

**TO: SCHOOLS FORUM**  
**DATE: 16 JANUARY 2020**

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**2020-21 BUDGET PROPOSALS FOR THE SCHOOLS BLOCK AND  
CENTRAL SCHOOL SERVICES BLOCK ELEMENTS OF THE SCHOOLS BUDGET**  
**Executive Director: People**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present final proposals from the Council for the 2020-21 Schools Block and Central Schools Services Block elements of the Schools Budget.

**2 EXECUTIVE SUMMARY**

- 2.1 Building on earlier decisions agreed by the Forum together with the release by the Department for Education (DfE) of the key data that must be used to calculate school budgets, final work on next year's Schools Budget has now been completed. Inevitably, this has led in some changes now being presented, most notably as a result of confirmed additional educational needs (AEN) data which for primary schools in particular has shown an overall reduction in deprivation and low prior attainment scores compared to the 2018 census.
- 2.2 Whilst this means schools will receive £0.248m less in AEN funding than previously expected, with LAs funded for their schools on lagged data from 2018, there is very little change in the overall amount of funds available next year, and reduction in funds allocated through AEN measures have therefore been re-allocated through other measures. Overall schools will experience an average increase in per pupil funding of 6.3% which compares to 2.8% in 2019-20 and 2.7% in 2018-19.
- 2.3 Recommendations agreed from this report will form the basis of proposals to be presented to the Executive Member for Children, Young People and Learning, who has responsibility for agreeing most aspects of the Schools Budget. However, within the overall budget setting process, there are a number of areas where the Forum holds responsibility, and these are separately presented now for a decision.
- 2.4 There is a very tight timetable to meet, with views of the Schools Forum on the proposals being sought in advance of the 21 January deadline for submitting to the Department for Education (DfE) the actual Funding Formula for Schools to be used in 2020-21 with associated units of resource and total cost.

**3 RECOMMENDATIONS**

**To AGREE**

- 3.1 **In its role as the representative body of schools and other providers of education and childcare, the Forum REQUESTS that the Executive Member AGREES the following for the 2020-21 Schools Budget:**
1. **that in accordance with Table 1, the budgeted amount of Dedicated Schools Block Grant be set at:**
    - i. **£74.850m for the Schools Block;**
    - ii. **£1.084m for the Central School Services Block.**

2. that the council contributes £0.253m funding to diseconomy costs at new schools;
3. the decisions previously agreed by the Forum, as summarised in paragraph 6.7;
4. that the factors in the BF Funding Formula for Schools and their relative values are set at the maximum affordable level of 99.8% of the values used by the DfE (Annex 5);
5. that other Schools Block related grants be reset to the amounts anticipated in 2020-21;
6. that the resulting DfE pro forma template of the 2020-21 BF Funding Formula for Schools, as set out in Annex 6 be submitted by the 21 January deadline.

### 3.2 As decision maker:

1. that the arrangements in place for the administration of central government grants are appropriate;
2. the financing and budgets for the Growth Fund are as set in Annex 1.

## 4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2020-21 Schools Budget is developed in accordance with the views of the Schools Forum, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual 2020-21 school budgets to the DfE by 21 January 2020.

## 5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 These have been considered during each stage of the budget process.

## 6 SUPPORTING INFORMATION

### Background to School and Education Funding

- 6.1 The Forum has been kept up to date with DfE school and education funding reform, most notably through the introduction of a School National Funding Formula (SNFF) since change was first announced in March 2016.
- 6.2 The Schools Budget is funded by a 100% ring fenced government grant called the Dedicated Schools Grant (DSG). The DSG comprises 4 funding Blocks, each with a separate calculation and funding allocation; the Schools Block (SB); the Central School Services Block (CSSB) the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors, the HNB and EYB are centrally managed by LAs although the majority of funds are ultimately used to pay schools and other providers for services to children.
- 6.3 The DSG can only be spent on the purposes prescribed by the DfE. Any under or overspending in a year must also be ring-fenced and applied to a future Schools Budget. There is a general ring-fence in place in that SB funding must be spent on school budgets, although where agreed by the local Schools Forum, up to 0.5% of the SB (circa

£0.375m) can be transferred to fund costs that fall into other Blocks. Money can be freely transferred from other Blocks into the SB or from the SB to CSSB.

- 6.4 LAs can add to the DSG from their own resources to increase the size of the Schools Budget but are not permitted to plan to spend at a lower amount. Reflecting local cost priorities, the council's Executive has agreed to support a 4-year funding strategy and will provide £1m from council balances to March 2023 to help finance the diseconomy funding required from the new school building programme.
- 6.5 The Executive Member for Children, Young People and Learning has responsibility for agreeing most aspects of the Schools Budget although within the overall budget setting process, there are several areas where the Forum holds responsibility, and these are presented now for a decision.
- 6.6 This report focuses on the SB and CSSB elements of the Schools Budget where DSG funding is allocated to LAs by way of:
- A pupil-led SNFF that uses the most up to date census data relating to number on roll, deprivation, low prior attainment and English as an additional language measures (SB)
  - School based funding, based on prior year costs for business rates and other property factors such as schools operating across split sites (SB)
  - A per pupil amount for on-going LA education related responsibilities (CSSB)
  - 80% of historic costs for supporting vulnerable pupils (CSSB)

#### Progress to date

- 6.7 Previous meetings of the Forum agreed the following budget decisions:
- That the factor values in the BF Funding Formula should be set at the national rates used by the DfE. Should this not be affordable, then each factor value would be scaled by the same proportionate amount.
  - That Minimum Per Pupil Funding (MPPFL)<sup>1</sup> values are set at £3,750 for primary aged pupils and £5,000 for secondary aged pupils. These are the same values as used by the DfE in the SNFF.
  - That the Minimum Funding Guarantee (MFG)<sup>2</sup> is set at the maximum amount permitted by the DfE and delivers per pupil funding increases from 2019-20 for all schools of at least +1.84%.
  - That no financial contribution would be made from the SB towards the cost increases being experienced in the HNB.
  - That the *new and expanding school funding policy* would be subject to minor update from the existing (2019-20) policy.

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<sup>1</sup> The SNFF includes MPPF levels that are applied to all school budgets where a top up is added if the normal operation of the Funding Formula does not deliver sufficient funds – for 2020-21 this is £3,750 for primary aged pupils and £5,000 for secondary. LAs had discretion to apply these values in their local funding formula but are now mandatory at local level, unless agreed by the DfE that they are unaffordable. The MPPF calculation required by the DfE excludes funding for business rates.

<sup>2</sup> The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, a funding top-up is added to meet the minimum per pupil change requirement. The MFG calculation required by the DfE excludes funding for business rates and fixed lump sum allocations. The cost of top-up funding is financed by scaling back increases to schools experiencing funding gains.

- That the funds released through the cost reduction on updated estimates for business rates would be allocated through the BF Funding Formula.
- That the split site and school amalgamation factors would continue to be paid in accordance with existing methodologies.
- With maintained schools supporting on-going 'de-delegation' of those services permitted by the DfE, this would continue.
- With maintained schools supporting an on-going £20 per pupil contribution towards the cost of delivering 'general' education related statutory and regulatory duties, this would continue.
- The relevant services where budgets would be centrally managed on behalf of schools by the Council and the associated amounts, which aggregate to £1.084m (the CSSB).

#### Final budget proposals for 2020-21

- 6.8 As the DfE data that must be used for funding purposes has emerged, and more work has been undertaken on other budget calculations, a number of changes to budgets are now being proposed from those anticipated at the December meeting of the Forum. There are no changes however to previously agreed principles.

#### Confirmed Schools Block DSG income

- 6.9 The DfE published verified October 2019 school census and the other data that must be used to calculate 2020-21 school budgets on 16 December. This included funding for 16,280 pupils (+140 / +0.87%), which is 3 fewer than was previously anticipated. Based on the BF specific DSG per pupil funding rates of £3,931 for primary aged pupils (the Primary Unit of Funding – PUF) and £5,235 for secondary aged pupils (the Secondary Unit of Funding – SUF), this delivers £72.338m of DSG income (down £0.014m).
- 6.10 In terms of the Growth Fund<sup>3</sup>, this has now been confirmed at £0.792m (down £0.005m) and reflects changes between the original estimated data and the confirmed October 2019 census data.
- 6.11 The separate funding allocations to LAs for non-pupil-based school costs were also confirmed and remain unchanged at £1.866m. This funding is lagged and set at the 2019-20 budget amounts and is intended to finance the cost of business rates, schools operating across split sites and schools that underwent an amalgamation in 2018.
- 6.12 Therefore, the overall DSG grant income for the SB will be £74.996m, a reduction of £0.019m compared to the previous estimate.

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<sup>3</sup> The Growth Fund comprises 3 elements: funding for significant in-year increases in pupil numbers at existing schools; allocations to schools requiring additional financial support to meet Key Stage 1 Infant Class Size Regulations; and pre-opening, diseconomy and post opening costs for new schools.

### Funding allocations to schools:

#### *Changes in pupil numbers*

- 6.13 As set out above, with the actual DfE verified census data confirming 3 fewer pupils than anticipated, funding allocations to schools will reduce by £0.015m to £0.820m. This is broadly equivalent to the reduction in DSG funding so has no significant financial effect.

#### *Growth Fund - Impact from new / expanding schools and other relevant costs*

- 6.14 There are no changes proposed to the £0.365m budgets for in-year growth allowances and funding to support Key Stage 1 Class Size Regulations at existing schools nor start-up and post opening costs at new schools.
- 6.15 In terms of diseconomy costs at new schools, as agreed at the December Forum meeting, these are calculated in accordance with the agreed policy, which was subject to minor update, and the verified October census data. As there are no changes to data, the allocation remains unchanged at £1.205m.
- 6.16 Annex 1 sets out the budget requirement for the whole of the Growth Fund, including allocations due to individual schools and the amount of financial contribution due from each of the agreed funding sources which for the council will be £0.253m. The Forum is the statutory decision maker on the setting the budget for the Growth Fund.

#### *Changes in pupil characteristics - AEN*

- 6.17 The DfE data set also includes updated pupil profile measures to reflect the latest levels of deprivation, low prior attainment (LPA) and English as an additional language (EAL). This is the data that must be used in the local Funding Formula and shows some significant changes from the October 2018 census in particular:

#### Primary schools – general REDUCTION in AEN measures:

- Ever6<sup>4</sup> Free School Meal (FSM) deprivation numbers are down by -89 / -6.6%
- Current FSM numbers are up by +32 / +4.07%
- Income Deprivation Affecting Children Index (IDACI)<sup>5</sup> scores vary by post code and are banded by severity and are therefore changes are more difficult to interpret. The pure numbers are up by 9 / +0.8%
- LPA<sup>6</sup> scores are down by -325 / -11.0%
- EAL scores are up by +27 / +3.6%

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<sup>4</sup> Ever6 includes all children that have been eligible to a FSM at any point in the preceding 6 years. There does not need to be a current eligibility.

<sup>5</sup> IDACI uses post code data to calculate the probability of a family with children living in that area being eligible to income support benefits. The higher the probability, the higher the funding top-up.

<sup>6</sup> Primary schools receive funding through the LPA factor for all pupils who did not reach the expected level of development at early years foundation stage (EYFS). EYFS data for pupils in Reception is not available as they take the test at the end of the Reception year. To include an element for Reception children in the funding calculation, the total number of eligible pupils is derived by working out the proportion of LPA-eligible pupils in years 1 to 6 and multiplying this proportion by the total pupil count, which includes pupils in Reception.

## Secondary schools – general INCREASE in AEN measures:

- Ever6 Free School Meal (FSM) deprivation numbers up by +116 / +22.0%
- Current FSM numbers are up by +64 / +6.0%
- IDACI scores vary by post code and are banded by severity and are therefore changes are more difficult to interpret. The pure numbers are up by 6 / +1.0%
- LPA<sup>7</sup> scores are up by +80 / +6.0%
- EAL scores are down -20 / -16.9%

- 6.18 With October 2019 pupil AEN measures reducing in a number of areas, the overall allocation through the BF Funding Formula compared to the illustrative budgets sent to schools in November falls by £0.248m (-£0.274m in primary and +£0.026m in secondary). Whilst there is now less AEN funding allocated to schools, paragraph 6.12 above confirms that as LAs are funded for their schools on lagged data from 2018 there is only a £0.019m reduction in DSG income from that previously anticipated. In accordance with the agreed funding strategy of setting each factor value at the same proportional amount of the SNFF factor values used by the DfE, the funds previously distributed purely through AEN measures are now being allocated through all factors in the BF Funding Formula, which includes a reduced allocation through AEN measures.
- 6.19 This results in a different funding distribution for schools compared to the illustrative budget information provided in November, with primary schools in aggregate receiving £0.135m less, and secondary schools £0.097m more. The largest decrease in per pupil funding is in a primary school at -£65 (-1.7%), with the largest increase in a secondary school at £58 (+1.1%). Overall, average per pupil funding in primary schools has reduced by £23 to £3,882 with a £18 increase in secondary to £5,232.
- 6.20 This change in pupil profile will have an effect on the 2021-22 BF DSG pupil funding rate which will be based on pupil profiles from the October 2019 census. With a lower number of pupils eligible to funding top-ups, all other things being equal, the average primary per pupil funding rate will reduce, with the secondary rate increasing. There is, however, also expected to be a general uplift to factor values as a result of the additional funding confirmed for 2021-22 through the recent school spending review, with 4% in general added for 2020-21. Therefore, at this stage, it is not possible to accurately predict next year's per pupil funding rates although the expectation is that both the primary and secondary amounts will increase.

### *Rates: revaluation and inflation*

- 6.21 Further updates have been received on expected business rates charges which takes account of revaluations and the transitional funding protection that was introduced following the 2017 national business rates revaluation. The cost reduction from 2019-20 is now calculated at £0.054m a further £0.017m saving from the previous estimate.

### *School amalgamation*

- 6.22 A correction has been made to the previous calculation for the enhanced lump sum funding payment to amalgamating schools. This shows a £0.034m cost reduction compared to the earlier forecast.

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<sup>7</sup> Secondary schools receive LPA funding for all pupils who did not achieve the expected level at KS2 in one or more of reading or writing or mathematics. LPA pupil numbers for year groups 7 to 9 inclusive are weighted so that those who have sat the more challenging key stage 2 tests (introduced in academic year 2015 to 2016) do not have a disproportionate effect on the LPA factor.

Centrally managed budgets within the CSSB

6.23 There are no changes to previously agreed budgets which are set out again in Annex 2.

Summary of proposed changes – SB and CSSB

6.24 Based on the data set provided by the DfE and other relevant information, a series of changes have been set out above that the council proposes are reflected in the 2020-21 Schools Block and Central Schools Services Block budgets. Table 1 below summarises the changes proposed which leaves £4.082m of additional funding available to allocate to schools. Annex 3 sets out the changes made in Table 1 from the December Forum meeting.

Table 1: Summary final budget proposals for 2020-21

Item	Schools Block		Central Services Schools Block 3 £'000	Total 4 £'000
	Delegated school budgets 1 £'000	Growth Fund - LA Managed 2 £'000		
<b>2019-20 Schools Block budget</b>	<b>69,895</b>	<b>466</b>	<b>1,060</b>	<b>71,421</b>
<b>Correction to grant funding</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>
<b>2019-20 base budget</b>	<b>70,361</b>		<b>1,065</b>	<b>71,426</b>
<b>Provisional 2020-21 DSG funding</b>	<b>74,996</b>		<b>939</b>	<b>75,935</b>
<b>Contribution from BFC to cost of new schools</b>	<b>253</b>		<b>0</b>	<b>253</b>
<b>2020-21 forecast income</b>	<b>75,249</b>		<b>939</b>	<b>76,188</b>
<b>+Surplus of income / - Deficit of income</b>	<b>4,888</b>		<b>-126</b>	<b>4,762</b>
<b><u>Core changes proposed for 2020-21:</u></b>				
Change in pupil numbers (+140)	820	0	0	<b>820</b>
Change in pupil characteristics data	-248	0	0	<b>-248</b>
New schools - 2020-21 increased cost pressure	187	0	0	<b>187</b>
In-year growth allowances, KS1 classes etc	0	-101	0	<b>-101</b>
Rates: revaluation and inflation	-54	0	0	<b>-54</b>
School Amalgamation - impact on lump sum	56	0	0	<b>56</b>
<b>Total core changes required for 2020-21</b>	<b>761</b>	<b>-101</b>	<b>0</b>	<b>660</b>
<b><u>Funding transfer from Schools Block:</u></b>				
Contribution to HNB pressures	0			<b>0</b>
Contribution to CSSB pressures	146		<b>146</b>	
<b>Total transfers</b>	<b>146</b>	<b>0</b>	<b>146</b>	<b>292</b>
<b>Balance for new pressures</b>	<b>4,082</b>			
<b>2020-21 on-going Schools Block budget</b>	<b>74,738</b>	<b>365</b>	<b>1,085</b>	<b>76,188</b>
<b>Total for DfE Pro Forma (Annex 6)</b>	<b>75,103</b>			
<b>Change in budget</b>	<b>4,843</b>	<b>-101</b>	<b>20</b>	<b>4,762</b>

### *Allocating additional funds to schools*

- 6.25 The Forum has previously agreed that the 2020-21 budget should be set with each BF factor value at the same amount as the SNFF values, if necessary, scaled by the same proportional amount to the affordable value. These proposals result in the BF factor values being set at 99.8% of the equivalent SNFF rates. Annex 4 sets out how this has been calculated with Annex 5 showing the individual factor values, together with those used in the SNFF and prior year BF values for context.

### *Meeting DfE per pupil funding requirements*

- 6.26 After LAs have calculated school budgets through their local Funding Formula, there are 2 mandatory checks required by the DfE to ensure that each individual school budget has received the minimum permitted:
1. amount of per pupil funding for the relevant year i.e. the MPPF value
  2. increase in per pupil funding from the previous year i.e. the MFG

### *MPPF values*

- 6.27 The DfE has set mandatory MPPF values of £3,750 for primary aged pupils and £5,000 for secondary. These are the minimum per pupil funding rates that an LA must pay their schools unless agreed by the DfE. In previous years, each LA could determine their own MPPF value. These proposals generate additional payments of £0.305m, with 5 primary schools receiving £0.204m in aggregate with 2 secondaries receiving £0.101m. This is a reduction of £0.306m compared to 2019-20 when 6 primary schools received £0.156m and 3 secondary schools £0.455m and reflects the additional funds now being paid through all factors in the SNFF which has the effect of raising school budgets to be closer to or above the MPPF values.
- 6.28 MPPF values aim to raise funding for schools currently receiving the lowest per pupil amounts. Those schools admitting the most challenging pupils, as measured through deprivation scores and low prior attainment are not in general receiving any benefit from the increased MPPF values and are therefore receiving lower per pupil funding increases.

### *MFG*

- 6.29 To limit turbulence between financial years at individual school level, the MFG must be applied to each school's per pupil funding rate. Where the normal operation of the local Funding Formula does not deliver the necessary change, an appropriate top-up is paid. For 2020-21, the DfE requires each LA to set their MFG at between +0.5% and +1.84%.
- 6.30 The Forum has previously agreed that the maximum +1.84% increase is applied, which is the amount required to cover the cost of living increase. MFG top-up payments are financed from capping gains above the MFG at other schools and are therefore self-financing. Schools receiving top-ups to the MPPF values are excluded from contributing to the cost of the MFG. The additional funding being paid through the formula has a similar effect of MFG top-ups as to the MPPFL where for 2020-21 there is a single additional payment of £0.003m for 1 primary school. This is a reduction of £0.114m compared to 2019-20 when 8 schools received a top-up. The 2020-21 scaling rate to finance this £0.003m allocation has been set at schools above the average 6.3% increase, and 12 schools contribute 0.4% of their increase above this cap. The highest amount of contribution is £800.

### 2020-21 individual school budgets

- 6.31 These budget proposals result in a 6.3% average per pupil funding increase<sup>8</sup> from 2019-20 which comprises 6.2% from the increase in PUFs and SUFs, 0.4% from the funding contribution from the council less 0.3% from the net increase in pressures.
- 6.32 The following headline data is available from individual school budgets (NB in this context, per pupil funding is calculated from the whole Formula Budget allocation less business rates):
- 1 Primary schools receive an average increase in per pupil funding of 6.4%, and secondaries 5.9%.
  - 2 The highest per pupil increase in a primary school is 12.1%, with 9.5% in secondary. The lowest increases are 1.3% and 2.9% respectively.
  - 3 A single 1 FE primary school receives an MFG top up of £0.003m. This ensures a +1.84% annual increase in per pupil funding which is sufficient to cover general price increases.
  - 4 The MPPF level amount has increased by 7.1% for Primary and the secondary rate has increased by 4.1%
  - 5 The average per pupil funding amount for a primary school would be £3,882 and £5,232 for a secondary.

### Submission of DfE pro-forma budget statement

- 6.33 The DfE closely monitors the progress of LAs in setting their individual school budgets and requires the completion and submission of a template that sets out the Funding Formula to be used, associated units of resource and total cost. The deadline for return has been set at 21 January 2020. Annex 6 sets out the pro forma which the Forum is recommended to agree is submitted to the DfE.

### Other grant income

- 6.34 In addition to the DSG, schools also receive revenue funding from other specific grants including School Sixth Forms (currently -£2.323m), the Pupil Premium (-£3.401m), Primary PE and Sports Premium (-0.455m) and the Universal Infant Free School Meals Grant (-£1.253m), Teachers' Pay Grant (-£0.613m), Teachers' Pension Grant (-£1.182m). All of these amounts are subject to change in 2020-21 and budgets will be updated once new year funding allocations are confirmed.

### Actual cost pressures estimated for 2020-21

- 6.35 Schools will experience a range of cost pressures next year which in general will need to be met from within the increase in the BF Funding Formula allocation and are estimated at between 2.0% and 2.5% from:
1. The cost of the 2020 Teachers' Pay award is not yet known, but assuming similar funding arrangements are put in place as for the past 2 years, schools can expect to have to fund around a 2.5% increase.
  2. The cost of the 2020 local government pay is not yet known, but assuming similar funding arrangements are put in place as for the past 2 years, schools can expect to have to fund around a 2.0% increase.

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<sup>8</sup> This average excludes funding for new schools and those subject to amalgamation in 2019 as there are separate, specific funding rules in place for calculating these budgets.

3. The overall cost of performance related pay and contractual increments are assumed to self-financing from appointing new staff on lower pay points than those leaving.
4. The underlying deficit on the Local Government Pension Scheme is being reduced by way of additional lump sum contributions. Payments due from schools in the BF Local Government Pension Scheme are forecast to increase by £0.1m, which is equivalent to around a 0.7% cost increase to the local government pay bill.
5. The general rate of inflation on non-pay costs is currently 1.7%. Schools can expect cost increases of this level on relevant budgets.

6.36 The existing 2018 Teachers Pay and 2019 Teachers' Pension grants will continue into 2020-21 and are expected to fund the additional costs and not create a pressure on the funding allocated through the BF Funding Formula.

#### Other decisions required from the Schools Forum

6.37 The content of this report complies with requirements of the School and Early Years Finance (England) Regulations 2019. In addition to this, in setting the 2020-21 Schools Budget, there are also requirements from the Schools Forum (England) Regulations 2012 that need to be complied with.

6.38 There is a requirement to seek comments from the Forum in respect of administration arrangements for the allocation of central government grants. No changes are proposed on existing arrangements whereby relevant costs are absorbed by the council in normal day to day operations and the Forum is requested to agree this approach continues.

#### Conclusion and Next steps

6.39 On average, schools can expect to receive a 6.3% increase in per pupil funding which continues the improved financial settlement experienced in the last 2 financial years. Schools are aware that a number of costs will increase next year, and the expectation is that rises will be greater than the historically low amounts experienced in recent years. For most schools, these increases will be below per pupil funding uplifts.

6.40 The Executive Member is expected to agree the 2020-21 Schools Budget on 20 January, based on final recommendations agreed by the Schools Forum, which will then need to be reported to the DfE through submission of the national pro-forma, with individual schools receiving budget allocations by the middle of January.

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

### Borough Solicitor

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

### Director of Finance

7.2 Included within the supporting information.

### Equalities Impact Assessment

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

### Strategic Risk Management Issues

- 7.4 The likely impact from the funding reforms and the additional resources that will be allocated to schools through the 2020-23 spending review is that schools will be receiving real terms increases in funding in each of the next 3 years. However, some strategic risks do exist including:
1. Falling pupil numbers in some primary schools at a time of surplus places will create budget difficulties through having to operate with relatively small class sizes.
  2. The ability of schools with deficits to manage their repayments. Two secondary and four primary schools have significant licensed deficits that need to be repaid.
  3. Cost pressures on school responsibilities to meet SEND needs of pupils up to the £10,000 limit when numbers are rising.
  4. Managing the additional diseconomy revenue costs arising from the new / expanded schools programme.
- 7.5 These risks will also be managed through support and assistance to schools in the budget setting process which is a well-established programme. It has ensured that schools develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans. There remains a de-delegated budget of £0.185m (after academy deduction) to support schools in financial difficulties that meet qualifying criteria.
- 7.6 The financial impact from new schools is also being managed through the measured use of accumulated DSG balances and up to £1m contribution from the council.

## **8 CONSULTATION**

### Principal Groups Consulted

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

### Method of Consultation

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

### Representations Received

- 8.3 Included in previous report.

### Background Papers

None:

Contact for further information

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## Proposed financing and associated budget for the Growth Fund

	Primary £'000	Secondary £'000	Total 2020-21 £'000	December Forum £'000	Total Change £'000
<b><u>New schools:</u></b>					
Diseconomy costs	364.8	840.0	1,204.8	1,204.8	0.0
	364.8	840.0	1,204.8	1,204.8	0.0
<b><u>Retained Growth Fund</u></b>					
Start-up costs	0.0	0.0	0.0	0.0	0.0
Post opening costs	15.0	0.0	15.0	15.0	0.0
In-year pupil growth	150.0	150.0	300.0	300.0	0.0
KS1 classes	50.0	0.0	50.0	50.0	0.0
	215.0	150.0	365.0	365.0	0.0
<b>Total estimated costs</b>	579.8	990.0	1,569.8	1,569.8	0.0
<b><u>Financing:</u></b>					
BF council			252.5	247.8	4.7
DSG balances			0.0	0.0	0.0
2020-21 DSG income - Growth Fund			792.3	797.0	-4.7
2020-21 DSG income - SNFF			525.0	525.0	0.0
<b>Total estimated costs</b>			1,569.8	1,569.8	0.0
<b><u>Costs by school:</u></b>					
KGA - Oakwood	258.6	0.0	258.6	258.6	0.0
KGA - Binfield	121.2	840.0	961.2	961.2	0.0
<b>Total estimated costs</b>	379.8	840.0	1,219.8	1,219.8	0.0

### Services proposed to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Budget 2019-20 £	Agreed Changes £	Base Budget 2020-21 £
<u>Historic commitments</u>			
Combined Services Budgets8:			
Family Intervention Project	£100,000	£0	£100,000
Virtual School	£133,590	£0	£133,590
School Transport for Looked After Children	£42,890	£0	£42,890
Young People in Sport	£18,050	£0	£18,050
Common Assessment Framework Co-ordinator	£42,470	£0	£42,470
Domestic Abuse	£6,000	£0	£6,000
Education Health Partnerships	£30,000	£0	£30,000
SEN Contract Monitoring	£32,680	£0	£32,680
<u>Miscellaneous (up to 0.1% of Schools Budget):</u>			
Forestcare out of hours support service	£5,000	£150	£5,150
Borough wide Initiatives	£28,090	£840	£28,930
Support to Schools Recruitment & Retention	£7,690	£230	£7,920
<u>Statutory and regulatory duties</u>			
'Retained' elements	£267,800	£8,030	£275,830
<u>Other expenditure</u>			
School Admissions	£181,250	£5,440	£186,690
Schools Forum	£22,080	£660	£22,740
Boarding Placements for Vulnerable Children	£60,650	£1,820	£62,470
Central copyright licensing **	£86,440	£2,590	£89,030
<b>Total</b>	<b>£1,064,680</b>	<b>£19,760</b>	<b>£1,084,440</b>

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

\*\* The £5,070 extra 2019-20 CSSB DSG income was added to the central copyright licensing cost budget.

## Changes from 16 December Forum to 16 January Forum

Item	Schools Block		Central Services Schools Block 3 £'000	Total 4 £'000
	Delegated school budgets 1 £'000	Growth Fund - LA Managed 2 £'000		
<b>2019-20 Schools Block budget</b>	0	0	0	0
<b>Correction to grant funding</b>	0	0	0	0
<b>2019-20 base budget</b>	0		0	0
<b>Provisional 2020-21 DSG funding</b>	-19		0	-19
<b>Contribution from BFC to cost of new schools</b>	5		0	5
<b>2020-21 forecast income</b>	-14		0	-14
<b>+Surplus of income / - Deficit of income</b>	-14		0	-14
<b><u>Core changes proposed for 2020-21:</u></b>				
Impact of change in pupil numbers (+143)	-15	0	0	-15
Impact from changes in pupil characteristics data	-248	0	0	-248
New schools - 2020-21 increased cost pressure	0	0	0	0
In-year growth allowances, KS1 classes etc	0	0	0	0
Rates: revaluation and inflation	-17	0	0	-17
School Amalgamation - impact on lump sum	-34	0	0	-34
<b>Total core changes required for 2020-21</b>	-314	0	0	-314
<b><u>Funding transfer from Schools Block:</u></b>				
Contribution to HNB pressures	0			0
Contribution to CSSB pressures	0		0	
<b>Total transfers</b>	0	0	0	0
<b>Balance for new pressures</b>	300			
<b>2020-21 on-going Schools Block budget</b>	-14	0	0	-14
<b>Change in budget</b>	-14	0	0	-14

## BF Funding Formula Top Slice to SNFF rates

<b><u>Increase in income for the SNFF:</u></b>	Amount	%
Income from the SNFF	£72,337,646	
<b><u>Change in funding on non-SNFF income:</u></b>		
Growth Fund: increase	-£13,050	-0.02%
Contribution from BFC to cost of new schools	-£252,500	-0.35%
Premises Factor: Saving on rates	-£53,790	-0.07%
Premises Factor: Split site funding	-£75,000	-0.10%
Premises Factor: School Amalgamation	-£112,100	-0.15%
<b><u>Change in pupil characteristics:</u></b>		
Net reduction in pupil characteristics top-ups	-£248,000	-0.34%
<b><u>Transfers out of the SB:</u></b>		
Contribution to new schools	£525,000	0.70%
Transfer to HNB	£0	0.00%
Transfer to CSSB	£146,000	0.20%
<b><u>Pressures on the SNNF from premises costs (i.e. not funded from PUF and SUF):</u></b>		
Premises		
Impact from premises related items:		
Split site (gross cost equals DSG income)	£75,000	0.10%
Amalgamations (gross cost is higher than DSG income)	£168,100	0.23%
Top slice to SNFF	£172,710	0.16%
SNFF scale		99.81%

## SNFF Units of Resource compared to BF Funding Formula

Factor	National Core SNFF	BF Actual SNFF <sup>1</sup>	BF 2020-21 Actual <sup>2</sup>	BF 2019-20 Annex 5	BF 2018-19 Actual	BF 2017-18 Actual
	Unit of resource					
<b>Per pupil funding:</b>					+	
Age Weighted Pupil Unit: Primary	£2,857	£3,020	£3,014	£2,769	£2,796	£2,831
Age Weighted Pupil Unit: Secondary - KS3	£4,018	£4,247	£4,239	£4,087	£4,066	£4,060
Age Weighted Pupil Unit: Secondary - KS4	£4,561	£4,821	£4,812	£4,297	£4,275	£4,060
<b>Additional needs funding:</b>						
<b>Deprivation</b>						
Current FSM top up (Primary)	£450	£476	£475	£373	£420	£470
Current FSM top up (Secondary)	£450	£476	£475	£634	£634	£1,450
FSM anytime in last 6 years: Primary	£560	£592	£591	£88	£86	£0
FSM anytime in last 6 years: Secondary	£815	£861	£850	£385	£385	£0
IDACI <sup>3</sup> band F: Primary	£210	£222	£222	£182	£182	£406
IDACI band E: Primary	£250	£264	£264	£445	£445	£609
IDACI band D: Primary	£375	£396	£396	£192	£430	£813
IDACI band C: Primary	£405	£428	£427	£412	£430	£1,016
IDACI band B: Primary	£435	£460	£459	£738	£738	£1,219
IDACI band A: Primary	£600	£634	£633	£607	£914	£1,422
IDACI band F: Secondary	£300	£317	£316	£1,349	£1,349	£1,406
IDACI band E: Secondary	£405	£428	£427	£1,254	£1,254	£2,109
IDACI band D: Secondary	£535	£565	£564	£2,940	£2,940	£2,812
IDACI band C: Secondary	£580	£613	£612	£1,998	£1,998	£3,516
IDACI band B: Secondary	£625	£661	£659	£15,723	£15,723	£4,219
IDACI band A: Secondary	£840	£888	£886	£2,831	£2,831	£4,922
<b>Low prior attainment</b>						
Low prior attainment: Primary	£1,065	£1,126	£1,124	£917	£1,586	£642
Low prior attainment: Secondary	£1,610	£1,702	£1,698	£1,216	£1,216	£973
<b>English as an additional language (EAL)</b>						
EAL: Primary	£535	£565	£564	£427	£427	£247
EAL: Secondary	£1,440	£1,522	£1,519	£777	£777	£247
<b>LAC</b>	£0	£0	£0	£0	£0	£281
<b>Mobility</b>						
Mobility: Primary	£875	£925	£923	£315	£315	£315
Mobility: Secondary	£1,250	£1,321	£1,319	£0	£0	£0
<b>Lump sum:</b>						
Lump sum: Primary	£114,400	£120,914	£120,684	£160,143	£160,143	£160,000
Lump sum: Secondary	£114,400	£120,914	£120,684	£148,573	£148,573	£170,000

<sup>1</sup> Includes BF area cost uplift at 5.69%

<sup>2</sup> Scaled to the affordable level of 99.8% of the national SNFF

<sup>3</sup> IDACI is a deprivation measure linked to low family income and a pupil's home address post code. It determines the probability of a pupil living in a low income household from their post code and weights funding according to severity of deprivation. It does not require individual pupil data to determine entitlement

## 2020-21 Pro Forma BF School Budget Statement

LA Name:

Bracknell Forest

LA Number:

867

**Pupil Led Factors**

	Reception uplift	No	Pupil Units		0.00			
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,013.94		9,967.00		£30,039,928	£59,262,497	40.19%
	Key Stage 3 (Years 7-9)	£4,238.71		4,031.00		£17,086,257		22.86%
	Key Stage 4 (Years 10-11)	£4,811.54		2,522.33		£12,136,312		16.24%
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)
2) Deprivation	FSM	£474.72	£474.72	805.21	640.38	£686,252	£2,926,471	3.92%
	FSM6	£590.76	£850.21	1,263.20	1,140.54	£1,715,945		
	IDACI Band F	£221.54	£316.48	720.36	412.39	£290,098		
	IDACI Band E	£263.73	£427.25	262.57	152.58	£134,439		
	IDACI Band D	£395.60	£564.39	148.33	71.58	£99,078		
	IDACI Band C	£427.25	£611.86	0.00	0.00	£0		
	IDACI Band B	£458.90	£659.33	0.00	1.00	£659		
	IDACI Band A	£632.96	£886.14	0.00	0.00	£0		
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)
3) Looked After Children (LAC)	LAC X March 19			40.99	48.95	£0	£630,779	0.00%
4) English as an Additional Language (EAL)	EAL 3 Primary	£564.39		767.38		£433,098		0.78%
	EAL 3 Secondary		£1,519.10		97.40	£147,960		0.07%
5) Mobility	Pupils starting school outside of normal entry dates	£923.06		53.86	0.00	£49,721		
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)
6) Prior attainment	Primary Low Attainment		£1,123.50	26.40%	2,631.68	£2,956,694	£5,398,081	7.22%
	Secondary low attainment (year 7)	64.53%	£1,698.44	22.25%	1,437.43	£2,441,386		
	Secondary low attainment (year 8)	63.59%		23.42%				
	Secondary low attainment (year 9)	58.05%		23.06%				
	Secondary low attainment (year 10)	48.02%		22.80%				
	Secondary low attainment (year 11)			17.89%				

**Other Factors**

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)
7) Lump Sum	£120,684.15	£120,684.15			£4,344,629	5.81%
8) Sparsity factor					£0	0.00%
9) Fringe Payments					£0	0.00%
10) Split Sites					£75,000	0.10%
11) Rates					£1,626,064	2.17%
12) PFI funding					£0	0.00%
13 ) Exceptional circumstances (can only be used with prior agreement of ESFA)						
Circumstance					Total (£)	Proportion of total pre MFG funding (%)
Additional lump sum for schools amalgamated during FY19-20					£168,958	0.23%
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>					<b>£74,432,478</b>	<b>99.59%</b>
14) Additional funding to meet minimum per pupil funding level					£305,081	0.41%
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>					<b>£74,737,560</b>	<b>100.00%</b>

15) Minimum Funding Guarantee		1.84%	£3,044
Where a value less than 0.5% or greater than 1.84% has been entered please provide the disapplication reference number authorising the value			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			Yes
Capping Factor (%)	6.40%	Scaling Factor (%)	0.40%
Total deduction if capping and scaling factors are applied			
			-£3,044
			<b>Total (£)</b>
			<b>Proportion of Total funding(%)</b>
MFG Net Total Funding (MFG + deduction from capping and scaling)			£0
			0.00%
<b>Total Funding for Schools Block Formula</b>			<b>£74,737,560</b>

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)	£0.00
Additional funding from the high needs budget	£0.00
Growth fund (if applicable)	£365,000.00
Falling rolls fund (if applicable)	£0.00

Other Adjustment to 19-20 Budget Shares	£0
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>	<b>£75,102,560</b>
<b>% Distributed through Basic Entitlement</b>	<b>79.29%</b>
<b>% Pupil Led Funding</b>	<b>91.28%</b>
<b>Primary: Secondary Ratio</b>	<b>1 : 1.35</b>