

Notice of Meeting

Schools Forum

Martin Gocke (Pupil Referral Unit Representative (Governor))
(Chairman)
Stuart Matthews, Academy School Representative (Headteacher)
(Vice-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)
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)
Michelle Tuddenham, PVI Provider Representative
Greg Wilton, Teacher Union Representative



Also Invited:

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

Thursday 16 January 2020, 4.30 - 6.30 pm

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

Agenda

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

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	Reporting: ALL	
3.	Minutes and Matters Arising	3 - 10
	To approve as a correct record the minutes of the meeting of 21 December 2019. Reporting: ALL	
4.	High Needs Block Sub Group - Minutes from 5 December 2019	11 - 12
	To receive the minutes of the High Needs Block Sub Group on 5 December 2019. Reporting: Paul Clark	
5.	2020/21 Budget Proposals for the High Needs Block	13 - 34
	To seek comments on the detailed budget proposals for the High Needs Block element of the Schools Budget and to take a small number of decisions in line with the statutory funding framework. Reporting: Paul Clark	
6.	2020-21 Budget Proposals for the Schools Block and Central School Services Block Elements of the Schools Budget	35 - 54
	To present final proposals from the Council for the 2020-21 Schools Block and Central Schools Services Block elements of the Schools Budget. Reporting: Paul Clark	
7.	2020/21 Proposals for the Local Authority Budget	55 - 80
	To present for comment a summary of the Council's budget proposals for 2020/21 with a particular focus on the impact expected on the People Directorate. Reporting: Paul Clark	
8.	Dates of Future Meetings	
	The next meeting of the Forum will be held at 4.30pm on Thursday 19 March 2020. Reporting: Joanna Gibbons	

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Published: 8 January 2020

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**SCHOOLS FORUM
16 DECEMBER 2019
4.35 - 6.10 PM**

Present:

Liz Cole, Primary School Representative (Headteacher)
Karen Davis, Primary School Representative (Headteacher)
Neil Davies, Primary School Representative (Headteacher)
Martin Gocke, Pupil Referral Unit Representative (Governor) (Chairman)
Stuart Matthews, Academy School Representative (Headteacher) (Vice-Chairman)
Roger Prew, Primary School Representative (Governor)
Debbie Smith, Secondary School Representative (Headteacher)
Richard Stok, Primary School Representative (Governor)
Michelle Tuddenham, PVI Provider Representative

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

Apologies for absence were received from:

Jane Coley, Academy School Representative (Headteacher)
Peter Floyd, Special School Representative (Governor)
Brian Poxon, Secondary School Representative (Governor)
Phil Sherwood, Primary School Representative (Headteacher)

123. Apologies for Absence/Substitute Members

There were no Substitute Members.

124. Declarations of Interest

There were no declarations of interests.

125. Minutes and Matters Arising

The Forum noted an amendment to minute 121 of the Forum held on 21 November 2019 as follows:

“RESOLVED

...

2. to AGREE:

- i. the budget changes for 2020-21, as summarised in Table 4, with particular consideration given to:
 - a. the impact of changes in funding to the CSSB; and
 - b. that the Minimum Funding Guarantee is set at the maximum amount of +1.84%;
- ii. on-going central retention by the Council of Central School Services funding for the areas and amounts set out in Annex 4;
- iii. the updated criteria for allocating funds to schools experiencing significant in year increases in pupil numbers be implemented from the October 2019 census (Annex 5); and

iv. that options be developed for the December meeting to consider whether amendments should be made to the distribution of funds to schools in order for 1 FE schools to receive increases close to the overall average increase in per pupil funding.

3 To DEFER a decision on the following to the next meeting:

a. the revised medium-term funding strategy for meeting the additional cost arising from the Growth Fund (Annex 3);

b. the elements of the 2020-21 Growth Fund (Table 3);

c the updated text for the Funding Policy for New and Expanded Schools (Annex 1);”

RESOLVED that the amended minutes of the meeting of the Forum held on 21 November 2019 be approved and signed by the Chairman as a correct record.

Arising from minute 117 Chris Taylor had prepared the latest projections of forecast pupil numbers and available places which was included on the agenda.

Arising from minute 119 Derek Morgan would ensure that any confidential papers could be accessed by all members before meetings.

Also arising from minute 119 Cherry Hall had prepared final figures for the additional funding for early years for 2020-21 which was included on the agenda.

Arising from minute 121 Paul Clark had checked the legal status of whether the Forum would be statutorily tied to previous decisions made in relation to financing and associated budget for the Growth Fund, and this was detailed in the background papers relating to Item 7 of the agenda.

Arising from minute 122 Joanna Gibbons confirmed that the Council Chamber was booked for all forthcoming meetings apart from the meeting to be held on 16 January 2019.

126. **Childcare Sufficiency Assessment**

The Forum considered a report which presented the Childcare Sufficiency Assessment (CSA).

Cherry Hall advised that the CSA shows there was sufficient childcare provision in the Borough, and prospective providers were being advised of that. Further analysis was required on the impact of new housing and business growth in the Town Centre (TC) on supply and demand. This was more difficult to assess for pre-school age children.

Following presentation to Schools Forum the CSA would be submitted to the executive member for approval in January 2020 and subsequently published on the Bracknell Forest Council (BFC) website where it would be available to the public.

The Forum questioned how the expected decrease in the birth rate would be managed. Cherry Hall admitted that it was a challenge and difficult to predict. The CSA was looking at 2019-2023 but a lot of the children wouldn't have been born yet. Lots of parents were using informal childcare so the Council was looking at promoting the free entitlement in the Town & Country magazine. The next step would be to look at how many young children were coming in and going out of the Borough for childcare. Cherry Hall explained that the team were talking a lot to providers and advising them about changing their business models to be more attractive to parents.

The aim was to try to help existing providers to stay sustainable and discourage new provision.

The Forum queried whether the Council had any other mechanism to prevent new provision apart from just discouragement. Cherry Hall advised that the Council could only discourage; Ofsted was the only body which had the power to register or not register.

The Forum asked whether existing providers knew they would have to manage a reduction in numbers? Cherry Hall explained that once providers become aware, they would often approach the Council for advice. Some providers have managed quite well but others were not so business-minded so lots of work had been done around that. For example, when the Government introduced extended 30 hours free entitlement for 3- and 4-year olds of working parents, the council supported providers who required help with business modelling. Michelle Tuddenham added that small businesses had complications in their staffing models and weren't able to lay off workers in the quiet autumn period and ask them to come back in January; instead, they kept workers on and hoped they would generate sufficient funding during the busy times to fund them during the quieter times.

The Forum questioned what the impact would be of the TC development. Cherry Hall explained that there was one nursery within the TC area which would be displaced with the changes happening in Coopers Hill. If that provision were to be lost there would be a deficit, so the team was looking at where to relocate that provision.

RESOLVED to NOTE the contents of the Childcare Sufficiency Assessment, which indicated that there was sufficient childcare in Bracknell Forest to meet demand and the ongoing work to understand the impact of new housing and town centre developments on supply and demand.

127. **2020/21 Proposals for the Early Years Block Budget**

The Forum considered a report which sought agreement to proposals for 2020-21 Early Years budgets, including the values to be attributed to the BFC Early Years Funding Formula (EYFF). There was also a decision to consider in line with the statutory funding framework.

Cherry Hall explained that the figures took into consideration the changes the Forum agreed at the last meeting in relation to funding providers for deprivation.

To inform future changes, expenditure through the EYFF was analysed and compared to the agreed budget allocations and showed, amongst other things, that the Special Educational Needs Inclusion Fund (SENIF) overspent by 17% and that the council was subsidising some provider support services.

Cherry Hall advised that, if all the proposals put to the Forum were accepted, 14 providers would see a decrease in funding of up to 1.5% in hourly rate. However, most providers would see an increase. All decreases were due to changes in eligibility for the deprivation supplement, either due to changes in children attending or corrections in the calculation method. The 14 providers affected were mostly private or voluntary providers including childminders but three were schools.

RESOLVED to AGREE that:

1. for the 2020-21 financial year
 - i. the Early Years DSG income budget be set at £7.560m (Table 2 of the report);

- ii. the funding rates in the Early Years Funding Formula are as set out in Table 4 of the report; and
 - iii. the relevant budgets are as set out in Annex 1; and
2. there are appropriate arrangements in place for administration of the Early Years free entitlement funding.

128. **School Places Plan and Capital Strategy**

The Forum considered a report which presented the School Places Plan and Capacity Strategy (SPP) 2020-24. These were last approved by the Executive in January 2017 and have been updated to cover the five-year period from 2020 to 2024.

Chris Taylor explained that primary school numbers were decreasing across the Borough. Secondary numbers were still increasing as the previous rise of primary numbers was working its way up through secondary schools. The two main factors affecting pupil numbers were birth rate, which was decreasing, and new housing, where predictions often exceeded delivery.

Pupil yields arising from new housing have also decreased.

Chris Taylor highlighted the new mainstream pupil forecasting methodology (outlined in Annex 1 of the report), which was based on the principle of cohort survival and DfE guidance as well as consideration of best practice from neighbouring authorities and an external specialist. The Forum questioned whether the methodology has been tested on previous years to validate it. Chris Taylor advised that it had been tested to a degree and found to work.

Primary Schools

In September 2019 half of primary schools had no surplus places and the other half had surpluses to varying degrees. Borough-wide this amounted to a total surplus of 905 places or 8%. Therefore, there were no plans to add any additional primary school capacity in this forecast period. Demand for places would be met across each planning area, acknowledging that pupils could travel to neighbouring schools if their catchment area school was full, but could not be expected to travel further across the borough or to neighbouring boroughs.

As surplus places put pressure on school budgets, the capacity strategy outlined that removal of further surplus places may be required during the forecast period. This could be achieved by converting teaching spaces to other uses such as learning support or leasing out surplus accommodation to paying tenants.

The Forum queried why the strategy did not include the possibility of closing schools. Chris Taylor replied that there didn't appear to be any appetite in the Council to close schools, so this was not included in the strategy. Councillor Barnard added that local schools for local children was very important to the Council and that there was a need to hold onto local links.

Chris Taylor advised that reductions in school places would need to be carefully considered in the light of the surplus places at each school. Removal of surplus places would also need to go hand in hand with finding compatible alternative uses for the surplus accommodation.

The Forum questioned whether the Council had a list of schools they were earmarking. Chris Taylor advised that, if the strategy were to be agreed, it would be put into place and those schools would be identified and then contacted. Chris

stressed the importance of input from the Forum regarding the strategy and was happy to take ideas of measures to reduce surplus places.

Academy numbers were not set by the Council, but where academy schools had shared their capacity plans with the Council, these had been incorporated into the SPP.

The Forum discussed the overall population demographic and hypothesised that the low numbers of people aged 30-45 possibly related to a lack of affordable housing. Councillor Barnard advised that the Council Plan included provision for affordable housing.

The Forum asked how place planning would impact the schools' budget on the shorter term. Chris Taylor explained that they had identified which schools were not full but had not done budget planning scenarios. It was agreed that this would be the logical next step.

Action: Chris Taylor

Secondary Schools

There was a shrinking surplus of places at secondary schools, and only two schools had significant surpluses of places. Borough-wide in September 2019 there was a surplus of 967 places or 13%.

The secondary school capacity strategy included planning on a Borough-wide basis as secondary-aged pupils could travel between planning areas to secure a school place if their catchment area school was full. This meant that forecast demand was likely to be balanced as some schools would have deficits and others would have surpluses of places.

The strategy included Kings Group Academy (KGA) Binfield expanding from a Published Admission Numbers (PAN) of 150 in September 2019 to a PAN of 210 from September 2021, which was a previous commitment. This was balanced out however by Garth Hill College and Easthampstead Park schools both requesting their PANs be reduced by 1FE from September 2021.

The Forum questioned whether it could consider the implication of KGA's plan to make their admissions criteria prioritise children from their feeder. Chris Taylor advised that this was not under our direct control but that the Council would expect to be consulted on any changes to their admissions arrangements.

Post-16

In September 2019 there was a significant surplus 813 places or 46%. By September 2024 this was expected to fall to a surplus of 28% but even that was felt to be significant. The proposed Post 16 Strategy therefore included undertaking a joint review of Post 16 capacity with schools to look at the surplus places during the next forecast period.

The Forum queried whether there was a net import or export of post-16 students. Chris Taylor replied that admissions into Post 16 was a school responsibility and the Council did not have details of the numbers of applications for which school. He observed that we would never expect to keep 100% of post-16 students in our schools as many would choose to go to other colleges (e.g. Bracknell & Wokingham College or Farnborough Sixth Form College).

The Forum questioned whether the Council considered pressures in neighbouring authorities in the strategy. Chris Taylor shared that there had been joint working with neighbouring authorities who seemed to be experiencing similar patterns of school admissions including reducing primary numbers in the intake year. Having surplus school places in neighbouring authorities could exacerbate the issues in Bracknell Forest as it provided more scope for parental preference.

The Forum asked what the plan was to take this strategy forward. Chris Taylor advised that the paper would go to the Executive in January 2020 and, if agreed, would then be published and the team would start working on actions soon after. The next steps would be looking at the criteria, talking to schools re numbers, and commencing the post-16 review. A detailed action plan would be shared.

Action: Chris Taylor

The Forum requested an analysis of which schools would be most affected by the predicted period of financial turbulence. This would be presented in the meeting of the Forum in March 2020.

Action: Chris Taylor

The Forum noted that primary schools in the north of the Borough had particular issues and it was agreed to hold a meeting with relevant members in January as long as the paper was approved by the Executive.

Action: Chris Taylor

The Chairman thanked Chris for the comprehensive and well explained presentation.

RESOLVED to NOTE the School Places Plan and School Capacity Strategy 2020-24.

129. **2020/21 Proposals for the Schools Block and Central School Services Block**

The Forum considered a report which updated on the 2020-21 budget proposals that were presented to the last meeting of the Forum. Associated decisions needed to be agreed in order to meet the 21 January 2020 statutory deadline for agreeing individual school budgets.

Paul Clark explained that data had not yet been received from the DfE which was needed to calculate actual school budgets so there would be fluctuations from that as well as an imminent update on school business rates. Two other budget matters remained outstanding: diseconomy funding top-ups for new schools, and whether changes should be made to the values in the BF Funding Formula to ensure a larger average increase in per pupil funding for 1 Form Entry (FE) schools.

KGA Binfield Diseconomy Funding

Regarding the question as to whether we were legally obliged to pay diseconomy top-up funding, Paul Clark advised that we were not, but any changes made to current arrangements needed to be reasonable. The specification developed for the required competition for the new provider – which KGA won – confirmed diseconomy funding “would be provided until the school reaches a viable size”.

On the current model, KGA Binfield was forecast to receive £5,721 per pupil which was 3.3% higher than average per pupil funding at the two other highest funded

secondary schools, and 9.7% higher than the average for all secondary schools. The Forum was asked to consider whether the current funding allocation was reasonable. Paul Clark was asked if he was able to advise as the finance professional on the question of reasonableness and he replied that his view was that it was reasonable, taking account of the circumstances at the school which would be at around 40% capacity in September 2020. The Forum enquired whether the test of reasonableness could be set against a benchmark of other local authorities. Paul Clark agreed to seek information from other local authorities.

Action: Paul Clark

The Forum expressed the following:

- Allocating precious funds to KGA felt awkward but it would be unfair on KGA to make changes at this stage before all the data was available; and
- Diseconomy could be seen in different areas in different schools such as running costs of older buildings.

Councillor Barnard queried whether BFC would only fund the additional cost of setting up KGA to the number of places agreed. Paul Clark advised that this was the case and that KGA would have to bear the financial risk of anything additional.

The Forum enquired whether it would be possible to quantify what the diseconomy scale looked like in terms of outcomes over 6-9 months. Paul Clark explained that it would be difficult to link that to outcomes.

1 FE primary school funding

The Forum were presented with two alternative funding options to the original Option 1 (scaling all School National Funding Formula (SNFF) factors by the same percentage) which had been discussed in the meeting in November and that were intended to result in a more even distribution of the funding increase to the smallest schools by adjusting the value of the fixed lump sum payment: Option 2 was to phase the reduction in lump sum payment over two years and Option 3 was to phase the reduction over three years. No other changes had been made to the original approach to allocating funds to schools.

The Forum expressed the following:

- The benefit of the new Options for 1 FE schools would be higher;
- The Forum didn't yet have all the facts needed to make the decision;
- Reducing the PAN at other schools to address surplus places could lead to more 1 FE schools (although Paul Clark advised that BFC was not intending to create more 1 FE schools);
- Historically the Forum have not voted against views gathered from consultations, and Option 1 arose from the recent consultation;
- The Forum was very uncomfortable making this decision and felt that, in effect, it would be playing off secondary schools against 1FE schools; and
- The Forum would need to consider carefully what this would do to pupils in 1FE schools, given the turbulence predicted.

Councillor Barnard advised that he would take a decision based on the recommendation of the Forum, and expressed that he would hope to find a way through to maintain viability.

The Forum questioned whether it would be worth noting school deficits and whether they were proportionate to income. Paul Clark advised that further work would be done on this.

RESOLVED to AGREE

1. as decision maker, in respect of the funding policy for new schools:
 - i. that no reasonable adjustments needed to be made to the funding policy for the next financial year;
 - ii. the resultant Growth Fund allocations, as set out in Annex 3 of the report; and
 - iii. the proposed update to the current policy, as set out in Annex 6 of the report, as well as uplifts to factor values required through other budget decisions; and
2. as adviser to the Executive Member for Children and Young People, that no changes should be made to the fixed lump sum payment payable to all schools through the BF Funding Formula to raise funding levels for 1 FE schools, with the intention of further investigating the impact for 1 FE schools.

130. **Dates of Future Meetings**

The next meeting of the Forum was due to be held on Thursday 16 January 2020 commencing at 4:30pm (preceded by a briefing for members at 3:30pm).

CHAIRMAN

MINUTES

MEETING: **Sub Schools Forum**

MEETING DATE AND TIME: 5th December 2019, 4pm

INVITEES: Kashif Nawaz, Head of Children Services (KN)
 Katie Flint, National Management Trainee
 Angela Fright, Finance (AF)
 Gaynor Styer, SENCo
 Paul Clark, Business Partner (PC)
 Debbie Smith, Sandhurst (DS)
 Keith Granger, Garth Hill (KG)
 Karen Davies, Whitegrove (KD)
 Marion Bent, College Hall (MB)
 Gareth Barnard, Councillor
 Martin Gocke, College Hall (MG)

Apologies Phil Sherwood, Uplands
 Stuart Matthews, Edgbarrow
 Brian Poxon, Garth Hill
 Neil Davies, Sandy Lane
 Jane Coley, Brakenhale
 Jenny Baker, Kennel Lane (JL)
 Liz Cole, Owlsmoor (LC)
 Richard Stok Governor @ Meadow Vale (RS)

1.	<p>Welcome and Apologies KN: Purpose of the meeting to discuss the proposed commissioning plan – formal consultation to commence following the election.</p>	
2.	<p>SEND Commissioning Plan – Katie Flint and Manjit Hogston</p> <p>Shared findings of the workshops highlighting priorities, summary of commissioning principles/priorities and update of work so far.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  Consultation Glossary.pdf </div> <div style="text-align: center;">  Commissioning Plan Summary.pdf </div> <div style="text-align: center;">  DRAFT SEND Commissioning Plan.p </div> </div> <p>Comments: To review the timeline for consultation – potentially extend to the end of January 2020.</p> <p>UPDATE: Consultation timeline has now been amended to 16/12/2019 – 24/01/2020.</p>	
3.	AOB: None	

Priorities for the next meeting

	Consultation on the commissioning plan.

Dates for future Sub Group Meetings:

- 9th January 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 6th February 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 5th March 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 2nd April 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 7th May 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 4th June 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 2nd July 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)

TO: SCHOOLS FORUM
DATE: 16 JANUARY 2020

**2020-21 BUDGET PROPOSALS FOR THE
HIGH NEEDS BLOCK
Executive Director of People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek comments on the detailed budget proposals for the High Needs Block (HNB) element of the Schools Budget that are being presented now by the Council. 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.

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 will be 8%, as previously reported, this is insufficient to meet current and forecast future needs and despite an ambitious improvement and savings programme, a £3.063m deficit was forecast at 31 March 2023.
- 2.3 More work has been undertaken on the medium-term budget, which reflects a further deterioration in the 2019-20 financial performance which will continue into future years together with other revisions resulting in the forecast deficit for March 2023 increasing by £1.698m to £4.761m. The deficit for 31 March 2021 is projected at £1.777m.
- 2.4 The financial challenges being experience are not unique to BF with many LAs having to set deficit budgets. The council plans to continue working in partnership with the HNB sub group to develop further service improvements and savings to remove the £1.5m underlying funding gap..

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 £17.008m, it incorporates the changes set out in the supporting information and relevant budgets are therefore updated to those summarised in Annex 4.**

2. notes the £1.777 budget gap that will need to be managed through a further change programme with the HNB sub-group.
3. approves a Minimum Funding Guarantee for Kennel Lane Special school of plus 1.84%, the same amount as for mainstream schools (paragraph 6.10).

3.2 That there are appropriate arrangements in place for:

1. The education of pupils with SEN (paragraph 6.12), and
2. The use of pupil referral units and the education of children otherwise than at school (paragraph 6.12).

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2020-21 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 Members of the Forum will be aware that the HNB element of the Dedicated Schools Grant (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 Department for Education (DfE) and in general commission services from providers. In-house arrangements are made in a relatively small number of areas.

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

Progress to date

- 6.2 The 21 November meeting of the Forum received initial budget information and agreed some preliminary actions as follows that have been developed in partnership the Forum's HNB sub-group:
- Significant cost pressures are being experienced, which is a national issue, and not just limited to BF, with the number of pupils with a statement or Education Health Care Plan (EHCP)¹ having increased in the last 2 years by 11.9%. The change in BF shows a steeper increase of 17.7%.

¹ An EHCP is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person.

- Taking account of the increasing use of private, voluntary and independent (PVI) sector providers, costs are expected to increase by 27.3% during which time grant from the DfE has increased by 4.8%.
- The government spending review confirmed an 8% increase in per head funding on relevant factors for BF next year (9.5% cash increase after applying data updates in the national funding formula). This amounts to a £1.472m increase and total retained HNB DSG income of £17.008m.
- 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.
- The HNB national funding formula is being introduced on a phased basis. This is designed to ensure that those areas losing money have time to adjust their spending patterns and there is a funding “floor” to prevent losses in income. This approach has significantly benefitted BF as the council will receive additional transitional funding protection in 2020-21 of £2.5m which amounts to 13% of total income compared to the LA average of 2%. There is a risk that over time the funding “floor” money will be lost.
- The newly developed 3-year medium term financial forecast with no interventions predicted a cumulative £10.924m over spend at 31 March 2023. This incorporates the predicted 2019-20 forecast over spending of £2.408m. With £1.631m of unallocated balances held in reserve, there would be a £0.777m deficit on the Schools Budget Unallocated Reserve that would need to be funded from future DSG income.
- To reduce forecast costs and widen choice and improve services, a range of developments were supported that focussed on maintaining pupils in mainstream schools, including making financial contributions as necessary in order to avoid the significant cost implications when pupils move to specialist providers and improving commissioning. These developments identified the potential to effect cost reductions of £7.861m resulting in a revised cumulative deficit at 31 March 2023 of £3.063m.
- An inflation provision of 1% should be included in the medium-term plan for Element 3 top-up payments.
- The proposals were acknowledged as being in accordance with the priorities agreed by the HNB sub-group and were a good starting point but would be subject to change as the implementation commenced, and further cost reduction measures still needed to be identified.
- In order to maximise the implementation and benefits from this significant programme, a dedicated project management resource would be required.

Recent Developments

6.3 Further work has been underway to progress the agreed key areas for change most notably:

1. The Intervention Hub - a multi-agency hub that provides prompt, short-term and specified additional resource/support/guidance to children and young people without an EHCP through the High Needs Block – has met twice and reviewed 18 cases.

2. The number of funded places at Kennel Lane Special (KLS) School and College Hall Pupil Referral Unit (PRU) have been increased by 10 and 5 respectively.
3. For the new in-school SEND provisions:
 - a. The Harmanswater Primary Intervention Unit provision is now open (up to 10 places for pupils at Harmanswater).
 - b. Work has commenced on building adaptations for the Brakenhale Secondary on their SEND Transition Classroom and Support project (up to 20 places) and the Jennett's Park Primary Sensory and Dance Studio (up to 30 places). Both are expected to be completed by April 2020.
 - c. The Pines Primary SEN Unit (up to 15 places) is in development and is also expected to be completed by April 2020.
 - d. Adaptations to Fox Hill Primary for the Nurture Group (up to 10 places) will commence once the pre-school has been relocated from the school site and suitable accommodation is then made available. This will be facilitated through the council's capital programme, with the new facility planned to be completed for September 2020.
4. Discussions are underway with Garth Hill College in respect of the Autistic Spectrum Disorder (ASD) SEN provision for secondary aged pupils. In partnership with the LA, the Autism Progression Framework will be implemented at The Rise. The standards will provide teachers and leaders to have a better oversight of the extent to which the needs of pupils at The Rise are being met and what professional development opportunities need to be created to build capacity and expertise.
5. For a new SEMH Special Free School, the council has included funding in 2020-21 budget proposals for a feasibility study to be completed. A draft outline project plan is being developed.
6. A specification has been produced for the engagement of a dedicated project management resource to ensure the programme promptly delivers the required benefits.
7. The SEND Commissioning Strategy will be a key addition to the successful implementation this programme and is currently in the consultation stage with comments being sought from schools and other partners.

6.4 In terms of the financial impact from the on-going review of the programme, the significant changes (+ / - £0.025m) which are currently focusing on 2020-21 are set out below. No significant work has been undertaken on future year schemes although some changes made to the proposed 2020-21 budget will have a consequential future year effect.

Revised expenditure items:

1. The over spend forecast for the 2019-20 HNB Budget has further deteriorated with the over spending increased by a further £0.191m to £2.599m. The cost increase reflects additional places that have been required, in particular at KLS (£0.083m), other LA schools (£0.049m) and non-maintained special schools (£0.050m). Most of these costs are expected to continue into 2020-21 and have therefore been added to the on-going base funding requirement.
2. Updated advice on the liabilities likely to fall on the funding held on the School Rates Reserve, which has been established to meet the anticipated impact

from the recent school building programme, indicates that the 2017 national revaluation presents the cut off point for back-dating increases. This indicates around £0.700m can be released and applied to part finance the forecast over spend on the HNB.

3. The SEN Post-16 grant was phased out in September 2019 with equivalent funding now remaining the LA retained DAG rather than being deducted by the DfE and paid direct to providers. This expired funding has been removed creating a £0.172m cost pressure.
4. A cost estimate of £0.075m has been added for dedicated project management support to help deliver the ambitious change programme to the expected timeline.

Revised savings items:

5. The potential savings from the 85 places expected from new in-school SEN provisions have been recalculated and have been lowered from a net saving of £0.855m to £0.689m. The calculation retains the 20% scaling for overall savings risk should any unexpected issues arise.
6. Reflecting the comments received from KLS on the proposals to over time reduce other LA placements at the school as well as replace relatively low-cost pupils with those with more significant needs to reduce the number of more expensive out of borough placements, these proposals have been deferred to 2021-22 to allow for further assessment of the proposal.

Taking account of these proposed changes, a circa £1.5m underlying annual funding gap remains that needs to be removed.

Updated HNB Budget Medium term financial forecast

- 6.5 Table 1 below sets out a summary of the revised medium-term budget plan, reflecting the changes set out above. The forecast deficit at 31 March 2023 with no interventions is now £11.590m (up £0.666m), the anticipated savings measures are at £6.829m (down £1.032m) with the net deficit predicted after 3 years is at £4.761m (up £1.698m).

Annex 2 sets out more detail on the anticipated expenditure and Annex 3 for income. Changes from the figures and narrative presented to the Forum in November have been shaded yellow.

- 6.6 The forecast year end deficit at 31 March 2020 has been calculated at £1.777m which is a £0.025m improvement on the amount anticipated in November and generally reflects the additional balances expected to be available on a one-off basis to support the 2019-20 over spending. The underlying budget gap is around £1.5m per annum and further plans need to be developed to eliminate this and any accumulated deficit.
- 6.7 As LA funds are not permitted to be used to finance a shortfall on HNB costs, expenditure will need to be reduced to the level of DSG income.

Table 1: HNB Budget: Medium term financial forecast after interventions

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m
HNB DSG income to BFC	15.537	17.008	17.689	18.396
Anticipated change		1.472	0.680	0.708
Change (cash)		9.5%	4.0%	4.0%
Forecast spend - no interventions	18.136	19.925	21.513	23.145
Change		1.789	1.588	1.631
		9.9%	8.0%	7.6%
<u>Anticipated funding gap:</u>				
Annual	2.599	2.917	3.825	4.748
Forecast DSG reserve 31/3/20	-2.499			
Cumulative	0.100	3.017	6.841	11.590
<u>Planned interventions:</u>				
Prior years on-going savings			-1.240	-2.423
SEND support stage		-0.054	-0.068	-0.068
Reducing demand for EHCP		-0.771	-0.699	-0.356
Review PAN at specialist providers		-0.150	-0.050	0.000
Reducing reliance on external providers		0.000	-0.041	-0.064
Improved commissioning		-0.181	-0.189	-0.195
Central Services:		-0.084	-0.136	-0.060
Forecast impact of interventions		-1.240	-2.423	-3.166
Cumulative		-1.240	-3.663	-6.829
<u>Funding gap after interventions</u>				
Annual		1.777	1.402	1.582
Cumulative		1.777	3.178	4.761

- 6.8 The Forum is requested to agree that the Executive Member sets the 2020-21 budget on these proposals, as summarised in Table 1. Annex 4 sets out the detailed budget changes with Annex 5 showing the summary HNB budget for 2019-20 and that proposed for 2020-21.

Due to the volatile and unpredictable nature of pupil needs it is not always certain where the most suitable support arrangements are and where the education support will ultimately be delivered. The detailed changes set out in Annex 4 therefore present an initial assessment which will be subject to change. The overall proposed budget for 2020-21 is not subject to change.

Other matters

- 6.9 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.
- 6.10 Reflecting on the additional funding in the School Spending Review and 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 1.84% increase for mainstream schools and the same plus 1.84% is proposed for KLS, although different rates are permitted. The DfE has set the permitted range of MFG from between plus 0.5% and plus 1.84%.
- 6.11 The calculation involves comparing the like for like change in total budget between years – BF and other LA funded costs –and the relevant calculation shows a 3.89% increase in funding (from £4.581m to £4.760m) which exceeds the minimum permitted protected level of funding of 1.84%. Annex 6 sets out more information on the MFG and budget pressure calculations specific to KLS.

Next Steps

- 6.12 The views of the Schools Forum regarding the final 2020-21 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 23 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.
- 6.13 Considerable further work is required to eliminate the circa £1.5m underlying budget gap which will be progressed through the HNB sub-group.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

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

Equalities Impact Assessment

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

Strategic Risk Management Issues

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

8 CONSULTATION

Principal Groups Consulted

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

Method of Consultation

- 8.2 Formal consultation and written reports.

Representations Received

- 8.3 Incorporated into this report.

Background Papers

None.

Contact for further information

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Overview of the HNB Budget

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

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

DfE Reforms

5. A new National Funding Formula (HNB NFF) was introduced in April 2018 to replace a system that largely allocated funding based on historic spending decisions. The core elements of funds distribution to LAs now comprises:
 1. **Basic entitlement** (£4,000 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)

6. One of the key outcomes for the DfE from these reforms is to ensure that any change in the amount of funding allocated to individual LAs must be introduced slowly to allow those areas facing reductions time to adjust to the new amounts. This is because expenditure is mainly incurred on educational fees and these generally remain unchanged throughout the course of each pupil's time in the relevant institution which often presents commitments for over 10 years. 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% was applied, making a minimum 1% increase in per head funding over the 2 years. In order to make the funding protection affordable, gains were 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 contribute to Element 1 and 2 costs for their students in institutions in other LAs.

7. 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%).
8. The Forum has previously been advised that the new HNB NFF will deliver significantly less funding to BF than the current arrangements. The draft 2020-21 HNB DSG update from the DfE indicates £2.468m funding protection for BFC, which is around 13% of total funding which clearly illustrates the importance of the funding floor adjustment from a BF perspective. On average, LAs receive 2% of their HNB funding through this factor.

HNB Budget – medium term cost summary (changes from November shaded in yellow)

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Comment
<u>Income:</u>					
Current HNB DSG	15.790	15.537	17.008	17.689	Excludes academy places deduction (from 2020-21)
BFC academy places deduction	0.253				
Anticipated change		1.472	0.680	0.708	Increases from 2021 assumed at 4% in line with 2019-20 increase in school NFF
Total DSG income to BFC	15.537	17.008	17.689	18.396	
Change (cash)		9.5%	4.0%	4.0%	
<u>Expenditure:</u>					
Base budget / cost forecast	15.537	18.136	19.925	21.513	Builds in 2019-20 over spend as an ongoing pressure.
Forecast over spend (November)	2.599				£0.199m increase on amount previously reported. Now based on November forecast
Provision for inflation		0.272	0.299	0.323	Assumed at 1.5% per annum
Other pressures		1.517	1.289	1.309	Current growth trend on placements plus specialist project management expertise and loss of post-16 SEN grant
- estimated growth in demand		54	54	54	
Forecast spend - no interventions	18.136	19.925	21.513	23.145	
Change		1.789	1.588	1.631	
		9.9%	8.0%	7.6%	
<u>Net funding gap:</u>					
Annual	2.599	2.917	3.825	4.748	
Forecast DSG reserve 31/3/20	-2.499				
Cumulative	0.100	3.017	6.841	11.590	

HNB Budget – medium term savings summary (changes shaded in yellow)

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Scaling for risk	Comments
<u>Funding gap from Table 1:</u>						
Annual	2.599	2.917	3.825	4.748		
Forecast DSG reserve 31/3/20	-2.499					
Cumulative	0.100	3.017	6.841	11.590		
<u>Planned changes:</u>						
Prior years on-going savings			-1.240	-2.423		Note: some proposals can be categorised differently or across multiple areas All assumptions subject to change and therefore need to be viewed as a guide.
<u>SEN support stage</u>						
SEN hub		-0.054	-0.068	-0.068	15%	Assumes 10 more students retained in mainstream schools with additional support in each of the next 3 years. Savings arise from lower cost top up funding in mainstream schools compared to permanent external placement / AP support.
<u>Reducing demand for EHCP</u>						
New SEN units - Phase 1		-0.689	-0.417	-0.028	20%	Following bids from interested schools, capital funding has been allocated for the development of 5 in-school units to cater for pupils at risk of requiring an EHCP or with an EHCP that can be maintained in a mainstream school with additional specialist interventions. Up to 85 new places are expected to become available by September 2021. Maintained schools and the HNB will contribute to the operating costs which will result greater numbers of pupils being retained in BF schools.

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Scaling for risk	Comments
<u>Reducing demand for EHCP</u>						
New SEN units - Phase 2			-0.097	-0.167	50%	Further development of in-school units that will be rolled out to additional schools subject to suitable bids and capital funding. Potential extension yet to be determined, but assumed at around half existing known plans at 40 places, commencing on a phased basis from September 2021.
Savings from BLV primary unit		0.000	-0.016	-0.028	25%	Assumes new SEN Unit opens in September 2021 to 3 pupils (opening delayed 1 year), with similar number of admissions thereafter. Specialism for admission yet to be agreed.
Spare places at Meadow Vale Unit		-0.029			10%	The SEN Provision at Meadow Vale has 3 vacant places. The funding has been withdrawn.
SMEH assessment and direct provision facility		0.000	-0.115	-0.133	50%	Feasibility study to commence to create a 30 place SEMH assessment and 40 place provision on an existing school site with spare capacity. Potential for phased opening from September 2021 with planned return to the borough for suitable students currently placed in similar, external provision.
Savings from Rise ASD Secondary Resource provision		-0.053	-0.054		15%	Assumes 5 BF students are admitted each September at reduced cost to savings arising from older students leaving education at alternative specialist provider until Unit reaches capacity at September 2021. Future option to consider scope for post-16 provisions / collaboration with B&W College.
<u>Review PAN at specialist providers</u>						
Extra 5 in-house AP places at College Hall PRU		-0.050	-0.050		0%	Increase the number of funded places by 5 from April 2020 and again in April 2021. The extra £25k per place will be offset by savings of around £10k per place compared to other AP providers
Extra 10 places at KLS		-0.100			0%	Increase the number of funded places by 10 from April 2020. The extra £25k per place will be offset by savings of around £10k per place compared to other similar specialist providers.

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Scaling for risk	Comments
<u>Reducing reliance on external providers</u>						
Increase BF placements at KLS		0.000	-0.017	-0.026	45%	Ensure 4-5 BF students replace OLA students at KLS each year to ensure better value high quality placements. Deferred 1 year.
Replace no top up pupils at KLS with higher needs pupils		0.000	-0.024	-0.038	25%	Ensure that as the 11 relatively low-level need students without top up funding leave KLS that they are replaced with higher need students that currently need to travel out of area due to shortage of places. Assumes 2-3 movers, with new top up cost of circa £15k (no place funding to pay) with circa £20k per pupil net saving. Deferred 1 year
<u>Improved commissioning</u>						
Inflation management		-0.077	-0.085	-0.091	15%	Assumes save 0.5% per annum on care inflation assumption
Block contracts		-0.056	-0.056	-0.056	20%	Economies from prices as providers received guaranteed income.
Price negotiation with providers		-0.048	-0.048	-0.048	20%	Undertake individual negotiation with providers admitting 4 or more students to secure price discounts.
<u>Central Services:</u>						
- Reviews to be completed		-0.084	-0.136	-0.060	20%	A range of services will be reviewed for quality, impact and value for money.
Forecast impact of interventions		-1.240	-2.423	-3.166		
<u>Funding gap after interventions</u>						
Annual		1.777	1.402	1.582		
Cumulative	0.100	1.777	3.178	4.761		

2020-21 Proposed HNB Budget detailed changes

Line Ref	Description	2019-20 Forecast Variance (December)	Proposed Budget Change				Proposed 2020-21 Budget	Summary Comment on significant changes.
			Reset to 2019-20 outturn	Growth Pressures	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I
		£	£	£	£	£	£	

Funds Delegated to Special School

1	Kennel Lane Special School - original budget (BFC responsibility only)	0	0	118,000	210,640	43,650	4,048,100	Current estimate is for initial budget requirement of 195 purchased places (+10) and 151 FTE BFC resident Element 3 top-up payments (+11.3 FTE). The total January 2020 NOR (including other LA students) is 192 (+9.6).
2	Kennel Lane Special School - in-year budget changes (BFC responsibility only)	143,000	39,000	0	-500	1,430	127,930	The increasing average cost of Element 3 payments limits further increases indicating a lower on-going requirement than the 2019-20 forecast outturn.
		143,000	39,000	118,000	210,140	45,080	4,176,030	

Post 16 SEN grant

3	Post 16 SEN grant	0	0	172,000	-190	550	0	The grant was phased out at September 2019 and funding is now passed to LAs through the DSG.
28		0	0	172,000	-190	550	0	

Line Ref	Description	2019-20 Forecast Variance (December) C £	Proposed Budget Change				Proposed 2020-21 Budget H £	Summary Comment on significant changes. I
			Reset to 2019-20 outturn D £	Growth Pressures E £	Savings Plan items F £	Inflation G £		
A	B	C	D	E	F	G	H	I

Maintained Schools & Academies

4	New SEN in-school Provision	0	0	0	103,000	0	103,000	Reflects the anticipated additional cost of the new provisions. Significant savings are included elsewhere on external placements that predicts a net £0.689m saving from these developments.
5	BF Secondary School SEN Resource Unit	14,000	14,000	0	51,790	2,880	823,960	Provision for a cost increase relating to admitting 5 further BF resident pupils at September 2020 as a result of additional staff and teacher pension costs which are not adequately funded through the DfE specific. The provision is expected to prevent 5 more expensive placements in external provisions where relevant savings are included in the plan.
6	BF Primary SEN Resource Unit	-7,000	0	0	-29,470	1,330	188,650	Funding for the 3 empty places has been removed and will be used to finance actual provisions in other settings.
7	BF mainstream schools - Element 3 top up payments	330,000	330,000	0	-6,730	19,150	1,289,020	Reflects current spend.
8	BF mainstream schools - Element 3 short term interventions	-10,000	0	0	-50	150	10,100	
9	BF Early Years - Element 3 top up payments	20,000	20,000	0	-190	530	35,340	
10	BF resident students attending other LA schools	761,000	761,000	118,000	-124,880	8,180	2,001,480	Reflects current spend, plus future expectations around increased provision in BF schools.
11	BF mainstream schools – top up to schools with disproportionate number of HN pupils	-9,000	0	0	-210	600	40,390	
12	SEN Hub	0	0	0	0	0	0	As agreed by the Forum, operational costs are funded from SEN Strategic Reserve, so no contribution required from DSG funding.
		1,099,000	1,125,000	118,000	-6,740	32,820	4,491,940	

Line Ref	Description	2019-20 Forecast Variance (December)	Proposed Budget Change				Proposed 2020-21 Budget	Summary Comment on significant changes.
			Reset to 2019-20 outturn	Growth Pressures	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I
		£	£	£	£	£	£	

NMSS & Colleges

13	Non-Maintained Special Schools and FE Colleges	742,000	742,000	916,000	-1,204,280	150,020	6,132,560	Reflects the assumptions in the budget plan of the 2019-20 outturn spend representing the on-going cost base, with further growth anticipated based on the trend line, with savings arising from the additional capacity being developed within the borough at KLS, College Hall and provisions in mainstream schools.
		742,000	742,000	916,000	-1,204,280	150,020	6,132,560	

Education out of School

13	College Hall PRU	0	0	0	80,070	5,490	870,960	Reflects the impact of permanent funding for 51 places (+5) and 35 Element 3 top-up placements (+3) to reflect the cost base of the provision.
14	Home Tuition	193,000	193,000	0	-18,340	6,650	431,310	Reflect the assumptions in the budget plan of the 2019-20 outturn spend representing the on-going cost base
15	Outreach	6,000	6,000	0	-560	1,590	107,030	
16	EOTAS - Share of Head of Service	1,000	1,000	0	-130	360	23,930	
17	Alternative Provision for Primary Aged pupils without a statement	20,000	20,000	47,000	-57,870	1,060	60,690	Reflects the assumptions in the budget plan of the 2019-20 outturn spend representing the on-going cost base, with further growth anticipated based on the trend line, with savings arising from the additional capacity being developed within the borough at KLS, College Hall and provisions in mainstream schools.
18	Alternative Provision for Secondary Aged pupils without a statement	95,000	95,000	71,000	-91,210	1,730	96,720	
19	Other externally purchased Alternative Provision	67,000	67,000	0	-57,990	1,380	35,640	
19	Excluded pupil provision	1,000	1,000	0	-110	310	19,240	
		383,000	383,000	118,000	-146,140	18,570	1,645,520	

Line Ref	Description	2019-20 Forecast Variance (December)	Proposed Budget Change				Proposed 2020-21 Budget	Summary Comment on significant changes.
			Reset to 2019-20 outturn	Growth Pressures	Savings Plan items	Inflation		
A	B	C	D	E	F	G	H	I
		£	£	£	£	£	£	

Other SEN Services

20	Autism Support Unit	-21,000	0	0	-450	1,270	85,660	
21	SEN Tribunals	0	0	0	-90	260	16,940	
22	Equipment for SEN Pupils	0	0	0	-120	340	22,510	
23	Medical support to pupils pre 16	309,000	309,000	0	-2,030	5,760	388,090	Reflect the assumptions in the budget plan of the 2019-20 outturn spend representing the on-going cost base
24	Sensory Consortium Service	-8,000	0	0	-1,280	3,630	244,620	
25	Speech and Language Services	-3,000	0	0	-1,140	3,230	217,620	
26	Occupational Therapy	-1,000	0	0	-200	570	38,040	
27	SEN - share of Head of Service	1,000	1,000	0	-190	530	35,550	
28	Integrated Therapies	-8,000	0	0	-110	320	21,520	
29	Traveller Education	1,000	0	0	-400	1,150	76,640	
30	EY Management Staff	-7,000	0	0	-760	2,170	146,330	
31	Child Development Centre	1,000	0	0	-1,340	3,800	239,870	
32	Support for Learning	-15,000	0	0	-580	1,650	123,120	
33	TASS Learning Support	-17,000	0	0	-100	280	28,530	
34	Specialist project management	0	0	75,000	0	0	75,000	Specialist support required to promptly deliver the savings
35	Savings to be identified	0	0	0	-84,000	0	-84,000	Support services to be reviewed for improvements and savings.

232,000	310,000	75,000	-92,790	24,960	1,676,040
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Total - Relevant budgets only	2,599,000	2,599,000	1,517,000	-1,240,000	272,000	
TOTAL CHANGE						3,148,000
2019-20 base budget funding						15,536,840
2019-20 unfunded year end deficit						100,000
Estimated DSG income						17,008,000
Funding Shortfall						-1,776,840

2020-21 Summary Proposed HNB Budget

PEOPLE DIRECTORATE: HIGH NEED BLOCK ELEMENT OF THE SCHOOLS BUDGET									
	2019-20 Performance				Proposed changes for 2020-21				
	Original Cash Budget	Virements & Budget C/Fwds	Current Approved Budget	Variance at November Over/(Under) Spend	Reset to 2019-20 outturn	Growth Pressures	Savings Plan items	Inflation	Initial Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000
High Needs Block									
Budget Allocations									
Delegated Special School Budgets	4,074	0	4,074	143	39	118	210	45	4,486
Post 16 SEN and other grants	-172	0	-172	0	0	172	0	0	0
Maintained schools and academies	3,190	0	3,190	1,099	1,125	118	-7	33	4,459
Non Maintained Special Schools and Colleges	5,399	129	5,528	742	742	916	-1,204	150	6,132
Education out of school	1,317	0	1,317	383	383	118	-146	19	1,691
Other SEN provisions and support services	1,600	0	1,600	232	310	75	-93	25	1,917
	15,408	129	15,537	2,599	2,599	1,517	-1,240	272	18,685
Anticipated HNB DSG Funding									17,008
2019-20 unfunded year end deficit									100
Forecast Funding Shortfall									-1,777

Calculation of Minimum Funding Guarantee for KLS

Kennel Lane Special School (KLS)	2019-20	2020-21	Change
<u>Calculation of Minimum Funding Guarantee</u>			
Places funded	£1,850,000	£1,850,000	£0
Top ups	£2,731,803	£2,910,012	£178,209
Total	£4,581,803	£4,760,012	£178,209 3.89%

Number on roll actual January 2019 and estimated January 2020	182.4	192.0	9.6
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MFG for special schools is calculated on whole budget including other LA (OLA) students.

2020-21 Budget Pressure Reconciliation

BF resident pupils

2019-20 KLS originally agreed budget	£4,017,319	
2020-21 KLS Indicative	£4,261,021	£243,702

Top up funding paid by other OLAs for their pupils

2019-20 OLA originally agreed top-ups	£564,484	
2020-21 OLA indicative agreed top ups	£498,991	-£65,493

Net pressure for BFC to fund at Annex 3

£178,209

In accordance with DfE guidance for the calculation to be performed on a like-for-like basis, the additional £100,000 for 10 extra places is excluded from the calculation.

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TO: SCHOOLS FORUM

DATE: 16 JANUARY 2020

2020-21 BUDGET PROPOSALS FOR THE SCHOOLS BLOCK AND CENTRAL SCHOOL SERVICES BLOCK ELEMENTS OF THE SCHOOLS BUDGET

Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to present final proposals from the Council for the 2020-21 Schools Block and Central Schools Services Block elements of the Schools Budget.

2 EXECUTIVE SUMMARY

- 2.1 Building on earlier decisions agreed by the Forum together with the release by the Department for Education (DfE) of the key data that must be used to calculate school budgets, final work on next year's Schools Budget has now been completed. Inevitably, this has led in some changes now being presented, most notably as a result of confirmed additional educational needs (AEN) data which for primary schools in particular has shown an overall reduction in deprivation and low prior attainment scores compared to the 2018 census.
- 2.2 Whilst this means schools will receive £0.248m less in AEN funding than previously expected, with LAs funded for their schools on lagged data from 2018, there is very little change in the overall amount of funds available next year, and reduction in funds allocated through AEN measures have therefore been re-allocated through other measures. Overall schools will experience an average increase in per pupil funding of 6.3% which compares to 2.8% in 2019-20 and 2.7% in 2018-19.
- 2.3 Recommendations agreed from this report will form the basis of proposals to be presented to the Executive Member for Children, Young People and Learning, who has responsibility for agreeing most aspects of the Schools Budget. However, within the overall budget setting process, there are a number of areas where the Forum holds responsibility, and these are separately presented now for a decision.
- 2.4 There is a very tight timetable to meet, with views of the Schools Forum on the proposals being sought in advance of the 21 January deadline for submitting to the Department for Education (DfE) the actual Funding Formula for Schools to be used in 2020-21 with associated units of resource and total cost.

3 RECOMMENDATIONS

To AGREE

- 3.1 **In its role as the representative body of schools and other providers of education and childcare, the Forum REQUESTS that the Executive Member AGREES the following for the 2020-21 Schools Budget:**
1. **that in accordance with Table 1, the budgeted amount of Dedicated Schools Block Grant be set at:**
 - i. **£74.850m for the Schools Block;**
 - ii. **£1.084m for the Central School Services Block.**

2. that the council contributes £0.253m funding to diseconomy costs at new schools;
3. the decisions previously agreed by the Forum, as summarised in paragraph 6.7;
4. that the factors in the BF Funding Formula for Schools and their relative values are set at the maximum affordable level of 99.8% of the values used by the DfE (Annex 5);
5. that other Schools Block related grants be reset to the amounts anticipated in 2020-21;
6. that the resulting DfE pro forma template of the 2020-21 BF Funding Formula for Schools, as set out in Annex 6 be submitted by the 21 January deadline.

3.2 As decision maker:

1. that the arrangements in place for the administration of central government grants are appropriate;
2. the financing and budgets for the Growth Fund are as set in Annex 1.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2020-21 Schools Budget is developed in accordance with the views of the Schools Form, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual 2020-21 school budgets to the DfE by 21 January 2020.

5 ALTERNATIVE OPTIONS CONSIDERED

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

6 SUPPORTING INFORMATION

Background to School and Education Funding

- 6.1 The Forum has been kept up to date with DfE school and education funding reform, most notably through the introduction of a School National Funding Formula (SNFF) since change was first announced in March 2016.
- 6.2 The Schools Budget is funded by a 100% ring fenced government grant called the Dedicated Schools Grant (DSG). The DSG comprises 4 funding Blocks, each with a separate calculation and funding allocation; the Schools Block (SB); the Central School Services Block (CSSB) the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors, the HNB and EYB are centrally managed by LAs although the majority of funds are ultimately used to pay schools and other providers for services to children.
- 6.3 The DSG can only be spent on the purposes prescribed by the DfE. Any under or overspending in a year must also be ring-fenced and applied to a future Schools Budget. There is a general ring-fence in place in that SB funding must be spent on school budgets, although where agreed by the local Schools Forum, up to 0.5% of the SB (circa

£0.375m) can be transferred to fund costs that fall into other Blocks. Money can be freely transferred from other Blocks into the SB or from the SB to CSSB.

- 6.4 LAs can add to the DSG from their own resources to increase the size of the Schools Budget but are not permitted to plan to spend at a lower amount. Reflecting local cost priorities, the council's Executive has agreed to support a 4-year funding strategy and will provide £1m from council balances to March 2023 to help finance the diseconomy funding required from the new school building programme.
- 6.5 The Executive Member for Children, Young People and Learning has responsibility for agreeing most aspects of the Schools Budget although within the overall budget setting process, there are several areas where the Forum holds responsibility, and these are presented now for a decision.
- 6.6 This report focuses on the SB and CSSB elements of the Schools Budget where DSG funding is allocated to LAs by way of:
- A pupil-led SNFF that uses the most up to date census data relating to number on roll, deprivation, low prior attainment and English as an additional language measures (SB)
 - School based funding, based on prior year costs for business rates and other property factors such as schools operating across split sites (SB)
 - A per pupil amount for on-going LA education related responsibilities (CSSB)
 - 80% of historic costs for supporting vulnerable pupils (CSSB)

Progress to date

- 6.7 Previous meetings of the Forum agreed the following budget decisions:
- That the factor values in the BF Funding Formula should be set at the national rates used by the DfE. Should this not be affordable, then each factor value would be scaled by the same proportionate amount.
 - That Minimum Per Pupil Funding (MPPFL)¹ values are set at £3,750 for primary aged pupils and £5,000 for secondary aged pupils. These are the same values as used by the DfE in the SNFF.
 - That the Minimum Funding Guarantee (MFG)² is set at the maximum amount permitted by the DfE and delivers per pupil funding increases from 2019-20 for all schools of at least +1.84%.
 - That no financial contribution would be made from the SB towards the cost increases being experienced in the HNB.
 - That the *new and expanding school funding policy* would be subject to minor update from the existing (2019-20) policy.

¹ The SNFF includes MPPF levels that are applied to all school budgets where a top up is added if the normal operation of the Funding Formula does not deliver sufficient funds – for 2020-21 this is £3,750 for primary aged pupils and £5,000 for secondary. LAs had discretion to apply these values in their local funding formula but are now mandatory at local level, unless agreed by the DfE that they are unaffordable. The MPPF calculation required by the DfE excludes funding for business rates.

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

- That the funds released through the cost reduction on updated estimates for business rates would be allocated through the BF Funding Formula.
- That the split site and school amalgamation factors would continue to be paid in accordance with existing methodologies.
- With maintained schools supporting on-going 'de-delegation' of those services permitted by the DfE, this would continue.
- With maintained schools supporting an on-going £20 per pupil contribution towards the cost of delivering 'general' education related statutory and regulatory duties, this would continue.
- The relevant services where budgets would be centrally managed on behalf of schools by the Council and the associated amounts, which aggregate to £1.084m (the CSSB).

Final budget proposals for 2020-21

- 6.8 As the DfE data that must be used for funding purposes has emerged, and more work has been undertaken on other budget calculations, a number of changes to budgets are now being proposed from those anticipated at the December meeting of the Forum. There are no changes however to previously agreed principles.

Confirmed Schools Block DSG income

- 6.9 The DfE published verified October 2019 school census and the other data that must be used to calculate 2020-21 school budgets on 16 December. This included funding for 16,280 pupils (+140 / +0.87%), which is 3 fewer than was previously anticipated. Based on the BF specific DSG per pupil funding rates of £3,931 for primary aged pupils (the Primary Unit of Funding – PUF) and £5,235 for secondary aged pupils (the Secondary Unit of Funding – SUF), this delivers £72.338m of DSG income (down £0.014m).
- 6.10 In terms of the Growth Fund³, this has now been confirmed at £0.792m (down £0.005m) and reflects changes between the original estimated data and the confirmed October 2019 census data.
- 6.11 The separate funding allocations to LAs for non-pupil-based school costs were also confirmed and remain unchanged at £1.866m. This funding is lagged and set at the 2019-20 budget amounts and is intended to finance the cost of business rates, schools operating across split sites and schools that underwent an amalgamation in 2018.
- 6.12 Therefore, the overall DSG grant income for the SB will be £74.996m, a reduction of £0.019m compared to the previous estimate.

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

Funding allocations to schools:

Changes in pupil numbers

- 6.13 As set out above, with the actual DfE verified census data confirming 3 fewer pupils than anticipated, funding allocations to schools will reduce by £0.015m to £0.820m. This is broadly equivalent to the reduction in DSG funding so has no significant financial effect.

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

- 6.14 There are no changes proposed to the £0.365m budgets for in-year growth allowances and funding to support Key Stage 1 Class Size Regulations at existing schools nor start-up and post opening costs at new schools.
- 6.15 In terms of diseconomy costs at new schools, as agreed at the December Forum meeting, these are calculated in accordance with the agreed policy, which was subject to minor update, and the verified October census data. As there are no changes to data, the allocation remains unchanged at £1.205m.
- 6.16 Annex 1 sets out the budget requirement for the whole of the Growth Fund, including allocations due to individual schools and the amount of financial contribution due from each of the agreed funding sources which for the council will be £0.253m. The Forum is the statutory decision maker on the setting the budget for the Growth Fund.

Changes in pupil characteristics - AEN

- 6.17 The DfE data set also includes updated pupil profile measures to reflect the latest levels of deprivation, low prior attainment (LPA) and English as an additional language (EAL). This is the data that must be used in the local Funding Formula and shows some significant changes from the October 2018 census in particular:

Primary schools – general REDUCTION in AEN measures:

- Ever6⁴ Free School Meal (FSM) deprivation numbers are down by -89 / -6.6%
- Current FSM numbers are up by +32 / +4.07%
- Income Deprivation Affecting Children Index (IDACI)⁵ scores vary by post code and are banded by severity and are therefore changes are more difficult to interpret. The pure numbers are up by 9 / +0.8%
- LPA⁶ scores are down by -325 / -11.0%
- EAL scores are up by +27 / +3.6%

⁴ Ever6 includes all children that have been eligible to a FSM at any point in the preceding 6 years. There does not need to be a current eligibility.

⁵ IDACI uses post code data to calculate the probability of a family with children living in that area being eligible to income support benefits. The higher the probability, the higher the funding top-up.

⁶ Primary schools receive funding through the LPA factor for all pupils who did not reach the expected level of development at early years foundation stage (EYFS). EYFS data for pupils in Reception is not available as they take the test at the end of the Reception year. To include an element for Reception children in the funding calculation, the total number of eligible pupils is derived by working out the proportion of LPA-eligible pupils in years 1 to 6 and multiplying this proportion by the total pupil count, which includes pupils in Reception.

Secondary schools – general INCREASE in AEN measures:

- Ever6 Free School Meal (FSM) deprivation numbers up by +116 / +22.0%
- Current FSM numbers are up by +64 / +6.0%
- IDACI scores vary by post code and are banded by severity and are therefore changes are more difficult to interpret. The pure numbers are up by 6 / +1.0%
- LPA⁷ scores are up by +80 / +6.0%
- EAL scores are down -20 / -16.9%

- 6.18 With October 2019 pupil AEN measures reducing in a number of areas, the overall allocation through the BF Funding Formula compared to the illustrative budgets sent to schools in November falls by £0.248m (-£0.274m in primary and +£0.026m in secondary). Whilst there is now less AEN funding allocated to schools, paragraph 6.12 above confirms that as LAs are funded for their schools on lagged data from 2018 there is only a £0.019m reduction in DSG income from that previously anticipated. In accordance with the agreed funding strategy of setting each factor value at the same proportional amount of the SNFF factor values used by the DfE, the funds previously distributed purely through AEN measures are now being allocated through all factors in the BF Funding Formula, which includes a reduced allocation through AEN measures.
- 6.19 This results in a different funding distribution for schools compared to the illustrative budget information provided in November, with primary schools in aggregate receiving £0.135m less, and secondary schools £0.097m more. The largest decrease in per pupil funding is in a primary school at -£65 (-1.7%), with the largest increase in a secondary school at £58 (+1.1%). Overall, average per pupil funding in primary schools has reduced by £23 to £3,882 with a £18 increase in secondary to £5,232.
- 6.20 This change in pupil profile will have an effect on the 2021-22 BF DSG pupil funding rate which will be based on pupil profiles from the October 2019 census. With a lower number of pupils eligible to funding top-ups, all other things being equal, the average primary per pupil funding rate will reduce, with the secondary rate increasing. There is, however, also expected to be a general uplift to factor values as a result of the additional funding confirmed for 2021-22 through the recent school spending review, with 4% in general added for 2020-21. Therefore, at this stage, it is not possible to accurately predict next year's per pupil funding rates although the expectation is that both the primary and secondary amounts will increase.

Rates: revaluation and inflation

- 6.21 Further updates have been received on expected business rates charges which takes account of revaluations and the transitional funding protection that was introduced following the 2017 national business rates revaluation. The cost reduction from 2019-20 is now calculated at £0.054m a further £0.017m saving from the previous estimate.

School amalgamation

- 6.22 A correction has been made to the previous calculation for the enhanced lump sum funding payment to amalgamating schools. This shows a £0.034m cost reduction compared to the earlier forecast.

⁷ Secondary schools receive LPA funding for all pupils who did not achieve the expected level at KS2 in one or more of reading or writing or mathematics. LPA pupil numbers for year groups 7 to 9 inclusive are weighted so that those who have sat the more challenging key stage 2 tests (introduced in academic year 2015 to 2016) do not have a disproportionate effect on the LPA factor.

Centrally managed budgets within the CSSB

6.23 There are no changes to previously agreed budgets which are set out again in Annex 2.

Summary of proposed changes – SB and CSSB

6.24 Based on the data set provided by the DfE and other relevant information, a series of changes have been set out above that the council proposes are reflected in the 2020-21 Schools Block and Central Schools Services Block budgets. Table 1 below summarises the changes proposed which leaves £4.082m of additional funding available to allocate to schools. Annex 3 sets out the changes made in Table 1 from the December Forum meeting.

Table 1: Summary final budget proposals for 2020-21

Item	Schools Block		Central Services Schools Block 3 £'000	Total 4 £'000
	Delegated school budgets 1 £'000	Growth Fund - LA Managed 2 £'000		
2019-20 Schools Block budget	69,895	466	1,060	71,421
Correction to grant funding	0	0	5	5
2019-20 base budget	70,361		1,065	71,426
Provisional 2020-21 DSG funding	74,996		939	75,935
Contribution from BFC to cost of new schools	253		0	253
2020-21 forecast income	75,249		939	76,188
+Surplus of income / - Deficit of income	4,888		-126	4,762
<u>Core changes proposed for 2020-21:</u>				
Change in pupil numbers (+140)	820	0	0	820
Change in pupil characteristics data	-248	0	0	-248
New schools - 2020-21 increased cost pressure	187	0	0	187
In-year growth allowances, KS1 classes etc	0	-101	0	-101
Rates: revaluation and inflation	-54	0	0	-54
School Amalgamation - impact on lump sum	56	0	0	56
Total core changes required for 2020-21	761	-101	0	660
<u>Funding transfer from Schools Block:</u>				
Contribution to HNB pressures	0			0
Contribution to CSSB pressures	146		146	
Total transfers	146	0	146	292
Balance for new pressures	4,082			
2020-21 on-going Schools Block budget	74,738	365	1,085	76,188
Total for DfE Pro Forma (Annex 6)	75,103			
Change in budget	4,843	-101	20	4,762

Allocating additional funds to schools

- 6.25 The Forum has previously agreed that the 2020-21 budget should be set with each BF factor value at the same amount as the SNFF values, if necessary, scaled by the same proportional amount to the affordable value. These proposals result in the BF factor values being set at 99.8% of the equivalent SNFF rates. Annex 4 sets out how this has been calculated with Annex 5 showing the individual factor values, together with those used in the SNFF and prior year BF values for context.

Meeting DfE per pupil funding requirements

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

MPPF values

- 6.27 The DfE has set mandatory MPPF values of £3,750 for primary aged pupils and £5,000 for secondary. These are the minimum per pupil funding rates that an LA must pay their schools unless agreed by the DfE. In previous years, each LA could determine their own MPPF value. These proposals generate additional payments of £0.305m, with 5 primary schools receiving £0.204m in aggregate with 2 secondaries receiving £0.101m. This is a reduction of £0.306m compared to 2019-20 when 6 primary schools received £0.156m and 3 secondary schools £0.455m and reflects the additional funds now being paid through all factors in the SNFF which has the effect of raising school budgets to be closer to or above the MPPF values.
- 6.28 MPPF values aim to raise funding for schools currently receiving the lowest per pupil amounts. Those schools admitting the most challenging pupils, as measured through deprivation scores and low prior attainment are not in general receiving any benefit from the increased MPPF values and are therefore receiving lower per pupil funding increases.

MFG

- 6.29 To limit turbulence between financial years at individual school level, the MFG must be applied to each school's per pupil funding rate. Where the normal operation of the local Funding Formula does not deliver the necessary change, an appropriate top-up is paid. For 2020-21, the DfE requires each LA to set their MFG at between +0.5% and +1.84%.
- 6.30 The Forum has previously agreed that the maximum +1.84% increase is applied, which is the amount required to cover the cost of living increase. MFG top-up payments are financed from capping gains above the MFG at other schools and are therefore self-financing. Schools receiving top-ups to the MPPF values are excluded from contributing to the cost of the MFG. The additional funding being paid through the formula has a similar effect of MFG top-ups as to the MPPFL where for 2020-21 there is a single additional payment of £0.003m for 1 primary school. This is a reduction of £0.114m compared to 2019-20 when 8 schools received a top-up. The 2020-21 scaling rate to finance this £0.003m allocation has been set at schools above the average 6.3% increase, and 12 schools contribute 0.4% of their increase above this cap. The highest amount of contribution is £800.

2020-21 individual school budgets

- 6.31 These budget proposals result in a 6.3% average per pupil funding increase⁸ from 2019-20 which comprises 6.2% from the increase in PUFs and SUFs, 0.4% from the funding contribution from the council less 0.3% from the net increase in pressures.
- 6.32 The following headline data is available from individual school budgets (NB in this context, per pupil funding is calculated from the whole Formula Budget allocation less business rates):
- 1 Primary schools receive an average increase in per pupil funding of 6.4%, and secondaries 5.9%.
 - 2 The highest per pupil increase in a primary school is 12.1%, with 9.5% in secondary. The lowest increases are 1.3% and 2.9% respectively.
 - 3 A single 1 FE primary school receives an MFG top up of £0.003m. This ensures a +1.84% annual increase in per pupil funding which is sufficient to cover general price increases.
 - 4 The MPPF level amount has increased by 7.1% for Primary and the secondary rate has increased by 4.1%
 - 5 The average per pupil funding amount for a primary school would be £3,882 and £5,232 for a secondary.

Submission of DfE pro-forma budget statement

- 6.33 The DfE closely monitors the progress of LAs in setting their individual school budgets and requires the completion and submission of a template that sets out the Funding Formula to be used, associated units of resource and total cost. The deadline for return has been set at 21 January 2020. Annex 6 sets out the pro forma which the Forum is recommended to agree is submitted to the DfE.

Other grant income

- 6.34 In addition to the DSG, schools also receive revenue funding from other specific grants including School Sixth Forms (currently -£2.323m), the Pupil Premium (-£3.401m), Primary PE and Sports Premium (-0.455m) and the Universal Infant Free School Meals Grant (-£1.253m), Teachers' Pay Grant (-£0.613m), Teachers' Pension Grant (-£1.182m). All of these amounts are subject to change in 2020-21 and budgets will be updated once new year funding allocations are confirmed.

Actual cost pressures estimated for 2020-21

- 6.35 Schools will experience a range of cost pressures next year which in general will need to be met from within the increase in the BF Funding Formula allocation and are estimated at between 2.0% and 2.5% from:
1. The cost of the 2020 Teachers' Pay award is not yet known, but assuming similar funding arrangements are put in place as for the past 2 years, schools can expect to have to fund around a 2.5% increase.
 2. The cost of the 2020 local government pay is not yet known, but assuming similar funding arrangements are put in place as for the past 2 years, schools can expect to have to fund around a 2.0% increase.

⁸ This average excludes funding for new schools and those subject to amalgamation in 2019 as there are separate, specific funding rules in place for calculating these budgets.

3. The overall cost of performance related pay and contractual increments are assumed to self-financing from appointing new staff on lower pay points than those leaving.
4. The underlying deficit on the Local Government Pension Scheme is being reduced by way of additional lump sum contributions. Payments due from schools in the BF Local Government Pension Scheme are forecast to increase by £0.1m, which is equivalent to around a 0.7% cost increase to the local government pay bill.
5. The general rate of inflation on non-pay costs is currently 1.7%. Schools can expect cost increases of this level on relevant budgets.

6.36 The existing 2018 Teachers Pay and 2019 Teachers' Pension grants will continue into 2020-21 and are expected to fund the additional costs and not create a pressure on the funding allocated through the BF Funding Formula.

Other decisions required from the Schools Forum

6.37 The content of this report complies with requirements of the School and Early Years Finance (England) Regulations 2019. In addition to this, in setting the 2020-21 Schools Budget, there are also requirements from the Schools Forum (England) Regulations 2012 that need to be complied with.

6.38 There is a requirement to seek comments from the Forum in respect of administration arrangements for the allocation of central government grants. No changes are proposed on existing arrangements whereby relevant costs are absorbed by the council in normal day to day operations and the Forum is requested to agree this approach continues.

Conclusion and Next steps

6.39 On average, schools can expect to receive a 6.3% increase in per pupil funding which continues the improved financial settlement experienced in the last 2 financial years. Schools are aware that a number of costs will increase next year, and the expectation is that rises will be greater than the historically low amounts experienced in recent years. For most schools, these increases will be below per pupil funding uplifts.

6.40 The Executive Member is expected to agree the 2020-21 Schools Budget on 20 January, based on final recommendations agreed by the Schools Forum, which will then need to be reported to the DfE through submission of the national pro-forma, with individual schools receiving budget allocations by the middle of January.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

7.2 Included within the supporting information.

Equalities Impact Assessment

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

Strategic Risk Management Issues

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

8 CONSULTATION

Principal Groups Consulted

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

Method of Consultation

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

Representations Received

- 8.3 Included in previous report.

Background Papers

None:

Contact for further information

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Doc. Ref

K:\Pine\Executive\Schools Forum\97 160120\Forum 2020-21 Schools Budget Final Proposals v1.doc

Proposed financing and associated budget for the Growth Fund

	Primary £'000	Secondary £'000	Total 2020-21 £'000	December Forum £'000	Total Change £'000
<u>New schools:</u>					
Diseconomy costs	364.8	840.0	1,204.8	1,204.8	0.0
	364.8	840.0	1,204.8	1,204.8	0.0
<u>Retained Growth Fund</u>					
Start-up costs	0.0	0.0	0.0	0.0	0.0
Post opening costs	15.0	0.0	15.0	15.0	0.0
In-year pupil growth	150.0	150.0	300.0	300.0	0.0
KS1 classes	50.0	0.0	50.0	50.0	0.0
	215.0	150.0	365.0	365.0	0.0
Total estimated costs	579.8	990.0	1,569.8	1,569.8	0.0
<u>Financing:</u>					
BF council			252.5	247.8	4.7
DSG balances			0.0	0.0	0.0
2020-21 DSG income - Growth Fund			792.3	797.0	-4.7
2020-21 DSG income - SNFF			525.0	525.0	0.0
Total estimated costs			1,569.8	1,569.8	0.0
<u>Costs by school:</u>					
KGA - Oakwood	258.6	0.0	258.6	258.6	0.0
KGA - Binfield	121.2	840.0	961.2	961.2	0.0
Total estimated costs	379.8	840.0	1,219.8	1,219.8	0.0

Services proposed to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Budget 2019-20 £	Agreed Changes £	Base Budget 2020-21 £
<u>Historic commitments</u>			
Combined Services Budgets8:			
Family Intervention Project	£100,000	£0	£100,000
Virtual School	£133,590	£0	£133,590
School Transport for Looked After Children	£42,890	£0	£42,890
Young People in Sport	£18,050	£0	£18,050
Common Assessment Framework Co-ordinator	£42,470	£0	£42,470
Domestic Abuse	£6,000	£0	£6,000
Education Health Partnerships	£30,000	£0	£30,000
SEN Contract Monitoring	£32,680	£0	£32,680
<u>Miscellaneous (up to 0.1% of Schools Budget):</u>			
Forestcare out of hours support service	£5,000	£150	£5,150
Borough wide Initiatives	£28,090	£840	£28,930
Support to Schools Recruitment & Retention	£7,690	£230	£7,920
<u>Statutory and regulatory duties</u>			
'Retained' elements	£267,800	£8,030	£275,830
<u>Other expenditure</u>			
School Admissions	£181,250	£5,440	£186,690
Schools Forum	£22,080	£660	£22,740
Boarding Placements for Vulnerable Children	£60,650	£1,820	£62,470
Central copyright licensing **	£86,440	£2,590	£89,030
Total	£1,064,680	£19,760	£1,084,440

* Combined Service Budgets funded by the DSG generally support vulnerable children, have an educational benefit and link to other programmes funded by the Council which together result in better, more effective use of resources with improved outcomes for children than if provided and managed independently.

** The £5,070 extra 2019-20 CSSB DSG income was added to the central copyright licensing cost budget.

Changes from 16 December Forum to 16 January Forum

Item	Schools Block		Central Services Schools Block 3 £'000	Total 4 £'000
	Delegated school budgets 1 £'000	Growth Fund - LA Managed 2 £'000		
2019-20 Schools Block budget	0	0	0	0
Correction to grant funding	0	0	0	0
2019-20 base budget	0		0	0
Provisional 2020-21 DSG funding	-19		0	-19
Contribution from BFC to cost of new schools	5		0	5
2020-21 forecast income	-14		0	-14
+Surplus of income / - Deficit of income	-14		0	-14
<u>Core changes proposed for 2020-21:</u>				
Impact of change in pupil numbers (+143)	-15	0	0	-15
Impact from changes in pupil characteristics data	-248	0	0	-248
New schools - 2020-21 increased cost pressure	0	0	0	0
In-year growth allowances, KS1 classes etc	0	0	0	0
Rates: revaluation and inflation	-17	0	0	-17
School Amalgamation - impact on lump sum	-34	0	0	-34
Total core changes required for 2020-21	-314	0	0	-314
<u>Funding transfer from Schools Block:</u>				
Contribution to HNB pressures	0			0
Contribution to CSSB pressures	0		0	
Total transfers	0	0	0	0
Balance for new pressures	300			
2020-21 on-going Schools Block budget	-14	0	0	-14
Change in budget	-14	0	0	-14

BF Funding Formula Top Slice to SNFF rates

<u>Increase in income for the SNFF:</u>	Amount	%
Income from the SNFF	£72,337,646	
<u>Change in funding on non-SNFF income:</u>		
Growth Fund: increase	-£13,050	-0.02%
Contribution from BFC to cost of new schools	-£252,500	-0.35%
Premises Factor: Saving on rates	-£53,790	-0.07%
Premises Factor: Split site funding	-£75,000	-0.10%
Premises Factor: School Amalgamation	-£112,100	-0.15%
<u>Change in pupil characteristics:</u>		
Net reduction in pupil characteristics top-ups	-£248,000	-0.34%
<u>Transfers out of the SB:</u>		
Contribution to new schools	£525,000	0.70%
Transfer to HNB	£0	0.00%
Transfer to CSSB	£146,000	0.20%
<u>Pressures on the SNNF from premises costs (i.e. not funded from PUF and SUF):</u>		
Premises		
Impact from premises related items:		
Split site (gross cost equals DSG income)	£75,000	0.10%
Amalgamations (gross cost is higher than DSG income)	£168,100	0.23%
Top slice to SNFF	£172,710	0.16%
SNFF scale		99.81%

SNFF Units of Resource compared to BF Funding Formula

Factor	National Core SNFF	BF Actual SNFF ¹	BF 2020-21 Actual ²	BF 2019-20 Annex 5	BF 2018-19 Actual	BF 2017-18 Actual
	Unit of resource					
Per pupil funding:					+	
Age Weighted Pupil Unit: Primary	£2,857	£3,020	£3,014	£2,769	£2,796	£2,831
Age Weighted Pupil Unit: Secondary - KS3	£4,018	£4,247	£4,239	£4,087	£4,066	£4,060
Age Weighted Pupil Unit: Secondary - KS4	£4,561	£4,821	£4,812	£4,297	£4,275	£4,060
Additional needs funding:						
Deprivation						
Current FSM top up (Primary)	£450	£476	£475	£373	£420	£470
Current FSM top up (Secondary)	£450	£476	£475	£634	£634	£1,450
FSM anytime in last 6 years: Primary	£560	£592	£591	£88	£86	£0
FSM anytime in last 6 years: Secondary	£815	£861	£850	£385	£385	£0
IDACI ³ band F: Primary	£210	£222	£222	£182	£182	£406
IDACI band E: Primary	£250	£264	£264	£445	£445	£609
IDACI band D: Primary	£375	£396	£396	£192	£430	£813
IDACI band C: Primary	£405	£428	£427	£412	£430	£1,016
IDACI band B: Primary	£435	£460	£459	£738	£738	£1,219
IDACI band A: Primary	£600	£634	£633	£607	£914	£1,422
IDACI band F: Secondary	£300	£317	£316	£1,349	£1,349	£1,406
IDACI band E: Secondary	£405	£428	£427	£1,254	£1,254	£2,109
IDACI band D: Secondary	£535	£565	£564	£2,940	£2,940	£2,812
IDACI band C: Secondary	£580	£613	£612	£1,998	£1,998	£3,516
IDACI band B: Secondary	£625	£661	£659	£15,723	£15,723	£4,219
IDACI band A: Secondary	£840	£888	£886	£2,831	£2,831	£4,922
Low prior attainment						
Low prior attainment: Primary	£1,065	£1,126	£1,124	£917	£1,586	£642
Low prior attainment: Secondary	£1,610	£1,702	£1,698	£1,216	£1,216	£973
English as an additional language (EAL)						
EAL: Primary	£535	£565	£564	£427	£427	£247
EAL: Secondary	£1,440	£1,522	£1,519	£777	£777	£247
LAC	£0	£0	£0	£0	£0	£281
Mobility						
Mobility: Primary	£875	£925	£923	£315	£315	£315
Mobility: Secondary	£1,250	£1,321	£1,319	£0	£0	£0
Lump sum:						
Lump sum: Primary	£114,400	£120,914	£120,684	£160,143	£160,143	£160,000
Lump sum: Secondary	£114,400	£120,914	£120,684	£148,573	£148,573	£170,000

¹ Includes BF area cost uplift at 5.69%

² Scaled to the affordable level of 99.8% of the national SNFF

³ IDACI is a deprivation measure linked to low family income and a pupil's home address post code. It determines the probability of a pupil living in a low income household from their post code and weights funding according to severity of deprivation. It does not require individual pupil data to determine entitlement

2020-21 Pro Forma BF School Budget Statement

LA Name:

Bracknell Forest

LA Number:

867

Pupil Led Factors

Reception uplift		No	Pupil Units		0.00			
Description		Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,013.94		9,967.00		£30,039,928	£59,262,497	40.19%
	Key Stage 3 (Years 7-9)	£4,238.71		4,031.00		£17,086,257		22.86%
	Key Stage 4 (Years 10-11)	£4,811.54		2,522.33		£12,136,312		16.24%
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)
2) Deprivation 52	FSM	£474.72	£474.72	805.21	640.38	£686,252	£2,926,471	3.92%
	FSM6	£590.76	£850.21	1,263.20	1,140.54	£1,715,945		
	IDACI Band F	£221.54	£316.48	720.36	412.39	£290,098		
	IDACI Band E	£263.73	£427.25	262.57	152.58	£134,439		
	IDACI Band D	£395.60	£564.39	148.33	71.58	£99,078		
	IDACI Band C	£427.25	£611.86	0.00	0.00	£0		
	IDACI Band B	£458.90	£659.33	0.00	1.00	£659		
	IDACI Band A	£632.96	£886.14	0.00	0.00	£0		
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)
3) Looked After Children (LAC)	LAC X March 19			40.99	48.95	£0	£630,779	0.00%
4) English as an Additional Language (EAL)	EAL 3 Primary	£564.39		767.38		£433,098		0.78%
	EAL 3 Secondary		£1,519.10		97.40	£147,960		0.07%
5) Mobility	Pupils starting school outside of normal entry dates	£923.06		53.86	0.00	£49,721		
Description		Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)
6) Prior attainment	Primary Low Attainment		£1,123.50	26.40%	2,631.68	£2,956,694	£5,398,081	7.22%
	Secondary low attainment (year 7)	64.53%	£1,698.44	22.25%	1,437.43	£2,441,386		
	Secondary low attainment (year 8)	63.59%		23.42%				
	Secondary low attainment (year 9)	58.05%		23.06%				
	Secondary low attainment (year 10)	48.02%		22.80%				
	Secondary low attainment (year 11)			17.89%				

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)
7) Lump Sum	£120,684.15	£120,684.15			£4,344,629	5.81%
8) Sparsity factor					£0	0.00%
9) Fringe Payments					£0	0.00%
10) Split Sites					£75,000	0.10%
11) Rates					£1,626,064	2.17%
12) PFI funding					£0	0.00%
13) Exceptional circumstances (can only be used with prior agreement of ESFA)						
 Circumstance					Total (£)	Proportion of total pre MFG funding (%)
Additional lump sum for schools amalgamated during FY19-20					£168,958	0.23%
Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)					£74,432,478	99.59%
14) Additional funding to meet minimum per pupil funding level					£305,081	0.41%
Total Funding for Schools Block Formula (excluding MFG Funding Total)					£74,737,560	100.00%

15) Minimum Funding Guarantee		1.84%	£3,044
Where a value less than 0.5% or greater than 1.84% has been entered please provide the disapplication reference number authorising the value			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			Yes
Capping Factor (%)	6.40%	Scaling Factor (%)	0.40%
Total deduction if capping and scaling factors are applied			
			-£3,044
			Total (£)
			Proportion of Total funding(%)
MFG Net Total Funding (MFG + deduction from capping and scaling)			£0
			0.00%
Total Funding for Schools Block Formula			£74,737,560
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)			£0.00
Additional funding from the high needs budget			£0.00
Growth fund (if applicable)			£365,000.00
Falling rolls fund (if applicable)			£0.00
Other Adjustment to 19-20 Budget Shares			£0
Total Funding For Schools Block Formula (including growth and falling rolls funding)			£75,102,560
% Distributed through Basic Entitlement			79.29%
% Pupil Led Funding			91.28%
Primary: Secondary Ratio			1 : 1.35

TO: SCHOOLS FORUM
DATE 16 JANUARY 2020

2020/21 PROPOSALS FOR THE LOCAL AUTHORITY BUDGET
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 To present to the Forum for comment a summary of the Council's budget proposals for 2020/21 with a particular focus on the impact expected on the People Directorate, as agreed by the Executive on 17 December 2019.
- 1.2 These proposals assume that funding will be in line with the announcements contained within the Spending Round 2019 and the Technical Consultation on the Local Government Finance Settlement 2020/21 which followed in October. The Provisional Local Government Financial Settlement is likely to be delayed due to the General Election on the 12 December and may not be announced until January.
- 1.3 Comments received on these budget proposals will be submitted to the Executive on 11 February alongside any impact from the announcement of the Finance Settlement. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, which will formally approve the 2020/21 budget and Council Tax on 26 February.

2 RECOMMENDATIONS

- 2.1 **That the Schools Forum comments on the 2020/21 budget proposals of the Executive for the People Directorate in respect of:**
 - i. **The revenue budget (Annexes A to C), and**
 - ii. **The capital programme (Annexe D).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Executive seeks the views of the Schools Forum as an interested party on the budget proposals.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered are set out in the main reports on the public access website.

5 SUPPORTING INFORMATION

Introduction

- 5.1 This report presents a summary of the Council's revenue and capital budget proposals for 2020/21 that were prepared on information and assumptions available at December 2019 and are therefore subject to change as more information emerges or changes

occur as part of the consultation process. The focus of this report is proposals from the People Directorate, with full details of the council's budget proposals available at:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=102&MId=8577&Ver=4>

Revenue Budget

Commitment budget

- 5.2 Initial preparations for the 2020/21 budget have focussed on the Council's Commitment Budget for 2020/21 – 2022/23. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2019/20 budget was set.
- 5.3 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in February which amount to a net decrease in budget of £0.470m. The main changes include; due to slippage in the capital programme and additional capital receipts last year the budget for the Minimum Revenue Provision has been significantly reduced (-£0.803m); the removal of adult social care resources provided in the Spring Budget 2017 is no longer expected to occur (-£0.509m); a review of the transformation programme resulting in the removal of the preliminary savings built into the Commitment Budget for the Adults Transformation (£0.600m) and Public Transport (£0.350m); and the full year effect of the final Commercial Property purchases has generated a further saving of -£0.309m.
- 5.4 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £0.470m to £74.499m next year, before consideration is given to allowances for inflation and the budget proposals identified by individual Directorates in 2020/21. The commitment budget relating to the People Directorate is shown in Annexe A.

Table 1: Summary Commitment Budget 2020/21-2022/23

Item	Planned Expenditure		
	2020/21 £000	2021/22 £000	2022/23 £000
Base Budget	74,969	74,499	75,261
<i>Movements in Year:</i>			
Central	-26	-42	29
Delivery	-209	59	0
People (excluding schools)	-30	20	-282
Non Departmental / Council Wide	-205	725	816
<i>Total Movements</i>	-470	762	563
Adjusted Base	74,499	75,261	75,824

Provisional Local Government Financial Settlement 2020/21

- 5.5 On 4 September 2019 the Government set out the results of the 2019 Spending Round. The spending round is for one year only and in effect rolls forward the 2019/20 Local Government Finance Settlement whilst also providing significant additional resources for social care. A technical consultation on the Local Government Finance Settlement 2020/21 was also issued in October which provided further details including indicative figures for social care funding at individual council level. The Council's 2020/21 budget has been based on the information provided and details of the impact on individual income streams are outlined below where known. The Provisional Local Government Financial Settlement is currently not available and the exact timing of its publication is unknown, however it is likely to be delayed due to the decision to hold a General Election on the 12 December.
- 5.6 The 2019 Spending Round also confirmed that the reforms of the Business Rates System and the review of the funding formula, used to determine funding allocations in the annual Local Government Finance Settlement, will now not be completed and implemented until 2021/22 at the earliest. These will include a full reset of Business Rates retention baselines, a move towards 75% retention of Business Rates growth and a complete review of the bases for measuring relative needs and resources. It is expected that in 2020 the Government will carry out a multi-year Spending Review, which will lay the groundwork for these reforms.
- 5.7 Funding from central government is currently received through a share of Business Rates, Revenue Support Grant (RSG) and Specific Grants. Both the 2019 Spending Round and the technical consultation have indicated that the 2020/21 Settlement Funding Assessment, comprised of RSG and Business Rates Baseline Funding, will be uprated in line with the change in the small business non-domestic rating multiplier (1.6%). Funding from RSG is therefore projected to increase to -£1.771m for 2020/21 (in 2019/20 RSG of -£1.743m was subsumed into the Business Rates Baseline as part of the pilot) and the Business Rates Baseline to increase to -£16.832m (-£16.562m in 2019/20).

Grants

- 5.8 The Council also receives substantial external funding through a number of specific grants for which the following assumptions have been included within the latest budget projections:
1. *New Homes Bonus*. This is used to incentivise LAs to maximise house building. As a result of the reforms to date, funding has reduced from -£3.9m in 2016/17 to -£1.4m in 2019/20 with a further expected reduction of £0.4m included in the draft budget proposals. This reduction assumes that a similar level of new NHB will be received for 2020/21 as that received in 2019/20, however, based on Council Tax data submitted in October for changes in the Council Tax Base and the number of empty homes, the allocation could potentially be significantly higher. The allocation, including the impact of any changes to the baseline, is expected to be confirmed in the Provisional Settlement.
 2. *Other Specific Grants*. This mainly relates to ring-fenced Public Health, NHS funding streams and Better Care Fund which are reflected in the base budget. For 2020/21 the Government is proposing to protect all social care grants from 2019/20 as well as providing £1 billion in new grant funding. The technical consultation provides indicative figures showing an additional -£1.282m of social care funding for Bracknell Forest. The -£0.362m of funding received last year for Winter Pressures will now be incorporated into the Improved Better Care Fund

(iBCF) rather than being a ring-fenced grant and the existing iBCF funding will also be maintained at current levels.

Business Rates

- 5.9 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.
- 5.10 At this stage, Business Rates income is forecast to grow in line with the Government's baseline assumptions in 2020/21 (1.6%). Currently the Council collects significantly more Business Rates than it is allowed to keep and until the 2018/19 Business Rates Pilot only received approximately 30% of any Business Rates growth. There has however been considerable volatility in Business Rates income following the transfer of a large multi-national company on to the Council's valuation list in 2013/14, rather than being retained on the "central list" that is then used by the government for overall funding purposes.
- 5.11 Initially this significantly increased the level of Business Rates collected locally but following a successful appeal the rateable value was reduced by 28% in 2016/17. A final projection for the impact of changes in Business Rates income on the Collection Fund in 2019/20 will need to be made by the 31 January which will be incorporated into the February budget report. Early indications are that there will be a significant surplus which will be used to mitigate the risk of further losses in Business Rates income from the multi-national company referred to above.
- 5.12 The Government has announced that the introduction of a new system will now be delayed until 2021/22 which will be based on 75% retention of Business Rates growth locally. To coincide with this a fair funding review is currently underway which will calculate the new baseline funding levels for individual local authorities based on an up-to-date assessment of their relative needs and resources. Existing grants including RSG and the Public Health Grant will be incorporated into the revised baseline and more responsibilities are likely to be transferred to Local Government to ensure that the new system is fiscally neutral overall. The outcome of these deliberations is impossible to determine, although it will almost certainly have a significant long-term impact on the funding of the Council.
- 5.13 This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest. This is a consequence of Bracknell Forest having for many years been able to generate income significantly in excess of its assessed funding needs. As the Council uses a substantial element of Business Rates growth (approximately £4m) to support the budget, this will result in a significantly increased budget gap in 2021/22.
- 5.14 The Council has benefitted considerably from being part of a Berkshire Wide Business Rates pilot area for the last two years. However, the Government has confirmed that except for the devolution areas and London, all other business rates retention pilots agreed for 2019/20 will finish at the end of the financial year and there will be no further pilot arrangements for 2020/21. This will affect the amount of Business Rates income that the Council can retain with income from growth being reduced back to 49% less a levy payment for 2020/21. As the Council has taken the prudent decision not to use any

of the additional pilot income to immediately support the revenue budget, the only impact this will have is to reduce the amount that can be transferred into the Future Funding Reserve to support future budgets.

Council Tax

- 5.15 Council Tax at present levels will generate total income of -£59.419m in 2020/21. An increase in the Council Tax Base arising from the occupation of new properties during 2020/21 and a reduction in the take-up of the Local Council Tax Benefit Support Scheme is forecast to contribute an additional -£1.188m (+2%). The 2020/21 Council Tax Base will be finalised on 4 December.
- 5.16 The surplus/deficit on the Council Tax element of the Collection Fund in 2019/20 will need to be assessed by the 15 January 2020. Early indications are that there will be a surplus. This figure will impact on the 2020/21 budget and will be incorporated into the February budget report.
- 5.17 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. Following the outcome of the 2019 Spending Round, the Government is proposing a core referendum limit of 2% plus the option for councils with responsibility for adult social care, such as Bracknell Forest, to set an adult social care precept of up to a further 2%. Each 1% increase in Council Tax would generate approximately -£0.606m of additional income. The referendum principles will be confirmed in the provisional settlement.
- 5.18 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the Final Settlement, the results of the consultation and the final budget proposals.

Budget Proposals for 2020/21

Service pressures and Developments

- 5.19 In preparing the 2020/21 draft budget proposals each directorate has evaluated the potential pressures on its services and those relating to the People Directorate are set out in Annexe B. Table 2 summarises the pressures by directorate.

Table 2: Service Pressures/Development

Directorate	£'000
Central	0
Delivery	417
People (excluding schools)	6,479
Non-Departmental / Council Wide	0
Total Pressures/Developments	6,896

- 5.20 Many of the pressures are simply unavoidable as they relate to current levels of demand or legislation changes. They do, however, also support the six strategic themes included in the new Council Plan in the following way:

- caring for residents and their families (£6.395m);
- provide value for money (£0.177m);

- communities (£0.214m);
- protecting and enhancing the environment (0.120m).

- 5.21 One-off pressures are included above, where more staff are required temporarily to support the transition of the People Directorate to a new operating model, whilst maintaining current services (£1.424m). Recognising that this issue is time limited, it is proposed that these costs will be funded from an Earmarked Reserve in 2020/21, to be created by re-prioritising existing earmarked reserves.
- 5.22 Service pressures will be kept under review throughout the budget consultation period. There is always the risk in Social Care services in particular, that the numbers of people requiring care packages, the content of existing care packages and contract inflation will vary considerably from the assumptions included in these draft budget proposals. Any revisions to service pressures will be reported to the Executive in February.
- 5.23 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure. Details are set out below from paragraph 5.36, but any revenue cost implications arising from the capital proposals are included in these draft budget proposals

Service Economies

- 5.24 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed. This list totals -£4.609m and is summarised in Table 3 with areas relating to the People Directorate set out in more detail in Annexe C. As in previous years, savings have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support rather than on front line services. There will potentially be some impact on services, although this has been minimised to a large degree.

Table 3: Summary Service Economies

Directorate	£'000
Central	-1,050
Delivery	-428
People (excluding schools)	-1,429
Non-Departmental / Council Wide	-1,679
Total Savings	-4,586

Council Wide Issues

- 5.25 Apart from the specific departmental budget proposals there are some Council wide issues affecting all directorates' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended, however the current view on these issues is outlined below:

a) **Capital Programme**

The scale of the Council's Capital Programme for 2020/21 will impact upon the revenue budget and is itself subject to consultation. Current proposals, as set out further below from paragraph 5.36 and after allowing for projected receipts of approximately £6.2m (including Community Infrastructure Levy (CIL)) in 2020/21 and carry forwards, the additional revenue costs will be zero in 2020/21 and £0.291m in 2021/22.

b) Interest and Investments

With borrowing rates close to historical lows, the borrowing strategy of the Council will be to minimise the impact on the revenue. The Council will therefore take a mix of borrowing maturities over the years reflecting the need for day-to-day cash flow and its longer-term capital investment strategy. The Council, in close co-ordination with its Treasury Management advisers, will monitor medium and long-term interest rates and take any necessary decisions based on the information available to effectively and efficiently fund the capital programme.

c) Provision for Inflation and Pay Awards

At this stage the inflation provision is not finalised, although for planning purposes a sum of £2.300m (£2.396m 2019/20) has been added to the budget. This will be achieved by:

- Assuming pay awards of 2%;
- Negotiating to minimise inflation on contracts;
- Increasing fees and charges in line with the Council's income policy.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2020.

d) Fees and charges

Increases in fees and charges are determined by the overall economic conditions, the willingness of customers to pay the higher charges and continued demand for Council services. The Council policy for fees and charges requires each Directorate to consider the level of charges against the following criteria:

- fees and charges should aim, as a minimum, to cover the costs of delivering the service;
- where a service operates in free market conditions, fees and charges should at least be set at the market rate;
- fees and charges should not be levied where this is an ineffective use of resources, i.e. the cost of collection exceeds any income generated.

A large proportion of fees and charges have remained at similar levels for many years, being increased only to reflect inflation each year. Recognising this, it is proposed that directors be authorised to apply inflationary increases to fees and charges in their areas at the earliest possible opportunity, to help the current year's financial position. For all instances where the proposed increase is not purely inflationary, the normal consultation process will apply.

e) Corporate Contingency

The Council manages risks and uncertainties in the budget by way of a general contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. The Contingency has been maintained at £2.5m as part of the draft budget proposals. This reflects the significant demand

pressures being experienced within social care and the challenges in delivering significant further transformation savings.

Spending on schools

- 5.26 There is 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 in order to fulfil the Council's agreed objective of delivering local schools for local children. In order to provide sufficient places when they are required, new schools will generally need to open towards the start of the developments but will take a number of years to fill up as house building continues. During this period, new schools need additional financial support to cover what can be significant diseconomies of scale.
- 5.27 This cost pressure is not adequately resourced in the funding settlement from the Department for Education (DfE) and over the medium term is expected to create a funding shortfall of around £4m. To help manage this, as part of the 2019/20 budget, the Executive agreed that £1m of Council reserves would be made available as part of a funding package. The contribution for 2020/21 is expected to amount to £0.308m.
- 5.28 Funding for SEND pupils will increase by 8% (£1.472m) next year. Whilst a substantial increase, this would still be insufficient to fund the forecast cost increase of £3.4m which arises from significant increases in both the numbers of pupils requiring support and the complexity of need.
- 5.29 This is a national issue, with the latest statistical release from the DfE recording that the number of pupils in England with a statement or Education Health Care Plan (EHCP) having increased in the last 2 years to January 2019 by 11.9%. Changes in the number of children receiving additional support through high needs budgets in Bracknell Forest show a steeper increase than the national figures, with the number expected to increase by 17.7% from April 2018 to March 2020 and costs by 27.3%.
- 5.30 The council will work closely with the Schools Forum to develop a medium-term balanced budget for children with SEND.

Summary position on the Revenue Budget

- 5.31 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £81.787m as shown in Table 4.

Table 4: Summary of proposals:

	£'000
Commitment Budget	74,499
Budget Pressures	6,896
Budget Economies	-4,586
Capital Programme	0
Inflation Provision	2,300
Reversal of the one-off transfer from the Future Funding Reserve for the projected Collection Fund - Business Rates deficit in 2018/19	4,942
Transfer from Earmarked Reserve to meet one-off staffing pressures	-1,424
Reduction in total New Homes Bonus 2020/21	441
Additional Social Care Funding	-1,281
Draft Budget Requirement 2020/21	81,787

- 5.32 Without the Provisional Finance Settlement, assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£79.210m. This arises from Revenue Support Grant (-£1.771m), Business Rates baseline funding (-£16.832m) and Council Tax at the 2019/20 level (-£60.607m).
- 5.33 With the potential overall cost of the budget package being consulted on in the region of £81.787m, this leaves a potential gap of around £2.577m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:
- an increase in Council Tax;
 - an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium-Term Financial position;
 - identifying further expenditure reductions.

Reserves

- 5.34 The Council has an estimated £6.5m available in General Reserves at 31 March 2020, if spending in the current year matches the approved budget. Details are contained in Table 5.

Table 5: General Reserves as at 31 March 2020

	£m
General Fund	9.1
Planned use in 2019/20	(2.6)
Estimated Balance as at 31 March 2020	6.5

- 5.35 The Council has, in the past, planned on maintaining a minimum prudential balance of £4m. This assessment is based on the financial risks which face the Council and the Director of Finance considers these in the February report to the Executive at which a final decision on the use of balances can be taken, taking account of the financial position likely to face the Council over the next five years.

Capital Programme

Introduction

- 5.36 The Council's total usable capital receipts at 31st March 2019 were zero as all receipts have been applied to fund prior capital investment – all receipts during 2019/20 will be used to finance the 2019/20 Capital Programme. The Council is partly reliant on capital receipts and other contributions to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term. However, with investment rates at historic lows it makes more economic sense to offset borrowing.
- 5.37 The proposed capital programme for 2020/21 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and borrowing in addition to capital receipts, CIL contributions and some small miscellaneous property sales should enable £5m of the capital programme to be funded from receipts. Internal resources will be used in the first instance and borrowing from external sources will be used only when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans.

New Schemes

5.38 Within the general financial framework outlined above, Service Directorates have considered new schemes for inclusion within the Council's Capital Programme for 2020/21 – 2022/23. Given that both capital and revenue resources are under pressure, each directorate has evaluated and prioritised proposed schemes into broad categories in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Elements of the capital programme

5.39 The capital programme is structured into categories of spend as follows:

- *Unavoidable and committed schemes*; these are required to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2019/20 Capital Programme. The significant relevant projects relate to capitalisation of project management costs and various road and transport schemes.
- *Maintenance (Improvements and capitalised repairs)*; an assessment is made of the state of each building and highways element and its repair priority with a condition rating and repair urgency to inform spending requirements which are intended to address the most pressing high priority works. Maintenance of school buildings is financed from DfE School Condition Grant, with the expenditure budget set at the equivalent amount to the grant income.
- *Rolling programmes*; cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's established Asset Management Plans and mainly include ICT programmes.
- *Other desirable schemes*; are other high priority schemes that meet the needs and objectives of their service and include school building adaptations to facilitate school improvement and various safeguarding and pre-school projects.
- *Invest to save schemes*; these are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs.

Summary

5.40 A summary of the cost of schemes proposed by directorates is set out below in Table 6. A detailed list of new schemes from the People Directorate is included in Annexe D.

Table 6: Capital Programme 2020/21 to 2022/23

	2020/21	2021/22	2022/23
Service Area	£000s	£000s	£000s
Delivery	2,180	1,835	1,835
People	3,972	50	0
Central Directorates	12,548	3,789	3,889
Total Capital Programme	18,700	5,674	5,724
Less Externally Funded	13,910	2,649	2,649
Council Funded Programme	4,790	3,025	3,075

Funding options

- 5.41 The proposed capital programme for 2020/21 has been developed on the assumption that it will be funded by approximately £5m from a combination of:
- Government grants
 - Section 106 funding (developer contributions)
 - CIL
 - And council funding from capital receipts and prudential borrowing
- 5.42 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.43 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2020/21 to 2022/23 in February 2020, alongside its consideration of the specific budget proposals for 2020/21 and the Council's medium-term financial prospects.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Finance

- 6.2 The financial implications of this report are included in the supporting information.

Equalities Impact Assessment

- 6.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. A number of the budget proposals require specific equality impact assessments to be carried out and draft versions of these have been completed and can be viewed on the website. Consultation with equalities groups that are likely to be affected by the proposal is part of the assessment process.

Strategic Risk Management Issues

- 6.2 A sum of £2.5m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.

- 6.3 The Director of Finance, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Director of Finance will report his findings in February, when the final budget package is recommended for approval.
- 6.4 The scale of the Council's Capital Programme for 2019/20 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather
 - Availability of staff with appropriate skills to implement schemes
- 6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2020/21, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 7.2 The timetable for the approval of the 2020/21 Budget is as follows:

Executive agree proposals as basis for consultation	17 December 2019
Consultation period	18 December 2019 - 28 January 2020
Executive considers representations made and recommends budget.	11 February 2020
Council considers Executive budget proposals	26 February 2020

Background Papers

BFC budget proposal reports to the Executive:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=102&MId=8577&Ver=4>

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Doc. Ref:K:\Pine\Executive\Schools Forum\97) 160120\Forum 2020-21 LA Budget Proposals from the council.doc

Description of Commitment Budget Items for 2020/21 to 2022/23

Department and Item	Description	2020-21 £000	2021-22 £000	2022-23 £000
People Directorate				
Suitability surveys	Suitability and access surveys are undertaken every three years to update the Asset Management Plan so that up to date information is available to inform investment decisions on the capital programme.		20	-20
School Budget Funding for new schools	There is 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 generally need to open at the start of the developments and will take several years to fill up as house building continues. During this period, they need additional financial support to cover what can be significant diseconomies of scale. This cost pressure is not adequately resourced in the funding settlement from the government and in order to protect school budgets, up to £1m of funding will be provided by the Council over the next four years. In 2019/20 an allocation of £0.338m was built into the base budget funded from an Earmarked Reserve. This is expected to reduce to £0.308m in 2020/21.	-30		-262
Total		- 30	20	- 282

Revenue budget: proposed PRESSURES for the People Directorate

Description	2020/21 £'000	2021/22 £'000	2022/23 £'000
<p>Social care packages and support</p> <p>Increased cost of social care packages in both Children and Adults. This is a combination of increases in numbers and increases in the cost of care as well as specialist legal support, advice to young people from independent advocates and those families without recourse to public funds.</p> <p>The pressure on the Adults budget from children turning 18 has been separately identified.</p>	<p>2,583</p> <p>256</p>		
<p>Withdrawal of Continuing Health Care funding</p> <p>The CCG has commenced a review of individuals who were in receipt of health funding. This review has resulted in the withdrawal of funding in a number of cases, covering both children and adults. The review is ongoing and so there is a likelihood of this pressure increasing.</p>	807		
<p>Transformation</p> <p>The work programme from the Children's Transformation programme is being re-evaluated and has therefore paused. The current savings targets have therefore been removed pending outcome of the review.</p>	1,042		
<p>Loss of income</p> <p>The Office for The Police & Crime Commissioner has indicated that grant funding for the Youth Offending Team will no longer be available to support current spending. There will also be a shortfall in income at the Open Learning Centre which now includes the sales income targets from the former Education Centre.</p>	100		
<p>Service pressures</p> <p>The new Youth facility at Braccan Walk, which is expected to open in September 2020, will require a premises and general resources budget.</p> <p>Demand for independent advocates for looked after children has increased.</p>	<p>23</p> <p>25</p>	17	

Description	2020/21 £'000	2021/22 £'000	2022/23 £'000
<p>Recruitment and retention</p> <p>There is a national shortage of Approved Mental Health Professionals which are critical to the Mental Health and Out of Hours services. As a result, the Council has been paying high agency costs to fill these posts. A retention payment has been proposed to help fill these posts and reduce reliance on short term agency.</p>	19		
<p>Family Safeguarding model</p> <p>The family safeguarding model will be sustained beyond the period of the initial grant funding.</p>	200		
<p>Departmental staffing pressures</p> <p>A number of areas have been identified where there are pressures on the staffing budget in order to comply with statutory responsibilities and to ensure service quality standards are met. This pressure will be managed down as structures and ways of working are redefined over the coming year, therefore it is a pressure for 2020/21 only.</p>	1,424	-1,424	
<p>PEOPLE TOTAL</p>	6,479	-1,407	0

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
<p>through commissioning with the re-configured team applying a rigorous and challenging approach to deliver quality provision efficiently. This incorporates management of inflation (£300,000) using the most skilled and appropriate staff to undertake negotiations (£60,000)</p> <ul style="list-style-type: none"> • A number of reviews are planned for Education and Learning that include looking at the support arrangements for schools and governing bodies and looking at opportunities for savings arising from the former Education Centre being incorporated within the Open Learning Centre (£85,000). • It has been agreed with the CCG that the Stroke Grant will now be funded from the Better Care Fund (£38,000). 			
<p>Income generation</p> <p>The following areas have been identified where income can be, or already is, generated:</p> <ul style="list-style-type: none"> • Increasing number of clients are contributing to the costs of their care using deferred payments. There is a fee for arranging this which is generating additional income (£20,000). • Waymead (which provides respite services to clients with learning disabilities) has in recent years generated a surplus of income due to more placements from other local authorities (£25,000). • Adult Social Care client income can be maximised by charging self-funders for the arrangement of their care and streamlining internal processes to ensure data information is entered onto the care system is accurate (£26,000). • A new policy will be introduced to ensure tenants of Council accommodation (both council-owned and leased from a private landlord) are recharged for repairs work where it is required due to actions they have taken (£5,000). 	76		
<p>Public Health activities</p> <p>Savings on the general fund budget can also be made through better identification of existing expenditure that has a clear Public Health benefit. These services can then be funded from the Public Health grant. Two areas have been identified on an ongoing basis, Dogs 4 Good and the family safeguarding model.</p> <p>Short term Public Health funding has been secured for the family support programmes delivered through Journey to Parenthood (£7,000 for 2 years) and Homestart (£30,000 for 1 year)</p>	297		
<p>PEOPLE DIRECTORATE TOTAL</p>	1,429	-30	-7

CAPITAL PROGRAMME – PEOPLE DIRECTORATE

	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
Committed				
No Schemes	-	-	-	-
Unavoidable				
No Schemes	-	-	-	-
Rolling Programme / Other Desirable				
Non-Schools				
Rowans Pre School	202	-	-	202
Sandhurst Nursery Relocation	86	50	-	136
Departmental Bids:				
Ascot Heath Security	46	-	-	46
Primary SEMH Hub	40	-	-	40
Sandy Lane School Improvement	292	-	-	292
Harmans Water School Improvement	365	-	-	365
Carbon Reduction Measures	10	-	-	10
School Bids:				
Cranbourne Security & Safeguarding	72	-	-	72
College Town Security	42	-	-	42
Wildridings Fire Safety	17	-	-	17
Wildridings Security & Safeguarding	41	-	-	41
Crowthorne Car Park Safety	17	-	-	17
Total	1,230	50	-	1,280
TOTAL REQUEST FOR COUNCIL FUNDING	1,230	50	-	1,280
External Funding - Other				
Non-Schools				
Rowans Pre School - S106	84	-	-	84
Disabled Facilities Grants	tba	tba	tba	-
Schools				
DfE Grant: Schools Capital Maintenance	1,499	-	-	1,499
DfE Grant: Devolved Formula Capital	258	-	-	258
DfE Grant: Special Provision Capital Fund	250	-	-	250
Carbon Reduction Measures	40	-	-	40
Sandy Lane School Improvement - S106	73	-	-	73
Kennel Lane Improvements - S106	538	-	-	538
	2,742	-	-	2,742
TOTAL EXTERNAL FUNDING	2,742	-	-	2,742
TOTAL CAPITAL PROGRAMME	3,972	50	-	4,022

PEOPLE DIRECTORATE 2020/21 Capital Programme Bids NEW SCHEMES

1. The Rowans Pre-school - £286,000

The Rowans Family Hub is co-located on the site of Fox Hill Primary school. Most of the accommodation is within the old Infant school building, this building is currently shared between the Family Hub and the school foundation stage (nursery and reception classes).

There is a modular building on the site (previously the school nursery) which is also part of the Family Hub. The modular sits in between the two school buildings and is currently rented to The Rowans Pre-school, the pre-school has an OFSTED Outstanding grade and provides early education for 2, 3- and 4-year olds.

The school is currently having some additional security fencing installed to enhance safeguarding and this will mean the pre-school is within the school security making access more challenging. It will be more difficult for parents of children attending the pre-school to access the existing site and potentially add to the workload of the school office staff if they are the only people able to give access to the site as the pre-school drop-off and collection times differ from the school.

The school would benefit from the additional space of the existing modular to enable them to offer nurture spaces for the children and parent meeting spaces. This cannot be achieved without alternative accommodation to rehouse the thriving pre-school.

School have stated they would be happy to for a modular building to be placed on the school field closer to the Family Hub. Locating the pre-school, here would enable access via the path around the Family Hub meaning families/visitors to the preschool would not have to access the secure school site. One plan has been received the costings are for a 'turn key' option.

The plans for the school to establish a nurture room for vulnerable pupils is not achievable unless they are able to utilise the accommodation within the modular building therefore relocation of the pre-school is critical for the project to work.

2. Sandhurst School Nursery Relocation - £86,000

A project to relocate the private nursery from The Spot building to the currently vacant caretaker's house at Sandhurst School. Benefits to the Council include:

This project will free up space in The Spot building for school use. Having taken over responsibility for the Sports Centre building (which is conjoined with The Spot building) from ECC from April 2017, the school are working on options for school use of these areas and The Spot accommodation, including use by Post 16 and SEN. This in turn will free up other areas in the existing school buildings for teaching and learning and through re-allocation and re-ordering of room use will help the school to address areas of unsuitable accommodation.

The nursery provider will have the accommodation they need to deliver the statutory 30 hours of free education and childcare for working parents from September 2017. The provider is already working up this offer and parents are already signing up for this, and places have been allocated, however the Spot accommodation does not have suitable outdoor soft play space which this project would provide.

The nursery also supports the Local Authority duty for free childcare places for eligible, vulnerable two year olds.

This will transfer the use of and running costs of The Spot building from CYPL to the school. The CYPL Revenue budget for The Spot is £5,100 p.a. which includes an expenditure budget for staff costs for cleaners of £6,890 and an income budget of £13,930 from rent paid by the nursery. This excludes any reactive maintenance costs that might be incurred in a given year which would be an additional cost to CYPL.

With school agreement all of these functions can continue to be provided by and at Sandhurst School without interfering with school use of The Spot building, and this would be a condition of the transfer of The Spot to the school.

Relocating the nursery into the former caretaker's house will bring this currently vacant and wasting asset into productive use, creating rent income for the school which is currently £13,930 p.a. The caretaker's house is not required by the school as they have a second caretaker's house on site which is occupied. The vacant house cannot realistically be sold because it is located in the centre of the school site and this would mean members of the public living in the midst of a working school site which would be undesirable for safeguarding reasons.

By transferring the use and responsibility for The Spot building from CYPL to the school, the asset would remain in BFC ownership, however in the event that the school moved to academy status, the provisions of the Academies Act would mean the use of the building would transfer to the school. When existing schools become academies freehold is retained by BFC and the school take a long lease of all of the site and buildings that they have had use of during the previous 8 years.

Sandhurst school has missed out on the significant capital investment that has gone into the other Bracknell Forest secondary schools over recent years because the main focus of the Education Capital Programme has been on meeting the Council's statutory duty to provide sufficient school places and Sandhurst has historically been under subscribed.

The school are keen to take over The Spot Youth and Community Centre facility as part of a desire to expansion the school.

The school are supportive of the nursery expansion and has recognised the valuable synergies' and benefits to its business, in light of this the nursery has been offered the caretakers bungalow as an alternative bespoke provision. The bungalow will require considerable adaptations to meet requirements.

Moving the nursery to the caretaker's bungalow will reduce the cost of refurbishment of The Spot and enable the school to have complete access.

There are no available premises for the nursery to relocate within the local area, all avenues have been fully explored.

This proposal involves redevelopment and extension of the caretaker's house to provide a compliant nursery space.

3. Ascot Heath Secure Boundary Fence - £46,000

Replacement of the existing fence to the front of school with a new secure fence. Motorising the existing manually operated vehicle gates so that the boundary can be kept secure during the middle of the day. Provision of access control and CCTV to cover the gates and external areas. Measures required for safeguarding of pupils

4. New Primary SEMH School - £40,000

A proposal for a new 4-11 primary co-educational SEMH school with 50 places. This bid is for funding to undertake a feasibility & cost report that would inform the creation of the proposed new school going forwards.

Detailed studies and analysis of pupil numbers, education provision and trends in the Borough relating to SEND, migration and accommodation have revealed that the creation of a new SEMH School best meets the needs of children and young people (CYP) and their families.

BF has seen a steady increase in pupil numbers and rising rolls in primary schools, resulting in pressure on the intake year and the requirement for additional capacity throughout the Borough for all CYP. Following this period of sustained growth, birth rates are now falling, but BF continues to be an area of significant housing growth, which is now the largest predictor of need for pupil places.

A specific trend has been the arrival in recent years of an increasing number of families from outside the UK. In particular, we are experiencing a steady rise in the numbers of refugees; currently 10 CYP in the borough are refugees. Experiencing a traumatic situation, such as conflict, separation from family and financial hardship, all of which are common experiences for refugees, can significantly increase the likelihood of needing specialist SEMH provision.

Data from 2016 shows an upturn in the % of CYP with EHCP/statements in primary and secondary settings, so we have evidence of increasing need for specialist primary provision. As of September 2017, there are 716 CYP from BF with a statement or EHCP; 8 are in out of borough mainstream primary; 139 are in out of borough special schools. CYP with Social, Emotional and Mental Health barriers (SEMH) represent 96 of the 716 (13.4% against 12.3% nationally (DfE)) and are the largest group of pupils educated outside of BF (54 in 2015-16) as well as those in independent provision (13 in the primary phase).

We do not have sufficient specialist provision for a growing number of CYP with a primary presentation of SEMH, which is why so many are currently educated out of Borough. Out of borough places have a personal impact on individuals and families. CYP with SEMH are at a disadvantage due to travel over long distances to school, separation from their community support network and inability to engage with community life.

There is also a significant financial impact on the Borough. BF spends more on SEND than both the national average and our statistical neighbours. The spend for CYP educated out of authority in non-maintained or independent schools is £2,731,386, with £37,935 of this for 72 pre-16 pupils. 71% of CYP with SEN who are educated in independent or non-maintained schools present a prime difficulty of either ASC (35%) or SEMH (36%).

BFC is committed to ensuring inclusion and the education of CYP in their own communities. The increasing numbers of CYP with SEND, the lack of SEMH places within the borough, the high cost of out of borough places, the numbers of SEMH referrals and the efficiency of SEND outreach services are all key considerations which have led to BFC running this proposal.

5. Sandy Lane School Improvement - £365,000

Suitability Surveys have been undertaken for all maintained schools as part of the Schools Asset Management Plan, based on the 2014 DfE school building design guides Building Bulletins 102 and 103. Gap analysis of where the current school buildings depart from the DfE design guides for new schools flag up the need for suitability improvements. Most of the suitability issues identified in the surveys are in respect of undersized classrooms and lack of specialist practical teaching spaces. Implementing suitability works improve outcomes for pupils by removing the physical impediments to teaching and learning inherent in existing school buildings. Suitability can also be described as fitness for purpose.

The suitability surveys have identified 315 items of identified suitability works across all maintained schools.

Prioritisation of these has taken into account the requirements of:

1) The Education & Learning Strategy, with a view to removing impediments to teaching and learning at those maintained schools that current have a “Requires Improvement” Ofsted grade.

2) The School Capacity Strategy, which is to reduce surplus school places across the Borough. It is relatively simple to address undersized classrooms by expanding these into adjacent classrooms and by doing this we can remedy undersized classrooms and remove surplus classrooms at the same time.

The focus of this project is therefore on the Sandy Lane Primary School, the suitability surveys of which have identified a number of undersized classrooms and the Ofsted grade of which is “Requires Improvement”.

The proposed Suitability works comprise internal adaptations and remodelling/refurbishment. The proposed works can also be linked to a future reduction in admission numbers in both schools bringing them from 3FE down to 2FE, however this has not yet been agreed with the Headteacher or Governing Body.

6. Harmans Water School Improvement - £365,000

Improvement works to school buildings to enhance teaching and learning and to surplus school places.

Suitability Surveys have been undertaken for all maintained schools as part of the Schools Asset Management Plan, based on the 2014 DfE school building design guides Building Bulletins 102 and 103. Gap analysis of where the current school buildings depart from the DfE design guides for new schools flag up the need for suitability improvements. Most of the suitability issues identified in the surveys are in respect of undersized classrooms and lack of specialist practical teaching spaces. Implementing suitability works improve outcomes for pupils by removing the physical impediments to teaching and learning inherent in existing school buildings. Suitability can also be described as fitness for purpose.

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1) The Education & Learning Strategy, with a view to removing impediments to teaching and learning at those maintained schools that current have a “Requires Improvement” Ofsted grade.

2) The School Capacity Strategy, which is to reduce surplus school places across the Borough. It is relatively simple to address undersized classrooms by expanding these into adjacent classrooms and by doing this we can remedy undersized classrooms and remove surplus classrooms at the same time.

The focus of this project is therefore on Harmans water Primary School, the suitability survey of which has identified a number of undersized classrooms and the Ofsted grade of which is “Requires Improvement”. The proposed Suitability works comprise internal adaptations and remodelling/refurbishment. The proposed works can also be linked to a future reduction in admission numbers in both schools bringing them from 3FE down to 2FE, however this has not yet been agreed with the Headteacher or Governing Body

7. School Carbon Reduction Measures - £50,000

This project will provide a budget for short payback energy schemes in schools that will be prioritised by the Planned Works Project Management Group.

BFC has a Management Agenda to drastically reduce Carbon emissions namely the Climate change action plan in which the council is committed to improving energy/carbon efficiency in schools. The objective is to reduce schools' energy costs and carbon emissions. This programme will mitigate and reduce this amount payable in future years by targeting energy projects that will have the greatest impact in reducing energy costs and carbon emissions.

Suitable projects will be identified by the Borough Energy Manager.

8. Cranbourne – Security & Safeguarding Including Boundary Fence - £72,000

This project includes replacement of the current boundary fence to the rear of the school which is currently post & rail or chain link type and affords no security or protection. A secure boundary fence is required to keep intruders away for the safeguarding of pupils on the school site. The project also includes provision of a new set of gates, uprating the security on the site for the same reason including CCTV and access control works.

9. College Town Security - £42,000

Replacement of part of the boundary fence around the site that comprises chain link type fencing and is bending/rusting away. We have been approached by neighbours wanting to replace the boundary fence between their property and the school but this would be a bad precedent leaving the security of the site essentially in the hands of others. This would also mean the boundary fence could end up comprising multiple different fences of differing types, and standards of security. A single secure boundary fence owned by the school is required for the security of the site.

The remaining boundary fencing is palisade or secure post and panel and is in reasonable condition.

10. Wildridings School – Fire Safety Works - £17,000

Provision of a fire exit doors in Year 3 classroom (Fire safety and effectiveness of current fire doors) 2. Replacement main entrance doors and Fire exit doors in Year 5 and 6 area.

At present there is no external door in this classroom which causes concern, as children and adults evacuating the building due to fire would have to travel through other classrooms and corridors to evacuate the building.

There are also at least three other fire exit doors which cannot be opened swiftly and need replacing along with other fire doors which are not fit for purpose. (gaps under, down the sides etc.) The two key doors which require urgent attention are the main entrance and the main Fire exit door in our Year 5 and 6 area leading to KS2 playground.

As Headteacher I am so concerned re these fire safety issues that I am asking Bracknell Fire Service to visit and provide a written report on these safety issues. Quotes for remedial work will be provided once the Fire Brigade have visited and completed their report.

11. Wildridings School – Security & Safeguarding Perimeter Fence - £41,000

The perimeter fence is inadequate to ensure the safety of children and adults within the school. Given that the Governors have already spent £10,000 on providing an electronic gate, new parental entry point onto the site and added security fencing at a cost of £40,902 to improve the current situation, a further £40,000 is needed to ensure the safety of all within the school.

The current fence is dilapidated and in some areas can be breached both under and over. There are incidents where pupils have left the site without authorisation and cases where adults, not connected with the school, had approached children at vulnerable points along the fence line.

Upon my appointment, an inspection carried out by the authority deemed Wildridings an unsafe place for children to be educated due to safeguarding issues and the openness of the site. Whilst the Governors have done their best to improve the situation with the current climate of restrictive budgets, it has not been possible to rectify this serious issue completely. The project would ensure that the boundary fence was fit for purpose, ensuring the safety of those within and would include the provision of an access entry point for emergency services to get close to the school buildings.

The quote provided is comprehensive including breaking down the perimeter area into sections which are individually costed. This would allow for the most vulnerable areas to be identified and prioritised. I have provided photographic evidence showing the current state of the fencing. Our priority is the safety of the children and staff at all times.

12. Crowthorne CE Primary School Car Park Extension - £17,000

To extend existing car park to create 7 more spaces. At present the car park cannot accommodate all staff cars which means some have to park in the playground. This can cause obstructions and can result in the children not being able to use the space for PE Lesson or at break times.

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