

TO: SCHOOLS FORUM
DATE: 15 SEPTEMBER 2016

**2016-17 PROPOSALS FOR ADDITIONAL FINANCIAL SUPPORT TO SCHOOLS
AND OTHER ASSOCIATED MATTERS**
Director of Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members of the Forum on proposals for:
- i. financial support to schools, and
 - ii. amendments to funding policies, including the Scheme for Financing Schools.

2 RECOMMENDATIONS

That the Schools Forum NOTES:

2.1 That in respect of previously agreed loans:

- i. **Wildmoor Heath Primary School is requesting a further advance to cover a medium term funding shortfall (paragraph 5.22);**
- ii. **Sandhurst Secondary School is on target to meet the original repayment terms (paragraph 5.23);**
- iii. **Easthampstead Park Secondary School is requesting an extension of one year to the repayment schedule (paragraph 5.24);**
- iv. **Garth Hill funded their planned expenditure from Devolved Formula Capitals so did not require the advance (paragraph 5.25);**
- v. **an agreement is in place with Brakenhale Secondary Academy School to fully repay the outstanding balance.**

2.2 Under the delegated powers awarded to the Director of Children, Young People and Learning, the one-off funding allocations agreed for schools in financial difficulties (paragraph 5.7).

That the Schools Forum AGREES:

2.3 The proposed changes to:

- i. **eligible expenditure that can be charged to the school contingency, as set out in Annex B;**
- ii. **the calculation of funding thresholds to be applied to in-year growth allowances for schools that have expanded by a whole form of entry (Annex E).**

That the MAINTAINED SCHOOL REPRESENTATIVES on the Schools Forum AGREE:

- 2.4 The proposed change to the loan conditions included in the Scheme for Financing Schools which is to be applied for all new loan agreements (paragraph 5.14).**
- 2.5 An allocation of £0.070m from the budget to support schools in financial difficulty to Easthampstead Park Secondary School to ensure sufficient funds are available to deliver the national curriculum (paragraph 5.8).**
- 2.6 The new loan requests / amendments to existing loan arrangements set out in the supporting information to cover medium term budget shortfalls, subject to receipt of request from the chair of governors and signed minutes from the relevant governor meeting confirming the loan schedule and compliance with conditions for:**
 - i. a new loan for Birch Hill Primary School (£0.03m);**
 - ii. a new loan for Great Hollands Primary School (£0.03m);**
 - iii. a revision to the existing loan for Wildmoor Heath Primary School (£0.015m).**
 - iv. a revision to the existing loan for Easthampstead Park Secondary School extending repayment by 1 year to March 2020).**

3 REASONS FOR RECOMMENDATIONS

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

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None. The recommendations are in accordance with agreed policies to provide additional financial support to schools.**

5 SUPPORTING INFORMATION

Background

- 5.1 The LA has two main options to support maintained schools requesting additional financial support. Where significant budget difficulties exist, and it is unreasonable to expect a school to be able to solve these through the management of their normal budget allocations, or where a school is in or at risk of falling into one of the Ofsted categories of causing concern, additional funding can be provided that does not need to be repaid. Alternatively, loans can be agreed. Loans can either be to assist a school that is experiencing medium term financial difficulties that over time can be readily managed and the school return to a surplus, or where a capital investment is proposed but the school does not yet have the full resources to afford the purchase. In these circumstances, schools fully repay any loan, including where relevant, any associated interest. These options are not available to academy schools.**

Additional funding that is not required to be repaid

Background and summary

- 5.2 School Funding Regulations allow for additional funds outside the normal operation of the Funding Formula to be provided to schools considered to be in financial difficulty. In agreement with the Schools Forum, this de-delegated budget has been returned to the Council for central management. The agreed criteria to be used to allocate this funding is if, in the opinion of the Director of Children, Young People and Learning and the Borough Treasurer, a school:
1. was unable to set a balanced budget and were in need of a loan arrangement at the start of the relevant financial year, and/or
 2. was likely to fall into one of the categories of causing concern, including requires improvement and special measures without additional financial support.
- 5.3 Where schools enter an Ofsted category of concern (serious weakness (inadequate judgement) or placed in Special Measures and exceptionally for Requires Improvement) the LA establishes a Management Intervention Board (MIB). The Board has an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school also attend the MIB to report on progress. A support plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement. Where the school is unable to fund these actions from its own delegated budget the MIB can request that additional resources be sought.
- 5.4 For schools judged as Requires Improvement or identified by the LA as causing concern and where additional support is deemed to be necessary, a Standards Monitoring Board can be established of which the headteacher and Chair of Governors attend. The boards meet regularly to discuss progress and determine with the school where additional resources might be required.
- 5.5 In order to allow funds to be allocated within an appropriate time scale, the Forum has agreed to delegate a set of powers to the Director of Children, Young People and Learning to allocate funds up to but not exceeding £0.15m in any financial year, dependent on the Ofsted category of the school, or where there is considered a risk of being placed in a category.
- 5.6 The level of allocation of funds would be:
- a. schools judged to be requiring improvement (up to £20k per year)
 - b. schools at risk of being judged to be inadequate and in need of Special Measures (up to £30k per year)
 - c. schools deemed to be inadequate and in need of Special Measures (up to £50k per year)
- 5.7 Taking account of proposals from the MIB and Standards Board meetings at relevant schools, funding allocations totalling £0.031m were agreed during the summer term as follows:
1. £3,500 to Winkfiled St Marys Primary School, in respect of additional SENCO support.

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2. £8,000 to Great Hollands Primary School as the Key Stage 2 results put the school at risk of being judged Inadequate at the next Ofsted inspection.
3. £4,500 to Crown Wood Primary School as the Key Stage 2 results and the two previous Requires Improvement Ofsted inspections put the school at risk of being judged Inadequate at the next Ofsted inspection.
4. £4,500 to Holly Spring Juniors following a Requires Improvement judgement (was good) and Key Stage 2 results are significantly below the national average.
5. £8,500 to Easthampstead Park Secondary School to facilitate participation in Challenge the Gaps project to support underachievement of Pupil Premium pupil, with a particular focus on maths.
6. £2,000 to Fox Hill Primary School where Key Stage 2 results in Reading and Grammar Punctuation and Spelling are significantly below the national average.

5.8 In addition to the above, one allocation above the thresholds delegated to the Director is proposed, and this relates to a £0.070m allocation to Easthampstead Park Secondary School. The school has previously received a loan of £0.45m to cover a short term over spending that would be repaid through future budget increases anticipated from a rise in pupil numbers. In reviewing the medium term budget plan it has become apparent the number of pupils on roll are increasing at a slower rate than originally expected which results in lower income than that anticipated when the original loan application was approved. A considerable amount of time has been taken to identify savings for the latest plan and these partly off-set the loss in income. However, the school has now reached the point where any further savings are not possible if the national curriculum is to be successfully delivered, with a deficit over a 4 year period of £0.070m remaining to be funded. The council considers that all reasonable savings measures have been taken and therefore proposes that to balance the medium term budget, that the Forum agrees a one-off allocation of £0.070m from the budget to support schools in financial difficulty.

Loan Arrangements

Background and summary

5.9 There are circumstances where schools may experience budget difficulties and in order for the school to continue to function effectively, a temporary overspend of budget allocation may be desirable. The Scheme for Financing Schools has provisions to allow for this through loan arrangements which provide for a short term loan advance so that schools have sufficient time to manage expenditure reductions or receive additional income that demonstrates the ability to fully repay any over spending within an agreed period. Both the Schools Forum and Executive Member for Children, Young People and Learning need to agree loan requests.

5.10 A summary of the circumstances in which a loan may be agreed is as follows:

1. Where a school would not otherwise achieve its improvement targets;
2. It would not be reasonable to effect immediately the savings required as a result of a significant reduction in pupil numbers;
3. A major building project is proposed;

4. To finance an invest to save scheme.

- 5.11 As a preliminary to presenting a loan for comment and agreement, officers of the LA undertake detailed reviews of school requests. This usually involves discussions with the Headteacher, Chairman of Governors and Bursar.
- 5.12 The governing body of a school receiving agreement to a loan has to agree a medium term budget plan which has been formulated from known facts, with a realistic provision for future events, and that it is kept under review with the LA on at least an annual basis. If it becomes apparent that any significant differences occur in the underlying budget and expenditure assumptions, then this may require subsequent changes, which will need to be agreed with the Director of Children, Young People and Learning and the Borough Treasurer and endorsed by the Executive Member. Should any changes be proposed to these arrangements during the year, they will be presented to the Schools Forum and Executive Member for a decision.

Proposed change to school loan scheme

- 5.13 As part of the normal policy review process, and building on recent experiences, a change is proposed to the detailed loan conditions. This relates to the condition requiring governing bodies to fully repay any outstanding loan advance before they convert to an academy. In reality, it is unlikely that schools will be in a position to fully repay any outstanding loan balance at conversion and it is therefore proposed that repayments continue post conversion, on a manageable basis, to the schedule originally agreed by the governing body. This is in line with expectations contained within DfE guidance on academy conversions.
- 5.14 The proposed change is set out directly below. New text is in bold and shaded i.e. **bold and shaded**, deleted text is bold and struck through i.e. ~~**bold and struck through**~~.

Extract from the Outline features of the scheme – with proposed amendment.

- arrangement for a loan will only be agreed where the governing body agrees in writing that should the school convert to an academy, **to fully repay any outstanding balance, including where relevant any associated interest, no later than one month before conversion. that the liability to fully repay any outstanding balance in accordance with the agreed loan schedule will be incorporated into the transfer arrangements to become the obligation of the new Academy body.**

The full terms and conditions required for approval of a loan are set out in Annex A, including the change now being proposed.

- 5.15 Members of the Forum will be aware that the statutory power to update discretionary parts of Schemes rests with maintained school representatives on the Schools Forum, but changes can only be made after a consultation with all governing bodies and head teachers. To gather views from schools on this proposed change, a consultation was undertaken in May for which 18 schools responded (50% response rate) of which 16 supported the change (89%) and 2 did not.

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- 5.16 Both of the schools that did not support the change presented identical, alternative wording to that proposed by the LA as follows:
- arrangement for a loan will only be agreed where the governing body agrees in writing that should the school convert to an academy the liability to fully repay any outstanding balance in accordance with the agreed loan schedule will be incorporated into the transfer arrangements to become the obligation of the new Academy body (in accordance with Section 8.1 of the DfE Guidance on Treatment of Surplus and Deficit Balances when Maintained Schools Become Academies, March 2015). The LA will also take account of the impact that loan repayments will have on creating a deficit budget (ref 6.1 DfE Guidance on Treatment of Surplus and Deficit Balances when Maintained Schools Become Academies, March 2015) and, where necessary, negotiate exceptional and varied arrangements to prevent schools converting with a deficit carried forward.
- 5.17 In terms of the suggested wording, the council will always look to support schools in financial difficulties including those converting to an academy, and indeed, this was the case with Brakenhale where taking account of the financial circumstances of the school, it was agreed that the outstanding loan could be repaid later and over a longer time frame than permitted in the original loan.
- 5.18 To reflect the comments received from schools to the consultation, the Forum is recommended to agree that the de-delegated school contingency can be used to fund a deficit school balance at a closing school, which academy conversions would be treated as. Relevant criteria is subject to approval of the DfE and would need to be carefully managed to ensure that only genuine cases of financial difficulty are considered. In order for the loan scheme to have credibility that debts must be repaid, the starting assumption must be that schools with loans can meet the repayments as they agreed a medium term budget plan that was considered viable by governors, and as set out above, this is also the position of the DfE.
- Annex B provides background to the matter and a proposed wording which the Forum is recommended to agree.
- 5.19 Therefore, based on the 89% of respondents agreeing the proposed revision to the loan scheme, the Forum is recommended to approve the change. In accordance with the Schools Forum Regulations, only representatives of Maintained Schools can vote on this recommendation.
- 5.20 The consultation made clear that schools requesting new loans from financial year 2016-17 should anticipate the proposed revision being in place at the time the Schools Forum considers loan applications.

Update on existing loans

- 5.21 There are 5 loans previously approved by the Schools Forum:

Wildmoor Heath Primary School

- 5.22 Wildmoor Heath Primary School identified a small shortfall between income and planned spend for 2013-14 of £0.015m which a medium term budget plan demonstrated could be fully repaid by 31 March 2017 through additional budget allocation from the BF Funding Formula as pupil numbers increase during the period of the loan request. As at 1 April 2016, a balance of £0.007m remained. In reviewing

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the budget position, and also taking account of the £0.006m over spent balance at the end of 2015-16, the governors are requesting a further advance to £0.015m.

Sandhurst Secondary School

- 5.23 Sandhurst Secondary School received a loan of £0.075m to be fully repaid by 31 March 2018 to allow for the purchase of a lease for two classrooms and office space located at Sandhurst School that was previously occupied by Bracknell and Wokingham College. Furthermore, in 2015-16, the Schools Forum agreed a second advance of £0.240m to cover a short term over spending that would be repaid through future budget increases anticipated from a rise in pupil numbers. As part of the annual review process, the school has confirmed that the loan is on schedule for repayment in accordance with the agreed repayment schedule. This includes recovery of the £0.007m over spend at the end of 2015-16.

Easthampstead Park Secondary School

- 5.24 Easthampstead Park Secondary School received a loan of £0.45m to cover a short term over spending that would be repaid by March 2019 through future budget increases anticipated from a rise in pupil numbers. As set out above, whilst increases in pupil numbers are lower than anticipated when the loan was agreed, but the expectation remains that numbers will significantly increase over the medium term. The revised medium term budget plan, incorporating the proposed £0.070m one-off allocation from the budget to support schools in financial difficulty proposed at paragraph 5.8, can be balanced, provided a further year is added to the repayment period, which the Forum is recommended to agree.

Garth Hill Secondary School

- 5.25 Garth Hill College submitted a loan application on the basis of an invest to save scheme where the loan repayments associated with the purchase of an asset are financed from resultant revenue savings. The scheme related to the installation of Photovoltaic solar panels on roof space which will reduce the amount of purchased electricity. In reviewing their financial position, the school was able to finance this purchase from accumulated Devolved Formula Capital and therefore did not require the originally approved £0.07m loan advance.

Brakenhale Secondary School

- 5.26 Brakenhale Secondary School received a loan of £0.19m to cover a short term over spending that would be repaid through future budget increases anticipated from a rise in pupil numbers of which £0.13m was advanced in 2015-16. The school converted to an academy at 31 March 2016 and through the normal balance transfer process that is required at conversion, the liability to repay the outstanding balance of £0.13m was included in the Commercial transfer Agreement (CTA). The CTA is the legally binding agreement that sets out the transfer of assets and liabilities when a school becomes an academy. As part of the transfer discussions, in order to help the school better manage its finances, the council agreed an extension to the repayment of the £0.13m loan so that it commences at September 2018 and ends at August 2021.

New loans proposed for 2016-17

- 5.27 In considering 2016-17 requirements, 3 new loans are proposed for primary schools, all of which relate to covering medium term budget difficulties that can be financed

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from anticipated future increases in pupil numbers. All applications have been made on the assumption that the change to the loan scheme set out above is agreed.

- 5.28 In accordance with the loan application process, the LA has undertaken detailed financial reviews with relevant schools to confirm the financial viability of requests. Discussions have been undertaken with Birch Hill (for a £0.03m advance), Great Hollands (£0.03m) and Wildmoor Heath (£0.015m) Primary Schools, all of which have reached the stage where based on current information, and making a realistic assessment for future costs, the requested aggregate loan advances of £0.075m are recommended for approval, subject to receipt of request signed by the chair of governors and a copy of signed governor minutes confirming the loan schedule and compliance with the loan scheme conditions.
- 5.29 The ability to repay all of these loans is dependent of increases in pupil numbers raising future income at a faster rate than associated cost increases. This approach is consistent with LA projections of future pupil numbers in these schools. However, they have all been reminded of the risks associated with this approach if pupil numbers do not materialise as expected. Loans to cover short term funding difficulties are granted on an interest free basis.

Summary of loans

- 5.30 Table 1 below provides a summary of aggregate outstanding loan arrangements. Annex B provides a more detailed breakdown of the current and proposed loans by individual school.

Table 1: Summary Schedule of School Loan Requests

Item	Previously Agreed	2016-17 New Proposals	2017-18	2018-19	2019-20	Future Years	Total
	£	£	£	£	£	£	£
Total advances	630,000	350,000	255,000	0	0	0	1,235,000
Total repayments	-48,790	-273,810	-89,400	-258,277	-503,332	-61,391	-1,235,000
Total outstanding	581,210	76,190	823,000	564,723	61,391	0	0
	657,400						

- 5.31 Table 1 above confirms the significant value of outstanding loan advances and Annex B identifies the concentration towards secondary schools. At £0.657m, this represents 19% of the aggregate surplus balances held by schools which are used to finance advances, rising to £0.823m next year (24%). This shows that the current financial environment is having an effect on schools and will need to be monitored carefully to ensure schools can meet their financial obligations arising from the loans.
- 5.32 If, as expected, the trend of declining balances continues over the medium term, this is expected to have an impact on the capacity of the Forum to approve loans to schools to manage short term funding difficulties. This is because advances are financed from the collective surplus balances held by schools, capped to maximum of no more than 40% of total balances.

Proposed update to criteria used to allocated in-year growth allowances to schools that expand by a whole form of entry

- 5.33 The Schools Forum has previously agreed criteria for the allocation of additional funds to schools that experience significant in-year growth in pupil numbers above those included in the additional budget allocation. In summary, where the total statutory number on roll increases in-year above the prescribed level for the size of school in terms of number of forms of entry, funding equivalent to the cost of a teacher from September to March is added to relevant school budgets to fund the school the direct costs of opening a new class.
- 5.34 In reviewing how this works, a change is proposed for those schools that expand by a whole form of entry. As the current calculation is based on the form of entry at admission, it assumes those schools expanded by a whole form of entry are immediately admitting to all year groups at the increased capacity, when in reality, the increased capacity starts in the entry year, and takes 7 years (5 for a secondary school) to work through the school until admission to full capacity is possible. In order to make a fair calculation of the threshold to be used to calculate in-year growth allowances in these circumstances, an amendment to the policy is proposed so that the threshold to be used to calculate a growth allowance is calculated on the number of classes available. This ensures that the funding threshold rises gradually in line with increases in pupil numbers, rather than straight to the maximum value.
- 5.35 For example, a primary school moving from a 2 form to 3 form entry school has 3 classes in reception in the first year after expansion, and 2 classes in other year groups. The funding threshold for a 2 form entry school is 20 with 25 used for 3 form entry schools. In the first year following expansion, eligibility to growth allocations would be calculated on reception classes at the 25 number threshold, with all other classes at a threshold of 20. For the second year, Reception and Year 1 would be calculated on a 25 threshold, all other year groups on 20 and so on. Annex C provides a full illustration of the calculation which shows how the funding threshold rises gradually. The Forum is recommended to agree this amendment is added to the funding policy, which is updated to that shown at Annex E.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are addressed within the main body of the report.

Borough Treasurer

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

Impact Assessment

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

Strategic Risk Management Issues

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

7 CONSULTATION

Principal Groups Consulted

7.1 Not applicable, applying agreed policy.

Method of Consultation

7.2 Not applicable.

Representations Received

7.3 Not applicable.

Background Papers

None.

Contact for further information

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Extract from the Scheme for Financing Schools, incorporating the revision now being proposed

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

4.9 Loan arrangements

In exceptional circumstances, in agreement with the Schools Forum and Executive Member for Education, the authority will permit schools to receive a loan in advance of future budget allocations. The funding of such agreements would be through the collective surplus of school balances held by the authority on behalf of schools, and will be considered on an individual basis. General features of the scheme are detailed below:

Circumstances in which a loans may be agreed:

1. if in the opinion of the Director of Children Young People and Learning a school could not otherwise achieve its improvement targets (there will still be a requirement of the governing body to demonstrate repayment),
2. if in the opinion of the Director of Children Young People and Learning and Borough Treasurer a school could not reasonably be expected to effect immediately the savings required as a result of a significant reduction in pupil numbers (there will still be a requirement of the governing body to demonstrate repayment),
3. where major capital projects which would otherwise result in the project not being undertaken (there will be a requirement of the governing body to demonstrate repayment),
4. to finance invest to save schemes e.g. energy efficiency investments which result in net annual savings after making the required loan repayments.

Outline features of the scheme.

- the maximum length over which schools may repay the loan is 3 years (i.e. reach at least a zero balance), where the loan is granted under 1 and 2 above, with longer periods available for items 3 and 4., which will be determined on a case by case basis, linked to the expected useful life of the asset and the ability of individual schools to repay any loan.
- arrangement for a loan will only be agreed where the governing body produces a plan which demonstrates to the satisfaction of the Director of Children Young People and Learning and Borough Treasurer the savings or additional income required to repay the deficit within an agreed timescale.
- arrangement for a loan will only be agreed where the governing body agrees in writing that should the school convert to an academy, ~~to fully repay any outstanding balance, including where relevant any associated interest, no later than one month before conversion.~~ **that the liability to fully repay any outstanding balance in accordance with the agreed loan schedule will be incorporated into the transfer arrangements to become the obligation of the new Academy body.**

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In general the minimum size of loans which may be agreed will be the lesser of the following:

Primary schools	£10,000
Special schools	£20,000
Secondary schools	£30,000

OR

For all types of school, 5% of the size of the budget share as determined by the authority.

In general the maximum size of loans which may be agreed will be the greater of the following:

Primary schools	£50,000
Special schools	£150,000
Secondary schools	£250,000

OR

For all types of school, 15% of the size of the budget share as determined by the authority.

- interest will be charged at 1% above the Council's cost of borrowing on the date on which the loan is advanced unless the authority agrees for it to be waived. The requirement to pay interest will be assessed on the merits of each individual application, and in general, loans under categories 1 and 2 above will not attract interest with loans under categories 3 and 4 likely to attract interest.

Outline controls on loans

- the maximum proportion of the collective balances held by the authority which will be used to support the arrangement shall not exceed 40%,
- the Director of Children Young People and Learning and the Borough Treasurer of the authority will make recommendations to the Schools Forum and Executive Member for Education to agree any loans and the terms on which they are offered.

The authority may request those schools operating external bank accounts to allow some or all of those balances to support the above arrangements.

Clarification of eligible expenditure against the schools contingency

Background

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

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

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

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

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

- Unexpected and unavoidable costs in schools, which it would be unreasonable to expect governing bodies to meet from their delegated budget, and where the amount required and the circumstances giving rise to the additional costs were unknown at the time of setting the budget. These would ordinarily need to exceed £5,000.
- Correction of formula errors
- Where a school is closing and a deficit is likely, every effort should be taken to achieve break-even. Where a school is becoming an academy, they should also ensure costs are only incurred that relate to the school, and for the period it is a maintained school. However where a school closes with a deficit, where the EFA does not reimburse for this, the cost must be picked up by the Dedicated School Grant (DSG).
- Funding for schools in financial difficulties where this is not the result of poor local management decisions. [Note a policy to consider funding allocations under this item is already in place, as set out in paragraphs 5.2 to 5.6 of the main body of the report].

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Annex C

Summary school loan agreements

School	Loan No.	Previously Agreed	2016-17 New Proposals	2017-18	2018-19	2019-20	Future Years	Total
		£	£	£	£	£	£	£
Advances in year								
Birch Hill	1	0	30,000	0	0	0	0	30,000
Wildmoor Heath	1	15,000	0	0	0	0	0	15,000
Wildmoor Heath	2	0	15,000	0	0	0	0	15,000
Great Hollands	1	0	25,000	5,000	0	0	0	30,000
Brakenhale	1	130,000	0	0	0	0	0	130,000
Easthampstead Park	1	250,000	0	0	0	0	0	250,000
Easthampstead Park	2	0	200,000	250,000	0	0	0	450,000
Sandhurst	1	75,000	0	0	0	0	0	75,000
Sandhurst	2	160,000	80,000	0	0	0	0	240,000
Total		630,000	350,000	255,000	0	0	0	1,235,000
Repayments in year								
Birch Hill	1	0	0	-15,000	-15,000	0	0	-30,000
Wildmoor Heath	1	-8,000	-7,000	0	0	0	0	-15,000
Wildmoor Heath	2	0	0	-7,000	-8,000	0	0	-15,000
Great Hollands	1	0	0	0	-30,000	0	0	-30,000
Brakenhale	1	0	0	0	-25,277	-43,332	-61,391	-130,000
Easthampstead Park	1	0	-250,000	0	0	0	0	-250,000
Easthampstead Park	2	0	0	0	-40,000	-410,000	0	-450,000
Sandhurst	1	-40,790	-16,810	-17,400	0	0	0	-75,000
Sandhurst	2	0	0	-50,000	-140,000	-50,000	0	-240,000
Total		-48,790	-273,810	-89,400	-258,277	-503,332	-61,391	-1,235,000
Closing balance outstanding								
Birch Hill	1	0	30,000	15,000	0	0	0	0
Wildmoor Heath	1	7,000	-7,000	0	0	0	0	0
Wildmoor Heath	2	0	15,000	8,000	0	0	0	0
Great Hollands	1	0	25,000	30,000	0	0	0	0
Brakenhale	1	130,000	0	130,000	104,723	61,391	0	0
Easthampstead Park	1	250,000	-250,000	0	0	0	0	0
Easthampstead Park	2	0	200,000	450,000	410,000	0	0	0
Sandhurst	1	34,210	-16,810	0	0	0	0	0
Sandhurst	2	160,000	80,000	190,000	50,000	0	0	0
Total		581,210	76,190	823,000	564,723	61,391	0	0
		657,400						

Thresholds for allocating in-year growth allowances for schools expanding by a full form of entry

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

Growth Thresholds (2015-16):

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

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

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

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

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

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

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

The relevant thresholds for additional funding are:

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

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

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

There ~~is one further~~ **are 2** exceptions **s** to this general rule.

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

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

2. **This relates to those schools that expand by a whole form of entry. As the current calculation is based on the form of entry at admission, it assumes**

Unrestricted

those schools expanded by a whole form of entry are immediately admitting to all year groups at the increased capacity, when in reality, the increased capacity starts in the entry year, and takes 7 years (5 for a secondary school) to work through the school until admission to full capacity is possible. In order to make a fair calculation of the threshold to be used to calculate in-year growth allowances in these circumstances, the threshold to be used to calculate a growth allowance is calculated on the number of classes available.

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

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