

Notice of Meeting

Schools Forum

Martin Gocke (Pupil Referral Unit Representative (Governor))
(Chairman)
Stuart Matthews, Academy School Representative (Headteacher)
(Vice-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)
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)
Greg Wilton, Teacher Union Representative



Also Invited:

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

Thursday 19 November 2020, 4.30 - 6.30 pm
Zoom Meeting

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:	
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	3 - 8
	To approve as a correct record the minutes of the meeting on 22 October 2020. Reporting: ALL	
4.	Arrangements for Free Early Education Entitlements during Coronavirus (COVID-19)	9 - 18
	To provide an update on the arrangements for free early education entitlements funding during coronavirus (COVID-19) and agree the initial proposals for the 2021-22 Early Years Block budget of the Dedicated Schools Grant. Reporting: Paul Clark	
5.	Dedicated Schools Grant (DSG) Deficit Management	19 - 24
	To introduce the Schools Forum to guidance that has been produced by the Education and Skills Funding Agency as a reference tool for all local authorities. Reporting: Paul Clark	
6.	The Schools Budget - 2020-21 Budget Monitoring	25 - 34
	To receive an update on the 2020-21 forecast budget monitoring position for the Schools Budget, to make the Forum aware of the key issues and management actions being taken and progress to date on the Education Capital Programme. Reporting: Paul Clark	
7.	Outcomes from the October 2020 Financial Consultation with Schools	35 - 46
	To provide an update on the responses from the recent financial consultation from schools which sought views on how funds should be allocated to schools and also whether maintained schools supported on-going de-delegation of budgets and making a financial contribution to statutory education related duties for which the council is responsible for meeting but receives no funding. The report also provides an update on the 2021-22 budget position for mainstream schools. Reporting: Paul Clark	
8.	Dates of Future Meetings	
	The next meeting of the Forum will be at 4.30pm on Thursday 10 December 2020. Reporting: Emma Young	

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: 10 November 2020

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SCHOOLS FORUM 22 OCTOBER 2020 4.30 - 5.40 PM



Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)

Schools' Members

Jane Coley, Academy School Representative (Headteacher)

Neil Davies, Primary School Representative (Headteacher)

Peter Floyd, Special School Representative (Governor)

Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)

Roger Prew, Primary School Representative (Governor)

Phil Sherwood, Primary School Representative (Headteacher)

Debbie Smith, Secondary School Representative (Headteacher)

Richard Stok, Primary School Representative (Governor)

Greg Wilton, Teacher Union Representative

Observer:

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

Apologies for absence were received from:

Liz Cole, Primary School Representative (Headteacher)

148. Declarations of Interest

Richard Stok declared an affected interest in respect of Item 5 (Update on the High Needs Block Budget for 2020-21 and 2021-22) as Meadow Vale was a provider of specialist High Needs services.

149. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the Forum held on 16 July 2020 be approved as a correct record.

The actions from the last meeting of the Forum were to be reported in Item 4 (High Needs Block Sub-Group Minutes) and Item 5 (Update on the High Needs Block Budget for 2020-21 and 2021-22).

The meeting which was due to be held on 17 September 2020 had been cancelled as there was no useful information to be shared by that date.

There were no other matters arising not covered by the agenda.

150. High Needs Block Sub-Group Minutes

The Forum received and considered the minutes of the High Needs Block Sub-Group held on 8 September 2020 and 8 October 2020.

151. **Update on the High Needs Block Budget for 2020-21 and 2021-22**

The Forum considered a report which updated on the increasing budget difficulties being experienced on the 2020-21 High Needs Block (HNB) element of the Schools Budget, the significant medium term budget deficit now being forecast and the monitoring and intervention arrangements being put in place by the Department for Education (DfE).

Rachel Morgan had prepared a PowerPoint presentation to update on the HNB Budget. This had been shared with the Corporate Management Team (CMT) at Bracknell Forest Council (BFC) and was also due to be shared with Members. Nationally, there were significant cost pressures arising from increasing numbers of EHCP's. At the beginning of September, the Children's Minister said there would be a national review looking at funding for SEND.

Locally the deficit was getting larger. The Covid-19 pandemic had not helped but there had also been an increase in demand and in unit costs. In the two years up to March 2019 the number of EHCPs was up by 17.7%, which was higher than the national increase. Prices of out-of-borough placements were increasing. Rachel Morgan reported that there were 45 children within BFC who couldn't be placed in August. There were lots of providers who said they didn't want to take more children due to Covid-19.

When the 2020-21 budget was set, the 3-year financial forecast predicted an £11.5 m overspend with no interventions. This had now been revised to £15.8m with no interventions. Even with interventions, there was a predicted cumulative deficit of £12m.

There had been limited capacity to take forward the agreed measures identified in the savings project plan. There was a lack of opportunity to collaborate with key partners including Health. There was also an urgent need to look at the post-16 cohort of SEND. Linked to Covid-19, commissioners needed to be re-directed away from working on SEND as they were deployed to Adult Social Care, which had a significant impact on a number of measures. Rachel Morgan shared the progress made against the savings project plan and noted that most of the targets that had not been achieved were linked to the commissioning issues.

The SEND commissioning action plan 2020-22 was devised to address these issues and the DfE had agreed that the Council had identified the right areas to focus on. The priorities were to ensure appropriate resources across the continuum of support, work with commissioning to improve provision, identify and progress the next steps for SEMH provision, improve control of numbers of EHCPs, and improve governance of SEND processes and procedures.

One of the ways to improve the control of numbers of EHCPs was to look at the post-16 cohort. Rachel Morgan explained that there were many children in education who may have been better off in training or apprenticeships; work was needed to ensure these possibilities were explored as part of EHCP reviews.

CMT had agreed that more resources needed to be directed towards SEND arrangements and had agreed that SEND would be part of the Council's transformation programme which meant that the team would have dedicated project management support as well as a full-time commissioner and more specialist staff support. This was expected to lead to increased capacity to deliver these commitments.

Rachel Morgan had been in dialogue with colleagues from the Sub-Group and agreed to pause the meeting of the Sub-Group until January 2021 when they could revisit the Terms of Reference (TOR) and appoint a Chair, either from within the Sub-Group or someone independent. There was a need for the Sub-Group to refocus on meeting the objectives by set timescales and reporting on the budget.

The Chair asked what the mechanism was for the funding overspend. Rachel Morgan replied that she was not aware of any Local Authorities (LAs) that did not have a deficit. The DfE had intervened in other areas, and the expectation was that the DfE would work with LAs to come up with a plan and monitor progress on that. BFC had been proactive in creating a plan. Rachel Morgan hoped that the national review would help to address some of these issues.

Paul Clark added that the DfE had updated the Dedicated Schools Grant (DSG) grant conditions to confirm that and debt on HNB spending must remain in the Schools Budget and was not a financial responsibility on LAs. Monitoring and intervention arrangements of local authorities in deficit had also been strengthened which would impact on the Bracknell Forest Schools Budget. The DfE had provided a template deficit recovery plan for authorities in deficit to complete and Paul Clark would present the outline plan in the meeting of the Forum in November.

Action: Paul Clark

The Chair asked what the implications were of the debt coming out of the DSG. Paul Clark explained that the money received in the DSG each year should be financing what is spent. There was limited ability to move money between blocks. However, there was some recognition nationally that spending could not be met from the current system and debt recovery would be a medium to long term requirement for some LAs.

The Chair enquired whether the 45 children who were unable to be placed in August remained unplaced. Rachel Morgan responded that BFC had never been in that position before. The number had gone down to 8 children and they were receiving alternative provision and tuition.

The Forum reflected that pausing the Sub-Group for two months carried certain risks; firstly, that the next budget cycle would have been missed, and secondly, that delays in decision-making would have led to the overspend getting even bigger. Rachel Morgan explained that, from feedback from colleagues, it was clear that the Sub-Group needed review. However, the issues were not being ignored and CMT were monitoring this process. It was felt that the Sub-Group needed to be more involved in "doing". This would be aided by the transformation project which would identify tasks and present clear data.

The Forum asked whether BFC had been successful in keeping a higher proportion of students in in-house provisions. Kashif Nawaz replied that there had been a marginal increase in out-of-borough placements this year.

The Forum reflected that EHCPs were a useful tool to help parents to get the best provision for their children. Whilst the Forum understood that EHCPs were quite expensive, the Forum queried whether the plan was to limit EHCPs based on numbers as opposed to need. Kashif Nawaz replied that preparing for adulthood was a key priority and post-16 plans needed to reflect that. The Forum enquired whether the plan was for EHCPs to continue on assessed needs, or whether there was an effort to reduce numbers of EHCPs based on expense. Kashif Nawaz responded that, regarding assessed need, more work was needed to be done in terms of the

scale of need in the pre-assessment stage. In terms of reducing spend, BFC was aware that there was a cohort of post-16 who were in a better position to independently manage their needs without accessing resources. There was a need for better management of annual reviews to cease plans when appropriate.

Councillor Barnard noted that having a full-time commissioner would be beneficial. There was a need to understand the needs of the children, to identify what existing spaces could be converted to deliver what we want to do, and to consider how to fund that. Councillor Barnard felt that BFC needed to aspire to place as many children in the Borough as possible. The Forum asked whether BFC could use classes freed up by those schools who had reduced the PAN. Councillor Barnard affirmed that. Any updates prior to the Sub-Group re-forming would be presented to the Forum.

The Forum asked whether the number of children who did not have places in August included children who were not in suitable provision. Rachel Morgan replied that the number just related to children who were not in any provision and did not include the number of children in mainstream settings who needed new placements.

The Forum queried whether the debt would come out of school budgets. Paul Clark clarified that it was an issue for the HNB and would be contained within the HNB. There was no expectation that money would be taken out of schools.

The Chair highlighted that the report referred to staffing issues within the BFC SEN team and the Educational Psychology Service. Rachel Morgan advised that the SEN team was now fully staffed in terms of officers but still required a team lead. The staffing issues were not helpful in dealing with the increase in demand. Regarding the Educational Psychology Service, BFC was struggling to recruit Educational Psychologists and both the ones that were employed by BFC had become Locums. BFC were looking at recruiting newly qualified Educational Psychologists.

Rachel Morgan would present the TOR for the Sub-Group and a timeline for the commissioning plan at the next meeting of the Forum.

Action: Rachel Morgan

The Chair thanked Rachel Morgan for her honest and straightforward information and expressed that the Forum wished to support to BFC in any way possible.

RESOLVED to NOTE:

1. the current update on the HNB Budget and its medium-term financial plan which now projects a £12.686m deficit at 31 March 2023;
2. the expectation that the DfE will require completion of their HNB Deficit Recovery Plan template, which will be shared with the Forum in advance of submission; and
3. the additional resources being applied to the delivery of the key elements of the SEND Commissioning Plan.

152. 2021-22 Budget Preparations for the Schools Block Budget and Other Finance Matters

The Forum considered a report which updated in respect of information currently available regarding the 2021-22 Schools Budget for mainstream schools together with other relevant finance related matters. This would assist the finalisation of the budget by the statutory deadline of 21 January 2021.

The key aim of the report was for the Forum to agree the approach to be taken in setting the 2021/22 budget for schools in order for effective work to continue over the autumn term as more budget information emerged.

Paul Clark explained that the DfE had only made a small number of changes to the national process to allocate funds to local authorities. Firstly, the DfE had made some changes in their data, mainstreaming the pay and pensions grant. Secondly, the data around deprivation measures had been updated and they have changed the way this money is targeted so that more money would go to the highest deprived areas. Thirdly, the 2019 pupil test scores would be used to allocate funds to schools for low prior attainment as there were no assessments in 2020 due to the Covid-19 pandemic.

The DfE had inflated most of their funding units by 3%. The primary rate for minimum per pupil funding levels (MPPFL) had gone up to £4,000 per pupil (an increase of 6.7% from the previous year) and the secondary school rate had gone up to £5,150 per pupil (an increase of 3%).

Table 3 of the report summarised the initial budget proposals for 2021-22 based on provisional budgetary data. In accordance with the agreed budget strategy, this attempted to replicate the DfE formula. It was expected that there would be changes to the data from the October census which Paul Clark would update at the next meeting of the Forum.

Action: Paul Clark

In terms of school financial responsibilities, the Secretary of State had placed 2 further conditions on schools which were detailed in the report. Paul Clark highlighted that, from the next financial year, schools were required to submit to the LA a 3-year budget forecast each year. BFC was looking to produce guidance as to what schools needed to provide by the end of the year.

Action: Paul Clark

Another change was that schools had to submit a recovery plan to the LA when their revenue deficit rose above 5%. Paul Clark did not envisage that this would have a significant impact in Bracknell Forest as this was already in place where required; it just made it a more formal process.

Regarding the Covid-19 pandemic, Paul Clark ran a workshop with schools which helped to ensure that the final data returns which had been settled were accurate. For schools which had not made exceptional cost claims, the DfE had completed payments and the average receipt was 31% of the maximum amount available compared to the 23% expected before the workshop. It was unfortunate that schools could not claim any more than that, which was due to the very narrow conditions set on claims by the DfE. Therefore, there was a large gap between what could be claimed and what schools were spending. Paul Clark would continue to collect data and planned to send out information to schools confirming the data for the summer term. This would provide certainty around the financial impact of Covid-19.

Action: Paul Clark

The Forum commented that in order to produce 3 year budget plans, schools would benefit from receiving updated pupil forecasts. Paul Clark advised that an update would be provided based on the template that was circulated in February.

Action: Chris Taylor / Paul Clark

The Forum expressed that the planned monthly data collections would help and asked whether the data would be used to any effect before the end of financial year. Paul Clark explained that the intention was to present clear figures to the DfE re the financial burden linked to Covid-19. How effective it would be was not something Paul Clark could answer but the data was needed so a strong case could be presented. The Forum asked whether schools would be advised to present their budgets as conservatively as possible. Schools may have had surpluses which could weaken our position, but the Forum felt strongly that schools should not be trying to cover the deficits. Paul Clark advised that next year's budget would be looked at in the context of Covid-19 and felt that the Forum had made a good point. Councillor Barnard agreed that schools were in an unsustainable position and needed to be clear that they had spent money wisely. Councillor Barnard was committed to doing everything he could to present as much information to Central Government.

RESOLVED

1. to AGREE that subject to consideration of school responses to the annual financial consultation and general affordability, the approach to setting the 2021-22 budget should be as set out in the report, and in particular:
 - i. that there should be no change to the current budget strategy of:
 - a. replicating the NFF at individual BF school level;
 - b. setting minimum per pupil increases between financial years at the highest amount permitted by the DfE; and
 - c. meeting the diseconomy costs at new and expanding schools in a measured way from a combination of council reserves, Schools Budget reserves, and funding allocated for the relevant year from the DfE;
 - ii. that a centrally managed Growth Fund should be maintained for in-year allocation to qualifying schools (Table 2 of the report); and
 - iii. on-going central retention by the Council of the existing Central School Services Block items (Annex 1 of the report); and
2. to NOTE:
 - i. the latest update on the School and Education Spending review and the impact anticipated for BF at this time;
 - ii. the areas where schools are being asked to comment on through the annual financial consultation, to inform later decision making;
 - iii. the 3.7% average increase in per pupil funding that would be received by BF schools if the NFF is 100% implemented compared to the national average of 3.1%;
 - iv. the new financial requirements of schools;
 - v. the current estimated funding gaps at Table 3 of the report of:
 - a. £0.429m on school budgets, meaning 99.5% of NNF rates can be financed; and
 - b. £0.080m for the CSSB where options are being considered by the council; and
 - vi. that an update on the estimated financial impact from the coronavirus pandemic will be presented to the Forum when sufficient new information is available.

153. Dates of Future Meetings

The next meeting of the Forum was due to be held on 19 November 2020 commencing at 4.30pm.

CHAIRMAN

TO: SCHOOLS FORUM
DATE: 19 NOVEMBER 2020

**ARRANGEMENTS FOR FREE EARLY EDUCATION ENTITLEMENTS DURING
 CORONAVIRUS (COVID-19)
 Director of PEOPLE**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the arrangements for free early education entitlements funding during coronavirus (COVID-19) and agree the initial proposals for the 2021-22 Early Years Block budget of the Dedicated Schools Grant (DSG).

2 RECOMMENDATION(S)

To NOTE:

- 2.1 **The Department for Educations additional guidance to local authorities in the summer term 2020 for securing sufficient childcare places.**
- 2.2 **Changes to funding from the Department for Education to local authorities in the autumn term 2020.**
- 2.3 **Changes to funding from local authorities to early years providers in the autumn term 2020.**
- 2.4 **The impact of the changes in funding to local authorities and early years providers on the 2020-21 Early Years Block budget.**

To AGREE:

- 2.5 **Initial proposals for the 2021-22 Early Years Block budget as set out in the supporting information.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 Statutory guidance on funding free early education entitlements from the Department for Education (DfE) was updated in response to the impact of coronavirus (COVID-19) on early years providers. The changes set out in the paper are in line with the statutory guidance and the updates from the DfE.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative options are detailed in the supporting information.

5 SUPPORTING INFORMATION

Overview to funding

- 5.1 Local Authorities (LAs) receive funding for the Early Years Free Entitlement and other related matters from the DfE through the DSG. Funding is paid at an amount per hour of provision - £5.01 for BF for 2020-21 – with LA allocations calculated for April to August 2020 from the actual uptake hours recorded on the January 2020 census, and August 2020 to March 2021 on the January 2021 census.

Summer term 2020

- 5.1 In April 2020 the DfE published guidance setting out the arrangements for securing sufficient childcare places in the summer term 2020. This guidance set out that:
- LAs should initially aim to secure the required childcare places by using places that are already funded through early years DSG
 - the priority for the early years sector was first and foremost to ensure sufficient childcare for vulnerable children and children of critical workers
 - this could include moving children between providers where one provider had closed, and another had empty DSG-funded places
 - in many cases this could be done without additional cost to the LA
 - in some cases, ensuring sufficient childcare could incur additional costs if the provider staying open could not do so in a financially sustainable way
 - LAs should consider early years DSG block contingency budgets first to meet these costs
- 5.2 As LAs continue to receive their DSG in the normal way, the expectation is that in most instances, normal DSG funding allocations would be sufficient for the summer term payments to providers as the January 2020 census point used for funding was not impacted by coronavirus.
- 5.3 In response to this guidance, in the summer term 2020 early years providers in Bracknell Forest were funded based on the free entitlement hours they expected to claim prior to the coronavirus (COVID-19) outbreak. Providers who remained open and accepted vulnerable children or children of critical workers from closed settings and as a result the number of children attending their setting exceeded the funded places for the term were able to claim additional funding.
- 5.4 The cost of additional places funded through the early years DSG in the summer term 2020 was £6,468.91. 8 children were funded in 7 different provisions. Family Information Service supported critical worker parents seeking alternative childcare where their usual childcare provider was unable to offer or where they needed to attend one provider only rather than the usual pattern of shared care (access to 2 or more providers). In most cases we were able to place children in already funded places.
- 5.5 There has been a huge amount of work undertaken by the Early Years sector to support childcare for critical workers and vulnerable children. Attendance data has been collected and collated by BFC Early years team and submitted to the DfE weekly throughout the pandemic. Summaries of attendance for Summer and Autumn term (so far) can be seen at Appendix 1 with a case study of joint work between Early

Years and Children's Social Care to support vulnerable EY children to access provision at Appendix 2.

- 5.6 The Early Years team has been in contact with providers individually and via TEAMS meetings regularly since March 2020 to offer advice and support. Assist in interpreting DfE guidance, undertaking risk assessments, accessing PPE, working with community venues and supporting where guidance differed creating confusion.

Autumn term 2020

- 5.7 On July 2020 the DfE issued additional guidance for funding for LAs and early years providers in the autumn term 2020. This guidance set out the following:

DfE Funding to local authorities

- Under normal circumstances LA allocation for free entitlements in the autumn term 2020 would be based on January 2021 census count of hours
- Due to exceptional circumstances, with concerns that the January 2021 census data would be significantly lower than normal, Autumn 2020 funding allocation to LAs will be based on January 2020 census

Local authority funding to Early Years Providers

- From start of Autumn term 2020 LA's should continue to fund open early years providers at broadly the same levels that they would have expected had there not been a COVID-19 outbreak
- LAs should not fund providers which are closed without a public health reason
- LAs might, for example, use the numbers of children in places in the previous autumn term to inform funding levels

- 5.8 Two options for implementing the requirement to fund early years providers at broadly the same levels they would have expected had there not been a COVID-19 outbreak were considered.

- The number of children in places in the autumn term 2019
- The number of funded hours claimed in the autumn term 2019

- 5.9 A child can attend from 1 to 30 hours a week, therefore the number of funded hours 20 children attending in autumn 2019 claimed could vary considerably from 20 children claiming funding in autumn 2020. The number of children in places in the autumn term 2019 was therefore not considered an appropriate measure to inform funding levels in autumn 2020.

- 5.10 The approach taken by Bracknell Forest Council was therefore to use the total free early education hours claimed in the autumn term 2019. Sector specific guidance on the top-up funding was issued to providers in July 2020 which set out the following:

Private, Voluntary and Independent providers (PVI)

- No change to the normal funding process
- All providers will be paid for the number of free early education hours claimed in Autumn 2020 at their appropriate funding rates
- If a provider claimed more free early education hours in Autumn 2019 the difference will be paid as a top-up
- All top-up hours will be paid at the providers 3 and 4 year old funding rate for the Autumn term 2020
- 60% of the forecast top-up was paid in July 2020 as part of the forecast payment

Childminders

- No change to the normal funding process
- Numbers of funded children attending a childminding setting are very low and vary termly therefore the approach is to fund childminders for participation in the Autumn term 2020 and not base funding on Autumn 2019

Maintained and Academy School Nursery classes

- No change to the normal funding process
- These settings receive annual indicative funding statements based on actual hours delivered each term over the last year (April to March). There is then a termly positive or negative adjustment dependent on actual hours delivered
- To maintain funding at the level normally expected, termly changes will only be made if more free early education hours are claimed in Autumn 2020 than in Autumn 2019

5.11 Early years providers have now submitted and been paid for their autumn term free early education claims, including the top-up funding. Private Voluntary and Independent providers received top-up funding of £213k, maintained and academy school nurseries received top-up funding of £97k. The total top-up funding to all providers was £310k.

5.12 These additional payments are forecast to be affordable as the DSG income will not be affected by the lower take-up at providers together with reduced costs to the SEN Inclusion fund due to the lockdown in the summer term and the contingency included in the 2020-21 budget.

5.13 Surveys have been completed with providers to ascertain whether any are experiencing sustainability concerns related to Covid-19. 74 responses were received, 34 from group providers, 40 from childminders. 2 group providers reported some financial difficulties. In response the Early Years team have:

- Requested further details and worked with the settings to analyse their business model and implement changes that would improve the uptake of funded childcare, prepare cash flow statements, promote and market the setting

5.14 Planned a business training course with a 'Model for Disaster Recovery'. Providers have experienced loss of income, however where they have accessed some or all of the following, they have been able to minimise this:

- Early Years free entitlement was paid at expected levels rather than delivered hours for the whole term,
- Rent was not payable during closure,
- Staff were placed on furlough whilst closed,
- Small business grants were accessed

Proposals for the 2021-22 Early Years Block budget

5.15 The guidance issued by the DfE in July 2020 stated, "*We recognise that the number of children attending childcare may not have returned to normal levels by early January, when we take the January 2021 census*". The uncertainty around the numbers attending childcare in the January 2020 creates uncertainty about the funding BFC will receive in the Early Years Block budget and the impact on early years provider funding rates. BFC has been advised that a further announcement from the DfE will be linked to the national Spending Review on funding arrangements for 2021-22 and is expected before the end of the year.

5.16 BFC has set out proposals below which offer early years providers a degree of certainty regarding their minimum funding rate and should enable providers to plan for the 2021-22 financial year.

5.17 It is proposed that:

- The components and hourly rate values in the Early Years Funding Formula (EYFF) as agreed for 2020-21 is retained for 2021-22. The 2020-21 EYNFF is summarised in Appendix 3.
- If the DfE announcement includes an increase in funding for 3 and 4 year old's this will be applied in full to the uniform base rate that is paid to all providers. An increase in funding for 2 year olds will be applied in full to the hourly rate paid to providers
- The IDACI element of the deprivation supplement will be recalculated as normal using data from the 2020 calendar year
- The Quality element will also be recalculated as normal
- Early years providers indicative rates for 2021-22 will be calculated using these proposals

Next Steps

5.18 Subject to agreement of the Forum, these initial Early Years Block funding proposals for 2021-22 will be incorporated into the budget strategy and providers updated accordingly. The final budget proposal incorporating any changes announced by the DfE will be presented to a future Schools Forum and the Executive Member for approval, no later than March 2021.

5.19 It is anticipated that providers will be notified of indicative funding rates for 2021-22 by the end of December 2020, with rates confirmed by the end of March 2021.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Comments to follow

Director of Resources

6.2 At this stage, no significant financial implications are anticipated in the Early Years Block for 2020-21. With the DfE yet to announce any firm funding details for 2021-2022, reasonable planning is now taking place which will be updated as relevant information emerges and decisions are taken.

Equalities Impact Assessment

6.3 There are no specific impact assessments arising from this report

Strategic Risk Management Issues

6.4 There is no perceived risk.

BACKGROUND PAPERS

<https://www.gov.uk/government/publications/use-of-free-early-education-entitlements-funding-during-the-coronavirus-outbreak/use-of-free-early-education-entitlements-funding-during-coronavirus-covid-19>

Use of free early education entitlements funding during coronavirus (COVID-19)

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

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

CONTACT FOR FURTHER INFORMATION

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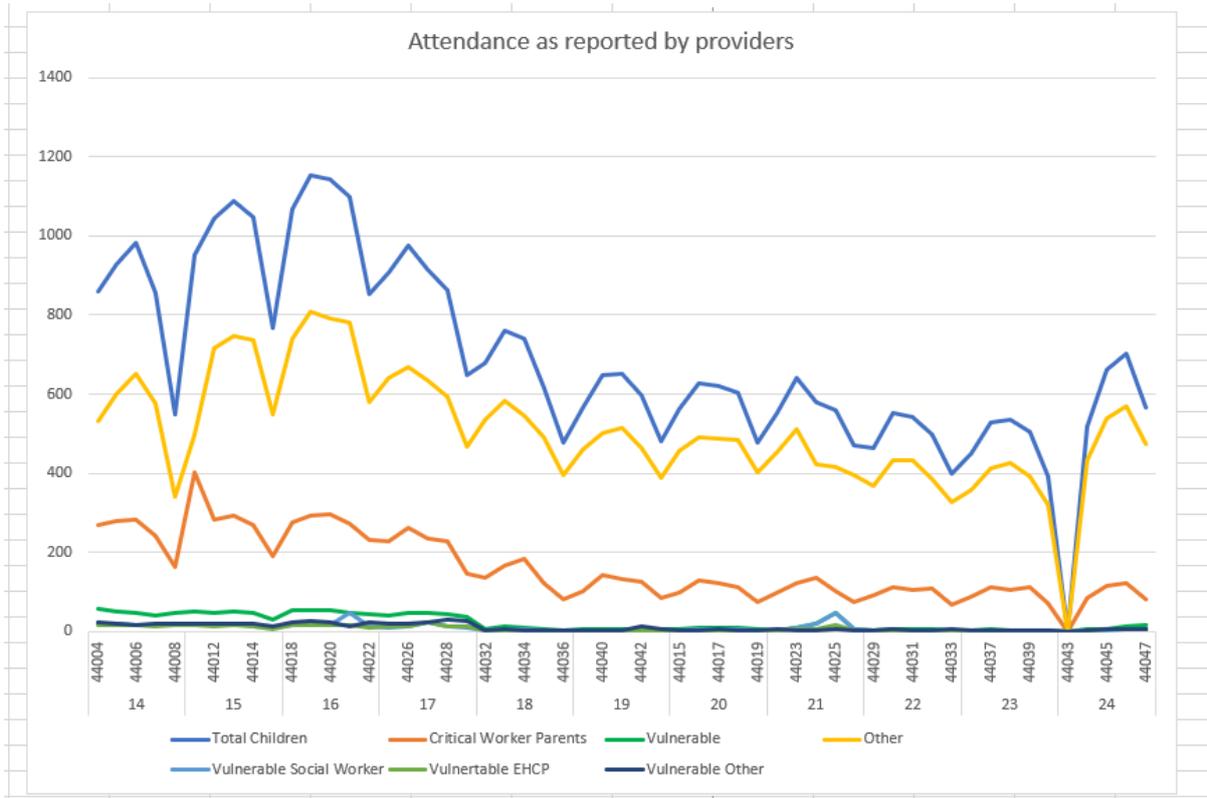
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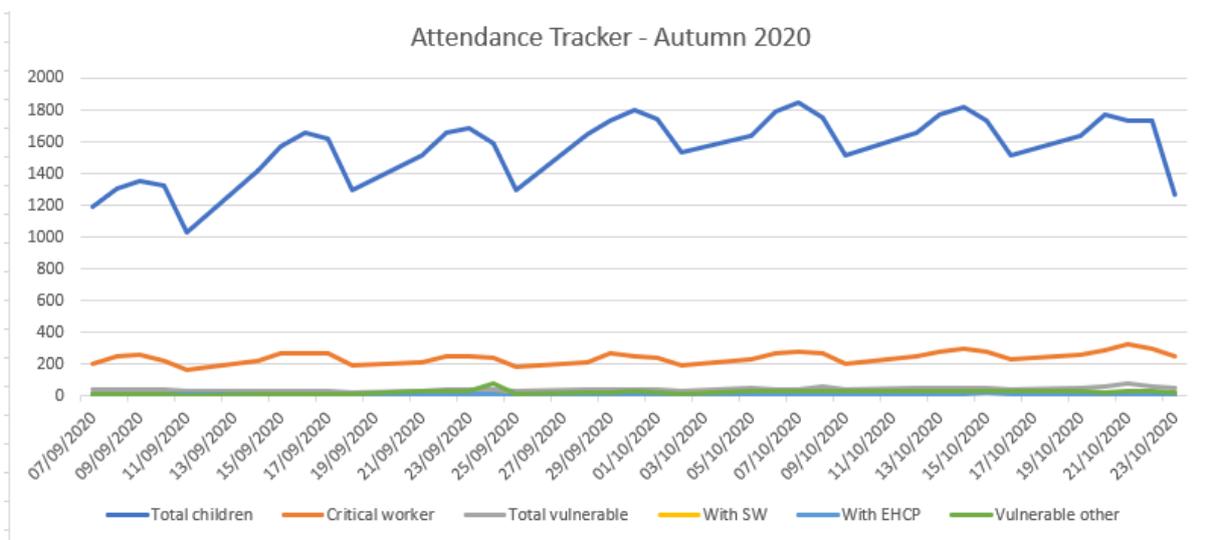
Appendix 1

Summer 2020 Attendance

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Autumn attendance (07/09/2020- 23/10 2020)



Appendix 2

Case study - joint work between Early Years and Children's Social Care to support vulnerable EY children to access provision

During the early stages of Lockdown, we worked jointly with CSC to contact our vulnerable (CP/CIN) families to discover whether they were attending a setting or not. Families were contacted April/May, some families were still apprehensive about attending a setting or as a family were shielding.

- We contacted 20 families with children aged 2-3 Years.
- Out of the 20 families 15 were eligible for 2 Year Funding.
- 3 Families had moved Out of Area
- 6 Families continued to self-isolate
- 5 Children continued to attend their setting.
- 4 Children were eligible from Sept 20 and had organised starting.
- 2 families were uncontactable, SWs were contacted.
- Settings were also contacted to confirm attendance and asked to contact us or SW if children stopped attending, and to also confirm those who plan to attend in September.
- Attendance of vulnerable children continues as focus in Autumn term

Impact:

- Contact was made with families to ensure they were able to access a setting if they wished to
- Settings were aware of the vulnerable children and made contact with them to support where required
- Families supported to find setting for Autumn term

Case study - supporting home learning opportunities

Settings were supported to help their families whilst closed with activities and resources for their children.

- LA EY Team created an activities sheet for providers to use with their families to give ideas.
- One nursery sent sensory resources to a vulnerable family utilising funds from EYPP
- A closed setting worked with a parent of a child with an EHCP to provide learning resources to meet the child's targets on his plan.
- Settings delivered activity packs to vulnerable families to support the children at home
- 1 setting used EYPP money to buy clothes (including coats) and food for a very vulnerable family -mum said they had no food and too late to get food bank voucher
- Another sent round a small climbing frame for a child to use in their garden to support physical development.
- Some settings video called children so they could continue relationships

Impact:

- Some families chose to keep their children at home to keep them safe, activity ideas were available for all children but those identified with specific needs were offered additional resources.
- Where resources were given or loaned this enabled families to continue to support children to learn and develop at home without additional cost to them

- Regular contact and video calls to support children to re settle on return to their childcare provider.

Case Study - Business Team, FIS, Childcare Provider

- Parent contacted FIS looking for urgent childcare.
- Both parents were critical workers - Mum a nurse working in the NHS and dad working in Tesco
- The child was under 2, attending a childminder who had been required to close to self-isolate
- Urgent childcare was required to enable parents to continue working and additional funding was required as the current childcare provider was entitled to keep the fees paid to them (closed for medical reasons not by choice)
- FIS contacted providers in suitable locations who were still open and were able to find a place that met the parent's needs.
- Business team arranged additional funding to cover the costs of the childcare. Initially funding was agreed for one month and then later extended to the end of the term.

Impact:

- 2 critical workers were able to continue to work with no additional childcare costs
- Child was cared for by registered childcare provider
- Child has now continued at the setting paid for by parent until child is eligible for funding

Case Study - Early Years Team, carer and Early Years Provider

- Child referred by SALT for Communication and Language PEEP just before lockdown
- Carer has Special Guardianship Order
- Regular phone contact by carer- March -July
- Much discussion about his developmental level in CL as originally her understanding of his attention and understanding was too high and she was focusing only on the talk.
- Plan devised for home, supporting attention, listening and play skills. Weaning from bottle to cup.
- Concerns over other areas of development so with consent referred on to Paediatrician and CDC
- Continuing phone calls re CL 2-3 weekly
- Child now started at pre-school so development will be monitored there

Impact :

- Carer has a clearer understanding of how to support child
- Implemented small step targets and measured improvement.
- Oral control improvements
- Linking specialist services for ongoing support as required.

Summary of the 2020-21 BF Early Years Funding Formula

EYFF Element	Weighting	Proposed hourly funding rate	% total EY funding
Deprivation Supplement	2.2 % of EYFF via IDACI scores Average IDACI score of children attending setting. Top 20% - Band 3 Next 10% - Band 2 Next 10% - Band 1	£0.13, £0.26 & £0.39	
	2.3% of EYFF via child eligibility to EYPP	£1.54	
Quality Supplement	2.4% of EYFF via setting leadership qualification Level 5 and above	£0.14	
Uniform Base Rate	93% of EYFF	£4.39	
	Indicative EYFF average provider rate	£4.70	90.5%
	Average SEN funding	£0.15	3.0%
	Average contingency funding	£0.08	1.5%
	Subtotal to providers	£4.93	95.0%
	Average BFC funding (5%) max	£0.25	5%
	Indicative funding from DfE to BFC	£5.01	100%

TO: SCHOOLS FORUM
DATE: 19 NOVEMBER 2020

DEDICATED SCHOOLS GRANT (DSG) DEFICIT MANAGEMENT **Executive Director of People and Director of Resources**

1 PURPOSE OF REPORT

- 1.1 To introduce the Schools Forum to guidance that has been produced by the Education and Skills Funding Agency (ESFA) as a reference tool for all local authorities (LAs). It is a substantial tool that provides support when completing plans for DSG management through an Excel template spreadsheet.

2 RECOMMENDATIONS

- 2.1 **That the Forum NOTES the ESFA DSG Deficit Management template is in the process of being populated for presentation at a future meeting.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that by completing the template, the council can demonstrate to the ESFA, partners and stakeholders key HNB data, the extent of the forecast DSG deficit and the actions intended to be taken to manage it down.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Do not engage with the ESFA support documentation to DSG management which is likely to be more time consuming, less effective and could result in additional scrutiny from the ESFA.

5 SUPPORTING INFORMATION

Background

- 5.1 As reported to the Forum in October, from April 2020, the DfE extended the rules under the DSG conditions of grant so any LA with an overall deficit on its DSG account – includes HNB, Early Years funding and general Schools Budget - at the end of the 2019-20 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the ESFA in handling that situation by:
- providing information as and when requested by the DfE about its plans for managing its DSG account in the 2020-21 financial year and subsequently
 - providing information as and when requested by the DfE about pressures and potential savings on its high needs budget
 - meet with officials of the DfE as and when they request to discuss the LAs plans and financial situation
 - keep the Schools Forum regularly updated about the LAs DSG account and plans for handling it, including high needs pressures and potential savings

5.2 In September, the ESFA issued a management plan template to help LAs to manage their DSG and provide the initial required information. The template is designed to help LAs:

- comply with DfE requirements of providing a recovery plan where the DSG is in a deficit or has experienced a substantial reduction to the overall surplus
- monitor how DSG funding is being spent
- compare data on high needs spend between LAs
- highlight areas where LAs may wish to review spending
- form evidence-based and strategic future plans for the provision of children and young people with SEND
- present complex funding information simply to Schools Forums and other external stakeholders
- provide a consistent reporting format to help LAs share best practice and initiatives

5.3 The ESFA expect the plan to be updated and presented at Schools Forum meetings and any high needs subgroups regularly and at least on a termly basis. LAs should aim to present the first version of the plan to the Schools Forum in time for budget planning discussions for 2021 to 2022 and before the deadline for block movement requests, if it is submitting one (which BFC is not). The ESFA realises that the management of DSG balances, both bringing spend in line with income and repaying deficits, will take time for some LAs. The template has therefore been developed in such a way that it is intended to be a live document and able to readily track progress.

5.4 By moving to a deficit on the HNB element of the DSG, as well as experiencing a substantial reduction to the overall surplus in the DSG account, the council can now expect some form of intervention from the ESFA.

ESFA DSG management plan template format

5.5 The DSG management plan template is a substantial excel document. It comprises 19 different tabs of data and provides a format to maintain relevant data and management plans into one document. It also meets the requirements of the ESFA for DSG deficit management where this is required through the DSG conditions of grant which will apply to BF.

5.6 The template includes a mixture of narrative around the current and recent position of the DSG, with a focus on the HNB, actions to be taken, financial performance, SEND data and the ability to undertake benchmarking comparisons with other LAs, including the closest statistical neighbours. The template content is summarised as:

1. Narration:

This includes an overall summary of how the DSG pressure will be managed, managing the number of children and young people (CYP) receiving funding and ensuring the best possible outcomes for CYP with SEND as well as more specific details of plans around areas such as each of the different placement types being commissioned e.g. in mainstreams settings, special schools, non-maintained special and independent schools, post 16 and FE etc, covering the key pressures, current strategy and the initiatives being trailed and their impact.

There is also more BF specific narrative around the plan including risks and mitigations, management plan support, drivers from statistical data, managing demand pressures, partnership working with other LAs and the key assumptions being made.

2. Financial information and SEND data:

As would be expected, a wide range of financial information is captured on the tool. This includes a breakdown of DSG funding by Block e.g. Schools Block, Early Years Block etc, showing spend, income etc separately over the recent past, current year and projected into the future to forecast the expected deficit / surplus balance.

For the overall DSG position, data is also captured at a 'Mitigated forecast' which ESFA define as the forecast after accounting for the cost reduction and/or invest to save measures in place. The 'Unmitigated forecast' shows forecasts prior to accounting for any cost reduction and/or invest to save measures in place; a 'do nothing' forecast. The template therefore shows the 'before' and 'after' actions positions.

There are also individual tabs for historic and predicted spend for the different placement types (8 different tabs) which are matched to the number of EHCPs in that category, by age and primary SEND need which then generates graphics for presentation and review.

3. Governance and stakeholder engagement:

Governance arrangements and stakeholder engagement is also captured. This includes internal LA sign-off of the plan, that should be at least at Assistant Director level in SEND and Finance, any local SEND governance Board, such as the BF HNB Sub-Group, the role and structure of which is currently under review, and the Schools Forum. Stakeholder engagement with education institutions, parents and carers, CYPL, elected members and health services are also captured.

4. High Needs Benchmarking:

The template contains some useful benchmarking comparisons. This information is collected from published figures that have been submitted to the DfE in the SEN2¹, S251² and school census collections. Analysis can be undertaken across different years, by geographical region and also the closest statistical neighbours. Data is generally returned as an amount per head of 2-18 population for financial data and a number per 1,000 population of 2-18 population for other data.

Impact in BF

- 5.7 The management plan will undoubtedly evolve and the ESFA tool is recognised as a comprehensive and effective aid to ensuring all significant and relevant data is

¹ The information collected via the DfE annual SEN2 survey form is the major source of data collected on children and young people with Education, Health and Care (EHC) plans (formerly statements of SEN). It is the only source of data on the totality of EHC plans maintained by individual local authorities.

² Local authorities submit statements on planned and actual expenditure on education and children's social care in accordance with S251 of the Apprenticeships, Skills, Children and Learning Act 2019. The DfE uses the data for publishing statistics, constructing benchmarking tables, answering parliamentary questions and responding to other data requests.

available for taking into account during the period of recovery. A high-quality completion of the template will undoubtedly assist in the communications that will follow with the ESFA on the deficit recovery.

- 5.8 Whilst the ESFA tool presents a good aid to DSG deficit management, and a wide range of data is pre-populated, there remains a substantial amount of data for the LA to collate, verify, add and subsequently update. Whilst much of the approach and information used is consistent with what BF has been doing, completion of the template is still some way off. Useful presentation to the Forum of what is a long and detailed document will also need some consideration.

Other aspects of ESFA DSG deficit management

- 5.9 The ESFA recognises that there may be some LAs which will not be able to pay off their historic deficit from the DSG over the next few years. In these cases, the DfE expects to work together with the LA to agree a plan of action to enable the LA to pay off its deficit over time.
- 5.10 As part of an appropriate agreed package of measures, the ESFA will, if necessary, make funds available from within the overall total of DSG so that the local authority can pay off its deficit over time. The ESFA will need convincing evidence from the LA that it would be impracticable to pay off a historic deficit from the DSG it would expect to receive in future years.
- 5.11 Additionally, the ESFA expects to approach selected LAs to begin discussions with them during 2020. These discussions are likely to be detailed, and in order to make this process manageable it will be necessary to limit discussions during 2020-21 to a fairly small number of authorities. The ESFA expects to expand the discussions to other LAs during 2021-22 and subsequent years.

Next Steps

- 5.12 The ESFA template is in the process of being completed and will be presented to the Forum when there is useful information.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no specific legal implications arising from the recommendations in this report.

Director of Resources

- 6.2 The Director of Resources is satisfied that no significant financial implications arise from completing the template which is expected to be a valuable tool in developing an effective response to the DSG deficit recovery requirements.

Equalities Impact Assessment

- 6.3 Not required.

Strategic Risk Management Issues

- 6.4 There are strategic risks around ensuring all schools remain financially stable as well as pupils with SEND receive timely and appropriate support for their education within the funds allocated for this purpose by the DfE. A failure to develop a plan for a sustainable HNB budget will place at risk the need to make more drastic changes at a later date.

8 CONSULTATION

Principal Groups Consulted

- 8.1 Various consultations will be undertaken as the template is completed.

Method of Consultation

- 8.2 To be determined.

Representations Received

- 8.3 Will be incorporated into the template as appropriate.

Background Papers

None.

Contact for further information

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Doc. Ref

Doc. Ref [https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/\(100\)_191120/DSG Deficit Management.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(100)_191120/DSG_Deficit_Management.docx)

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TO: SCHOOLS FORUM
DATE: 19 NOVEMBER 2020

THE SCHOOLS BUDGET – 2020-21 BUDGET MONITORING **Executive Director of People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this annual report is for the Schools Forum to receive an update on the 2020-21 forecast budget monitoring position for the Schools Budget, to be aware of key issues and management actions being taken and progress to date on the Education Capital Programme.

2 EXECUTIVE SUMMARY

- 2.1 At this early stage of the financial year, initial monitoring of the revenue budget forecasts a significant year end over spending of £4.635m which mainly arises from the previously highlighted increase in the number of children and young people needing support through the High Needs Block (HNB) budget. There is a £0.141m deficit held in the Schools Budget Unallocated Reserve which means a year end deficit of £4.776m is currently being forecast with no remaining balances to support future pressures.
- 2.2 The emerging significant increase in costs and the difficulty in presenting balanced budget proposals for 2020-21, despite the significant increase in funding and agreed savings programme illustrates the changing financial situation.
- 2.3 The capital programme has experienced a significant cost pressure relating to a school roof failure which is impacting on the maintenance programme.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 **the budget variances being forecast on the Schools Budget that total to an aggregate net forecast over spending of £2.958m (paragraph 6.10);**
- 3.2 **that the unallocated balance on the Schools Budget Reserve is forecast at a £4.776m deficit (paragraph 6.10);**
- 3.3 **progress to date on the Education Capital Programme, as summarised at Annex 2.**

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 Where relevant, these are set out in the supporting information.

6 SUPPORTING INFORMATION

2020-21 Monitoring of the Schools Budget (Revenue)

Approved budget

- 6.1 Budget proposals for the 2020-21 Schools Budget were approved by the Schools Forum at its meetings in January and March, and these were subsequently agreed by the Executive Member for Children, Young People and Learning as the initial budget. Members of the Forum will be aware that the Schools Budget is a ring-fenced account, generally funded by external income that can only be spent on defined education related duties.
- 6.2 The most significant income source to the Schools Budget is the Dedicated Schools Grant (DSG), which is paid by the Department for Education (DfE). The initial approved budget included £100.503m as the estimated amount of DSG. Other grant income of £9.344m was also expected from the Education and Skills Funding Agency (ESFA) for sixth forms, Teacher's Pay and Pension Grants, the Pupil Premium, Primary PE and Sports activities and the Universal Infant Free School Meals initiative. With £0.123m of general income also anticipated, there was originally expected to be £109.970m of income available to fund expenditure within the Schools Budget.
- 6.3 The Council's Budget setting process agreed that the allocation of budgets to individual lines of the Schools Budget could be agreed by the Executive Member, up to the level of anticipated grant income. The original budget approved by the Council was on a provisional basis and adjustments are now reported to reflect the changes agreed by the Executive Member as part of the budget setting process, all of which were supported by the Schools Forum.
- 6.4 Furthermore, to recognise the financial pressure arising from new schools, the council has agreed a 4-year medium term funding plan with schools which for 2020-21 results in the Council contributing £0.253m from its General Reserves. Adding the previously agreed £1.677m planned overspend on the High Needs Block results in a net budget for the year of £1.929m.
- 6.5 As usual, subsequent to setting the original budget, the ESFA has recalculated the adjustment made to LA HNB funding allocations to ensure the resident LA funds the cost of places taken up by their pupils in other LA specialist providers and also for deductions for ESFA directly funded providers. The deduction for BFC has reduced by £0.281m, which has been balanced off by an equivalent increase in budget for non-maintained special schools.
- 6.6 Overall, these changes result in an anticipated level of DSG of £100.853m with total funding of £110.320m. To ensure budgets correctly reflect anticipated spending requirements, relevant adjustments have been made to the areas of the accounts that the changes relate to. Annex 1 sets out a summary budget statement.
- 6.7 Other budget changes will be processed later in the year once further information and full reconciliations have been completed in respect of the academy school funding deduction from the DSG made by the EFSA to pay funding direct to relevant schools

and also a potential revision to the Early Years DSG allocation that will take account of funding decisions of the DfE which are likely to change to reflect the impact of the coronavirus pandemic on participation rates which are ordinarily used.

Forecast budget variances

- 6.8 As part of the Council's Financial Regulations, the Schools Budget is subject to monthly budget monitoring. This involves forecasting likely expenditure and income through to the end of the year, identification of reasons for variations against original budgets, and where relevant, setting out options for management action. This process allows for a forecast year end level of balances to be calculated.
- 6.9 It is appropriate for the Forum to be aware of the current forecast year-end balance as this will need to be taken into account when the 2021-22 budget is agreed. It is also likely that a number of variances identified this year will be on-going and will therefore need to be considered in next year's budget.
- 6.10 Provisional budget monitoring information available at the end of September indicates that the Schools Budget will overspend by £2.958m this year which when added to the £1.677m overspend expected when the budget was set equates to a £4.635m overspend. There is a £0.141m deficit opening balance on the Unallocated School Block Reserve meaning an aggregate year end deficit of £4.776m is currently being forecast.
- 6.11 As it remains relatively early on in the financial year, with some significant spending decisions yet to be taken or trends established, there is the potential for significant change over the coming months, but a significant year end over spending is unavoidable. Explanations of the significant changes anticipated from the current budget plan (+/- £0.020m) are set out below, with Annex 1 showing the overall Schools Budget at a summary level.

Schools Block - £0.124m under spend:

Other Schools Block provisions and support services - £0.104m under spend:

- 1) The most significant variance being reported relates to a forecast £0.085m under spend on the Growth Fund and comprises 2 elements: additional support to meet the class size regulations at Key Stage 1 where there has been a significant increase in qualifying schools, with a forecast over spending of £0.124m (spend is £0.184m compared to £0.102m last year); and growth allowances for schools experiencing significant in-year increases in pupil numbers, where the provisional October 2020 census indicates around £0.080m spend and an under spend £0.209m. The 2021-22 budget requirement for the Growth Fund will need to be reviewed in light of recent experiences.

High Needs Block - £3.200m overspend against budget (£4.877m overspend when the £1.677m budgeted overspend is included):

Members of the Forum will be aware that budget items 2) to 6) below represent the most unpredictable and volatile education budgets that the council is responsible for. Therefore, a considerable amount of time is taken in their management. However, they remain subject to significant change at short notice which can result in large movements in cost forecasts. To help manage this volatility, a contingency for future cost increases of £0.250m is included in the forecasts until such time as greater certainty is available

relating to placement details and their costs. The contingency amount is reviewed each month and adjusted accordingly. Forecasts reported at this time for external pupil placements and top up funding for mainstream schools include confirmed costs for the summer term, with provisional amounts included for autumn and spring which are subject to change until all required placements and their costs are known. The forecasts will continue to change through to the end of the financial year.

The Forum received an update on forecast budget performance within the HNB at the last meeting. This indicated a £4.533m forecast overspend which has now increased by £0.344m mainly as a result of the additional resources to be employed to more rapidly and effectively implement the change programme and provisions for pupil being educated out of schools.

The variances being reported now will need to be assessed as to their on-going impact and included as appropriate when budget proposals for 2021-22 are presented.

- 2) **Delegated Special Schools – £0.088m overspend.** Top up payments to Kennel Lane Special Schools have been recalculated to reflect in-year starters and leavers and changes in support needs. The current forecast also includes provision to purchase 3 extra places (to 198) from September.
- 3) **Maintained schools and academies – £0.938m overspend.** Top up payments to BF maintained schools and academies are forecast to overspend by £0.470m. In respect of BF pupil placements in other LA schools and academies, a £0.321m overspend is forecast. In general, placements have increased with average costs of support remaining fairly stable.

Funding of £0.103m set aside to support the development of new SEN resource units in mainstream schools will not now be spent as the programme has slipped, mainly as a result of the coronavirus pandemic.

Note: this budget line includes a contingency for future cost increases of £0.250m for which at this time no spend has been incurred and reflects all HNB budget risks, not just maintained schools and academies.

- 4) **Non-maintained special schools and colleges – £1.456m overspend.** This is the most significant budget area in terms of expenditure and the focus of the change programme. As reported at the last meeting of the Forum there are 3 key reasons factors that result in a significant budget over spending; purchased placements are 16% above the numbers forecast for the budget; average costs are 3.6% above forecast; and the savings anticipated from the change programme have slipped due to the coronavirus pandemic.

In setting the HNB DSG income amount for the budget, assumptions needed to be made on a number of factors in the DfE formula as relevant data becomes available during the year. The latest funding update from the DfE indicates that the HNB DSG will be £0.281m higher than initially estimated, and this extra resource has been added to this budget line as additional funding.

- 5) **Education out of school - £0.603m overspend.** The main variances relate to a £0.085m forecast overspending at College Hall Pupil Referral Unit that reflects the current and on-going requirements of the service provision, £0.106m overspend anticipated from the current demand trend for home tuition provisions, and £0.410m overspend on externally purchase Alternative Provision.

As reported directly above, the savings anticipated from the change programme have slipped due to the coronavirus pandemic and this has impacted on expenditure.

- 6) **Other SEN provisions and support services - £0.115m overspend.** The main variances relate to a £0.065m forecast saving on staff supporting the Child Development Centre to support families with children under 5 presenting with developmental delays and cases with under 5s on EHCPs or with speech and language development issues, overspending of £0.033m in the Support for Learning Service where income generation has been impacted by the coronavirus pandemic, £0.100m additional spend this year on the additional resources to be employed to more rapidly and effectively implement the change programme and £0.084m unachieved savings anticipated from service reviews, which again have had to be deferred due to the coronavirus pandemic. There are a number of other relatively small variances across a wide number of budgets.

Early Years Block - £0.009m under spend

- 7) **Free entitlement to early years education - £0.073m underspend.** The current forecast, reflecting actual summer, provisional autumn and estimated spring payments to providers, indicates an under spending of £0.073m. There remains uncertainty on government funding allocations and actual payments to providers, meaning this forecast could be subject to significant change.
- 8) **Other Early Years provisions and support - £0.045m underspend.** The main variance being forecast relates to a £0.025m saving against the translation contract as a result on limited demand on the service.

A separate paper on the agenda provides more insight to the Early Years Block services and finances.

Unallocated Schools Budget Balance - £4.776m deficit:

- 9) The budget variances being forecast at the end of September indicate a year end deficit on the Unallocated Schools Budget Reserve of £4.776m. This comprises the £0.141m accumulated deficit at the start of the year, the £1.677m overspend anticipated when the budget was set and the additional £2.958m overspend now being reported.

Managing the forecast overspend

- 6.12 It is clear that the council is facing significant challenges in managing spend to the level of HNB income. As set out above and on previously presented reports, this largely arises from increases in numbers of pupils requiring additional support, the emergence of more complex needs, rising costs of support and is part of a national issue.
- 6.13 The work currently being undertaken through Schools Forum HNB Sub Group to review the overall budget for impact and efficient use of resources is fundamental to moving towards a sustainable financial position over the medium to long term.

2020-21 Education Capital Programme

Approved budget

- 6.14 The current Education Capital budget approved by the council amounts to £10.874m, and comprises £3.666m of council funding, £1.103m from housing developers and £6.105m from various grants and other income. Of this total, £4,937m is new funding for 2020-21 with £5.937m brought forward from previous years to finance the completion of approved projects.
- 6.15 The major scheme in the programme are:
- School related projects, including schools' Devolved Formula Capital £6.769m
 - School Planned Maintenance £2.361m
 - Other projects £1.743m

Annex 2 provides a summary of the approved schemes, including current progress and key targets.

Forecast budget variances

- 6.16 At this stage, no variances are being reported as in general, these are recycled within the school related projects.
- 6.17 However, with the market continuing to tighten significantly and prices increasing, there is an on-going need for reviews of scope to remain within individual project budgets. At this stage, there is expected to be sufficient DfE grant funding and developer contributions plus the investment from the Council to fully finance the schemes required in the short term, with funding pressure expected to arise over the medium term.
- 6.18 Due to a substantial number of high cost roof repairs, the planned maintenance programme is also facing pressure in delivering all the works required within available funds. This is being severely impacted on through the roof failure at Sandhurst Secondary School which has required the closure of 10 classrooms and a drama studio. The initial proposal is to install a temporary modular classroom at the school during the period required to complete the roof repair.

Next steps

- 6.19 Budget monitoring will continue and any emerging issues will be incorporated into budget proposals and presented to the Forum at the appropriate time.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 The relevant legal provisions have been considered within the main body of the report.

Director of Resources

- 7.2 The financial implications arising from this report are set out in the supporting information.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 There are a number of risks associated with managing these revenue and capital budgets:
- financial and economic factors, in particular the need to maintain services whilst achieving significant savings;
 - the impact of demand led services and the need to forecast changes and reshape service delivery to meet changing needs;
 - staffing and the need to recruit, train and retain staff with the relevant skills and expertise;
 - IT infrastructure availability and information accuracy;
 - failure to design, monitor and control the implementation of major programmes and projects;
 - effective safeguarding of children;
 - effective maintenance of assets;
 - working effectively with partners, residents, service users, the voluntary sector and local businesses;
 - impact of litigation and legislation;

The budget includes resources sufficient to enable the Council to monitor these key risks and where possible to minimise their effects on services. Specific risk reduction measures included as part of budget monitoring are:

- A robust system of budgetary control with regular reporting to CYPL Departmental Management Team and the Corporate Management Team
- Quarterly Service Reports (QSR's) to Members
- Exception reports to the Executive

8 CONSULTATION

- 8.1 Not applicable.

Background Papers

None.

Contact for further information

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Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/\(100\)_191120/2020-21_Schools_Budget_Monitoring_etc.doc](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(100)_191120/2020-21_Schools_Budget_Monitoring_etc.doc)

2020-21 PROVISIONAL BUDGET MONITORING STATEMENT FOR THE SCHOOLS BUDGET AS AT THE END OF SEPTEMBER 2020							
Service Area	Approved Budget			Estimated 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	72,855	0	72,855	0	0	0	
School Grant income	9,344	-9,344	0	0	0	0	
Schools Block	82,199	-9,344	72,855	0	0	0	
<u>LA managed items:</u>							
Retained de-delegated Budgets:							
<i>Behaviour</i>	253	0	253	-21	14	-7	
<i>Schools in Financial Difficulty</i>	201	0	201	0	0	0	
<i>Official Staff Absences</i>	350	0	350	-10	0	-10	
<i>English as an Additional Language</i>	104	0	104	-11	17	6	
<i>PRC / Licence Fees / FSM checking</i>	495	0	495	0	2	2	
Combined Service Budgets:							
<i>Education Attainment and School Transport for LAC</i>	176	0	176	-7	0	-7	
<i>Family Intervention Project / Domestic Abuse</i>	106	0	106	-4	0	-4	
<i>CAF Co-ordinator</i>	42	0	42	-3	3	0	
<i>SEN Contract Management</i>	33	0	33	0	0	0	
<i>Education Health / Sport</i>	48	0	48	0	0	0	
Statutory and Regulatory Duties	501	0	501	0	0	0	
Other Schools Block provisions and support services	768	0	768	-104	0	-104	1
LA managed items:	3,077	0	3,077	-160	36	-124	
Sub total Schools Block	85,276	-9,344	75,932	-160	36	-124	
High Needs Block							
Delegated Special Schools Budgets	4,486	0	4,486	0	88	88	2
Maintained schools and academies	4,490	-31	4,459	-103	1,041	938	3
Non Maintained Special Schools and Colleges	6,414	0	6,414	-281	1,737	1,456	4
Education out of school	1,693	-3	1,690	-2	605	603	5
Other SEN provisions and support services	1,985	-68	1,917	-119	234	115	6
Sub total High Needs Block	19,068	-102	18,966	-505	3,705	3,200	
Early Years Block							
Free entitlement to early years education	7,194	-3	7,191	-73	0	-73	7
Other Early Years provisions and support services	389	-18	371	-45	0	-45	8
Sub total Early Years Block	7,583	-21	7,562	-118	0	-118	
Dedicated Schools Grant	0	-100,784	-100,784	0	0	0	
Contribution from BFC	253	0	253	0	0	0	
TOTAL - Schools Budget	112,180	-110,251	1,929	-783	3,741	2,958	
Note on Unallocated Schools Budget balance:							
Opening unringfenced balance on Schools Budget						141	
Budgeted over spending on the HNB						1,677	
2020-21 forecast in-year net variance						2,958	
Net forecast deficit at 31 March 2020						4,776	9

See paragraph 6.11 for an explanation to the notes

CAPITAL MONITORING 2020/21

Dept: People

Children, Young People and Learning

As at 30 September 2020

Cost Centre Description	Approved Budget 2020/21 £000's	Cash Budget 2020/21 £000's	Expenditure to Date £000's	Estimated Outturn 2020/21 £000's	Carry Forward 2020/21 £000's	(Under) / Over Spend £000's	Next Target / Explanatory Note	Current status of the project / notes
SCHOOL PROJECTS								
Ascot Heath Schools Amalgamation	558.9	558.9	204.7	558.9	0.0	0.0	Completed	Completed
College Tow n Amalgamation	104.6	104.6	1.6	104.6	0.0	0.0	CCTV to implement.	Main project completed. Small retention to be settled.
Cranbourne Security	72.0	72.0	72.0	72.0	0.0	0.0	Complete in defects	Completed
Crow n Wood Primary	16.2	16.2	0.0	16.2	0.0	0.0	Completed	Completed. Planning condition to be satisfied
Harmanswater Primary	365.0	365.0	0.0	365.0	0.0	0.0	Project brief	Briefing stage
Holly Spring Infant & Junior Amalgamation	74.0	74.0	11.8	74.0	0.0	0.0	Completed	Completed. Retentions to be settled.
Kennel Lane	546.6	546.6	2.7	546.6	0.0	0.0	In design	In design
King's Academy Oakwood	287.0	287.0	0.0	287.0	0.0	0.0	Completed	Completed
Meadow Vale Primary	158.5	158.5	0.0	158.5	0.0	0.0	Completed	Completed. Planning condition to be satisfied.
Sandy Lane	365.0	365.0	0.0	365.0	0.0	0.0	In design	Project inception
Warfield West Primary	119.5	119.5	3.4	119.5	0.0	0.0	Completed	Completed. ICT, furniture & equipment in future years
Wildridings Primary	20.4	20.4	0.0	20.4	0.0	0.0	On hold	On hold
Wooden Hill Primary	434.4	434.4	141.1	434.4	0.0	0.0	Completion	Completed
Primary	3,122.1	3,122.1	458.8	3,122.1	0.0	0.0		
Easthampstead Park	232.6	232.6	-1.3	232.6	0.0	0.0	Completed	Main project completed. School managed spend ongoing.
Sandhurst Redevelopment	14.2	14.2	13.4	14.2	0.0	0.0	Masterplan feasibility study	In progress
Secondary	246.8	246.8	12.1	246.8	0.0	0.0		
Binfield Learning Village	890.0	890.0	284.8	890.0	0.0	0.0	Completed	Completed, ICT, furniture & equipment in future years
All through	890.0	890.0	284.8	890.0	0.0	0.0		
Basic Need Grant for Allocation	422.2	422.2	0.0	422.2	0.0	0.0	Completed	Under consideration
Special Provision Capital Fund	959.7	959.7	55.0	959.7	0.0	0.0	Works in progress	For allocation to schools for facilities provision for special needs pupils
Healthy Pupils Capital Fund	7.9	7.9	3.6	7.9	0.0	0.0	Works in progress	For allocation to schools for facilities provision for healthy schools initiatives
College Tow n Security	42.0	42.0	42.0	42.0	0.0	0.0	Completed, in defects	Completed
Crow thorne Primary Car Park Safety	17.0	17.0	0.0	17.0	0.0	0.0	Completion	Completed
Wildridings Security, Safeguarding & Fire Safety	58.0	58.0	39.1	58.0	0.0	0.0	School managed project	School managed project
Primary SEMH Hub	40.0	40.0	0.0	40.0	0.0	0.0	Under consideration	Under consideration
Devolved Capital and other funds held by schools	935.8	935.8	119.5	935.8	0.0	0.0	Managed by schools	Managed by schools
Other Schools Related Capital	2,482.6	2,482.6	259.2	2,482.6	0.0	0.0		
SCHOOL PROJECTS	6,769.1	6,769.1	1,075.4	6,769.1	0.0	0.0		

Percentages

15.9%

100.0%

0.0%

CAPITAL MONITORING 2020/21

Dept: People

Children, Young People and Learning

As at 30 September 2020

Cost Centre Description	Approved Budget 2020/21 £000's	Cash Budget 2020/21 £000's	Expenditure to Date £000's	Estimated Outturn 2020/21 £000's	Carry Forward 2020/21 £000's	(Under) / Over Spend £000's	Next Target / Explanatory Note	Current status of the project / notes
CAPITAL MAINTENANCE / CONDITION								
Planned works	2,361.4	2,361.4	1,266.3	2,361.4	0.0	0.0	Completion	Programmed works complete. Awaiting various final accounts.
ROLLING PROGRAMME	2,361.4	2,361.4	1,266.3	2,361.4	0.0	0.0		

Percentages 53.6% 100.0% 0.0%

OTHER PROJECTS								
Youth Facilities - including Braccan Walk	800.3	800.3	20.8	800.3	0.0	0.0	On site	Tenders back, due to commence late August 2020
20-21 Market St Refurb	175.0	175.0	1.1	175.0	0.0	0.0		
Nursery Provision	709.5	709.5	8.6	709.5	0.0	0.0	In design	Design complete- procurement plan due to go to executive member 30/09/2020
Education Centre Relocation	21.5	21.5	12.8	21.5	0.0	0.0	Completion	Retentions to be paid shortly
Rowans (Fox Hill) Childrens Centre security	29.5	29.5	0.0	29.5	0.0	0.0	Completion	Complete, retentions to be paid
S106 School Health Worker Accom The Willow s	0.5	0.5	0.5	0.5	0.0	0.0	Completed	Completed
Priestwood Guide Centre	7.1	0.0	0.0	7.1	7.1	7.1	Completed	Completed.
Other	943.1	936.0	23.0	943.1	7.1	7.1		
OTHER PROJECTS	1,743.4	1,736.3	43.8	1,743.4	7.1	7.1		

Percentages 2.5% 100.4% 0.4%

TOTAL CAPITAL PROGRAMME	10,873.9	10,866.8	2,385.5	10,873.9	7.1	7.1		
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Percentages 22.0% 100.1% 0.1%

TO: SCHOOLS FORUM
DATE: 19 NOVEMBER 2020

**OUTCOMES FROM THE OCTOBER 2020
FINANCIAL CONSULTATION WITH SCHOOLS
Executive Director: People**

1 PURPOSE OF REPORT

- 1.1 To provide an update to the Schools Forum on the responses from the recent financial consultation from schools which sought views on how funds should be allocated to schools and also whether maintained schools supported on-going de-delegation of budgets and making a financial contribution to statutory education related duties for which the council is responsible for meeting but receives no funding.
- 1.2 There is also an update on the 2021-22 budget position for mainstream schools.

2 EXECUTIVE SUMMARY

- 2.1 Responses from the financial consultation showed clear support from maintained schools for continuing to maximise the strategic and cost-effective benefits that can arise from central management through the de-delegation route on permitted services. Furthermore, there is strong support from maintained schools to continue to contribute £20 per pupil towards the cost to the council of meeting education statutory and regulatory duties that the DfE no longer provides LAs with grant funding to meet their responsibilities.
- 2.2 In terms of allocating funds to mainstream schools, there is also strong support for each factor value to be set to the relevant amount of the School National Funding Formula (NFF) or scaled by the same proportional value to the amount of available funds. Schools also support applying minimum per pupil funding increases of 2% from 2020-21 amounts, subject to affordability.
- 2.3 In respect of the 2021-22 budget, updates are presented on some areas from the amounts reported to the last meeting. There is no significant overall effect, however, further changes are possible until the DfE confirms the October 2020 census and other relevant data towards the end of the year.

3 RECOMMENDATIONS

Items for all School and Early Years Members (maintained and academy)

- 3.1 **To NOTE the outcomes from the financial consultation with schools as summarised in the supporting information and Annex 1.**
- 3.2 **That the Executive Member for Children, Young People and Learning (CYPL) is asked to AGREE that:**
 - 1. **the factors and their values in the BF Funding Formula should continue to be funded at the same value as the NFF, with each factor to be reduced by the same proportional value if there are insufficient funds.**
 - 2. **all schools should receive the maximum +2% increase in per pupil funding from the 2020-21 financial year, subject to affordability.**

3. any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2020-21 should be met by those schools receiving the largest increases in per pupil funding, typically those above the average percentage increase.

Item for Maintained Primary School representatives only:

- 3.3 To AGREE the continued de-delegation of budgets for the services requested by the council.

Item for Maintained Secondary School representatives only:

- 3.4 To AGREE the continued de-delegation of budgets for the services requested by the council.

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

- 3.5 To AGREE that a £20 per pupil contribution continues to be made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties.

For all Member to NOTE:

- 3.6 Changes made by the DfE to the DSG ringfence place at risk the option for the council to continue supporting the Schools Budget through use of General Reserves.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure the majority view expressed by schools are taken into account when relevant discretionary parts of the funding framework are set locally.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 These were set out in the consultation document.

6 SUPPORTING INFORMATION

Background

- 6.1 At its last meeting on 22 October, as part of initial budget preparations for 2021-22, it was reported to the Forum that the annual financial consultation document had been circulated to schools. This sought views on how funds should be allocated to schools and also whether maintained schools supported on-going de-delegation of budgets and making a financial contribution to statutory education related duties should be circulated to schools. This report sets out the responses received and now seeks subsequent recommendations on relevant aspects of the 2021-22 funding framework.
- 6.2 The initial anticipated budget position for 2021-22 was also presented in October and a limited number of updates are now available. Until more detailed information is made available by the DfE, which is expected in December, further changes to the calculations are expected.

Outcomes from the financial consultation with schools

- 6.3 By the 23 October response deadline, replies had been received from 25 out of 39 schools (64% response rate). A reply was received from 19 primary schools (63%), 4 secondary schools (67%) and Kennel Lane Special School. This represents a good response rate, with 73% of maintained schools and 20% of academy schools responding which gives confidence that decisions on these matters can be taken with the knowledge of the majority view of schools and their categories.

In addition, a joint response was also received from the National Association of Head Teachers, National Education Union and the Association of School and College Leaders in respect of de-delegation.

- 6.4 The questions are set out below and responses summarised. Recommendations for change, where relevant, have also been added in boxes. A numerical summary of replies to each question can be found at Annex 1.

- 6.5 In terms of agreeing decisions from this consultation, the Executive Member for CYPL has the statutory duty in respect of agreeing changes to the local Funding Formula (questions 1 to 3). For de-delegation, the maintained school members of the Forum decide for their phase (question 4) with any contribution to education related statutory duties being decided by the relevant maintained school members, including special school and pupil referral unit members (question 5).

- 6.6 Seven specific comments were also received; 6 from primary schools and 1 from a secondary. These related to the de-delegated services, the burden of the coronavirus, that funding priority should be given to high needs pupils and that the mainstreaming of Teachers' Pay and Pension grants into a per pupil funding amount disadvantaged schools with falling rolls. None of these individual comments are considered significant in the overall context of the responses received to this consultation. Others relate to policy decisions of the DfE.

Confidential Annex 2 sets out the detailed responses received.

6.7 **Question 1: Strategy for allocating funds to schools**

Do you agree that subject to affordability, the factors and their values in the BF Funding Formula should continue to be the funded at the same value as the NFF, with each factor to be reduced by the same proportional value if there are insufficient funds?

Responses from schools to previous consultations of how funding should be allocated to schools have clearly supported aiming for as close fit as possible to the NFF as this reflects how the funds are allocated by the government and the long-held objective that this approach will be mandatory. Moving to this position in a timely manner is likely to reduce the funding turbulence should an alternative approach be in place immediately before the change to the NFF becomes mandatory.

Responses from all 22 schools impacted by this supported this proposal.

The Forum is recommended to agree that the factors and their values in the BF Funding Formula should continue to be the funded at the same value as the NFF, with each factor to be reduced by the same proportional value if there are insufficient funds.

6.8 **Question 2: Strategy for allocating funds to schools**

Do you agree that subject to affordability, schools should receive a minimum +2% increase in per pupil funding from the 2020-21 financial year? 2% is the highest increase permitted by the DfE?

This question relates to the Minimum Funding Guarantee (MFG) which LA are required to apply which can allocate a funding top-up to schools where the ordinary operation of the Funding Formula results in a change in per pupil funding that is below a specified percentage. It compares the final budget from one year to the next and adjusts for changes in the number of pupils. For 2021-22, the DfE will permit LAs to set a rate of between +0.5% and +2.0%.

Responses from all 24 schools impacted by this supported this proposal.

The Forum is recommended to agree that all schools receive the maximum +2% increase in per pupil funding from the 2020-21 financial year, subject to affordability.

6.9 **Question 3: Strategy for allocating funds to schools**

Do you agree that any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2020-21 should be met by those schools receiving the largest increases in per pupil funding, typically those above the average percentage increase?

This question relates to the Minimum Funding Guarantee (MFG) which LA are required to apply which can allocate a funding top-up to schools where the ordinary operation of the Funding Formula results in a change in per pupil funding that is below a specified percentage. It compares the final budget from one year to the next and adjusts for changes in the number of pupils. For 2021-22, the DfE will permit LAs to set a rate of between +0.5% and +2.0%. The alternative to limiting funding the cost of MFG to only those schools receiving the highest increase, is for all schools receiving an increase to make a contribution.

Responses from 16 schools (73%) potentially impacted by this supported this proposal. 7 schools disagreed although no specific comments were provided.

The Forum is recommended to agree that any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2020-21 should be met by those schools receiving the largest increases in per pupil funding, typically those above the average percentage increase.

6.10 **Question 4: de-delegated services**

To continue the strategic and cost effective approach in the use of the funds for contingencies (including schools in financial difficulties including those in or in danger of entering an Ofsted category), support to underperforming ethnic groups, CLEAPSS licence fees, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services, do you agree that the Schools Forum should again agree to de-delegate all relevant funding for continued central management by the LA?

Note this question only impacts on maintained, mainstream schools.

Responses from 19 schools (90%) impacted by this supported this proposal. 2 schools disagreed.

A joint response supporting on-going de-delegation for supply cover costs, which includes trade union facilities time, was also received from the National Association of Head Teachers, the Association of Schools and College Leaders and the National Education Union.

The Forum is recommended to agree the continued de-delegation of budgets for the services requested by the council.

6.11 **Question 5: statutory education related duties**

In respect of making a financial contribution to the education related statutory and regulatory duties required of the council that will no longer be financed through DfE grant, do you agree that maintained schools should continue to make a £20 per pupil / place contribution?

Note this question only impacts on maintained schools, including mainstream special schools and Pupil Referral Units.

From April 2017, the DfE implemented a saving of £600m through the complete withdrawal of the Education Services Grant (ESG) which was the mechanism used to fund LAs for their statutory and regulatory education related duties as prescribed in various Education Acts and other relevant statutes. This resulted in the council losing £1.2m of grant but continuing to have to meet the same requirements. The DfE “recognise that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed” and will “allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG.” Schools have always previously agreed to a £20 per pupil deduction which would contribute around £0.23m to the £1.2m loss in grant. The deduction, if agreed, is taken after the calculation of final school budgets.

20 of the 22 respondents that this question impacted on (91%) agreed that a £20 per pupil contribution should continue.

The Forum are recommended to agree that a £20 per pupil contribution continues to be made by maintained schools towards the cost of delivering ‘general’ education related statutory and regulatory duties.

Update on 2021-22 budget

- 6.12 The most significant updates to the 2021-22 budget will arise from the October 2020 census and other data which will not be confirmed by the DfE until December. At the publication of this report, provisional census data is available, although there are outstanding queries on 4 schools.
- 6.13 The basic assumption remains that any change in pupil numbers will be broadly neutral in terms of the difference in change in DSG income received and the allocation of individual budgets for schools.
- 6.14 Table 1 below sets out the areas where updates can still occur, together with the latest estimated change from the October Forum meeting. All amounts remain subject to further change.

Table 1: Update where available on budgets subject to change

Item	Estimated amount £k
Funding shortfall to NFF as reported to Forum in October	-429
Change in DSG from October census i.e. pupil numbers only	TBD
Change in budget allocations to schools from October census i.e. pupil numbers and characteristics	TBD
Re-calculated DSG Growth Fund allocation for increased pupil numbers	-119
Re-calculated LA managed Growth Fund budget for KS1 class size allocations and increases in pupil numbers	80
Updated business rates	20
DSG funding for recently amalgamated school	TBD
Net change	-448

6.15 At this stage, there is no material change in the overall budget forecast with a £0.448m shortfall to the amount required to deliver NFF funding rates. It was previously reported that the options available to manage the indicated budget shortfall are.

1. Draw down funds from the Reserve created by the council to help finance the additional costs of new and expanding schools (subject to DfE approval with initial discussions underway)
2. Draw down funds from the Reserve created in the unallocated Schools Budget to support the additional costs of new and expanding schools
3. Fund schools at a scaled percentage of the NFF rather than the full amount.

A combination of these options can also be used.

6.16 In respect of the estimated £0.080m funding shortfall on the Central Schools Services Block, the council is continuing to work through options with the objective of ensuring no further costs fall on the DSG.

Update to discussions with the DfE in respect of the council contributing to the additional costs of new and expanding schools

6.17 It has previously been reported that the DfE has updated conditions of grant relating to the DSG, one aspect of which is the introduction of a ringfence to prevent any accrued deficit falling on LA funds. Linked to this, it is also now a requirement for any LA wishing to add to school budgets from their own funds to obtain specific permission from the secretary of state. Seeking permission from the secretary of state through various discretionary provisions within School Funding Regulations is a normal part of the school funding process and something routinely undertaken by BFC.

6.18 This new grant condition impacts on the long-standing agreed strategy for funding diseconomy costs in new schools that is summarised in paragraph 6.15. Initial

discussions with the DfE on approving an LA contribution to the 2021-22 Schools Budget have not resulted in clear agreement and further information had been requested and provided. Feedback from the DfE is awaited. Therefore, a risk exists relating to use of council funds to support schools from next financial year.

Next steps

- 6.19 The decisions taken on the outcomes from the consultation will assist with the on-going preparation of the 2021-22 budget. As some of the questions only impact on maintained schools, DfE permit only Forum members representing these groups to make relevant decisions. The report recommendations are therefore presented to reflect this.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Resources

- 7.2 The Director of Resources is satisfied that there are no significant financial implications arising from this budget policy setting report although a new risk has emerged around the ability of the council to provide the agreed support to School Budgets.

Equalities Impact Assessment

- 7.3 The need for an EIA will be taken when the final budget proposals are confirmed.

Strategic Risk Management Issues

- 7.4 None identified:

8 CONSULTATION

Principal Groups Consulted

- 8.1 People Directorate Management Team, school governors, head teachers, Schools Forum and schools.

Method of Consultation

- 8.2 Written reports and formal consultation with schools.

Representations Received

- 8.3 Included in body of this report.

Background Papers

Financial Consultation with schools and other relevant documents:

<https://schools.bracknell-forest.gov.uk/finance/school-funding-consultation-2021-to-2022-financial-year/>

Contact for further information

Paul Clark, Finance Business Partner: People Directorate
paul.clark@bracknell-forest.gov.uk

(01344 354054)

Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(100\) 191120/Outcomes from October 2020 consultation with schools.doc](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/(100) 191120/Outcomes from October 2020 consultation with schools.doc)

Summary responses to the October 2020 financial consultation with schools

QUESTION	TOTALS				TOTAL	%
	PRIMARY	SECONDARY	ALL THROUGH	SPECIAL		
1 Do you agree that subject to affordability, the factors and their values in the BF Funding Formula should continue to be the funded at the same value as the NFF, with each factor to be reduced by the same proportional value if there are insufficient funds?						
Yes	19	3	0	0	22	100%
No	0	0	0	0	0	0%
No reply / not applicable	0	1	0	1	2	
2 Do you agree that subject to affordability, that all schools should receive the maximum +2% increase in per pupil funding from the 2020-21 financial year?						
Yes	19	4	0	1	24	100%
No	0	0	0	0	0	0%
3 Do you agree that any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2020-21 should be met by those schools receiving the largest increases in per pupil funding, typically those above the average percentage increase?						
Yes	15	1	0	0	16	73%
No	4	3	0	0	7	32%
No reply / not applicable	0	0	0	1	1	

QUESTION	TOTALS				TOTAL	%
	PRIMARY	SECONDARY	ALL THROUGH	SPECIAL		
4 To continue the strategic and cost effective approach in the use of the funds for contingencies (including schools in financial difficulties including those in or in danger of entering an Ofsted category), support to underperforming ethnic groups, CLEAPSS licence fees, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services, do you agree that the Schools Forum should again agree to de-delegate all relevant funding for continued central management by the LA?						
Yes	16	3	0	0	19	90%
No	2	0	0	0	2	10%
No reply / not applicable	1	1	0	1	3	
4/5 In respect of making a financial contribution to the education related statutory and regulatory duties required of the council that will no longer be financed through DfE grant, do you agree that maintained schools should continue to make a £20 per pupil / place contribution?						
Yes	16	3	0	1	20	91%
No	2	0	0	0	2	9%
No reply / not applicable	1	1	0	0	2	
Total responses	19 63%	4 67%	0 0%	1 50%	25 64%	
Maximum responses	30	6	1	2	39	

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