

Notice of Meeting

Schools Forum

Martin Gocke (Pupil Referral Unit Representative (Governor))
(Chair)
Stuart Matthews, Academy School Representative (Headteacher)
(Vice-Chairman)
Jennifer Baker, Special School Representative
Sue Butler, Early Years PVI Provider
Liz Cole, Primary School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
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)
Grant Strudley, Academy School Representative
Greg Wilton, Teacher Union Representative



Also Invited:

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

Thursday 9 December 2021, 4.30 - 6.30 pm
Microsoft Teams 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: Joanna Gibbons	
2.	Declarations of Interest	
	Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting. Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days. Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting. Reporting: ALL	

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3.	Minutes and Matters Arising	3 - 10
	To approve as a correct record the minutes of the meeting of Reporting: ALL	
4.	Education Capital Strategy	11 - 18
	To note and feedback on the proposed capital strategy for Education & Learning. Reporting: Chris Hilliard	
5.	Initial proposals for the 2022-23 Early Years Block Budget and Funding Formula	19 - 32
	To seek agreement for changes to the Early Years Funding Formula from April 2022, the principles to be adopted for allocating the announced increases to the Early Years Block Budget and to consider if appropriate arrangements are in place for administration of the early years' free entitlements. Reporting: Cherry Hall	
6.	2022-23 Budget Proposals for the Schools Budget: Schools and Central School Services Block Elements	33 - 52
	To consider proposals for the Schools Block and Central Schools Services Block to ensure that final 2022-23 budget decisions can be made at the meeting on 13 January 2022 in order to meet the 21 January 2022 statutory deadline. Reporting: Paul Clark	
7.	Dates of Future Meetings	
	The next meeting of the Forum will be held at 4.30pm on Thursday 13 January 2022. Reporting: Joanna Gibbons	

Published: 1 December 2021

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**SCHOOLS FORUM
18 NOVEMBER 2021
4.30 - 6.30 PM**

Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chair)
Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)
Jennifer Baker, Special School Representative
Sue Butler, Early Years PVI Provider
Liz Cole, Primary School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
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)
Grant Strudley, Academy School Representative

Observer:

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

200. Apologies for Absence/Substitute Members

There were no apologies for absence.

The Chair welcomed back Grant Strudley as a new Academy School Representative of the Schools Forum. The Chair also welcomed Jenny Baker who had joined the Forum as an official member and was no longer a substitute member. Jenny Baker had formally replaced Peter Floyd as a Special School representative.

201. Declarations of Interest

There were no declarations of interest.

202. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the Forum on 16 September 2021 be approved as a correct record.

Arising from minute 196, Cherry Hall would present an update on the collation of SEN data for the Childcare Sufficiency Assessment under Item 4 (2021-22 Childcare Sufficiency Assessment).

Also arising from minute 196, Cheryl Eyre would present an update on the progress of the High Needs Block (HNB) action plan under Item 5 (High Needs Block: Update on Progress). However, the Chair proposed that Item 7 (The Schools Budget: 2021-

22 Budget Monitoring) be presented prior to Item 5 to provide context. This was agreed by the Forum.

Arising from minute 197, Paul Clark had completed the financial consultation with schools, and this would be presented under Item 8 (Outcomes from the October 2021 Financial Consultation with Schools).

Also arising from minute 197, the Forum had agreed a number of requests to be made to the Department for Education (the DfE). Paul Clark updated that four requests had been submitted and that the DfE had already agreed to two of those requests; the key one being that the DfE had approved that the council continues to provide additional funding from local authority Reserves to support the additional diseconomy costs arising from the new schools funded on the Start-up and Diseconomy funding policy for new and expanding schools. The council was still awaiting other responses, but it was not unusual for requests to be considered by the DfE at different times.

203. **2021-22 Childcare Sufficiency Assessment**

The Forum considered a report which presented the 2021-22 Childcare Sufficiency Assessment (CSA), to be submitted to the Executive Member and subsequently published on the Bracknell Forest Council Website, as required by the authority's statutory duty to secure sufficient childcare.

Cherry Hall explained that this was a complex assessment as numbers of providers and of children typically fluctuated over the course of the academic year. Last year had been particularly challenging due to the pandemic. However, the Early Years team at Bracknell Forest Council (BFC) were keen to continue to improve the quality of the data collected.

The CSA showed that the Borough continued to have sufficient childcare for the under 5s (indeed, it was confirmed that there was a surplus of childcare places in some areas). The numbers of individual children accessing funded places had decreased during 2021 but the overall number of hours had increased. This may have been due to changes in working patterns. The CSA also attempted to look at wrap-around care (before and after school childcare) but it was difficult to get accurate data for that. Some settings would have found it difficult to provide breakfast and after-school clubs, especially whilst trying to operate bubble systems. This remained a changing picture and further work was needed to understand the ongoing impact. However, it appeared that wrap-around care needs had lessened. It was also important to look at what changes there had been to what provisions had been operating. The Early Years team at BFC continued to help providers to understand opportunities in the market and how to operate and remain sustainable. There had been no group provision closures in the early years provision, but it was possible that closures may occur in the future. The Early Years team at BFC had been actively promoting childcare in the Borough.

Sue Butler was invited to speak as the Early Years representative on the Schools Forum. Sue Butler expressed that she agreed with everything Cherry Hall had said and that she was proud of the Early Years team at BFC and all the support they had provided.

The Forum noted that the population projections showed a decrease after 2020; however, more houses were due to be built. The Forum queried what the numbers were based on. Cherry Hall replied that all predictions were based on ONS (Office for

National Statistics) data as they were the best predictions available. The new housing was not currently generating children.

The Forum asked what the impact was of the College Nursery closure. Cherry Hall explained that the money had been invested in a new 0-2 room based in a council building which had opened in September. This covered not only the cohort from the College Nursery but provided additional places. The nursery was not yet full, but this was not unusual for the first term of a new provision.

Karen Davis, as a Primary School representative on the Schools Forum noted that there were data gaps for school-based childcare and asked whether there was anything that primary school providers could do to help with that. Cherry Hall responded that she would take that question back to the Early Years team at BFC and would then discuss with Karen Davis.

Regarding early years vacancies, the Chair calculated that the percentage of vacancies in the summer term was about 12 to 13%. Given that summer terms were typically the fullest terms, the Chair felt that must mean that autumn and spring terms had even higher vacancies and questioned how sustainable that was. Cherry Hall expressed that was a difficult question and was known to be an issue. Some providers changed their staffing numbers on a termly basis, but they needed to look at their business models over the whole year. Sue Butler added that, over the academic year, their budgets would generally balance. They typically offer lots of temporary contracts and increase staffing as and when numbers of children increase. However, there was always lots to do to get through the autumn term and funding levels didn't cover the increase in costs. If this situation continued, the PVI sector in early years would cease to exist within three to four years. Lots of childcare owners had second jobs as nurseries did not provide the income they needed to live. Although there was optimism amongst providers about the potential increase in base rate funding, the concern was that this would not match the increase in the cost of living, especially as the sector had already been heavily under-funded. Cherry Hall had provided the information available to the Early Years Forum but could not provide more detailed information until that was released by the DfE. To aid budget planning, the proposed key principles to be used in setting the Early Years budget would be presented at the next meeting of the Schools Forum with final budget proposals reflecting confirmed DfE funding decisions expected to be available in January.

Action: Paul Clark

The Chair highlighted that there were 255 children resident outside of the Borough attending BFC early years provision and asked whether BFC met the costs of those children. Cherry Hall confirmed that was the case and added that she had been working out with our closest neighbours how many BFC children were going across border for their early years provision. This data was not yet available. The Chair added that this linked to the School Places Plan.

The Forum thanked Cherry Hall and her team for all their work on providing the CSA.

RESOLVED to NOTE the 2021-22 Childcare Sufficiency Assessment.

204. Reforming how Local Authorities' School Improvement Functions are Funded

The Forum considered a report providing an update on proposals from the government to reform how local authorities' (LAs) school improvement functions were funded, for implementation from April 2022.

Paul Clark explained that the consultation was issued on 29 October 2021 and was communicated without advance notice to LAs on 3 November. Responses were required by 26 November 2021. LAs were being asked to agree de-delegation for Financial Year (FY) 2022-23 with their schools forums by January 2022 at the latest.

Paul Clark explained that ordinarily the council would wish to consider how the School Improvement offer should be constructed and then undertake a consultation with schools to gather views. In the circumstances there was insufficient time to complete this. Therefore, the report proposed continuing into 2022-23 with a de-delegation model that would be financed from the remaining School Improvement Monitoring and Brokerage Grant, so no cost to maintained schools. A detailed review of the services involved and consultation with schools would then be undertaken in 2022 to have a clear proposal for 2023-24 for the Forum to consider.

To assist the Forum to have the detailed information to do this, Paul Clark suggested slightly deferring the December meeting of the Schools Forum. However, the Forum was reluctant to push back the December meeting as it would be too close to the following meeting; also, there would be limited availability of Headteachers for a meeting later in December.

The Forum agreed to defer the decision until the meeting on 9 December 2021 with Headteacher Representatives on the Forum to seek views from other Headteachers to be reported back to the Forum in December

Action: Liz Cole to seek views from Primary Headteachers

Action: Debbie Smith to seek views from Secondary Headteachers

The Forum felt that the school improvement service was vital and expressed support for the service continuing in the same way it had in the past. Cheryl Eyre commented that BFC had a strong system in Bracknell which had paid dividends turning schools around and providing support when needed.

205. **The Schools Budget: 2021-22 Budget Monitoring**

The Forum considered a report which updated on the 2021-22 forecast budget monitoring position for the Schools Budget, the key issues and management actions being taken, and progress to date on the Education Capital Programme.

The Chair introduced this Item as he had asked a question previously about who was responsible for overspend and the Forum had understood that the DfE had assumed responsibility for the overspend. However, this report conveys the message that the LA was expected to be responsible for the deficit from March 2023.

Paul Clark explained that this was an annual report and was based on revenue data from the end of September so there was a small lag. The key message was that budget difficulty had worsened on the HNB budget. The data forecasted an overspend on the Schools Budget of almost £7.6m. This was on top of the pre-existing £2.6m deficit held in the Dedicated Schools Grant Adjustment Account.

The DfE had originally put in place a regulation to confirm central government liability of any deficit for a 3-year period. It had now confirmed that the expectation was that LAs would pick up liability for any deficits from March 2023, out of their available resources. Therefore, the council needed to start planning how to cover that debt. BFC had some balances that they managed to maintain but it was still expected to be a significant challenge to cover the deficit.

BFC staff and the Executive Member had completed 2 sessions with the Education and Skills Funding Agency (ESFA) on the current deficit position in BF and a further meeting was scheduled for December to talk in more detail about the planned approach. Paul Clark explained that it would take time to see the output and cost reduction and some measures would require investment to start with.

The Forum noted that the deficit at the point of transfer was expected to be £20.4m and asked whether BFC would be responsible for paying that debt or whether it would start from nil. Paul Clark explained that whatever the debt was at the point of transfer would be the responsibility of the council to finance. It was expected that there would be some money from the ESFA to cover some of the deficit.

The Chair asked where the money could be found from. Paul Clark confirmed that there was no requirement from the Government as to where the debt must be financed from and it would be a council decision in consultation with schools forums. There was no specification of how or when to pay the debt off but there needed to be an adequate plan signed off by the Council's Director of Finance showing that the deficit was being managed.

The Chair highlighted that paragraph 6.15 of the report seemed to attribute responsibility for the overspend to increases in pupil needs and the rising costs of support. However, having been a member of the Forum for a long time, he had seen lots of different plans created by BFC Directors which had lost momentum and been disregarded when new Directors had taken over. A report from June 2016 criticised BFC for a lack of data, a lack of leadership, partnership-working, strategy, and communication. This was then followed by a period of transformation for the whole of BFC, and whilst BFC may have saved some money overall, this appeared to have rebounded on the HNB which had lost key members of staff and the momentum to continue with plans. BFC had faced the same issues since 2012, so the Chair did not consider that the problems were just caused by an increase in numbers and felt that BFC needed to take responsibility for how it had managed the HNB over a number of years.

The Forum asked for clarification of the responsibilities of the Forum. Paul Clark replied that the LA had decision-making power around financial decisions, but it was good practice to consult the Schools Forum. The practice at BFC had always been that the budget was set on recommendations agreed by the Forum. The DfE guidance was shared at the meeting.

Councillor Barnard expressed that all LAs had been wrestling with this and all that could be done was to collectively work as hard as possible to address the issues. Councillor Barnard felt that there was a greater vigour to get things done this time around, but he accepted the point raised by the Chair about how things had been managed before. However, he did not feel that the work done by the consultants had been wasted. The council would continue to learn and do their best to manage the issues.

The Forum asked whether it was necessary to plan on having a dramatically lower HNB budget as it would be unlikely in the long term to be allowed to continue to overspend on the budget. Paul Clark replied that was difficult to answer now as he was expecting the deficit to reduce over the next few years and there could also be funding increases. A lot would depend on how effective the program of reform was. The council would not be expected to balance the budget straight away. The Forum was still concerned about how to achieve such a dramatic decrease in spending. The Chair noted that point but asked to move forward with the meeting as this could not be resolved without more information.

Nichola Jones felt that the fundamental first step to get a grip on HNB spending was for schools to understand that the overspend was not just a problem for the LA and that actions schools take had an impact. This Forum was the best mechanism to understand the issues and work out how to collectively solve them. The Forum expressed that, when Headteachers submit their provision maps, they should reflect the needs, and the Forum hoped that it was not the case that there would be less money going to schools. Nichola Jones confirmed that was not the case and shared that BFC's focus was on investment in early help and working with school leaders to get to that point.

RESOLVED to NOTE

1. the budget variances being forecast on the Schools Budget that total to an aggregate net forecast over spending of £7.598m (paragraph 6.12 of the report);
2. that the year-end balance held in the Dedicated Schools Grant Adjustment Account is forecast at a £10.224m deficit (paragraph 6.12 of the report);
3. the possibility that liability to fund balance held in the Dedicated Schools Grant Adjustment Account will transfer to LAs from April 2023 (paragraph 6.18 of the report);
4. the council is in discussions with the Department for Education relating to the management for the High Needs Block deficit (paragraph 6.21 of the report); and
5. progress to date on the Education Capital Programme, as summarised at Annex 2 of the report.

206. High Needs Block: Update on Progress

The Forum considered a briefing paper regarding actions being taken to address the HNB deficit budget and the strategies being implemented to secure financial probity of this funding in the future.

Cheryl Eyre explained that change was required as the HNB grant was insufficient to meet the needs of children and schools. Furthermore, the LA could not continue to spend at the same rate.

Cheryl Eyre explained that there were six project workstreams: governance framework and processes, building relationships, service and process review, data, developing the market for SEND / AP and support, and commissioning.

Governance framework and processes

Emma Shenton and Mike Carne were leading work on improvements to Capita ONE. Historically, the SEN team had just worked with spreadsheets, and it was difficult to have a big overview. Capita ONE captures everything and would centralise the information, making it easier to communicate information as well. Work was needed to integrate Capita ONE into the Council's system.

Building relationships

There was an ongoing need for work to be done around relationships as there had been issues of non-communication from the SEND team to stakeholders. Regular SEND meetings with Headteachers and SENCOs had been scheduled.

Service and process reviews

Cheryl Eyre explained that there was full backing of the council to recruit the right people with right salary to the SEND team. The Chair expressed that the job descriptions need to be achievable. Cheryl Eyre agreed with this and explained that the job descriptions had been re-written and recruitment was due to commence in January 2022.

Nichola Jones had developed new systems to address the backlog of incomplete EHCPs and was meeting daily with members of staff to drive this at pace. Staff were finding this challenging as they were not used to reporting back. Cheryl Eyre explained that 80% of the team were interim staff. The Chair expressed that this was problematic as they would have no allegiance to Bracknell Forest and no knowledge of the local area and market. However, Cheryl Eyre explained that the SEND team would not be expected to have a knowledge of the local area and market as this was held by the other teams such as the Educational Psychologists. The SEND team were responsible for driving the process by working through systems and this did not require a knowledge of the local market.

Data

Cheryl Eyre had been working with Finance and the SEND Team to develop projection data for trends with the most recent 5 years now available. It was hoped that this would enable the team to start modelling demand projections moving forward.

Developing the market for SEND / AP and support

Six new Specially Resourced Provisions (SRP) had opened in primary schools, with more to be created, especially in secondary schools. Cheryl Eyre thanked the HNB subgroup for their work around creating the SRPs. The existing Service Level Agreement (SLA) had been subject to further refinement, including legal support to ensure that it was clear and met the needs. Cheryl Eyre was now confident that the SLA and surrounding process for the SRPs is strong.

Work was being undertaken by the Headteachers Working Group to develop the Banding Matrix and look at the process, and Paul Clark would work on funding at the appropriate time. This work was all joined up with a clear agenda. Cheryl Eyre explained that the BFC policy did not permit top-up funding for SEND children who didn't have an EHCP. Cheryl Eyre thought that was unhelpful and that there should be top-up funding for SEND children without an EHCP, but there needed to be a consistent process. Once EHCPs were in place, this generally moved beyond top-up funding and parents often considered moving to independent placements. This was not a sustainable position, and there was an ongoing need to establish more complex provision in the Borough. However, there may always be a small number of complex cases whose needs cannot be met in the Borough.

Commissioning

Commissioning had no role in SEND until 2020 and previously the team were spot-purchasing places. This meant that schools were sometimes charging different amounts for identical provisions. Commissioning was now working on value for money placements, due diligence, and monitoring outcomes.

HNB subgroup

The Chair requested a discussion around the future of the HNB subgroup that had been commissioned as part of the Schools Forum, as it appeared that other groups were naturally forming. However, if the subgroup were to be disbanded, this needed to be a formal assent by the Schools Forum. The Forum felt that the critical pieces of work which had been started by the subgroup needed to be carried forward. Jenny Baker had been chairing the subgroup and expressed a willingness to continue. The Chair suggested that the subgroup could be convened as and when needed. Cheryl Eyre requested an update of the subgroup to be presented at the next meeting of the Forum.

Action: Jenny Baker

207. **Outcomes from the October 2021 Financial Consultation with Schools**

The Forum considered a report which provided an update on the responses from the recent financial consultation from schools which sought views on the approach to setting a minimum increase in per pupil funding from 2021-22 and whether maintained schools supported ongoing de-delegation of budgets and making a financial contribution to statutory education related duties for which the council was responsible for meeting but received no funding. There was also a limited update on the 2022-23 budget position for mainstream schools.

The Forum had no questions or comments.

RESOLVED

1. to NOTE the outcomes from the financial consultation with schools as summarised in the supporting information and Annex 1 of the report; and
2. the Executive Member for Children, Young People and Learning (CYPL) is asked to AGREE that:
 - i. all schools should receive the maximum +2% increase in per pupil funding from the 2021-22 financial year, subject to affordability; and
 - ii. any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2021-22 should be met by those schools receiving the largest increases in per pupil funding, typically those above the average percentage increase.

Item for Maintained Primary School representatives only

RESOLVED to AGREE the continued de-delegation of budgets for the services requested by the council.

Item for Maintained Secondary School representatives only

RESOLVED to AGREE the continued de-delegation of budgets for the services requested by the council.

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

RESOLVED to AGREE

1. that a £20 per pupil contribution continues to be made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties; and
2. the proposed updates to the Scheme for Financing Schools (Annex 2 of the report).

208. **Dates of Future Meetings**

The next meeting of the Forum would be held at 4.30pm on Thursday 9 December 2021.

CHAIRMAN

TO: SCHOOLS FORUM
DATE: 09 DECEMBER 2021

EDUCATION CAPITAL STRATEGY **Executive Director: People**

1 PURPOSE OF REPORT

- 1.1 For Schools Forum to note and feedback on the proposed capital strategy for Education & Learning.

2 RECOMMENDATIONS

- 2.1 For Schools Forum to note and feedback on the proposed capital strategy for Education & Learning as set out in the attached appendix.

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Council has the statutory duty to provide sufficient school places.
- 3.2 To maximise the effective use of the education estate.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None, it is business critical to undertake pupil forecasting to ensure the Council meets its statutory duty to provide sufficient school places.

5 SUPPORTING INFORMATION

Context

- 5.1 Bracknell Forest is moving from a time of scarcity of school places to a time of surplus school places. Whilst secondary school numbers on roll are still rising, the birth rate and corresponding primary school intake numbers are decreasing across the Borough.

New Capital Strategy

- 5.2 The proposed new Capital Strategy is attached as a Briefing Paper at Appendix A, which includes in respect of;
- Early Years
 - Primary
 - Secondary
 - Post 16
 - SEN

6. CONSULTATION AND OTHER CONSIDERATIONS

Legal Advice

- 6.1 There are no specific legal implications arising from this report. The Capital Strategy, when it is published will contribute towards the Authority's discharge of its statutory duty to provide sufficient school places in its area under Section 13 of the Education Act 1996.

Executive Director of Resources: Finance

- 6.2 The recommendations arising from the Education Capital Strategy will need to be considered as part of the council's annual process of setting an affordable budget, drawing on funding from external grant, developer contributions, land sale and borrowing by the council.

Equalities Impact Assessment

- 6.3 SEN forecasts are included in the SPP. Compliance with needs for disabled access to new build school accommodation is achieved through Part M of Building Regulations.
- 6.4 The requirement for disabled access to existing school buildings is set out in the Equality Act and the Council makes accessibility works a priority in its Planned Works programme for schools, details of which are set out in the Asset Management Plan for Schools.

Strategic Risk Management Issues

- 6.5 Identified risks include:

ISSUE		RISK	COMMENT
1	Accuracy of forecasts	LOW	A new forecasting system was introduced in 2019 and proved to be 98% accurate for the 2020 intake.
2	Sufficient school places	LOW	Forecasts suggest there will be sufficient school places for the forecast period 2021-25.
3	Surplus school places	MEDIUM	Forecasts suggest primary surpluses will increase, but secondary surpluses will decrease. Measures to reduce the surplus of primary places will mitigate this risk.
4	Council's ability to manage the supply of school places	MEDIUM	Academies may choose to depart from catchment area admissions policies and/or admit over their PANs. Effective relationships with academies are essential.

5	Capital Cost Risk	MEDIUM	External funding streams have been identified to create additional SEND facilities required including DfE grant and S106 funding.
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Climate Change Implications

- 6.6 Capital projects arising from the Capital Strategy will be governed by current environmental legislation for building design and construction which includes the Building Act, Clean Air Act, Climate Change Act, Energy Act, Environment Act etc.

Consultation

- 6.5 Headteachers, Chairs of Governors, Diocesan Authorities and School Sufficiency Board.

Background Papers

Previous versions of the documents

Contacts for further information

Chris Taylor Head of Education Capital and Property
01344 354062 chris.taylor@bracknell-forest.gov.uk

Chris Hilliard Assistant Director Education & Learning
01344 351493 chris.hilliard@bracknell-forest.gov.uk

Schools Forum Briefing Paper Education Capital Strategy December 2021

Introduction

1. This Briefing Paper sets out proposals for the creation of a new Capital Strategy for Education & Learning from 2022 – 2026 (5 years).

Objectives

2. The proposed Capital Strategy will address these issues with the objectives of:
 - Complying with the Council’s statutory duty to provide sufficient school places
 - Making recommendations following discussions with Headteachers, Governors and Trustees for the best use of the Education estate
 - Consider in consultation with Headteachers, Governors and Trustees, whether any potentially surplus mainstream accommodation could be used for SEND use
 - Produce specific outcomes as projects on the Council’s capital programme

Context

3. The new Education Capital Strategy 2022-26 is informed by our existing school places forecasting system used to create the annual DfE School Capacity (SCAP) survey return and the latest School Places Plan 2021-25 (SPP). Forecasts for mainstream school places are calculated from cohort survival in each Year group adjusted for housing and migration.

Mainstream - Primary

4. Because the number of surplus places remains high, our strategy will be to reduce this surplus.
5. The existing and forecast Borough-wide surplus places in the intake Year R for the next five years are set out on the table below:

Year	PANs	NOR	Surplus		
Sep-21	1,555	1,322	233	15%	7.8FE
Sep-22	1,565	1,235	330	21%	11.0FE
Sep-23	1,560	1,222	338	22%	11.3FE
Sep-24	1,560	1,252	308	20%	10.3FE
Sep-25	1,560	1,239	321	21%	10.7FE
Sep-26	1,560	1,241	319	20%	10.6FE

6. There is an understanding nationally of a target of maintaining no more than a 5% surplus of intake year places, but as the table above indicates, if we do nothing, we are forecast to exceed this by a significant margin over the next five years.
7. Subject to this we should seek to maximise the numbers of parents who get their first preferences with school admissions.
8. Three workshops will be held during the second half of the 2021 Autumn term with the Headteachers of North Bracknell, South Bracknell and Crowthorne & Sandhurst to understand the implications of surplus places in each Planning Area, to explore the options and to identify where and when admission numbers might be reduced.
9. Schools must be able to operate within the revenue budgets derived from their numbers on roll (NOR). A significant surplus of places, as currently being experienced in some primary schools, results in more incidences of financial difficulty. It can divert substantial management and other resources both in schools and at the council and can ultimately impact on school standards and effectiveness. Changes must also be undertaken in a planned way to enable schools to make appropriate and timely arrangements for staffing and training.

Mainstream - Secondary

10. Because forecasts indicate that there will be sufficient secondary school places over the next five years, our strategy will be to closely monitor the NOR against the current capacity during this period.
11. The existing and projected Borough-wide surplus places in the intake Year 7 for the next five years are set out on the table below:

Year	PANs	NOR	Surplus		
Sep-21	1,485	1,438	47	3%	1.6FE
Sep-22	1,494	1,436	58	4%	1.9FE
Sep-23	1,494	1,436	45	3%	1.5FE
Sep-24	1,494	1,461	33	2%	1.1FE
Sep-25	1,494	1,383	111	7%	3.7FE
Sep-26	1,494	1,384	110	7%	3.7FE

12. We will however be happy to receive expressions of interest from secondary schools that would like to enhance or expand their SEND provision in accordance with our SEND Strategy set out below.

Special Educational Needs and Disability (SEND)

13. Over the next five years high level forecasts indicate that the numbers of pupils with an EHCP in Bracknell Forest will rise by up to 200 places which is a 22% increase.

14. Over the same period the number of children & young people in mainstream schools requiring SEN support is forecast to rise by up to 180 places which is a 7% increase,
15. Additional specialist accommodation will need to be provided to meet the needs of these pupils including expansion of existing, and creation of new facilities. Our strategy is to see whether these local pressures in Special Educational Needs and Disability could be accommodated in surplus accommodation identified as part of the mainstream school strategies.
16. To fully understand our future requirements, an enhanced SEND forecasting model will be built to specifically evidence the types of needs that will need to be met, and what additional provision is needed where and when. Location factors will also be considered including whether new provision needs to be local i.e. on multiple sites or central i.e. a single provision.
17. In addition, we will be examining the numbers of SEND pupils who are currently educated out of Borough because of a lack of capacity or specialist provision in Bracknell Forest. Where a business case can be made for expanding or creating additional or new SEND facilities in the Borough, proposals will be brought forward as part of the Council's capital programme in future years.

Early Years

18. Early Years already has a forecasting function which is summarised in the SPP each year. Provision is split between private providers and primary schools with nurseries.
19. The Council is required by law to 'report annually to elected council members on how they are meeting their duty to secure sufficient childcare and make this report available and accessible to parents'. The 2021 Child Sufficiency Assessment was recently reviewed by Schools Forum in November 2021.
20. The most recent assessment evidences that there is currently sufficient childcare capacity across the Borough to meet the forecast demand for places until 2022/23.
21. We will work with Early Years to derive specific capital strategy outcomes from the Childcare Sufficiency Assessment including the future role of the Child Development Centre. This work will be done in 2022.

Post 16

22. Development of a Post 16 Strategy is an action for the LA in the Learning Improvement Strategy 2019-22.
23. Because Post 16 falls outside the Council's statutory responsibility the approach will be to act as a commissioner, employing an external facilitator to manage a review of Post 16 across the Borough. The scope and content of this review will be drawn up by and agreed with Headteachers, and because in 2022 five out of our seven secondary schools are expected to be academies, they will be likely to drive this agenda.
24. The Capital Strategy for Post 16 will be an output of the Review and will depend on schools' appetite for collaborative working. This could include creation of shared facilities or development of Post 16 facilities on individual school sites.
25. There are also two significant non-school Post 16 providers which have historically drawn pupils out of Bracknell Forest schools:

- Bracknell & Wokingham College, located in Bracknell
 - Farnborough Sixth Form College, located 3.5km from our southern border
- We may wish to include these external providers in part of this review.

26. This work will be done in the 2022 Autumn term.

Reporting

27. The vehicle for reporting the Capital Strategy will be the annual School Places Plan (SPP), which is updated and published at the beginning of each calendar year.
28. The Strategy will be evidenced by data and presented in a consistent format to make them easy for the reader to understand, including use of graphics to illustrate past and future trends.

Implementation

29. Capital projects will be brought forward for approval by the Executive as Project Appraisal Decision Sheets (PADS) on the annual capital programme.

Timescales

30. The intention is to complete all four elements of the Capital Strategy by the Spring of 2023:

2021 Autumn Term:	Workshops with Headteachers and drafting of the Mainstream Capital Strategies
2022 Spring Term	Publish the Mainstream Capital Strategy in the new SPP and drafting of the SEN Capital Strategy
2022 Summer Term	Drafting the Early Years Capital Strategy
2022 Autumn Term	Post 16 Review
2023 Spring Term	Include the Early Years & Post 16 Capital Strategy in the new SPP

Chris Taylor
01344 354062

Head of School Property, Places & Admissions
chris.taylor@bracknell-forest.gov.uk

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**TO: SCHOOLS FORUM
9 DECEMBER 2021**

**INITIAL PROPOSALS FOR THE 2022-23 EARLY YEARS BUDGET & FUNDING FORMULA
Executive Director: People**

1 PURPOSE OF DECISION

- 1.1 The purpose of this report is to seek agreement for changes to the Early Years Funding Formula from April 2022, the principles to be adopted for allocating the announced increases to the Early Years Block Budget and to consider if appropriate arrangements are in place for administration of the early years free entitlements.

2 RECOMMENDATIONS

To RECOMMEND to the Leader of the Council:

- 2.1 **That taking account of comments from providers to the consultation on the Council's proposed changes to the Early Years Funding Formula from April 2022:**
- a) **the deprivation supplement will apply to the universal and extended entitlements for 3- and 4-year-olds**
 - b) **funding bands for the IDACI measure of the deprivation supplement are reduced from three to two**
 - c) **calculation of the IDACI measure of the deprivation supplement is changed to a three-year rolling average score**
 - d) **the revised process for allocating providers to the IDACI measure of the deprivation supplement, as set out in point 5.15.**
 - e) **eligibility for the quality supplement will be limited to the setting in which the person with the relevant early years qualification at level 5 or above is based**
 - f) **there are appropriate arrangements in place for administration of the early years free entitlements**
- 2.2 **Initial proposals for the 2022-23 Early Years Block Budget as set out in the supporting information in points 5.34 to 5.36**

To NOTE:

- 2.3 **The final 2022-23 Early Years Block Budget proposals and funding rates to be allocated to the Early Years Funding Formula will be presented to the Forum for comment in January.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The proposals set out in the paper consider the increase in early years funding announced in October 2021 and are in line with the statutory guidance, local priorities and the views of the Early Years Forum and early years providers.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative options are detailed in the supporting information.

5 SUPPORTING INFORMATION

Background

- 5.1 This report presents proposals on the Early Years Block (EYB) element of Dedicated Schools Grant (DSG) that the Department for Education (DfE) allocates to Local Authorities (LAs) to fund provisions and support for children up to the age of 5. It covers:
- a) the 15 hours free entitlement to education and childcare for disadvantaged 2-year-olds
 - b) the universal 15 hours free entitlement to education and childcare for all 3- and 4-year-olds
 - c) the extended 15 hours free entitlement to education and childcare for eligible working parents of 3- and 4-year-olds
 - d) the early years pupil premium (EYPP)
 - e) the disability access fund (DAF)
 - f) the Special Educational Needs Inclusion Fund (SENIF)
 - g) other specialist and general support services
- 5.2 The statutory regulatory framework necessitates that the council decide on the arrangements to be put in place to meet the requirements for children up to the age of 5 and associated resources, and for Schools Forum to comment on their appropriateness. Schools forums must also be consulted on changes to local early years funding formulas, including considering central spend by 28 February 2021, although the final decision rests with the local authority and will be taken by the Leader of the Council on 18 January 2022.

National Funding Framework

- 5.3 The DfE uses an Early Years National Funding Formula (EYNFF) to distribute DSG income to LAs. This funding framework sets out key requirements on LAs in setting their EYB budgets for **3- and 4-year-olds**. These are:
- a) To develop and maintain a local EYFF in accordance with parameters set by the DfE, undertaking consultation with providers and the Schools Forum when any changes are proposed, where the EYFF:
 - i) should include a single funding rate (including the same base rate and supplements) for both entitlements (that is, both the universal 15 hours, and the additional 15 hours for working parents)
 - ii) must plan to pass on at least 95% of funding directly to providers – the “pass through rate”
 - iii) must use a universal base rate, paid at the same value to all providers
 - iv) must use a deprivation supplement to target additional funds to the providers admitting the most disadvantaged children
 - v) can include other discretionary supplements, which the DfE restricts to rurality / sparsity, flexibility of provision, English as an additional language (EAL) or quality of provision
 - vi) supplements selected by an LA can generally use any measure of eligibility, provided it is applied equally to all providers in a transparent and fair way
 - vii) must not allocate more than 10% of funding through supplements

- b) That a Special Educational Needs Inclusion Fund (SENIF) must be created to support children with lower level or emerging SEN
 - c) Required to pass on the EYPP to providers to support eligible disadvantaged children
 - d) Required to pass on DAF funding to providers to support disabled children's access to the entitlements
- 5.4 Requirements on funding providers for **the most disadvantaged 2-year-olds** is more straightforward than for 3- and 4-year-olds, with no "pass through rate" or payment of additional funding supplements with the DfE encouraging LAs to pay a single flat rate amount. Neither is there a requirement for the SENIF to apply to 2-year-olds, although this is permitted and included in arrangements in the BF SENIF.

Key Principles

- 5.5 The proposals from Bracknell Forest Council are intended to maximise quality of provision, increase the number of free entitlement hours and target financial support to children that need it the most to succeed. The expectation is that proper targeting of financial support in early years settings now will result in more children achieving their potential and fewer developing more complex and costly support needs. This approach reflects the key strategic aims of the council.
- 5.6 In considering changes to the EYFF, the following key principles have been applied, which remain unchanged from the principles adopted when the EYFF was consulted on in 2016:
- a) The Formula must be transparent, stable and predictable in its delivery of funding, compatible with DfE requirements and efficient to manage.
 - b) Data used for funding purposes e.g., the measure of deprivation in the deprivation supplement, must be readily available and objective in nature.
 - c) Hourly supplements to be made where justified to incentivise good practice, or reflect an additional cost, or promote national or local policy objectives.
 - d) The Formula must be affordable within the existing early years funding envelope.

Funding decisions previously taken by the Forum

- 5.7 Reflecting on the outcomes from previous consultations with providers and the DfE requirements on LAs relating to the EY Funding Framework (paragraphs 5.3**Error! Reference source not found.** and 5.4), the Schools Forum agreed the following parameters for setting the 2021-22 EYB budget as follows:
- a) Funding to be managed centrally by the council at 4.8% of income
 - b) The SENIF should be set at 2%
 - c) The provider contingency should be set at 1.5%
 - d) The EYFF should allocate 91.7% with:
 - i) The uniform base rate set at around 93.63%
 - ii) The deprivation supplement set at around 4.3%
 - iii) The quality supplement set at around 2.1%
 - iv) No supplements to be paid for rurality / sparsity, EAL or provider flexibility
 - e) The DAF and EYPP funding allocation should be allocated to providers at the same funding rate as received from the DfE
- 5.8 The current EYFF and funding rates are set out in Annex 1.

Bracknell Forest Consultation

- 5.9 In July 2021 the Council presented initial proposals for changes to the EYFF to the Early Years Forum. These proposals addressed concerns with the deprivation and quality supplements. Feedback from the Forum informed the proposals in the October 2021 consultation with all early years providers registered for the free entitlements, which asked providers' views on proposed changes to the EYFF and the current funding arrangements. The consultation document can be viewed at: <http://consult.bracknell-forest.gov.uk/portal/>

Issues identified with the deprivation supplement

- 5.10 The deprivation supplement is comprised of two measures:
- Early Years Pupil Premium (EYPP) Measure, which pays an hourly top up supplement on the universal funded hours of qualifying children
 - Income Deprivation Affecting Children Index¹ (IDACI) Measure which pays an hourly top up supplement on universal funded hours only for 3- and 4-year-olds at a setting.

As set out in the National Funding Framework, supplements should apply to both the universal & extended entitlements for 3- and 4-year-olds. Neither the IDACI nor EYPP measure of the deprivation supplement currently meet this requirement.

- 5.11 The IDACI measure aims to target additional funding at the 40% most deprived children, with particular focus on the 20% most deprived. In January of each year the Council calculates an average IDACI score for all settings registered to receive the free entitlements, with settings allocated to a funding band based on this average IDACI score. The bands and the scores required for each band were agreed by Schools Forum in December 2019. Three issues with the IDACI measure were identified:
- The annual IDACI score calculation and subsequent allocation of providers to funding bands is unpredictable and some providers see annual changes in their IDACI funding. These annual changes do not meet the key principles of predictability and stability.
 - The IDACI bands and scores agreed in 2019 were calculated without making allowances for the number of children in each setting, consequently a childminder with one child had as much impact on the calculation as a setting with 60 children.
 - Eligibility for the IDACI bands uses fixed scores based on attendance data from 2019. The fixed eligibility criteria result in variances between the planned and actual percentage of providers (and consequently children) qualifying for each band.
 - The Early Years Forum felt the IDACI measure was complicated and suggested simplifying the measure by reducing the number of funding bands.

Proposed changes to the IDACI supplement

- 5.12 To comply with the requirements of the National Funding Framework, it is proposed that from April 2022 the EYPP and IDACI measures of the deprivation supplement will apply to the universal **and** extended entitlements for 3- and 4-year-olds.
- 5.13 Reduce the IDACI measure from three to two funding bands.
- 20% highest average IDACI scores – Band 2
 - Next 20% highest average IDACI scores – Band 1

¹ Income Deprivation Affecting Children Index (IDACI) - measures by location the proportion of all children aged 0 to 15 living in income deprived families. The more deprived is an area, the higher the score. Further detail on IDACI which is a subset of the Index of multiple deprivation (IMD) can be found at the following link: <https://www.gov.uk/government/collections/english-indices-of-deprivation>

Band 2 would be funded at double the rate of band 1.

- 5.14 Change the calculation of the IDACI measure to a three year rolling average score, calculated each January using a weighted average of the 3 year period to account for the proportion of the year each child has attended the setting
- 5.15 Improve the targeting of funding at the 40% most deprived children by using the following process to allocate providers to funding bands:
- a) Use the three year average IDACI score to rank all group providers from highest to lowest.
 - b) Allocate group providers with the 20% highest rank to band 2.
 - c) Allocate the next highest 20% of group providers (by rank) to band 1.
 - d) Use the scores of the group providers allocated to bands 1 and 2 to set the IDACI scores required by childminders for each funding band. For example, if the lowest three year average IDACI score of group providers in band 2 was 0.15 all childminders with a score of 0.15 or higher would be allocated to band 2

Issues identified with the quality supplement

- 5.16 A setting is eligible for the quality supplement if the person leading the early years foundation stage curriculum has a relevant early years qualification of level 5 or above. Current arrangements allow a suitably qualified person to lead the early years foundation stage across multiple settings and for all the settings to benefit from the quality supplement. However, the Early Years Forum commented as follows:
- a) There is no objective test in place to ensure that a suitably qualified person is leading the early years foundation stage curriculum across multiple settings.
 - b) It is arguable whether this arrangement supports good practice
 - c) This arrangement does not reflect an additional cost.

Proposed changes to the quality supplement

- 5.17 Remove the arrangement that allows eligibility across multiple settings based on the qualification level of one person and limit eligibility for the quality supplement to the setting in which the person with the relevant early years qualification at level 5 or above is based.

Administration of the early years free entitlements

- 5.18 In line with the requirements of the statutory regulatory framework (point 5.2 above) the Council asked providers for feedback on the current arrangements for administration of the early years free entitlements. The feedback received indicated that the majority of providers find the process for claiming the entitlements very easy or fair easy to use, with no common issues or concerns identified. It is proposed that School Forum agrees that appropriate arrangements are in place for administration of the early years free entitlements

Summary Outcomes

- 5.19 A total of 32 responses were received to the consultation, a response rate of 20% of all early years providers registered for the free entitlements. This was comprised of 17 out of 44 private, voluntary, and independent (PVI) providers, 13 out of 99 childminders and 2 of 18 maintained schools and academies.
- 5.20 Annex 2 provides a numerical analysis of responses to the consultation.

Unrestricted

- 5.21 91% or 29 out of 32 responses supported applying the EYPP & IDACI measures of the deprivation supplement to the universal and extended entitlements.
- 5.22 88% or 28 out of 32 responses supported the reduction in IDACI funding bands from three to two.
- 5.23 75% or 24 out of 32 responses supported the adoption of a three year rolling average score for the IDACI measure.
- 5.24 78% or 25 out of 32 responses supported the proposed change to the process for allocating IDACI measure funding bands.
- 5.25 66% or 21 out of 32 responses agreed with the proposal to limit the quality supplement to the setting in which the person with the relevant early years qualification at level 5 or higher is based.
- 5.26 Question 6 asked providers to indicate how easy they find the process for claiming funding, with 81% of respondents indicating that they found the process very easy or fairly easy. No respondents indicated that they had found the process difficult.
- 5.27 Some providers made comments in response to questions 7 and 8 of the consultation. These comments have been considered in preparation of this paper, however there are no common themes indicative of an issue with current funding arrangements.

Impact from the proposed changes

- 5.28 The impact of the proposed changes as outlined below assume that all proposed changes are implemented but are considered in isolation of any increase in funding. This allows for a better understanding of the impact of the proposed changes to the EYFF. The impact of these proposed changes in conjunction with the announced increase in early years funding is considered in point 5.35
- 5.29 Applying the EYPP and IDACI measures of the deprivation supplement to the extended entitlements will increase the hours eligible for funding and consequently costs, with a forecast increase in 2022-23 of £60k. To remain within the current funding envelope a change in funding rates would be required:
 - a) For the EYPP measure this equates to a reduction from £1.54 to £1.40.
 - b) The changes to the IDACI measure implement the feedback from the Early Years Forum for greater simplicity and predictability, while improving the focus of the IDACI measure on the 40% most deprived children. It is proposed that funding for band 1 (20-40% most deprived) is set at £0.16 per hour, with band 2 (20% most deprived) set at double the band 1 rate at £0.32 per hour.
- 5.30 The forecast impact of the proposed changes to the deprivation supplement and quality supplement, including the reduction in funding rates are forecast to result in the following highlight changes:
 - a) 2 (1%) providers will see a reduction in their hourly rate of up to 6%
 - b) 8 (5%) providers will see a reduction in their hourly rate of up to 4%
 - c) 8 (5%) providers will see a reduction in their hourly rate of up to 2%
 - d) 35 (22%) providers will see a reduction in their hourly rate of up to 1%
 - e) 77 (49%) providers will not see a change in their hourly funding rate
 - f) 18 (11%) providers will see an increase in hourly rate of up to 2%

Unrestricted

- g) 4 (3%) providers will see an increase in hourly rate of up to 4%
- h) 1 (1%) provider will see an increase in hourly rate of up to 6%
- i) 4 (3%) providers will see an increase in hourly rate of up to 8%

(this forecast is based on 157 providers funded in the 2021-22 financial year and is provided as an exemplar only)

Early Years Block funding increase for the 2022-23

- 5.31 On 27 October 2021 the Government announced additional funding for the early years entitlements of £160m in 2022-23. This is for Local Authorities to increase hourly rates to childcare providers. Details of the Early Years 2022-23 hourly rates to LA's were published on 25 November 2021, with hourly funding rates for Bracknell Forest set at:
- a) 2-year-olds - £6.25 (increase of £0.20)
 - b) 3- & 4-year-olds - £5.24 (increase of £0.17)
 - c) Early Years Pupil Premium - £0.60 (increase of £0.07)
 - d) Disability Access Fund - £800 per eligible child per year (increase of £185)
- 5.32 Due to the timing of the announced increase, there is insufficient time to consult all providers on the allocation of the increase to the Early Years Block funding for 2022-23. However, the Early Years Forum considered options for allocation of the increase in funding at its meeting on 11 November. The three options considered were:
- a) Option 1
Apply the announced increase in funding for 3- and 4-year-olds allocated to the EYFF to the uniform base rate that is paid to all providers. An increase in funding for 2-year-olds will be applied to the hourly rate paid to providers
 - b) Option 2
Apply the announced increase in funding for 3- and 4-year-olds equally to all components of the Early Years Funding Formula. An increase in funding for 2-year-olds will be applied to the hourly rate paid to providers
 - c) Option 3
Use the increase in funding for 3- and 4-year-olds to offset the impact of the proposed changes to the EYPP and IDACI measures and apply the remainder of the increase to the uniform base rate that is paid to all providers. An increase in funding for 2-year-olds will be applied to the hourly rate paid to providers
- 5.33 The view of the Early Years Forum was that the option 1 should be the principle used for allocating the funding increase, as it provided the predictable and stable income providers need and increased funding for all providers equally.

Initial proposals for the 2022-23 Early Years Block budget

- 5.34 Due to the timing of the announcements, work is still underway to understand the financial impact of the funding increase on forecast BFC income and provider funding rates. In the absence of complete financial information for the 2022-23 Early Years Block Budget the Council is proposing a set of principles for setting the budget and associated provider hourly funding rates.
- a) The components of the Early Years Funding Formula as agreed for 2021-22 are retained for 2022-23
 - b) The announced increase in early years funding will be applied to the uniform base rate for 3- and 4-year-olds that is paid to all providers. An

increase in funding for 2-year-olds will be applied to the hourly rate paid to providers

- c) The total funding allocated to the SENIF and provider contingency will remain unchanged and should each be set at 1.4% of total income
 - d) The EYFF should allocate 92.2% of total income with:
 - i) The uniform base rate set at around 94.3%
 - ii) The deprivation supplement set at around 3.7%
 - iii) The quality supplement set at around 2%
 - iv) No supplements to be paid for rurality / sparsity, EAL or provider flexibility
 - e) Funding to be managed centrally by the council at 5% of income.
 - f) The DAF and EYPP funding allocation should be allocated to providers at the same funding rate as received from the DfE
- 5.35 Final 2022-23 Early Years Block Budget proposals and funding rates to be allocated to the Early Years Funding Formula will be presented to the Forum for comment in January.
- 5.36 Considering the proposed changes to the EYFF in points 5.12 to 5.14 and 5.17, the proposed principles for setting the budget in point 5.33 and the announced increase in funding as set out in 5.31, the following highlight changes are expected in provider funding rates.
- a) 1 (1%) provider will see a reduction in their hourly rate of up to 2%
 - b) 1 (1%) provider will see a reduction in their hourly rate of up to 1%
 - c) 15 (10%) providers will see an increase in their hourly rate of up to 2%
 - d) 121 (78%) providers will see an increase in their hourly rate of up to 4%
 - e) 8 (5%) providers will see an increase in their hourly rate of up to 6%
 - f) 10 (5%) providers will see an increase in hourly rate of more than 6%

The extension of the deprivation supplement to all free entitlement hours is a significant factor where providers are predicted to receive an increase in funding of more than 5%. These figures do not include Early Years Pupil Premium and Disability Access Funding payment.

(Forecast based on 156 providers funded in the 2021-22 financial year and provided as an exemplar only)

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no specific legal issues arising from the recommendations in this report. The legal issues are addressed within the report.

Director of Resources

- 6.2 The anticipated financial implications are set out in the supporting information

Impact Assessment

- 6.3 No Equalities Impact Assessment is required as the proposed changes implement statutory guidance which includes eligibility criteria.

Strategic Risk Management Issues

- 6.4 There is no perceived risk, all proposals are within budget limits and are informed by provider feedback.

BACKGROUND PAPERS

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

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

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718181/Early_years_entitlements-operational_guidance.pdf

Early years entitlements: operational guidance for local authorities and providers

CONTACT FOR FURTHER INFORMATION

Cherry Hall, Head of Early Years

01344 352811

cherry.hall@bracknell-forest.gov.uk

David Allais, Early Years Business and Family Information Manager

01344 354027

david.allais@bracknell-forest.gov.uk

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Summary of the 2021-22 BF Early Years Funding Formula

EYFF Element	Weighting	Proposed hourly funding rate	% total EY funding
Deprivation Supplement	1.9% of EYFF via IDACI scores Average IDACI score of children attending setting. Top 20% - Band 3 Next 10% - Band 2 Next 10% - Band 1	£0.13, £0.26 & £0.39	
	2.4% of EYFF via child eligibility to EYPP	£1.54	
Quality Supplement	2.1% of EYFF via setting leadership qualification Level 5 and above	£0.14	
Uniform Base Rate	93.6% of EYFF	£4.45	
	Indicative EYFF average provider rate	£4.65	91.7%
	Average SEN funding	£0.10	2%
	Average contingency funding	£0.08	1.5%
	Subtotal to providers	£4.83	95.2%
	Average BFC funding (5%) max	£0.24	4.8%
	Indicative funding from DfE to BFC	£5.07	100%

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Question	Schools	PVI's	Child minder	Total	%
Question 1: Do you agree with the proposal that from April 2022 the EYPP and IDACI measures of the deprivation supplement will apply to the universal and extended entitlements for three- and four-year-olds?					
Yes	2	15	12	29	91%
No	0	1	1	2	6%
No Answer	0	1	0	1	3%
Question 2: Do you agree with the proposal to reduce the number of funding bands for the IDACI measure of the deprivation supplements from three to two?					
Yes	1	16	11	28	88%
No	1	0	2	3	9%
No Answer	0	1	0	1	3%
Question 3: Do you agree with the proposal to change the calculation of the IDACI measure to a three year rolling average score?					
Yes	2	15	7	24	75%
No	0	2	6	8	25%
No Answer	0	0	0	0	0%
Question 4: Do you agree with the proposed change to the process for allocating providers to IDACI measure funding bands?					
Yes	2	15	8	25	78%
No	0	1	5	6	19%
No Answer	0	0	1	1	3%

Question	Schools	PVI's	Child minder	Total	%
Question 5: Do you agree with the proposal to limit eligibility for the quality supplement to the setting in which the person with the relevant early years qualification at level 5 or above is based?					
Yes	2	14	5	21	66%
No	0	3	8	11	34%
No Answer	0	0	0	0	0%
Question 6: How easy do you find the process for claiming funding?					
Very easy	1	7	4	12	37%
Fairly easy	1	10	3	14	44%
Neither	0	0	6	6	19%
Fairly difficult	0	0	0	0	0%
Very difficult	0	0	0	0	0%

TO: SCHOOLS FORUM
DATE: 9 DECEMBER 2021

**2022-23 BUDGET PROPOSALS FOR THE SCHOOLS BUDGET:
SCHOOLS AND CENTRAL SCHOOL SERVICES BLOCK ELEMENTS**
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to ensure that final 2022-23 budget decisions can be made at the 13 January Forum meeting in order to meet the 21 January 2022 statutory deadline. Therefore, updated proposals for the Schools Block (SB) and Central Schools Services Block (CSSB) elements of the Schools Budget are now presented.

2 EXECUTIVE SUMMARY

- 2.1 Building on previous decisions agreed by the Forum, and with the now available provisional data from the October 2021 school census, a further stage to the budget setting process can now be presented for consideration. Until the Department for Education (DfE) releases the verified census and other data that must be used to calculate school budgets, further changes can be expected.
- 2.2 Current data held by Bracknell Forest Council (BFC) indicates that forecast pupil numbers have increased by 135 (+0.8%), with primary numbers continuing the recent trend of reducing (down 75, -0.8%) and secondary numbers continuing to rise (up 210, + 3.2%). These changes indicate an increase in core per pupil Dedicated Schools Grant (DSG) funding of £0.903m. A revised calculation has also been made on the funding allocation to be received through the DSG Growth Allowance which has increased by £0.051m. Overall, this indicates a net gain in funding of £0.954m.
- 2.3 For the CSSB, where the DSG funding is being reduced by £0.050m, the 2022-23 draft budget proposals for the council are expected to recommend funding this shortfall from council resources for next year.
- 2.4 Taking account of the new data, the proposals contained in this report for the SB indicate that to fully implement the factor values used by the DfE in the National Funding Formula (NFF) there would be a funding gap of £0.346m. For the CSSB, a balanced budget is proposed.
- 2.5 The options available to manage the indicated budget shortfall, of which a combination can be used are:
1. Draw down funds from the Reserve created by the council to help finance the additional costs of new and expanding schools.
 2. Draw down funds from the Reserve created in the unallocated Schools Budget to support the additional costs of new and expanding schools.
 3. Fund schools at a scaled percentage of the NFF, with the same percentage scaling applied to each factor.
- 2.6 There is a very tight budget setting timetable to meet, with support from the Schools Forum on the proposals now being sought in advance of the 21 January deadline for

submitting to the DfE the actual Funding Formula for Schools to be used in 2022-23 with associated units of resource and total cost.

- 2.7 The next Forum meeting will need to recommend to the Leader of the Council the approach to take to funding any remaining funding gap, taking account of the advice of the Director of Resources.

3 RECOMMENDATIONS

For all members of the Forum to AGREE:

- 3.1 That subject to any late changes proposed to the Forum in January, the 2022-23 budget is set in accordance with the supporting information, as summarised in Table 1, and in particular:

1. That no changes are made to the Start-up and diseconomy funding policy for new and expanding schools (paragraph 6.17).
2. That the Growth Fund, including appropriate elements is set at the amount reported in Annex 1
3. That the split site funding allocation to Warfield Primary school is increased by £0.050m to £0.125m (paragraph 6.23)
4. That the elements of the CSSB and relevant budget amounts are as detailed in Annex 2.

- 3.2 The preferred approach to be taken in balancing any remaining shortfall on the SB (paragraph 6.38).

Items for Maintained Primary School representatives only:

- 3.3 To AGREE:

- i. that the per pupil deduction amounts for existing de-delegated services be increased by 2.6%, the average increase in per pupil funding expected to be received by schools (paragraph 6.25)
- ii. the de-delegation of School Improvement Service, to be funded by the remaining School Improvement Monitoring and Brokerage Grant with no deduction from schools (paragraph Error! Reference source not found.).

Items for Maintained Secondary School representatives only:

- 3.4 To AGREE:

- i. that the per pupil deduction amounts for existing de-delegated services be increased by 2.6%, the average increase in per pupil funding expected to be received by schools (paragraph 6.25)
- ii. the de-delegation of School Improvement Service, to be funded by the remaining School Improvement Monitoring and Brokerage Grant with no deduction from schools (paragraph Error! Reference source not found.).

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2022-23 Schools Budget is developed in accordance with the views of the Schools Form, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual school budgets to the DfE by 21 January 2022.

5 ALTERNATIVE OPTIONS CONSIDERED

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

6 SUPPORTING INFORMATION

Background to School and Education Funding

- 6.1 The Forum has been kept up to date with DfE school and education funding reform, most notably through the introduction of a NFF since change was first announced in March 2016.
- 6.2 The Schools Budget is funded by the DSG, a 100% ring fenced government grant. The DSG comprises 4 funding Blocks, each with a separate calculation and funding allocation; the Schools Block (SB); the Central School Services Block (CSSB) the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors, the HNB and EYB are centrally managed by LAs although the majority of funds are ultimately used to pay schools and other providers for services to children.
- 6.3 The DSG can only be spent on the purposes prescribed by the DfE. Any under or overspending in a year must also be ring-fenced and applied to a future Schools Budget. There is a general ring-fence in place in that SB funding must be spent on school budgets, although where agreed by the local Schools Forum, up to 0.5% of the SB (circa £0.422m) can be transferred to fund costs that fall into other Blocks. Money can be freely transferred from other Blocks into the SB or from the SB to CSSB.
- 6.4 Reflecting on local cost priorities, the Council's Executive previously agreed to support a 4-year funding strategy and will provide £1m from council balances to March 2023 to help finance the diseconomy funding required for the new schools.
- 6.5 Ordinarily, the Executive Member for Children, Young People and Learning has responsibility for agreeing most aspects of the SB although within the overall budget setting process, there are several areas where the Forum holds responsibility, and these will be presented for a decision at the January meeting. However, reflecting that the Executive Member is a governor at Warfield Primary school where there is a specific recommendation on this report, to avoid a potential conflict of interest, the Leader of the Council will make final budget decisions on the SB, including the CSSB, as well as the EY Block budget.

6.6 This report focuses on the SB and CSSB elements of the Schools Budget where DSG funding is allocated to LAs by way of:

- A pupil-led NFF that uses the most up to date census data relating to number on roll, deprivation, low prior attainment and English as an additional language measures (SB)
- School based funding, based on prior year costs for business rates and other property factors such as schools operating across split sites (SB)
- Two funding protection mechanisms (SB):
 - A minimum per pupil funding amount for the year (£4,265 for primary aged pupils in 2022-23 and £5,525 for secondary).
 - A minimum increase / maximum decrease in per pupil funding from the previous year (+2% for 2022-23 in BF)
- A per pupil amount for defined on-going LA education related responsibilities together with an amount for deprivation, based on number of Ever 6 Free School Meals pupils. Nationally, funding is split 90% via pupil head count and 10% via Ever 6 (CSSB).
- Contribution to previously agreed historic costs (for supporting vulnerable pupils) (CSSB).

Funds allocated through the CSSB continue to be subject to transitional funding adjustments as a result of the reforms, with the historic amount of funding expected to continue to reduce by 20% per annum to a nil value at 2025-26. A £0.050m funding reduction is expected for BF in 2022-23.

Summary of the 2022-23 SB funding framework

6.7 The September meeting of the Forum received the following update which is repeated here for context.

1. There will be no significant changes to the way school and education related funding is allocated next year with:
 - a. The DfE using the same separate formulae to allocate funding to LAs for SB, CSSB, HN pupils and EY provisions.
 - b. The DfE will continue to use the NFF to calculate each school's individual budget with no changes in the factors used. The NFF distributes funding based on schools' and pupils' needs and characteristics and uses the same factor values for all schools across the country. The exception to this being an area cost adjustment uplift which is paid to areas with high costs, such as those paying London Weighting to staff salaries. BF receives a 5.7% uplift.
 - c. LAs will continue to receive funding based on the DfE running each school's data (mainly October 2020 census, so lagged) through the NFF at confirmed 2022-23 factor values and aggregating together every school's allocation to determine the amount to be paid to that area. This is then converted to an average primary and secondary per pupil funding value which with final October 2021 pupil numbers will be used to calculate each LAs 2022-23 funding for their schools. This approach allows for early publication of each LAs confirmed per pupil funding rates.

- d. The DfE place a ring-fence on funding provided to LAs for schools and education. This means it can only be used for the purposes defined by the DfE and cannot be diverted to fund other costs.
 - e. LAs will continue to be responsible for allocating funding to schools in their areas and are not required to fully implement the NFF.
 - f. Whilst LAs have responsibilities to set funding allocations for their schools, they must work within parameters set by the DfE which very closely follow the NFF and other national priorities.
 - g. In allocating funds to schools, LAs must use pupil and other relevant data provided by the DfE which is generally made available at the end of the autumn term.
 - h. In July the DfE launched a consultation on the next stage of reform. More information on this was provided under a separate agenda item.
2. There are only a small number of changes to the national process to allocate funds.
- a. Data on pupils who have been eligible for free school meals at any time in the last six years (FSM6) is now taken from the October school census instead of from the January census, to bring the factor into line with arrangements in place for funding schools for the pupil premium.
 - b. Following the cancellation of assessments in summer 2020 due to COVID-19, funding allocations to schools for low prior attainment (LPA) will use 2019 assessment data as a proxy for the 2020 assessments for reception (primary schools) and year 6 cohort (secondary schools).
 - c. Pupils who joined a school between January and May attract funding for mobility on the basis of their entry date, rather than by virtue of the May school census being their first census at the current school (the May 2020 census was cancelled due to COVID-19). To be eligible for mobility funding, the proportion of mobile pupils in a school must be above the national threshold of 6%.
 - d. The business rates payment system for schools will be centralised and Education and Skills Funding Agency (ESFA) will pay billing authorities directly on behalf of state funded schools from 2022-23 onwards. Further details on this, including treatment in school accounts will be issued separately by the DfE in due course. There will be no overall financial impact on schools from this change.

Progress to date

6.8 The Forum has agreed the following budget decisions at previous meetings:

- that subject to affordability, the factor values in the BF Funding Formula should be set at the NFF rates used by the DfE. Should this not be affordable, then each factor value would be scaled by the same proportionate amount.

- that Minimum Per Pupil Funding (MPPFL)¹ values are set at £4,265 for primary aged pupils and £5,525 for secondary aged pupils. These are the same values as used by the DfE in the NFF.
- that the Minimum Funding Guarantee (MFG)² is set at the maximum amount permitted by the DfE and delivers per pupil funding increases from 2021-22 for all schools of at least +2.00%.
- any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2021-22 should be met by those schools receiving the largest increases in per pupil funding, typically those above the average percentage increase
- that de-delegation of budgets for the services requested by the council continues for maintained mainstream schools. Note this excludes the new requirement to de-delegate School Improvement Services which is set out below at paragraph from paragraph 6.26.
- that a £20 per pupil contribution continues to be made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties
- meeting the diseconomy costs at new and expanding schools in a measured way from a combination of council reserves, Schools Budget reserves, and funding allocated for the relevant year from the DfE.
- that a centrally managed Growth Fund should be maintained for in-year allocation to qualifying schools.
- on-going central retention by the Council of the existing Central School Services Block items.

Updated budget proposals for 2022-23

6.9 Whilst the data that must be used for funding purposes is not expected to be made available by the DfE until towards the end of December, more work has been undertaken on budget calculations, reflecting the current BFC estimate of October 2021 census data and the latest budget decisions made by the Forum. This provides a sound basis for making updates but is still expected to be subject to further change.

¹ The SNFF includes MPPF levels that are applied to all school budgets where a top up is added if the normal operation of the Funding Formula does not deliver sufficient funds – for 2022-23 this is £4,265 for primary aged pupils and £5,525 for secondary. LAs had discretion to apply these values in their local funding formula but are now mandatory at local level, unless agreed by the DfE that they are unaffordable. The MPPF calculation required by the DfE excludes funding for business rates.

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

Schools Block DSG income

- 6.10 The provisional October 2021 census data shows that pupil numbers have increased by 135 (+0.8%) to 16,542 and this generates a further £0.903m pupil head count related DSG income which totals £82.027m.
- 6.11 The separate funding allocations to LAs for non-pupil-based school expenses will not change as they are always distributed annually in arrears, with 2022-23 funding reflecting actual costs from 2021-22 which are already known. This is mainly intended to finance the cost of business rates, although as previously reported this will be a centralised DfE payment from April 2022, with full operational details yet to be confirmed, and other specific costs agreed with individual LAs e.g. transitional funding for amalgamating schools. Funding for these costs is expected to be £1.703m and comprises:
1. £1.578m for business rates
 2. £0.075m for split site costs (Warfield Primary)
 3. £0.050m for additional lump sum payment to Ascot Heath Primary School following amalgamation

As with all funding that is received on a lagged basis, there will be differences in the amounts received by BFC and what is then provided to individual schools as this must use the most up to date data. For example, Ascot Heath Primary School will not receive the £0.050m additional lump sum funding payment and the DfE.

- 6.12 In terms of the Growth Fund³, this has now been recalculated at £0.735m, an increase of £0.051m.
- 6.13 Therefore, the overall DSG grant income for the SB, which is set out above, now includes an estimate for the increase in pupil numbers recorded on the provisional October school census, is estimated at £84.465m, an increase of £0.954m.

Funding allocations to schools:

Changes in pupil numbers

- 6.14 The additional 135 pupils expected from the provisional October 2021 census results in an additional £0.813m allocation to schools which is £0.089m below the extra DSG income.

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

- 6.15 The change in pupil numbers from the October census does have an impact on diseconomy funding top up as this is the balancing amount that is added to a budget to get from the BF Funding Formula allocation to that set out in the *Start-up and diseconomy funding policy for new and expanding schools*. Latest calculations indicate a £0.016m increase on current year costs.
- 6.16 There is also a BFC centrally managed Growth Fund that is used to finance associated expenses. The Forum has agreed relevant funding policies to determine

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

eligible schools once relevant data becomes available. Recent experience shows that the costs are reducing and an overall budget reduction of £0.125m is considered appropriate for next year.

6.17 In terms of diseconomy costs at new schools, these are calculated in accordance with the agreed policy, of which the key elements are:

1. An allocation for pre-opening / start-up costs. New / expanding schools will incur start-up costs associated with planning and preparation activities required to ensure readiness to admit pupils. These costs would need to be assessed on a case by case basis
2. An allocation for diseconomies of scale. This relates to the need to incur a disproportionate amount of fixed management and premises costs as new schools build up their pupil numbers. An enhanced fixed lump sum is therefore included.
3. An allocation for day to day operational expenses. The new / expanding schools will all be opening after the census point used for funding purposes and will generally experience significant increases in pupil numbers at the start of each academic year and will therefore need additional funding which is delivered through a per class funding allocation rather than per pupil.
4. An allocation for rates. To operate in the same way as the NFF. A full budget allocation at the estimated cost of rates.
5. Post opening funding. To support new schools get through the initial high costs of stocking up with general resources through a top up to the normal school budget which is only sufficient to finance established schools where less consumables and smaller value items would generally be required, an amount per new class is allocated.
6. Discretion for the relevant Executive Director to consider making adjustments to the funds allocated to new / expanding schools in exceptional circumstances. Any changes would subsequently be reported to the Schools Forum.

No changes are proposed to the *Start-up and diseconomy funding policy for new and expanding schools* which can be viewed at

<https://schools.bracknell-forest.gov.uk/wp-content/uploads/2020-funding-policy-new-and-expanding-schools.pdf>

6.18 Annex 1 sets out the proposed budget requirement for the BFC centrally managed Growth Fund of £0.220m as well as the funding allocations due to individual schools which the Forum is recommended to agree.

Business Rates

6.19 Whilst the business rates payment system for schools will be centralised and Education and Skills Funding Agency (ESFA) will pay billing authorities directly on behalf of state funded schools from 2022-23 onwards, due to the impact of lagged funding, the DSG allocation is £0.047m lower than the amounts included in school budgets. The amount included in school budgets will be reduced by £0.047m to match the amount of DSG Funding to ensure the net nil financial effect expected from the change.

- 6.20 Further details on the practical implementation of this change, including treatment in school accounts is still awaited from the DfE. There will be no overall financial impact on schools from this change.

Split site schools

- 6.21 The September Forum meeting included a reference to a potential increase in split site funding for Warfield Primary school which operates on 2 sites with a walking distance of 1.167 miles. This presents unique issues to the school and after 2 years' experience of managing the split site school, the school had identified a number of additional costs that needed to be incurred as a result of the site configuration for which there is no additional funding allocation. Top up funding of £0.075m is currently included in the school budget, with a higher £0.125m cost addition now being identified by the school.
- 6.22 The Forum determined that BFC should verify the validity of the increased funding request and in order to present maximum opportunities when considering the 2022-23 budget, request permission from the DfE to pay a higher level of financial support from April. Subsequently, the DfE has agreed that the higher funding rate can be paid and the Council has also undertaken the review of the additional costs identified by Warfield Primary school and concluded that it is a reasonable reflection of additional costs being incurred.
- 6.23 Should the Forum support the additional £0.050m funding request, due to lagged funding, DSG income will remain unchanged at £0.075m in 2022-23, before rising to £0.125m in 2023-24. As a consequence, there would be a one-year pressure of £0.050m. The Forum is recommended to agree the requested funding increase as it relates to a valid current cost.

School amalgamations

- 6.24 Forum members will recall that Governors at Ascot Heath Primary School raised concerns that cost reductions arising from the 2019 amalgamation were occurring at a slower rate than expected and requested that enhanced funding continued for a second year, albeit at a reduced rate of £0.050m. The Forum agreed this proposal for one-year which is the maximum extended period normally permitted by the DfE. This budget allocation will therefore be removed from the school in 2022-23 resulting a corresponding saving.

Uplift on de-delegated budgets

- 6.25 Recognising that all maintained school responses to the financial consultation supported on-going de-delegation of the requested permitted services, this was agreed by the Forum in November. Therefore, maintained schools will return relevant funds to the council for central management by way of a per pupil deduction. Rates of funding are increased each year to reflect rising costs. The Forum is recommended to approve an uplift of 2.6%, the average increase in per pupil funding expected to be received by schools.

Mandatory de-delegated of School Improvement Services

- 6.26 The previous Forum meeting received a report detailing the new DfE requirement to de-delegate School Improvement Services to maintained schools (not academies)

from April 2022. Reflecting on the very limited timescale available to adequately complete this, the council recommended that:

1. For 2022-23: Maintain the status quo, seek to fund core, statutory school improvement functions through the 50% remaining School Improvement and Brokerage Grant, estimated at circa £0.050m. No changes to other “additional” School Improvement Services.
2. In advance of 2023-24: Review all services currently provided by the School Improvement Service and seek to widen the de-delegation offer to include all or some of the current School Improvement SLA purchased separately by individual schools, the ad hoc training and consultancy support currently being purchased as well as incorporation of the existing Support to Schools in Financial Difficulty de-delegated service into a wider offer. Any changes proposed would reflect the views of schools.

- 6.27 No decision on this matter was taken at the previous meeting with Members preferring to consult headteachers to gather views. At publication date of this report, 2 primary school headteachers did not support de-delegation. Due to a communication error by the council, the Secondary School Headteacher representative did not promptly receive summary information to share with colleagues in advance of gathering views and would therefore provide a verbal update at the meeting.

The recommendations in the report propose agreeing this de-delegation, although relevant School Representatives may wish to discuss this at the meeting.

Meeting DfE per pupil funding requirements

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

MPPF values

- 6.29 The DfE has set mandatory MPPF values of £4,265 for primary aged pupils and £5,525 for secondary. These are the minimum per pupil funding rates that an LA must pay their schools unless agreed by the DfE. These proposals generate additional payments of £0.682m for 11 primary schools. All secondary schools are expected to be funded above the £5,525 MPPF rate. This is a decrease of £0.233m compared to 2021-22 when 18 primary schools received £0.874m and 1 secondary school £0.041m.

MFG

- 6.30 To limit turbulence between financial years at individual school level, the MFG must be applied to each school’s per pupil funding rate. Where the normal operation of the local Funding Formula does not deliver the necessary change, an appropriate top-up is paid. For 2022-23, the DfE requires each LA to set their MFG at between +0.5% and +2.0%.

- 6.31 The Forum has previously agreed that the maximum +2.0% increase is applied. MFG top-up payments are financed from capping gains above the MFG at other schools and are therefore self-financing. Schools receiving top-ups to the MPPF values are excluded from contributing to the cost of the MFG. In 2021-22, 6 primary schools received an MFG funding top up which in total amount to £0.028m. The current modelling indicates that 3 schools qualify for MFG top-up which amounts in total to £0.013m and this will be subject to change as a result of the final budget data set provided by the DfE.

2022-23 individual school budgets

- 6.32 These budget proposals, using NFF funding rates, result in a 2.6% average per pupil funding increase⁴ from 2021-22, with the following headline summary data available from individual school budgets (NB in this context, per pupil funding is calculated from the whole Formula Budget allocation less business rates and excludes those schools funded via the New and expanding school funding policy):
- 1 Primary schools receive an average increase in per pupil funding of 2.4%, and secondaries 2.8%.
 - 2 The highest per pupil increase in a primary school is 3.6%, with 3.2% in secondary. The lowest increases are 1.4% and 2.1% respectively.
 - 3 3 schools receive an MFG top up when the guaranteed increase is set at the maximum 2% permissible by the DfE. The total estimated allocation is £0.013m.
 - 4 The MPPF level amount has increased by 2% with 11 primary schools needing to receive top ups to this level
 - 5 The average per pupil funding amount for a primary school would be £4,333 and £5,829 for a secondary.

Centrally managed budgets within the CSSB

- 6.33 It was reported to the September Forum that a funding reduction of £0.050m would be applied by the DfE to the CSSB in 2022-23 and that the council would examine ways to manage this cost increase outside of the Schools Budget.
- 6.34 The council is in the initial stages of formulating its budget proposals for 2022-23, and at this stage the assumption is that the £0.050m reduction in DSG funding will be offset by additional funding from the council next year. Therefore, there is no overall reduction in funding for the services, although the funding source will change in some areas. Annex 2 sets out the proposed CSSB budgets to be funded by DSG which the Forum is recommended to agree.

Summary of proposed changes – SB and CSSB

- 6.35 Based on the provisional October 2021 census and other relevant data, a series of changes have been set out above that the council has included in the revised budget proposals now being presented for the 2022-23 SB and CSSB budgets. Table 1 below summarises the changes proposed which results in a funding shortfall of £0.346m on school budgets compared to NFF rates, an improvement of £0.041m

⁴ This average excludes funding for new schools and those subject to amalgamation in 2019 as there are separate, specific funding rules in place for calculating these budgets.

from the previous proposals. Annex 3 sets out the summary changes in the proposals made in Table 1 compared to those reported to the September Forum meeting.

Table 1: Summary updated budget proposals for 2022-23

Ref.	Item	Schools Block		Central Services Schools Block C £'000	Total D £'000
		Delegated school budgets A £'000	Growth Fund - LA Managed B £'000		
1	2021-22 Schools Block budget	81,505	345	1,058	82,908
2	2021-22 base budget	81,505	345	1,058	82,908
3	Provisional 2022-23 DSG funding	84,121	345	862	85,328
4	Internal funding transfer	125	-125	0	0
5	Contribution to CSSB pressures	-146	0	146	0
6	2022-23 forecast income	84,100	220	1,008	85,328
7	+Surplus of / - Deficit of income	2,595	-125	-50	2,420
8	<u>Changes for 2022-23</u>				
9	Impact of 135 extra pupils	813	0	0	813
10	New schools - change in cost pressure	16	0	0	16
11	In-year growth allowances, KS1 classes	0	-125	0	-125
12	Rates: revaluation and inflation	-47	0	0	-47
13	Split site funding - impact of cost review	50	0	0	50
14	School Amalgamations - lump sum	-50	0	0	-50
15	Cost of new year NFF funding rates	2,159	0	0	2,159
16	Reductions on Central School Services	0	0	-50	-50
17	Total changes proposed for 2022-23	2,941	-125	-50	2,766
18	Shortfall to DSG Funding	-346	0	0	-346
	<u>Memo items:</u>				
19	Total calculated requirement [2 + 17]	84,446	220	1,008	85,674
20	MPPFL	682	0	0	682
21	MFG	TBD	0	0	0

Managing the budget shortfall

- 6.36 The Forum has previously agreed that the 2022-23 budget should be set with each BF factor value at the same amount as the NFF values, if necessary, scaled by the same proportional amount to the affordable value. These proposals result in a

£0.346m funding shortfall and therefore an approach to balancing the budget needs to be agreed.

- 6.37 The options available to manage the provisional budget shortfall, with a view of the preferred approach requested to be considered at this meeting are:
1. Draw down funds from the Reserve created by the council to help finance the additional costs of new and expanding schools, where £0.182m is available.
 2. Draw down funds from the Reserve created in the unallocated Schools Budget to support the additional costs of new and expanding schools, where £0.746m is available.
 3. Fund schools at a scaled percentage of the NFF, with all factors scaled by the same percentage. Each 0.1% of the NFF equates to around £0.083m.

A combination of these options can also be used.

- 6.38 The Forum will need to consider the affordability of any draw down from Reserves, taking into account the medium-term nature of the cost pressure from new schools. The council recommends the following approach:
1. For April 2023, there should be at least £0.500m in Reserves to fund the medium-term cost of new schools (current balance is £0.928m).
 2. Ordinarily, around £0.250m of funding is withdrawn each year from Reserves.
 3. A top slice to NFF rates which would be applied equally to all factors in the BF Funding Formula.

- 6.39 With further changes expected to the final budget proposals that will be presented in January, the recommended approach provides a basis to deliver an affordable budget.

Actual cost pressures estimated for 2021-22

- 6.40 Schools will experience a range of cost pressures next year which in general will need to be met from within the increase in the BF Funding Formula allocation and are estimated at between 2.7% and 3.2% from:

1. Cost of pay awards are not yet known, and schools are advised to assume 2%.

Using Consistent Financial Reporting (CFR)⁵ data relating to BF maintained schools, the Teachers' pay award represents around 50% of all school costs which will clearly have a significant impact on inflationary pressures. However, with the implementation date from September 2022, and minimal full year effect cost from the September 2021 award this reduces the overall increase to total costs to around 1.0%.

For the Local Government pay costs that comprise around 25% of all school costs, this increases overall school costs by around 0.5%.

2. The overall cost of performance related pay and contractual increments are

⁵ The CFR framework provides a standard template for schools to collect information about their income and expenditure by financial years, which maintained schools provide to their local authorities in a financial statement each year. It is a national financial benchmarking website available for public use.

assumed to be self-financing from appointing new staff on lower pay points than those leaving.

3. The underlying deficit on the Local Government Pension Scheme is being reduced by way of additional lump sum contributions. Payments due from schools in the BF Local Government Pension Scheme are forecast to increase by £0.1m, which is equivalent to around a 0.7% cost increase to the local government pay bill and 0.2% increase in total costs
4. The general rate of inflation on non-pay costs (September Consumer Price Index) is 3.2% with many predictions for this rising to 4% to 5% in 2022. These costs comprise around 25% of all school costs, with a 4% average increase resulting in total school costs increasing by 1.0%.

In respect of the 1.25% increase in employer National Insurance contributions that is due to take effect from April 2022, the government has stated its intention to “compensate” schools and other public sector employers. Precise details of this have yet to be confirmed with the assumption that no additional net costs will fall on schools.

Conclusion and Next steps

- 6.41 On average, assuming the final budget includes funding rates at the values used by the DfE in the NFF, schools can expect to receive a 2.6% increase in per pupil funding. This compares to a 2.7% to 3.2% forecast for future inflation.
- 6.42 As some elements of the budget proposals relate to de-delegation, and therefore only impact on specific groups, DfE permit only Forum members representing these groups to make relevant decisions. The report recommendations are therefore presented to reflect this.
- 6.43 The Leader of the Council is expected to agree the 2022-23 Schools Budget on 18 January, based on final recommendations agreed by the Schools Forum at the January meeting which will then need to be reported to the DfE through submission of the national pro-forma, with individual schools receiving budget allocations by the middle of January.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 Key elements of the statutory school funding framework underpinning the narrative and recommendation in this report are summarised in paragraphs 6.1 to 6.5. There are otherwise no specific legal implications arising from the report.

Director of Resources

- 7.2 Included within the supporting information.

Equalities Impact Assessment

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

Climate Change Implications

- 7.2 The recommendations from this report are not expected to have an impact on emissions of carbon dioxide.

Strategic Risk Management Issues

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

8 CONSULTATION

Principal Groups Consulted

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

Method of Consultation

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

Representations Received

- 8.3 Included in previous report.

Background Papers

None:

Contact for further information

Paul Clark, Finance Business Partner – People Directorate

(01344 354054)

paul.clark@bracknell-forest.gov.uk

Doc. Ref

[https://bf-council.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum\(107\) 091221/2022-23 Schools Budget Proposals - December.docx](https://bf-council.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum(107)/091221/2022-23%20Schools%20Budget%20Proposals%20-%20December.docx)

Proposed financing and associated budget for the 2022-23 Growth Fund

	Primary £'000	Secondary £'000	Current Proposed 2022-23 £'000	Previously Reported 2022-23 £'000	Change £'000	Actual 2021-22 £'000	Change from 2021-22 £'000
<u>New schools:</u>							
Diseconomy costs	271.2	738.9	1,010.2	981.5	28.7	994.2	16.0
	271.2	738.9	1,010.2	981.5	28.7	994.2	16.0
<u>Retained Growth Fund</u>							
Start-up costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Post opening costs	22.5	0.0	22.5	22.5	0.0	15.0	7.5
In-year pupil growth	46.5	46.5	93.0	215.0	-122.0	215.0	-122.0
KS1 classes	105.0	0.0	105.0	115.0	-10.0	115.0	-10.0
	174.0	46.5	220.5	352.5	-132.0	345.0	-124.5
Total estimated costs	445.2	785.4	1,230.7	1,334.0	-103.3	1,339.2	-108.5
<u>Costs by school:</u>							
KGA - Oakwood	91.2	0.0	91.2	107.8	-16.6	137.9	-46.7
KGA - Binfield	202.6	738.9	941.5	896.2	45.3	871.3	70.2
Total estimated costs	293.7	738.9	1,032.7	1,004.0	28.7	1,009.2	23.5

The yellow highlighted cell indicates the total £0.220m budget proposed for the BFC centrally manage Growth Fund as referenced in paragraph 6.18.

Services proposed to be centrally managed by the Council in 2022-23

Budget Area	Schools Budget Funded		
	2021-22 Final Budget	2022-23 Previously Agreed Funding	2022-23 Proposed Budget
<u>Combined Services Budgets:</u>			
Family Intervention Project	£100,000		£100,000
Educational Attainment for Looked After Children	£133,590		£133,590
School Transport for Looked After Children	£42,890		£42,740
Young People in Sport	£15,960		£0
Common Assessment Framework Co-ordinator	£42,470		£42,470
Domestic Abuse	£2,000		£2,000
Education Health Partnerships	£15,000		£0
SEN Contract Monitoring	£32,680		£32,680
<i>Central School Services - historic commitments</i>	£384,590		£353,480
<u>Other Permitted Central Spend</u>			
<u>Miscellaneous (up to 0.1% of Schools Budget):</u>			
Forestcare out of hours support service	£5,150		£5,150
Borough wide Initiatives	£28,930		£9,720
Support to Schools Recruitment & Retention	£7,920		£5,000
<u>Statutory and regulatory duties:</u>			
'Retained' elements	£275,755		£284,720
<u>Other expenditure:</u>			
School Admissions	£186,690		£192,760
Schools Forum	£20,935		£20,940
Boarding Placements for Vulnerable Children	£62,470		£50,000
Central copyright licensing	£85,560		£85,560
<i>Central School Services - on-going responsibilities</i>	£673,410		£653,850
Total Central School Support Services	£1,058,000		£1,007,330
<u>Funding</u>			
Historic commitments	£259,636	£207,710	£207,710
On-going responsibilities	£652,671	£653,850	£653,850
Total Funding	£912,307	£861,560	£861,560
Existing agreed transfer from Schools Budget	£145,770	£145,770	£145,770
Central School Services Total Funding	£1,058,077	£1,007,330	£1,007,330

Changes from 16 September Forum to 9 December Forum

Ref.	Item	Schools Block		Central Services Schools Block C £'000	Total D £'000
		Delegated school budgets A £'000	Growth Fund - LA Managed B £'000		
1	2021-22 Schools Block budget	0	0	0	0
2	2021-22 base budget	0		0	0
3	Provisional 2022-23 DSG funding	954	0	0	954
4	Internal Schools Block funding transfer	125	-125	0	0
5	On-going contribution to CSSB pressures	0	0	0	0
6	2022-23 forecast income	954		0	954
7	+Surplus of income / - Deficit of income	954		0	954
8	<u>Changes for 2022-23</u>				
9	Impact of change in pupil numbers (+135)	813	0	0	813
10	New schools - 2022-23 change in cost pressure	29	0	0	29
11	In-year growth allowances, KS1 classes etc	0	-133	0	-133
12	Rates: revaluation and inflation	-47	0	0	-47
13	Split site funding - impact of cost review	0	0	0	0
14	School Amalgamations - impact on lump sum	0	0	0	0
15	Cost of new year NFF funding rates at circa +3%	171	0	0	171
16	Reductions on Central School Services	0	0	-50	-50
17	Total changes proposed for 2022-23	833		-50	783

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