

**TO: EXECUTIVE MEMBER FOR CHILDREN, YOUNG PEOPLE & LEARNING  
20 JANUARY 2015**

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**LOCAL AUTHORITY PROPOSALS FOR THE 2015-16  
SCHOOLS BLOCK ELEMENT OF THE SCHOOLS BUDGET  
Director of Children, Young People and Learning**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to seek agreement from the Executive Member to set the 2015-16 Schools Block element of the Schools Budget on the basis of recommendations made by the Schools Forum.
- 1.2 The Executive Member has observer status on the Schools Forum, receiving all reports and entitled to attend meetings, and is therefore actively involved in the operation and considerations of the Schools Forum.

**2 RECOMMENDATIONS**

- 2.1 **That the Executive Member AGREES the recommendations proposed by the Schools Forum as set out in:**

- (1) paragraph 2.2 of the attached Appendix A relating to the 2015-16 Schools Budget.**

- (2) paragraphs 2.9 to 2.11 of the attached Appendix B relating to support to High Needs pupils.**

- 2.2 **That the Executive Member NOTES the Forum's request to the Council to allocate an additional £0.06m to the SEN Team to allow for actions to be implemented to ensure effective and appropriate arrangements for monitoring SEN, to be financed through a funding swap with the Schools Budget, which will in future pay £0.06m of educational fees of looked after children currently financed by the Council (paragraphs 2.7 and 2.8 of Appendix B).**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the 2015-16 Schools Budget is set in accordance with the views of schools, the Schools Forum, the funding framework and the anticipated level of resources.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 These have been considered during the budget consultation stage and previous reports to the Schools Forum.

## 5 SUPPORTING INFORMATION

- 5.1 Whilst spending on the Schools Budget is funded by the ring fenced Dedicated Schools Grant (DSG), and therefore outside of the Council's funding responsibilities, Local Authorities (LA) retain a legal duty to set the overall level of the Schools Budget before the start of each financial year. In deciding the relevant amount, LAs must plan to spend at least to the level of estimated DSG and can also take account of any accumulated under or overspending on the Schools Budget from previous years.
- 5.2 At its meeting of 16 December, the Executive agreed that the 2015-16 Schools Budget should be set at the estimated level of DSG and other grant income plus accumulated balances, with the Executive Member for Children, Young People and Learning authorised to make amendments and agree budgets for schools and services centrally managed by the Council.
- 5.3 Appendix A presents the proposals expected to be agreed by the Schools Forum in respect of Schools Block elements of the DSG, and also the details behind the budget build process which the Executive Member is now recommended to endorse. Budget decisions taken by the Executive Member have always been in accordance with the wishes of the Schools Forum, and the recommendations on this paper maintain that position.
- 5.4 Detailed proposals in respect of the Early Years and High Needs Blocks will be presented for a decision in March. This approach reflects the different timescales that relevant budget information becomes available, with Early Years Block DSG being partly set on January 2015 census, and the High Needs Block DSG yet to be confirmed, whereas provisional Schools Block DSG funding was announced in late December 2014. A delay in making these decisions will allow for the most up to date information to be taken into account and the setting of a more robust budget.
- 5.5 In order to monitor progress of LAs in their production of individual school budgets, which must be published by 27 February 2015, the DfE requires LAs to submit a pro forma template setting out funding allocations to be made in the Local Funding Formula for Schools, including confirmed data used for funding purposes and units of resource no later than 20 January 2015. The proposed BF return is included at Annex 5 on the attached Appendix A.
- 5.6 The *Fairer Funding for Schools in 2015-16* initiative delivered additional funds to the BF Schools Block DSG of £1.555m. With a further £1.169m from the extra 277 pupils on roll there will be £2.724m more DSG income in 2015-16. However, significant financial pressures have emerged on external placement costs for High Needs Pupils, which are estimated at £2.138m for 2015-16. A key element of the budget proposals is that this pressure will need to be funded from the growth in Schools Block Dedicated Schools Grant (DSG), meaning that other than for increased pupil numbers, no new funds will be available for distribution to schools.
- 5.7 2015-16 has seen the most challenging Schools Budget to date, despite the additional resources from the *Fairer Funding for Schools in 2015-16* initiative. Requesting significant funding transfers from the Schools Block to the High Needs Block has not been taken lightly and has resulted in significant actions being put in place to manage down costs. However, moving forward, further significant financial challenges will need to be addressed in the years ahead, and these are set out in Annex A.

- 5.8 Should the Forum make any changes to the recommendations set out on the Appendices, a verbal update will be provided to the Executive Member to agree final decisions.

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

### Borough Solicitor

- 6.1 The relevant legal provisions are contained within the main body of the attached Appendices A and B.

### Borough Treasurer

- 6.2 The financial implications arising from this report are set out within the supporting information of Appendices A and B and present a budget that can be funded from the overall level of anticipated resources.

### Equalities Impact Assessment

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

### Strategic Risk Management Issues

- 6.4 These are set out in Appendices A and B.

## **7 CONSULTATION**

### Principal Groups Consulted

- 7.1 Governing bodies, Schools Forum.

### Method of Consultation

- 7.2 Written consultation documents.

### Representations Received

- 7.3 Set out in reports to the Schools Forum.

### Background Papers

These are set out in Appendices A and B.

### Contact for further information

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### Doc. Ref

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TO: SCHOOLS FORUM  
DATE: 15 JANUARY 2015

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**PROPOSALS FOR THE 2015-16 SCHOOLS BLOCK ELEMENT  
OF THE SCHOOLS BUDGET**  
Director of Children, Young People and Learning

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present to the Schools Forum an update on school funding and to seek comments on proposals from the Council for the 2015-16 Schools Block element of the Schools Budget. The Forum is aware of the significant financial pressures on external placement costs for High Needs Pupils, which are now estimated at £2.168m for 2015-16. A key element of the budget proposals is that this pressure will need to be funded from the growth in Schools Block Dedicated Schools Grant (DSG), meaning that other than for increased pupil numbers and changes in pupil characteristics, no new funds will be available for distribution to schools.
- 1.2 Whilst an affordable 2015-16 budget is proposed that can be financed from anticipated new year income, there are insufficient funds to finance the 2014-15 forecast over spending of £0.295m which will need to be managed down in-year and a full recovery plan put in place.
- 1.3 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 although within the overall budget setting process, there are a number of areas that the Forum has responsibility for, and these are presented now for a decision.
- 1.4 There is a very tight timetable to meet, with views of the Schools Forum on the proposals being sought in advance of the 20 January deadline for submitting to the Department for Education (DfE) the actual Funding Formula for Schools to be used in 2015-16 with associated units of resource and total cost.

**2 RECOMMENDATIONS**

**2.1 The Forum AGREES:**

1. that up to £0.06m of specialist school improvement and management support costs can be charged to the budget to support schools in financial difficulty to reflect actual levels of support being provided (paragraph 5.40);
2. that the requirement to hold £0.51m in general reserves as a contingency provision against unforeseen cost increases is waived one year for the 2015-16 budget (paragraph 5.42);
3. that the arrangements in place for the administration of central government grants are appropriate (paragraph 5.46);

4. the budget amounts for each of the services centrally managed by the council and funded from the School Block DSG as set out in Annex 1 (paragraph 5.48);
5. that any year end deficit on centrally managed budgets, currently estimated at £0.295m can be carried forward and funded from a future Schools Budget (paragraph 5.49);

**2.2 In its role as the representative body of schools and other providers of education and childcare, the Forum REQUESTS that the Executive Member AGREES the following decisions for the 2015-16 Schools Budget:**

1. the self-balancing budget adjustments set out in lines 3 and 4 of Table 2;
2. the £2.824m of additional resources are allocated to the budget areas set out in Table 2 as follows:
  - a. £0.929m into delegated school budgets including the release of £0.1m from the Job Evaluation Reserve to part finance the estimated cost of the Bracknell Forest Supplement (column 1);
  - b. a £0.098m deduction in centrally managed budgets (column 3);
  - c. £1.993m to support High Needs pupils (column 4)
3. that the budget for Schools Block DSG is reset to £65.276m and other Schools Block related grants reset to anticipated 2015-16 amounts (paragraphs 5.16 and 5.41);
4. that the DfE pro forma template of the 2015-16 BF Funding Formula for Schools as set out in Annex 5 be submitted for the 20 January deadline (paragraph 5.10).

**2.3 That the following matters are NOTED:**

- 1 the range of cost pressures that schools are likely to need to finance from within existing resources (paragraph 5.43);
- 2 the anticipated future cost pressures for which a financial provision will need to be made in the near future (paragraph 5.52);
- 3 that proposals in respect of the Early Years and High Needs Block elements of the Schools Block will be presented to the Forum in March when more information is available in respect of funding and likely costs (paragraph 5.59).

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that the 2015-16 Schools Budget is set in accordance with the views of schools, the new funding framework and the anticipated level of resources.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 These have been considered during the earlier stages of the budget setting process. Where relevant, new options are set out in the supporting information.

## 5 SUPPORTING INFORMATION

### Background

- 5.1 A number of reports have previously been presented to the Schools Forum relating to the 2015-16 Schools Budget which is funded by a 100% ring fenced government grant called the Dedicated Schools Grant (DSG). The DSG comprises 3 funding Blocks, each with a separate calculation and funding allocation; the Schools Block; the High Needs Block; and the Early Years Block.
- 5.2 The DSG can only be spent on the purposes prescribed by the DfE and funds delegated school budgets and a range of centrally managed pupil and school related budgets. Any under or overspending in a year must also be ring fenced and applied to a future Schools Budget. Whilst there is a general ring-fence in place on what the DSG can be spent on, there is no ring-fence on the individual funding Blocks, meaning in general, money can be freely moved between services.
- 5.3 The strategy of the Council is to plan for the Schools Budget to be funded to the level of external funding, with the Executive Member authorised to agree the budget allocation between schools and centrally managed budgets.
- 5.4 So far, these budget reports have concentrated on the Schools Block element of DSG which in essence funds delegated school budgets and the small number of services that the DfE allows LAs to manage centrally on behalf of schools.
- 5.5 The Early Years Block that funds provisions and support for children up to 5, including those in maintained school nurseries has yet to be considered. This is because as the level of DSG for such services can only be accurately forecast once January 2015 take up of places to the free entitlement to early years education and childcare is known as this forms a significant part of the DSG calculation.
- 5.6 For the High Needs Block that supports pupils will additional needs above the DfE prescribed threshold of £10,000, again, there is no confirmed level of DSG funding which means detailed budget proposals will be presented at a later date. However, the Forum is aware of the significant underlying over spending expected to be carried forward into 2015-16 and that the only realistic solution to this is to use Schools Block DSG to fund new costs, and therefore the High Needs Block also needs to be considered now, but only at a strategic level.
- 5.7 Clearly these factors make budget setting fragmented and complex at the same time as having to make some difficult budget decisions.
- 5.8 In terms of budgets that can be managed centrally by LAs on behalf of schools, these are defined in the DfE Funding Regulations and are divided into 4 parts as follows:
- Part 1 - Schools Block. Items where spending is limited to the amount agreed in the previous financial year
  - Part 2 - Schools Block. Items with no restrictions on annual increases.
  - Part 3 - Early Years Block. Items with no restrictions on annual increases.
  - Part 4 - High Needs Block. Items with no restrictions on annual increases.

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More information on this is set out in the following paragraphs, with Annexes 1 – 4 providing more information on the services covered by each Part of the Funding Regulations and the current and proposed budgets.

- 5.9 In terms of the overall quantum to be available next year, the key headline budget decisions from the DfE are:
- Core per pupil funding through the Schools Block DSG from the DfE to remain unchanged from that received in 2014-15 i.e. a cash standstill, with no funding for inflation or other cost pressures.
  - There will be £390m extra funds in the Schools Block through the *Fairer Schools Funding for 2015-16* initiative, targeted to LAs currently receiving the lowest levels of funding for their schools. This will result in BFC per pupil funding allocations increasing by £96.45 to £4,283.66 and total extra funds of £1.555m.
  - In line with all other years, changes in pupil numbers will be reflected in the DSG allocation.
  - The Minimum Funding Guarantee (MFG) at individual school level to remain unchanged at a maximum decrease in per pupil funding of 1.5%.
- 5.10 The DfE monitors the progress of LAs against the funding framework 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 20 January 2015. Annex 5 shows the BF return, which has been completed on the assumption that all of the proposals set out below in this report are approved, which the Forum is recommended to agree is submitted.

### Progress to date

- 5.11 The key decisions taken by the Forum to date relating to the Schools Block element of the Schools Budget and other associated information includes:
- There will be no changes to the factors used in the BF Funding Formula for Schools.
  - The small number of mandatory changes required by the DfE to Funding Formulas do not impact on BFC.
  - In accordance with school responses to the financial consultation, there will only be one change in the distribution of funds to schools. The lump sum payment to all primary schools will increase by £10,000 to £160,000. This will be self-financing through a £33 deduction to the primary age weighted pupil unit (AWPU). This is designed to move more funds to smaller schools that do not benefit from economies of scale to the same extent as larger schools.
  - All services requested for de-delegation and on-going central management by the Council were agreed.
  - The SEN specific contingency would continue at £0.1m and would be funded from the Schools Block and not from the High Needs Block which would be the normal funding route.
  - The significant pressures on supporting High Needs Pupils mean that at least £1m of the £1.555m additional funds to be received through the

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*Fairer Funding for Schools in 2015-16* initiative would need to be used for meeting statutory provisions.

- Any additional “headroom” in the Schools Block DSG, previously estimated at £0.5m, would be distributed to schools through a flat rate increase in the AWPUs for all ages.

5.12 To ensure schools have the best available information for their financial planning, at the end of December, 2015-16 indicative budget statements were sent to schools. This exercise was based on the initial budget decisions taken by the Schools Forum in November, updated to reflect latest forecast budget information. As set out on another agenda item for this meeting, the projected cost of supporting High Needs Pupils has further increased requiring a higher transfer Schools Block DSG than previously envisaged, meaning no additional funds are expected to be available for schools, and this was the basis that indicative budgets were calculated.

### Impact of 2014-15 forecast outturn

5.13 Budget monitoring information available at the end of November indicates a forecast year end over spend over the Schools Budget of £0.986m. There is £0.691m in balances meaning at this stage the forecast deficit at year end is £0.295m. The latest budget monitoring summary is set out below in Table 1.

Table 1: Schools Budget forecast outturn for 2014-15 (as at November)

<b><u>SCHOOLS BUDGET - GRANT FUNDED</u></b>	<b>Budget</b>	<b>Variance</b>	<b>Memo items:</b>	
	<b>Net</b>	<b>This Month by</b>	<b>Analysis of variance</b>	
	<b>£000</b>	<b>£000</b>	<b>Under spending</b>	<b>Over spending</b>
			<b>£000</b>	<b>£000</b>
<b><u>Delegated and devolved funding</u></b>				
Delegated School Budgets	65,703	-26	-26	0
School Grant income	-4,521	-130	-130	0
	<b>61,182</b>	<b>-156</b>	<b>-156</b>	<b>0</b>
<b><u>LEA managed items</u></b>				
SEN provisions and support services	7,475	1,557	-449	2,006
Education out of school	1,080	20	-15	35
Pupil behaviour	316	-17	-29	12
School staff absence and other items	1,353	-192	-237	45
Combined Service Budgets	690	-15	-51	36
Early Years provisions and support services	4,094	-41	-94	53
Support to schools in financial difficulty	283	-113	-113	0
	<b>15,291</b>	<b>1,199</b>	<b>-988</b>	<b>2,187</b>
<b><u>Growth to be allocated</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Dedicated Schools Grant</u></b>	<b>-76,122</b>	<b>-57</b>	<b>-57</b>	<b>0</b>
<b><u>Use of prior year under spend</u></b>	<b>-265</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL - Schools Budget</b>	<b>86</b>	<b>986</b>	<b>-1,201</b>	<b>2,187</b>
<b><u>Note on school balances:</u></b>				
Opening unringfenced balance on Schools Budget		<b>-691</b>		
Forecast change on non-ring fenced budgets		<b>986</b>		
Forecast year end balance on Schools Budget for general use		<b>295</b>		



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### Schools Block DSG income

- 5.14 The DfE published verified October school census and other data that must be used to calculate 2015-16 school budgets on 16 December. This showed actual pupil numbers at 15,233 (up 277 = 1.9%) which with the current £4,283.66 DSG per pupil funding rate paid to BFC results in total funding of £65.253m.
- 5.15 One adjustment has been made by the DfE to the core DSG allocation for the third year in a row. It reflects changes to the induction regulations so that teaching schools can act as the 'appropriate body' for the induction of newly qualified teachers. Schools now pay for this element of induction from their preferred supplier, rather than it being made available without charge from the LA.
- 5.16 The Schools Block DSG for 2015-16 is therefore estimated at £65.276m, an increase of £2.724m compared to the £62.552m received in 2014-15 and the budget is recommended to be updated accordingly.

### Proposed use of accumulated balances and existing earmarked reserves

- 5.17 Funding available for schools can be adjusted by applying unspent DSG from previous years. As set out above, there is expected to be a net deficit carry forward of £0.295m at the end of 2014-15 after taking account of the £0.691m accumulated surplus. The budget proposals for 2015-16 will need to ensure that planned spend in 2015-16 can be funded from anticipated income for the year with plans put in place during the year to recover the deficit, but with a recognition that this may not be achieved in full until 2016-17.
- 5.18 Furthermore, as part of the financial planning process, Earmarked Reserves have been created. These hold sums of money which have been set aside for specific purposes where the precise timing and cost is unknown, but a future pressure is expected to arise. Following agreement of the Schools Forum, an Earmarked Reserve of £0.285m was created in the Schools Budget to assist with the implementation of the Council's Job Evaluation exercise.
- 5.19 Taking the changing landscape into account, last year the Forum agreed that this Reserve should be used in line with Council policy and that the £ equivalent of the Living Wage would be adopted from April 2014 and paid as the Bracknell Forest Supplement, rather than implementation of the original outcomes from the Job Evaluation exercise. The Living Wage is regarded as the minimum income necessary for a worker to meet basic needs. It is a benchmark figure, initially set at £7.65 per hour outside the capital and is expected to rise to £7.85 (+2.6%) from April 2015.
- 5.20 Therefore £0.144m was drawn down in 2014-15 to fund the estimated cost in mainstream schools with a further £0.023m for Kennel Lane Special (KLS) school, which is in the High Needs Block and therefore outside the detailed scope of this report. The remaining balance in the Reserve is proposed to be fully allocated in 2015-16 with £0.100m to mainstream schools and £0.017m to KLS. This split is in proportion to actual 2014-15 costs and is £0.037m below estimated 2015-16 costs for mainstream schools and £0.006m for KLS. From 2016-17 a new funding source will need to be found for this pressure, or it will need to be funded from within existing resources held by schools.

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### Summary additional income

- 5.21 Adding together the estimated increase in DSG income of £2.724m and £0.100m draw down from the Job Evaluation Reserve, there is additional income of £2.824m for next year's Schools Block budget.

### Budget proposals for 2015-16

- 5.22 The different parts of the Schools Block budget that the DfE allows DSG to finance have been added to this report as annexes to remind Forum Members of the services provided. Annex 1 shows both Part 1 centrally managed items where spending is limited to the amount agreed in the previous financial year and Part 2 centrally managed items where no restrictions on annual increases apply. Annex 2 sets out de-delegated budgets which the Forum has previously agreed should continue under central management by the Council, rather than within delegated school budgets.
- 5.23 Both of these annexes show the re-stated 2014-15 budget, the impact of proposals in this report and the resultant 2015-16 budget, should all of the changes be agreed. It can be seen that the majority of centrally managed Schools Block budgets are subject to cash limiting by DfE funding Regulations and are not permitted to increase. With an anticipated 1% pay award, a 2.4% increase in Teachers Pension Scheme and general inflation running at 1.5%, this restriction will require real terms savings to be managed on the relevant budgets, or a reduction in services provided.
- 5.24 Before looking at new proposals, there are a small number of changes needed to the £62.696m 2014-15 base budget - £62.552m DSG and £0.144m from the Job Evaluation Reserve - to reflect the removal of one-off funding allocations and changes to budget categorisations to reflect the annual update to the DfE Funding Regulations. The £0.144m allocation from the Living Wage Reserve has been removed from school budgets to reflect the one-year funding – note a new allocation is proposed to be added below as part of the new year proposals – with two self-balancing budget re-categorisations between different Parts of the Schools Block.
- 5.25 The first self balancing adjustment relates to setting aside £0.1m to fund the SEN contingency to support schools that admit a disproportionate number of High Needs Pupils that has been agreed in both of the last 2 annual financial consultations. The second change relates to re-categorising New School Start Up funding from a de-delegated budget to central management that is not subject to annual spending restrictions and reflects the latest DfE guidance. These three changes are shown in lines 2-4 of Table 2 below and create an ongoing budget to be funded from the Schools Block DSG of £62.552m.
- 5.26 Two savings are proposed on centrally managed items that reflect the current profile of likely spend. Rolling forward current pupil numbers to the start of the 2015-16 academic year indicates that the budget for in-year growth allowances can be reduced by £0.123m to £0.183m. A new funding agreement has also been approved by the Schools Forum for start-up costs at Jennett's Park Primary School, and this will save £0.020m against the current budget. Overall £0.143m of savings are proposed and these are shown in lines 6 and 7 of Table 2.
- 5.27 The financial impact on the Funding Formula for Schools from the October 2014 census is shown in lines 8-10 of Table 2. There is £0.859m growth added to primary schools to reflect 310 additional pupils (+3.3%) and a deduction of £0.148m from secondary schools where numbers have fallen by 33 (-0.6%). Overall, pupil numbers

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have increased by 277, 1.9%. Other data changes from the October census impact on funding allocations for deprivation, low prior attainment and a small number of other pupil characteristics. These aggregate to additional costs of £0.104m.

- 5.28 The most significant change in funding allocations to schools other than for pupil numbers relates to deprivation funding as measured through the Income Deprivation Affecting Children Index (IDACI). IDACI measures the likelihood of income deprivation for families by resident post code. The updated indicators supplied by the DfE indicate an extra £0.114m of funds need to be allocated. This represents an 8% increase in funding compared to 2014-15. Free School Meal eligibility allocations have decreased by £0.001m.
- 5.29 The final set of changes proposed to school budgets relate to funding the estimated cost of inflation on business rates, as the DfE requires schools to be funded on the estimated actual costs, which is £0.029m, and a self-funding budget transfer for the National Copyright Licensing agreement. DfE has negotiated a national agreement for all schools at a lower cost than the aggregate payments being made by individual schools of which the scope has been widened to cover more licences, meaning costs currently funded from individual school budgets will now be charged to a centrally managed budget, which requires a funding transfer. These changes were made in April 2014 but amounts were not confirmed until after the 2014-15 budget was set. These changes are shown in lines 11 and 12 of Table 2.
- 5.30 The accompanying agenda item report on SEN costs demonstrates that it will be impossible to balance the commitments to High Needs Block DSG funding without a substantial contribution from the Schools Block DSG. It also seeks agreement to a funding swap between Council and Schools Budget funding responsibilities to allow for additional resources in the SEN Team to put in place actions to manage down placement costs. £0.03m of the funding transfer will result in a cost increase within the Schools Block, and relates to the educational cost for Looked After Children (LAC) without statements of SEN being education in Children's Homes. This pressure is shown in line 13 of Table 2.
- 5.31 Current forecasts for costs of pupils placed in external specialist providers indicates an over spending against current budget in 2015-16 of £1.856m. This amount includes £0.03m of the proposed funding transfer in respect of without statements of SEN being education in Children's Homes. Savings of £0.2m on other SEN related budgets are considered possible and therefore a net pressure of £1.656m is expected on supporting High Needs pupils. In addition, there remains the unfunded 2014-15 reduction in High Needs DSG of £0.282m which also needs to be financed. Therefore, the combined net pressure is estimated at £1.938m and is shown in lines 14 to 16 in Table 2.
- 5.32 The forecast figures for High Needs pupils exclude the impact of the new SEN facility at Eastern Road. The accompanying SEN agenda item paper confirms that over the medium to long term, significant savings of over £0.5m are anticipated, however, in the short term as the facility has relatively low numbers, there will be an additional cost of which £0.49m could be funded from the SEN Resource Unit Reserve. Due to the DfE moving to funding LAs for places – the £10,000 cost of elements 1 and 2 – on a lagged, annually in arrears basis, there will initially be less income for this than originally anticipated, with the expectation that the SEN Resource Units Reserve contains £0.11m less than required to provide sufficient finance for the start up costs. A contribution of £0.055m for 2 years from 2015-16 is therefore proposed to secure funding for this essential development which is shown at line 17 of Table 2.

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5.33 The final budget proposal relates to making an allocation from the Living Wage Reserve to finance the cost of meeting the pay supplement. A revised calculation based on autumn term 2014 payments indicates total costs for schools – including KLS which is in the High Needs Block – of £0.16m but with only £0.117m remaining in the Reserve there are insufficient funds to cover all of the costs. Based on a pro rata funding allocation, £0.1m relates to mainstream schools and £0.017m for KLS. Adding the £0.1m transfer from the earmarked Reserve, as shown at line 18, increases the amount of additional funds next year to £2.824m, as per line 19.

5.34 Assuming these proposals, as summarised in Table 2 are approved, a balanced budget can be set.

Table 2: Proposed use of Schools Block income

Ref.	Budget proposal	Delegated	De-	Centrally	High	Total
		Budgets	delegated	managed	Needs	
		1	2	3	4	5
		£'000	£'000	£'000	£'000	£'000
1	<b>Original Schools Block budget for 2014-15</b>	<b>60,266</b>	<b>1,319</b>	<b>1,111</b>	<b>0</b>	<b>62,696</b>
2	Remove draw down from Living Wage Reserve	-144	0	0	0	-144
3	Re-categorise funding for SEN Specific Contingency	-100	0	0	100	0
4	Re-categorise New School Start Up funding	0	-70	70	0	0
5	<b>Re-stated 2014-15 base budget</b>	<b>60,022</b>	<b>1,249</b>	<b>1,181</b>	<b>100</b>	<b>62,552</b>
	<b><u>Changes for 2015-16:</u></b>					
	<b><u>Savings:</u></b>					
6	Saving on in-year growth allowances	0	0	-123	0	-123
7	New School Start Up funding	0	0	-20	0	-20
	<b><u>Other changes funded from DSG:</u></b>					
8	Effect of additional number of primary pupils	859	0	0	0	859
9	Effect of reduced number of secondary pupils	-148	0	0	0	-148
10	Effect of changes in pupil characteristics e.g.FSM numbers, test results, EAL etc	104	0	0	0	104
11	Rates inflation	29	0	0	0	29
12	National Copyright licence	-15	0	15	0	0
13	Education fees for vulnerable students	0	0	30	0	30
	<b><u>Funding of High Needs Block costs:</u></b>					
14	Reduction in 2014-15 High Needs Block DSG	0	0	0	282	282
15	Additional placement costs in 2015-16	0	0	0	1,856	1,856
16	Savings to be identified on SEN budgets	0	0	0	-200	-200
17	Contribution to SEN Resource Units Reserve	0	0	0	55	55
	<b><u>Change to be funded from reserves</u></b>					
18	Cost of implementing the Living Wage	100	0	0	0	100
	<b>Total budget for 2015-16</b>	<b>60,951</b>	<b>1,249</b>	<b>1,083</b>	<b>2,093</b>	<b>65,376</b>
19	<b>Change (Lines 6 - 18)</b>	<b>929</b>	<b>0</b>	<b>-98</b>	<b>1,993</b>	<b>2,824</b>
20	<b>Estimated unfunded deficit from 2014-15 - funding to be identified during 2015-16</b>					<b>295</b>

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### Impact of the Minimum Funding Guarantee (MFG)

- 5.35 Forum members will be aware that in order to reduce funding turbulence in schools, the DfE requires all LAs to apply the MFG to individual school budgets and allocate top up funding where per pupil funding rates fall by more than 1.5% between years. In order to be able to finance the cost, the DfE allows a cap to be applied to reduce funding increases at schools experiencing a gain in per pupil funding. The Forum has already agreed that the existing arrangements will remain in place next year, so those schools above the MFG and in receipt of per pupil funding increases would meet the cost of financing the protection required for schools below the MFG.
- 5.36 If all things remain equal, then over time the expectation is that the cost of MFG will reduce as relevant schools need to absorb an additional 1.5% reduction in per pupil funding each year. This message has been reinforced with schools and for 2015-16 MFG top up reduces from £0.129m to £0.096m.

### Impact of DfE reform of the Education Services Grant

- 5.37 In July, the Forum received an update report on DfE proposals to reform the Education Services Grant (ESG) with the objective of securing £200m - £20% - of savings, which is estimated to cost BFC £0.426m. This is a grant to the LA and not part of the Schools Budget.
- 5.38 The ESG is a per pupil grant paid to LAs and academies based on the number of pupils in maintained schools / academies and is intended to fund the cost of services that local authorities must provide without charge to maintained schools, but that academies secure and pay for independently.
- 5.39 In respect of BFC, the ESG update paper concluded that the implications from this funding cut for the LA were significant and that in line with the expectations of the DfE, some of the required savings would need to be funded from the Schools Budget with the key areas for change likely to centre around:
- Relative high cost services of School improvement, asset management and Statutory / regulatory duties;
  - Reducing the scope of services currently being provided without charge to schools or charge schools for a wider range of services;
  - Charging more costs to capital (subject to accounting code of practice).
- 5.40 In reviewing potential changes, the Council proposes to increase charges for bought back services by £0.040m as more functions become chargeable in School Improvement, Governor Services, Human Resources, Finance and Education Capital and Property. In addition, £0.060m of current LA costs are in future proposed to be charged to the budget that supports schools in financial difficulty. This reflects the significant time input from officers in School Improvement, Human Resources and Finance in supporting such schools. This later change would commit £0.060m of the £0.280m budget which the Forum is recommended to agree.

A separate agenda item seeks comments from the Schools Forum on the Council's revenue and capital budget proposals for 2015-16.

### Other grant income

- 5.41 In addition to the DSG, a number of other significant grants are paid directly to schools and these have been reviewed for anticipated receipts in 2015-16 and the Forum is recommended to agree that the Executive Member updates budgets where relevant:
- Funding allocated through the Pupil Premium to increase by £20 for each primary aged pupil eligible to a FSM at any time in the last 6 years, with all other funding rates remaining unchanged. Total income to schools next year is expected to increase by £0.036m to £3.218m.
  - Funding for Universal Infant FSM and Primary School PE and Sport Grant have yet to be confirmed and are assumed to continue at current funding rates, with total income of £0.860m and £0.295m respectively;
  - For funding for sixth forms, there are a number of changes being made by the EFA to the national funding formula and funding rates including removal of transitional funding protection and small increases to some of the funding rates. At this stage it is not clear what the overall effect will be in BFC and the assumption must be that schools will receive less income in 2015-16 than they did in 2014-15, which was £4.521m.

### Minimum Prudential Balances

- 5.42 Members of the Forum will also recall that the Borough Treasurer considers that the Schools Budget should hold a minimum surplus of £0.51m to help manage unforeseen cost increases like those currently being experienced. Meeting this objective is not considered possible in the current climate but will need to be addressed in the short to medium term. The Forum is therefore recommended to agree that the 2015-16 budget is set without meeting this policy.

### Actual cost pressures estimated for 2015-16

- 5.43 Schools will experience a range of cost pressures next year and whilst funding is proposed to cover increases in pupil numbers, others will remain unfunded and will require schools to make savings to balance their budgets. The main pressures, which total to around £1.4m are:
- Teacher's and Local Government pay inflation, assumed at 1% at around £0.527m.
  - Other general inflation, assumed at 1.5% at around £0.235m
  - Increase in contribution to the Teachers' Pension Scheme, from 14.1% to 16.4% at September 2015 at around £0.484m
  - Increase in contribution to the accumulated deficit on the Local Government Pension Scheme, at around £0.075m.
  - Shortfall on the Living Wage £0.043m
  - Increased SLA charges as part of the Council's 2015-16 budget setting process of £0.040m.
- 5.44 In terms of funding increases for new pupils, the allocation to schools exceeds the expected cost as per pupil funding contributes to more costs than classroom staff,

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most of which would not change as numerous schools admit relatively small numbers of pupils that do not require the recruitment of a new teacher. Of the £0.711m included in school budgets for changes in pupils, it should be expected that at least 50% of the funding will not result in equivalent cost increases. Nevertheless, schools are still facing unfunded cost increases of around £1m next year. This will increase the likelihood that more pressure will be placed on the budget to support schools in financial difficulty.

### Other decisions required from the Schools Forum

- 5.45 The content of this report complies with requirements of the School and Early Years Finance (England) Regulations 2014. In addition to this, in setting the 2015-16 Schools Budget, there are also requirements from the Schools Forum (England) Regulations 2012 that need to be complied with.
- 5.46 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 where any relevant costs are absorbed by the council in normal day to day operations and the Forum is requested to agree this approach continues.
- 5.47 The Schools Forum Regulations also require the council to seek comments on arrangements for pupils with special educational needs, pupil referral units and other education out of school and early years provisions. In line with the publication of associated funding allocations, these matters will be presented to the Forum on 14 March.
- 5.48 The Forum also has a decision making role on other budget matters, most notably in relation to Schools Block element funds held for centrally management by the Council on behalf of schools. Relevant budgets, including changes proposed in this paper are set out in Annex 1 and the Forum is recommended to agree relevant amounts for each budget line.
- 5.49 The final area of decision making for the Forum required by DfE Regulation relates to agreeing to carry forward a deficit on central expenditure to the next year to be funded from the schools budget. Paragraph 5.13 of this report sets out a forecast year end over spending of £0.295m. The Forum is recommended to agree that the final deficit amount is carried forward and funded from a future Schools Budget.
- 5.50 Furthermore, it has also previously been agreed that the per pupil funding rates in the BF Funding Formula for Schools should not exceed 98% of the per pupil funding rates in the Schools Block element of the DSG. This is designed to ensure that during periods of increasing pupil numbers, the consequential increase in DSG income is sufficient to fund the per pupil allocations in the BF Funding Formula as well as a small allowance for funding other, pupil related factors, such as deprivation and low prior attainment.
- 5.51 With the School Block DSG rate set at £4,283.66 this caps BF per pupil funding rates to no more than £4,197.98. The proposals in this report result in the higher secondary per pupil funding rate being set at £4,137.51 which is 96.59% of the DSG rate.

### Future budgets

5.52 Whilst it is clear that significant financial difficulties exist in agreeing the Schools Budget for 2015-16, further significant cost pressures are anticipated in the near future where financial provision should be considered as soon as possible. The main issues being:

- Start-up cost for up to 9 new mainstream schools. Jennett's Park received £0.7m of start-up funding due to the lag between setting the school budget – and receipt of DSG income - on prior year October pupil numbers which significantly increase at the start of the new academic year, and similar amounts need to be planned for the other schools.
- On-going impact of the growing population on SEN budgets, together with the expected increase in post-16 SEN students. This will be partially off-set in the medium to long term from savings anticipated from the new SEN Units at Eastern Road and Blue Mountain.
- The full year effect cost of the increase in contribution to the Teachers' Pension Scheme, from 14.1% to 16.4% at September 2015 at around £0.346m.
- Additional business rates liabilities arising from the school places expansion programme estimated at £0.050m per annum
- A new funding source for the Bracknell Forest supplement. The Earmarked Reserve is now fully spent and on-going costs of £0.16m are anticipated.
- The underlying deficit on the Local Government Pension Scheme is being reduced by way of additional lump sum contributions. Payments due from schools are forecast to increase by £0.107m in 2016-17.
- Minimum prudential balances. Adequate funding needs to be put aside to manage in-year emergencies or cost increases. The Schools Budget funds a range of high cost and high risk services for which it has been established that a minimum balance of £0.510m should be maintained to manage these risks.
- The £0.295m forecast 2014-15 deficit, should this not be managed down in year.

### High Needs Block

5.53 As set out above, the DfE has yet to confirm all the funding adjustments required to the High Needs Block and therefore 2015-16 budget proposals will be presented in March. However, it is clear from rolling forward current commitments in non-BF special schools that there is a budget pressure, currently estimated at over £2m with the only realistic funding solution being to use Schools Block DSG income.

5.54 Annex 3 shows an outline of 2014-15 budgets funded from the High Needs Block which are unchanged from 2013-14 amounts due to the £0.282m cut in DSG and rising cost of placements resulting in there being insufficient funds to re-set budgets to the anticipated level of spend.



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### Early Years Block

- 5.55 The Early Years Block covers 2, 3 and 4 year olds receiving the entitlement to 15 hours a week free education and childcare that is paid to providers – maintained schools and private, voluntary and independent (PVI) sectors – through the Early Years Single Funding Formula (EYSFF). It also covers the early years contingency, central expenditure on under 5s and high needs pupil funding where this is not included in the High Needs Block.
- 5.56 DSG income for 2015-16 will be based on 5 months funding at January 2015 actual participation and 7 months funding at January 2016 actual participation. Therefore, as in previous years, budget proposals will be presented to the Forum in March when the January 2015 data will have been received on a provisional basis.

Annex 4 shows current budgets, together with adjustments to reflect the removal off 2014-15 one-off funding from Reserves, which were previously agreed by the Forum.

### Conclusion Next steps

- 5.57 Making proposals for the 2015-16 budget has presented the most significant challenges to date for the Council. Requesting significant funding transfers from the Schools Block to the High Needs Block has not been taken lightly and has resulted in significant actions being put in place to manage down costs. However, moving forward, further financial challenges will need to be addressed in the years ahead.
- 5.58 The views of, and decisions taken by the Schools Forum will be considered by the Executive Member in making final decisions for the 2015-16 Schools Budget. This will be on 20 January, which is the deadline for submission to the DfE of the 2015-16 Funding Formula for Schools. Budgets can then be confirmed to individual schools, which is expected to be some time in February.

The pro forma to be submitted to the DfE is attached at Annex 5.

- 5.59 Further work is on-going relating to the High Needs and Early Years Block items where the level of funding to be received next year has yet to be finalised. Budget proposals on these areas of the Schools Budget will be presented to the Forum for consideration in March.

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

### Borough Solicitor

- 6.1 The relevant legal provisions (including consultation) are addressed within the main body of the report.

### Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information. The proposals meet the requirements of the appropriate funding regulations and are considered affordable based on current information.

### Equalities Impact Assessment

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

### Strategic Risk Management Issues

- 6.4 The funding reforms and tight financial settlement present a number of strategic risks, most significantly:
1. Insufficient funding to cover anticipated pay and price inflation.
  2. Inability to target resources to schools facing pressures as a result of the limited range of available factors for the Funding Formula.
  3. The ability of schools to absorb an increasing number of pupils.
- 6.5 These risks will be managed through support and assistance to schools in the budget setting process which is a well established programme. It has ensured that schools develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans. There remains a de-delegated budget of £0.259m (excludes academies) to support schools in financial difficulties that meet qualifying criteria.
- 6.6 Significant financial pressures are being experienced on SEN related budgets, as highlighted on a separate agenda item. These services are high cost and remain volatile but will be managed down through the actions set out on the accompanying report, subject to additional resources being identified to increase capacity in the SEN Team.

## **7 CONSULTATION**

### Principal Groups Consulted

- 7.1 Schools.

### Method of Consultation

- 7.2 Written consultation.

### Representations Received

- 7.3 Included in relevant reports.

### Background Papers

Previous budget reports to the Forum:

### Contact for further information

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### Doc. Ref

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**Proposed 2015-16 Schools Block budgets to be centrally managed by the Council**

Budget item	Schools Block Centrally Managed		
	Total 2014-15 £	Proposed Changes £	Draft Total 2015-16 £
<b><u>Part 1: Spending limited to amount agreed in the previous financial year</u></b>			
Combined Services Budgets*:			
Family Intervention Project	£100,000	£0	£100,000
Educational Attainment for Looked After Children	£133,590	£0	£133,590
School Transport for Looked After Children	£42,890	£0	£42,890
Young People in Sport	£18,050	£0	£18,050
Common Assessment Framework Co-ordinator	£42,470	£0	£42,470
Domestic Abuse	£6,000	£0	£6,000
Education Health Partnerships	£30,000	£0	£30,000
SEN Contract Monitoring	£32,680	£0	£32,680
Miscellaneous (up to 0.1% of Schools Budget):			
Forestcare out of hours support service	£4,850	£0	£4,850
Borough wide Initiatives	£27,270	£0	£27,270
Support to Schools Recruitment & Retention	£7,470	£0	£7,470
School Admissions	£175,970	£0	£175,970
Schools Forum	£21,440	£0	£21,440
<b>Sub total Part 1 items</b>	<b>£642,680</b>	<b>£0</b>	<b>£642,680</b>
<b><u>Part 2: No restriction on annual increases</u></b>			
Schools Contingency:			
Significant in-year growth in pupil numbers	£305,648	-£123,000	£182,648
Key Stage 1 class sizes	£86,392	£0	£86,392
Start up costs for new schools (was de-delegated in 2014-15, see Annex 2, after £20,000 saving)	£0	£50,000	£50,000
Boarding Placements for Vulnerable Children	£45,880	£30,000	£75,880
Central copyright licensing	£30,000	£15,000	£45,000
<b>Sub total Part 2 items</b>	<b>£467,920</b>	<b>-£28,000</b>	<b>£439,920</b>
<b>Total Part 1 and Part 2 items</b>	<b>£1,110,600</b>	<b>-£28,000</b>	<b>£1,082,600</b>

\* Combined Service Budgets funded by the DSG generally support vulnerable children 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.

## Items subject to de-delegation

Budget Item	Total 2014-15 £	Proposed Changes £	Draft Total 2015-16 £
<b><u>Part 5: Items that can be de-delegated from a maintained school's budget</u></b>			
<b>Behaviour Support Services :</b>			
<b>Behaviour Support Team</b> – provides support to young people, children and their families in the home environment and schools to manage behaviour.	£299,787	£0	£299,787
<b>Anti-bullying co-ordinator</b> – assists schools in their capacity to address bullying issues.	£25,027	£0	£25,027
<b>Schools in Financial Difficulty</b> – additional support where a school is in, or likely to fall into one of the Ofsted categories of causing concern.	£280,000	£0	£280,000
<b>English as an Additional Language</b> – to support under performing EAL pupils.	£127,066	£0	£127,066
<b>SIMS and other licences</b> – purchase of the licence required by the software that performs most finance and administration tasks in schools.	£90,452	£0	£90,452
<b>Official staff absence</b> e.g. maternity leave, union or magistrates duty, jury service, council membership, staff suspension.	£345,420	£0	£345,420
<b>Premature Retirement / Dismissal costs</b> to fund one-off redundancy costs following staffing restructure in schools.	£52,000	£0	£52,000
<b>Funding for new, amalgamating or closing schools</b> to finance start-up, build up and close down costs. (Centrally managed item from 2015-16, see Annex 1)	£70,000	-£70,000	£ 0
<b>Exceptional costs (primary schools only)</b> to support schools facing exceptional costs that could not be predicted when the budget was set	£10,000	£0	£10,000
<b>Free School Meal eligibility checking -</b> Ensures schools have relevant information to complete the annual, national census to maximise income.	£20,000	£0	£20,000
<b>Total Schools Budget</b>	<b>£1,319,752</b>	<b>£-70,000</b>	<b>£1,249,752</b>

## Current 2014-15 High Needs Block Budgets i.e. unchanged from 2013-14

Budget Item	2014-15 Budget £
<b>Element 3 top-up payments.</b> For pupils where assessed needs exceed the £6,000 cost of support threshold set by the DfE:	
BFC maintained schools and academy.	£651,720
Non-BFC maintained schools	£950,000
Kennel Lane Special School *	£1,213,650
PVI providers	£4,250,000
FE colleges	£315,000
<b>Elements 1 and 2 for specialist places</b> – For block purchase of places in BFC maintained specialist providers, at the £10,000 per place funding rate set by the DfE:	
Kennel Lane Special School	£1,850,000
BFC maintained schools	£292,000
BFC academy **	£50,000
<b>Education out of school:</b>	
College Hall Pupil referral Unit	£711,490
Home Tuition	£252,160
Family Outreach Work	£99,130
<b>Other support to high needs pupils:</b>	
Teaching and Support Services	£704,350
Sensory Impairment Service	£226,470
Autism Support Service	£84,000
Traveller Education	£75,140
Other, e.g. specialist equipment, medical support etc	£146,010
Savings to be identified:	
Reduction in DSG	-£282,000
<b>Total High Needs Block Budget</b>	<b>£11,589,120</b>

\* £0.023m to be released from the Job Evaluation Reserve to fund the estimated impact from adopting the equivalent of the Living Wage at Kennel Lane Special School.

\*\* From September 2013, EFA became responsible for funding places in academy schools, with a corresponding deduction made to the DSG.

## Current 2014-15 Early Years Block Budgets

Budget Item	2014-15 Budget £	2015-16 Funding Changes £	2015-16 Draft Budget £
<b>Free entitlement to early years education and childcare for 3 and 4 year olds:</b>			
<b>Maintained school nurseries</b>	£1,348,080		£1,348,080
<b>PVI provider settings</b>	£2,760,020		£2,760,020
<b>Provider Contingency</b> – for in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty (3%)	£130,550		£130,550
<b>Multi professional assessment centre</b> – Currently provided through contract with Action for Children, based at Margaret Wells Furby Children’s Centre	£156,850		£156,850
<b>Free milk</b> – net cost of free milk to eligible children.	£11,210		£11,210
<b>Special Educational Needs and other support</b> e.g. Special Educational Needs Co-ordinators.	£147,390		£147,390
<b>Free entitlement to early years education and childcare for 2 year olds:</b>			
<b>Payments to providers (including SEN supplements) (1)</b>	£782,200	£5,700	£787,900
<b>Trajectory funding:</b> Outreach support, delivery of sufficient places, workforce development, publicity and marketing.	£104,000		£104,000
<b>Provider Contingency</b> – for in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty (5%)	£35,000		£35,000
<b>Development of sufficient places</b> – convert revenue funding to capital (2)	£264,700	-£264,700	£0
<b>Total Early Years Block Budget</b>	<b>£5,740,000</b>	<b>-£259,000</b>	<b>£5,481,000</b>

(1) £0.259m one-off brought forward balance removed; £0.265m revenue funding converted to capital in 2014-15 returned to revenue.

(2) £0.265m revenue funding converted to capital in 2014-15 returned to revenue for 2015-16.

## 2015-16 DfE pro forma

## Local Authority Funding Reform Proforma

LA Name:

Bracknell Forest

## Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00						
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)		
	Primary (Years R-6)	£2,842.95		9,703.00		£27,585,180	£49,981,376	44.35%	2.00%		
	Key Stage 3 (Years 7-9)	£4,066.86		3,331.00		£13,546,709		21.78%	2.00%		
	Key Stage 4 (Years 10-11)	£4,066.86		2,176.00		£8,849,486		14.23%	2.00%		
	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 (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)	
2) Deprivation	FSM % Primary	£439.03		880.59		£386,604	£2,456,475	3.95%	7.00%		
	FSM % Secondary		£1,355.12		413.76	£560,694					7.00%
	IDACI Band 1	£339.54	£1,113.32	1,511.71	700.61	£1,293,284			0.00%	0.00%	
	IDACI Band 2	£509.30	£1,669.98	156.84	70.97	£198,392			0.00%	0.00%	
	IDACI Band 3	£679.07	£2,226.65	2.97	6.95	£17,501			0.00%	0.00%	
	IDACI Band 4	£848.84	£2,783.31	0.00	0.00	£0			0.00%	0.00%	
	IDACI Band 5	£1,018.61	£3,339.97	0.00	0.00	£0			0.00%	0.00%	
	IDACI Band 6	£1,188.38	£3,896.63	0.00	0.00	£0			0.00%	0.00%	

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	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 (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children	LAC X March 12	£211.86		61.15		£12,956	<b>£249,298</b>	0.02%	0.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£239.12		810.51		£193,811		0.35%	0.00%	
	EAL 3 Secondary		£239.12		92.99	£22,236				0.00%
5) Mobility	Pupils starting school outside of normal entry dates	£314.75		64.48	0.00	£20,295		0.03%	0.00%	0.00%
6) Prior attainment	Low Attainment % new EFSP	45.55%	£509.19	17.76%	1,834.61	£934,165	<b>£2,075,864</b>	3.34%	100.00%	
	Low Attainment % old FSP 78			19.52%						
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£902.88		1,264.51	£1,141,699				100.00%



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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 (%)	Notional SEN (%)	
7) Lump Sum	£160,000.00	£170,000.00			£5,980,000	9.61%	0.00%	0.00%
8) Sparsity factor					£0	0.00%	0.00%	0.00%
9) Fringe Payments					£0	0.00%		
10) Split Sites					£0	0.00%	0.00%	
11) Rates					£1,372,940	2.21%	0.00%	
12) PFI funding					£0	0.00%	0.00%	
13) Sixth Form					£0	0.00%	0.00%	
14) Exceptional circumstances (can only be used with prior agreement of EFA)								
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Exceptional Circumstance - hire of sports facilities					£85,048	0.14%	0.00%	
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>					<b>£62,201,001</b>	<b>100.00%</b>	<b>£3,141,803</b>	

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15) Minimum Funding Guarantee (MFG is set at -1.5%)		£96,371	
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)		Yes	
Capping Factor (%)	0.00%	Scaling Factor (%)	41.95%
Total deduction if capping and scaling factors are applied		-£96,371	
		<b>Total (£)</b>	<b>Proportion of Total</b>
MFG Net Total Funding (MFG + deduction from capping and scaling)		£0	0.00%
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)		£319,040.00	
Falling rolls fund (if applicable)		£0.00	
<b>Total Funding For Schools Block Formula</b>		<b>£62,201,001</b>	
<b>% Distributed through Basic Entitlement</b>		<b>80.35%</b>	
<b>% Pupil Led Funding</b>		<b>88.04%</b>	
<b>Primary: Secondary Ratio</b>		<b>1 :</b>	<b>1.35</b>

**TO: SCHOOLS FORUM**  
**DATE: 15 JANUARY 2015**

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**UPDATE ON COST PRESSURES BEING EXPERIENCED ON SUPPORTING  
HIGH NEEDS PUPILS AND PROPOSALS FOR THE 2015-16 BUDGET**  
Director of Children Young People & Learning

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to update the Schools Forum on the current cost pressures being faced in respect of High Needs Pupils, the actions proposed to manage cost increases and to seek agreement that recommendations are made to the Executive Member for Children, Young People and Learning in respect of budget changes to be made for 2015-16 that will result in a balanced budget.

**2 RECOMMENDATIONS**

**That the Schools Forum NOTES:**

- 2.1 The latest forecast over spending in 2014-15 for SEN related budgets at £1.557m, an increase of £0.464m compared to that expected in August (paragraphs 5.9 and 5.10);
- 2.2 The main factor contributing to the increased costs remains unchanged and relates to additional numbers of post 16 students (paragraph 5.9);
- 2.3 The Education Funding Agency has allocated insufficient funding to LAs to meet their new responsibilities and Buckinghamshire County Council is in the process of commencing a legal challenge (paragraphs 5.11 and 5.54);
- 2.4 The expected on-going trend indicates future cost increases on external SEN places from £5.966m in 2014-15 to £7.460m in 2017-18 if no action is taken (paragraph 5.23 and Annex 2);
- 2.5 The funding strategy proposed to manage down future cost pressures (paragraphs 5.27 to 5.48);
- 2.6 That the DfE has commenced a review of High Needs Block DSG allocations and that future changes to funding may result (paragraph 5.55);

**In response to the Council's budget proposals for 2015-16, the Schools Forum RECOMMENDS to the Executive:**

- 2.7 That in order to achieve the significant cost reductions required on SEN budgets, £0.06m of new funding be provided by the Council to finance the additional staffing resources required in the SEN Team (paragraph 5.49);
- 2.8 That to ensure a net nil cost increase in Council spend, that the Schools Budget finances an additional £0.06m of educational fee costs in respect of Looked After Children (paragraph 5.50);

**The Schools Forum RECOMMENDS to the Executive Member for Children, Young People and Learning to AGREE the following:**

- 2.9 The release of the £0.490m of funds from the SEN Resource Units Reserve from January 2015 to finance start-up costs at Rise@Garth (paragraph 5.32);**
- 2.10 The medium term budget plan for Rise@Garth, subject to annual review (paragraph 5.33 and Annex 4);**
- 2.11 The use of £1.938m of Schools Block DSG in 2015-16 to support High Needs pupils on the items covered in this paper (paragraph 5.52).**

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The Council has a new statutory duty to provide education provision from 0-25 years of age, to be funded from the Schools Budget. Insufficient resources have been allocated from the Education Funding Agency (EFA) to finance liabilities, and in particular, cost pressures on the Post 16 budget, which will continue to increase if it is not taken under control and systems and processes are put in place to reduce the spend.
- 3.2 Budget proposals are therefore being made to allow for statutory duties to be met and a balanced budget set for 2015-16, with a range of actions underway that are designed to reduce current and future costs.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

### **5 SUPPORTING INFORMATION**

#### Education Funding Reform

- 5.1 Changes in arrangements for Post 16 education introduced by the Government from April 2013 have resulted in Local Authorities (LAs) becoming responsible for both the commissioning of provision, and the funding of additional support for children and young people with Special Educational Needs (SEN) costs above the national threshold of £10,000 up to the age of 25 i.e. the end of the academic year in which they achieve their 25th birthday.
- 5.2 Previously, statements of pupils with SEN ceased once they left school or at age 19 and there was no further responsibility on the LA's educational services. Complex funding arrangements were in place, led by the EFA who held overall budgetary responsibility.

#### New implications from the Children and Families Act 2014

- 5.3 In September 2014, the new Children and Families Act 2014 came into force. Key aspects of the new Act related to supporting students with SEN up to the age of 25, via the use of a legally enforceable document called an Education Health Care Plan (EHCP), which will replace SEN Statements over the next three years. Historically, the process for a pupil progressing to Further Education (FE) was for a local mainstream college assessment to be undertaken to determine whether there was suitable local mainstream provision available to meet the pupil's need. If the local mainstream college is unable to meet the pupil's needs, parents could then express a preference for an alternative

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independent specialist provision (ISP) which may be a local day placement or a more distant residential specialist placement. Up until April 2013, the LA had not been responsible for the placement decisions nor the associated funding commitments attached to such placements.

- 5.4 In practise, the historic arrangement of the EFA funding post-mainstream placements has established a parental expectation that at least 3 years of funding for high cost residential independent specialist college provision for a complex High Needs pupil could be freely accessed. Furthermore, students who remained in school on a statement up to age 18/19, would have placement requests considered by Adult Social Care Services when moving on and be supported by that service and the EFA.
- 5.5 New EHCPs will provide a joint assessment of needs and also the provision to be made by each of the involved statutory agencies, supported by a joint commissioning requirement placed on the services. The new SEN Code of Practice (CoP) gives guidelines on how joint commissioning should be undertaken in the best interests of the young person.
- 5.6 Educational entitlement has also been clarified within the new CoP. These are for access to educational provision up to Level 3 up to age 19 for non SEN pupils, and up to age 25 for SEN pupils. This will therefore require the LA to make preparations and to possibly fund educational placements up to age 25 for pupils with an EHCP. This provision is only required if it is identified as an intended outcome on the EHCP and that education courses are appropriate which will not always be the case.
- 5.7 It is important to emphasise that these new arrangements are not an automatic entitlement for education up to age 25. The extended provision is subject to actual and predicted progress in learning. This will therefore require a significant change to the basis on which initial and continuing placements are agreed to by the LA, in order to ensure that EHCPs are only continued if it is deemed necessary to support continued learning and academic progress. It is clearly an important piece of work to look at career progression and preparing young people with pathways into employment.
- 5.8 In particular, this will be an issue in respect of High Needs pupils aged 19+ who cannot be employed or live independently. Some current 'educational' placements that were initiated under the old governance of the EFA, are arguably focussed on life and social skills development rather than educational outcomes. Therefore it is critically important for the LA to clarify and agree realistic educational and vocational outcomes for all current ISP placements, in order to ensure effective and efficient use of SEN funding is maintained equitably across all age groups 0-25.

### 2014-15 Cost forecasts

- 5.9 An update on 2014-15 cost estimates of services supporting SEN pupils was presented to the Forum in October, based on August data. This reported a forecast over spend at the end of August of £1.093m with 2 significant factors accounting for the difficulty; the £0.282m reduction in High Needs Dedicated Schools Grant (DSG) funding from the 2013-14 level; and a £0.949m forecast over spending on external placements as a result of increased student numbers, in particular those in post 16. The report also indicated that this overspend would be on-going and that it was likely that a request would be made to transfer at least £1m of 2015-16 Schools Block DSG to cover these statutory cost pressures. This possible transfer was made in the knowledge that the Schools Block DSG would increase by £1.5m through the *Fairer Funding for Schools in 2015-16* initiative and around a further £1m from general growth in pupil numbers of at least 250.

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- 5.10 The latest forecast budget information, as at the end of November, indicates that the cost of supporting SEN pupils will now be £1.557m, an increase in over spend of £0.464m. Whilst there has been a reduction of £0.142m on costs forecast for SEN pupils in maintained schools, those in private, independent and voluntary sector settings have increased by a further £0.663m. The change mainly reflects having more up to date information on where students would be placed at the start of the new academic year. This has also identified a number of students that were not included on previous cost forecast, most notably in relation to post 16 students. There have also been changes due to the volatile nature of the client group and on-going negotiations with providers, most notably Post 16 ISPs or FE Colleges.
- 5.11 In terms of funding made available for post 16 students, the budget transferred from the EFA to LAs in 2013/14 to meet these commitments was based on 2011/12 pupil numbers and associated funding allocations. On a national scale, demand for Post 16 placements far outstripped the EFA's predictions which the budgets were based on, with a 40% increase in budget costs being seen. This was mirrored in Bracknell Forest with the allocated budget being less than the commitments already identified for 2013/14.

### Historic Trend

- 5.12 Before becoming responsible for Post 16 learners in education in 2013, the historic trend for the LA had been to place in the region of 85 students per year, at a cost of around £49,000 per student. The figures below indicate the increase in placements the LA has been responsible for over the past 4 years, whilst also showing the increase in student numbers since April 2013, when financial responsibility was passed over from the EFA.

<u>Financial Year</u>	<u>No of Placements</u>	<u>Average cost</u>	<u>Total expenditure</u>
2011-12	82	£49,042	£4,029,353
2012-13	91	£49,866	£4,534,810
2013-14	126	£37,390	£4,711,408
2014-15	163	£36,677	£5,965,983

- 5.13 It must be noted that current and future cost figures forecast throughout this paper may be subject to change due to the volatile nature of the client group and on-going negotiations with providers, most notably Post 16 ISPs or FE Colleges.
- 5.14 It should also be noted that the above figures indicate a reduction in average placement costs since 2013. This can be explained by two factors; one being that from 2013 the EFA pays £10,000 per place cost directly to providers whereas prior to this, LAs paid the full cost; the second reason being that most FE placement costs are usually a total of £18,000, therefore only leaving an average of £8,000 per placement to be paid for by the LA. This therefore reduces the total average placement costs further.
- 5.15 Table 1 below summarises total spend on meeting High Needs students with SEN across the age range of 4-25, in line with the new requirements in the Children and Families Act 2014 to ensure learners are supported up until 25. The changes in EFA arrangements can be identified as the increase in FTE placements for ages 16-25. Annex 1 provides more detail of costs by student age.

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Table 1: Summary spend on external SEN placements 2011-12 to 2014-15

	Pre 16			Post 16			Total		
	Nos. fte	Cost		Nos. fte	Cost		Nos. fte	Cost	
		Total £m	Average £k		Total £m	Average £k		Total £m	Average £k
2011-12	55.9	£2.532	£45.3	26.3	£1.497	£57.0	82.2	£4.029	£49.0
2012-13	62.3	£2.853	£45.8	28.7	£1.682	£58.7	90.9	£4.535	£49.9
2013-14	59.8	£2.504	£41.9	66.2	£2.208	£33.4	126.0	£4.711	£37.4
2014-15	57.1	£2.510	£44.0	105.5	£3.455	£32.7	162.7	£5.966	£36.7

### Future forecast numbers of High Needs Students

- 5.16 Annex 1 highlights the recent increase in costs incurred for post 19 learners, students who the LA were not financially responsible for until April 2013. Costs for the Post 16 sector of education can therefore be expected to rise over the next 3-5 years whilst current learners receiving support on SEN Statements move through the system, where historically they would have ceased being an LA responsibility when moving into the FE sector. There is also the expectation that more students will emerge in line with the growing population, with a forecast annual increase of around 2% per annum in those with high needs above the £10,000 threshold requiring an external placement.
- 5.17 It should be noted that whilst the EFA will fund the first £10,000 of each placement, it is on a lagged basis, annually in arrears, meaning funding is not sufficient in times of increases in student numbers, as is the current position, meaning LAs have to purchase additional places from providers at up to £10,000 premium. This means that accurate forecasting must be undertaken yearly by the LA to ensure it is known and planned for in respect to where future SEN pressures will arise. This will require more strategic management planning to be undertaken by the LA, working in direct partnership with the providers, to ensure these future forecasted pressures are accommodated as far as possible. In doing so, the LA will be able to benefit from significantly lower placement costs at local FE provision, rather than placing in much higher costing ISP placements.

### Financial Impact of the Children and Families Act 2014

- 5.18 As already mentioned above, the Children and Families Act requires SEN learners to be supported by their LAs up until the age of 25. Due to the LA being financially responsible for students within the FE sector, the LA must make provision to cover these liabilities. The LA will make every effort to transition young people from an education pathway to employability and training pathway through the NEET co-ordinator when that provision is identified as an outcome on the young person's Education, Care and Health Plan.
- 5.19 It should also be noted that as a consequence of the LA now being required to support learners up to the age of 25, there will no longer be a natural "fall off" of statement numbers due to pupils leaving mainstream schooling. Historically the LA would naturally see statements lapsing or being ceased as a pupil with a statement left mainstream schooling and entered the FE sector. Last year the LA issued 45 new statements, but saw 63 statements naturally lapse as the pupils moved into the FE sector. This therefore had the net effect of seeing a reduction of 18 statements. As of this academic year, statements will no longer be allowed to lapse due to the new Act, and all pupils moving in to FE will continue on an EHCP, thereby continuing to increase the number of pupils the LA is responsible for, and have a much more open ended gradual decrease in total numbers as pupils stay supported in education or learning up to 25.

### Budget Forecasting

- 5.20 In order to ensure that any potential budget pressures in future years are known in a timely fashion, good estimates of costs should be identified at the earliest opportunity. Current total forecast spend on external SEN placements is £5.966m for 2014-15. As set out above, it should be expected that this will increase over the next 5 years, even if all factors remain the same and all students continue within their current placements with no changes in placement cost, as it is inevitable that new High Need placements will be required. It should also be expected that there will be more new placements made than statements ceased due to the requirement to support SEN learning up until 25. The LA will work closely with young people and their parents/carers to plan appropriate pathways into employment and training; this will be planned as part of a young person's transition review and will have the effect of ensuring young people receive the correct services and education costs to the Schools Budget are no higher than necessary.
- 5.21 In terms of funding received from the EFA for High Needs Pupils, provision has been made for a small increase in funds each year. However, this has proved insufficient to meet growth in pupil numbers. Up until 2014-15, the approach adopted by the EFA has been to fully fund providers the number of places at £10,000 each LA has forecast as being required in the next academic year. To remain broadly in line with existing funding allocations, this has been financed by an equivalent deduction for each individual LAs High Needs Block DSG. Therefore, if an LA has more places funded from one year to the next by the EFA, this is effectively paid for by taking the increased cost away from that LA. Any money remaining after this process is then allocated on a per pupil basis to all LAs. In the last 2 years, the EFA has been funding LAs at around £5,000 to pay top-up for each additional pupil, whereas the reality in BF is that average top-up payments are £36,700. For 2014-15, the BF High Needs Block was reduced by £0.411m for places that the EFA would in future fund, with £0.129m extra allocated from general growth to pay additional top-ups, resulting in the net £0.282m reduction in DSG funding.
- 5.22 Moving into 2015-16, the EFA will be funding LAs for high needs places on a lagged basis annually in arrears, based on September 2014 student numbers. This means that there should be a similar amount of deduction from the DSG for the places EFA will pay for BF students. However, in reality there will be increases in student numbers from this census point to the end of 2015-16 financial year, the period that the allocated funding will need to be used for. This is initially assumed to be around 20 places at a cost of £0.2m.
- 5.23 In the last 2 years, BF has received an annual increase in DSG of around £0.1m from the growth in the overall national funding for High Needs students. The assumption at this stage therefore is for additional income of £0.1m in future years. Table 2 below shows a summary of current and forecast spend on external SEN placements, with more detail shown at Annex 2.



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Table 2: Current and forecast spend on external SEN placements

	Pre 16			Post 16			Total		
	Nos.	Cost		Nos.	Cost		Nos.	Cost	
		Total £m	Average £k		Total £m	Average £k		Total £m	Average £k
2014-15	57.1	£2.510	£44.0	105.5	£3.455	£32.7	162.7	£5.966	£36.7
2015-16	54.9	£2.099	£38.2	112.0	£4.285	£38.3	166.9	£6.384	£38.3
2016-17	59.8	£2.350	£39.3	129.9	£4.595	£35.4	189.7	£6.945	£36.6
2017-18	60.8	£2.389	£39.3	140.8	£4.921	£34.9	201.6	£7.310	£36.3
Change 2014-15 to 2017-18							38.9	£1.344	-£0.4

NB. The figures in Table 2 show gross costs, so include the estimated impact from purchasing additional places that the EFA will not fund, but exclude the anticipated additional DSG of around £0.1m per annum.

5.24 Table 2 above illustrates the potential future SEN placement costs with the key assumptions being:

- Pre 16 numbers: to in future be in line with average for the last 4 years, with 9.8 fte per year group at 2015-16 average cost of £39,295.
- Sixth Form numbers: average for the last 4 years is 28 places, but with significant increase in 2014-15 to 45. Assume 20 per year group at 2 year average 2014-16 cost of £42,970.
- 18+ numbers: to be in line with 2 year average of 2014-16 of 12.1 fte per year group at average cost for the same period of £29,780.
- A provision to self-fund the cost of 20 £10,000 places: to reflect an anticipated shortfall on those funded by the EFA through the lagged head count funding basis together with an element of contingency funding for in-year changes.
- Additional High Needs Block DSG of £100,000: each year to reflect the level of additional resources allocated in the last two years to BFC.

In addition, other changes assumed in the costing model are:

- A higher proportion of students aged 17 plus will in future be moved into employment or undertake shorter education courses i.e. will not stay in education to 25. The assumption is that from April 2015 there will be an average of 1 less student from age 17 onwards.
- To reflect the anticipated growing population, there will be a 2% per annum increase in placements. This equates to 3 extra students.

It can be seen that gross costs to be financed are forecast to increase by £1.344m (23%) between 2014-15 and 2017-18 and student numbers by 38.9 (24%).

5.25 The summary budget effect anticipated in 2015-16 is set out below in Table 3 and indicates a funding shortfall of £2.168m.

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Table 3: Estimated 2015-16 funding shortfall on external SEN placements

	Total £m
Estimated spend on external placements	£6.384
Add pressure from reduction in 2014-15 DSG	£0.282
Less additional DSG Income	-£0.100
Net costs to finance	£6.566
Current budget	£4.398
Estimated funding shortfall	<u>£2.168</u>

### Management actions

- 5.26 Clearly, the current budget situation is unsustainable and a range of measures need to be taken to reduce existing costs and the increases anticipated in the future with current plans set out below in the following paragraphs.
- 5.27 Due to legislation in place, it must be considered that all current placements will continue unless the placement is no longer necessary to meet need or the young person does not wish to remain in learning. In order to therefore ensure that financial pressures are reduced over time whilst also ensuring student needs are being met effectively, close monitoring and reviewing must be undertaken.
- 5.28 Current budget forecasting indicates that there is a potential for over £0.4m of budget underspend on other SEN and Targeted Services budgets. An initial review of these budgets, plus other budgets outside placements that are expected to continue to over spend, indicates that savings in the region of £0.2m can be achieved and this is the current budget assumption, which reduces the net funding shortfall on High Needs pupils from that shown above at Table 3 to £1.968m.
- 5.29 These net savings of £0.2m will need to be firmed up in the coming months with specific proposals due to be presented to the Forum in March. Annex 3 sets out the budget areas outside external placements where on-going savings / additional costs are currently envisaged where budget adjustments are expected to be required.
- 5.30 As previously reported, the most significant impact on reducing spend on high needs pupils would be to increase the number of available places in maintained provision. The Council is seeking to achieve this by developing a 56 place Autistic Spectrum Disorder (ASD) pupil facility by converting the existing vacant building on Eastern Road through use of DfE capital grants with phased opening planned from September 2015. A further 40 SEN places are planned for the Education Village at Blue Mountain, and these will cater for a different SEN need, with 10 places expected to be available from September 2017.
- 5.31 On the basis of provisional calculations of revenue running costs for the ASD facility, which indicated that once fully open could generate annual savings on placements of over £0.5m, the Forum agreed that this project would be a high revenue budget priority. It was recognised at this time that the general expectation was that pupils would not be moved immediately from their current placements as their current provider is normally named in the statement of SEN, meaning it will take up to 7 years for the facility to be fully open through the admission of 8-10 students a year. The financial impact of this is that savings from future payments to external providers would not be realised in full

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straight away, but would also be phased over a 7 year period. Therefore, during the short term, with relatively low numbers of pupils on roll at Eastern Road, and on-going payments being made to external providers, there will be a net additional cost.

- 5.32 To help finance the development of new SEN Resource Units, the Forum agreed that £0.5m of accumulated surplus balances in the Schools Budget could be set aside in an Earmarked Reserve to help finance potential building adaptation and start-up costs. To date, £0.01m has been spent on developmental costs, meaning £0.490m remains unspent. The Forum is recommended to agree that the balance of this Reserve is released from January 2015 until the unit is self-financing, which is currently projected to be from 2018.
- 5.33 Agreement has subsequently been reached with Garth Hill College to manage the facility, to be called Rise@Garth, and more detailed budget plans have now been worked up which confirm the original expectation of long term savings in excess of £0.5m and Annex 4 sets out the summary budget plan and key data with line 27 forecasting savings of £0.582m once fully open. Key features and assumptions of the costing model include:
- An anticipated 5 BFC resident students placed each year, with up to 5 more from other Local Authorities. Students from other LAs will generate sufficient income to cover costs and a premium contribution to the development of the facility - £6,000 per place for the first 2 years, then £3,000 per place for 2 more years before being charged at the standard cost (lines 2 and 3).
  - A budgeted occupancy rate of around 80%, but with the aim of achieving full capacity (line 6).
  - An assumption that the DfE will fund each place at the national specialist provider rate of £10,000 (line 21).
  - Underlying cost per place of £23,000 compared to a current average cost of £41,000 in a private, voluntary and independent sector setting (line 23).
  - Early recruitment of a Head of Centre from April 2015, plus other pump priming in the first two years, from January 2015, for a range of premises and supplies and services costs to maximise the potential for a successful launch of the new facility.
  - Central management of budgets for specialist cognitive behaviour, occupational and speech and language therapies to support students through extension of existing contracts (line 18).
  - A general underlying contingency for unforeseen costs / unachieved income of 10% (line 15).

The Forum is recommended to agree the medium term budget plan at Annex 4, which will be subject to annual review until the unit is properly established.

- 5.34 As set out above, the original budget plan for Rise@Garth assumed that £10,000 per place funding would be provided and this is still the overall expectation. However, DfE have now confirmed that this will be paid on a lagged basis, annually in arrears. Discussions are on-going with the DfE to fund this in 2015-16 and other pressures on additional places at Bracknell and Wokingham College. This has not been rejected by the DfE and is being re-considered, with a decision expected no later than 23 January. The current budget assumption is that place funding will be allocated annually in arrears, which will require an additional £0.055m to be paid into the SEN Resource Unit in each of the next 2 years. This transfer is included on the 2015-16 budget proposals included on a separate agenda item.
- 5.35 In terms of the estimated overall financial effect from this project, rows 27 and 28 of Annex 4 show the net annual and cumulative cost / saving respectively with maximum

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annual savings forecast at £0.582m. Row 29 shows that the cumulative start-up costs are expected to total £0.623m.

- 5.36 An accurate budget plan has yet to be developed for the SEN facility at Blue Mountain, but again, there is an expectation of additional start-up costs in the short term before savings are generated over the medium to long term. These savings will be lower than that anticipated for Rise@Garth due to fewer students and a lower existing average cost of education compared to ASD.
- 5.37 These developments are expected to have the most significant impact on future cost reductions. It must be noted that the financial impact anticipated from the new SEN Units have been excluded from the cost forecasts in Tables 2 and 3 as they will make a financial impact after 2017-18. Adjustments to the medium term costing model will be made as the financials are firmed up.
- 5.38 Following discussions with local FE colleges, it is clear that there is a high need to develop SEN provision with the colleges. It has been identified that FE colleges are currently not equipped nor trained to a suitable level in order to take on general SEN provision needs, when compared with maintained schools. This is likely to be due to FE colleges having no historic requirement to follow the SEN Code of Practice until the Children and Families Act came into force in September. It is therefore critical that the LA supports the local FE colleges to create and develop SEN provision with immediate effect in order to build up provision in line with the LA's need for Post 16 SEN provision.
- 5.39 A significant amount of work is being undertaken to set up co-working between MacIntyre (specialist education and support provider) and our local FE college in order to support learners with complex behavioural needs who would otherwise need to attend a specialist residential placement out of area. This has also involved joint discussions with other LAs, meetings and observations of other FE colleges who use MacIntyre and extended meetings with the local FE college, MacIntyre and parents to ensure that needs can be met effectively.
- 5.40 The cost to the LA is still relatively high, but the expectation is that this reduces significantly over time as the amount of specialist support reduces and an increase in the skills and capacity within the college is evidenced.
- 5.41 The cost of supporting one learner with MacIntyre in the FE sector is approximately £35,000 per annum – excluding EFA payments. If this same learner were to attend a residential specialist provider out of area, the expected cost would be approximately £60,000 for education, as well as a further £78,000 for the residential provision as it would not be possible to transport the learner on a daily basis. This represents a saving of £103,000 per learner per annum in the first academic year of their 3 year course. This saving would then increase exponentially over the remaining years of the course as skills in the FE college increase, instead of the cost to the LA remaining the same for a 3 year period in a residential college.
- 5.42 Further savings could also be expected if economies of scale could be seen, with multiple learners accessing the same local provision at one time. Work is being undertaken with local FE colleges to increase their capacity and ability to take larger groups of learners with high support needs in the future. This includes those with Visual Impairment and Hearing Impairment as well as young people on the autism spectrum on mainstream courses. Historically, the local FE college in Bracknell has not provided courses for young people with learning difficulties. There is however, a course now established and increasing in numbers year on year and is gaining a good reputation, but further support for the college is required for it to be a competitor with long standing FE provision at neighbouring FE colleges, which still attract Bracknell Forest resident

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learners, which in turn incurs additional transport costs to the LA. Work to identify employment and training pathways will also need to be undertaken by the NEET co-ordinator. This would have an impact on the numbers of young people requiring education placements.

- 5.43 Investigative work is currently being undertaken in Profound and Multiple Learning Difficulties provision, where there is a shortage locally. Young people coming through from the LA's local maintained special school will have more complex needs in the future and initial work and observation of good practice has been started with the local FE college to increase capacity for this learner group. Again, if successful, this will deliver better outcomes for students and cost reductions / avoidance.
- 5.44 To ensure that SEN services and placements are commissioned appropriately and at the lowest financial cost, additional managerial time capacity has been released. Over the past 18 months the LA has seen 17 tribunal appeals lodged against the LA. This was the same total of appeals recorded from 2008 – 2012. This area of work is of considerable financial concern to the LA, and is only likely to increase due to the legal changes brought in by the Children and Families Act 2014. Over the past year, a potential of £300,000 financial liability has been saved by opposing appeals lodged against the LA. This work has also placed additional burdens on the Education Psychology Team.
- 5.45 With many SEN cases being complex in nature and need, they can be overseen by not only the SEN team, but also have input from Children Social Care, Adult Social Care and even Health Authorities. Some cases are therefore often identified to have joint funding responsibilities with other services outside of SEN. Work is required here to ensure that all partners are making the right contribution.

### Staffing capacity

- 5.46 Staff capacity is considered inadequate to meet the additional demands on the service from the legislative changes and from the perspective of effective placement management for cost reduction and avoidance as set out directly above. These responsibilities fall on the LA to fund and not the Schools Budget. For the past 2 years, an additional post has been financed on a temporary basis which helped support some of the actions set out above, but has now been removed.
- 5.47 There are currently 100+ Post 16 placements that need annually reviewing and monitoring to ensure the current placement is meeting needs, as well as keeping the costs of these placements under review for the following year's placement.
- 5.48 It is also essential for the LA to attend all Year 10 reviews for students with SEN, which equates to on average an additional 70 reviews per annum, in order to ensure the transition into Post 16 is coordinated effectively and that appropriate education, training and employment pathways are identified. This also allows the LA to identify any potential students that may require ISPs, ensuring that all possible alternatives are looked at to minimise expenditure.
- 5.49 To adequately support all of the planned actions would cost around £0.06m and options are being considered as to whether all these initiatives and desired work streams can be delivered. In response to the Council's budget proposals for 2015-16, as set out on another agenda item, the Forum is recommended to propose a request is made that the Council agrees £0.06m additional funding be provided for this purpose as it is outside the permitted use of the DSG.
- 5.50 In considering the council's own significant, on-going financial difficulties, it is unlikely that this newly requested expenditure could be agreed. However, a way of potentially

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securing funding for the work identified as key to future SEN cost reduction could be through a funding swap on expenditure that can often apply equally in the Schools Budget or LA Budget. Primarily this relates to educational fees, with the most appropriate area relating to Looked After Children (LAC) where it is often the case where providers deliver education and social care services to young people but where the cost is not always accurately broken down between the different component parts. A review of such expenditure indicates that around £0.03m of costs supporting LAC with statements is eligible for High Needs Block DSG funding, and another £0.03m for LAC without statements is eligible for Schools Block DSG funding. In order to maximise the potential for future cost reductions on High Needs Pupils, the Forum is recommended to agree this £0.06m funding swap which would be financed by reducing the provision for purchasing unfunded places from 20 to 14.

- 5.51 The financial effect of the funding swap is set out below in Table 4. None of these adjustments are reflected in any other tables or annexes of this report and as such, stand alone.

Table 4: Estimated 2015-16 funding shortfall on external SEN placements

	Total £m
Estimated funding shortfall from Table 3	£2.168
Less estimated savings (paragraph 5.28)	-£0.200
Shortfall on external placements	£1.968
Add additional costs of LAC with SEN	£0.030
Less reduction in provision for places (20 to 14)	-£0.060
Estimated funding shortfall on HNB	£1.938
Add additional costs LAC without SEN	£0.030
New pressure on Schools Block	£0.030

- 5.52 The Forum is therefore recommended to agree that the initial 2015-16 budget assumes a £1.938m funding transfer from the Schools Block DSG to finance these statutory SEN costs. The full budget strategy and proposals for 2015-16 are included on a separate agenda item. This overall budget paper item includes further proposals for funding adjustments between the Schools and High Needs Blocks.

### Position in other LAs

- 5.53 A review of the High Needs budget position across Berkshire has identified that from the two responses received, one authority is forecasting a £1.9m over spend, with another indicating a significant, unquantified over spend.
- 5.54 Clearly, the financial difficulty being experienced in BFC is not unique with Buckinghamshire County Council proposing a legal challenge around the funding methodology and decision making process of the DfE in this matter. This could result in a Judicial Review, and further developments are awaited on this.

DfE review of High Needs DSG funding

- 5.55 The Government have recently launched a major review of High Needs funding arrangements with the objective of reporting to the next Government on options for a better distribution of high needs funding from May 2015. The review documentation acknowledges that “we will not have a completely fair education funding system until we also reform the redistribution of funding for pupils with high cost SEND.”
- 5.56 A call for evidence has been launched, which is open until end of February. This is a commitment from the Government to a major policy review in an area which is of significant concern to the Council:

Next steps

- 5.57 The issues set out in this paper require significant changes to budgets and a range of recommendations are made to allow for a balanced budget for 2015-16 to be set which the Forum is requested to approve. Progress against the required actions and the potential impact from other external factors, such as the Buckinghamshire County Council legal challenge and the High Needs funding appraisal proposed by the DfE will need to be kept under review.

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

Borough Solicitor

- 6.1 The general legal provisions are contained within the main body of the report. On the specific question of the full extent of educational provision which has to be made up until aged 25 this is likely to be the focus of highly contested litigation in the coming years. The funding formula and methodology for funding post 16 education is to be the subject of a legal challenge by Buckinghamshire County Council. Buckinghamshire wrote to the Government Department responsible for education in early December setting out their intention to instruct leading counsel to challenge the funding formula if specific questions were not resolved to Buckinghamshire’s satisfaction.

Borough Treasurer

- 6.2 The relevant financial implications are set out in the supporting information and the recommendations made form an integral part of setting a balanced budget for 2015-16 and securing future savings against the cost of supporting High Needs pupils. Full budget proposals for 2015-16 are set out on the accompanying agenda item on the Schools Block Budget

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 The most significant risk facing the Council is the impact of the overspend on the Schools Budget and how that impacts on individual schools with money needing to be diverted to support high needs pupils. There is a greater risk to schools falling into Ofsted categories with less funds available to support school improvement.

This is a volatile budget and fluctuations can occur with late identification of needs or children/young people moving into the authority with a high level of need. There are no

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funds remaining in the Schools Budget to manage any significant in year cost increases which if occur, may ultimately need financial support from the council or future budget reductions to schools.

- 6.5 If the additional staffing is not provided the work to get the post 16 under control and any associated savings opportunities is likely to be lost.

### Background Papers

None.

### Contacts for further information

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Doc ref: G:\Executive\Schools Forum\70 150115\SEN Cost Pressures.doc



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Annex 1

## Historic and current forecast SEN cost by age – as at November 2014

Age	2014-15			2013-14			2012-13			2011-12		
	fte	Cost	Average	fte	Cost	Average	fte	Cost	Average	fte	Cost	Average
4	0.0	£0	£0	0.0	£0	£0	0.4	£7,410	£18,652	1.6	£17,546	£11,060
5	0.0	£0	£0	0.0	£0	£0	0.7	£7,990	£11,952	0.0	£0	£0
6	0.0	£0	£0	0.0	£0	£0	0.0	£0	£0	1.0	£41,379	£41,264
7	0.9	£56,682	£61,206	0.0	£0	£0	1.0	£53,408	£53,405	0.2	£9,942	£41,234
8	0.0	£0	£0	0.8	£35,090	£42,268	1.0	£30,094	£30,093	1.1	£57,492	£52,855
9	1.8	£69,275	£37,850	3.5	£108,323	£30,936	3.2	£194,500	£60,934	1.1	£34,865	£33,052
10	6.6	£268,874	£40,434	4.0	£215,685	£53,918	2.4	£104,616	£43,990	3.2	£141,360	£44,211
11	4.0	£215,685	£53,918	2.9	£133,199	£46,477	4.6	£200,874	£43,849	8.8	£355,274	£40,547
12	5.7	£324,806	£56,694	6.0	£222,287	£37,097	16.0	£731,544	£45,837	5.8	£263,754	£45,753
13	7.0	£247,270	£35,322	17.3	£673,273	£38,943	5.0	£246,496	£49,055	10.8	£470,337	£43,603
14	18.9	£767,987	£39,651	7.7	£314,452	£40,989	14.2	£682,887	£47,949	9.7	£394,811	£40,637
15	12.1	£559,914	£46,193	17.7	£801,207	£45,351	13.8	£592,720	£42,855	12.7	£745,131	£58,751
16	21.2	£953,392	£44,899	17.5	£791,433	£45,325	15.0	£863,191	£57,543	10.8	£541,272	£50,294
17	23.7	£886,189	£37,427	12.4	£589,100	£47,364	6.6	£330,094	£50,157	5.8	£323,246	£55,337
18	13.6	£499,579	£36,784	9.0	£281,380	£31,271	3.2	£154,862	£47,657	6.2	£296,912	£48,142
19	11.3	£310,741	£27,508	7.3	£189,111	£25,736	3.0	£215,968	£71,986	3.3	£311,267	£95,548
20	10.7	£293,869	£27,396	8.1	£211,351	£26,211	0.8	£118,155	£141,856	0.2	£24,766	£99,331
21	9.4	£278,535	£29,751	8.6	£123,164	£14,355						
22	11.5	£193,327	£16,812	2.6	£7,317	£2,772						
23	3.6	£35,065	£9,792	0.0	£0	£0						
24	0.0	£0	£0	0.7	£15,034	£22,779						
25	0.6	£4,791	£8,249	0.0	£0	£0						
	<b>162.7</b>	<b>£5,965,983</b>	<b>£36,677</b>	<b>126.0</b>	<b>£4,711,408</b>	<b>£37,390</b>	<b>90.9</b>	<b>£4,534,810</b>	<b>£49,866</b>	<b>82.2</b>	<b>£4,029,353</b>	<b>£49,042</b>
<i>Pre 16</i>	57.1	£2,510,494	£371,271	59.8	£2,503,518	£335,979	62.3	£2,852,540	£448,569	55.9	£2,531,890	£452,966
<i>Post 16</i>	105.5	£3,455,489	£238,618	66.2	£2,207,890	£215,813	28.7	£1,682,270	£369,199	26.3	£1,497,463	£348,651

## Current and forecast spend on external SEN placements

Age	FORECAST AND ACTUAL 2014-15			FORECAST 2015-16			FORECAST 2016-17			FORECAST 2017-18		
	fte	Cost	Average	fte	Cost	Average	fte	Cost	Average	fte	Cost	Average
4	0.0	£0	£0									
5	0.0	£0	£0	0.0	£0	£0						
6	0.0	£0	£0	0.0	£0	£0	0.0	£0	£0			
7	0.9	£56,682	£0	0.0	£0	£0	0.0	£0	£0	0.0	£0	£0
8	0.0	£0	£0	0.9	£56,682	£61,206	0.0	£0	£0	0.0	£0	£0
9	1.8	£69,275	£37,850	0.0	£0	£0	0.0	£0	£0	0.0	£0	£0
10	6.6	£268,874	£0	<b>4.1</b>	<b>£115,416</b>	<b>£28,453</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>
11	4.0	£215,685	£53,918	<b>5.1</b>	<b>£189,656</b>	<b>£37,538</b>	<b>10.8</b>	<b>£424,390</b>	<b>£39,295</b>	<b>10.8</b>	<b>£424,390</b>	<b>£39,295</b>
12	5.7	£324,806	£56,694	<b>8.4</b>	<b>£371,615</b>	<b>£44,444</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>	<b>10.8</b>	<b>£424,390</b>	<b>£39,295</b>
13	7.0	£247,270	£35,322	<b>9.9</b>	<b>£401,448</b>	<b>£40,520</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>
14	18.9	£767,987	£40,712	<b>12.6</b>	<b>£431,902</b>	<b>£34,215</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>
15	12.1	£559,914	£46,193	<b>14.0</b>	<b>£532,420</b>	<b>£42,264</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>	<b>9.8</b>	<b>£385,095</b>	<b>£39,295</b>
16	21.2	£953,392	£44,899	16.1	£735,405	£45,636	20.0	£859,400	£42,970	20.0	£859,400	£42,970
17	23.7	£886,189	£37,427	20.2	£914,210	£45,182	20.0	£859,400	£42,970	20.0	£859,400	£42,970
18	13.6	£499,579	£36,784	20.9	£1,006,570	£48,080	12.1	£360,338	£29,780	12.1	£360,338	£29,780
19	11.3	£310,741	£27,508	13.2	£454,269	£34,513	12.1	£360,338	£29,780	12.1	£360,338	£29,780
20	10.7	£293,869	£27,396	9.8	£303,847	£31,012	13.1	£390,118	£29,780	13.1	£390,118	£29,780
21	9.4	£278,535	£29,751	8.0	£248,081	£31,093	12.1	£360,338	£29,780	13.1	£390,118	£29,780
22	11.5	£193,327	£16,812	10.6	£255,392	£24,136	12.1	£360,338	£29,780	12.1	£360,338	£29,780
23	3.6	£35,065	£9,792	10.0	£151,601	£15,159	13.1	£390,118	£29,780	13.1	£390,118	£29,780
24	0.0	£0	£0	3.2	£15,487	£4,898	12.1	£360,338	£29,780	13.1	£390,118	£29,780
25	0.6	£4,791	£8,249	0.0	£0	£0	3.2	£94,159	£29,780	12.1	£360,338	£29,780
Allowance for place purchases / contingency					£200,000			£200,000			£200,000	
Change in DSG 2015-16					-£100,000			-£200,000			-£300,000	
<b>Net Total</b>	<b>162.7</b>	<b>£5,965,983</b>	<b>£509,308</b>	<b>166.9</b>	<b>£6,284,000</b>	<b>£568,348</b>	<b>189.7</b>	<b>£6,744,748</b>	<b>£559,952</b>	<b>201.6</b>	<b>£7,009,782</b>	<b>£559,952</b>
Gross Pre 16	57.1	£2,510,494	£43,951	54.9	£2,099,137	£38,225	59.8	£2,349,863	£39,295	60.8	£2,389,158	£39,295
Gross Post 16	105.5	£3,455,489	£32,741	112.0	£4,284,862	£38,269	129.9	£4,594,885	£35,383	140.8	£4,920,624	£34,948
<b>Gross cost</b>		<b>£5,965,983</b>			<b>£6,384,000</b>			<b>£6,944,748</b>			<b>£7,309,782</b>	

**2015-16 potential savings and pressures on SEN budgets outside external placements**

Description	Variance Forecast at November 2014 £
Element 3 top up funding to BF and other LA schools i.e. support costs above the £10,000 per pupil threshold set by the DFE	-199,000
SEN Tribunals	3,000
Medical support to pupils	34,000
Paediatric Occupational Therapy	-15,000
Support to Speech and Language	-10,000
Sensory Consortium	-40,000
Learning Support Services	-11,000
Traveller Education	-15,000
Home Tuition	14,000
Various staff, premises and resources	-16,000
<b>Net potential savings on High Needs budgets</b>	<b>-255,000</b>

## Medium Term Budget Plan for Rise@Garth

Costed at 2015-16 outturn prices

Ref	January to August 2015	Sept 2015 to March 2016	2016-17	2017-18	2018-19	2019-20	2020-21 (Full year)
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### Places and staffing - academic year data:

1	<i>Projected Maximum No. of Learners</i>	0	10	20	30	40	50	56
2	BFC resident	0	5	10	15	20	25	30
3	Other LA resident	0	3	6	8	11	14	16
4	Vacancy	0	2	4	7	9	11	10
5	Number occupied places in costing model	0	8	16	23	31	39	46
6	Occupancy rate	0%	80%	80%	77%	78%	78%	82%
7	<i>Total No. of Teaching Staff (fte) (headcount)</i>	1.00	3.00	4.00	6.00	8.00	10.00	10.00
8	<i>Total No. of Learning Support Staff (fte) (headcount)</i>	0.00	3.00	5.00	7.00	9.00	9.00	9.00
9	<i>Total No. of Ancillary Support Staff (headcount)</i>	0.00	3.00	4.00	5.00	5.00	5.00	5.00
10	<i>Total all staff (fte) (headcount)</i>	1.00	9.00	13.00	18.00	22.00	24.00	24.00

### Financials - financial year data:

11	Staffing	£36,900	£185,300	£387,100	£528,200	£675,780	£794,100	£837,660
12	Premises	£0	£66,000	£159,900	£159,800	£157,400	£159,400	£160,500
13	Supplies & Services	£10,500	£28,400	£77,200	£90,200	£102,400	£127,300	£149,620
14	Transport	£250	£5,100	£12,250	£12,250	£12,250	£12,250	£12,250
15	Contingency at underlying 10%	£1,500	£35,000	£92,800	£96,900	£92,600	£107,800	£116,000
16	Total Income	£0	£500	£1,700	£2,800	£3,950	£5,150	£6,900
17	<b>NET EXPENDITURE AT SCHOOL</b>	<b>£49,150</b>	<b>£319,300</b>	<b>£727,550</b>	<b>£884,550</b>	<b>£1,036,480</b>	<b>£1,195,700</b>	<b>£1,269,130</b>
18	<b>CENTRALLY FUNDED SPECIALIST THERAPIES</b>	<b>£0</b>	<b>£14,900</b>	<b>£51,200</b>	<b>£85,100</b>	<b>£118,400</b>	<b>£154,600</b>	<b>£207,000</b>
19	<b>GRAND TOTAL NET EXPENDITURE</b>	<b>£49,150</b>	<b>£334,200</b>	<b>£778,750</b>	<b>£969,650</b>	<b>£1,154,880</b>	<b>£1,350,300</b>	<b>£1,476,130</b>

### Income and charging

20	Cost per occupied place (financial year cost divided by 5\12 summer term numbers, 7\12 autumn term numbers)	£71,600	£62,000	£49,000	£42,000	£38,000	£32,000
21	Assume DfE place funding @ £10k per place annually in arrears	£0	-£33,300	-£126,700	-£200,900	-£276,700	-£460,000
22	Net cost to BFC (financial year: cost less DfE grant)	£383,350	£745,450	£842,950	£953,980	£1,073,600	£1,016,130
23	Net cost per place for LAs to fund	£83,000	£59,000	£42,000	£35,000	£31,000	£23,000
24	Estimated impact from 5 BFC non-LEA leavers @ £41,000	-£119,600	-£324,600	-£529,600	-£734,600	-£939,600	-£1,230,000
25	Estimated income from OLAs: assume on-going charge of £23,000 with premium of £6,000 for 2 years then £3,000 for 2 more years	-£51,000	-£138,000	-£186,000	-£254,000	-£293,000	-£368,000
26	Estimated saving / income from OLA	-£170,600	-£462,600	-£715,600	-£988,600	-£1,232,600	-£1,598,000
27	Net additional cost(+) / saving(-)	£212,750	£282,850	£127,350	-£34,620	-£159,000	-£581,870
28	Cummulative change	£212,750	£495,600	£622,950	£588,330	£429,330	-£152,540
29	Estimated draw down from SEN Resource Unit Reserve	£212,750	£282,850	£127,350	£0	£0	£622,950
30	Total available in SEN Resource Unit Reserve	-£489,784	-£55,000	-£55,000			-£649,784
31	Estimated remaining balance in SEN Resource Unit Reserve						-£26,834
32	Estimated on-going saving - annual				-£35,000	-£124,000	-£423,000
33	Estimated on-going saving - cumulative				-£35,000	-£159,000	-£582,000