

NOTICE OF MEETING

Schools Forum

Thursday 14 March 2019, 4.30 pm

Boardroom - Time Square, Market Street, Bracknell, RG12 1JD

To: The Schools Forum

Schools Members:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)
Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Brian Poxon, Secondary School Representative (Governor)
Roger Prew, Primary School Representative (Governor)
Leslie Semper, Academy School Representative (Headteacher)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)
One Vacancy, Academy Representative

Non-Schools Members

Dominic Asater, 16-19 Partnership Representative
Michelle Tuddenham, PVI Provider Representative
Greg Wilton, Teacher Union Representative
One Vacancy, Diocese Representative

Gill Vickers
Executive Director: Delivery

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If you require further information, please contact: Derek Morgan
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Published: 5 March 2019

Schools Forum

Thursday 14 March 2019, 4.30 pm

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Sound recording, photographing, filming and use of social media at meetings which are held in public are permitted. Those wishing to record proceedings at a meeting are however advised to contact the Democratic Services Officer named as the contact for further information on the front of this agenda as early as possible before the start of the meeting so that any special arrangements can be made.

AGENDA

Page No

1. Apologies for Absence/Substitute Members

To receive apologies for absence and to note the attendance of any substitute members.

2. Declarations of Interest

Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.

Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the meeting.

3. Minutes and Matters Arising

To approve as a correct record the minutes of the meeting of 17 January 2019.

5 - 12

4. Childcare Sufficiency Assessment

To discuss the Childcare Sufficiency Assessment.

13 - 36

5. Final Proposals for the 2019/20 Early Years Block Element of the Schools Budget

To seek agreement to proposals for the 2019-20 Early Years budgets, including the values to be attributed to the Bracknell Forest Council Early Years Funding Formula.

37 - 46

6. Final Proposals for the 2019/20 High Needs Block Element of the Schools Budget

To seek comments on the final budget proposals for the High Needs Block element of the Schools Budget.

47 - 68

7. **Dates of Future Meetings**

To note that meetings have been provisionally booked at 4.30pm on the following Thursdays:

20 June 2019
19 September 2019
5 December 2019
16 January 2020
19 March 2020

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**SCHOOLS FORUM
17 JANUARY 2019
4.30 - 6.02 PM**



Present:

Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)

Schools' Members

Jennifer Baker, Special School Representative
Liz Cole, Primary School Representative (Headteacher)
Jane Coley, Academy School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Stuart Matthews, Academy School Representative (Headteacher)
Roger Prew, Primary School Representative (Governor)
Phil Sherwood, Primary School Representative (Headteacher)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)

Non-Schools' Members:

Dominic Asater, 16-19 Partnership Representative (Co-Optee)
Michelle Tuddenham, PVI Provider Representative (Co-Optee)

Observer:

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

Apologies for absence were received from:

Karen Davis, Primary School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Keith Grainger, Secondary School Representative (Headteacher)
Leslie Semper, Academy School Representative (Headteacher)
Greg Wilton, Teacher Union Representative

77. Apologies for Absence/Substitute Members

Jenny Baker attended as substitute for Peter Floyd.

78. Declarations of Interest

Martin Gocke, Richard Stok and Jennifer Baker declared an interest in agenda item no. 5 [Initial Proposals for the 2019-20 High Needs Block Element of the Schools Budget].

All members declared an interest in agenda item no. 6 [Proposals for the 2019-20 Schools Block and Central School Services Block Elements of the Schools Budget] in so far as it affected individual schools budgets.

Councillor Dr Barnard also declared an interest in this item where it referred to the financial contribution to Warfield Primary School, since his wife was a Governor at the School, and took no part in consideration of this part of the report.

79. **Minutes and Matters Arising**

RESOLVED that the minutes of the meeting of the Forum held on 6 December 2018 be confirmed and signed by the Chairman as a correct record.

Arising from the minute 71, it was noted that the request for further consideration of Special Educational Needs (SEN) support and alternative provision remained outstanding.

ACTION: Rachel Morgan

Arising from minute 73, Jackie Ross reported that there had been a number of good applications from schools for participation in the pilot scheme for the provision of short-term and specified additional resource/support to children and young people through the High Needs Block in the form of 'top-up funding'. The five schools selected to take part in the first phase of the pilot would be notified within the next week.

ACTION: Jackie Ross

80. **Changes proposed to the free Childcare Places Payment Model and initial 2019-20 Budget Matters**

The Forum considered a report on the outcome of the consultation with early years (EY) providers on proposed changes to the payment arrangements of the free entitlement and initial 2019-20 budget matters.

Following the issue of new statutory guidance on the payment of the EY free entitlements to providers, a duty was placed on the Council to either implement a monthly payment model or be able to show that it had consulted with providers and be able to evidence that it has reviewed the payment arrangements to ensure they continue to meet the providers' needs. Because of the challenges presented by the introduction of a monthly payment model, the Council had until this time opted to continue with an alternative payment method.

Further work was then carried out to identify monthly payment models that could be implemented within the current available resources and capacity. With the benefit of views from the PVI representatives comprising the EY Steering Group, a consultation was prepared for all providers registered to receive the free entitlement, which was undertaken in October 2018. The consultation was in two parts:

- Part one set out a proposal to implement a monthly payment model, setting out the key features on the collection of participation data and the timing of payments (all in arrears of attendance).
- Part two sought feedback on the suitability of the current payment model, should use of this be retained, the possible amendments to details of the percentage funding paid in the forecast task and the associated timings.

There were 53 responses to the consultation representing a 35% return which was good. 72% of respondents did not support the proposal to implement a monthly payment model. An additional amendment payment in the summer term was supported by a majority but there was no clear preference for a change in the percentage of the total forecast funding paid in the forecast payment. Some providers had indicated that an increase in the deadline for the forecast task from one week to two would be of benefit. The Forum considered recommendations taking account of these responses.

The government had confirmed in November that local authorities would continue to be funded in 2019-20 at the same hourly rates as received during the current year and therefore funding rates paid to providers are also likely to remain unchanged. A review of centrally managed budgets had indicated that a minor cash increase was expected to be sought to cover the cost of increased software costs.

RESOLVED:

1. That taking account of comments from providers to the consultation on the free childcare places payment model and efficiency proposals from the council:
 - a) The current termly payment model for the early years free entitlements be retained.
 - b) An additional optional amendment task be introduced for the summer term for providers operating during the summer holidays.
 - c) The 60% advance payment rate paid to providers be retained, based on each term's forecast participation rate.
 - d) The available time for providers to complete the forecast task be increased from 1 to 2 weeks.
2. To NOTE that:
 - 1) Based on current information, the 2019-20 budget proposals for Early Years services are expected to confirm that:
 - a) In light of the cash flat funding settlement from the government, that no changes are expected to be made in 2019-20 to provider funding rates.
 - b) Taking account of the cost of managing the provider portal and other associated systems, additional funds of around £0.011m are expected to be sought by the council to finance the cost of associated ICT software and maintenance costs.
 - 2) Final 2019-20 budget proposals for Early Years providers and support services will be presented to the Forum for comment in March.

ACTION: Cherry Hall

81. Initial Proposals for the 2019-20 High Needs Block Element of the Schools Budget

The Forum considered a report setting out details of the funding arrangements expected to be in place in 2019-20 for the High Needs Block (HNB) element of the Schools Budget. The comments of the Forum were invited on these initial budget proposals.

As part of the government's ongoing reform of school and education funding, changes were being implemented to the way local authorities were funded for High Needs pupils and students. A new HNB national funding formula was being introduced which was likely to result in a substantial reduction in the allocation of funds for Bracknell Forest, but in the short term at least, the DfE had introduced a "funding floor" to maintain a degree of stability through a period of significant change.

The report updated the Forum on the HNB budget for the current year, which was always subject to change since the DfE released the final funding allocations after the start of the financial year, the budgets having been set on the basis of estimates. On 17 December, the Secretary of State announced an additional £250m of high needs

funding, £125m for 2018-19 and £125m for 2019-20, in recognition of the cost pressures faced by local authorities in their HNB spending. As a result the final HNB DSG income was £0.549m higher (at £15.163m) than that anticipated when the budget was set. Provisional budget monitoring indicated an underspend on the HNB for the current year of £0.169m (which would have been an overspend of £0.380m without the additional £0.549m funding).

The report went on to detail a break down of the HNB National Funding Formula allocation, which after the necessary adjustments had been made, resulted in an estimated budget of £15,406m for 2019-20. Further detail was set out on the key proposed changes and assumptions in the use of the HNB DSG funding and the impact of emerging budget pressures.

There had been an ongoing concern that it was difficult for the Forum to express a meaningful view on the HNB budget given the limited time available between the presentation of estimates and the Council's final budget setting deadline. A proposal was made that a sub-group of the Forum should be set up to work more closely with the Council through the year, looking at the budget as it progressed and the build up of estimates for the year ahead. It was suggested that a closer partnership could enable views to be expressed on moving towards a needs based budget, a longer term vision for high needs provision and the shaping of services. It could also facilitate comments on the commissioning of resources and systems by the Council.

It was recognised that the role of the proposed sub-group would need to be defined carefully so as to reflect the interests of the Schools Forum and be cognisant of the working groups already established by the Council with headteachers. To this end it was suggested that an invitation be issued for interested members to attend an initial meeting to look at draft terms of reference, representation, dates of meetings etc with a view to reporting to the meeting of the Forum in March.

RESOLVED that:

- 1) The initial budget proposals for the 2019-20 HNB element of the Schools budget be noted, recognising the challenge presented on meeting the needs of individual pupils and young people within the anticipated level of resources.
- 2) An invitation be issued to all Forum members for those interested to attend an exploratory meeting to consider setting up a Sub-Group of the Forum to work in closer partnership with the Council.

ACTION: Jackie Ross

82. **Proposals for the 2019-20 Schools Block and Central School Services Block Elements of the Schools Budget**

The Forum considered a report presenting an update on school funding and inviting comments on final proposals for the 2019-20 Schools Block and Central Schools Services Block elements of the Schools Budget. The timetable for comments was very tight with the views of the Schools Forum being sought in advance of the deadline of 21 January 2019 for submission to the DfE of the actual Funding Formula for Schools to be used in 2019-20 with associated units of resource and total cost.

Following the report to the Forum in December and the release of key budget data by the DfE, final work on the next year's Schools Budget had been completed and included some relatively minor changes, as summarised in Annex 4 to the report. The proposed funding package remained in line with the original proposals with a £1.529m (2.8%) increase in per pupil funding from the new School National Funding

Formula (SNFF). Against this there were significant cost pressures that would need to be managed, in particular the additional diseconomy costs expected to be incurred for support of the delivery of additional school places that are anticipated in response to new house building programmes.

An explanation of the principles on which the budget had been built up was given, including reference to maintaining the BF Funding Formula as close to the SNFF as possible and setting the Minimum Funding guarantee at the highest permitted amount. It was noted that the issue of DfE verified census data had reduced the amount of pupils schools received funding for by 25 and consequently the allocation. Following the approval of the £0.075m funding allocation next year to Warfield Primary School to reflect additional costs arising from its split site location, it was necessary to set criteria for whether a school qualified for such funding. The Forum endorsed recommended eligibility criteria that set a safe walking distance route of at least one mile between the sites, that they are separated by a public highway and that a lump sum payment is made based on established additional costs.

The Forum turned to consider an additional option included in the report as whether schools on the lowest per pupil funding rates should be fully protected to SNFF funding rates (as previously proposed), or whether for consistency with other school budgets, they should make the same proportional financial contribution to the cost of pressures. Annex 5 and Annex 6 to the report set out exemplifications of the two alternatives showing the headline elements of individual school budgets. The consultation with schools had been carried out on the basis of maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, and for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19 (as per Annex 5), which was broadly known and accepted by schools. Although a late circulation of the alternative proposal (as per annex 6) had been issued in the last few days, the Forum took the view that there was insufficient time for this to be assessed and given proper consideration, given that a decision must be made by 21 January. Although it was possible to argue that this alternative may give a more consistent and equitable outcome, it seemed unreasonable to introduce such a change at such short notice, endangering the principles of consultation which provided the base on which the Forum could take a view. It was suggested, however, that further financial modelling of the alternative be carried out for a more measured consideration in future years.

RESOLVED, in its role as the representative body of schools and other providers of education and childcare, to **RECOMMEND** that the Executive Member AGREES the following decisions for the 2019-20 Schools Budget:

1. that funds are distributed through the BF Funding Formula for Schools in accordance with the majority view of schools from the options presented in the financial consultation by maintaining the BF Funding Formula to as close to the SNFF as possible for primary schools, but for secondary schools, adopting the key principles of the SNFF, but ensuring greater funding stability with the allocations made in 2018-19 (as set out in Annex 5 of the report).
2. that the amount of DSG funding for delegation into school budgets through the BF Funding Formula be set at £69.895m;
3. that the units of resource for the BF Funding Formula be set at those shown in Annex 7 of the report;
4. that other Schools Block related grants be reset to the amounts anticipated in 2019-20;

5. that the split site cost factor is established according to paragraph 6.21 of the report;
6. that subject to the decision made at 1 above, that the DfE pro forma template of the 2019-20 BF Funding Formula for Schools be completed and submitted by the 21 January deadline.

It was further **RESOLVED**, as decision maker, that:

7. the arrangements in place for the administration of central government grants are appropriate;
8. the financing and budgets for the Growth Fund items are set in accordance with the decision made at 1 above;
9. the budget amounts for each of the services centrally managed by the council and funded from the Schools Block and Central School Services Block DSG elements are as set out in Table 1 and Annex 3, with the Schools Block items totalling £0.466m and the Central Schools Services Block items totalling £1.060m.

83. **Local Authority Budget Proposals for 2019-20**

The Forum received a report summarising the current position on the Council's budget preparations for 2019-20 with a particular focus on the impact expected on the Children, Young People and Learning (CYPL) areas of the People Directorate.

The starting point for budget preparations was the Council's commitment budget, which brought together existing expenditure plans, approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the current year's budget was set. Taking account of a number of adjustments, the base expenditure (excluding schools) was planned to decrease by £3.085m to £80.570m next year before consideration was given to allowances for inflation and budget proposals by individual directorates in 2019-20.

The report detailed with specific reference to the Children, Young People and Learning budget:

- Commitment budget items which included savings of £734k next year mainly arising from the Transformation Programme, arising from seven different work streams.
- Budget pressures amounting to £908k, the majority of which was attributable to the rising cost of Looked after Children.
- Proposed economies amounting to £70k resulting from an ongoing process to improve efficiency, review services and consider alternative methods of delivery.

As the Forum was well aware, there was a significant medium term financial pressure on the schools budget arising from the cost of new schools that are being built in response to new housing and the resultant need for more school places. New schools were generally required to open towards the start of new developments but often took a number of years to fill up as house building continues and additional financial support was required in this period to cover the significant diseconomies of scale. This pressure was not adequately resourced in the funding settlement from the DfE and it was expected this remain the position over the medium term. The

budget proposals included the Council committing up to £1m over the next four years to help finance the cost of new schools.

In conclusion, summarising the position on the Revenue budget (after known adjustments had been made) showed a draft budget requirement for 2019-20 of £78.514m. After taking account of the anticipated Revenue Support Grant, Business Rates baseline funding and Council Tax (at the 2018-19 level) there was a potential gap of £2.528m which would need to be bridged by one or a combination of the following:

- An increase in Council Tax;
- An appropriate contribution from the Council's revenue reserves;
- Identifying further expenditure reductions.

The Forum also noted a summary of the Council's capital programme for the next three, including some detail on the schemes within the People Directorate. Although there were no schemes included in 2020-21 or the following year, this could change once the Spending Review had been completed some external funding became available.

RESOLVED:

- 1) To note the 2019-20 budget proposals of the Executive for the Children, Young People and Learning areas of the People Directorate in respect of:
 - i) the revenue budget; and
 - ii) the capital programme.
- 2) To welcome the Council's decision to commit up to £1m over the next four years to help finance the revenue costs arising at new schools.

84. Dates of Future Meetings

The next meeting of the Forum was due to be held on 14 March 2019 commencing at 4.30pm (preceded by a briefing for members at 3.30pm).

CHAIRMAN

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TO: SCHOOLS FORUM
DATE: 14 MARCH 2019

CHILDCARE SUFFICIENCY ASSESSMENT **Executive Director: People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present the attached Childcare Sufficiency Assessment (CSA) to Schools Forum.

2 RECOMMENDATION(S)

- 2.1 **SCHOOLS FORUM NOTES the contents of the attached CSA, which indicates that there is sufficient childcare in Bracknell Forest to meet demand while noting the potential impact on demand of new homes planned for completion in 2018-19 to 2022-23.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 Section 6 and 7 of the Childcare Act 2006 and part B of the Statutory Guidance for Local Authorities sets out Local Authorities statutory duty to secure sufficient childcare and in order to meet this duty Bracknell Forest Council is required to submit a report to elected council members on how it is meeting its duty and to make this report available to parents.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 No alternative options were considered

5 SUPPORTING INFORMATION

- 5.1 Section 6 and 7 (as substituted by section 1 of the Education Act 2011) of the Childcare Act 2006 places a duty on English local authorities to secure sufficient childcare for working parents and to secure early years provision free of charge.
- 5.2 Part B of the Statutory guidance for local authorities sets out how Local Authorities should meet this duty, including the requirement to report to elected council members on how they are meeting their duty to secure sufficient childcare, and make this report available and accessible to parents.
- 5.3 The report to members, the CSA, uses a template commissioned by the Greater London Authority and endorsed by Childcare Works, the DfE Extended Entitlement roll out partner. In making an assessment of the sufficiency of the local childcare market, the CSA draws on data from the Office for National Statistics, including labour market statistics and census data, local statistical data and surveys with local providers and parents.
- 5.5 The CSA has been submitted to the executive member and will now be published to make is available to parents and childcare providers.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are addressed within the report.

Director of Finance

- 6.2 The Director of Finance is satisfied that no significant financial implications arise at this time but will need to be kept under review during the period of the plan, in particular in managing the impact of the forecast housing growth.

Equalities Impact Assessment

- 6.3 Not Required

Strategic Risk Management Issues

- 6.4 BFC will be at risk of not meeting its statutory duty if it does not submit the CSA to the executive member or publish the report where it is accessible to parents.

7 CONSULTATION

Principal Groups Consulted

- 7.1 In preparing for the CSA, data on current capacity, vacancies and costs was gathered from all providers of childcare in Bracknell Forest. Parents of children resident in or accessing childcare in Bracknell Forest were consulted on their need for childcare.

Method of Consultation

- 7.2 A survey to gather capacity and vacancy data was emailed to all childcare providers in Bracknell Forest. Providers submitted details of their costs via the new Provider Self Update portal. Parents were consulted via an online survey which was advertised via childcare providers, the BFC website, the Family Information Service website and social media.

Representations Received

- 7.3 Responses were received from 72 childcare providers to the survey and 102 parents to the consultation.

BACKGROUND PAPERS

<https://www.gov.uk/government/publications/early-education-and-childcare--2>

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

<http://www.legislation.gov.uk/ukpga/2006/21/contents>

Childcare Act 2006

<http://www.legislation.gov.uk/ukpga/2016/5/contents/enacted>

Childcare Act 2016

CONTACT FOR FURTHER INFORMATION

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Childcare Sufficiency Assessment 2018

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1. Overall assessment and summary

1.1. About Childcare Sufficiency Assessments

Our Council is required by law to 'report annually to elected council members on how they are meeting their duty to secure sufficient childcare, and make this report available and accessible to parents'. This report has been prepared in order to meet this duty.

The statutory guidance sets out the intended outcomes of this duty as 'parents are able to work because childcare places are available, accessible and affordable and are delivered flexibly in a range of high quality settings' and that Local Authorities are required by legislation to 'Secure sufficient childcare, so far as reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children)

This report makes an assessment of sufficiency using data about the need for childcare and the amount of childcare available, and feedback from local parents about how easy or difficult it has been for them to find suitable childcare.

Sufficiency is assessed for different groups, rather than for all children in the local authority. The number of children in these groups fluctuates across the year, for example the numbers in funded early years provision being at their lowest in autumn after the school intake of 4 year olds and increasing across spring to the highest numbers in summer.

Information about childcare sufficiency is used to plan our work supporting the local childcare economy.

1.2. Overall Sufficiency in Bracknell Forest

Assessment of childcare sufficiency for this report used data gathered in the summer term 2018. Demand for childcare varies across the year, with demand at its highest in the summer term and lowest in the autumn term following the intake of 4 year olds into maintained schools. Data sources included childcare providers, parent surveys, the Office of National Statistics and Bracknell Forest Council databases.

Analysis of the data indicates that for the financial year 2018/19 there is sufficient childcare in Bracknell Forest in the following categories:

- Free entitlement for eligible 2 year olds
- Universal 15 hours free entitlement for 3 and 4 year olds

- Extended 30 hours free entitlement for 3 and 4 year olds of working parents
- Early years childcare outside the free entitlements
- Childcare before and after school
- Childcare during the school holidays
- Childcare for children with special educational needs and disabilities (SEND)

The available population data indicates that the number of children per year group in early years is reducing in comparison to year groups of school age (see sections 2.1 and 2.2). The current levels of childcare should therefore be sufficient to meet the demand for childcare in the period 2019/20 to 2021/22 in the majority of wards in Bracknell Forest.

However, the completion of new residential premises in the financial years 2019/20 to 2022/23 (section 2.5) and the resulting additional demand for childcare, is forecast to result in insufficient childcare places to meet demand in the wards with the highest number of new residential properties:

- Binfield with Warfield
- Crowthorne
- Bullbrook
- Little Sandhurst
- Wildridings and Central.

The shortage of childcare places is forecast for the following categories:

- Free entitlement for eligible 2 year olds
- Universal 15 hours free entitlement for 3 and 4 year olds
- Extended 30 hours free entitlement for 3 and 4 year olds of working parents
- Early years childcare outside the free entitlements

Initial work on developing a plan to meet the forecast increase in demand for childcare in these wards has identified a scarcity of suitable locations for developing additional childcare capacity in the ward of Wildridings and Central, particularly around the town centre.

1.3. Our plans for childcare

A Childcare Strategy is being developed which will set out key priorities for securing sufficient, high quality, inclusive childcare in Bracknell Forest for 2018-23. The actions for meeting these key priorities are set out below:

- Work with partners to identify potential new locations to develop childcare provision in the key areas (e.g. Bracknell Town Council, schools, local businesses)
- Work with existing providers to increase capacity and/or change business models to meet the needs of parents, e.g. lower age ranges, extending operating hours/weeks
- Working with and encouraging providers to advertise their childcare more effectively to parents, for example, links for Family Information Service (FIS) on school and setting websites
- Improving the visibility and accessibility of information which is currently available e.g. childcare mapping tool on FIS
- Continue to engage with Bracknell and Wokingham College to encourage childminders to register to deliver the free entitlements.

2. Demand for childcare

2.1. Population of early years children

In total, there are 7,264 children under the age of five living in our local authority. These children may require early years childcare. The Council has a statutory duty to provide funded early years provision for all 3 and 4 year olds, equivalent to 3,037 children (although some 4 year olds will have started reception) and the most deprived of 2 year olds, currently estimated at around 250 children.

Table 1: Numbers by age

| Age | Number of children |
|--------|--------------------|
| Age 0 | 1397 |
| Age 1 | 1399 |
| Age 2 | 1431 |
| Age 3 | 1492 |
| Age 4* | 1545 |

Sources: based on ONS mid-2006 population estimates for Lower Layer Super output Areas in England and Wales by single year of age and new birth data supplied by

* Some four year olds will have started reception

2.2. Population of school age children

In total there are 11,742 children aged 5-11, and 4,330 children aged 12-14 living in our local authority. These children may require childcare before and after school, and/or during the school holidays.

Table 2: Numbers by age

| Age | Number of children |
|--------|--------------------|
| Age 5 | 1603 |
| Age 6 | 1682 |
| Age 7 | 1712 |
| Age 8 | 1719 |
| Age 9 | 1736 |
| Age 10 | 1655 |
| Age 11 | 1635 |
| Age 12 | 1474 |
| Age 13 | 1468 |
| Age 14 | 1388 |

Source: based on ONS mid-2006 population estimates for Lower Layer Super output Areas in England and Wales by single year of age

2.3. Number of children with special educational needs and disabilities

Children with special education needs and disabilities (SEND) are entitled to support with childcare up to the age of 18 (age 14 for children who do not have a special need or disability). The number of children with an Education, Health and Care (EHC) plan in our local authority is:

Table 3: Children with an EHCP

| Age | Number of children |
|---|--------------------|
| Birth to school age | 7 |
| Primary school (reception to year six) | 259 |
| Secondary school (year seven to thirteen) | 405 |

Source: BFC Internal data as at 17 January 2019

Children's needs change over time and are identified at different ages. Among the youngest children, SEND may only be identified when they start in childcare or school, and it can take some time from problems being identified to an EHC plan being issued. It is therefore possible that the number of children with SEND aged 0-4 is an underestimate. Some children have SEND but do not have an EHC plan. At the time of undertaking this report there are 143 children aged 0-4 years known to the Child Development Centre, all of whom have SEND, the needs of these children varies significantly from mild additional needs to severe, complex and lifelong needs.

2.4. Characteristics of children in our area

There are two characteristics of children in our area which must be taken into account when assessing childcare sufficiency - deprivation and parents working status.

2.4.1. Deprivation

Growing up in a deprived household can limit a child's ability to access childcare. These limits include the direct cost of childcare over and above the indirect costs such as transport. Children who meet financial criteria that are indicative of living in a deprived household can receive additional funding to improve their access to childcare. This funding includes two year old funding, Early Years Pupil Premium (3 and 4 year olds not in school) and Pupil Premium (children in school). The numbers of children qualifying for this funding in our local authority are:

Table 4: Children eligible for additional funding through financial criteria

| Funding type | Number of children |
|---------------------------|--------------------|
| 2 year old Funding | 178 |
| Early Years Pupil Premium | 137 |
| Pupil Premium | 1,659 |

Source: BFC school and free entitlement data summer term 2018

2.4.2. Parents working status

To qualify for the 30 hours extended entitlement for 3 and 4 year olds, both parents in a household or one parent in a single parent household must be in employment.¹ In Bracknell Forest approximately 77% of all families meet this requirement.

2.5. Changes to the population of children in our area

Completion of the new town centre has increased the employment opportunities in Bracknell Forest and is expected to result in an increase in the number of families qualifying for the 30 hours extended entitlement, however there is currently insufficient data to calculate the impact of these changes.

By the end of the 2022/23 academic year an additional 5067 new homes are forecast to have been built in Bracknell Forest which will result in changes to the distribution of children across Bracknell Forest and changes to the demand for childcare in the wards with the highest number of new residential properties. Work is currently being undertaken to forecast the impact of the new homes on the demand for childcare and will be included in the 2019/20 CSA.

| Year | Binfield with Warfield | Crowthorne | Bullbrook | Priestwood & Garth | Little S'hurst & Wellington | Wildridings & Central |
|---------|------------------------|------------|-----------|--------------------|-----------------------------|-----------------------|
| 2018-19 | 298 | 72 | 123 | 20 | 11 | 108 |
| 2019-20 | 341 | 154 | 180 | 186 | 36 | 214 |
| 2020-21 | 472 | 139 | 176 | 225 | 50 | 349 |
| 2021-22 | 496 | 146 | 57 | 0 | 28 | 295 |

¹ Available to families where each parent (or one parent in a single adult household) are earning the equivalent of working sixteen hours per week on the minimum wage and less than £100,000 per annum

| | | | | | | |
|---------|-----|-----|----|---|---|----|
| 2022-23 | 484 | 155 | 76 | 0 | 0 | 86 |
|---------|-----|-----|----|---|---|----|

Table 6: Wards with the highest forecast new homes by academic year

Source: BFC Planners March 2018

3. Supply of childcare

3.1. Number of early years providers and places

In total, there are 260 childcare providers in our local authority, offering a maximum of 6,212 early years childcare places.

Table 10: Early years providers and registered places by type of provision

| Type of provision | Number of providers | Number of registered places |
|--|---------------------|-----------------------------|
| Childminders* | 198 | 2376 |
| Nursery classes in schools | 17 | 1080 |
| Private, voluntary and independent (PVI) providers | 47 | 2756 |

Source: Provider survey summer 2018, BFC data and OFSTED registration data

* childminder places are also available for older children.

A place is defined as 15 hours of childcare a week, the maximum number of funded hours a child can access via the universal entitlement. The table above records the maximum number of 15 hours places a provider is registered to offer in a week. In practice, many providers choose to operate below their number of registered places and some will be allocated to children accessing places outside of the free entitlements.

A child attending for 30 hours a week as part of the extended entitlement will take up 2 places and a child attending all week at a full day care setting will take up 3 to 4 places.

3.2. Early years vacancies

A vacancy is a place that could realistically be used by a child and is available for a minimum of 15 hours a week.

Vacancy rates are a snapshot, and often change rapidly. In some cases, providers may have a vacancy which is only available for a specific age group, or for a particular part time arrangement. In general, vacancy rates are at their highest in the autumn, when children move to school. Table 11 represents vacancies in the summer term when vacancies are at their lowest.

Table 11: Early Years Vacancies by type of provision

| <i>Type of provision</i> | <i>Number of providers</i> | <i>Total number of vacancies</i> |
|----------------------------|----------------------------|----------------------------------|
| Childminders* | 198 | 37 |
| Nursery classes in schools | 17 | 95 |
| PVI providers | 45 | 249 |

Source: Provider survey summer 2018, BFC data and OFSTED registration data

The data in this table was correct on: 27/07/2018

**childminder vacancies as reported to the council in the summer term 2018*

3.3. Number of school age providers and places

In total, there are 58 providers of childcare for school age children during term time, and 27 providers of childcare for school age children during the holidays. There are also 198 childminders who may provide care for school age children

Table 12: School Age provision and places

| <i>Type of provision</i> | <i>Number of providers</i> | <i>Number of registered places</i> |
|--------------------------------------|----------------------------|------------------------------------|
| Breakfast club – primary school | 26 clubs | 260 |
| After-school club – primary school | 32 clubs | 640 |
| Breakfast club – secondary school | Insufficient data | Insufficient data |
| After-school club – secondary school | Insufficient data | Insufficient data |
| Childminders* | 198 | 1000 |
| Holiday club | 27 clubs | 1000 |

Source: BFC data and OFSTED registration data

Tracking the supply of childcare for school age children is difficult because not all of this type of provision is registered with OFSTED, and changes to the OFSTED registration requirements mean that the number of school age children looked after by a provider is no longer indicated in their OFSTED registration. The figures in this table are therefore a best estimate and it is possible that we have under-counted the provision of breakfast and afterschool clubs and holiday clubs.

There is insufficient data available on childcare provision in secondary schools for inclusion in this table. Parents may also use provision which is not considered ‘childcare’, for example sports or arts clubs after school or in the holidays.

There is insufficient data available to report on the number of school age childcare vacancies.

4. Funded Early Education

4.1. Introduction to funded early education

Some children are entitled to free childcare, funded by the government.

- All children aged 3 and 4 are entitled to the 570 hours of free childcare per year, equivalent to 15 hours a week over 38 weeks, from the term after the child's 3rd birthday until the term after their 5th birthday or they start reception class in school. This is known as the universal 15 hours entitlement
- Children aged 3 and 4 where both parents are working, or from lone parent families where that parent is working², could be [entitled](#) to an additional 570 hours of free childcare per year, equivalent to 15 hours a week over 38 weeks, from the term after the child's 3rd birthday until the term after their 5th birthday or they start reception class in school. This is known as the extended 30 hours entitlement
- Children aged 2 whose families receive certain benefits (including low income families in receipt of in-work benefits), or those who meet additional non-economic [criteria](#), are entitled to 570 hours of free childcare a year, equivalent to 15 hours per week over 38 weeks. Nationally, about 40% of 2 year olds are entitled to this offer, but the proportion varies by area.

Parents do not have to use all the hours of their funded entitlement and may choose to split them between more than one provider. With the agreement of their provider, parents may also spread them across the year – for example, rather than taking 15 hours for 38 weeks a year they could take just under 12 hours for 48 weeks a year.

4.2. Proportion of 2-year-old children entitled to funded early education

In Bracknell Forest, for the summer term 2018, 16% of 2 year olds or 238 children are entitled to funded early education for economic reasons.

² Available to families where each parent (or one parent in a single adult household) are earning the equivalent of working sixteen hours per week on the minimum wage and less than £100,000 per annum

4.3. Take up of funded early education

The table below sets out the number of children taking up their funded place (for at least some of the available hours) in our local authority in summer 2018 and the proportion of eligible children that this represents. Four year olds who have started reception class are not eligible for funded early education.

Table 13: Take up of two year old funding

| Age | Children | % of eligible children |
|-------|----------|------------------------|
| Age 2 | 176 | 74% |
| Age 3 | 1430 | 96% |
| Age 4 | 882 | 57% |

Source: based on the number of children in receipt of early education funding in the summer term 2018, DWP eligibility data and the ONS Mid-2016 Population estimate. The take-up for 4 year olds is lower than 3 year olds as many attend school.

4.4. 30 hours extended entitlement applications

Parents who think they are entitled to a 30 hours extended entitlement place apply for this online through the Government's [Childcare Choices website](#). The same website is used to apply for tax free childcare and parents can apply for either or both. If a parent is eligible, the system issues the parent with a code which they present to their chosen childcare provider in order to claim the funding. The provider validates the code through the Councils funding software prior to confirming that the child can take up a 30 hours extended entitlement place. If they are ineligible, they will still be entitled to the universal 15 hours of early education and childcare.

The table below shows the number of 30 hours eligibility codes issued, the number of issued codes that were subsequently validated by a childcare provider and the number of 30 hours places accessed.

Table 14: 30 hours eligibility codes

| Step | Number of families | % of families applying |
|-----------------------------|--------------------|------------------------|
| Eligibility Codes Issued | 1091 | NA |
| Eligibility Codes validated | 954 | 87% |
| Accessing a place | 855 | 78% |

Source: Department for Education data, summer term 2018

4.5. Providers offering funded early education places

Providers are paid directly by government for delivering funded early education places (via the Local Authority). They are not required to offer them to parents, but of course parents may choose to use a different provider if they do not. Some providers offer a restricted number of funded places. The table below sets out the number of providers offering funded places and the numbers offering each type of funded place.

Table 15: Providers offering

| <i>Type of provision</i> | <i>Number of providers</i> | <i>2 year olds</i> | <i>Universal 15 hours</i> | <i>Extended 30 hours</i> |
|----------------------------|----------------------------|--------------------|---------------------------|--------------------------|
| Childminders | 78 | 57 | 78 | 76 |
| Nursery classes in schools | 17 | 0 | 17 | 14 |
| PVI providers | 45 | 42 | 45 | 43 |

Source: BFC funding data

5. Prices

5.1. Prices of early years childcare

For early years childcare outside the funded entitlements, we report on average prices per hour, reported to us by settings.³ There may be variations to prices based on the number of hours a family uses, with reductions for longer hours, or discounts for sibling groups. There may be additional payments for additional services, e.g. lunch and other meals which are not included in these prices.

Table 16: Average childcare prices – early years

| Price per hour | Private, voluntary and independent nurseries | Nursery classes in schools | Childminders |
|-------------------|--|----------------------------|--------------|
| 0 and 1 year olds | £5.95 | £0.00 | £4.93 |
| 2 year olds | £5.80 | £0.00 | £4.93 |
| 3 and 4 year olds | £5.68 | £4.56 | £4.91 |

Source: cost data supplied by EY providers – autumn terms 2018

Nursery classes in schools do not currently provide childcare outside the funded entitlements

5.2. Prices of school age childcare

For school age children during term time, we report on average prices before school per session, after school per day, and for childminding per hour. For holiday childcare, we report on holiday club prices per week.

Table 17: Average childcare prices – school age

| Setting and price unit | Price |
|---------------------------------|---------|
| Breakfast club per day | £4.00 |
| After-school club per session | £10.00 |
| School age childminder per hour | £5.00 |
| Holiday club per week | £137.00 |

Source: cost data from the Bracknell Forest Local Directory

³ Details of how we collect this data are in the methodology section below

6. Quality of childcare in our area

6.1. OFSTED inspection grades

Childcare providers offering the free entitlements must be registered with and be inspected by the appropriate regulatory body, OFSTED or the Independent Schools Inspectorate.

OFSTED graded outcomes are: 'outstanding', 'good', 'requires improvement', and 'inadequate'.⁴

The Independent Schools Inspectorate graded outcomes are: 'excellent', 'good', 'sound' or 'unsatisfactory'.

Schools with nursery classes have an overall inspection grade for the school and most also have a separate early years grade.

Some providers are still awaiting their first full inspection. These providers are excluded from our calculation.

As detailed in the table below, as of the summer term 2018, 238 of 262 providers in Bracknell Forest, equivalent to 91%, achieved a good or outstanding OFSTED rating in their last inspection. Nationally in 2016/17 OFSTED judged 88% of the early years providers inspected as good or outstanding.⁵

Table 18: OFSTED inspection grades by type of provision

| <i>Type of provision</i> | <i>Total number of providers</i> | <i>Total achieving good or outstanding</i> |
|---|----------------------------------|--|
| Childminders | 198 | 180 |
| Nursery classes in maintained schools * | 14 | 12 |
| Nursery classes in academies * | 3 | 1 |
| Private and voluntary nurseries | 47 | 45 |

Source: OFSTED

⁴ For more information see <https://reports.ofsted.gov.uk/about-our-inspection-reports>

⁵ For more information see <https://www.gov.uk/government/publications/ofsted-annual-report-201617-education-childrens-services-and-skills>

** early years grade if available, otherwise overall school grade*

7. Parent Survey

A survey was undertaken in June 2018 to gather parents and carers experience and needs in relation to childcare. The survey was aimed at parents currently accessing or looking to access childcare in Bracknell Forest. A total of 102 responses were received. A summary of relevant points and parents comments are provided below. Specific comments from parents have been withheld.

6 parents (6%) said that they were unable to find childcare in a location that suited their needs, reasons for this were:

| |
|---|
| Locally most childminders are full |
| No clear information available or provided |
| Nursery is only 15 hrs per week |
| No spaces |
| No afterschool club and holiday club is not in right location |

Parents were asked (where applicable) why they did not use childcare.

| | |
|--|---|
| Cannot find an available place | 1 |
| Too expensive/ can't afford it | 6 |
| Children do not want to go | 1 |
| I do not need childcare | 4 |
| Sessions are not available at the times I want | 1 |

Parents were asked to indicate how easy it was to find suitable childcare, the numbers responding 'fairly difficult' or 'very difficult' were:

- below school age 12
- school age – before school 10
- school age – after school 13
- school age – holiday care 9

Parents who answered fairly difficult or very difficult were asked why they had selected this option.

Reasons included:

- couldn't find the type of childcare required
- no vacancies in the settings parents wanted
- affordability
- didn't know where to find information about available childcare
- information on available childcare not up to date

- information on vacancies not up to date

When asked if at any point in the last 12 months they had not been able to access childcare when they or their child needed it, parents answered yes as follows

- early years childcare 11
- school age – before school 8
- school age – after school 8
- school age holidays 0

The problems experienced by parents included:

- places not available
- didn't know where to find information about available childcare
- childcare on offer did not meet parents needs

When asked how they find out about what childcare is available in Bracknell Forest

- 42 used the Local Authority or Family Information Service website
- 47 used the internet
- 31 used social media
- 57 used friends and family
- 28 used schools
- 13 used Children's Centres
- 19 used local advertising

When asked how Bracknell Forest Council could make it easier for parents to find out about what childcare was available the replies included:

- More information available online
- better advertising of the information that is available
- Ensure information about available childcare and vacancies is up to date
- More interaction with social media queries from parents
- Put information online in one location

8. Methodology

- Number of children: based on ONS mid-2016 population estimates for Lower Layer Super Output Areas in England and Wales by single year of age
- Children with EHC plans: based on data held by Bracknell Forest Council
- Supply of childcare: based on data from a survey of providers in the summer term 2018, data provided by OFSTED and supplemented by local intelligence
- Vacancy rates: based on data from a survey of providers in the summer term 2018 and local intelligence
- Funded early education:
 - data on take up of funded early education entitlements is based on the data held in the Bracknell Forest payment software
 - data on 30 hours eligibility codes from the Department for Education's Eligibility Checking System
- Price of childcare: cost data per age group submitted by providers in the autumn term 2018 via the Provider Self Update Portal
- Quality of childcare: data on childcare quality is provided by OFSTED
- Data from parents: Online survey using the Objective survey tool on the council website. Survey advertised via the Council website, Family Information Service website, social media and childcare providers

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TO: SCHOOLS FORUM
DATE: 14 MARCH 2019

2019-20 PROPOSALS FOR THE EARLY YEARS BLOCK BUDGET **Executive Director: People**

1 PURPOSE OF DECISION

- 1.1 The purpose of this report is to seek agreement from the Schools Forum to proposals for 2019-20 Early Years budgets, including the values to be attributed to the Bracknell Forest Council Early Years Funding Formula (EYFF). There is also a decision for the Forum to consider in line with the statutory funding framework.
- 1.2 Comments are being sought so that these can be presented to the Executive Member on 21 March when a formal decision is planned to be taken.

2 EXECUTIVE SUMMARY

- 2.1 Final proposals for next year's funding arrangements for Early Years budgets are now being made. They are substantially the same as those reported to the Forum in January and propose that in the context of a cash freeze in funding from the government, that the hourly rates paid to providers of the free entitlement to childcare in 2019-20 remain unchanged from those in place for 2018-19.
- 2.2 Proposals are also being made to ensure that all of the specific funding received from the Department for Education (DfE) to support disadvantaged children and those with disabilities is passed on in full to providers.

3 RECOMMENDATIONS

That the Forum AGREES:

3.1 That for the 2019-20 financial year, the Executive Member:

- 1. **sets the total initial Dedicated Schools Grant funded budgets at £7.566m, it incorporates the changes set out in the supporting information, and relevant budgets are therefore updated to those summarised in Annex 1**
- 2. **retains the hourly funding rates paid to providers of the free entitlement for 3 and 4 year olds at the amounts paid in 2018-19 as summarised in Table 2.**
- 3. **retains the hourly funding rate paid to providers of the free entitlement for 2 year olds at the £5.46 paid in 2018-19**
- 4. **sets a ring-fence on funding allocations received from the government in respect of the Early Years Disability Access Fund and Early Years Pupil Premium to ensure where affordable, all funds are allocated to providers (paragraph 6.21)**

3.2 That there are appropriate arrangements in place for Early Years provisions.

4 REASONS FOR RECOMMENDATIONS

- 4.1 The proposals made are considered to be the best available, taking account of the national and local priorities, provider responses from the most recent consultations and the estimated level of available resources.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 None. The proposals reflect the views of providers from the most recent consultations and overall affordability within the financial settlement allocated by the government.

6 SUPPORTING INFORMATION

Background

- 6.1 This report presents proposals on the Early Years Block (EYB) element of Dedicated Schools Grant (DSG) that the Department for Education (DfE) allocates to Local Authorities (LAs) to fund provisions and support for children up to the age of 5. It covers:
1. the 15 hours free entitlement to education and childcare for disadvantaged 2 year olds
 2. the universal 15 hours free entitlement to education and childcare for all 3 and 4 year olds
 3. the additional 15 hours free entitlement to education and childcare for eligible working parents of 3 and 4 year olds
 4. the early years pupil premium (EYPP)
 5. the disability access fund (DAF)
 6. the Special Educational Needs Inclusion Fund (SENIF)
 7. other specialist and general support services.
- 6.2 The statutory regulatory framework requires the council to decide on the arrangements to be put in place to meet the requirements for children up to the age of 5 and associated resources, and for the Forum to comment on their appropriateness. Final decisions are expected to be taken by the Executive Member for Children, Young People and Learning on 21 March.

National EYB Funding Framework

- 6.3 The DfE uses an Early Years National Funding Formula (EYNFF) to distribute DSG income to LAs for **provisions for 3 and 4 year olds** which comprises the following elements:
1. A universal base rate to be paid at £3.53 per hour for each eligible child;
 2. Deprivation addition, based on eligibility to Free School Meals of pupils in Key Stages 1 and 2, to be paid at £2.13 per hour for each eligible child;
 3. English as an additional language (EAL) addition, based on Key Stages 1 and 2 numbers, to be paid at £0.29 per hour for each eligible child;

4. Disability Living Allowance (DLA) addition, based on Department for Works and Pensions data of eligible children under 5, to be paid at £0.79 per hour for each eligible child.

An Area Cost Adjustment (ACA) is then applied, based on addition labour costs and a Nursery rateable value cost adjustment. The uplift for BF is a factor of 31%.

- 6.4 The new Framework was introduced in April 2017 with a three year period of transitional funding protection which allowed for LAs gaining to move to their new hourly funding rate at Year 2 (April 2018), with those losing funding moving to their new rate at Year 3 (April 2019).
- 6.5 There is no limit on the gains that LAs can experience through the new framework, with the BFC hourly funding rate increasing to £4.93 (+30%) between April 2016 and April 2018. Areas losing money have reductions capped to no more than 5% per annum over each of the first 2 years, with a second protection of a minimum “floor” hourly funding rate in place of £4.30 irrespective of the amount due through the EYNFF. For 2019-20, the DfE has confirmed that no LA will receive an increase to their 2018-19 hourly rate, meaning BFC continues to receive £4.93.
- 6.6 The basis of resourcing LAs for the most disadvantaged 2 year olds did not change through these latest reforms as it was a relatively new funding allocation from the DfE, although rates were increased by 7.1% from April 2017. There have been no subsequent increases to the hourly funding rate, with the DfE confirming that BFC will continue to be funded at the current £5.88 per hour compared to an average LA funding rate of £5.45.
- 6.7 In addition to the funding set out above that will be delivered through the EYNFF, LAs also receive additional, specific resourcing for the EYPP at £0.53 per hour per eligible child, and a DAF to be paid to providers at £615 per eligible child.

Local EYB Funding Framework

- 6.8 Forum members will be aware that the key requirements on LAs in setting their EYB budgets for **3 and 4 year olds** are:
 1. To develop and maintain a local EY Funding Formula (EYFF) in accordance with the parameters set by the DfE, undertaking consultation with providers and the Schools Forum when any changes are proposed, where the EYFF:
 - a. should include a single funding rate (including the same base rate and supplements) for both entitlements (that is, both the universal 15 hours, and the additional 15 hours for working parents)
 - b. must plan to pass on at least 95% of funding directly to providers – the “pass through rate”.
 - c. must use a universal base rate, paid at the same value to all providers
 - d. must use a deprivation supplement to target additional funds to the providers admitting the most disadvantaged children
 - e. can include other, discretionary supplements, which the DfE restricts to rurality / sparsity, flexibility of provision, English as an additional language (EAL) or quality of provision.

- f. supplements selected by an LA can generally use any measure of eligibility, provided it is applied equally to all providers in a transparent and fair way
 - g. must not allocate more than 10% of funding through supplements
 - 2. that a Special Educational Needs Inclusion Fund (SENIF) must be created to support children with lower level or emerging SEN
 - 3. required to pass on the EYPP to providers to support eligible disadvantaged children
 - 4. required to pass on DAF funding to providers to support disabled children's access to the entitlements
- 6.9 Requirements on funding providers for **the most disadvantaged 2 year olds** is more straightforward than for 3 and 4 year olds, with no "pass through rate" or payment of additional funding supplements with the DfE encouraging LAs to pay a single flat rate amount. Neither is there a requirement for the SENIF to apply to 2 years, although this is permitted and included in arrangements in the BF SENIF.

Provisional estimate of Early Years Block DSG income

- 6.10 To reflect potential fluctuations in take-up of the entitlements, and therefore costs, the DfE uses 2 census points to calculate each LAs Early Years Block DSG income. January 2019 part-time equivalent actual head count data of eligible children age 2, 3 or 4 for 15 or 30 hours are used to calculate funds the first 5 months of the financial year from April to August 2019; with the equivalent January 2020 data used to fund the 7 months from September 2019 to March 2020.
- 6.11 At this stage, neither of the data sets used for funding purposes have been validated and therefore the likely DSG income will need to be estimated. The approach taken is to forecast DSG income against the current BFC estimate of the actual January 2019 census data and assume this remains at a similar level in January 2020. There is one exception to this approach. Take up for 2 year olds at the January 2019 head count data is considered to be unrepresentative, with an increase expected during the year, and reflected in the forecasts.
- 6.12 Table 1 below provides a summary of the £7.566m anticipated EYB DSG income for 2019-20. Annex 1 provides a more detailed break down of the calculation.

Table 1: Estimated EY Block DSG income for 2019-20

| Item | Estimated amount |
|--|-------------------|
| Funding for 3 & 4 year olds: universal 15 hours | £4,980,610 |
| Funding for 3 & 4 year olds: additional 15 hours for working parents | £2,070,240 |
| Sub total: 3 & 4 year olds | £7,050,850 |
| Funding for 2 year olds | £460,850 |
| Funding for Early Years Pupil Premium | £31,700 |
| Funding for Disability Access Fund | £22,750 |
| Total | £7,566,150 |

Funding decisions previously taken by the Forum

- 6.13 To gather views from providers on appropriate funding arrangements for BF, provider consultations were undertaken in both December 2016 and December 2017. Reflecting on the outcomes, and the DfE requirements on LAs relating to the EY Funding Framework (paragraphs 6.8 and 6.9), the Forum has previously agreed parameters for setting the EYB budget as follows:
1. Funding to be managed centrally by the council will be capped at 3% of income compared to the 5% maximum
 2. The SENIF should be set at 1.4%
 3. The provider contingency should be set at 1.5%
 4. The EYFF should allocate 94.1% with:
 - a. The uniform base rate set at around 93% compared to the minimum of 90%.
 - b. The deprivation supplement set at around 5%.
 - c. The quality supplement set at around 2%
 - d. No supplements to be paid for rurality / sparsity, EAL or provider flexibility
 5. The DAF and EYPP funding allocation should be allocated to providers at the same funding rate as received from the DfE.

Proposals for 2019-20

- 6.14 As set out above, the DfE has delivered a cash flat funding settlement to BFC for the 2019-20 EYB with all funding rates remaining unchanged from those in place for 2018-19. This means that there is no scope to increase the hourly funding rates paid to providers delivering the free entitlement.
- 6.15 In terms of the payments made to providers, these have to be based on the actual number of entitlement hours delivered in each term, which clearly differs from the methodology used by the DfE to fund LAs and therefore creates budget risks. Current data suggests there will be no significant change in 2019-20 from the actual number of hours delivered in 2018-19. Budget provision for payment to providers will therefore be based on current actual hours multiplied by individual provider hourly funding rate, of which some will change through the annual data update to calculate provider eligibility to funding supplements i.e. a provider's deprivation supplement will change if there is a relatively significant change in the deprivation profile of children attending the setting. Again there has been an adjustment to the estimated cost for 2 year olds to reflect the anticipated in-year increase in take-up.
- 6.16 Table 2 below sets out all of the unchanged proposed funding rates, which the Forum is recommended to endorse.

Table 2: Summary of the proposed BF Early Years Funding Formula

| EYFF Element | Weighting | Proposed hourly funding rate | % total EY funding |
|-------------------------------|--|------------------------------------|--------------------|
| Deprivation Supplement | 3% of EYFF via IDACI scores where more than 1 in 5 children are from low income families. Top up funding increase where 1 in 4 and again where 1 in 3 children are from low income families. 2% of EYFF via child eligibility to EYPP | £0.13, £0.26 or £0.39 £1.54 | |
| Quality Supplement | 2% of EYFF via setting leadership qualification Level 5 and above | £0.14 | |
| Uniform base rate | 93% of EYFF | £4.31 | |
| | EYFF average provider rate | £4.64 | 94.1% |
| | Average SEN funding | £0.07 | 1.4% |
| | Average contingency funding | £0.08 | 1.5% |
| | Sub total to Providers | £4.79 | 97.0% |
| | Average BFC funding (max 5%) | £0.14 | 3.0% |
| | DfE funding to BFC | £4.93 | 100.0% |

- 6.17 The DfE has also confirmed that there will be no change to the hourly funding rate paid to LAs next year for the free entitlement for 2 year olds, and on this basis, the Forum is recommended to agree that the rate paid to providers also remains unchanged at £5.46.
- 6.18 In respect of the funding proposed to be managed centrally by the council on behalf of providers, based on the budget proposals set out above, this results in total funding of £0.225m (3% of total income). This is proposed to be spent generally in line with activities agreed for the current year, such as Development Officers, Advisory Teacher time, outreach to support the delivery of sufficient places, EAL specialist support, free milk and management of the funding framework and other Early Years related support services.
- 6.19 As highlighted in January, there is one new cost that is proposed to be funded from the centrally managed funds which relates to increased ICT costs associated with supporting data transfers to and from providers and enabling parents to access relevant data bases to make on-line enquiries and checks. Recent changes to processes and procedures, whilst introducing benefits, do require appropriate ICT systems, with associated cost increases being experienced of £0.016m in relation to:
- Provider Portal Headcount – secure online provider portal for funded providers to input and submit headcount data for children accessing their free entitlements

- Two Year Old Funding (2YOF) – secure online portal that enables parents, providers and professionals to quickly establish whether a child is eligible for two year old funding
- Citizens Portal - 30 Hours – secure online parent portal that enables parents to check their 30 hour code directly and provides parents with a personalised dashboard that shows check results, earliest date 30 hours can be funded from, reconfirmation dates and results of rechecks. Parents are able to share their eligibility code with funded providers of their choice in a secure manner.
- Self-Update Portal (SUP) – secure online provider portal that enables the digital collection of capacity, vacancy and sufficiency data at any time and the digital collection of Early Years Census data.

Taking account of the expected increase in overall funding for the free entitlement as hours of participation have increased, mainly through the first full year of additional 15 hours for eligible 3 and 4 year olds, this additional cost can be funded from within the 3% cap currently in place on centrally managed budgets.

Annex 1 sets out more details on the proposed use of centrally managed funds.

- 6.20 The overall budget proposals are expected to result in 94.2% of anticipated funding received by the council being directly paid to providers, another 2.8% set aside for allocations expected to be made to providers in-year through the SENIF and contingency, with 3% retained by the LA to fund activities that support providers.
- 6.21 In considering the use of funds allocated to providers to support the most vulnerable children through the DAF and EYPP, with the amount allocated to the council calculated through reference to estimated head count basis, this can result in potential under spendings when actual numbers are confirmed. From 2019-20, as part of the year end accounts process, it is proposed to review total expenditure on these funds and where there is an under spending, to pass the relevant unspent amount to relevant providers as a uniform percentage increase to the core funding received, which is initially based on the amount DfE pay to the council, provided there are sufficient funds in the overall EYB budgets. The Forum is recommended to agree this approach.

Next Steps

- 6.22 The views of the Schools Forum regarding the 2019-20 budget proposals from the council will be considered, and where agreed, included in the final budget proposals that will be presented for approval by the Executive Member on 21 March. The Forum is recommended to agree that as a consequence, appropriate arrangements are in place for Early Years provisions, which the LA is required to consult with the Forum on each year. This will allow for hourly funding rates to be confirmed to providers.
- 6.23 The parameters agreed for the calculation of funds to be distributed through the EYFF, as set out in paragraph 6.13, need to be reviewed as provider eligibility to the supplements have changed over time meaning the current hourly rates no longer result in the target percentage allocation being distributed. This will be discussed with providers to consider whether a change needs to be made for 2020-21.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 7.2 The financial implications arising from this report are set out in the supporting information with total costs expected to be within the overall level of resources expected to be received for Early Years provisions and support services.

Impact Assessment

- 7.3 There are no specific impact assessments arising from this report as the admissions policy is not being changed.

Strategic Risk Management Issues

- 7.4 There is the possibility that funds allocated to providers will exceed the budget. This could be as a result of additional hours needing to be paid, or providers becoming eligible to higher rate top up payments than those currently anticipated. There could also be additional cost pressures to support children with SEN. These will be managed through the £0.106m provider contingency and £0.105m SENIF

8 CONSULTATION

Principal Groups Consulted

- 8.1 Relevant Officers and People Directorate Management Team.

Method of Consultation

- 8.2 Draft report.

Representations Received

- 8.3 The representations received are included in this report.

Background Papers

None

Contact for further information

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Proposed 2019-20 EYB Budgets

| <u>2019-20 EY Budget</u> | 3 and 4 year olds | | | | | | 2 year olds | | | |
|--|--------------------------------------|-----------------------------|-----------------------------|-----------------------|-------------------|---------------|--------------------------------------|-----------------------------|-----------------|---------------|
| | Hourly / fixed funding rate | Funded hours per week | Funded weeks per year | Total funded hours | Total Funding | % | Hourly / fixed funding rate | Funded hours per week | Total Funding | % |
| <u>Forecast DSG funding from the DfE:</u> | | | | | | | | | | |
| 15 hours free entitlement funding forecast | £4.93 | 15 | 38 | 1,010,266 | £4,980,610 | | £5.88 | 78,376 | £460,850 | |
| 30 hours free entitlement funding forecast | £4.93 | 15 | 38 | 419,927 | £2,070,240 | | - | - | - | |
| Total BFC estimate of EY DSG funding | £4.93 | | | 1,430,193 | £7,050,850 | | £5.88 | 78,376 | £460,850 | |
| 2018-19 rate | £4.93 | | | | | | £5.88 | | | |
| Change | £0.00 | 0.00% | | | | | £0.00 | 0.00% | | |
| <u>Of For allocation through the EY Funding Formula (notional split by supplement):</u> | | | | | | | | | | |
| Basic rate | £4.31 | 93.00% | of total available funds | | £6,170,410 | | £5.46 | 80,690 | £440,570 | |
| Deprivation supplement (average) | £0.24 | 5.00% | of total available funds | | £331,740 | | - | - | - | |
| Quality (average) | £0.09 | 2.00% | of total available funds | | £132,700 | | - | - | - | |
| Total BFC estimate of EY Funding Formula allocation | £4.64 | (average) | | | £6,634,850 | 94.10% | £5.46 | 80,690 | £440,570 | 95.60% |
| 2018-19 rate | £4.64 | | | | | | £5.46 | | | |
| Change | £0.00 | 0.00% | | | | | £0.00 | 0.00% | | |

| <u>2019-20 EY Budget</u> | 3 and 4 year olds | | | | | | 2 year olds | | | |
|--|-----------------------------|-----------------------|--------------------------|--------------------|-------------------|----------------|-----------------------------|-----------------------|-----------------|----------------|
| | Hourly / fixed funding rate | Funded hours per week | Funded weeks per year | Total funded hours | Total Funding | % | Hourly / fixed funding rate | Funded hours per week | Total Funding | % |
| <u>Funding to be managed by the Council</u> | | | | | | | | | | |
| <i><u>Outside the 5% cap of EY Funding Formula:</u></i> | | | | | | | | | | |
| SEN Inclusion Fund | 1.4% | | of total available funds | | £98,710 | | | | £6,450 | |
| Provider Contingency | 1.5% | | of total available funds | | £105,760 | | | | £0 | |
| | | | | | £204,470 | 2.90% | | | £6,450 | 1.40% |
| Total within the 95% allocation to providers - the "Pass through rate" | | | | | £6,839,320 | 97.00% | | | £447,020 | 97.00% |
| <i><u>Inside the 5% cap of EY Funding Formula:</u></i> | | | | | | | | | | |
| BFC Services | 3.0% | | of total available funds | | | | | | | |
| Outreach: To support delivery of sufficient places / maximise take-up | | | | | £6,280 | | | | £13,830 | |
| 4 Support to providers: Development Officers / Advisory Teacher | | | | | £100,190 | | | | £0 | |
| 5 Management of the EY Funding Formula etc | | | | | £47,750 | | | | £0 | |
| EAL Specialist Support | | | | | £30,000 | | | | £0 | |
| Free milk | | | | | £11,210 | | | | £0 | |
| ICT - software annual maintenance | | | | | £10,600 | | | | £0 | |
| ICT - Server costs | | | | | £5,500 | | | | £0 | |
| Total BFC estimate of funding to be managed by the Council | | | | | £211,530 | 3.00% | | | £13,830 | 3.00% |
| Total BFC estimate of EY funding | | | | | £7,050,850 | 100.00% | | | £460,850 | 100.00% |
| <u>Other Income</u> | | | | | | | | | | |
| Early Years Pupil Premium | | | | | £31,700 | | | | | |
| Ring fenced Disability Access Fund | | £615 | per child | 37 | £22,750 | | | | | |
| Total anticipated income - DSG and other | | | | | £7,566,150 | | | | | |

(ITEM)

TO: SCHOOLS FORUM
DATE: 14 MARCH 2019

FINAL BFC PROPOSALS FOR THE 2019-20
HIGH NEEDS BLOCK ELEMENT OF THE SCHOOLS BUDGET
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek comments on the final budget proposals for the High Needs Block (HNB) element of the Schools Budget that are being presented now by the Council. There are also a small number of decisions for the Forum to take in line with the statutory funding framework.
- 1.2 Comments are being sought so that they can to be considered before the Executive Member makes the formal decision on these matters on 21 March.

2 EXECUTIVE SUMMARY

- 2.1 The HNB funds support for children and young people with the most challenging educational requirements. It is the most complex part of school funding framework, with budgets needing to be set before a number of funding allocations are confirmed by the Department for Education (DfE).
- 2.2 Whilst the total cash increase for the Bracknell Forest (BF) HNB was 1.8% in 2018-19 and is forecast to be a further 3.1% in 2019-20, the underlying allocation to BF provides £2.592m less than the previous arrangements. Should the current funding “floor” protection be removed, or reduced, then there could be up to a 16% reduction in funding. Managing such a change will present a significant challenge.
- 2.3 Whilst a small under spending is currently forecast for 2018-19, significant cost pressures have emerged which increase when projected across a full year into 2019-20. The final budget proposals now being presented for comment forecast a funding shortfall of £0.144m. This is expected to be managed through the change programme being developed in consultation with the Schools Forum High Needs Block Sub-Committee.

3 RECOMMENDATIONS

That the Forum considers the HNB budget proposals from the council and AGREES:

3.1 That the Executive Member:

- 1. **sets the total initial Dedicated Schools Grant funded budget at £15.409m, it incorporates the changes set out in the supporting information and Annex 3, and relevant budgets are therefore updated to those summarised in Annex 4.**
- 2. **Notes the £0.144m budget gap that will need to be managed in-year through the change programme.**

3. approves a Minimum Funding Guarantee for Kennel Lane Special school of plus 0.5%, the same amount as for mainstream schools (paragraph 6.13).
- 3.2 That there are appropriate arrangements in place for:
1. The education of pupils with SEN (paragraph 6.15), and
 2. The use of pupil referral units and the education of children otherwise than at school (paragraph 6.15).
- 3.3 The terms of reference for the Schools Forum HNB Sub-Committee, as set out in Annex 6.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2019-20 HNB Budget is set in accordance with the overarching funding framework, the expected needs of pupils and the views of the Schools Forum.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 A range of options have previously been presented and discussed.

6 SUPPORTING INFORMATION

Background

- 6.1 This report presents final proposals from the council on the use of the HNB element of the Dedicated Schools Grant (DSG). Paragraphs 6.2 to 6.4 repeat the information presented to the Forum in January and are included as reminder of the HNB funding framework.
- 6.2 The HNB element of the DSG supports pupils with special educational needs and disabilities (SEND) and is intended to fund a continuum of provision for relevant pupils and students from 0-24. LAs receive funding for these provisions from the DfE and in general commission services from providers. In-house arrangements are made in a relatively small number of areas.
- 6.3 The DfE has determined that where the cost of provision is above £10,000 it will be classified as high needs. In such circumstances, a “place-plus” approach to funding will generally be used which can be applied consistently across all providers that support high needs pupils and students as follows:
- a. **Element 1 or “core education funding”**: equivalent to the age-weighted pupil unit (AWPU) in mainstream schools, which the DfE has stated the national average is around £4,000.
 - b. **Element 2 or “additional support funding”**: a budget for providers to deliver additional support for high needs pupils or students with additional needs of up to £6,000.

Specialist and Alternative Providers (AP), such as special schools and Pupil Referral Units (PRUs) only cater for high needs pupils and therefore receive

a minimum £10,000 (Element 1 funding plus Element 2) per agreed place.

- c. **Element 3, or “top-up funding”:** funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs. This element is paid to all provider types, for pupils with assessed needs above the £10,000 threshold.

- 6.4 Additionally, HNB DSG is also intended to be used where high needs provisions are not arranged in the form of places e.g. specialist support for pupils with sensory impairments, or tuition for pupils not able to attend schools etc.
- 6.5 The statutory regulatory framework requires the council to decide on the arrangements to be put in place for the HNB and associated resources and for the Forum to comment on their appropriateness. The council wishes to develop the services during the year in partnership with schools and is therefore creating a sub-committee of the Forum to gather views and help shape arrangements. Final budget decisions are expected to be taken by the Executive Member for Children, Young People and Learning on 21 March.

Progress to date

- 6.6 The 17 January meeting of the Forum received initial budget information and agreed some preliminary actions as follows:
- Significant cost pressures had emerged during 2018-19, which at the November 2018 budget monitoring cycle, indicated that without the unexpected additional grant income received in year from the Department for Education (DfE) of £0.549m, that the HNB would over spend by £0.380m
 - BF faced a funding reduction of £2.596m (16%), should the HNB funding framework developed by the DfE be fully implemented.
 - In the immediate short term, the HNB national funding formula would allocate an additional £0.493m grant income to BF in 2019-20, which reflected the government’s recognition “... of the cost pressures that LAs are experiencing on the high needs element of this Grant [the DSG]”.
 - Uncertainties remained around two key elements of the HNB funding formula: the basic entitlement factor of pupils in SEN institutions; and the import/export adjustment that ensures appropriate funding is moved between LAs to reflect cross-border movements of students, both of which would need to be estimated and subject to change in-year.
 - Taking account of information currently available, the HNB DSG to be retained by BFC was estimated at £15.409m.
 - That the council would reflect on the potential benefits of new flexibility introduced by the DfE to encourage LAs and post-16 institutions to work together in making special provision for students before proposing any potential changes from 2020.
 - That reflecting on the available information, there was an initial budget gap of £0.288m that needed to be tackled.
 - That the emerging cost pressures and potential future reductions to HNB income indicated that the council needed to make preparations to determine whether a request to transfer up to 0.5% of Schools Block DSG (circa £0.325m) into the HNB would be made for the 2020-21 budget.

- That to ensure greater involvement of the Schools Forum in planning for and making relevant budget proposals for the HNB, that a sub-committee would be established to work with officers of the council, with all Forum members invited to attend the initial set-up meeting.

Update from last meeting

6.7 The budget requirement for all HNB areas have again been reviewed and the following changes from those reported in January are now being proposed:

- 1 Funds delegated to Kennel Lane Special School (KLS). Planned pupil placements for KLS are subject to fluctuation, with a number of recent changes agreed or expected to be agreed before the start of the financial year. The budget requirement has been increased by £0.016m.
- 2 Maintained schools and academies. Further work has been undertaken with schools hosting SEN Resource provisions with agreed funding for the Autistic Spectrum Disorder provision at Garth Hill College reducing by £0.032m from a revised staffing structure and the Speech and Language provision at Meadow Vale Primary reducing by £0.100m from 10 fewer places being provided to reflect current demand, which is around 10. The planned contribution of £0.030m to the SEN Resource Provision Reserve has been removed as the year end Reserve balance is estimated at £0.460m and is considered sufficient at this time. A number of other minor changes have also been made, with a net reduction of £0.150m.
- 3 Other SEN Services. A small number of budgets have revised to reflect current spend and future expectations, with a net aggregate reduction of £0.010m.

Overall, these proposed changes reduce the anticipated budget requirement by £0.144m compared to the initial proposals, meaning the budget gap has reduced in half to £0.144m.

Annex 2 sets out more information on the calculation of the budget requirement for the significant HNB services which has previously been reported to the Forum, with Annex 3 detailing the budget amounts for each service, with cells shaded where amounts have been updated from January.

Annex 4 details a summary of the proposed HNB budgets for 2019-20.

6.8 In terms of anticipated income, there have been no further updates from the DfE in respect of the likely HNB DSG income and the estimate of available funds therefore remains unchanged at £15.409m.

Management of the forecast budget gap

6.9 Budget management will be moving from an historic based focus to one that centres on need. Provisions need to be based on quality, controlled through more robust and imaginative commissioning. This means specialist provisions need to be reviewed to establish how closely they match to local needs and to assess their impact in terms of quality related outcomes for children and young people. The SEN banding system, definitions and thresholds will also be reviewed.

- 6.10 Significant benefits will be achieved from a better understanding of provision gaps, in particular:
- What provision gaps exist in terms of meeting local needs? Data will be interrogated on those children/young people who are educated out of borough.
 - What can be created in-borough instead which is value for money and deliverable through scheduled capital programmes?
 - To what extent can some of our children/young people be transitioned back into local provisions?
 - When is it value for money to retain out of borough placements?
 - Can costs be driven down through strategic commissioning rather than spot purchasing. E.g. using a dynamic purchasing framework for placements and regional commissioning.
 - Have a medium term budget plan (3 years) rather than a reactive approach reliant on spot purchasing.
 - Develop a skilled work force across the local area through appropriate training and professional development
- 6.11 These key activities are expected to deliver financial and other benefits that will manage down the current forecast budget gap. The Schools Forum will be directly involved in this work through High Needs Block Sub-Committee, the establishment of which was supported at the previous meeting. Annex 6 sets out the terms of reference for this group which the Forum is asked to review and agree a final version of.

Other matters

- 6.12 As in previous years, the budget setting process also needs to consider a local rate of the Minimum Funding Guarantee (MFG) – the mechanism used by the DfE to ensure each school receives the minimum increase or maximum decrease in funding each year – for Kennel Lane Special (KLS) School.
- 6.13 In order to afford mainstream schools the maximum amount of funding protection during the introduction of the School National Funding Formula, the Forum agreed the maximum plus 0.5% increase for mainstream schools and the same plus 0.5% is proposed for KLS, although different rates are permitted. The DfE has set the permitted range of MFG from between minus 1.5% and plus 0.5%.
- 6.14 The calculation involves comparing the change in total budget between years – BF and other LA funded costs –and the relevant calculation shows a 1.58% increase in funding (from £4.511m to £4.582m) which exceeds the minimum permitted protected level of funding of 0.5%. Annex 5 sets out more information on the MFG and budget pressure calculations specific to KLS.

Next steps

- 6.15 The views of the Schools Forum regarding the final 2019-20 budget proposals from the council will be considered, and where agreed, included in the final budget proposals that will be presented for approval by the Executive Member on 21 March. Based on the expectation that changes will be made to service provisions during the year through the partnership work with schools and other providers, the Forum is recommended to

agree that appropriate arrangements are in place for the education of pupils with SEN and use of pupil referral units and the education of children otherwise than at school.

- 6.16 As previously reported, in the current financial circumstances of significant cost increases, the council will have to consider needing to make a request to transfer up to 0.5% - around £0.35m – from the Schools Block Budget into the HNB. The earliest this will take place is from 2020-21 and preparations need to commence now for that possibility. There is no certainty that such a transfer will be required, but considering this possibility now ensures maximum time is available to determine the likely cost position and to undertake a full consultation with all schools to gather views.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 7.2 The financial implications anticipated from this report are set out in the supporting information. The indicated budget gap of £0.144m will need to be addressed during the course of next year.

Equalities Impact Assessment

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

Strategic Risk Management Issues

- 7.4 The funding reforms, and the demographic growth and legislative pressures present a number of strategic risks, most significantly:
1. The practical implementation of the changes arising from the funding reforms may be different from that anticipated from the DfE guidance notes
 2. Insufficient funding to cover increases that may occur in-year in the required number of high needs places.
 3. Price increases by providers.
 4. The ability of the market to absorb an increasing number of high needs pupils.
- 7.5 Based on current information, the budget proposals are considered appropriate, however, cost reductions do need to be achieved during the year. There remains £0.660m of unallocated balances in the Schools Budget to support any significant, unexpected costs, on a one-off basis, should they arise.

8 CONSULTATION

Principal Groups Consulted

- 8.1 Relevant Heads of Service within People Directorate and the People Directorate Management Team.

Background Papers

None.

Contact for further information

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Overview of HNB Funding Framework

DfE Reforms

The Forum has previously received an update on changed funding arrangements for HNB services which reported that a new National Funding Formula (HNB NFF) will be introduced to replace the current system that largely allocates funding based on historic spending decisions. The core elements of funds distribution to LAs now comprises:

1. **Basic entitlement** (£4,000 per pupil / student that the LA is responsible for educating that is attending an SEN institution)
2. **Historic spend** (50% of 2017-18 baseline amount agreed with each LA)
3. **Population** (Share of national budget allocation based on projected 2-18 year olds at the relevant mid-year as a proportion of all 2-18 year olds)
4. **Free school meals** (Share of national budget allocation based on resident pupils eligible to FSM as a proportion of all pupils eligible to FSM)
5. **Income Deprivation Affecting Children Index** (Share of national budget allocation based on number of 2-18 year olds in IDACI bands A-F as a proportion of all pupils in IDACI bands A-F)
6. **Bad health** (Share of national budget allocation based on number of resident children aged 0-16 in bad or very bad health in the general population census as a proportion of all projected children in bad or very bad health)
7. **Disability** (Share of national budget allocation based on number of resident children aged 0-16 for whom parents are eligible to disability living allowance (DLA) as a proportion of all eligible DLA families)
8. **Key Stage 2 low attainment** (Share of national budget allocation based on number of resident pupils who did not attain level 3 in reading tests plus those that did not attain a scaled score in reading test or were not entered as a proportion of all relevant children)
9. **Key stage 4 low attainment** (Share of national budget allocation based on number of resident pupils who did not attain 5 GCSEs at grades A* to G as a proportion of all relevant children).
10. **Hospital education** (LA specific funding based on budgeted spend)

One of the key outcomes for the DfE from these reforms is to ensure that any change in the amount of funding allocated to individual LAs must be introduced slowly to allow those areas facing reductions time to adjust to the new amounts. This is because expenditure is mainly incurred on educational fees and these generally remain unchanged throughout the course of each pupil's time in the relevant institution which often presents commitments for over 10 years. Therefore, in addition to the core factors set out above, there will be further adjustments to each LAs HNB funding as follows:

1. A funding floor adjustment to add the cash amount difference where the normal operation of the HNB formula does not deliver at least a 0.5% increase in per head (2-18 year old population) funding compared to the 2017-18 baseline amount of expenditure. For 2019-20 a further minimum increase of 0.5% will be applied, making a minimum 1% increase in per head funding over the next 2

years. In order to make the funding protection affordable, gains will be limited to 3% in 2018-19 and a further 3% in 2019-20 (compounded to 6.09% over the 2 years). These increases are not calculated on elements of the formula that are subject to later updates, and are in proportion to estimated population changes (so a projected decrease in population will result in a lower overall cash percentage increase, subject to a cash protection).

There is a net £155m cost to the Funding Floor in 2019-20, which amounts to 2.5% of total funding and illustrates the importance of moving to the new formula in a measured way.

For LAs experiencing a reduction in population, there will be a second funding floor adjustment to ensure total cash funding does not fall below the 2017-18 baseline amount. Note, the funding floor adjustment is not applied to the basic entitlement factor i.e. current numbers of high needs pupils and students or the import / export adjustment (see note 2. directly below) as the DfE want to ensure that year on year changes in these factors are reflected in a LAs funding.

2. An import / export adjustment so those LAs sending out more pupils to other LAs lose £6,000 per pupil funding to reflect the requirement of the resident LA to finance all place funding in the SEN institutions in their area, irrespective of which LA places the student. This amount is added to the £4,000 per pupil / student funding included in the main formula to achieve the £10,000 place funding cost. This is a lagged adjustment. LA funding allocations are adjusted from January census data, but actual places purchased will generally be based on actual student numbers taking up places during the year.

This removes some of the unfairness in the previous funding system where LAs did not generally make a contribution to Element 1 and 2 costs for their students in institutions in other LAs.

An area cost adjustment will be applied where relevant (7.44% uplift for BFC) to all factors other than historic spend as this will already reflect local cost variations. This recognises additional costs in some areas, most notably enhanced salary payments in and around London, and follows the same approach adopted by the DfE in the funding reforms introduced for mainstream schools. The HNB area cost adjustment comprises 2 elements: one for non-teaching staff; and another for teaching staff. As the ratio of teaching to non-teaching staff in special schools is different from that in mainstream schools, this calculation is different to that used in the School NFF (where the BFC area cost adjustment is 5.61%).

The Forum has previously been advised that the new HNB NFF will deliver significantly less funding to BF than the current arrangements. A July 2018 update from the DfE indicated £2.592m funding protection for BFC, which is around 16% of total funding which clearly illustrates the importance of the funding floor adjustment from a BF perspective.

Changes from the DfE for 2019-20

Special free schools

From 2019-20 onwards, funding for special free school places will be included in LAs high needs allocations rather than continuing to be funded separately by the DfE. Funding for these places will be deducted from LAs high needs allocations and paid directly to schools, as for special academies. The DfE indicates that the basic entitlement factor, the import/export adjustment and further adjustments in the national

funding formula will ensure that this change will not result in an unfunded cost for local authorities. These further adjustments relate to LAs with a special free school which will now receive £10,000 for every place at the free school and LAs exporting to free schools receiving £6,000 to pay for Element 2 costs. There are no Special free schools located within BF although BF resident pupils are placed in 2 free schools in other LAs.

Hospital education

The DfE are considering making changes to the funding of hospital education, to replace the current factor equivalent to LA planned spending in 2017-18, plus a 1.0% uplift with a formulaic hospital education factor in the high needs national funding formula, that takes into account both LA spending data and NHS data and therefore better responds to the number of patients needing education. A decision has yet to be taken on whether this will be in place for 2019-20 with the DfE indicating that any changes would not result in any LA seeing a reduction in the hospital education factor amounts included in the provisional 2019-20 funding allocation. There are no hospital education facilities in BF, with £0.020m funding currently being received to purchase out of area support.

Post 16 high needs funding

From August 2019, funding for post-16 HN places in maintained schools (including maintained special schools) and pupil referral units (PRUs) will remain in the DSG paid to LAs, rather than being deducted from LA DSG allocations and paid back in the same amount as sixth form grant. This makes the funding arrangements simpler and has no practical effect, as LAs already have flexibility to make changes to maintained schools (including maintained special schools) and PRU place numbers by agreeing these place numbers directly with schools and funding them without reference to the DfE.

The DfE will also allow an LA to reach agreement with a mainstream maintained school or academy with a sixth form, a PRU or AP academy with a sixth form, a sixth form or FE college or an independent learning provider (ILP), that the institution's Element 2 funding can be calculated and paid in a different way directly by the authority, provided the institution is in agreement with the change and it is only intended to meet Element 2 costs, with top ups still paid separately when the assessed cost on an individual's need exceeds the £10,000 DfE threshold.

This flexibility is being introduced to encourage LAs and institutions to work together in making special provision for their students. DfE has indicated examples of alternative approaches could be:

1. An agreement to fund a college directly a lump sum per year over 3 years, to provide certainty to the local authority and college on the level of provision and funding that will be made, subject to specified tolerances relating to the actual number of students with high needs receiving support
2. An agreement that a school sixth form will be funded for its students with SEND on the basis of similar proxy measures as are in the local pre-16 funding formula

At this stage the council intends to consider the benefits of introducing such flexibility in the coming year, including seeking the views of providers, before making any proposals for change from August 2020.

HNB budget detailed changes as reported to 17 January Schools Forum

Proposed use of HNB DSG funding

The general approach adopted in setting the budget in recent years has again been followed for 2019-20, with the SEN Team, supported by Finance, reviewing all HNB budgets. As expected from services that are volatile and high cost in nature, a number of changes are proposed to ensure budgets are set at the level of future forecast expenditure needs, thereby aiding effective monitoring.

The key proposed changes and assumptions where the financial impact is at least + / £0.025m are:

- 1 Purchase of Places in BF maintained schools: These will remain unchanged at 185 for Kennel Lane Special School and 26 for Meadowvale SEN Resource Unit.
- 2 Kennel Lane Special School: Based on current pupil profile, a £0.125m pressure is expected from 7 more BF pupils receiving Element 3 top up payments compared to last year (from 134 to 141). This reflects the policy of only placing pupils with SEND above the minimum £0.010m core place amount. Therefore, as pupils with lower need leave, they are replaced with those with higher needs. As more children move to higher support needs, the cost of in-year budget changes have been reducing and now average £0.047m in each of the last 3 years. Coupled with there being 183 pupils on roll (BF and other LA placements), with a capacity of 186, the budget is proposed to be reduced by £0.030m to £0.030m.
- 3 Maintained schools and academies: the recent trend on these budgets is for increased cost pressures with a £0.089m forecast over spending in 2018-19 in BF schools as 9 extra pupils (+5%) are supported and £0.347m in other LA schools (mainly Special Schools) where 16 extra pupils have been placed. Whilst the 2018-19 budget anticipated an increase in costs, it was below the current expectation. There is a net overall forecast pressure of £0.362m in 2018-19.

For 2019-20, this is expected to amount to a £0.310m pressure as follows:

- Costs for Element 3 top-up funding for children with Education Health Care (EHC) Plans in BF mainstream schools are forecast to increase by £0.100m. This reflects the anticipated effect of current placements plus an allowance for further growth. 2018-19 saw a 22% increase in cost as numbers rose by 5% and the average cost of support by 17%.
- The most significant budget pressure anticipated next year relates to BF resident pupils with EHC Plans being placed in maintained and academy schools in other LAs. Placements in these institutions have increased by 16 to 94 (+20%). Average cost of support has increased by 25%. At this stage, budget proposals assume a similar level of expenditure in 2019-20 as anticipated for 2018-19 with growth of £0.210m.

A number of changes are proposed to budgets for SEN Resource Units:

- The secondary aged ASD unit at Rise@GHC continues to expand and admit more BF resident (+8) and other LA pupils (+3). As a

consequence, additional staffing are required which will ensure the Unit reaches full staffing compliment from September 2019 and a pressure of £0.031m has been calculated. 39 students are anticipated to be on roll at that time, with around 8 further students anticipated to be placed in each of the next 2 years as the Unit approaches its capacity limit of 56. The Unit is now fully financed from savings on external placements and income from other LA students. The long term expectation for when the Unit is at full capacity is for annual savings against external placements of £0.424m.

- A £0.036m pressure arises from needing to correct an error in the current base budget for Meadow Vale SEN Resource which currently understates the number of Element 2 funded places by 6.
- With diseconomy funding no longer required for Rise@GHC as the number on roll has now reached a sustainable level the level of contribution to the New SEN Resource Unit can be reduced by £0.092m. Funding will be required for the initial years after opening of the 40 place unit at Kings Academy - Binfield.

4 Non-Maintained Special Schools and Colleges: this is the most significant budget being managed in the HNB, amounting to around £4.8m spend in 2018-19. The budget requirement calculation has been undertaken on the same overall basis as in previous years, using trend and average cost data, together with projected changes anticipated by the SEN Team. The most significant changes in next year's proposed budget arise from:

- a. Projecting current pupil and student numbers through to the end of March 2020. This shows a net cost of £0.004m.
- b. Removing costs for 4 students that will leave ASD provision with new starters attending the Rise@GHC, saving £0.160m.
- c. Pressure is now being experienced in placements for pre-16 year old pupils. There has been an average net increase of 10 placements during the last 2 years and the SEN Team anticipate this will increase to 14 in 2019-20. The cost addition associated with this is estimated at £0.558m.
- d. For 16 and 17 year olds, numbers have recently been reducing by 2 and this trend is expected to continue saving £0.068m.
- e. For 18 year olds and older, in general, this is where the largest increase in numbers has been experienced in recent years as more young people seek to extend their education up to the age of 25. The rate of increase has been around 7 in each of the last 2 years, and this is expected to continue and therefore a cost increase of £0.096m has been included.

The overall cost pressure has been calculated at £0.430m.

5 Education other than at school: The number of places purchased at College Hall Pupil Referral Unit will remain unchanged at 46, which closely reflects the current number of admissions. An overall increase of £0.054m is proposed to College Hall and the associated Pupil Referral Service to reflect rising demand and costs. Part of the over spending in 2018-19 will be managed through the new pilot SEN support scheme agreed by the Forum in December.

In respect of other alternative provision, which is forecast to over spend by £0.130m in 2018-19, the SEN Team are considering better ways to manage

these costs, including the new pilot SEN support scheme agreed by the Forum in December. An update on progress will be reported to the March Forum meeting.

- 6 Other SEN Support Services: The overall budget is forecast to under spend by £0.121m in 2018-19. The most significant under spending relates to the proposed Early Opportunities assessment service which was due to commence from September 2018, but due to the increased admissions to Kennel Lane Special school, insufficient accommodation was available to provide the service. With admissions remaining high, there is no expectation that the assessment service will operate in 2019-20 and the budget is proposed to be removed.
- 7 Impact of Post-16 SEN Grant transfer into DSG: Paragraph 0, sets out that from August 2019, the DfE will no longer deduction sixth form high needs funding from an LAs DSG for their maintained schools and pay back through the Post-16 SEN grant. The money will be retained in an LAs DSG to directly allocate. For 2019-20, this will amount to £0.028m in secondary sixth forms and £0.333m for Kennel Lane. Budget adjustments have been made accordingly which will be offset by a matching reduction in the budget for Post-16 SEN grant. There will be a full year effect adjustment for this change in 2020-21.

Detailed changes proposed to the 2019-20 High Needs Budgets

| Line Ref | Description | 2018-19 Forecast Variance (December) C £ | Proposed Budget Change | | | Proposed 2019-20 Budget G £ | Summary Comment H |
|----------|-------------|--|------------------------|---------------------|-------------------------|-----------------------------------|----------------------|
| | | | Placements D £ | Element 3 E £ | Other budgets F £ | | |
| A | B | C | D | E | F | G | H |
| | | £ | £ | £ | £ | £ | |

Funds Delegated to Secondary School Sixth Forms

| | | | | | | | |
|---|--|---|--------|---|---|--------|---|
| 1 | Post-16 SEND pupils in maintained school sixth forms | 0 | 28,000 | 0 | 0 | 28,000 | Reflects a change in funding mechanism being introduced by DfE from August 2019 and provides funding for 7 Element 2 places for BF to directly purchase, rather than the DfE. Retained DSG increases to fund this so no financial impact. |
| | | 0 | 28,000 | 0 | 0 | 28,000 | |

Funds Delegated to Special School: pre-16

| | | | | | | | |
|---|---|--------|---|---------|---|-----------|--|
| 2 | Kennel Lane Special School - original pre-16 budget (BFC responsibility only) | 33,000 | 0 | 115,000 | 0 | 4,017,800 | Current estimate is for initial budget requirement of £3.992m. Includes 185 purchased places with 183 on roll. Includes funding for 151 anticipated BFC resident pupil top up payments where more high cost pupils are attending. |
| 3 | Kennel Lane Special School - in-year budget changes (BFC responsibility only) | -7,000 | 0 | -4,000 | 0 | 56,000 | To better reflect average general spend in last 3 years of £0.047m, together with the general increase in pupil numbers and the increasing average cost of Element 3 payments limiting further increases a small reduction is anticipated. |
| | | 26,000 | 0 | 111,000 | 0 | 4,073,800 | |

| Line Ref | Description | 2018-19 Forecast Variance (December) C £ | Proposed Budget Change | | | Proposed 2019-20 Budget G £ | Summary Comment H |
|----------|-------------|--|------------------------|---------------------|-------------------------|-----------------------------------|----------------------|
| | | | Placements D £ | Element 3 E £ | Other budgets F £ | | |
| A | B | C | D | E | F | G | H |

Post 16 and other SEN grants

| | | | | | | | |
|---|--|---|---------|---|---|----------|---|
| 4 | Kennel Lane Special School - original post-16 budget | 0 | 333,000 | 0 | 0 | -172,360 | Reflects a change in funding being introduced by DfE from August 2019 and provides funding for 50 Element1 and 2 post-16 places for BF to directly purchase, rather than the DfE. Retained DSG increases to fund this so no financial impact. |
| | | 0 | 333,000 | 0 | 0 | -172,360 | |

Maintained Schools & Academies

| | | | | | | | |
|---|---|---------|---------|---------|----------|---------|---|
| 9 | Contribution to New BF SEN Resource Provision Reserve | 0 | 0 | 0 | -122,190 | 0 | Diseconomy funding no longer required for Rise@GHC as the number on roll has now reached a sustainable level. Funding may be required for the initial years after opening of the 40 place unit at Kings Academy - Binfield. Circa £0.490m expected to be in SEN Resource Provision Reserve at 1 April 2019. No further contributions to the Reserve considered necessary at this time. |
| 6 | BF Secondary School SEN Resource Provision | -47,000 | -760 | 0 | 0 | 788,290 | Reflects anticipated £0.788m cost of the Provision, which will have reached full staffing compliment from September 2019. 40 Students anticipated to be on roll at that time (29 BFC resident), with around 8 further students anticipated to be placed in each of the next 2 years as the Unit approaches its capacity limit of 56. The Provision is now fully financed from savings on external placements and income from other LA students. |
| 7 | BF Secondary School SEN Resource Provision - Premium fee rate | 0 | 0 | 0 | -2,500 | -33,100 | Income from other LAs as a contribution to diseconomy costs at the Rise@GHC. More other LA students are now on roll increasing income from other LAs. |
| 8 | BF Primary SEN Resource Provision | 36,000 | -44,000 | 0 | 0 | 188,790 | Amends the number of Element 2 funded places to reflect number of places expected to be required. In agreement with Meadow Vale Primary school, there has been a reduction of 10 places at the Speech and Language Provision which reflects anticipated demand. |
| 9 | BF mainstream schools - Element 3 top up payments | 84,000 | 0 | 100,000 | 0 | 946,600 | Reflects current spend, plus allowance for additional payments, based on recent trend. |

| Line Ref | Description | 2018-19 Forecast Variance (December) C £ | Proposed Budget Change | | | Proposed 2019-20 Budget G £ | Summary Comment H |
|----------|---|--|------------------------|---------------------|-------------------------|-----------------------------------|---|
| | | | Placements D £ | Element 3 E £ | Other budgets F £ | | |
| A | B | C £ | D £ | E £ | F £ | G £ | H |
| 10 | BF mainstream schools - Element 3 short term interventions | -22,000 | 0 | 0 | -15,500 | 10,000 | Reflects current spend, plus future expectations. |
| 11 | BF Early Years - Element 3 top up payments | -15,000 | 0 | -20,700 | 0 | 15,000 | Reflects current spend, plus future expectations. |
| 12 | BF mainstream schools – top up to schools with disproportionate number of HN pupils | -14,000 | 0 | -10,000 | 0 | 40,000 | Reflects current spend, plus future expectations. |
| 13 | BF Schools in Financial Difficulty - HN Block | -14,000 | 0 | 0 | -14,470 | 0 | Reflects current spend, plus future expectations. |
| 14 | Other LA maintained schools and academies – funding for BF resident pupils | 359,000 | 0 | 210,000 | 0 | 1,239,180 | Reflects current spend, plus future expectations. |
| | | 367,000 | -44,760 | 279,300 | -154,660 | 3,194,760 | |

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NMSS & Colleges

| | | | | | | | |
|----|--|----------|---|---------|---|-----------|---|
| 15 | Non-Maintained Special Schools and FE Colleges | -617,000 | 0 | 430,410 | 0 | 5,511,000 | The under spending in 2018-19 is generally accounted for from the £0.549m in-year increase in DSG income that was not reflected in the budget. Forecast cost for 2019-20 is £5.511m. Rolls forward current commitments, plus allowance for 10 net new pre-16 starters and net 5 new post-16 placements reflecting recent experience and current expectations. £0.160m saving removed to reflect ASD leavers with starters attending Rise@GHC. |
| | | -617,000 | 0 | 430,410 | 0 | 5,511,000 | |

| Line Ref | Description | 2018-19 Forecast Variance (December) C £ |
|----------|-------------|--|
| A | B | C £ |

| Proposed Budget Change | | |
|------------------------|-----------|---------------|
| Placements | Element 3 | Other budgets |
| D £ | E £ | F £ |

| Proposed 2019-20 Budget G £ | Summary Comment H |
|-----------------------------------|----------------------|
|-----------------------------------|----------------------|

Education out of School

| | | |
|----|---|---------|
| 16 | College Hall Secondary aged Pupil Referral Unit | -5,000 |
| 17 | Other Pupil Referral Services e.g. outreach, home tuition. | 166,000 |
| 18 | Alternative Provision for Primary Aged pupils without a statement | 55,000 |
| 19 | Alternative Provision for Secondary Aged pupils without a statement | 104,000 |
| 20 | Other minor variances | 2,000 |

| | | |
|---|--------|--------|
| 0 | 32,510 | -5,000 |
| 0 | 0 | 27,220 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |

| | |
|---------|---|
| 785,400 | Reflects the increased occupancy rate at the Unit, together with recognition of a number of unfunded cost increases that have had to be absorbed in the budget. |
| 350,000 | The outreach budget is proposed to increase to cover the cost of current staffing with home tuition increased to reflect rising demand. Part of the over spending in 2018-19 will be managed through the monitoring of the Service Level Agreement with this provision. |
| 50,500 | SEN Team considering better ways to manage these costs. |
| 20,200 | SEN Team considering better ways to manage these costs. |
| 62,740 | |

322,000

0 32,510 22,220

1,291,540

Other SEN Services

| | | |
|----|--|---------|
| 21 | Equipment for SEN Pupils | -10,000 |
| 22 | Medical support to pupils pre 16 | 58,000 |
| 23 | Therapies and other specialist support | -48,000 |
| 24 | Early Opportunities | -80,000 |
| 25 | Other support to early years pupils | -23,000 |
| 26 | Other minor variances | -20,000 |

| | | |
|---------|---|---------|
| 0 | 0 | -5,000 |
| 0 | 0 | 15,000 |
| 0 | 0 | -20,000 |
| -88,000 | 0 | 0 |
| 0 | 0 | 0 |
| 0 | 0 | 0 |

| | |
|---------|--|
| 17,290 | Reflects current spend, plus future expectations. |
| 80,360 | Reflects current spend, plus future expectations. |
| 627,090 | Reflects current spend, plus future expectations. |
| 0 | No capacity at Kennel Lane Special School to manage the service. |
| 395,180 | |
| 38,310 | |

-123,000

-88,000 0 -10,000

1,192,440

| Line Ref | Description | 2018-19 Forecast Variance (December) C £ | Proposed Budget Change | | | Proposed 2019-20 Budget G £ | Summary Comment H |
|---------------------------------------|-------------|---|------------------------|---------------------|----------------------------|---|--------------------------|
| | | | Placements D £ | Element 3 E £ | Other budgets F £ | | |
| A | B | | | | | | |
| Grand Total - Relevant budgets only | | -25,000 | 228,240 | 853,220 | -142,440 | | |
| TOTAL CHANGE | | | | | | 939,020 | |
| 2018-19 base budget funding | | | | | | 14,613,400 | |
| Estimated DSG income | | | | | | 15,408,500 | |
| Cost reductions to be managed in-year | | | | | | 143,920 | |

Summary HNB Budgets: 2018-19 current and 2019-20 proposed

| PEOPLE DIRECTORATE: SCHOOLS BUDGET | | | | | | | | |
|---|----------------------------|---------------------------------|-------------------------------|--|------------------------------|---------------------------------|------------------|-------------------|
| | 2018-19 Performance | | | | Proposed changes for 2019-20 | | | |
| | Original Cash Budget | Virements & Budget C/Fwds | Current Approved Budget | Variance at December Over/(Under) Spend | Placements | Element 3 top up payments | Other budgets | Initial Budget |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| High Needs Block | | | | | | | | |
| Budget Allocations | | | | | | | | |
| Delegated Secondary School Budgets | 0 | 0 | 0 | 0 | 28 | 0 | 0 | 28 |
| Delegated Special School Budgets | 3,963 | 0 | 3,963 | 26 | 0 | 111 | 0 | 4,074 |
| Post 16 SEN and other grants | -505 | 0 | -505 | 0 | 333 | 0 | 0 | -172 |
| Maintained schools and academies | 3,115 | 0 | 3,115 | 367 | -45 | 279 | -153 | 3,196 |
| Non Maintained Special Schools and Colleges | 5,080 | 550 | 5,630 | -617 | 0 | 430 | 0 | 5,510 |
| Education out of school | 1,262 | 0 | 1,262 | 322 | 0 | 33 | 22 | 1,317 |
| Other SEN provisions and support services | 1,698 | 0 | 1,698 | -123 | -88 | 0 | -10 | 1,600 |
| Cost reductions to be managed in year | 0 | 0 | 0 | 0 | 0 | 0 | -144 | -144 |
| | 14,613 | 550 | 15,163 | -25 | 228 | 853 | -285 | 15,409 |
| Anticipated HNB DSG Funding | | | | | | | | |
| 15,409 | | | | | | | | |
| Difference: Enticipated Income compared to Planned Spend | | | | | | | | |
| 0 | | | | | | | | |

| Kennel Lane Special School (KLS) | 2018-19 | 2019-20 | Change | |
|--|-------------------|-------------------|----------------|--------------|
| <u>Calculation of Minimum Funding Guarantee</u> | | | | |
| Places funded | £1,850,000 | £1,850,000 | £0 | |
| Top ups | £2,660,636 | £2,731,803 | £71,166 | |
| Total | £4,510,636 | £4,581,803 | £71,166 | 1.58% |

| | | | |
|----------------|-------|-------|-----|
| Number on roll | 182.4 | 183.2 | 0.8 |
|----------------|-------|-------|-----|

MFG for special schools is calculated on whole budget including other LA (OLA) students.
Unlike mainstream schools, it is not ordinarily a per place / student funding measure.

2019-20 Budget Pressure Reconciliation - i.e. BFC resident pupils only

| | | | |
|------------------------------------|------------|------------|---------|
| Cash increase to budget from above | £4,510,636 | £4,581,803 | £71,166 |
|------------------------------------|------------|------------|---------|

Variance between approved budget and allocation to KLS

| | | |
|--------------------------------------|------------|---------|
| 2018-19 KLS originally agreed budget | £3,902,800 | |
| 2018-19 KLS original actual | £3,933,876 | £31,076 |

Reduction in top up funding from OLAs for BFC to fund

| | | |
|---------------------------------------|----------|---------|
| 2018-19 OLA originally agreed top-ups | £576,760 | |
| 2019-20 OLA originally agreed top ups | £564,484 | £12,277 |

Net pressure for BFC to fund at Annex 3

| |
|-----------------|
| £114,519 |
|-----------------|

Schools Forum High Needs Block Sub-Committee

Terms of Reference

1. Purpose

To provide a structured forum for head teachers to work in partnership to:

- a. Ensure that High Needs Funding is allocated appropriately to achieve the best possible outcomes for children and young people with SEND—that is, value for money of the High Needs Block.
- b. To offer advice and recommendations to the Schools Forum regarding the use of High Needs Funding (through clear reporting) so that:
 - i. there is ongoing cognisance of issues related to the High Needs Block and
 - ii. Schools Forum members have greater opportunity to take a proactive role in High Needs Budget decision-making.
- c. To review and make recommendations to Schools Forum on directing the allocation of High Needs Funding in relation to:
 - I. Top-up rates, number of places and other specific financial pressures or issues identified by the subcommittee.
 - II. The wider strategic agenda which underpins Bracknell Forest's approach to meeting the needs of children and young people with SEND.
- d. To provide greater transparency of the use of High Needs Funding.

(See Appendix 1)

2. Responsibilities

The High Needs Block Sub-Committee will:

- a. Review and monitor the use of High Needs Funding, including the use of additional payments.
- b. Identify pressures on the High Needs Block.
- c. Develop and undertake a specific work programme (as agreed by Schools Forum) focusing on priority areas and arising issues.
- d. Report a briefing note to Schools Forum which offers an update on progress after each High Needs Sub-committee meeting (Chair responsibility).

3. Membership

- a. Schools Forum representative members.
- b. Corporate Finance Team representative.
- c. SEND Service manager representative.

4. Chair

High Needs Block subcommittee member voted by head teachers on the Schools Forum.

5. Frequency

The Sub-Committee will meet on a half-termly basis and ad hoc as required.

Appendix 1

From ESFA guidance:

It's open to a Schools Forum to set up working groups of members to discuss specific issues, and to produce draft advice and decisions for the schools forum itself to consider. The groups can also include wider representation, for example, an early years reference group can represent all the different types of provider to consider the detail of the early years single funding formula. The reference group would then be able to give its considered view on the local authority's proposals to the schools forum. The schools forum should not delegate actual decisions or the finalisation of advice to a working group, as this may have the effect of excluding legitimate points of view. These have proved effective for larger local authorities; examples of some working groups are for high needs and early years.¹

¹ *Schools Forum: Operational and Good Practice Guidance*. Educational and Skills Funding Agency. September 2018