

Notice of Meeting

Schools Forum

Stuart Matthews (Academy School Representative) (Chair)
Elizabeth Savage, Academy School Representative (Vice-Chair)
Jenny Baker, Special School Representative
Stuart Bevan, Primary School Representative (Headteacher)
Sue Butler, Early Years PVI Provider
Simon Cope, Primary School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Juanita Dunlop, Primary School Representative (Headteacher)
Keith Grainger, Secondary School Representative (Headteacher)
Tim Griffith, Academy School Representative
Roger Prew, Primary School Representative (Governor)
Debbie Smith, Academy School Representative
Grant Strudley, Academy School Representative
Paul Tatum, Trades Union Representative



Also Invited:

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

Thursday 8 December 2022, 4.30 pm
Zoom Meeting

Agenda

All councillors at this meeting have adopted the Mayor's Charter which fosters constructive and respectful debate.

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

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3.	Minutes and Matters Arising	3 - 8
	To approve as a correct record the minutes of the meeting of Reporting: ALL	
4.	Specialist Resource Provision (SRP) Review Update	9 - 12
	To provide an update on the implementation of recommendations following the review of the boroughs SRP provision and the implementation of a proposed new banding tool. Reporting: Nathan Jones	
5.	Initial Proposals for the 2023-24 Early Years Budget and Funding Formula	13 - 18
	To seek agreement on the principles for allocating any increase in funding to the elements of the Early Years Block Budget. Reporting: Cherry Hall	
6.	2023-24 Budget Proposals for the Schools Budget: Schools and Central School Services Block Elements	19 - 42
	To ensure that final 2023-24 budget decisions can be made at the January Forum meeting in order to meet the 20 January 2023 statutory deadline. Therefore, updated proposals for the Schools Block and Central Schools Services Block elements of the Schools' Budget are now presented for consideration with a small number of decisions to be made. Reporting: Paul Clark	
7.	Dates of Future Meetings	
	The next meeting of the Forum will be held at 4.30pm on Thursday 12 January 2023. Reporting: Joanna Gibbons	

Contact: Derek Morgan, 01344 352044, derek.morgan@bracknell-forest.gov.uk

Published: 29 November 2022

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**SCHOOLS FORUM
17 NOVEMBER 2022
4.30 PM**



Present:

Stuart Matthews, Academy School Representative (Vice-Chair)
Simon Cope, Primary School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Elizabeth Savage, Academy School Representative
Debbie Smith, Academy School Representative
Grant Strudley, Academy School Representative

Observer:

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

Apologies for absence were received from:

Jenny Baker, Special School Representative
Stuart Bevan, Primary School Representative (Headteacher)
Sue Butler, Early Years PVI Provider
Tim Griffith, Academy School Representative

254. Apologies for Absence/Substitute Members

There were no substitute members.

255. Election of Chair

RESOLVED that Stuart Matthews be elected Chair of the Schools Forum.

STUART MATTHEWS IN THE CHAIR

Appointment of Vice Chair

RESOLVED that Liz Savage be appointed Vice Chair of the Schools Forum.

256. Declarations of Interest

There were no declarations of interest.

257. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the Forum on 6 October 2022 be approved as a correct record.

Arising from minute 249, Nathan Jones had amended the details relating to the Garth Hill College Specialist Resource Provision (SRP).

Also arising from minute 249, Nathan Jones updated that he had been working to develop a consistent way to get parents to understand what the offer was regarding SRPs. Some SRPs already had good quality websites detailing their provision. Nathan had been working with all SRPs to establish an SRP page on the Local Offer providing information about all the SRPs and also detailing the admissions process.

258. **Schools Budget: 2022-23 Budget Monitoring**

The Forum considered a report which updated on the 2022-23 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.

Paul Clark highlighted that the overall budget had been set in the context of a large deficit of £7.500m being forecast. However, from the information available at the end of September 2022, the forecast overspend on the Schools Budget had gone up to £7.671m. This followed a number of years of overspending and a £17.011m cumulative deficit was currently being forecast for 31 March 2023.

The Forum queried the underspend on SEN provisions and support services. Cheryl Eyre had provided a written response detailing the following budgets which made up the underspend:

- The sensory consortium – this included some small room hire costs for consortium staff, but the majority of the underspend was from the family psychotherapist post which has not been filled, accounting for £59,000 of the underspend
- Speech & Language Therapy (SALT) contract with NHS Berkshire costing £205,000 per year, plus room hire. There was a budget of £231,000 so this accounted for an underspend of £18,000
- Occupational Therapy (OT) contract with NHS Berkshire – no invoices had been paid for this financial year. This was due to cost £37,000 a year from a budget of £47,000
- Integrated therapies at The Rise – the budget was to increase the NHS contract when The Rise was set up; however, in the last two years the council had not been charged any additional money by NHS Berkshire having been told that the work was covered by the initial contract. The £22,000 budget has therefore remained unspent. In addition to this, the council also received income from other LAs based at The Rise and last year we received around £20,000, so the forecast for the year showed a £42,000 underspend.

The Forum highlighted that the underspend included therapeutic services and sought reassurance that the budget would not be reduced. Paul Clark explained that the council was not intending to remove those budgets but had experienced difficulty in recruiting to some of the posts, hence the underspendings. At the end of the financial year, all overspend and underspend across the HNB would be aggregated and carried forward to the following year. The budget proposals would set out the current budgets at a detailed service level and show if the proposals for 2023-24 referred to an increase or decrease, so there would be transparency about any proposed changes which the Forum would be asked to comment on.

The Forum asked for clarification on the £22.8m forecast debt and whether the council was still expected to manage the debt from 1 April 2023. Paul Clark replied that, the original position was that LAs would be expected to manage the cumulative debt from their own resources by April 2023. However, evidence had proved through financial reviews that it was unrealistic to expect LAs to finance their deficits at this stage and the information that had been informally shared so far with County Treasurers was that the requirement for LAs to take back the debt would be extended

so that liability would remain with the DfE, although there had been no announcements as to how long it would be extended. Regarding the day-to-day practical implication on the Schools' Budget, the council would have to manage any debt charges via its reserves so it would not have a direct impact on the Schools Budget. However, in terms of getting into a position to pay back the debt, that was a significant concern, and the council was not yet at a stage where it had developed a plan to balance the budget.

RESOLVED to NOTE:

1. the budget variances being forecast on the Schools' Budget that total to an aggregate net forecast over spending of £7.671m (paragraph 6.14 of the report);
2. that the year-end balance held in the Dedicated Schools Grant Adjustment Account is forecast at a deficit of £17.011m deficit (paragraph 6.14 of the report);
3. the possibility that liability to fund balances held in the Dedicated Schools Grant Adjustment Account would transfer to LAs from April 2023 (paragraphs 6.18 to 6.19 of the report); and
4. progress to date on the Education Capital Programme, as summarised at Annex 2 of the report.

The Forum also noted its deep concerns about how this would be managed going forward and the potential impact not only on SEN students but all students within the Borough.

259. Update on the 2023-24 High Needs Block Budget

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

The Forum queried whether the assumptions made in the report still held true following the Chancellor's announcements relating to the Autumn Statement. Paul Clark explained that the report did not present any figures but just set out the initial budget considerations. There was a need to wait for further details to be released.

Cheryl Eyre shared that there was a growing concern around the capacity of the Child Development Centre (CDC) Team. The Team had performed to a high standard but had had an increase in referrals of 50%. This had meant they were reaching the point where they were becoming incapable of meeting demand. Cheryl asked if the Forum would agree a business case to increase the team by 1.7 FTE and an increase in spend to implement the cost of the re-evaluated pay grades. The Forum expressed support in principle. Cheryl Eyre agreed to progress the business plan and highlighted that there would be a cost implication for the HNB. Councillor Barnard added that, if the council invested in the CDC to support them to continue to achieve good outcomes, the evidence suggested that the pathways the children may follow would result in less impact on the HNB further down the line.

The Forum asked whether there had been any analysis on the impact the on-going commitments and planned changes to service delivery would have on the budget and how it may bring down the overspend. Paul Clark replied that the intention was to update the figures following the Forum identifying which budget development proposals should be considered by the council.

The Forum requested that the council consider how co-working with neighbouring authorities and sharing staff could bring costs down. Cheryl Eyre explained that she would be meeting with peers from neighbouring authorities to discuss therapeutic services and whether there was potential to work together. Cheryl had also

consulted neighbouring authorities on other pieces of work and established good relationships with colleagues.

Action: Cheryl Eyre

RESOLVED

1. to AGREE that the budget development items set out at paragraph 6.9 of the report are included in the detailed budget proposals for 2023-2; and
2. to IDENTIFY the following proposal that should be considered by the Council:
 - i. closer working and planning with neighbouring local authorities.

260. Outcomes from the October 2022 Financial Consultation with Schools

The Forum considered a report which updated 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 2022-23 and also whether maintained schools supported on-going 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.

RESOLVED

1. to NOTE the outcomes from the financial consultation with schools as summarised in the supporting information and Annex 1; and
2. that the Executive Member for Children, Young People and Learning (CYPL) is asked to AGREE that:
 - i. all schools should receive the maximum +0.5% increase in per pupil funding from the 2022-23 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 2022-23 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

As there was no maintained secondary school representative present. the question whether to AGREE the continued de-delegation of budgets for the services requested by the council would be deferred to the next meeting of the forum, when Keith Grainger would be asked to confirm his approval of the proposed action. **Action: Keith Grainger**

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

RESOLVED to AGREE 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.

AOB

Update on SRPs

-

Nathan Jones updated that the Service Level Agreements had been sent to all relevant schools for consideration and sign-off. Nathan had started the review of the Meadow Vale SRP and had started working with health colleagues and the Parent Carer Forum. Nathan had also started to engage with all the SRP Headteachers to identify their training needs. Nathan had emailed secondary Headteachers to find out if they were interested in hosting an SRP. Regarding the banding tool, there was a plan to run 50% of the EHCP cohort through the new banding tool which Nathan and Paul would moderate and cross-reference against the current banding levels. Nathan would present a more detailed report to the Forum at the next meeting on 8 December.

Action: Nathan Jones

Restructuring of SEND services

Cheryl Eyre explained that the SEN statutory services had been restructured earlier in the year following a transformation project. However, the service as a whole area still needed review and, following feedback from schools, a number of models had been developed. A final model had been developed and was currently being consulted on. The proposed structure included additional capacity; there would be one Head of Service supported by an additional layer of strategic leads directly managing the different teams. Additional posts had or would be created to fill identified gaps, including a post-16 SEND officer, a participation officer to work with SEND families outside of schools, and a dedicated officer to strengthen the work around tribunals and ensure that learning was shared quickly following tribunals. The council had committed to significant additional investment in SEND services and the structure would be aligned to the Written Statement of Action (WSOA).

The Forum noted that responses to the consultation were needed by 1 December 2022, and this was not a long time to consider the plans. It was also noted that the documents had only been sent out to Headteachers and that there were members of the Forum who were not Headteachers who would therefore have even less time to respond. Cheryl agreed to send out the documents to the Forum.

Action: Cheryl Eyre

The Forum asked why some of the new posts were only for two years. Cheryl replied that national SEN reforms were expected in two years' time and there was a need to ensure that whatever we have got in place aligns with those reforms. We could not wait two years before putting in new posts, but there was a need to factor in a review period in case further changes were needed following the SEN reforms. Therefore, the new posts would be reviewed in 2024.

The Forum asked whether there was going to be any redundancy. Cheryl replied that there was potentially one post that would be deleted as it had been a combined post and would be split into two managers.

The Forum queried where the funding was coming from for the specialist English as an Additional Language (EAL) teacher. Cheryl replied that this was due to be funded by the Ukrainian refugee funding that was allocated directly to the council. However, the service had not been able to recruit someone with the right skills.

The Forum expressed that there was an unfair distribution of funds for Ukrainian children placed in schools in the Borough. as only those from the Homes for Ukrainian children scheme got the additional funding as opposed to those who

arrived on family Visas. Councillor Barnard and Cheryl Eyre agreed to take that forward.

Action: Councillor Barnard and Cheryl Eyre

Autumn Statement

Paul Clark highlighted the following from the Autumn Statement:

- There would be an extra £4.6bn in the core schools' budget in the next 2 years;
- There would be a 3.5% cash increase in the core school budget in 24/25 compared to previously published figures; and
- The Institute of Fiscal Studies commented that It restored 2010 levels of per pupil funding in real terms and provided an average cash increase for every pupil of more than £1,000 by 2024-25 compared to 2021-22.

Membership

A new trade union representative had joined the Forum and would be attending the next meeting. There were currently four vacancies: one primary governor, one secondary governor, one 16-19 provider, and one member from a pupil referral unit.

261. **Dates of Future Meetings**

The next meeting of the Forum would be held at 4.30pm on Thursday 8 December 2022.

CHAIRMAN

To: **Schools Forum**
8 December 2022.

Specialist Resource Provision (SRP) Review Update **Executive Director of People**

1 Purpose of Report

- 1.1 The purpose of this report is to provide an update to Schools Forum on the activity on two key areas of development. Firstly, the implementation of recommendations following the review of the boroughs SRP provision. Secondly to provide an update on the implementation of a proposed new banding tool.

2 Recommendation(s)

- 2.1 To note the development of provision on mainstream sites that will provide suitable places for those children and young people with EHCPs in a local setting.

3 Reasons for Recommendation(S)

- 3.1 To ensure that School Forum members are kept up to date on developments.

4 Alternative Options Considered

- 4.1 Other Specialist Provision is being reviewed and explored, however at this point in time, the SRP's and Banding Matrix are a required to provide additional places.

5 Supporting Information

- 5.1. Following a review of the SRP offer in Bracknell Forest a report was submitted to school's forum for consideration on the 6th of October.
- 5.2. The review set out several areas of improvement to improve the offer to children with SEND within Bracknell Forest.
- 5.3. Review Meadowvale Speech Language and Communication Needs (SLCN) provision – This work is underway; a meeting has been held with the head of Meadowvale school. Further work is required to fully understand the utilisation of speech and language therapist and assistant to ensure full utilisation. Engagement has been undertaken with health colleagues to understand the therapy offer and the details of the service level agreement. Discussion currently taking place with the borough's commissioning service to ensure best value ensuring children are getting their needs met. Further engagement has begun with parents and carers to secure a full perspective.
- 5.4. Review of Service Level Agreement (SLA) – this work has been completed and all existing schools hosting SRP's have received a copy of the updated version, awaiting response at the time of writing.

- 5.5. 50% requirement to access mainstream curriculum has been removed from the updated SLA.
- 5.6. Doubling of numbers due to 50% occupancy has been removed as a requirement going forward, this area has been addressed.
- 5.7. Defining level of need of child accessing SRP – this area of improvement will be addressed with the implementation of the new banding tool. The new banding tool describes level of provision based on need, defining mainstream, SRP and special school. We are working to implement this tool for September 2023. An initial engagement event has been held and feedback collated.
- 5.8. Individual schools SRP offer – an initial desktop exercise has been undertaken to capture individual schools SRP offer. This work is ongoing, a standardised pro forma has been developed to ensure a consistency of information across all SRP's.
- 5.9. Local offer information – this is reliant on the work detailed in previous action point.
- 5.10. Clearly define admission route – The updated SLA clearly defines admissions route through the borough's Decision-Making Group (DMG). The admissions route will be clearly defined in each school's information document and will be available on the local offer to support parental and school staff information.
- 5.11. Development of secondary SRP's – initial e mail has been sent to all secondary heads to secure strong expressions of interest. Further work to be undertaken to develop spec working in partnership with parents and carers, along with SEND specialist across the borough. Early-stage site tours are being planned for those secondary schools that have expressed an interest.
- 5.12. Initial discussions are underway to explore an increased Educational Psychologist (EP) offer. However, it must be noted that the EP service is currently under significant pressure due to staff departure and a high volume of statutory work that is a priority. Recruitment of EP's is recognised as a national challenge.
- 5.13. Currently all processes are under review with the SEND service, Phase transfer process is being plotted, this will be followed by an improvement cycle, this will ensure that the phase transfer process for SRP's are factored into the improvement cycle of work.
- 5.14. Initial discussion has taken place internally regarding the development of nursery provision to replace the loss of the Rainbow SRP. This responsibility has now been picked up by the Head of Early Years.
- 5.15. Ensuring that staff have the right level of skill is critical. Training needs across all the borough's SRP's are being collected and collated. Once all training requirements have been collated a training programme will be developed to support the embedding of skills across the SRP sector.
- 5.16. Finance – some localised training and discussion has been undertaken. The result of the banding moderation work will drive the next phase of support around finances for those schools hosting SRP's. The supporting document suite relating to the new banding tool roll out will clearly define processes and embed a consistent approach to allocation of funds.

Banding tool update

- 5.17. A banding tool has been decided on by the high needs working group. The tool is based on the model utilised by Royal Borough of Windsor and Maidenhead.
- 5.18. An event was held on the 18th of November attended by heads and Special Educational Needs Co-ordinator (Senco's) from across Bracknell Forest. The focus of this event is to gain an understanding of the potential levels of real children's level of needs identified through the new banding tool. It was also an opportunity to gain valuable feedback on the pros and cons of the proposed banding tool (responses detailed in background paper section).
- 5.19. This piece of work will provide a substantial base line to support effective modelling to understand the funding levels of children and the impact on the borough's high needs block as we move to the new banding tool.
- 5.20. A further update will be provided to school's forum around the implications and learning from the moderation exercise.
- 5.21. A further event is to be planned in January 2023 to continue to develop the tool and to consider the process that will underpin the banding tool.
- 5.22. A further programme of roll out will need to be developed to support the transition onto the new system, supported by a suite of process documents.

6 Consultation and Other Considerations

7 Legal Advice

None

8 Financial Advice

No significant financial implications arise from the update report. Any proposed changes will need to be considered as part of the annual budget setting process.

9 Other Consultation Responses

None

10 Equalities Impact Assessment

11 Background Papers



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Contact for further information

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**TO: SCHOOLS FORUM
8 DECEMBER 2022**

INITIAL PROPOSALS FOR THE 2023-24 EARLY YEARS BUDGET & FUNDING FORMULA Executive Director: People

1 PURPOSE OF DECISION

- 1.1 The purpose of this report is to seek agreement on the principles for allocating any increase in funding to the elements of the Early Years Block Budget. .

2 RECOMMENDATIONS

To AGREE that in accordance with the views of the Early Years Forum:

- 2.1 **That no changes are made to the Early Years Funding Formula for 2023-24.**
- 2.2 **That there are appropriate arrangements in place for administration of the early years free entitlements**
- 2.3 **That final budget proposals are developed in accordance with the principles set out in paragraph 5.6.**

To NOTE:

- 2.4 **The final 2023-24 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 are in line with the information currently available to the Council regarding the financial settlement for 2023-24, statutory guidance, local priorities, and the views of the Early Years Forum.

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 element of Dedicated Schools Grant that the Department for Education allocates to Local Authorities 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
 - e) the disability access fund

- f) the Special Educational Needs Inclusion Fund
 - 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, although the final decision rests with the local authority and will be taken by the Executive Member for Children, Young People and Learning.
- National Funding Framework
- 5.3 The Department for Education uses an Early Years National Funding Formula to distribute Dedicated Schools Grant income to Local Authorities. This funding framework sets out key requirements on Local Authorities in setting their Early Years Block budgets for **3- and 4-year-olds**. These are:
- a) To develop and maintain a local Early Years Funding Formula in accordance with parameters set by the Department for Education, undertaking consultation with providers and the Schools Forum when any changes are proposed, where the Early Years Funding Formula:
 - 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 Department for Education restricts to rurality / sparsity, flexibility of provision, English as an additional language or quality of provision
 - vi) supplements selected by a Local Authority 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 must be created to support children with lower level or emerging Special Educational Needs
 - c) Required to pass on the Early Years Pupil Premium to providers to support eligible disadvantaged children
 - d) Required to pass on Disability Access Fund 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 Special Educational Needs Inclusion Fund to apply to 2-year-olds, although this is permitted and included in arrangements in Bracknell Forest.
- 5.5 In July 2022 the Department for Education undertook a consultation process on proposed changes to the Early Years National Funding Formula, which closed on 16 September

2022. This consultation included illustrative funding rates for 2023-24 indicating a possible increase to the Early Years Block budget for Bracknell Forest Council from April 2023. However, to date the outcome of the consultation has not been published and the Department for Education has not confirmed funding rates for 2023-24.

Proposals for the 2023-24 Early Years Block budget

- 5.6 Despite the absence of key funding information for 2023-24, it is important to commence budget planning now and the proposals presented directly below are informed by feedback from the Early Years Forum:
- a) The components of the Early Years Funding Formula for 2022-23 as shown in Annex 1 are retained for 2023-24.
 - b) The Early Years Block Budget for 2023-24 will be allocated using the following principles:
 - i) 95% of total income allocated to providers via the Early Years Funding Formula
 - ii) If the Department for Education announces an increase in the Early Years Block budget, the increase in funding is allocated to providers via the uniform base rate
 - iii) 5% of total income managed centrally by the council
 - a) The Disability Access Fund and Early Years Pupil Premium funding allocation should be allocated to providers at the same funding rate as received from the Department for Education
- 5.7 Final 2023-24 Early Years Block Budget proposals and funding rates to be allocated to the Early Years Funding Formula, together with highlight changes to provider funding rates will be presented to Schools Forum for comment in January.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal implications are addressed within the report

Director of Resources

- 6.2 The Director of Resources is satisfied that no significant financial implications arise from this report.

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 feedback from the Early Years Forum.

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

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Summary of the 2022-23 BF Early Years Funding Formula

EYFF Element	Weighting	Proposed hourly funding rate	% total EY funding
Deprivation Supplement	1.6 % of EYFF via IDACI scores Average IDACI score of children attending setting.		
	Band 2	£0.32	
	Band 1	£0.16	
	2.2% of EYFF via child eligibility to EYPP	£1.40	
Quality Supplement	2.8% of EYFF via setting leadership qualification Level 5 and above	£0.14	
Uniform Base Rate	94.2% of EYFF	£4.60	
	Indicative EYFF average provider rate	£4.88	92.2%
	Average SEN funding	£0.07	1.4%
	Average contingency funding	£0.07	1.4%
	Subtotal to providers	£5.03	95%
	Average BFC funding (5%) max	£0.26	5%
	Indicative funding 3- and 4-year-olds	£5.29	100%
	Provider funding rate for 2-year-olds	£5.81	

Taking account of the views of providers, the key principles to be applied in developing the Early Years Funding Formula are:

- The Formula must be transparent, stable and predictable in its delivery of funding, compatible with Department for Education requirements and efficient to manage.
- Data used for funding purposes e.g., the measure of deprivation in the deprivation supplement, must be readily available and objective in nature.
- Hourly supplements to be made where justified to incentivise good practice, or reflect an additional cost, or promote national or local policy objectives.
- The Formula must be affordable within the existing early years funding envelope.

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TO: Schools Forum
DATE: 8 December 2022

**2023-24 Budget Proposals for the Schools Budget:
Schools and Central School Services Block Elements
Executive Director: People
Executive Director: Resources**

1 Purpose of report

- 1.1 The purpose of this report is to ensure that final 2023-24 budget decisions can be made at the January Forum meeting in order to meet the 20 January 2023 statutory deadline. Therefore, updated proposals for the Schools Block (SB) and Central Schools Services Block (CSSB) elements of the Schools Budget are now presented for consideration with a small number of decisions to be made.

2 Executive Summary

- 2.1 Building on previous decisions agreed by the Forum, and with the provisional data from the October 2022 school census now available, a further stage to the budget setting process can now be presented for consideration. Once 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 349 (+2.1), with primary numbers reversing the recent trend of reductions to increase by 61 (+0.6%) and secondary numbers continuing to rise (up 288, +4.3%). These changes indicate an increase in core per pupil Dedicated Schools Grant (DSG) funding of £2.051m which will be used to finance schools for the additional pupils. A revised calculation has also been made on the funding allocation to be received through the DSG Growth Allowance which has increased by £0.154m. Overall, this indicates a net gain in funding of £2.205m.
- 2.3 There remain significant reductions in the diseconomy funding allocations to the newly opened schools in North Bracknell as numbers on roll reach close to the Published Admission Number and therefore no longer require additional financial support. Current data indicates a £0.606m saving from this and other elements of the growth fund.
- 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 surplus of £0.046m, with schools on average receiving a 2.0% increase in per pupil funding.
- 2.5 Whilst current estimates indicate a budget surplus, final data may result in a budget deficit and therefore options for either scenario need to be considered which include:
1. Transfer funds from or to the Reserve created in the unallocated Schools Budget to support the additional costs of new and expanding schools.
 2. Fund schools at a scaled percentage of the NFF, which could be above or below 100%. If scaling is to be used, then that could be applied at the same

percentage scaling to each factor or could be focused on a restricted number of factors.

- 2.6 As well as the initial DfE school funding announcement from July, the autumn 2022 budget statement confirmed further funding for schools in 2023-24 of £2.3bn. Sufficient details have yet to emerge to fully understand the financial implications, although initial calculations indicating around a further 3.5% increase in per pupil funding. This results in a total estimated average increase in per pupil funding of 5.5%. With costs currently forecast to increase by between 6% and 7%, early indications are for a funding shortfall.
- 2.7 For the CSSB, where the DSG funding is being reduced by £0.042m for historic commitments, the 2023-24 draft budget proposals for the council are expected to recommend funding this shortfall from other resources for next year resulting in a balanced budget
- 2.8 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 20 January deadline for submitting to the DfE the actual Funding Formula for Schools to be used in 2023-24 with associated units of resource and total cost.
- 2.9 The next Forum meeting will need to recommend a set of final budget proposals to the Executive Member for Children, Young People and Learning, taking account of the advice provided by the Director of Resources.

3 Recommendations

For all members of the Forum :

- 3.1 **AGREE that subject to any late changes proposed to the Forum in January, the 2023-24 budget is set in accordance with the supporting information, as summarised in Table 1, and in particular:**
 - 1. That the Growth Fund, including appropriate elements is set at the amount reported in Annex 2
 - 2. That the elements of the CSSB and relevant budget amounts are as detailed in Annex 3.
- 3.2 **AGREE the proposed amendment to the funding policy for significant in-year growth (Annex 1).**
- 3.3 **NOTE the options available to balancing the Schools Budget in advance of a decision in January (paragraph 6.36).**

Items for Maintained Primary School representatives only:

- 3.4 **To AGREE that the per pupil deduction amounts for existing de-delegated services be increased by 5.0%, the average increase in per pupil funding expected to be received by schools (paragraph 6.26)**

Items for Maintained Secondary School representatives only:

- 3.5 To AGREE that the per pupil deduction amounts for existing de-delegated services be increased by 5.0%, the average increase in per pupil funding expected to be received by schools (paragraph 6.26)**

4 Reasons for recommendations

- 4.1 To ensure that the 2023-24 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 20 January 2023.

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.
- 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 £0.454m) 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 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.

- 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:

Schools Budget

- 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
- School based funding, based on prior year costs for business rates and other property factors such as schools operating across split sites
- Two funding protection mechanisms:
 - A minimum per pupil funding (MPPFL)¹ amount for the year (£4,405 for primary aged pupils in 2023-24 and £5,715 for secondary).
 - A minimum increase / maximum decrease in per pupil funding from the previous year (MFG)² (up to a maximum of +0.5%).
 - The DfE states that average per pupil funding will increase by 1.9% in 2023-24. For BF, the estimate is an average 2.0%.

Central School Services Budget

- 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.
- Contribution to previously agreed historic costs (for supporting vulnerable pupils).

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 £0.042m funding reduction is expected for BF in 2023-24. This will be partially offset by a provisional £0.015m increase in funding through the per pupil funding allocation, resulting in an overall indicative reduction in funding of £0.027m.

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 2023-24 this is £4,405 for primary aged pupils and £5,715 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.

Summary of the 2023-24 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 will be 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. As set out above, there are some new minimum requirements on LAs to replicate the NFF, all of which BF currently achieves and no further action is required.
 - d. LAs will continue to receive funding based on the DfE running each school's data (mainly October 20221 census, so lagged) through the NFF at confirmed 2023-24 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 2022 pupil numbers will be used to calculate each LAs 2023-24 funding for their schools. This approach aids financial planning as it allows for the early publication of each LAs confirmed per pupil funding rates.
 - e. 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.
 - 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 very end of the autumn term.
2. There are a small number of changes to the national process to allocate funds.
 - a. The new School Supplementary Grant that was introduced in April 2022 to support schools to meet the costs of the Health and Social Care Levy and wider costs is being rolled into the schools NFF from 2023-24 and will no longer be paid separately. The aim of the approach for rolling the grant into the schools NFF is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2023-24, without adding significant additional complexity to the formula. This amounted to £2.5m at 2022-23 prices and equates to an average 3.0% increase in per pupil funding.

- b. The post-16 and early years element of the School Supplementary Grant will continue as a separate grant for 2023-24, with details of this to follow in due course.
- c. In calculating low prior attainment proportions, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests is used as a proxy for the 2021 assessments, which were cancelled due to the pandemic.

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 the Minimum Funding Guarantee is set at the maximum amount permitted by the DfE and delivers per pupil funding increases from 2022-23 for all schools of at least +0.5%.
- any cost associated with providing all schools with the agreed minimum percentage increase in per pupil funding from 2022-23 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 primary schools, with a decision expected to be taken for secondary schools at this meeting.
- 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 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.
- to prevent potential over funding of some new schools, that the DfE be requested to approve that the council continues to disapply the requirement for minimum per pupil funding increases where schools are funded on the Start-up and Diseconomy funding policy for new and expanding schools

Updated budget proposals for 2023-24

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 2022 census data and the latest budget decisions made by the Forum. Whilst census data from 2 schools remains outstanding, this provides a sound basis for making updates although further change should be expected.

Schools Block DSG income

- 6.10 The provisional October 2022 census data shows that pupil numbers have increased by 349 (+2.1%) to 16,883 and this generates a further £2.051m pupil head count related DSG income which totals £88.205m.
- 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 2023-24 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 is expected to be a centralised DfE payment from April 2023, 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 £1.786m and comprises:
1. £1.661m for business rates
 2. £0.125m for split site costs (Warfield Primary)

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, Warfield Primary School will not receive the £0.125m additional lump sum funding payment received from the DfE as with effect from September 2022, the school migrated onto a single site at Woodhurst.

- 6.12 In terms of the Growth Fund³, this has now been recalculated at £0.847m, an increase of £0.154m.
- 6.13 Therefore, the overall DSG grant income for the SB, is now estimated at £90.838m, an increase of £2.205m.

Funding allocations to schools:

Changes in pupil numbers

- 6.14 The additional 349 pupils expected from the provisional October 2022 census results in an additional £2.119m allocation to schools, which is £0.068m above the extra DSG income. This change includes the effect on the School Supplementary Grant that will be mainstreamed into the DSG from April 2023.

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 £0.036m decrease to £0.119m. As previously reported, this is a significant reduction from 2022-23 budget where £0.925m was allocated and reflects the expectation that both Binfield Learning Village Secondary School and Oakwood Primary School are no longer expected to require diseconomy top up funding.

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.

6.16 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.
7. Schools transfer to the BF Funding Formula when:
 - a) The BF Funding Formula delivers a higher budget allocation (this moves Oakwood Primary School to the BF Funding Formula)
 - b) All intended year Groups are being admitted to (this moves Binfield Learning Village Secondary phase to the BF Funding Formula)
 - c) Total number on roll exceeds the published thresholds required for funding protection to cease.

The *Start-up and diseconomy funding policy for new and expanding schools* was reviewed at the previous meeting of the Forum with a minor clarification the only agreed change.

6.17 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 eligible schools once relevant data becomes available.

6.18 There are 2 consequences from Binfield Learning Village Secondary School and Oakwood Primary being funded on the core BF Funding Formula rather than the *Start-up and diseconomy funding policy for new and expanding schools*. Firstly, with both schools initially opening on a phased basis with pupil numbers below the PAN, those leaving the older age range groups at August 2023 will be replaced with greater numbers at the age of initial admission. The overall increase in pupil numbers in both

schools suggests that for the first time they will meet the criteria for in-year budget allocations to schools experiencing significant growth in pupil numbers.

- 6.19 Secondly, the current policy wording for 1 Form Entry (FE) schools like Oakwood Primary School to receive an in year growth allowance is an increase in total number on roll of 10 as this is considered a significant number for small schools. As Oakwood's increase in number on roll is most significantly impacted through opening a new year group, the number on roll is likely to increase by 30 at September 2023, triggering 3 growth allowances whereas in reality, the school will be opening just 1 class. In order to prevent over funding in these circumstances, the current policy text is proposed to be updated to limit the number of growth allowance payments to a maximum of the number of additional classes that would reasonably be expected. The proposed text is set out at Annex 1, which the Forum is recommended to agree.
- 6.20 Taking account of the predicted impact from the new schools on in-year growth allowances and a revised calculation of estimated support required for schools arising from the Key Stage 1 class size regulations, a further £0.100m is proposed to be held in the BF Growth Fund for allocating once qualifying schools are confirmed.
- 6.21 Annex 2 sets out the proposed budget requirement for the BFC centrally managed Growth Fund of £0.441m as well as the funding allocations due to individual schools which the Forum is recommended to agree.

Business Rates

- 6.22 Whilst the business rates payment system for schools is expected to be centralised from 2023-24 with the Education and Skills Funding Agency (ESFA) paying billing authorities directly on behalf of state funded schools, due to the impact of lagged funding, funding allocations to schools are expected to be £0.082m higher than the associated DSG funding. This is a reduction of £0.001m from the previous estimate.
- 6.23 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

- 6.24 The Forum has previously agreed that additional costs being incurred at Warfield Primary School as a consequence of operating across 2 sites should be funded through their budget allocation. As set out above, the school migrated to the Woodhurst site in September 2022, and therefore the £0.125m funding allocation previously received as a "split site" school will no longer be received, resulting in a consequential budget saving.

Estimated impact from December 2022 DfE data update

- 6.25 LAs will receive final school budget data towards the end of December, with the potential for financial impact on current estimates, particularly in relation to pupil profiles, such as eligibility to a free school meal, or a pupil with English as an additional language. Recent years have seen significant increases in budget allocations from this update - £0.233m in 2022-23 – and current economic and other activity, such as increases from Ukrainian and Hong Kong resettlement programmes, suggest a larger cost increase could occur in 2023-24 budgets. At this stage a provision for £0.300m has been included in the estimates.

Uplift on de-delegated budgets

- 6.26 Recognising that all maintained primary 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 primary 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 5.0%, the average increase in per pupil funding expected to be received by schools through the NFF (2.0%) and the mainstreamed School Standards Grant (3.0%).

Meeting DfE per pupil funding requirements

- 6.27 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

The financial impact of these changes is included above within the update on pupil numbers in paragraph 6.14, and included below as additional information.

MPPF values

- 6.28 The DfE has set mandatory MPPF values of £4,405 for primary aged pupils and £5,715 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 £0.375m for 6 primary schools. All secondary schools are expected to be funded above the MPPF rate. This is a decrease of £0.330m compared to 2022-23 when 13 primary schools received £0.704m and 1 secondary school £0.001m.

MFG

- 6.29 To limit turbulence between financial years at individual school level, the MFG must be applied to each school's per pupil funding rate. Where the normal operation of the local Funding Formula does not deliver the necessary change, an appropriate top-up is paid. For 2023-24, the DfE requires each LA to set their MFG at between +0.0% and +0.5%.
- 6.30 The Forum has previously agreed that the maximum +0.5% 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. The 2022-23 deduction was £0.031m, allocated to 6 primary schools, and 1 secondary school. The current modelling indicates that 1 school will qualify for MFG top-up which amounts in total to £0.006m and this will be subject to change as a result of the final budget data set provided by the DfE.

2023-24 individual school budgets

- 6.31 These budget proposals, using NFF funding rates, result in a 2.0% average per pupil funding increase⁴ from 2022-23, 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 1.9%, and secondaries 2.7%.
 - 2 The highest per pupil increase in a primary school is 4.01%, with 3.0% in secondary. The lowest increases are 0.5% and 2.3% respectively.
 - 3 1 school receives an MFG top up when the guaranteed increase is set at the maximum 0.5% permissible by the DfE. The total estimated allocation is £0.006m.
 - 4 The MPPF level amount has increased by 3.3% with 6 primary schools needing to receive top ups to this level
 - 5 The average per pupil funding amount for a primary school would be £4,551 and £6,169 for a secondary.

Centrally managed budgets within the CSSB

- 6.32 It was reported to the September Forum that a funding reduction of £0.042m would be applied by the DfE to the historic costs element of the CSSB in 2023-24 and that the council would examine ways to manage this cost increase outside of the Schools Budget.
- 6.33 The council is in the initial stages of formulating its budget proposals for 2023-24, and at this stage the assumption is that the £0.042m reduction in DSG funding will be offset by additional funding from other resources. Therefore, there is no overall reduction in funding for the services, although the funding source will change in some areas. Annex 3 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

- 6.34 Based on the provisional October 2022 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 2023-24 SB and CSSB budgets. Table 1 below summarises the changes proposed which results in a funding surplus of £0.046m on school budgets compared to NFF rates, an improvement of £0.150m from the previous proposals. Annex 4 sets out the summary changes in the proposals made in Table 1 compared to those reported to the September Forum meeting.

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.

Table 1: Summary updated budget proposals for 2023-24

Ref.	Item	Schools Block		Central Services Schools Block	Total
		Delegated school budgets A £'000	Growth Fund - LA Managed B £'000	C £'000	D £'000
1	2022-23 Schools Block budget	84,429	221	1,007	85,657
2	2022-23 base budget	84,429	221	1,007	85,657
3	Provisional 2023-24 DSG funding	90,617	221	839	91,677
4	Internal Schools Block funding transfer	-220	220	0	0
5	On-going contribution to CSSB pressures	-141	0	141	0
6	2023-24 forecast income	90,256	441	980	91,677
7	+Surplus of income / - Deficit of income	5,827	220	-27	6,020
8	<u>Changes for 2023-24</u>				
9	Cost of new year NFF funding rates at circa +3%	1,710	0	0	1,710
10	Mainstream School Supplementary Grant	2,554	0	0	2,554
11	Impact of change in pupil numbers (+349)	2,066	0	0	2,066
12	New schools - 2023-24 change in cost pressure	-806	0	0	-806
13	In-year growth allowances, KS1 classes etc	0	220	0	220
14	Rates: revaluation and inflation	82	0	0	82
15	Split site funding - no qualifying schools	-125	0	0	-125
16	Provision for impact from data changes - January	300	0	0	300
17	Central School Services Budget changes	0	0	-27	-27
18	Total changes proposed for 2023-24	5,781	220	-27	5,974
19	+Surplus / - Deficit of income to DSG Funding	46	0	0	46
20	<u>Memo items:</u>				
	Total calculated requirement [2 + 18]	90,210	441	980	91,631
	Sub total:	90,651			
21	MPPFL	375	0	0	375
22	MFG	6	0	0	6
23	Cost of new schools	120	0	0	120

Managing the budget gap

- 6.35 The Forum has previously agreed that the 2023-24 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 £0.046m funding surplus. Clearly, with such a small predicted surplus, final budget

proposals could present a deficit budget and therefore an approach to balancing the budget needs to be agreed to cover both potential scenarios.

6.36 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. Use the Reserve created in the unallocated Schools Budget to support the additional costs of new and expanding schools, with a draw down or additional to the current £0.572m balance.
2. Fund schools at a scaled percentage of the NFF, which could be above or below 100%. If scaling is to be used, then that could be applied at the same percentage scaling to each factor or could be focused on a restricted number of factors.

A combination of these options can also be used.

6.37 The Forum will need to consider the affordability of any draw down from Reserves and at this stage, the council suggests the following approach:

1. For April 2024, there should be at least £0.450m in Reserves to fund the medium-term cost of new schools (current balance is £0.582m).
2. If a deficit remains, top slice to NFF rates, applied equally to all factors in the BF Funding Formula.
3. If a surplus remains, top up to NFF rates, but to consider whether different proportions should apply to different factors, for example increased allocations through deprivations factors would likely target resources to pupils that need the most support to achieve, or the fixed lump sum would most likely help the smallest schools in the borough where it is well established that these schools are the lowest funded in a funding system that is pupil driven.

A number of other LAs are also forecasting a possible budget surplus in 2023-24 and informal advice from the DfE suggests that any surplus funds should be transferred to Reserves rather than built into NFF rates as this could create future funding difficulties when applying the statutory minimum annual increase in per pupil funding. Further advice will be sought on this option.

6.38 With further changes expected to the final budget proposals that will be presented in January, the Forum is recommended to consider an initial approach to the different scenarios.

Autumn 2022 Budget Statement

6.39 As at the publication of this report, no further information has been released on the 17 November budget statement regarding additional funding for schools. The highlights known at this stage are:

1. There would be an extra £4.6bn in the core schools budget in the next 2 years
2. There would be a 3.5% cash increase in the core school budget in 2024-25 compared to previously published figures
3. The institute of Financial Studies comments that It restores 2010 levels of per pupil funding in real terms and provides an average cash increase for every pupil of more than £1,000 by 2024-25 compared to 2021-22.

- 6.40 How schools will receive this money is also unclear, however DfE have indicated that for planning purposes, LAs should assume that funding will be allocated in a similar way to the 2022-23 School Supplementary Grant, so an amount per pupil, an amount per Ever 6 free school meal pupil and an amount per school.
- 6.41 Assuming this additional funding is equivalent to 3.5% per pupil, together with the 2.0% increase in funds through the BF Funding formula, schools can expect an average increase in per pupil funding of 5.5%.

Actual cost pressures estimated for 2023-24

- 6.42 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. There is considerable uncertainty relating to potential cost pressures, including pay and utilities, so this estimate should be viewed very much as a guide and not a guarantee. However, based on current assumptions, cost pressures are estimated at between 6% and 7% from:
1. Cost of pay awards are not yet known, and schools are advised to assume 3% from the effective date. This reflects the proposed award for Teachers,. As the Teachers' pay award is effective from September, there will also be an additional full year effect cost from the 5% award from September 2022.
 2. 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.
 3. The 1.25% increase in employer National Insurance contributions that come into effect from April 2022 was reversed from November 2022, and therefore costs for this aspect of National Insurance will be around 0.7% lower next year.
 4. The general rate of inflation on non-pay costs (October Consumer Price Index) is 11.1%. The Bank of England forecast a 6.7% inflation rate for 2023-24.
 5. Utility costs are the most volatile and hard to accurately predict. In 2021-22, on average these amounted to 1.3% of total school costs but are expected to be above 4% by the end of 2023-24. At this stage, an increase of 150% is assumed.

There will be other costs / savings that will vary school by school that have been excluded from the above calculation, such as overall cost of performance related pay and contractual increments.

More information on the inflation calculation is shown in Annex 5.

Conclusion and Next steps

- 6.43 Based on the assumptions set out in the supporting information, schools can expect to receive a 5.5% increase in per pupil funding compared to 2022-23. An indicative, high level estimate for likely cost increases next year indicates an increase of between 6% and 7%. As the future cost forecasts are very tentative, they should be viewed as a guide with actual changes varying school by school.

- 6.44 At this stage, there is an expectation that the cost increases schools face will be greater than the increase in funding.
- 6.45 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.
- 6.46 The Executive Member is expected to agree the 2023-24 Schools Budget 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 initial budget allocations by the middle of January.

7 Advice 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 6.4. 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. Cost pressures arising from inflationary pressures may exceed to funding allocated by the government.
 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.

8 Consultation

Principal Groups Consulted

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

Method of Consultation

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

Representations Received

- 8.3 Included in previous report.

Background Papers

None:

Contact for further information

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Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(114\) 081222/2023-24 Schools Budget Proposals - December v2.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(114)_081222/2023-24_Schools_Budget_Proposals_-_December_v2.docx)

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

Proposed change to policy text agreed by Schools Forum on 23 June 2022.

Deleted text is bold and struck through.

New text is bold and shaded yellow

This element of the Growth Fund is ring fenced so that it is only used for the purpose of supporting growth in pre-16 pupil numbers to meet basic need⁵. The fund will be for the benefit of both maintained and Academy schools. For Academy Schools, the funding is for an academic year.

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

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

The relevant thresholds for additional funding are:

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

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

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

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

- For the year of entry, the calculation of additional pupils will be capped at the lower of the actual number admitted or the Published Admission Number (PAN), other than where the need to exceed PAN is agreed in advance with the LA.
- Pupil admissions from parental appeals, LAC pupils and pupils with an EHCP are included in the number on roll when checking that a school has not exceeded its PAN in year of entry; these admissions are generally known by May preceding the start of the academic year.

⁵ The DfE define basic need as the statutory duty on local authorities to make sure there are enough school places for children in their local area. This requirement does not extend to individual planning or school designated areas within an authority.

- Schools can request that the Assistant Director: Education and Learning of Education considers additional funding in exceptional circumstances. These will be considered on an individual case basis.
- An appeal to a decision of the Assistant Director: Education and Learning can be made to the Executive Director: People, whose decision will be final.

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

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

There are **23** exceptions to the general policy.

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

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

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

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

- 3. Where a school's increase in pupil numbers indicates at least 2 additional funding allocations are required, an assessment will be undertaken by the LA**

to confirm that the relevant school does need to create the number of new classes implied by the standard funding thresholds. This assessment will also consider whether for 1 FE schools the full value of growth should be paid rather than the standard 50%.

Approved by the Schools Forum on 23 June 2022

Proposed financing and associated budget for the 2023-24 Growth Fund

	Primary £'000	Secondary £'000	Current Proposed 2023-24 £'000	Actual 2022-23 £'000	Change from 2022-23 £'000
<u>New schools:</u>					
Diseconomy costs	119.6	0.0	119.6	925.5	-805.8
	119.6	0.0	119.6	925.5	-805.8
<u>Retained Growth Fund</u>					
Start-up costs	0.0	0.0	0.0	0.0	0.0
Post opening costs	22.5	0.0	22.5	22.5	0.0
In-year pupil growth	124.0	124.0	248.0	93.0	155.0
KS1 classes	170.0	0.0	170.0	105.0	65.0
	316.5	124.0	440.5	220.5	220.0
Total estimated costs	436.1	124.0	560.1	1,146.0	-585.8
<u>Costs by school:</u>					
KGA - Oakwood	7.50	0.0	7.5	78.8	-71.3
KGA - Binfield	134.64	0.0	134.6	869.2	-734.6
Total estimated costs	142.1	0.0	142.1	948.0	-805.8

The yellow highlighted cell indicates the total £0.441m budget proposed for the BFC centrally manage Growth Fund as referenced in paragraph 6.20.

Services proposed to be centrally managed by the Council in 2023-24

Budget Area	Schools Budget Funded			
	2022-23 Final Budget	2023-24 Funding	2023-24 Proposed Budget	2023-24 Change
Combined Services Budgets:				
Family Intervention Project	£100,000		£100,000	£0
Educational Attainment for Looked After Children	£133,590		£133,590	£0
School Transport for Looked After Children	£42,740		£42,740	£0
Common Assessment Framework Co-ordinator	£42,470		£0	-£42,470
Domestic Abuse	£2,000		£2,000	£0
SEN Contract Monitoring	£32,680		£32,680	£0
<i>Central School Services - historic commitments</i>	£353,480		£311,010	-£42,470
<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	£0
Borough wide Initiatives	£9,720		£9,720	£0
Support to Schools Recruitment & Retention	£5,000		£5,000	£0
<u>Statutory and regulatory duties:</u>				
'Retained' elements	£284,725		£290,685	£5,960
<u>Other expenditure:</u>				
School Admissions	£192,760		£202,020	£9,260
Schools Forum	£20,935		£20,935	£0
Boarding Placements for Vulnerable Children	£50,000		£50,000	£0
Central copyright licensing	£85,560		£85,560	£0
<i>Central School Services - on-going responsibilities</i>	£653,850		£669,070	£15,220
Total Central School Support Services	£1,007,330		£980,080	-£27,250
<u>Funding</u>				
Historic commitments	£207,710	£166,170		
On-going responsibilities	£658,880	£673,170		
Total Funding	£866,590	£839,340		
Existing agreed transfer from Schools Budget	£140,740	£140,740		
Central School Services Total Funding	£1,007,330	£980,080	£980,080	-£27,250

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	2022-23 Schools Block budget	0	0	0	0
2	2022-23 base budget	0		0	0
3	Provisional 2023-24 DSG funding	2,205	0	0	2,205
4	Internal Schools Block funding transfer	-100	100	0	0
5	On-going contribution to CSSB pressures	0	0	0	0
6	2023-24 forecast income	2,205		0	2,205
7	+Surplus of income / - Deficit of income	2,205		0	2,205
8	<u>Changes for 2023-24</u>				
9	Cost of new year NFF funding rates at circa +3%	0	0	0	0
10	Mainstream School Supplementary Grant	53	0	0	53
11	Impact of change in pupil numbers (+349)	2,066	0	0	2,066
12	New schools - 2023-24 change in cost pressure	-36	0	0	-36
13	In-year growth allowances, KS1 classes etc	0	100	0	100
14	Rates: revaluation and inflation	-1	0	0	-1
15	Split site funding - no qualifying schools	-125	0	0	-125
16	Provision for impact from data changes - January	25	0	0	25
17	Central School Services Budget changes	0	0	-27	-27
18	Total changes proposed for 2023-24	2,082		-27	2,055
19	+Surplus / - Deficit of income to DSG Funding	-123		27	150

Illustrative impact of inflation on school budgets

Estimated Inflationary Pressures

Average mainstream school spending profile (2021 -22) sets baseline to measure cost changes:

- Expenditure profile: £57.8m
 - Teachers' pay 52.4%
 - Learning Support Assistants 18.0%
 - Other staff on LG pay awards 9.8%
 - Utilities 1.3%
 - Other non-pay 18.5%
- Income: £7.2m
 - £4.3m (67%) from grants
 - £2.4m from parental contributions / donations, sale of goods and services and rentals and lettings
 - £0.5m other sources

Estimated Inflationary Pressures

2022-23: high level projection

- Estimated inflationary increase on relevant expenditure
 - NI increase: 1.25% from Ap to Oct 22 0.7%
 - Teachers' pay: 5% from Sept 22 2.8%
 - LSA: £1,925 plus 4% on LW from Apr 22 10.0%
 - Other LG staff £1,925 plus 4% on LW from Apr 22 5.0%
 - LG pension 0.3%
 - Utilities: 10% Elec, 29% gas from April 22 23.0%
 - Other non-pay: CPI at Sept 22 rate 10.1%
 - Income: assume all at increase on Pupil Premium 3.0%
- Average increase in per pupil funding:
 - BF Funding Formula 2.8%
 - School Supplementary Grant 3.0%
- Average shortfall

Estimated Inflationary Pressures

2023-24: high level VERY TENTATIVE projection

- Estimated inflationary increase on relevant expenditure
 - NI: reverse 1.25% from Ap to Oct 22 -0.7%
 - Teachers' pay: 3% Sept 23, fye Sept 22 5% increase 3.7%
 - LSA and other LG staff: 3% from Apr 23 3.0%
 - LG pension deficit 0.3%
 - Utilities: increase from April 23 (say) 150.0%
 - Other non-pay: BoE inflation forecast 6.7%
 - Income: assume at BF Funding Formula -1.9%

} **6.0%**
- Average increase in per pupil funding:
 - BF Funding Formula 1.9%
- Average shortfall -4.1%
- Between 2020-21 and 2023-24, pay as a % of total spend estimated to reduce from an average 80.2% to 77.5%, utilities increase from 1.3% to 3.3%, other spend from 18.5% to 19.3%