

Notice of Meeting

Schools Forum

Elizabeth Savage, Academy School Representative
Jenny Baker, Special School Representative
Sue Butler, Early Years PVI Provider
Caroline Johnson, Primary School Representative
Juanita Dunlop, Primary School Representative (Headteacher)
Trudi Sammons, Primary School Representative (Headteacher)
Keith Grainger, Secondary School Representative (Headteacher)
Tim Griffith, Academy School Representative
Grant Strudley, Academy School Representative
Gareth Croxon, Academy School Representative (Headteacher)
Katie Moore, Academy School Representative
Rachel Manton, Trades Union Representative



Also Invited:

Councillor Roy Bailey, Executive Member for Children and Young People

Thursday 19 September 2024, 4.30 pm
Zoom Meeting

Agenda

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

Item	Description	Page
1.	Apologies for Absence/Substitute Members	
	To receive apologies for absence and to note the attendance of any substitute members. Reporting: Jamie Beardsmore	
2.	Election of Chair Reporting: ALL	
3.	Appointment of Vice Chair Reporting: ALL	
4.	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	

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	<p>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.</p> <p>Reporting: ALL</p>	
5.	<p>Minutes and Matters Arising</p>	5 - 10
	<p>To approve as a correct record the minutes of the meeting of 20 June 2024.</p> <p>Reporting: ALL</p>	
6.	<p>Update to the Schools Forum Constitution</p>	11 - 18
	<p>To seek endorsement to a minor change to the Schools Forum's Constitution with the introduction of fixed end dates of 31 August to terms of office and a change in membership structure following the closure of College Hall Pupil Referral Unit.</p> <p>Reporting: Jamie Beardsmore</p>	
7.	<p>Safety Valve Update</p>	19 - 22
	<p>To update the Schools Forum on progress made on the implementation of the Safety Valve programme, as well as wider SEND improvement work.</p> <p>Reporting: Duane Chappell</p>	
8.	<p>2025-26 initial Budget Preparations for the Schools Budget and related matters</p>	23 - 38
	<p>To provide an update to the Schools Forum in respect of the 2025-26 Schools Budget for mainstream schools together with other relevant finance related matters.</p> <p>Reporting: Paul Clark</p>	
9.	<p>2024-25 arrangements for additional financial support to maintained schools</p>	39 - 52
	<p>To seek agreement from the Schools Forum in respect of proposals for additional financial support to schools, in particular, approval of new or amended applications for licensed deficit arrangements. An update is also provided on the current position in respect of previously agreed financial support arrangements.</p> <p>Reporting: Paul Clark</p>	
10.	<p>Dates of Future Meetings</p>	
	<p>The next meeting of the Forum will be held at 4.30pm on Thursday 14 November 2024.</p> <p>Reporting: Jamie Beardsmore</p>	

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Sound recording, photographing, filming and use of social media is permitted. Please contact Jamie Beardsmore, 01344 352044, jamie.beardsmore@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 11 September 2024

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**SCHOOLS FORUM
20 JUNE 2024
4.30 - 5.19 PM**

Present:

Stuart Matthews, Academy School Representative (Chair)
Elizabeth Savage, Academy School Representative (Vice-Chair)
Caroline Johnson, Primary School Representative
Tim Griffith, Academy School Representative
Grant Strudley, Academy School Representative
Katie Moore, Academy School Representative

Observer:

Councillor Roy Bailey, Executive Member for Children, Young People & Learning (Observer)

Apologies for absence were received from:

Sue Butler, Early Years PVI Provider
Trudi Sammons, Primary School Representative (Headteacher)
Keith Grainger, Secondary School Representative (Headteacher)

1. Declarations of Interest

Grant Strudley declared an interest in agenda item 4 as a family member was supported by the tuition service.

Stuart Matthews, Liz Savage, Caroline Johnson and Katie Moore all declared an interest in agenda item 7 as the item directly affected their schools.

2. Minutes and Matters Arising

RESOLVED that the minutes of the meeting of the forum held on 7 March 2024 be approved as a correct record.

3. Funding Arrangements for Pupils not attending school due to Permanent Exclusions and Medical Reasons

The Forum received a report regarding pupil-led funding factors when pupils were not attending school due to ill-health or exclusion. Currently when a child was referred into the tuition service or was permanently excluded, the school continued to receive their allocated funding and it was not being redirected to their current and/or future provision.

Following an exclusion, the intention would be for the funding to follow the child to their new provision and pay towards the education needs of that child. In regard to the Pupil-led funding in relation to pupils with medical needs, there were currently approximately 49 children accessing the service, so the report also set out that the funding would follow the child into the medical need service.

Arising from comments and questions the following points were noted:

- Secondary Heads had discussed the subject and there was no objection to the permanent exclusion claw back as it seemed sensible that if the student was leaving the school then the funding should follow them.
- There were concerns raised about the claw back of funding in relation to medical, and the rate of this being 100%. With the concerns being around when a student was going into medical tuition as the schools still maintained responsibility for attendance, quality of education and safeguarding. There was also the intention that the medical provision should be short term with the intention of reintegration, which meant that schools were still likely to incur costs. It was requested that this be reconsidered.
- Duane Chappell agreed to work with Heads around the medical tuition and would set up a meeting in September.
- It was noted by the Forum of the good job that the tuition service did.
- A question was raised about how to get mental health support into schools much earlier in any form which would take a lot of pressure off of the tuition service and whether the boroughs schools were as autism friendly and mental health friendly as they needed to be.
- Duane had met with the Mental Health team recently and detailed a mental health grant of £1k that schools were able to apply for to have some specialist help within schools.
- A team of staff had been appointed to work with pupils and their families for the transition to secondary.

RESOLVED that the Schools Forum note the intention to implement the DfE funding policy for redetermination of a school's budget following a permanent exclusion, as detailed in [section 24](#) (ESFA schools operational guide 2024 to 2025).

The Schools Forum were unable to agree the recommendation set at 2.2 in the agenda, but agreed that a meeting would be held with Headteachers in September to discuss and recognise the maintaining role that schools had and the need to retain some of the funding.

4. **2023-24 Provisional Outturn on the Schools Budget and other Financial matters**

The Forum received a report informing them of the provisional outturn on the 2023-24 Schools Budget, including the allocation of balances and use of Earmarked Reserves.

The 2023-24 draft accounts confirmed, that as expected, a significant overspend occurred with the whole Dedicated Schools Grant (DSG) and that it amounted to £8.827m (£6.006m in 2022-23). The most significant overspending occurred on the High Needs Block (HNB) at £9.274m (£6.294m). The overspend on the HNB was consistent with many LAs across the county for the last few years. It had also been recognised by the Department for Education which in March 2024 agreed a bid from the council to join the Safety Valve programme. The first instalment of £6.400m was received in March 2024.

The overall balances currently held in the Schools Budget amounted to a £16.760m deficit. This increased to a deficit of £18.062m once the earmarked surplus balances held by schools of £1.302m was excluded.

Arising from the Forums comments and questions, the following points were raised:

- The overspend was not what was budgeted at the start of the financial year but was lower than the worst case projection had been at the start of 2024.
- The numbers were still broadly inline with Safety Valve and were in a manageable position.
- Staff absences mostly related to maternity leave.
- Places out of borough was still a significant overspend. Bringing places back into the borough was a key objective this year.

RESOLVED that the Schools Forum notes

- i. that the outturn expenditure for 2023-24, subject to audit, shows an over spending of £8.827m (paragraph 6.7);
- ii. the main reasons for budget variances (paragraph 6.9);
- iii. the cumulative £18.062m deficit balance held in the unusable DSG Adjustment Account, responsibility for which currently rests with the Department for Education to 31 March 2026 (paragraph 6.13);
- iv. the in-year funding transfers to and from Earmarked Reserves made in accordance with the relevant policies (paragraph 6.13).

5. **2023-24 Balances held by maintained schools**

The Forum received an annual report, updating them on the level of balances held as at 31 March 2024 by the 22 schools maintained by the council and how these compared to the previous financial year.

The Forum were reminded that balances held by academy schools were not part of the council's accounts and were excluded from the report. As Birch Hill Primary, St Michael's Sandhurst Primary and Kennel Lane Special School converted to an academy during the financial year the relevant data from those schools were excluded to ensure that appropriate comparison could be made to the previous financial year.

It was highlighted that the aggregate surplus balances had decreased by -£0.712m, from £2.014m to £1.302m (reduction of -35%). This indicated a substantial transfer of one-off funds to schools to finance their spending. This continued a trend of money coming out of the reserve rather than being built up.

On average, at 2.7% of total budget (was 4.5%), average reserves were just above the 3% minimum level considered appropriate for sufficient working balances to cover unforeseen circumstances.

An update on deficit budgets would be presented to the Forum in September. All schools with a deficit at the end of 2023-24 as well as any schools indicating a potential deficit for the first time in 2024-25 were in discussion with the council in respect of their budget position.

As a result of the discussion the following comments were made:

- Concerns were expressed about the pressure schools were under with falling balances.

- The three schools with significant surplus balances had confirmed what the plans for the money was, and officers were content with the explanations that had been given to them.

RESOLVED that the Schools Forum notes the key performance information on school balances, as set out in paragraph 6.3, and in particular;

- Aggregate surplus balances have decreased by £0.712m to £1.302m (-35%);
- The value of surplus balances has decreased by £0.772m to £1.832m;
- The value of deficit balances has decreased by £0.060m to £0.530m which continues to require close monitoring.
- Significant surplus school balances have decreased by £0.255m to £0.341m (-43%);
- At 2.7%, average balances are considered to be just below the minimum level required for working balances to safely cover unforeseen circumstances.

RESOLVED that the Schools Forum agrees that the entire significant surplus balances held by schools up to the cap permitted in the claw-back scheme has been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw-back (paragraph 6.12).

6. **2023-24 Funding Allocations to mainstream schools from Budgets Centrally Managed by the Council**

The Forum received a report which presented information on the in-year allocation of funds to mainstream schools through School Specific Contingencies and other budgets that were funded from the Dedicated Schools Grant (DSG) and in the first instance centrally managed by the council. The report also presented the opportunity to amend existing funding policies. The Schools Forum were reminded that the funds only related only to mainstream schools.

The funds were used to provide targeted support to schools meeting the qualifying criteria and allocated £0.561m in 2023-24 which was an overall under spend of £0.168m. This helped to fund unpredictable and sometimes significant additional costs that only a small number of schools might face.

The associated policies provide consistency and transparency and following the changes agreed through the 2023 financial consultation with schools, revised policy text relating to the Growth Fund and Key Stage 1 class sizes had been included within the report. Due to the significantly changing SEN data a need had been identified to update the SEN contingency policy. All other policies were considered appropriate and fit for purpose with only minor changes for reasons of clarification and updating new funding rates being proposed.

Arising from the Forums comments and questions, the following points were made:

- Funding did not follow the pupil for in year transfers, especially for year 6 pupils that joined midway through an academic year which put financial pressure on the schools.
- Funding following the pupil needed to be for all students.
- SRP pupils were not included within the contingency.
- The DfE did not allow moment of funds to follow pupils through a normal transfer or in year transfers.

- It was noted that a significant number of pupils were moving from local private schools to state schools, some with high needs that may not have been a pressure on the high needs block previously.
- It was explicitly mentioned in the policies that SRPs were not included.

RESOLVED that the Forum notes the following funding allocations to schools, made in accordance with approved policies;

1. £0.185m for significant in-year increases in pupils (paragraph 6.9);
2. £0.128m for schools required to meet the Key Stage 1 Class Size regulations (paragraph 6.12);
3. £0.023m for new and expanding schools (paragraph 6.17);
4. £0.114m for schools with a disproportionate number of SEN pupils (paragraph 6.20);
5. £0.112m for schools in financial difficulty (paragraph 6.30);

RESOLVED that the Forum agrees:

1. Updated policy text for the Growth Fund
2. Removal of the Key Stage 1 class size policy
3. Updated text for the SEN Contingency
4. Minor changes to text to improve clarity of policy and the updating of funding rates where relevant (paragraph 6.33).

7. **Dates of Future Meetings**

The next meeting was 19 September 2024.

CHAIRMAN

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To: **Schools Forum**
19 September 2024

Schools Forum – Constitution & Membership September 2024 **Executive Director: Delivery**

1 Purpose of Report

- 1.1 To seek endorsement to a minor change to the Schools Forum’s Constitution with the introduction of fixed end dates of 31 August to terms of office and a change in membership structure following the closure of College Hall Pupil Referral Unit.

2 Recommendation

- 2.1 That the revised Schools Forum Constitution at Annex 1 be endorsed.**

3 Reasons for Recommendation

- 3.1 To ensure efficient and effective election of members.

4 Alternative Options Considered

- 4.1 The Forum could reject the recommendation but would need to justify any alternative proposals.

5 Supporting Information

- 5.1 The introduction of a fixed end date of 31 August has been proposed to make the election of members more efficient and effective. The proposed changes aim to simplify the process of maintaining the Schools Forum’s membership while increasing continuity throughout the academic year.
- 5.2 The proposal includes slight changes to the terms of office for current members of the Schools Forum, so that their terms will run until 31 August of the academic year their current term is due to expire.
- 5.3 Once a member has been elected/appointed their term will run until 31 August, in the third academic year following their appointment.
- 5.4 Additionally, with the closure of College Hall Pupil Referral Unit (PRU) at 31 August 2024, the current PRU membership representation needs to be removed which reduces the number of Forum members to 17 from 18. No other changes to the membership structure are required. Annex 2 sets out the current and proposed structure.

6 Consultation and Other Considerations

Legal Advice

- 6.1 Nothing to add to the report.

Financial Advice

- 6.2 Not applicable.

Equalities Impact Assessment

- 6.3 The opportunity has been taken to ensure the Constitution uses only gender-neutral language.
- 6.4 Since being able to meet remotely, attendance has generally been better with those juggling busy schedules having the opportunity to drop in without any time wasted travelling to the meeting.

Strategic Risk Management Issues

- 6.4 There are no issues.

Climate Change Implications

- 6.6 The recommendations in Section 2 above are expected to have no impact on emissions of CO₂. If, however, meetings were to revert to in-person again, there would be an impact with participants travelling to and from meetings at Time Square.

Health & Wellbeing Considerations

- 6.7 The opportunity to continue meeting remotely, reduces the need for members to travel between their existing location and Time Square, which may involve rushing and traffic delays etc and therefore may make in-person meetings a more stressful event.

Background Papers

None.

Contact for further information

Jamie Beardsmore, Democratic Services - 01344 352500

jamie.beardsmore@bracknell-forest.gov.uk

Paul Clark, Resources – 01344 354054

paul.clark@bracknell-forest.gov.uk

BRACKNELL FOREST SCHOOLS FORUM CONSTITUTION

1. BACKGROUND

- 1.1 The Schools Forum was established by virtue of Section 47A of The School Standards and Framework Act 1998 (as amended by the Education Act 2002) which required local authorities to constitute a schools forum. The Forum is operated in accordance with the Schools Forums (England) Regulations 2010. The Forum has a legal identity but is not a corporate body of Bracknell Forest Borough Council.

2. MEMBERSHIP STRUCTURE

- 2.1 The Forum membership is divided into schools' and non-schools' members. Schools' members will include senior members of school staff and governors. These representatives will reflect the proportion of pupils in academy schools and those maintained by the local authority, with maintained school representatives also reflective of the proportion of pupils in primary and secondary schools. There is also a school member to represent special schools and a further member representing the Pupil Referral Unit.
- 2.2 Non schools' members may constitute a maximum of one third of the total membership of the Forum to represent relevant bodies as defined in the Regulations and shown in the table below which sets out the approved membership of the Schools Forum in terms of representation, broken down into schools' and non-schools' categories:

	Head Teacher	School Governor	Academy	Total	%
<u>Academy Members</u>					
Mainstream academies			7	7	50
Special academy			1	1	7
<u>Schools Members</u>					
Primary Maintained	4	1		5	36
Secondary Maintained	1	0		1	7
Total Schools' and Academies' Members (minimum 66.7%)				14	82
<u>Non-Schools Members</u>					
16-19 Provider				1	
Early Years Provider				1	
Diocese Representative				0	
Independent				0	
Trades Union				1	
Total non-school members (maximum 33.4%)				3	18
Total Members				17	100
Executive Member for Children, Young People & Learning has observer status					

*Senior staff: This can be the principal, headteacher, assistant head teacher, bursar or person responsible for the financial management of a maintained school.

Education and Skills Funding Agency (ESFA) observer status will be given at School Forum meetings with the right to participate in discussions. This will enable the ESFA to support the local process and to provide a national perspective.

- 2.3 The current membership list is attached to this Constitution at Appendix B.

Term of Office

- 2.4 The table below details the term of office for each type of member once they have been elected/appointed. **Memberships will be valid until 31 August of the academic year in which the term of office ends**, or until a member resigns or otherwise becomes ineligible for membership. At the end of their term of office, members can stand for re-election from the body they represent. There is no limit to the number of times a member can be re-elected.

Category	Term of office on Schools Forum
Senior Schools Staff	Three academic years
Governors	Three academic years
Academy representative	Three academic years
Non-school members	Three academic years
Chair/Vice-Chair	One academic year

Elections and nominations of members

- 2.5 When a vacancy arises for a schools' member on the Schools Forum, a replacement will be elected according to the process agreed by the constituents represented by the members of that group or sub-group. For the election of academy members, each multi-academy trust shall hold one vote irrespective of the number of Bracknell Forest schools within the trust. Furthermore, no trust or maintained school may have more than 2 representatives on the Forum.

Restrictions on membership

- 2.6 Elected Members who hold an executive role in a local authority (a lead member/portfolio holder) are barred from being either a schools' member (by virtue of them being a school governor) or a non-schools member. Officers who have a role in the strategic resource management of the authority are also barred from membership of the Forum. Democratic Services can provide advice on the eligibility of nominees, as necessary.
- 2.7 The Executive Member for Children, Young People and Learning at Bracknell Forest Council has the role of Observer at the Schools Forum. The Executive Member will be able to attend public meetings of the Forum and address the meeting when invited to do so by the Chair however, they will have no formal status and will not be able to participate in voting.

3 Terms of Reference and Role of the Forum

- 3.1 The Forum has both a consultative and decision-making role. The respective roles of Schools Forum, local authority and the DfE are summarised in Appendix A. The overarching areas on which the Forum makes decisions on Council's proposals are:
- De-delegation from mainstream maintained schools' budgets (separate approval will be required by the primary and secondary phase members of the Schools Forum), for prescribed services to be provided centrally.
 - To create a fund for significant pupil growth in order to support the local authority's duty for place planning (basic need), including pre-opening and diseconomy of scale costs, and agree the criteria for maintained schools and academies to access this fund.
 - To create a fund for falling rolls for good or outstanding schools if the schools' surplus capacity is likely to be needed within the next three years to meet rising pupil numbers and agree the criteria for maintained schools and academies to access this fund.

- Agreeing other centrally retained budgets, including for local authority statutory responsibilities (where these relate to maintained schools only, voting is by the primary, secondary, special and PRU members of the Forum).
- Funding for central early years expenditure, which may include funding for checking eligibility of pupils for an early years' place, the early years' pupil premium and/or free school meals.
- Authorising a reduction in the schools' budget in order to fund a deficit arising in central expenditure, or from de-delegated services, which is to be carried forward from a previous funding period in the funding year the schools block is ring-fenced – the Council requires the Schools Forum's approval in order to move up to 0.5% from the schools block to other blocks.

NB:

- (i) In each of these cases, the Council may appeal to the Secretary of State if the Schools Forum rejects its proposal.
- (ii) The Council cannot delegate its executive decision-making powers to the Schools Forum, for example, decisions on the funding formula.

3.2 Regulations state that the Council must consult the Schools Forum annually in connection with various schools' budget functions, namely:

- Amendments to the school funding formula, for which the voting is restricted by the exclusion of non-schools' members except for PVI representatives.
- Arrangements for the education of pupils with special educational needs in particular the places to be commissioned by the Council and schools and the arrangements for paying top-up funding.
- Arrangements for the 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.
- Arrangements for early years provision
- Administrative arrangements for the allocation of central government grants paid to schools via the local authority

3.3 The Council must also consult the Forum when it is proposing a contract for supplies and services which is to be funded from the Schools Budget and is in excess of the EU procurement thresholds. The consultation must cover the terms of the contract at least one month prior to the issue of invitations to tender.

NB: The Schools Forum has the responsibility for informing the governing bodies of all schools maintained by the local authority of the results of any consultations carried out by the local authority relating to these issues.

3.4 The Council will need to discuss with the Forum any proposals that they intend to put to the Secretary of State to:

- Vary the MFG.
- Use exceptional factors.
- Vary pupil numbers (Secretary of State approval is no longer required for increases relating to changes in admission limits or reorganisations).
- Allow additional categories of, or spending on, central budgets.
- Amend the sparsity factor.
- Vary the lump sum for amalgamating schools.
- Vary the protection for special schools and special academies.
- Move up to 0.5% from the schools' block, where the Forum does not agree, or move more than 0.5% from the schools' block.

4. ADMINISTRATION

- 4.1 The Forum is administered by Democratic Services who will notify members of meeting dates, circulate agendas, record and circulate minutes of the proceedings of the Forum's meetings, assist with the election of new members and process members' expenses claims. A record of the composition of the Schools Forum detailing the type of membership (schools/non-schools) and term of office will be maintained by the Clerk to the Schools Forum.

5. CONDUCT OF MEETINGS

Timing and Frequency of Meetings

- 5.1 Meetings of the Forum will take place on at least four occasions per annum.

Quorum

- 5.2 In accordance with the Regulations, 40% of the total current membership (excluding vacancies and observers) will constitute the quorum for Forum meetings and although inquorate meetings may proceed, any resulting advice given to the Council would not have to be taken into account by it.

Substitution

- 5.3 Members of the Forum may nominate substitutes to attend meetings in their place in the event that they are unable to attend themselves. The substitute must represent the same group as the member he/she is substituting. In order for a substitution to be formalised, his/her name must be notified to the clerk to the Forum at least thirty minutes prior to the commencement of the meeting to which the substitution applies.

Voting

- 5.4 Matters before the Forum for consideration shall be determined by voting on an individual basis with members having one vote each. The chair shall have a second and casting vote in the event that there is an equality of votes cast.
- 5.5 The voting arrangements will be restricted by allowing only schools' and academy members (and the private, voluntary and independent sector - PVI members) to vote where this is prescribed in the Schools Funding Regulations.

Public Meetings and Papers

- 5.6 Meetings of the Forum shall be open to the press and public and associated agenda papers and minutes shall be available for public inspection except on occasions when it is considered expedient to treat agenda papers with confidentiality and to agree a motion requiring the exclusion of the press and public from meetings. An example of such an occasion is a confidentiality issue surrounding individual schools' budgets.
- 5.7 Meetings may be held remotely in accordance with the The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020 as amended by Regulation 35 of the School and Early Years Finance (England) Regulations 2021.

Declarations of Interest

- 5.8 Members are required to declare at meetings of the Forum any interest they or their school may have in the business to be conducted at that meeting. The Forum will determine whether the declared interest is of a significant nature and the declarer's withdrawal from the meeting during the consideration of that issue is necessary.

Chair/Vice Chair

- 5.9 The Forum shall elect a chair and vice chair both of whom must be from amongst its own members, by a majority of votes cast on an annual basis at the first meeting in the academic year. Any non-executive elected member or eligible officer who is a member of a forum may not hold the office of chair.

Sub Groups

- 5.10 The Forum may establish sub-groups and/or working groups on an ad hoc basis, however, any advice arising from these sub-groups shall be approved by the Forum as a whole before being passed to the LA.

Right of Attendance

- 5.11 In addition to members, substitute members, official observers and officers in attendance, the press, public, other officers of the Council and any teachers or governors wishing to attend meetings of the Forum shall be able to do so except in the event that a motion is agreed to the contrary. The authority may also ask other observers to attend Schools Forum meetings, for example, expert advisors on relevant issues or any other body to attend as an observer. Only Forum members, official observers and council officers attending for official forum business can participate in Forum meetings.

Urgent Business

- 5.12 Where there is a genuine business need for a decision or formal view to be expressed by the Forum before the next scheduled meeting, the authority may call an unscheduled meeting or alternatively, the Clerk to the Schools Forum will collate opinions from all members via email correspondence and a consensus decision or formal view will be formulated in consultation with the chair.

6 FORUM BUDGET / MEMBERS' EXPENSES

Forum Budget

- 6.1 Each year the Forum is required to agree its budget for the forthcoming year on the basis of the anticipated number of meetings to be held that year and the estimated direct costs associated with holding meetings of the Forum.

Members' Expenses

- 6.2 All reasonable expenses incurred by members in connection with attendance at meetings of the Forum or in connection with the business of the Forum, including attending other meetings or training courses/conferences will be reimbursed

To: **Schools Forum**
19 September 2024

Safety Valve update **Executive Director: People**

1 Purpose of report

- 1.1 To update the Schools Forum on progress made on the implementation of the Safety Valve programme, as well as wider SEND improvement work.

2 Recommendation(s)

That the Schools Forum notes:

- 2.1 The progress made on delivering the Safety Valve intervention programme up until submission of the first monitoring report to the DfE in May 2024.

3 Reasons for recommendation(s)

- 3.1 When the Safety Valve programme was established it was agreed that the Schools Forum would have updates on progress made on implementation of the plan.

4 Alternative options considered

- 4.1 None.

5 Supporting Information

- 5.1 In March 2024, the council entered into a Safety Valve agreement with the Department for Education. In recognition of the overlap between our ongoing Written Statement of Action (WSOA) activity, implementation of our SEND Strategy and the Safety Valve programme, a review of governance and delivery mechanisms has been conducted and new arrangements implemented. The new governance arrangements allow for strategic oversight of all areas of improvement activity, whilst reducing duplication, streamlining activity, and enabling opportunities for challenge at both operational and strategic level.
- 5.2 The Safety Valve agreement contains five conditions that the council is monitored on. On 28 May 2024, the council submitted its first Safety Valve monitoring report to the DfE. The DfE reviewed the council's monitoring report and, with no further information requested or points of clarification raised, released the next £1.6m of funding to the council to continue with delivery of the programme.
- 5.3 On 28 August 2024, the council submitted its second Safety Valve monitoring report to the DfE. At the time of publication, feedback has not yet been received (expected by the end of September), and therefore a further update will be provided at the next Schools Forum meeting.
- 5.4 The first SV condition is "strengthen early intervention services and work with schools to build an inclusive culture, so that more children and young people's needs are met within mainstream education". The new graduated approach has been piloted and rolled out, with training, guidance and support materials created for schools, and a parent and carer support document drafted. The newly established transition team is in post and has started working with the first cohort of students. Feedback from schools has been extremely positive.

- 5.5 The second SV condition is “expand local provision through building a new autism school and SEMH school, alongside explaining existing SRPs, utilising them as centres of excellence which will provide outreach services across the local authority”. An academy trust, Propeller Trust, has been appointed by the DfE to run the new 100 place autism school, which has been named Forest View, and will be located at the Bucklers Park site. The DfE is leading on delivery of the new school and is currently commissioning technical advisers to prepare feasibility study. The school was originally planned to be opened in late 2026, however the DfE’s current plan is for construction to be complete, and the school handed over in March 2027.
- 5.6 The initial design phase for the new 50 place SEMH school is complete, and a pre-planning application was submitted in May 2024. The procurement approach for procuring the main contractor has been agreed and the first stage of the procurement has commenced. Following the free school presumption route, the council has put out the application process for academy trusts to run the SEMH school, with an application deadline of the end of September. The first cohort for the school is due to start in September 2025 at a temporary site.
- 5.7 Through the Safety Valve programme, the council has successfully secured an additional £4million of capital funding to develop new specialist provision. Following a consultation undertaken by Sandhurst and Edgbarrow schools, these schools have been confirmed as the locations for two new secondary SRPs. The Sandhurst SRP, which will provide 25 new places, will open in September 2024 to support children and young people with communication and interaction needs. The Edgbarrow SRP, which will also provide 25 places, will open in September 2025 to support children and young people with autism.
- 5.8 A review of all primary SRPs has been completed, with new admissions criteria in place and published on the Local Offer website. New service level agreements are also in place for the SRPs, and a training programme has been established for staff working in SRPs. The first training sessions have been delivered, and further training delivered by health colleagues planned in the new academic year.
- 5.9 The closure of College Hall was agreed by Executive members on 21st May 2024. Review of all the children and young people attending College Hall has been undertaken and appropriate placement in relation to their needs has been secured. The formal HR processes are nearing conclusion.
- 5.10 The third SV condition is “pioneer the use of technology in establishing an efficient service to support children and young people who are unable to attend school due to medical needs”. During the summer term, AV1 telepresence robots were trialed in a few schools within the borough, with positive feedback received. The official rollout of the extended, individualised offer for children and young people who are unable to attend school due to medical needs is planned for the new academic year, with training from the providers of the technology planned for headteachers and school representatives in September.
- 5.11 The fourth SV condition is “review the process for commissioning and managing independent sector placements”. The council has also joined the cross regional arrangements group CCRAAG (Children’s Cross Regional Arrangements Group)) supporting quality assurance, market management and enabling us to manage annual uplift requests relating to INMSS placements. An approach to managing uplifts for all education providers for 2024/25 has been developed, agreed, and embedded. The commissioning team, working closely with SEND managers, has successfully led negotiations with several providers, limiting the uplifts agreed this financial year.
- 5.12 The fifth SV condition is “improve the way high need services work with local health services”. Engagement with health colleagues is underway to secure sufficient capacity from health colleagues to ensure appropriate medical oversight is present at a child’s referral into the flexible learning service (formerly tuition service). Work with GPs has also taken place to provide training on the graduated approach and the support available within

other services across the council to meet the needs of children and young people who are medically unfit for school.

- 5.13 As part of the new government's 100-day plan, several initiatives for Special Educational Needs and Disabilities (SEND) have been identified. Their plan focuses on improving the SEND system through various measures which includes national standards, improving transitions, workforce development, accountability and redress and financial sustainability. An update on any new initiatives, and the implications for Bracknell Forest Council will be included in future updates to the Forum

6 Consultation and other considerations

Legal advice

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

Financial advice

- 6.2 Through its participation in the Safety Valve programme, the Council has agreed to implement a robust plan to reduce spending on high needs block expenditure down to the level of grant provided through the Dedicated Schools Grant over a period of six year. A substantial amount of the council's reserves will be required to clear the cumulative deficit.

Other consultation responses

- 6.3 Progress is monitored regularly by the SEND improvement partnership board and via meetings and reporting to the DfE. Feedback is incorporated into this report.

Equalities impact assessment

- 6.4 There are no specific equalities issues relating to this update and the equalities screening was carried out at the start of individual projects and programmes.

Strategic risk management Issues

- 6.5 There are no specific strategic risk management issues relating to this update as they were considered when the WSOA and Safety Valve programme were produced.

Climate change implications

- 6.6 There are no specific climate change implications relating to this update as they were considered when the WSOA and Safety Valve programme were produced.

Health and wellbeing considerations

- 6.7 There are no specific health and wellbeing considerations relating to this update as they were considered when the WSOA and Safety Valve programme were produced.

Background papers

None

Contact for further information:

Grainne Siggins, Executive Director: People - 01344 354182

grainne.siggins@bracknell-forest.gov.uk

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To: Schools Forum
Date: 19 September 2024

**2025-26 initial Budget Preparations for the Schools Budget
and related matters
Executive Director: People**

1 Purpose of report

- 1.1 To provide an update to the Schools Forum in respect of the 2025-26 Schools Budget for mainstream schools together with other relevant finance related matters.
- 1.2 With the change in national government, the normal July release of core financial information has been paused with no meaningful information released to date. This delay will constrict the time available to set the 2025-26 budget which must be confirmed to the Department for Education (DfE) at individual school level in January 2025.

2 Recommendations

To agree:

- 2.1 **That subject to consideration of school responses to the annual financial consultation and general affordability, the approach to setting the 2025-26 budget should remain broadly the same as for 2024-25, and in particular:**
 - 1. **That there should be no change to the current budget strategy of:**
 - a. **as far as possible, replicating the National Funding Formula;**
 - b. **setting minimum per pupil funding increases between financial years at the lowest amount permitted by the DfE;**
 - c. **meeting additional diseconomy and post opening costs at new and expanding schools in accordance with the approved policy;**
 - d. **maintaining a centrally managed Growth Fund for in-year allocation of funds to qualifying schools;**
 - e. **using the Central Schools Services Block to finance the permitted services.**
- 2.2 **That in respect of the Safety Valve programme, the equivalent of 1% of Schools Block remains needed to help finance the High Needs Block deficit and that the planned Block transfer continues as follows:**
 - 1. **a funding transfer from individual school budgets capped at 0.5%, estimated at 0.42% of Schools Block funding;**
 - 2. **the unallocated balance on the Schools Block DSG Growth Fund, estimated at 0.43% of Schools Block funding;**
 - 3. **a balancing transfer from the Central Schools Services Block estimated at 0.15% of Schools Block funding.**

To comment on:

2.3 The proposed outline content of the autumn term financial consultation with schools.

3 Reasons for recommendations

- 3.1 To ensure initial preparations for 2025-26 school and education budgets are presented in the most timely manner to ensure appropriate consideration and agreement in advance of the requirement to submit summary details of individual school budgets to the DfE by January 2025.

4 Alternative options considered

- 4.1 None. The approach proposed is in line with previous consultations with schools and the Schools Forum.

5 Supporting information

Overview

- 5.1 Following the 4 July general election, DfE has indicated that “across government, budgets for 2025 to 2026 are still to be agreed; this includes the 2025 to 2026 schools’ budget, which, as usual, the department will need to agree across government. We will confirm the new timelines following decisions on the core schools budget settlement for 2025 to 2026.” At the time of publishing this report, neither the updated timetable nor key financial data had been released.
- 5.2 In previous years, DfE has announced provisional financial settlement information for each LA for the upcoming financial year by the end of July. This generally includes confirmed Dedicated School Grant¹ per pupil funding rates to be paid to each individual LA and details of how funding rates and any other elements of the Funding Framework have changed.
- 5.3 Whilst budget setting data at individual school level is not usually confirmed until the end of December, such as confirmed pupil numbers, those eligible to a free school meal etc. the general release of funding rates is an important first stage in budget planning for LAs and schools. Early planning is essential to ensure appropriate engagement with the Schools Forum and overall council governance arrangements which all need to be completed before the statutory deadline to publish individual school budgets which is expected to be set at around 22 January 2025.
- 5.4 The absence of national funding information adds further uncertainty to the budget setting process and will result in less time to consider options with the Forum and to make decisions. However, it remains important in terms of financial planning for both for the council and schools to make budget decisions as soon as possible. Therefore, some early matters are being presented now for a decision.

¹ The DSG is the ring-fenced grant allocated by the DfE through a formula to LAs to fund most of their expenditure on school and education related services. Annex 3 sets out more information.

National Funding Framework

5.5 The Forum is aware that the government is reducing local decision making and moving all LA funding arrangements onto the National Funding Formula (NFF)². This will take several years to complete with 2025-26 being the third year of transition to the “direct” schools NFF. In summary, this is expected to continue to require:

1. LAs to only use NFF factors in their local formulae, and must use all NFF factors other than the following optional factors: rates, PFI contracts and exceptional circumstances (requires DfE agreement)
2. LAs to move their local formula factors 10% closer to the NFF values, compared to where they were in 2024-25, unless their local formulae are already so close to the NFF that they are classed as mirroring the NFF. For this purpose, local factor values within +/- 2.5% of the respective NFF values are deemed to be “mirroring” the NFF. Note, as part of the tightening requirement, local authorities are not allowed to ‘overshoot’ the NFF value by more than the 2.5% mirroring threshold.

5.6 In accordance with the agreed budget strategy of the Forum, the BF Funding Formula for Schools is already fully compliant with these new requirements and no new specific actions are therefore required. The 2024-25 NFF policy document that sets out the requirements on LAs to move their formulae closer to the NFF can be found here:

[National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-funding-formula-for-schools-and-high-needs)

5.7 With the delay in releasing 2025-26 financial information, it is assumed that no significant changes will be made to the Funding Framework, but that has yet to be confirmed. Annex 1 sets out a summary of 2024-25 financial information.

Mainstreaming of specific school grants

5.8 Whilst there is no update on the 2025-26 NFF rates of funding, there are 3 current specific school grants that the DfE has already announced are intended to be mainstreamed into NFF funding rates in 2025-26, meaning they will cease as separate funding streams for schools next financial year, with the appropriate funding in future paid through the main school budget.

1. The Teachers’ Pay Addition Grant that was paid at £1.576m and is being made available to contribute to the costs arising from the September 2023 Teachers’ Pay Award.
2. The Teachers’ Pension Employer Contribution Grant that is being paid at £1.927m as a contribution to the 5% increase in employer contribution to the Teachers’ Pension Scheme.
3. Core Schools Budget Grant that was paid at £1.213m for 2024-25, with a 2025-26 full year equivalent allocation of £2.079m to contribute to the costs arising from the 5.5% September 2024 Teachers’ Pay award.

For each of these grants, the DfE has indicated it will ensure that the additional funding schools attract through the schools NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant, without adding

² The NFF distributes funding based on schools’ and pupils’ needs and characteristics and uses the same factor values for all schools across the country. The exception to this being an area cost adjustment (ACA) uplift which is paid to areas with high costs. BF receives a 5.7% ACA uplift.

significant complexity to the formula: Typically this will be through basic per-pupil factor, the FSM6 factor, the lump sum, and the minimum per pupil funding levels.

Areas for local decision making

5.9 A key feature of the budget setting process is the annual financial consultation with schools. This takes place each year for the Forum to consider the outcomes early in the autumn as budget planning develops. Despite the absence of the financial settlement from the DfE, it is considered important from a time availability perspective to seek views now from schools on the relevant areas of the budget that remain subject to local decision making.

5.10 There are usually 3 areas on the consultation.

1. De-delegation. To seek agreement from maintained schools to fund central management of a small range of services where there is a benefit of risk sharing, achieving economies of scale or benefit from an area wide service from doing this e.g. classroom staff maternity leave scheme. DfE do not allow de-delegation to apply to academy schools.

The original intention was to change from the current approach of asking one question seeking permission to de-delegate all requested services, to posing the question seeking permission to de-delegate each individual service.

Taking account of the current redesign of a number of related services in the HNB budget and the increasing number of schools converting to academies that then retain their de-delegation funds, the amount of funds received from de-delegation is diminishing each year and presents a financial challenge to the council. Therefore, the proposal is to continue with the single question for de-delegation of all services in 2025-26, and to complete a review of relevant services to establish a sustainable model going forward.

Annex 2 sets out a summary of de-delegated services and approximate amounts for 2024-25.

2. Contribution by maintained schools to LA statutory duties. To contribute £20 per pupil to LA education related statutory duties where the DfE has withdrawn £1.6m of grant funding but still requires LAs to meet all the duties.
3. Rate of the Minimum Funding Guarantee (MFG). To provide a degree of funding stability between financial years, each LA needs to set a minimum change in per pupil funding that a school can experience compared to 2024-25. For 2024-25, DfE permitted a range to the rate of between +0.0% and +0.5%. Reflecting the difficult financial settlement, the Forum agree the minimum +0.0% increase for 2024-25. It is proposed to continue with setting the change at the minimum amount permitted.

5.11 These questions are necessary as the Schools Forum is required to decide each year on some budget matters and therefore needs to be confident that these are taken in the light of current opinions.

5.12 Responses to the consultation are expected to be reported to the Forum at the next meeting on 14 November.

5.13 In addition to the annual financial consultation, there are 3 further local budget making decisions that are presented each year directly to the schools Forum.

1. Diseconomy and other funding allocations to new and expanding schools. These are proposed to continue unchanged from 2023-24 policy update with

top up funding applied for diseconomy and post opening costs. The full policy can be found here:

[2023-24 Funding Policy for New and Expanding Schools.pdf](#)

2. Maintaining a centrally managed growth fund³ to support schools experiencing significant in year increases in basic need pupils, agreed in advance with the council. The Forum agreed an updated policy in June and can be found here: [\(ITEM \) \(bracknell-forest.gov.uk\)](#)
3. Retention of a share of the Central Schools Services Block DSG allocation for management by the council on permitted, defined services. The agreed use for 2024-25 is set out in Annex 3.

Safety Valve / Block transfer / top slice

- 5.14 A separate agenda item presents the Forum with an update on the Safety Valve (SV) programme for which there are widespread financial implications, including on schools, particularly through the Block Transfer of funds to the HNB.
- 5.15 In setting the 2024-25 Schools Block budget, the Forum recognised the need to find a balanced approach to funding the current and future deficit which would continue to increase and reach a total of over £50m (representing 50% of the Council's annual budget) without further options being pursued. Bracknell Forest Council had considered not joining the Safety Valve programme, however participation would give the local authority more financial resources, including capital for investment, and support that would not be otherwise available.
- 5.16 The key factors affecting the financial pressure were recognised as:
1. Increasing numbers of pupils with a statement or Education Health Care Plan (EHCP)⁴.
 2. A shortage of local provision results in an over reliance on relatively expensive independent, non-maintained special schools (INMSS).
 3. Increases in grant income from the DfE have been insufficient to finance the increase in expenditure.
- 5.17 It was recognised that there was a need to find a balanced approach to funding the current and future deficit, particularly in the next few years before the planned new local schools will be available for placements. Agreement was therefore reached with schools to transfer the equivalent of 1% of the Schools Block Budget to the High Needs Block. 0.43% of this related to a maximum 0.5% top slice to individual school budgets, 0.42% from reduced allocations from the Growth Fund with the remaining 0.15% from a transfer from the Central Schools Service Block through reduced contributions to LA education related statutory duties.
- 5.18 Whilst the local authority projected the top slice to last for the duration of the Safety Valve programme, it has committed to reversing the top slice should the financial situation to improve sufficiently. At this stage of the programme, there is no change in

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

⁴ 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.

the key factors affecting the financial pressure and the top slice therefore needs to remain in place.

- 5.19 As the top slice contribution is already built into 2024-25 school budgets, from 2025-26, funding settlements for schools in Bracknell Forest are expected to be at the same level of increase as included in the financial settlement from the government

Issuing 2025-26 budgets to schools

- 5.20 Publication of 2025-26 individual school budgets will follow last year's timeline, with provisional budgets issued in early January 2025 and final budgets in March 2025. The expectation is that the January provisional budgets will reflect the schools funding settlement for 2025-26 and October 2024 verified census data (subject to this being provided by the DfE no later than mid-December) and the final budget decisions of the Schools Forum and will therefore be very close to final allocations.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no legal issues arising from this report that requires specific legal comments.

Executive Director: Resources

- 6.2 Included within the supporting information.

Equalities Impact Assessment

- 6.3 A decision on the need for an EqIA will be taken when the final budget proposals are confirmed.

Climate Change Implications

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

Strategic Risk Management Issues

- 6.5 Whilst the funding reforms and financial settlement in general result in schools receiving additional funds, a number of strategic risks exist, most significantly:
1. Absorbing the financial impact of the Block Transfer / top slice
 2. Insufficient funding to cover anticipated pay and price inflation and changes in contributions to the Pension Funds.
 3. The ability of schools with licensed deficits to manage their repayments.
 4. The ability of schools with falling rolls to balance their budgets
 5. Managing the additional revenue costs arising from increased number of high needs pupils.
 6. The ability of schools to achieve school improvement targets.
 7. Emerging, significant inflationary pressures.
- 6.6 These risks will be managed through support and assistance to schools in the budget setting process which is a well-established programme. It has ensured that schools

develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans. There remains a de-delegated budget of £0.152m (2024-25 amount after academy deduction) to support maintained schools in financial difficulties that meet qualifying criteria – subject to on-going agreement to the funding.

7 CONSULTATION

Principal Groups Consulted

- 7.1 People Directorate Management Team. Further consultation is planned with school governors, head teachers, Schools Forum and other interested parties throughout the budget setting process.

Method of Consultation

- 7.2 Written reports to People Directorate Management Team and Schools Forum; formal consultation with schools.

Representations Received

Included in body of the report.

Background Papers

None:

Contact for further information

Paul Clark, Finance Business Partner
paul.clark@bracknell-forest.gov.uk

(01344 354054)

Doc. Ref: [https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(124\) 190924/2025-26 Schools Budget Initial Budget Preparations.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(124)%20190924/2025-26%20Schools%20Budget%20Initial%20Budget%20Preparations.docx)

**2024-25 Financial Settlement and national funding arrangements
(included for information in the absence of DfE confirming 2025-26 position)**

Schools Budget:

Overview

1. The key parts to the way school and education related funding are to be allocated next year are:
 - a. The DfE will be using the same separate formulae to allocate funding to LAs for SB, CSSB, High Needs (HN) pupils and Early Years (EY) provisions.
 - b. The DfE place a ring-fence on funding provided to LAs for schools and education. This means it can only be used for the purposes defined by the DfE and cannot be diverted to fund other costs.
 - c. In line with the DSG conditions of grant, LAs can transfer up to and including 0.5% of their SB funding into another block, with the approval of their schools forum. Without schools forum agreement, or where they wish to transfer more than 0.5% of their schools block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.
 - d. The DfE will continue to use the NFF to calculate each school's individual budget with no changes in the factors used. The NFF distributes funding based on schools' and pupils' needs and characteristics and uses the same factor values for all schools across the country. The exception to this being an area cost adjustment uplift which is paid to areas with high costs, such as those paying London Weighting to staff salaries. BF receives a 5.8% uplift.
 - e. As set out above, there are some new minimum requirements on LAs to replicate the NFF, all of which BF currently achieves and no further action is required.
 - f. LAs will continue to receive funding based on the DfE running each school's data (mainly October 2022 census, so lagged) through the NFF at confirmed 2024-25 factor values and aggregating together every school's allocation to determine the amount to be paid to that area. This is then converted to an average primary and secondary per pupil funding value which with final October 2023 pupil numbers will be used to calculate each LAs 2024-25 funding for their schools. This approach aids financial planning as it allows for the early publication of each LAs confirmed per pupil funding rates.
 - g. DfE also allocate funds to LAs for premises related costs, most significantly for business rates. These are allocated on a lagged actual cost basis.
 - h. LAs can also receive funding through a growth factor, based on the observed increases between the primary and secondary number on roll in each LA within Middle Layer Output Areas (MSOA)⁵. between the October 2022 and October 2023 school censuses.

⁵ Middle Layer Super Output Areas are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. They have a minimum size of 5,000 residents and 2,000 households with an average population size of 7,800. They fit within local authority boundaries.

- i. Whilst LAs have responsibilities to set funding allocations for their schools, they must work within parameters set by the DfE which very closely follow the NFF and other national priorities.
 - j. In allocating funds to schools, LAs must use pupil and other relevant data provided by the DfE which is generally made available at the very end of the autumn term.
2. There are a small number of changes to the national process to allocate funds.
- a. Introducing a new formulaic approach to allocating split sites funding in the NFF, replacing the previous locally determined split sites factor. Note, there are no qualifying schools in BF so this has no impact.
 - b. The new Mainstream Schools Additional Grant (MSAG) that was introduced in April 2023 to support schools to meet rising costs is being rolled into the schools NFF from 2024-25 and will no longer be paid separately. The aim of the approach for rolling the grant into the schools NFF is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2024-25, without adding significant additional complexity to the formula. This amounted to £3.0m in 2023-24.
 - c. In calculating low prior attainment proportions, following the cancellation or incompleteness of both EYFSP and KS2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use 2019 attainment data as a proxy for the missing assessments in 2020 and 2022 attainment data as a proxy for the missing assessments in 2021. This is a change from 2023-24 when 2019 attainment data was used as a proxy for the missing assessments in both 2020 and 2021 and has the potential to introduce some turbulence to the allocation of funds, which can be assessed once the DfE issue relevant data in December.
 - d. In respect of falling rolls, for the first time, funding will be allocated to LAs on the basis of falling rolls, as well as growth. LAs can use this funding to support schools which see a short-term fall in the number of pupils on roll.

National funding decisions for 2024-25

Note: all amounts quoted for BF in this section are provisional and subject to update as budget calculations progress and the final data is released by the DfE.

- 3. Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £1.8 billion in 2024-25 compared with the previous year. Funding for mainstream schools through the schools NFF is increasing by 2.7% per pupil compared with 2023-24. The estimated increase in BF is also 2.7%.
- 4. The main features of the settlement are:
 - a. The key factors in the NFF will increase by 2.4% i.e. basic per-pupil funding, low prior attainment (LPA), free school meals at any time in the last 6 years (Ever6), income deprivation affecting children index (IDACI), English as an additional language (EAL), high pupil mobility and the lump sum.

- b. Current free school meals will increase by 1.6%.
 - c. After reflecting the impact of mainstreaming the MSAG, the minimum per pupil funding levels (MPPFL)⁶ have been increased by 2.4% and will ensure that every primary school receives at least £4,655 per pupil (£4,405 in 2023-24), and every secondary school at least £6,050 per pupil (£5,715 in 2023-24).
 - d. Provisional data indicates that the same 6 BF primary schools will be funded at these MPPFLs as in 2023-24. All secondary schools are again provisionally above the MPPFL.
 - e. Where the normal operation of the NFF does not allocate a minimum level of increase in per pupil-led funding compared to its 2023-24 NFF baseline, top-up funding is added to meet this rate of increase i.e. the Minimum Funding Guarantee (MFG)⁷. LAs have discretion to set the amount of MFG in their area, but it must be between +0.0% and +0.5%.
 - f. Provisional data based on October 2022 Census point indicates that if MFG was agreed to be set at the maximum of +0.5%, then all schools would be above this level compared to 2023-24 when 2 schools receiving additional support totalling £0.004m.
5. Using this initial data indicates that average per pupil funding for BF primary schools – excluding new schools where funding rates are very volatile due to significant changes in pupil numbers between years - will increase by 2.8% to £4,856 and secondary schools by 2.5% to £6,552. Average per pupil funding is £5,561, up 2.6%.
6. In addition to the key elements of the funding settlement set out directly above, the DfE has also confirmed the arrangements to pass on additional funding to schools for additional costs arising from the September 2023 Teachers' Pay Award. There will be a new specific grant, the Teachers' Pay Additional Grant (TPAG), and this will be made available from September 2023 to March 2024 and for the whole of the 2024-25 financial year. The expectation is that TPAG will be mainstreamed into the NFF rates from 2025-26. LAs must pass on to individual maintained schools the amount specified by the DfE. DfE will directly fund academies.
7. The TPAG has no time limit for spending, but conditions specify it must be spent:
- for the purposes of the school; or
 - for the benefit of pupils registered at other maintained schools or academies, pupil referral units or hospital schools

The funding rates for the 7 months payable in financial year 2023-24 are subject to the area cost adjustment. This uplifts BF rates by 5.8% compared to the core national rates and are as follows:

- a basic per-pupil rate of £38.08 for primary pupils, including pupils in reception
- a basic per-pupil rate of £52.89 for key stage 3 pupils
- a basic per-pupil rate of £60.30 for key stage 4 pupils
- a lump sum of £1,422.87

⁶ The NFF includes MPPFLs that are applied equally to all primary and secondary schools (£4,655 and £6,050 respectively in 2024-25). LAs must also apply these minimum rates in their local funding formula. The only factors not included in per-pupil funding for the purpose of the MPPL calculation are premises e.g. business rates, split site factor and growth funding.

⁷ The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, a funding top-up is added to meet the minimum per pupil change requirement. The MFG calculation required by the DfE excludes funding for business rates and fixed lump sum allocations. The cost of top-up funding is financed by scaling back increases to schools experiencing the highest proportional funding gains.

- an FSM6 per-pupil rate of £32.79 per eligible primary pupil
- an FSM6 per-pupil rate of £47.61 per eligible secondary pupil

The TPAG is expected to allocate £0.911m to BF schools in 2023-24. Schools have been notified of their provisional allocation. 2024-25 funding rates will be at twelve sevenths of the funding rates in 2023-24 and subject to changes in core data e.g. pupil numbers etc, the allocation to BF schools is estimated at around £1.6m, 1.7% per pupil.

CSSB:

8. The CSSB covers funding allocated to LAs to carry out central functions on behalf of pupils in maintained schools and academies. CSSB funding is split into funding for ongoing responsibilities and funding for historic commitments. For 2024-25, CSSB NFF funding is estimated at £0.542m, a decrease of £0.013m from 2023-24.
9. The ongoing responsibilities element of the CSSB is allocated to LAs using a pupil-led formula. The formula now uses three factors: a basic per-pupil factor, through which LAs receive the majority of funding (nationally 90% of funds are allocated through this factor), a deprivation per-pupil factor (10% of national funds), and the new copyright licences per pupil factor to fund the additional costs of copyright licences that LAs faced in 2023-24, which amounts to £5.5m of which BFC received £0.010m.
10. There is a protection to ensure no LA sees losses of greater than 2.5% of their per pupil I funding for ongoing responsibilities (excluding the additional funding for copyright licences). BF will receive a 2.9% increase in per pupil funding in 2024-25 which is below the national average increase of 3.5%. £0.709m is the provisional allocation.
11. The historic commitments element of the CSSB, which funds some LAs for commitments they made in prior years that support the most vulnerable pupils is being reduced by 20% per annum from LA funding. This commenced in 2020-21 and for 2024-25, equates to a £0.033m funding reduction with associated income falling to £0.133m from £0.166m. Funding has now reduced by £0.273m from the £0.406m received in 2019-20.
12. The Forum agreed to fund £0.125m of the funding shortfall and this is assumed to continue.
13. Annex 3 sets below out the services permitted to be charged to the CSSB and the 2024-25 budget amounts.

2024-25 de-delegated budgets

1. As a result of previous consultations, schools will be aware that national funding arrangements require all LAs to delegate funding to mainstream schools for the same services and functions, with a general presumption of maximum delegation. However, where relevant school representatives on a Schools Forum agree that the whole budget for their phase e.g. primary or secondary should be returned to the Council for central management, this is allowed, but only in respect of a small number of services. This recognises that there are reasons of cost effectiveness, shared risk management and ease of organisation and management that a strategic approach can bring.
2. The DfE term this approach ‘de-delegation’ **and it applies only to maintained primary and secondary schools**. Academy schools are responsible for providing these services and therefore receive their share of ‘de-delegated’ budgets direct, with some being available for purchase from the council. ‘De-delegation’ is not relevant to special schools or pupil referral units as these institutions are funded from separate High Needs budgets where the DfE requires different arrangements to apply.
3. Overall, around £1.7m of Schools Block funding is involved in BF and covers contingencies (including schools in financial difficulties and exceptional costs in primary schools), support to underperforming ethnic groups and bilingual learners, CLEAPSS subscriptions, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services. In general, a per pupil deduction is made to maintain school budgets and passed back to the council to use to fund central management of the services.
4. The relevant services affected are summarised below in Table 1. When asked, schools have always supported on-going ‘de-delegation’ of services, with 97% of respondents on average agreeing in each of the last 5 years.

Table 1: Services subject to de-delegation at April 2025 (April 2024 approx amounts)

Ref	Service area	Gross budget £k	Academy deduction £k	LA to manage £k
Items requested for-de-delegation				
1	Contingencies; support to schools in financial difficulty and exceptional costs (1)	370	-218	152
2	Support to underperforming ethnic minority and bi-lingual pupils	208	-81	127
3	CLEAPSS licence fees	1	-1	0
4	Staff supply for official absences (1, 2)	597	-313	284
5	Premature retirement / dismissal costs (1)	78	-41	37
6	Free school meals eligibility checking	28	-15	13
7	Behaviour and Education Support Team	374	-163	211
8	Anti-bullying co-ordinator	31	-16	15
	TOTAL	1,687	848	839

- 1 Not available for buy-back by academy schools
- 2 Includes maternity leave, trades union and suspensions.

2024-25 approved Central School Services Block Budgets

Budget Area	Central Schools Services Budget		
	2023-24 Final Budget	2024-25 Proposed Budget	Change
Combined Services Budgets:			
Family Intervention Project	£100,000	£100,000	£0
Educational Attainment for Looked After Children	£133,590	£133,590	£0
School Transport for Looked After Children	£42,740	£42,740	£0
Domestic Abuse	£2,000	£2,000	£0
SEN Contract Monitoring	£32,680	£32,680	£0
<i>Central School Services - historic commitments</i>	£311,010	£311,010	£0
<u>Other Permitted Central Spend</u>			
<u>Miscellaneous (up to 0.1% of Schools Budget):</u>			
Forestcare out of hours support service	£5,150	£5,150	£0
Borough wide Initiatives	£9,720	£0	-£9,720
Support to Schools Recruitment & Retention	£5,000	£0	-£5,000
<u>Statutory and regulatory duties:</u>			
'Retained' elements	£290,680	£15,690	-£274,990
<u>Other expenditure:</u>			
School Admissions	£202,025	£202,025	£0
Schools Forum	£20,935	£20,935	£0
Boarding Placements for Vulnerable Children	£50,000	£50,000	£0
Central copyright licensing	£85,560	£103,190	£17,630
<i>Central School Services - on-going responsibilities</i>	£669,070	£396,990	-£272,080
Total Central School Support Services	£980,080	£708,000	-£272,080
<u>Funding</u>			
Historic commitments	£166,170	£132,940	-£33,230
On-going responsibilities	£688,670	£715,060	£26,390
Total Funding	£854,840	£848,000	-£6,840
Transfer from Schools Budget	£125,240	£0	-£125,240
Transfer to High Needs Block Budget	£0	-£140,000	-£140,000
Central School Services Total Funding	£980,080	£708,000	-£272,080

Yellow shaded cells highlight the £0.265m cost transfer to BFC.

Summary of the Dedicated Schools Grant

The DSG is a ring-fenced specific grant and is the main source of income for schools' budgets. It is split into four sections:

1. Early Years Block
2. Schools Block
3. High Needs Block (HNB)
4. Central Schools Services Block (CSSB)

Early Years Block

- Free entitlement for 3- and 4-year-olds
- Extended entitlement for eligible 3- and 4-year-olds
- Free entitlement for some 2-year-olds

N.B. (From April 2024 there will be additional funding for 2-year-olds for working parents and from September 2024 from the term after the child turns 9 months there will be additional funding for working families).

Schools Block

- Main part of mainstream schools' budget
- Calculated on a locally determined formula using several funding factors
- Schools block also contains a Notional SEND amount which is calculated within the locally determined formula. This money supports pupils requiring SEND support
- The SEND funding for schools is based on the following considerations:
 - i. Basic entitlement
 - ii. Prior attainment (how the school has performed over the past years)
 - iii. Social deprivation
 - iv. Lump sum

How are academies funded?

Academies get the same level of funding for each pupil as a local authority school in the same area, and their SEND notional budget is also worked out in the same way. Academies do get extra funding, but this is not related to SEND, it is for services that academies have to buy for themselves.

High Needs Block (HNB)

Element 3 funding or 'top up' is provided by the Local Authority after a statutory assessment has been carried out and an Education, Health and Care Plan (EHCP) has been agreed.

However, not all the high needs funding is given to schools for individual pupils. Some is used for the following:

- State funded special schools
- Specialist Resource Provisions (SRPs) and Units
- Places in alternative provision, such as the PRU and Tuition Service
- Central services, for example speech and language service

Central Schools Services Block (CSSB)

The CSSB covers funding allocated to local authorities to carry out central functions on behalf of pupils in maintained schools and academies in England.

The CSSB is split into two elements:

- Funding for ongoing responsibilities
- Funding for historical commitments (20% reduction annually by the DfE)

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To: Schools Forum
19 September 2024

2024-25 Arrangements for additional financial support to maintained schools Executive Director: People

1 Purpose of report

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

2 Executive summary

- 2.1 Schools can experience financial difficulties for a number of reasons, and these can ordinarily be resolved over the medium term. To help manage change through a planned rather than reactive process, the Schools Forum can agree support measures to maintained schools.
- 2.2 In respect of existing licensed deficits, three schools have experienced further financial difficulties and are seeking increased deficit limits, one has a significant reduction with one fully repaying the outstanding balance. Three new deficit agreements are being requested.
- 2.3 If agreed, the total aggregate level of deficits would stand at £0.970m, a £0.155m increase on the £0.815m approved for 2023-24. At this level, licensed deficits would amount to 2.0% of all maintained school budgets (was 1.5% last year), with the scheme permitting a maximum deficit limit of 3% annual income.
- 2.4 Reflecting recent financial settlements for school and on-going cost pressures, supporting schools on deficit recovery plans is expected to continue over the medium to long term.

3 Recommendations

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

AGREES the following deficit limits for 2024-25:

- i. **Ascot Heath Primary School £0.150m;**
- ii. **Cranbourne Primary School £0.150m;**
- iii. **Harmanswater £0.145m (new for 2024-25);**
- iv. **New Scotland Hill Primary School £0.070m (new for 2024-25);**
- v. **Owlsmoor £0.075m (new for 2024-25);**
- vi. **St Michael's Easthampstead Primary School £0.135m;**
- vii. **Winkfield St Mary's Primary School £0.245m.**

AGREES the dissolution of the following licensed deficit which has been fully repaid:

- vi. **The Pines Primary Schools £0.035m.**

4 Reasons for recommendations

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

5 Alternative options considered

- 5.1 The Forum has previously considered options for supporting schools in financial difficulty and this report reflects the decisions taken.

6 Supporting information

Background

- 6.1 The LA has two main options to support maintained schools requesting additional financial support. Where significant budget difficulties exist, and it is unreasonable to expect a school to be able to solve these through the management of their normal budget allocations, or where a school is in, or at risk of falling into one of the Ofsted categories of causing concern, additional funding can be provided that does not need to be repaid.
- 6.2 Alternatively, licensed deficits and loans can be agreed. In accordance with DfE requirements, licensed deficits can be used to assist a school that is experiencing medium term financial difficulties that over time can be readily managed and the school return to a surplus, or a loan can be used where a capital investment is proposed but the school does not yet have the full resources to afford the purchase. Governing bodies are required to agree to fully repay any amounts, including where relevant, any associated interest, before such arrangements are agreed. More information on terms and conditions of financial support are set out below.
- 6.3 Neither of these options are available to academy schools.
- 6.4 Where a school converts to an academy with a **licensed deficit**, statutory Regulations and DfE Policy determines that if the governing body makes the application which is approved through an Academy Order, then the deficit transfers with the school on the terms agreed with the LA and requires to be repaid. Where the conversion is as a result of the school being eligible for intervention through Part 4 of the Education and Inspections Act 2016, and underperforming schools which the Secretary of State judges are not strong enough to become an academy without a strong sponsor, the debt remains with the LA and will be charged against the Schools Contingency and funded through the Dedicated Schools Grant.
- 6.5 Any **loan agreements** in existence at the point of conversion to an academy for the purchase of significant one-off capital assets will require repayment through the agreed terms irrespective of the conversion type, unless the LA and school agree to liquidate the loan and pay it off at the point of transfer. There are no loan agreements in place with schools.

Additional funding that is not required to be repaid

Background and summary

- 6.6 School Funding Regulations allow for additional funds outside the normal operation of the Funding Formula to be provided to schools considered to be in financial difficulty. In agreement with the Schools Forum, this de-delegated budget has been returned to the Council for central management. The agreed criteria to be used to allocate this funding is if, in the opinion of the Director responsible for schools and the Director responsible for Finance, a school:
1. was unable to set a balanced budget and were in need of a licensed deficit arrangement at the start of the relevant financial year, and/or
 2. was in or likely to fall into one of the Ofsted categories of causing concern, including serious weaknesses or special measures.
 3. was a 1 form of entry (FE) school judged good or better that have more than 5% empty places
- 6.7 At this point in time, no additional financial allocations have been agreed for 2024-25 that schools do not need to repay, other than £0.040m for 1 FE schools judged good or better that have more than 5% empty places. The Schools Forum will receive a report on all allocations agreed at the conclusion of the financial year.

Licensed Deficit and Loan Arrangements

Background and summary

- 6.8 There are circumstances where schools may experience budget difficulties and for the school to continue to function effectively, a temporary overspend of budget allocation may be desirable. The Scheme for Financing Schools has provisions to allow for this through licensed deficit and loan arrangements which provide for additional short-term funding so that schools have sufficient time to manage expenditure reductions or receive additional income that demonstrates the ability to fully repay any overspending within an agreed period. Both the Schools Forum and Executive Member for Children, Young People and Learning need to agree requests.
- 6.9 In accordance with government requirements, the loan scheme is only available to support schools in the purchase of a capital asset, with a licensed deficit arrangement option used to support schools with a shortfall in general income compared to required spend.
- 6.10 There are no loan agreements in place with schools.
- 6.11 A summary of the circumstances in which a licensed deficit may be agreed is as follows:
1. Where a school would not otherwise achieve its improvement targets;
 2. It would not be reasonable to effect immediately the savings required as a result of a significant reduction in pupil numbers;

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

- 6.12 As a preliminary to presenting a deficit or loan for comment and agreement, officers of the LA undertake detailed reviews of school requests. This usually involves discussions with the Headteacher, Chairman of Governors and Bursar.
- 6.13 The governing body of a school receiving agreement to financial support has to agree a medium-term budget plan which has been formulated from known facts, with a realistic provision for future events, and that it is kept under review with the LA on at least an annual basis. If it becomes apparent that any significant differences occur in the underlying budget and expenditure assumptions, then this may require subsequent changes, which should be notified without delay and will need to be agreed with the Director responsible for schools and the Director responsible for Finance and endorsed by the Executive Member. Should any changes be proposed to these arrangements during the year, they will be presented to the Schools Forum and Executive Member for a decision.
- 6.14 In considering financial challenges in 2024-25, discussions have been undertaken with 13 schools. 4 schools were subsequently able to set a balanced budget. 4 schools with existing deficits are required to be amended and stay in place with the Pines Primary Schools able to make a full repayment on the deficit. 3 schools are requesting a deficit for the first time. 1 school has converted to an academy, and is therefore outside the scope of LA support.
- 6.15 Therefore, 7 schools are considered in need of additional support through a licensed deficit agreement (was 5 in 2023-24).

Update on existing licensed deficits

- 6.16 The Schools Forum has previously agreed licensed deficit arrangements to manage a shortfall in general income compared to required spend and will recall that despite substantial work by schools with assistance from the council, in some instances, in considering budgets, it is not always possible to formulate a medium-term plan that demonstrates a return to surplus.
- 6.17 The 4 schools with existing licensed deficit agreements have yet to develop a full repayment plan. The current status of each of these, together with any recommended changes, are set out below.
- 6.18 There are 3 new requests for a licensed deficit agreement. Considering the significant financial challenges that schools have faced in the recent past, this is not an unexpected position.

Ascot Heath Primary

- 6.19 The school has experienced a reduction in pupil numbers of 71 between the 2018-19 and 2020-21 budgets which equated to an annual loss in per pupil funding of around £0.296m. This contributed to the accumulated year-end deficit at 31 March 2021 of £0.327m (22% of annual income and an increase in deficit of £0.107m).
- 6.20 Work by the school, supported by the council, identified a range of deficit reduction measures which together with a steady increase in pupil numbers indicated the potential for a return to a surplus by 2025-26. However, during 2022-23 rather than reducing the deficit to the expected £0.250m, there was an increase to £0.323m. The main cause for the change in financial performance relates to staffing costs, and in particular additional spend on Learning Support Assistants of £0.101m. The additional spend related to supporting pupils with Education Health Care Plans, long term staff absence and additional capacity to prepare for the next Ofsted inspection.

- 6.21 Initial work undertaken by the school in preparing the 2023-24 and beyond medium term budget had indicated an increase in the deficit in the first year as additional staffing capacity was phased out, with future years all forecasting a surplus. However, reviewing the forecasts identified an overstatement of income, with the outturn for 2023-24 indicating the need for a £0.500m deficit, with a similar forecast overspending over the medium term. The Forum subsequently agreed a licensed deficit of £0.500m.
- 6.22 As previously advised, there is the potential to complete the sale of the caretaker's accommodation which could yield a significant one-off capital receipt. This would be "swapped" with revenue funding held by the Council to then be applied in its entirety to reducing the remaining deficit. The sale concluded in 2023-24 with the maximum available £0.250m switched to revenue. Reflecting this and other changes in the financial performance, there was a year-end deficit of £0.128m.
- 6.23 In terms of developing a medium-term financial plan, this has been hampered by the long-term absence of the school bursar. Whilst support has been secured from other schools, it has only been sufficient to complete a plan for 2024-25 which indicates costs can be contained to income, but there is no capacity to reduce the current deficit.
- 6.24 Reflecting the significant improvement in financial outlook, **the Forum is recommended to agree a deficit limit of £0.150m for 2024-25 and that further work continues on a financial recovery.**

Cranbourne Primary School

- 6.25 Is a 1 FE primary school which overspent in 2020-21 by £0.094m, mainly on staffing and building maintenance budgets. With pupil numbers expecting to gradually increase as older year groups with spare places are replaced with full admissions together with a range of budget restructures, the school successfully developed a medium-term recovery plan that returned the school to a surplus balance at the end of 2025-26 with a deficit of £0.080m agreed for 2021-22. At the time of proposing this plan, it was reported that a number of elements to the recovery plan were dependent on external factors and will therefore need to be kept under review.
- 6.26 As part of the annual review, the Forum has subsequently agreed deficit limits of £0.110m for 2022-23, reducing to £0.080m in 2023-24. The 2023-24 outturn position was at the £0.080m deficit amount.
- 6.27 In considering the 2023-24 deficit proposal, it was reported that early forecasts for 2024-25 and beyond include an expected reduction in pupils, which for a 1 FE primary school is particularly difficult to manage. The October 2023 school census that drives the 2024-25 budget confirmed total pupil numbers at 188, a reduction of 14 compared to the 2022 census, with the biggest impact arising from an admission of 19 pupils into reception. This adversely impacts the 2024-25 funding allocation by circa £0.070m and will continue to affect income at the school over the medium term as the low number of pupils currently in reception works through the school.
- 6.28 Without the reduction in budget from falling pupil numbers, a balanced budget would have been set for 2024-25. However, reflecting the funding reduction and the cumulative deficit, there is a forecast year end over spending in 2024-25 of £0.150m. Therefore, at this stage the **Forum is recommended to agree a £0.160m deficit limit for 2024-25 and that further work continues on a financial recovery.**

St Michael's Easthampstead Church of England VA Primary School

- 6.29 Is a 1 FE primary school, that because of a period of instability that began during the pandemic, has been recognised as a school needing support with a Standards Monitoring Board in place to agree an action plan and monitor progress against improvement targets. During this period, the school has experienced significant changes to the Senior Leadership Team, including a period where an Executive Headteacher and acting Deputy Headteacher have been required to stabilise the school.
- 6.30 At the same time, the school is transitioning from a reduction in Planned Admission Number from 35 to 30 which impacts on the level of funding received. To progress these dual challenges in a managed way, in the short term, a deficit budget will be required.
- 6.31 The medium-term financial plan agreed for 2023-24 indicated a £0.040m deficit at the end of 2023-24, £0.090m in 2024-25 and £0.130m for 2025-26. This was an initial plan that was agreed by the Forum.
- 6.32 Current work on the 2024-25 budget indicates the year end forecast deficit has increased to £0.126m. This is after making part year cost reductions on staffing, including Learning Support Assistants and Lunchtime Controllers. Actions that could be taken to reduce this are actively being considered with a number of possibilities having been identified. **The Forum is recommended to agree a £0.135m deficit limit for 2024-25 and that further work continues on a financial recovery.**

The Pines Primary

- 6.33 The Forum agreed a £0.035m deficit limit for 2023-24 for the Pines. In year financial performance by the school was strong and a surplus balance of £0.037m was achieved at year end. **The Forum is therefore recommended to agree that the existing deficit is dissolved.**

Winkfield St Marys

- 6.34 Is a 1 FE school that was granted a licensed deficit of £0.030m in 2018 to be fully repaid by 31 March 2021. This allowed the school to put in place a cost reduction plan in a measured way, that it achieved in 2019 and 2020. However, at the end of 2021-22 financial year, with surplus places affecting income levels, and lost income due to the pandemic, and rising staffing costs from pay progression and increased numbers of pupils with SEND the deficit had increased to £0.094m. As a consequence, the Forum agreed a revised deficit limit of £0.100m, with a full recovery plan yet to be completed.
- 6.35 2022-23 financial year saw the deficit increase to £0.143m. This was mainly linked to staffing where vacancies required higher cost supply teachers and long-term sickness absence requiring additional Learning Support Assistants. Additionally, building maintenance costs over spent by £0.011m.
- 6.36 The 2023-24 budget plan included a reduction in costs of Senior Leadership Team, however, there were other cost pressures including increased utility costs, essential subscription fees together with unexpected increases in the school meals catering contract and cleaning where recruitment difficulties have required moving to a contracted service at additional cost. The net effect was a deficit balance at year end of £0.206m.

6.37 Whilst pupil numbers for the 2024-25 budget remain stable, they are 12 below capacity and are expected to remain around this level over the medium term. A number of cost reductions have been implemented, including time / cost sharing of the Bursar, however, current budget work indicates an in-year deficit of £0.031m and a projected year end cumulative deficit of £0.237m. The empty places adversely impacts the funding allocation by circa £0.060m which would be sufficient to balance the budget.

6.38 Taking account of the latest information, **the Forum is recommended to agree a £0.245m deficit limit for 2024-25 and that further work continues on a financial recovery.**

Request for new licensed deficit

New Scotland Hill Primary School

6.39 Is a 1 FE primary school that for several years has worked under financial challenges, primarily as a result of there being around 10 spare places in the school. This is because of a particularly low intake in 2021.

6.40 2023-24 year-end accounts reported a £0.049m in-year over spending and a £0.030m cumulative deficit.

6.41 The school has developed a 2-year plan that will result in a balanced budget for 2025-26. This involves changing a number of current arrangements during the course of the year that will have a significant impact in 2025-26, but for 2024-25 there is an expectation of a £0.031m over spending for a cumulative year end deficit of £0.061m.

6.42 Further strategies are being considered to repay the deficit which is expected to commence from 2026-27. **The Forum is recommended to agree a £0.070m deficit limit for 2024-25 and that further work continues on a financial recovery.**

Harmanswater Primary School

6.43 Is a school receiving support from the council through a Rapid Response Board with an independent chair. This follows the autumn 2023 STEP report that the school was judged as Requires Improvement. There has been considerable change in senior leadership at the school and a new substantive headteacher commenced in September 2024.

6.44 In terms of the current budget position, there was a £0.023m deficit at the end of 2022-23 which was expected to be recovered during 2023-24. However, the deficit increased to £0.039m with initial forecasts for 2024-25 indicating a year end deficit now of £0.132m. Some of this is due to the Special Resource Provision, where costs were being incurred above the level expected when established, which has now closed, as well as transitioning from a 3 FE admission to a 2 FE.

6.45 The biggest factor impacting the 2024-25 budget is the reduction in pupil numbers of 18 to 412 (October 2023). This amounts to circa £0.090m, equivalent to the amount of in-year over spending in 2024-25. In addition, there are a small number of funding issues relating to the SRP that are being progressed.

6.46 With the school needing to focus on removing the Requires Improvement judgment, **the Forum is recommended to agree a £0.145m deficit limit for 2024-25 and that further work continues on a financial recovery.**

Owlsmoor Primary School

- 6.47 Is a 3 FE primary school, however, it has never reached full capacity of 630 and as at October 2023 had a number on roll of 504. In each of the last 3 years, admissions to 90 capacity reception in-take have been below 70, and this is a trend that is expected to continue which will result in a further reduction in overall pupil numbers as the remaining year groups with higher numbers of pupils work through the school.
- 6.48 The financial impact from this has resulted in the school being unable to set a balance budget, with a forecast year end deficit of £0.067m. Over the longer term, the expectation is that the school moves to a 2 FE school, which would result in school organisation and financial benefits and allow the budget to be balanced.
- 6.49 The school is also in advanced planning to convert to an academy in 2025 and will therefore be outside the licensed deficit scheme from that point. **Forum is therefore recommended to agree a £0.075m deficit limit for 2024-25 on a financial recovery.**

Summary loan / deficit position

- 6.50 Table 1 below provides a summary of aggregate outstanding deficit arrangements which if agreed would see aggregate deficits increase by £0.155m to £0.970m. Annex B provides a breakdown of the current and proposed arrangements by school.

Table 1: Summary Schedule of School Loan and Licensed Deficit Requests

Item	Previously agreed (net advances)	2024-25 changes proposed	2025-26 impact	2026-27 impact	Future impact	Repayment date to be determined
Total advances	£815,000	£570,000	£0	£0	£0	£0
Total repayments	£0	-£415,000	£0	£0	£0	£0
Total	£815,000	£155,000	£970,000	£970,000	£970,000	£970,000
Net Total Current Year	£970,000		2.0% of annual budgets			
Maximum advances (3% of school budgets)	£1,440,000					
Advances as % of permitted maximum	67%					
Balance available for new deficits	£470,000					
Change to previous year	£155,000		£0	£0	£0	

- 6.51 The Forum will be aware that the statutory Scheme for Financing Schools sets the conditions around deficit arrangements, and these must be in accordance with parameters set by the DfE.
- 6.52 The Scheme currently limits aggregate deficit permissions to a maximum of 3% of final school budgets from the previous financial year (excluding brought forwards). This currently amounts to £1.440m, with £0.470m currently available for further deficit approvals, should more eligible requests be made.

6.53 The current scheme can be viewed here, with paragraphs 4.9 and 4.10 relevant:

[Funding and regulatory financial framework | Can-Do | Bracknell Forest \(bracknell-forest.gov.uk\)](https://www.bracknell-forest.gov.uk)

7 Advice from statutory and other officers

Borough Solicitor

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

Director of Resources: Finance

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

Equalities Impact Assessment

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

Strategic Risk Management Issues

7.4 There are strategic risks around ensuring all schools remain financially viable whilst delivering appropriate standards and effectiveness. This report sets out the measures that can be used to provide additional support to relevant schools.

Climate change impact

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

8 Consultation

Principal Groups Consulted

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

Method of Consultation

8.2 Correspondence and meetings.

Representations Received

8.3 Incorporated into the report.

Background Papers

None.

Contact for further information

Paul Clark, Business Partner – People Directorate
<mailto:paul.clark@bracknell-forest.gov.uk>

(01344 354054)

Doc. Ref

Doc. Ref [https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(124\) 190924/2024-25 Support to schools in financial difficulties etc.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(124)%20190924/2024-25%20Support%20to%20schools%20in%20financial%20difficulties%20etc.docx)

**Extract from the BFC Scheme for Financing Schools:
Paragraph 4.9: Licensed deficit arrangements – November 2021 update**

In exceptional circumstances, in agreement with the Schools Forum and Executive Member for Children, Young People and Learning, the authority will permit schools to over spend their budget allocation through a licensed deficit arrangement. The funding of such agreements would be through the collective annual income schools receive from the council through the Funding Formula for Schools. General features of the scheme are detailed below:

Circumstances in which licensed deficit arrangements may be agreed:

1. if in the opinion of the Executive Director responsible for schools a school could not otherwise achieve its improvement targets (there will still be a requirement of the governing body to demonstrate repayment).
2. if in the opinion of the Executive Director responsible for schools and Executive Director responsible for Finance a school could not reasonably be expected to effect immediately the savings required as a result of a significant reduction in pupil numbers (there will still be a requirement of the governing body to demonstrate repayment).

Outline features of the scheme.

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

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

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

OR

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

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

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

OR

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

- interest will be charged at 1% above the Council's cost of borrowing on the date on which the licensed deficit is agreed unless the authority agrees for it to be waived. The requirement to pay interest will be assessed on the merits of each individual application, and in general, will not attract interest.

Outline controls on licensed deficits

- the maximum proportion of the annual income schools receive from the council through the Funding Formula for Schools that will be used to support licensed deficits and loan arrangements will be 3%.
- the Executive Director responsible for schools and Executive Director responsible for Finance of the authority will make recommendations to the Schools Forum and Executive Member for Children, Young People and Learning to agree any licensed deficits and the terms on which they are offered.

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

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

School	Deficit Limit at 2023-24 year end £	2024-25 £	2025-26 £	2026-27 £	Repayment date to be confirmed £	Comment
Advances in year						
Ascot Heath Primary	500,000	150,000	150,000	150,000	150,000	Final repayment date to be determined
Cranbourne	80,000	150,000	150,000	150,000	150,000	Final repayment date to be determined
Harmanswater Primary	0	145,000	145,000	145,000	145,000	Final repayment date to be determined
New Scotland Hill Primary	0	70,000	70,000	70,000	70,000	Final repayment date to be determined
Owlsmoor	0	75,000	75,000	75,000	75,000	Final repayment date to be determined
St Michael's Easthampstead	40,000	135,000	135,000	135,000	135,000	Final repayment date to be determined
The Pines	35,000	0	0	0	0	Fully repaid
Winkfield St Mary's	160,000	245,000	245,000	245,000	245,000	Final repayment date to be determined
Total	815,000	970,000	970,000	970,000	970,000	

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