PAPERS

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692348/Early_education_and_childcare_-_statutory_guidance.pdf

Early education and childcare statutory guidance for local authorities - March 2018

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718179/Early_education_and_childcare-statutory_guidance.pdf

Early education and childcare statutory guidance for local authorities - March 2018

CONTACT FOR FURTHER INFORMATION

Karen Frost, Head of Prevention and Early Help- 01344 354024

Karen.frost@bracknell-forest.gov.uk

David Allais, Early Help Officer 01344 354027

EHBS@bracknell-forest.gov.uk

Cherry Hall, Strategy and Development Manager (under 5's) 01344 312811

cherry.hall@bracknell-forest.gov.uk

Summary responses to BFC consultation on provider payment model

Question	Schools	PVI's	Child minder	Total	%
PART ONE					
Question 1: Which payment model, as set out above, best suits your provision?					
The Current termly payment in advance model	1	20	17	38	72%
Monthly in arrears model	0	0	15	15	28%
PART TWO					
Question 2: Do you agree with the proposal to add an additional optional amendment task for providers who are open during the summer holidays?					
Yes	1	20	23	44	83%
No	0	0	9	9	17%
Question 3: Would your setting request an additional amendment task?					
Yes	0	3	14	17	32%
No	1	16	17	34	64%
Question 4: Considering what would be best for your provision, please select below what percentage of the forecast funding for a term you prefer to be paid in the forecast task?					
50%	0	1	10	11	21%
60%	0	9	11	20	38%
70%	1	10	11	22	41%

Question	Schools	PVI's	Child minder	Total	%
Question 5: Have you experienced any difficulties completing the forecast task within the 1 week deadline?					
Yes	1	3	4	8	15%
No	0	17	28	45	85%
Question 6: Is the current 1 week deadline for the forecast task long enough?					
Yes	0	14	27	41	77%
No	1	6	5	12	23%
Question 7: Please indicate below your preference for when the forecast task is opened					
End of the previous term	0	14	25	39	74%
First week of the term	1	6	7	14	26%

Summary of the expected 2019-20 BF Early Years Funding Formula

EYFF Element	Weighting	Proposed hourly funding rate	% total EY funding
Deprivation Supplement	3% of EYFF via IDACI scores 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.	£0.13, £0.26 or £0.39	
	2% of EYFF via child eligibility to EYPP	£1.54	
Quality Supplement	2% of EYFF via setting leadership qualification Level 5 and above	£0.14	
Uniform base rate	93% of EYFF	£4.31	
	Indicative EYFF average provider rate	£4.64	94.1%
	Average SEN funding	£0.07	1.4%
	Average contingency funding	£0.08	1.5%
	Sub total to Providers	£4.79	97.0%
	Average BFC funding (max 5%)	£0.14	3.0%
	Indicative funding from DfE to BFC	£4.93	100.0%

TO: SCHOOLS FORUM
DATE: 17 JANUARY 2019

**INITIAL BFC PROPOSALS FOR THE 2019-20
HIGH NEEDS BLOCK ELEMENT OF THE SCHOOLS BUDGET
Executive Director: People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update to the Schools Forum on the funding arrangements expected to be in place in 2019-20 for the High Needs Block (HNB) element of the Schools Budget and to seek comments on the initial budget proposals that are being presented now by the Council.
- 1.2 Comments are being sought so that these can to be considered before final budget proposals are presented to the Forum on 14th March, in advance of 21st March when the Executive Member is scheduled to make a formal decision on these matters that will agree a balanced budget.

2 EXECUTIVE SUMMARY

- 2.1 As part of central government's on-going reform of school and education funding, changes are being implemented to the way LAs and relevant institutions are funded for High Needs pupils and students. Using the same approach as for funding LAs for their schools, a new HNB national funding formula is being introduced that uses consistent and up to date data, including proxy measures, for the distribution of grant funding.
- 2.2 In order to maintain a degree of funding stability for LAs through a period of significant change, the Department for Education (DfE) has introduced a funding "floor" that will ensure all LAs receive at least a 0.5% increase in 2 – 18 year old population in both 2018-19 and 2019-20. Therefore, this protection is committed through to the end of the current spending review period that has fixed budgets for central government Departments. The total cash increase for Bracknell Forest (BF) was 1.8% in 2018-19 and is currently forecast to be 3.1% in 2019-20, of which 1.9% relates to the extra funding for HNB budgets announced by the government in December.
- 2.3 The underlying allocation of funds to BF through the new funding arrangements provides £2.592m less than under the previous arrangements. Should the current funding "floor" protection be removed, or reduced, then there could be up to a 16% reduction in funding. Managing such a change will present a significant challenge.
- 2.4 Initial proposals for next year's funding arrangements for HNB budgets are now being presented. This is the most complex part of school funding, with a number of funding allocations not due to be confirmed by the DfE until after the 2019-20 budget needs to be set which presents an additional challenge.
- 2.5 Whilst an under spending is currently forecast for 2018-19, significant cost pressures have emerged which when projected as full year costs in 2019-20 indicates a funding shortfall of around £0.29m. Options are being considered to determine how a balanced budget can be set in March, so changes are likely.

3 RECOMMENDATIONS

- 3.1 That the Forum **COMMENTS** on the budget proposals set out in the supporting information, and summarised at Annex 1, in order for suggested changes to be considered for the final budget proposals which will be presented to the Forum in March.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2019-20 HNB Budget is set in accordance with the overarching funding framework, the expected needs of pupils and the views of the Schools Forum.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 A range of options are being presented for consideration as part of the budget setting process.

6 SUPPORTING INFORMATION

Background

- 6.1 This report presents proposals on the 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. LAs receive funding for these provisions from the DfE and in general commission services from providers. In-house arrangements are made in a relatively small number of areas.
- 6.2 The DfE has determined that where the cost of provision is above £10,000 it will be classified as high needs. In such circumstances, a “place-plus” approach to funding will generally 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.

- 6.3 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.
- 6.4 The statutory regulatory framework requires the council to decide on the arrangements proposed to be put in place to meet the needs of SEND pupils and the allocation of relevant resources. However, the council wishes to develop the support requirements in partnership with schools and the Schools Forum and therefore this paper seeks views on initial proposals. Final decisions on HNB budgets will be taken following the 14 March meeting of the Schools Forum.

Update on current year budget and performance

- 6.5 As the DfE release final HNB DSG funding allocations after the start of relevant financial year, budgets always need to be set on the basis of estimates and are updated in year as necessary. Following agreement of the Forum at its meeting on 15 March 2018, the Executive Member approved an original HNB budget of £14.613m which comprised a gross funding allocation of £16.319m with estimated deductions of £0.594m through the import / export adjustment (see paragraph 6.13 2) and £1.112m for the places deduction (see paragraph 6.28).
- 6.6 Subsequent to setting the original budget, in October 2018 the DfE confirmed the final 2018-19 funding allocation, with gross income now at £16.320m, the import / export adjustment reduced to a deduction of £0.432m and DfE directly funded places reduced to £1.028m. HNB DSG funding managed by the council therefore increased by £0.247m to £14.860m.
- 6.7 On 17 December, the Secretary of State for Education announced an additional £250m of high needs funding – £125m for 2018-19; £125m for 2019-20. This is “in recognition of the cost pressures that LAs are experiencing on the high needs element of this Grant [the DSG]”. The extra funding is being allocated to LAs on their Mid-2019 age 2-18 Office of National Statistics population projections and amounts to £0.302m for BFC in each year. This further allocation increases funding in 2018-19 to £15.163m. Therefore, the final HNB DSG income is £0.549m higher than that anticipated when the budget was set.
- 6.8 Provisional budget monitoring information as at the end of November forecasts a £0.169m under spending on the HNB. Without the extra £0.549m funding, there would be a £0.380m over spending. The forecast financial performance for 2018-19 is a significant change from the last 3 years where an average under spending of £1.081m has been achieved. Whilst a similar level of underspending was not expected in 2018-19, this does highlight the changing financial situation relating to HNB budgets.
- 6.9 As HNB budgets are the most volatile and high cost, variances are commonly experienced compared to original budget expectations, although the scale of change is significantly greater than expected. Budget over spendings are being forecast in respect of:
1. Element 3 top-up payments to BF maintained schools and academies of £0.089m where the number of pupils being supported has increased by 5%, with the average support cost of the 198 pupils increasing by 17% which has resulted in a 22% cost increase.
 2. Element 3 top-up payments for BF resident students in maintained schools and academies in other LAs of £0.347m. The most significant change has occurred

with placements in special schools where the number of pupils being supported has increased by 18%, with the average support cost of the 66 pupils increasing by 26% which has resulted in a 50% cost increase.

3. Education out of school has seen extra pressure, most notably in the home tuition service and alternative provision outside of schools and College Hall Pupil Referral Unit (+£0.217m).

6.10 These have been partially off-set by under spendings in respect of:

1. non-maintained special schools and colleges of -£0.104m. This is the largest cost and most volatile budget. Whilst pupil numbers have increased by 23 (14%), when the increase built into the budget assumed 17 (+10%), the average cost of support has reduced by 4% when it was expected to remain broadly unchanged.
2. other SEND support services at -£0.121m, of which £-£0.080m relates to the deferral of the Early Opportunities Assessment Scheme as a consequence of Kennel Lane Special School being full with no spare accommodation to host the service.
3. the additional -£0.549m HNB DSG income.

6.11 Other centrally managed budgets in the Schools Budget are anticipated to under spend by -£0.068m, making an aggregate forecast under spending against the total expected amount of DSG of £0.237m.

DfE Reforms

6.12 The Forum has previously received an update on changed funding arrangements for HNB services which reported that a new National Funding Formula (HNB NFF) will be introduced to replace the current system that largely allocates funding based on historic spending decisions. The core elements of funds distribution to LAs now comprises:

1. **Basic entitlement** (£4,000 per pupil / student that the LA is responsible for educating that is attending an SEN institution)
2. **Historic spend** (50% of 2017-18 baseline amount agreed with each LA)
3. **Population** (Share of national budget allocation based on projected 2-18 year olds at the relevant mid-year as a proportion of all 2-18 year olds)
4. **Free school meals** (Share of national budget allocation based on resident pupils eligible to FSM as a proportion of all pupils eligible to FSM)
5. **Income Deprivation Affecting Children Index** (Share of national budget allocation based on number of 2-18 year olds in IDACI bands A-F as a proportion of all pupils in IDACI bands A-F)
6. **Bad health** (Share of national budget allocation based on number of resident children aged 0-16 in bad or very bad health in the general population census as a proportion of all projected children in bad or very bad health)
7. **Disability** (Share of national budget allocation based on number of resident children aged 0-16 for whom parents are eligible to disability living allowance (DLA) as a proportion of all eligible DLA families)
8. **Key Stage 2 low attainment** (Share of national budget allocation based on number of resident pupils who did not attain level 3 in reading tests plus those

that did not attain a scaled score in reading test or were not entered as a proportion of all relevant children)

9. **Key stage 4 low attainment** (Share of national budget allocation based on number of resident pupils who did not attain 5 GCSEs at grades A* to G as a proportion of all relevant children).

10. **Hospital education** (LA specific funding based on budgeted spend)

6.13 One of the key outcomes for the DfE from these reforms is to ensure that any change in the amount of funding allocated to individual LAs must be introduced slowly to allow those areas facing reductions time to adjust to the new amounts. This is because expenditure is mainly incurred on educational fees and these generally remain unchanged throughout the course of each pupil's time in the relevant institution which often presents commitments for over 10 years. Therefore, in addition to the core factors set out above, there will be further adjustments to each LAs HNB funding as follows:

1. A funding floor adjustment to add the cash amount difference where the normal operation of the HNB formula does not deliver at least a 0.5% increase in per head (2-18 year old population) funding compared to the 2017-18 baseline amount of expenditure. For 2019-20 a further minimum increase of 0.5% will be applied, making a minimum 1% increase in per head funding over the next 2 years. In order to make the funding protection affordable, gains will be limited to 3% in 2018-19 and a further 3% in 2019-20 (compounded to 6.09% over the 2 years). These increases are not calculated on elements of the formula that are subject to later updates, and are in proportion to estimated population changes (so a projected decrease in population will result in a lower overall cash percentage increase, subject to a cash protection).

There is a net £155m cost to the Funding Floor in 2019-20, which amounts to 2.5% of total funding and illustrates the importance of moving to the new formula in a measured way.

For LAs experiencing a reduction in population, there will be a second funding floor adjustment to ensure total cash funding does not fall below the 2017-18 baseline amount. Note, the funding floor adjustment is not applied to the basic entitlement factor i.e. current numbers of high needs pupils and students or the import / export adjustment (see note 2. directly below) as the DfE want to ensure that year on year changes in these factors are reflected in a LAs funding.

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 all place funding in the SEN institutions in their area, irrespective of which LA places the student. This amount is added to the £4,000 per pupil / student funding included in the main formula to achieve the £10,000 place funding cost. This is a lagged adjustment. LA funding allocations are adjusted from January census data, but actual places purchased will generally be based on actual student numbers taking up places during the year.

This removes some of the unfairness in the previous funding system where LAs did not generally make a contribution to Element 1 and 2 costs for their students in institutions in other LAs.

6.14 An area cost adjustment will be applied where relevant (7.44% uplift for BFC) to all factors other than historic spend as this will already reflect local cost variations. This recognises additional costs in some areas, most notably enhanced salary payments in

and around London, and follows the same approach adopted by the DfE in the funding reforms introduced for mainstream schools. The HNB area cost adjustment comprises 2 elements: one for non-teaching staff; and another for teaching staff. As the ratio of teaching to non-teaching staff in special schools is different from that in mainstream schools, this calculation is different to that used in the School NFF (where the BFC area cost adjustment is 5.61%).

- 6.15 The Forum has previously been advised that the new HNB NFF will deliver significantly less funding to BF than the current arrangements. A July 2018 update from the DfE indicated £2.592m funding protection for BFC, which is around 16% of total funding which clearly illustrates the importance of the funding floor adjustment from a BF perspective.

Changes from the DfE for 2019-20

Special free schools

- 6.16 From 2019-20 onwards, funding for special free school places will be included in LAs high needs allocations rather than continuing to be funded separately by the DfE. Funding for these places will be deducted from LAs high needs allocations and paid directly to schools, as for special academies. The DfE indicates that the basic entitlement factor (see paragraph 6.12 1), the import/export adjustment (see paragraph 6.13 2) and further adjustments in the national funding formula will ensure that this change will not result in an unfunded cost for local authorities. These further adjustments relate to LAs with a special free school which will now receive £10,000 for every place at the free school and LAs exporting to free schools receiving £6,000 to pay for Element 2 costs. There are no Special free schools located within BF although BF resident pupils are placed in 2 free schools in other LAs.

Hospital education

- 6.17 The DfE are considering making changes to the funding of hospital education, to replace the current factor equivalent to LA planned spending in 2017-18, plus a 1.0% uplift with a formulaic hospital education factor in the high needs national funding formula, that takes into account both LA spending data and NHS data and therefore better responds to the number of patients needing education. A decision has yet to be taken on whether this will be in place for 2019-20 with the DfE indicating that any changes would not result in any LA seeing a reduction in the hospital education factor amounts included in the provisional 2019-20 funding allocation. There are no hospital education facilities in BF, with £0.020m funding currently being received to purchase out of area support.

Post 16 high needs funding

- 6.18 From August 2019, funding for post-16 HN places in maintained schools (including maintained special schools) and pupil referral units (PRUs) will remain in the DSG paid to LAs, rather than being deducted from LA DSG allocations and paid back in the same amount as sixth form grant. This makes the funding arrangements simpler and has no practical effect, as LAs already have flexibility to make changes to maintained schools (including maintained special schools) and PRU place numbers by agreeing these place numbers directly with schools and funding them without reference to the DfE.
- 6.19 The DfE will also allow an LA to reach agreement with a mainstream maintained school or academy with a sixth form, a PRU or AP academy with a sixth form, a sixth form or FE college or an independent learning provider (ILP), that the institution's Element 2

funding (see paragraph 6.2 b) can be calculated and paid in a different way directly by the authority, provided the institution is in agreement with the change and it is only intended to meet Element 2 costs, with top ups still paid separately when the assessed cost on an individual's need exceeds the £10,000 DfE threshold.

- 6.20 This flexibility is being introduced to encourage LAs and institutions to work together in making special provision for their students. DfE has indicated examples of alternative approaches could be:
1. An agreement to fund a college directly a lump sum per year over 3 years, to provide certainty to the local authority and college on the level of provision and funding that will be made, subject to specified tolerances relating to the actual number of students with high needs receiving support
 2. An agreement that a school sixth form will be funded for its students with SEND on the basis of similar proxy measures as are in the local pre-16 funding formula
- 6.21 At this stage the council intends to consider the benefits of introducing such flexibility in the coming year, including seeking the views of providers, before making any proposals for change from August 2020.

Provisional estimate of 2019-20 HNB DSG income

- 6.22 The allocation of HNB DSG income remains the most complex part of the education funding framework although the introduction of the new HNB NFF results in a more transparent and consistent allocation of funds to LAs.
- 6.23 In July 2018, the DfE issued provisional allocations of high needs funding for 2019-20 which included an additional £120m. As detailed above in paragraph 6.7, there was a further funding announcement in December that confirmed an extra £125m would also be added to the HNB DSG, meaning £245m extra in total.
- 6.24 These provisional allocations will be updated in May/June 2019 using the latest data i.e. for the number of students attending SEN institutions and movements of pupils between LAs, and as such the 2019-20 budget will need to be set using estimated income. The actual allocation of funds through the HNB NFF in 2018-19 and the estimated amount of funding to be received by BFC next year is set out below in Table 1 and shows a provisional cash increase of £0.493m (+3.1%). Note: the 2018-19 actual column excludes the BF share of the £125m December increase. This ensures the total "Change" shown compares to the 2018-19 original budget and not the final allocation. This then illustrates the true increase compared to the current BF budget.

Table 1: HNB National Funding Formula allocation to BFC

Formula Factor	BFC amount		
	2018-19 actual	2019-20 estimate	Change
	£000	£000	£000
1. Basic entitlement factor: pupils and students in SEN institutions at £4,000 each	£898	£898	£0
2. Historic spend	£7,587	£7,599	£12
3. Population - initial funding	£3,435	£3,452	£17
- December 2018 increase *	£0	£302	£302
4. Deprivation: FSM	£357	£327	£30
5. Deprivation: IDACI	£112	£114	£2
6. Children in bad health	£316	£322	£6
7. Disability Living Allowance	£422	£416	£6
8. Low attainment: KS2	£364	£388	£22
9. Low attainment: KS4	£349	£382	£33
10. Hospital education funding	£20	£20	£0
11. Funding Floor Factor	£2,460	£2,593	£133
Confirmed allocation through HNB NFF *	£16,320	£16,813	£493
12. Provisional import / export adjustment (net -72 students "exported" at January 2018)	-£432	-£432	£0
Provisional gross funding *	£15,888	£16,381	£493

Notes to Table 1:

Shaded cells subject to change. Other elements are fixed.

* the 2018-19 actual column excludes the £0.302m BF share of the £125m December increase. This ensures the total "Change" shown compares to the 2018-19 original budget and not the final allocation to illustrate the true increase in funding compared to the current BF budget.

Calculations subject to roundings so not all columns will cross-tally.

- 6.25 The basic entitlement factor (row 1 of Table 1) which allocates funds at £4,000 per pupil / student in and SEN institutions has been calculated from provisional data. The final allocation will be based on the January 2018 Alternative Provision and October 2018 school census returns and is therefore subject to change.
- 6.26 The import / export adjustment (row 12 of Table 1) of -£0.432m is also a provisional figure based on January 2018 data. It reflects the net 72 of pupils and students resident in BF that receive their education outside of the area which needs to be paid to the importing LA to finance the relevant cost of Element 2 education they are funding for all LAs. This adjustment also deducts funding from LAs for Non-Maintained Special Schools (NMSS) and special post-16 institutions (SPIs) which are then directly funded

by the DfE. Note: this adjustment does not relate to Independent Special Schools and LAs need to directly pay relevant institutions the full cost of education, including Element 1 costs.

- 6.27 The final numbers and import / export funding adjustment will be based on January 2019 national census data returns completed by individual providers that specify the number of high needs student by resident LA. The current estimate from BFC data at October 2018 is for a deduction of £0.600m for 100 pupils. Due to data uncertainty, a margin of error of 10 students (£0.060m) is included in the budget proposals, resulting in an estimated import / export deduction of £0.660m which is a £0.228m increase in the deduction made this year and reflects the general increase in pupils with high needs. Clearly this figure is subject to change.
- 6.28 As in previous years, there will be further adjustments to the amounts of DSG that LAs actually receive to take account of the funding for places paid directly by the DfE. As a starting point, the DfE will directly fund and deduct from each LAs HNB DSG the same number of places as in 2018-19, with LAs able to request changes at the relevant institutions in exceptional circumstances following bids through a place change notification process. The relevant amount of funding deduction is then set irrespective of whether the places are actually taken up. The relevant amount for BFC in 2018-19 is £1.028m.
- 6.29 There is an automatic adjustment to the current amount of deduction to reflect the full year effect impact of the increased funding agreed with Bracknell and Wokingham College (B&WC) from August 2018. To reflect the increased number of students placed at B&WC, the number of directly funded Element 2 places was increased by 39 from 43 to 82. For 2019-20 a further 4 months impact of the agreement needs to be deducted which amounts to £0.078m. There is no financial impact from this as B&WC will no longer be invoicing the council direct for the 39 students involved.
- 6.30 Additionally, as set out above in paragraph 6.18, from August 2019 the places deduction will exclude maintained school sixth forms, including sixth forms in maintained special schools, where LAs will now retain the funding to pay schools direct. The current deduction includes 50 Element 1 and 2 places at Kennel Land Special School (KLS) and 7 Element 2 places in Secondary School Sixth Forms. For 2019-20, £0.361m of the former places deduction (£0.333m for KLS and £0.028m for secondary schools) will be retained by the council to fund relevant institutions.
- 6.31 There is no overall financial impact from this change. In future, the only institutions that will be funded directly by the DfE through the places deduction process, with a consequential deduction from LA DSG, will be limited to academies, FE colleges and other post-16 Independent Learner Providers.
- 6.32 As in previous years, LAs can agree to purchase an increased number of SEN places from relevant providers, with their retained HNB DSG reduced accordingly. Similarly, if less places are purchased, 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 fund local commissioning decisions.
- 6.33 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 DfE. It is also for individual providers to allocate directly funded places to LAs, they do not need to match the number purchased by the DfE for individual LAs. In order to retain maximum amount of funds for flexibility on commissioning, the council does not seek to

increase the number of funded places from one year to the next but will purchase additional places where these are actually required, through negotiation with providers.

- 6.34 DfE will provide further updates to HNB DSG in May and June to reflect import and export adjustments to the high needs funding formula, the outcome of the 2019-20 place change notification process and the direct places deduction. Therefore the 2019-20 BF HNB budget will need to be set against estimated income. Should there be a significant difference between the original estimated amount of funding and the final confirmed amount, a decision will need to be taken in-year as to whether the original budget should be revised and whether any consequential management actions are required.
- 6.35 Based on current information, Table 2 below sets out £15.408m as the estimated amount of HNB DSG to be retained by the council next year.

Table 2: 2019-20 estimated HNB DSG to be retained by BFC

Item	Amount £000
Gross allocation through the HNB NFF (from Table 1)	£16,813
Estimated import / export adjustment (net provisional export of estimated 110 pupils as at January 2019). Paragraph 6.27.	-£660
Estimated places deduction for institutions resident in BF for direct funding by DfE. Paragraph 6.28 Error! Reference source not found.	-1,028
Full year effect impact of increased deduction for B&WC from 43 to 82 directly funded Element 2 students from August 2018. Paragraph 6.29	-£78
Estimated DSG retained by BFC – on 2018-19 basis	£15,047
Estimated impact from August 2019 changes to funding LAs for post-16 HN pupils in maintained schools. Paragraph 6.30.	+£361
Estimated DSG retained by BFC – on 2019-20 basis	£15,406

Proposed use of HNB DSG funding

- 6.36 The general approach adopted in setting the budget in recent years has again been followed for 2019-20, with the SEN Team, supported by Finance, reviewing all HNB 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 1 sets out the proposed budget changes for 2019-20 which the Forum is requested to comment on.
- 6.37 Annex 1 only shows services where budgets are proposed to be changed where the council is financially responsible, and for context and background, the budgets that are forecasting variances in the current year. It does not include any provision for places to be funded in BF resident institutions that are directly funded by the DfE as these are managed through the import / export adjustment and the on-going places deduction process.

6.38 The key proposed changes and assumptions where the financial impact is at least + / £0.025m are:

- 1 Purchase of Places in BF maintained schools: These will remain unchanged at 185 for Kennel Lane Special School and 26 for Meadowvale SEN Resource Unit.
- 2 Kennel Lane Special School: Based on current pupil profile, a £0.125m pressure is expected from 7 more BF pupils receiving Element 3 top up payments compared to last year (from 134 to 141). This reflects the policy of only placing pupils with SEND above the minimum £0.010m core place amount. Therefore, as pupils with lower need leave, they are replaced with those with higher needs. As more children move to higher support needs, the cost of in-year budget changes have been reducing and now average £0.047m in each of the last 3 years. Coupled with there being 183 pupils on roll (BF and other LA placements), with a capacity of 186, the budget is proposed to be reduced by £0.030m to £0.030m.
- 3 Maintained schools and academies: the recent trend on these budgets is for increased cost pressures with a £0.089m forecast over spending in 2018-19 in BF schools as 9 extra pupils (+5%) are supported and £0.347m in other LA schools (mainly Special Schools) where 16 extra pupils have been placed. Whilst the 2018-19 budget anticipated an increase in costs, it was below the current expectation. There is a net overall forecast pressure of £0.362m in 2018-19.

For 2019-20, this is expected to amount to a £0.310m pressure as follows:

- Costs for Element 3 top-up funding for children with Education Health Care (EHC) Plans in BF mainstream schools are forecast to increase by £0.100m. This reflects the anticipated effect of current placements plus an allowance for further growth. 2018-19 saw a 22% increase in cost as numbers rose by 5% and the average cost of support by 17%.
- The most significant budget pressure anticipated next year relates to BF resident pupils with EHC Plans being placed in maintained and academy schools in other LAs. Placements in these institutions have increased by 16 to 94 (+20%). Average cost of support has increased by 25%. At this stage, budget proposals assume a similar level of expenditure in 2019-20 as anticipated for 2018-19 with growth of £0.210m.

A number of changes are proposed to budgets for SEN Resource Units:

- The secondary aged ASD unit at Rise@GHC continues to expand and admit more BF resident (+8) and other LA pupils (+3). As a consequence, additional staffing are required which will ensure the Unit reaches full staffing compliment from September 2019 and a pressure of £0.031m has been calculated. 39 students are anticipated to be on roll at that time, with around 8 further students anticipated to be placed in each of the next 2 years as the Unit approaches its capacity limit of 56. The Unit is now fully financed from savings on external placements and income from other LA students. The long term expectation for when the Unit is at full capacity is for annual savings against external placements of £0.424m.
- A £0.036m pressure arises from needing to correct an error in the current base budget for Meadow Vale SEN Resource which currently understates the number of Element 2 funded places by 6.

- With diseconomy funding no longer required for Rise@GHC as the number on roll has now reached a sustainable level the level of contribution to the New SEN Resource Unit can be reduced by £0.092m. Funding will be required for the initial years after opening of the 40 place unit at Kings Academy - Binfield.

- 4 Non-Maintained Special Schools and Colleges: this is the most significant budget being managed in the HNB, amounting to around £4.8m spend in 2018-19. The budget requirement calculation has been undertaken on the same overall basis as in previous years, using trend and average cost data, together with projected changes anticipated by the SEN Team. The most significant changes in next year's proposed budget arise from:
- a. Projecting current pupil and student numbers through to the end of March 2020. This shows a net cost of £0.004m.
 - b. Removing costs for 4 students that will leave ASD provision with new starters attending the Rise@GHC, saving £0.160m.
 - c. Pressure is now being experienced in placements for pre-16 year old pupils. There has been an average net increase of 10 placements during the last 2 years and the SEN Team anticipate this will increase to 14 in 2019-20. The cost addition associated with this is estimated at £0.558m.
 - d. For 16 and 17 year olds, numbers have recently been reducing by 2 and this trend is expected to continue saving £0.068m.
 - e. For 18 year olds and older, in general, this is where the largest increase in numbers has been experienced in recent years as more young people seek to extend their education up to the age of 25. The rate of increase has been around 7 in each of the last 2 years, and this is expected to continue and therefore a cost increase of £0.096m has been included.

The overall cost pressure has been calculated at £0.430m.

- 5 Education other than at school: The number of places purchased at College Hall Pupil Referral Unit will remain unchanged at 46, which closely reflects the current number of admissions. An overall increase of £0.054m is proposed to College Hall and the associated Pupil Referral Service to reflect rising demand and costs. Part of the over spending in 2018-19 will be managed through the new pilot SEN support scheme agreed by the Forum in December.

In respect of other alternative provision, which is forecast to over spend by £0.130m in 2018-19, the SEN Team are considering better ways to manage these costs, including the new pilot SEN support scheme agreed by the Forum in December. An update on progress will be reported to the March Forum meeting.

- 6 Other SEN Support Services: The overall budget is forecast to under spend by £0.121m in 2018-19. The most significant under spending relates to the proposed Early Opportunities assessment service which was due to commence from September 2018, but due to the increased admissions to Kennel Lane Special school, insufficient accommodation was available to provide the service. With admissions remaining high, there is no expectation that the assessment service will operate in 2019-20 and the budget is proposed to be removed.

- 7 Impact of Post-16 SEN Grant transfer into DSG: Paragraph 6.18, sets out that from August 2019, the DfE will no longer deduction sixth form high needs funding from an LAs DSG for their maintained schools and pay back through the Post-16 SEN grant. The money will be retained in an LAs DSG to directly allocate. For 2019-20, this will amount to £0.028m in secondary sixth forms and £0.333m for Kennel Lane. Budget adjustments have been made accordingly which will be offset by a matching reduction in the budget for Post-16 SEN grant. There will be a full year effect adjustment for this change in 2020-21.

Annex 2 sets out a high level summary of the current High Needs Block budget and those currently being identified for 2019-20.

Impact of emerging budget pressures

- 6.39 Members of the Forum will be aware that many LAs face significant challenges in managing their HNB DSG income across the needs of pupils and that many are over spending. Indeed, the government have recognised this with the very recent funding announcement. Whilst to date this has not been the case in BF, the emerging significant increase in costs and the difficulty in presenting balanced budget proposals to this meeting, despite the increase in funding illustrates the deteriorating financial situation.
- 6.40 The DfE recognise these difficulties and where agreed with the local Schools Forum, permit up to 0.5% of an LAs Schools Block budget to be transferred into High Needs budgets. This equates to around £0.350m in BF. Whilst the expectation is that a balanced budget can be presented for 2019-20, future budget prospects are more uncertain, especially as DSG funding has yet to be announced.
- 6.41 In the current circumstances, the council will have to consider needing to make such a request from 2020-21 and will therefore commence preparations for that possibility. This does not confirm a need to make the transfer, but ensures adequate time is available to determine the likely cost position and to undertake a full consultation with all schools to gather views.
- 6.42 Where a local Schools Forum does not agree a funding transfer request from an LA, an appeal can be made to the Secretary of State. If required, this will need to be submitted no later than 30 November 2019. To meet this deadline, views from schools will therefore need to be gathered during the summer term 2019.

Next steps

- 6.43 The views of the Schools Forum regarding the initial 2019-20 budget proposals from the council will be considered, and where agreed, included in the final budget proposals that will be presented to the Forum for comment on 14 March. This will need to reflect the anticipated level of resources and needs of individual pupils and young people and is expected to present a significant challenge.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

7.2 The financial implications anticipated from this report are set out in the supporting information. Any changes to the proposals requested by the Forum will need to take account of the financial implications and affordability.

Equalities Impact Assessment

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

Strategic Risk Management Issues

7.4 The funding reforms, and the demographic growth and legislative pressures present a number of strategic risks, most significantly:

1. The practical implementation of the changes arising from the funding reforms may be different from that anticipated from the DfE guidance notes
2. Insufficient funding to cover increases that may occur in-year in the required number of high needs places.
3. Price increases by providers.
4. The ability of the market to absorb an increasing number of high needs pupils.

8 CONSULTATION

Principal Groups Consulted

8.1 Relevant Heads of Service within People Directorate and the People Directorate Management Team.

Background Papers

None.

Contact for further information

Paul Clark, Finance Business Partner - CYPL (01344 354054)

paul.clark@bracknell-forest.gov.uk

Kashif Nawaz, Virtual Headteacher for Vulnerable Pupils (01344 353318)

kashif.nawaz@bracknell-forest.gov.uk

Doc. Ref

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Provisional detailed changes proposed to the 2019-20 High Needs Budgets

Line Ref	Description	2018-19 Forecast Variance C £	Proposed Budget Change			Proposed 2019-20 Budget G £	Summary Comment H
			Placements D £	Element 3 E £	Other budgets F £		
1	Post-16 SEND pupils in maintained school sixth forms	0	28,000	0	0	28,000	Reflects the change in funding being introduced by DfE from August 2019 and provides funding for 7 Element 2 places for BF to directly purchase, rather than the DfE.
		0	28,000	0	0	28,000	
Funds Delegated to Special School: pre-16							
27	Kennel Lane Special School - original pre-16 budget (BFC responsibility only)	33,000	125,000	0	0	4,027,800	Current estimate is for initial budget requirement of £4.028m. Includes 185 purchased places and funding for 153 anticipated BFC resident pupil top up payments where more high cost pupils are attending.
3	Kennel Lane Special School - in-year budget changes (BFC responsibility only)	-7,000	0	-30,000	0	30,000	To better reflect average spend in last 3 years of £0.047m, together with the general increase in pupil numbers and the increasing average cost of Element 3 payments limiting further increases.
		26,000	125,000	<b style="color: red;">-30,000	0	4,057,800	
Funds Delegated to Special School: post-16							
4	Kennel Lane Special School - original post-16 budget	0	333,000	0	0	-172,360	Reflects the change in funding being introduced by DfE from August 2019 and provides funding for 50 Element1 and 2 post-16 places for BF to directly purchase, rather than the DfE.
		0	333,000	0	0	<b style="color: red;">-172,360	

Line Ref	Description	2018-19 Forecast Variance
A	B	C
		£

Proposed Budget Change		
Placements	Element 3	Other budgets
D	E	F
£	£	£

Proposed 2019-20 Budget	Summary Comment
G	H
£	

Maintained Schools & Academies

5	Contribution to New BF SEN Resource Unit Reserve	0
6	BF Secondary School SEN Resource Unit	-47,000
7	BF Secondary School SEN Resource Unit - Premium fee rate	0
8	BF Primary SEN Resource Unit	36,000
9	BF mainstream schools - Element 3 top up payments	89,000
10	BF mainstream schools - Element 3 short term interventions	-20,000
11	BF Early Years - Element 3 top up payments	-15,000
12	BF mainstream schools – top up to schools with disproportionate number of HN pupils	-14,000
13	BF Schools in Financial Difficulty - HN Block	-14,000
14	Other LA maintained schools and academies – funding for BF resident pupils	347,000

0	0	-92,190
30,950	0	0
0	0	1,300
36,000	0	0
0	100,000	0
0	0	-15,500
0	-15,700	0
0	-10,000	0
0	0	-14,470
0	210,000	0

30,000	Diseconomy funding no longer required for Rise@GHC as the number on roll has now reached a sustainable level. Funding may be required for the initial years after opening of the 40 place unit at Kings Academy - Binfield. Circa £0.490m expected to be in SEN Resource Unit Reserve at 1 April 2019.
820,000	Reflects anticipated £0.820m cost of the Unit, which will have reached full staffing compliment from September 2019. 39 Students anticipated being on roll at that time, with around 8 further students anticipated to be placed in each of the next 2 years as the Unit approaches its capacity limit of 56. The Unit is now fully financed from savings on extremal placements and income from other LA students.
-29,300	Income from other LAs as a contribution to diseconomy costs at the Rise@GHC. More BF students are now on roll reducing income from other LAs.
268,790	Corrects an error in the current base budget that understates the number of Element 2 funded places by 6.
946,600	Reflects current spend, plus allowance for additional payments, based on recent trend.
10,000	Reflects current spend, plus future expectations.
20,000	Reflects current spend, plus future expectations.
40,000	Reflects current spend, plus future expectations.
0	Reflects current spend, plus future expectations.
1,239,180	Reflects current spend, plus future expectations.

362,000

66,950

284,300

-120,860

3,345,270

Line Ref	Description	2018-19 Forecast Variance	Proposed Budget Change			Proposed 2019-20 Budget	Summary Comment
			Placements	Element 3	Other budgets		
A	B	C	D	E	F	G	H
		£	£	£	£	£	

NMSS & Colleges

15	Non-Maintained Special Schools and FE Colleges	-653,000	0	430,410	0	5,511,000	The under spending in 2018-19 is generally accounted for from the £0.549m in-year increase in DSG income that was not reflected in the budget. Forecast cost for 2019-20 is £5.511m. Rolls forward current commitments, plus allowance for 10 net new pre-6 starters and net 5 new post-16 placements reflecting recent experience and current expectations. £0.160m saving removed to reflect ASD leavers with starters attending Rise@GHC.
		-653,000	0	430,410	0	5,511,000	

Education out of School

16	College Hall Secondary aged Pupil Referral Unit	-5,000	0	32,510	-5,000	785,400	Reflects the increased occupancy rate at the Unit, together with recognition of a number of unfunded cost increases that have had to be absorbed in the budget.
17	Other Pupil Referral Services e.g. outreach, home tuition.	101,000	0	0	27,220	350,000	The outreach budget is proposed to increase to cover the cost of current staffing with home tuition increased to reflect rising demand. Part of the over spending in 2018-19 will be managed through the new pilot SEN support scheme agreed by the Forum in December.
18	Share of Head of Targeted Services	-15,000	0	0	0	22,700	2018-19 under spending from vacant post.
19	Alternative Provision for Primary Aged pupils without a statement	30,000	0	0	0	50,500	SEN Team considering better ways to manage these costs, including the new pilot SEN support scheme agreed by the Forum in December.
20	Alternative Provision for Secondary Aged pupils without a statement	104,000	0	0	0	20,200	SEN Team considering better ways to manage these costs, including the new pilot SEN support scheme agreed by the Forum in December.
21	Other minor variances	2,000	0	0	0	62,740	
		217,000	0	32,510	22,220	1,291,540	

Line Ref	Description	2018-19 Forecast Variance
A	B	C
		£

Proposed Budget Change		
Placements	Element 3	Other budgets
D	E	F
£	£	£

Proposed 2019-20 Budget	Summary Comment
G	H
£	

Other SEN Services

22	Equipment for SEN Pupils	-7,000
23	Medical support to pupils pre 16	58,000
24	Therapies and other specialist support	-48,000
25	SEN - share of Head Targeted Services	-17,000
26	Early Opportunities	-80,000
27	Other support to early years pupils	-17,000
28	Other minor variances	-10,000

0	0	0
0	0	0
0	0	0
0	0	0
-88,000	0	0
0	0	0
0	0	0

22,290	
65,360	
647,090	
34,210	
0	No capacity at Kennel Lane Special School to manage the service.
395,180	
38,310	

-121,000

-88,000 0 0

1,202,440

40

Grand Total - Relevant budgets only -169,000

464,950 717,220 -98,640

TOTAL CHANGE

1,083,530

2018-19 base budget funding

14,613,400

Estimated DSG income

15,408,500

Forecast over spending

288,430

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TO: SCHOOLS FORUM
DATE: 17 JANUARY 2019

**PROPOSALS FOR THE 2019-20 SCHOOLS BLOCK AND
CENTRAL SCHOOL SERVICES BLOCK ELEMENTS OF THE SCHOOLS BUDGET**
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present to the Schools Forum an update on school funding and to seek comments on the final proposals from the Council for the 2019-20 Schools Block and Central Schools Services Block elements of the Schools Budget.
- 1.2 Recommendations agreed from this report will form the basis of proposals to be presented to the Executive Member for Children, Young People and Learning, who has responsibility for agreeing most aspects of the Schools Budget although within the overall budget setting process, there are a number of areas where the Forum holds responsibility, and these are presented now for a decision.
- 1.3 There is a very tight timetable to meet, with views of the Schools Forum on the proposals being sought in advance of the 21 January deadline for submitting to the Department for Education (DfE) the actual Funding Formula for Schools to be used in 2019-20 with associated units of resource and total cost.

2 EXECUTIVE SUMMARY

- 2.1 Building on decisions agreed by the Forum in December and the release by the DfE of the key budget data that has to be used to calculate school budgets, final work on next year's Schools Budget has now been completed. Some relatively minor changes are now being proposed, together with a new option to consider for the distribution of funds to schools through the BF Funding Formula for Schools.
- 2.2 The proposed funding package also remains in line with the original proposals, with a £1.529m (2.8%) increase in per pupil funding from the new School National Funding Formula (SNFF), with funding for primary schools increasing by 1.8% and secondary schools 3.0%. There is a further £0.840m funding increase arising from an additional 133 pupils.
- 2.3 Whilst the increase in funding is very welcome, there are significant cost pressures that need to be managed. The key cost pressure in BF relates to the additional diseconomy costs expected to be incurred to support the delivery of additional school places that are anticipated in response to new house building programmes. Despite the council providing an additional £1m for schools from its own resources over the next 4 years, and a measured draw down of reserves, the net pressure reduces the amount of new funds that can be distributed to schools to £1.076m.
- 2.4 Whilst the method to be used to allocate the additional resources to schools was agreed by the Schools Forum in December, detailed budget work has identified an issue relating to setting the School National Funding Formula (SNFF) baseline for each school. In particular, this relates to those schools that are due to be funded at the £3,500 and £4,800 minimum per pupil funding rates used by the DfE in the SNFF and the amount of funds needed to finance this when other schools will receive a budget below the expected SNFF.

- 2.5 The Forum is therefore asked to provide a view on whether schools on the lowest per pupil funding rates should be fully protected to SNFF funding rates as previously proposed, or whether for consistency with other school budgets, should make the same proportional financial contribution to the cost of pressures.

3 RECOMMENDATIONS

To AGREE

- 3.1 In its role as the representative body of schools and other providers of education and childcare, the Forum REQUESTS that the Executive Member AGREES the following decisions for the 2019-20 Schools Budget:

1. that funds are distributed through the BF Funding Formula for Schools either:
 - a. in accordance with the majority view of schools from the options presented in the financial consultation by maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, but for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19 (see Annex 5),
 - OR
 - b. for consistency, whilst maintaining the overall objectives of the option of the majority view of schools, requiring those schools ordinarily protected at the SNFF minimum per pupil funding rates to make the same proportionate financial contribution to new and expanding schools as all other schools (see Annex 6).
2. that the amount of DSG funding for delegation into school budgets through the BF Funding Formula be set at £69.895m;
3. that the units of resource for the BF Funding Formula be set at those shown in Annex 7;
4. that other Schools Block related grants be reset to the amounts anticipated in 2019-20;
5. that the split site cost factor is established according to paragraph 6.21;
6. that subject to the decision made at recommendation 3.1 1 above that the DfE pro forma template of the 2019-20 BF Funding Formula for Schools be completed and submitted by the 21 January deadline.

- 3.2 As decision maker:

1. that the arrangements in place for the administration of central government grants are appropriate;
2. the financing and budgets for the Growth Fund items are set in accordance with the decision made at recommendation 3.1 1 above;
3. the budget amounts for each of the services centrally managed by the council and funded DSG from the Schools Block and Central School Services Block DSG elements are as set out in Table 1 and Annex 3, with the Schools Block items totalling £0.466m and the Central Schools Services Block items totalling £1.060m.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2019-20 Schools Budget is developed in accordance with the views of the Schools Forum, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual 2019-20 school budgets to the DfE by 21 January 2019.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 These were considered in earlier stages of the budget process.

6 SUPPORTING INFORMATION

Background

- 6.1 The Forum has been kept up to date with DfE proposals for reforming school and education funding, most notably through the introduction of a SNFF since they were first announced by the government in March 2016. Annex 1 provides a brief outline of the reforms. It repeats the information included in the previous Schools Forum budget report.

School and Education Funding Arrangements

- 6.2 The Schools Budget is funded by a 100% ring fenced government grant called the Dedicated Schools Grant (DSG). The DSG comprises 4 funding Blocks, each with a separate calculation and funding allocation; the Schools Block (SB); the Central School Services Block (CSSB) the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors, the HNB and EYB are centrally managed by LAs although the majority of funds are ultimately used to pay schools and other providers for services to children.
- 6.3 The DSG can only be spent on the purposes prescribed by the DfE. Any under or overspending in a year must also be ring-fenced and applied to a future Schools Budget. There is a general ring-fence in place in that SB funding must be spent on school budgets, although where agreed by the local Schools Forum, up to 0.5% of the SB (circa £0.325m) can be transferred to fund costs that fall into other Blocks. Money can be freely transferred from other Blocks into the SB or from the SB to CSSB.
- 6.4 LAs can add to the DSG from their own resources to increase the size of the Schools Budget but are not permitted to plan to spend at a lower amount. The policy of the Council has previously been for the Schools Budget to be funded to the level of external funding, with the Executive Member authorised to agree the budget allocations.
- 6.5 Taking account of comments from the Schools Forum on the financial impact arising from the new school building programme, the council's Executive agreed at its meeting on 18 December to support a 4 year funding strategy and will provide up to £1m from council balances over the period to help finance this cost pressure.

The Schools Block

Progress to date

- 6.6 The 6 December meeting of the Forum made a number of preliminary budget decisions taking account of the latest available information, views expressed by BF schools through the local financial consultation process and other related matters. These covered:
- Maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, but for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19.
 - Setting the Minimum Funding Guarantee (MFG)¹ at the highest permitted amount of +0.5%. The cost of the MFG will be met from placing a cap on the amount that schools with funding increases above the minimum 0.5% can retain.
 - The relevant services where budgets could be centrally managed on behalf of schools by the Council and the associated amounts.
 - With maintained schools supporting on-going 'de-delegation' of those services permitted by the DfE, this would continue.
 - With maintained schools supporting an on-going £20 per pupil contribution towards the cost of delivering 'general' education related statutory and regulatory duties, this would continue.
 - Agreeing the updated policy text of the *2019-20 Start up and diseconomy funding policy for new and expanding schools* and the 4 year funding strategy that would utilise unused DSG balances, additional funding from the council and part of each year's DSG funding.
 - Provisional funding decisions for school budgets in 2019-20 included agreeing that the financial impact from the following matters would be fully funded:
 - Changes in pupil numbers arising from the October 2018 census return.
 - The Growth Fund that comprises; start-up, diseconomy and post opening costs at new schools; in-year growth allocations for existing schools experiencing significant increases in pupil numbers; and additional costs arising from Key Stage 1 Class Size Regulations..
 - Impact of the business rates revaluation and annual price increase.
 - Split site costs at Warfield Primary School which is experiencing cost inefficiencies as a result of being divided across 2 locations
 - Pay and pension pressures on parts of the central services schools block.

¹ The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, a funding top up is added to meet the minimum per pupil change requirement. The MFG calculation required by the DfE excludes funding for business rates and fixed lump sum allocations. The cost of top-up funding is financed by scaling back increases to schools experiencing funding gains. The SNFF calculation of per pupil funding only excludes business rates; fixed lump sum allocations are included. Therefore, the calculations are performed differently and result in anomalies.

Confirmed Schools Block DSG income

- 6.7 The DfE published verified October school census and other data that must be used to calculate 2019-20 school budgets on 17th December. This included funding for 16,140 pupils (+0.83%), which is 25 fewer than anticipated in the provisional budget calculations reported in December. Based on the BF specific per pupil funding rates of £3,681 for primary aged pupils and £4,994 for secondary aged pupils, this delivers £67.550m (down £0.124m).
- 6.8 The separate funding allocations to LAs for non-pupil based school costs were also re-confirmed, to be set at the 2018-19 budget amounts and intended to finance the cost of business rates and high pupil mobility at £1.473m and £0.002m respectively. In terms of the Growth Fund, this has now been confirmed at £0.779m (down £0.021m) and reflects the October 2018 census data.
- 6.9 Therefore, the overall income for the SB will be £69.804m, a reduction of £0.145m compared to the December update. The change is accounted for by the 25 fewer pupils recorded on the school census compared to the initial estimate.

Final budget proposals for 2019-20

- 6.10 As the DfE data that must be used for funding purposes has emerged, and more work has been undertaken on other budget calculations, a number of changes are now being made to the initial proposals that were agreed by the Forum in December.

Changes in pupil numbers

- 6.11 Using the actual DfE verified census data identified rather than the initial estimate reduces the amount of pupils schools receive funding for by 25. Allocations to schools will reduce by £0.124m to £0.840m, which is equivalent to the reduction in DSG funding so has no overall financial effect.

Growth Fund - Impact from new / expanding schools and other relevant costs at existing schools

- 6.12 In respect of council managed budgets, there has been no change to the proposed budget for in-year growth allowances or funding to support Key Stage 1 Class Size Regulations at existing schools. For start-up and post opening costs at new schools, these are now recommended to be categorised as centrally managed costs to allocate in year when appropriate, rather than with the initial budget allocation. This approach allows for greater control over the funding which will only be released in-year when qualifying criteria is met e.g. new classes open, rather than automatically being passed on at the start of the financial year.
- 6.13 In terms of diseconomy costs at new schools, these have been recalculated against the updated funding policy and the finalised October census data.
- 6.14 The net financial impact from the revisions is that diseconomy costs delegated to relevant schools through the BF Funding Formula have reduced by £0.057m to £1.243m with the budgets initially retained by the council pending verification that schools meet the agreed qualifying criteria has increased by £0.101m to £0.466m. The net change in budget requirement for new schools is therefore a £0.044m increase.
- 6.15 The reduction in pupil numbers of 25 on the verified census data and updated costs has a consequential impact on the new schools funding model. With the contributions from both the council and the in-year increase in DSG allocation contributing the

equivalent of 0.5% of the total pupil related funding in the Schools Budget, with this reducing by £0.145m as a result of reduced pupil numbers, then these contributions both fall from £0.345m to £0.338m, a total reduction in funding of £0.014m.

- 6.16 The revised census data also has an impact on the DSG Growth Fund income, which has reduced by £0.021m. Taking account of this £0.035m reduction in funding sources, and a £0.044m overall increase in the cost of additional support required to new schools means the next extra cost of £0.079m needs to be financed from DSG balances which therefore need to contribute £0.254m rather than the previously anticipated £0.175m. The most significant factor affecting the change in costs relates to a £0.064m correction to the original calculation of business rates between the cost at new and existing schools. There is a reduction in budget requirement for business rates at existing schools.
- 6.17 Annex 2 sets out the revised budget requirement for the Growth Fund, including allocations due to individual schools and the amount of financial contribution due from each of the agreed funding sources. Minor changes may be required, subject to the decision taken at recommendation 3.1 1.

Split site funding for Warfield Primary School

- 6.18 Whilst there is no change proposed to the £0.075m funding allocation next year to Warfield Primary School to reflect additional costs arising from the split site location, the criteria used to assess whether a school qualifies for funding and the method of distribution to be used needs to be agreed.
- 6.19 As expected, the DfE issue guidance on how split site funding should operate. There “should be clear and transparent criteria, incorporating clear and objective trigger points, and a clear formula for allocating additional funding”. The following are examples highlighted as clear trigger points:
1. the sites are a minimum distance apart, as the crow flies, and the sites are separated by a public highway
 2. the provision on the additional site does not qualify for an individual school budget share through the DSG
 3. the school has remote playing fields, separated from the school by a minimum distance, and there is no safe walking route for the pupils
 4. a percentage of staff are required to teach on both sites on a daily basis, to support the principle of a whole school policy and to maintain the integrity of the delivery of the national curriculum
 5. a minimum percentage of pupils are taught on each site on a daily basis
- 6.20 The following are examples highlighted as a clear formula for funding schools with split sites:
1. a lump sum payment
 2. a per pupil rate
 3. a rate per square metre of the additional site
- 6.21 Taking account of the fact that work has been undertaken with the Headteacher of Warfield Primary School to establish the additional costs arising from operating across 2 sites and that a measurement is available for the safe walking route to school – not as the crow flies as suggested by DfE – it is recommended that eligibility criteria is set

at a safe walking route distance of at least 1 mile (the distance between the 2 Warfield sites is 1.1167 miles) and the sites are separated by a public highway and that a lump sum payment is made based on established additional costs.

- 6.22 These arrangements will be reviewed annually with the expectation that costs reduce over time once the Warfield Woodhurst site opens up to a second form of entry.

Centrally managed budgets within the CSSB

- 6.23 No changes are proposed to these budgets which are set out again in Annex 3.

Summary of proposed changes – SB and CSSB

- 6.24 Based on the data set provided by the DfE and other relevant information, a series of changes have been set out above that the council proposes are reflected in the 2019-20 Schools Block and Central Schools Services Block budgets. Table 1 below summarises the changes proposed with £1.076m available to allocate to schools as new funding with in an overall total of £69.895m. Annex 4 sets out the changes made in Table 1 from the December Forum meeting.

Table 1: Summary final budget proposals for 2019-20

Para Ref.	Item	Schools Block		Central Services Schools Block	Total
		Delegated school budgets	Council Managed		
		1	2	3	4
		£'000	£'000	£'000	£'000
	2018-19 Schools Block budget	67,425	463	1,041	68,929
	<i>As reported to 18 January 2018 Forum</i>				
	Remove 2018-19 one-off funding	-394	0	0	-394
	2018-19 on-going Schools Block budget	67,031	463	1,041	68,535
6.9	Provisional 2019-20 DSG funding	69,804		1,025	70,829
	<u>One-off funding for new school costs:</u>				
6.16	Draw down from DSG accumulated balances	254			254
6.15	Contribution from BFC	338			338
	Change in funding	2,902		-16	2,886
	<u>Changes proposed for 2019-20:</u>				
6.11	Change in pupil numbers	840	0	0	840
	<u>Growth Fund:</u>				
6.14	Growth Fund: New schools - 2019-20 cost	1,243	0	0	1,243
	Growth Fund: New schools - 2018-19 cost	-420	0	0	-420
6.14	BFC managed budgets	0	3	0	3
6.16	Rates revaluation and inflation	51	0	0	51
	Split site schools - additional costs	75	0	0	75
	Pay and pension pressure	0	0	19	19
	Total changes required for 2019-20	1,789	3	19	1,811
6.24	Additional funds to allocate to schools	1,076			1,076
	Proposed budget for 2019-20	69,895	466	1,060	71,422
	<u>Memo items:</u>				
6.31	Funding transfers between DSG Blocks	-38	3	35	0
6.17	Part funding of 'general' statutory duties to be transferred to BFC	-232	232		0
	Cost of new schools	1,243	100		1,343

Provisional 2019-20 individual school budgets

Previously agreed basis

- 6.25 Assuming all the proposals in this report are supported, and funds are allocated to schools as previously agreed - maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, and for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19 - Annex 5 shows headline elements of individual school's budget. Highlights from Annex 5 are:

- 25 schools (67%) receive higher allocations through the BF Funding Formula compared to the scaled SNFF, with 12 (33%) receiving lower allocations;
- The average per pupil increase from 2018-19 is 2.14%;
- The highest percentage that the BFC Funding Formula delivers above the SNFF is 4.5% (+£0.067m) which relates to the split site factor addition to Warfield Primary. The next highest increase is 3.12% (£0.019m).
- The greatest allocation below the SNFF is -3.34% (-£0.043m);
- 9 schools receive top up funding to meet the minimum per pupil funding rates. There are 6 primary schools and 3 secondary with an average per pupil increase from 2018-19 of 2.62% (highest 4.35%).
- The total cost of the delivering the minimum per pupil funding rates is £0.611m (£0.157m primary, £0.455m secondary). Top ups range from £0.013m to £0.226m;
- The cost of the MFG is £0.038m, with 14 schools receiving a top up of up to £0.045m. In total, 12 schools contribute between £0.001m and £0.039m.

Reconsideration of funding schools at the DfE minimum per pupil funding amount

- 6.26 The detailed work undertaken on school budgets following the release of budget data from the DfE has highlighted an outcome that was not previously apparent which the council considers significant enough to seek views from the Forum as to whether a change should now be made to the methods used in the financial consultation with schools document.
- 6.27 With schools confirming their desire for the BF Funding Formula to continue to closely match the SNFF, an issue has arisen in setting each school's SNFF baseline budget which is scaled down to available resources to reflect the unfunded budget pressures i.e. SNFF rates are not affordable. The council then works towards matching the scaled down SNFF amount for each school within the parameters of the funding framework.
- 6.28 With part of the 2019-20 DSG allocation needing to be used to fund new pressures, most notably those arising from new schools, each school's baseline needs to be scaled down circa 0.7% from the full SNFF i.e. 0.5% as a contribution to new schools plus circa 0.1% for rates pressure and circa 0.1% for split site factor pressure.
- 6.29 The school level illustrations included within the financial consultation fully protected those at the minimum per pupil funding amounts of £3,500 and £4,800 whereas all others had a proportionate reduction. On reflection, views should have been sought on whether the council should aim for all schools to be funded with a similar proportionate reduction to their SNFF, or whether those with the lowest per pupil funding amounts should be protected to reflect their base line position.
- 6.30 Protecting 9 schools at the minimum per pupil funding amounts requires £0.611m - £0.157m for 6 primary schools and £0.455m for 3 secondary schools.
- 6.31 Scaling of 0.7% to the DfE minimum per pupil funding rates of £3,500 for primary and £4,800 for secondary would result in BF funding rates being set at £3,475 and £4,766 respectively. The revised cost would be £0.342m for 6 schools, £0.076m for 3 primary schools and £0.266m for 3 secondary schools. The £0.269m funding reduction would then be re-distributed through the BF Funding Formula.

- 6.32 Annex 6 shows headline elements of individual school budgets through the BF Funding Formula if allocations are made on a close fit to the SNFF, but to reflect the impact of cost pressures that are not funded by the DfE, setting local minimum per pupil funding rates at 0.7% below those used by the DfE. Highlights from Annex 6 are:
- 20 schools (54%) receive higher allocations through the BF Funding Formula compared to the SNFF, with 17 (46%) receiving lower allocations;
 - The average per pupil increase from 2018-19 is 2.13%;
 - The highest percentage that the BFC Funding Formula delivers above the SNFF is 5.18% (+£0.076m) which relates to the split site factor addition to Warfield Primary. The next highest increase is 3.20% (£0.020m);
 - The greatest allocation below the SNFF is 2.84% (£0.037m);
 - The total cost of the delivering the minimum per pupil funding rates reduces to £0.343m (£0.078m primary, £0.266m secondary). Top ups range from £0.011m to £0.157m, with an average per pupil increase from 2018-19 of 2.51% (highest 3.61%);
 - The cost of the MFG is £0.042m, with 11 schools receiving a top up of up to £0.042m. In total, 19 schools contribute between £0.001m and £0.026m.
- 6.33 If it is agreed that the BF minimum per pupil funding rates are set at the reduced rates of £3,476 and £4,767 then there would be further minor adjustments to diseconomy costs at new schools as the diseconomy cost calculation includes a comparison of the funding required through the *2019-20 Start up and diseconomy funding policy for new and expanding schools* to funds that would be delivered to new schools through the normal operation of the BF Funding Formula. Therefore, if the BF Funding Formula allocations change, there is an impact on the balance of funding required for diseconomy funding.
- 6.34 Annex 7 shows the SNFF units of resource used in the SNFF, BFC for the last 2 years plus those that would be used by either of the 2 options now being presented for consideration.
- 6.35 The council considers that outcomes at Annex 6 are more consistent and equitable than those at Annex 5. The Forum is requested to agree which method should be used to allocate funds to schools: Annex 5 or Annex 6.

Sustainability of the current approach to matching the SNFF

- 6.36 The current approach of aiming for a close match between the BF Funding Formula and the SNFF is a complicated and time consuming process due to the different frameworks in place around each method. With the release of DfE budget data and local authority decision making processes generally resulting in around 2 weeks to complete school budgets over the Christmas period, it is no longer considered sustainable and simplifications need to be made. A further issue relates to the MFG. Any additions to a school's budget in one year are built into the calculation of the following year's minimum per pupil funding amount which continues part of the protection. This can sustain differences to the SNFF or even increase them and has a knock-on effect on the contributions required from other schools to finance the MFG.
- 6.37 The council therefore intends to consider alternative options that maintain the structure of the SNFF in the BF Funding Formula, but result in a more manageable approach. Any changes that are considered feasible to introduce will be presented to all schools

to consider as part of the 2019 consultation process, including an indication of the expected outcomes on individual school budgets.

Minimum Funding Guarantee

- 6.38 As set out above in the footnote to paragraph 6.6, to limit turbulence between financial years at individual school budget level, the MFG has to be applied, which for BF it has been agreed will ensure that no school received less than a 0.5% increase in funding compared to 2018-19. However, the DfE recognise that there can be circumstances when the normal operation of the MFG can result in unexpected outcomes and LAs can therefore make a request for a “disapplication” of the MFG.
- 6.39 Examples of MFG disapplication requests that have been approved previously by the DfE includes where “the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls”. This is the scenario being faced at Kings Academy Binfield, where the diseconomy funding model results in a reduction in per pupil funding between years as the school experiences a relatively significant increase in pupil admissions each year but with the per pupil funding lower than the previous year as the impact of diseconomies reduces.
- 6.40 The normal operation of the MFG would deliver around £0.150m MFG top up funding for Kings Academy Binfield which is a significant amount. As the school is already funded on the enhanced *2019-20 Start up and diseconomy funding policy for new and expanding schools*, a MFG disapplication request has been made to the DfE. Individual school budget illustrations at Annex 5 and 6 have been calculated on the basis that the disapplication request is agreed.

Submission of DfE pro-forma budget statement

- 6.41 The DfE closely monitors the progress of LAs in setting their individual school budgets and requires the completion and submission of a template that sets out the Funding Formula to be used, associated units of resource and total cost. The deadline for return has been set at 21 January 2019. This will be completed based on the final budget decisions.

Other grant income

- 6.42 In addition to the DSG, a number of other significant grants are paid directly to schools and these have been reviewed for anticipated receipts in 2019-20. This includes reducing expected amounts to reflect the number of academies as these schools receive relevant grant funding directly from the DfE. The Forum is recommended to agree that the Executive Member updates budgets where relevant:
- Funding rates allocated through the Pupil Premium for pupils eligible to a FSM at any time in the last 6 years and from a services family at any time in the last 4 years. The DfE has confirmed that funding rates will remain unchanged in 2019-20. Total income to maintained schools next year is expected to be at around £2.37m.
 - Funding for Universal Infant FSM and Primary School PE and Sport Grant are expected to amount to £1.278m and £0.514m respectively;
 - Funding for sixth forms has been forecast in line with the existing national funding formula, together with the amended DfE funding policy from August 2019 highlighted in on the Initial 2019-20 budget proposals for the High Needs Block Budget on another agenda item, which means funding will transfer from sixth form grant to the main DSG income, reducing specific sixth form grant to

around £1.5m. There is no financial impact from this change.

Actual cost pressures estimated for 2019-20

- 6.43 Schools will experience a range of cost pressures next year which are estimated to represent between a 1.5% and 2.5% cost increase on:
1. The cost of the 2019 Teachers' Pay award is not yet known, but assuming similar funding arrangements are put in place as for the 2018 award, schools can expect to have to fund around 1% of the cost, with the balance to be financed from a separate Pay Grant. This approach has yet to be confirmed by the DfE so is subject to change.
 2. The DfE has also announced that there is likely to be a 7.12% increase in the Employers Contribution to the Teachers' Pension Scheme (from 16.48% to 23.6%). The DfE intends to "fund fully the contribution increase for state funded schools and academies." There is the possibility that the extra funding will not fully cover all of the cost increase.
 3. The cost of pay and price inflation. With a local government pay offer of 2% next year, with higher increases for the lowest paid through deletion of the lowest pay points, a pressure of around 3% is forecast for schools. We have recently experiencing historically low inflationary pressures and these are now increasing moving forward.
 4. The underlying deficit on the Local Government Pension Scheme is being reduced by way of additional lump sum contributions. Payments due from schools in the BF Local Government Pension Scheme are forecast to increase by £0.1m.
 5. The general rate of inflation on non-pay costs is currently 2.3%. Schools can expect cost increases of this level on relevant budgets.

Other decisions required from the Schools Forum

- 6.44 The content of this report complies with requirements of the School and Early Years Finance (England) Regulations 2018. In addition to this, in setting the 2019-20 Schools Budget, there are also requirements from the Schools Forum (England) Regulations 2012 that need to be complied with.
- 6.45 There is a requirement to seek comments from the Forum in respect of administration arrangements for the allocation of central government grants. No changes are proposed on existing arrangements whereby relevant costs are absorbed by the council in normal day to day operations and the Forum is requested to agree this approach continues.
- 6.46 The Forum also has a decision making role on other budget matters, most notably in relation to Schools Block element funds held for central management by the Council on behalf of schools. Relevant budgets were agreed at the last Forum meeting and are set out in Annex 3.

Early Years Block budget

- 6.47 In respect of Early Years Block items, an update is provided on a separate agenda item. Final budget proposals will be presented to the Forum for comment in March. No significant changes are anticipated from current budgets and funding rates.

Conclusion and Next steps

- 6.48 The SNFF has delivered around a 2.8% average increase in per pupil funding which continues the improved financial settlement experienced last year. However, despite a measured draw down of DSG balances and a financial contribution from the council, emerging cost pressures have reduced the average increase to 2.1%. Schools are aware that a number of costs will increase next year, and the expectation is that rises will be greater than the historically low amounts experienced in recent years.
- 6.49 The Executive Member is expected to agree the 2019-20 Schools Budget based on final recommendations agreed by the Schools Forum, which will then need to be reported to the DfE through submission of the national pro-forma, with individual schools receiving confirmed budget allocations by the end of January.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 The relevant legal implications are addressed within the main body of the report.

Director of Finance

- 7.2 Included within the supporting information.

Equalities Impact Assessment

- 7.3 The budget proposals ensure funding is targeted towards vulnerable groups prioritised by the DfE SNFF and a BFC specific EIA is not required.

Strategic Risk Management Issues

- 7.4 The funding reforms and emerging financial pressures present a number of strategic risks, most significantly:
1. Insufficient funding to cover anticipated pay and price inflation and changes in contributions to the Pension Funds.
 2. The ability of schools with loans to manage their repayments. Two secondary schools have significant loan advances that need to be managed during a period of real terms reduction in funding.
 3. Ensuring sufficient resources are allocated into general school budgets to meet their SEN responsibilities, up to the £10,000 limit.
 4. Managing the additional revenue costs arising from the new / expanded schools programme.
- 7.5 These risks will be managed through support and assistance to schools in the budget setting process which is a well-established programme. It has ensured that schools develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans. There remains a de-delegated budget of £0.185m (after academy deduction) to support schools in financial difficulties that meet qualifying criteria.
- 7.6 The financial impact from new schools is also being managed through the measured used of accumulated DSG balances and up to £1m contribution from the council.

8 CONSULTATION

Principal Groups Consulted

8.1 People Directorate Management Team, schools and the Schools Forum.

Method of Consultation

8.2 Written reports to People Directorate Management Team and the Schools Forum, formal consultation with schools

Representations Received

8.3 Included in previous report.

Background Papers

None:

Contact for further information

Paul Clark, Finance Business Partner - CYPL

(01344 354054)

paul.clark@bracknell-forest.gov.uk

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Overview of School Funding Reform

National changes

1. The DfE are in the process of implementing national funding reforms for schools and education. This includes the introduction of the School National Funding Formula (SNFF) which ensures a consistent approach to funding all schools, with units of resource paid at the same value for every school in the country, other than where an area cost adjustment is added to reflect specific, geographic costs – BF receives a 5.61% local area uplift.
2. To minimise the initial impact of the reforms on individual school budgets, the new framework is being introduced on a phased basis and is not expected to be fully implemented until April 2021. At this point all schools are expected to be funded directly by the SNFF and there will be a much more limited role for Local Authorities (LAs) in determining budget allocations for their local schools.
3. However, building on progress made by LAs during the first year of transition in 2018-19, the DfE has confirmed that LAs will retain responsibility for calculating budgets for the schools in their area for the next 2 years and will continue to be funded via the ring-fenced² Dedicated Schools Grant (DSG). The amount of funds each LA receives will equal the total funding their schools would have received if the SNFF had been fully implemented.
4. The reforms to the funding framework will be accompanied with additional funding. Initially this was announced at an extra £500m, but this was subsequently increased by a further £1.3bn for schools and high needs budgets across 2018-19 and 2019-20. Budgets beyond 2020 are not yet known and will be decided through the next government spending review which will take place in 2019.
5. The key elements of the new funding system used by the DfE to fund LAs are:
 1. the basic amount that every pupil will attract in 2018-19 and 2019-20 will increase from 2017-18 base levels.
 2. in calculating LA funding allocations through the aggregation of individual school budgets on the SNFF, there will be gains of up to +3% a year per pupil, with every school receiving at least a +0.5% a year per pupil cash increase.
 3. in addition, there will be minimum per pupil funding rates for primary and secondary schools. Meeting these minimum rates is outside the +3% cap set out above, meaning some schools will exceed the maximum +6% two year increase.
 4. until 2021, whilst each LA remains responsible for setting budgets in their area within outline parameters set by the DfE, they are **NOT** required to replicate the SNFF i.e. LAs do not have to implement the +0.5% minimum per pupil funding increase or the minimum per pupil funding rates if local circumstances require a different approach. For example, some LAs have agreed with their schools to divert some money to support pupils with high needs. This means they will not have enough money to fully replicate the SNFF.

² The DfE place a ring-fence on funding provided to LAs for schools and education through the DSG. This means it can only be used for the purposes defined by the DfE and cannot be diverted to fund other costs.

6. Even where a LA wants to duplicate the SNFF in budget allocations to their schools, this will not be possible. How LAs can then pass on funding to their schools is dictated by the School Funding Regulations issued by the DfE. These Regulations do not allow LAs to fully replicate the funding methods used in the SNFF, most notably in the calculation of the minimum +0.5% annual increase in pupil funding.
7. The anticipated financial impact on schools in BF over the 2 year funding period 2018-19 and 2019-20 is that per pupil funding will be 5.0% higher (£3.2m) than the amount received through the funding framework in place up to 2017-18. The 2018-19 schools budget received a £1.7m (2.7%) funding increase with a further £1.5m (2.3%) expected to be received in 2019-20.
8. Funding increases have arisen as most BF schools have historically been receiving relatively low per pupil funding rates compared to similar schools in other areas of the country, and one of the key aspects of the new SNFF is to introduce uniform funding rates to ensure schools with similar characteristics receive similar amounts of funding, irrespective of where they are located.
9. Separate arrangements are in place to fund LAs and schools for costs in respect of business rates, high pupil mobility and the “growth fund”³. These are treated differently as the DfE do not consider that need to spend on these items correlates closely to the number of pupils on roll at census date. At the moment, these costs are generally funded on a prior year actual cost basis and are not counted in per pupil funding calculations. The DfE has indicated that this is not the long term approach to funding and that alternative, preferably formulaic solutions will be considered. As set out below in paragraph 12 a new formula will be introduced next year for the growth fund.

Bracknell Forest approach to the reforms

10. Arrangements regarding education funding in BF have been well established on the basis of a partnership with schools and the Schools Forum⁴. Whilst most funding decisions on school budgets remain the responsibility of the council, they have always been taken on the basis of recommendations from the Schools Forum, which follows consideration of the views gathered from schools on key budget matters through these annual financial consultations.
11. In setting the 2018-19 budget, 97% of the 30 school respondents to the 2017 financial consultation agreed that the strategy should be to aim for a close fit to the indicative SNFF allocation for each school. This recognised that all schools would move to the SNFF within 2 years and that there should be a smooth transition to the new arrangements. It also ensured that all schools would receive at least a 0.5% increase in per pupil funding. The Schools Forum supports continuing with this approach for 2019-20.

³ The growth fund covers diseconomy funding and other allocations to new schools such as pre-opening costs, and for existing schools, significant in-year increases in pupil numbers and Key Stage 1 funding top ups to limit classes to 30 pupils.

⁴ Each LA is required to establish and maintain a Schools Forum to represent Education providers and partners on key financial matters. The membership of the BF Forum has been drawn from head teachers, including academies, governors and representatives of the teacher associations, diocesan boards, Early Years providers and Bracknell and Wokingham College.

New changes from the DfE for 2019-20

12. The DfE will be making a small number of further changes for 2019-20, in particular the introduction of a new formula to calculate funding allocations to each LA for their growth fund responsibilities. This will now be determined by counting the increase in pupil numbers between the two most recent October censuses, so between October 2017 and October 2018. The measure will be via small geographical areas used by the Office for National Statistics called middle super output areas (MSAO). These areas are considered small enough to detect pockets of growth. Only positive increases by MSAO will be counted. Reductions in other MSAO areas will not be deducted. Additional funding will also be provided to an LA when a new school opens.
13. The funding allocation for growth is the key issue for the 2019-20 BF Schools Budget.
14. Other changes being made are:
 1. confirming increases in SNFF minimum per pupil funding rates to £3,500 for primary aged pupils and £4,800 for those of secondary age.
 2. the per pupil funding floor in the SNFF will again be set at a +0.5% increase from last year's SNFF allocation, with gains also continuing to be capped at +3%.
 3. to fairly fund new schools, those opening for the first time in 2019-20 will also have a funding floor applied. Their 2019-20 funding will be compared to a baseline calculated from average baseline budgets for all schools in the relevant LA. Details of how these calculations will be made have yet to be published.
 4. changes to the Early Years Foundation Stage Profile have gradually increased the cohort of pupils which is used for funding schools for low prior attainment (LPA), which is a proxy for SEN pupils. To account for a change arising from "the assessment, rather than changes to the underlying level of need", the DfE will maintain the proportion of funding allocated on primary LPA by balancing the increase in the eligible cohort with a reduction in the factor value from £1,050 to £1,022. This is the only SNFF factor value change. Annex 4 shows the SNFF values and also those used in the BF funding formula in 2017-18 and 2018-19.
 5. setting individual LA funding for premises and mobility factors on actual budget allocations made by LAs in 2018-19. LA funding amounts for 2018-19 were based on 2017-18 actual budget allocations to schools.
15. Items 1 to 3 above in paragraph 14 set out how the DfE will fund each LA for their 2019-20 Schools Budget. LAs are **NOT** required to replicate the SNFF in individual budget allocations to their schools. Flexibility remains to set budgets in accordance with local priorities.

Proposed financing and associated budget for the Growth Fund

	Primary £'000	Secondary £'000	Total £'000	Delegated £'000	Initially retained £'000
<u>New schools:</u>					
Start-up costs	26.3	0.0	26.3	0.0	26.3
Diseconomy costs	452.9	789.7	1,242.5	1,242.5	0.0
Post opening costs	75.0	0.0	75.0	0.0	75.0
	554.2	789.7	1,343.8	1,242.5	101.3
<u>Existing Schools:</u>					
In-year pupil growth	166.2	138.5	304.7	0.0	304.7
KS1 classes	60.0	0.0	60.0	0.0	60.0
	226.2	138.5	364.7	0.0	364.7
Total estimated costs	780.4	928.2	1,708.5	1,242.5	466.0
			January £'000	December £'000	Change £'000
<u>Financing:</u>					
BF council			338.0	345.0	-7.0
DSG balances			253.5	175.0	78.5
2019-20 DSG income - balance on Growth Fund			779.0	800.0	-21.0
2019-20 DSG income - from increase in SNFF			338.0	345.0	-7.0
Total estimated costs			1,708.5	1,665.0	43.5
	Primary £'000	Secondary £'000	January £'000	December £'000	Change £'000
<u>By school:</u>					
Warfield Woodhurst	157.9	0.0	157.9	94.7	63.2
KGA - Oakwood	244.4	0.0	244.4	241.5	2.9
KGA - Binfield	151.8	789.7	941.5	964.2	-22.7
Total estimated costs	554.2	789.7	1,343.8	1,300.4	43.4

Annex 2 illustrates the impact where school budgets are calculated using the SNFF minimum per pupil funding rates. Should the Forum decide that school budgets are to be calculated with reduced minimum per pupil funding rates, then minor changes will result to the figures shown above due to the impact on funding that would arise through the normal operation of the BF Funding Formula as this finances part of the cost, with the Growth Fund financing the remaining balance. If per pupil funding rates are amended in the BF Funding Formula, there will be a consequential change in individual school budgets which impacts on the amount of funding shortfall required to meet the unchanged diseconomy costs.

Services proposed to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Budget 2018-19 £	Agreed Changes £	Budget 2019-20 £
<u>Historic commitments</u>			
<u>Combined Services Budgets</u> *:			
Family Intervention Project	£100,000	£0	£100,000
Educational Attainment for Looked After Children	£133,590	£0	£133,590
School Transport for Looked After Children	£42,890	£0	£42,890
Young People in Sport	£18,050	£0	£18,050
Common Assessment Framework Co-ordinator	£42,470	£0	£42,470
Domestic Abuse	£6,000	£0	£6,000
Education Health Partnerships	£30,000	£0	£30,000
SEN Contract Monitoring	£32,680	£0	£32,680
<u>Miscellaneous (up to 0.1% of Schools Budget):</u>			
Forestcare out of hours support service	£4,850	£150	£5,000
Borough wide Initiatives	£27,270	£820	£28,090
Support to Schools Recruitment & Retention	£7,470	£220	£7,690
<u>Statutory and regulatory duties</u>			
'Retained' elements	£260,000	£7,800	£267,800
<u>Other expenditure</u>			
School Admissions	£175,970	£5,280	£181,250
Schools Forum	£21,440	£640	£22,080
Boarding Placements for Vulnerable Children	£58,880	£1,770	£60,650
Central copyright licensing	£79,000	£2,370	£81,370
Total	£1,040,560	£19,050	£1,059,610

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

Changes 6 December Forum to 17 January Forum

Item	Schools Block		Central Services Schools Block 3 £'000	Total 4 £'000
	Delegated school budgets 1 £'000	Council Managed 2 £'000		
2018-19 Schools Block budget <i>As reported to 18 January 2018 Forum</i>	0	0	0	0
Remove 2018-19 one-off funding	0	0	0	0
2018-19 on-going Schools Block budget	0	0	0	0
Provisional 2019-20 DSG funding	-145		0	-145
<u>One-off funding for new school costs:</u>				
Draw down from DSG accumulated balances	79			79
Contribution from BFC	-7			-7
Change in funding	-73		0	-73
<u>Changes proposed for 2019-20:</u>				
Change in pupil numbers	-124	0	0	-124
<u>Growth Fund:</u>				
Growth Fund: New schools - 2019-20 cost	-57	0	0	-57
Growth Fund: New schools - 2018-19 cost	0	0	0	0
BFC managed budgets	0	101	0	101
Rates revaluation and inflation	-64	0	0	-64
Split site schools - additional costs	0	0	0	0
Pay and pension pressure	0	0	0	0
Total changes required for 2019-20	-245	101	0	-144
Additional funds to allocate to schools	71			71
Proposed budget for 2019-20	-175	101	0	-73
<u>Memo items:</u>				
Funding transfers between DSG Blocks	-101	101	0	0
Part funding of 'general' statutory duties to be transferred to BFC	0	0		0
Cost of new schools	-57	100		43

Notes to Annexes 5 and 6

- General:** All figures are before making the agreed deductions for de-delegation and contributions to LA education related statutory duties.
- All per pupil funding amounts are calculated in accordance with the DfE methodology of total funding less business rates divided by October 2018 pupil numbers.
- As set out above in the supporting information, there is a different approach that LAs must take in calculating Minimum Funding Guarantee (MFG) adjustments.
- Column 2:** BFC calculation of the 2019-20 budget through the SNFF using October 2018 data (DfE have not completed this calculation). Includes school based funding for business rates and high pupil mobility and all per pupil related funding. Rounded to nearest £ thousand.
- Applies the 0.5% minimum per pupil “floor” increase and 3% maximum per pupil “ceiling” increase. Also, where relevant, adds minimum per pupil funding levels of £3,500 for primary aged pupils and £4,800 for secondary aged pupils.
- Excludes any impact from the local area MFG that the LA must apply each year.
- Column 3:** As per Column 2 but excludes school based funding for business rates. This is the estimated pupil related funding delivered through the SNFF and is used by the DfE to calculate the per pupil funding rate to compare to the minimum per pupil funding levels of £3,500 for primary aged pupils and £4,800 for secondary aged pupils.
- Columns 4 and 5:** Scale down budget allocations from the pure SNFF allocation excluding rates as per Column 3 and adds in the cost of diseconomy funding for new schools to show the affordable budget allocations using the SNFF.
- Column 4:** Shows the total budget excluding rates that can be afforded, using the SNFF formula. The £68.371m total amount plus the £1.524m for excluded rates funding match the £69.895m available funds shown in Table 1 of the supporting information.
- Column 5:** Calculation of the affordable SNFF per pupil funding amount.
- Column 6** Shows the total budget excluding rates that can be afforded, using the BFC Funding Formula. The £68.371m total amount plus the £1.524m for excluded rates funding match the £69.895m available funds shown in Table 1 of the supporting information.
- Column 7:** Calculation of the affordable BFC Funding Formula per pupil funding amount.
- Columns 8 and 9:** Sets out the difference between the affordable SNFF and BFC Funding Formula allocation as a cash amount (column 8) and the percentage difference in per pupil funding (column 9).
- Columns 10 to 12:** Highlight some of the more sensitive budget allocations relating to the amount of minimum per pupil top-up funding received, the impact of the MFG, and new school funding top-up. These amounts are all included in Column 6 but isolated here for information.
- Columns 13 and 14:** Set out changes in per pupil funding received in 2018-19 compared to 2019-20.

2019-20 actual school budget – on principles included in financial consultation with schools

SCHOOL	Allocation through DfE SNFF (BFC estimate)	Allocation through DfE SNFF - EXCLUDING rates	Allocation through DfE SNFF - EXCLUDING rates and scaled to budget		Allocation through BF Formula - EXCLUDING rates and scaled to budget		Difference SNFF to BF Formula - EXCLUDING rates		BFC Funding : Memorandum items			Change in BF per pupil funding rate 2018-19 to 2019-20 - EXCLUDING rates	
			Total	Per pupil (excludes diseconomy)	Total	Per pupil (excludes diseconomy)	Total	Per pupil (excludes diseconomy)	Minimum per pupil top-up	Contribution to (-) / receipt from (+) MFG	New school top-up	Amount	%
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Ascot Heath Infant School	£641,000	£626,082	£621,934	£3,839	£641,318	£3,959	£19,384	3.12%	£0	£577	£0	£191	5.06%
Ascot Heath C.E.Junior School	£844,000	£823,398	£817,944	£3,635	£824,327	£3,663	£6,383	0.78%	£0	-£558	£0	£62	1.72%
Binfield C of E Primary School	£1,454,000	£1,447,940	£1,438,348	£3,483	£1,445,500	£3,500	£7,152	0.50%	£34,213	£0	£0	£81	2.37%
Birch Hill Primary School	£1,473,000	£1,430,810	£1,421,332	£3,580	£1,399,746	£3,526	£-21,586	-1.52%	£0	£4,297	£0	£23	0.65%
College Town Primary School	£1,856,000	£1,815,790	£1,803,761	£3,637	£1,787,059	£3,603	£-16,703	-0.93%	£0	£5,733	£0	£-89	-2.42%
Cranbourne Primary School	£793,000	£773,180	£768,058	£3,640	£784,644	£3,719	£16,586	2.16%	£0	£5,492	£0	£-23	-0.61%
Crown Wood Primary School	£1,984,780	£1,966,884	£1,966,884	£3,531	£1,949,500	£3,500	£-17,384	-0.88%	£5,398	£0	£0	£37	1.07%
Crowthorne CE Primary School	£798,000	£784,470	£779,273	£3,747	£788,934	£3,793	£9,660	1.24%	£0	£3,082	£0	£22	0.59%
Fox Hill Primary School	£883,000	£866,790	£861,048	£4,120	£865,241	£4,140	£4,193	0.49%	£0	£9,153	£0	£2	0.05%
Great Hollands Primary School	£1,505,730	£1,498,000	£1,488,077	£3,916	£1,475,945	£3,884	£-12,132	-0.82%	£0	£-1,071	£0	£61	1.59%
Harmans Water Primary School	£2,024,000	£1,965,128	£1,952,110	£3,480	£1,963,500	£3,500	£11,390	0.58%	£14,760	£0	£0	£71	2.06%
Holly Spring Infants	£991,000	£974,004	£967,552	£3,855	£957,378	£3,813	£-10,174	-1.05%	£0	£-1,922	£0	£34	0.90%
Holly Spring Junior School	£1,215,000	£1,184,786	£1,176,937	£3,701	£1,194,982	£3,751	£18,045	1.53%	£0	£-18,685	£0	£48	1.30%
Jennett's Park CE Primary School	£1,492,310	£1,481,000	£1,471,189	£3,651	£1,466,967	£3,640	£-4,222	-0.29%	£0	£45,093	£0	£-9	-0.25%
Meadow Vale Primary School	£2,180,000	£2,122,990	£2,108,926	£3,480	£2,121,000	£3,500	£12,074	0.57%	£12,972	£0	£0	£35	1.02%
New Scotland Hill Primary	£771,000	£752,470	£747,485	£3,853	£749,715	£3,862	£2,230	0.30%	£0	£-5,191	£0	£37	0.97%
Oakwood Primary Academy	£0	£0	£203,108	£0	£203,108	N/A	N/A	N/A	£0	£0	£203,108	N/A	N/A
Owsmoor Primary School	£1,954,000	£1,893,080	£1,880,539	£3,432	£1,918,000	£3,500	£37,461	1.99%	£63,671	£0	£0	£129	3.84%
The Pines School	£1,271,000	£1,240,540	£1,230,321	£3,774	£1,210,263	£3,711	£-20,058	-1.63%	£0	£-3,654	£0	£-28	-0.76%
Sandy Lane Primary School	£1,774,000	£1,729,080	£1,717,563	£3,520	£1,726,255	£3,535	£8,691	0.51%	£0	£-12,487	£0	£37	1.06%
St. Joseph's C Primary School	£804,000	£801,120	£795,813	£3,790	£807,980	£3,848	£12,167	1.53%	£0	£11,497	£0	£30	0.79%
St Margaret Clitherow Catholic Primary School	£820,910	£818,000	£812,581	£3,907	£820,361	£3,944	£7,780	0.96%	£0	£7,039	£0	£4	0.11%
St. Michael's Easthampstead	£927,000	£924,380	£918,257	£3,810	£918,658	£3,812	£402	0.04%	£0	£1,426	£0	£16	0.42%
St Michael's CE Primary School Sandhurst	£712,000	£708,970	£704,273	£3,726	£714,410	£3,779	£10,137	1.44%	£0	£-2,396	£0	£22	0.58%
Uplands Primary School	£789,000	£775,470	£770,333	£3,668	£777,430	£3,702	£7,098	0.92%	£0	£4,778	£0	£11	0.30%
Warfield CE Primary	£1,413,000	£1,381,940	£1,476,375	£3,480	£1,542,982	£3,679	£66,606	4.51%	£0	£-11,781	£105,341	N/A	N/A
Whitegrove School	£1,490,000	£1,451,110	£1,441,497	£3,482	£1,449,000	£3,500	£7,503	0.52%	£24,769	£0	£0	£85	2.49%
Wildmoor Heath School	£752,170	£749,000	£744,038	£3,816	£758,001	£3,887	£13,963	1.88%	£0	£7,872	£0	£63	1.64%
Wildridings Primary School	£1,530,000	£1,505,940	£1,495,964	£3,787	£1,479,410	£3,744	£-16,554	-1.11%	£0	£-3,488	£0	£31	0.83%
Winkfield St Marys CE Primary	£767,000	£751,860	£746,879	£3,753	£759,444	£3,816	£12,564	1.68%	£0	£205	£0	£27	0.70%
Wooden Hill Primary	£1,338,000	£1,304,450	£1,295,809	£3,789	£1,252,589	£3,660	£-43,219	-3.34%	£0	£-6,880	£0	£18	0.49%
Brakenhale Academy	£5,210,760	£5,185,000	£5,150,652	£5,277	£5,057,030	£5,181	£-93,622	-1.82%	£0	£11,017	£0	£18	0.35%
Easthampstead Park Community School	£4,299,000	£4,093,500	£4,066,383	£5,336	£4,099,178	£5,378	£32,795	0.81%	£0	£-10,331	£0	£17	0.32%
Edgbarrow School	£5,227,790	£5,194,000	£5,159,593	£4,769	£5,193,600	£4,800	£34,007	0.66%	£226,395	£0	£0	£200	4.35%
Garth Hill College	£7,250,000	£6,886,070	£6,840,454	£4,879	£6,765,759	£4,823	£-74,695	-1.09%	£0	£-38,815	£0	£31	0.65%
Kings Academy Binfield	£752,000	£752,000	£1,681,001	£6,225	£1,631,926	£5,816	£-49,076	-2.92%	£0	£0	£933,983	N/A	N/A
Ranelagh School	£4,009,910	£3,989,000	£3,962,575	£4,768	£3,988,800	£4,800	£26,225	0.66%	£118,170	£0	£0	£189	4.10%
Sandhurst School	£5,107,000	£4,919,260	£4,886,673	£4,805	£4,881,600	£4,800	£-5,073	-0.10%	£110,264	£0	£0	£108	2.30%
Primary total / average	£37,247,900	£36,561,778	£36,624,211	£3,650	£36,753,649	£3,663	£129,438		£155,784	£38,129	£308,449	£45	1.23%
Secondary total / average	£31,856,460	£31,018,830	£31,747,331	£4,978	£31,617,893	£4,957	£-129,438		£454,830	£-38,129	£933,983	£134	2.70%
Total / Average all	£69,104,360	£67,580,608	£68,371,542	£4,159	£68,371,542	£4,159	£-0		£610,614	£0	£1,242,432	£89	2.14%

2019-20 actual school budgets – with 0.7% deduction to SNFF minimum per pupil funding rates

SCHOOL	Allocation through DfE SNFF (BFC estimate)	Allocation through DfE SNFF - EXCLUDING rates	Allocation through DfE SNFF - EXCLUDING rates and scaled to budget		Allocation through BF Formula - EXCLUDING rates and scaled to budget		Difference SNFF to BF Formula - EXCLUDING rates		BFC Funding : Memorandum items			Change in BF per pupil funding rate 2018-19 to 2019-20 - EXCLUDING rates	
			Total	Per pupil (excludes diseconomy)	Total	Per pupil (excludes diseconomy)	Total	Per pupil (excludes diseconomy)	Minimum per pupil top-up	Contribution to (-) / receipt from (+) MFG	Diseconomy top-up	Amount	%
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Ascot Heath Infant School	£641,000	£626,082	£622,000	£3,840	£641,926	£3,962	£19,926	3.20%	£0	-£236	£0	£194	5.14%
Ascot Heath C.E.Junior School	£844,000	£823,398	£818,030	£3,636	£826,101	£3,671	£8,070	0.99%	£0	-£755	£0	£70	1.94%
Binfield C of E Primary School	£1,454,000	£1,447,940	£1,438,501	£3,483	£1,435,175	£3,475	-£3,326	-0.23%	£20,270	£0	£0	£56	1.63%
Birch Hill Primary School	£1,473,000	£1,430,810	£1,421,482	£3,581	£1,399,746	£3,526	-£21,736	-1.53%	£0	£849	£0	£23	0.65%
College Town Primary School	£1,856,000	£1,815,790	£1,803,952	£3,637	£1,787,059	£3,603	-£16,894	-0.94%	£0	£1,398	£0	-£89	-2.42%
Cranbourne Primary School	£793,000	£773,180	£768,139	£3,640	£784,644	£3,719	£16,504	2.15%	£0	£3,645	£0	-£23	-0.61%
Crown Wood Primary School	£1,984,780	£1,980,000	£1,967,092	£3,532	£1,945,304	£3,492	-£21,788	-1.11%	£0	-£3,627	£0	£29	0.84%
Crowthorne CE Primary School	£798,000	£784,470	£779,356	£3,747	£788,934	£3,793	£9,578	1.23%	£0	£1,262	£0	£22	0.59%
Fox Hill Primary School	£883,000	£866,790	£861,139	£4,120	£865,241	£4,140	£4,102	0.48%	£0	£7,350	£0	£2	0.05%
Great Hollands Primary School	£1,505,730	£1,498,000	£1,488,234	£3,916	£1,478,978	£3,892	-£9,257	-0.62%	£0	-£1,304	£0	£69	1.80%
Harmans Water Primary School	£2,024,000	£1,965,128	£1,952,317	£3,480	£1,949,475	£3,474	-£2,842	-0.15%	£0	-£4,138	£0	£45	1.30%
Holly Spring Infants	£991,000	£974,004	£967,655	£3,855	£960,172	£3,825	-£7,482	-0.77%	£0	-£1,310	£0	£46	1.22%
Holly Spring Junior School	£1,215,000	£1,184,786	£1,177,062	£3,701	£1,208,857	£3,800	£31,796	2.70%	£0	-£7,559	£0	£97	2.62%
Jennett's Park CE Primary School	£1,492,310	£1,481,000	£1,471,345	£3,651	£1,466,967	£3,640	-£4,378	-0.30%	£0	£41,579	£0	-£9	-0.25%
Meadow Vale Primary School	£2,180,000	£2,122,990	£2,109,150	£3,480	£2,116,862	£3,493	£7,712	0.37%	£0	£3,567	£0	£28	0.82%
New Scotland Hill Primary	£771,000	£752,470	£747,564	£3,853	£754,242	£3,887	£6,678	0.89%	£0	-£2,362	£0	£62	1.63%
Oakwood Primary Academy	£0	£0	£203,108	£0	£203,108	N/A	N/A	N/A	£0	£0	£203,108	N/A	N/A
Owsmoor Primary School	£1,954,000	£1,893,080	£1,880,739	£3,432	£1,904,300	£3,475	£23,561	1.25%	£45,195	£0	£0	£104	3.10%
The Pines School	£1,271,000	£1,240,540	£1,230,451	£3,774	£1,214,626	£3,725	-£15,825	-1.29%	£0	-£2,120	£0	-£14	-0.38%
Sandy Lane Primary School	£1,774,000	£1,729,080	£1,717,745	£3,520	£1,737,260	£3,559	£19,515	1.14%	£0	-£5,726	£0	£61	1.75%
St. Joseph's C Primary School	£804,000	£801,120	£795,897	£3,790	£807,980	£3,848	£12,083	1.52%	£0	£9,660	£0	£30	0.79%
St Margaret Clitherow Catholic Primary School	£820,910	£818,000	£812,667	£3,907	£820,361	£3,944	£7,694	0.95%	£0	£5,219	£0	£4	0.11%
St. Michael's Easthampstead	£927,000	£924,380	£918,354	£3,811	£919,144	£3,814	£790	0.09%	£0	-£189	£0	£18	0.47%
St Michael's CE Primary School Sandhurst	£712,000	£708,970	£704,348	£3,727	£717,126	£3,794	£12,778	1.81%	£0	-£1,334	£0	£37	0.98%
Uplands Primary School	£789,000	£775,470	£770,415	£3,669	£777,430	£3,702	£7,016	0.91%	£0	£2,945	£0	£11	0.30%
Warfield CE Primary	£1,413,000	£1,381,940	£1,473,075	£3,480	£1,549,440	£3,687	£76,364	5.18%	£0	-£5,324	£101,896	N/A	N/A
Whitegrove School	£1,490,000	£1,451,110	£1,441,650	£3,482	£1,438,650	£3,475	-£3,000	-0.21%	£10,789	£0	£0	£60	1.76%
Wildmoor Heath School	£752,170	£749,000	£744,117	£3,816	£758,001	£3,887	£13,884	1.87%	£0	£6,169	£0	£63	1.64%
Wildridings Primary School	£1,530,000	£1,505,940	£1,496,122	£3,788	£1,484,086	£3,757	-£12,036	-0.80%	£0	-£2,223	£0	£44	1.18%
Winkfield St Marys CE Primary	£767,000	£751,860	£746,958	£3,754	£760,551	£3,822	£13,592	1.82%	£0	-£431	£0	£33	0.86%
Wooden Hill Primary	£1,338,000	£1,304,450	£1,295,946	£3,789	£1,259,108	£3,681	-£36,838	-2.84%	£0	-£3,332	£0	£39	1.07%
Brakenhale Academy	£5,210,760	£5,185,000	£5,151,198	£5,278	£5,070,553	£5,195	-£80,645	-1.57%	£0	-£5,263	£0	£32	0.63%
Easthampstead Park Community School	£4,299,000	£4,093,500	£4,066,813	£5,337	£4,122,533	£5,409	£55,719	1.37%	£0	-£10,284	£0	£48	0.89%
Edgbarrow School	£5,227,790	£5,194,000	£5,160,139	£4,769	£5,156,812	£4,766	-£3,327	-0.06%	£156,518	£0	£0	£166	3.61%
Garth Hill College	£7,250,000	£6,886,070	£6,841,178	£4,880	£6,821,360	£4,864	-£19,818	-0.29%	£0	-£26,126	£0	£72	1.51%
Kings Academy Binfield	£752,000	£752,000	£1,677,483	£6,226	£1,631,926	£5,846	-£45,557	-2.72%	£0	£0	£930,385	N/A	N/A
Ranelagh School	£4,009,910	£3,989,000	£3,962,995	£4,769	£3,960,546	£4,766	-£2,449	-0.06%	£64,497	£0	£0	£155	3.36%
Sandhurst School	£5,107,000	£4,919,260	£4,887,190	£4,805	£4,847,022	£4,766	-£40,168	-0.82%	£44,587	£0	£0	£74	1.57%
Primary total / average	£37,247,900	£36,561,778	£36,624,611	£3,650	£36,760,855	£3,664	£136,244		£76,255	£41,672	£305,004	£46	1.26%
Secondary total / average	£31,856,460	£31,018,830	£31,746,996	£4,978	£31,610,752	£4,956	-£136,244		£265,602	-£41,672	£930,385	£134	2.71%
Total / Average all	£69,104,360	£67,580,608	£68,371,607	£4,159	£68,371,607	£4,159	£0		£341,857	£0	£1,235,389	£88	2.13%

SNFF Units of Resource compared to BF Funding Formula

Factor	National Core SNFF	BF Actual SNFF	BF 2017-18 Actual	BF 2018-19 Actual	BF 2019-20 Annex 5	BF 2019-20 Annex 6
Unit of resource						
Per pupil funding:				+		
Age Weighted Pupil Unit: Primary	£2,747	£2,901	£2,831	£2,796	£2,769	£2,778
Age Weighted Pupil Unit: Secondary - KS3	£3,863	£4,080	£4,060	£4,066	£4,087	£4,117
Age Weighted Pupil Unit: Secondary - KS4	£4,386	£4,632	£4,060	£4,275	£4,297	£4,328
Additional needs funding:						
Deprivation						
Current FSM top up (Primary)	£440	£465	£470	£420	£373	£374
Current FSM top up (Secondary)	£440	£465	£1,450	£634	£634	£634
FSM anytime in last 6 years: Primary	£540	£570	£0	£86	£88	£88
FSM anytime in last 6 years: Secondary	£785	£829	£0	£385	£385	£385
IDACI band F: Primary	£200	£211	£406	£182	£182	£182
IDACI band E: Primary	£240	£253	£609	£445	£445	£445
IDACI band D: Primary	£360	£380	£813	£430	£192	£192
IDACI band C: Primary	£390	£412	£1,016	£430	£412	£412
IDACI band B: Primary	£420	£444	£1,219	£738	£738	£738
IDACI band A: Primary	£575	£607	£1,422	£914	£607	£607
IDACI band F: Secondary	£290	£306	£1,406	£1,349	£1,349	£1,349
IDACI band E: Secondary	£390	£412	£2,109	£1,254	£1,254	£1,254
IDACI band D: Secondary	£515	£544	£2,812	£2,940	£2,940	£2,940
IDACI band C: Secondary	£560	£591	£3,516	£1,998	£1,998	£1,998
IDACI band B: Secondary	£600	£634	£4,219	£15,723	£15,723	£15,723
IDACI band A: Secondary	£810	£855	£4,922	£2,831	£2,831	£2,831
Low prior attainment						
Low prior attainment: Primary	£1,022	£1,079	£642	£1,586	£917	£917
Low prior attainment: Secondary	£1,550	£1,637	£973	£1,216	£1,216	£1,216
English as an additional language (EAL)						
EAL: Primary	£515	£544	£247	£427	£427	£427
EAL: Secondary	£1,385	£1,463	£247	£777	£777	£777
LAC	£0	£0	£281	£0	£0	£0
Mobility	£0	£0	£315	£315	£315	£315
Lump sum:						
Lump sum: Primary	£110,000	£116,174	£160,000	£160,143	£160,143	£160,143
Lump sum: Secondary	£110,000	£116,174	£170,000	£148,573	£148,573	£148,573

IDACI is a deprivation measure linked to low family income and a pupil's home address post code. It determines the probability of a pupil living in a low income household from their post code. It does not require individual pupil data to determine entitlement.

TO: SCHOOLS FORUM
DATE 17 JANUARY 2019

LOCAL AUTHORITY BUDGET PROPOSALS FOR 2019/20
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 To present to the Forum for comment a summary of the current position on the Council's budget preparations for 2019/20 with a particular focus on the impact expected on the Children, Young People and Learning (CYPL) areas of the People Directorate, as agreed by the Executive on 18 December 2018.
- 1.2 As the Council accepted in Autumn 2016 the offer of a four year financial settlement, budget preparations have assumed that funding will be in line with the indicative figures received on 6 February 2018 (as part of the Final Local Government Finance Settlement 2018/19). The Provisional Local Government Financial Settlement was due to be published on the 6 December but has been delayed because of the Brexit vote on the 11 December and is therefore excluded from the consultation proposals.
- 1.3 Comments received on these budget proposals will be submitted to the Executive on 12 February. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, which will formally approve the 2019/20 budget and Council Tax on 27 February.

2 RECOMMENDATIONS

- 2.1 **That the Schools Forum comments on the 2019/20 budget proposals of the Executive for the Children, Young People and Learning areas of the People Directorate in respect of:**
 - i. **The revenue budget (Annexes A to C), and**
 - ii. **The capital programme (Annexe D).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Executive seeks the views of the Schools Forum as an interested party on the 2019/20 budget proposals.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered are set out in the main reports on the public access website.

5 SUPPORTING INFORMATION

Introduction

- 5.1 This report presents a summary of the Council's revenue and capital budget proposals for 2019/20 that were prepared on information and assumptions available at December 2018 and are therefore subject to change as more information emerges or changes occur as part of the consultation process. The focus of this report is proposals from the CYPL elements of the People Directorate, with full details of the council's budget proposals available at:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=102&MId=7867&Ver=4>

Revenue Budget

Commitment budget

- 5.2 Initial preparations for the 2019/20 budget have focussed on the Council's Commitment Budget for 2019/20 – 2021/22. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2018/19 budget was set.
- 5.3 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in February which amount to a net decrease in budget of £0.118m. The main changes include; a reduction in borrowing costs of -£1.512m from an improved cash position primarily relating to capital grants received, additional Community Infrastructure Levy (CIL) and S106 receipts; savings on the Transformation Programme will be achieved later than originally expected and £0.774m below target; income from commercial properties has been reduced by £0.250m; and further increases in car parking income of £0.162m are no longer considered achievable.
- 5.4 Taking account of these and other changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £3.085m to £80.570 next year, before consideration is given to allowances for inflation and the budget proposals identified by individual directorates in 2019/20. The commitment budget relating to CYPL elements of the People Directorate is shown in Annexe A.

Table 1: Summary Commitment Budget 2019/20-2021/22

Item	Planned Expenditure		
	2019/20 £000	2020/21 £000	2021/22 £000
Base Budget	83,655	80,570	80,615
<i>Movements in Year:</i>			
Central	-190	-551	-42
Delivery	-536	-113	0
People: CYPL (excluding schools)	-766	70	20
People: Adults	-101	-91	-584
Non Departmental / Council Wide	-1,492	730	800
<i>Total Movements</i>	-3,085	45	194
Adjusted Base	80,570	80,615	80,809

Provisional Local Government Financial Settlement 2019/20

- 5.5 The Government's Autumn Budget, published on 29 October 2018, set out the government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility. This indicated that additional resources would be made available in 2019/20 for social care. It has been confirmed that this will equate to additional income of -£0.980m for Bracknell Forest which has been reflected in the budget proposals. Business Rates will also be reduced by a third over two years for small businesses (those with a rateable value of £51,000 or less) with the resultant loss in income to LAs being fully funded via a new grant.
- 5.6 The Council's budget is set within the context of a 4-year Local Government Funding Settlement (LGFS) published following the General Election in May 2015. As such, 2019/20 is the final year of this agreement, and initial budget preparations therefore focused on the published indicative figures. The Government had indicated it would aim to publish provisional figures in early December and final figures by the end of January for 2019/20 and future years. The Provisional Local Government Finance Settlement was therefore expected to be published on 6th December, however the debate and vote on the Brexit negotiations has resulted in an inevitable delay which has resulted in no update being incorporated in this report and associated consultation. Some of the grant information follows a number of days or weeks after the provisional settlement and any changes will be incorporated into the February report along with any changes in the Final Settlement.
- 5.7 Funding from central government is currently received through Revenue Support Grant (RSG) and Specific Grants. For planning purposes an estimate of the reduction in central government support has been incorporated within these budget projections, reflecting a further cut of £2.7m in RSG, to £1.7m, for 2019/20 (in 2018/19 RSG was subsumed into the Business Rates Baseline as part of the pilot which is further detailed below at paragraph 5.15).

Grants

- 5.8 The Council also receives substantial external funding through a number of specific grants for which the following assumptions have been included within the latest budget projections:
1. *New Homes Bonus*. This is used to incentivise LAs to maximise house building. Recent policy changes have resulted in a significant net reduction in the funding received by Bracknell Forest from -£3.9m in 2016/17 to -£1.8m in 2018/19 with a further reduction of -£0.390m having been included in the 2019/20 draft budget proposals.
 2. *Other Specific Grants*. This mainly relates to ring-fenced Public Health, NHS funding streams and Better Care Fund which are reflected in the base budget. The Commitment Budget shows this reducing by £0.507m in 2019/20 and by £0.509m to zero in 2020/21 as a time limited Adults Social Care grant ends. Other minor changes to grant funding have also been incorporated into the Commitment Budget.

Business Rates

- 5.9 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local

growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.

- 5.10 Currently the Council collects significantly more Business Rates than it is allowed to keep and until the 2018/19 Business Rates Pilot only received approximately a quarter of any Business Rates growth. There has however been considerable volatility in Business Rates income following the transfer of a large multi-national company on to the Council's valuation list in 2013/14, rather than being retained on the "central list" that is then used by the government for overall funding purposes.
- 5.11 Initially this significantly increased the level of Business Rates collected locally but following a successful appeal the rateable value was reduced by 28% in 2016/17. A final projection for the impact of changes in Business Rates income on the Collection Fund in 2018/19 will need to be made by the 31 January which will be incorporated into the February budget report. Early indications are that there will be a significant deficit which will be met from the funding provision held in the Future Funding Reserve.
- 5.12 At this stage, for 2019/20, Business Rates income is forecast to grow in line with the Government's baseline assumptions, with growth from the opening of the regenerated Town Centre being reflected in last year's budget.
- 5.13 The Government has announced that it still intends to introduce a new system by 2020/21, however this will now be based on 75% retention of Business Rates growth locally. To coincide with this a fair funding review is currently underway which will calculate the new baseline funding levels for individual local authorities based on an up-to-date assessment of their relative needs and resources. Existing grants including Revenue Support Grant and the Public Health Grant will be incorporated into the revised baseline and more responsibilities are likely to be transferred to Local Government to ensure that the new system is fiscally neutral overall. The outcome of these deliberations is impossible to determine, although it will almost certainly have a significant long-term impact on the funding of the Council.
- 5.14 This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest. This is a consequence of Bracknell Forest having for many years been able to generate income significantly in excess of its assessed funding needs. As the Council uses a significant element of Business Rates growth (approximately £4m) to support the budget, this will result in a significantly increased budget gap in 2020/21.

Business Rates Pilots

- 5.15 To assess the potential impact from reforms to Business Rates income retention, the government has operated a small 100% rates retention pilot scheme in 2018/19 which the six Berkshire Unitaries successfully bid for, with Bracknell Forest acting as the lead authority. As a result, Revenue Support Grant (RSG) was incorporated into the calculation of the Council's Business Rates baseline funding level and no levy will be chargeable on any growth achieved above this level enabling 100% to be retained locally. Although the actual benefits will depend on the level of business rates collected during 2018/19, the budgeted position for Berkshire as a whole was initially assessed as around £35m and subsequently predicted to offer a net gain of approximately £50m. Under the joint proposal £25m of this is being provided to the Thames Valley Berkshire LEP to undertake improvements in transport infrastructure that would help secure further economic and housing growth within the County. The remainder will be

allocated across the individual authorities in proportion to their actual growth in business rates income.

- 5.16 The budgeted net gain for Bracknell Forest resulting from the additional Business Rates and Section 31 grant (relating to previous Business Rates policy decisions) income totalled approximately £7m. The Council took the prudent decision not to use any of this additional income to support the 2018/19 budget but instead to transfer it to the Future Funding Reserve. This was due to the one-off nature of the income and the fact that any increase in the reliance on Business Rates growth above the £4m currently used to support the budget (see paragraph 5.14) would simply create the potential for a greater “cliff edge” in 2020/21, when the new funding system is expected to remove or significantly reduce this gain. The resources will now be available to provide protection against the significant funding changes expected from 2020/21, at which point the level of General Reserves is expected to be closer to the minimum prudent level.
- 5.17 Although thought to be a possibility at one point, the Government has decided not to automatically continue with the current pilots into 2019/20. They have invited proposals to pilot a 75% rate retention system, reducing the incentive from the 100% retention in the current year to make it more affordable. Existing pilot areas are permitted to bid again, but will receive no favourable treatment. Unlike in the current year, there will be no “no detriment” arrangement, i.e. pilot authorities will need to accept the potential to lose as well as gain. However, in Berkshire, this is thought to be a very unlikely scenario.
- 5.18 Recognising the potential financial gains that pilot status can bring to fund strategic infrastructure improvements and support local budgets, the Berkshire authorities, including Berkshire Fire Authority this time, have submitted a proposal. It is very similar in structure to the successful 2018/19 bid, with around £11m of the potential gains being pooled and the remainder being retained by individual authorities.
- 5.19 Given the potential benefits, the level of competition between areas to attain pilot status will be high and therefore the likelihood of success is felt to be low. Areas are expected to be informed just before or as part of the provisional LGFS.
- 5.20 Income from Business Rates growth will reduce next year as a consequence of moving away from 100% rates retention under the existing pilot. Currently the base budget includes a transfer of £8.2m into the Future Funding Reserve. This transfer will be reduced accordingly so that any loss in income does not impact on the budget gap.

Council Tax

- 5.21 Council Tax at present levels will generate total income of -£57.345m in 2019/20. An increase in the Council Tax Base arising from the occupation of new properties during 2019/20 and a reduction in the take-up of the Local Council Tax Benefit Support Scheme is forecast to contribute an additional -£0.348m (+0.6%). The Council Tax Base for 2019/20 has therefore been set at 45,573 Band D equivalents.
- 5.22 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. In 2017/18 a referendum was required for Council Tax increases of 3% or more. Early indications are that the same level will be set in 2019/20 but this will not be confirmed until the Provisional Settlement is received. As a council with Social Care responsibilities, Bracknell Forest was able to increase Council Tax by a further 3% in 2017/18 and 2018/19 to support Social Care pressures and the Council’s Medium Term Financial Strategy. This will not be an option in 2019/20 as 6% is the maximum permissible increase over the three year period. Each

1% increase in Council Tax would generate approximately -£0.577m of additional income.

- 5.23 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the Final Settlement, the results of the consultation and the final budget proposals.

Budget Proposals for 2019/20

Service pressures and Developments

- 5.24 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular, the scope to invest in new service provision is severely restricted. Nevertheless, it is important to retain a clear focus to ensure that the Council continues to deliver its six strategic themes. In preparing the 2019/20 draft budget proposals each directorate has evaluated the potential pressures on its services and those relating to CYPL areas of People Directorate are set out in Annexe B. Table 2 summarises the pressures by directorate.

Table 2: Service Pressures/Development

Department	£'000
Central	98
Delivery	731
People: CYPL (excluding schools)	908
People: Adults	850
Total Pressures/Developments	2,587

- 5.25 Many of the pressures are simply unavoidable as they relate to demographic trends, changes in funding and new legislation. They do, however, also support the six strategic themes included in the new Council Plan in the following way.

- people have the life skills and education opportunities to thrive (£0.073m);
- people live active and healthy lifestyles (£0.850m);
- a clean, green, growing and sustainable place (0.479m);
- strong, safe, supportive and self-reliant communities (£0.970m)
- provide value for money (£0.153m).

- 5.26 Service pressures will be kept under review throughout the budget consultation period. There is always the risk in Social Care services in particular that the numbers of people requiring care packages, the content of existing care packages and contract inflation will vary considerably from the assumptions included in these draft budget proposals. Any revisions to service pressures will be reported to the Executive in February.

Service Economies

- 5.27 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed which supplements the Transformation savings included in the Commitment Budget. This list totals -£1.890m and is summarised in Table 3 with CYPL areas of the People Directorate set out in more detail in Annexe C. As in previous years, economies have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support

rather than on front line services. There will potentially be some impact on services, although this has been minimised to a large degree.

Table 3: Summary Service Economies

Department	£'000
Central	-96
Delivery	-1,059
People: CYPL (excluding schools)	-70
People: Adults	-567
Non Departmental / Council Wide	-84
Total Savings	-1,876

Council Wide Issues

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

a) Capital Programme

The scale of the Council's Capital Programme for 2019/20 will impact upon the revenue budget and is itself subject to consultation. Current proposals, as set out further below from paragraph 5.38 and after allowing for projected receipts of approximately £5m in 2019/20 and carry forwards, the additional revenue costs will be £0.014m in 2019/20 and £0.441m in 2020/21.

b) Interest and Investments

With borrowing rates close to historical lows, the borrowing strategy of the Council will be to minimise the impact on the revenue account but recognising that better value is in the 40yr to 50yr range. The Council will therefore take a mix of borrowing maturities over the years reflecting the need for day-to-day cash flow and its longer-term capital investment strategy. The Council, in close co-ordination with its Treasury Management advisers, will monitor medium and long-term interest rates and take any necessary decisions based on the information available to effectively and efficiently fund the capital programme.

c) Provision for Inflation and Pay Awards

At this stage the inflation provision is not finalised, although for planning purposes a sum of £2.400m (£2.422m 2018/19) has been added to the budget. This will be achieved by:

- Assuming pay awards of 2% and including any additional impact of the higher increases for NJC staff on old scale point 28 (new scale point 22) or below;
- Negotiating to minimise inflation on contracts;
- Increasing fees and charges in line with the Council's income policy.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2019.

d) Fees and charges

Increases in fees and charges are determined by the overall economic conditions, the willingness of customers to pay the higher charges and continued demand for Council services. The Council policy for fees and charges requires each Directorate to consider the level of charges against the following criteria:

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

Certain other fees will attract the percentage / charge determined by statute

e) Corporate Contingency

The Council manages risks and uncertainties in the budget through the use of a general contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. The Contingency has been reduced by £1.0m to £1.5m as part of the draft budget proposals. This reflects the fact that a significant level of transformation savings have already been achieved and those that have yet to be delivered have been re-profiled within the medium term forecast to take account of any identified slippage.

Spending on schools

- 5.29 There is a significant medium term financial pressure on the Schools Budget arising from the cost of new schools that are being built in response to new housing and the resultant need for more school places in order to fulfil the Council's agreed objective of delivering local schools for local children. In order to provide sufficient places when they are required, new schools will generally need to open towards the start of the developments but will take a number of years to fill up as house building continues. During this period, new schools need additional financial support to cover what can be significant diseconomies of scale.
- 5.30 This cost pressure is not adequately resourced in the funding settlement from the Department for Education (DfE) and this is expected to be the case over the medium term. Preliminary forecasts indicated a potential cost pressure on the Schools Budget over the next 4 years of up to £5m. This is after taking account of estimated grant funding the DfE provides to councils for this purpose.
- 5.31 In considering this matter, the Schools Forum expressed its concern to the Executive Member for Children, Young People & Learning about the serious adverse impact on existing schools of the delivery of new schools as there was insufficient funding from the DfE, and requested that the Council give consideration to ways of mitigating the adverse impact by providing additional financial support. The Schools Forum, not the Council

has the statutory decision making power to set the amount of budget to support new schools.

- 5.32 A proposal has therefore been developed that shares the additional cost related to new schools between unallocated balances in the Schools Budget, the Council and individual schools. Based on current information, which is still subject to change over the medium term, the total 4 year cost to the Council of this proposal is estimated at £0.967m, with £0.345m in 2019/20 and £0.208m in each year from 2020/21 to 2022/23. The budget proposals include the Council committing to up to £1m over the next 4 years to help finance the cost of new schools.

Summary position on the Revenue Budget

- 5.33 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £78.514m as shown in Table 4.

Table 4: Summary of proposals:

	£'000
Commitment Budget	80,570
Budget Pressures	2,587
Budget Economies	-1,876
Capital Programme	14
Inflation Provision	2,400
Change in Contingency	-1,000
Reversal of the one-off transfer into the Future Funding Reserve for the projected Collection Fund - Business Rates surplus in 2017/18	-3,045
Reduction in New Homes Bonus 2019/20	390
Additional Improved Better Care funding	-546
Additional Social Care Funding	-980
Draft Budget Requirement 2019/20	78,514

- 5.34 Without the Provisional Finance Settlement, assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£75.986m. This arises from Revenue Support Grant and Business Rates baseline funding (-£18.293m) and Council Tax at the 2018/19 level (-£57.693m).

- 5.35 With the potential overall cost of the budget package being consulted on in the region of £78.514m, this leaves a potential gap of around £2.528m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:

- an increase in Council Tax;
- an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term Financial position;
- identifying further expenditure reductions.

Reserves

- 5.36 The Council has an estimated £6.5m available in General Reserves at 31 March 2019. Details are contained in Table 5.

Table 5: General Reserves as at 31 March 2019

	£m
General Fund	9.0
Planned use in 2018/19	(2.5)
Estimated Balance as at 31 March 2019	6.5

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

Capital Programme

Introduction

- 5.38 The Council's total usable capital receipts at 31st March 2018 were zero as all receipts had been applied to fund prior capital investment and all receipts gained during 2018/19 will be used to finance the 2018/19 Capital Programme. The Council is partly reliant on capital receipts and other contributions to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term. However with investment rates at historic lows it makes more financial sense to use any receipts to offset higher borrowing costs.
- 5.39 The proposed capital programme for 2019/20 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and borrowing in addition to capital receipts, CIL contributions and some small miscellaneous property sales should enable £5m of the capital programme to be funded from receipts. Internal resources will be used in the first instance and borrowing from external sources will be used only when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans.

New Schemes

- 5.40 Within the general financial framework outlined above, Service Directorates have considered new schemes for inclusion within the Council's Capital Programme for 2019/20 – 2021/22. Given that both capital and revenue resources are under pressure, each directorate has evaluated and prioritised proposed schemes into broad categories in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Elements of the capital programme

- 5.41 The capital programme is structured into categories of spend as follows:
- *Unavoidable and committed schemes*; these are required to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2018/19 Capital Programme. The significant relevant projects relate to Heathlands, replacing unsuitable classrooms at

Woodenhill Primary School, replacement waste collection vehicles and environmental projects.

- *Maintenance (Improvements and capitalised repairs)*; an assessment is made of the state of each building element and its repair priority with a condition rating and repair urgency to inform spending requirements to adequately maintain assets. Maintenance of school buildings is financed from DfE School Condition Grant, with the expenditure budget set at the equivalent amount to the grant income.
- *Rolling programmes*; cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's established Asset Management Plans and mainly include ICT programmes.
- *Other desirable schemes*; are other high priority schemes that meet the needs and objectives of their service and include new town centre youth facilities, building adaptations at schools expected to amalgamate and various safeguarding projects.
- *Invest to save schemes*; these are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs.

Summary

- 5.42 A summary of the cost of schemes proposed by directorates is set out below in Table 6. A detailed list of suggested new schemes from CYPL areas of the People Directorate is included in Annexe D.

Table 6: Capital Programme 2019/2019 to 2021/22

	2019/20	2020/21	2021/22
Service Area	£000s	£000s	£000s
Delivery	6,224	3,360	3,360
People	14,523	0	0
Central Directorates	4,140	1,120	920
Non Departmental	300	300	300
Total Capital Programme	25,187	4,780	4,580
Less Externally and Self Funded	11,436	2,445	2,445
Council Funded Programme	13,751	2,335	2,135
Less Previously Committed schemes	7,700	0	0
Total request for Council funding	6,051	2,335	2,135

Funding options

- 5.43 The proposed capital programme for 2019/20 has been developed on the assumption that it will be funded by approximately £5m from a combination of:
- Government grants
 - Section 106 funding (developer contributions)
 - CIL
 - And council funding from capital receipts and prudential borrowing

- 5.44 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance, and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.45 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2019/20 to 2021/22 in February 2019, alongside its consideration of the specific budget proposals for 2019/20 and the Council's medium-term financial prospects.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 6.2 The financial implications of this report are included in the supporting information.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 6.2 A sum of £1.5m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.
- 6.3 The Director of Finance, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Director of Finance will report his findings in February, when the final budget package is recommended for approval.

- 6.4 The scale of the Council's Capital Programme for 2019/20 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather
 - Availability of staff with appropriate skills to implement schemes
- 6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2019/20, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 7.2 The timetable for the approval of the 2019/20 Budget is as follows:

Executive agree proposals as basis for consultation	18 December 2018
Consultation period	19 December 2018 - 29 January 2019
Executive considers representations made and recommends budget.	12 February 2019
Council considers Executive budget proposals	27 February 2019

Background Papers

BFC budget proposal reports to the Executive:

<http://democratic.bracknell-forest.gov.uk/ielListDocuments.aspx?CId=102&MId=7867&Ver=4>

Contacts for further information

Paul Clark, Finance Business Partner - CYPL
paul.clark@bracknell-forest.gov.uk

(01344 354054)

Doc. Ref K:\Pine\Executive\Schools Forum\91) 170119\Forum 2019-20 LA Budget Proposals from the council.doc

Description of Commitment Budget Items for 2019/20 to 2021/22

Department and Item	Description	2019-20 £000	2020-21 £000	2021-22 £000
Children, Young People and Learning				
Suitability surveys	Suitability and access surveys are undertaken every three years to update the Asset Management Plan so that up to date information is available to inform investment decisions on the capital programme.	-20	0	20
School Improvement	A number of income streams will be lost over the next two years which will reduce the previously declared saving.	0	70	0
Duke of Edinburgh Awards Scheme	Completion of the transfer to a new service offered directly by the national scheme which commenced in 2018/19.	-12	0	0
CYPL Transformation	CYPL Transformation has identified 7 work streams that will contribute to savings from next year. The key areas where work has commenced on introducing change relate to; the introduction of a whole council Early Help service; reducing unit costs of care, in particular through the development of innovative foster care arrangements; reducing the number of children in care through the work of the Family Safeguarding Model together with a greater focus on supporting young people and their families who are at the edge of care; and a restructure of Senior Leadership.	-734	0	0
Total		- 766	70	20

**Revenue budget: proposed PRESSURES for CYPL areas of
People Directorate**

Description	2019/20 £'000	2020/219 £'000	2021/22 £'000
<p>Commissioning and Social Work</p> <p>Permanent recruitment of a specialist Exploitation and Prevention Worker (Assistant Team Manager) to support the prevention of exploitation and children going missing. This will ensure coordination and oversight in respect of the guidance (Section 7 Social Services Act 1970) which must be complied with in regard to independent return home interviews for children who go missing (each time) from home or care. There were 627 missing episodes last year and over 180 children who had exploitation services (either sexual exploitation or county lines).</p>	54		
<p>Looked After Children</p> <p>Based on the current costed schedule of known placements, a pressure has been identified to ensure the fulfilment of statutory duties for children and young people in care. This reflects the known number of children being looked after next year. There is significant turnover in the looked after population with varying placement costs depending on the age of child and type of placement needed. A small number of placements are at a very high cost. The pressure also includes an increase (£11,000) from the Adoption Thames Valley Shared Service, which provides a regional adoption service for 7 LAs, including BF. Cost allocation through the partnership is through an agreed formula based on the proportion of adoptions by each LA over the previous 3 years. Each year the proportion changes as the latest 3 year usage data is used. The charge to BF has increased as a greater proportion of adoptions were secured than in the previous period.</p>	831		
<p>Education related statutory duties</p> <p>The Department for Education no longer provide grant funding to LAs to meet these costs. An agreement is in place with maintained schools to contribute to the costs at £20 per pupil. Academy schools meet the responsibilities directly and do not make a contribution. As more schools have converted to academy status, the income receipt has reduced.</p>	23		
CHILDREN, YOUNG PEOPLE AND LEARNING TOTAL	908	0	0

CAPITAL PROGRAMME - PEOPLE

	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Committed				
Heathlands	7,000	0	0	7,000
Sandhurst School Nursery Relocation	50	0	0	50
Wooden Hill Classrooms	450	0	0	450
	7,500	0	0	7,500
Unavoidable				
No Schemes	0	0	0	0
	0	0	0	0
Maintenance				
Non-School Schemes	0	0	0	0
	0	0	0	0
Rolling Programme / Other Desirable				
Braccan Walk - New Youth Facility	750	0	0	750
Ascot Heath Schools - Amalgamation	450	0	0	450
Holly Spring Schools - Amalgamation	320	0	0	320
The Rowans Children's Centre & Fox Hill School	110	0	0	110
Kennel Lane School - Perimeter Fencing	60	0	0	60
College Hall - Security	67	0	0	67
Total	1,757	0	0	1,757
TOTAL REQUEST FOR COUNCIL FUNDING	9,257	0	0	9,257
External Funding - Other				
Heathlands	3,000	0	0	3,000
DfE Grant: Schools Capital Maintenance (est)	1,499	0	0	1,499
DfE Grant: Devolved Formula Capital (est)	260	0	0	260
DfE Grant: Special Provision Capital Fund	250	0	0	250
Section 106 - Schools	250	0	0	250
Schools Contributions to above schemes	7	0	0	7
	5,266	0	0	5,266
TOTAL EXTERNAL FUNDING	5,266	0	0	5,266
TOTAL CAPITAL PROGRAMME	14,523	0	0	14,523

CYPL budget items are shaded

PEOPLE DIRECTORATE 2019/20 Capital Programme Bids NEW SCHEMES

1. Braccan Walk New Youth Facility - £750,000

A town centre youth facility is required to provide a place for young people to go, where they can socialise and receive advice and guidance from youth workers and other professionals whose remit is to provide early help to young people. This is particularly important for the most vulnerable young people in the Borough who may be at a greater risk of Child Sexual Exploitation (CSE), gang initiation and Child Criminal Exploitation (CCE), including 'County Lines' when gangs and organised crime networks exploit children to sell drugs.

The new town centre is attractive to young people and without such provision young people congregate in the town centre on an ad-hoc basis making the targeting and co-ordination of early help more difficult. Creation of a town centre youth facility has been a long standing objective for the Council.

A site has been identified on Braccan Walk, which following consultation has the potential to deliver such a facility in close proximity to the town centre. The proposal is to relocate the street cleansing teams and allocate the combined space for conversion into a town centre youth facility. The new facility would have a gross internal floor area of 344m².

The building will be used to deliver the following targeted work with our most vulnerable young people, and these activities reflect the current focus of the Youth Service in Bracknell Forest:

- Drop in for Children & Young People Looked After (CLA)
- Drop in for Young Carers and targeted vulnerable young people
- Small group work for young people at risk of CSE / CCE
- A base for outreach to young people in the town centre
- Anxiety / self- esteem workshops
- Health drop in for Sex and Relationships Education (SRE) and substance misuse
- Counselling services for young people
- Courses and workshops to enhance employability / CV writing / life skills
- Young people engagement from other professionals e.g. FE college workshops
- Youth Offending Service Girls Group
- Child Sexual Exploitation stay safe project
- Say it Loud, Say it Proud (SILSIP) Children in Care Council summer scheme base
- Projects that engage hard to reach young people – i.e. a table tennis league
- Support for the most vulnerable young people (SEN)
- The building will also be a base for the Youth Council

Creation of the new youth facility at Braccan Walk will require relocation of the Council's street cleaning team which currently occupies part of the existing accommodation. Suitable accommodation in close proximity to the town centre is required, and a number of options for this are currently being considered. The street cleaning team will need to be relocated before work can start on the new youth facility, and the costs of this will form part of the feasibility study, and is included in the project scope.

2. Ascot Heath Schools Amalgamation - £450,000

This bid is for capital works assuming that the amalgamation of the Ascot Heath Infant and Junior schools goes ahead from September 2019. The decision whether or not to amalgamate will follow a period of statutory consultation which commenced in Jul-18.

Works required to support amalgamation provisionally include:

- Physical link or walkway between the two buildings
- Merger/standardisation of ICT systems and incoming telecoms and data
- Rationalisation of duplicate rooms (headteacher, admin, storage and staff rooms)
- Creation of a new single entrance
- Rationalisation of incoming utilities and plant rooms
- Signage
- Rationalisation of fire and intruder alarms

If following consultation the decision is not to amalgamate the schools then this bid will be withdrawn as not being required.

3. Holly Spring Schools Amalgamation - £320,000

This bid is for capital works assuming that the amalgamation of the Holly Spring Infant and Holly Spring Junior schools goes ahead from September 2019. The decision whether or not to amalgamate will follow a period of statutory consultation which is planned to commence in Aug-18.

The expansion of the Holly Spring schools by 1FE from 2FE to 3FE commenced in Sep-10, enabled by four distinct phases of work which completed overall in May-14. The expansion project was delivered by a series of works in each school and also physically in-filling the space between the Infant and Junior buildings. Although the two schools are operationally separate, the expansion works mean they already occupy conjoined buildings and also share the kitchen and a major plant room. This was a deliberate design strategy with a view to the possibility of future amalgamation. It means that the extent of works required to physically amalgamate the two schools has been considerably reduced because of what has already been built.

Works required to support amalgamation provisionally include:

- Merger/standardisation of ICT systems and incoming telecoms and data
- Rationalisation of duplicate rooms (headteacher, admin, storage and staff rooms)
- Creation of a new single entrance
- Signage
- Rationalisation of fire and intruder alarms (already linked)

If following consultation the decision is not to amalgamate the schools then this bid will be withdrawn as not being required.

4. Fox Hill School & Childrens Centre Security- £110,000

This is a bid for capital works to address safeguarding issues on the Fox Hill site which is shared between the school and the Childrens Centre. A joint approach has been followed by both parties. Security works are required to the site to prevent unauthorised persons from gaining entry to the site which is currently open during the day. In addition to the school and Childrens Centre, there is also a nursery and a private pre-school on site so parents with young children also require access during the middle of the day, as well as visitors and deliveries to both establishments.

Security and access control to safeguard both the school and the children's centre are required, and there needs to be a shared site security plan which both parties can sign

up to and work to. This will involve provision of physical security and the joint management of security by both parties. The physical security works will include:

- Fences and gates to form boundary and inner secure lines
- Access control
- Two way speech (intercom)
- Review of access road
- Safe segregation of vehicles from pedestrians
- Footpaths
- CCTV and lighting

In July 2018 the Thames Valley Police Community Support Officer wrote, “ I am writing to advise that I feel Fox Hill School may be more vulnerable to the other local schools regarding trespassers and/or other unknown members of the public entering their land. I work closely with three schools in the area and this school is the only one with no safeguarding barriers in place. One could enter and walk straight into the playing field and / or classroom, should a door be open. A simple barrier system could make this school considerably safer for the children learning and staff whom work there. I have had three instances in the last year, where the police have been called to unknown and unwelcome visitors both during and out of school time. Please be advised that we would strongly recommend a safer entry system in place.”

The police CSO noted the potential for access into the buildings by unauthorised persons through open doors and it should be noted that for fire evacuation purposes all classrooms and large spaces in the Childrens Centre have external doors, which are normally open in warm weather and at break times for play, so secure fencing and gates are required to enable this reasonable practice to continue.

Early in the Spring term 2018 intruders were seen around both buildings at 5pm, when approached one of them asked for directions to the shop. Later one of the intruders was seen kneeling down in the Children Centre car park. When staff left for the evening there was nobody known to be on site but in the morning the HT found an empty green petrol container with the lid off, laying on its side, in the Children Centre car park. This is a clear potential safeguarding issue for both sites and all the vulnerable people (and BFBC employees) being exposed to such risks.

The Children’s Centre site has become busier since part of the School Nursing service recently relocated there from The Pines primary school. There is also a private nursery provider operating on the school site between the school and the EYFS classrooms at the rear of the Children Centre. With so many different site users of the Childrens Centre and the school including staff, children and parents, visitors, and deliveries to both, the Fox Hill site needs to be rationalised to create secure access that works for all users.

In addition to providing security to prevent unauthorised persons from entering the site, provision of physical security including fences and gates will also prevent SEN children from leaving the site should they manage to get outside the school buildings. There are a number of children who regularly attempt to do this and by securing the site boundary during the day this should mitigate the risk of them leaving the school site unsupervised.

On the 23/07/18 a Y5 girl with challenging behaviour actually did leave the school site by pushing the exit button on the front door – children know they are not to do this. She stormed out of school and made her way home before the school could even get hold of her parent. Thankfully she lives near the OLC so near to school, however still not acceptable. The police were called and went to see her at home. This however has prompted her mother and other parents to question whether we are keeping their children safe. This is the exact scenario I have been fearful of. Had we secure front gates she would only have got as far as the car park.

There will be greater scope for income generation from letting out the school facilities outside school hours if the site is secure & safe to be open in the evenings and when the school and children's centre are not in operation. The schools has agreed to contribute £5,000 towards the cost of the scheme

5. Kennel Lane School Perimeter Fencing - £60,000

Kennel Lane School is a 2-19 Special School. All learners on roll have an EHCP. Learners needs vary greatly; currently there are 180 learners on roll (May 2018). The number of learners with a diagnosis of Autism Spectrum Disorder is 86. Due to their needs, the majority of the schools' learners have little understanding of 'risk' and how to keep themselves safe. Within the cohort of learners there are a number of learners who like to 'run' and 'climb'. The current perimeter fencing presents a safeguarding issue because it is not fit for purpose based on the needs of the school. In addition to this on the other side of the fence is a free flowing river which poses an additional danger to our learners if they were to abscond from site. The school has requested that the perimeter fencing be brought in from the river bank and new fencing installed that reduces the risk of learners pulling the fencing down, squeezing through any gaps and/or climbing over it. The school has proposed contributing £2,000 to the project

6. College Hall Security - £67,000

Over the past few years, the student cohort at College Hall has changed to become more challenging. Whilst the building was once able to accommodate its student cohort with minimal assault on its fabric this is no longer the case.

In some cases, the respect of students for the fabric, fixtures and fittings of the building has significantly diminished. The building is no longer robust enough to cope with these challenges resulting in the need for significant expenditure from the revenue maintenance budget and because of the severity of the damage caused to the fabric of the building a high number of instances of police involvement as a result of criminal damage.

The school has been responding to this through a number of initiatives – addressing the robustness of furniture and fittings through replacing worn out and damaged furniture with that of a more robust construction, changes in the curriculum and behaviour management arrangements, installation of CCTV, changing room use to alter the patterns of student circulation around the building.

Further work to change student circulation around the building which would have a beneficial impact involves creating a new doorway to the stairs to the first floor. This would reduce the need for pupils to enter the reception area which proves a distraction and impedes progress towards lessons.

Classroom doors are often subjected to abuse by students who have lost control of their emotions. The existing classroom doors, some in place since the building was opened in 1999 and others since the extension in 2002 would not be installed if the building was being prepared for the current cohort of students. Acting on the guidance and advice of the Head of Education Capital and Property we have researched newer PRUs that we have visited, and a nearby special school for SEBD students, and noted that they are equipped with doors and door furniture (door handles, door closers, hinges and locks) to a much more robust specification – doors with a steel skin and significantly higher specification furniture all fixed into an appropriate door frame.

There are 22 internal doors and 3 external doors in the main building. Ideally, they would all be replaced but there is an option to carry out the work on a phased basis with

College Hall staff identifying 13 classroom doors and 2 external doors as the most vulnerable for early replacement

Reminder of Committed Scheme commenced in 2018/19 and on-going

Wooden Hill Classrooms (School Bid) - £450,000

This project is to address the layout of the accommodation in the main school building which is restricting and impeding the delivery of outstanding education due to poorly shaped and undersized classrooms. Access/circulation between rooms is also an issue for the school and the open plan layout does not fit with modern teaching methods, as it has circulation through teaching spaces. With up to 100 children in one space the noise pollution from other classes sharing the space significantly impacts on the outcomes for pupils and hinders the range and type of activities teachers do in order to maximise all pupils' potential.

A programme of works has been drawn up to revamp the accommodation through a combination of new build extension and by moving internal partitions to create proper sized classrooms and teaching spaces with an improved access, separate circulation and an improved general layout. This will improve service delivery and outcomes for this school.

Phase 1 of this project was completed for September 2014 and the Key Stage 2 pupils accommodated in the new classrooms in 2015 achieved the best results in the history of the school. This summer for the end of Key Stage 2 results, 84% of children achieved the national benchmark of L4+ in reading, writing and maths, which is 4% above the national average.

Removing the remaining impediments to teaching and learning from the physical environment can be expected to result in a similar positive impact on performance across the rest of the school which has the capacity to have outstanding outcomes for pupils.

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