

Notice of Meeting

Schools Forum

Martin Gocke (Pupil Referral Unit Representative (Governor))
(Chair)
Stuart Matthews, Academy School Representative (Headteacher)
(Vice-Chairman)
Jenny 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, Academy School Representative
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

Tuesday 29 March 2022, 4.30 - 6.00 pm

Zoom Meeting

Agenda

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

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3.	Minutes and Matters Arising	3 - 20
	To approve as a correct record the minutes of the meeting of 10 March 2022. The notes and views of headteacher representatives as reported at that meeting are also attached. Reporting: ALL	
4.	2022-23 Proposals for the High Needs Block Budget	21 - 56
	To seek comments on the detailed budget proposals for the High Needs Block element of the Schools Budget before the Executive Member makes the formal decision on the relevant matters. Reporting: Cheryl Eyre, Paul Clark	
5.	Dates of Future Meetings	
	The next meeting of the Forum will be held at 4.30pm on Thursday 23 June 2022. Reporting: Joanna Gibbons	

Sound recording, photographing, filming and use of social media is permitted. Please contact Derek Morgan, 01344 352044, derek.morgan@bracknell-forest.gov.uk, so that any special arrangements can be made.

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**SCHOOLS FORUM
10 MARCH 2022
4.30 - 7.00 PM**

Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chair)
Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)
Jenny Baker, Special School Representative
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, Academy School Representative
Richard Stok, Primary School Representative (Governor)
Grant Strudley, Academy School Representative
Greg Wilton, Teacher Union Representative

Observer:

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

Apologies for absence were received from:

Sue Butler, Early Years PVI Provider

223. Apologies for Absence/Substitute Members

There were no apologies for absence.

The Forum noted the attendance of the following Substitute Member:

Debbie Smith as an Academy School Representative.

224. Declarations of Interest

The Chair declared an affected interest regarding Item 5 (2022-23 Proposals for the High Needs Block Budget) in relation to College Hall.

Jenny Baker also declared an affected interest regarding Item 5 in relation to Kennel Lane School.

The Chair highlighted that, whilst Item 5 related to all schools, only College Hall and Kennel Lane School were named so it was not necessary for other members of the Forum to declare interests at this point but were free to declare interests if they became evident during any discussions.

225. **Minutes and Matters Arising**

RESOLVED that the minutes of the meeting of the Forum on 13 January 2022 be approved as a correct record.

Arising from minute 218, Paul Clark advised that all new documents published relating to the Local Plan would reflect the new data. The Chair highlighted that the strategic document was due to be presented to the Forum at this meeting and queried why it was not on the agenda. Chris Hilliard replied that there had been delays to that report, partly due to reflecting on feedback from primary headteachers. The report was due to be taken to the Executive in April 2022 and would be presented to the Forum in June 2022.

Action: Cheryl Eyre

The Chair asked whether there would be consultation with headteachers on the Forum before the report is taken to the Executive. Chris Hilliard replied that he would reflect on that and discuss with Councillor Barnard the way forward as he needed to ensure due process was followed. Chris Hilliard requested that the School Places Plan and Capacity Strategy be added as an agenda item for the meeting of the Forum in June 2022.

Action: Derek Morgan

The Chair expressed his disappointment that the Forum would not receive an update on the strategy for managing the High Needs Block (HNB) Budget and support provided to pupils at this meeting; whilst some detail would be shared under Item 5, the Chair felt this was not enough and that there would therefore be six months between detailed updates. The Forum asked whether the delay to the meeting in June would impact any decisions made by the Forum. Paul Clark replied that the financial plans were in the process of being finalised based on current information and assumptions but if something emerges that needed amending then there are procedures to reconsider those points during the year. For council budgets, such as the capital programme, these have been approved by the Council and were not expected to change.

In respect of the School Places Plan and Capacity Strategy, the Forum noted that the headteachers had co-produced letters in their locality clusters and asked when there would be a response. Chris Hilliard replied that communication was sent out to headteachers on 18 February 2022, but he would be happy to resend.

Arising from minute 219, the Chair highlighted the discussion during the last meeting regarding early years sufficiency and the concern raised by Sue Butler that private and voluntary sector (PVI) providers were not getting additional funding in the same way as schools. The Chair requested an update from Councillor Barnard as to any follow-up action he has taken. Councillor Barnard confirmed he wrote to the MPs for Bracknell and for Windsor and has also made joint representation to the Department for Education (DfE) requesting the reasons for the discrepancy and asking what the DfE thinks the impact would be on the PVI sector. Councillor Barnard had yet to receive a reply.

Arising from minute 221, Keith Grainger confirmed that progress had been made relating to the Garth Hill College capital project and there has been good communication with Chris Taylor since the last Forum meeting.

226. **Schools Forum Constitution & Membership**

The Forum considered a report which sought endorsement to minor changes to the Schools Forum's Constitution and Membership. The changes reflected an increase in academisation and the need for proportionate representation within the membership.

The Chair queried whether the vacancies for the academy and secondary governor representatives were the same vacancy or separate. Derek Morgan confirmed that they were different vacancies. Paul Clark added that the regulations were different for maintained and academy schools; maintained school representation had to be split between phases but academy representation did not have to be split.

The Chair noted that paragraph 5.5 of the report stated that "The election process will be conducted during the spring term" and asked whether this was still on track. Derek Morgan confirmed that it was and explained that the process usually starts in April/May and elections would be completed by the end of June meaning that elected members would be in place by August. The Chair noted that it should in fact read that "The election process will be conducted during the summer term" – this was agreed.

RESOLVED to ENDORSE the revised Schools Forum Constitution and Membership.

227. 2022-23 Proposals for the High Needs Block Budget

The Chair requested an additional item to be heard in relation to the Joint Special Educational Needs & Disability (SEND) inspection as this would provide context around the 2022-23 proposals for the High Needs Block (HNB) budget.

Grainne Siggins, Executive Director of the People Directorate, presented to the Forum the five priority areas identified by the SEND Improvement Partnership Board:

1. Effective leadership, governance, and accountability of SEND, including allocation and use of high needs funding;
2. Ensuring SEND and vulnerable children and young people have access to a flexible range of 'fit for purpose' outcome focused provision and support to reduce fixed term exclusions;
3. Build upon existing engagement to further strengthen and improve co-production with children and young people and their parents and carers;
4. Children and young people to have successful transitions, and access robust Preparation for Adulthood pathways, independent living, and employment; and
5. Strengthening focus on early identification of children / young people at risk of presenting social, emotional, and mental health needs thereby reducing the need for crisis provision.

Grainne also presented the inspection results, focusing on the areas identified as requiring development, requiring improvement, and areas identified as being of significant weakness. It was noted that there were also areas identified as strengths. Grainne expressed that she was happy to be invited to future meetings to go through the detail of the plan and update on progress.

The Forum appreciated the briefing but felt that it would have been useful to receive the presentation before the meeting to allow time for reflection. The Forum felt that the lack of information received to date made it difficult to make a view as to whether there were appropriate arrangements in place for the education of pupils with SEN. However, from the information presented regarding the SEND inspection, it seemed that the arrangements were not appropriate. Grainne Siggins responded that there were significant areas of improvement which the department had articulated in its

self-inspection shared with the inspectors, and there was nothing from the inspectors to say that the plan was focusing on the wrong things.

The Forum felt that the briefing was useful in categorising the priority areas. The plans demonstrated a sense of urgency but there appeared to be no clear strategy as to how improvements would be brought about. The Forum needed to see what the actions would be. Grainne Siggins replied that the strategy would be refreshed in the plan and would include detailed action plans. The department was committed to co-producing that strategy. The written statement of action would be made available ahead of the meeting of the Forum in June 2022 following being presented to the Executive on 24 May.

Action: Grainne Siggins

The Forum asked whether it was planned to co-produce the written statement of action. Grainne Siggins replied that working groups have been involved in forming the content and the challenge would be for members of the working groups to feedback and engage with their colleagues. The department would not be able to do broader engagement with schools over the next six weeks before producing the statement. The Forum expressed a desire for the written statement to be more than just a list of commitments to do things and instead go further to include actions and accountability.

Roger Prew spoke about his personal experiences as a parent of a child with Down Syndrome who has been served by the SEN team at Bracknell Forest Council. Roger felt that the biggest issue to address was the culture towards families and parents who have had to fight to gain support. The Council needed to reflect on how to change the culture and to get a balance between the need to save money while providing a reasonable standard. The Chair expressed that he shared sadness about the report, and the most disappointing thing was the Council's press release after the SEND inspection where there was no contrition and no apology to service users. The Chair asked Councillor Barnard where the political accountability was in all of this and where the scrutiny of Members has been. Councillor Barnard replied that he shared and understood the comments, and it has been an issue that the Forum has raised for a considerable period. It has been an issue of concern for Councillor Barnard and has been approached with ever increasing urgency. In the year running up to the inspection, the Council had started to get into place the building blocks to improve the service, but Councillor Barnard would have liked this to develop faster. Going forward, Councillor Barnard would be part of the SEND improvement board and will take forward the issues. There was a clear commitment by the Council to make improvements and has put additional money into the budget. Councillor Barnard was confident that the department would deliver on the plan. Culture would be a big part of the change, making sure that colleagues on the operational level understand what is needed. Councillor Barnard would be happy to come back to a future meeting to update on what steps have been taken.

The Forum felt that confidence in the service is key, and a number of school leaders have received poor or no responses to communications (although that is a concern which is secondary to the impact on children and families). All school staff would be aware of the SEND inspection report and would be keen to see that there is a plan that all involved can have confidence in.

2022-23 Proposals for the High Needs Block Budget

The Forum considered a report which sought comments on the detailed budget proposals for the High Needs Block (HNB) element of the Schools Budget presented by the Council. In line with the statutory funding framework, there were also a small number of decisions for the Forum to take.

The Chair expressed his dissatisfaction that the Forum was being asked to comment on proposals so close to the deadline for the Executive Member to make a decision as this gave the Forum little opportunity for reflection or making alternative proposals. The Chair asked for a firm commitment for future proposals on the HNB budget to come to the Forum by January at the latest to give the Forum more time to make comments and decisions. Councillor Barnard agreed with that and suggested it would be helpful for the Forum to outline what information it needs by June or early Autumn to give officers enough time to prepare.

Paul Clark explained that the general budgetary position was looking similar to previous years in that the increase in funding by the DfE was insufficient to meet the demands forecast. The revised medium-term financial forecast to 31 March 2025 indicated a cumulative deficit of £36.371m which is 148% of annual income. The forecast annual deficits during the period to 31 March 2025 ranged between £7.408m and £6.140m.

The proposals in the report were based on key assumptions:

- continued increases in Government funding (although proportionately lower than previous years);
- ongoing rise in the number of Education, Health & Care Plans (EHCPs); the
- development of more local provision; and
- ensuring higher pupil numbers remain in mainstream settings.

A number of the proposals contained in the SEN Commissioning Plan to achieve this have been included in the medium term forecasts although a number are “invest to save” and would require extra funding in the short term. By 2024-25 it was expected that savings would be made by reductions in expenditure; however, with rising costs, there would still be a deficit.

Liability for financing HNB deficits were currently held by the DfE but recent communications suggest that this would revert to local authorities in April 2023, which would not be an affordable position for many local authorities, including Bracknell Forest Council.

Regarding the six project workstreams outlined in paragraph 6.11 of the report, Chris Hilliard updated that he is the Chair of the HNB Project Board which meets monthly. Particular progress was being made in relation to developing the market for SEND provision and AP support. There was a need to identify whether more provision was needed in the primary and secondary sectors, and this would be captured in the School Places Plan and Strategy. Work was ongoing to sharpen the commissioning process and ensuring providers were Quality Assured. There was currently only one provider where there had been problems in getting the Service Level Agreement (SLA) back. There would be further updates in the next meeting of the Forum.

Phil Sherwood shared comments which had been made on behalf of all headteacher representatives of the Forum. A record of those comments is appended to these minutes and would be shared with officers so that the details can be reflected on and

responded to. Paul Clark expressed that he appreciated the comments which were constructive.

The Forum noted that there appeared to be an “invest to save” strategy regarding the Specially Resourced Provisions (SRPs) but felt that there was a lot of speculation about the investment saving money over time as their use had not yet been reviewed. Chris Hilliard replied that that was a fair comment and was being addressed within the School Places Plan and Strategy. There was a need to have a clear strategic role for the Council to identify where provision is needed and what the potential sites are, and that would then need to be consulted on with headteachers.

Paul Clark highlighted Table 1 of the report which showed how much money the Council would be drawing down for new SRPs created since 2021. The Forum asked whether that was a finite amount of money and Paul Clark confirmed that it was but added that the new SRPs would result in reduced expenditure in the medium term.

Regarding Kennel Lane School, Chris Hilliard has had constructive meetings with the headteacher. There were issues around admissions and a need for the Council to maximise the speed to make decisions in conjunction with the school.

In terms of the concerns raised regarding forecasting, Paul Clark explained that a number of the projections in the medium-term budget plan were in their infancy as there was not a full set of figures, and there was not yet the experience from previous years as the provisions only opened in September. Some of the projections are based on assumptions and inevitably some will need to be updated. However, there was a rationale behind the figures, with detailed supporting calculations which can be shared with the Forum.

The Forum noted that the information presented year-on-year shows a significantly larger deficit than forecast. For example, in 2020 the Forum was advised that the 2020-21 deficit would be -£1.777m, -£3.178m in 2021-22, and -£4.761m in 2022-23. However, in 2021, the Forum was advised that the actual 2020-21 deficit was -£5.519 (a deficit of £3.742m more than predicted), and the 2021-22 budget deficit was now -£11.217m instead of -£3.178m (a deficit of £8.039m more than predicted). Therefore, the Forum was concerned that it would be approving a budget that could run away from us again. Paul Clark explained that the way the deficit was presented this year was slightly different to previous years as it now showed the impact on the HNB budget, so it was not a comparable picture.

The Forum asked whether the Capacity Strategy was just relating to the primary sector and if there was a separate strategy for secondary schools. Chris Hilliard replied that there was a particular issue for the primary sector which needed to be addressed first, but there was still a need to focus on the secondary sector and this was planned to take place during the next academic year.

The Chair summarised that the Forum did not have sufficient confidence in the details included in the report to agree the recommendations relating to the HNB budget. Councillor Barnard made it clear that he would not overrule any decisions the Forum made and asked what would happen if the budget were not approved by the Forum. Paul Clark replied that there was a statutory duty to set the budget by the end of March so the Council would have to consider options. The Chair clarified that the issue was not with the part of the budget that supports ongoing services as that part is essential and committed, but instead the developmental part that has not yet been committed. Councillor Barnard asked whether the suggestion was to split the recommendations to agree to spend on services but then raise questions about future plans. Paul Clark advised this was not practical to do in the Forum meeting as a

number of budgets are inter-linked and care would need to be taken to properly categorise each element of the budget proposals. The Chair clarified that it was the savings elements that the Forum could not agree. It was agreed that the best way forward was to convene an emergency meeting of the Forum where officers could suggest potential changes to the recommendations and an informed decision can be made.

RESOLVED

1. to DEFER the decision on the proposals for the HNB budget until the emergency meeting of the Forum on 29 March 2022; and
2. that the Forum DOES NOT AGREE that there are appropriate arrangements in place for:
 - i. the education of pupils with SEN (paragraph 6.23 of the report); and
 - ii. the use of pupil referral units and the education of children otherwise than at school (paragraph 6.23 of the report).

Paul Clark suggested having an planning / preparation meeting before the emergency meeting with school representatives to ensure that the proposals are on the right lines. Jenny Baker, Keith Grainger and Phil Sherwood agreed to represent schools.

Action: Paul Clark

228. Dates of Future Meetings

An extra meeting of the Forum would be held at 4.30pm on Tuesday 29 March 2022.

The next scheduled meeting of the Forum would be held at 4.30pm on Thursday 23 June 2022.

CHAIRMAN

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Schools' Forum 10.03.2022:

Notes and views of headteacher representatives

Some background on the recommendations (p30)

The paper recommends that the Forum agrees that the Executive Member sets the budget, amongst other statements. Therefore, we believe that our disagreeing (or 'not agreeing') to the budget may be noted by the Executive Member but not necessarily change the end decision on the budget, which could be approved. However, this will be a public record of our views and would request them to be included in the formal minutes of the meeting.

Overall statement

The headteacher representatives on Schools Forum wish for it to be noted that they are always willing to support the local authority and work with the council to develop strategies, drive forward progress and improve the provision for the pupils of Bracknell Forest. However, headteacher representatives feel that the current situation with high needs block funding and SEND in general requires honest, proactive and frank discussions in order to facilitate change and work together to improve standards.

With this in mind, the headteacher representatives on Schools Forum feel that they cannot agree with the statements set out in section 3 (page 30) of the 2022-2023 Proposals for the High Needs Block Budget. There are some additional views on that, which will be covered in each section, but overall it is felt that the paper lacks:

- sufficient detail on plans to save funds and, therefore, reduce the deficit HNB budget in a meaningful way;
- appropriate and meaningful consultation with headteachers on ways to support the reduction of the HNB budget or a strategy to develop provision; and
- recognition of the recent joint Ofsted/CQC SEND Inspection report for Bracknell Forest Council and its impact on the presented plans.

One key element of building trust and confidence is communication. Headteacher representatives feel that communication has been lacking for a significant period of time and continues currently. For example, headteacher representatives were disappointed that the SEND Inspection report was released on 01 March but was communicated to headteachers over 24 hours later. The headteacher representatives' comments regarding the HNB is also applicable to the SEND Inspection report and its future strategy: it requires true consultation, strategy, clear action and clear accountability.

In general, where confidence is built between parties, less detail in papers such as these is needed as there is a prior history of success which grows trust in those who set the strategic plans and budget. However, with this situation, there have been repeated instances over the previous few years of HNB / SEND strategies and budgets not fulfilling their objectives. Therefore, with no past evidence of success, confidence in the detail behind the plans is lacking and the headteacher representatives feel more explanation and assurance is required, as well as measurable targets and clear accountability from Officers. As an example, Headteachers were briefed regarding new draft targets for SEND Improvement Strategy and, due to a lack of progress, these are now being reviewed again, despite not being live yet. It is vital that Officers who

are permanent members of the council take ownership of and accountability for answering the questions and concerns of the headteacher representatives, and reporting back to Schools' Forum at the next meeting with clear progress updates and quantifiable strategies (linked with clear financial planning). The next Schools' Forum meeting is scheduled for 23 June, and headteacher representatives feel it is appropriate to request an additional meeting before 23 June to question the papers in further detail and seek assurances on the questions and actions raised in the Schools' Forum meeting. However, it should be noted that it is essential that schools are given a clear indication of their funding allocations in order to plan and set their own budgets, and ensure they continue to provide the very best for the pupils in their schools. **ACTION: Headteacher representatives request that officers arrange an additional meeting.**

The headteacher representatives are disappointed with the current situation, but also recognise the hard work of those finance officers producing the HNB budget paper based on the plans provided.

3.1.1 That the Forum AGREES: That the Executive Member: sets the total HNB budget at £28.907m

The headteacher representatives, collectively, do not agree with this statement. Whilst headteacher representatives want a budget as high as possible to support the needs of SEND pupils in Bracknell Forest, it is felt by that approving a budget of £28.907m without a clear strategy is not appropriate or financially prudent. However, it recognises the need for schools who require funding from the HNB (to receive their funding forecasts and, in the new financial year, funding allocations). **ACTION: Therefore, the headteacher representatives are seeking clarification on what can be done to avoid any issue with providing the best support for the pupils in Bracknell Forest schools.** An option that headteacher representatives would like to propose is that funding for schools is agreed so that pupils will receive the funding they require, but that the remaining new plans (outlined in 7a-e, p36-38) are scrutinised before they can be agreed.

There is a recognition in 2.2, 2.3 and 2.4 that the funding is not sustainable and that annual deficits of between £6.140m and £7.408m (leading to a forecast of £36.371m total deficit in 2025), but 2.6 implies an 'invest now to save later' model. However, a strategy which takes a current deficit of approximately £15.759m, rising to £36.371m, does not appear to contain enough ambitious and robust cost savings or a detailed strategy for Schools' Forum members to appropriately scrutinise.

Section 5.1 states that "a range of options have been considered with the HNB sub-group as the recovery plan is further developed", but the sub-group noted in a recent meeting that this does not feel accurate, and that a range of options have not been considered in full. There have been questions raised regarding the purpose and effectiveness of the group, largely due to lack of engagement of officers in attending, owning actions and proving accountability for its progress.

3.1.2 That the Forum AGREES: That the Executive Member: releases £0.210m of funds from the SEND Units Reserve to finance ongoing diseconomy costs at the new Special Resource Provisions

Headteacher representatives are unclear on this point. **ACTION: Therefore, the headteacher representatives are seeking clarification on the following:**

- a. **What is the SEND Units Reserve?**
- b. **How much is in the SEND Units Reserve that could be released?**
- c. **The statement to agree refers to “new SRPs”. Is ‘new’ referring to the recently-established SRPs that are already in operation, or is this in reference to SRPs that are planned as part of this paper’s strategy?**

This point notes that the funding is required for release in order to finance “ongoing diseconomy costs at the new Special Resource Provisions”, but these SRPs are being noted in 7a as contributing to cost reductions, despite being given a release of £0.210m from the SEND Units Reserve.

3.1.3 That the Forum AGREES: That the Executive Member: confirms the changes set out in the supporting information (Table 1 and Annex 2) and relevant budgets are therefore updated to those summarised in Annex 3.

There are a number of points within this section, but headteacher representatives do not agree that the changes set out are appropriate for the strategy of reducing the HNB deficit:

7a: Increased use of SRPs

It is agreed that SRPs are necessary within the local authority, but that it is essential that there are secondary SRPs as well. Secondary headteachers note that verbal expressions of interest have been put together with regard to potential offers of SRP hosting, but it is not clear where the forecasted figures have come from. **ACTION: Officers to confirm:**

- a. **Where the “2023-2024 forecast [of] 19 placements in SRPs (10 primary, 9 secondary)... and for 2024-2025 a further 14 placements in SRPs (5 primary, 9 secondary)” have been drawn from in forecasting.**
- b. **Where has the funding saving come from, if the numbers needed have not been verified?**

7b: Increased placements at KLS

This is not necessarily about increasing overall placements at Kennel Lane School, it is about reducing the number of pupils from outside of Bracknell Forest occupying places at Kennel Lane School. On speaking with headteacher representatives, it is felt that Bracknell Forest’s admissions and EYFS teams must work more rapidly to get needs identified and placements sought ahead of neighbouring local authorities, as Kennel Lane School cannot legally hold places in anticipation of Bracknell Forest pupils arriving to fill those spaces. **ACTION: Is there a cost involved in increasing the early identification and application process for Kennel Lane School places?** Currently, it is felt that there is not enough capacity to achieve a more rapid assessment and allocation of places for local pupils. It is also noted that the saving from this equates, over two financial years, to £0.168m, which is significantly lower than the current £9.322m spend on funding allocation to Non-maintained special schools and colleges. This is also budgeted to increase to £11.250m, so an increase of £1.928m spend in this area compared to £0.168m saving is not comparable or

financially viable. However, headteacher representatives do recognise that this process must be a 'bottom up' approach, and that savings may come in future years from the early and rapid identification of needs and allocation of local places. However, this was raised at least 7 or 8 years ago and has not been addressed; if it had been, the process would have been further along the roadmap and supporting a reduction in the deficit budget.

7c: Deliver training and support on inclusion to mainstream schools

Headteacher representatives do not believe this is an appropriate use of funds, and do not feel that this is based on research or strategy. The implication is that, by employing three specialists to train schools and governors, EHCP numbers will be reduced as schools will be able to better identify, support and include pupils in mainstream. The headteacher representatives disagree with this concept and its potential savings for a number of reasons:

- a. This concept of training for schools has not been consulted on or based on any research or data, from what can be seen in the paper.
- b. The number of forecasted reduced EHCPs does not appear to be based on any research or data, from what can be seen in the paper. This is certainly not a guarantee, and could lead to a greater deficit budget than estimated. The savings are also projected to equate to approximately £1.700m, which is a relatively low saving when compared to the 2025 deficit of £36.371m. Finally on reducing EHCPs, section 6.8 of the paper says EHCP numbers are rising, which does not appear to be taken into account in the cost-saving data within 7c.
- c. Increasing the "ability to meet the need of pupils for retention in mainstream schools" is likely to incur costs to support pupils (e.g. additional adjustments to the school environment) which have not been factored in. Despite these costs potentially coming from a separate budget, it does not provide a clear, open and fair picture of the costs or savings.
- d. There is an implication that schools are unable to adequately identify and support pupils with SEND, or may seek an EHCP when one is not needed, which does not appear to have any research attached to it. Headteacher representatives disagree with this implication.
- e. The number of EHCPs in Bracknell Forest is above the national number, but a study conducted a few years ago suggested that the higher number of pupils with autism or an ASD diagnosis may be linked to the higher than average concentration of 'blue chip' companies in the area and the type of person who may work for these companies. This has not been taken into account. The higher number of EHCPs could also be due to previously noted inconsistencies in decision making and approval of EHCPs within the SEND team.
- f. It appears that three full time posts have been created at ~£0.060m each for specialists. What are these specialisms? These are fixed term contracts again (until August 2024) – is this the best use of financial resources? This equates to £0.540m (2022-2025).

7d: KLS outreach and increased capacity

It is noted by headteacher representatives that increasing capacity at Kennel Lane School is of benefit, including the satellite school. However, the data on costs for refurbishing Kennel Lane School, creating a satellite school and staffing this are not clear when compared to the projected savings of £0.500m to £0.750m. There is a

possibility that the costs of operating the satellite school and setting up could be significantly above £0.750m. **ACTION: headteacher representatives seek clarification on financial plans and exact forecasts for savings.** The headteacher representatives recognise that some of these costs may come from another cost centre (such as the buildings or capital budget), but there is a risk of this providing an unclear picture of what the actual associated costs are.

7e: SEMH Hub

Headteacher representatives all agreed that this was a necessary and useful project to pursue. However, the representatives noted that it lacked a clear plan and appeared to have a net zero cost. **ACTION: headteacher representatives seek clarification on how this can have a net zero cost.**

3.2.1 That the Forum AGREES: That there are appropriate arrangements in place for: The education of pupils with SEN (paragraph 6.23), and

In a previous years' Schools' Forum meetings (since 2017), the representatives disagreed with this statement and requested that it was amended. **ACTION: Headteacher representatives disagree with this statement, and wish for an amendment to be made.** Headteacher representatives disagree that the education of pupils with SEN is appropriate with regard to Bracknell Forest Council's provision and support of SEND, but agrees that the education of pupils with SEN is appropriate with regard to schools' individual provisions for support of their pupils with SEND.

Headteacher representatives do not feel this statement can be agreed, as the joint CQC/Ofsted report on SEND in Bracknell Forest stated, amongst other comments, that:

- a Written Statement of Action (WSOA) is required.
- "There is a lack of appropriate educational provision within the borough for a significant proportion of children and young people with SEND."
- "...leaders in Bracknell Forest have made insufficient progress in implementing the 2014 reforms."
- "...while these plans demonstrate a sense of urgency, there is no clear strategy for how change will be brought about."
- "Co-production... is not effective."

With a WSOA requested, the headteacher representatives wish to read the response and strategy before being able to agree this statement. Headteacher representatives fail to see how this statement can be agreed when the Joint Inspection of SEND states that "there is a lack of appropriate educational provision within the borough for a significant proportion of children and young people with SEND."

3.2.2 That the Forum AGREES: That there are appropriate arrangements in place for: The use of pupil referral units and the education of children otherwise than at school (paragraph 6.23).

Headteacher representatives disagree with this statement. Whilst it is recognised that Pupil Referral Units in Bracknell Forest are providing appropriate provision for the

pupils they are supporting, the local authority's capacity to support a wider range of needs is not appropriate and requires development. This has been identified within the HNB budget report and in the general discussion regarding provision for pupils in Bracknell Forest and at previous meetings of the Schools' Forum.

General comments and detail on the budget

Over 5 years, income is forecasted to increase from £17.319m to £23.352m (+£6.033m). With all the interventions, the projected in-year spends for HNB over 5 years decreases from £7.715m to £6.140m (£1.575m). So, regardless of the interventions and plans to reduce costs, the savings (£3.439m from 2022-2025) are less than the new pressures (£6.115m from 2022-2025), which are also higher than the forecasted income to account for those pressures. This suggests that the plan is not bold enough or ambitious enough to affect the budget deficit long term.

Table 1: HNB Budget: Medium term financial forecast

Item	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Forecast income:					
HNB DSG income - gross	18.549	20.328	22.741	23.878	24.594
<i>Annual change</i>	1.658 9.8%	1.779 9.6%	2.413 11.9%	1.137 5.0%	0.716 3.0%
Adjustments:					
Net impact of places in other LAs / NMSS	-1.158	-0.894	-0.894	-0.894	-0.894
BF academy places deduction	-0.072	-0.256	-0.348	-0.348	-0.348
Net retained funding	17.319	19.178	21.499	22.636	23.352
<i>Annual change</i>	1.781 11.5%	1.859 10.7%	2.321 12.1%	1.137 5.3%	0.716 3.2%
Forecast spend - no interventions:					
Actual spend	22.143				
Forecast spend / rolling commitments		26.893	26.816	28.907	29.700
New pressure - additional placements			1.288	1.015	0.688
New pressure - specific items			0.123	0.100	0.100
New pressure - inflation			1.195	1.012	0.594
<i>Annual change</i>		4.750 21.5%	2.529 9.4%	1.611 5.6%	0.048 0.2%
Planned interventions:					
Increased use of SRPs			-0.124	-0.400	-0.658
Increased placements at KLS			0.000	-0.063	-0.105
Inclusion at mainstream schools			-0.391	-0.871	-0.827
Satellite special school with outreach			0.000	0.000	0.000
SEMH Hub			0.000	0.000	0.000
Forecast impact of interventions			-0.515	-1.334	-1.590
Cumulative savings			-0.515	-1.849	-3.439
Net spend after planned interventions		26.893	28.907	29.700	29.492
Start-up / diseconomy costs at new SRPs		0.177	0.210	0.072	0.000
Draw down from SRP reserve		-0.177	-0.210	-0.072	0.000
Anticipated funding gap after interventions:					

HNB under (-) / over (+) spend for the year	4.824	7.715	7.408	7.064	6.140
HNB surplus (-) / deficit (+) opening balance	3.220	8.044	15.759	23.167	30.231
HNB surplus (-) / deficit (+) closing balance	8.044	15.759	23.167	30.231	36.371
Deficit as a % of gross annual income		78%	102%	127%	148%
Memo item: DSG balance (Schools Budget)					
DSG Adjustment account balance	2.626	10.373	18.241	25.627	31.767
Less Earmarked Reserves	-1.878	-1.701	-1.241	-0.919	-0.919
DSG Deficit - Unallocated	4.504	12.074	19.482	26.546	32.686

The below information is from previous Schools' Forum meetings, and highlights the comments that have been made over the years, and concerns raised by Schools' Forum.

From Schools' Forum 11 March 2021:

RESOLVED

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

From Schools' Forum 16 January 2020:

RESOLVED, after considering the HNB budget proposals from the council to AGREE that:

1. the Executive Member:
 - i. sets the total initial Dedicated Schools Grant funded budget at £17.008m; it incorporates the changes set out in the supporting information and relevant budgets are therefore updated to those summarised in Annex 4 of the report;
 - ii. notes the £1.777 budget gap that will need to be managed through a further change programme with the HNB sub-group; and
 - iii. approves a Minimum Funding Guarantee for Kennel Lane Special school of plus 1.84%, the same amount as for mainstream schools (paragraph 6.10); and
2. there are appropriate financial arrangements in place for:
 - i. arrangements for pupils with special educational needs, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding; and
 - ii. arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding.

Forum noted that work needed to continue to ensure appropriate educational provision for students with special educational needs through the work of the HNB sub-group.

From Schools' Forum 14 March 2019:

The Forum was advised that historically there had been lots of spot-purchasing and there was not a strategic budget. It was acknowledged that there was a need for tighter future-needs forecasting underpinned by a greater understanding of the needs of children being born in Bracknell Forest. The Forum had previously considered in the meeting of the Forum held on 17 January 2019 setting up a Sub-Group of the Forum to work on a more strategic approach in closer partnership with the Council. It was recognised that the Council and schools were now working together more effectively and this was expected to be strengthened further by the Sub-Group.

Whilst the chairman, Martin Gocke, was unable to attend the meeting, he had read through the papers and the Forum noted his comments as follows:

- Martin expressed concern that the Schools Forum has historically not had enough information re HNB spending until the point at which decisions needed to be made.
- Martin was keen that the Forum be made more aware of how the various plans intended to make savings and better use of this resource, with outcomes properly reported back to the Forum.
- Regarding the proposal to establish a Sub Committee, Martin expressed the following reservations:
 - a. Paragraphs 6.9, 6.10 and 6.11 in the main report set out clearly the work that needed to be done and Martin's view was that a working group comprising Head Teachers, possibly SENCOs, Heads of other resource provision including Pupil Referral Services and KLS, and BFC officers was needed to progress that work as opposed to just having members of the Schools Forum.
 - b. Martin did not feel that he could commit to an additional six meetings per year as proposed.
- Martin agreed that there needed to be a link between any proposed group and the Schools Forum but felt that it should lie within the wider arrangements of the LA rather than the narrower confines of the Schools Forum.

RESOLVED, following consideration by the Forum of the HNB budget proposals from the Council, to AGREE that the Executive Member:

1. sets the total initial Dedicated Schools Grant funded budget at £15.409m, it incorporates the changes set out in the supporting information and amended Annex 3, and relevant budgets are therefore updated to those summarised in amended Annex 4;
2. NOTES the £0.111m budget gap that will need to be managed in-year through the change programme; and
3. APPROVES a Minimum Funding Guarantee for Kennel Lane Special School of plus 0.5%, the same amount as for mainstream schools (paragraph 6.13).

The Forum did NOT AGREE that there are appropriate arrangements in place for:

1. the education of pupils with SEN (paragraph 6.15); and
2. the use of pupil referral units and the education of children otherwise than at school (paragraph 6.15).

RESOLVED, to DEFER until the first meeting of the Sub-Group the proposal to agree the terms of reference for the Schools Forum HNB Sub-Committee, as set out in Annex 6.

The Forum noted that, whilst they could not agree that there were "appropriate arrangements", there had been some recent positive steps taken to improve this; in particular there had been significant investment in Kennel Lane School which would help to avoid expensive out-of-area placements. It was felt that the Council was moving in the right direction.

The table below shows the budget requested to be agreed by Schools' Forum members (underlined) and, where information was given, the **in-year deficit / forecast in-year deficit** and the **cumulative deficit / forecast cumulative deficit**. Since 2018, the budget has increased by +£14.294m, used up the 2019-2020 DSG reserve of £2.499m and continued to run a deficit.

SF	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
2018 (18-19 budget)	<u>£14.613m</u>						
2019 (19-20 budget)		<u>£15.409m</u>					
2020 (20-21 budget)		-£0.100m	<u>£17.008m</u> -£1.777m -£1.777m	-£1.402m -£3.178m	-£1.582m -£4.761m		
2021 (21-22 budget)		-£0.141m	-£5.378m -£5.519m	<u>£18.998m</u> -£5.698m -£11.217m	-£5.999m -£17.216m		

2022 (22-23 budget)		-£3.220m	-£4.824m -£8.044m	-£7.715m -£15.759	<u>£28.907m</u> -£7.408 -£23.167	-£7.064 -£30.231	-£6.140 -£36.371
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It also indicates that each Schools' Forum report provides a future picture which, as the years progress, becomes a larger deficit than forecast. The figures and forecasts for deficit appear to change as the years progress (which is understandable to a degree as the budget's future:present gap is reduced), but still is always a significantly larger deficit than expected. This might indicate a lack of accuracy in planning, spending and monitoring of these budgets.

E.g. In 2020, Schools' Forum were told the 2020-2021 deficit would be -£1.777m, then -£3.178m in 2021-2022 and -£4.761m in 2022-2023. However, when we get to 2021, Schools' Forum were told the actual 2020-2021 deficit was -£5.519 (a deficit of £3.742m more than predicted), and the 2021-2022 was now -£11.217m instead of -£3.178m (a deficit of £8.039m more than predicted).

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TO: Schools Forum
DATE: 29 March 2022

2022-23 Proposals for the High Needs Block Budget Executive Director of People

1. Purpose of Report

- 1.1 The purpose of this report is to seek comments on the detailed budget proposals for the High Needs Block (HNB) element of the Schools Budget that are being presented now by the Council. In line with the statutory funding framework, there are also a small number of decisions for the Forum to take.

2. Executive Summary

- 2.1 The HNB funds support for children and young people with the most challenging educational requirements. It is the most complex part of school funding framework, with budgets needing to be set before a number of funding allocations are confirmed by the Department for Education (DfE).
- 2.2 The previous meeting of the Schools Forum on 10 March could not agree the initial 2022-23 budgets proposed for the High Needs Block (HNB), specifically those related to the developmental savings initiatives. Work with representative headteachers has subsequently been undertaken that has provided further detail and clarity on the SEND strategy and resultant budget implications with an acceptance that based on existing information, the current proposals are reasonable, but that further work is required to the medium-term financial forecasts and that options need to be presented to the Forum in autumn term 2022 that outline how a budget can be set that ensures planned expenditure can be contained within forecast income.
- 2.3 The proposals in this report are therefore unchanged from those presented to the Forum on 10 March with the medium-term financial forecast to 31 March 2025 indicating a cumulative deficit at 31 March 2025 of £36.371m. An additional recommendation has been added to commit the council to produce options to balance the medium term HNB budget, to be presented in autumn term 2022.

3 Recommendations

3.1 That the Forum agrees that the Executive Member:

- 1. sets the total HNB budget at £28.907m,**
- 2. releases £0.210m of funds from the SEND Units Reserve to finance ongoing diseconomy costs at the new Special Resource Provisions**
- 3. confirms the changes set out in the supporting information at Table 1 and Annex 2 of Appendix 1**
- 4. confirms relevant budgets to those summarised in Annex 3, Appendix 1.**
- 5. ensures that a medium-term financial plan is presented to the Forum in the autumn term 2022, setting out options to balance annual expenditure to annual income**

3.2 That the Forum comments on the appropriateness of arrangements in place for:

- 1. The education of pupils with SEN (paragraph 6.19), and**
- 2. The use of pupil referral units and the education of children otherwise than at school (paragraph 6.196.19).**

3.3 That the Forum notes the forecast financial position of the HNB Budget at Table 1, which shows a forecast £7.408m over spending in 2022-23 and a £36.371m cumulative deficit as at the end of March 2025.

4 Reasons for Recommendations

4.1 To ensure that the HNB Budget is set in accordance with the funding framework, the expected needs of pupils and that the views of the Schools Forum are considered.

5 Alternative Options Considered

5.1 The proposals reflect the actions contained in the SEND Commissioning Strategy.

6 Supporting Information

Background

6.1 Initial 2022-23 budget proposals for the HNB were presented to the previous meeting of the Forum on 10 March for comment, together with the statutory consultation with the Forum on the appropriateness of provisions for education of pupils with SEN and the use of pupil referral units and the education of children otherwise than at school.

6.2 Following debate, the Chair summarised that the Forum did not have sufficient confidence in the details included in the report for the new savings developments to agree the recommendations relating to the resultant HNB budget proposals and provisions for pupils. However, there was a recognition that the budgets supporting ongoing services were acceptable.

6.3 In order to progress the developmental elements of the budget, the Forum agreed that an additional meeting would be held and that a small group of representative Headteachers from the Forum would meet in advance with LA officers to plan what was required to be presented to enable a budget for 2022-23 to be agreed.

LA Officer / Headteacher planning meeting

6.4 This meeting took place on 14 March, for which LA officers circulated in advance responses to the comments and questions raised in the *Notes and views of headteacher representatives* that were talked to at the 10 March Forum meeting. Additional context and financial details were also circulated relating to the development budget proposals contained in paragraph 6.16 point 7 of the *2022-23 Proposals for the High Needs Block Budget* agenda item.

For information, the *2022-23 Proposals for the High Needs Block Budget* is included in full at Appendix 1.

- 6.5 In summary, the headteacher representatives attending the planning meeting concluded that the Forum required:
1. further clarity and context on the SEND strategy
 2. the developmental budget proposals contained in the *2022-23 Proposals for the High Needs Block Budget* reported to the 10 March Forum (paragraph 6.16 point 7 of Appendix 1) be re-presented with additional information and financial details
 3. a medium-term financial plan to be presented in autumn term 2022 setting out options to balance annual spend to annual income
- 6.6 In terms of producing options for a balanced budget within 5 years, the council shares this ambition with schools, however there are areas that are dependent on the development of sites, cooperation of Headteachers and governors and greater retention of pupils in BF schools. Achieving the ambition will be reliant on successful and timely progress on all these areas.
- 6.7 There was also a recognition that decisions needed to be made on the allocation of funds for 2022-23 for which the vast majority related to updating budgets to current levels of commitments together with adding new provision for general budget pressures around the anticipated increased numbers of pupils receiving EHCPs, pay and price inflation and a small number of specific growth items. It was agreed that the proposals originally presented for these items should be agreed, together with forecast DSG income. This is items 1-6 inclusive below in paragraph 6.12 which remain unchanged from the 10 March Forum report.
- 6.8 There was also acceptance that the developmental budget proposals were medium term in nature and had the potential to deliver greater savings than indicated, but at this stage insufficient information was available to confidently include forecast financial effects in reported predictions. Additionally, some of the proposals would deliver significant financial benefits outside the current forecast period.
- 6.9 Having received additional information on the -£0.515m package of 2022-23 developmental budget savings, the headteacher representatives agreed that the original proposals should be re-presented to the Forum, but with additional information. This is item 7 below in paragraph 6.12, with changes from the 10 March Forum meeting shaded yellow.

SEND strategy

- 6.10 There are key areas required to reduce the budget deficit and ensure best provision and value for money:
- Ensure that systems are efficient and best value for money by ensuring greater scrutiny regarding budget spend. Also ensure that the Commissioning service are involved in placements to negotiate best value costs for necessary placements and detailed SLAs detailing the services agreed, which can then be audited against with regards to delivery and quality. These are now in place and savings identified, during the 2021-22 budget.
 - Early intervention and top up funding awarded through a rigorous panel process, is in development. Early identification, support and intervention when implemented well, is acknowledged as the most effective process to stop SEND issues escalating. This is being developed with schools and supported by the

Early Years and CDC team, SEN specialist teams, STEPs and via the SENCo forum. This work has started.

- The highest cost to the High Needs Block budget is the 300 out of borough placements, annual fees circa £14m per year. The reason for these placements is due to a lack of placements within borough and under the SEN Code of Practice a requirement to provide children and young people with appropriate provision. If there is no in borough provision, parents are supported by the tribunal process to insist and be allocated the placement they choose, irrelevant of cost. To address this lack of provision SRP's and a unit have been developed, a review of capacity and potential expansion of Kennel Lane School has started and potential developments, with regard to secondary phase SRP's / unit and an SEMH hub are now under discussion and consideration. To support this a SEND sufficiency survey has been undertaken to further identify developing demand. This has been incorporated in the Capital Strategy document which is currently in consultation and sign off process. Therefore, the key area where savings can be made will be to identify and develop the required in borough SEND placement provision, which would be significantly lower in cost compared to the independent and therefore reduce this significant spend.
- Transition points are the key to moving children and young people into new placements. Processes to identify need and placements have now been developed, which then will assist place planning in the future. It is extremely difficult and not accepted practice to move a child or young person outside transition points; parents and families will be very resistant, particularly when the child is settled and doing well. Therefore, once new provision has been developed, it will be essential to identify which children and the appropriate transition point when families will be advised to move them into these placements. This process is not a short term but a medium term strategy dependent on the development of the in borough provision and the related timelines in delivering the actual provision and then moving children and young people into that provision.
- Parents and families need to be engaged in the process, therefore we have started to engage and develop regular parent forum meetings, which are starting to gain momentum.

- 6.11 In the short term, the main savings will be achieved by ensuring efficiencies. In the medium to long term there is a need to implement early response, intervention, strong inclusive practice, training and support to meet the needs of more young people in mainstream schools, then when their needs exceed the capacity of support available ensure that we have sufficient provision, in borough, for them to have more specialist provision. In the long term only the most complex young people with SEND who require education and residential provision would likely be educated out of borough which in current figures would be around six in number.

Budget Proposals (changes from 10 March Forum report are shaded yellow).

- 6.12 Financial forecasts for the HNB Budget have previously been completed to the end of the 2019 Spending Review (SR) proposals which ran to March 2023. With the SR21 having now been published, and a new medium-term plan required, revised forecasts have been produced for 2022-23 and new ones included through to 2024-25. As well as reflecting the latest government spending announcements, they also incorporate current on-going commitments, key assumptions relating to new requirements and the revised expectations relating to the delivery of the savings included in the SEND Commissioning Plan. These are summarised in Table 1, with more commentary below, split between 2022-23 impact and future years:

The 2022-23 budget proposals for the High Needs Block presented to the Forum on 10 March is shown in paragraph 6.16 of Appendix 1.

1. As set out above, there is expected to be a £2.321m (+12.1%) cash increase in DSG income from the DfE for 2022-23. This is a provisional increase and is expected to change when final census data for SEND placements are confirmed in June, including the updated import / export adjustment between LAs for out of borough placements.
2. Whilst detailed government spending plans for the period 2023-25 are not known, the DfE are advising LAs to “use an assumption of a 5% year-on-year increase in 2023 to 2024, and 3% beyond that”. This suggests increases of around £1.137m in 2023-24 and £0.716m in 2024-25.
3. £7.638m additional spend to bring the 2021-22 forecast overspend compared to the £19.178m DSG income into the on-going base budget calculation and therefore reflect the medium-term nature that most of the newly made commitments represent on budgets. Rolling commitments therefore amount to £26.816m. The aggregation of columns C and E of Annex 1 set out the 2021-22 on-going spend requirement in 2022-23.
4. £1.288m for annual increases in the number of EHCP pupils which are forecast to increase by 7% (79 extra EHCPs), compared to 10% between January 2021 and 2022 and 16% between January 2020 and 2021.

To reflect the graduated approach to learning, there is an expectation that a high proportion of pupils will remain in mainstream settings and therefore 75% of new places are assumed to be placed in mainstream settings, 5% in SRPs, 10% in special schools and 10% in PVI special schools.

The rate of increase in EHCP pupils is forecast to continue to rise in future years but reducing to 5% (60) in 2023-24 and 3% in 2024-25 (38). This equates to further pressures of circa £1.015m and £0.688m.

5. £0.123m for the following specific new 2022-23 budget pressures:
 - a. A re-banding of a number of students at Kennel Lane Special (KLS) School will result in net additional funding of £0.085m.
 - b. With the Rise ASD Resource Provision now open to all year groups and close to full capacity, charges to other LAs for out of borough placements will no longer include an addition to contribute to start-up and diseconomy costs. Current budgeted income will not therefore be achieved and has therefore been removed (£0.038m).

Whilst no specific items have been identified as arising in future years, for budget planning purposes, the assumption is that a similar amount of pressure will emerge each year and is therefore included in the medium-term financial plan.

6. £1.195m for annual inflationary increases (average 4.4%) from:
 - a. 3.9% for provisions in LA schools and services centrally managed by the council. This is the mid-point estimate of expected cost increases in mainstream schools, as reported to the Forum in January. It takes account of anticipated pay awards, increases in LG pension costs, general price inflation and the 1.25% increase in employer NI contributions through the Health and Social Care Levy.

This means top up funding (Element 3) for mainstream schools will increase by 3.9%.

For the specialist SEND providers – Kennel Lane Special School, College Hall Pupil Referral Unit and the SRPs – where funding follows the DfE “place-plus” approach, as the funding threshold set by the DfE remains unchanged for commissioned places at £10,000, additional funding for inflation can only be paid to schools through adjusting top up funding (Element 3). To ensure these providers are adequately funded to an overall inflation uplift of 3.9%, the top up rates will therefore need to increase by a higher rate than 3.9%.

The precise rate of increase will vary by provider and will depend on the different proportions of place to top up funding each school’s budget comprises and will typically amount to around 6%. A similar rate of increase is assumed to be applied for BF placements in other LA schools.

- b. 5.0% for provisions in PVI and other external settings, reflecting the agreed increases to the National Living Wage and National Minimum Wage rates (most common rates increasing between 4.1% and 9.8%), Health and Social Care Levy and other pressures

Inflation is expected to be at a lower rate of increase in future years, with 3.5% assumed for 2023-24 and 2.0% for 2024-25. These assumptions indicate cost increases of £1.010m and £0.594m respectively.

7. -£0.515m aggregate cost reductions from the updated savings plan from:

- a. Increased use of SRPs: The primary school SRPs that opened in September 2021 – Birch Hill, Harmanswater, Owlsmoor, the Pines and Sandy Lane - now have 32 BF resident pupils on roll, with a notional capacity of around 70. In discussion with the schools, a further 15 placements to 47 are expected from September 2022. The projected impact of this additional in-borough capacity is to have prevented 12 higher cost placements, with 3 pupils likely to have remained in mainstream settings with appropriate levels of additional financial support.

To help manage the start-up and diseconomy costs anticipated for the first 2 years in the SRPs opened in September 2021 as pupil numbers build up to a financially viable level, the Forum has previously agreed to the creation of an SRP Development Reserve – initially to support the opening of the Rise ASD provision at Garth Hill College with the potential for more provisions in the future - which at the start of the financial year held £0.459m. Funding of £0.177m is expected to be required in 2021-22 compared to the £0.143m estimated when the budget was set, and a further estimated £0.210m in 2022-23. The remaining £0.072m balance is expected to be utilised in 2023-24.

The budget proposals for SRPs therefore include using all of this Reserve funding for start-up and diseconomy costs. The amounts quoted below are therefore the amounts funded by the DSG.

This initiative is not expected to impact on the overall number of EHCPs but rather to use a lower cost provision. Savings increase as more pupils are admitted to SRPs with a net saving of £0.124m forecast for 2022-23, primary through fewer placements in special schools, both maintained and private, voluntary and independent (PVI) sector.

The impacts in 2023-24 are forecast to involve a further 19 placements in SRPs (10 primary, 9 secondary). The forecast for primary school admissions is based on remaining places and discussions with relevant schools. For secondary school admissions, these are in the early planning stage and therefore more speculative. The forecasts allow for 3 provisions, each admitting 3 pupils per year) with net additional savings of £0.400m, and for 2024-25 a further 14 placements in SRPs (5 primary, 9 secondary). These forecasts are calculated on the same basis as per those for 2023-24) and additional net savings of £0.658m.

In summary, for primary school SRPs, 47 placements are expected at September 2022, plus a further 15 in the next 2 years, up to 62 at September 2023 compared to around 70 available places. This makes allowance for some other LA pupils and vacancies. Delivery of places in secondary school SRPs will be determined through discussions with interested schools and therefore remain in outline numbers of 9 admissions at the start of each academic year.

As the SEN Development Reserve is expected to be fully utilised in 2023-24, diseconomy costs arising at the planned Secondary schools SRPs will need to be funded from within the overall DSG income.

- b. Increase the number of BF resident pupils attending KLS School
Planning conditions limit the capacity at KLS to 198 students and BF commissions all these places. Current admissions information indicates there are 197.5 FTE students on roll, split 160.5 FTE BF resident and 37 other LAs.

Whilst it is recognised that there will always be cross border movement of students between special schools and SRPs, placing a higher number of BF resident students in KLS remains an objective to support more students in their home community as well as reducing travelling time, carbon emissions and costs. The council is working to increase local student placements with the aim of increased BF admissions and no other LA admissions into EYFS from September 2023.

The budget assumes 5 extra BF resident pupils attending KLS in Early Years Foundation Stage (EYFS) in September 2023, with similar increase each subsequent September. This reflects the current 5 other LA pupils at KLS EYFS.

If successful, this is expected to result in savings to the HNB of £0.063m in 2023-24 and a further £0.105m in 2024-25. Savings are expected to continue to grow in future years.

- c. Increase the number of pupils receiving support in mainstream schools:
Improving training and support to schools, including governors, and where relevant, allocating additional financial resources to enable earlier intervention and an increased ability to meet the need of pupils in mainstream schools.

This will require investment in 3.0 FTE specialist support staff at SENCO equivalent skills, one for each locality area, for a time limited period to from April 2022 to August 2024. This would be supplemented with on-going additional top up funding for mainstream schools to reflect the

higher support needs being managed. The forecasts assume that for each external placement avoided, the mainstream school retaining the high needs pupil would receive additional financial support in accordance with the funding matrix. This is estimated at an average £10,000 per pupil.

This is expected to reduce the number of requests for high cost, external placements with overall numbers of EHCPs not expected to reduce initially. An overall reduction in EHCPs can be expected over time as schools benefit from additional Early Help, other support and training to prevent some pupil needs progressing to an EHCP. There is expected to be scope in future years to increase savings once implemented and outcomes from the initiative emerges.

This initiative is expected to reduce the number of high cost EHCPs by 23 by the end of 2022, primarily with less PVI and alternative provision (AP) placements, with a part year effect saving of £0.695m, reducing to £0.391m once the additional for mainstream schools is taken into account.

The impacts in 2023-24 are forecast at a further reduction of 18 high cost EHCPs by year end and further net saving of £0.871m, and for 2024-25 at a further reduction of 14 high cost EHCPs and a net saving of £0.827m.

d. KLS outreach and increased capacity.

With demand for local special school places exceeding the available capacity at KLS, discussions are underway to explore the feasibility of two solutions.

Firstly, an outreach service to support children and young people stay within their mainstream settings. The outreach offer is expected to involve a small number of staff supporting schools with the most challenging pupils and is expected to be cost neutral to operate. This could be through the impact of resultant cost reductions, a traded service or a combination of both.

Secondly, an initial discussion has taken place about KLS operating a satellite site at another location. At this stage, the capacity for the satellite site is expected to be for approximately 40 children. This would then increase capacity at the main KLS site as some learners currently based there would transition to the new satellite. For planning purposes, opening a satellite site is expected to be from September 2023. In addition, the current KLS site will need refurbishing / repurposing. This work can take place prior to September 2023.

The financial assumptions are that 10 extra places will be available for KLS from September 2023, increasing by 10 each subsequent September, with full capacity achieved in 4 years. It is assumed that external places avoided will occur at a slower pace, with approximately half this number of places avoided initially, eventually reaching a similar level to the 40 new places expected to be available to KLS. Cost per place is assumed to be at the highest level currently provided at KLS, with savings at 85% of the average external placement.

Therefore, the budget assumes this provision grows over time with KLS able to take more pupils into EYFS / KS1 by moving current numbers off site to the new provision or putting the new provision on the new site. There is no expectation that all 40 places will be filled immediately as that will require a large number of pupils moving from their existing provision.

Whilst savings from reduced numbers of out of borough placements are expected at around £0.020m per pupil, due to the likelihood of needing to incur start-up and diseconomy costs, there is not expected to be any significant financial impact from this initiative over the current medium-term period to the end of 2024-25. At full capacity, annual savings of between £0.500m and £0.750m are forecast.

e. Social, Emotional and Mental Health (SEMH) Hub.

As well as seeking to increase the number of special school places at KLS, there is also an ambition to provide more local support to pupils with SEMH needs.

Early planning is underway for an SEMH Hub, with the potential to offer an assessment service as well as placements. At this stage, the intention is to provide around 30 places with capacity to undertake 10 assessments a term, with each assessment lasting 2 terms. For planning purposes, opening is expected to be from September 2023.

The anticipated delivery outcomes from this proposal are similar to those for the KLS satellite proposal above.]

The budget assumptions are also similar to KLS satellite. There are expected to be 10 new places available from September 2023, increasing by 10 each subsequent September, with full capacity achieved in 3 years. It is assumed that external places avoided will occur at a slower pace, with approximately half this number of places avoided initially, eventually reaching a similar level to the 30 new places expected to be available. Cost per place is assumed to be at the highest level currently provided at KLS plus £5,000, with savings at 85% of the average external SEMH specific placement.

Therefore, the budget assumes this provision grows over time. There is no expectation that all 30 places will be filled immediately as that will require a large number of pupils moving from their existing provision.

As with the proposal to increase capacity at KLS, this initiative would generate savings from reduced numbers of out of borough placements. However, due to the likelihood of needing to incur start-up and diseconomy costs, there is not expected to be any significant financial impact from this initiative over the current medium-term period to the end of 2024-25. At full capacity, annual savings of between £0.500m and £0.750m are forecast.

- 6.13 To reflect the long-term nature of implementation of these initiatives as well as risks around the assumptions made on volatile, high-cost budgets, it is important to remember that the medium-term financial plan will be updated on a regular basis with the expectation that the anticipated financial implications will also be subject to change. This is particularly relevant at this point in time as most of the large-scale new developments

are in their initial stages, or yet to commence, and therefore lack sufficient actual evidence of impact to present confirmed financial implications.

- 6.14 Furthermore, a number of the savings plan items set out above will also require a detailed business case to verify current forecast outcomes. Some will also require capital funding for which costs have yet to be quantified or funding sources identified.

Updated HNB Budget Medium term financial forecast

- 6.15 Table 1 below sets out a summary of the revised medium-term budget plan, reflecting the changes set out above. The forecast deficit at 31 March 2025 is £36.371m and includes savings in 2024-25 of £3.439m.
- 6.16 There is a forecast over spending in 2022-23 of £7.408m which reduces to £6.140m in 2024-25 and reflects the longer-term nature to implement the largest aspects of the plan, with a number being invest to save projects requiring additional spending in the shorter term.
- 6.17 Due to the volatile and unpredictable nature of pupil needs it is not always certain where the most suitable support arrangements are and where the education support will ultimately be delivered. The detailed budget changes anticipated at service level are set out in Annex 2 with Annex 3 showing the resultant summarised budget lines.

Table 1: HNB Budget: Medium term financial forecast

Item	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Forecast income:					
HNB DSG income - gross	18.549	20.328	22.741	23.878	24.594
<i>Annual change</i>	1.658 9.8%	1.779 9.6%	2.413 11.9%	1.137 5.0%	0.716 3.0%
Adjustments:					
Net impact of places in other LAs / NMSS	-1.158	-0.894	-0.894	-0.894	-0.894
BF academy places deduction	-0.072	-0.256	-0.348	-0.348	-0.348
Net retained funding	17.319	19.178	21.499	22.636	23.352
<i>Annual change</i>	1.781 11.5%	1.859 10.7%	2.321 12.1%	1.137 5.3%	0.716 3.2%
Forecast spend - no interventions:					
Actual spend	22.143				
Forecast spend / rolling commitments		26.893	26.816	28.907	29.700
New pressure - additional placements			1.288	1.015	0.688
New pressure - specific items			0.123	0.100	0.100
New pressure - inflation			1.195	1.012	0.594
<i>Annual change</i>		4.750 21.5%	2.529 9.4%	1.611 5.6%	0.048 0.2%
Planned interventions:					
Increased use of SRPs			-0.124	-0.400	-0.658
Increased placements at KLS			0.000	-0.063	-0.105
Inclusion at mainstream schools			-0.391	-0.871	-0.827
Satellite special school with outreach			0.000	0.000	0.000
SEMH Hub			0.000	0.000	0.000
Forecast impact of interventions			-0.515	-1.334	-1.590
Cumulative savings			-0.515	-1.849	-3.439
Net spend after planned interventions		26.893	28.907	29.700	29.492
Start-up / diseconomy costs at new SRPs		0.177	0.210	0.072	0.000
Draw down from SRP reserve		-0.177	-0.210	-0.072	0.000
Anticipated funding gap after interventions:					
HNB under (-) / over (+) spend for the year	4.824	7.715	7.408	7.064	6.140
HNB surplus (-) / deficit (+) opening balance	3.220	8.044	15.759	23.167	30.231
HNB surplus (-) / deficit (+) closing balance	8.044	15.759	23.167	30.231	36.371
Deficit as a % of gross annual income		78%	102%	127%	148%
Memo item: DSG balance (Schools Budget)					
DSG Adjustment account balance	2.626	10.373	18.241	25.627	31.767
Less Earmarked Reserves	-1.878	-1.701	-1.241	-0.919	-0.919
DSG Deficit - Unallocated	4.504	12.074	19.482	26.546	32.686

Responsibilities of the Schools Forum

- 6.18 The Forum is requested to agree that the Executive Member sets the 2022-23 budget on these proposals, as summarised in Table 1. Whilst the duty to set the HNB budget rests with LAs, the views of the Forum are an important part of the process and have always been considered by the Executive Member.
- 6.19 There are 2 specific areas on HNB budgets where the Forum has a statutory role to play in setting the HNB, and this involves “giving a view” on:
- arrangements for pupils with special educational needs, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding
 - arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding

Views from the Forum are sought on these matters.

Next Steps

- 6.20 The views of the Schools Forum regarding these 2022-23 budget proposals from the council will be considered by the Executive Member on 30 March, when a final decision will be made on HNB budgets. With the expectation that the budgets for updated on-going services in paragraph 6.12 points 1 – 6 will be agreed, provisional HNB funding allocations to schools will be provided in accordance with the current plan of work commencing 21 March.
- 6.21 Considerable further work is required to eliminate the circa £6m - £7m underlying annual budget gap, with a detailed update to be provided to the Forum in autumn term 2022.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 7.2 The financial implications anticipated at this stage confirm the expected significant financial difficulties that will arise on HNB budgets. A number of developments are planned that are expected to contribute over the medium-term to widening choice and cost reduction. However, a significant funding gap remains, and further work is required to move to a sustainable budget position.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 There are strategic risks around ensuring all schools remain financially stable as well as ensuring pupils with SEND receive timely and appropriate support for their education. A

failure to develop a plan for a sustainable HNB budget will create a risk of needing to make more drastic changes at a later date.

8 CONSULTATION

Principal Groups Consulted

- 8.1 The Schools Forum, including the HNB sub-group, representative Headteachers and the People Directorate Management Team.

Method of Consultation

- 8.2 Meetings and written reports.

Representations Received

- 8.3 Incorporated into this 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/\(110\) 290322/2022-23 HNB Budget Preparations - 29 March 2022 v1.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(110)%20290322/2022-23%20HNB%20Budget%20Preparations%20-%2029%20March%202022%20v1.docx)

TO: SCHOOLS FORUM
DATE: 10 MARCH 2022

2022-23 PROPOSALS FOR THE HIGH NEEDS BLOCK BUDGET
Executive Director of People

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek comments on the detailed budget proposals for the High Needs Block (HNB) element of the Schools Budget that are being presented now by the Council. In line with the statutory funding framework, there are also a small number of decisions for the Forum to take.
- 1.2 Comments are being sought so that they can be considered before the Executive Member makes the formal decision on relevant matters.

2. EXECUTIVE SUMMARY

- 2.1 The HNB funds support for children and young people with the most challenging educational requirements. It is the most complex part of school funding framework, with budgets needing to be set before a number of funding allocations are confirmed by the Department for Education (DfE).
- 2.2 Whilst the total cash provided by the DfE for the Bracknell Forest (BF) HNB will increase by 12% in 2022-23 to £21.499m, as in previous years, this is insufficient to meet the demands forecast.
- 2.3 Taking account of the update on progress against the actions contained within the SEND Commissioning Plan, the revised medium-term financial forecast to 31 March 2025 indicates a cumulative deficit at 31 March 2025 of £36.371m which is 148% of annual income. Annual deficits forecast in the period range from between £7.408m and £6.140m.
- 2.4 In respect of DfE liability to underwrite accumulated debt on HN budgets, recent communications have suggested that this is for a 3-year time limited period to enable councils to move towards a position of containing annual expenditure within annual income. Councils are also advised to be planning to manage any accumulated debt at April 2023 from their own resources. With a forecast cumulative deficit of £36.371m, this is clearly not an affordable position for a small unitary authority like Bracknell Forest and it is essential that emerging plans to address the deficit are agreed and enacted by the Council and schools.
- 2.5 The financial challenges being experienced are not unique to BF with many LAs having to set deficit budgets. This is further illustrated from the publication of a recent national survey by LAs where over 90% of respondents indicated their HNB budget was in deficit.
- 2.6 Work will continue in partnership with the HNB sub-group of the Schools Forum to develop further service improvements and cost reductions to remove the underlying funding gap and tackle the accumulated deficit. The 2022-23 budget forecasts a £7.408m over spending and includes anticipated savings of £0.515m which are forecast to rise to £3.439m in 2024-25. Further savings will be made in future years

as a number of the actions are invest to save schemes that take time to achieve fully the financial benefits. This is a significant challenge to what are sensitive budgets.

3 RECOMMENDATIONS

That the Forum AGREES:

3.1 That the Executive Member:

- 6. sets the total HNB budget at £28.907m,**
- 7. releases £0.210m of funds from the SEND Units Reserve to finance ongoing diseconomy costs at the new Special Resource Provisions**
- 8. confirms the changes set out in the supporting information (Table 1 and Annex 2) and relevant budgets are therefore updated to those summarised in Annex 3.**

3.2 That there are appropriate arrangements in place for:

- 4. The education of pupils with SEN (paragraph 6.23), and**
- 5. The use of pupil referral units and the education of children otherwise than at school (paragraph 6.23).**

That the FORUM notes:

3.3 The updated forecast financial position of the HNB Budget at Table 1, which shows a forecast £7.408m over spending in 2022-23 and a £36.371m cumulative deficit as at the end of March 2025.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the HNB Budget is set in accordance with the funding framework, the expected needs of pupils and that the views of the Schools Forum are considered.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 A range of options have been considered with the HNB sub-group as the recovery plan is further developed.

6 SUPPORTING INFORMATION

Funding Framework

- 6.1 The HNB element of the Dedicated Schools Grant¹ (DSG) is allocated to Local Authorities (LAs) by the DfE through a national funding formula (NFF) to support pupils with Special Educational Needs and Disability (SEND) and is intended to fund a continuum of provision for relevant pupils and students from 0-24. It is a ring-fenced grant that defines the areas of permitted spend against which LAs in general commission services from providers. In-house arrangements are made for a relatively small number of provisions.

¹ DSG is the ringfenced grant used by the DfE to fund LAs for prescribed education related services.

More information on the scope of the HNB DSG and the determination of each LAs funding is set out in Annex 1.

Financial context - national

- 6.2 As previously reported, in response to the continuing growth in deficits on HNB budgets, in January 2020, the DfE updated the status of the DSG ring-fence to make clear that any deficit must be carried forward to the Schools Budget in the next financial year or future financial years. This is intended to confirm that no liability for a deficit will fall onto an LAs General Fund to fund from general income. In addition, LAs were no longer permitted to use their General Fund income to finance the Schools Budget without express permission of the Secretary of State.
- 6.3 Whilst the legal framework requires accumulated DSG deficits to remain within the Schools Budget and outside the funding responsibility of LAs, day to day operational decisions continue to rest with LAs and as with all decisions around spending of public money, these are taken in accordance with the normal rules and professional financial management standards required by the Council in the Financial Regulations and other Financial Procedure documents.
- 6.4 Recent communications have suggested that DfE liability to underwrite accumulated debt on HN budgets will be limited to a 3-year time period to enable councils to move towards a position of containing annual expenditure within annual income. Councils are also advised to be planning to manage any accumulated debt at April 2023 from their own resources, although DfE have been providing financial assistance to some LAs. With a forecast cumulative deficit at 31 March 2025 of £36.371m, this is clearly not an affordable position for a small unitary authority like Bracknell Forest and it is essential that emerging plans to address the deficit are agreed and enacted by the Council and schools.
- 6.5 To add some current context to national HNB budget information, 77 LAs (52% response rate), including BFC, completed a financial survey in autumn 2020 to provide key statistics around their SEND budgets to illustrate how well councils were managing their funding in 2020-21. This showed that 69 expected SEND budgets to be in deficit for 2020-21, with only eight expecting to have a balance or to finish even, and three expect their cumulative deficits to be more than their annual income.
- 6.6 The Forum is aware that the government are undertaking a significant review of SEND. The SEND Review is considering improvements to make sure that the SEND system is consistent, high quality, and integrated across education, health and care, and to make it financially sustainable for the future. DfE has yet to confirm an expected publication date, but this could ultimately result in significant changes.

Financial context - local

- 6.7 The BF HNB budget first moved into an overspend in 2019-20 at £3.220m, rising to £4.824m in 2020-21 with the current forecast for 2021-22 (reporting cycle to 31 December 2021) at £7.715m. This compares to the £5.699m over spending anticipated when the 2021-22 budget was set. The cumulative deficit on the HNB budget at 31 March 2022 is therefore forecast to be £15.759m, equivalent to 78% of the DSG income received in 2021-22.

6.8 As previously reported, the key factors affecting the financial pressure are:

- Significant cost pressures are being experienced, which is a national issue, and not just limited to BF, with the number of pupils with a statement or Education Health and Care Plan (EHCP)² having increased in the 3 years between January 2018 and January 2021 by 35% from 319,819 to 430,697³. The change in BF shows a 49% increase from 692 to 1,031. It should be noted that from 1 April 2018, local authorities must have transferred all children and young people with Statements of SEN, who meet the criteria for EHCP, or have made a decision that it was not necessary to issue an EHCP.
- The increasing reliance on external placements, with the cost of private, voluntary, and independent (PVI) sector providers over the same period increasing by 65%.
- During the period 2017-18 to 2020-21, retained grant income from the DfE has increased by 18%.

6.9 It has been previously agreed that the Forum's HNB Sub Group would work with the council on a plan to reduce costs and be in a position in the medium-term to balance annual expenditure to annual income. The SEND Commissioning Plan details the current approach and actions.

6.10 The High Needs Sub Group meet monthly and have further developed the work around SLA's for the SRP's, changes to the current Banding Matrix and progressing to consider Transition between phases, which are key points when provision is reviewed and new provision commissioned. The SEND Improvement Partnership Board has developed five Working Groups, each with a focus on a priority contained in the SEND Action Plan. These groups will focus on progressing each priority and will report back to the strengthened Board, which is now chaired by the Executive Corporate Director.

Current progress

6.11 In terms of recent progress, the November 2021 Forum meeting received a detailed update on progress. The key points presented were:

There are six project workstreams: governance framework and processes, building relationships, service and process review, data, developing the market for SEND / AP and support, and commissioning.

1. Governance framework and processes: Historically, the SEN team had just worked with spreadsheets, with EHCP processes focused on a paper-based system. Capita ONE SEND module has the capability to host and allow completion of EHCP documents online. This will allow not only a centralised system, which can be accessed by the LA, professionals, schools and parents but it can also be linked to financial systems. Uploading all documents and files onto Capita ONE is scheduled to be completed by April 2022. Further work will be required to link the system to the financial systems after April

² An EHCP is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person.

³ DfE SEN statistic at relevant January from: [Create your own tables, Table Tool – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics)

2022. The SEND Action Plan priority one is based on this project and will be developed further by a SEND Working Group.

2. Building relationships: There was an ongoing need for work to be done around relationships as there have been issues of non-communication from the SEND team to stakeholders. Regular SEND meetings with Headteachers, SENCOs and the Parent / Carer Forum have been scheduled, protocols are in place to respond to parents enquiries, which are logged online. Communication is also a key area of development captured in the SEND Action Plan for further development 2022-2025.
3. Service and process reviews: the SEN team restructure consultation started at the end of January 2022 and completed on Monday 28 February 2022. It is envisaged that recruitment, which will entail slotting into roles for substantive staff and external recruitment will commence and the full recruitment process completed by 31 May 2022, as per HR processes. This project also is included in the Priority One of the SEND Action Plan.
4. Data. There has been significant work with Finance and the SEND Team to develop projection data for trends with the most recent 5 years now available. It is envisaged that this will enable the team to start modelling demand projections moving forward and plan provision and transition arrangements for CYP between phases more effectively.
5. Developing the market for SEND provision and AP support. Four new Specially Resourced Provisions (SRPs) and one Unit opened in primary schools in September 2021. Meetings between secondary Headteachers are currently taking place to identify where secondary phase SRP / Units could be developed to ensure continuity for CYP transitioning into the secondary phase. Consultation with Post 16 providers is also taking place to identify the post 16 pathways / courses that are available and courses that may need to be developed or commissioned to meet the needs of SEND CYP. Further discussions are taking place with Kennel Lane School and College Hall to identify potential for expansion of services to meet the needs of the more complex CYP with SEND. This work is also captured in the developing Capital Strategy / SEND sufficiency workstream.
6. Commissioning: Commissioning had a limited role in SEND until 2020 and previously the SEN team were generally spot purchasing places. This meant that schools were sometimes charging different amounts for identical provisions. Commissioning has worked on value for money placements, due diligence, and monitoring outcomes. Commissioning are also supporting the SRP placements and SLA's in this area, to ensure rigour in process and compliance.

In addition, work is also progressing on the Banding Matrix for top up funding. The HNB sub group and SEND officers have further developed the descriptors in the Banding Matrix; currently the project is working towards allocating funding streams to each descriptor, assessing the likely financial impact and then undertaking consultation prior to any implementation.

2022-23 Estimated HNB DSG income

- 6.12 To assist LAs with their budget planning, the DfE publishes provisional HNB DSG allocations each July in advance of the relevant financial year. Further updates are provided in December but remain provisional as final funding allocations for the basic element factor relating to number of students in special schools and the import / export adjustment to compensate LAs educating pupils from other areas will be based

on January 2022 data which is not confirmed until after the commencement of the financial year.

- 6.13 Initial information from the DfE indicated a gross HNG DSG allocation of £21.888m which reduced to £20.916m after adjusting for the provisional impact of the import / export adjustment that compensates LAs that educate pupils from other areas.

Annex 1 provides more information on the national HNB funding framework and a breakdown of the component parts of the initial July 2021 BF notification.

- 6.14 Subsequent to the initial funding notification, the DfE has provided a number of updates to funding allocations which includes the £0.346m estimated deduction to directly fund commissioned places at academies and other relevant providers and other minor adjustments totalling to a £0.083m addition. Furthermore, an additional £0.846m has been received that reflects “the additional high needs funding being allocated following the 2021 spending review, amounting to £325 million nationally, includes funding in respect of the Health and Social Care Levy, but the cost of that for high needs should be less than a 1% pressure on authorities’ high needs budgets. The additional funding also takes into account that colleges and other post-school providers offering extra hours of study to 16 to 19 year old students, may require extra high needs top-up funding to support such students with high needs.”
- 6.15 The latest information from the DfE therefore indicates a net retained DSG allocation for 2022-23 of £21.499m, an increase of £2.321m (+12.1%).

Budget Proposals

- 6.16 Financial forecasts for the HNB Budget have previously been completed to the end of the 2019 Spending Review (SR) proposals which ran to March 2023. With the SR21 having now been published, and a new medium term plan required, revised forecasts have been produced for 2022-23 and new ones included through to 2024-25. As well as reflecting the latest government spending announcements, they also incorporate current on-going commitments, key assumptions relating to new requirements and the revised expectations relating to the delivery of the savings included in the SEND Commissioning Plan. These are summarised in Table 1, with more commentary below, split between 2022-23 impact and future years:

1. As set out above, there is expected to be a £2.321m (+12.1%) cash increase in DSG income from the DfE for 2022-23. This is a provisional increase and is expected to change when final census data for SEND placements are confirmed in June, including the updated import / export adjustment between LAs for out of borough placements.
2. Whilst detailed government spending plans for the period 2023-25 are not known, the DfE are advising LAs to “use an assumption of a 5% year-on-year increase in 2023 to 2024, and 3% beyond that”. This suggests increases of around £1.137m in 2023-24 and £0.716m in 2024-25.
3. £7.638m additional spend to bring the 2021-22 forecast overspend compared to the £19.178m DSG income into the on-going base budget calculation and therefore reflect the medium-term nature that most of the newly made commitments represent on budgets. Rolling commitments therefore amount to £26.816m. The aggregation of columns C and E of Annex 1 set out the 2021-22 on-going spend requirement in 2022-23.

4. £1.288m for annual increases in the number of EHCP pupils which are forecast to increase by 7% (79 extra EHCPs), compared to 10% between January 2021 and 2022 and 16% between January 2020 and 2021.

To reflect the graduated approach to learning, there is an expectation that a high proportion of pupils will remain in mainstream settings and therefore 75% of new places are assumed to be placed in mainstream settings, 5% in SRPs, 10% in special schools and 10% in PVI special schools.

The rate of increase in EHCP pupils is forecast to continue to rise in future years but reducing to 5% (60) in 2023-24 and 3% in 2024-25 (38). This equates to further pressures of circa £1.015m and £0.688m.

5. £0.123m for the following specific new 2022-23 budget pressures:
 - a. A re-banding of a number of students at Kennel Lane Special (KLS) School will result in net additional funding of £0.085m.
 - b. With the Rise ASD Resource Provision now open to all year groups and close to full capacity, charges to other LAs for out of borough placements will no longer include an addition to contribute to start-up and diseconomy costs. Current budgeted income will not therefore be achieved and has therefore been removed (£0.038m).

Whilst no specific items have been identified as arising in future years, for budget planning purposes, the assumption is that a similar amount of pressure will emerge each year and is therefore included in the medium-term financial plan.

6. £1.195m for annual inflationary increases (average 4.4%) from:
 - a. 3.9% for provisions in LA schools and services centrally managed by the council. This is the mid-point estimate of expected cost increases in mainstream schools, as reported to the Forum in January. It takes account of anticipated pay awards, increases in LG pension costs, general price inflation and the 1.25% increase in employer NI contributions through the Health and Social Care Levy.

This means top up funding (Element 3) for mainstream schools will increase by 3.9%.

For the specialist SEND providers – Kennel Lane Special School, College Hall Pupil Referral Unit and the SRPs – where funding follows the DfE “place-plus” approach, as the funding threshold set by the DfE remains unchanged for commissioned places at £10,000, additional funding for inflation can only be paid to schools through adjusting top up funding (Element 3). To ensure these providers are adequately funded to an overall inflation uplift of 3.9%, the top up rates will therefore need to increase by a higher rate than 3.9%.

The precise rate of increase will vary by provider and will depend on the different proportions of place to top up funding each school’s budget comprises and will typically amount to around 6%. A similar rate of increase is assumed to be applied for BF placements in other LA schools.

- b. 5.0% for provisions in PVI and other external settings, reflecting the agreed increases to the National Living Wage and National Minimum Wage rates (most common rates increasing between 4.1% and 9.8%), Health and Social Care Levy and other pressures

Inflation is expected to be at a lower rate of increase in future years, with 3.5% assumed for 2023-24 and 2.0% for 2024-25. These assumptions indicate cost increases of £1.010m and £0.594m respectively.

7. -£0.515m aggregate cost reductions from the updated savings plan from:

- a. Increased use of SRPs: The primary phase SRPs that opened in September 2021 now have 32 BF resident pupils on roll, with a notional capacity of around 70. A further 15 placements to 47 are expected from September 2022. The projected impact of this additional in-borough capacity is to have prevented 12 higher cost placements, with 3 pupils likely to have remained in mainstream settings with similar levels of additional support.

To help manage the start-up and diseconomy costs anticipated for the first 2 years in the new SRPs as pupil numbers build up to a financially viable level, the Forum has previously agreed to the creation of an SRP Development Reserve which at the start of the financial year held £0.459m. Funding of £0.177m is expected to be required in 2021-22 compared to the £0.143m estimated when the budget was set, and a further estimated £0.210m in 2022-23. The remaining £0.072m balance is expected to be utilised in 2023-24.

The budget proposals for SRPs therefore include using all of this Reserve funding for start-up and diseconomy costs. The amounts quoted below are therefore the amounts funded by the DSG.

This initiative is not expected to impact on the overall number of EHCPs but rather to use a lower cost provision. Savings increase as more pupils are admitted to SRPs with a net saving of £0.124m forecast for 2022-23, primary through fewer placements in special schools, both maintained and private, voluntary and independent (PVI) sector.

The impacts in 2023-24 are forecast to involve a further 19 placements in SRPs (10 primary, 9 secondary) with net additional savings of £0.400m, and for 2024-25 a further 14 placements in SRPs (5 primary, 9 secondary) and additional net savings of £0.658m. As the SEN Development Reserve is expected to be fully utilised in 2023-24, diseconomy costs arising at the planned Secondary SRPs will need to be funded from within the overall DSG income.

- b. Increase placements at KLS School
Planning conditions limit the capacity at KLS to 198 students and BF commissions all these places. Current admissions information indicates there are 197.5 students on roll, split 160.5 BF resident and 37 other LAs.

Whilst it is recognised that there will always be cross border movement of students between special schools and SRPs, placing a higher number of BF resident students in KLS remains an objective to support more students in their home community as well as reducing travelling time, carbon emissions and costs. The council is working to increase local student placements with the aim of increased BF admissions and no other LA admissions into EYFS from September 2023.

If successful, this is expected to result in savings to the HNB of £0.063m in 2023-24 and a further £0.105m in 2024-25.

- c. Deliver training and support on inclusion to mainstream schools: Improving training and support to schools, including governors, to increase ability to meet the need of pupils for retention in mainstream schools, thereby reducing the number of requests for high cost, external placements and overall numbers of EHCPs. This will require investment in 3.0 FTE specialist support staff, one for each locality area, for a time limited period to 31 August 2024 as well as on-going additional top up funding for other funding for mainstream schools to reflect the higher support needs being managed.

This initiative is expected to reduce the number of EHCPs by 23 by the end of 2022, primarily with less PVI and alternative provision (AP) placements, with a part year effect saving of £0.695m, reducing to £0.391m once the additional for mainstream schools is taken into account.

The impacts in 2023-24 are forecast at a further reduction of 18 EHCPs by year end and further net saving of £0.871m, and for 2024-25 at a further reduction of 14 EHCPs and a net saving of £0.827m.

- d. KLS outreach and increased capacity. With demand for local special school places exceeding the available capacity at KLS, discussions are underway to explore the feasibility of two solutions.

Firstly, an outreach service to support children and young people stay within their mainstream settings. The outreach offer is expected to involve a small number of staff supporting schools with the most challenging pupils and is expected to be cost neutral to operate.

Secondly, an initial discussion has taken place about KLS operating a satellite site at another location. At this stage, the capacity for the satellite site is expected to be for approximately 40 children. This would then increase capacity at the main KLS site as some learners currently based there would transition to the new satellite. For planning purposes, opening a satellite site is expected to be from September 2023. In addition, the current KLS site will need refurbishing / repurposing. This work can take place prior to September 2023.

Whilst savings from reduced numbers of out of borough placements are expected at around £0.020m per pupil, due to the likelihood of needing to incur start-up and diseconomy costs, there is not expected to be any significant financial impact from this initiative over the current medium-term period to the end of 2024-25. At full capacity, annual savings of between £0.500m and £0.750m are forecast.

- e. Social, Emotional and Mental Health (SEMH) Hub. As well as seeking to increase the number of special school places at KLS, there is also an ambition to provide more local support to pupils with SEMH needs.

Early planning is underway for an SEMH Hub, with the potential to offer an assessment service as well as placements. At this stage, the intention is to provide around 30 places with capacity to undertake 10 assessments a term, with each assessment lasting 2 terms. For planning purposes, opening is expected to be from September 2023.

As with the proposal to increase capacity at KLS, this initiative would generate savings from reduced numbers of out of borough placements. However, due to the likelihood of needing to incur start-up and diseconomy costs, there is not expected to be any significant financial impact from this initiative over the current medium-term period to the end of 2024-25. At full capacity, annual savings of between £0.500m and £0.750m are forecast.

- 6.17 To reflect the long-term nature of implementation of these initiatives as well as risks around the assumptions made on volatile, high-cost budgets, it is important to remember that the medium-term financial plan will be updated on a regular basis with the expectation that the anticipated financial implications will also be subject to change.
- 6.18 Furthermore, a number of the savings plan items set out above will also require a detailed business case to verify current forecast outcomes. Some will also require capital funding for which costs have yet to be quantified or funding sources identified.

Updated HNB Budget Medium term financial forecast

- 6.19 Table 1 below sets out a summary of the revised medium-term budget plan, reflecting the changes set out above. The forecast deficit at 31 March 2025 is £36.371m and includes savings in 2024-25 of £3.439m.
- 6.20 There is a forecast over spending in 2022-23 of £7.408m which reduces to £6.140m in 2024-25 and reflects the longer-term nature to implement the largest aspects of the plan, with a number being invest to save projects requiring additional spending in the shorter term.
- 6.21 Due to the volatile and unpredictable nature of pupil needs it is not always certain where the most suitable support arrangements are and where the education support will ultimately be delivered. The detailed budget changes anticipated at service level are set out in Annex 2 with Annex 3 showing the resultant summarised budget lines.

Table 1: HNB Budget: Medium term financial forecast

Item	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m	2024-25 £m
Forecast income:					
HNB DSG income - gross	18.549	20.328	22.741	23.878	24.594
<i>Annual change</i>	1.658 9.8%	1.779 9.6%	2.413 11.9%	1.137 5.0%	0.716 3.0%
Adjustments:					
Net impact of places in other LAs / NMSS	-1.158	-0.894	-0.894	-0.894	-0.894
BF academy places deduction	-0.072	-0.256	-0.348	-0.348	-0.348
Net retained funding	17.319	19.178	21.499	22.636	23.352
<i>Annual change</i>	1.781 11.5%	1.859 10.7%	2.321 12.1%	1.137 5.3%	0.716 3.2%
Forecast spend - no interventions:					
Actual spend	22.143				
Forecast spend / rolling commitments		26.893	26.816	28.907	29.700
New pressure - additional placements			1.288	1.015	0.688
New pressure - specific items			0.123	0.100	0.100
New pressure - inflation			1.195	1.012	0.594
<i>Annual change</i>		4.750 21.5%	2.529 9.4%	1.611 5.6%	0.048 0.2%
Planned interventions:					
Increased use of SRPs			-0.124	-0.400	-0.658
Increased placements at KLS			0.000	-0.063	-0.105
Inclusion at mainstream schools			-0.391	-0.871	-0.827
Satellite special school with outreach			0.000	0.000	0.000
SEMH Hub			0.000	0.000	0.000
Forecast impact of interventions			-0.515	-1.334	-1.590
Cumulative savings			-0.515	-1.849	-3.439
Net spend after planned interventions		26.893	28.907	29.700	29.492
Start-up / diseconomy costs at new SRPs		0.177	0.210	0.072	0.000
Draw down from SRP reserve		-0.177	-0.210	-0.072	0.000
Anticipated funding gap after interventions:					
HNB under (-) / over (+) spend for the year	4.824	7.715	7.408	7.064	6.140
HNB surplus (-) / deficit (+) opening balance	3.220	8.044	15.759	23.167	30.231
HNB surplus (-) / deficit (+) closing balance	8.044	15.759	23.167	30.231	36.371
Deficit as a % of gross annual income		78%	102%	127%	148%
Memo item: DSG balance (Schools Budget)					
DSG Adjustment account balance	2.626	10.373	18.241	25.627	31.767
Less Earmarked Reserves	-1.878	-1.701	-1.241	-0.919	-0.919
DSG Deficit - Unallocated	4.504	12.074	19.482	26.546	32.686

Responsibilities of the Schools Forum

- 6.22 The Forum is requested to agree that the Executive Member sets the 2022-23 budget on these proposals, as summarised in Table 1. Whilst the duty to set the HNB budget rests with LAs, the views of the Forum are an important part of the process and have always been considered by the Executive Member.
- 6.23 There are 2 specific areas on HNB budgets where the Forum has a statutory role to play in setting the HNB, and this involves “giving a view” on:
- arrangements for pupils with special educational needs, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding
 - arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding

Next Steps

- 6.24 The views of the Schools Forum regarding the final 2022-23 budget proposals from the council will be considered, and where agreed, included in the final budget proposals that will be presented for approval by the Executive Member on 22 March. Based on the expectation that further changes will be made to service provisions during the year through the partnership work with schools and other providers, the Forum is recommended to agree that appropriate arrangements are in place for the education of pupils with SEN and use of pupil referral units and the education of children otherwise than at school.
- 6.25 Considerable further work is required to eliminate the circa £6m - £7m underlying annual budget gap, which in the first instance will be progressed through the HNB sub-group.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 7.2 The financial implications anticipated at this stage confirm the expected significant financial difficulties that will arise on HNB budgets. A number of developments are planned that are expected to contribute over the medium-term to widening choice and cost reduction. However, a significant funding gap remains, and further work is required to move to a sustainable budget position.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 There are strategic risks around ensuring all schools remain financially stable as well as ensuring pupils with SEND receive timely and appropriate support for their education. A failure to develop a plan for a sustainable HNB budget will create a risk of needing to make more drastic changes at a later date.

8 CONSULTATION

Principal Groups Consulted

- 8.1 The Schools Forum, including the HNB sub-group and the People Directorate Management Team.

Method of Consultation

- 8.2 Written reports.

Representations Received

- 8.3 Incorporated into this 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/\(109\) 100322/2022-23 HNB Budget Preparations - March 2022 v4 - Final.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(109)_100322/2022-23_HNB_Budget_Preparations_-_March_2022_v4_-_Final.docx)

Overview of the HNB Budget

1. The HNB element of the DSG supports pupils with special educational needs and disabilities (SEND) and is intended to fund a continuum of provision for relevant pupils and students from 0-24. LAs receive funding for these provisions from the DfE and in general commission services from providers. In-house arrangements are made in a relatively small number of areas.
2. The DfE has determined that where the cost of provision is above £10,000 it will be classified as high needs. In such circumstances, a “place-plus” approach to funding will generally be used which can be applied consistently across all providers that support high needs pupils and students as follows:
 - a. **Element 1 or “core education funding”**: equivalent to the age-weighted pupil unit (AWPU) in mainstream schools, which the DfE has stated the national average is around £4,000.
 - b. **Element 2 or “additional support funding”**: a budget for providers to deliver additional support for high needs pupils or students with additional needs of up to £6,000.

Specialist and Alternative Providers (AP), such as special schools and Pupil Referral Units (PRUs) only cater for high needs pupils and therefore receive a minimum £10,000 (Element 1 funding plus Element 2) per agreed place.
 - c. **Element 3, or “top-up funding”**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs. This element is paid to all provider types, for pupils with assessed needs above the £10,000 threshold.
3. Additionally, HNB DSG is also intended to be used where high needs provisions are not arranged in the form of places e.g. specialist support for pupils with sensory impairments, or tuition for pupils not able to attend schools etc.
4. The statutory regulatory framework requires the council to decide on the arrangements to be put in place for the HNB and associated resources and for the Forum to comment on their appropriateness. The current approach in BF is to develop the services during the year in partnership with schools and has therefore created a sub-committee of the Forum to gather views and help shape arrangements. Final budget decisions are taken in March each year by the Executive Member for Children, Young People and Learning.

DfE Reforms

5. A new National Funding Formula (HNB NFF) was introduced in April 2018 to replace a system that largely allocated funding based on historic spending decisions. The core elements of funds distribution to LAs now comprises:
 1. **Basic entitlement**: £4,660 (2022-23 amount) for each pupil / student that the LA is responsible for educating that is attending a special school
 2. **Historic spend**: 50% of 2017-18 baseline amount agreed with each LA
 3. **Population**: Share of national budget allocation based on projected 2-18 year olds at the relevant mid-year as a proportion of all 2-18 year olds)

4. **Free school meals** Share of national budget allocation based on resident pupils eligible to FSM as a proportion of all pupils eligible to FSM
 5. **Income Deprivation Affecting Children Index** Share of national budget allocation based on number of 2-18 year olds in IDACI bands A-F as a proportion of all pupils in IDACI bands A-F
 6. **Bad health** Share of national budget allocation based on number of resident children aged 0-16 in bad or very bad health in the general population census as a proportion of all projected children in bad or very bad health
 7. **Disability** Share of national budget allocation based on number of resident children aged 0-16 for whom parents are eligible to disability living allowance (DLA) as a proportion of all eligible DLA families
 8. **Key Stage 2 low attainment** Share of national budget allocation based on number of resident pupils who did not attain level 3 in reading tests plus those that did not attain a scaled score in reading test or were not entered as a proportion of all relevant children
 9. **Key stage 4 low attainment** Share of national budget allocation based on number of resident pupils who did not attain 5 GCSEs at grades A* to G as a proportion of all relevant children.
 10. **Hospital education and historic pay, pensions and supplementary grant funding:** Hospital education is based on historic spend with the other allocations based on DfE national formulae.
 11. **Import / export adjustment:** An import / export adjustment so those LAs sending out more pupils to other LAs lose £6,000 per pupil funding to reflect the requirement of the resident LA to finance all place funding in the SEN institutions in their area, irrespective of which LA places the student. This amount is added to the £4,000 per pupil / student funding included in the main formula to achieve the £10,000 place funding cost. This is a lagged adjustment. LA funding allocations are adjusted from January census data, but actual places purchased will generally be based on actual student numbers taking up places during the year
 12. **Area cost adjustment:** reflects variations in labour market costs across the country by taking into account the general labour market trends and the particular salary variations in the teaching work
6. One of the key outcomes for the DfE from these reforms is to ensure that any change in the amount of funding allocated to individual LAs must be introduced slowly to allow those areas facing reductions time to adjust to the new amounts. This is because expenditure is mainly incurred on educational fees and these generally remain unchanged throughout the course of each pupil's time in the relevant institution which often presents commitments for over 10 years.
 7. Therefore, the formula applies the protection of a funding floor to all the proxy factors. This ensures that, on a per head of population basis, these elements of the formula will increase by at least 8% in 2022-23 over 2021-22 funding baseline levels⁴. A further layer of protection for local authorities with falling population numbers ensures that no local authority receives less funding than the equivalent figure from the baseline year of 2021-22. For 2022-23, however, this further protection does not apply in any authority. There is then a limit of 11% on the gains for those local authorities gaining the most through the formula. In addition to the core factors set out above, there will be further adjustments to each LAs HNB funding as follows:

The allocations through the HNB NFF are illustrated in Figure 1 below with the impact in BF shown in Figure 2.

Figure 1: Basic building blocks of the formula

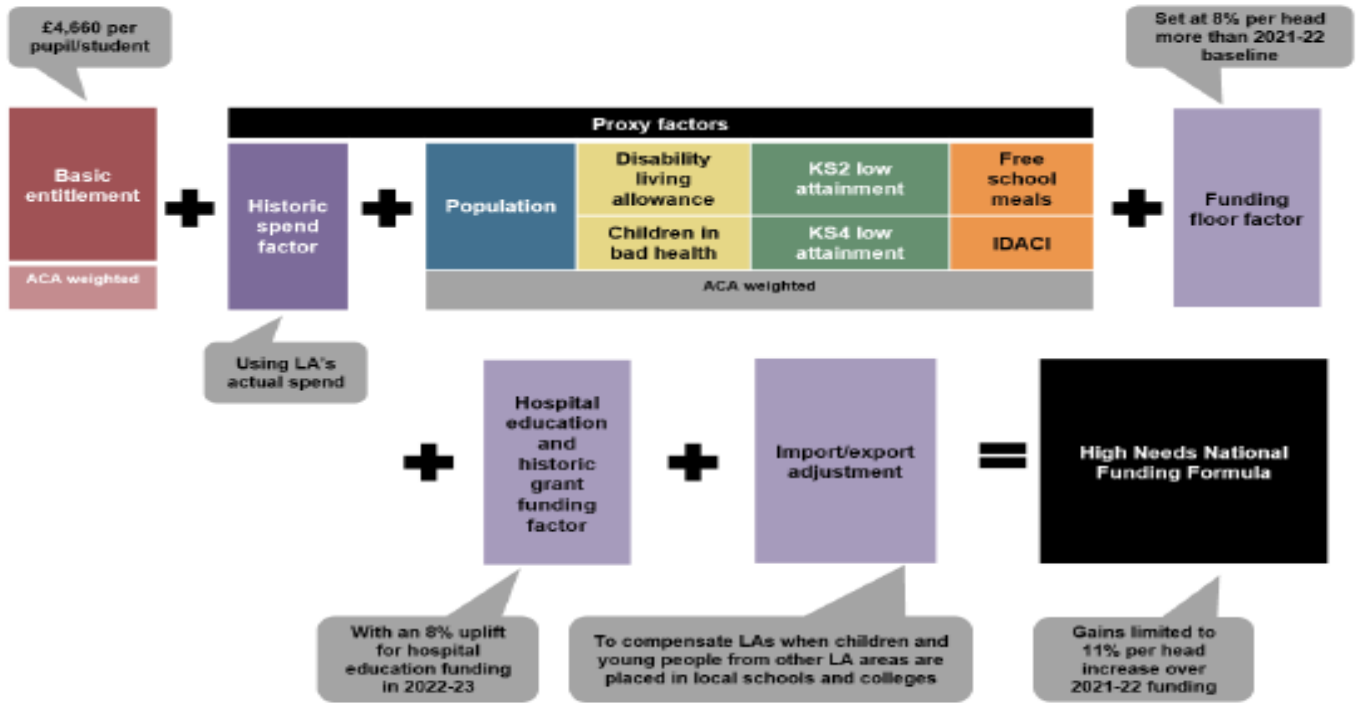
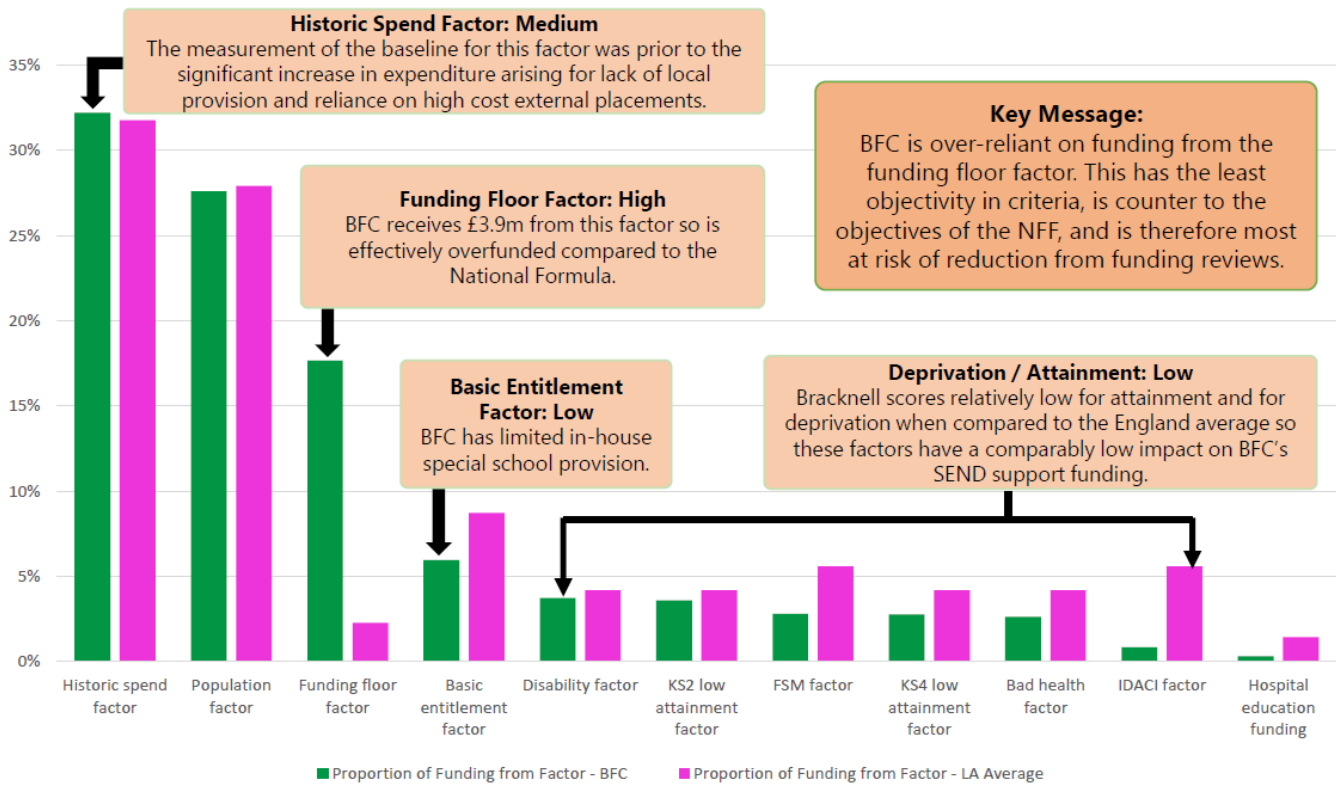


Figure 1: This diagram shows that the factors will be added together to give the formula allocation, with an area cost adjustment applied to the proxy factors and basic entitlement.

Figure 2:

High Needs Block Funding Allocation to BFC vs. Other LAs

Proportion of Bracknell Forest High Needs Block Funding Received from Funding Formula Factors Compared to the Average Local Authority



2022-23 Proposed HNB Budget detailed changes

Line Ref	Description	2021-22 Current Budget	2021-22 Forecast Variance (December)	Proposed Budget Change					Proposed 2022-23 Budget	Summary Comment on significant "Proposed Budget change"
				Reset to 2022-23 full year	Demographic growth	Other Growth	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I	J	K
		£	£	£	£	£	£	£	£	

Funds Delegated to Special School

1	Kennel Lane Special School - original budget (BFC responsibility only)	4,823,980	0	0	0	84,560	0	164,870	5,073,410	Current estimate is for initial budget requirement of 198 purchased places and 160.5 FTE BFC resident Element 3 top-up payments (-1.5 FTE). The provisional spring term 2022 total (including other LA students) is 197.5 FTE (+3.0 FTE). Other growth pressure reflects re-banding of a number of pupils to ensure the "top up" funding is appropriate to changing pupil needs.
2 50	Kennel Lane Special School - in-year budget changes (BFC responsibility only)	74,930	127,000	0	0	0	0	2,640	77,570	

4,898,910	127,000	0	0	84,560	0	167,510	5,150,980
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Line Ref	Description	2021-22 Current Budget	2021-22 Forecast Variance (December)	Proposed Budget Change					Proposed 2022-23 Budget	Summary Comment on significant "Proposed Budget change"
				Reset to 2022-23 full year	Demographic growth	Other Growth	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I	J	K
		£	£	£	£	£	£	£	£	

Maintained Schools & Academies

3	BF Secondary School SEN Resource Units	834,490	40,000	0	46,160	38,500	0	42,280	961,430	Reflects both increases from BF pupils on roll and reduced income from RISE ASD Resource from other LA pupils now the Resource is fully open and start-up costs no longer being charged to other LAs removing current income.
4	BF Primary School SEN Resource Units	164,770	0	0	15,960	0	0	6,510	187,240	
5	New SRP - Primary	0	0	172,000	0	0	176,000	0	348,000	Financial impact expected from year 2 expansion of the new SRPs. 47 places expected to be filled September 2022 compared to 32 at September 2021. Savings Plan extra spend offset by larger savings recorded against external placements budgets.
6	BF mainstream schools - Element 3 top up payments	2,159,200	450,000	450,000	387,320	0	134,000	101,760	3,232,280	Growth pressure reflects the expected impact from increased EHCPs. Savings Plan item reflects additional top up payments to mainstream schools managing pupils with higher support needs.
7	BF resident students attending other LA schools	2,774,690	66,000	66,000	293,670	0	-96,000	169,530	3,207,890	Growth pressure reflects the expected impact from increased EHCPs. Savings Plan item reflects reduced placements as more BF placements at new SRPs.
8	BF mainstream schools - Element 3 short term interventions	10,100	47,000	0	0	0	0	2,230	12,330	
9	BF mainstream schools – top up to schools with disproportionate number of HN pupils	41,260	-10,000	-5,000	0	0	0	1,220	37,480	
10	Element 3 Early Years	47,340	-25,000	-25,000	0	0	0	870	23,210	
11	Post-16 SEND pupils in maintained school sixth forms	28,000	14,000	14,000	0	0	0	0	42,000	

6,059,850	582,000	672,000	743,110	38,500	214,000	324,400	8,051,860
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Line Ref	Description	2021-22 Current Budget	2021-22 Forecast Variance (December)	Proposed Budget Change					Proposed 2022-23 Budget	Summary Comment on significant "Proposed Budget change"
				Reset to 2022-23 full year	Demographic growth	Other Growth	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I	J	K
		£	£	£	£	£	£	£	£	

NMSS & Colleges

12	Pre-16 provisions	7,549,660	1,409,000	1,409,000	463,010	0	-812,000	447,940	9,057,610	Growth pressure reflects the expected impact from increased EHCPs. Savings plan items are impact from additional placements in new SRPs and greater inclusion in mainstream schools
13	Post-16 provisions	1,772,900	239,000	239,000	81,710	0	0	100,600	2,194,210	Growth pressure reflects the expected impact from increased EHCPs.

9,322,560	1,648,000	1,648,000	544,720	0	-812,000	548,540	11,251,820
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Education out of School

14	College Hall PRU	1,101,150	78,000	50,000	0	0	0	46,550	1,197,700	
15	Home Tuition	606,880	77,000	42,000	0	0	-88,000	26,670	587,550	Savings plan item is impact from greater inclusion in mainstream schools
16	Outreach	109,600	-21,000	0	0	0	0	3,460	113,060	
17	Alternative Provision for Primary Aged pupils without a statement	204,630	-102,000	-102,000	0	0	0	4,000	106,630	
18	Alternative Provision for Secondary Aged pupils without a statement	174,540	-87,000	-87,000	0	0	0	3,410	90,950	
19	Other externally purchased Alternative Provision	157,900	-118,000	-118,000	0	0	0	1,560	41,460	
20	Excluded pupil provision	20,370	-5,000	0	0	0	0	660	21,030	
21	Share of Head of Service	23,930	-1,000	0	0	0	0	890	24,820	

2,399,000	-179,000	-215,000	0	0	-88,000	87,200	2,183,200
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Line Ref	Description	2021-22 Current Budget	2021-22 Forecast Variance (December)	Proposed Budget Change					Proposed 2022-23 Budget	Summary Comment on significant "Proposed Budget change"
				Reset to 2022-23 full year	Demographic growth	Other Growth	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I	J	K
		£	£	£	£	£	£	£	£	

Other SEN Services

22	Autism Support Unit	88,230	35,000	25,000	0	0	0	4,810	118,040	
23	Support for inclusion	0	0	0	0	0	171,000	0	171,000	Savings plan item is impact from greater inclusion in mainstream schools and specialist support staff to assist schools.
24	Sensory Consortium Service	252,540	-57,000	0	0	0	0	7,630	260,170	
25	Speech and Language Services	223,800	-11,000	0	0	0	0	8,300	232,100	
26	Occupational Therapy	39,120	-2,000	0	0	0	0	1,450	40,570	
27	Integrated Therapies	21,950	-22,000	0	0	0	0	0	21,950	
28	Medical support to pupils pre 16	391,850	29,000	30,000	0	0	0	16,410	438,260	
29	Equipment for SEN Pupils	22,960	-23,000	0	0	0	0	0	22,960	
30	SEN Tribunals	50,610	1,000	0	0	0	0	2,010	52,620	
31	Support for Learning	126,460	-37,000	0	0	0	0	3,490	129,950	
32	TASS Learning Support	60,110	24,000	0	0	0	0	3,280	63,390	
33	Traveller Education	77,880	-10,000	0	0	0	0	2,690	80,570	
34	EY Management Staff	148,660	-4,000	0	0	0	0	5,640	154,300	
35	Child Development Centre	244,480	32,000	0	0	0	0	10,780	255,260	
36	Share of Head of Service	35,550	-1,000	0	0	0	0	1,350	36,900	
37	Savings Plan Management	155,000	-50,000	-155,000	0	0	0	0	0	
38	Savings to be identified	-84,000	84,000	84,000	0	0	0	0	0	
39	Standards and Effectiveness Team, Finance, HR, Business Intelligence and other support services	191,520	0	0	0	0	0	0	191,520	

2,046,720	-12,000	-16,000	0	0	171,000	67,840	2,269,560
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Line Ref	Description	2021-22 Current Budget	2021-22 Forecast Variance (December)	Proposed Budget Change					Proposed 2022-23 Budget	Summary Comment on significant "Proposed Budget change"
				Reset to 2022-23 full year	Demographic growth	Other Growth	Savings Plan items	Inflation		
A	B	C £	D £	E £	F £	G £	H £	I £	J £	K

2021-22 Budget over-allocation

40	Difference between amount approved by BF Council and Schools Forum	-755,700	5,699,000	755,700	0	0	0	0	0	Cost estimates increased between the January BF Executive budget setting and March review by the Schools Forum
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-755,700	5,699,000	755,700	0	0	0	0	0
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Provision for cost increases: January - March 2022

41	To reflect further placements after the December calculation for prior year costs	150,000	-150,000	-150,000	0	0	0	0	0	Costs from December 2021 built directly into appropriate budget lines
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54

150,000	-150,000	-150,000	0	0	0	0	0
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Grand Total	24,121,340	7,715,000	2,694,700	1,287,830	123,060	-515,000	1,195,490	28,907,420
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TOTAL CHANGE	4,786,080						
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Estimated DSG income	19,178,000							21,499,000
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Funding Shortfall	-4,943,340						-2,694,700	-7,408,420
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2021-22 on-going funding shortfall (columns C + E)	-7,638,040	
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2022-23 Summary Proposed HNB Budget

PEOPLE DIRECTORATE: HIGH NEEDS BLOCK ELEMENT OF THE SCHOOLS BUDGET										
	2021-22 Forecast Performance (Dec)				Proposed changes for 2022-23					
	Original Cash Budget	Virements & Budget C/Fwds	Current Approved Budget	Variance at December Over/(Under) Spend	Reset to 2022-23 full year	Growth Pressures	Savings Plan	Inflation	Initial Budget	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
High Needs Block										
Budget Allocations										
Delegated Special School Budgets	4,900	0	4,900	127	0	85	0	168	5,153	
Post 16 SEN and other grants	0	0	0	0	0	0	0	0	0	
Maintained schools and academies	6,210	0	6,210	432	522	782	214	324	8,052	
New SRP Units - Earmarked Reserve Funded	0	0	0	0	0	210	0	0	210	
Non Maintained Special Schools and Colleges	9,142	180	9,322	1,648	1,648	544	-812	548	11,250	
Education out of school	2,443	0	2,443	-179	-215	0	-88	87	2,227	
Other SEN provisions and support services	2,001	-755	1,246	5,687	740	0	171	68	2,225	
Provision for forecast in-year overspend	0	-0	0	0	0	0	0	0	0	
	24,696	-575	24,121	7,715	2,695	1,621	-515	1,195	29,117	
Anticipated HNB DSG Funding										21,499
Draw down from SRP Reserve										210
Forecast in-year overspend										-7,408
Forecast HNB cumulative deficit 31 March 2022										-15,759
Forecast HNB cumulative deficit 31 March 2023										-23,167

