

Notice of Meeting

Schools Forum

Martin Gocke (Pupil Referral Unit Representative (Governor))
(Chairman)
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)
Keith Grainger, Secondary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Yellie Powley-Williams, Primary Representative (Governors)
Brian Poxon, Secondary School Representative (Governor)
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)



Also Invited:

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

Thursday 20 June 2019, 4.30 - 6.30 pm

Boardroom - Time Square, Market Street, Bracknell, RG12 1JD

Agenda

Item	Description	Page
1.	Apologies for Absence/Substitute Members	
	To receive apologies for absence and to note the attendance of any substitute members. Reporting: Joanna Gibbons	
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. Reporting: ALL	

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3.	Minutes and Matters Arising	5 - 10
	To approve as a correct record the minutes of the meeting of 14 March 2019. Reporting: Joanna Gibbons	
4.	Update to the Local Funding Agreement for Early Years Providers Delivering Free Places for 2, 3 and 4 Year-Olds	11 - 44
	To obtain approval from Schools Forum for the proposed changes to the local funding agreement. Reporting: Paul Clark	
5.	Improving Leadership and Governance Over Special Educational Needs Support and the High Needs Funding Block	45 - 54
	To provide an update on the proposal to pilot a mechanism for children and 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'. Reporting: Paul Clark	
6.	Review of Alternative Provision Across Bracknell Forest	55 - 64
	To outline the outcome of the initial review of the overall approach, structures and systems to deliver Alternative Provision at all key stages. Reporting: Paul Clark	
7.	2020/21 Initial Budget Planning	65 - 78
	To present information relating to the initial works expected to be undertaken in constructing the 2020-21 Schools Budget. Reporting: Paul Clark	
8.	2018/19 Provisional Outturn on the Schools Budget	79 - 90
	To inform members of the Schools Forum of the provisional outturn on the 2018-19 Schools Budget, including the allocation of balances and use of Earmarked Reserves. These funds are ring-fenced for the support of schools and pupils. Reporting: Paul Clark	
9.	2018/19 Balances Held by Maintained Schools	91 - 112
	To update members of the Schools Forum on the level of balances held by maintained schools as at 31 March 2019, how these compare to the previous financial year and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget. Reporting: Paul Clark	

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10.	2018/19 Funding Allocations to Mainstream Schools from Budgets Centrally Managed by the Local Authority And Other Matters	113 - 148
	To present information on the in-year allocation of funds to mainstream schools through School Specific Contingencies and other budgets that are funded from the Dedicated Schools Grant (DSG) and in the first instance centrally managed by the council. It also presents the opportunity to amend existing funding policies. These funds relate only to mainstream schools. Reporting: Paul Clark	
11.	Dates of Future Meetings	
	Future meetings will be held at 4.30pm on the following dates: 19 September 2019 21 November 2019 12 December 2019	

Sound recording, photographing, filming and use of social media is permitted. Please contact Derek Morgan, 01344 352044, derek.morgan@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 11 June 2019

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**SCHOOLS FORUM
14 MARCH 2019
4.30 - 5.50 PM**

Present:

Schools' Members

Jennifer Baker, Special School Representative (Substitute)
Marion Bent, Pupil Referral Unit (Substitute)
Liz Cole, Primary School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Keith Grainger, Secondary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Brian Poxon, Secondary School Representative (Governor)
Roger Prew, Primary School Representative (Governor)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)

Non-Schools' Members:

Michelle Tuddenham, PVI Provider Representative (Co-Optee)
Greg Wilton, Teacher Union Representative (Co-Optee)

Apologies for absence were received from:

Martin Gocke, Pupil Referral Unit Representative (Governor)
Jane Coley, Academy School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Leslie Semper, Academy School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)

85. Apologies for Absence/Substitute Members

The Forum noted the attendance of the following Substitute Members:

Marion Bent for Martin Gocke
Jennifer Baker for Peter Floyd

In response to a query, it was also confirmed that any Forum Member could be represented by a substitute from their group.

Appointment of Vice-chairman

RESOLVED that Debbie Smith be appointed Vice-chairman of the Schools Forum for the meeting on 14 March 2019 only.

DEBBIE SMITH IN THE CHAIR

86. **Declarations of Interest**

Keith Grainger, Brian Poxon, Marion Bent and Jennifer Baker declared an affected interest in respect of Item 6 (Final Proposals for the 2019/20 High Needs Block Element of the Schools Budget).

87. **Minutes and Matters Arising**

RESOLVED that the minutes of the meeting of the Forum held on 17 January 2019 be approved and signed by the Chairman as a correct record.

The Forum questioned whether the Council had a proposal regarding SEN support and alternative provision for vulnerable young people. It was explained that the Council intended to implement a strategy proposal but had not been able to due to a lack of money. The Council had been waiting for the outcome of the bid to the DfE and hoped that this would have solved a lot of the issues. The bid being unsuccessful had hindered that process. Regarding alternative provision, meetings had been set for consultation on this but had been delayed due to sickness of the specialist engaged for this purpose. In summary, this proposal has been a work in progress but it was hoped that a proposal could be made soon. The Forum expressed regret that this has been ongoing for such a long time and requested that a date be set for sharing this proposal.

Arising also from minute 79 regarding the first phase of the HNB pilot scheme, Jackie Ross advised that the Hubs were involved in identifying the specific needs of the children and young people discussed using an evidence-based model. It was expected that the findings from this would be detailed in a report which would be submitted to the Forum at the end of term. Jackie Ross updated that four meetings in schools had already taken place and it had been encouraging to see the effort the schools had put in to meet these high needs without generating a high cost, having spent approximately £12,000 so far.

The actions arising from minute 80 and 81 were to be covered in Items 4 and 6 respectively.

88. **Childcare Sufficiency Assessment**

The Forum considered a report on the Childcare Sufficiency Assessment.

An explanation of the main findings was given; namely that, whilst Bracknell Forest had sufficient childcare, it was difficult to predict the potential child yield from the new homes planned for completion in 2018-19 to 2022-23. The Council was developing a strategy to consider work which may be needed including identifying location “hot spots”, potential new locations to develop further childcare provision, and liaising with existing providers to see whether they can adapt their working models such as extending their provision to cover holidays. The strategy would be submitted to the Forum once completed.

The Forum expressed concern that only 7 out of the 7,264 children under the age of five living in Bracknell Forest had an EHCP as at 17 January 2019: children who were not identified as having serious needs at a young age were likely to struggle when attending primary education. It was acknowledged that this was a small percentage (0.1% compared to the national figure of 0.8%) although this was a higher number than previous years. However, children without an EHCP were able to receive support from the SEN inclusion budget prior to being put forward for an EHCP.

The Forum questioned the accuracy of the projected numbers of nursery-aged children being shown to be lower than the numbers of children in school years 1, 2 and 3 and what work was being done to ensure greater accuracy. Assurance was given that the Council was receiving better data from Health Visitors leading to stronger predictions. However, it was acknowledged that children were more likely to access cross-border early years' provisions so the Council was in a weaker position to identify those children as the funding would be from other Local Authorities.

Clarity was sought on the last sentence on page 9 of the report which stated that "[parents may also use provision which is not considered 'childcare', for example sports or arts clubs after school or in the holidays." It was noted that this related to primary schools as well as secondary schools. Schools were not expected to register sports or arts & crafts clubs as childcare provisions if they were not running more than two activities.

RESOLVED, to NOTE the contents of the CSA which indicated that there was sufficient childcare in Bracknell Forest to meet demand while noting the potential impact on demand of new homes planned for completion in 2018-19 to 2022-23.

89. **Final Proposals for the 2019/20 Early Years Block Element of the Schools Budget**

The Forum considered a report which sought agreement from the Schools Forum to the final proposals for the 2019-20 Early Years budgets, including the values to be attributed to the Bracknell Forest Council Early Years Funding Formula (EYFF).

The report detailed the following:

- The national Early Years Block (EYB) funding framework.
- The local EYB funding framework, which provided the context for setting budgets.
- The provisional estimate of the £7.566m anticipated EYB Dedicated Schools Grant (DSG) income. Whilst the government had frozen hourly funding rates paid to LAs at 2018-19 levels, the total income expected will increase as a result from having a full year of the new 30 hours entitlement.
- A summary of the funding decisions previously taken by the Forum.
- Proposals for 2019-20 based on historic data, which included a summary of the proposed EYFF. There was one additional cost of £16,000 which related to implementing new ICT systems, which was proposed to be funded from the centrally managed funds as it was within the 3% cap.

There were no questions or comments from the Forum

RESOLVED, to AGREE:

1. That for the 2019-20 financial year, the Executive Member:
 - I. sets the total initial Dedicated Schools Grant funded budgets at £7.566m, it incorporates the changes set out in the supporting information, and relevant budgets are therefore updated to those summarised in Annex 1;
 - II. retains the hourly funding rates paid to providers of the free entitlement for 3 and 4-year olds at the amounts paid in 2018-19 as summarised in Table 2;
 - III. retains the hourly funding rate paid to providers of the free entitlement for 2-year olds at the £5.46 paid in 2018-19; and
 - IV. sets a ring-fence on funding allocations received from the government in respect of the Early Years Disability Access Fund and Early Years Pupil

Premium to ensure, where affordable, all funds are allocated to providers (paragraph 6.21).

2. That there are appropriate arrangements in place for Early Years provisions.

90. **Final Proposals for the 2019/20 High Needs Block Element of the Schools Budget**

The Forum considered a report which sought comments on the final budget proposals for the High Needs Block (HNB) element of the Schools budget that were being presented by the Council. There were also a small number of decisions for the Forum to take in line with the statutory funding framework.

The Forum was advised that historically there had been lots of spot-purchasing and there was not a strategic budget. It was acknowledged that there was a need for tighter future-needs forecasting underpinned by a greater understanding of the needs of children being born in Bracknell Forest. The Forum had previously considered in the meeting of the Forum held on 17 January 2019 setting up a Sub-Group of the Forum to work on a more strategic approach in closer partnership with the Council. It was recognised that the Council and schools were now working together more effectively and this was expected to be strengthened further by the Sub-Group.

Whilst the chairman, Martin Gocke, was unable to attend the meeting, he had read through the papers and the Forum noted his comments as follows:

- Martin expressed concern that the Schools Forum has historically not had enough information re HNB spending until the point at which decisions needed to be made.
- Martin was keen that the Forum be made more aware of how the various plans intended to make savings and better use of this resource, with outcomes properly reported back to the Forum.
- Regarding the proposal to establish a Sub Committee, Martin expressed the following reservations:
 - a. Paragraphs 6.9, 6.10 and 6.11 in the main report set out clearly the work that needed to be done and Martin's view was that a working group comprising Head Teachers, possibly SENCOs, Heads of other resource provision including Pupil Referral Services and KLS, and BFC officers was needed to progress that work as opposed to just having members of the Schools Forum.
 - b. Martin did not feel that he could commit to an additional six meetings per year as proposed.
- Martin agreed that there needed to be a link between any proposed group and the Schools Forum but felt that it should lie within the wider arrangements of the LA rather than the narrower confines of the Schools Forum.

It was explained that the Sub-Group would be made up of representatives from Schools Forum but could also include a wider representation. It was suggested that the first meeting of the Sub-Group could confirm membership and the onward plan. The first meeting was arranged to be held on 1 May 2019 commencing at 4pm at Time Square Ground Floor, Room 8. An invitation would be issued to all members of the Forum.

Action: Jackie Ross and Kashif Nawaz

The Forum noted the Tabled Amendment which was circulated to members during the meeting. The ongoing budget checking and review process identified an error on the original fee calculation for other LA students attending the Autistic Spectrum

Disorder Resource Provision at Garth Hill College. The original calculation understated the income by £33,000. However, there was no change to the gross cost of the Resource Provision.

The annual proposal required by the government of all LAs to seek agreement from the Forum that there are “appropriate arrangements” in place for the education of pupils with SEN and the use of pupil referral units had not been agreed by the Forum in each of the last 2 years. Considering the current situation, it was felt that the sticking point was the word “appropriately” as it meant different things to different people. It was queried whether not agreeing would give the Council more scope when making bids to the DfE but it was not expected that this would be the case.

The Forum noted that, whilst they could not agree that there were “appropriate arrangements”, there had been some recent positive steps taken to improve this; in particular there had been significant investment in Kennel Lane School which would help to avoid expensive out-of-area placements. It was felt that the Council was moving in the right direction.

RESOLVED, following consideration by the Forum of the HNB budget proposals from the Council, to AGREE that the Executive Member:

1. sets the total initial Dedicated Schools Grant funded budget at £15.409m, it incorporates the changes set out in the supporting information and amended Annex 3, and relevant budgets are therefore updated to those summarised in amended Annex 4;
2. NOTES the £0.111m budget gap that will need to be managed in-year through the change programme; and
3. APPROVES a Minimum Funding Guarantee for Kennel Lane Special School of plus 0.5%, the same amount as for mainstream schools (paragraph 6.13).

The Forum did NOT AGREE that there are appropriate arrangements in place for:

1. the education of pupils with SEN (paragraph 6.15); and
2. the use of pupil referral units and the education of children otherwise than at school (paragraph 6.15).

RESOLVED, to DEFER until the first meeting of the Sub-Group the proposal to agree the terms of reference for the Schools Forum HNB Sub-Committee, as set out in Annex 6.

The Forum noted that, whilst they could not agree that there were “appropriate arrangements”, there had been some recent positive steps taken to improve this; in particular there had been significant investment in Kennel Lane School which would help to avoid expensive out-of-area placements. It was felt that the Council was moving in the right direction.

91. **Dates of Future Meetings**

The next meeting of the Forum was due to be held on 20 June 2019 commencing at 4.30pm (preceded by a briefing for members at 3.30pm).

CHAIRMAN

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**TO: SCHOOLS FORUM
20 JUNE 2019**

**UPDATE TO THE LOCAL FUNDING AGREEMENT FOR EARLY YEARS PROVIDERS
DELIVERING FREE PLACES FOR 2, 3 AND 4 YEAR OLDS
Executive Director of People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to obtain approval from Schools Forum for the proposed changes to the local funding agreement.
- 1.2 The local funding agreement which providers need to comply with to receive funding for delivering free places for 2, 3 and 4 year olds (referred to as the Provider Agreement), is revised annually to ensure that the terms and conditions meet the latest statutory guidance to local authorities and take account of learning from the previous year.
- 1.3 The 2019/20 Provider Agreement has been substantially rewritten to conform to the Department for Education's (DfE) updated format and layout. There are minor changes to the terms and conditions to add clarity, these changes are highlighted in the supporting information.

2 RECOMMENDATION(S)

- 2.1 **That the revised Provider Agreement for Funding Free Places for 2, 3 and 4 Year Olds as attached at Annex A is approved for implementation from September 2019.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 To ensure that the Provider Agreement meets the required standards and terms are understood by all parties.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The propose changes are required for the Provider Agreement to comply with DfE requirements and changes to statutory guidance. There are no alternate options

5 SUPPORTING INFORMATION

Background

- 5.1 The 'Early education and childcare statutory guidance for local authorities' sets out the framework that Local Authorities must operate within in the delivery of the free entitlement to childcare and early education for 2, 3 and 4 year olds. The Bracknell Forest Provider Agreement sets out the detailed local arrangements which are intended to ensure that eligible children can readily access their entitlement in safe, high quality settings and that providers receive funding in accordance with the local Early Years Funding Formula.

- 5.2 The DfE published a model agreement on 21 June 2018 which set out the departments expectations on what should be included in agreements between local authorities and early years providers. This model agreement includes standard headings, wording and layout to be used in all provider agreements. Due to the late date of publication it was not possible to include these standards in the 2018/19 Provider Agreement

Changes proposed for September 2019

- 5.3 Substantial rewriting and reformatting of the Provider Agreement was required to ensure compliance with the DfE's model agreement. The changes proposed in the 2019/20 Provider Agreement include:
- changing the headings for some sections
 - re-ordering the sections to conform with the model agreement
 - numbering all paragraphs to support better referencing
 - changes to formatting and removing unnecessary paragraphs, this has reduced the length of the agreement by 13 pages.
 - moving terms and conditions between sections to improve readability and conform with the model agreement
 - Sections 5 and 15 are new sections which combine terms and conditions from several sections in the 2018/19 Provider Agreement as required by the model agreement.
- 5.4 The proposed changes and additions to the terms and conditions in the 2019/20 Provider Agreement are:
- Information about the Local Authority Designated Officer and their role has been added to Section 5: Safeguarding
 - The Statutory guidance for local authorities, published in June 2018, set out the eligibility criteria for foster carers to claim 30 hours funding. This guidance was not published in time for inclusion in the 2018/19 provider agreement. This guidance has now been added as Section 9: Foster Carers
 - Guidance on what to do when a child's attendance is poor or erratic, or when families take extended holidays has been added in Section 17: Funding.
- 5.5 A draft Provider Agreement was sent to the Early Years Representative Group to gather their views on the proposed changes. The group includes representatives from maintained schools, academies, group PVI providers and childminders. The revised agreement reflects feedback received.
- 5.6 Annex A sets out the Provider Agreement, which Schools forum is recommended to agree.

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 Not relevant

Strategic Risk Management Issues

6.4

Risk	Level	Comment
Not keeping the Provider Agreement up to date and ensuring terms and conditions are understood by all parties could result in BFC not meeting its statutory duties	Low	Annual updates and regular monitoring ensure this risk remains low

7 CONSULTATION

Principal Groups Consulted

7.1 Early Years representative Group

Method of Consultation

7.2 Draft Provider Agreement emailed to all members of the representative group for comment.

Representations Received

7.3 Comment has been received from five members of the representative group. All responses have agreed with the proposed changes. Two responses included comments that the proposed changes have made the Provider Agreement easier to read and understand.

BACKGROUND PAPERS

<https://www.gov.uk/government/publications/early-education-and-childcare--2>

Early education and childcare: Statutory guidance for local authorities - June 2018

<https://www.gov.uk/government/publications/free-early-years-provision-and-childcare-model-agreement>

Model agreement: early years provision free of charge and free childcare – June 2018

<https://www.gov.uk/government/publications/30-hours-free-childcare-la-and-early-years-provider-guide>

Early years entitlements: operational guidance - For local authorities and providers – June 2018

<http://www.legislation.gov.uk/ukpga/2006/21/contents>

Childcare Act 2006

<http://www.legislation.gov.uk/ukpga/2016/5/contents/enacted>

Childcare Act 2016

CONTACT FOR FURTHER INFORMATION

Cherry Hall, Locality Manager 01344 312811
cherry.hall@bracknell-forest.gov.uk

David Allais, Early Help Officer 01344 351555
EHBS@bracknell-forest.gov.uk

Nicola Fletcher, Early Help Officer 01344 351555
EHBS@bracknell-forest.gov.uk

Provider Agreement for Funding Free Places for 2, 3 and 4 Year Olds

Effective from September 2019

PEOPLE
Bracknell Forest Council
Early Help & Communities
Time Square
Market Street
Bracknell
RG12 1JD
T: 01344 351555
www.bracknell-forest.gov.uk

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1. Introduction

- 1.1. This document sets out the conditions placed on early years providers who wish to be registered to offer the early years free entitlements for 2, 3 and 4 year olds. For the purposes of this document early years providers are referred to as 'providers' and include:
- early years providers and childminders registered on the Ofsted Early Years Register;
 - childminders registered with a childminder agency (CMA) which is itself registered with Ofsted;
 - Maintained Schools, Independent Schools and Academies taking children age two and over and which are exempt from registration with Ofsted as an early years provider
- 1.2. These conditions have been produced with regard to the Department for Education (DfE) Early Education and Childcare Statutory guidance for local authorities (June 2018) and refers to the Early Years Provision Free of Charge (sections 7 and 7A Childcare Act 2006) and Free Childcare (section 2 of the Childcare Act 2016) as the 'free entitlement(s)', a 'free place' or 'free hours'. It applies to the 15 hours entitlement for the most disadvantaged two year olds, the 15 hour entitlement for parents of three and four year olds (the universal entitlement) and the 30 hours entitlement for working parents of three and four year olds (the extended entitlement).
- 1.3. This document does not provide guidance on how providers operate their private businesses, including charges for provision over and above a child's free hours. The Local Authority will not intervene where parents choose to purchase additional hours of provision or additional services providing that this does not affect the parent's ability to take up their child's free place.

2. Review date

- 2.1. The information included in this document is correct at the time of publication but is subject to changes in Government policy. This document will be kept under review and updated as necessary.

3. Legal framework

- 3.1. The following frameworks and legislation underpin this model agreement, the list is not an exhaustive list:
- Early Education and childcare, Statutory guidance for Local Authorities June 2018
 - Childcare Act 2006
 - Childcare Act 2016
 - Equality Act 2010
 - School admissions code 2014
 - Statutory framework for the early years foundation stage 2017
 - Local Authority, (Duty to Secure Early Years Provision Free of Charge) Regulations 2014
 - The Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2016
 - Special educational needs and disability code of practice: 0 to 25 years 2015
 - Data Protection Act 2018
 - Freedom of Information Act 2000
- 3.2. Bracknell Forest Council (BFC) reserves the right to unilaterally vary this document to reflect changes in legislation and departmental advice.
- 3.3. References to legislation will be to that legislation as amended from time to time, without express change to this document.
- 3.4. All providers are required to keep up-to-date with and comply with relevant legislation and are expected to attend provider meetings.
- 3.5. The Freedom of Information Act 2000 gives any person the right to request information held by public authorities such as Bracknell forest Council. For more information, please see the [freedom of information](#) page on the BFC website.
- 3.6. The General Data Protection Regulation and Data Protection Act 2018 requires local authorities to inform individuals about how their personal data is used. This is provided through a [privacy notice](#) on the BFC website.
- 3.7. All early years providers are data controllers and data processors in their own right and, as such, they have a duty to inform pupils, staff and parents how they process the data that is within their control. Guidance on data protection is available on the DfE website¹.

¹ <https://www.gov.uk/government/publications/data-protection-and-privacy-privacy-notice>

4. Key responsibilities

- 4.1. The DfE has set key responsibilities for local authorities and providers in relation to the provision of free entitlement places.

Key local authority responsibilities

- 4.2. Local Authorities must secure a free entitlement place for every eligible child in their area.
- 4.3. The Local Authority should work in partnership with providers to agree how to deliver free entitlement places.
- 4.4. The Local Authority should be clear about their role and the support on offer locally to meet the needs of children with special educational needs and/or disabilities (SEND) as well as their expectations of providers.
- 4.5. The Local Authority must contribute to the safeguarding and promote the welfare of children and young people in their area.

Key provider responsibilities

- 4.6. The provider must comply with all relevant legislation and take out and maintain adequate levels of insurance.
- 4.7. The provider should deliver the free entitlements consistently to all parents, whether in receipt of 15 or 30 hours and regardless of whether they opt to pay for optional services or consumables. This means that the provider should be clear and communicate details to parents about the days and times that they offer free places, along with their services and charges. Those children accessing the free entitlements should receive the same quality and access to provision.
- 4.8. The provider must follow the Early Years Foundation Stage (EYFS) and have clear safeguarding policies and procedures in place that link to the Local Authority's guidance for recognising, responding, reporting and recording suspected or actual abuse.
- 4.9. The provider must have arrangements in place to support children with special educational needs and/or disabilities (SEND). These arrangements should include a clear approach to identifying and responding to SEND. Providers should utilise the SEN inclusion fund and Disability Access Fund to deliver effective support, whilst making information available about their SEND offer to parents.

5. Safeguarding

- 5.1. BFC has overarching responsibility for safeguarding and promoting the welfare of all children and young people in the Borough. BFC have a number of statutory functions under the 1989 and 2004 Children Acts which make this clear, and the 'Working Together to Safeguard Children 2018 guidance'² sets these out in detail. All procedures can be accessed on the Bracknell Forest Local Safeguarding Children Board Website³.
- 5.2. Providers must follow the EYFS and have clear safeguarding policies and procedures in place that are in line with local guidance and procedures for responding to and reporting suspected or actual abuse and neglect. A lead practitioner must take responsibility for safeguarding and all staff must have training to identify signs of abuse and neglect.
- 5.3. The Local Authority Designated Officer (LADO) occupies a statutory role that is underpinned by The Children Act 2004, The Education Act 2002, and Working Together 2018, all of which place duties on organisations to safeguard and promote the welfare of children. The LADO manages all of the allegations that are made against persons working with children, this includes paid and unpaid workers, full time, part time, agency and volunteers.

The LADO allegations procedure applies whenever there is an allegation or concern that a person who works with children has:

- Behaved in a way that has harmed a child or may have harmed a child,
- Has possibly committed a criminal offence against or related to a child,
- Has behaved towards a child or children that indicates he or she may pose a risk of harm to children.

If you observe or are made aware of any concerns about a person who is working with young people then you should make your designated safeguarding lead at work aware, and either they (or yourself if they are not available) have a duty to refer these concerns onto the LADO within one working day. Concerns may be around a person's current role, historical allegations that you have become aware of, or something in relation to their personal lives.

The LADO is available to discuss any concerns that you may have and will then assess what the next steps needs to be and provide you with support around any safeguarding actions.

The LADO can be contacted on 01344 351572 or at LADO@bracknell-forest.gov.uk

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779401/Working_Together_to_Safeguard-Children.pdf

³ <https://www.proceduresonline.com/berks/bracknell/>

6. Requirements for receiving the free entitlements

- 6.1. Providers wanting to offer the free entitlements must:
- operate a setting located within Bracknell Forest
 - register with the Bracknell Forest Local Directory
 - register with OFSTED (if providing childcare that requires registration)
- 6.2. Providers must actively promote fundamental British values in accordance with section A1.39 of the Early Education and Childcare Statutory Guidance for Local Authorities.
- 6.3. Providers must confirm compliance with the terms and conditions of this document by completing the online registration process.

7. The free entitlements

- 7.1. The free entitlements, also known as ‘free places’ or ‘free hours’ are:
- the 15 hour entitlement for the most disadvantaged 2 year olds
 - the 15 hour entitlement for parents of 3 and 4 year olds (the universal entitlement); and
 - the 30 hour entitlement for working parents of 3 and 4 year olds (the extended entitlement).

Eligibility

- 7.2. The DfE sets the dates of birth for the start of eligibility for the free entitlements, as set out in the table below. School term dates are not taken into account when determining eligibility.

Child’s second (where eligible) or third birthday falls between	Free entitlement starts
1 April and 31 August	1 September (autumn term)
1 September and 31 December	1 January (spring term)
1 January and 31 March	1 April (summer term)

- 7.3. The provider should check original copies of documentation to confirm a child has reached the eligible age on initial registration. The provider can retain paper or digital copies of documentation to enable the local authority to carry out audits and fraud investigations. Where a provider retains a copy of documentation this must be stored securely and deleted when there is no longer a good reason to keep the data.

- 7.4. The local authority must ensure that a child has a free entitlement place no later than the beginning of the term following the child and the parent meeting the eligibility criteria for the free entitlements.
- 7.5. Children who have been admitted to primary school and are attending a state-funded or independent school reception class are not entitled to any additional free hours outside their school reception class place as local authorities can meet their duty to secure the universal entitlement through reception class provision.
- 7.6. A child who takes up their free entitlement part way through the year will be entitled to a pro-rata'd number of hours adjusted to reflect the portion of the year remaining.

Free places for 2 year olds

- 7.7. A child will be entitled to the free hours from the term after both of the following conditions are satisfied:
- the child has attained the age of 2; and,
 - the child or parent meets the eligibility criteria.
- 7.8. Eligible two year olds are entitled to a free place offering 570 hours a year over no fewer than 38 weeks of the year. The free entitlement may be [stretched](#) over more than 38 weeks (and up to 52 weeks). This means taking fewer hours per week, subject to a maximum of 570 hours a year.
- 7.9. If a child is entitled to free hours a code will be issued to the parent which they can share with their chosen childcare provider.
- 7.10. Providers should offer places to eligible two year olds on the understanding that the child remains entitled to two year old funding until they become eligible for the universal entitlement for three and four year olds.

15 hours universal entitlement for all 3 and 4 year olds

- 7.11. A child is eligible to the free hours from the term after their third birthday.
- 7.12. Eligible 3 and 4 year olds are entitled to a free place offering 570 hours a year over no fewer than 38 weeks of the year, until the child reaches compulsory school age (the beginning of the term following their fifth birthday). The free entitlement may be [stretched](#) over more than 38 weeks (and up to 52 weeks). This means taking fewer hours per week, subject to a maximum of 570 hours a year.
- 7.13. All three and four year olds living in England are entitled to the universal entitlement irrespective of the immigration status of the child or their parent(s).

30 hours extended entitlement for 3 and 4 year olds of working parents

- 7.14. A child will be entitled to the extended entitlement from the term after both the following conditions are satisfied:
- the child has attained the age of 3

- the child's parent has a current positive determination of eligibility from HMRC i.e. a valid 30 hours free childcare eligibility code.
- 7.15. Eligible 3 and 4 year olds will be entitled to an additional 570 hours, making a total of 1,140 hours a year over no fewer than 38 weeks of the year, until the child reaches compulsory school age (the beginning of the term following their fifth birthday). The free entitlement may be [stretched](#) over more than 38 weeks (and up to 52 weeks). This means taking fewer hours per week, subject to a maximum of 570 hours a year.
- 7.16. The child's parent must apply for the extended entitlement through the Government's online service – [Childcare Choices](#). **Eligibility for the extended entitlement is determined by HMRC through this online application.** The only exception to this is children in foster care.
- 7.17. Parents who are unable to access the HMRC website or are experiencing difficulties completing the application should call the HMRC Customer Interaction Centre on 0300 123 4097 who will provide support using information supplied by the applicant over the phone.
- 7.18. Prior to checking an eligibility code or applying for 30 hours funding a provider must have:
- The 30 hours eligibility code, the child's unique 11-digit number
 - Written consent from the parent to apply for the funding on behalf of their child
 - Seen original documents which confirm a child has reached the eligible age
- This is provided in the [Parent Declaration Form](#)
- 7.19. Once a provider has received written consent from the parent, they should verify the 30 hours eligibility code on the BFC [provider portal](#) which has the Eligibility Checking Service built into it and enables providers to verify the 30 hours eligibility code swiftly and efficiently
- 7.20. The provider portal will confirm the validity of 30 hours eligibility codes to allow providers to offer 30 hours places for eligible three and four year olds. Providers should confirm the validity of eligibility codes and the date from which funding can be claimed before offering a 30 hours funded place.
- 7.21. The provider portal reviews the validity of eligibility codes on an ongoing basis and meets the requirement to complete audit checks at 6 fixed points in a year, both at half term and at the end of term across the year (in line with the dates as listed at table A below). The expiration dashboard of the provider portal will notify providers where a parent has fallen out of eligibility and informs them of the grace period end date.

Table A:

Date Parent receives ineligible decision on reconfirmation:	Audit Date	Grace Period End date:
1 Jan – 10 Feb	11 February	31 March
11 Feb – 31 March	1 April	31 August
1 April – 26 May	27 May	31 August
27 May – 31 August	1 September	31 December
1 September – 21 October	22 October	31 December
22 October – 31 December	1 January	31 March

- 7.22. It is the provider's responsibility to check the expiration dashboard regularly and contact parents where the eligibility code is nearing its end date to remind them to renew the eligibility code (reminders will have been sent to parents by the HMRC website). It is a parent's responsibility to renew the eligibility code every three months.

8. The grace period

- 8.1. A child will enter the grace period when the child's parents cease to meet the eligibility criteria set out in the Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2016, as determined by HMRC or a First Tier Tribunal in the case of an appeal.
- 8.2. The grace period end date will automatically be applied to eligibility codes and is displayed in the BFC provider portal expiration dashboard and against individual child records in the BFC provider portal tasks.
- 8.3. BFC will continue to fund a 30 hours place for a child who enters the grace period as set out in the Early Education and Childcare Statutory guidance for local authorities (2017).
- 8.4. Children will not be able to start a new 30 hours place at a provider during the grace period. The scenarios below help explain the impact of the grace period on eligibility to a 30 hours place:
- A child may not start claiming 30 hours funding in the same term as an eligibility code is issued, even if the child has attended the setting in previous terms.

- A child may not start a new 30 hours place if their 30 hours code is in its grace period on the first day of the term
- A child may continue to receive extended entitlement funding with the same provider if their 30 hours code is in its grace period on the first day of term.
- Changing provider is considered starting a new 30 hours place, a child who changes provider mid-term must have had a valid 30 hours code on the first day of the term even if they were claiming extended entitlement funding at their previous provider

- 8.5. The grace period is an opportunity for providers to remind parents to renew the eligibility code or if parents are no longer eligible, to make arrangements for when the additional funding ends. This could be a reduction in attendance or invoicing for the additional hours.
- 8.6. Where parents cease to meet eligibility criteria and the grace period has expired, the child can continue to take up their universal entitlement, provided they have not exceeded the 570 hours entitlement for the year.

9. Children in foster care

- 9.1. Children in foster care will be eligible for the additional free hours from the term after they meet the following criteria:
- the child has attained the age of three and is under compulsory school age
 - accessing the extended entitlement is consistent with the child's care plan
 - in single foster parent families, the foster parent holds additional paid employment outside of their role as a foster carer
 - in two foster parent families, both partners hold additional paid employment outside of their role as a foster carer.
- 9.2. Foster parents who wish to apply for the extended entitlement must apply directly to the Local Authority and should discuss this with their social workers.

10. Flexibility

- 10.1. Provision must be offered within the national parameters on flexibility as set out in Section A2 of Early Education and Childcare Statutory guidance for local authorities (2017).
- 10.2. The provider should work with the Local Authority and share information about the times and periods at which they are able to offer free entitlements to support the Local Authority to secure sufficient stretched and flexible places to meet parental demand in the Local Authority. The provider should also make information about their offer and admissions criteria available to parents at the point the child first accesses provision at their setting.

- 10.3. Evidence shows that continuous provision is in the best interests of the child. Where it is reasonably practicable providers should ensure that children are able to take up their free hours in continuous blocks and avoid artificial breaks being created throughout the day, for example over the lunch period.
- 10.4. BFC is committed to supporting providers to offer flexible places to meet parental need and will work in partnership with providers to achieve this. Providers are encouraged to offer flexible packages of free places, within the following parameters:
- no session longer than 10 hours
 - no minimum session length (subject to the requirements of registration on the Ofsted Early Years Register)
 - not before 6.00am or after 8.00pm
 - a maximum of two sites in a single day
 - up to 52 weeks of the year
 - can be outside of maintained school term times
 - can include weekends
- 10.5. If parents choose to take their entitlement with more than one provider, all parties have a duty to ensure there is a system in place to ensure continuity of care and that regular liaison between providers takes place.
- 10.6. Where a child attends 2 or more settings per week, it is up to the parent to decide the distribution of free hours between the settings. The distribution of hours must be recorded on the Parent Declaration Form (PDF). Each provider will claim funding according to the distribution of hours recorded on the PDF.
- 10.7. The situation may arise where a child attends one provider term time only and a second provider on a stretched offer over more than 38 weeks. Providers should check the funded hours claimed across both providers to ensure that the child is receiving a maximum of 15 funded hours a week and a maximum of 570 hours a year (or 1140 for children accessing the 30 hours entitlement).
- 10.8. There is no requirement for providers to be open for 38 weeks of the year or that providers offer 30 hours in order to receive funding to deliver free places. However, providers must make it clear to parents, prior to the child taking up their place, where their business model restricts access to the full free entitlement.

11. Partnership working

- 11.1. BFC will support all providers to work in partnership to meet the needs of children and parents in the Local Authority.
- 11.2. Providers should work in partnership with parents, carers and other providers to improve provision and outcomes for children in their setting. An interactive toolkit⁴ has been developed to help providers set up or join a partnership,

⁴ <http://www.familyandchildcaretrust.org/dfes-30-hour-mixed-model-partnership-toolkit>

maximise the benefits of working together and tackle the challenges joint working can bring.

- 11.3. Providers should discuss and work closely with parents to agree how a child's overall care will work in practice when their free entitlement is split across different providers, such as at a maintained setting and a childminder, to ensure a smooth transition for the child.

12. Special educational needs and disabilities

- 12.1. All providers in the maintained, private, voluntary and independent sectors must have regard to the Special Educational Needs and Disability (SEND) code of practice: 0-25 years⁵ (January 2015).
- 12.2. The provider must ensure owners and all staff members are aware of their duties in relation to the SEND Code of Practice and the Equality Act 2010.
- 12.3. Providers must have a SEND policy that is clear and transparent and sets out the SEND support on offer at their setting. The policy must cover admissions. Providers must complete their SEND Local Offer on the BFC website and update it annually so information is available to parents to enable them to choose the right setting for their child.

13. Social mobility and disadvantage

- 13.1. BFC promotes equality and inclusion, particularly for disadvantaged families, looked after children and children in need by removing barriers of access to free places and working with parents to give each child support to fulfil their potential.
- 13.2. Providers should ensure that they have identified the disadvantaged children in their setting as part of the process for checking Early Years Pupil Premium (EYPP) eligibility. Providers will also use EYPP and any locally available funding streams or support to improve outcomes for this group.

⁵https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398815/SEND_Code_of_Practice_January_2015.pdf

14. Quality

- 14.1. The Early Years Foundation Stage (EYFS) statutory framework is mandatory for all schools that provide early years provision and Ofsted-registered early years providers in England. The EYFS sets the standards that all early years providers must meet to ensure that children learn and develop well and are kept healthy and safe.
- 14.2. Ofsted are the sole arbiter of quality for all free entitlements. Ofsted and inspectorates of independent schools have regard to the EYFS in carrying out inspections and report on the quality and standards of provision.
- 14.3. Local Authorities have a legal duty to provide information, advice and training on meeting the requirements of the EYFS, meeting the needs of children with SEND and on effective safeguarding and child protection for providers who are rated less than 'Good' by Ofsted or newly registered providers.
- 14.4. A child aged two, three or four years old can be funded at a provider rated 'good' or 'outstanding' by ⁶Ofsted or at any childminder registered with a childminder agency judged 'effective' by Ofsted.
- 14.5. A child aged three or four years old can be funded at a provider rated 'satisfactory' (prior to 2014) or 'requires improvement' by ⁷Ofsted or at any childminder registered with a childminder agency judged 'effective'.
- 14.6. Children aged two years will only be funded in settings judged 'satisfactory' or 'requires improvement' where there is insufficient, accessible 'good' or 'outstanding' provision in the area.
- 14.7. Bracknell Forest Council will fund providers with an Ofsted inspection judgement of 'met' until their Ofsted quality inspection judgement is published. Providers with an Ofsted inspection judgement of 'not met' will not be funded.
- 14.8. Funding will be approved for new providers registered with Ofsted until the provider's first full Ofsted inspection judgement is published or childminder registered with an agency until the agency's first full Ofsted inspection judgement is published.
- 14.9. BFC will withdraw funding from providers when Ofsted publish an inspection judgement of a provider of 'inadequate' or an inspection judgement of a

⁶ For schools inspected by the Independent Schools Inspectorate the relevant inspection judgements are "good" and "excellent"

⁷ For schools inspected by the Independent Schools Inspectorate the relevant inspection judgement is "sound".

childminder agency of 'not effective'⁸. BFC will consider the continuity of care for children who are already receiving their free hours at a provider or agency when withdrawing funding and will determine an appropriate timeframe for withdrawing funding on a case by case basis

15. Business planning

- 15.1. Providers should ensure they submit timely and accurate information, including, but not limited to, headcount data, census data, parental declarations and invoices. Failure to do so may result in inaccurate, delayed or suspended funding.
- 15.2. Providers should maintain accurate financial and non-financial records relating to free entitlement places and should give the Local Authority access on reasonable notice to all financial and non-financial records relating to free entitlement places funded under the provider agreement, subject to confidentiality restrictions.

Provider portal

- 15.3. Providers must complete and submit headcount and other necessary data returns via the [provider portal](#). Providers may only claim for the care they provide (or intend to provide when completing the forecast task).
- 15.4. Each provider must register one or more staff members to use the provider portal by completing and returning a [Provider Portal Access Form](#) for each user. Users must activate their account once it has been registered as the majority of communications regarding the free entitlement are sent via the provider portal.
- 15.5. Login details must not be shared between users and it is the user's responsibility to keep their login details secure.
- 15.6. Autocomplete options that remember passwords should not be used.
- 15.7. If a provider portal user leaves the setting or changes roles, the setting must contact the Early Help Team to remove the user's access from the system.
- 15.8. If the device you use to access the portal (laptop, tablet, mobile phone etc.) is lost or stolen you must contact the Early Help Team immediately so that your password can be reset. See page 30 for contact details.
- 15.9. BFC will publish a funding timetable ([schedule of dates](#)) in the spring term of each year setting out when tasks on the portal will open and close and the date payments will be processed.
- 15.10. Providers should use the Self Update section of the provider portal to keep their setting details up to date. Providers details must be up to date on headcount day of the Spring term, as these details will be used in the annual Early Years Census.

⁸ For schools inspected by the Independent Schools Inspectorate the relevant inspection judgement is "unsatisfactory".

Early years census

- 15.11. The Early Years Census takes place each January and must be completed by private, voluntary and independent providers, including governor run preschools and funded childminders using the Self Update Portal.
- 15.12. BFC is required to make census returns to the DfE. These returns are used to calculate the amount of funding that is given to BFC for the following year. It is important that BFC has information on additional hours; please ensure this is fully completed when making this return.

Administration fees

- 15.13. It is a provider's responsibility to submit funding claims via the provider portal tasks within the published deadlines and to ensure that the funding claim is complete and accurate. As a child could be claiming funding across multiple settings, missed deadlines or submitting inaccurate and incomplete funding claims result in additional administration and can impact the payment to other providers.
- 15.14. Where additional administration resource is required due to:
- a provider missing the submission deadline for a funding claim
 - a submission contains substantial omissions
 - a submission contains substantial errors
- BFC reserves the right to charge an administration fee.
- 15.15. The fee will be charged for a minimum of 1 hour and a maximum of 3 hours. The current hourly rate is published on the BFC website.

16. Charging

- 16.1 Government funding is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare. It is not intended to cover the cost of meals, consumables, additional hours or additional services.
- 16.2 The provider can charge for meals and snacks as part of a free entitlement place and they can also charge for consumables such as nappies or sun cream and for services such as trips and musical tuition. Parents should therefore expect to pay for these, although these charges must be voluntary for the parent. Where parents are unable or unwilling to pay for meals and consumables, providers who choose to offer the free entitlements are responsible for setting their own policy on how to respond, with options including waiving or reducing the cost of meals and snacks or allowing parents to supply their own meals. Providers should be particularly mindful of the impact of additional charges on the most disadvantaged parents.

- 16.3 The provider should deliver the free entitlements consistently so that all children accessing any of the free entitlements will receive the same quality and access to provision, regardless of whether they opt to pay for optional hours, services, meals or consumables.
- 16.4 BFC will not intervene where parents choose to purchase additional hours of provision or additional services, providing that this does not affect the parent's ability to take up their child's free place. The provider should be completely transparent about any additional charges.
- 16.5 Providers must publish their admissions criteria and ensure parents understand which hours/sessions can be taken as free provision and where additional charges will apply. Not all providers will be able to offer fully flexible places, but providers should work with parents to ensure that as far as possible the patterns of hours are convenient for parents' working hours.
- 16.6 To give providers certainty that a parent will take up a place for a 3 or 4 year old, providers can charge parents a deposit to secure their child's free place but must refund the deposit in full to parents within 6 weeks of the child's start date. If a parent fails to take up their place the provider is not obliged to refund the deposit. Deposits must not be charged for funded 2 year old places.
- 16.7 Providers must not charge parents "top-up" fees (the difference between a provider's usual fee and the funding they receive from the Local Authority to deliver free places) or require parents to pay a registration fee as a condition of taking up their child's free place.
- 16.8 Providers should ensure their invoices and receipts are clear, transparent and itemised, allowing parents to see that they have received their free entitlements completely free of charge and understand fees charged for additional hours. Providers should also ensure that receipts/invoices contain their full details so that they can be identified as coming from a specific provider.

17. Funding

Tasks & payments

- 17.1 As per the [schedule of dates](#), BFC will set 'tasks' for providers to complete on the [provider portal](#) which will require providers to update personal and attendance data for the children they are claiming funding for. Each task will have a deadline for submission. Failure to meet the deadline may delay the funding payment for that provider. Guidance on the use of the provider portal is available on the [BFC website](#).

- 17.2 Private, Voluntary and Independent Providers (PVIs) and Childminders will be set 3 tasks in the spring and autumn per term on the provider portal and will receive 3 payments based on these tasks. A fourth task and payment will be set in the summer term.
- Forecast payment - 60% of the total forecast funding for the term
 - Actual payment – balance of funding for the term calculated on headcount
 - Amendment payment – corrections and additions to the headcount
 - Second amendment payment (summer term only) – corrections and additions to the headcount

Providers will receive reports after each payment.

- 17.3 Where changes in funded hours claimed in an actual or amendment tasks results in a provider being overpaid for the term, BFC will clawback the overpayment by reducing a future payment or issuing an invoice, whichever is appropriate.
- 17.4 Providers should pay invoices in a timely manner. BFC reserves the right to deduct the balance of outstanding invoices from future payments where invoices remain unpaid.
- 17.5 Maintained and academy settings have an initial budget calculated for the financial year based on actual funded hours for the previous three terms. They will be set the same tasks as above and their budgets will be recalculated at the end of each term based on the participation data provided in these tasks. Early years pupil premium and additional education needs payments will be paid in line with the schedule of dates.

Parent Declaration Forms

- 17.6 Providers must ensure they hold a fully completed, signed [Parent Declaration Form](#) (PDF) for each child they are claiming free entitlement funding for. The PDF serves as an agreement between the parent and the provider, detailing what free entitlement funding the provider will claim on behalf of the child and authorising the provider to share the parent and child data with the Local Authority and the DfE in order to validate eligibility and claim funding.
- 17.7 The signed PDF is required by the provider to meet their obligations under the General Data Protection Regulation and Data Protection Act 2018.
- 17.8 Where a child accesses their free entitlements across two or more providers, the PDF will be used to resolve any disputes regarding the distribution of funding. BFC reserves the right to clawback funding where providers do not hold a completed, signed PDF or where the funding claimed by a provider does not match the completed PDF.
- 17.9 The PDF does not replace the contract between the provider and the parent/carer and providers are strongly advised to have signed contracts with all parents.
- 17.10 A new PDF must be completed and signed for each change in hours claimed and attached to the superseded declaration. This provides a full audit trail of free

hours claimed for each child. It is not acceptable to cross out/change hours and initial declarations.

- 17.11 Providers do not need a new PDF each term if the child and/or parent details and the free entitlements remain unchanged from the previous term.

Closures

- 17.12 While there is no requirement for providers to be open for 38 weeks of the year (see 10.7), planned closures such as staff training, holidays (including bank holidays) or any other non-emergency reasons which limit access to the free entitlement to fewer than 190 days (or less than 570 hours) a year may not be included in the providers free entitlement claim.
- 17.13 Closures due to emergencies and unforeseen circumstances such as broken heating, inclement weather, sickness outbreak etc. may be included in the providers free entitlement claim.
- 17.14 BFC does not require providers to compensate parents for closures due to emergencies or unforeseen circumstances, however, arrangements between parents and providers must be set out in the providers contract.

Part Weeks

- 17.15 Providers may claim funding in part weeks. Note that part weeks are claimed in decimal format where:
- 1 day = 0.2
 - 2 days = 0.4
 - 3 days = 0.6
 - 4 days = 0.8

As an example, to claim 11 weeks and 3 days a provider would input 11.6 weeks in the provider portal.

Funding Rates

- 17.16 Funding rates to providers are calculated via the Early Years Funding Formula (EYFF). The current EYFF was updated in January 2019 following consultation with all providers and is available on the [BFC website](#).

Attending multiple providers

- 17.17 Where a child is claiming free hours at more than one provider, the parent must complete a PDF with each provider. All PDF's must include the details of all the providers attended and the hours and weeks claimed at each provider.
- 17.18 It is the parents choice how free hours are split between multiple providers. Where parents are claiming 30 hours, the parent must indicate on the PDF which provider is claiming the universal hours and which provider is claiming the extended hours.

Changing childcare provider

- 17.19 BFC has a duty to ensure providers of early education places receive funding for an eligible child as soon as the child takes up their funded place in the Local Authority area, regardless of when during the term this is.
- 17.20 BFC believes that funding should be flexible to allow providers to offer free places that meet the needs of working parents and therefore when a child moves from one provider to another mid-term the funding will follow the child. However, parents do have an obligation to commit to providers and this is reflected in any signed contract between parents and their childcare provider.
- 17.21 BFC must balance the business needs of providers with the need for parents to be able to access flexibility childcare. If there is a signed provider/parent contract which includes a notice period, the provider will be entitled to claim funding for 6 weeks from the date notice is received or to the end of the notice period, whichever is shorter, so long as the provider would normally have been entitled to claim funding for those weeks.
- 17.22 The start of the 6 weeks will be the same date as the start of the contractual notice period.
- 17.23 This does not prohibit providers from including holidays in their notice periods or from having notice periods of longer than six weeks; however, it will be up to providers to enforce the terms and conditions of their contract with parents.
- 17.24 Providers are requested to give consideration to exceptional circumstances in which parents may not be able to give contracted notice.
- 17.25 A child may not change provider while their 30 hours code is in a grace period, please see point 8.4 for details.

Non-Attendance

- 17.26 Free entitlement funding is participation based, with providers funded for the hours attended. Good attendance patterns promote good outcomes for children and starting this as soon as a child starts accessing early years is important. Regular attendance will promote: good habits, secure relationships, self-esteem and support learning and development opportunities. If a provider has concerns about a child's attendance (e.g. unexplained breaks in attendance), a child is not attending the agreed hours, or attendance is irregular, providers must notify the Quality and Development team. An assessment will be made regarding the continued funding of the place, with the primary consideration being what is in the best interest of the child. The team can support the setting to work with parents to improve attendance.
- 17.27 On occasion providers will be notified that a child will not be attending due to a family holiday. Providers may claim for these holiday breaks for periods of up to 6 weeks. However, where a holiday break is for longer than 3 weeks, provider must notify the Early Help Team by email ehbs@bracknell-forest.gov.uk

Early Years Pupil Premium

- 17.28 Early Years Pupil Premium (EYPP) is additional funding for early years settings to improve the education they provide for disadvantaged 3 and 4 year olds. Children must receive free early education in order to attract EYPP funding but do not have to take up their full entitlement in order to get EYPP.
- 17.29 BFC will pay providers EYPP for eligible 3 and 4 year olds. All children in receipt of EYPP will receive an additional deprivation supplement to their hourly funded rate. The funding rates for EYPP and the EYPP deprivation supplement are available on the [BFC website](#). Note that EYPP and the EYPP deprivation supplement apply to universal hours only.
- 17.30 The current eligibility criteria for EYPP are detailed in the DfE [Operational guide 2018-19](#).
- 17.31 Providers are ultimately responsible for identifying eligible children. Providers are encouraged to speak to parents to find out who is eligible for EYPP funding. In particular, providers should speak to the parents of children who took up the early education entitlement for two year olds, as some of these children will attract EYPP the term after their third birthday.
- 17.32 To claim EYPP funding for a child, a provider must have signed permission from the child's parent/carer to check their eligibility. This permission is provided on a [Parent Declaration Form](#). The parent/carer details must then be entered on the child records on the provider portal when the next task is completed. BFC will check eligibility for the EYPP before processing the task and payment for children eligible for EYPP will be included in the funding payment.
- 17.33 EYPP funding will follow the eligible child. Therefore, if a child moves to a different provider part way through the year, an adjustment will be calculated to ensure the existing and the new provider each receive the correct allocation of EYPP funding for the term, taking notice periods into account as set out in paragraphs 17.17 to 17.23.

18. Disability access fund

- 18.1. The Disability Access Fund (DAF) supports registered early years settings to make initial reasonable adjustments and to build the capacity of their setting to support disabled children. DAF must not be used for childcare costs.
- 18.2. The DAF is not based on an hourly rate and will be paid as a one-off payment of £615 per 12 month period for each eligible child.
- 18.3. Children do not have to take up the full 570 hours of early education in order to receive the DAF. Children in receipt of the DAF will be eligible where they take-up any period of free entitlement.

Eligibility

- 18.4. Three and four year olds (term after 3rd birthday) will be eligible for the DAF if they meet the following criteria:
- the child is in receipt of disability living allowance (DLA) and;
 - the child receives free early education
- 18.5. If a child eligible for the DAF is splitting their free place across two or more settings, parents must nominate the setting to whom they wish the DAF payment to be made.
- 18.6. If a child receiving DAF moves from one setting to another within a calendar year, the new setting is not eligible to receive DAF funding for this child until after the anniversary of the previous payment. DAF funding received by the original setting will not be recouped.
- 18.7. In cases where a child lives in one authority and attends a setting in a different local authority, the setting's local authority is responsible for funding the DAF for the child and checking eligibility.

Claiming DAF

- 18.8. Providers claim the DAF on the [provider portal](#). Provider must hold a completed and signed PDF for the child. If the child attends more than one setting the PDF must be completed to confirm which setting has been nominated by the child's parents for receipt of the DAF. Providers must supply a copy of the PDF and the DLA entitlement letter as part of the DAF application process. Providers will have the option to supply the required documents electronically or by post.
- 18.9. BFC aims to process DAF applications weekly with payments for approved applications being processed the following week. Providers (including academies) should receive payment within approximately 14 days of application. Where evidence has been submitted by post the payment process will be delayed until receipt of the documentation. DAF funding is in addition to the free entitlement funding and as such is not included in the forecast budget for maintained settings and academies. DAF payments will be transferred to maintained settings via journal transfer as a lump sum payment.

19. Restrictions

- 19.1. Under the Childcare Act (2006), childminding a relative does not constitute 'childcare'. Under section 18,(4) the 'Meaning of childcare', the Act states that: Childcare does not include care provided for a child by:
- (a) a parent or step-parent of the child;
 - (b) a person with parental responsibility for the child;
 - (c) a relative of the child;
- 19.2. Paragraph 8 (c) defines that a 'relative, in relation to a child, means a grandparent, aunt, uncle, brother or sister, whether of the full blood or half blood or by marriage or civil partnership.

- 19.3. Therefore, it is important to note that childminders will be unable to claim early education funding for any child in their care who has a relationship with them as described above.

20. Compliance

- 20.1. BFC will carry out checks on providers to ensure compliance with the requirements of delivering the free entitlements. Providers must submit to these compliance checks which may be undertaken by the Early Help Team or auditors operating on behalf of the Council. No prior warning of compliance checks will be given.
- 20.2. Compliance checks will be undertaken annually and a selection of providers will be asked to supply the following information for a random selection of children claiming free entitlements:
- Copies of invoices and parent declaration forms
 - Copies of terms and conditions and published fees and charges
 - Copies of compliance records illustrating how the Provider has complied with data protection laws.
- 20.3. The documentation provided will be reviewed for compliance with the signed local conditions of funding and relevant legislation. Where weaknesses are identified, BFC will contact the provider asking for changes to be made. If deemed necessary, a site visit may be requested to carry out a more in-depth compliance check. For maintained providers, identified weaknesses may be referred to audit. Prior notice will be given for onsite visits.
- 20.4. Providers must maintain accurate financial and non-financial records relating to free entitlement places and must give BFC or its nominated auditors access on reasonable notice to all financial and non-financial records (subject to confidentiality restrictions) relating to free entitlement places funded under the provider agreement.
- 20.5. These checks will also assess the responsibilities in regard to compliance to the General Data Protection Regulation and Data Protection Act 2018. Compliance to the personal data standards are your responsibility. Guidance of your responsibilities in regard to how to process and hold personal data are available from the Information Commissioner's Office: <https://ico.org.uk/for-organisations/business/>.

21. Termination and withdrawal of funding

- 21.1. Termination of registration to the Bracknell Forest Local Directory and/or withdrawal of funding may result for the following reasons:
- Suspension of registration by Ofsted or a breach of statutory requirements or safeguarding issues
 - The provider acts in a fraudulent manner, has an action for fraud brought against their business or is convicted of fraud by a recognised court of law
 - Any provider registered on the Ofsted Early Years Register with a funded two year old is judged as 'Satisfactory' or 'Requires Improvement' or lower by OFSTED
 - Any provider registered on the Ofsted Early Years Register with a funded three or four year old is judged as 'Inadequate'⁹ by OFSTED.
 - A childminder with a funded two, three or four year old, registered with a childminder agency (CMA) where the CMA is judged as 'Ineffective' by Ofsted.
- 21.2. BFC do not waive the right to act if we do not act immediately, a slower evidence based approach may be required on occasion.
- 21.3. Where termination of registration and withdrawal of funding are being considered, BFC will look at each case individually. BFC will consider the reason the withdrawal is required, the needs of funded children and whether the provider is actively working with the Council to resolve the issue.
- 21.4. BFC may choose to delay withdrawal of funding if this is considered to be in the best interest of funded children at the setting or where no suitable alternate provision is available.
- 21.5. Where withdrawal of funding is required, BFC we will work with providers to contact the parents of funded children, explaining the reason for withdrawing funding and the available options. Where appropriate BFC will work with parents to arrange alternate provision for funded children.

⁹ For schools inspected by the Independent Schools Inspectorate the relevant inspection judgement is "unsatisfactory".

22. Provider complaints and appeals process

- 22.1. A provider may be denied approval to offer the free entitlements or have their funding withdrawn as set out above. The provider can appeal against that decision.
- 22.2. Wherever possible, the Early Help Team aims to resolve issues as soon as possible and before a formal complaint is made. If you have any questions or concerns about any matter relating to the free entitlement, please contact the Early Help Team in the first instance.

Telephone: Early Help Team 01344 351555

Email: EHBS@bracknell-forest.gov.uk

Write to:

Bracknell Forest Council
Early Help Team
2nd Floor North
Time Square
Market Street
Bracknell
RG12 1JD

- 22.3. If the Early Help Team are unable to satisfactorily resolve your concerns and you still wish to make a complaint about or appeal a decision made by the Early Help Team, please use the [complaints page](#) of the Bracknell Forest Website to escalate the matter:

23. Parental Complaints

- 23.1. Where parents have issues or concerns about accessing the free entitlements or the quality of care, they should discuss their concerns with the provider in the first instance.
- 23.2. If parents concerns are not resolved informally, or they feel the provider did not respond adequately they should follow the providers complaints procedure. Provider should ensure they have a complaints procedure in place that is published and accessible for parents.
- 23.3. After exhausting the providers complaints procedure, if parents are not satisfied with the response they should contact OFSTED or the Council, depending on the nature of their concerns.
- 23.4. Where their concerns are about the quality of care, they should contact OFSTED via their [website](#). For concerns about accessing the free entitlements BFC has a [complaints procedure and complaints form](#) to enable parents to raise their concerns with the Council.

- 23.5. If a parent or provider is not satisfied with the way in which their complaint has been dealt with by the Local Authority or believes the Local Authority has acted unreasonably, they can make a complaint to the [Local Authority Ombudsman \(LGO\)](#). The LGO will only consider complaints when the provider and Local Authority complaints procedures have been exhausted.
- 23.6. If a parent or provider is concerned about how personal data is being processed, held or stored in regards to the General Data Protection Regulation and the Data Protection Act 2018 they can make a complaint to the Information Commissioner's Office <https://ico.org.uk/make-a-complaint/>

DRAFT

1.

Annex A: Summary of Conditions

No.	Conditions
1.	Legal Framework <ul style="list-style-type: none">• Comply with all relevant legislation• Meet the duties of the Equality Act 2010• Have clear safeguarding policies & procedures
2.	Requirements for receiving the free entitlements <ul style="list-style-type: none">• Operate a setting located in Bracknell Forest• Register on the Bracknell Forest Local Directory• Registration with Ofsted (if providing childcare that requires registration)• Comply with the conditions of the Provider Agreement• Actively promote fundamental British Values• Comply with the terms and conditions of the Provider Agreement
3.	Free Entitlements <ul style="list-style-type: none">• Deliver the free entitlements in accordance with the conditions set out in sections 7 and 8 of the Provider Agreement• Check original copies of documentation to confirm a child has reached the eligible age for all free entitlements• Offer free places within the national parameters on flexibility• Publish a stretched offer (if available)• Hold completed, signed Parent Declarations for each funded child
4.	Funding <ul style="list-style-type: none">• Submit accurate headcount and data returns within the published deadlines via the Provider Portal• Register one or more users on the provider portal and activate the account• Only claim free entitlements as detailed in the signed Parent Declaration Form

1.

5.	Charging <ul style="list-style-type: none">• Parents must not be charged for any part of the free entitlements• Providers may charge for meals, consumables, additional hours and additional services• Charges for additional hours and services must be optional• Providers must have a policy for parents who are unable or unwilling to pay for meals and consumables• Fees and charges must be clear, transparent and published• Deposits where charged are refunded with 6 weeks of child's start date• Invoices must be clear, transparent, itemised and include providers full details
6.	Compliance <ul style="list-style-type: none">• Submit to compliance checks by the Early Help Team and any other auditors operating on behalf of the Council.• Maintain accurate financial and non-financial records relating to free entitlement places and make these records available to the Council or its auditors on request.• Comply with responsibilities in regard to the General Data Protection Regulation and Data Protection Act 2018 e.g. Privacy Notice
7.	Early Years Census <ul style="list-style-type: none">• Complete the Early Years census or schools census as appropriate• Keep the Self Update section of the provider portal up to date
8.	Early Years Pupil Premium <ul style="list-style-type: none">• Complete the EYPP section of the PDF
9.	Disability Access Fund <ul style="list-style-type: none">• Complete the DAF section of the PDF• Hold a copy of the DLA entitlement letter and make a copy available to BFC on request
10.	SEND <ul style="list-style-type: none">• Providers must have regard to the Special Educational Needs (SEN) Code of Practice;• Providers must have a SEN Policy or Inclusion Policy which promotes inclusion for all children (including those with SEN) and covers admissions
11.	Quality <ul style="list-style-type: none">• Meet the requirements of the Early Years Foundation Stage• When delivering 3 & 4 year old free places, achieve an overall judgement of 'satisfactory' (prior to 2014) or 'requires improvement' or better under the Ofsted inspection framework.• When delivering 2 year old free places, achieve an overall judgement of good or better under the Ofsted inspection framework.

1.

	<ul style="list-style-type: none">• For childminders registered with a CMA, the agency must be judged 'effective' by Ofsted• Where judged less than good by Ofsted, take measures identified by Ofsted to improve the overall effectiveness of the provision
12.	<p>Termination/Withdrawal of funding</p> <p>Termination/Withdrawal of funding may result from the following reasons</p> <ul style="list-style-type: none">• Suspension of registration by Ofsted• Breach of statutory requirements• Safeguarding issues• Fraudulent actions, accusations of and convictions for fraud• Ofsted re-inspection of inadequate provider results in another inadequate judgement• Failure to comply with the terms and conditions of the Provider Agreement
13.	<p>Complaints</p> <ul style="list-style-type: none">• Providers must have a complaints procedure which is published and accessible to parents• Providers must co-operate with BFC in the investigation of a complaint against them by any party

Annex B: Useful Contacts

	Email	Telephone
Group Provision	QD.Team@bracknell-forest.gov.uk	01344 312851
Childminders	QD.Team@bracknell-forest.gov.uk	01344 312851
Funding and Business Support	EHBS@Bracknell-Forest.gov.uk	01344 351555
Funded Two Year Olds	Early.Education@bracknell-forest.gov.uk	01344 354450

TO: SCHOOLS FORUM
DATE: 20 JUNE 2019

**IMPROVING LEADERSHIP AND GOVERNANCE OVER
SPECIAL EDUCATIONAL NEEDS SUPPORT AND THE HIGH NEEDS FUNDING BLOCK
Executive Director: People**

1 PURPOSE OF REPORT

- 1.1. This report is an update on the proposal to pilot a mechanism for children and young people to have prompt access to short-term additional *specialist* support from the High Needs Block (HNB) without having to wait to go through an Education Health Care (EHC) Plan statutory needs assessment to access Element 3 'top up funding'.

2 RECOMMENDATION

- 2.1 **To AGREE to continue until the end of the financial year the pilot mechanism for children and young people to have prompt access to short-term additional *specialist* support from the HNB without having to go through an EHC Plan statutory needs assessment to access Element 3 'top up funding' as summarised in paragraph 0.**
- 2.2 **To AGREE that the project is reviewed before the end of the financial year to determine on-going sustainability as well as recommendations for going forward if this is agreed.**

3. REASONS FOR RECOMMENDATION

- 3.1. To date the pilot hub work is still underway and some of the work has started recently and it will take more than a few weeks to measure the impact. Head teachers hosting the hubs have received an outcomes framework to report on, and there will be meetings arranged with each head teacher to discuss the impact of the work in relation to outcomes for children and young people. This will include capturing the voice of the children and young people who have been supported (some of this work has already begun).

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Stay as we are. We have a high level of fixed-term exclusions at SEN Support and need to tackle this. There is an existing series of panels and processes within Bracknell Forest to oversee children and young people at different stages and levels of need. However, we want to ensure we are really robust in our efforts to eradicate exclusions, identify needs and provide prompt support for those children and young people who require what is additional to what schools would be expected to provide.

5 SUPPORTING INFORMATION.

Introduction

- 5.1 A report was presented to the Schools Forum in December 2018 to propose the establishment of a pilot mechanism for children and young people to have prompt access to short-term additional *specialist* support from the HNB without having to go through an EHC Plan statutory needs assessment to access Element 3 ‘top up funding’.
- 5.2 The Forum agreed that the pilot should be put in place, with an update report on progress to be presented to the Schools Forum before the end of the summer term and this is attached at Annex A.
- 5.3 The pilot scheme is recommended to be extended to the end of the financial year in order to fully develop aspects of the scheme to establish.
- 5.4 The remaining paragraphs of section 5, the supporting information, summarise the content of the December 2018 report.

Background

- 5.5 The pilot scheme represents a proposal 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. Local Authorities (LAs) receive funding for these provisions from the Department for Education (DfE) and in general commission services from providers. In-house arrangements are made in a relatively small number of areas.
- 5.6 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:
- 5.6.1 **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.
- 5.6.2 **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.
- 5.2.3 **Element 3, or ‘top-up funding’:** funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs. This element is paid to all provider types, for pupils with assessed needs above the £10,000 threshold.
- 5.7 Additionally, HNB DSG is also intended to be used where high needs provisions are not arranged in the form of places e.g. specialist support for pupils with sensory impairments, or tuition for pupils not able to attend schools etc.

5.8 The key features of the proposal are:

- 5.8.1. To establish a multi-agency hub as a pilot until the end of the financial year 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'.
- 5.8.2. A school representative would attend the hub to present the child's case, alongside a social worker if the child's case is open to social care. This face-to-face presentation would be in addition to a simple form sent to the hub beforehand setting out the child/young person's needs, **if these are not already captured in any other existing form** on the child/young person- a CAF, EHC assessment request etc... which would be welcomed instead.
- 5.8.3. The impact of the additional resource/support on outcomes for the child/young person to be reviewed at the end of the time-period set by the hub and the hub would decide the next step.
- 5.8.4. Where it is decided that no additional support/resource is necessary, guidance and signposting to appropriate services would be provided by the hub.
- 5.8.5. To initially work with 5 schools
- 5.8.6. An evaluation report will be presented to the Schools Forum to consider towards the end of the summer term to agree the future of the project

5.9 The key benefits of the proposal are expected to be:

- 5.9.1 Improving **outcomes for pupils** across underperforming schools (starting with a small pilot of 5 schools, then increasing to 10)
- 5.9.2 Reducing fixed term exclusions at SEN Support.
- 5.9.3 Modelling **value for money use of 'top-up funding** (from the High Needs Block) to impact on outcomes for pupils who are at risk or in crises in relation to their progress and attainment as learners. This is the **eligibility criteria** at the 5 selected schools.
- 5.9.4 **Outcomes to be measured** in relation to each child/young person's starting point.
- 5.9.5 **Modelling good practice**, by specifying and quantifying interventions and support that have evidence-based proven impact on pupil outcomes. Providing **consistency, transparency and equity** in relation to funding allocations and interventions according to need.

5.10 In terms of anticipated financial implications, these are difficult to predict until the hub is in operation and the impact can be properly measured. Starting with a time limited pilot, restricted to a maximum of 10 schools will ensure that should a cost increase occur, this will be relatively small. The Schools Forum has previously agreed that the SEN Strategic Reserve with a balance of funds of £.439m would be used to finance any identifiable additional costs.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Director of Finance

- 6.1 The supporting information details the unknown nature of potential financial implications from the proposals, however, these are expected to be relatively low due to the limited time and restricted scope of the proposal. Should any costs emerge from the pilot, there are expected to be sufficient funds in the SEN Strategic Reserve to finance them.

Borough Solicitor

- 6.2 The Council has the legal powers to use the High Needs Budget in the way proposed in the report.

Equalities Impact Assessment

- 6.3 This would not disadvantage children and young people with SEND who have unmet needs but would pilot a mechanism to ensure we meet their entitlements to have their needs met.

This would remove or minimise disadvantages suffered by pupils who have identified or unidentified SEND (protected characteristic under the public sector equality duty)

Strategic Risk Management Issues

- 6.4 The main risks are:
- Outcomes for pupils across under performing schools will not sufficiently improve.
 - Fixed term exclusions arising from SEN support will not reduce.
 - Ensuring specialist support has the capability and capacity to deliver.

These risks will be mitigated by the pilot scheme which will help to determine medium term solutions. The identified risks are where we are now in relation to the current system for allocation of High Needs Funding on EHC plans, as we are moving towards specifying and or quantifying quality skilled specialist support and evidence-based interventions.

Principal Groups Consulted

- 7.1 People Directorate Management Team. Discussion with representative Head Teachers.

Method of Consultation

- 7.2 Written report to People Directorate Management Team; informal discussion with representative head teachers

Representations Received

- 7.3 Included in body of the report.

Background Papers

Report on the pilot hub programme

Contacts for further information

Jackie Ross, Interim Head of SEND (01344 354126)
jackie.ross@bracknell-forest.gov.uk

Kashif Nawaz, Head of Children's Specialist Support Services (01344 353318)
Kashif.nawaz@bracknell-forest.gov.uk

Rachel Morgan, Assistant Director: Education and Learning (01344 354037)
rachel.morgan@bracknell-forest.gov.uk

Report on the pilot hub programme Jackie Ross May 2019

The aim:

The aim of the pilot hub project was to look at developing a means to ensure that children and young people have prompt access to short-term additional specialist support from the High Needs Block without having to wait for an EHC needs assessment and Plan.

The criteria for a child/young person to be presented to the hub was to be that they are 'at risk' or 'in crises' in relation to making less than expected progress as learners (based on the SEND Code of Practice)-whether they were on SEN Support in school or not.

Drivers:

National Context -High Needs Funding Operational Framework:

'Although many of the pupils and students receiving high needs funding will have EHC plans, local authorities have the flexibility to provide high needs funding outside the statutory assessment process for all children and young people with high needs up to the age of 19.' *High Needs Funding Operational Guide 2019-2020*. Education and Skills Funding agency.

Local Context:

The pilot hub project was established in response to:

- Our high rate of fixed-term exclusions at SEN Support (higher than national and statistical neighbour averages), in the context of our overall increasing number of fixed and permanent exclusions for all children and young people.
- Concerns about identification of children/young people's needs as well as lack of specialist capacity to work in schools to model and cascade support and interventions in schools.
- The High Needs Block review 3 years ago reported that head teachers wanted improved arrangements for children/young people with SEN and greater transparency of High Needs Block funding and its allocation.

Findings

The schools:

Six schools were selected to host the pilot hubs, of which three are primary schools, three are secondary schools and three are academies:

- Jennetts Park CE Primary School
- Great Hollands Primary School
- Sandy Lane Primary School
- Brakenhale School
- Easthampstead Park Community School
- Garth Hill College

The children and young people:

Of the 36 children and young people who were presented across the age range, from primary to secondary phases:

- The majority were identified as SEN and five have EHC Plans.
- There is variance across cognitive levels.

- Some have had previous fixed-term exclusions.
- The majority were at risk of fixed-term exclusions.
- Two pupils have had fixed term exclusions since the hub was held at their schools. Another pupil was already on a fixed term exclusion as work began.
- A frequent factor was home issues.

Outcomes

The outcome to be achieved: *To engage in the curriculum, and make progress as learners, through finding ways to be self-regulating.*

For the children and young people presented, ***work is still ongoing***. All host head teachers have received an outcomes framework and will be visited this term to discuss the impact of the project for children and young people against this framework. This will include capturing the voice of the children and young people who have been supported (some of this work has already begun).

A significant factor is that the main challenges for the children and young people presented to us is that there are issues in relation to the challenges of meeting their SEMH needs within the learning environment, and at the same time, a significant number have challenging home environments. We found that:

- A variety of interventions had already been tried. These varied in quality according to setting and specialist input.
- There is a need for some pupils to be on an alternative pathway - either alternative ***curriculum*** or provision, instead of differentiation. -The new Ofsted framework gives credence to this.
- There is need for greater specialist input in terms of capacity and skills for work between school and family-***in addition to work already underway*** by the schools.

Issues raised:

1. The positive experience of:

- Developing creative ways of services working together: becoming a team together, - culminating in offering our support systemically to a school needing systemic support and looking at how we could support whole school improvement.
- The creative partnership between schools and the local authority.
- The keenness of head teachers to ensure the right input for their pupils.
- The positive contextual experience of meeting in schools where the pupils are placed.

2. The need for:

- ***More readily available specialist input*** as set out in the SEND Code of Practice - do we need to create a value for money market e.g. to increase specialist outreach at SEN Support - for which schools can cluster together as commissioners?
In particular, this support would be:
 - ***Support for pupils presenting with SEMH between home and schools*** (for some there had been previous Early Help and Family Intervention Team involvement, but they still remained at risk of fixed-term exclusion).
 - Cognitive behavioural therapy and other value-for-money group work.
 - Access to alternative curriculums within mainstream school.

- A local framework to set out what is expected to be **ordinarily available**:

*‘As part of their discussions on how high needs funding is used, local authorities should work with institutions that have pupils or students with high needs to ensure there are clear processes for determining and allocating top-up funding. This should include agreeing what additional needs mainstream schools and colleges should meet from their own resources (taking account of any additional support or funding provided centrally) and where top-up funding might be provided. This information should be published as part of the local offer of SEND services and provision’.*¹

- Alternative pathways - curriculum or provision (e.g. the Forest School)
- And, at High Needs level (Element 3), to create a more specialist menu of support to meet children and young people’s more complex needs.

Costs:

Teaching Assistant support (2 x 0.5 FTE March-July)	4688
Forest School-2 pupils one term	2280
Commissioned specialist input	2845
Total	9813

These costs are **in addition to input** from current specialist teams- Autism outreach, the Support for Learning Service and the Behaviour Support Team (who follow on after our sessional worker). Plus attendance at the hubs (including the Educational Psychology Service). We were also supported by Debbie Smith (Inclusion Team), and our specialist children’s social work service.

Strategic recommendations going forward:

- Continue the hub for the rest of the financial year while longer-term recommendations are developed, if there is agreement to continue the hub.
- Recommendation for the short-term until end of March 2020:
 - a. Consider continuing the hub to be held in one location -i.e. at each school cluster-- in one school base, or centrally at Time Square. This is more resources efficient.
 - b. Operational support capacity required from September.
- Develop a pathway from universal, targeted and specialist support for children and young people with SEMH, across, education, health and social care. (Our ordinarily available and local offer and higher level of support)
- Develop support that works between home and school.

‘Many local authorities have systems which indicate the range of top-up funding which might be provided for children and young people with a particular complexity of need (sometimes referred to as ‘banded’ funding systems). This can be helpful in

¹ *High Needs Funding Operational Guide 2019-2020’. Education and Skills Funding agency.*

providing clear and transparent funding arrangements for many types of need that may be met in a range of different institutions.²

Specialist support for pupils at risk of exclusion may be commissioned by the local authority or by schools (using funding devolved by the local authority).

This work to date represents a close partnership between schools and the local authority as well as a shared keenness to move forward in the interests of children and young people.

The voice of a pupil who is supported through the hub.

What I like about the Forest School

- I like to learn there.
- Chopping wood
- Finding out about names of trees
- Working with animals
- A nice teacher who lets me decide what to do.
- Feeling safe
- Not having to wear uniform
- I look forward to going when I am back in my school and it motivates me to 'be good'.

² *High Needs Funding Operational Guide 2019-2020'. Education and Skills Funding agency.*

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TO: SCHOOLS FORUM
DATE: 20 JUNE 2019

REVIEW OF ALTERNATIVE PROVISION ACROSS BRACKNELL FOREST **Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 There has been a long standing item raised by Schools Forum at the lack of strategic options available to confidently and appropriately commission alternative provision. This is in the context of rising costs and questions of ongoing affordability within the overall budget provision, This report outlines the outcome of the initial review of the overall approach, structures and systems to deliver Alternative Provision at all key stages and to map need against this.
- 1.2 The aim of the review was to evaluate and analyse need, current practice and develop a plan of action from June – November 2019 which will then feed into a medium term three year plan linked to the development of the High Needs Block.
- 1.3 The review included key stakeholders from Bracknell Forest Primary and Secondary Schools, the Pupil Referral Service and contributions from local authority services by sharing information and best practice including references to observed outcomes for children and young people.

2 RECOMMENDATION

- 2.1 **That Schools Forum note the report and the next steps as set out in 5.8.**

3 REASONS FOR RECOMMENDATION

- 3.1 The steps set out in 5.8 are a plan of action for the period from June – November 2019. The outcomes will feed into medium term arrangements and linked partly to the funding proposals for the High Needs Block for the next three financial years.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

- 5.1 The Statutory Guidance on Alternative Provision, January 2013 sets out the duties of the local authority in relation to Alternative Provision:
 - Local authorities are responsible for arranging suitable education for permanently excluded pupils, and for other pupils who – because of illness or other reasons – would not receive suitable education without such arrangements being made.
 - Governing bodies of schools are responsible for arranging suitable full-time education from the sixth day of a fixed period exclusion.

- Schools may also direct pupils off-site for education, to help improve their behaviour.
 - Statutory guidance sets out the government's expectations of local authorities and maintained schools who commission Alternative Provision and Pupil Referral Units.
- 5.2 The Review was designed to consider and evaluate existing Alternative Provision at all key stages to consider what structures and systems should be in place to meet current and future needs of Bracknell Forest's vulnerable and at risk children and young people. Financial arrangements and current practice were also reviewed highlighting trends and need with the view to facilitating the development of a robust and strategic approach to Alternative Provision across the borough.
- 5.3 The key lines of enquiry for the initial review were:
- **Mainstream Provision:** What support do we need for pupils with high incidence, high/low need that schools can commission through their notional SEN funding budget?
 - **Alternative Provision:** What opportunities are currently available for mainstream schools when they were not able to engage a pupil with the core curriculum offer? What might this commissioning model look like for schools?
 - **What should central training for SEMH for school leaders look like?**
- 5.4 There are various situations that could lead to a child or young person needing to access alternative provision. These include:
- Behaviour which results in a permanent or fixed-period exclusion, or an off-site direction by a school;
 - Health reasons – including physical or mental health needs; and
 - Where a child is awaiting placement in a mainstream school.
- 5.5 Through national research, we know that the impact of exclusion can have a negative impact. Children who have been excluded are also disproportionately represented in the criminal justice system. A study found that 63% of prisoners stated that they had been temporarily excluded while at school, and 42% were permanently excluded. Of those young offenders sentenced in 2014, who were recorded as being 16 or 17 years old on their sentence date, 23% of those sentenced to less than 12 months in custody had been permanently excluded from school prior to their sentence date and 16% of those sentenced to 12 months or longer. Working with our Youth Offending Service in respect of securing appropriate alternative education and training pathways will continue to remain a priority.
- 5.6 The review considered data from Appendix 1 which outlines change in trends over the past 4 years. Locally, this is reflected in an increase in:
- Demand for local specialist provision which is in excess of capacity
 - Demand for support for inclusion
 - Demand for specialist services including statutory and non-statutory EP services
 - Demand for SEMH support in schools

- Transport demand
- number of EHCPs
- Out of borough placement costs

Financial context

5.7 As well as needing to address the availability of appropriate support services for Alternative Provision, costs are increasing, with spend on Education other than at School rising from £1.203m in 2017-18 to £1.669m in 2018-19 where the budget over spent by £0.348m, primarily as a result of increased spend on home tuition and the purchase of externally commissioned alternative provisions.

5.8 Next steps: June – November 2019:

- i. Reviewing trend data has led to the collation of school level information which now needs to be further analysed to establish current and future need. This will be a future agenda item for Schools Forum sub-group.
- ii. Develop a centralised commissioning model for Alternative Provision with QA process including areas of financial responsibility and equity of access. Schools have indicated the preference for the local authority to propose a centralised commissioning model for both provision and financial arrangements.
- iii. Define 'crisis', establish consistent approach and what provision should be in place.
- iv. Review the pathway of support from specialist teaching services (e.g. Autism Support, Support for Learning and Behaviour Support) leading to a more strategic, whole school approach.
- v. Review the offer from CAMHS to schools at Tier 2 and engage with Health to address gaps in current provision.
- vi. Linked to the work of the sub group of the schools forum, a clear and consistent approach is needed to establish thresholds for identifying those on SEN Support. This needs to be linked to review of existing banding and thresholds for support at different levels.
- vii. Role of the Teaching School: Develop model of CPD to better support children and young people with SEMH needs.
- viii. Consider alternatives to off-site provision?
- ix. Liaise with the Youth Offending Service to have a clear understanding of the characteristics of young people known to them to ensure local services are appropriately are developed and directed.

5.9 The local authority will work with schools to address actions needed against these steps.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Director of Finance

6.1 The Director of Finance is satisfied that no significant financial implications arise from undertaking the work proposed in this report. The financial implications from any

proposed changes to services that may result will need to be considered as part of the overall budget setting process.

Borough Solicitor

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

Equalities Impact Assessment

- 6.3 Current practice lacks clarity on commissioning arrangements as well as oversight of level of impact on any interventions. This development will support the local authority and schools to commission alternative provision more strategically subject to a monitoring framework.

Strategic Risk Management Issues

- 6.4 The main risks are:
- Fixed term exclusions will not reduce.
 - Continued increase in cost of commissioning alternative provision.

These risks will be mitigated by the development of a commissioning framework in partnership with schools and linked to the broader developments on the direction of the High Needs Block.

7 CONSULTATION

Principal Groups Consulted

- 7.1 People Directorate Management Team. Discussions with representative Head Teachers.

Background Papers

Appendix 1: Changing Trends 2015 - 2019

Contacts for further information

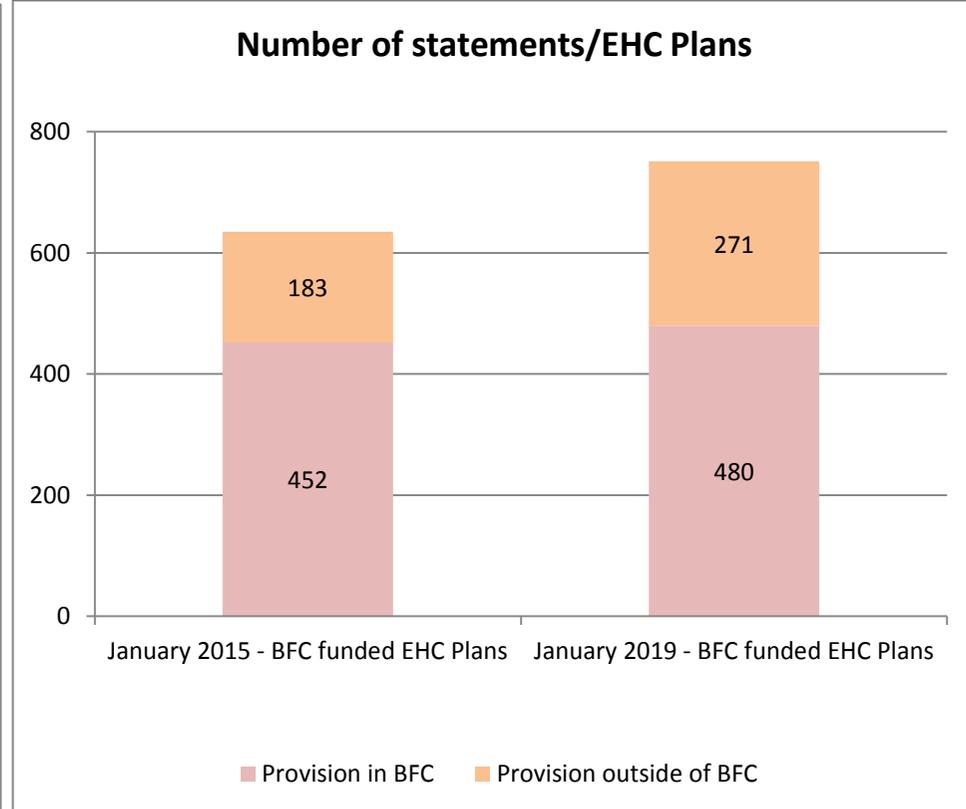
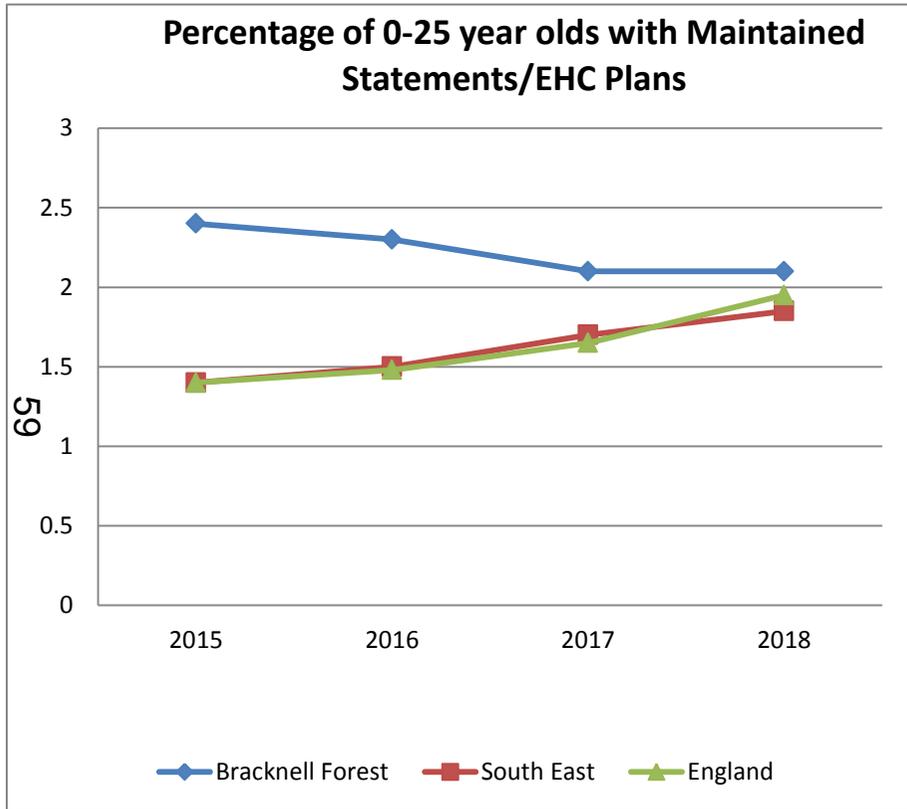
Kashif Nawaz Head of Children's Support Services
01344 353318 kashif.nawaz@bracknell-forest.gov.uk

Rachel Morgan Assistant Director: Education and Learning
01344 354037 rachel.morgan@bracknell-forest.gov.uk

Appendix 1:

Changing Trends: 2015 – 19

Tables 1 and 2:



Tables 3 and 4:

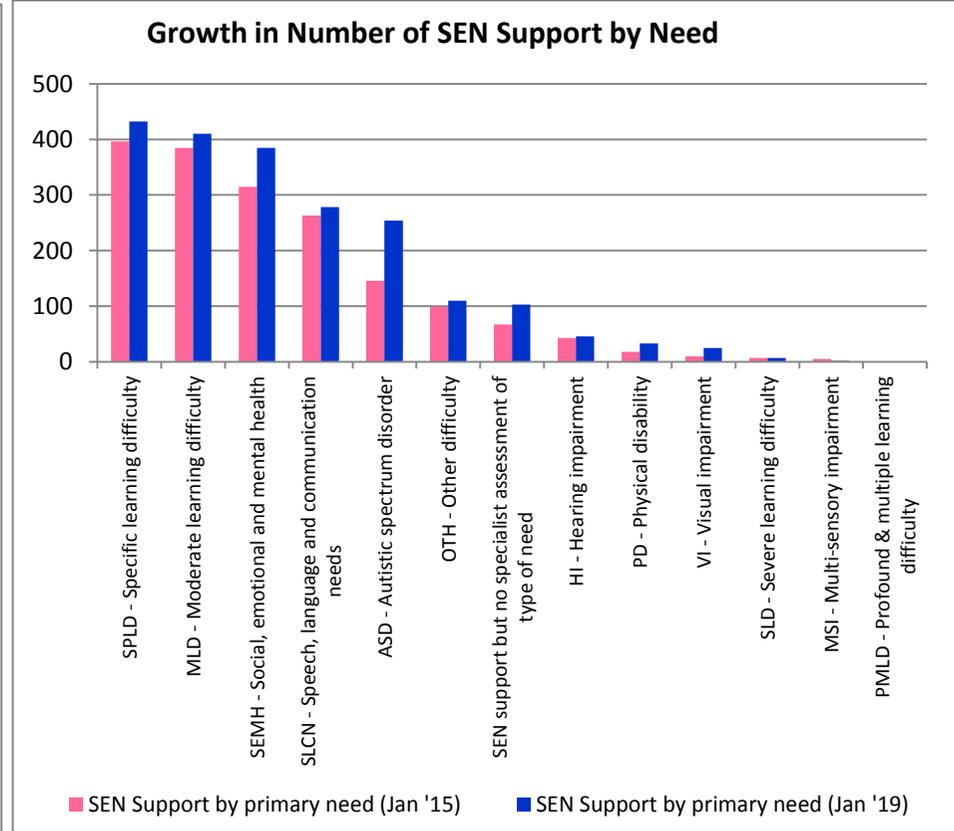
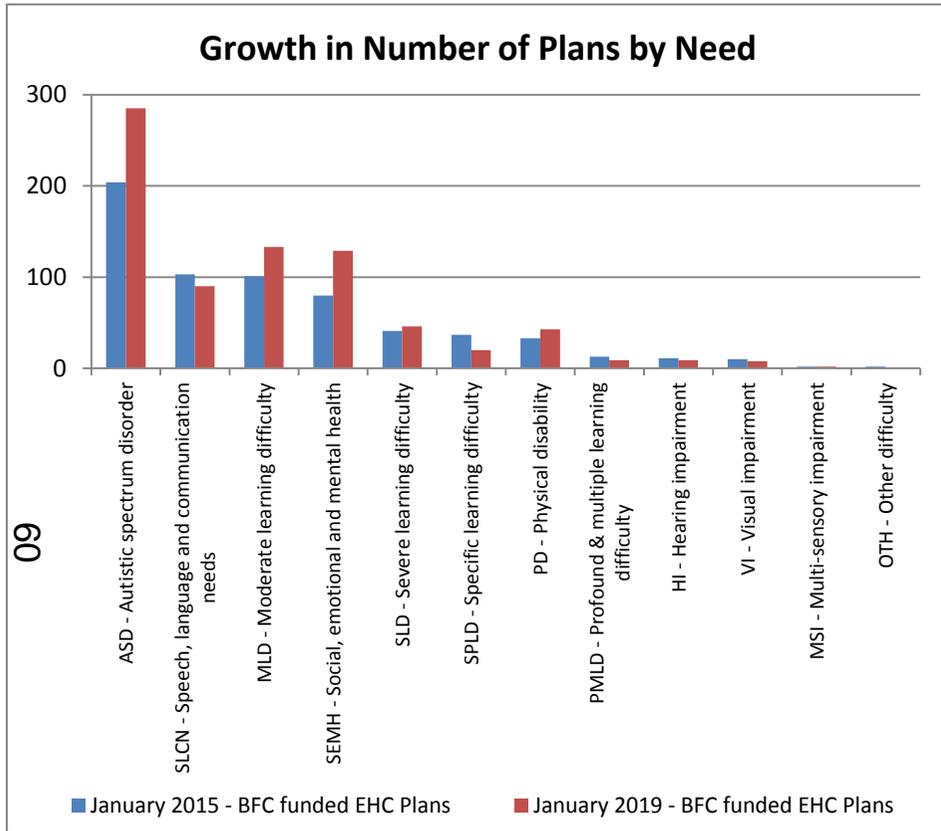


Table 5:

SEN: Primary Schools Only, 2015 - 2019

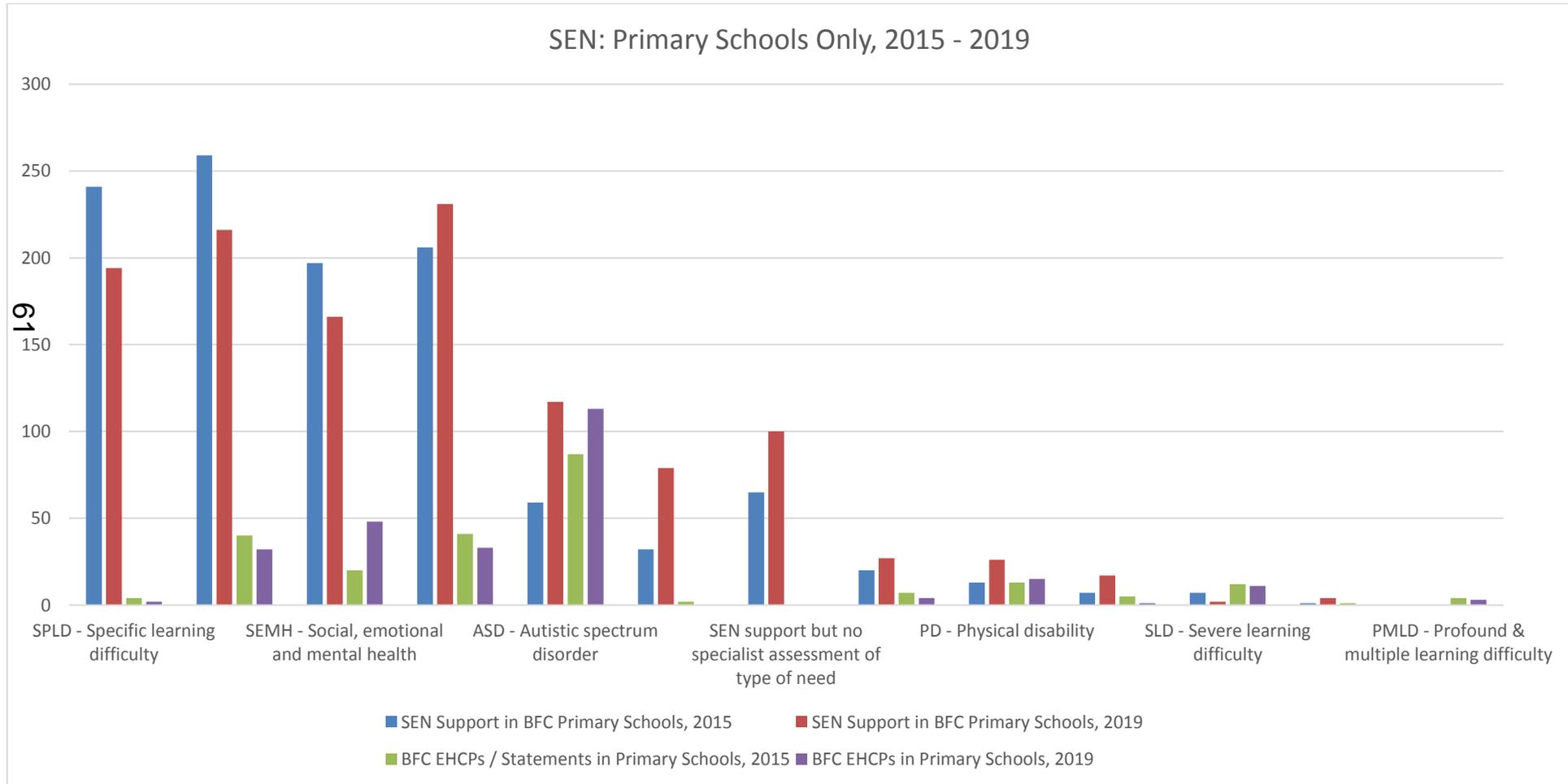


Table 6:

SEN: Secondary Schools Only, 2015 - 2019

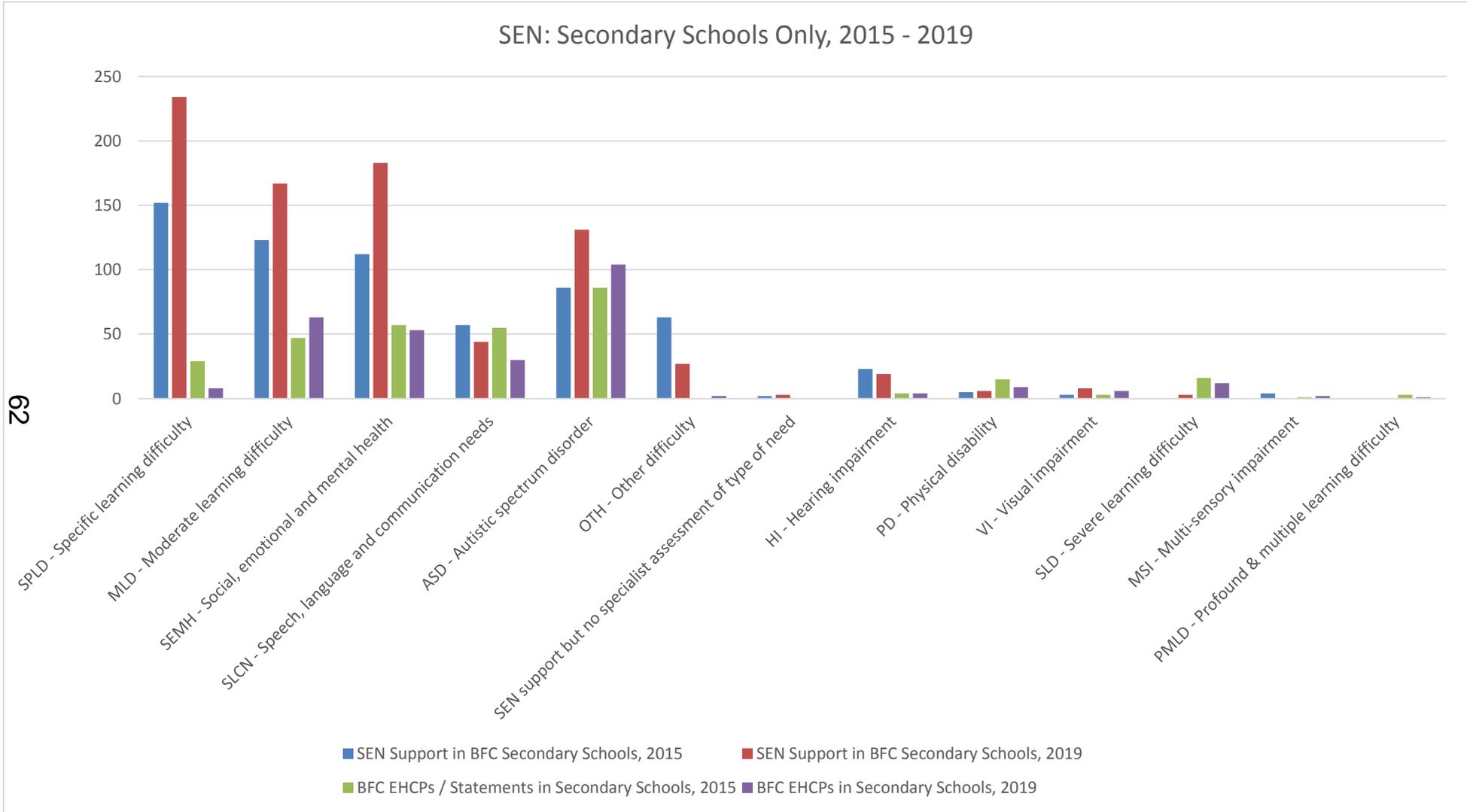


Table 7:

		Bracknell Forest					Statistical Neighbours			England						
		2014	2015	2016	2017	Trend	Latest Avg.	La vs Stat. Neigh. Rank	Latest Diff.	2014	2015	2016	2017	Rank	LA vs England Latest Diff.	Trend
								-5% 0% +5%							-5% 0% +5%	
Overall	Fixed term exclusion rate - EHCP	6.2%	8.0%	9.5%	7.7%		16.1%	1st	-8.4%	15.2%	15.1%	15.0%	15.9%	20th	-8.2%	
	Fixed term exclusion rate - SEN Support	9.4%	9.1%	12.0%	17.3%		15.3%	9th	+2.0%	10.8%	12.3%	13.7%	14.8%	114th	+2.5%	
	At least one fixed term exclusion - EHCP	3.3%	3.3%	5.1%	4.2%		6.4%	2nd	-2.2%	6.4%	6.3%	6.3%	6.4%	21st	-2.2%	
	At least one fixed term exclusion - SEN Support	4.4%	4.7%	5.0%	5.8%		6.5%	3rd	-0.7%	5.2%	5.6%	5.9%	6.2%	69th	-0.4%	
	Permanent exclusion rate - EHCP	0.00%	0.00%	0.00%	0.00%		0.2%	1st	-0.2%	0.15%	0.16%	0.17%	0.16%	1st	-0.16%	
	Permanent exclusion rate - SEN Support	*	0.00%	*	*		0.3%	*		0.25%	0.29%	0.32%	0.35%	*		
Primary	Fixed term exclusion rate - EHCP	8.4%	11.8%	11.2%	3.7%		16.1%	1st	-12.4%	10.7%	10.9%	11.3%	12.7%	20th	-9.0%	
	Fixed term exclusion rate - SEN Support	2.7%	3.8%	8.7%	10.5%		9.5%	9th	+1.0%	4.5%	5.3%	6.3%	7.2%	134th	+3.3%	
	At least one fixed term exclusion - EHCP	4.8%	5.2%	5.2%	3.7%		6.3%	2nd	-2.6%	4.5%	4.6%	4.7%	5.1%	48th	-1.4%	
	At least one fixed term exclusion - SEN Support	1.7%	2.5%	3.1%	2.8%		3.7%	1st	-0.9%	2.0%	2.4%	2.7%	3.0%	82nd	-0.2%	
	Permanent exclusion rate - EHCP	0.00%	0.00%	0.00%	0.00%		0.3%	1st	-0.3%	0.16%	0.16%	0.22%	0.20%	1st	-0.20%	
	Permanent exclusion rate - SEN Support	0.00%	0.00%	*	*		0.2%	*		0.10%	0.12%	0.15%	0.16%	*		
Secondary	Fixed term exclusion rate - EHCP	10.0%	13.1%	18.4%	18.6%		23.8%	2nd	-5.2%	22.3%	23.8%	24.9%	26.6%	41st	-8.0%	
	Fixed term exclusion rate - SEN Support	20.8%	19.5%	17.9%	28.7%		23.7%	9th	+5.0%	19.1%	22.5%	25.3%	27.2%	105th	+1.5%	
	At least one fixed term exclusion - EHCP	4.7%	5.0%	10.5%	9.0%		10.6%	3rd	-1.6%	10.0%	10.4%	10.6%	11.1%	32nd	-2.1%	
	At least one fixed term exclusion - SEN Support	8.8%	8.9%	8.4%	10.9%		10.5%	8th	+0.4%	9.3%	10.3%	11.0%	11.4%	70th	-0.5%	
	Permanent exclusion rate - EHCP	0.00%	0.00%	0.00%	0.00%		0.3%	1st	-0.3%	0.27%	0.27%	0.27%	0.31%	1st	-0.31%	
	Permanent exclusion rate - SEN Support	*	0.00%	0.00%	*		0.5%	*		0.44%	0.55%	0.59%	0.67%	*		
Special	Fixed term exclusion rate - EHCP	*	0.0%	0.0%	0.0%		13.1%	1st	-13.1%	13.6%	12.8%	11.9%	12.5%	1st	-12.5%	
	At least one fixed term exclusion - EHCP	*	0.0%	0.0%	0.0%		4.4%	1st	-4.4%	5.4%	5.1%	4.9%	5.0%	1st	-5.0%	
	Permanent exclusion rate - EHCP	0.00%	0.00%	0.00%	0.00%		0.1%	1st	-0.1%	0.07%	0.09%	0.09%	0.07%	1st	-0.07%	

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Exclusions

Table 8:

The overall numbers for exclusions for 2017/18 and 2018/19 (to date) are:

	2018/19 so far (up to 21st May 2019)			2017/18 (full year)		
	FIXED	PERMANENT	TOTAL	FIXED	PERMANENT	TOTAL
Primary	85	0	85	141	3	144
Secondary	408	6	414	609	14	623
ALL (includes Special and PRU)	514	6	520	799	17	816

TO: SCHOOLS FORUM
DATE: 20 JUNE 2019

2020-21 INITIAL BUDGET PLANNING **Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is for the council to present information relating to the initial works expected to be undertaken in constructing the 2020-21 Schools Budget. It presents an early opportunity to gather views from the Forum on current plans.
- 1.2 It is presented in advance of Department for Education (DfE) funding announcements, the outcomes from the school census and other data used for the budget setting process and is therefore focused on local policy development and general planning.

2 EXECUTIVE SUMMARY

- 2.1 Proposals for reforming school and education funding, most notably through the introduction of a School National Funding Formula (SNFF), were initially announced by the government in March 2016 and after significant changes over the last two financial years, a more stable approach is expected from the DfE, although 2020-21 funding details have yet to emerge, with an increased likelihood that there will be a one year financial settlement rather than being part of a more strategic 3 year settlement with details to be confirmed in late autumn, rather than before the end of the summer term. Early budget planning will therefore assist in the more challenging circumstances.
- 2.2 Taking account of the anticipated position for Bracknell Forest, the council expects to undertake 3 consultations with schools in advance of setting the 2020-21 budget, all of which have previously been reported to the Forum:
 1. Simplification of the calculation of school budgets to better reflect approaches of other local authorities whilst maintaining the objective of a close fit to the SNFF;
 2. To examine the case for a funding transfer of 0.5% from the Schools Block – circa £0.350m – to help finance expected cost pressures on the High Needs Block (HNB). Many LAs are facing significant cost pressures on their HNB which has recognised by the government with an additional allocation of grant to all LAs
 3. A review of the BF Early Years Funding Formula to validate the current factors in use and their relative weightings as appropriate
- 2.3 The Forum is also invited to make comments on any other areas of development that should be considered as part of the 2020-21 budget setting process.

3 RECOMMENDATIONS

- 3.1 **To NOTE the key developmental activities planned for the 2020-21 budget setting exercise, as set out in Table 1, including the expected consultation timelines.**
- 3.2 **To AGREE the release of the consultation with schools that seeks views on changes to the BF Funding Formula for Schools and other related matters.**
- 3.3 **To COMMENT on whether any other areas of work should be considered.**

4 REASONS FOR RECOMMENDATIONS

- 4.1 To gather views from the Schools Forum on developing the 2020-21 Schools Budget.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 None at this stage. The actual budget setting process will consider a range of options.

6 SUPPORTING INFORMATION

Background

- 6.1 The Forum has been kept up to date with government proposals for reforming school and education funding that were first announced in March 2016, most notably through the introduction of a School National funding Formula (SNFF). Annex 1 provides a brief outline of the reforms, which is the same information that was reported to the Schools Forum in the January 2019 budget report.

Initial planning for the 2020-21 Schools Budget

- 6.2 In order to effectively plan for the 2020-21 Schools Budget, the council has identified a number of key activities that need to be undertaken relating to matters that are decided locally by the Executive Member through the guidance of the Schools Forum. There are 3 significant areas for which consultations with schools and providers are considered necessary in order that the views of key stakeholders are known and considered at an appropriate time. These are summarised together below in Table 1.

1. Review the arrangements for funding schools

- 6.3 The current agreed approach to calculating school budgets is to aim for a close match between the BF Funding Formula and the SNFF which is a complicated and time consuming process due to the different frameworks in place around each method. The differences in national funding assumptions in the SNFF about local pressures, such as for the Growth Fund¹, can also impact on the ability to achieve SNFF rates.
- 6.4 The calculation of individual school budgets involves the determination of the total affordable budget and then each factor value in the BF Funding Formula is adjusted on a trial and error basis until such time as a best fit for all schools has been achieved. It is therefore an inefficient, time consuming and iterative process that can deliver unexpected factor values.
- 6.5 In order to use a more consistent, predictable and transparent approach, the methods adopted by other LAs have been examined and the common themes emerging are the application of a single or small number of scalings to SNFF funding rates to make total funding allocations affordable to budget², with some LAs adding protection to a limited number of factor values, typically to protect deprivation funding rates, and therefore the most vulnerable pupils, or the fixed lump sum amount that all schools receive equally and which generally benefits smaller schools.

¹ 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

² The SNFF has yet to be fully implemented by the DfE and therefore the LAs with the lower historic per pupil funding rates, such as BFC, have yet to reach their full, on-going funding allocation. Therefore, a number of LAs will not be able to pay full SNFF funding rates even before consideration of any specific, local pressures.

6.6 4 different Options for change have been developed with the intention of seeking views from schools through consultation on the preferred Option for the Forum to make a recommendation to the Executive Member:

1) **Option 1** Match SNFF³.

Underlying Principles: The SNFF contains the correct factors and the correct weight of funding for the demographics and key priorities for BF and therefore all factors should be scaled at the same rate.

Impact on SNFF rates: All factor values would be funded at around the same 97.2% of the SNFF rate.

2) **Option 2** Prioritise funding allocations through additional needs factors and the fixed lump sum.

Underlying Principles: The shortfall in funding from the SNFF should not affect intended funding allocations for pupils with additional needs or the smallest schools that benefit less from economies of scale compared to larger schools. Any reduction in factor values would be restricted to core per pupil funding.

Impact on SNFF rates: Core per pupil funding rates would be funded at around 96.8% of SNNF factor values, with all other factors funded at SNNF values.

3) **Option 3** Prioritise core per pupil funding allocations.

Underlying Principles: The shortfall in funding from the SNFF should not affect core per pupil values but rather all other factors. The alignment of the SNFF to the average LA funding distribution through the SNFF, with additional weighting to additional needs factors is not a close match to the demographic profile in BF as an area of low deprivation.

Impact on SNFF rates: Core per pupil funding rates would be funded at 100% of SNNF factor values, with all other factors funded at around 88.6% of SNNF values.

4) **Option 4** Prioritise funding allocations through additional needs factors with the highest prioritisation given to the fixed lump sum

Underlying Principles: The smallest schools that benefit less from economies of scale compared to larger schools and gains from the SNFF face the greatest financial challenge in BF and the fixed lump sum allocation should be protected at the current BF rate which is above the SNFF rate. Funding allocations for pupils with additional needs should also be prioritised, but limited to the SNFF rates.

Impact on SNFF rates: 100% SNFF rates would be paid for deprived pupils and those with the lowest attainment levels. Enhanced funding would be paid on the fixed lump sum allocation - 128.53% of SNFF rate for secondary schools and 138.54% for primaries – to provide additional support to the schools with the fewest pupils. This approach results in core per pupil funding rates being set at around 93.1% of SNNF factor values.

6.7 All Options incorporate the agreed medium term funding strategy for new schools with a 0.5% deduction to total available funds and also the revised impact of the Minimum

³ The factors used and their relative weighting in the SNFF broadly reflect the aggregate position of all LA funding formulae at 2017-18. The relative weighting of funds distributed through each element is largely based on the average 2017-18 distribution of funding made by LAs but with significant differences to this approach relating to increasing funding on additional needs factors and also recognising disadvantage in a broader sense. The increases would be financed by a lower amount of basic per pupil funding and also a reduced lump sum amount that all schools receive, irrespective of size

Funding Guarantee (MFG)⁴ which all LAs must apply and which the BF Forum agreed should be set at the highest permitted level of a 0.5% increase in per pupil funding from 2018-19 rates.

- 6.8 The MFG is an extremely effective mechanism at reducing funding turbulence between years and therefore moderates the impact of the different Options as illustrated through the relatively small changes in per pupil funding through each Option when there are significant differences. The expectation is that the MFG will continue in place – it's been a requirement since 2004-05 - for the foreseeable future, continuing to limit annual change in per pupil funding.
- 6.9 There are 2 key elements in the MFG calculation which will determine the speed at which school funding moves from the current level: the amount of funding in the financial settlement from the DfE; and the rate at which the MFG is set. As neither of these have been confirmed, the overall impact is difficult to predict.
- 6.10 Annexes 2 and 3 set out a high level summary of the individual budgets that each school would have received from each Option if it had been in place for the 2019-20 budget. In order for maintained schools to focus on the net budget they receive after the deduction of de-delegated funding and a contribution to LA statutory education duties, Annex 2 presents budgets on a net basis. For academies, where deductions are not made, it is more appropriate to view the gross budget which is shown at Annex 3. Annex 4 sets out the BF Funding Formula gross factor values for each Option i.e. before deductions for de-delegation and contributions to LA statutory education duties.
- 6.11 The consultation will also seek views on applying the same 0.5% amount of top-slice to schools on the minimum per pupil funding rates that the DfE uses in the SNFF - £3,500 for primary aged pupils and £4,800 for secondary - that all other schools are subject to as a contribution to the cost of new schools. The 2019-20 budget fully funded schools to SNFF minimum per pupil funding rates. It will also include the annual question required by the DfE as to whether de-delegation⁵ should continue for maintained schools on services requested by the council as well as the £20 per pupil contribution to statutory education related duties placed on the council for which the DfE has withdrawn £1.8m of funding without removing any of the duties.
- 6.12 A particular issue on the official school absences element of de-delegation service has emerged where views will also be gathered from schools. This funds the cost of classroom staff on maternity leave rather than schools having to meet these and the cost of any required cover arrangements. The budget over spent by £55k (26% of budget) in 2018-19 and £26k (10%) in 2017-18. This reflects both an increase in incidence of maternity leave and average costs. As the per pupil de-delegation deduction has remained unchanged, and with costs increasing by around 9% in September 2019 from the 7% confirmed increase in contribution rate to the Teacher's Pension Scheme and a 2% pay award proposed by the DfE, costs are expected to increase further.
- 6.13 Therefore to move the service to a viable financial position, it is likely that the rate of per pupil deduction will need to increase or the percentage of costs covered by the scheme reduced from the current 100% rate. Alternatively, the scheme could close and schools manage these costs on an individual basis and no longer make a per pupil deduction through the de-delegation route.

⁴ The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, for which the DfE has set a range of between +0.5% and -1.5%, then a funding top up is added to meet the minimum requirement. The calculation excludes funding for business rates and fixed lump sum allocations.

⁵ Recognises that there are reasons of cost effectiveness, shared risk management and ease of organisation and management that a strategic approach can bring through maintained schools returning delegated funds to LAs to manage a small range of services permitted by the DfE on behalf of schools.

2. Examine the case for a transfer up to 0.5% of funding for schools to budgets supporting pupils with high needs

- 6.14 Members of the Forum will be aware that many LAs face significant challenges in managing their HNB Dedicated Schools Grant (DSG) income across the needs of pupils and that many are over spending. The government recognised this as a notional issue and responded with an in-year funding increase for all LAs during 2018-19 of £125m for which BFC received £0.301m.
- 6.15 Whilst to date spend in the BF HNB has been managed within budget, the emerging significant increase in costs and the difficulty in presenting balanced budget proposals for 2019-20, despite the increase in funding illustrates the changing financial situation. Work is underway through the Schools Forum HNB Sub Group to review the overall budget for impact and efficient use of resources.
- 6.16 The statutory School Funding Framework acknowledges these difficulties and where agreed with the local Schools Forum, permits up to 0.5% of an LAs Schools Block budget to be transferred into HNB budgets. This equates to around £0.350m in BF.
- 6.17 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 through a detailed evaluation of potential costs and mitigations. 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.
- 6.18 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.

3. Review the factors in the BF Early Years Funding Formula (EYFF) and their relative weightings

- 6.19 Arrangements in place for Early Years funding were developed following provider consultations in both December 2016 and December 2017 and the prevailing requirements of the DfE and are as follows:
1. Funding to be managed centrally by the council will be capped at 3% of income compared to the 5% maximum
 2. The Special Educational Needs Inclusion Fund should be set at 1.4%
 3. The provider contingency should be set at 1.5%
 4. The EYFF should allocate 94.1% of all funding with:
 - a. The uniform base rate set at around 93% compared to the minimum of 90%.
 - b. The deprivation supplement set at around 5%.
 - c. The quality supplement set at around 2%
 - d. No supplements to be paid for rurality / sparsity, English as an additional language or provider flexibility
 5. The Disability Access Fund and Early Years Pupil Premium funding allocation should be allocated to providers at the same funding rate as received from the DfE.
- 6.20 It is now appropriate for these arrangements to be reviewed as provider eligibility to the supplements have changed over time meaning the current hourly rates no longer result in the target percentage allocation being distributed.
- 6.21 Table 1 below summarises the expected consultations and their outline content.

Table 1: Summary of key 2020-21 budget planning activities

Activity	1. Review the arrangements for funding schools		2. Examine the case for a funding transfer up to 0.5% of funding for schools to budgets supporting pupils with high needs	3. Review the factors in the BF Early Years Funding Formula and their relative weightings
	(a) Review the factors in the BF Funding Formula for Schools and their relationship to values in the School National Funding Formula	(b) Seek consent of maintained schools for on-going de-delegation of services and £20 per pupil contribution to statutory education related duties		
Why needed?	To improve current arrangements, including speed of the budget setting process, by moving to those commonly used by other LAs.	To enable forward planning for relevant services	To determine whether sufficient funds will be delivered through the High Needs Funding Block to meet commitments	To ensure the allocation of funds to providers best reflects the needs of children and key priorities.
LA planning period	To 20 June		To 28 August	To 28 June
Consultation arrangements and period	Written consultation with all schools: 21 June to 19 July		Written consultation with all schools: 23 September to 18 October	Provider Representative Group: Between 1 and 12 July. Written consultation with all providers: autumn 2019
Proposals (if any) to Schools Forum	19 September		21 November	12 December

Dates for each consultation and content subject to change as planning work continues.

Next steps

- 6.22 In order to be able to gather views from stakeholders on the key areas of the development of the 2020-21 Schools Budget, detailed planning needs to commence imminently, with 3 separate consultations with schools considered necessary to gather views from stakeholders across a range of issues in a manageable way. The Schools Forum is requested to consider whether any other matters than those set out above also need to be considered.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

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

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 None identified. This will be considered again when there is greater clarity on the development of the 2020-21 Schools Budget.

8 CONSULTATION

- 8.1 Not applicable at this stage.

Background Papers

None

Contact for further information

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

01344 354054

Doc. Ref

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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-fenced⁶ 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.

⁶ 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”⁷. 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 Forum⁸. 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.

⁷ 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.

⁸ 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.

2019-20 NET school budget allocations through the proposed Options 1-4 – Appropriate for Maintained Schools

School - NET budget (Maintained school view) <small>* After deducting 0.5% for new schools, de-delegation and £20 per pupil for statutory education services.</small>	October 2018 funded pupil numbers	2019-20 SNFF after 0.5% deduction for new schools	2019-20 actual NET budget *	Option 1			Option 2			Option 3			Option 4		
				Total NET budget	Change from 2019-20 actual NET budget (column 4)		Total NET budget	Change from 2019-20 actual NET budget (column 4)		Total NET budget	Change from 2019-20 actual NET budget (column 4)		Total NET budget	Change from 2019-20 actual NET budget (column 4)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Primary															
Ascot Heath Infant School	162	£636,853	£641,060	£632,765	-£8,295	-1.29%	£633,328	-£7,731	-1.21%	£631,043	-£10,017	-1.56%	£641,060	£0	0.00%
Ascot Heath Church of England Junior School	225	£838,545	£825,691	£822,575	-£3,116	-0.38%	£822,775	-£2,915	-0.35%	£821,963	-£3,728	-0.45%	£825,525	-£166	-0.02%
Binfield Church of England Primary School	413	£1,444,408	£1,414,269	£1,414,269	£0	0.00%	£1,414,269	£0	0.00%	£1,414,269	£0	0.00%	£1,414,269	£0	0.00%
Birch Hill Primary School	397	£1,463,522	£1,401,878	£1,402,544	£666	0.05%	£1,403,248	£1,370	0.10%	£1,403,440	£1,562	0.11%	£1,403,714	£1,836	0.13%
College Town Primary School	496	£1,843,971	£1,780,198	£1,781,604	£1,406	0.08%	£1,781,535	£1,337	0.08%	£1,781,896	£1,698	0.10%	£1,780,198	£0	0.00%
Cranbourne Primary School	211	£787,878	£785,668	£788,297	£2,629	0.33%	£788,119	£2,450	0.31%	£788,843	£3,174	0.40%	£785,668	£0	0.00%
Crown Wood Primary School	557	£1,971,664	£1,898,648	£1,898,648	£0	0.00%	£1,898,648	£0	0.00%	£1,898,648	£0	0.00%	£1,898,648	£0	0.00%
Crowthorne Church of England Primary School	208	£792,803	£783,913	£783,695	-£218	-0.03%	£783,709	-£204	-0.03%	£783,649	-£264	-0.03%	£783,913	£0	0.00%
Fox Hill Primary School	209	£877,258	£859,228	£860,405	£1,176	0.14%	£860,325	£1,096	0.13%	£860,649	£1,420	0.17%	£859,311	£83	0.01%
Great Hollands Primary School	380	£1,495,807	£1,439,080	£1,441,997	£2,917	0.20%	£1,444,332	£5,252	0.36%	£1,441,475	£2,394	0.17%	£1,447,447	£8,366	0.58%
Harmans Water Primary School	561	£2,010,982	£1,965,682	£1,965,682	£0	0.00%	£1,965,682	£0	0.00%	£1,965,682	£0	0.00%	£1,965,682	£0	0.00%
Holly Spring Infant and Nursery School	251	£984,548	£944,188	£942,588	-£1,600	-0.17%	£943,190	-£997	-0.11%	£942,332	-£1,856	-0.20%	£945,757	£1,569	0.17%
Holly Spring Junior School	318	£1,207,151	£1,193,319	£1,190,955	-£2,364	-0.20%	£1,192,402	-£917	-0.08%	£1,191,177	-£2,141	-0.18%	£1,194,194	£876	0.07%
Jennett's Park CoE Primary School	403	£1,482,499	£1,438,383	£1,441,664	£3,281	0.23%	£1,441,441	£3,058	0.21%	£1,442,345	£3,962	0.28%	£1,438,383	£0	0.00%
Meadow Vale Primary School	606	£2,165,936	£2,117,126	£2,117,126	£0	0.00%	£2,117,415	£289	0.01%	£2,117,641	£515	0.02%	£2,117,126	£0	0.00%
New Scotland Hill Primary	194	£766,015	£750,847	£748,574	-£2,272	-0.30%	£748,624	-£2,223	-0.30%	£748,422	-£2,424	-0.32%	£749,973	-£874	-0.12%
King's Academy Oakwood	0	£203,108	£202,324	£202,324	£0	0.00%	£202,324	£0	0.00%	£202,324	£0	0.00%	£202,324	£0	0.00%
Owlsmoor Primary School	548	£1,941,459	£1,927,477	£1,927,477	£0	0.00%	£1,927,477	£0	0.00%	£1,927,477	£0	0.00%	£1,927,477	£0	0.00%
The Pines School	326	£1,262,795	£1,206,032	£1,210,828	£4,796	0.40%	£1,211,307	£5,276	0.44%	£1,211,845	£5,814	0.48%	£1,208,033	£2,002	0.17%
Sandy Lane Primary School	488	£1,762,546	£1,716,844	£1,716,619	-£225	-0.01%	£1,718,167	£1,323	0.08%	£1,717,943	£1,099	0.06%	£1,718,344	£1,500	0.09%
St Joseph's Catholic Primary School, Bracknell	210	£798,693	£789,163	£788,504	-£659	-0.08%	£788,549	-£614	-0.08%	£788,367	-£796	-0.10%	£789,163	£0	0.00%
St Margaret Clitherow Catholic Primary	208	£815,491	£798,844	£799,785	£942	0.12%	£799,722	£878	0.11%	£799,981	£1,137	0.14%	£798,844	£0	0.00%
St Michael's Easthampstead Primary School	241	£920,877	£898,239	£898,478	£239	0.03%	£898,461	£223	0.02%	£898,527	£289	0.03%	£898,239	£0	0.00%
St Michael's Primary School, Sandhurst	189	£707,303	£701,532	£700,807	-£725	-0.10%	£700,808	-£724	-0.10%	£700,804	-£728	-0.10%	£700,821	-£711	-0.10%
Uplands Primary School and Nursery	210	£783,863	£773,213	£773,682	£469	0.06%	£773,650	£437	0.06%	£773,779	£566	0.07%	£773,213	£0	0.00%
Warfield Church of England Primary School	408	£1,554,433	£1,535,051	£1,532,205	-£2,846	-0.19%	£1,529,067	-£5,985	-0.39%	£1,523,933	-£11,118	-0.72%	£1,529,539	-£5,512	-0.36%
Whitegrove Primary School	414	£1,480,387	£1,451,297	£1,451,297	£0	0.00%	£1,451,297	£0	0.00%	£1,451,297	£0	0.00%	£1,451,297	£0	0.00%
Wildmore Heath School	195	£747,208	£744,212	£741,667	-£2,545	-0.34%	£741,839	-£2,373	-0.32%	£741,138	-£3,074	-0.41%	£744,212	£0	0.00%
Wildridings Primary School	395	£1,520,024	£1,458,642	£1,460,435	£1,793	0.12%	£1,461,877	£3,235	0.22%	£1,460,617	£1,974	0.14%	£1,462,535	£3,893	0.27%
Winkfield St Mary's CoE Primary School	199	£762,019	£757,078	£756,603	-£474	-0.06%	£756,635	-£442	-0.06%	£756,505	-£573	-0.08%	£757,078	£0	0.00%
Wooden Hill Primary and Nursery School	342	£1,329,359	£1,251,228	£1,251,995	£767	0.06%	£1,252,894	£1,666	0.13%	£1,252,593	£1,365	0.11%	£1,252,957	£1,729	0.14%
Secondary															
The Brakenhale School	976	£5,176,412	£4,989,413	£4,998,232	£8,820	0.18%	£4,990,957	£1,544	0.03%	£4,992,964	£3,552	0.07%	£4,989,413	£0	0.00%
Easthampstead Park Community School	762	£4,271,883	£4,234,662	£4,233,900	-£762	-0.02%	£4,233,694	-£969	-0.02%	£4,234,531	-£131	0.00%	£4,231,595	-£3,067	-0.07%
Edgbarow School	1,082	£5,193,383	£5,135,302	£5,135,302	£0	0.00%	£5,135,302	£0	0.00%	£5,135,302	£0	0.00%	£5,135,302	£0	0.00%
Garth Hill College	1,402	£7,204,384	£7,003,304	£6,999,506	-£3,798	-0.05%	£6,999,964	-£3,340	-0.05%	£7,009,633	£6,329	0.09%	£6,991,781	-£11,523	-0.16%
Ranelagh School	831	£3,983,485	£3,939,922	£3,939,922	£0	0.00%	£3,939,922	£0	0.00%	£3,939,922	£0	0.00%	£3,939,922	£0	0.00%
Sandhurst School	1,017	£5,074,413	£4,981,575	£4,981,575	£0	0.00%	£4,981,575	£0	0.00%	£4,981,575	£0	0.00%	£4,981,575	£0	0.00%
All through															
King's Academy Binfield	120	£1,631,926	£1,606,477	£1,606,477	£0	0.00%	£1,606,477	£0	0.00%	£1,606,477	£0	0.00%	£1,606,477	£0	0.00%
Total all	16,154	£69,895,294	£68,341,006	£68,341,006	-£0	0.00%	£68,341,006	£0	0.00%	£68,341,007	£0	0.00%	£68,341,007	£0	0.00%

2019-20 GROSS school budget allocations through the proposed Options 1-4 – Appropriate for Academy Schools

School - GROSS budget (Academy school view) * After deducting 0.5% for new schools.	October 2018 funded pupil numbers	2019-20 SNFF GROSS budget *	2019-20 actual GROSS budget *	Option 1			Option 2			Option 3			Option 4		
				Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)		Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)		Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)		Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Primary															
Crown Wood Primary School	557	£1,971,664	£1,954,280	£1,954,280	£0	0.00%	£1,954,280	£0	0.00%	£1,954,280	£0	0.00%	£1,954,280	£0	0.00%
Great Hollands Primary School	380	£1,495,807	£1,483,675	£1,486,592	£2,917	0.20%	£1,488,927	£5,252	0.35%	£1,486,069	£2,394	0.16%	£1,492,041	£8,366	0.56%
Jennett's Park CofE Primary School	403	£1,482,499	£1,478,277	£1,481,558	£3,281	0.22%	£1,481,335	£3,058	0.21%	£1,482,239	£3,962	0.27%	£1,478,277	£0	0.00%
King's Academy Oakwood	0	£203,108	£203,108	£203,108	£0	0.00%	£203,108	£0	0.00%	£203,108	£0	0.00%	£203,108	£0	0.00%
St Margaret Clitherow Catholic Primary School	208	£815,491	£823,271	£824,213	£942	0.11%	£824,149	£878	0.11%	£824,408	£1,137	0.14%	£823,271	£0	0.00%
Wildmoor Heath School	195	£747,208	£761,171	£758,626	£-2,545	-0.33%	£758,798	£-2,373	-0.31%	£758,097	£-3,074	-0.40%	£761,171	£0	0.00%
Secondary															
The Brakenhale School	976	£5,176,412	£5,082,790	£5,091,610	£8,820	0.17%	£5,084,335	£1,544	0.03%	£5,086,342	£3,552	0.07%	£5,082,790	£0	0.00%
Edgbarrow School	1,082	£5,193,383	£5,227,390	£5,227,390	£0	0.00%	£5,227,390	£0	0.00%	£5,227,390	£0	0.00%	£5,227,390	£0	0.00%
Ranelagh School	831	£3,983,485	£4,009,710	£4,009,710	£0	0.00%	£4,009,710	£0	0.00%	£4,009,710	£0	0.00%	£4,009,710	£0	0.00%
All through															
King's Academy Binfield	120	£1,631,926	£1,631,926	£1,631,926	£0	0.00%	£1,631,926	£0	0.00%	£1,631,926	£0	0.00%	£1,631,926	£0	0.00%

2019-20 GROSS Factor Values for each Option for the BF Funding Formula

Formula Factors	Core 19-20 SNFF	BF SNFF rates with 5.6% area cost addition and 0.5% top slice for new schools	Actual 2019-20 BF Funding Formula rates	Option 1			Option 2			Option 3			Option 4		
				All factors scaled by same %	Change from 2019-20 Actual units	Scaling	Only scale AWPU	Change from 2019-20 Actual units	Scaling	Scale all factors other than AWPU	Change from 2019-20 Actual units	Scaling	Lump sum at BF pre SNFF value, other factors to BF SNFF, AWPU scaled	Change from 2019-20 Actual units	Scaling
Age Weighted Pupil Unit (AWPU): Primary	£2,747	£2,887	£2,769.35	£2,805.71	£36.36	97.19%	£2,796	£26.45	96.85%	£2,887	£117.33	100.00%	£2,689	-£80.83	93.14%
Age Weighted Pupil Unit (AWPU): Secondary - KS3	£3,863	£4,059	£4,086.78	£3,945.56	-£141.21	97.19%	£3,932	-£155.14	96.85%	£4,059	-£27.34	100.00%	£3,781	-£306.02	93.14%
Age Weighted Pupil Unit (AWPU): Secondary - KS4	£4,386	£4,609	£4,296.81	£4,479.74	£182.93	97.19%	£4,464	£167.11	96.85%	£4,609	£312.21	100.00%	£4,293	-£4.19	93.14%
Additional needs funding:															
Deprivation															
Pupils currently claiming FSM: Primary	£440	£462	£373.90	£449.40	£75.50	97.19%	£462	£88.47	100.00%	£410	£35.81	88.61%	£462	£88.47	100.00%
Pupils currently claiming FSM: Secondary	£440	£462	£633.68	£449.40	-£184.27	97.19%	£462	-£171.30	100.00%	£410	-£223.96	88.61%	£462	-£171.30	100.00%
FSM pupils in the past 6 years: Primary	£540	£567	£87.94	£551.54	£463.60	97.19%	£567	£479.52	100.00%	£503	£414.89	88.61%	£567	£479.52	100.00%
FSM pupils in the past 6 years: Secondary	£785	£825	£384.72	£801.78	£417.06	97.19%	£825	£440.20	100.00%	£731	£346.25	88.61%	£825	£440.20	100.00%
IDACI band F: Primary	£200	£210	£182.30	£204.27	£21.97	97.19%	£210	£27.87	100.00%	£186	£3.93	88.61%	£210	£27.87	100.00%
IDACI band E: Primary	£240	£252	£445.48	£245.13	-£200.35	97.19%	£252	-£193.27	100.00%	£223	-£222.00	88.61%	£252	-£193.27	100.00%
IDACI band D: Primary	£360	£378	£192.02	£367.69	£175.67	97.19%	£378	£186.29	100.00%	£335	£143.20	88.61%	£378	£186.29	100.00%
IDACI band C: Primary	£390	£410	£412	£398.34	-£14	97.19%	£410	-£2.06	100.00%	£363	-£48.73	88.61%	£410	-£2.06	100.00%
IDACI band B: Primary	£420	£441	£737.68	£428.98	-£308.71	97.19%	£441	-£296.33	100.00%	£391	-£346.59	88.61%	£441	-£296.33	100.00%
IDACI band A: Primary	£575	£604	£607.27	£587.29	-£19.99	97.19%	£604	-£3.04	100.00%	£535	-£71.85	88.61%	£604	-£3.04	100.00%
IDACI band F: Secondary	£290	£305	£1,348.92	£296.20	-£1,052.72	97.19%	£305	-£1,044.17	100.00%	£270	-£1,078.88	88.61%	£305	-£1,044.17	100.00%
IDACI band E: Secondary	£390	£410	£1,254.32	£398.34	-£855.99	97.19%	£410	-£844.49	100.00%	£363	-£891.17	88.61%	£410	-£844.49	100.00%
IDACI band D: Secondary	£515	£541	£2,940.28	£526.01	-£2,414.28	97.19%	£541	-£2,399.10	100.00%	£480	-£2,460.73	88.61%	£541	-£2,399.10	100.00%
IDACI band C: Secondary	£560	£588	£1,997.94	£571.97	-£1,425.97	97.19%	£588	-£1,409.47	100.00%	£521	-£1,476.49	88.61%	£588	-£1,409.47	100.00%
IDACI band B: Secondary	£600	£631	£15,723.51	£612.82	-£15,110.69	97.19%	£631	-£15,093.00	100.00%	£559	-£15,164.81	88.61%	£631	-£15,093.00	100.00%
IDACI band A: Secondary	£810	£851	£2,830.85	£827.31	-£2,003.54	97.19%	£851	-£1,979.66	100.00%	£754	-£2,076.60	88.61%	£851	-£1,979.66	100.00%
Low prior attainment															
Low prior attainment: Primary	£1,022	£1,074	£917.46	£1,043.84	£126.38	97.19%	£1,074	£156.51	100.00%	£952	£34.20	88.61%	£1,074	£156.51	100.00%
Low prior attainment: Secondary	£1,550	£1,629	£1,216.21	£1,583.13	£366.91	97.19%	£1,629	£412.60	100.00%	£1,443	£227.11	88.61%	£1,629	£412.60	100.00%
English as an additional language															
English as an additional language: Primary	£515	£541	£426.61	£526.01	£99.39	97.19%	£541	£114.57	100.00%	£480	£52.94	88.61%	£541	£114.57	100.00%
English as an additional language: Secondary	£1,385	£1,455	£777.38	£1,414.60	£637.22	97.19%	£1,455	£678.05	100.00%	£1,290	£512.30	88.61%	£1,455	£678.05	100.00%
Lump sum															
Lump sum: Primary	£110,000	£115,593	£160,143.48	£112,350.98	-£47,792.50	97.19%	£115,593	-£44,550.06	100.00%	£102,429	-£57,714.47	88.61%	£160,143	£0.00	138.54%
Lump sum: Secondary	£110,000	£115,593	£148,572.74	£112,350.98	-£36,221.76	97.19%	£115,593	-£32,979.31	100.00%	£102,429	-£46,143.73	88.61%	£148,573	£0.00	128.53%

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TO: SCHOOLS FORUM
DATE: 20 JUNE 2019

2018-19 PROVISIONAL OUTTURN ON THE SCHOOLS BUDGET **Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform members of the Schools Forum of the provisional outturn on the 2018-19 Schools Budget, including the allocation of balances and use of Earmarked Reserves. These funds are ring-fenced for the support of schools and pupils.

2 EXECUTIVE SUMMARY

- 2.1 2018-19 saw changes in financial performance compared to recent years. Aggregate surplus school balances increased for the first time in 7 years, albeit by a modest £0.187m, and the significant under spending recently experienced on High Needs Block (HNB) Budgets ending and being replaced with a modest surplus of £0.088m.
- 2.2 Increased spending on HNB Budgets is being experienced across the country and was recognised by the government with additional funding being provided to all LAs. Without the unexpected in-year increases in HNB grant income from the Department for Education (DfE), the HNB would have over spent by £0.461m.
- 2.3 The overall balances currently held on the council managed elements of the Schools Budget amount to £4.610m, with £3.033m in earmarked reserves that have been created to fund an anticipated future cost and are therefore committed, with £1.577m unallocated in the Schools Budget General Reserve.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 **that the outturn expenditure for 2018-19, subject to audit, shows net income of £0.437m which represents an under spending of £0.797m before allocation of reserves and balances (paragraph 6.7);**
- 3.2 **that after transfers to and from earmarked reserves, the Schools Budget under spent by £0.177m (paragraph 6.8);**
- 3.3 **the main reasons for budget variances (paragraph 6.9);**
- 3.4 **as at 31 March 2019, the aggregate surplus on balances and Earmarked Reserves within the Schools Budget amounts to £6.220m which reduces to £4.610m when school balances are excluded (paragraph 6.10);**
- 3.5 **transfers to and from Earmarked Reserves (paragraph 6.12 and 6.13);**

3.6 the £1.577m surplus balance held in the Schools Budget General Reserve (paragraph 6.14);

4 REASONS FOR RECOMMENDATIONS

4.1 The recommendations are intended to inform the Schools Forum of financial performance against budget in the 2018-19 financial year including the year end transfers to and from balances and Earmarked Reserves.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 Not appropriate.

6 SUPPORTING INFORMATION

2018-19 Schools Budget Revenue Expenditure and Funding

6.1 Based on recommendations of the Schools Forum, the Executive Member for Children, Young People and Learning approved the initial Schools Budget for 2018-19 with £96.642m of grant funding. This comprised the estimated amount of Dedicated Schools Grant (DSG) income that would be received from the DfE at £90.162m, anticipated income of £2.318m to reflect sixth form and post 16 SEN grant income from the Education and Skills Funding Agency (ESFA), £2.370m from the Pupil Premium grant, £1.278m from the Universal Infant Free School Meal grant and £0.514m from the Primary PE and Sports grant. In addition to grant funding, there is also a budget of £0.122m for other receipts making total income of £96.764m.

6.2 Subsequent to this decision, anticipated DSG income has been updated to reflect revised grant notifications from the DfE, including reductions arising from academy schools where the amount due from the BF Funding Formula for Schools is recouped from the council for the ESFA to directly fund relevant schools. After making the following adjustments, the final DSG allocation amounted to £70.646m:

- £20.796m deduction for academy schools.
- £0.549m increase to HNB spending power following changes to the original allocation by the ESFA. This included:
 - Deducting £0.248m less from the DSG for places provided by providers directly funded by the ESFA compared to the estimate included in the original budget i.e. in respect of other LA schools, academies, other non-maintained specialist providers
 - £0.301m new funding representing the BF share of the £125m national in-year increase in funding to LAs from the government in recognition of the cost pressures being experienced throughout the country.
- £0.328m increase in HNB funding following a change to the way the ESFA would fund purchased places at Bracknell and Wokingham College (B&WC). Rather than continuing with current arrangements of deducting the amount from the BF HNB DSG and paying B&WC direct, the council would now be making payments directly to the college. Consequently, there is an identical increase in grant income and payment to B&WC. It has a net nil financial effect on the budget.

- £0.402m increase to the Early Years Block. This reflects the normal in-year recalculation of funding by the ESFA from the January 2019 census where head count data for BF is higher than estimated when the budget was set. The increase in head count also triggered additional payments to providers of the free entitlement to early years childcare.
- 6.3 Furthermore, there have also been changes to sixth form funding with an overall increase of £0.011m. This arises from updated funding notifications from the EFSA.
- 6.4 There are 2 further budget adjustments to report:
- As part of the Schools Block budget setting process, on 18 January 2018, the Forum agreed that £0.394m should be released from the New School Start up / Diseconomies Reserve to meet the additional cost arising from new schools that was not reflected in the DfE funding settlement.
 - In accordance with Local Government Accounting code of practice, where schools use their revenue funding for capital related expenditure, both the funding and spend need to be transferred to the capital accounts. The Council was notified by schools that of a total of £0.034m of funding needed to be converted to capital through a transfer from revenue. There is a net nil effect on school budgets from this as both the funding and costs are transferred out of delegated budgets.
- 6.5 The net effect of the budget changes set out above is that the final net Schools Budget totalled £0.360m.
- 6.6 In accordance with DfE Funding Regulations, a number of self-balancing budget adjustments have also been made during the year to reflect the transfer of funds from centrally managed budgets to schools where they have met qualifying criteria or original estimates are revised following verified data. The most significant adjustments reflect funding for the free entitlement to early years education and childcare, changes in SEN funding for named pupils i.e. Element 3 top up funding, allocations from the Growth Fund, mainly in respect of increases in pupil numbers and managing the financial impact of Key Stage 1 Class Size Regulations, and support to schools in financial difficulty.

Provisional Outturn Position

- 6.7 The provisional final accounts for the Schools Budget, as summarised at Annex A, shows a net budget of £0.360m, net income of £0.437m and therefore an aggregate under spend of £0.797m. This comprises over spendings of £1.648m against approved budget allocations and under spendings of £2.445m. These figures remain subject to change, pending external audit, although no significant movement is anticipated.
- 6.8 Some expenditure in the Schools Budget is ultimately financed from accumulated balances and earmarked reserves. Annex A sets out the transfers required as part of the accounts closedown process which is explained in more detail in paragraphs 6.12 to 6.14. Taking account of these financing adjustments, there was a net in-year under spending of £0.177m.
- 6.9 An explanation of the main changes (+/- £0.025m) from the approved budget plan, after transfers to or from reserves and balances are as follows, many of which are consistent with the update on budget performance that was reported to the Forum in September:

LA Managed Budgets:

Schools Block - £0.209m over spend:

- i. **Pupil behaviour - £0.033m under spend.** The main savings arose from staffing as a result of vacancies
- ii. **Official staff absence - £0.038m over spend.** There is one significant area of budget variance. The scheme to manage the cost of maintained school classroom staff on maternity leave through a collective de-delegated budget over spent by £0.055m from a combination of increased incidence of maternity leave absence and higher average costs. The on-going viability of this scheme will need to be determined a part of the 2020-21 budget setting process.
- iii. **Other Schools Block provisions and support services - £0.178m over spend.** There are 2 significant budget variances being reported in this area of the accounts. Firstly, there was a net under spending of £0.092m on the Growth Fund of which there are 3 elements; based on the actual pupil numbers on the October 2018 census, *in-year growth allowance payments* were made for 9 fewer classes at schools experiencing significant increases in pupil numbers, rather than the 11 assumed from a roll forward of October 2017 pupil numbers which was used to calculate the original budget requirement and resulted in an under spending of £0.061m; secondly, top up funding allocations to schools experiencing additional teaching costs as a result of *Key Stage 1 maximum class size regulations* under spent by £0.043m; and thirdly, pre and post opening funding allocations to new schools over spent by £0.012m. The second significant variance relates to the school building programme to deliver sufficient school places which creates a pressure from increased rates liabilities for which there is no budget provision and which has consistently been financed from within other under spendings. The pressure in 2018-19 was calculated at £0.251m with a further increases of £0.052m from changes at existing schools. The Inland Revenue has still to make determinations on re-valuations for a number of new and expanded schools, meaning the provision is an estimated amount.

High Needs Block - £0.088m under spend:

Members of the Forum will be aware that budget items iv to vii below represents the most unpredictable and volatile education budgets that the council is responsible for. Placement requirements can change at short notice and new pressures can emerge that can together result in large movements in costs between budget lines.

- iv. **Maintained schools and academies - £0.468m over spend.** The cost of additional Element 3 top up support i.e. individual support needs above £0.010m exceed the budget and reflects the support arrangements agreed for schools. The most significant cost increases occurred in respect of increasing numbers of BF students needing to be placed in out of borough in other LA maintained schools, mainly in special schools.
- v. **Non-Maintained Special Schools and Colleges - £0.738m under spend.** This is the most significant area of budget variation and various reports have previously been provided to the Forum to explain the changing legislation, transfer of funding responsibilities to the Schools Budget and volatility on this high cost budget area. In terms of the outturn variances, an analysis of the external placements budget shows:
 - As set out above in paragraph 6.2, the final amount of High Needs Block DSG was £0.549m higher than that anticipated in the original budget which results in a saving.

- There was a total of 186.6 FTE placements (was 165.4 in 2017-18). This was 2.2 FTE more than anticipated in the budget. Based on the original estimated average placement cost of £27,203, this resulted in an over spending of £0.060m.
 - At £26,522m the average actual cost of placement is £681 less than the original estimate. This results in a £0.127m under spending.
 - The provision to enable the purchase of additional places (Element 2 charges) above the number deducted directly by the ESFA under spent by £0.122m.
- vi. **Education out of school - £0.348m over spend.** There were 2 significant budget variances. There was an increase in the number of pupils requiring home tuition that resulted in a £0.210m over spending. There was also an increase in the average cost of support as agency tutors rather than BF contract staff were required to meet the increase in demand. There was also a £0.155m over spending on externally commissioned alternative provision (£0.062m for primary aged pupils, £0.093m for secondary aged). Demand also increased for these provisions.
- vii. **Other SEN provisions and support services - £0.157m under spend.** The main change relates to a £0.088m saving on the Early Opportunities initiative that was agreed as a new development for 2018-19 but could not proceed due to increased demand for places at Kennel Lane Special school reduced capacity to run this new development. There was also less demand than expected for specialist therapies which together under spent by £0.068m, with the Support for Learning Service under spending by £0.027m, mainly as a result of staff vacancies. There was one significant area of over spending at £0.105m which related to the purchase of medical support needs where more pupils were identified as requiring provision.

Early Years Block - £0.301m under spend:

- viii. **Free entitlement to early years education - £0.236m under spend.** Payments to providers delivering the free entitlement to early education and childcare under spent by £0.236m as the in-year increase in DSG funding exceeded the cost increase which rose steadily during the year, with the DSG funding calculated towards the end of the financial year when head count was reaching a peak.

Dedicated Schools Grant:

- ix. **Dedicated Schools Grant - £0.051m under spend.** ESFA have recalculated the 2017-18 Early Years Block DSG allocation for the period September 2017 to March 2018 on the validated January 2018 census data. This was confirmed in June and shows £0.051m less grant than the amount anticipated when the 2017-18 accounts were closed. The timing of announcing the actual change in funding means the variance falls into 2018-19 accounts.

Year-end balance:

- x. **Transfer to Earmarked Reserve - £0.177m under spend.** The unspent balance of net aggregate spending on budgets centrally managed in the Schools Budget. This amount is transferred to the Schools Budget General Reserve.

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

Balances and reserves

- 6.10 As part of the financial planning process, there is the opportunity to establish and maintain reserves and balances. Earmarked Reserves are sums of money which have been set aside for specific purposes and the Schools Forum has agreed a number of Schools Budget reserves should be created. Each year these reserves can have funds added or deducted depending on financial performance and the purposes for which they were created. Balances reflect year end unspent funds and can be held separately as an unring-fenced amount or are transferred to Earmarked Reserves.
- 6.11 Table 1 below provides a summary of movements last year together with current balances on the earmarked reserves of which column 5 shows total available funds at 31 March 2019 of £6.220m, an increase of £0.402m. This reduces to £4.610m when school balances are excluded.

Table 1: Earmarked reserves related to the Schools Budget

Reserve	Balance B/Forward 01-Apr-18 (1) £ 000	Movement in year (2) £ 000	Initial Balance 31-Mar-19 (3) £ 000	Year end Transfers (4) £ 000	Final Balance 31-Mar-19 (5) £ 000
<u>School Balances - Earmarked:</u>					
Primary	-1,987	0	-1,987	-73	-2,060
Secondary	-106	0	-106	336	230
Special	-38	0	-38	-281	-319
Outstanding School loans	858	0	858	-268	590
College Hall PRU	-91	0	-91	40	-51
(b)	-1,364	0	-1,364	-247	-1,610
<u>Earmarked Reserves</u>					
SEN Resource Provision Reserve (c)	-337	0	-337	-122	-459
New school start up / diseconomies (a), (d)	-800	394	-406	-594	-1,000
School Meals Re-tender Reserve	-40	0	-40	0	-40
School Expansion Rates Reserve (e)	-841	0	-841	-251	-1,092
SEN Strategy Reserve	-439	0	-439	0	-439
Grants unapplied	-3	0	-3	0	-3
	-2,460	394	-2,066	-967	-3,033
<u>Schools Budget General Reserve</u>					
Brought forward balance	-1,994	0	-1,994	0	-1,994
New school reserve to £1million (d)	0	0	0	594	594
2018-19 in-year under spend (f)	0	0	0	-177	-177
	-1,994	0	-1,994	417	-1,577
Total reserves	-5,818	394	-5,424	-797	-6,220
Total reserves excluding school balances					-4,610
<u>Memorandum item: School Balances</u>					
School balances from (b) above				-247	-1,610
Exclude loans to academy schools (i.e. were outstanding at conversion)				60	-118
Mainstream schools balances				-187	-1,728

6.12 Column 2 from Table 1, movement in year at note (a) relates to the £0.394m transfer from the New School Start up / Diseconomies Reserve that was agreed by the Forum on 18 January 2018 as part of the original budget setting proposals:

6.13 A number of year-end transfers, as set out in column 4 of Table 1 have been processed in accordance with accounts closedown:

Note b: School balances: Statutory Regulations require balances on school budgets to be earmarked to individual schools for use in a future financial year. There was an aggregate £0.187m transfer to balances during the year schools spending less than their budgets. In addition, academy schools with outstanding loans at the point of their conversion repaid the £0.060m of advances that were due, resulting in a net overall increase in balances of £0.385m. Academy schools now owe £0.118m on outstanding loans. A separate item on tonight's agenda provides further detail on school balances.

Note c: 14 March 2018 Forum agreed: that £0.122m is transferred from the DSG allocation into the SEN Resource Units Reserve as a contribution to future year start-up costs.

Note d: 6 December 2018 Forum agreed: that to meet the expected financing requirements of the medium term funding strategy arising from new schools, that funds in the New School Start up / Diseconomies Reserve are increased to £1m.

Note e: School expansion rates reserve: a further £0.251m has been put aside in this reserve to cover the full estimated cost due on outstanding, back-dated rates re-valuations relating to new and recently expanded schools which have yet to be reassessed.

Note f: Schools Budget General Reserve: the aggregate in-year under spending on centrally managed budgets of £0.177m.

6.14 Column 5 of Table 1 shows that the accumulated unused balance on the Schools Budget General Reserve totals £1.577m. Annex B provides a summary of the purpose and policy of each reserve together with recent levels of funds.

This funding can only be used to support expenditure in the Schools Budget.

Proposed use of Schools Budget General Reserve

6.15 In managing the Schools Budget General Reserve, the Director of Finance has determined that a minimum level of funds should be maintained to manage unforeseen circumstances and to also plan for any future known changes that may have a significant financial impact. This helps to manage risks in a planned, rather than reactive manner and also assists in longer term financial planning.

6.16 Taking account of the assessed risk in terms of budget volatility and value of those items managed by the Council on behalf of schools, a sum of £0.660m is considered the minimum level of balance that needs to be held. This means £0.917m is held above the minimum prudential level.

6.17 At this stage, no proposals are being made in respect of the potential use of the unallocated surplus balance pending:

- Information from the DfE on the 2020-21 financial settlement for schools, including the future funding of the 2018 Teachers' Pay Award and 2019

employers increase in contribution rate to the Teachers' Pension Scheme, of which costs for both are currently being part funded through specific grants.

- Any revisions to the medium term cost forecast for supporting new schools, where an agreed funding strategy is in place.
- Any cost pressures that emerge in 2019-20, in particular in relation to rising demand on HNB budgets.

Conclusion

- 6.18 Taking account of the proposals in this report, balances and Earmarked Reserves held in the Schools Budget are considered sufficient to meet future the immediate known cost pressures from local factors, although other pressures will arise from national factors, of which the actual cost, and availability of new resources to fund them is not know at this stage.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 7.2 The financial implications arising from this report are set out in the supporting information. The budget variances were reviewed during the year and where appropriate, have been built into the 2019-20 budget, most notably relating to the increasing pressure on High Needs Budgets.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 There is a risk to the Schools Budget from not having sufficient reserves to manage unforeseen in-year cost pressures. This is mitigated by holding a minimum prudential level of reserves of £0.66m and other earmarked reserves where future pressures will occur.

8 CONSULTATION

- 8.1 Not applicable.

Background Papers

None

Contact for further information

Paul Clark, Finance Business Partner - CYPL

(01344 354054)

<mailto:paul.clark@bracknell-forest.gov.uk>

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**2018-19 PROVISIONAL BUDGET MONITORING STATEMENT FOR THE
SCHOOLS BUDGET AS AT THE END OF MAY 2019**

Service Area	Approved Budget			Outturn Net Spend	Estimated Variance			Transfer to(+)/ from (-) reserves	Final Variance	Note
	Spend	Income	Net		Under spending	Over spending	Net variance			
	£000	£000	£000		£000	£000	£000			
Schools Block										
<u>Delegated and devolved funding:</u>										
Delegated Mainstream School Budgets	55,217	0	55,217	55,211	-6	0	-6	6	0	
School Grant income	0	-5,983	-5,983	-5,983	0	0	0	0	0	
Schools Block	55,217	-5,983	49,234	49,228	-6	0	-6	6	0	
<u>LA managed items:</u>										
Retained de-delegated Budgets:										
<i>Behaviour</i>	247	-7	240	207	-34	1	-33	0	-33	i
<i>Schools in Financial Difficulty</i>	53	0	53	51	-5	3	-2	0	-2	
<i>Official Staff Absences</i>	251	0	251	289	-17	55	38	0	38	ii
<i>English as an Additional Language</i>	99	0	99	112	-4	17	13	0	13	
<i>PRC / Licence Fees / FSM checking</i>	63	0	63	78	0	15	15	0	15	
Combined Service Budgets:										
<i>Education Attainment and School Transport for LAC</i>	176	0	176	176	-15	15	0	0	0	
<i>Family Intervention Project / Domestic Abuse</i>	106	0	106	102	-4	0	-4	0	-4	
<i>CAF Co-ordinator</i>	42	0	42	45	0	3	3	0	3	
<i>SEN Contract Management</i>	33	0	33	33	0	0	0	0	0	
<i>Education Health / Sport</i>	48	0	48	48	0	0	0	0	1	
Statutory and Regulatory Duties	489	0	489	489	0	0	0	0	0	
Other Schools Block provisions and support services	645	0	645	572	-389	316	-73	251	178	iii
LA managed items:	2,252	-7	2,245	2,202	-468	426	-42	251	209	
Sub total Schools Block	57,469	-5,990	51,479	51,430	-474	426	-48	257	209	

**2018-19 PROVISIONAL BUDGET MONITORING STATEMENT FOR THE
SCHOOLS BUDGET AS AT THE END OF JUNE 2019**

Service Area	Approved Budget			Outturn Net Spend	Estimated Variance			Transfer to(+)/ from (-) reserves	Final variance	Note
	Spend	Income	Net		Under spending	Over spending	Net variance			
	£000	£000	£000		£000	£000	£000	£000	£000	
High Needs Block										
Delegated Special Schools Budgets	3,967	0	3,967	3,677	-290	0	-290	281	-9	
Post 16 SEN and other grants	0	-509	-509	-509	0	0	0	0	0	
Maintained schools and academies	1,600	-22	1,578	1,924	-290	636	346	122	468	iv
Non Maintained Special Schools and Colleges	5,958	0	5,958	5,220	-738	0	-738	0	-738	v
Education out of school	1,284	-3	1,281	1,669	-26	414	388	-40	348	vi
Other SEN provisions and support services	1,766	-68	1,698	1,541	-275	118	-157	0	-157	vii
Sub total High Needs Block	14,575	-602	13,973	13,522	-1,619	1,168	-451	363	-88	
Early Years Block										
Free entitlement to early years education	5,347	-3	5,344	5,109	-277	41	-236	0	-236	viii
Other Early Years provisions and support services	229	-19	210	199	-24	13	-11	0	-11	
Sub total Early Years Block	5,576	-22	5,554	5,308	-301	54	-247	0	-247	
Dedicated Schools Grant	0	-70,646	-70,646	-70,697	-51	0	-51	0	-51	ix
Surplus for the year								177	177	x
TOTAL - Schools Budget	77,620	-77,260	360	-437	-2,445	1,648	-797	797	0	
Net under spending before use of reserves					-797					

See paragraph 6.9 for an explanation to the notes to variances. Note roundings may result in totals not cross checking

Earmarked reserves relating to the Schools Budget

Reserve	Purpose	Policy	Year-end value
School Balances	These funds are used to support future expenditure within the Schools Budget relating to individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LA has no practical control over the level of balances.	March 15 £4.087m March 16 £3.407m March 17 £1.746m March 18 £1.363m March 19 £1.610m
SEN Resource Units	To set aside in a reserve for building adaptations to allow for the creation of SEN resource units on school sites.	To finance capital expenditure to assist with the development of local, cost effective provisions to support pupils with SEN.	March 15 £0.490m March 16 £0.316m March 17 £0.304m March 18 £0.337m March 19 £0.459m
New school start-up / diseconomies	To set aside an earmarked reserve to support the additional costs that will arise from the new school places building programme.	To help finance the diseconomy costs that will arise from new schools that will open with relatively low numbers of pupils as housing developments progress.	March 17 £0.300m March 18 £0.800m March 19 £1.000m
School Meals Catering Re-tendering Reserve	To set aside an earmarked reserve for the School Meals Catering Re-tendering exercise	To help finance costs arising from future Schools Meals Catering tendering exercises.	March 15 £0.040m March 16 £0.040m March 17 £0.040m March 18 £0.040m March 19 £0.040m
Schools Expansion Rates Reserve	To set aside an earmarked reserve for the rates costs associated with school expansions.	To help finance costs arising from the school expansion programme.	March 15 £0.196m March 16 £0.445m March 17 £0.595m March 18 £0.842m March 19 £1.092m

Reserve	Purpose	Policy	Year-end value
SEN Strategic Reserve	To set aside funding to contribution to costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children.	To help finance start-up and one-off initiatives arising from the SEN Strategy.	March 18 £0.439m March 19 £0.439m
Grants unapplied Reserve	To set aside in a reserve for unspent Schools Budget related grants where there are no restrictions applied to the spending from the grant awarding body.	To facilitate the transfer of unspent grant balances between financial years.	March 15 £0.014m March 16 £0.008m March 17 £0.003m March 18 £0.003m March 19 £0.003m
Schools Budget General Reserve	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose than a future years' Schools Budget.	March 15 £0.208m March 16 £1.373m March 17 £1.779m March 18 £1.994m March 19 £1.577m

TO: SCHOOLS FORUM
Date 20 JUNE 2019

2018-19 BALANCES HELD BY MAINTAINED SCHOOLS **Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 This is an annual report, the purpose of which is to update members of the Schools Forum on the level of balances held by maintained schools as at 31 March 2019, how these compare to the previous financial year and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.
- 1.2 Balances held by academy schools are not part of the council's accounts and are therefore excluded from this report.

2 EXECUTIVE SUMMARY

- 2.1 For the first time in 7 years, aggregate surplus balances held by schools have increased, albeit by a modest £0.187m to £1.728m. This follows an improved performance in 2017-18 when £0.165m was drawn down and 2016-17 when the draw down was £1.661m. At 3.1% of annual income, average surplus balances have moved to a position where they are considered to be at a level to be able to safely manage unforeseen in-year pressures.
- 2.2 A number of schools are holding significant surplus balances, all of which have provided explanations to indicate suitable plans are in place for appropriate expenditure in the short term to ensure resources are being spent in a timely manner to support current pupils. Two schools retain a surplus above the maximum amount ordinarily considered reasonable and the Forum needs to decide whether these amounts should be retained by the relevant schools.
- 2.3 There are a number of schools with deficit balances, which have in total increased by £0.380m to £1.150m. The council and Schools Forum support schools facing financial difficulties through licensed deficit arrangements that set out medium to long term recovery plans that demonstrate that a temporarily short term over spend of annual income is recovered and a return to a surplus is achieved.
- 2.4 Schools are also permitted to retain unspent balances arising from capital related budgets. 2018-19 saw a significant one-off increase in capital allocations to reflect the announcements made in the Chancellor's 2018 Budget Statement. Funding increased from £0.260m to £0.772m. Schools normally receive small annual budgets for capital – around £8,200 for a primary school and £24,200 for a secondary – and often need to accumulate funding from a number of years in order to fully finance projects, hence average balances stand at 97% of annual income. Capital budgets are directly funded by Department for Education (DfE) grant and are outside the local claw-back scheme. DfE remove any unspent balances that remain 3 years and 1 month after allocation.
- 2.5 Whilst the amount of overall balances has improved, schools continue to face challenging financial circumstances.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 The key performance information on all school balances, as set out in paragraph 6.3, and in particular;**
- i. Aggregate surplus balances have increased by £0.187m to £1.728m;**
 - ii. This is the first increase in balances for 7 years;**
 - iii. The value of deficit balances has increased by £0.380m to £1.150m and needs to be carefully monitored;**
 - iv. Significant surplus school balances have increased by £0.214m (44.1%);**
 - v. At 3.1%, average balances are considered to be at the minimum level required for working balances to safely cover unforeseen circumstances.**

That the Schools Forum AGREES:

- 3.2 That the entire significant surplus balances held by schools has been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 6.12).**
- 3.3 Whether any of the surplus balance currently held above the 16% limit should be retained by relevant schools or returned for re-distribution within the overall Schools Budget in respect of:**
- i. Sandy Lane Primary School, at £0.046m, and**
 - ii. Meadowvale Primary, at £0.009m.**

4 REASONS FOR RECOMMENDATIONS

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

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not applicable.**

6 SUPPORTING INFORMATION

Calculating Statutory School Balances

- 6.1 The School Funding Framework provides a statutory requirement for the balance of expenditure made by each school compared to its budget share to be carried forward for use by individual governing bodies in the next financial year. This requirement is confirmed in the Scheme for Financing Schools which applies to both surplus and deficit balances and relates to all revenue funds held by schools in local authority accounts.**
- 6.2 Attached at Annex A is a list of individual school balances as at 31 March 2019. Carry forward balances are calculated by deducting total net expenditure from new year funding and any accumulated balance. Outstanding loan advances are excluded to**

ensure true balances are identified. The percentage of carry forward is calculated against new year funding only to ensure any potential claw-back focuses on the use of new year funding only. Annex B provides a summary profile of deficit and surplus balances and movements compared to last year.

General comments on school balances

6.3 Some comments on the analysis are as follows:

1. Aggregate surplus balances have increased by £0.187m, from £1.541m to £1.728m. This is the first increase in 7 years and follows an improved performance in 2017-18 when the amount of draw down from reserves was £0.165m compared to a £1.661m draw down in 2016-17. This indicates a notable improvement in overall financial performance.
2. There has been a 6.3% (£0.062m) increase in surplus balances in the primary and PRU sectors and a 25.1% (£0.125m) reduction in the secondary and special sectors aggregate deficit balances. Excluding the £0.281m increase in surplus at Kennel Lane Special School highlights that Secondary School deficit balances increased by £0.156m.
3. On average, at 3.1% of total budget, average reserves are considered to be just above the minimum level required for sufficient working balances to cover unforeseen circumstances. Within the headline average surplus balance, there are 7 schools with a deficit and 4 schools with surpluses below the average level and which may therefore struggle to manage unforeseen cost increases.
4. The loan and licensed deficit schemes provide a mechanism to ensure that all schools, in particular secondaries, have sufficient funds in place to cover their approved, anticipated costs.
5. The average surplus balance for a primary school is £0.082m (6.3%) and secondary schools have an average deficit of £0.230m (5.8%).
6. The aggregate surplus balance of £1.728m comprises £2.879m from surpluses (was £2.311m) and £1.150m in deficits (was £0.770m). There has been an improvement in the level of surpluses and deterioration in the level of deficits.
7. The largest surplus balance held by a primary school is £0.427m (was £0.400m) and £0.237m for a secondary (was £0.162m).
8. The largest surplus balance as a percentage of budget is 18.4% (was 19.5%) and the greatest deficit is 12.1% (was 9.0%).
9. Five primary and two secondary schools were in deficit at the end of the 2018-19 financial year.

For Binfield Primary and Warfield Primary, balanced budget plans have been received for 2019-20, including funding of the deficits, which are expected to be delivered.

In respect of the deficits at Winkfield St Mary's and Easthampstead Park and Sandhurst Secondary schools, the Forum has previously agreed medium term loan or licensed deficit agreement with the governors. These agreements are currently under review with relevant schools, with discussions currently indicating the need to make some changes to current terms. This does not affect Winkfield St Mary's, which is on course to meet the original terms of returning to a surplus by the end of 2020-21.

For Ascot Heath Junior and The Pines, discussions are currently underway with governors in respect of agreeing medium term licensed deficit arrangements. This is on-going and is expected to conclude by the end of term.

A full update on proposed financial support arrangements to schools will be reported to the Forum in September.

- 6.4 Whilst there has been a welcome increase in aggregate surplus balances held in schools, there remain a number of schools that are experiencing financial difficulties that require licensed deficit arrangements to permit short term expenditure levels in excess of annual income or are operating with low levels of balances. Furthermore, working with schools on their 2019-20 budgets, whilst the expectation is that only 2 new licensed deficit proposals will be presented for consideration in September, significant work has been undertaken with 3 further schools which are expected to result in balanced budgets being agreed, but with further challenges anticipated in each of these schools for 2020-21.

Significant surplus balances

- 6.5 Following consultation with schools, the Forum agreed that where significant balances are not being held for a valid purpose a claw-back scheme would be applied to remove relevant amounts for re-distribution within the Schools Budget. This was based on the position at that time where up to 40% of annual income was being held within individual school balances when in principle there is an expectation that the significant majority of annual funding should be spent on pupils in school that year and not held back unnecessarily.
- 6.6 Whilst there is no desire to claw-back money from schools, and that has been the case to date, there is still a responsibility to challenge those with significant surpluses as to why more is not being spent on the educational needs of pupils currently in schools. However, it does also need to be recognised that there will be circumstances that support schools building up significant surplus balances to manage future events.
- 6.7 Members of the Forum will recall that the main principle of the claw-back scheme is that balances in excess of 5% for secondary and 8% for primary and special schools or PRUs have been defined as significant and schools should provide information of intended use where balances exceed these levels. No explanation is required on surpluses below these thresholds.
- 6.8 A range of valid purposes have been agreed that permit schools to retain significant surplus balances above these threshold levels. If funds are not being held for a valid reason, then they are subject to claw-back. Furthermore, there is an absolute cap as to what can be retained, even where it relates to a valid reason. The maximum thresholds are 10% for secondary and 16% for primary and special schools or PRUs although schools can make a request to the Forum to exceed the limit, which if not agreed can be appealed to the Executive Director - People.

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

- 6.9 Nine schools were identified as holding a significant surplus, which is an increase of one from the number at the end of 2017-18. The aggregate level of significant surplus balances amounts to £0.700m, an increase of £0.213m (+44.1%). The final two columns of Annex A highlight schools holding significant surpluses and the relevant amount. For

the second consecutive year, Sandy Lane Primary school holds a balance in excess of the absolute cap (£0.046m) at which funds would ordinarily be deducted, subject to a request for retention by the governors. The balance at Meadow Vale also exceeds the cap (£0.009m). Governors from both schools have submitted requests to retain these amounts which are detailed below from paragraph 6.14.

- 6.10 Relevant schools holding significant surplus balances have provided headteacher certified statements that confirm that these funds are being held for valid reasons, as set out in the scheme, with around 71% profiled to be spent in 2019-20 and 29% for future years.
- 6.11 In terms of the likelihood of schools completing the spend to schedule, plans have been categorised between uncommitted if governors have yet to agree the project, approved, once formally signed off by governors, and complete where spend has now been incurred. A summary analysis shows that 98% of planned spend has been approved with 2% yet to be formally committed by governors.
- 6.12 Based on these returns, the Forum is therefore recommended to agree that no claw-back should be applied. A summary of intended use of the significant surpluses is as follows:
1. £0.454m for funding future budget shortfall arising from a reduction in pupil numbers (41% of total significant surpluses)
 2. £0.280m to finance additional staff costs (26%)
 3. £0.182m for capital buildings, construction and refurbishment (17%)
 4. £0.170m for curriculum, IT and other one-off expenditure of a capital nature (16%)

Note: schools have indicated that £0.436m more will be spent on these items than is held on significant surpluses, with the excess being financed from within surpluses not categorised as significant.

- 6.13 The analysis of planned spend also shows that 79% is intended to be spent on day to day revenue related costs and 21% on capital projects.

Annex D sets out outline information on the spending intentions of schools with significant surplus balances.

Significant surplus balances above the maximum cap

- 6.14 As set out above in paragraph 6.5, schools have previously agreed through consultation that an absolute cap should be set on significant surplus balances at which point even if the funds are being held for a valid purpose, they would ordinarily be deducted. Both schools above the absolute cap have requested retention of the relevant amount, which is permitted in the scheme, and the Forum now needs to agree how to proceed.
- 6.15 The case made by the governors of Sandy Lane Primary school is set out in Annex E. This is the second consecutive year the school has exceeded the cap which in general arises for the same reason as the school has experienced a rapid and significant reduction in pupil numbers – down 134 (21%) over a 4 year period – which is now slowing, but is expected to reduce further in both 2019 and 2020. The school is subject to intensive monitoring, with the council having issued a Declaration of Concern and established a Standards Monitoring Board.

- 6.16 Building up a significant surplus balance has been a key objective of the governors in order to help best manage the future financial challenges which will benefit from retaining the full amount of surplus. The lagged pupil funding basis does present schools with falling rolls with additional time to adjust compared to when initial funding is based on actual pupil numbers. Further savings options are being explored for the future including reducing the number of classes through multi-age class teaching or setting classes with significantly higher than 30 pupils at Key Stage 2.
- 6.17 The case made by the governors of Meadow Vale Primary school is set out in Annex F. The Head teacher left the school in February 2018 with a substantive replacement put in post in January 2019 following a period of interim leadership through the autumn term. The school was also identified by the LA as causing concern and established a Standards Monitoring Board. These changes caused considerable disruption to the management of the school which had an overall financial impact on the surplus of £0.186m which was not expected when the budget was set as follows:
1. Reductions of £0.123m in staff costs from:
 - a. the Head Teacher replacement exercise
 - b. 2 senior staff entering maternity leave which is financed centrally through a de-delegated
 - c. Special Educational Needs Co-ordinator post vacant for 2 terms.
 2. Reduction of £0.040m on anticipated roof repair works which the council assessed as being of a capital nature and therefore to be funded through DfE grant rather than the school budget
 3. Additional parental income and insurance reimbursements of £0.023m
- 6.18 The implications from the deferred spend and staff vacancies has contributed to a number of cost pressures that the surplus is intended to be applied to as set out in Annex F.

Capital Funding

- 6.19 Schools receive direct funding for capital projects through the DfE Devolved Formula Capital Grant (DFC). DFC is allocated as a specific grant through a national formula, paying a fixed lump sum of £4,000 for all schools and £11.25 per pupil for primary aged pupils, £16.88 for secondary pupils up to 15 years of age, £22.50 for post 16 aged pupils and £33.75 for those in special schools. Total funding for the year amounted to £0.260m with the average allocation to a primary school at £8,252 and £24,151 for a secondary school.
- 6.20 DFC is provided in response to the continuing need for additional resources and must be spent on improving the condition and suitability of school accommodation as well as ICT hardware. Individual projects need to be at least £2,000 to qualify as capital related expenditure with buildings related projects needing to be approved by the council before they can proceed for reasons of health and safety. Schools can pool their funding amongst each other or add it as a contribution to projects undertaken by the Council. Funding must be spent on eligible expenditure within 3 years and one term of receipt or be returned to the DfE.
- 6.21 As voluntary aided (VA) schools own and are responsible for the maintenance of their buildings, different arrangements are in place, outside local authority accounts, and therefore, information on the 5 VA schools in Bracknell Forest are not available for inclusion in this report.

6.22 Schools received additional one-off capital funding in 2018-19. This relates to a £400m grant for schools that was announced in the Chancellor's 2018 budget statement. Total funding for the year amounted to £0.512m with the average allocation to a primary school at £14,588 and £60,497 for a secondary school. The same conditions apply to this funding stream as to normal DFC, as set out above in paragraph 6.20.

Annex G provides a summary of individual school balances of DFC as at 31 March 2018.

6.23 Some comments on the analysis are as follows:

1. Aggregate unspent balances amount to £0.760m, which on a like for like basis with 2017-18 funding allocations represents an increase of £0.004m. It represents 98% of the annual funding allocation (was 97% in 2017-18) and reflects both schools building up funds in order to undertake more substantial projects than can be afforded from a single year's budget allocation and the December 2018 notification of the new £0.512m grant funding which left little time available to plan for new projects..
2. In these circumstances, the level of capital balances are not considered excessive as schools tend to save funds over a number of years before committing to significant projects. It does present an opportunity for schools to consider larger and more significant value projects than in the recent past.
3. All schools had a surplus at year end.
4. Three schools are in danger of having to return unspent grant at 31 August 2019, which aggregates to £0.008m. Relevant schools have been informed of this risk and all have indicated that they intend to fully spend the amounts by the deadline.

Conclusion

6.24 The difficult financial environment that schools are working in requires annual efficiencies or general cost reductions to be made each year to balance budgets. Whilst there are improvements in funding allocations over the next 2 years, they have not been significant enough to fully fund cost increases.

6.25 In respect of capital grants, the majority of schools continue to secure total funding for a project from DFC before it commences. The new one-off funding received in 2018-19 presents schools with an opportunity to consider larger than normal projects.

6.26 Overall, schools continue to show resilience to the difficult economic climate which indicates good cost control and financial planning although challenging circumstances remain.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 7.2 The Director of Finance is satisfied that no significant financial implications arise from reporting 2018-19 school balances. Despite the overall improvement compared to last year, schools continue to operate in difficult financial circumstances and a number of risks exist.

Equalities Impact Assessment

- 7.3 There are no specific impact assessments arising from this report.

Strategic Risk Management Issues

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

8 CONSULTATION

- 8.1 Not applicable, applying statutory regulations and approved policies.

Background Papers

None.

Contact for further information

Paul Clark, Finance Business Partner - CYPL

(01344 354054)

<mailto:paul.clark@bracknell-forest.gov.uk>

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2018-19 True School Revenue Balances (excludes loan advances)

School	2018-19 Funding (excludes outstanding loans and brought forward)	School Balances					Significant surplus	
		Real carry forward amount	Percentage of total Budget	Change from 2017-18	Percentage of total Budget last year	Change in Percentage of total Budget	Amount requiring explanation and permission (over 5% or 8%)	Amount above maximum cap
Ascot Heath Infant	£744,684	-£20,951	-2.81%	-£29,347	1.11%	-3.92%	£0	£0
Ascot Heath CE Junior	£872,546	£75,447	8.65%	£103,838	-3.30%	11.95%	£0	£0
Binfield CE Primary	£1,431,925	£5,972	0.42%	£14,018	-0.59%	1.01%	£0	£0
Birch Hill Primary	£1,559,596	-£11,671	-0.75%	-£1,366	-0.67%	-0.08%	£0	£0
College Town Primary	£2,043,327	-£197,125	-9.65%	-£119,623	-3.98%	-5.67%	-£33,659	£0
Cranbourne Primary	£764,441	-£23,843	-3.12%	-£8,941	-1.94%	-1.18%	£0	£0
Crowthorne CE Primary	£811,564	-£31,554	-3.89%	-£8,748	-2.84%	-1.05%	£0	£0
Fox Hill Primary	£949,968	-£32,420	-3.41%	£183	-3.72%	0.31%	£0	£0
Harmanswater Primary	£2,220,542	-£49,589	-2.23%	£208,146	-11.58%	9.35%	£0	£0
Holly Spring Infant	£1,079,267	-£172,656	-16.00%	-£90,135	-7.78%	-8.22%	-£86,315	£0
Holly Spring Junior	£1,264,738	-£96,217	-7.61%	£22,863	-9.58%	1.97%	£0	£0
Meadow Vale Primary	£2,610,726	-£427,215	-16.36%	-£184,360	-10.07%	-6.30%	-£208,858	-£9,499
New Scotland Hill Primary	£848,341	-£26,921	-3.17%	£9,171	-4.34%	1.17%	£0	£0
Owlsmoor Primary	£1,992,164	-£107,249	-5.38%	-£1,751	-5.37%	-0.01%	£0	£0
The Pines School	£1,204,137	£125,097	10.39%	£185,018	-5.36%	15.74%	£0	£0
Sandy Lane Primary	£1,924,602	-£354,304	-18.41%	£46,074	-19.50%	1.09%	-£153,968	-£46,368
St Joseph's Catholic Primary	£824,492	-£82,511	-10.01%	-£29,610	-6.66%	-3.34%	-£7,511	£0
Winkfield St Mary's CE Primary	£766,638	£5,808	0.76%	-£19,348	3.31%	-2.55%	£0	£0
St Michaels Easthampstead	£901,746	-£107,273	-11.90%	-£36,819	-7.88%	-4.02%	-£32,273	£0
St Michaels CE Primary, Sandhurst	£739,646	-£5,715	-0.77%	-£5,639	-0.01%	-0.76%	£0	£0
Uplands Primary	£912,685	-£101,330	-11.10%	-£59,648	-4.62%	-6.48%	-£26,330	£0
Warfield CE Primary	£1,694,287	£9,880	0.58%	-£29,586	2.54%	-1.96%	£0	£0
Whitegrove Primary	£1,462,077	-£209,972	-14.36%	-£60,299	-10.65%	-3.71%	-£93,006	£0
Wildridings Primary	£1,636,075	-£129,975	-7.94%	-£37,160	-6.09%	-1.85%	£0	£0
Woodenhill Primary & Nursery	£1,431,041	-£83,351	-5.82%	£30,285	-8.12%	2.30%	£0	£0
College Hall PRU	£766,100	-£50,941	-6.65%	£40,032	-11.97%	5.32%	£0	£0
Easthampstead Park	£4,166,850	£334,586	8.03%	£74,118	5.88%	2.15%	£0	£0
The Garth Hill	£8,871,979	-£237,679	-2.68%	-£75,275	-1.88%	-0.80%	£0	£0
Sandhurst	£4,888,448	£593,263	12.14%	£156,860	9.01%	3.13%	£0	£0
Kennel Lane	£3,957,787	-£318,385	-8.04%	-£280,527	-1.01%	-7.03%	-£1,762	£0
Total	£55,342,419	-£1,728,794	-3.12%	-£187,576	-2.84%	-0.16%	-£643,682	-£55,867

-£699,549

Total with loan advances	-£2,198,794	-3.94%
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Total outstanding loans	-£470,000
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Primary average	£1,307,650	-£81,986	-6.27%
Secondary average	£5,975,759	£230,057	5.83%

NB this summary analysis excludes College Hall PRU and Kennel Lane Special School.

Primary minimum	£739,646	-£427,215	-18.41%
Primary maximum	£2,610,726	£125,097	10.39%

Secondary minimum	£4,166,850	-£237,679	-2.68%
Secondary maximum	£8,871,979	£593,263	12.14%

Summary profile of deficit and surplus school balances – All Schools

Sector	2017-18				2018-19				Change in carry forward 2017-18 to 2018-19 (+ increase / - decrease in surplus)	
	Budget for the year (excludes b/forward)	Carry Forward with loan advances	Carry Forward excluding loan advances	Carry Forward as % of final budget	Budget for the year (excludes b/forward)	Carry Forward with loan advances	Carry Forward excluding loan advances	Carry Forward as % of final budget		
Primary and PRU	£32,527,670	£2,077,827	£2,037,827	6.26%	£33,457,355	£2,110,579	£2,100,579	6.28%	£62,752	3.08%
Secondary and Special	£21,666,850	£143,391	£-496,609	-2.29%	£21,885,064	£88,215	£-371,785	-1.70%	£124,824	-25.14%
Total including loan advances	£54,194,520	£2,221,218	£1,541,218	2.84%	£55,342,419	£2,198,794	£1,728,794	3.12%	£187,576	12.17%

Net Outstanding loans

£680,000

£470,000

Analysis of true net balances i.e. excludes loans								
Deficits		Surpluses					Significant Surpluses	
Number	Largest	Number	Largest	No. 0-5% of budget	No. 5-8% of budget	No. > 8% of budget	Number	Amount

2017-18

Primary and PRU	3	£39,466	23	£-400,378	10	6	7	8	£-485,567
Secondary and Special	2	£436,403	2	£-162,404	2	0	0	0	£0
Total	5	£769,889	25	£-2,311,107	12	6	7	8	£-485,567

2018-19

Primary and PRU	5	£125,097	21	£-427,215	8	5	8	8	£-697,787
Secondary and Special	2	£593,263	2	£-318,385	1	0	1	1	£-1,762
Total	7	£1,150,053	23	£-2,878,847	9	5	9	9	£-699,549

Change 2017-18 to 2018-19

Primary and PRU	2	£85,631	-2	£-26,837	-2	-1	1	0	£-212,220
Secondary and Special	0	£156,860	0	£-155,981	-1	0	1	1	£-1,762
Total	2	£380,164	-2	£-567,740	-3	-1	2	1	£-213,982

Approved scheme to control significant surplus school balances

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

Controls on surplus balances

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

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

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

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

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

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

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

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

The conditions outlined here are intended to ensure schools can build up reserves towards particular projects but cannot defer implementation indefinitely. A change in the plans of a school is not allowed to be the only criterion by which a sum can be considered to be properly assigned or not. After the accounts are closed each year, the Authority will contact schools with significant

surplus balances to agree whether any of the balance has been properly assigned for a specific purpose and can therefore be deducted from the claw-back calculation.

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

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

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

- f. Any amount proposed by a school that relates to an assigned amount of the surplus, as calculated at step c above shall be limited to no more than 5% of the current year's budget share for secondary schools and 8% for primary and special schools and Pupil Referral Units (PRUs) i.e. is limited to the same amount that schools may retain without assignment.
- g. Should any school wish to retain a higher surplus than permitted in step f above, the Schools Forum will consider each referral on a case by case basis, taking account of the merits of each individual proposal based upon the submission made by the school.
- h. An appeal against a decision by the Forum in step g. can be made to the relevant Director. The Director's determination will be final.
- i. Where, at 31 March 2014, a school holds a surplus balance in excess of step f, this can be retained until 31 March 2017 without specific approval of the Forum.

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

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

Analysis of significant school surplus balances

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2019-20	2020-21	2021-22 onwards
<u>College Town Primary (9.65% total surplus)</u>						
Lead practitioner out of class for 2 school years to develop staff and improve the teaching and learning to ensure continuity across both phases		£43,979		£31,044	£12,935	
Protected staff salaries following support staff restructure for school amalgamation		£20,904		£8,650	£12,254	
Redecoration and new flooring in Year 5/ 6 corridor, KS2 kitchen and corridor and Year 4 corridor to bring areas not completed as part of school amalgamation adaptations		£13,000		£13,000		
Total accounted for		£77,883		£52,694	£25,189	£0
Amount of significant surplus		£33,659				
<u>Holly Spring Infants (16.00% total surplus)</u>						
Staff remodelling and restructuring due to amalgamation to Primary School		£90,000		£30,000	£60,000	
Total accounted for		£90,000		£30,000	£60,000	£0
Amount of significant surplus		£88,315				

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2019-20	2020-21	2021-22 onwards
<u>Meadow Vale (16.36% total surplus)</u>						
Perimeter fence and access gate. Contribution to replacement following recommendations from safeguarding audit		£10,000		£10,000		
Exceptional purchase of curriculum resources and IT infrastructure following analysis and action plan agreed with Standards Monitoring Board		£95,000		£95,000		
Pupil Premium Resources catch up. Investment in nurture, resources, coaching and hardship club following analysis and action plan agreed with Standards Monitoring Board		£105,000		£105,000		
Upgrade to children's toilets to improve health and safety		£30,000		£30,000		
Transition to reduced funding at the Rainbow Resource Provision, following lower number of pupil admissions		£100,000		£100,000		
Total accounted for		£340,000		£340,000	£0	£0
Amount of significant surplus		£208,858				
<u>Sandy Lane (18.41% significant surplus)</u>						
Balance held in anticipation of reduction in pupil numbers		£354,000		£223,000	£131,000	
Total accounted for		£354,000		£223,000	£131,000	£0
Amount of significant surplus		£153,968				
<u>St Josephs (10.01% total surplus)</u>						
Purchase & installation of outdoor fitness equipment		£15,000			£15,000	
Total accounted for		£15,000		£0	£15,000	£0
Amount of significant surplus		£7,511				

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2019-20	2020-21	2021-22 onwards
<u>St Michael's Easthampstead (11.9% total surplus)</u> Outside reflection area - make use of currently overgrown area at back of building to provide a quiet space for reflection & prayer and use for the ELSA and as outside classroom where required Adventure playground replacement		£40,000			£40,000	
		£40,000			£40,000	
Total accounted for		£80,000		£0	£80,000	£0
Amount of significant surplus		£32,273				
<u>Uplands (11.10% total surplus)</u> Capacity to run extended school support/collaborative Teaching School activities.	£26,330			£26,330		
Total accounted for		£26,330		£26,330	£0	£0
Amount of significant surplus		£26,330				
<u>Whitegrove (14.36% total surplus)</u> Maintenance and refurbishment of external environment for health and safety reasons staff remodelling & restructuring		£44,500		£44,500		
		£48,506		£48,506		
Total accounted for		£93,006		£93,006	£0	£0
Amount of significant surplus		£93,006				
<u>Kennel Lane (8.04% total surplus)</u> To refurbish boys toilet		£5,000		£5,000		
Total accounted for		£5,000		£5,000	£0	£0
Amount of significant surplus		£1,762				
Total	£26,330	£1,054,889	£0	£770,030	£311,189	£0
Total	2%	98%	0%	71%	29%	0%
Total		£1,081,219			£1,081,219	



**Requests to carry forward significant surplus balances above the cap:
Sandy Lane Primary**

Budget position at Sandy Lane Primary School 2019-2021

Summary

Sandy Lane currently is holding a surplus balance of £354k which has reduced from £400k in 2017-18. We envisage £223k of this carry forward will be used during 2019-20 to offset the reduced income from the drop in pupil numbers and rising costs. The balance of the carry forward will be completely absorbed in setting the budget for 2020-21. A decision was made earlier in this academic year not to look at restructuring the staffing this year as the school is currently making good progress and it was felt it would be detrimental at the present time to both pupils and staff. This has been discussed with the governing body and the Schools Management Board who supported this decision. It is however recognised that a restructuring progress is highly likely moving forward.

A new business manager started with the school in April 2018 and has spent time getting to grips with the budget and the pressures moving forward. In the later part of 2018-19 there were several projects that the school started looking into to improve the quality of teaching and resources in school. This was only undertaken once the business manager had spent time evaluating the budget situation and felt the schools finances could support these. The 2 main areas being IT and reading and following research quotes have been received, although to follow the correct procurement procedure this is an area we were not able to complete in the financial year and aim to complete during 2019-20.

When the budget was set for 2018-19 we had predicted that we would have a surplus of £215k but is in fact £354k. This has been achieved as we have not replaced staff who have left and have reduced spending in other areas and as mentioned above not managed to complete some larger projects. We have also increased our lettings to generate additional income and have been in receipt of staff insurance refunds which had not been budgeted.

Pupil Numbers

Capacity if full (exc Nursery)	630
October 2015	622
October 2016	593
October 2017	513
October 2018	488
October 2019	451 (based on EYFS intake September 2019)
October 2020	436 (based on numbers from BFC)

Pupil numbers at Sandy Lane have been relatively stable since October 2017 but at the end of this academic year we will lose our largest year group and have had reduced admissions in to Early Years due to the low birth rate. The table below shows that moving forward we have spaces in each year group and classes will not be at the optimum size of 30 which will have an impact on the budget (income and expenditure).

Pupil Numbers

Age	Year	Key Stage	Oct 2017	Oct 2018	Oct 2019	Oct 2020
5	Reception	Early Years	58	42	57	52
6	Year 1	KS1	62	69	42	57
7	Year 2	KS1	78	60	69	42
8	Year 3	KS2	74	82	60	69
9	Year 4	KS2	67	74	82	60
10	Year 5	KS2	96	67	74	82
11	Year 6	KS2	78	94	67	74
Total			513	488	451	436

Budget modelling

For budget setting, we have worked on the basis of the pupil numbers shown in the table above. This generates an in year budget deficit of £223k for 2019-20, but an overall surplus of £131k. Our current budget model (as below) is showing that the 2020-21 budget cannot be balanced and we are therefore looking at options as to how we can reduce our costs and also any way that we can increase pupil numbers.

To reduce costs we have options to reduce the number of classes by combining classes across year groups or running with class sizes significantly above 30 in KS2 which would mean a reduction in our teaching staff numbers. It must be noted however that Sandy Lane, consider this to be detrimental to the aim of achieving improvements. As you will be aware, we have already been through a restructure of class support staff which cut support staff costs and as there is no significant natural wastage on TAs that we can take advantage of to further reduce costs. During 2018-19 savings have been made to build up a bigger reserve to help us combat the reduction in income but to continue moving the school forward.

In setting the 2019-20 budget the increase to teacher's pensions has been included in staffing costs with a grant from the DfE shown in income. However no allowance has been made for this grant in 2020-21 and in fact as always there are many unknown or uncertain areas.

We are actively promoting the school with the intention of attracting new pupils. The school has a Facebook page and are on twitter and have had several positive articles printed in the local

newspapers. This is an area we intend to continue working on.

2019-20 Budget / 2020-21 Forecast

	Submitted 2019-20	Forecast 2020-21
Allocated Income	1,881,732	1,752,230
Pupil Premium	107,560	85,000
Sports Funding	20,510	20,000
UIFSM	77,350	80,000
Grants – Pay/Pension	55,421	16,454
Self-Generated Income	67,700	69,700
Carry forward	354,304	131,303
Total income	2,566,577	2,154,687
Staffing	1,968,223	1,924,519
Other staff related costs	17,543	12,543
Site	174,838	162,838
Resources / Catering	217,729	217,729
Services / Agency	84,441	65,942
Total expenditure	2,435,274	2,374,570
In year Surplus / Deficit	(223,001)	(351,186)
Surplus / Deficit brought forward	354,304	131,303
Cumulative surplus / deficit c/fwd	131,303	(219,883)

Assumptions:

- 2019-20 staffing based on current position
- 2020-21 staffing has a reduction in teaching staff although it is recognised that further reductions will need to be looked into in order to balance the budget
- Includes modelled numbers for nursery provision
- Self generated income includes income from school meals, lettings, donations and parental contributions to trips.

Requests to carry forward significant surplus balances above the cap: Meadow Vale Primary

Proposed Surplus Balance Clawback – Meadow Vale Primary School

I am responding to your recent email to schools which relates to the analysis of 2018/19 Schools Revenue expenditure and the positive balances identified by your team. The purpose of this note is to explain how we have accumulated a surplus balance, what we plan to do rectify it and to seek your support at the Schools Forum meeting in **gaining agreement to retain both our balance over 16% (£9,499) and our balance between 8% (£208,858) and 16% (£417,716).**

Background

In the case of Meadow Vale Primary School, you have highlighted a surplus balance of £427,215 which represents 16.36% of our 2018/19 funding allocation of £2,610,727. This consists of a carry forward figure from 2017/18 and a surplus of £184,361 for 2018/19. You will also be aware that our High Needs funding for the Rainbow special Unit has been reduced by £100,000 for 2019/20.

Context

Meadow Vale Primary has had a tumultuous 15 months from February 2018 when budgets were being set. As you and the Schools Forum will be aware, our then Head Teacher, Mrs Lee Parsons resigned. Our first HT recruitment attempt was unsuccessful and we sought LA help in appointing an Executive Head for the autumn term. It took us until nearly the start of the summer holidays to re-run the process and identify a suitable candidate (Mrs C Forrester) who took over as substantive Head Teacher in January 2019.

During that same period, the STEP advisor identified that the school was “cause for concern” and in September we were placed under the School Management Board framework, to ensure a rapid and structured improvement plan was put in place and executed effectively. We requested a Safeguarding Audit by the LA, which created a number of key action points, one of which has a significant financial impact in 2019/20, which I will refer to shortly.

As a result, it is fair to say, our management efforts as a Governing Body were focussed on HT recruitment, analysing/improving the OFSTED defined causes for concern and resolving the safeguarding issue, rather than financial surpluses.

Revenue Impact

During 2018/19, we had 4 major areas of cost which were at variance to budget (helping to create the surplus);

- Emergency Building Work – We were aware that we had a serious problem with the roof over the top half of the school. This was leaking badly and causing a health hazard to staff and children. Investigations supported by the LA property team confirmed this needed to be replaced, not repaired. We had made a budget allowance of £50k for this in the 2018/19 budget under planned maintenance and suspended all other planned maintenance work in the expectation of such a large cost. The avoided planned maintenance on children’s toilets and IT infrastructure would have been similar in cost. However, post budget enquiries with the Property team at the LA resulted in this being treated as a capital item and a resulting cost to the school of 5% or £10k. This created a surplus of £40k vs. budget.
- Senior Staff Costs – Our Executive Head was supporting us for 3 days per week in the autumn term, rather than 5 days per week as budgeted. This created a surplus of £7k vs. budget. We had a deputy head and a senior teacher go off on maternity leave, funding for which is covered under the LA service agreement. This created a surplus of £86k vs. budget. We also had 2 terms without a dedicated SENCo, creating a surplus of £30k.

- We had a significant change in amounts and timing for transfer of School Fund payments from parents which tipped into the 2018/19 accounts and resulted in a surplus of £18k and an insurance payment of £5k.

All told, we had £186k of costs/delayed income we expected to incur which did not happen during the 2018/19 budget year, which we could not have foreseen when setting the budget in March 2018.

If we look at 2019/20, we are faced with 5 or 6 key issues we need to resolve which will reduce our surplus balance back within the normal tolerances of 8% (£224k in 2019/20).

- The follow up from the safeguarding audit has highlighted a serious issue with children's ability to abscond from the school premises and preventing unauthorised entry by potential intruders. We have worked closely with Chris Taylor and his team, who advise us that the whole perimeter fence and all access gates need to be replaced and/or updated as a BFC funded capital bid, for which we will be required to fund 5%. We do not yet have a final budget, but know this will be measured in the £100,000s. If we assume £200,000 cost, we need to allocate £10,000 as our share.
- The outcome of the "cause for concern" analysis and action plan has identified some serious under-investment in curriculum resources. We have made a start in 2018/19 with £20k toward some reading books to replace our rather antiquated ones for part of the school. It is likely that we will need to spend between £50k and £80k on curriculum materials in 2019/20. We also need to accelerate the replacement cycle for our IT infrastructure (items such as classroom whiteboards which were part of the original pilot in Bracknell Forest!) at a cost of at least £30k.
- That same "cause for concern" analysis has highlighted an under-investment in Pupil Premium capability and resources which need to be brought back up to level required to support our PPG children going forward. We have identified one-off costs of £105,000 covering nurture, resources, coaching and hardship club funding.
- The deferred planned maintenance on our building infrastructure is pressing. We have serious health and safety issues with our children's toilets which will cost at least £30k to rectify and the list of more minor items is likely to absorb our normal £11k year-on-year allocation.
- We have had £100k of our Rainbow Special Unit budget removed following the 2019/20 review of high needs funding.
- The School Places Planning Strategy model produced by Chris Taylor suggests that the impact of 2018 and 2019 opening 3 new primary schools nearby in Binfield and Warfield (which previously fed some children into Meadow Vale) will impact our Reception intake by around 4 - 8 children, out of a PAN of 90. Over time, this will flow through subsequent years and eventually reduce our pupil numbers and pupil based funding by 5%-10%. At this stage, it is too early to assess the actual financial impact for 2019/20, so this has not been quantified specifically, but rather left as a strategic risk.

Summary

We ask the Schools Forum to review our financial circumstances for 2018/19 and 2019/20 summarised below and recognise the exceptional circumstances which contributed to a mistaken one-off revenue surplus which will be removed during 2019/20. **We request that no claw back occurs from the 2019/20 budget and we will ensure any 2019/20 carry forward surplus is well within the agreed target of 8%.**

Meadow Vale Primary - Analysis of Surplus Revenue Balances

	2018-19		2019/20		2020/21
Balance Brought Forward (Previous Year)	£242,854		£427,215		£80,700
Funding Allocated	£2,610,727		£2,850,574		
Total Funding for Year	£2,853,581		£3,277,789		
Net in year expenditure	£2,426,366		£3,197,089		
Revenue Balance	£427,215	16.36%	£80,700	2.83%	
Additional Earmarked One Off Costs - 2019/20					
Perimeter Fence			£10,000		
Exceptional Curriculum Resources			£65,000		
Exceptional IT Infrastructure			£30,000		
Reduced Rainbow Funding			£100,000		
Children's Toilets			£30,000		
Pupil Premium Resources Catch Up			£105,000		
TOTAL			£340,000		

Richard Stok
Co-Chair of Governors
Meadow Vale Primary School
Richard.Stok@meadowvaleprimary.com
07879 432887

2018-19 School Capital Balances

School	2018-19 new year funding £	Carry forward			Amount that must be spent by 31 August 2019 £
		Total Amount (+surplus / -deficit) £	Percentage of new year funding £	Change from 2017-18 (+increase / -decrease) £	
Ascot Heath County Infant	15,974	24,410	152.81%	9,546	2,163
Ascot Heath CE Junior	17,274	23,174	134.16%	13,494	
Birch Hill Primary	25,666	13,162	51.28%	11,932	
College Town Infant and Nursery	26,508	30,225	114.02%	26,508	
College Town Junior	6,813	6,988	102.57%	6,813	
Cranbourne Primary	15,931	15,663	98.32%	11,159	
Crowthorne CE Primary	16,147	17,735	109.83%	3,719	
Fox Hill Primary	16,353	15,637	95.62%	7,733	
Harmanswater Primary	34,666	41,383	119.38%	28,908	
Holly Spring Infant and Nursery	19,797	12,845	64.88%	5,776	
Holly Spring Junior	22,390	27,542	123.01%	7,708	
Meadow Vale Primary	34,202	43,160	126.19%	14,926	
New Scotland Hill Primary	16,312	17,053	104.54%	8,472	
Owlsmoor Primary	32,173	23,436	72.84%	18,110	
Pines	19,511	14,078	72.15%	13,992	
Sandy Lane Primary	32,404	32,158	99.24%	27,023	
St Marys CE Primary (Winkfield)	15,757	26,948	171.02%	15,757	4,873
Uplands Primary	17,283	23,018	133.18%	10,575	
Warfield CE Primary	21,873	28,488	130.24%	18,948	
Whitegrove Primary	25,077	34,889	139.13%	25,077	738
Wildridings Primary	24,609	16,212	65.88%	15,813	
Woodenhill Primary and Nursery	22,913	16,103	70.28%	12,019	
College Hall PRU	10,252	7,451	72.68%	2,675	
Easthampstead Park	61,838	18,131	29.32%	12,907	
Garth Hill	118,951	147,729	124.19%	111,771	
Sandhurst	73,153	63,277	86.50%	49,420	
Kennel Lane	28,328	18,793	66.34%	17,965	
Total	772,155	759,688	98.39%	508,746	£7,774

	Basic DFC	One-off share of £400m	Total
Primary average	£8,252	£14,588	£22,840
Secondary average	£24,151	£60,497	£84,647

TO: SCHOOLS FORUM
DATE: 20 JUNE 2019

**2018-19 FUNDING ALLOCATIONS TO MAINSTREAM SCHOOLS FROM
BUDGETS CENTRALLY MANAGED BY THE LA AND OTHER MATTERS**
Executive Director - People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present information on the in-year allocation of funds to mainstream schools through School Specific Contingencies and other budgets that are funded from the Dedicated Schools Grant (DSG) and in the first instance centrally managed by the council. It also presents the opportunity to amend existing funding policies. These funds relate only to mainstream schools.
- 1.2 The report also updates the Forum on some mandatory changes of a mainly technical nature required to the Scheme for Financing Schools by the Department for Education (DfE) which governs the financial framework that all maintained schools need to work within, including special schools and Pupil Referral Units.

2 EXECUTIVE SUMMARY

- 2.1 The funds used to provide targeted support to schools meeting qualifying criteria allocated £0.631m in 2018-19' an overall under spend of £0.093m. This helps to fund unpredictable and sometimes significant additional costs that only a small number of schools face and which the simplified funding formula lacks the required sensitivities.
- 2.2 In general, the associated policies that provide consistency and transparency of operation are considered appropriate and fit for purpose. Reflecting on recent experiences and reviews of the latest guidance, changes are now being proposed to the in-year increase in pupil numbers element of the Growth Fund and the de-delegated budget that funds additional support to schools in financial difficulty.

3 RECOMMENDATIONS

The Forum:

- 3.1 **NOTES the following funding allocations to schools, made in accordance with approved policies;**
 - 1. **£0.243m for significant in-year increases in pupils (paragraph 6.9);**
 - 2. **£0.048m for schools required to meet the Key Stage 1 Class Size regulations (paragraph 6.20);**
 - 3. **£0.103m for new and expanding schools (paragraph 6.22);**
 - 4. **£0.036m for schools with a disproportionate number of SEN pupils (paragraph 6.26);**
 - 5. **£0.196m for schools in financial difficulty (paragraph 6.36);**
 - 6. **£0.005m from the general schools contingency (paragraph 6.39).**

3.2 AGREES:

- 1 that in respect of the policy supporting schools experiencing significant in-year increases in pupil numbers:**
 - a. the deletion of text relating to Infant and Junior Schools (paragraph 6.10);**
 - b. work should be undertaken to draft new policy text relating to allocations to schools in relation to meeting the DfE basic needs pupil criteria (paragraph 6.17);**
- 2 the expanded policy text relating to allocations to schools in financial difficulty to include 1 form of entry primary schools with more than 5% empty places (paragraph 6.35);**
- 3 the existing policy text on funds used to distribute centrally managed funds to schools should continue unchanged on all other funds (Annexes 3, 9 and paragraph 6.25).**

3.3 NOTES the changes to be made to the Scheme for Financing Schools reflecting a directed revision from the DfE and other minor revisions from the council to text to reflect current terminologies (paragraph 6.45).

4 REASONS FOR RECOMMENDATIONS

4.1 To ensure that the Schools Forum supports how centrally managed funds have been allocated to mainstream schools and is aware of the total amount and schools involved.

5 ALTERNATIVE OPTIONS CONSIDERED

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

6 SUPPORTING INFORMATION

Background

6.1 Members of the Forum will be aware that the funding framework for mainstream schools is regulated by the DfE and that this governs the conditions attached to how funds can be allocated to schools. It also sets out the circumstances in which funds can be centrally managed by LAs and how in-year allocations can be determined.

6.2 As part of the budget setting process, the Forum agreed that the following six budgets should initially be managed by the LA, for in-year allocation to schools:

1. The Growth Fund: Comprising:
 - a. significant in-year increases in pupil numbers;
 - b. schools required to meet the Key Stage 1 Class Size regulations;
 - c. new and expanding schools.
2. SEN specific contingency;
3. General Schools Contingency: Comprising:
 - a. Schools in financial difficulty;
 - b. General Schools Contingency.

- 6.3 In accordance with the funding framework, items 1 and 2 above are held as centrally managed budgets, available to support both maintained and academy schools.

Item 3 is a de-delegated budget and supports maintained mainstream schools only. De-delegated funding is initially included in individual school budget allocations, but returned from maintained schools for central management, following agreement of the Schools Forum.

Maintained schools that meet the agreed qualifying criteria then receive in-year funding allocations, whereas academy schools retain their relevant share of the funds to manage locally.

- 6.4 This annual report is presented to confirm individual funding allocations and to provide an opportunity to review the relevant funding policies.

1. Growth Fund allocations - £481,880 total budget (applies equally to maintained mainstream schools and academies that meet qualifying criteria).

a. Significant in-year increases in pupil numbers - £304,270 budget

- 6.5 To provide in-year financial support to schools experiencing significant increases in statutory aged pupil numbers, LAs are permitted to retain funding in a Growth Fund for allocation once qualifying criteria is met. This reflects the requirement of the DfE to calculate school budgets on actual pupil numbers prior to the start of the financial year which means there is no recognition of in-year increases which in some cases will have a significant impact on costs.

- 6.6 To provide additional resources to schools facing in-year increases, the Schools Forum has agreed that funding allocations should be made where there is a significant increase in pupils between the census point used for funding school budgets and the actual intake at the start of the next academic year. The relevant thresholds and funding rates are:

- less than 2 FE schools = increase of 10 pupils, at half the core funding rate
- 2 FE schools = increase of 20 pupils, at the core funding rate
- 3 FE and above schools = increase of 25, at the core funding rate

- 6.7 Admitting additional pupils at these levels is considered the point at which relevant schools would most likely experience significant cost increases. The general expectation is that schools can absorb additional pupils up to these numbers without having to incur any significant cost increases.

- 6.8 The core funding allocation is based on the cost of employing a Teacher at Main Scale Point 6 for the autumn and spring terms only. This is a short term funding measure as on-going funding beyond this point would be included in the next year's budget as relevant pupils would be on the October census used for funding purposes and are therefore taken into account in the next year's budget calculation.

- 6.9 Based on actual changes in pupil numbers, 3 allowances were paid to primary schools, with 5 paid to secondary schools. As academy schools receive academic year budgets the ESFA provides additional funding for the spring term. This is because the extra pupils are not reflected in their budget until September, rather than April for maintained schools. The council received an additional £18,460 through this route which was passed on to the relevant school, and is included in the figures detailed in this report. Total allocations amounted to £243,025, including £25,842 back dated payment to

College Town Junior as previously agreed by the Forum, which resulted in an under spending of £61,245. Annex 2 sets out individual school allocations and other relevant data.

- 6.10 The policy text includes provisions specific only to Infant and Junior Schools. By September 2019, all relevant schools will have amalgamated to form primary schools, and therefore relevant text will be deleted from the policy.
- 6.11 Furthermore, on reviewing this policy, an issue has recently arisen for which a change for 2019-20 needs to be considered. This relates to ensuring compliance with DfE *Schools revenue funding 2019 to 2020 Operational guidance* that sets out that the Growth Fund can only be used to “support growth in pre-16 pupil numbers to meet basic need” and may not be used to support “general growth due to popularity; which is managed through lagged funding”.
- 6.12 The DfE define basic need as the statutory duty on local authorities to make sure there are enough school places for children in their local area. This requirement does not extend to individual planning or school designated areas within an authority. This duty has always been met by the council.
- 6.13 Applying the basic need condition on the Growth Fund adds a complication in that at its simplest, all admissions to schools should be separated between basic need and other factors, most notably parental preference, in order to calculate any valid in-year basic need growth pressures which would attract funding. Further clarification has been sought and a full response is awaited.
- 6.14 The current policy, as set out in Annex 1 applies equally to all pupils; it does not separate out basic need pupils. Clearly this approach needs to be re-considered, with any potential change needing to be manageable for the council and schools.
- 6.15 Having considered this, the council considers any application of the basic need requirement can only be practically applied to admissions into the intake year as this reflects the most significant amount of pupil movements and the data is readily available. Taking account of the funding thresholds set out in paragraph 6.6 this would ordinarily limit the impact of a policy change to secondary schools only.
- 6.16 The most significant impact that could arise should a basic need calculation be added to the Growth Fund policy is that schools benefiting from parental preference gains from pupils attending from out of designated areas would need to fund the cost of any additional classes for 2 terms from September admissions before benefiting from the lagged funding system at the start of the next financial year. These pupils would ordinarily be expected to attend their local school where sufficient places exist and therefore the extra places being offered are not required. The local school would receive fewer pupils than would otherwise be the case, and therefore lower funding.
- 6.17 This is a complex area and before specific amendments are proposed, detailed advice needs to be received from the DfE. Therefore, any changes proposed to the policy will be reported to the Forum in September. One secondary school is opening up an additional class above Published Admissions Number which will result in a significant number of out of area Year 7 pupils attending and will be impacted if a policy change is agreed. The relevant school is aware that the relevant funding policy is subject to review.

b. Schools required to meet the Key Stage 1 Class Size regulations - £86,610 budget

- 6.18 In a similar way to that in which funds can be retained for allocation in year to schools experiencing significant increases in pupil numbers, LAs are also permitted to create a contingency to allocate funds to support schools facing additional costs to ensure Key Stage 1 class size regulations to limit classes to no more than 30 pupils per teacher are not breached. Again, this allows the targeting of funds to schools facing real cost pressures that the Funding Formula is not permitted to deal with.
- 6.19 The Forum has agreed that where the aggregate number of Key Stage 1 pupils does not equate to a multiple of 30, additional resources will be added at the amount required to cover the cost of appointing a Teacher on Main Scale Point 6 for the relevant period, after taking account of the funding delivered through the Funding Formula. Top up funding is provided on a “missing pupil” basis and is calculated at the amount required to meet teacher costs only. Based on the current values in the Funding Formula, 15 pupils deliver sufficient resources to employ a teacher. Therefore, the maximum top-up funding a school can receive is for 15 ‘missing’ pupils.
- 6.20 Based on actual changes in pupil numbers for the 2018 summer and autumn terms, and the spring term 2019, 3 schools are entitled to additional funding, which aggregates to £47,784 resulting in an under spending of £38,826. Annex 4 sets out individual school allocations and other relevant data.
- 6.21 To avoid double funding, if the same pupils result in schools receiving funding through the *significant in-year increase in pupil numbers* category then any Key Stage 1 specific funding is disallowed. The relevant qualifying criteria are set out in Annex 3. No changes to the text are being proposed by the council.

c. New and expanding schools - £91,000 budget.

- 6.22 With the new Kings Academy Binfield opening to secondary aged pupils in September 2018, and Kings Academy Oakwood Primary due to open in September 2019, 2 schools qualified for funding for pre-opening costs. Relevant amounts, in accordance with the approved policy were £92,579 and £10,000 respectively, which represents an over spending of £11,579.
- 6.23 As the 2019-20 policy for start-up and diseconomy funding for new and expanding schools was agreed in December 2018 following extensive review, no further changes are proposed at this time.
2. SEN specific contingency - £50,000 budget (applies equally to maintained mainstream schools and academies that meet qualifying criteria. This is the only budget in this report that is funded from the High Needs Block).
- 6.24 The DfE encourages LAs to allocate additional resources to schools that admit a disproportionate number of pupils with SEN with a clear expectation that this will affect only a minority of schools. The rationale of the contingency is that the normal operation of the simplified Funding Formula does not adequately resource schools for all costs when there is a large concentration of high needs pupils and inclusion of pupils into mainstream schools rather than specialist providers should be encouraged.

- 6.25 There is no prescribed methodology on how such a fund should work and the scheme agreed by the Forum following consultation schools requires schools to meet both of the following criteria:
1. Where the proportion of pupils on roll classified as high need exceeds 4% of total pupil numbers in a primary school and 2% in a secondary school, and
 2. Where the proportion that top up funding paid to support High Needs pupils compared to the total budget allocated via the BF Funding Formula exceeds 2% in a primary school and 1% in a secondary school.

No changes to the text are being proposed by the council.

- 6.26 This resulted in one Secondary school receiving additional funding allocations that totalled £36,600, resulting in an underspending of £13,400. Annex 5 sets out the calculation of individual school eligibility to funding.

3. Schools Contingency: (this is a de-delegated budget and applies only to maintained schools when eligibility criteria met. Any under spending is returned to mainstream schools)

a. Schools in Financial Difficulty - £185,660 budget

- 6.27 School Funding Regulations allow for additional funds outside the normal operation of the Funding Formula to be provided to schools considered to be in financial difficulty. In agreement with the Schools Forum, this de-delegated budget has been returned to the Council for central management. The agreed criteria to be used to allocate this funding is if, in the opinion of the relevant Director and Director of Finance, a school:

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

- 6.28 Where schools enter an Ofsted category of concern this includes those schools judged to be inadequate or requiring improvement the LA holds a declaration of concern meeting and establishes a Standards Monitoring Board (SMB). The Board has an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school are invited to attend the SMB to report on progress. A support plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement. Where the school is unable to fund these actions from its own delegated budget, the SMB can request that additional resources be sought.

- 6.29 For schools identified by the LA as causing concern despite having a good judgement by Ofsted a declaration of concern meeting takes place and a SMB can be established of which the head teacher and Chair of Governors are invited to attend. The boards meet regularly to discuss progress and determine with the school where additional resources might be required.

- 6.30 In order to allow funds to be allocated within an appropriate time scale, the Forum has agreed to delegate a set of powers to the Director of Children, Young People and Learning to allocate funds up to but not exceeding £0.15m in any financial year, dependent on the Ofsted category of the school, or where there is considered a risk of being placed in a category.

- 6.31 The level of allocation of funds would be:
1. schools judged to have serious weaknesses (up to £20k per year)
 2. schools deemed to be in need of special measures (up to £50k per year)
 3. schools at risk of receiving a judgement of serious weaknesses or entering special measures (up to £30k per year)
- 6.32 During the year, an issue emerged with 1 form of entry (FE) primary schools that were experiencing falling rolls and consequentially facing difficulties in balancing budgets. 1 FE school schools are particularly vulnerable from falling rolls because they:
- Lack capacity / size to secure economies of scale
 - Have a relatively high proportion of fixed costs which makes it difficult to make savings when pupil numbers fall
 - Have lower levels of balances compared to other primary schools (42% are in deficit compared to the 27% average, those in surplus have lower average balances than larger primaries).
 - Receive a relatively low benefit from the gains being experienced through the new National Funding Formula. The 2 year increase to 2019-20 averages 2.3% for 1 FE primary schools compared to 5.2% for larger primary schools.
 - Are not considered a sustainable size school by a number of LAs
- 6.33 During 2018-19, the council worked closely with the school with the highest percentage of empty places (10%) but was unable to develop a sustainable medium term budget plan. The financial situation was particularly impacted by an admission of 22 into reception in September 2017 with 18 at September 2018. With a small and stable workforce, and limited staff turnover, opportunities to make savings on staffing have been limited.
- 6.34 The school have worked hard to maximise in-year admissions which increased by 5 during 2018-19, and with September 2019 reception expected to be full at 30, future numbers and funding are expected to increase to a sustainable level.
- 6.35 In the short term, additional one off funding is considered necessary to sustain relevant schools. In order for a consistent approach to be adopted, Annex 6 sets out a proposed policy amendment which the Forum is recommended to agree is added to the wider criteria as detailed at Annex 7.
- 6.36 Funding allocations for the year amounted to £196,160 which represented an over spending of £10,500, Further details of the allocations are shown in Annex 8.
- b. General Schools Contingency - £8,260 budget*
- 6.37 Where a primary school faces exceptional, unexpected costs in-year that were not known when the budget was set and it would be unreasonable to expect the school to meet the costs, bids for additional funding can be sought. The Forum has previously agreed that claims are considered on a case by case basis by the Heads of Service covering Finance, Human Resources and Property before formal consideration by the Forum.
- 6.38 During the year a claim was made by Ascot Heath Junior school in respect of a £10,415 back dated water and sewerage bill that related to a period prior to the Bursar being in post and was therefore unexpected. This request was rejected as even though the

Bursar was unaware of the liability, it is a legitimate charge that the school should have been budgeting for and would have benefited by the value of the unpaid bills in the carry forward balance.

- 6.39 The Forum has previously agreed that the Pines Primary School should receive on-going additional financial support. This relates to the additional site costs associated with the expansion of the Pines Primary School where the Primary Professional Centre has been returned to school use to accommodate current and future increases in pupil numbers. The school is occupying the refurbished accommodation on a phased basis, meaning in the early years premises related costs being incurred for the building are significantly larger than required. With the new accommodation detached from the main school, this presents additional complications around site management and organisation which also impacts on cost. The agreed funding allocations are as set out in the table below, with £5,000 being paid in 2018-19 resulting in a £3,260 under spending. This is the final payment due under this agreement.

<u>Occupation of the new building:</u>				
Financial Year	Occupied	Empty	Cost of empty class	Funding (capped at £15,000)
2014/15	1	5	£25,000	£15,000
2015/16	2	4	£20,000	£15,000
2016/17	3	3	£15,000	£15,000
2017/18	4	2	£10,000	£10,000
2018/19	5	1	£5,000	£5,000
2019/20	6	0	£0	£0

- 6.40 Claims from secondary schools are not ordinarily considered as there is an expectation that in-year changes can be managed from their higher level of resources, although bids can still be submitted for consideration on a case by case basis.
- 6.41 The full criteria for making allocations from the General School Contingency is set out at Annex 9. No changes to the text are being proposed by the council.

Qualifying criteria used to make funding allocations

- 6.42 To ensure that a consistent and transparent approach is adopted to the allocation of contingency funding to schools, the Forum has agreed a set of eligibility criteria to be applied, and these are attached as annexes to the report. Relevant policies are included in annexes 1, 3, 7 and 9 and paragraph 6.25.
- 6.43 The Forum is recommended to agree all of the relevant policies, incorporating the changes set out in this report.

Changes to the Scheme for Financing Schools (the “Scheme”)

- 6.44 Each LA is required to publish a Scheme. It is an important document that sets out the financial relationship between the LA and the maintained schools which it funds. It is a legally binding document on both the LA and schools relating to financial management and associated issues. Academy schools are not bound by the Scheme.

- 6.45 The DfE has issued an update to reflect current policy positions and changes in legislation that require a revision to the current BF Scheme. These in general have no significant effect on the conditions of the Scheme. The council will also take the opportunity to update out of date text, such as job titles and other similar matters. There is no practical effect from the changes to be made from the Council.
- 6.46 Annex 10 sets out the reason for change provided by the DfE, with Annex 11 detailing the consequential updated text for the BF Scheme.

Conclusion

- 6.47 The funds approved by the Forum to be held by the LA allow for appropriate in-year targeting of resources that is not possible through the simplified Funding Formula for Schools. Current arrangements, subject to the changes proposed above, are considered appropriate and ensure that financial support is provided when needed and that clear and consistently criteria is applied in the allocation of resources.

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 arising from this report are set out in the supporting information. The allocations meet the requirements of the appropriate funding regulations, the agreed policies and have been taken into account in the financial monitoring arrangements for the Schools Budget.

Equalities Impact Assessment

- 7.3 None identified.

Strategic Risk Management Issues

- 7.4 None identified.

8 CONSULTATION

- 8.1 None.

Background Papers

None

Contact for further information

Paul Clark, Finance Business Partner - CYPL

(01344 354054)

paul.clark@bracknell-forest.gov.uk

Doc. Ref

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

New text is in bold and shaded i.e. **bold and shaded**, deleted text is bold and struck through i.e. ~~**bold and struck through**~~

This element of the Growth Fund is ring fenced so that it is only used for the purpose of supporting growth in pre-16 pupil numbers to meet basic need. The fund will be for the benefit of both maintained and Academy schools. For Academy Schools, the funding is for an academic year.

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

To assist schools in meeting the additional costs arising in such circumstances, an in-year budget addition will be made where the whole school number on roll from Reception up to Year 11 increases up to the point that significant additional costs are expected to be incurred.

The relevant thresholds for additional funding are:

- less than 2 FE schools = 10
- 2 FE schools = 20
- 3 FE and above schools = 25

With the exception of less than 2 FE schools, the amount of additional funding is calculated from the cost of appointing a teacher on Main Scale Point 6 – salary and employer on-costs - for the period September to March.

Less than 2 FE schools will be funded at half the value of other schools sizes, to reflect the lower additional costs expected to be incurred i.e. it is not expected that such schools would ever need to open a new class and recruit a new teacher.

There are **3** **2** exceptions to this general rule.

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

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

2. This relates to those schools that expand by a whole form of entry. As the current calculation is based on the form of entry at admission, it assumes those schools expanded by a whole form of entry are immediately admitting to all year groups at the increased capacity, when in reality, the increased capacity starts in the entry year, and takes 7 years (5 for a secondary school) to work through the school until admission to

full capacity is possible. In order to make a fair calculation of the threshold to be used to calculate in-year growth allowances in these circumstances, the threshold to be used to calculate a growth allowance is calculated on the number of classes available at the census point used to calculate the original budget.

For example, a primary school moving from a 2 form to 3 form entry school has 3 classes in reception in the first year after expansion, and 2 classes in other year groups. The funding threshold for a 2 form entry school is 20 with 25 used for 3 form entry schools. In the first year following expansion, eligibility to growth allocations would be calculated on reception classes at the 25 number threshold, with all other classes at a threshold of 20. For the second year, Reception and Year 1 would be calculated on a 25 threshold, all other year groups on 20 and so on. A full illustration of the calculation is set out below and shows how the funding threshold rises gradually, in line with the phased increase in pupil numbers, starting at 21, and rising to 25 after 7 years.

~~3. This relates to Infant and Junior Schools only and is required due to relevant schools having a different number of year groups i.e. 3 and 4 respectively. A 2 form entry Infant school would have a threshold of 9 i.e. standard increase required for 7 classes = 20 which is 2.86 per year group X 3 year groups = 8.57 rounded to nearest whole number. Similar calculations would be undertaken for Junior Schools and relevant schools with a different form of entry.~~

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

Illustration of funding thresholds to be used where school expands from 2 FE to 3 FE

Growth Thresholds

Less than 2 FE schools	10	1.43	} Increase required per Year Group i.e. divide by 7
2 FE schools	20	2.86	
3 FE and over	25	3.57	

	2 Forms of Entry	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Planned Admission Numbers increasing from 2 to 3 Forms of Entry							
Year R	2.86	3.57	3.57	3.57	3.57	3.57	3.57	3.57
Year 1	2.86	2.86	3.57	3.57	3.57	3.57	3.57	3.57
Year 2	2.86	2.86	2.86	3.57	3.57	3.57	3.57	3.57
Year 3	2.86	2.86	2.86	2.86	3.57	3.57	3.57	3.57
Year 4	2.86	2.86	2.86	2.86	2.86	3.57	3.57	3.57
Year 5	2.86	2.86	2.86	2.86	2.86	2.86	3.57	3.57
Year 6	2.86	2.86	2.86	2.86	2.86	2.86	2.86	3.57
Total threshold when moving from 2 to 3 FE	20.00	20.71	21.43	22.14	22.86	23.57	24.29	25.00

Approved by the Schools Forum on 21 June 2018

The council is requesting the Forum to agree that proposed changes should be drafted to consider implementing a “basic need pupil” condition.

2018-19 Funding allocations to schools experiencing significant in-year growth in pupil numbers

Threshold 10 for schools with less than 2 Forms of entry							
Threshold 20 for schools with 2 Forms of entry							
Threshold 25 for schools with 3 and more Forms of entry							
School	No. of Forms of entry - rounded	Total places available	NOR Oct 2017	NOR Oct 2018	Change in NOR	Revised threshold	Amount
Ascot Heath Infant	2	210	197	162	-35	20	£0
Ascot Heath CE Junior	2	240	241	225	-16	20	£0
Binfield CE Aided Primary	2	420	419	413	-6	20	£0
Birch Hill Primary	2	420	404	397	-7	20	£0
College Town Primary (1)	3	570	490	496	6	25	£25,842
Cranbourne Primary	1	210	201	211	10	10	£13,250
Crown Wood Primary	2 to 3	600	551	557	6	24	£0
Crowthorne CE Primary	1	210	210	208	-2	10	£0
Fox Hill Primary	1	210	205	209	4	10	£0
Great Hollands Primary	3	480	423	380	-43	20	£0
Harmans Water Primary	3	630	583	561	-22	25	£0
Holly Spring Infant & Nursery	3	300	258	251	-7	25	£0
Holly Spring Junior	3	330	332	318	-14	25	£0
Jennetts Park Primary	2	330	379	403	24	20	£26,500
Meadow Vale Primary	3	630	636	606	-30	25	£0
New Scotland Hill Primary	1	210	198	194	-4	10	£0
Owlsmoor Primary	3	630	534	548	14	25	£0
The Pines Primary and Nursery	1 to 2	360	298	326	28	19	£26,500
Sandy Lane Primary	3	630	513	488	-25	25	£0
St Joseph's Catholic Primary	1	210	214	210	-4	10	£0
St Margaret Clitherow Catholic Pry	1	210	205	208	3	10	£0
St Michael's Easthampstead CE	1	245	241	241	0	10	£0
St Michael's CE Aided Pry (Sand't)	1	210	190	189	-1	10	£0
Uplands Primary	1	210	209	210	1	10	£0
Warfield CE Primary	1	210	374	394	20	20	£0
Whitegrove Primary	2	420	421	414	-7	20	£0
Wildmoor Heath	1	210	207	195	-12	10	£0
Wildridings Primary	2	420	408	395	-13	20	£0
Winkfield St Mary's CE Primary	1	210	202	199	-3	10	£0
Wooden Hill Primary & Nursery	2	350	341	342	1	10	£0
The Brakenhale (2)	7	1,050	937	976	39	25	£44,960
Easthampstead Park	8	1,200	720	762	42	25	£26,500
Edgbarrow	8	1,200	1,080	1,082	2	25	£0
Garth Hill College	10	1,402	1,433	1,402	-31	25	£0
Ranelagh CE	5	750	814	831	17	25	£0
Sandhurst	7	1,050	939	1,017	78	25	£79,500
Total Primary	57	10,525	10,084	9,950	-134	517	£92,092
Total Secondary	45	6,652	5,923	6,070	147	150	£150,960
Total All Schools	102	17,177	16,007	16,020	13	667	£243,052

1. Includes £25,842 late payment in respect of 2017-18 financial year

2. Includes £18,460 payment that is directly financed by ESFA to reflect academy school funding

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

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

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

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

An illustration of the funding calculation is as follows which would need to be updated each year to reflect budget decisions and the cost of employing a teacher (all units of resource are therefore illustrative and subject to change):

- a. The per pupil funding rate is assumed to be £2,780 (A)
- b. The cost of a teacher on Main scale Point 6 – salary and employer on-costs - is £41,700 (B)
- c. To have sufficient income from the Funding Formula to employ a teacher, a school needs $\text{£41,700 (B)} / \text{£2,780 (A)} = 15$ pupils (C)
- d. The Funding Formula therefore provides sufficient funding to appoint a teacher provided there are 15 pupils. The maximum top-up funding a school can receive is for 15 ‘missing’ pupils (C)
- e. Therefore where the actual number on roll exceeds a multiple of 30 compared to the number on roll funded in the original budget the school would be entitled to top-up funding
- f. Funding will be added, pro rata per term, for each missing pupil
The attached Annex sets out funding top-up rates, based on the cost of employing a teacher at £41,700 and the BF Funding Formula delivers sufficient funding to appoint a teacher provided there are 15 pupils. These factors and amounts are subject to annual re-calculation.

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

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

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

- are from a service family.

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

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

Exceptions:

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

1. In order to avoid double funding, a school will not be eligible for Key Stage 1 class size funding in the autumn and spring terms where the school has qualified of an in-year growth allowance for these pupils.
2. When a school is funded on the basis of estimated actual costs, which is ordinarily a new school or one that opens additional forms of entry during a financial year, it will not be entitled to any top up funding from the Key Stage 1 class size contingency, provided funds for the additional costs that will arise are allocated from an alternative source.

Approved by the Schools Forum on 21 June 2018.

No changes are being proposed by the council.

**2018-19 Funding allocations to support schools needing to meet the
Key Stage 1 Class Size Funding regulations**

School	Total KS1 pupils funded October 2017 Census	K.S 1 Allocation summer term 2018	K.S 1 Allocation autumn term 2018	K.S 1 Allocation spring term 2019	Total
Ascot Heath Infant	197	£0	£0	£0	£0
Binfield CE Primary	180	£0	£0	£0	£0
Birch Hill Primary	178	£0	£0	£0	£0
College Town Infant & Nursery	221	£6,850	£5,591	£4,194	£16,635
Cranbourne Primary	86	£0	£0	£0	£0
Crown Wood Primary	259	£0	£0	£0	£0
Crowthorne CE Primary	90	£0	£0	£0	£0
Fox Hill Primary	89	£0	£0	£0	£0
Great Hollands Primary	194	£3,425	£0	£0	£3,425
Harmans Water Primary	240	£0	£0	£0	£0
Holly Spring Infant & Nursery	258	£0	£0	£0	£0
Jennetts Park CE Primary	179	£0	£0	£0	£0
Meadow Vale Primary	268	£0	£0	£0	£0
New Scotland Hill Primary	82	£0	£0	£0	£0
Owlsmoor Primary	205	£0	£15,842	£11,882	£27,724
Pines (The)	141	£0	£0	£0	£0
Sandy Lane Primary	198	£0	£0	£0	£0
St. Joseph's Catholic Primary	90	£0	£0	£0	£0
St. Margaret Clitherow Catholic Primary	87	£0	£0	£0	£0
St. Michael's CE Primary, Easthampstead	105	£0	£0	£0	£0
St. Michael's Sandhurst	77	£0	£0	£0	£0
Uplands Primary	90	£0	£0	£0	£0
Warfield CE Primary	172	£0	£0	£0	£0
Whitegrove Primary	180	£0	£0	£0	£0
Wildmoor Heath	85	£0	£0	£0	£0
Wildridings Primary School	170	£0	£0	£0	£0
Winkfield St. Mary's CE Primary	87	£0	£0	£0	£0
Wooden Hill Primary & Nursery	146	£0	£0	£0	£0
Totals	4,354	£10,275	£21,434	£16,075	£47,784

N.B Schools that qualify for an in-year Growth allocation do not qualify for K.S 1 Class size allocation.

2018-19 termly allocation detail for Key Stage 1 Class Size Funding

Ref	School	Data used for original budget			Summer Term data					Autumn Term data					Spring budget data					Ref
		KS1 pupils as at October 2017	Number of classes that can be funded	Number of pupils above multiple of 30	KS1 pupils as at May 2018	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation summer term	KS1 pupils as at October 2018	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation autumn term	KS1 pupils as at January 2019	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation spring term	
1	Ascot Heath Infant	197	7	17	186	7	0	0	£0	162	6	0	0	£0	157	6	0	0	£0	1
2	Binfield CE Primary	180	6	0	179	6	0	0	£0	174	6	0	0	£0	177	6	0	0	£0	2
3	Birch Hill Primary	178	6	28	176	6	0	0	£0	171	6	0	0	£0	172	6	0	0	£0	3
4	College Town Infant & Nursery	221	7	11	220	8	1	6	£6,850	224	8	1	6	£5,591	227	8	1	6	£4,194	4
5	Cranbourne Primary	86	3	26	87	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	5
6	Crown Wood Primary	259	9	19	260	9	0	0	£0	241	9	0	0	£0	237	8	0	0	£0	6
7	Crowthorne CE Primary	90	3	0	90	3	0	0	£0	89	3	0	0	£0	89	3	0	0	£0	7
8	Fox Hill Primary	89	3	29	90	3	0	0	£0	90	3	0	0	£0	89	3	0	0	£0	8
9	Great Hollands Primary	194	6	14	183	7	1	3	£3,425	162	6	0	0	£0	162	6	0	0	£0	9
10	Harmans Water Primary	240	8	0	234	8	0	0	£0	217	8	0	0	£0	218	8	0	0	£0	10
11	Holly Spring Infant & Nursery	258	9	18	256	9	0	0	£0	251	9	0	0	£0	243	9	0	0	£0	11
12	Jennetts Park CE Primary	179	6	29	177	6	0	0	£0	178	6	0	0	£0	178	6	0	0	£0	12
13	Meadow Vale Primary	268	9	28	268	9	0	0	£0	258	9	0	0	£0	257	9	0	0	£0	13
14	New Scotland Hill Primary	82	3	22	82	3	0	0	£0	81	3	0	0	£0	83	3	0	0	£0	14
15	Owlsmoor Primary	205	7	25	208	7	0	0	£0	226	8	1	17	£15,842	226	8	1	17	£11,882	15
16	Pines (The) (1)	141	5	21	145	5	0	0	£0	156	6	1	17	£0	152	6	1	17	£0	16
17	Sandy Lane Primary	198	7	18	205	7	0	0	£0	171	6	0	0	£0	171	6	0	0	£0	17
18	St. Joseph's Catholic Primary	90	3	0	89	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	18
19	St. Margaret Clitherow Catholic Pry	87	3	27	90	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	19
20	St. Michael's E'stead CE Aided Pry	105	4	15	105	4	0	0	£0	105	4	0	0	£0	103	4	0	0	£0	20
21	St. Michael's CE Primary, Sandhurst	77	3	17	79	3	0	0	£0	71	3	0	0	£0	71	3	0	0	£0	21
22	Uplands Primary	90	3	0	90	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	22
23	Warfield CE Primary	172	6	22	174	6	0	0	£0	179	6	0	0	£0	180	6	0	0	£0	23
24	Whitegrove Primary	180	6	0	177	6	0	0	£0	179	6	0	0	£0	180	6	0	0	£0	24
25	Wildmoor Heath	85	3	25	84	3	0	0	£0	73	3	0	0	£0	74	3	0	0	£0	25
26	Wildridings Primary School	170	6	20	165	6	0	0	£0	167	6	0	0	£0	171	6	0	0	£0	26
27	Winkfield St. Mary's CE Primary	87	3	27	87	3	0	0	£0	89	3	0	0	£0	87	3	0	0	£0	27
28	Wooden Hill Primary & Nursery	146	5	26	143	5	0	0	£0	145	5	0	0	£0	144	5	0	0	£0	28
TOTAL Primary		4,354	149	484	4,329	151	2	9	£10,275	4,219	150	3	40	£21,434	4,208	149	3	40	£16,075	

(1) Pines School qualified for Growth allowance

2018-19 allocations from the SEN Specific Contingency

SCHOOL	No. top-up pupils by school Jan 2018	NOR As at Oct 17	Top-up pupils % (1)	Value of top-up for full year	Budget 18-19 excl de-delegation	Top-up as % of school budget (2)	Qualify under both criteria?	2018-19 funding on proposed criteria	Note
Ascot Heath Infant School	1.0	197	0.51%	£646	£744,083	0.09%	No	£0	(1) relevant thresholds: - Primary 2%
Ascot Heath Church of England Junior School	0.8	241	0.35%	£3,715	£873,651	0.43%	No	£0	
Binfield Church of England Primary School	4.0	419	0.96%	£30,618	£1,408,611	2.17%	No	£0	(2) relevant thresholds: - Primary 4%
Birch Hill Primary School	5.8	404	1.45%	£22,609	£1,427,232	1.58%	No	£0	
College Town Infant & Nursery School	0.0	221	0.00%	£0	£831,887	0.00%	No	£0	- Secondary 2%
College Town Junior School	1.8	269	0.69%	£14,804	£982,859	1.51%	No	£0	
Cranbourne	0.0	201	0.00%	£0	£751,315	0.00%	No	£0	
Crown Wood Primary School	6.8	551	1.25%	£32,755	£1,913,018	1.71%	No	£0	
Crowthorne Church of England Primary School	5.2	210	2.49%	£26,263	£792,211	3.32%	No	£0	
Fox Hill Primary School	1.0	205	0.49%	£3,488	£847,165	0.41%	No	£0	
Great Hollands Primary School	0.0	423	0.00%	£0	£1,625,102	0.00%	No	£0	
Harmans Water Primary School	2.4	583	0.42%	£14,538	£2,012,343	0.72%	No	£0	
Holly Spring Infant and Nursery School	2.0	258	0.78%	£8,238	£959,280	0.86%	No	£0	
Holly Spring Junior School	3.3	332	0.98%	£17,702	£1,215,336	1.46%	No	£0	
Jennett's Park CE Primary School	4.0	379	1.06%	£22,872	£1,394,293	1.64%	No	£0	
Meadow Vale Primary School	3.4	636	0.54%	£13,342	£2,182,556	0.61%	No	£0	
New Scotland Hill Primary School	2.0	198	1.02%	£30,664	£763,156	4.02%	No	£0	
Owlsmoor Primary School	4.4	534	0.83%	£26,628	£1,797,760	1.48%	No	£0	
The Pines School	1.4	298	0.48%	£7,688	£1,110,595	0.69%	No	£0	
Sandy Lane Primary School	3.4	513	0.67%	£16,571	£1,787,833	0.93%	No	£0	
St Joseph's Catholic Primary School, Bracknell	4.0	214	1.87%	£25,644	£800,563	3.20%	No	£0	
St Margaret Clitherow Catholic Primary School	2.0	205	0.98%	£11,494	£810,585	1.42%	No	£0	
St Michael's Easthampstead CE Aided Primary School	1.4	241	0.59%	£4,941	£899,897	0.55%	No	£0	
St Michael's Sandhurst Aided Primary School	3.0	190	1.58%	£9,303	£704,983	1.32%	No	£0	
Uplands Primary School	2.0	209	0.96%	£11,242	£771,842	1.46%	No	£0	
Warfield Church of England Primary School	3.0	374	0.81%	£13,180	£1,473,005	0.89%	No	£0	
Whitegrove Primary School	3.4	421	0.82%	£16,991	£1,447,982	1.17%	No	£0	
Wildmoor Heath	2.4	207	1.17%	£12,714	£795,153	1.60%	No	£0	
Wildridings Primary School	2.0	408	0.50%	£13,702	£1,503,018	0.91%	No	£0	
Winkfield St Mary's CE Primary	1.0	202	0.50%	£1,938	£765,368	0.25%	No	£0	
Wooden Hill Primary and Nursery School	1.4	341	0.42%	£7,624	£1,250,831	0.61%	No	£0	
The Brakenhale School	16.6	937	1.77%	£48,383	£4,863,108	0.99%	No	£0	
Easthampstead	14.0	720	1.95%	£48,346	£4,021,552	1.20%	No	£0	
Edgbarrow School	33.0	1,080	3.06%	£185,159	£5,003,799	3.70%	Yes	£36,300	
Garth Hill College	25.6	1,433	1.79%	£94,967	£7,100,844	1.34%	No	£0	
Ranelagh Church of England School	16.2	814	1.99%	£39,951	£3,774,154	1.06%	No	£0	
Sandhurst School	10.0	939	1.07%	£18,603	£4,536,051	0.41%	No	£0	
Primary total	79	10,084		£421,914	£36,643,514	1.15%	0	£0	
Secondary total	115	5,923		£435,410	£29,299,508	1.49%	2	£36,300	
Total ALL	194	16,007		£857,323	£65,943,022	1.30%	2	£36,300	

Proposal for additional financial support to 1 FE primary Schools

Current issue:

A number of 1 FE primary schools are experiencing falling rolls and consequential difficulty in balancing budgets. In particular, 2 have fallen below 200 (95% capacity), both of which have been rated good by Ofsted in their most recent inspection.

1 FE primary schools are particularly vulnerable from falling rolls because they:

- Lack capacity / size to secure economies of scale
- Have a relatively high proportion of fixed costs which makes it difficult to make savings when pupil numbers fall
- Have lower levels of balances compared to other primary schools (42% are in deficit compared to the 27% average, those in surplus have lower average balances than larger primaries).
- Receive a relatively low benefit from the gains being experienced through the new National Funding Formula. The 2 year increase to 2019-20 averages 2.3% for 1 FE primary schools compared to 5.2% for larger primary schools.
- Are not considered a sustainable size school by a number of LAs

Proposal:

Where an LA considers schools with falling rolls should receive additional financial support, the DfE allows a Falling Rolls Fund to be created. This must:

- Apply to all schools where the last OFSTED inspection was judged good or outstanding
- The Schools Forum must agree the criteria.

Such a fund would need to be funded from a top slice to the total Schools Budget.

A Falling Rolls Fund type budget is only proposed for 1 FE schools for the reasons set out above. This means it will need to operate within the budget to support schools in financial difficulty which is a de-delegated budget and therefore would not apply to academy schools, with criteria that can be set outside those permitted if a Falling Rolls Fund is created.

To provide a clear and transparent approach to financial support to 1 FE primary schools, the following criterion are proposed:

- Additional support only available to schools at less than 95% capacity (below 200)
- Top up funding would be provided for each empty place at core per pupil funding rate i.e. excludes deprivation and LPA top ups. 2018-19 rate is £2,796
- If the school retains a surplus balance, any top up due would be reduced by the amount of surplus above 5% of budget
- Funding would only be available to schools with a current Ofsted rating of good or outstanding

- To control expenditure, and retain an element of incentive to increase pupil numbers, funding would be limited to £20,000 per school (equivalent to around 7 pupils) and no more than £40,000 in total.
- If more than £40,000 is due to be allocated, the per pupil funding rate would be scaled down accordingly.

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

New text is in bold and shaded i.e. **bold and shaded**, deleted text is bold and struck through i.e. ~~**bold and struck through**~~

Outline of the scheme

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

1. were unable to set a balanced budget and were in need of a **licensed deficit loan** arrangement at the start of the relevant financial year, and/or
2. were in or likely to fall into one of the Ofsted categories of causing concern, including serious weaknesses or special measures.
- 3. Were a 1 form of entry school judged good or better that have more than 5% empty places**

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

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

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

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

The level of allocation of funds would be:

1. schools judged to have serious weaknesses (up to £20k per year)
2. schools deemed to be in need of special measures (up to £50k per year)
3. schools at risk of either judged to have serious weaknesses or entering special measures (up to £30k per year)
- 4. 1 form of entry schools judged good or better that have more than 5% empty places (up to £20k per year per school and £40k in total)**

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

Allocations will only be agreed where the relevant school has demonstrated insufficient funds exist within the budget to fund the required actions or activities.

Where schools enter an Ofsted category of concern (judged to have serious weaknesses or placed into Special Measures) the LA establishes a Standards Monitoring Board (SMB). The Board has an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school are invited to attend the SMB to report on progress. A support plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement. Where the school is unable to fund these actions from its own delegated budget the SMB can request that additional resources be sought. Any such requests are approved by the Director of Children, Young People and Learning. Funds would be allocated to the school from those held for schools in financial difficulty.

Approved by the Schools Forum on 21 June 2018.

Changes are being proposed by the council.

2018-19 funding allocations to schools in financial difficulties

Allocations agreed under the Director's delegated powers

Taking account of proposals from the Standards Monitoring Board (SMB) meetings at relevant schools and 1 FE primary schools with over 5% empty places, funding allocations totalling £0.136m were agreed during the year as follows:

1. £22,326 to College Town Juniors to strengthen the capacity of the leadership to ensure standards improve. Part time Executive Headteacher to be used to provide support during the Summer Term 2018.
2. £4,000 to the Pines Primary to strengthen the capacity of the leadership through headteacher support from another local school.
3. £10,435 to Easthampstead Park Secondary School Garth Hill to strengthen the marketing and promotion of school in the local community including developing a school social media page and the production of a prospectus video together with supporting videos and improved school signage.
4. £30,000 to Holly Spring Juniors to strengthen the capacity of the leadership through engagement of a part time Executive Headteacher to be used to provide support during the Summer Term 2018 and external consultancy support to enhance leadership capacity and support teaching, in particular the large number of new teachers, including 4 newly qualified teachers.
5. £30,000 to Garth Hill College to strengthen leadership capacity and management through the funding of a senior teacher for the Spring Term 2019, engaging external consultancy to assist middle leadership team in supporting teaching and learning through improvements to the curriculum and pupil assessment and supporting vulnerable pupils through the procurement of Youthline Counselling Services.
6. £2,500 to Winkfield St Marys for funding of teacher release from classes and costs of attendance at inclusion conference and curriculum workshop to improve the curriculum and for the purchase of Oracy Voice 21 Project and teacher release from classes to raise attainment in writing.
7. £6,250 to Sandy Lane Primary School to procure middle management coaching, staff counselling sessions and purchase of the White Rose Maths scheme.
8. £2,310 to Meadow Vale to enable the release of Year Group Leaders from teaching duties to effect improvement to the school curriculum through the guidance of an experienced teacher from a local school.
9. £20,000 to St Michael's Sandhurst Primary as a 1 FE with low pupil numbers. There were 190 on roll at October 2017 which results in 10% of empty places. Funding would have been £27,960 without the policy funding cap.
10. £8,333 to New Scotland Hill Primary School as a 1 FE with low pupil numbers. There were 197 on roll at October 2017 which results in 6% of empty places.

Declaration of Concern (DoC) is called where a school is at risk of being judged as Requiring Improvement or inadequate at its next inspection. Following this a SMB is established to track progress every 6 weeks. The SMB reviews evidence provided by school leaders and LA staff after 12 weeks and a decision made as to whether leadership are taking effective action following the DoC. The processes are clearly shared within the Learning and Improvement Strategy / Annex A School Improvement.

LA expenditure

In addition to these school allocations, the Forum has also agreed that up to £60,000 of School Adviser and other professional staff support time, such as HR and Finance can be funded from this budget to support the SMBs and other additional arrangements provided directly by the council.

Eligible expenditure against the schools contingency

Background

The School and Early Years Finance (England) Regulations define “expenditure on the schools specific contingency” as:

“Central expenditure deducted for the purpose of ensuring that monies are available to enable an increase in a school’s budget share after it has been allocated, and where it subsequently becomes apparent that a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school’s budget share, which may include expenditure in relation to:

- schools in financial difficulty;
- the writing-off of deficits of schools which are discontinued, excluding any associated costs and overheads;
- new, amalgamating or closing schools;
- circumstances which were unforeseen when the school’s budget share was initially determined.”

In order to provide greater clarity, and to be able to fund all of the circumstances permitted by the DfE, which takes account of comments received from schools to the consultation on the school loan scheme, the following text is proposed to be approved.

Eligible expenditure from the BF schools’ contingency fund (de-delegated)

- Unexpected and unavoidable costs in schools, which it would be unreasonable to expect governing bodies to meet from their delegated budget, and where the amount required and the circumstances giving rise to the additional costs were unknown at the time of setting the budget. These would ordinarily need to exceed £5,000.
- Correction of formula errors
- Where a school is closing and a deficit is likely, every effort should be taken to achieve break-even. Where a school is becoming an academy, they should also ensure costs are only incurred that relate to the school, and for the period it is a maintained school. However where a school closes with a deficit, where the EFA does not reimburse for this, the cost must be picked up by the Dedicated School Grant (DSG).
- Funding for schools in financial difficulties where this is not the result of poor local management decisions. [Note a separate policy is in place for this category].

As agreed at 21 June 2018 Schools Forum

No changes are being proposed by the council.

DfE Statutory Guidance on Schemes for Financing Schools – February 2019

Key changes from Issue 9 of DfE guidance

The first paragraph reference below is to the number in Issue 10 (February 2019) of the DfE guidance. The second reference relates to the BF Scheme for Financing Schools

Issue 10 of the DfE guidance can be found at:

<https://www.gov.uk/government/publications/schemes-for-financing-schools>

We [DfE] have made the following updates to reflect current policy positions and changes in legislation:

- paragraph 3.5/1.3: added “It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction”
- paragraph 4.1/2.1.4: added “The scheme should encourage schools to register anything that is portable and attractive, such as a camera”
- paragraph 4.4/2.4: changed title from “Efficiency and Value for Money” to “School Resource Management”
- paragraph 4.4/2.4: changed wording, including a change from “achieve efficiencies” to “effective management of resources”
- paragraph 4.10/2.10: removed “A scheme may invite schools to nominate suppliers for inclusion on lists of approved suppliers. The intention is to ensure that schools do not have to be subjected to unreasonable requirements as to authority counter-signature or use of an approved list, but also ensures that they should obtain at least three tenders or quotations for orders above a certain threshold”
- paragraph 4.10/2.10: removed “Authorities may issue lists of approved suppliers; but schools must not be compelled either directly or indirectly to use them. Authorities may wish to point out the advantages of using lists of approved suppliers, e.g. assurance on health and safety issues”
- paragraph 4.10/2.10: added “Schools may seek advice on a range of compliant deals via [Buying for schools](#)”
- paragraph 4.14/2.14: removed generic references to legislation “School Premises Regulations and DfE Construction Standards, and health and safety legislation”, added references to specific legislation
- paragraph 4.16/2.16: removed advice that all local authorities with a delegated budget must submit the schools financial value standard form before 31 March 2013 and annually thereafter; replaced with advice that the form should be submitted before the end of the financial year
- paragraph 5.8/3.7: added “Schemes may also wish to permit the use of credit or charge cards. However, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis”
- paragraph 7.1/5.1: added “However, where land is held by a charitable trust, it will be for the school’s trustees to determine the use of any income generated by the land”
- paragraph 8.3.2/6.2 (ii): changed “Other expenditure incurred to secure resignations where the school had not followed authority advice” to “Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B)”
- paragraph 10.1/8.1: changed to explain the scheme should contain a provision barring the authority from discriminating in its provision of services on the basis of categories of schools, except in cases where this would be allowable under the

school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant

- paragraph 10.2/8.2: clarification provided on provisions to limit the term of agreement with a school to buy services or facilities from the authority
- paragraph 10.5/11.15: revised quoted legislation and updated expectation of monthly not annual returns
- paragraph 12.1/10.1: added “The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier”
- paragraph 13.11/11.16: clarification on how to fund early retirement and redundancy costs; changed “If the authority proposes to depart from this, then the scheme should contain a provision setting out the circumstances in which exceptions will be made” to “If the authority proposes to make local arrangements in accordance with the act, then the scheme should contain a provision setting out how this will work”
- section 15/13 and 13.4/5: updated to reflect changes to the Children and Families Act 2014; a school is no longer required to consult before establishing community facilities, and there is no longer a need for a school to be mindful of a local authority’s advice, under section 27 of the Education Act 2002.
- paragraph 15.7/13.11.2: changed “Criminal Records Bureau” to “Disclosure Barring service”
- annex A/1.6: removed advice that an authority must publish a statement showing outturn expenditure “at both central level and for each school, and balances held in respect of each school”
- annex A/1.6: removed advice that each school must receive a copy of each year’s budget and outturn statements so far as they relate to that school or central expenditure
- annex C/11.16: updated in line with section 13

BF Scheme for Financing Schools EXTRACT WITH CHANGES

New text is in bold and shaded i.e. **bold and shaded**, deleted text is bold and struck through i.e. ~~**bold and struck through**~~.

BFC will also revise text such as changing “Borough Treasurer” to “Director of Finance” as necessary. These are not shown below.

The full BF Scheme for Financing Schools can be found at:

<https://schools.bracknell-forest.gov.uk/wp-content/uploads/scheme-for-financing-schools-2018.pdf>

1. INTRODUCTION

1.3 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the authority before they are submitted to the Schools Forum for approval only by members that represent maintained schools.

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.

1.6 The Funding Framework

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items.

Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set

out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure. ~~at both central level and for each school, and the balances held in respect of each school.~~

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, ~~but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.~~

Regulations also require a local authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

2. FINANCIAL CONTROLS

2.1.4 Control of assets

Each school must maintain an inventory of portable, valuable and attractive non-capital assets, **such as a camera**, which is subject to an annual physical check of the items listed, to be carried out by a person other than the person maintaining the record. The results of this check should be reported to the governing body in a timely manner.

The details of each item recorded should include a brief description, make, model, serial number (if applicable), location and asset number, if one has been allocated. All electrical items must be recorded to facilitate the required safety testing.

There is no monetary value laid down for the recording of assets and so school staff must use their judgement over items based on the risk of loss against making the record too large to make an annual check realistically achievable.

New items must be added upon acquisition and all disposals must be recorded and authorised as they occur. Governors must specify the levels of authority for the disposal of assets and this must be complied with and evidenced.

Further guidance on disposal of assets is available in the authority's Financial Regulations

2.4 **School Resource Management Efficiency and Value for Money**

Schools must seek to achieve **effective management of resources efficiencies** and value for money, to optimise the use of their resources and to invest in teaching and learning.

To assist schools in doing this, Annex C lists the key principles relating to Best Value, although there is no requirement on Governing Bodies to follow this. Furthermore, the authority has also published a document titled Guidance for Governing Bodies on preparing a model statement for Best Value.

In expending their budget share, schools should take into account the purchasing, tendering and contracting requirements outlined in section 2.10.

2.10 **Purchasing, tendering and contracting requirements**

Schools must abide by the authority's current Financial Regulations and Contract Standing Orders in purchasing, tendering and contracting matters. They should also have regard to the guidance provided in the Procurement Manual, some of which is mandatory.

Particular attention should be given to contracts with a total (i.e. whole contract duration not just annual) value in excess of £0.~~456~~**189**m (goods and services) or £~~3.94~~**5**m (works), where the provisions of the Public Contracts Regulations will apply. Further guidance is given in the Procurement Manual which is also updated to reflect the annual revision to thresholds for Public Contracts Regulations which schools should confirm before the procurement process commences.

Whatever the general requirements of the authority, it **cannot require schools to:**

- a) do anything incompatible with any of the provisions of this scheme, or any statutory provision, or any EU Procurement Directive;
- b) seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- c) select suppliers only from an approved list;

In addition, **schools must not:**

- d) seek fewer than three tenders in respect of any contract with a value exceeding ~~£10,000~~ **£5,000** in any one year;

The countersignature requirement should be applied sensibly by authorities and schools alike, avoiding attempts to artificially aggregate or disaggregate orders to avoid or impose the requirement.

Schools may seek advice on a range of compliant deals via Buying for schools.

2.14 Capital spending from budget shares

Governing bodies are permitted to use delegated revenue budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998.

If the expected capital expenditure from the budget share in any one year will exceed £15,000, the governing body must notify the authority and take into account any advice from the Director of Children Young People and Learning as to the merits of the proposed expenditure

The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010. Especially in regard to School Premises Regulations, DfE Construction Standards, Construction (Design and Management) Regulations, together with relevant Planning and Health and Safety Regulations etc., and any appropriate policies of the authority.

Where the authority owns the premises, then the governing body must seek the consent of the authority to the proposed works prior to the acceptance of any tenders for the work. **Consent will only be withheld on health and safety grounds.**

The authority has issued further guidance to assist schools that plan to undertake capital schemes through a Property Handbook for Schools.

2.16 School Financial Value Standard (SFVS)

All local authority maintained schools (including nursery schools and pupil referral units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at which time of the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment signed by their Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadline.

All maintained schools with a delegated budget must submit the form to the local authority before the end of the financial year.

5. INCOME

5.1 Income from lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the authority, subject to alternative provisions arising from any joint use or PFI/PPP agreements. Lettings for community and voluntary use may be cross-subsidised with income from other lettings, provided there is no net cost to the budget share. All income from lettings should be paid into the school budget, and not diverted into any voluntary or private funds. **However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.** In allocating lettings at authority owned premises, schools must have regard to directions issued by the authority as to the use of the premises.

Where the authority is the owner of the premises, a governing body cannot approve an agreement that allows for a substantial and/or long term interest in the premises to be assigned to another party without the prior written consent of the Principal Valuation Officer. This will assist the authority in the process of planning for school places.

Consent is required where it is proposed that a third party have exclusive possession of a part of a building, under an agreement or series of agreements, for a period totalling six months or more. Furthermore, all substantial lettings must be at best consideration under section 123 of the Local Government Act, and certified by a qualified valuer.

6. THE CHARGING OF SCHOOL BUDGET SHARES

6.2 Circumstances in which charges may be made

- i)** Where premature retirement costs have been incurred without the prior written agreement of the authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the authority);
- ii)** Other expenditure incurred to secure resignations where **there is good reason to charge this to the school** ~~the school had not sought or followed authority advice;~~
- iii)** Awards by courts and industrial tribunals, or settlements agreed on advice of the Borough Solicitor against the authority arising from action or inaction by the governing body contrary to or in the absence of seeking the authority's advice;
- iv)** Expenditure by the authority in carrying out health and safety work, or capital expenditure for which the authority is liable where funds have been delegated or earmarked to the governing body for such work, but the governing body has failed to carry out the required work;
- v)** Expenditure by the authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the authority or the school has voluntary controlled status;
- vi)** Expenditure incurred by the authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the authority;
- vii)** Recovery of monies due from a school for services provided to the school by the authority. Where a dispute over the monies due has been referred to a disputes procedure, a charge will only be made at its conclusion;
- viii)** Recovery of penalties or any other liabilities imposed on the authority by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence;
- ix)** Correction of authority or school errors in calculating charges to a budget share (e.g. pension deductions) having regard to a reasonable time scale in consideration of the particular error;
- x)** Additional transport costs incurred by the authority arising from decisions by the governing body on the length of the school day, and failure to notify the authority of non-pupil days resulting in unnecessary transport costs;

- xi) Legal costs which are incurred by the authority because the governing body did not accept the advice of the authority (see also section 11);
- xii) Costs of necessary health and safety training for staff employed by the authority, where funding for training had been delegated but the necessary training not carried out;
- xiii) Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect;
- xiv) Expenditure incurred by a school on an earmarked allocation in excess of the maximum amount approved by the authority.
- xv) Expenditure incurred by the authority for compliance with requirements of individual school Asset Management Plans, where the governing body has failed to carry out work where the funding and responsibility have been delegated.
- xvi) Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the Authority's compliance with its statutory obligations;
- xvii) Costs incurred by the LA in securing provision specified in an Education and Health Care Plan where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and / or specific funding for a pupil with High Needs;
- xviii) Costs incurred by the LA due to submission by the school of incorrect data;
- xix) Recovery of amounts spent from specific grants on ineligible purposes;
- xx) Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- xxi) Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- xxii) Costs incurred by the LA in completing the academy conversion process, at the average estimated amount, as reasonably assessed by the LA, subject to schools continuing to receive grant funding to assist the academy conversion process. In circumstances where costs are reasonably assessed to have exceeded the average cost by more than 50%, then the higher amount can be charged.

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

The authority will determine on what basis services from centrally retained funds will be provided to schools, as well as the provision for any types of liabilities which remain the responsibility of the authority (such as elements of existing premature retirement costs and redundancy payments).

The authority will not discriminate in its provision of services on the basis of categories of schools except where **this would be permitted under the School and Early Years Finance Regulations or the dedicated schools grant conditions of grant.** ~~(a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.~~

8.2 Timescales for the provision of services bought back from the authority using delegated budgets

~~With the exception of premises and liability insurance services (see 8.2.2 below),~~ The term of any new arrangement with a school to buy services or facilities from the authority shall be limited to a maximum of three years from the date of the agreement, **and periods not exceeding five years for any subsequent agreement or extensions relating to the same services.** With the exception of school meals catering, any subsequent agreement relating to the same services shall be for periods not exceeding five years. In respect of school meals catering, agreements will not exceed seven years.

~~8.2.2 Timescales for the provision of insurance services provided by the authority from centrally retained funds~~

~~The length of term for premises and liability insurance services that are provided by the authority from centrally retained funds shall be determined by the Borough Treasurer. This shall have regard for current and predicted insurance market conditions, and the overall insurance needs of the authority, which may make it impracticable to comply with the criteria as set out in 8.2 above.~~

10. INSURANCE

10.1 Insurance cover

All schools have funds for premises and liability insurance included within their delegated budget. Where a school proposes to make their own arrangements for such services, the authority will require the school to demonstrate that cover relevant to the authority's insurable interests, under a policy arranged by the governing body, which must have this authority as joint names with the school, is at least as good as the relevant minimum cover determined by the authority, and is secured through an insurance company, of suitable repute and financial standing. **The requirement will have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.**

The evidence required to demonstrate the parity of cover will be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier. This must be provided before the beginning of February prior to the commencement of each financial year in question. Where this is not provided, the authority will arrange for suitable cover and charge the delegated budget actual costs, including administration.

Details of relevant requirements are available on request from the Borough Treasurer.

11. MISCELLANEOUS

11.15 Teachers Pensions

In order to ensure that the performance of the duty on the authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

In order to ensure that the performance of the duty on the authority to supply Teachers' Pensions with information under the Teachers' Pension Scheme Regulations 2014, the

following conditions are imposed on the authority and governing bodies of all maintained schools covered by this scheme in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the authority which the authority requires to submit its **monthly annual** return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that additional voluntary contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the authority which the authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that additional voluntary contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

SECTION 13: COMMUNITY FACILITIES

13.4 Consultation with the Council

- 13.4.1 **As public bodies, schools are expected to act reasonably, and this includes consulting those affected by decisions that they make. Section 28 (4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the Council and have regard to the advice given to them.**
- 13.4.2 Schools are likely to benefit from informal contacts and advice from officers with the relevant professional expertise well before the formal consultation itself. It would also be helpful to all parties if schools gave the Council notice of their intent to exercise the power in advance of the formal consultation itself.
- 13.4.3 **~~Formal consultation with the Council will commence when the full consultation material has been submitted in writing and the response period will begin from receipt of the full material. Major uses of the power, i.e. where a school estimates that services will have an annual turnover in excess of £100,000 or capital schemes estimated by a school to cost more than £100,000 will lead to the Council providing formal advice in writing (which may be e-mail) within eight weeks. In the case of more minor uses, advice will be provided within six weeks. Subsequently the governing body should inform the Council of the action taken in response to this advice.~~**

~~13.4.4 The school should provide the following information in the formal consultation document:~~

- ~~• a full business plan for the provision of the proposed community facilities or services covering the first three years of operation. If requested, full details of the costings should also be supplied;~~
- ~~• in the case of capital projects affecting the existing buildings on the school site and/or the construction of new buildings then the full plans and costing of the works proposed;~~
- ~~• details of any planning and environmental considerations and evidence of discussions with relevant regulatory agencies;~~
- ~~• expressions of support from potential user groups, other councils, local community groups, neighbouring schools, business representatives, as appropriate;~~
- ~~• details as to how the facility will be managed, by whom and how this relates to the management of the school;~~
- ~~• a statement that the proposed activities will not interfere with the over-riding purpose of the school in achieving higher standards for pupils [section 26(3) of the Act];~~
- ~~• details of any proposed funding agreements with third parties;~~
- ~~• the insurance arrangements proposed;~~
- ~~• financial arrangements to be made to fund the cost of permanent closure of the facility.~~

~~13.4.5 The consultation document should be sent to the Director of Children Young People and Learning.~~

13.5 Consultation with other bodies

13.5.1 School governing bodies **should are encouraged to** consult the planning and service provision bodies in their neighbourhoods which are currently involved with those sorts of facilities. For example; adult education providers, local colleges and the local learning and skills council, if adult education is involved. Often the relevant bodies will have plans which affect the activities proposed and may be interested in becoming a partner in the particular project.

13.5.2 Bodies with plans covering the community to be served by the facility or services **should are encouraged to** be consulted and the degree of fit with the relevant planning frameworks and policies assessed. In particular the following **should are encouraged to** be consulted if their work could be affected:

- The local Early Years and Child Care Partnership where any developments affecting early years education or child care are proposed – the Early Years and Child Care Development Plan as it covers the community served by the facility is an important document, it may also be advisable to consult existing local providers;
- The local parish councils (where they exist). These will have relevant physical planning policies. Community development plans and the priorities contained therein will be very important for community facility developments. There may also be specific plans for young people, area regeneration, leisure facilities and / or arts/sports plans and so on.
- Agencies such as Sports England and the Arts Council will have policies and strategies if not specific plans that will affect not only their funding attitudes but also set their priorities.
- All the schools within their cluster and neighbouring secondary schools.

- Local adult and community learning providers, if such provision is proposed. The school's proposals should be consistent with the Adult Learning Plan produced by the Council.

13.11 Health and safety

13.11.1 The health and safety provisions of the main scheme, as set out in paragraph 11.5 apply also to the community facilities power. Additionally, the Health, Safety and Welfare Manual of Guidance applies to these facilities.

13.11.2 The governing body is responsible for the costs of securing **Disclosure Barring service Criminal Records Bureau** clearance for all adults involved in community activities taking place during the school day. Governing bodies would be entitled to pass on such costs to a funding partner as part of an agreement with that partner.