

Notice of Meeting

Schools Forum

Martin Gocke (Pupil Referral Unit Representative (Governor))
(Chairman)
Stuart Matthews, Academy School Representative (Headteacher)
(Vice-Chairman)
Sue Butler, Early Years PVI Provider
Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Jo Lagares, Primary School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Elizabeth Savage, Academy School Representative (Headteacher)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)
Greg Wilton, Teacher Union Representative



Also Invited:

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

Thursday 15 July 2021, 4.30 - 6.30 pm

Zoom Meeting

Agenda

Item	Description	Page
1.	Apologies for Absence/Substitute Members	
	To receive apologies for absence and to note the attendance of any substitute members. Reporting: ALL	
2.	Declarations of Interest	
	Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting. Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days. Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting. Reporting: ALL	

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3.	Minutes and Matters Arising	5 - 10
	To approve as a correct record the minutes of the meeting of Reporting: ALL	
4.	Minutes from the High Needs Block Sub Group on 10 March 2021	11 - 14
	To receive the minutes of the sub-group meeting held on 10 March 2021. Reporting: ALL	
5.	2020-21 Balances held by Maintained Schools	15 - 40
	To update the Forum on the level of balances held by maintained schools as at 31 March 2021, how these compare to the previous financial year, in particular through the impact of the coronavirus pandemic, and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget. Reporting: Paul Clark	
6.	2020-21 Provisional Outturn on the Schools Budget	41 - 54
	To inform members of the Forum of the provisional outturn on the 2020-21 Schools Budget, including the allocation of balances and use of Earmarked Reserves. These funds are ring-fenced for the support of schools and pupils. Reporting: Paul Clark	
7.	2020-21 Funding Allocations to Mainstream Schools form Budgets Centrally Managed by the Council	55 - 74
	To present information on the in-year allocation of funds to mainstream schools through School Specific Contingencies and other budgets that are funded from the Dedicated Schools Grant and in the first instance centrally managed by the council. It also presents the opportunity to amend existing funding policies. Reporting: Paul Clark	
8.	2021-22 Arrangements for Additional Financial Support to Schools	75 - 88
	To seek agreement from the Forum in respect of proposals for additional financial support to schools, in particular, approval of new or amended applications for licensed deficit arrangements. An update is also provided on the current position in respect of previously agreed financial support arrangements. Reporting: Paul Clark	
9.	Dates of Future Meetings	
	The next meeting of the Forum will be held at 4.30pm on Thursday 16 September 2021. Reporting: Joanna Gibbons	

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**SCHOOLS FORUM
11 MARCH 2021
4.30 - 5.40 PM**

Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)
Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)
Sue Butler, Early Years PVI Provider
Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Jo Lagares, Primary School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)
Greg Wilton, Teacher Union Representative

Observer:

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

175. Apologies for Absence/Substitute Members

The Chair noted that Rachel Morgan, Assistant Director for Education and Learning, had passed on her apologies. The Chair welcomed Chris Hilliard who had been appointed as Interim Assistant Director.

The Chair welcomed Liz Savage to the Forum as a new Academy representative.

176. Declarations of Interest

In respect of Item 7 (2021-22 proposals for the High Needs Block Budget), affected interests were declared from The Chair (as a member of the management committee of College Hall and as a Governor of Kennel Lane School), Peter Floyd (as the Chair of Governors at Kennel Lane School), Keith Grainger (as Headteacher of Garth Hill College), Debbie Smith (as a member of the management committee of College Hall), Richard Stok (as a Governor of Meadow Vale Primary School), and Councillor Barnard (as a Governor of Warfield Primary School and Garth Hill College).

177. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the Forum on 14 January 2021 be approved as a correct record.

Arising from minute 170, Paul Clark advised that a report showing the overall pressures on schools from the forecast numbers would be presented to the Forum in

June when the 2020-21 accounts were closed. Paul Clark was anticipating that he could report on Covid-19 spend data as well.

Action: Paul Clark

Arising from minute 171, Kashif Nawaz highlighted that updates on controlling the number of Education, Health & Care Plans (EHCPs) were included in the report for Item 7 (2021-22 proposals for the High Needs Block Budget). Updates had also been shared at the last meeting of the Sub Group.

Arising from minute 173, Kashif Nawaz had followed up with the Headteacher of Holly Spring Primary School regarding the FUSION project. The Headteacher expressed that the project should be withdrawn. If they were to resubmit a bid, it would be presented to the Sub Group for oversight.

178. High Needs Block Sub Group Minutes - 20 January 2021

The Forum received and considered the minutes of the High Needs Block Sub Group held on 20 January 2021. The Chair expressed that, since the Terms of Reference had been revised and the management of the meetings had been sorted, the Sub Group was making much better progress.

179. 2020-21 Childcare Sufficiency Assessment

The Forum considered a report which presented the 2020-21 Childcare Sufficiency Assessment (CSA).

Cherry Hall explained that the Early Years team at Bracknell Forest Council (BFC) have sought to better understand the market. The team had good ideas last year, but this was impacted by the pandemic. A lot of the work has continued but the outcomes look different to what had been anticipated as the numbers of children accessing childcare were lower. However, providers had stayed open as much as they could within Government guidelines.

The CSA shows that there was sufficient childcare across the Borough. However, Cherry Hall wanted to understand more about the market in individual wards. This data would help avoid putting new childcare provision in areas where there was already sufficient capacity. Section 9 of the CSA showed the data by electoral ward. The CSA identified how children were moving across boundaries. Cherry Hall planned to speak to neighbouring authorities to ascertain how many BFC children were going out of area for childcare this had been delayed due to CV-19 but would be undertaken during the coming months

The CSA was not able to provide an absolute number of childcare places in BFC as it differed from day to day; providers adapting their capacity based on space and staffing requirements which were dependent on the age of the children attending. Therefore, it was only possible to provide a snapshot of capacity at any one time.

One of the priorities for 2021-22 was to identify and understand the changing childcare needs arising from the impact of the pandemic. For example, the data suggested that more parents would be working from home. Therefore, childcare providers were being supported to look at changing their business models to be sustainable; for example, having different opening hours and extending to holiday childcare.

Before and after school activities were severely impacted due to the pandemic. There continued to be a need to identify any gaps to ensure working families were able to access childcare. The Early Years team were actively promoting childcare and the range of options available.

There had been a drop of 18 childminders last year and Cherry Hall had not seen any new provisions joining the market. However, seven expressions of interest had recently been submitted to the team.

The Early Years team were joining a pilot scheme with an organisation called 'Famiio' which was developing an app to signpost families to childcare solutions and to provide them with customised childcare plans. The app was expected to provide real time information on childcare providers.

The Forum expressed on behalf of the childcare providers that they have felt well supported by Cherry Hall and the Early Years team during these unprecedented times. Childcare providers had fed back that a member of the team was always available to provide advice and support.

The Forum noted that Section 2 of the CSA highlighted that two group providers had reported financial difficulties and asked what had been provided for them. Cherry Hall replied that the Early Years team were working with providers to see what else the team could help with. Fully funded Business skills training had also been provided. They were also looking at identifying more children who were eligible for two-year-old funding who were not accessing childcare. No group providers have closed due to sustainability issues.

The Chair enquired whether there was any funding transfer across borders. Cherry Hall replied that the Census recorded all children attending providers in our area, regardless of where they live. This had changed from the historical position.

The Forum asked, regarding EHCP funds, whether there was identification of children needing additional help. Cherry Hall responded that she worked closely with the Special Education Needs and Disabilities team. The Early Years team also provided an inclusion fund for emerging needs which provided support to settings. The inclusion fund panel looked at the needs of the children and would intervene early but only instigate the Statutory Assessment process when it was needed.

The Forum quoted a paragraph from Section 2 of the CSA which stated that "[providers] who remained open and accepted vulnerable children or children of keyworkers from closed settings and as a result the number of children attending their setting exceeded the funded places for the term were able to claim additional funding." The Forum questioned whether there was any double reporting. Cherry Hall confirmed that a small number would have been double reporting. In most situations, when children moved to another setting, they were able to use pre-paid places. However, if children were eligible for 30 hours funded childcare, most would go from nursery to childminders who did not have pre-paid places, so the childminders received top-up funding. Paul Clark added that there were sufficient funds in the budget to meet early years commitments.

The Forum asked Cherry Hall whether she was expecting a further drop in participation in Autumn 2021 from providers that cannot weather the storm, or whether the current level could be maintained. Cherry Hall replied that she was hoping that the position could be maintained as this term the average attendance was between 1300 and 1500 a day. This showed that children were returning to provisions.

The Forum noted that data was unavailable for breakfast and after-school clubs and asked whether that was because it was a fluid number or because of a lack of any mechanism to collect up-to-date information. Cherry Hall replied that both were factors. Lots of these clubs didn't run due to the pandemic. It was hoped that the new app would be able to keep more real-time data.

The Chair expressed that there was clear linkage between the CSA and the school places plan. The Chair hoped that some of the work Cherry Hall's team has been doing with the SEND provision fed into the work Kashif Nawaz was responsible for (Kashif Nawaz confirmed that the SEN section was firmly embedded within the school places plan). Together, the three documents provided useful information for BFC. Chris Hilliard added that he has worked in several Local Authorities and this was the first time he had heard of all the key areas being integrated into one. Chris Hilliard felt that this approach further strengthened BFC discussions with the DfE.

Cherry Hall added that she had started working with the SEND team and the Child Development Centre to move forward with collating SEN data. Cherry Hall was expecting to be able to report to the Forum on how this was moving forward after a couple of terms.

Action: Cherry Hall

Kashif Nawaz reiterated that the Sub Group would be learning from the data and identifying emerging needs as opposed to just taking a rigid statistical approach.

The Chair thanked Cherry Hall and her team on behalf of the Forum for the work that had gone into the CSA and the report which provided a useful summary.

RESOLVED to NOTE the 2020-21 Childcare Sufficiency Assessment.

180. 2021-22 proposals for the Early Years Block Budget

The Forum considered a report which sought agreement for the 2021-22 Early Years budgets, including the values to be attributed to the Bracknell Forest Council Early Years Funding Formula (EYFF).

Cherry Hall highlighted that there was to be a national increase in Early Years funding, and it was proposed that the increases should be passed on in full to providers through the EYFF base rate. There were also proposals to make minor changes to that allocation of funding across the Early Years Dedicated Schools Grant (DSG) income budget. This was to better reflect the budget forecasts and maintain the agreed proportional distribution of funds so that money was provided to those who most needed it.

Cherry Hall explained that the Income Deprivation Affecting Children Index (IDACI) element was previously paid on universal and extended hours. The proposal this year was for the IDACI just to be paid on universal hours.

Taking account of all the budget proposals and the latest data for provider eligibility to EYFF supplement payments, it was expected that, overall, 32 providers would experience a decrease in hourly rate and 126 providers would see an increase in hourly rate.

One concern was that the numbers on the Census would be significantly lower; however, the recent figures showed that numbers were only 3.5% lower than the usual Census. The number of two-year-olds accessing childcare had decreased significantly.

The Forum felt that the new formula was good in that monies would reach children experiencing the most deprivation. The winter grant fund was incredibly beneficial to families. One difficulty that providers had shared was to do with accessing PPE. There was an increase in costs related to the supply of PPE and the need for additional cleaners, and childcare providers did not receive additional support in the same way as other sectors. Cherry Hall agreed with those points. The funding side had gone well in terms of paying providers even if children were not attending. However, there was a difficulty in costs outside of that with which the Council had not been able to support.

The Chair highlighted that one thing the Forum was asked to agree was whether there were appropriate arrangements in place for administration of the Early Years free entitlement funding. The Chair asked whether there was anything else apart from the comments already made that the Forum could use to make a judgement on that. Paul Clark explained that this was something that had been included by the DfE but there was no definition on how to measure. Paul Clark advised that BFC was not holding back any money intended for providers and suggested that the Forum reflect on whether providers and parents were getting the breadth of support needed. The Chair expressed that he doubted anyone on the Forum would have been unhappy with what has been fed back.

RESOLVED, on consideration of the EYB budget proposals from the Council, to AGREE:

1. that for the 2021-22 financial year the Executive Member sets:
 - i. the Early Years DSG income budget at £7.74m (Table 3 of the report);
 - ii. the funding rates in the Early Years Funding Formula as set out in Table 4 of the report; and
 - iii. the proposed budgets as set out in Annex 1 of the report; and
 - iv. that there are appropriate arrangements in place for administration of the Early Years free entitlement funding.

181. **2021-22 proposals for the High Needs Block Budget**

The Forum considered a report which sought comments on the detailed budget proposals for the High Needs Block (HNB) element of the Schools Budget.

Paul Clark explained that, whilst it was expected that we could see three years of high increases in funding, this was significantly below the forecasted demands, so the deficit was still increasing. The two main factors were the increase in demand of costs which fell into the Council's commitments, and the actions to aid cost reductions from the Commissioning Plan had slowed due to the pandemic. Although BFC was not financially responsible for this deficit, as this lay with the DfE, BFC was still spending public money and therefore was managing these budgets in same way as if it were responsible, seeking best value and following all the normal financial regulations and procedures.

To illustrate the national nature of the financial challenge facing BFC, financial returns from 77 LAs (a 52% response rate), including BFC, had been completed in autumn 2020. This confirmed that most LAs were expecting larger SEND budget deficits.

BFC's deficit was forecast to increase around the midpoint range of the survey results.

The DfE launched a consultation regarding a small number of changes to the distribution of funds to LAs in 2022-23. This was in advance of further potential changes in 2023-24 as part of the SEND review. Regarding the proposed changes for 2022-23, the DfE was looking at certain allocations being based on actual data as opposed to budget data. Although the funding protection mechanism means that changes would not have an affect in 2022-23, BFC could be very vulnerable after that if funding protection measures were amended.

Paul Clark also answered a question on Support for Learning which was an in-house SEN service and to what extent the funding was secure. He explained that all budgets within the HNB were regularly reviewed and could be subject to future changes.

RESOLVED

1. to AGREE that the Executive Member:
 - i. sets the total initial Dedicated Schools Grant funded HNB budget at £18.998m;
 - ii. releases £0.143m of funds from the SEND Units Reserve to finance estimated start-up costs at the proposed Special Resource Provisions in BF schools; and
 - iii. confirms the changes set out in the supporting information (Table 1 and Annex 5 of the report) and relevant budgets are therefore updated to those summarised in Annex 6 of the report; and
2. to NOTE:
 - i. that work needed to continue to ensure appropriate provision for children and young people with Special Educational Needs and those in need of Alternative Provision through the programme of the HNB sub-group;
 - ii. the further deterioration in the forecast financial position of the HNB Budget at Table 1 of the report, with a:
 - a. £5.698m deficit forecast for financial year 2021-22;
 - b. £11.217m cumulative deficit forecast for 31 March 2022; and
 - c. £17.216m cumulative deficit forecast for 31 March 2023; and
 - iii. the key aspects of the DfE consultation on the review of the 2022-23 HNB NFF including:
 - a. the importance of the Funding Floor factor to protect against a potential £0.738m funding reduction; and
 - b. the potential for significant changes in funding allocations to LAs from 2023-24 for which the financial implications cannot be estimated at this stage.

182. Dates of Future Meetings

The next meeting of the Forum would be held at 4.30pm on 24 June 2021.

CHAIRMAN

Minutes of the Schools Forum Sub Committee

Wednesday 10th March 2021

Present: **Jenny Baker – Chair**
 Angela Fright
 Debbie Smith
 Gareth Barnard
 Karen Davies
 Kashif Nawaz
 Keith Grainger – part attended
 Marion Bent
 Martin Gocke
 Paul Clark
 Richard Stok

Minutes: **Sam Morgan**

Item	Comments / Action	By Whom
1	Apologies Apologies were recorded from Emma Ferrey, Liz Cole, Stuart Matthews.	
2	Declarations of Interest None.	
3	Confirmation of confidential location All confirmed.	
4	Minutes of previous meeting There were no amendments or comments made. Minutes were therefore approved.	
5	Terms of Reference Circulated by KN and attached for information.	
6	<p>Updates</p> <p>SRPs / SEMH provision KN presented on behalf of EF. See presentation attached.</p> <ul style="list-style-type: none"> • EF continuing work on College Hall next week. • Work continuing on Kings, making progress and remain committed to achieve SRP. • KN is attending a scoping meeting on the 11th March for all schools involved. There will be three breakout areas for Heads/SENCO/Bursars. KN is optimistic for an end of March finish. <p>Q KD – when will the children affected will be informed? KN – once the provision mapping has been completed, information will be shared at the earliest opportunity.</p> <p>Q RS – please confirm that the £7k per place is the same for all schools? KN – confirmed that this is correct.</p> <p>Q JB – is there anything the committee can do to support KN?</p>	

	<p>KN – would appreciate help in sharing what a resource provision looks like / does. It is hoped that there will be a Primary/Secondary representative on the panel to support what is needed at that level.</p> <p>JB offered support at the scoping meeting tomorrow however, KN confirmed that there are enough people attending and will share the outcome with JB.</p>	
7	<p>Funding Matrix</p> <p>JB reported on behalf of EF and the Matrix Task & Finish Group.</p> <p>The initial four funding options were discussed. The group decided that Options 3 and 4 were feasible with changes to Option 4. Final model will be rolled out for 2022/23 and would be put in place via the Annual Review process and/or partner agencies to moderate to ensure a fair and consistent process. KLS / CH / GHC and UPS will model Options 3 and 4 on their own learners.</p> <p>Q MG – is the money spent on EHCPs are intended to stay the same? KN – the EHCP process has to have sufficient levels of resource in order to deliver appropriately and this needs to be the focus rather than savings, however, recognises the pressure on the HN block. PC – although it is important that a good level of service is achieved, there is still a £5m deficit this year, with a further £5m over the next 2 years. Reductions in costs are necessary and we are looking at ways of reducing these costs. JB – at the moment the focus is on correct placement within the matrix rather than associated to the banding.</p> <p>Q MG – regarding money spent to keep children in Bracknell Forest, is the aim to keep costs neutral primarily? KN – halfway through the commissioning plan and over the next months will look at shaping future plans for the Borough.</p> <p>Q JB – regarding the PMLD/Physical, are there any plans for a specific learning environment? KN – the aim is to look at revised priorities for low incidence high needs over the next year.</p> <p>There were no further volunteers to join this Task & Finish group.</p>	
8	<p>Sufficiency Analysis</p> <p>KN shared a presentation (see attached). KN noted that this should be viewed as provisional data.</p> <p>There has been a 14% increase on EHCPs 2019-2020 and 16% over the last 12 months. Work is being done on why this is the case, as well as looking at the period of time EHCPs are maintained. KN will share update at the next meeting.</p> <p>Q JB – will the need be broken down so that ASD is not always the primary need? KN – this is being looked at in more detail.</p> <p>Q GB – what is the criteria for in/out of borough?</p>	

	<p>KN – new appointment made, SEN Lead, whose main focus is the quality of SEN placements. At the start of this academic year, there were 50 children without an appropriate place; this term there are 11.</p> <p>KN would appreciate support in:</p> <ul style="list-style-type: none"> - publicising challenges, - impact of the Mental Health team, - Preparing for Adulthood - clarity around admissions policy. <p><i>KG left the meeting at 15:59</i></p>	
Q	<p>MG noted three points:</p> <ol style="list-style-type: none"> 1. BFC Special Schools – includes costs for College Hall. 2. OLA Resource –the type of resource we should be looking at. 3. NMSS – collaborative work with other Las/any representations made to DfE? <p>KN – due to the pandemic, a percentage has been added per placement to out of borough places. There have been challenging costs. KN has been in contact with Berkshire colleagues, there has been no collaboration as yet however, other authorities are keen to work with us. KN meets with the DfE SEN advisor regularly and has raised the issue three times, unfortunately the DfE are limited in terms of power but KN’s concerns have been noted.</p>	
Q	<p>JB – is there any update on SEN recruitment? KN – interviews for SEN Officers are next week (2 vacancies); Annual Review Officer vacancy. Unfortunately, applicants for the Lead SEN role were not shortlisted but this role remains a priority.</p>	
Q	<p>DS – is there any breakdown of when EHCP applications are made and received? KN – will share information when available. To be added as a standing agenda item.</p>	
Q	<p>MG – why is there such a jump in applications from 2019 onwards? KN – families have become well versed in the application process and the revised SEN Code of Practice. Parental Preference also has a bearing.</p>	
9	<p>AOB None</p>	
	<p>Next meetings: 12th May 15:15 – 16:30 30th June 15:15 – 16:30</p> <p>There being no further business, the meeting closed at 16:18pm.</p>	

Schools Forum Sub Committee

Action Plan

Item	Action	Responsibility	Completed Yes/No	Comments
06	EF to send draft document to MB.	EF	Yes	
06	EF to circulate the HNFM document discussed with JB.	EF	Yes	
06	KN to update following meeting with PC 21 st January.	KN	Yes	Within item 4
07	EF to consult with the two schools and update at next meeting.	EF	Yes	Birch Hill / Sandy Lane
08	KN to share more details on the transformation plan at the next meeting.	KN	Yes	Further update following
08	KN to forward commissioning plan to SM for circulation with minutes.	KN	Yes	
08	EF to provide a specific update on SEMH provision at next meeting.	EF	Yes	
10	KN to clarify specification for Holly Spring School.	KN	Pending	Discussions continue with Head – may be reconsidering their bid. Will re-submit if necessary via KN first.
11	KN to provide definition of SRPs so that Primary and Secondary representatives can share these at the Secondary Headteacher's and PHAB meetings.	KN – by the next meeting		
12	EF to provide update on Banding Matrix discussions in reference to the Task & Finish Group.	EF		
13	KN to organise Sufficiency Analysis update and ways forward by the relevant team members at the next Schools Forum Sub Committee meeting.	KN		
14	Primary HT representative and Secondary HT representative to feed back to Secondary Headteacher's group and PHAB about the challenges the SEN team are facing, the establishment of the Mental Health, training provided by the Local Authority on PFA outcomes for SENCOs and checking understanding of the admissions policy.	Primary and Secondary representatives		
15	KN to provide update on SEN Team recruitment	KN		

TO: SCHOOLS FORUM
Date 15 JULY 2021

2020-21 BALANCES HELD BY MAINTAINED SCHOOLS **Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 This is an annual report, the purpose of which is to update members of the Schools Forum on the level of balances held by maintained schools as at 31 March 2021, how these compare to the previous financial year, in particular through the impact of the coronavirus pandemic, and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.
- 1.2 Balances held by academy schools are not part of the council's accounts and are therefore excluded from this report.

2 EXECUTIVE SUMMARY

- 2.1 The coronavirus pandemic has had a significant impact on school balances. Despite initial concerns that schools would need to substantially draw down from their reserves as additional costs were expected to exceed new, specific funding, returns from schools indicate that £0.421m of one-off savings have been achieved, with £0.265m of planned spend having to be deferred to 2021-22.
- 2.2 Overall, there was a significant increase in aggregate school balances during 2020-21 where cumulative surplus balances increase by £1.041m to £2.141m (up 95%). At 3.6% of annual income, average surplus balances have moved to a position where they are above the minimum 3% level recommended to be able to safely manage unforeseen in-year pressures. As mention above, balances are estimated to be over stated by £0.265m as a result of a number of projects being deferred until 2021-22.
- 2.3 Within this, a number of schools are holding significant surplus balances, all of which have provided explanations to indicate suitable plans are in place to ensure resources are being spent in a timely manner to support current pupils.
- 2.4 There are a number of schools with deficit balances, which have in total reduced by £0.273m to £0.830m. The council and Schools Forum support schools facing financial difficulties through licensed deficit arrangements that set out medium to long term recovery plans that demonstrate that a temporarily short term over spend of annual income is recovered and a return to a surplus is achieved. For some schools, full repayment plans have yet to be developed and this is considered in a separate item on tonight's agenda.
- 2.5 Schools are also permitted to retain unspent balances arising from capital related budgets. They receive small annual budgets for capital – around £8,000 for a primary school and £24,000 for a secondary – and often need to accumulate funding from a number of years in order to fully finance projects. Capital budgets are directly funded by Department for Education (DfE) grant and are outside the local claw-back scheme. DfE have the power to remove any unspent balances that remain 3 years and 1 month after allocation.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

3.1 The key performance information on school balances, as set out in paragraph 6.3, and in particular;

- i. Aggregate surplus balances have increased by £1.041m to £2.141m (+95%);**
- ii. The value of surplus balances has increased by £0.768m to £2.971m;**
- iii. The value of deficit balances has reduced by £0.273m to £0.830m which continues to require careful monitoring;**
- iv. Significant surplus school balances have increased by £0.203m to £0.452m (81%);**
- v. At 3.6%, average balances are considered to be slightly above the minimum level required for working balances to safely cover unforeseen circumstances.**
- vi. The three-year average change shows net balances in:**
 - a. primary schools deteriorated by £0.488m to £1.562m surplus (-24%)**
 - b. secondary schools improved by £0.959m to £0.268m surplus**
 - c. specialist providers deteriorated by £0.059m to £0.311m surplus (-16%)**
- vii. That £0.730m of surplus balances are estimated to arise from the impact of the coronavirus pandemic;**
 - a. £0.465m from one-off savings, and**
 - b. £0.265m arising from having to defer spending plans to 2021-22;**
- viii. The intention to amend the claw-back scheme to exclude from surplus balances calculations funds held from activities supporting a number of schools across the borough, such as the Teaching School.**

3.2 Initial school spending plans anticipate £1.104m of funding to be set aside for recovery.

That the Schools Forum AGREES:

3.3 That the entire significant surplus balances held by schools has been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 6.20).

3.4 That the £0.048m of surplus above the maximum cap held by Uplands Primary School is retained to meet the financial obligations arising from the Teaching School.

4 REASONS FOR RECOMMENDATIONS

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

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 Not applicable.

6 SUPPORTING INFORMATION

Calculating Statutory School Balances

- 6.1 The School Funding Framework provides a statutory requirement for the balance of expenditure made by each school compared to its budget share to be carried forward for use by individual governing bodies in the next financial year. This requirement is confirmed in the Scheme for Financing Schools which applies to both surplus and deficit balances and relates to all revenue funds held by schools in local authority accounts.
- 6.2 Attached at Annex A is a list of individual school balances as at 31 March 2021. Carry forward balances are calculated by deducting total net expenditure from new year funding and any accumulated balance. The percentage of carry forward is calculated against new year funding only to ensure any potential claw-back focuses on the use of new year funding only. Annex B provides a summary profile of deficit and surplus balances and movements compared to last year.

General comments on school balances

6.3 Some comments on the analysis are as follows:

1. Aggregate surplus balances have increased by £1.041m, from £1.100m to £2.141m (increase of 95%). This indicates a significant transfer of funds to balances with the coronavirus pandemic the most likely cause of the financial improvement as normal funding streams have remained in place and additional financial support provided by the Department for Education for a number of targeted purposes. Coupled with inevitable disruption and delays to original spending plans, current headline balances are most likely overstated.

More information from schools on the high level financial impact from the coronavirus pandemic is set out below from paragraph 6.5.
2. There has been a £0.524m increase in surplus balances in the primary and PRU sectors with balances held by secondary and special sectors increasing by £0.517m.
3. On average, at 3.6% of total budget (was 1.9%), average reserves are above the 3% minimum level considered appropriate for sufficient working balances to cover unforeseen circumstances.
4. Within the headline average surplus balance, there are 6 schools with a deficit and 5 schools with surpluses below the 3% level and which may therefore struggle to manage unforeseen cost increases.
5. The average surplus balance for a primary school is £0.068m (4.5%) up from £0.046m last year and secondary schools have an average surplus of £0.089m (0.8%) an improvement from the average £0.099m deficit.
6. The aggregate surplus balance of £2.141m comprises £2.971m from surpluses (was £2.202m) and £0.830m in deficits (was £1.103m).
7. The largest surplus balance held by a primary school is £0.321m (was £0.254m) and £0.391m for a secondary (was £0.294m).

8. The largest surplus balance as a percentage of budget is 21.0% (was 13.1%) and the greatest deficit is 22.4% (was 15.0%).

More information on the significant surplus balances held by schools is set out below from paragraph 6.13.

9. Four primary and one secondary school were in deficit at the end of the 2020-21 financial year. Plans for managing the impact of deficits and other factors are set out on the accompanying agenda item on support to schools in financial difficulties.

3-year change in school balances: 2018-19 to 2020-21

- 6.4 In general, over the last 3 years, balances held by primary schools have deteriorated, although there was a strong recovery last year, whilst those in secondary and specialist providers have improved as highlighted below.

1. Balances in primary schools are deteriorating, most likely as a result of a number of years of cuts in real terms funding, the reduction in pupil numbers and increase in spare places.
 - i. Deficit balances increased by £0.201m to £0.582m (+190%)
 - ii. Surplus balances have reduced by £0.106m to £2.144m (-5%)
 - iii. Net balances deteriorated by £0.488m to a surplus of £1.561m (-24%)
2. Balances in secondary schools are improving, most likely as pupil numbers are increasing, but also reflecting the relatively poor starting position and prolonged period of support to some schools from the LA.
 - i. Deficit balances reduced by £0.680m to £0.247m (-73%)
 - ii. Surplus balances increased by £0.278m to £0.516m (+117%)
 - iii. Net balances improved by £0.958m to £0.268m surplus (+139%)
3. Balances in specialist providers significantly increased in 2018-19 as both provisions filled up and remain fairly static across the period.

Annex C presents these changes in graphs.

Coronavirus pandemic

- 6.5 The Forum will be aware that the council worked with schools during the last year to gather high level information on the financial implications anticipated from the coronavirus pandemic. Returns gathered during the initial national lockdown indicated a significant net financial pressure on schools which was provisionally estimated at £0.663m. This reflected a number of increased costs as well as substantial losses in income and some limited, new, ringfenced DfE grant funding.

Annex D provides the summary information previously reported to the Forum.

- 6.6 Information from the final 2020-21 accounts, with school balances increasing by £1.041m indicates that the actual financial performance has improved rather than deteriorated. This most likely reflects the difficulty in predicting the financial impact from the pandemic at the time of the first lockdown coupled with schools being understandably cautious in their estimates. This was then followed by a sustained period of close financial control as schools remained concerned about the potential financial consequences as well as managing savings as they arose. Furthermore, with full focus placed on managing the impact of the pandemic on daily activities, a number

of original spending plans could not be implemented as intended with the associated funds therefore remaining unspent and in 2020-21 balances.

- 6.7 To help better understand the actual financial impact of the pandemic, and initial plans for recovery, as part of the school balances verification exercise, maintained schools were asked to provide the following information, with brief outline comments:
- a) Plans for expenditure in 2020-21 that did not proceed
 - b) Plans for expenditure in 2020-21 that could not be completed, but are still intended to proceed in 2021-22, although they may now be different in nature or value
 - c) New plans that will be put in place in 2021-22 specifically to aid recovery from the pandemic, and
 - d) Any changes to “normal” budget plans intended to divert some or all of the funds to specifically aid recovery.

Schools were also asked to provide any general comments on the practical activities they were planning to undertake to aid recovery.

- 6.8 To provide further information and advice on this exercise, which is recognised may present a number of queries as plans for recovery are likely to be very different school by school, a briefing on the return was provided to Bursars in May. This emphasised that schools should provide their best endeavours to complete the return with accurate information but that it should not be a significant new burden.
- 6.9 Questions a) and b) above related to identifying the impact on carry forward balances. Question a) would inform on the amount of carry forward that arose from the pandemic and would not now be spent, so was a permanent, one-off financial gain, with b) intended to separate out the amount of carry forward that was intended to be spent in 2021-22 and therefore is a consequence of timing issues, and not a financial windfall.
- 6.10 Questions c) and d) related to planned spend on recovery from the pandemic. Question c) focussed on specific new budgets with d) aiming to gather data on those budgets that schools were reducing in 2021-22 from their normal levels to allow greater investment in the recovery.
- 6.11 Table 1 below provides a summary of the data supplied by schools. This shows that £0.421m of the 2020-21 increase in underspend is as a result of one-off impacts that prevented planned spending occurring. A further £0.265m of the underspending relates to expenditure that has temporarily been delayed until 2021-22, but is still expected to be incurred and represents the amount of overstated funds in 2020-21 balances. In total, the pandemic has been estimated by schools to have been responsible for £0.866m of the total £1.041m improvement in school balances.
- 6.12 Table 1 also shows that schools are planning to invest £1.104m in recovery activities.

Table 1: summary responses from maintained schools on change in balances

	2020-21 spend that will not proceed	2020-21 spend to be made in 2021-22	2021-22 recovery: Specific new budgets	2021-22 recovery: From reductions
Primary	£271,657	£246,255	£675,329	£70,716
Secondary	£149,675	£18,899	£274,405	£44,577
Special	£0	£0	£40,000	£0
Total	£421,332	£265,154	£989,734	£115,293
	£686,486		£1,105,027	

Significant surplus balances

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

Annex E sets out the agreed policy for the scheme to claw-back significant surplus balances with Annex F providing specific, school by school information.

- 6.17 Eight schools were identified as holding a significant surplus, which is an increase of two from the number at the end of 2019-20. The aggregate level of significant surplus balances amounts to £0.452m, an increase of £0.203m (+81%). Uplands Primary is the only school with a surplus balance above the maximum cap compared to none last year. Governors have submitted a request to retain this amount which relates to funds held in respect of the Teaching School which is further detailed below from paragraph 6.24.

- 6.18 Relevant schools holding significant surplus balances have provided headteacher certified statements that confirm that these funds are being held for valid reasons, as set out in the scheme, with around 75% profiled to be spent in the current year and 25% in future years.
- 6.19 In terms of the likelihood of schools completing the spend to schedule, plans have been categorised between uncommitted if governors have yet to agree the project, approved, once formally signed off by governors, and complete where spend has now been incurred. 94% of the associated spending plans have completed or been approved by governors.
- 6.20 Based on these returns, the Forum is therefore recommended to agree that no claw-back should be applied. A summary of intended use of the significant surpluses is as follows:
1. £0.346m to finance additional staff costs as schools transition to re-structures and cost reductions (44%)
 2. £0.144m to support future budget shortfalls predicted to arise from a reduction in pupil numbers (19%)
 3. Income received in advance, which relates to the ring-fenced accounts of the Teaching School hosted by Uplands Primary that is available to support all schools in BF (13%)
 4. £0.100m for covid related and other grants that have yet to be spent and will carry forward (13%)
 5. £0.081m for capital buildings, construction and refurbishment (10%)

Note: relevant schools have indicated that £0.329m more will be spent on these items than is held on significant surpluses, with the excess being financed from within surpluses not categorised as significant.

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

- 6.21 Forum members have previously requested more information on the frequency that individual schools generate a significant surplus together with an update from those with a significant surplus in 2019-20 to confirm whether actual spending plans were completed as indicated. Annex F shows that 2 schools have achieved a significant surplus balance in each of the last 5 years, with 2 schools achieving a significant surplus for 3 consecutive years. Over the last 5 years, 13 different schools have reported significant surplus balances.
- 6.22 In terms of updating the Forum on whether the 6 schools with significant surplus balances at the end of 2019-20 were spent as intended, headteachers from all relevant schools have confirmed this to be the case. At 2 of the schools, Sandy Lane and St Joseph's, surpluses have reduced to below the significance threshold. For Whitegrove, the amount of significance has reduced by £69,825 to £5,641 as the school transitions to reduced income with further expenditure reductions to be implemented to balance to future year's forecast income.
- 6.23 3 schools increased their significant surplus. For Uplands, the £0.103m increase primarily relates to the funds held on behalf of the Teaching School which is set out in more detail below at paragraph 6.24. For College Town, the £0.094m increase arises from the coronavirus pandemic, with £0.046m of delayed spend on projects and

£0.052m to be invested in an additional teacher to aid recovery in Years 1 and 2. The surplus at Holly Spring has increased by £0.051m which is fully accounted for by unspent coronavirus grants and parental income for school trips which will now take place in 2021-22. This information is confirmed in Annex G.

Significant surplus balances above the maximum cap

- 6.24 As set out above in paragraph 6.13, schools have previously agreed through consultation that an absolute cap should be set on significant surplus balances at which point even if the funds are being held for a valid purpose, they would ordinarily be deducted. Relevant schools could make a case to the Forum to retain any surplus above the maximum cap.
- 6.25 The governors of Uplands Primary school have made such a request to retain the £0.048m of surplus above the maximum cap which is set out in Annex H. This is the third consecutive year the school has exceeded the cap which arises from holding funds for the Teaching School which manages funds that support schools across the borough and can be received in advance of associated expenditure.
- 6.26 To avoid the need to complete a formal request to retain any significant surplus retained for the Teaching School, or similar activity that benefits a number of BF schools, which may be each year, it is proposed to amend the claw-back scheme to allow this. The scheme can only be amended following consultation with school governors, and this will therefore be included at the next suitable opportunity.

Capital Funding

- 6.27 Schools receive direct funding for capital projects through the DfE Devolved Formula Capital Grant (DFC). DFC is allocated as a specific grant through a national formula, paying a fixed lump sum of £4,000 for all schools and £11.25 per pupil for primary aged pupils, £16.88 for secondary pupils up to 15 years of age, £22.50 for post 16 aged pupils and £33.75 for those in special schools. Total funding for the year amounted to £0.257m with the average allocation to a primary school at £8,475 and £24,424 for a secondary school.
- 6.28 DFC is provided in response to the continuing need for additional resources and must be spent on improving the condition and suitability of school accommodation as well as ICT hardware. Individual projects need to be at least £2,000 to qualify as capital related expenditure with buildings related projects needing to be approved by the council before they can proceed for reasons of health and safety. Schools can pool their funding amongst each other or add it as a contribution to projects undertaken by the Council. Funding must be spent on eligible expenditure within 3 years and one term of receipt or be returned to the DfE.
- 6.29 As voluntary aided (VA) schools own and are responsible for the maintenance of their buildings, different arrangements are in place, outside local authority accounts, and therefore, information on the 5 VA schools in Bracknell Forest are not available for inclusion in this report.

Annex I provides a summary of individual school balances of DFC as at 31 March 2021.

- 6.30 Some comments on the analysis are as follows:
1. Aggregate unspent balances have reduced slightly and now amount to £0.465m (was £0.508m).

2. Average surplus balances held by primary schools amount to £17,669 (was £17,576 last year) with secondaries at £37,536 (down from £56,959 and reflects significant spending on IT in a secondary school).
3. The level of capital balances are not considered excessive as schools tend to save funds over a number of years before committing to significant projects. It does present an opportunity for schools to consider larger and more significant value projects than in the recent past.
4. All schools had at least a net nil balance at year end.
5. 11 schools are in danger of having to return unspent grant at 31 August 2021, which aggregates to £0.101m. This is a significant increase from previous years (3 schools and £0.010m in 2019-20) and is most likely as a result of the coronavirus pandemic. Relevant schools have been informed of this risk to their funding and all have indicated that they intend to fully spend the amounts by the deadline.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Resources: Finance

- 7.2 The Director of Resources: Finance is satisfied that no significant financial implications arise from reporting 2020-21 school balances. The improvement in aggregate surplus balances is very welcome, however, schools continue to operate in difficult financial circumstances and a number of risks exist.

Equalities Impact Assessment

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

Strategic Risk Management Issues

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

Climate Change Implications

- 7.5 The recommendations from this report will have no impact on emissions of carbon dioxide as they report on activities already undertaken.

8 CONSULTATION

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

Background Papers

None.

Contact for further information

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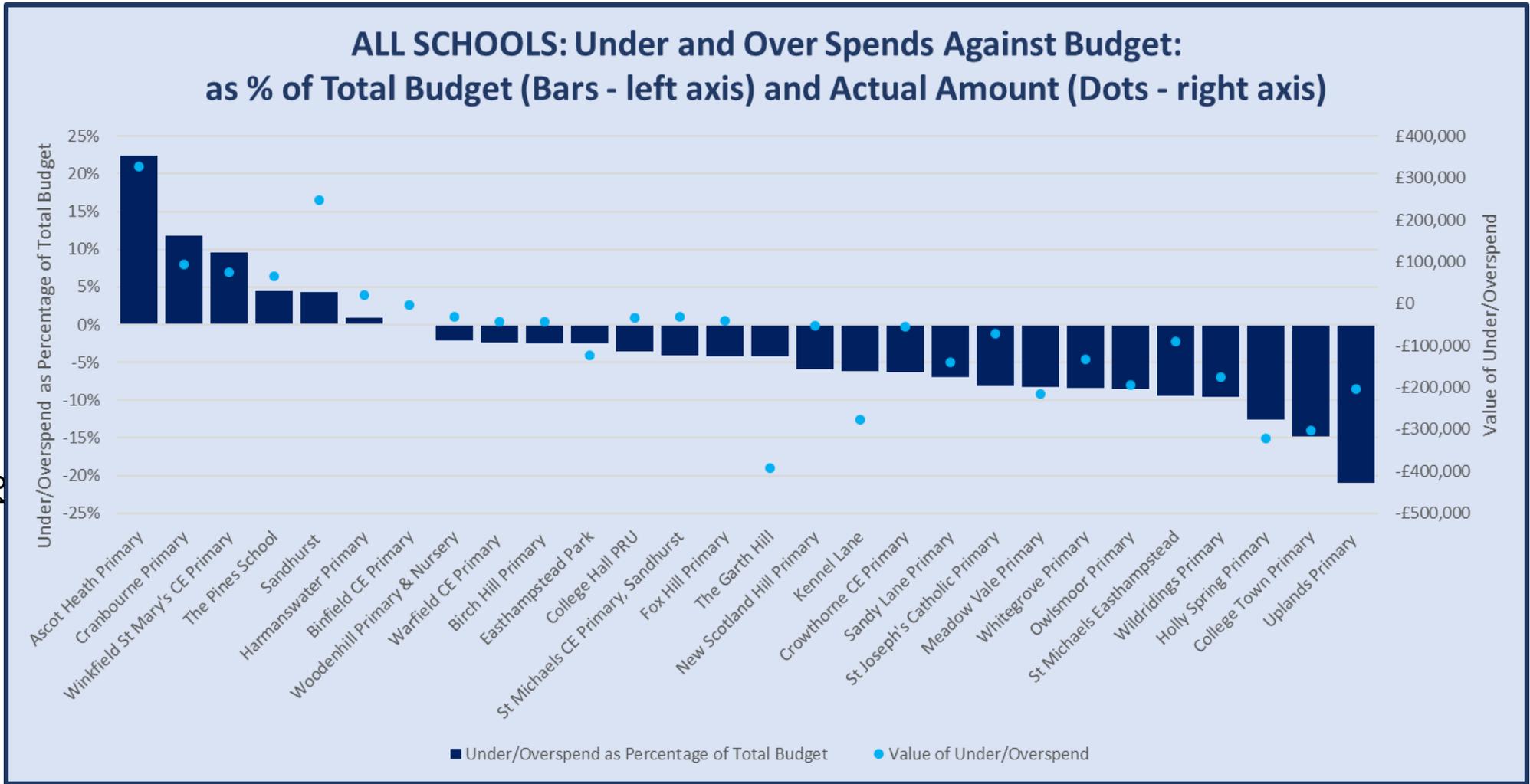
[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/\(104\)_150721/2020-21_School_Balances.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(104)_150721/2020-21_School_Balances.docx)

2020-21 School Revenue Balances

School	2020-21 Funding (excluding brought forward)	School Balances				
		Carry Forward amount (+ deficit / - surplus)	Percentage 2020-21 Funding	Change from 2019-20	Percentage of total Budget last year	Change in Percentage of total Budget
Ascot Heath Primary	£1,459,032	£327,137	22.42%	£106,496	14.93%	7.49%
Binfield CE Primary	£1,531,596	-£2,548	-0.17%	-£1,254	-0.09%	-0.08%
Birch Hill Primary	£1,718,027	-£42,153	-2.45%	-£16,039	-1.68%	-0.77%
College Town Primary	£2,027,210	-£301,687	-14.88%	-£99,897	-10.37%	-4.52%
Cranbourne Primary	£798,397	£93,770	11.74%	£96,209	-0.31%	12.05%
Crowthorne CE Primary	£862,294	-£54,708	-6.34%	-£41,398	-1.64%	-4.70%
Fox Hill Primary	£961,340	-£40,385	-4.20%	-£36,935	-0.36%	-3.84%
Harmanswater Primary	£2,232,996	£21,270	0.95%	-£61,366	3.68%	-2.73%
Holly Spring Primary	£2,543,951	-£321,594	-12.64%	-£66,726	-10.85%	-1.79%
Meadow Vale Primary	£2,588,955	-£214,684	-8.29%	-£46,250	-6.81%	-1.48%
New Scotland Hill Primary	£875,165	-£51,382	-5.87%	-£15,956	-4.03%	-1.84%
Owlsmoor Primary	£2,271,987	-£194,769	-8.57%	-£96,557	-4.61%	-3.96%
The Pines School	£1,501,010	£65,847	4.39%	-£100,814	12.71%	-8.33%
Sandy Lane Primary	£2,012,165	-£140,460	-6.98%	£45,581	-9.96%	2.98%
St Joseph's Catholic Primary	£860,781	-£70,442	-8.18%	£6,208	-9.32%	1.14%
Winkfield St Mary's CE Primary	£780,054	£74,511	9.55%	£68,318	0.81%	8.74%
St Michaels Easthampstead	£958,072	-£90,715	-9.47%	-£37,376	-5.85%	-3.62%
St Michaels CE Primary, Sandhurst	£781,819	-£32,152	-4.11%	-£16,690	-2.03%	-2.09%
Uplands Primary	£966,316	-£202,539	-20.96%	-£104,839	-10.59%	-10.37%
Warfield CE Primary	£1,879,169	-£44,168	-2.35%	-£80,844	2.01%	-4.36%
Whitegrove Primary	£1,600,904	-£133,713	-8.35%	£59,965	-13.11%	4.75%
Wildridings Primary	£1,828,822	-£175,448	-9.59%	-£85,629	-5.56%	-4.04%
Woodenhill Primary & Nursery	£1,511,390	-£30,886	-2.04%	£12,508	-3.01%	0.97%
College Hall PRU	£954,189	-£34,116	-3.58%	-£10,724	-2.95%	-0.63%
Easthampstead Park	£4,987,988	-£123,681	-2.48%	-£182,849	1.24%	-3.72%
The Garth Hill	£9,204,548	-£391,979	-4.26%	-£98,156	-3.32%	-0.94%
Sandhurst	£5,658,098	£247,314	4.37%	-£283,620	10.05%	-5.67%
Kennel Lane	£4,516,637	-£276,424	-6.12%	£47,536	-7.63%	1.51%
Total	£59,872,912	-£2,140,784	-3.58%	-£1,041,098	-1.94%	-1.64%

Primary average	£1,502,237	-£67,909	-4.52%	NB this summary analysis excludes College Hall PRU and Kennel Lane Special School.
Secondary average	£6,616,878	-£89,449	-0.79%	
Primary smallest budget / highest deficit	£780,054	£327,137	22.42%	
Primary largest budget / highest surplus	£2,588,955	-£321,594	-20.96%	
Secondary smallest budget / highest deficit	£4,987,988	£247,314	4.37%	
Secondary largest budget / highest surplus	£9,204,548	-£391,979	-4.26%	

2020-21 School Revenue Balances – ranked by percentage of budget



24

Key explained:

Dark blue bars represent percentage of budget over (+) or under (-) spent. The left-hand y-axis indicates the percentage value
 Light blue dots represent the cash value of deficit (+) or surplus (-). The right-hand y-axis indicates the cash value.

Summary profile of deficit and surplus school balances – All Schools

Phase	2019-20			2020-21			Change in carry forward 2019-20 to 2020-21 (+ increase / - decrease in surplus)	
	Budget for the year (excludes b/forward)	Carry Forward	Carry Forward as % of final budget	Budget for the year (excludes b/forward)	Carry Forward	Carry Forward as % of final budget		
Primary and PRU	£33,585,793	£1,072,005	3.19%	£35,505,641	£1,596,014	4.50%	£524,009	48.88%
Secondary and Special	£23,144,520	£27,681	0.12%	£24,367,271	£544,770	2.24%	£517,089	1,868.03%
Total	£56,730,313	£1,099,686	1.94%	£59,872,912	£2,140,784	3.58%	£1,041,098	94.67%

Analysis of net balances								
Deficits		Surpluses					Significant Surpluses	
Number	Largest	Number	Largest	No. 0-5% of budget	No. 5-8% of budget	No. > 8% of budget	Number	Amount

2019-20

Primary and PRU	5	£220,641	19	-£254,868	10	3	6	6	-£249,474
Secondary and Special	2	£530,934	2	-£323,960	1	1	0	0	£0
Total	7	£1,102,909	21	-£2,202,595	11	4	6	6	-£249,474

2020-21

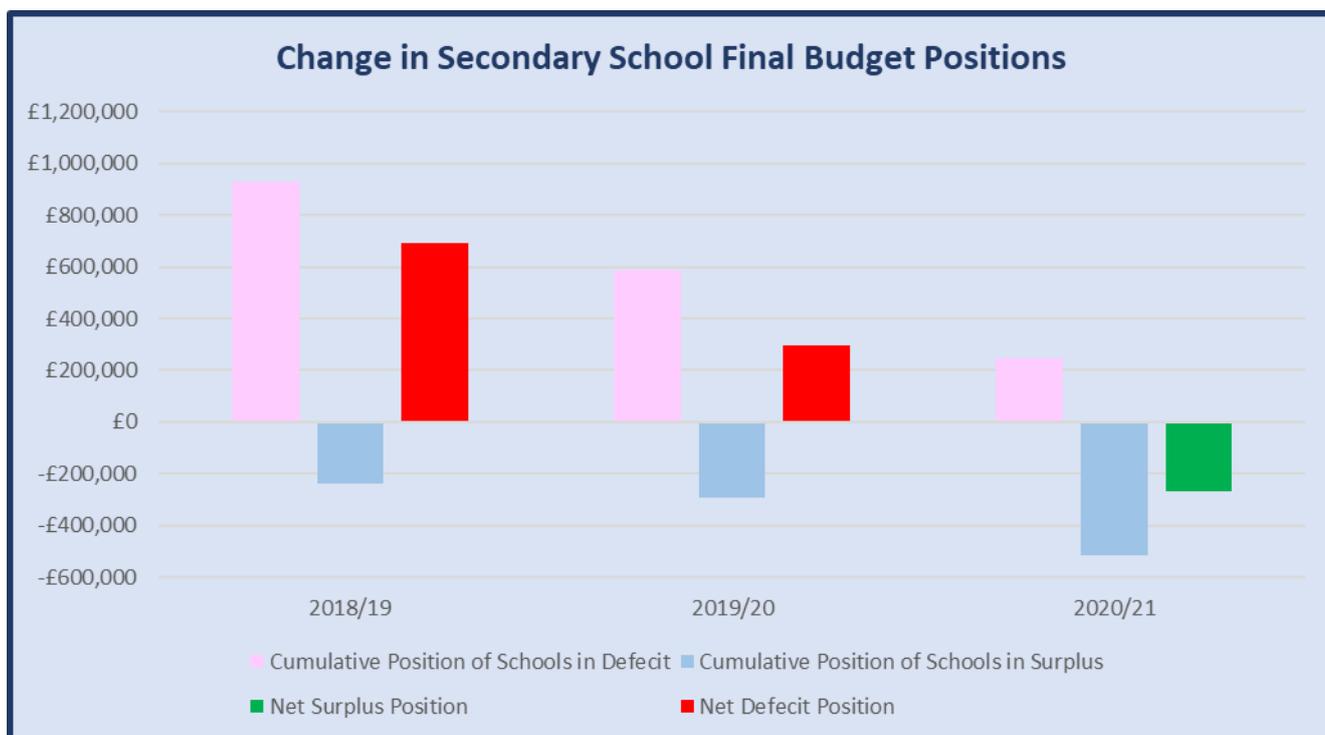
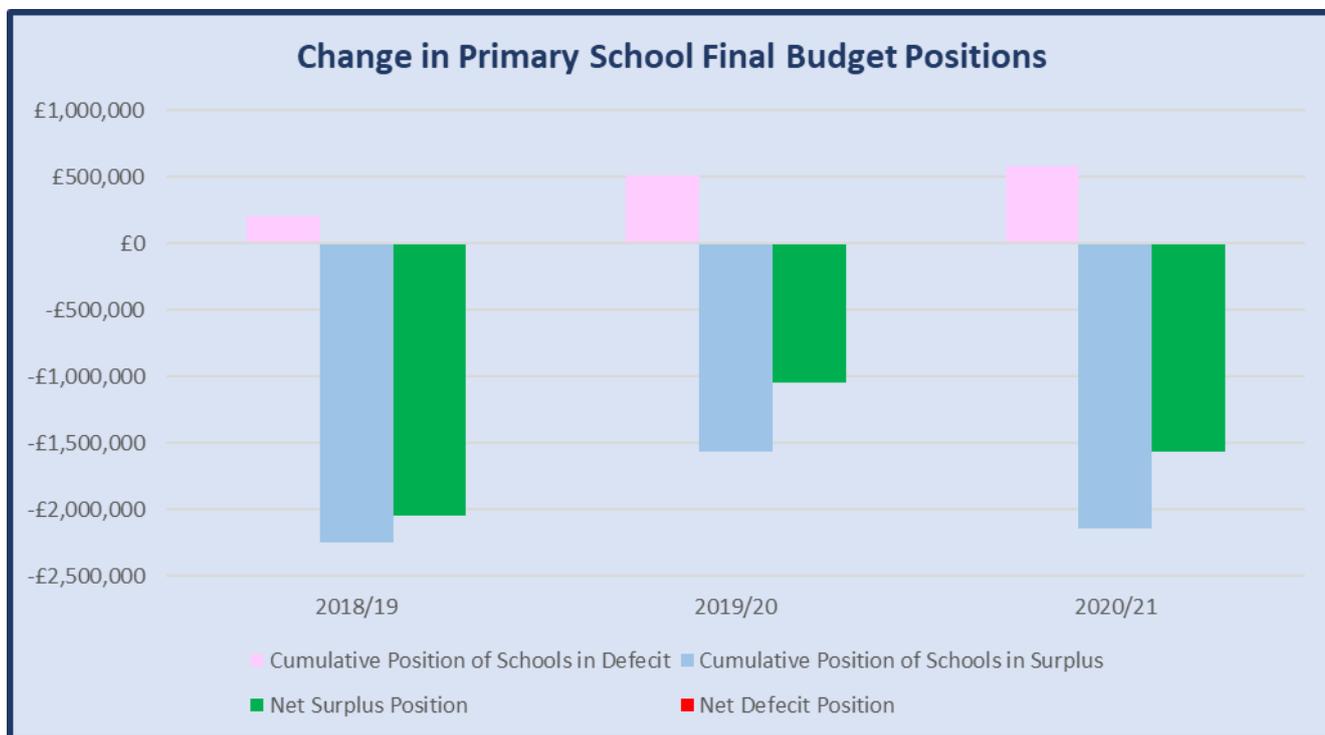
Primary and PRU	5	£327,137	19	-£321,594	7	3	9	8	-£452,252
Secondary and Special	1	£247,314	3	-£391,979	2	1	0	0	£0
Total	6	£829,849	22	-£2,970,633	9	4	9	8	-£452,252

Change 2019-20 to 2020-21

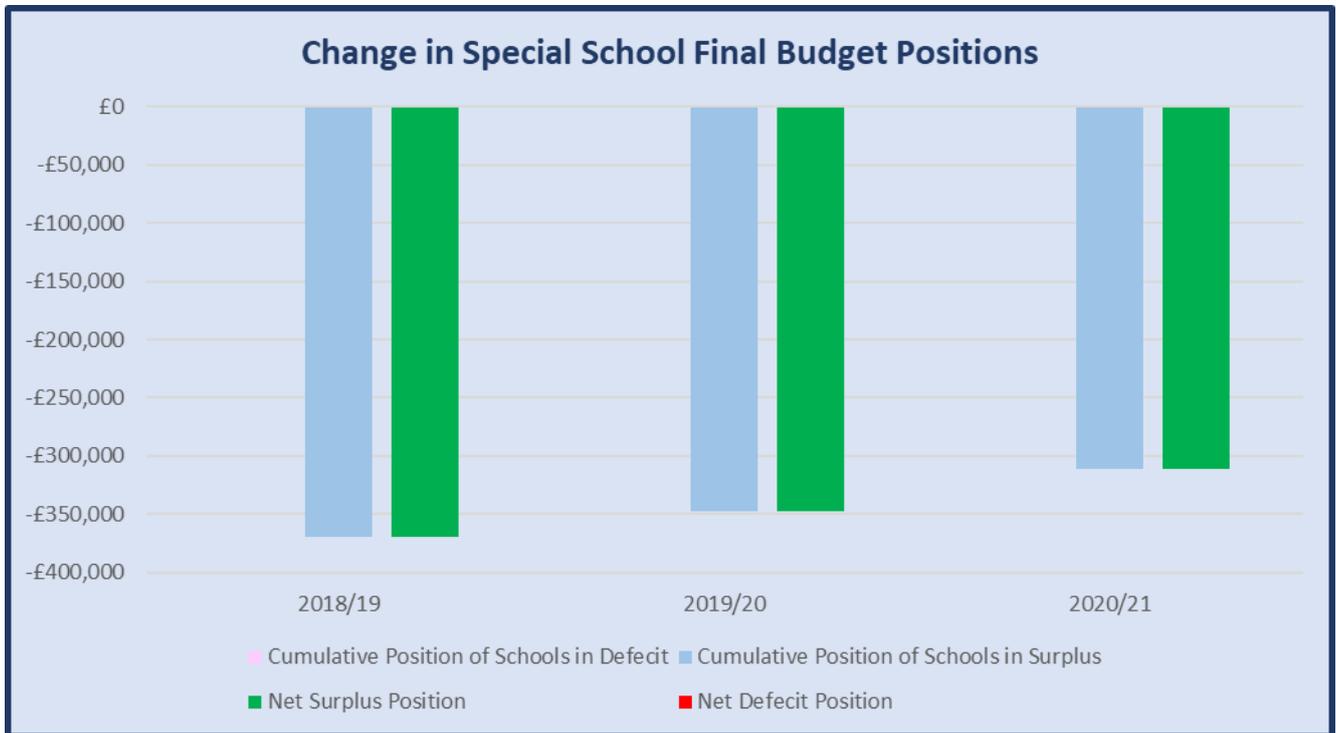
Primary and PRU	0	£106,496	0	-£66,726	-3	0	3	2	-£202,778
Secondary and Special	-1	-£283,620	1	-£68,019	1	0	0	0	£0
Total	-1	-£273,060	1	-£768,038	-2	0	3	2	-£202,778

School Balances – 3-year change 2018-19 to 2020-21

For each year: first bar (pink) shows aggregate of deficit balances, second bar (light green) shows aggregate of surplus balances, third bar is net position of deficits and surpluses, with bright green indicating overall surplus, red indicating overall deficit.



For each year: first bar (pink) shows aggregate of deficit balances, second bar (light green) shows aggregate of surplus balances, third bar is net position of deficits and surpluses, with bright green indicating overall surplus, red indicating overall deficit.



**Initial Summary Information from Schools on Estimated
Financial Impact from Coronavirus Pandemic**

	Primary	Secondary	Special	Total
Number draft claims received	21	1	1	23
Maximum available grant	£710,000	£75,000	£50,000	£835,000
Average available grant	£33,810	£75,000	£50,000	£36,304
<u>(a) Expenditure covered by grant</u>				
1. increased premises related costs	£81,071	£1,792	£0	£82,863
2. support for free school meals (FSM)	£40,067	£7,199	£12,420	£59,686
3. additional cleaning	£45,505	£0	£0	£45,505
Anticipated grant (items 1. to 3.)	£166,643	£8,991	£12,420	£188,054
Average claim core items	£7,935	£8,991	£12,420	£8,176
Average % if maximum permitted	23%	12%	25%	23%
4. Exceptional items	£24,236	£0	£0	£24,236
<u>(b) Expenditure not covered by grant</u>				
1. loss of income	£413,698	£21,000	£1,100	£435,798
2. furloughed staff	£4,534	£0	£0	£4,534
3. other	£80,186	£118,095	£152,500	£350,781
				-
<u>(c) Areas of cost reduction.</u>	-£71,507	-£80,362	£0	£151,869
<i>Net</i>	<i>£617,790</i>	<i>£67,724</i>	<i>£166,020</i>	<i>£851,534</i>
Anticipated grant ((a) 1-3 above)	£166,643	£8,991	£12,420	£188,054
Net cost	£451,147	£58,733	£153,600	£663,480

Approved scheme to control significant surplus school balances

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

Controls on surplus balances

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

School Revenue Balances – Significant Surpluses

School	2020-21 Significant surplus				Previous significant surpluses (4 years)			
	Amount requiring explanation and permission (over 5% or 8%)	Amount above maximum cap	Total significant amount	Number consecutive years	2019-20	2018-19	2017-18	2016-17
Ascot Heath Primary	£0	£0	£0	0	£0	£0	£0	£0
Binfield CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Birch Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
College Town Primary	-£139,510	£0	-£139,510	3	-£46,059	-£33,659	£0	£0
Cranbourne Primary	£0	£0	£0	0	£0	£0	£0	£0
Crowthorne CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Fox Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
Harmanswater Primary	£0	£0	£0	0	£0	£0	-£79,723	-£160,939
Holly Spring Primary	-£118,078	£0	-£118,078	5	-£66,968	-£86,315	-£17,227	-£33,286
Meadow Vale Primary	-£7,568	£0	-£7,568	1	£0	-£218,357	-£49,886	-£33,511
New Scotland Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
Owlsmoor Primary	-£13,010	£0	-£13,010	1	£0	£0	£0	£0
The Pines School	£0	£0	£0	0	£0	£0	£0	-£51,614
Sandy Lane Primary	£0	£0	£0	0	-£36,631	-£200,336	-£236,124	-£121,593
St Joseph's Catholic Primary	£0	£0	£0	0	-£1,650	-£7,511	£0	£0
Winkfield St Mary's CE Primary	£0	£0	£0	0	£0	£0	£0	£0
St Michaels Easthampstead	-£14,069	£0	-£14,069	1	£0	-£32,273	£0	£0
St Michaels CE Primary, Sandhurst	£0	£0	£0	0	£0	£0	£0	£0
Uplands Primary	-£77,305	-£47,929	-£125,234	3	-£22,700	-£26,330	£0	£0
Warfield CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Whitegrove Primary	-£5,641	£0	-£5,641	5	-£75,466	-£93,006	-£37,288	-£23,239
Wildridings Primary	-£29,142	£0	-£29,142	1	£0	£0	£0	£0
Woodenhill Primary & Nursery	£0	£0	£0	0	£0	£0	-£1,713	-£2,788
College Hall PRU	£0	£0	£0	0	£0	£0	-£30,167	£0
Easthampstead Park	£0	£0	£0	0	£0	£0	£0	£0
The Garth Hill	£0	£0	£0	0	£0	£0	£0	£0
Sandhurst	£0	£0	£0	0	£0	£0	£0	£0
Kennel Lane	£0	£0	£0	0	£0	-£1,762	£0	£0
Total	-£404,323	-£47,929	-£452,252		-£249,474	-£699,549	-£452,128	-£426,970
Number			8		6	5	7	7

Analysis of significant school surplus balances

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm- itted	Approved	Complete	2021-22	2022-23	2023-24 onwards
<u>College Town Primary (14.9% surplus - £139,510 significant)</u>						
Additional Teacher for extra class in Year1/2. 6 classes, would normally only have 5 for numbers of pupils currently 122		£51,252		£29,897	£21,355	
Lead on Pastoral Care now a non-class based position requiring additional teacher. Non-class based teacher to allow KS2 classes to be split for core subjects and provide additional Pastoral support		£51,252		£29,897	£21,355	
Additional non-class teacher position in KS2 to allow classes to be split for core subjects.		£51,252		£29,897	£21,355	
Preparation and construction - Canopy. Part funded with further £6,000 of capital money.		£29,000		£29,000		
Preparation and construction - 2 X sheds		£6,750		£6,750		
Resurfacing ball court		£10,000		£10,000		
Protected pay for support staff following school amalgamation (final year)		£3,605		£3,605		
Total accounted for		£203,111		£139,046	£64,065	£0
<u>Holly Spring (12.6% surplus - £118,078 significant)</u>						
5 months of enhanced staffing resources prior to implementation of a restructure at September 2021			£70,139	£70,139		
Unspent parental contributions for school trip not spent 2020-21 due to Covid.		£9,400		£9,400		
Unspent Covid catch-up premium funding to be spent summer term 2020 when all pupils back in school.		£21,514		£21,514		
Unspent Sports Premium funding to be spent 2021-22 financial year when all pupils back in school.		£19,500		£19,500		
Total accounted for		£120,553		£120,553	£0	£0

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm- itted	Approved	Complete	2021-22	2022-23	2023-24 onwards
<u>Meadow Vale (8.3% surplus - £7,568 significant)</u>						
Preparation and construction - Canopy for nurse area.		£10,000		£10,000		
Total accounted for		£10,000		£10,000	£0	£0
<u>Owlsmoor (8.6% surplus - £13,010 significant)</u>						
Unspent Covid catch-up premium funding to be spent summer term 2020 when all pupils back in school - supply teachers.		£6,000		£6,000		
Unspent Covid catch-up premium funding to be spent summer term 2020 when all pupils back in school - pupil assessment.	£19,400			£19,400		
Unspent Sports Premium funding to be spent 2021-22 financial year.	£13,056			£13,056		
Total accounted for		£38,456		£38,456	£0	£0
<u>St Michael's Easthampstead (9.5% surplus - £14,069 significant)</u>						
£5k overpayment by LA for Rapid Response Claim to be repaid		£5,000		£5,000		
Unspent Sports Premium funding to be spent 2021-22 financial year.		£12,512		£12,512		
Total accounted for		£17,512		£17,512	£0	£0
<u>Uplands (21.0% surplus - £125,234 significant with £47,929 above the maximum cap)</u>						
Costs against current running National Professional Qualification courses		£45,000		£45,000		
Staff costs and time for running Relationships, Sex and Health Education and Sport England activities		£35,000		£35,000		
Surplus held in the Teaching School towards capacity / staffing for other business to be undertaken in 2021-2022		£103,479		£103,479		
Surplus on Main School activities to be used for staffing and interventions		£19,049		£19,049		
Total accounted for		£202,528		£202,528	£0	£0

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm- itted	Approved	Complete	2021-22	2022-23	2023-24 onwards
<u>Whitegrove (8.4% surplus - £5,641 significant)</u>						
To be advised		£13,586		£13,586		
Total accounted for		£13,586		£13,586	£0	£0
<u>Wildridings (9.6% surplus - £29,142 significant)</u>						
Preparation and construction - canopy to year 1 area including enclosed one side & installation of sail shade to bus area		£6,310		£6,310		
3rd set of 15 IPADS and go caddy case for each phase		£4,844		£4,844		
Preparation and construction - Fencing Works			£2,855	£2,855		
Preparation and construction - Staff toilets	£16,340			£16,340		
2021-22 in year deficit due to reduction in pupil numbers		£14,480		£14,480		
2022-23 in year deficit		£26,482			£26,482	
2023-24 in year deficit		£103,945				£103,945
Total accounted for		£175,256		£44,829	£26,482	£103,945
Total	£48,796	£659,212	£72,994	£586,510	£90,547	£103,945
Total	6%	84%	10%	75%	12%	13%
Total		£781,002			£781,002	

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2020-21	2021-22	2022-23 onwards
<u>St Josephs (9.32% surplus - £1,650 significant)</u> Redecoration of Key Stage 1 classrooms and corridors throughout the school		£3,000		£3,000		
Total accounted for		£3,000		£3,000	£0	£0
<u>Uplands (10.59% surplus - £22,700 significant)</u> Carry forward from teaching school, which must be reported through the main school budget although it is earmarked for other purposes and not for use by the school.		£22,700		£22,700		
Total accounted for		£22,700		£22,700	£0	£0
<u>Whitegrove (13.11% surplus - £75,466 significant)</u> Cost of current staffing structure is not sustainable and needs to be reduced. Requirement to restructure SLT leadership scale points in line with bench marking with similar schools. Staff consultation delayed due to Covid.		£75,466		£75,466		
Total accounted for		£75,466		£75,466	£0	£0
Overall Total	£0	£257,751	£0	£257,751	£3,605	£0
Total	0%	100%	0%	99%	1%	0%
Total		£257,751			£261,356	

Request from Uplands to retain surplus funds above the 16% cap



Uplands Primary School and Nursery
Inspired to achieve

Albion Road, Sandhurst, Berkshire GU47 9BP
Telephone number: 01252 873069
School email: office@uplandsprimary.org
Nursery email: nursery@uplandsprimary.org
Website: www.uplandsprimaryschool.com

Head Teacher
Philip Sherwood

16 June 2021

RE: SIGNIFICANT SURPLUS BALANCE OVER 16% (£48,000)

As a current Teaching School (until 31 August 2021, when we will become a support alliance and trading services arm of Uplands), we are a lead school for School Direct, NPQ provider and school to school support provider. Therefore, we must retain surplus money to complete all business relating to the NPQs, School Direct etc. These are projects and courses that often run across multiple financial and academic years.

We are currently transitioning to become a new ECF and NPQ Partner provider for the Education Development Trust (EDT) and will be continuing to support a number of local schools in Bracknell Forest and beyond. We will be offering a full career progression route for initial teacher training from School Direct students up to Headship. We will also continue to be a lead school for School Direct and carry out school support and CPD training.

The surplus will be used to fund the capacity to do this and the attached budget spreadsheets show how this money is used and fed back into the Teaching School / Forest Learning Alliance activities to support our local schools.

This clearly shows that we separate all Teaching School / Forest Learning Alliance funds and account for them separately to the main school funding. It shows that the surplus for our main school budget is only £19,049 and our Teaching School / Forest Learning Alliance holds a surplus of £183,479.

With this in mind we would request that the scheme be amended to allow the Teaching School / Forest Learning Alliance funds to be excluded from the surplus retention calculation and that we retain the excess funds to allow us to continue the activities which are an important benefit to our local schools and Alliance members.

A handwritten signature in black ink, appearing to read 'P Sherwood', with a long horizontal stroke extending to the right.

Mr P Sherwood
Head Teacher

A handwritten signature in black ink, appearing to read 'J Steadman', written in a cursive style.

Mrs J Steadman
Chair of Governors

2020-21 School Capital Balances

School	2020/21 new year funding £	Carry forward			Amount that must be spent by 31 Aug 2021 £
		Total Amount (+deficit / -surplus) £	Percentage of new year funding £	Change from 2019/20 (+increase / -decrease) £	
Ascot Heath County Infant	£8,271	-£35,807	432.92%	£15,676	£14,687
Birch Hill Primary	£8,829	-£8,791	-99.57%	-£3,235	£0
College Town Infant and Nursery	£10,026	-£6,877	-68.59%	-£4,915	£0
Cranbourne Primary	£6,356	-£8,151	-128.24%	£4,667	£0
Crowthorne CE Primary	£6,356	-£7,655	-120.44%	-£6,356	£0
Fox Hill Primary	£6,572	-£14,731	-224.15%	-£4,258	£1,621
Harmanswater Primary	£10,813	-£7,725	-71.44%	£19,113	£0
Holly Spring Infant and Nursery	£10,561	-£41,898	-396.72%	£6,212	£16,546
Meadow Vale Primary	£11,211	-£40,784	-363.79%	£6,324	£17,981
New Scotland Hill Primary	£6,377	-£8,819	-138.29%	£1,632	£0
Owlsmoor Primary	£10,499	-£5,472	-52.12%	-£217	£0
Pines	£7,723	-£16,035	-207.63%	£2,910	£746
Sandy Lane Primary	£9,846	-£33,154	-336.73%	-£9,846	£13,282
St Marys CE Primary (Winkfield)	£6,199	-£12,693	-204.76%	-£6,199	£221
Uplands Primary	£6,688	-£22,443	-335.57%	£4,867	£8,982
Warfield CE Primary	£9,046	-£20,369	-225.17%	-£9,046	£2,484
Whitegrove Primary	£8,642	-£8,124	-94.01%	-£3,700	£0
Wildridings Primary	£8,833	-£9,501	-107.56%	-£7,192	£0
Woodenhill Primary and Nursery	£8,186	-£26,673	-325.84%	-£8,186	£10,103
Easthampstead Park	£18,990	-£15,096	-79.49%	-£15,096	£0
Garth Hill	£32,045	-£79,186	-247.11%	£49,991	£14,504
Sandhurst	£22,238	-£18,326	-82.41%	£23,373	£0
Kennel Lane	£10,117	-£11,237	-111.07%	-£7,367	£0
College Hall PRU	£5,591	-£5,615	-100.43%	-£5,591	£0
Total	£250,015	-£465,162	-186.05%	£43,561	£101,157

Primary average	£8,475	-£17,669
Secondary average	£24,424	-£37,536

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TO: SCHOOLS FORUM
DATE: 15 JULY 2021

2020-21 PROVISIONAL OUTTURN ON THE SCHOOLS BUDGET **Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform members of the Schools Forum of the provisional outturn on the 2020-21 Schools Budget, including the allocation of balances and use of Earmarked Reserves. These funds are ring-fenced for the support of schools and pupils.

2 EXECUTIVE SUMMARY

- 2.1 The 2020-21 draft accounts confirm a significant overspending on the High Needs Block (HNB) at £4.824m (£3.220m over spend in 2019-20), with a net over spending on the whole Dedicated Schools Grant (DSG) of £4.402m.
- 2.2 The over spending on the HNB is consistent with the experience of many LAs across the county. Whilst this pressure has been recognised by the government with additional funding being provided to all LAs – BFC has received an 8% increase in funding in both 2019-20 and 2020-21 – this is still insufficient to fund the increasing pressures. With a further £5.7m deficit projected when the 2021-22 HNB budget was considered, this represents a significant financial challenge.
- 2.3 Whilst the legal framework requires accumulated HNB deficits to remain within the Schools Budget and the financial responsibility of the Department for Education (DfE), day to day operational decisions continue to rest with LAs and as with all decisions around spending of public money in BF, these are taken in accordance with the normal rules and professional financial management standards required by the Council in the Financial Regulations and other Financial Procedure documents.
- 2.4 The coronavirus pandemic has had a significant impact on the plans of the council and Schools Forum to review support services to pupils, to widen choice, improve quality and reduce costs. This resulted in a number of planned savings not being achieved and ultimately contributed to the increasing deficit.
- 2.5 The overall balances currently held on the council managed elements of the Schools Budget amount to a £0.484m deficit. This is after taking account of the earmarked surplus balances held by schools of £2.123m and other reserves of £1.896m. Excluding these amounts leaves a net deficit on the DSG of £4.503m.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 **that the outturn expenditure for 2020-21, subject to audit, shows an over spending of £4.402m (paragraph 6.6);**

- 3.2 the main reasons for budget variances (paragraph 6.8);**
- 3.3 the cumulative £0.484m deficit balance held in the Schools Budget Dedicated Schools Grant Reserve, responsibility for which rests with the Department for Education (paragraph 6.10);**

That the Schools Forum AGREES:

- 3.4 the proposed transfers to and from Earmarked Reserves (paragraph 6.11).**

4 REASONS FOR RECOMMENDATIONS

- 4.1 The recommendations are intended to inform the Schools Forum of financial performance against budget in the 2020-21 financial year including the year end transfers to and from balances and Earmarked Reserves.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not appropriate.

6 SUPPORTING INFORMATION

2020-21 Schools Budget Revenue Expenditure and Funding

- 6.1 Based on recommendations of the Schools Forum, the Executive Member for Children, Young People and Learning approved the initial Schools Budget for 2020-21 with £112.938m of grant funding. This comprised the estimated amount of Dedicated Schools Grant (DSG) income that would be received from the DfE at £100.503m, anticipated income of £1.638m to reflect sixth form grant income from the Education and Skills Funding Agency (ESFA), £2.122m from the Pupil Premium grant, £1.245m from the Universal Infant Free School Meal grant, £0.438m from the Primary PE and Sports grant, £0.578m from the Teachers' Pay grant and £6.291m from the Teachers' Pension Grant. In addition to grant funding, there is also a budget of £0.123m for other receipts making total income of £112.938m.
- 6.2 Subsequent to this decision, anticipated DSG income has been updated to reflect revised grant notifications from the DfE, including reductions arising from academy schools where the amount due from the BF Funding Formula for Schools is recouped from the council for the ESFA to directly fund relevant schools. After making the following adjustments, the final DSG allocation amounted to £75.897m:
- £25.077m deduction for academy schools, with £0.021m addition for in-year growth in academy pupil numbers.
 - £0.311m increase to HNB spending power following changes to the original allocation by the ESFA where final data indicated higher overall numbers of students in specialist institutions and fewer places purchased from providers directly funded by the ESFA compared to the estimate included in the original budget
 - £0.139m increase to the Early Years Block, essentially to finance the cost of the free entitlement to early education and childcare. This reflects the in-year recalculation of funding by the ESFA. Ordinarily, this is based on April to August 2020 from the January 2020 census and September 2020 to March

2021 from the January 2021 census. To reflect the impact of the national lockdowns on take up, the final funding allocation from April to December 2020 was based on the January 2020 census, with January to March 2021 on the January 2021 census.

6.3 There are further budget adjustments to report:

- To reflect additional sixth form student numbers, the ESFA increased funding allocations to schools by £0.045m. This has a net nil effect as an equivalent increase is made to the relevant expenditure budget used by the schools.
- As part of the council's commitment to provide an additional £1m to schools to help mitigate the additional costs arising from new schools, the council added a further £0.253m to school budgets. Total additional funding from the council for this purpose now amounts to £0.591m.
- In accordance with Local Government Accounting code of practice, where schools use their revenue funding for capital related expenditure, both the funding and spend need to be transferred to the capital accounts. The Council was notified by schools that of a total of £0.329m of funding needed to be converted to capital through a transfer from revenue. There is a net nil effect on school budgets from this as both the funding and costs are transferred out of delegated budgets.
- £0.086m of DfE grant to support the Virtual Head role has been applied to supplement DSG funded expenditure on the educational attainment of children looked after.

6.4 The net effect of the budget changes set out above is that the final net Schools Budget totalled £0.010m, with an income budget of £88.379m, and an overall gross budget of £88.389m.

6.5 In accordance with DfE Funding Regulations, a number of self-balancing budget adjustments have also been made during the year to reflect the transfer of funds from centrally managed budgets to schools where they have met qualifying criteria or original estimates are revised following verified data. The most significant adjustments reflect funding for the free entitlement to early years education and childcare, changes in SEN funding for named pupils i.e. Element 3 top up funding, allocations from the Growth Fund, mainly in respect of managing the financial impact of Key Stage 1 Class Size Regulations, and support to schools in financial difficulty.

Provisional Outturn Position

6.6 The provisional final accounts for the Schools Budget, as summarised at Annex A, shows an over spending of £4.402m. These figures remain subject to change, pending external audit, although no significant movement is anticipated.

6.7 Some expenditure in the Schools Budget is ultimately financed from accumulated balances and earmarked reserves. Annex A sets out the transfers required as part of the accounts closedown process which is explained in more detail in paragraphs 6.9 to 6.13.

6.8 An explanation of the main changes (+/- £0.050m) from the approved budget plan, after transfers to or from reserves and balances are as follows, many of which are consistent with the update on budget performance that was reported to the Forum in November:

LA Managed Budgets:

Schools Block - £0.221m under spend:

- i. Pupil behaviour - £0.091m under spend.** The main savings arose from staffing as a result of vacancies and limited expenditure on resources as visits to schools were curtailed
- ii. Schools in financial difficulties - £0.062m under spend.** With the suspension of the Ofsted inspection framework to allow schools to focus on the impact of the coronavirus pandemic, expenditure for the year was lower than expected
- iii. Official staff absences - £0.061m under spend.** The incidence and cost of maternity leave absence for classroom staff was lower than expected
- iv. Under spend returned to schools - £0.205m over spend.** Items i to iii above are de-delegated from maintained schools. Where there is an aggregate underspending on these budgets. It is returned to maintained schools.
- v. Other Schools Block provisions and support services - £0.179m under spend.** There are 2 significant budget variances being reported in this area of the accounts. Firstly, there was a net under spending of £0.167m on the Growth Fund of which there are 2 relevant elements; based on the actual pupil numbers on the October 2020 census, *in-year growth allowance payments* were made for 10 fewer classes at schools experiencing significant increases in pupil numbers compared to the 11 assumed from the 3 year average actual numbers which was used to calculate the original budget requirement. This resulted in an under spending of £0.269m; secondly, top up funding allocations to schools experiencing additional teaching costs as a result of *Key Stage 1 maximum class size regulations* over spent by £0.102m. The second significant variance relates to potential business rates revaluations in schools. A provisional cost of £0.071m was transferred to reserves and set aside for this future expected liability.

High Needs Block - £4.824m over spend:

Members of the Forum will be aware that budget items vi to viii below represent the most unpredictable and volatile education budgets that the council manages. Placement requirements can change at short notice and new pressures can emerge that can together result in large movements in costs and between budget lines.

It is also well known that significant cost pressures are being experienced, which is a national issue, and not just limited to BF, with the number of pupils with a statement or Education Health Care Plan (EHCP) ¹ having increased in the 2 years between 2018 and 2020 by 16.2% ². The change in BF showed a steeper increase of 17.7% ³.

Taking account of the increasing use of private, voluntary, and independent (PVI) sector providers, costs over the same 2-year period to 31 March 2020 increased by 27.3% during which time grant from the DfE has increased by 4.8%.

¹ An EHCP is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person.

² DfE SEN statistic at relevant January from: [Create your own tables online, Table Tool – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](#)

³ Average FTE placements for the financial year that BFC is financially responsible for, reconciled to payments to providers

These factors have contributed to the significant overspending now being reported.

- vi. Maintained schools and academies - £1.179m over spend.** This relates to the cost of additional Element 3 top up support i.e. individual support needs above £0.010m where these have been determined by assessment. This includes payments to BF and other LA schools.

For support to BF schools this totalled £2.034m, an increase of £0.715m (54%) from 2019-20 and a £0.745m overspend. There has been a £1.112m cost increase over the 2 years from April 2019 (121%).

For non-BF schools, this totalled £2.652m, an increase of £0.509m (41%) from 2019-20 and a £0.651m overspend. There has been a £1.099m cost increase over the 2 years from April 2019 (71%).

There were a number of other relatively minor budget variances.

- vii. Non-Maintained Special Schools and Colleges - £3.226m over spend.** The ESFA generally pay the £0.010m place cost at these institutions, with LAs paying individual support needs above this level and which reflects the support arrangements agreed for schools plus £0.010m for any additional places that are needed and have not been pre-purchased.

In terms of the outturn variances, an analysis of the external placements budget shows:

- Budget increase of £0.311m for the actual DSG allocation compared to the amount originally expected, as per paragraph 6.2 above.
- The original HNB DSG was estimated to be £1.677m below expected expenditure. In order to balance to confirmed funding, this was the budget that was set below expected spend.
- Actual costs exceeded the original budget by £1.860m with the key factors being:
 - Overall costs increased from 2019-20 by £1.615m (+25%).
 - There was a total of 220.2 FTE placements (was 217.4 in 2019-20 and 186.6 in 2018-19).
 - At £36,176 the average actual cost of placement was £6,856 more than the £29,320 cost in 2019-20, an increase of 23%.
 - The budget assumed both additional placements (+39) from the forecast increase in EHCP numbers and reductions from the impact of the savings programme (-16), which as previously reported, was only partially implemented in the year due to the coronavirus pandemic.

- viii. Education out of school - £0.441m overspend.** There were 2 significant budget variances. There was an increase in the number of pupils requiring home tuition that resulted in a £0.123m overspending, with total expenditure increasing by £0.116m in the last 2 years (26%). There was also a £0.322m overspending on externally commissioned alternative provision. Demand also increased for these provisions, with total expenditure increasing by £0.257m in the last 2 years (93%).

- ix. Other SEN provisions and support services - £0.052m underspend.** The main areas of overspending amounts to £0.095m on additional support for pupils with medical needs and £0.084m of unachieved savings. This is offset by a number of savings primarily arising from staff vacancies and the pandemic and includes the range of therapies (-£0.095m), the Traveller Education Service (-£0.037m), support to under 5's including the Child Development Centre (-£0.095m).

Early Years Block - £0.194m under spend:

- x. **Free entitlement to early years education - £0.125m under spend.** The budget to fund payments to providers delivering the free entitlement to early education and childcare under spent by £0.125m. This primarily occurred as a result of the DfE funding LAs for April to December 2020 at the actual January 2020 head count take-up numbers rather than the normal practice of only using January 2020 data through to August. This ensured sufficient funding was available to meet actual hours delivered, or 2019-20 actual levels if the pandemic had resulted in lower take-up. The budget included £0.104m to manage in-year differences between take-up and DfE funding which in the circumstance was not required.

2021-22 DSG funding from the DfE will be based on actual termly take-up data, which should ensure sufficient income is received to fully fund providers.

- xi. **Other Early Years provisions and support services - £0.069m under spend.** This arose from a number of staff vacancies during the year together with limited spend on the commissioned translation service.

Financing of in-year over spending:

- xii. **Financing of year end over spend - £4.402m overspend.** The net aggregate overspending on budgets centrally managed in the Schools Budget.

Unallocated Schools Budget Balance:

- xiii. Taking account of the £0.141m deficit brought forward balance and an in-year transfer of £0.040m from the unrequired Schools Meals Re-Tender Reserve, there is a net deficit balance of £4.503m on the unallocated Schools Budget Reserve. More information is provided on this and other reserves directly below.

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

Balances and reserves

- 6.9 As part of the financial planning process, there is the opportunity to establish and maintain reserves and balances. Earmarked Reserves are sums of money which have been set aside for specific purposes and the Schools Forum has agreed a number of Schools Budget reserves should be created. Each year these reserves can have funds added or deducted depending on financial performance and the purposes for which they were created. Balances reflect year end unspent funds and can be held separately as an unring-fenced amount or are transferred to Earmarked Reserves.
- 6.10 Table 1 below provides a summary of movements last year together with current balances on the earmarked reserves of which column 3 shows a total deficit of funds at 31 March 2021 of £0.484m, a reduction of £3.348m compared to 2019-20 (column 2).

Table 1: Earmarked reserves and balances related to the Schools Budget

Reserve	Balance B/Forward 01-Apr-20 (1) £ 000	Year end Transfers (2) £ 000	Final Balance 31-Mar-2021 (3) £ 000
<u>School Balances - Earmarked:</u>			
Primary	-1,049	-513	-1,562
Secondary	296	-565	-269
Special	-324	48	-276
Outstanding Academy School loans	61	-43	18
College Hall PRU	-23	-11	-34
(a)	-1,039	-1,083	-2,123
<u>Earmarked Reserves</u>			
SEN Resource Provision Reserve	-459	0	-459
New school start-up / diseconomies	-746	0	-746
School Meals Re-tender Reserve (b)	-40	40	0
School Expansion Rates Reserve (c)	-364	-71	-435
SEN Strategy Reserve (d)	-356	100	-256
	-1,965	69	-1,896
<u>Schools Budget General Reserve</u>			
Brought forward balance	141	0	141
Transfer from School Meals Reserve (b)	0	-40	-40
2020-21 in-year over spend (e)	0	4,402	4,402
	141	4,362	4,503
Total reserves	-2,863	3,348	484
<u>Memorandum item:</u>			
School balances from above		-1,083	-2,123
Less loans to academy schools *		43	-18
Maintained schools balances		-1,040	-2,141

* Outstanding at point of conversion. Due to be fully repaid 2021-22.

6.11 A number of year-end transfers, as set out in column 2 of Table 1 have been processed in accordance with the accounts closedown arrangements:

Note a: School balances: Statutory Regulations require balances on school budgets to be earmarked to individual schools for use in a future financial year. There was an aggregate -£1.041m transfer to balances during the year as schools spent less than their budget allocations. In addition, academy schools with outstanding loans at the point of their conversion repaid the £0.043m of advances that were due, resulting in a net overall increase in balances of £1.083m. Academy schools now owe £0.018m on outstanding loans compared to the initial £0.135m debt and are on course to be fully repaid by August 2021. A separate item on tonight's agenda provides further detail on school balances.

Note b: School Meals Re-Tender Reserve. The purpose of this reserve was to help finance costs arising from future Schools Meals Catering tendering exercises. With schools now undertaking these exercises themselves, the reserve is no longer required and the £0.040m can be transferred to the Schools Budget General Reserve.

Note c: School Expansion Rates Reserve: the annual review of liabilities reflects the latest in-year school rates revaluations and a recognition that any further revaluations will be backdated no further than to April 2017, the most recent national revaluation date. This indicates that the Reserve needs to increase by £0.071m.

Note d: SEN Strategy Reserve: the Forum has previously agreed that this reserve would be used to finance the costs of support agreed at the SEN Hub which amounted to £0.100m.

Note e: Schools Budget General Reserve: the aggregate in-year over spending on centrally managed budgets of £4.402m has been charged here.

6.12 Changes to the School and Early Years Finance (England) Regulations 2020 and Regulation 30L of The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations) determine the accounting treatment to be adopted by LAs with deficit balances on their Schools budget. This requires the establishment of a new statutorily ring-fenced unusable reserve – the Dedicated Schools Grant Adjustment Account. The new accounting practice has the effect of separating schools budget deficits from the LAs general fund to confirm no liability on LAs. This arrangement has been put in place by the government for an initial 3-year period.

6.13 The table above sets out the year end Schools Budget Reserves and Balance deficit at £0.484m. Annex B provides a summary of the purpose and policy of each element of the Dedicated Schools Grant Adjustment Account. together with recent levels of funds.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Resources: Finance

7.2 The financial implications arising from this report are set out in the supporting information. The budget variances were reviewed during the year and where appropriate, have been built into the 2021-22 budget, most notably relating to the increasing pressure on High Needs Budgets.

7.3 Whilst liability for the £0.484m deficit balance on the Dedicated Schools Grant Adjustment Account rests with the DfE, it is important that the council continues to work on strategies to reduce costs whilst maintaining appropriate support levels to children and young people.

Equalities Impact Assessment

7.4 There are no specific impacts arising from this report.

Strategic Risk Management Issues

7.5 There is a risk to the Schools Budget from not having sufficient reserves to manage unforeseen in-year cost pressures. This is mitigated by holding funds in earmarked reserves and other reserves, although these are now diminishing.

Climate Change Implications

7.6 The recommendations from this report will have no impact on emissions of carbon dioxide as they report on activities already undertaken.

8 CONSULTATION

8.1 Not applicable.

Background Papers

None

Contact for further information

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Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(104\) 150721/2020-21 Schools Budget outturn etc.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(104)%20150721/2020-21%20Schools%20Budget%20outturn%20etc.docx)

**2020-21 PROVISIONAL BUDGET MONITORING
OUTTURN STATEMENT FOR THE SCHOOLS BUDGET**

Service Area	Budget - before year end transfers			Outturn Net Spend	Estimated Variance			Transfer to(+)/ from (-) reserves	Final Budget	Final variance	Note
	Spend	Income	Net		Under spending	Over spending	Net variance				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Schools Block											
<u>Delegated and devolved funding:</u>											
Delegated Mainstream School Budgets	52,389	0	52,389	51,268	-1,121	0	-1,121	1,121	51,268	0	
School Grant income	12,359	-12,359	0	0	0	0	0	0	0	0	
Schools Block	64,748	-12,359	52,389	51,268	-1,121	0	-1,121	1,121	51,268	0	
<u>LA managed items:</u>											
Retained de-delegated Budgets:											
<i>Behaviour</i>	253	0	253	162	-96	5	-91	0	253	-91	i
<i>Schools in Financial Difficulty</i>	124	0	124	62	-62	0	-62	0	124	-62	ii
<i>Official Staff Absences</i>	350	0	350	289	-68	7	-61	0	350	-61	iii
<i>English as an Additional Language</i>	104	0	104	110	-11	17	6	0	104	6	
<i>PRC / Licence Fees / FSM checking</i>	61	0	61	58	-5	2	-3	0	61	-3	
<i>Under spend returned to maintained schools</i>	0	0	0	205	0	205	205	0	0	205	iv
Combined Service Budgets:											
<i>Education Attainment and School Transport for LAC</i>	262	0	262	234	-28	0	-28	0	262	-28	
<i>Family Intervention Project / Domestic Abuse</i>	106	0	106	102	-4	0	-4	0	106	-4	
<i>CAF Co-ordinator</i>	42	0	42	42	-3	3	0	0	42	0	
<i>SEN Contract Management</i>	33	0	33	24	-9	0	-9	0	33	-9	
<i>Education Health / Sport</i>	48	0	48	48	0	0	0	0	48	0	
Statutory and Regulatory Duties	501	0	501	506	0	5	5	0	501	5	
Other Schools Block provisions and support services	646	0	646	396	-325	75	-250	71	575	-179	v
LA managed items:	2,530	0	2,530	2,238	-611	319	-292	71	2,459	-221	
Sub total Schools Block	67,278	-12,359	54,919	53,506	-1,732	319	-1,413	1,192	53,727	-221	

**2020-21 PROVISIONAL BUDGET MONITORING
OUTTURN STATEMENT FOR THE SCHOOLS BUDGET**

Service Area	Budget - before year end transfers			Outturn Net Spend	Estimated Variance			Transfer to (+) / from (-) reserves	Final Budget	Final variance	Note
	Spend	Income	Net		Under spending	Over spending	Net variance				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
High Needs Block											
Delegated Special Schools Budgets	4,486	0	4,486	4,564	0	78	78	-48	4,534	30	
Maintained schools and academies	2,157	-31	2,126	3,405	-354	1,633	1,279	-100	2,226	1,179	vi
Non Maintained Special Schools and Colleges	4,768	0	4,768	7,994	-312	3,538	3,226	0	4,768	3,226	vii
Education out of school	1,774	-3	1,771	2,201	-16	446	430	11	1,760	441	viii
Other SEN provisions and support services	1,985	-68	1,917	1,865	-296	244	-52	0	1,917	-52	ix
Sub total High Needs Block	15,170	-102	15,068	20,029	-978	5,939	4,961	-137	15,205	4,824	
Early Years Block											
Free entitlement to early years education	5,553	-3	5,550	5,425	-125	0	-125	0	5,550	-125	x
Other Early Years provisions and support services	388	-18	370	301	-69	0	-69	0	370	-69	xi
Sub total Early Years Block	5,941	-21	5,920	5,726	-194	0	-194	0	5,920	-194	
Dedicated Schools Grant	0	-75,897	-75,897	-75,904	-7	0	-7	0	-75,897	-7	
Sub total: performance for the year	88,389	-88,379	10	3,357	-2,911	6,258	3,347	1,055	-1,045	4,402	
Financing of in-year over spend	0	0	0	0	0	0	0	-4,402	4,402	-4,402	xii
TOTAL - Schools Budget	88,389	-88,379	10	3,357	-2,911	6,258	3,347	-3,347	3,357	0	
Note on Unallocated Schools Budget balance:											
Opening unringfenced balance on Schools Budget									141		
Transfer balance from unrequired School Meals Catering Reserve									-40		
2020-21 forecast in-year net variance									4,402		
Net deficit at 31 March 2021									4,503		xiii

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See paragraph 6.8 for an explanation to the notes to variances. Note roundings may result in totals not cross checking

Breakdown of the Dedicated Schools Grant Adjustment Account – net deficit at 31 March 2020 of £0.484m

Internal Reserve	Purpose	Policy	Year-end value
School Balances	These funds are used to support future expenditure within the Schools Budget relating to individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LA has no practical control over the level of balances.	March 17 £1.746m March 18 £1.363m March 19 £1.610m March 20 £1.038m March 21 £2.123m
SEN Resource Units	To set aside in a reserve for building adaptations to allow for the creation of SEN resource units on school sites.	To finance capital expenditure to assist with the development of local, cost effective provisions to support pupils with SEN.	March 17 £0.304m March 18 £0.337m March 19 £0.459m March 20 £0.459m March 21 £0.459m
New school start-up / diseconomies	To set aside an earmarked reserve to support the additional costs that will arise from the new school places building programme.	To help finance the diseconomy costs that will arise from new schools that will open with relatively low numbers of pupils as housing developments progress.	March 17 £0.300m March 18 £0.800m March 19 £1.000m March 20 £0.746m March 21 £0.746m
School Meals Re-Tender Reserve	To set aside an earmarked reserve for the School Meals Catering Re-tendering exercise	To help finance costs arising from future Schools Meals Catering tendering exercises.	March 17 £0.040m March 18 £0.040m March 19 £0.040m March 20 £0.040m March 21 Nil
Schools Expansion Rates Reserve	To set aside an earmarked reserve for the rates costs associated with school expansions.	To help finance costs arising from the school expansion programme.	March 17 £0.595m March 18 £0.842m March 19 £1.092m March 20 £0.364m March 21 £0.435m

Reserve	Purpose	Policy	Year-end value
SEN Strategic Reserve	To set aside funding to contribution to costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children.	To help finance start-up and one-off initiatives arising from the SEN Strategy.	March 18 £0.439m March 19 £0.439m March 20 £0.356m March 21 £0.256m
Grants unapplied Reserve	To set aside in a reserve for unspent Schools Budget related grants where there are no restrictions applied to the spending from the grant awarding body.	To facilitate the transfer of unspent grant balances between financial years.	March 17 £0.003m March 18 £0.003m March 19 £0.003m March 20 £0.003m March 21 £0.003m
Schools Budget General Reserve	The Schools Budget is a ring-fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose than a future years' Schools Budget.	March 17 £1.779m March 18 £1.994m March 19 £1.577m March 20 -£0.141m March 21 -£4.503m

Net account deficit at 31 March 2021 = £0.484m

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TO: SCHOOLS FORUM
DATE: 15 JULY 2021

**2020-21 FUNDING ALLOCATIONS TO MAINSTREAM SCHOOLS FROM
BUDGETS CENTRALLY MANAGED BY THE COUNCIL**
Executive Director - People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present information on the in-year allocation of funds to mainstream schools through School Specific Contingencies and other budgets that are funded from the Dedicated Schools Grant (DSG) and in the first instance centrally managed by the council. It also presents the opportunity to amend existing funding policies. These funds relate only to mainstream schools.

2 EXECUTIVE SUMMARY

- 2.1 The funds used to provide targeted support to schools meeting qualifying criteria allocated £0.389m in 2020-21 an overall under spend of £0.241m. This helps to fund unpredictable and sometimes significant additional costs that only a small number of schools face and which the simplified national funding formula lacks the required sensitivities.
- 2.2 The associated policies that provide consistency and transparency of operation are generally considered appropriate and fit for purpose with only minor changes for reasons of clarification and updating new funding rates being proposed.

3 RECOMMENDATIONS

The Forum:

- 3.1 **NOTES the following funding allocations to schools, made in accordance with approved policies;**
1. **£0.051m for significant in-year increases in pupils (paragraph 6.106.9);**
 2. **£0.153m for schools required to meet the Key Stage 1 Class Size regulations (paragraph 6.13);**
 3. **£0.015m for new and expanding schools (paragraph 6.18);**
 4. **£0.030m for schools with a disproportionate number of SEN pupils (paragraph 6.22);**
 5. **£0.140m for schools in financial difficulty (paragraph 6.28);**
 6. **No allocations were made from the general schools contingency (paragraph 6.30).**
- 3.2 **AGREES minor changes to text to improve clarity of a policy and the updating of funding rates where relevant (paragraph 6.32).**

4 REASONS FOR RECOMMENDATIONS

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

5 ALTERNATIVE OPTIONS CONSIDERED

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

6 SUPPORTING INFORMATION

Background

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

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

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

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

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

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

Where de-delegated budgets in aggregate underspend in a financial year, the relevant amount is returned to mainstream maintained schools as a refund.

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

1. Growth Fund allocations - £385,800 total budget (applies equally to maintained mainstream schools and academies that meet qualifying criteria).
 - a. Significant in-year increases in pupil numbers - £320,800 budget
 - 6.5 To provide in-year financial support to schools experiencing significant increases in statutory aged pupil numbers, LAs are permitted to retain funding in a Growth Fund for allocation once qualifying criteria is met. This reflects the requirement of the DfE to calculate school budgets on actual pupil numbers prior to the start of the financial year which means there is no recognition of in-year increases which in some cases will have a significant impact on costs.
 - 6.6 To provide additional resources to schools facing in-year increases, the Schools Forum has agreed that funding allocations should be made where there is a significant increase in pupils between the census point used for funding school budgets and the actual intake at the start of the next academic year. The relevant thresholds and funding rates are:
 - less than 2 FE schools = increase of 10 pupils, at half the core funding rate
 - 2 FE schools = increase of 20 pupils, at the core funding rate
 - 3 FE and above schools = increase of 25, at the core funding rate
 - 6.7 Admitting additional pupils at these levels is considered the point at which relevant schools would most likely experience significant cost increases. The general expectation is that schools can absorb additional pupils up to these numbers without having to incur any significant cost increases.
 - 6.8 The core funding allocation is based on the cost of employing a Teacher at Main Scale Point 6 for the autumn and spring terms only. This is a short-term funding measure as on-going funding beyond this point would be included in the next year's budget as relevant pupils would be on the October census used for funding purposes and are therefore taken into account in the next year's budget calculation. Annex 1 sets out the full policy which is proposed to remain unchanged.
 - 6.9 Based on actual changes in pupil numbers, Brakenhale academy was the only school to qualify for an allowance from September 2020 in the value of £30,042. This compares to 11 expected in the budget which was set on the average number of payments made in the last 3 years and reflects a period of pupil growth that is no longer occurring.
 - 6.10 Furthermore, as academy schools receive academic year budgets the Education and Skills Funding Agency (ESFA) provides additional funding for the summer term. This is because the extra pupils are not reflected in their budget until September, rather than April for maintained schools. The council received an additional £20,800 from the ESFA through this route for funding due in the period April – August 2020 in respect of Brakenhale Secondary, which was fully passed on. Total allocations therefore amounted to £50,842 with a resultant under spending of £269,958. Annex 2 sets out individual school calculations and other relevant data.
 - b. Schools required to meet the Key Stage 1 Class Size regulations - £50,000 budget
 - 6.11 In a similar way to that in which funds can be retained for allocation in year to schools experiencing significant increases in pupil numbers, LAs are also permitted to create a contingency to allocate funds to support schools facing additional costs to ensure Key Stage 1 class size regulations to limit classes to no more than 30 pupils per teacher are

not breached. Again, this allows the targeting of funds to schools facing real cost pressures that the Funding Formula is not permitted to deal with.

- 6.12 The Forum has agreed that where the aggregate number of Key Stage 1 pupils does not equate to a multiple of 30, additional resources will be added at the amount required to cover the cost of appointing a Teacher on Main Scale Point 6 for the relevant period, after taking account of the funding delivered through the Funding Formula. Top up funding is provided on a “missing pupil” basis and is calculated at the amount required to meet teacher costs only. Based on the 2021-22 expected values in the Funding Formula, 13 pupils at the national Minimum Per Pupil Funding Level that a school must receive delivers sufficient resources to employ a teacher. Therefore, the maximum top-up funding a school can receive that has one pupil on roll above a multiple of 30 is for 12 ‘missing’ pupils.
- 6.13 Based on actual changes in pupil numbers for the 2020 summer and autumn terms, and the spring term 2021, 10 schools are entitled to additional funding, which aggregates to £152,500 resulting in an over spending of £102,500. Annex 4 sets out individual school allocations and other relevant data.
- 6.14 To avoid double funding, if the same pupils result in schools receiving funding through the *significant in-year increase in pupil numbers* category then any Key Stage 1 specific funding is disallowed. The relevant qualifying criteria are set out in Annex 3 which is proposed to remain unchanged.
- 6.15 As part of the DfE response to coronavirus pandemic, to reduce burdens on schools, the May 2020 pupil and other data census was cancelled. Ordinarily, data from this census is used to fund schools for summer term allocations. As there is a close correlation between numbers on the January and May census returns - over the last 3 years no change in over 30% schools, change of no more than 2 NOR in over 75% - the January 2020 numbers were used as a proxy for May 2020 numbers, with schools given the option to provide their own numbers if they preferred.

c. New and expanding schools - £15,000 budget.

- 6.16 With the new Kings Group (KGA) Academy Binfield open to secondary aged pupils from September 2018 and primary aged pupils from September 2019 and KGA Oakwood Primary also open from September 2019, allocations are due from the funding policy for Start-up and diseconomy funding for new and expanding schools.
- 6.17 In respect of diseconomy funding – intended to support general running costs when schools have significantly fewer pupils than their capacity - this was allocated through the BF Funding Formula for Schools, which in accordance with DfE requirements, required notional pupil numbers to be added to the allocation process to deliver the increased funding determined through the policy.
- 6.18 For post-opening costs – intended to provide a lump sum amount to equip each new class that is to open with day to day resources – both the Binfield and Oakwood Primary schools opened a new class at September 2020, and therefore each received £7,500.

Total payments for new and expanding schools were therefore on budget at £15,000.

- 6.19 As the 2020-21 policy for start-up and diseconomy funding for new and expanding schools was agreed in December 2019, no further changes are proposed at this time.

2. SEN specific contingency - £40,390 budget (applies equally to maintained mainstream schools and academies that meet qualifying criteria. This is the only budget in this report that is funded from the High Needs Block).

6.20 The DfE encourages LAs to allocate additional resources to schools that admit a disproportionate number of pupils with SEN with a clear expectation that this will affect only a minority of schools. The rationale of the contingency is that the normal operation of the simplified Funding Formula does not adequately resource schools for all costs when there is a large concentration of high needs pupils and inclusion of pupils into mainstream schools rather than specialist providers should be encouraged.

6.21 There is no prescribed methodology on how such a fund should work and the scheme agreed by the Forum following consultation schools requires schools to meet both of the following criteria:

1. Where the proportion of pupils on roll classified as high need exceeds 4% of total pupil numbers in a primary school and 2% in a secondary school, and
2. Where the proportion that top up funding paid to support High Needs pupils compared to the total budget allocated via the BF Funding Formula exceeds 2% in a primary school and 1% in a secondary school.

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

6.22 This resulted in one secondary school receiving an additional funding allocation in the sum of £29,700, resulting in an underspending of £10,690. Annex 5 sets out the calculation of individual school data and eligibility to funding.

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

a. Schools in Financial Difficulty - £192,710 budget

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

1. was unable to set a balanced budget and were in need of a loan arrangement at the start of the relevant financial year, and/or
2. was likely to fall into one of the categories of causing concern, including requires improvement and special measures without additional financial support.
3. was a 1 form of entry school judged good or better that has more than 5% empty places

6.24 Where schools enter an Ofsted category of concern this includes those schools judged to be inadequate or requiring improvement the LA holds a declaration of concern meeting (DoC) and establishes a Rapid Response Board (RRB) for the first 12 weeks. Where effective action is being taken this is then monitored through a Standards Monitoring Board (SMB) on a termly basis. Where required there is an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school are invited to attend the SMB to report on progress. A support

plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement.

6.25 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 responsible for schools to allocate funds up to but not exceeding £0.15m in any financial year, dependent on the Ofsted category of the school, or where there is considered a risk of being placed in a category.

6.26 The level of allocation of funds would be:

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

6.27 Allocations will only be agreed where the relevant school has demonstrated insufficient funds exist within the budget to fund the required actions or activities. The full policy text is set out in Annex 6 which is proposed to be updated for completeness and clarify to the LA support process.

6.28 Reflecting on the suspension of the Ofsted inspection framework to allow schools to focus on the impact of the coronavirus pandemic, expenditure for the year was lower than expected and funding allocations for the year amounted to £140,164 which represented an under spending of £52,546. This under spending was returned to maintained schools as part of the agreed financial year end process to repay any aggregate unspent de-delegation funding to maintained schools.

Further details of the allocations are shown in Annex 7.

b. General Schools Contingency - £8,690 budget

6.29 Where a primary school faces exceptional, unexpected costs in-year that were not known when the budget was set and it would be unreasonable to expect the school to meet the costs, bids for additional funding can be sought. The Forum has previously agreed that claims are considered on a case by case basis by the Heads of Service covering Finance, Human Resources and Property before formal consideration by the Forum.

6.30 No claims were made by primary schools in 2020-21, resulting in a full underspend against the £8,690 budget. A claim is expected to be received in relation to this fund in 2021-22 which if agreed as meeting the relevant criteria, could result in a budget over spending.

6.31 The full criteria for making allocations from the General School Contingency is set out at Annex 8 which is proposed to be updated to clarify the claims review process to be undertaken before presenting bids to the Schools Forum.

Qualifying criteria used to make funding allocations

6.32 To ensure that a consistent and transparent approach is adopted to the allocation of contingency funding to schools, the Forum has agreed a set of eligibility criteria to be applied, and these are attached as annexes to the report. Relevant policies are included in annexes 1, 3, 6 and 8 and paragraph 6.21. No substantial changes are

recommended to the existing policies. The Forum is however recommended to agree that the clarification changes highlighted in yellow are approved, and that updating of funding rates where relevant to the actual costs (or best estimate) for the relevant period are made when relevant information become available.

Conclusion

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

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Resources: Finance

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

Equalities Impact Assessment

- 7.3 None identified.

Strategic Risk Management Issues

- 7.4 None identified.

Climate Change Implications

- 7.4 The recommendations from this report will not have any impact on emissions of carbon dioxide as they relate to funding allocations that occurred last year.

8 CONSULTATION

- 8.1 None.

Background Papers

None

Contact for further information

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Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(104\) 150721/2020-21 Funding Allocations from the Schools Contingency.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(104)150721/2020-21%20Funding%20Allocations%20from%20the%20Schools%20Contingency.docx)

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

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 need¹. The fund will be for the benefit of both maintained and Academy schools. For Academy Schools, the funding is for an academic year.

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

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

The relevant thresholds for additional funding are:

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

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

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

To calculate whether a school is eligible, the following checks will be carried out:

- For the year of entry, the calculation of additional pupils will be capped at the lower of the actual number admitted or the Published Admission Number (PAN), other than where the need to exceed PAN is agreed in advance with the LA.
- Pupil admissions from parental appeals, LAC pupils and pupils with an EHCP are included in the number on roll when checking that a school has not exceeded its PAN in year of entry; these admissions are generally known by May preceding the start of the academic year.
- Schools can request that the Assistant Director: Education and Learning of Education considers additional funding in exceptional circumstances. These will be considered on an individual case basis.
- An appeal to a decision of the Assistant Director: Education and Learning can be made to the Executive Director: People, whose decision will be final.

¹ The DfE define basic need as the statutory duty on local authorities to make sure there are enough school places for children in their local area. This requirement does not extend to individual planning or school designated areas within an authority.

For schools that qualify for this factor the calculation is unchanged from the current methodology that compares the total NOR for statutory aged pupils on roll for the October census in the current financial year with that of the October Census number on roll in the previous financial year.

Where a school does admit pupils above PAN without agreement of the LA, the calculation for a significant growth in pupil numbers will exclude pupils in the year of entry.

There are 2 exceptions to the general policy.

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

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

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

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

Approved by the Schools Forum on 16 July 2020

No changes are being proposed by the council.

2020-21 Funding allocations to schools experiencing significant in-year growth in pupil numbers

Threshold 10 for schools with less than 2 Forms of entry							
Threshold 20 for schools with 2 Forms of entry							
Threshold 25 for schools with 3 and more Forms of entry							
School	No. of Forms of entry - rounded	Total places available	NOR Oct 2019	NOR Oct 2020	Change in NOR	Revised threshold	Amount
Ascot Heath Primary	2	420	367	379	12	20	£0
Binfield CE Aided Primary	2	420	405	409	4	20	£0
Birch Hill Primary	2	420	399	396	-3	20	£0
College Town Primary	3	630	490	475	-15	24	£0
Cranbourne Primary	1	210	205	201	-4	10	£0
Crown Wood Primary	3	630	526	526	0	25	£0
Crowthorne CE Primary	1	210	209	210	1	10	£0
Fox Hill Primary	1	210	204	203	-1	10	£0
Great Hollands Primary (1)	3 to 2	510	352	318	-34	23	£0
Harmans Water Primary	3	630	528	487	-41	25	£0
Holly Spring Primary	3	630	581	571	-10	25	£0
Jennetts Park Primary	2	420	404	393	-11	20	£0
Kings Academy Primary (2)	1	210	29	59	30	10	£0
Meadow Vale Primary	3	630	605	579	-26	25	£0
New Scotland Hill Primary	1	210	189	191	2	10	£0
Kings Academy Oakwood(2)	1	210	38	99	61	10	£0
Owlsmoor Primary	3	630	530	545	15	25	£0
The Pines Primary and Nursery (1)	2 to 1	390	336	317	-19	19	£0
Sandy Lane Primary	3	630	480	476	-4	25	£0
St Joseph's Catholic Primary	1	210	210	211	1	10	£0
St Margaret Clitherow Catholic Pry	1	210	205	199	-6	10	£0
St Michael's Easthampstead CE	1	245	238	235	-3	10	£0
St Michael's CE Aided Pry (Sand't)	1	210	196	203	7	10	£0
Uplands Primary	1	210	212	212	0	10	£0
Warfield CE Primary	2	420	397	412	15	20	£0
Whitegrove Primary	2	420	414	419	5	20	£0
Wildmoor Heath	1	210	202	209	7	10	£0
Wildridings Primary	2	420	405	400	-5	20	£0
Winkfield St Mary's CE Primary	1	210	197	195	-2	10	£0
Wooden Hill Primary & Nursery	2	350	330	336	6	10	£0
The Brakenhale	7	1,050	1,021	1,065	44	25	£30,042
Easthampstead Park	7	1,050	778	782	4	25	£0
Edgbarrow	7	1,050	1,111	1,109	-2	25	£0
Garth Hill College	9	1,350	1,339	1,262	-77	25	£0
Kings Academy Secondary (2)	7	1,050	271	448	177	25	£0
Ranelagh CE	5	750	844	853	9	25	£0
Sandhurst	7	1,050	1,033	1,023	-10	25	£0
Total Primary	52	11,365	9,950	9,865	-18	476	£0
Total Secondary	49	7,350	6,070	6,542	145	175	£30,042
Total All Schools	101	14,605	16,020	16,407	127	651	£30,042

- (1). schools being expanded/contracting have variable funding thresholds relative to the number of new classes available.
(2) new schools are separately funded for pupil growth.

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

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

Numbers in reception, Year 1 and Year 2 will be collected termly from the relevant school census to determine the total number of pupils in each school affected by the relevant Regulations. Where the aggregate number of pupils does not equate to a multiple of 30, additional resources will be added at the amount required to cover the cost of appointing a teacher on Main scale Point 6 – salary and employer on-costs - for the relevant period, after taking account of the minimum funding delivered through the Funding Formula. The minimum amount of per pupil funding delivered through the BF Funding Formula is based on the Minimum Per Pupil Funding amount (MPPFL) as determined by the Department for Education. The MPPFL calculation includes all funding delegated to schools through the BF Funding Formula with the exception of business rates. Funding will be added on a “missing pupil” basis.

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

An illustration of the funding calculation is as follows which would need to be updated each year to reflect budget decisions and the cost of employing a teacher (all units of resource are based on values at the start of 2021-22 financial year.):

- a. The per pupil funding rate is assumed to be the Minimum per pupil funding rate for 2021-22 this is £4,180 (A)
- b. The cost of a teacher on Main scale Point 6 – salary and employer on-costs - is £51,500 (B)
- c. To have sufficient income from the Funding Formula to employ a teacher, a school needs $\frac{£51,500 (B)}{£4,180 (A)} = 13$ pupils (C)
- d. The Funding Formula therefore provides sufficient funding to appoint a teacher provided there are 13 pupils. The maximum top-up funding a school can receive is for 12 ‘missing’ pupils (C).
- e. Therefore where the actual number on roll exceeds a multiple of 30 compared to the number on roll funded in the original budget the school would be entitled to top-up funding if this is below 13.
- f. Funding will be added, pro rata per term, for each missing pupil

The attached Annex sets out funding top-up rates, based on the cost of employing a teacher at £51,500 and the BF Funding Formula delivers sufficient funding to appoint a teacher provided there are 13 or more pupils above the 30 multiples. These factors and amounts are subject to annual re-calculation.

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

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

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

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

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

Exceptions:

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

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

Approved by the Schools Forum on 16 July 2020.

Changes now being proposed by the council are shaded yellow.

Deletions are limited to updating values in the funding top-up calculation and have been excluded for ease of reading.

**2020-21 Funding allocations to support schools needing to meet the
Key Stage 1 Class Size Funding regulations**

School	Total KS1 pupils funded October 2019 Census	K.S 1 Allocation summer term 2020	K.S 1 Allocation autumn term 2020	K.S 1 Allocation spring term 2021	Total
Ascot Heath Primary	148	£20,313	£0	£13,125	£33,438
Binfield CE Primary	166	£0	£0	£0	£0
Birch Hill Primary	175	£0	£0	£0	£0
College Town Primary	214	£14,063	£0	£0	£14,063
Cranbourne Primary	88	£0	£0	£0	£0
Crown Wood Primary	228	£0	£0	£0	£0
Crowthorne CE Primary	90	£0	£0	£0	£0
Fox Hill Primary	88	£0	£0	£0	£0
Great Hollands Primary	138	£0	£0	£0	£0
Harmans Water Primary	192	£1,563	£0	£0	£1,563
Holly Spring Primary	245	£12,500	£11,250	£8,438	£32,188
Jennetts Park CE Primary	176	£0	£0	£0	£0
Meadow Vale Primary	255	£0	£0	£0	£0
New Scotland Hill Primary	72	£1,563	£2,500	£1,875	£5,938
Owlsmoor Primary	213	£15,625	£13,750	£10,313	£39,688
Pines (The)	159	£6,250	£0	£0	£6,250
Sandy Lane Primary	175	£0	£0	£0	£0
St. Joseph's Catholic Primary	90	£0	£0	£0	£0
St. Margaret Clitherow Catholic Primary	90	£0	£0	£0	£0
St. Michael's CE Primary, Easthampstead	102	£1,563	£2,500	£1,875	£5,938
St. Michael's Sandhurst	73	£1,563	£1,250	£938	£3,750
Uplands Primary	90	£0	£0	£0	£0
Warfield CE Primary	176	£0	£0	£0	£0
Whitegrove Primary	179	£0	£0	£0	£0
Wildmoor Heath	71	£3,125	£3,750	£2,813	£9,688
Wildridings Primary School	174	£0	£0	£0	£0
Winkfield St. Mary's CE Primary	86	£0	£0	£0	£0
Wooden Hill Primary & Nursery	138	£0	£0	£0	£0
Total Allocation	4,091	£78,125	£35,000	£39,375	£152,500

2020-21 termly allocation detail for Key Stage 1 Class Size Funding

Ref	School	Data used for original budget			Summer Term data					Autumn Term data					Spring budget data					Ref
		KS1 pupils as at October 2019	Number of classes that can be funded	Number of pupils above multiple of 30	KS1 pupils as at Jan 2020 (1)	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation summer term	KS1 pupils as at October 2020	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation autumn term	KS1 pupils as at January 2021	Number of classes needed	Additional classes needed	Number of 'missing pupils' needed to fund extra class	KS1 Allocation spring term	
1	Ascot Heath Primary	148	5	12	151	6	1	13	£20,313	148	5	0	0	£0	151	6	1	14	£13,125	1
2	Binfield CE Primary	166	6	24	168	6	0	0	£0	170	6	0	0	£0	171	6	0	0	£0	2
3	Birch Hill Primary	175	6	21	176	6	0	0	£0	178	6	0	0	£0	177	6	0	0	£0	3
4	College Town Primary	214	7	14	212	8	1	9	£14,063	196	7	0	0	£0	192	7	0	0	£0	4
5	Cranbourne Primary	88	3	0	89	3	0	0	£0	85	3	0	0	£0	83	3	0	0	£0	5
6	Crown Wood Primary	228	8	1	225	8	0	0	£0	221	8	0	0	£0	222	8	0	0	£0	6
7	Crowthorne CE Primary	90	3	29	90	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	7
8	Fox Hill Primary	88	3	0	88	3	0	0	£0	87	3	0	0	£0	85	3	0	0	£0	8
9	Great Hollands Primary	138	5	12	135	5	0	0	£0	123	5	0	0	£0	122	5	0	0	£0	9
10	Harmans Water Primary	192	6	7	190	7	1	1	£1,563	179	6	0	0	£0	177	6	0	0	£0	10
11	Holly Spring Primary	245	8	11	243	9	1	8	£12,500	249	9	1	9	£11,250	243	9	1	9	£8,438	11
12	Jennetts Park CE Primary	176	6	28	177	6	0	0	£0	161	6	0	0	£0	160	6	0	0	£0	12
13	Meadow Vale Primary	255	9	17	258	9	0	0	£0	235	8	0	0	£0	238	8	0	0	£0	13
14	New Scotland Hill Primary	72	2	21	70	3	1	1	£1,563	76	3	1	2	£2,500	79	3	1	2	£1,875	14
15	Owlsmoor Primary	213	7	16	214	8	1	10	£15,625	235	8	1	11	£13,750	233	8	1	11	£10,313	15
16	Pines (The)	159	5	6	154	6	1	4	£6,250	130	5	0	0	£0	131	5	0	0	£0	16
17	Sandy Lane Primary	175	6	21	171	6	0	0	£0	151	6	0	0	£0	159	6	0	0	£0	17
18	St. Joseph's Catholic Primary	90	3	0	90	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	18
19	St. Margaret Clitherow Catholic Pry	90	3	0	89	3	0	0	£0	87	3	0	0	£0	87	3	0	0	£0	19
20	St. Michael's E'stead CE Aided Pry	102	3	15	102	4	1	1	£1,563	102	4	1	2	£2,500	105	4	1	2	£1,875	20
21	St. Michael's CE Primary, Sandhurst	73	2	11	73	3	1	1	£1,563	81	3	1	1	£1,250	83	3	1	1	£938	21
22	Uplands Primary	90	3	0	90	3	0	0	£0	90	3	0	0	£0	90	3	0	0	£0	22
23	Warfield CE Primary	176	6	29	176	6	0	0	£0	178	6	0	0	£0	179	6	0	0	£0	23
24	Whitegrove Primary	179	6	29	179	6	0	0	£0	180	6	0	0	£0	178	6	0	0	£0	24
25	Wildmoor Heath	71	2	13	72	3	1	2	£3,125	75	3	1	3	£3,750	75	3	1	3	£2,813	25
26	Wildridings Primary School	174	6	17	173	6	0	0	£0	168	6	0	0	£0	174	6	0	0	£0	26
27	Winkfield St. Mary's CE Primary	86	3	29	83	3	0	0	£0	83	3	0	0	£0	86	3	0	0	£0	27
28	Wooden Hill Primary & Nursery	138	5	25	140	5	0	0	£0	146	5	0	0	£0	148	5	0	0	£0	28
TOTAL Primary		4,091	137	408	4,078	147	10	50	£78,125	3,994	142	6	28	£35,000	4,008	143	7	42	£39,375	

2020-21 allocations from the SEN Specific Contingency

SCHOOL	No. top-up pupils by school 4 January 2020	NOR as at October 2019	Top-up pupils % (1)	Value of top-up for full year	Budget 20 -21 excl de-delegation	Top-up as % of school budget (2)	Qualify under both criteria?	2020-21 funding on proposed criteria
Ascot Heath Primary	3.0	367	0.82%	£15,662	£1,409,826	1.11%	No	£0
Binfield Primary	6.0	405	1.49%	£49,265	£1,490,214	3.31%	No	£0
Birch Hill Primary	5.0	399	1.26%	£26,231	£1,534,878	1.71%	No	£0
College Town Primary	4.0	490	0.82%	£23,162	£1,838,116	1.26%	No	£0
Cranbourne Primary	1.0	205	0.49%	£5,873	£792,451	0.74%	No	£0
Crown Wood Primary Academy	10.0	526	1.91%	£64,806	£1,960,070	3.31%	No	£0
Crowthorne Primary	4.0	209	1.92%	£25,901	£811,673	3.19%	No	£0
Foxhill Primary	4.0	204	1.97%	£20,066	£876,853	2.29%	No	£0
Great Hollands Primary Academy	10.0	352	2.85%	£69,045	£1,501,724	4.60%	No	£0
Harmans Water Primary	3.0	528	0.57%	£16,542	£2,019,024	0.82%	No	£0
Holly Spring Primary	11.0	581	1.90%	£55,363	£2,330,912	2.38%	No	£0
Jennett's Park Primary Academy	8.0	404	1.99%	£37,718	£1,494,271	2.52%	No	£0
KAB	6.0	300	2.00%	£21,598	£2,395,798	0.90%	No	£0
Meadowvale Primary School	5.0	605	0.83%	£31,706	£2,270,862	1.40%	No	£0
New Scotland Hill Primary	3.7	189	1.96%	£22,708	£764,776	2.97%	No	£0
Owlsmoor Primary	14.0	530	2.65%	£69,383	£2,010,254	3.45%	No	£0
The Pines Primary	5.0	336	1.49%	£35,088	£1,358,164	2.58%	No	£0
Sandy Lane Primary	6.0	480	1.25%	£39,204	£1,884,576	2.08%	No	£0
St Joseph's RCP	2.0	210	0.96%	£27,798	£806,815	3.45%	No	£0
St Margaret RC Primary Academy	4.0	205	1.96%	£29,923	£817,974	3.66%	No	£0
Winkfield St. Mary's CE Primary	1.0	238	0.43%	£2,447	£765,559	0.32%	No	£0
St Michael's Easthampstead	3.0	196	1.54%	£15,042	£925,382	1.63%	No	£0
St Michael's CE Primary Sandhurst	5.0	212	2.36%	£21,632	£746,970	2.90%	No	£0
Uplands Primary	7.0	397	1.77%	£46,406	£809,915	5.73%	No	£0
Whitegrove Primary	6.0	202	2.98%	£29,755	£1,559,245	1.91%	No	£0
Wildridings Primary	6.0	405	1.49%	£34,401	£1,622,785	2.12%	No	£0
Woodenhill Primary	3.0	197	1.53%	£12,333	£1,314,708	0.94%	No	£0
Wildmoor Heath Primary	2.0	330	0.61%	£4,176	£783,130	0.53%	No	£0
The Brakenhale	18.0	1,021	1.77%	£58,724	£5,595,299	1.05%	No	£0
EPCS	10.0	778	1.29%	£41,598	£4,444,414	0.94%	No	£0
Edgbarrow	27.0	1,111	2.44%	£137,719	£5,521,410	2.49%	Yes	£29,700
GHC	22.0	1,339	1.65%	£137,109	£7,337,765	1.87%	No	£0
Ranelagh	15.0	844	1.78%	£51,030	£4,200,739	1.21%	No	£0
Sandhurst	13.0	1,033	1.26%	£60,497	£5,340,386	1.13%	No	£0
Primary total	148	9,702		£911,956	£44,492,226	2.05%	0	£0
Secondary total	105	6,126		£427,952	£26,844,715	1.59%	1	£29,700
Total ALL	253	15,828		£1,339,908	£71,336,941	1.88%	1	£29,700

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

Outline of the scheme

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

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

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

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

Powers delegated to the Director responsible for schools

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

The level of allocation of funds would be:

5. schools judged to have serious weaknesses (up to £20k per year)
6. schools deemed to be in need of special measures (up to £50k per year)
7. schools at risk of either judged to have serious weaknesses or entering special measures (up to £30k per year)
8. 1 form of entry schools judged good or better that have more than 5% empty places (up to £20k per year per school and £40k in total)

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

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

Arrangements to support and monitor schools also includes:

1. a Declaration of Concern (DoC) where a school is at risk of being judged as Requiring Improvement or inadequate at its next inspection.
2. following this a Rapid Response Board is established for the first 12 weeks. Where effective action is being taken this is then monitored through a Standards Monitoring Board (SMB) on a termly basis. Where required there is an independent chair.
3. the SMB reviews evidence provided by school leaders and LA staff after 12 weeks and a decision made as to whether leadership are taking effective action following the DoC.
4. an SMB is also established where schools enter an Ofsted category of concern (judged to have serious weaknesses or placed into Special Measures)
5. the processes are clearly shared within the Learning and Improvement Strategy / Annex A School Improvement

Where the school is unable to fund these actions from its own delegated budget the SMB can request that additional resources be sought. Any such requests are approved by the Council's Director responsible for schools. Funds would be allocated to the school from those held for schools in financial difficulty

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

Approved by the Schools Forum on 16 July 2020.

Changes now being proposed by the council are shaded yellow and are added for reasons of clarification and completeness.

Deletions are struck through

2020-21 funding allocations to schools in financial difficulties

Allocations agreed under the Director's delegated powers

Taking account of proposals from the Standards Monitoring Board (SMB) meetings at relevant schools and 1 FE primary schools with over 5% empty places, funding allocations totalling £0.081m were agreed during the year as follows:

1. £5,040 to New Scotland Hill to support quality of teaching coaching, in particular in strengthen the quality of teaching and learning with specific reference to NQT's and those early in their career.
2. £13,125 to the Pines Primary to fund supply cover to develop middle leaders to include phase leaders and subject leaders to ensure they are able to monitor the phase/subject effectively and to ensure they are fully competent as leaders. Additionally, to develop teaching and learning to ensure there is consistently high-quality teaching and learning across the school. To ensure children make at least expected progress that is demonstrated in books as well as in any standardised assessments.
3. £22,000 to Easthampstead Park. Two requests were approved: £19,000 to support disadvantaged students on cultural and curriculum experiences including support for independent reading, transition from Year 11 into the sixth form, arts activities and vocational learning. And £3,000 to develop curriculum leader understanding of their role in leading high impact, student-centred curriculum design and delivery.
4. £8,571 to Winkfield St Marys for as a 1 FE with low pupil numbers. There were 197 on roll at October 2020 which results in 6% of empty places.
5. £20,000 to New Scotland Hill Primary School as a 1 FE with low pupil numbers. There were 189 on roll at October 2020 which results in 10% of empty places. Funding would have been £31,428 without the policy funding cap.
6. £11,428 to St Michael's Sandhurst Primary as a 1 FE with low pupil numbers. There were 189 on roll at October 2020 which results in 10% of empty places.

Arrangements to support and monitor schools also includes a Declaration of Concern (DoC). A DoC is called where a school is at risk of being judged as Requiring Improvement or inadequate at its next inspection. Following this a Rapid Response Board is established for the first 12 weeks. Where effective action is being taken this is then monitored through a Standards Monitoring Board (SMB) on a termly basis. Where required there is an independent chair. The SMB reviews evidence provided by school leaders and LA staff after 12 weeks and a decision made as to whether leadership are taking effective action following the DoC. The processes are clearly shared within the Learning and Improvement Strategy / Annex A School Improvement.

LA expenditure

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

Eligible expenditure against the schools contingency

Background

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

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

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

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

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

- Unexpected and unavoidable costs in schools, which it would be unreasonable to expect governing bodies to meet from their delegated budget, and where the amount required and the circumstances giving rise to the additional costs were unknown at the time of setting the budget. These would ordinarily need to exceed £5,000.

Claims will be considered on a case by case basis by the Heads of Service covering Finance, Human Resources and Property before formal presentation to the Forum for a decision. Where relevant, this consideration will take account of whether any advice was sought from the council, the appropriateness of that advice and the actions then taken by schools and their impact.

- Correction of formula errors
- Where a school is closing and a deficit is likely, every effort should be taken to achieve break-even. Where a school is becoming an academy, they should also ensure costs are only incurred that relate to the school, and for the period it is a maintained school. However, where a school closes with a deficit, where the EFA does not reimburse for this, the cost must be picked up by the Dedicated School Grant (DSG).
- Funding for schools in financial difficulties where this is not the result of poor local management decisions. [Note a separate policy is in place for this category].

Approved by the Schools Forum on 16 July 2020.

Changes now being proposed by the council are shaded yellow.

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TO: SCHOOLS FORUM

DATE: 15 JULY 2021

2021-22 ARRANGEMENTS FOR ADDITIONAL FINANCIAL SUPPORT TO SCHOOLS Executive Director of People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek agreement from the Schools Forum in respect of proposals for additional financial support to schools, in particular, approval of new or amended applications for licensed deficit arrangements. An update is also provided on the current position in respect of previously agreed financial support arrangements.

2 EXECUTIVE SUMMARY

- 2.1 Schools can experience financial difficulties for a number of reasons, and these can normally be readily resolved over the medium term. To help manage change through a planned rather than reactive process, the Schools Forum can agree support measures to maintained schools.
- 2.2 With schools needing to focus fully on the Coronavirus Pandemic, a lighter touch approach with schools in financial difficulties was adopted in 2020-21. For 2021-22 it is appropriate to return to fully applying the approved policies and procedures.
- 2.3 Despite the on-going challenging financial environment, including a surplus of school places, only one additional school is seeking a licensed deficit agreement. Indeed, there is an overall reduction of £0.120m in the aggregate deficit balance compared to the level agreed for 2020-21 which now stands at £0.805m (1.3% of annual budgets).
- 2.4 Work continues with a small number of schools where progress is being made on deficit recovery plans but where a full repayment schedule has yet to be achieved. All of these schools face or have very recently faced challenges around standards and effectiveness, and more time is required to reach a solution that meets both of these needs. £0.300m of deficits have yet to be accompanied by a deficit recovery plan.

3 RECOMMENDATIONS

That the Schools Forum AGREES:

- 3.1 **That subject to the school governors confirming the financing schedule and compliance with the associated terms and conditions of the deficit scheme:**

The following amendments to existing licensed deficits:

- 1. Sandhurst Secondary School's licensed deficit agreement be amended to a maximum deficit of £0.050m, for full repayment by 31 March 2023.**
- 2. Harmans Water Primary Schools receives a licensed deficit of up to £0.070m for full repayment by 31 March 2023.**
- 3. The Pines licensed deficit agreement be amended to a maximum deficit of £0.075m, for full repayment by 31 March 2024**
- 4. Ascot Heath Primary School receives a licensed deficit of up to £0.330m, for full repayment by 31 March 2026**

The following new licensed deficit arrangement:

5. Cranbourne Primary School receives a licensed deficit up to £0.080m for full repayment by 31 March 2026

3.2 That the council continues to work on repayment schedules with the following schools, and that subject to the school governors confirming the financing schedule and compliance with the associated terms and conditions of the deficit scheme, that maximum deficits are as follows:

- i. Winkfield St Mary's receives a licensed deficit of up to £0.100m
- ii. Easthampstead Park receives a licensed deficit of up to £0.200m.

3.3 That subject to comments from schools following formal consultation, and agreement of the Schools Forum, that the financing arrangements for licensed deficit and loan applications are limited to 3% of final school budgets from the previous financial year (excluding brought forwards).

4 REASONS FOR RECOMMENDATIONS

4.1 It is appropriate for the Schools Forum to be aware of, and where relevant, comment on these financial matters that are intended to provide medium term assistance to schools in financial difficulties.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 A range of options are set out in the supporting information.

6 SUPPORTING INFORMATION

Background

6.1 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.

6.2 Alternatively, licensed deficits and loans can be agreed. In accordance with DfE requirements, licensed deficits can be used 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 a loan can be used where a capital investment is proposed but the school does not yet have the full resources to afford the purchase. Governing bodies are required to agree to fully repay any amounts, including where relevant, any associated interest, before such arrangements are agreed. More information on terms and conditions of financial support are set out below.

6.3 Neither of these options are available to academy schools.

6.4 Where a school converts to an academy with a **licensed deficit**, statutory Regulations and DfE Policy determines that if the governing body makes the application which is approved through an Academy Order, then the deficit transfers with the school on the terms agreed with the LA and requires to be repaid. Where the

conversion is as a result of the school being eligible for intervention through Part 4 of the Education and Inspections Act 2016, and underperforming schools which the Secretary of State judges are not strong enough to become an academy without a strong sponsor, the debt remains with the LA and will be charged against the Schools Contingency and funded through the Dedicated Schools Grant.

- 6.5 Any **loan agreements** in place for the purchase of significant one-off capital assets will require repayment through the agreed terms irrespective of the conversion type, unless the LA and school agree to liquidate the loan and pay it off at the point of transfer.
- 6.6 Costs incurred by the LA in completing the academy conversion process, at the average estimated amount, as reasonably assessed by the LA are charged to relevant schools. This is subject to schools continuing to receive grant funding to assist the academy conversion process, with the charge estimated at £10,000 for a secondary school and £8,000 for a primary school.

Additional funding that is not required to be repaid

Background and summary

- 6.7 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 responsible for schools and the Director responsible for Finance, a school:
1. was unable to set a balanced budget and were in need of a licensed deficit arrangement at the start of the relevant financial year, and/or
 2. was in or likely to fall into one of the Ofsted categories of causing concern, including serious weaknesses or special measures.
 3. was a 1 form of entry school judged good or better that have more than 5% empty places
- 6.8 At this point in time, with the Ofsted inspection regime yet to fully commence, no additional financial allocations have been agreed for 2021-22 that schools do not need to repay. The Schools Forum will receive a report on all allocations agreed for 2021-22 at the conclusion of the financial year.

Licensed Deficit and Loan Arrangements

Background and summary

- 6.9 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 licensed deficit and loan arrangements which provide for additional short-term funding 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 requests.
- 6.10 In accordance with government requirements, the loan scheme is only available to support schools in the purchase of a capital asset, with a licensed deficit

arrangement option used to support schools with a shortfall in general income compared to required spend.

- 6.11 There are no loan agreements in place with maintained schools.
- 6.12 A summary of the circumstances in which a licensed deficit 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;

Annex A sets out the full details of the licensed deficit scheme.

- 6.13 As a preliminary to presenting a deficit or 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.
- 6.14 The governing body of a school receiving agreement to financial support 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 should be notified without delay and will need to be agreed with the Executive Director of People and the Director of Finance 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.
- 6.15 The coronavirus pandemic created considerable additional responsibilities and workload requirements on schools to maintain pupil education in a safe environment.
- 6.16 Reflecting on these challenges, the council undertook a lighter touch approach with schools in financial difficulties in 2020-21, in particular a reduction in the number of financial review meetings and the requirement for detailed budget performance updates. For 2021-22, it is considered appropriate to return to applying the approved policies and procedures.

Update on existing licensed deficits

- 6.17 The Schools Forum has previously agreed licensed deficit arrangements to manage a shortfall in general income compared to required spend. This includes a number of schools where full recovery plans had yet to be established. The current status of each agreement, together with any recommended changes, are set out below.

Deficits where a full repayment plan remains in place

Sandhurst Secondary School

- 6.18 The Forum agreed a £0.510m deficit for Sandhurst Secondary School in 2018-19, reducing to £0.385 in 2019-20, £0.175m in 2020-21, before generating a surplus in 2021-22. This reflected the impact of below capacity pupil numbers in higher age year groups gradually being replaced by full capacity at the year of admission. Taking account of updated school performance targets and financial data, the Forum has agreed revisions to the originally agreed deficit which is now for a maximum deficit of

£0.260m for 2020-21, reducing to £0.080m for 2021-22 before returning to a surplus in 2022-23.

- 6.19 The council has maintained budget monitoring review meetings with the Head Teacher, Business Manager and senior governors, albeit on a less frequent basis than previously. This work indicates that the school achieved the 2020-21 repayment and remains on target to achieve a return to a surplus balance in 2022-23, with the deficit for 2021-22 now forecast to reduce to £0.050m. **Therefore, the Forum is recommended to agree this revision.**

Harmans Water Primary School

- 6.20 For a number of years, the school benefitted from a significant surplus balance which was accumulated when the school was experiencing full 3 Forum of Entry (FE) admissions but has recently been adapting to being much closer to a 2 FE admission. With relatively large 3 FE group sizes now starting to leave the school and being replaced with closer to 2 FE numbers the school is restructuring the budget over the medium term to reflect the new requirements.
- 6.21 The financial limits agreed last year were a maximum deficit of £0.115m for 2020-21, £0.090m for 2021-22, £0.040m for 2022-23, before returning to a surplus in 2023-24. The latest recovery plan indicates good progress and that the deficit limit can be reduced to £0.070m for 2021-22 before returning to a surplus in 2022-23. There are a number of elements to the recovery plan, some of which are complex and will need to be kept under review. **The Forum is recommended to agree this revision.**

Deficits where a full repayment plan will be in place for the first time from 2021-22

The Pines Primary

- 6.22 The school has experienced fluctuating pupil numbers, and whilst these have been increasing, it has resulted in complicated and costly classroom organisation. At the end of 2019-20, there was an cumulative deficit of £0.167m which was forecast to increase to over £0.200m. Very good progress has been made since on managing this down and it had reduced to £0.066m at the end of 2021-22, although like a number of schools, this was overstated due to the impact of the coronavirus pandemic. An assessment of the likely financial impact on school balances from the pandemic is further detailed on a separate item on tonight's agenda.
- 6.23 Recognising future changes in pupil numbers, the school will be reducing the Published Admission Number from 60 to 30 from September 2022 and restructuring the budget and associated plans accordingly. This indicates that the deficit will amount to £0.075m in 2021-22, £0.035m in 2022-23 before returning to a surplus in 2023-24. **The Forum is recommended to agree this revision.**

Ascot Heath Primary

- 6.24 The school has experienced a reduction in pupil numbers of 71 between the 2018-19 and 2020-21 budgets. This equates to an annual loss in per pupil funding of around £0.296m which has contributed to the accumulated year-end deficit at 31 March 2021 of £0.327m (22% of annual income and an increase in deficit of £0.107m). Whilst work has been undertaken to develop a medium-term budget, this has been impacted by the 2019 amalgamation, coronavirus pandemic and needing to meet school improvement targets.
- 6.25 There is the potential to complete the sale of the caretakers accommodation which could yield a one-off capital receipt of between £0.150m and £0.250m which would

be “swapped” with revenue funding held by the Council to repay a substantial amount of the deficit. There are a number of external restrictions that are complicating this, with limited progress to achieving the sale being made in the last year. The exact sum, if a sale can be achieved, will depend on resolving the remaining issues and how strong the property market remains over the coming months. This aspect of work is being accelerated.

- 6.26 Achieving the maximum expected value from any sale would still result in a remaining deficit which would need to be recovered through the main school budget. At this stage, the recovery plan excludes any potential capital receipt “swap” and indicates a deficit requirement of £0.330m for 2021-22, £0.300m for 2022-23, £0.200m for 2023-24 and £0.105m for 2024-25 before returning to a surplus in 2025-26. **The Forum is therefore recommended to agree these deficit limits.**

Deficits where a full repayment plan has yet to be developed

- 6.27 Forum members will recall that despite substantial work and assistance from the council, including the making of staffing and other reductions, for some schools, in considering their budgets for the 2020-21 financial year, it was not possible to formulate a medium-term plan that could demonstrate a return to a surplus.
- 6.28 Whilst these schools have made progress in their financial planning, the key period to formulate revised budget plans coincided with the coronavirus pandemic which has clearly needed to take the highest priority.
- 6.29 A high-level summary of the current position for each is as follows:

1. Easthampstead Park Secondary: received a £0.450m loan in 2016 which was expected to be repaid by an increase in pupil numbers which has occurred but at a lower rate than originally expected and has yet to reach the peak levels initially forecast. The medium-term recovery plan agreed last year envisaged a £0.300m deficit at the end of 2022-23, with planning beyond that point yet to commence in earnest.

Financial performance during 2020-21 greatly exceeded expectations as the school returned to a surplus in the value of £0.124m, primarily through one-off factors. With total statutory pupil numbers by year group generally numbering between 160 and 180 and with current forecasts for the immediate future not expected to show any significant change, balancing the budget will remain a challenge with the latest medium-term budget forecasting a deficit of around £0.100m deficit for 2021-22, rising to £0.200m for the next 2 years.

Good progress continues to be made on the deficit recovery, , with pupil numbers continuing to increase and with the gap between annual spend and income virtually eliminated, although a plan has yet to be developed that returns the school to a surplus. **The Forum is therefore recommended to agree the above deficit limits and that further work continues to produce a plan to return to a surplus.**

2. Winkfield St Marys: was granted a licensed deficit of £0.030m in 2018 to be fully repaid by 31 March 2021. This allowed the school to put in place a cost reduction plan in a measured way, that it achieved in 2019 and 2020, and during which time the school had an Ofsted inspection which improved its rating from RI to Good. However, the deficit has now increased to £0.075m, driven by lost income due to the pandemic, and rising staffing costs from pay progression and increased numbers of pupils with SEND.

As a 1 FE school, there are fewer opportunities for economies of scale and efficiencies compared to larger schools which is compounded by a number on roll (NOR) of below 200 which is more than 5% below full capacity.

Initial work on the budget indicates rising staffing costs from pay progression and increased numbers of pupils with SEND. With 2 classes each with less than 25 pupils expected from September 2021, and only 5 pupils joining the new reception class from 'in catchment', pupil led income will remain at no more than 200 pupils for a number of years.

Taking account of this, the current deficit is forecast to further increase to £0.100m by the end of 2021-22. At this stage, progress has yet to be made on a plan to return the budget to a surplus. **The Forum is therefore recommended to agree the above deficit limit and that further work continues to produce a plan to return to a surplus.**

New deficit request for 2021-22

Cranbourne Primary School

- 6.30 Is a 1 FE primary school which over spent in 2020-21 by £0.094m, mainly on staffing and building maintenance budgets. With pupil numbers expecting to gradually increase as older year groups with spare places are replaced with full admissions together with a range of budget restructures, the school has successfully developed a medium-term recovery plan that returns the school to a surplus balance.
- 6.31 The proposal is for a maximum deficit of £0.080m for 2021-22, £0.050m for 2022-23, £0.030m for 2023-24 and £0.020m for 2024-25 before returning to a surplus balance by 31 March 2026. There are a number of elements to the recovery plan, some of which are dependent on external factors and will therefore need to be kept under review. **The Forum is recommended to agree the above deficit limits.**

Deficit budgets

- 6.32 The ability to repay deficits is generally dependent of increases in pupil numbers raising future income at a faster rate than associated cost increases, by reducing costs, or a combination of both. For example, being able to open a new class with 25 pupils would generate around £0.105m of income for a primary school with a teacher on M6 costing around £0.051m. A full class of 30 would generate around £0.125m. When pupil numbers are in decline, schools face the opposite situation, with income reducing at a far faster rate than the directly associated costs that can be removed.
- 6.33 For a number of schools in financial difficulty, pupil numbers are not forecast to increase significantly over the medium term, which is therefore presenting additional challenges and dictating the need to look at longer term solutions than has ordinarily been the case in the past. Longer term forecasts tend to be even more difficult to predict due to the additional uncertainties arising.
- 6.34 In the wider context of pupil numbers, the Schools Forum has previously raised concerns relating to an increase in surplus places and the consequences this has for school budgets. Medium term pupil projections are now reported on an annual basis to the Forum, with schools provided with a 5-year forecast by national curriculum year group in an excel model that generates forecast income for schools to add their expected expenditure and undertake scenario budget modelling.
- 6.35 The council is working with schools to reduce excess capacity at admissions via Planned Admission Numbers (PAN) and has recently agreed with relevant governors

to reduce intake numbers in primary schools by 100 and secondary by 72 as set out below in Table 1.

Table 1: Changes for Planned Admission Numbers

Academic Year of implementation	School	Current PAN	Revised PAN
2019/20	Ascot Heath Infants	70	60
	Garth Hill	312	300
2021/22	Harmans Water Primary	90	60
	Easthampstead Park	240	210
	Garth Hill	300	270
2022/23	Sandy Lane Primary	90	60
	The Pines Primary	60	30

Further options to continue this approach are being explored.

6.36 An update from 1 June data on pupil number admission forecast for September 2021 is summarised below:

- The total Primary NOR currently estimated by School Admissions for the September 2021 intake Year R is 1,316, which compares with 1,363 forecast in the School Places Plan (SPP) that was reported to Schools Forum in January. This is an overall forecast surplus of 249 places which is 16% or 8.3FE
- The total secondary NOR currently estimated by School Admissions for the September 2021 intake Year 7 is 1,437 which compares with the 1,455 forecast in the SPP that was reported to Schools Forum in January. This is an overall forecast surplus of 78 places which is 5% or 2.6FE.
- The situation does however need to be considered on a school by school basis and the Forum may wish to note that these forecast numbers suggest that 9 out of 30 primary schools and 5 out of 7 secondary schools will be full in their intake years
- These figures are expected to change before that start of the academic year so this should be seen as a snapshot in time as at the beginning of June 2021

Summary loan / deficit position

6.37 Table 2 below provides a summary of aggregate outstanding deficit arrangements for each school, assuming the proposals in this paper are agreed. Annex B provides a more detailed breakdown of the current and proposed arrangements by school.

Table 2: Summary Schedule of School Loan and Licensed Deficit Requests

Item	Previously agreed	2021-22 new requests	2022-23 impact	2023-24 impact	Future years	Repayment date to be determined
Total advances	£925,000	£450,000	£100,000	£0	£0	£0
Total repayments	£0	-£570,000	-£220,000	-£155,000	-£230,000	£0
Total	£925,000	-£120,000	£685,000	£530,000	£300,000	£300,000
Net Total Current Year	£805,000		1.3% of annual budgets			
Maximum advances (3% of school budgets)	£1,796,000					
Advances as % of permitted maximum	45%					
Balance available for new deficits	£991,000					
Change to previous year	-£120,000		-£120,000	-£155,000	-£230,000	

6.38 The Forum will be aware that the statutory Scheme for Financing Schools sets the conditions around deficit arrangements, and in accordance with parameters set by the DfE has previously been limited to 40% of collective balances held by the authority including any unspent funding in the Schools Budget Unallocated Reserve. With the Schools Budget Unallocated Reserve now moving to a significant deficit as a result of over spendings on the High Needs Block (HNB) budget, this approach no longer provides sufficient capacity for approval of the deficit agreements recommended in this report.

6.39 The DfE recognises that a number of LAs will not hold sufficient surpluses to operate an effective deficit scheme and the latest statutory Scheme guidance permits “LAs to make alternative arrangements if it can do so within the relevant local authority finance legislation”. Reflecting on the need for a deficit financing scheme that is stable and predictable, together with the significant impact of the HNB budget overspend on balances held in the Schools Budget, the Director of Resources: Finance proposes to update the financing parameters to a maximum of 3% of final school budgets from the previous financial year (excluding brought forwards).

This currently amounts to £1.796m and is considered a long-term funding solution for school deficits but remains subject to regular review and compliance with DfE statutory guidance. Schools will be consulted at an appropriate time on this proposed revision with responses reported back to the Schools Forum for a decision.

Academy schools

6.40 Whilst new loan / licensed deficit arrangements are not available to academy schools, at the point of conversion, Brakenhale had an outstanding balance on a previously agreed loan.

6.41 In 2015 a loan of £0.190m was agreed for Brakenhale. The school converted to an academy on 1 April 2016 with an outstanding loan balance of £0.130m. As part of the transfer arrangements, it was agreed that the school needed more time to repay the loan as it recovered from a Requires Improvement Ofsted inspection judgement and built up pupil numbers. A revised repayment schedule was agreed that would result in 36 monthly repayments of £3,611 from September 2018 to 31 August 2021 and a

direct debit has been put in place to enable efficient repayment. The remaining £0.018m balance is on course for full repayment in this financial year.

Summary

- 6.42 Table 1 above confirms the significant value of outstanding deficits. At £0.805m, this is a reduction of £0.120m on the amount agreed last year and represents 45% of the maximum level of permitted deficits.
- 6.43 Whilst most schools have plans in place to return to a surplus, for a small number, this has not been possible, and work will continue with the council and an update on progress to be presented to the Schools Forum in the autumn term. There is £0.300m of deficit balances outstanding requiring a recovery plan which presents increased financial risks at relevant schools.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Resources: Finance

- 7.2 The financial implications of the report are outlined in the supporting information. The difficulties being experienced by a small number of schools in producing balance medium-term recovery plan indicates the need for ongoing advice and monitoring to ensure schools can meet their financial obligations arising from additional financial support arrangements.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 There are strategic risks around ensuring all schools remain financially viable whilst delivering appropriate standards and effectiveness without putting excessive pressure on the Schools Budget to provide additional funds.

Climate change impact

- 7.5 The recommendations from this report are not expected to have any direct impact on emissions of carbon dioxide as they relate to funding allocations to schools and will not impact on climate change.

8 CONSULTATION

Principal Groups Consulted

- 8.1 Leaders of schools in financial difficulty, Assistant Director: Education and Learning and People Directorate Management Team.

Method of Consultation

8.2 Correspondence and meetings.

Representations Received

8.3 Incorporated into the report.

Background Papers

None.

Contact for further information

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Doc. Ref

Doc. Ref [https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(104\) 150721/2021-22 Support to schools in financial difficulties etc.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(104)%20150721/2021-22%20Support%20to%20schools%20in%20financial%20difficulties%20etc.docx)

**Extract from the BFC Scheme for Financing Schools:
Licensed deficit arrangements**

In exceptional circumstances, in agreement with the Schools Forum and Executive Member for Children, Young People and Learning, the authority will permit schools to over spend their budget allocation through a licensed deficit arrangement. The funding of such agreements would be through the collective surplus of school balances held by the authority on behalf of schools and any unspent funding in the Schools Budget Unallocated Reserve, and will be considered on an individual basis. General features of the scheme are detailed below:

Circumstances in which licensed deficit arrangements may be agreed:

1. if in the opinion of the responsible Director 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 responsible Director for schools and the responsible Director for finance 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).

Outline features of the scheme.

- the maximum length over which schools may repay the licensed deficit is 3 years (i.e. reach at least a zero balance).
- arrangement for a licensed deficit will only be agreed where the governing body produces a plan which demonstrates to the satisfaction of the responsible Director for schools and the responsible Director for finance the savings or additional income required to repay the deficit within an agreed timescale.

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 licensed deficit is agreed 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, will not attract interest.

Outline controls on licensed deficits

- the maximum proportion of the collective balances held by the authority including any unspent funding in the Schools Budget Unallocated Reserve which will be used to support the arrangement shall not exceed 40%
- the responsible Director for schools and the responsible Director for finance of the authority will make recommendations to the Schools Forum and Executive Member for Children, Young People and Learning to agree any licensed deficits 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.

Summary school loan and deficit agreements for maintained schools – by school at each financial year end

School	Balance due at 2020-21 year end £	2021-22 £	2022-23 £	2023-24 £	Later than 2023-24 £	Repayment date to be confirmed £	Comment
Ascot Heath Primary	220,000	330,000	300,000	200,000	105,000	0	Full repayment plan in place
Cranbourne	0	80,000	50,000	30,000	20,000	0	Full repayment plan in place
Harmanswater Primary	115,000	70,000	0	0	0	0	Full repayment plan in place
The Pines	150,000	75,000	35,000	0	0	0	Full repayment plan in place
Winkfield St Mary's	20,000	100,000	100,000	100,000	0	100,000	Final repayment date to be determined
Easthampstead Park	160,000	100,000	200,000	200,000	0	200,000	Final repayment date to be determined
Sandhurst	260,000	50,000	0	0	0	0	Full repayment plan in place
Total	925,000	805,000	685,000	530,000	125,000	300,000	

BFC Academy School Summary

The Brakenhale	18,059	0	0	0	0	0	£18,059 final repayment due 2021-22
Total	18,059	0	0	0	0	0	
Grand total all schools	943,059	805,000	685,000	530,000	125,000	300,000	