

## 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 21 November 2019, 4.30 - 6.30 pm**  
**Time Square, Market Street, Bracknell, RG12 1JD**

### Agenda

Item	Description	Page
1.	<b>Apologies for Absence/Substitute Members</b>	
	To receive apologies for absence and to note the attendance of any substitute members.	
2.	<b>Declarations of Interest</b>	
	<p>Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.</p> <p>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.</p> <p>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.</p>	

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3.	<b>Minutes and Matters Arising</b>	5 - 10
	To approve as a correct record the minutes of the meeting of 19 September 2019.	
4.	<b>High Needs Block Sub Group</b>	11 - 22
	To receive the terms of reference and minutes of the meetings on 12 September and 10 October 2019	

### **Exclusion of the Press and Public**

Agenda items 5 and 6 are supported by annexes containing exempt information as defined in Schedule 12A of the Local Government Act 1972. If the Committee wishes to discuss the content of these annexes in detail, it may choose to move the following resolution:

*That pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2012 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 5/6 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:*

- (3) *Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

5.	<b>Free Childcare Places</b>	23 - 34
	To update the Forum on the outcome of the consultation with early years' providers on proposed changes to the payment arrangements of the free childcare entitlements.	
6.	<b>2020-21 Budget Preparations for the High Needs Block</b>	35 - 62
	To update the Forum in respect of the current forecast for the 2020-21 High Needs Block budget, including the outcomes from the recent consultation with schools to gather views on transferring up to 0.5% of the Schools Block income to the High Needs Block budget.	
7.	<b>2020-21 Budget Preparations for the Schools Block and Central Schools Services Block</b>	63 - 86
	To provide an update to the Schools Forum on the matters that can now be dealt with in respect of the Schools Block and Central School Services Block elements of the Schools Budget in order for the timely preparation of the 2020-21 budget.	

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8.	<b>Date of Next Meeting</b>	
	The next meeting of the Forum will now be held at 4.30pm on Monday 16 December 2019 to avoid a clash with the General Election on 12 December 2019.	

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

Published: 12 November 2019

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**SCHOOLS FORUM  
19 SEPTEMBER 2019  
4.32 - 5.32 PM**

**Present:**

Liz Cole, Primary School Representative (Headteacher)  
Karen Davis, Primary School Representative (Headteacher)  
Martin Gocke, Pupil Referral Unit Representative (Governor)  
Keith Grainger, Secondary School Representative (Headteacher)  
Stuart Matthews, Academy School Representative (Headteacher)  
Brian Poxon, Secondary School Representative (Governor)  
Roger Prew, Primary School Representative (Governor)  
Debbie Smith, Secondary School Representative (Headteacher)  
Richard Stok, Primary School Representative (Governor)  
Greg Wilton, Teacher Union Representative

**Apologies for absence were received from:**

Jane Coley, Academy School Representative (Headteacher)  
Neil Davies, Primary School Representative (Headteacher)  
Peter Floyd, Special School Representative (Governor)  
Phil Sherwood, Primary School Representative (Headteacher)  
Michelle Tuddenham, PVI Provider Representative

**103. Apologies for Absence/Substitute Members**

There were no Substitute Members.

**104. Election of Chairman**

**RESOLVED** that Martin Gocke be elected Chairman of the Schools Forum.

**Martin Gocke in the Chair**

**105. Appointment of Vice-Chairman**

**RESOLVED** that Stuart Matthews be appointed Vice-chairman of the Schools Forum.

**106. Declarations of Interest**

Debbie Smith declared an affected interest in respect of Item 9 (Arrangements for Additional Financial Support to Schools)

**107. Minutes and Matters Arising**

**RESOLVED** that the minutes of the meeting of the Forum held on 20 June 2019 be approved and signed by the Chairman as a correct record.

Arising from minute 94 Kashif Nawaz confirmed that the terms of reference of the Sub-Group had been finalised. It was proposed to add a standing agenda item to

present the approved minutes from the Sub-Group to the Forum, and this would ensure the terms of reference are reported.

Arising from minute 95 Paul Clark advised that he had further discussions with Cherry Hall relating to early years providers keeping places open for children not attending regularly. It was explained that the policy did not require providers to keep the space open. The LA would pay an empty place for up to six weeks. If a child is absent for 3 weeks the provider should inform the Early Years team, they will then investigate if there is a safeguarding concern and escalate if necessary.

A complementary general attendance guidance note was being prepared for distribution to providers.

***Action: Cherry Hall***

Arising from minute 96 (the pilot mechanism for children and young people to have prompt access to short-term additional specialist support from the High Needs Block (HNB) without having to go through an Education Health Care (EHC) Plan statutory needs assessment to access Element 3 'top up funding'), this would be reported on in November.

Arising from minute 97 the Forum agreed that the Alternative Provision review would be deferred to the November meeting. The paper would be provided to all schools. The Forum noted that papers had already been presented to the Sub-Group but there was some doubt as to whether it was agreed at that meeting to share with all the headteachers.

Arising from minute 100 Paul Clark would add to future reports on school balances additional historic information relating to how many years individual schools have had surplus balances.

Arising from minute 101 Paul Clark advised that he hadn't received sufficient clarity from the DfE yet regarding the Growth Fund. However, a proposal would be presented to the Forum in November.

***Action: Paul Clark***

In respect of a question in respect of receiving an update on forecast pupil numbers and available places, the Forum was advised that the latest projections would be presented in December.

***Action: Chris Taylor***

**108. Additional Item – Flow of Funds to Schools and Spending Review 2020-23**

The Chairman gave notice that he had agreed to the addition of an item of business to the agenda for the meeting. The report was presented via PowerPoint presentation and related to the flow of funds from the DfE to the LA and then schools and also the 2020-23 Spending Review. This update was necessary as it added important information received after reports had been published.

The Forum was advised that whilst relevant details had yet to be received to provide an indication of likely funding in BF schools, the overall financial settlement was very positive with at least a 4% increase in the DfE school national funding formula..

The aggregate increase to the SNFF was predicted to amount to £7.1bn a year after three years. This equated to a three-year increase of over 15% which the Institute for Fiscal Studies reported would restore school spending to pre-austerity levels.

The Forum questioned how the increase had gone from 4% to 15%. Paul Clark explained that the 4% increase was for the first year and would increase over three years.

The Forum noted that the formula for calculating the teachers' pay grant and teachers' pension employer contribution grant was likely to remain the same and outside the SNFF with relevant per pupil funding values yet to be confirmed.

For High Needs budgets, where significant pressures are also being experienced, LAs could expect between an 8% and 17% increase in per capita funding. Again, insufficient details were available to predict the likely increase for BF.

The Forum requested that the PowerPoint slides be shared.

**Action: Paul Clark**

#### 109. **Outcome from July 2019 Financial Consultation with Schools**

The Forum considered a report which provided an update on the responses from the recent financial consultation from schools which sought views on how funds should be allocated to schools. It was noted that there was a good response rate from schools which provided a clear steer for the Forum with the report recommending adopting the majority school view to each question. The report also updated on the outcomes from the spending review for schools.

Regarding the question outlined in item 6.10 of the report (whether the extra funding required to support new schools should continue to be taken at an equal proportionate rate from all schools, other than those receiving the lowest per pupil funding rates or whether all schools should make the same proportionate contribution), the Forum requested this point to be deferred until next meeting. The Forum wished to explore whether there were any other means of funding new schools rather than the historic way.

#### **RESOLVED**

1. to NOTE the outcomes from the financial consultation with schools as summarised in the supporting information and Annex 1 of the report;
2. that the Executive Member for Children, Young People and Learning (CYPL) is asked to AGREE that the allocation of funds to mainstream schools from 2020-21 should be through Option 1 of the consultation, with each factor value set to the relevant amount of the School National Funding Formula (SNFF), scaled by the same proportional amount to available fund;
3. to DEFER to the meeting of the Forum in November the decision on whether the Executive Member for Children, Young People and Learning (CYPL) is asked to agree that the extra cost of funding new schools should be deducted at the same proportionate amount from all schools, including those on the Minimum Per Pupil Funding Level;
4. to AGREE (Maintained Primary School representatives only):
  - i. the continued de-delegation of budgets for the services requested by the council; and
  - ii. that the per pupil contribution for the scheme to centrally finance classroom staff on maternity leave be increased by 35%;
5. to AGREE (Maintained Secondary School representatives only):

- i. the continued de-delegation of budgets for the services requested by the council; and
  - ii. that the per pupil contribution for the scheme to centrally finance classroom staff on maternity leave be increased by 35%; and
6. to AGREE (Maintained School representatives only) that a £20 per pupil contribution continues to be made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties.

**110. SEND Needs and Sufficiency Strategy**

The Forum considered a report which informed of the current needs and provisions for children and young people with special educational needs and disability (SEND). The report aimed to provide an evidence base to develop services for better SEND provision. The report highlighted four key themes: Autistic Spectrum Disorder (ASD), Social Emotional and Mental Health (SEMH), SEN support and out of borough placements.

The Forum noted that there were differences in the way special schools recorded information.

The Forum questioned whether HNB funding was for 0-25 years as well as the SEN code of practice. It was confirmed that this was the case.

The Forum accepted that the data was a wonderful starting point. The Chair was very pleased that the Forum had received the alternative provision report as well, as this would help to make plans. The Forum expressed thanks to Katie Flint and Kashif Nawaz.

**RESOLVED** that the Schools Forum NOTE the finding of the report.

**111. Financial Consultation with Schools and Early Years Providers**

The Forum considered a report which outlined two proposed consultations: the first to gather views on transferring funds from schools to part finance the 2020-21 budget on supporting pupils with high needs if there were insufficient funds from the government, and the second to consult on the funding framework for the free entitlement for Early Years childcare.

The Forum queried whether the indicative figure of £0.338m which could be transferred from the schools block funding to the HNB would reduce proportionate to any funding increase from central government. Paul Clark confirmed that the council would only seek to transfer funds to the level of a forecast over spend, if there was one. This would be clarified in the consultation document before distribution to schools.

**Action: Paul Clark**

The outcomes from the HNB consultation and the Early Years Funding Formula (EYFF) consultation would be reported to the Forum in the meeting in November.

**Action: Paul Clark**

**RESOLVED**

1. to AGREE the proposed change to the attached consultation document to clarify that any funding increase from central government would be used to top-up to the requirement of the indicative figure of £0.338m, which is intended to gather views

- on transferring funds from schools to part finance the forecast overspend on pupils with high needs; and
2. to NOTE the areas where views will be sought from Early Years providers on potential refinements to the free entitlement funding framework.

## 112. **Arrangements for Additional Financial Support to Schools**

The Forum considered a report which sought agreement in respect of proposals for additional financial support to schools; in particular, approval of new or amended applications for licenced deficit arrangements. The report also updated on the position in respect of previously agreed financial support arrangements as well as the funding allocations made to date to schools in financial difficulties.

It was acknowledged that for an increasing number of schools there was a dual difficulty of deficits and challenges around standards and effectiveness. Standards and effectiveness would generally take priority over finance until performance was at an appropriate level at which point the LA would move towards a position where it could be more focused on finance.

Of the schools emerging with these twin pressures, it was expected that some repayment plans would be in place in 2020/21. Any repayment plans would be brought to the Forum for agreement.

The Forum commented that spending increases were not reflected in the spending review.

The Forum queried whether schools were expecting challenges in 2020/21 due to turbulence of pupil numbers. The Forum was advised that this was the case.

The Forum questioned what would happen if financial issues cannot be resolved in a timely way. The Forum was reminded that there was a good track-record and, whilst it was acknowledged that this was a difficult task, there were positives in terms of the spending review.

The Forum asked whether the deficits were getting worse. It was explained that the number of school deficits remained consistent but the size of the deficits was larger than before.

### **RESOLVED**

1. to NOTE the previously agreed financial support arrangements for the following schools were on target to be repaid in accordance with the agreed conditions:
  - i. Birch Hill Primary School;
  - ii. Ascot Heath Infant School;
  - iii. Sandhurst Secondary; and
  - iv. Winkfield St Mary's Primary School;
2. to AGREE:
  - i. that subject to the school governors confirming the financing schedule and compliance with the associated terms and conditions of the deficit scheme, that Sandhurst Secondary School's licensed deficit agreement be amended to a maximum deficit of £0.440m, for full repayment by 31 March 2023 (paragraph 6.23 of the report); and
  - ii. that the council continue to work on repayment schedules with the following schools, and that subject to the school governors confirming the financing schedule and compliance with the associated terms and conditions of the deficit scheme, that maximum deficits are as follows:

- a. Ascot Heath Primary School receives a licensed deficit of up to £0.220m;
- b. Harmans Water Primary Schools receives a licensed deficit of up to £0.190m;
- c. The Pines Primary School receives a licensed deficit of up to £0.213m; and
- d. Easthampstead Park Community School outstanding loan of £0.360m is converted to a licensed deficit in the same value.

**113. The Schools Budget - 2019-20 Budget Monitoring**

The Forum considered a report which updated on the 2019-20 forecast budget monitoring position for the Schools Budget and progress to date on the Education Capital Programme.

The Forum questioned when this information will be presented again. The Forum was advised that it could make a request for the information to be presented early but otherwise would be reported on annually.

**RESOLVED to NOTE:**

1. the budget variances being forecast on the Schools Budget that total to an aggregate net forecast overspending of £1.996m (paragraph 6.10 of the report);
2. that the unallocated balance on the Schools Budget Reserve is forecast at a £0.439m deficit (paragraph 6.12 of the report); and
3. progress to date on the Education Capital Programme, as summarised at Annex 2 of the report.

**114. Dates of Future Meetings**

The next meeting of the Forum was due to be held on 21 November 2019 commencing at 4:30pm (preceded by a briefing for members at 3:30pm).

Paul Clark took the opportunity to confirm the arrangements for reimbursement of car-parking expenses. The attendance registers had been used to confirm claims for reimbursement of carparking charges each time. However, given the small number of claims coming through, it was proposed to make a termly payment whereby attendance registers would be used to aggregate claims and reimburse Members at the standard carparking rate at the end of each term. It was suggested that a column be added to the attendance register to indicate carparking reimbursement requests.

**Action: Joanna Gibbons**

**CHAIRMAN**

### Schools Forum High Needs Block Sub-Committee

#### Recommended Terms of Reference

##### 1. Purpose

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

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

(See Appendix 1)

##### 1. Responsibilities

The High Needs Block Sub-Committee will:

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

##### 2. Membership

- a. Schools Forum representative members.-This would be open membership, including the Headteacher of Kennel Lane and the Headteacher of the PRU as associate members.
- b. Corporate Finance Team representative.
- c. SEND Service manager representative.

Please note:

- These representatives would each in turn be able to delegate attendance to a representative should they be unable to attend.

- It is open to a Schools Forum to set up working groups of members to discuss specific issues, and to produce draft advice and decisions for the schools forum itself to consider.
- The groups can also include wider representation, for example, an early years reference group can represent all the different types of provider to consider the detail of the early years single funding formula (EFSA guidance)

### **3. Chair**

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

### **4. Frequency**

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

## Appendix 1

### From Education and Skills Funding Agency (ESFA) Guidance:

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

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<sup>1</sup> *Schools Forum: Operational and Good Practice Guidance*. Educational and Skills Funding Agency. Sept.'18

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## MINUTES

MEETING:	<b>Sub Schools Forum</b>
MEETING DATE AND TIME:	12 <sup>th</sup> September 2019, 4pm
INVITEES:	<p>Kashif Nawaz, Head of Children Services (KN)          Kay Lewis, Support Officer (Minutes)          Katie Flint, National Management Trainee          Angela Fright, Finance (AF)          Jenny Baker, Kennel Lane (JL)          Paul Clark, Business Partner (PC)          Liz Cole, Owlsmoor (LC)          Karen Davies, Whitegrove (KD)          Marion Bent, College Hall (MB)          Debbie Smith, Sandhurst (DS)          Richard Stok Governor @ Meadow Vale (RS)          Keith Grange, Garth Hill (KG)          Martin Gocke, College Hall (MG) (Chair)</p>
Apologies	<p>Phil Sherwood, Uplands          Stuart Matthews, Edgbarrow          Brian Poxon, Garth Hill          Neil Davies, Sandy Lane          Jane Coley, Brakenhale          Gareth Barnard, Councillor</p>

<b>1.</b>	<p><b>Welcome and Apologies</b>          Nominated Chair – Martin Gocke          KN Identifies purpose of the group - a working forum for proposing recommendations to the School Forum.</p>	
<b>2.</b>	<p>SEND Needs Analysis paper – Katie Flint          Summary of report: 2 months prep to bring together SEND provision. Evidence based on services to support future decisions tailored for BF population, this report is data-based and fits into journey as part of the foundation for the upcoming SEND commissioning strategy for the borough. Based on Academic Year 2018_19.</p> <p>National data was used, generally the SEN2 return for EHCP information and the school census for SEN Support data. Additional internal information was sourced for detail.</p> <p>The key themes included:          ASD</p> <ul style="list-style-type: none"> <li>• Most prevalent primary need for EHCPs - more than 1/3 and higher than the national average.</li> <li>• 2 specialised ASD resources have the capacity for 62 pupils.</li> <li>• ASD requires the highest proportion of total spend from the HNB -increasing over the last three years</li> </ul> <p>SEMH</p> <ul style="list-style-type: none"> <li>• Higher proportion with an EHCP for SEMH than national average.</li> <li>• Half of CLA pupils with an EHCP have primary need of SEMH</li> </ul>	

- Out of borough, independent/non maintained special schools i.e. High Close and Chilworth House provide 20+ placements for SEMH pupils
- SEMH has the second high cost per placement (after PMLD) and total spend has increased by 83% of the last 3 years.

#### SEN support

- SPLD most common reason for secondary school SEN support, SCLN most common for primary school SEN support.
- Exclusions for SEN support pupils is disproportionate the school population and higher than national average (35% of exclusions but 11.6% of population)

#### Out of Borough Costs

- Spend on PVI schools increased by 1/3 over the last 3 years, average cost of these placements increased by 2% over same period.
- Average cost per placement at other local authority special schools increased by 22% over the 3 years.

KN – This is an analysis document and will be a paper that will be used for answering the concerns in schools Forum Group because it is an evidence based document.

Chair – Commented that this documents is over due by 3 years. Karen thought 5 years. A great deal of Thanks was channelled to Katie on providing the analysis document for Bracknell Forest (BF).

KN referred to p34 on document which gives you the placement types & the specific spend

Meadow Vale – page 35 table 3 – cost of provision for the various units comparing BF, is this data based 2019\_20 financial year. The cost for provision is greater than LAs. Karen suggested we need to work out the cost per pupil?

Chair comments that BF have never had scale of provision and economies of scale. Data shows LA is not reflective of the needs within Kennel Lane and the banding of the children, KN says this will come out of the consultation for the funding. Further discussion on KLS internal data requested, to be arranged by KN.

Jenny asked “What is the Lead need on an educational plan”? This was easy to identify in the past, but it has become more complex – historically lots of children with ASD, who not necessarily have this condition. KN further explained that “Other” is at 4% of BF category need, clearly this needs to be analysed further. The data could skew as the future analysis continues progress.

Action: Jenny follow up the regional ASD prevalence research

KN to continue liaison with the Sub Group: this is the forum to draft together a SEND commissioning Strategy through a consultative basis with our other partners; health and social care. The aim is to be as close to the needs of the Borough and to engage with children and young people, their families and schools.

#### Summary

If you need any clarification from the report please highlight and feedback to Katie direct. The purpose of this meeting is move forward this consultation forum and to shape our Strategy for the SEND commissioning strategy.

Chair raised the Transport costs which are not insignificant, KN has also addressed this within the AP report.

PC suggested that we must give feedback to Katie if anything should be added to the

Jenny

	<p>current report. Funding is provided to us and is difficult for BF to influence that funding, but we will compile the evidence to support our claim. There will always be the question Are we receiving value to money? Please see summary and overview costs on Pages 31/32.</p> <p>In the next meeting there will be the opportunity to support the development of the SEND commissioning strategy.</p>	
<p>3.</p>	<p><b>Alternative Provision Review</b>  Chair welcomed the report which has been well awaited in the Borough. Great report and thanked KN for the depth of the content. KN explained that it was the Schools forum wanting more analysis. This report links to national issues and our position as a LA. The exclusion data is based on 2017/18 data for validation purposes. It is also linking closely to the primary needs set out in Katie's report.</p> <p>From the data we received from schools we could see how the schools secured the provision, the report shows the challenges that we are looking at - see 5.7.4 to look at the Growth prospect.</p> <p>KN thanked Marion for her contribution relating to College Hall which is referenced within the report.</p> <p>Question raised about re-integration and what would lead a school to re admit a child back into their school – results provide varied reasons which will need further investigations.</p> <p>Highlighted 5.1.0 on page 26: a total £50k for AP in primary schools and £20K in secondary schools set aside from the High Needs Block. These should be reviewed as need is far greater. Trends, costs all included in the report</p> <p>Range of recommendations that are open to this Sub Group to take forward as priority actions, there are no costings. These needs to be captured and to brought back to the group to discuss further.</p> <p>Recommendations are cross phase.</p> <p>Colleagues who attended AP fair in July – good result and we are still going through due diligence. 17 exhibitors, 10 want to move forward with us.</p> <p><b>Summary</b>  College Hall – the report shows that pupils occupy spaces that can manage in mainstream schools. Why are schools not taking pupils back? Question is How could we integrate more pupils back into schools?  At the moment because of the lack of provision meant that they remained at College Hall because that place was the only place that met their needs.</p> <p>Karen – thanked KN and Katie to provide the level of detail and reports to the Sub Group to discuss these needs which have been so desperately needed.</p> <p>KN happy to take responses from primary and secondary schools but it is for the forum to decide how we take back the question to the Schools Forum. As a forum we need to make quick progress to move forward for the development of the SEND commissioning strategy at the next meeting.</p> <p>KN suggested that we could reduce the quantity of recommendations to bring forward in order to get maximum input into Finance in the short term  or  we can put through less than 5 recommendations to the Schools Forum</p>	

	<p>or for the group to Scale all the recommendations over a period of time but the Forum to view certain recommendations in year 1, 2, 3 etc</p> <p>PC and KN confirmed that they will support this group with costings to move it forward.</p> <p>Chair reminded the group that on page 31 AP is just 10% of the budget and we must not be side tracked as the big wins are in the other 90% of the High Needs section. We should be efficient in our time.</p> <p>KN explained that the needs are not being met in the LA. We have only provided a data analysis at this time. To move forward we need to do the commissioning strategy to answer the impact on the expenditure. We work with a specific radius to develop the framework.</p> <p>Post 16 – not completely up to date with the figures, the picture is not clear for lots of young people who are going through AP, they come back into another picture because there is no LA provision in BF. KN confirmed that Post 16 is not a specific recommendation. At Post 16 we work with specific providers in structured way who meet the needs and where those placements are.</p> <p>KN asked for a timescale for response back from the Sub Group on the matters discussed herein. Action KN to send a brief email outlining what is required – it was confirmed that 2 responses will be expected back 1. Primary and 2. Secondaries</p> <p>Next meeting 10<sup>th</sup> October 2019, Grd floor Room 4 Time Square</p>	Liz/Debbie
4.	<p><b>AOB</b> Send out the future dates for the meetings with these minutes Send out the attached documents that have been discussed with the minutes</p>	KN/ KL

**Priorities for the next meeting**

KN	Send email to Debbie and Liz to request the views from the Primary platform Send email to [name] secondaries to request the views of the Secondary platform
KN/KL	Send out future dates for the meetings
Debbie/Liz	Return with response to KN email
All	Attendance at next sub school forum

**Dates for future Sub Group Meetings:**

- 10<sup>th</sup> October 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 14<sup>th</sup> November 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 5<sup>th</sup> December 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 9<sup>th</sup> January 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 6<sup>th</sup> February 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 5<sup>th</sup> March 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 2<sup>nd</sup> April 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 7<sup>th</sup> May 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 4<sup>th</sup> June 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 2<sup>nd</sup> July 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)

## MINUTES

MEETING: **Sub Schools Forum**

MEETING DATE AND TIME: 10<sup>th</sup> October 2019, 4pm

ATTENDEES: Kashif Nawaz, Head of Children’s Support Services (KN)  
 Kay Lewis, Support Officer (Minutes)  
 Katie Flint, National Management Trainee (KF)  
 Angela Fright, Finance (AF)  
 Paul Clark, Business Partner (PC)  
 Liz Cole, Owlsmoor (LC)  
 Karen Davies, Whitegrove (KD)  
 Marion Bent, College Hall (MB)  
 Stuart Matthews, Edgbarrow (SM)  
 Jane Coley, Brakenhale (JC)  
 Gareth Barnard, Councillor (GB)

Apologies Jenny Baker, Kennel Lane  
 Neil Davies, Sandy Lane  
 Brian Poxon, Garth Hill  
 Phil Sherwood, Uplands  
 Martin Gocke, College Hall  
 Keith Grange, Garth Hill  
 Debbie Smith, Sandhurst  
 Richard Stok Governor @ Meadow Vale

<p><b>1.</b></p>	<p><b>Welcome and Apologies</b></p> <p>Nominated Chair – Kashif          KN shared objective to cover two Agenda points and asked for comments from the last minutes.</p> <p>No comments or additions from the last meeting – all agreed to be accurate.          The meeting continues</p> <ul style="list-style-type: none"> <li>• Agree priorities of AP recommendations</li> <li>• Developing SEND Commission strategy</li> </ul>	
	<p><b>Review of alternative provision</b></p> <p>General observations made that recommendations should be split into process and those that are actually provision. These will be highlighted within the minutes.</p> <p>Priority actions for development from Primary Schools:</p> <p><b>c)</b> Provision to include Nursery and EYFS (process and provision)  <b>g)</b> Identifying needs at SEND Support (process)  <b>e)</b> Pathway - developing a coherent SEMH pathway to help improve outcomes for pupils</p>	

<p>(process and provision)  <b>a)</b> Recognise and understand the Changing Needs of the Cohort so together we can suitably meet the demand (culture and process)</p> <p>Priority actions for development from Secondary Schools:</p> <p><b>d)</b> Post 16 (process and provision)  <b>e)</b> Pathway – developing a coherent SEMH pathway to help improve outcomes for pupils (process and provision)  <b>h)</b> Reviewing the PAN for College Hall and the Interface between College Hall and Specialist SEMH provision (provision and process)  <b>m)</b> Support from other agencies (access, process and provision)</p> <p>Need to identify the “Leads” for each of the priority references we will be working on.</p> <p>Finance will also bring to this forum the impact and direction of resources. This is to help shape the discussions around how cost implications can support / changes that will or can be made.</p> <p>Asked is it possible to talk to children?  Challenged - how is the information going to collated for the higher need children? KN suggested alternative methods (SEND recognised practices) could be used to collect the data in a sensitive way. This is possibly just reaching a small % of children. Agreed that support will be given on how this information is collected. KF to reach out to the schools for such a visit by the LA in order to assess areas of improvement in our schools.</p>	
<p><b>Commissioning Strategy</b>  KN explained the outline on funding with the emphasis on the need for greater clarity. Purchase expenditure and its impact on Higher Needs block is visible. KN handover to KF to share the findings of the recent review and how these findings can contribute toward the strategy. We need this strategy in an agreed format before the final consultation - expected for consultation in November 2019.</p> <p>KF shared that her role was part of the newly formed Commissioning team. Her focus is on the next step in the development of this project.</p> <p>4 keys cycles explained on slide, Analyse (Sufficiency and needs analysis), Plan (Strategy), Do/implement and Review (constantly reviewing)</p> <p>This strategy will be a structured approach over 2020_22 that can be evidence-based approach to support the Commissioning services and how we can be focused on what the LA can deliver.</p> <p>5 keys principles to involve, create inclusive services, outcomes focused, value for money, where is it appropriate (inclusion), working jointly and ensure that we have transitional support. Started in June/July as data analysis which has been given to this sub forum, we are now in identification stage looking at the key areas of cost and provision.</p> <p>It is important to capture the key areas that are important in our schools and share this data within other areas of the LA. We now need to identify the “gaps” for effective commissioning including out of borough placements EHCP provisions (some needs within BF are higher than national average), SEN support and alternative provisions (school level support).</p> <p>ALL - Transport discussed at length, giving examples of cases which could have been addressed differently, emphasis on the quality and the KPIs and the service provision in borough – supporting the need for these costs and the strategy to be reviewed in depth. KN</p>	

	<p>Recommends looking at the transport documents on the www.dfe website for guidance. School transport is also being reviewed as part of a wider transformation project.</p> <p>KF outlined the slide explaining the increasing financial need analysis on the LA, this is not a complete list but gives us a foundation and starting point for this SEND strategy.</p> <p>2 key areas to concentrate on in these meetings are; sourcing / purchasing / monitoring services (where you have seen collaborative work which worked well)</p> <ul style="list-style-type: none"> <li>• what is working well now</li> <li>• what is not working and how can we translate this into an effective commissioning going forward</li> </ul> <p>after collective discussion; KN shared that Health has produced a strategy for Pan Berkshire – although the suggestion is that it is too generic. Raising with other areas in the LA but this needs action as well.</p> <p>KF collected the feedback given today.</p>	
5.	<p><b>AOB</b> None recorded</p>	

**Dates for future Sub Group Meetings:**

- 14<sup>th</sup> November 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 5<sup>th</sup> December 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 9<sup>th</sup> January 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 6<sup>th</sup> February 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
- 5<sup>th</sup> March 2019: 1600 – 1730 hrs (Time Square Ground Floor Room 4)
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**TO: SCHOOLS FORUM  
21 NOVEMBER 2019**

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**FREE CHILDCARE PLACES  
Executive Director: People**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to update Schools Forum on the outcome of the consultation with early years providers on proposed changes to the payment arrangements of the free childcare entitlements.
- 1.2 Seek Schools Forum approval for the changes now proposed.

**2 RECOMMENDATION(S)**

**To NOTE the majority of respondents to the consultation:**

- 2.1 **Supported the proposed changes to the calculation of the IDACI element of the deprivation supplement (Annex A questions and paragraph 5.16)**
- 2.2 **Indicated that they wished to retain the percentage of funding paid in the forecast payment at the current level of 60% (Annex A and paragraph 5.17)**
- 2.3 **Indicated that any future increases in funding to providers should be applied to the base rate (Annex A and paragraph 5.18)**
- 2.4 **Felt the current payment arrangements were suitable. (Annex A and paragraph 5.18)**

**To AGREE:**

- 2.5 **That taking account of the response from providers:**
  - a) **The calculation of the IDACI measure of the deprivation supplement is changed to an average score per child**
  - b) **The threshold scores for the IDACI measure are changed to account for the new calculation method**
  - c) **Restrictions on childminders qualifying for the IDACI measure are removed**
  - d) **Retain the percentage of funding paid in the forecast payment at the current rate of 60%**

**3 REASONS FOR RECOMMENDATION(S)**

- 3.1 The proposals have taken account of local priorities, feedback from the Early Years (EY) Funding Steering Group, provider responses to the consultation and estimated levels of available resources.

#### 4 ALTERNATIVE OPTIONS CONSIDERED

4.1 Alternative options are detailed in the supporting information.

#### 5 SUPPORTING INFORMATION

##### Background

- 5.1 In 2016 the Department for Education introduced a national funding formula for Early Years which implemented clear and objective criteria consistently across the country, reflected regional cost differences, ensured all areas are funded on the same basis and that high levels of funds are passed to providers.
- 5.2 A local Early Years Funding Formula (EYFF), which sets out the funding arrangements for the free entitlements for 2, 3 and 4 year olds was developed in consultation with early years providers and other interested parties and introduced in April 2017. Changes to the EYFF to account for changes in funding levels and feedback from providers were consulted on in December 2017 and October 2018. The current formula is set out in table 1.

**Table 1: The current BF Early Years Funding Formula**

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

### **Bracknell Forest Consultation 2019**

- 5.3 To gather provider views on the proposed changes to the funding formula, a consultation with all providers registered to deliver the free entitlement was undertaken in October 2019. The full consultation document and supporting documentation is available to view at:

<http://consult.bracknell-forest.gov.uk/portal/>

#### **Summary outcomes**

- 5.4 Responses to the consultation were received from 27 out of a total of 163 registered providers, an 17% response rate. 14 out of 46 PVI providers, 8 out of 99 childminders and 5 out of 18 schools and academies responded to the consultation.
- 5.5 Annex A provides a numerical analysis of responses to the consultation, with confidential Annex B detailing the specific comments received.

#### **The IDACI measure**

- 5.6 The deprivation supplement is comprised of two measures:
- a) The Early Years Pupil Premium (EYPP) Measure, which pays an hourly top up supplement on the universal hours of qualifying children
  - b) The Income Deprivation Affecting Children Index (IDACI) Measure. IDACI measures the probability of a child coming from a low income household based on their post code. The IDACI measure pays an hourly top up supplement on all funded universal and extended funded hours for 3 and 4 year old's at a setting
- 5.7 In January of each year BFC calculates the IDACI score for each provider. All children attending a provider in the previous year are allocated an IDACI score based on their post code, which is then weighted to reflect the number of hours of attendance. An average score is then calculated which gives an average IDACI score per funded hour. An average score of 0.33 or above is allocated to band 3 (£0.39), a score of between 0.25 and 0.33 to band 2 (£0.26) and scores of between 0.2 and 0.25 are allocated to band 1 (£0.13). This equates to approximately 1 in 3, 1 in 4 and 1 in 5 children from deprived families respectively.
- 5.8 The use of IDACI scores as a threshold for funding ensures that a provider's rate will only change if the deprivation level of the children attending their setting changes. However, as the score used in the threshold is an average, the smaller the provider is the bigger the effect one child's deprivation factor has on the average. For this reason, under current arrangements childminders are only eligible for the IDACI measure where their average IDACI score is 0.33 or higher, but their funding is capped at the lowest level – Band 1 at £0.13.

#### **Issues identified with the IDACI measure**

- 5.9 The process to calculate the IDACI measure was designed in 2016 based on the information, guidance and experience available at the time. Analysis of the allocation of providers to the eligibility bands indicates that changes in how the free entitlements are accessed since 2016, such as attendance stretched across more than 38 weeks, attending multiple providers and flexible attendance patterns, are not accounted for correctly. This results in anomalies in the allocation of IDACI bands with several providers qualifying for the incorrect band of the deprivation supplement.

- 5.10 Attempts were made to amend the current calculation of the IDACI measure; however, this increased the complexity of the calculation without removing all the anomalies. An alternate solution is to change the calculation to an average IDACI score per child, rather than the average score per funded hour. This removes the need to account for stretched offers and flexible attendance patterns while simplifying the calculation.
- 5.11 The proposed changes to the calculation of the IDACI measure dictated two further proposals. These are:
- a) Changing the thresholds required to qualify for the funding bands. Changing how the measure is calculated changes the range of the resulting scores
  - b) Removing childminder specific eligibility criteria. Changing to an average score per child removes the need for arrangements specific to childminders

**5.12 OUTCOME: In response to Question 1, 89% or 24 out of 27 responses supported the proposal to change the calculation of the IDACI measure, with similar levels of support for the rest of the proposed changes to the IDACI measure.**

#### Reviewing the Forecast payment

- 5.13 Under the current funding arrangements providers in Bracknell Forest can receive up to three funding payments per term. The first of these is a forecast payment of 60% of the estimated funding for the term, paid at the end of the previous term.
- 5.14 In 2018 providers were asked for feedback on whether to change the percentage of the terms funding paid in the forecast payment. The responses received were inconclusive with 11 respondents preferring 50%, 20 preferring 60% and 22 preferring 70%. Providers were therefore asked to indicate their preference between forecast payments of 60% and 70%, the options receiving the most support in 2018.
- 5.15 OUTCOME: Responses to question 5 indicated that 59% of respondents wanted to keep the forecast payment at 60% of the total forecast funding for the term. 37% supported a change to 70%.**

#### Allocation of future funding increases

- 5.16 On 4 September 2019 the government announced an additional £66 million in funding for early years. The government has confirmed that this additional funding will apply to the free entitlements for 2, 3 and 4 year old's, but no further details have been released at this time.
- 5.17 It is anticipated that changes to funding to Local Authorities will be announced in November, with any resulting changes to funding rates in the local EYFF presented to Schools Forum as part of the process for setting budgets for 2020-21. Provider feedback on which element of the EYFF an increase in funding should be applied to was sought in order to ensure that providers have an opportunity to inform future decisions.
- 5.18 OUTCOME: All respondents, 100%, indicated that any increase in funding rates should be applied to the base rate.**

Ease of claiming

- 5.19 1 respondent indicated they found the process for claiming funding 'Fairly difficult', with 23 (85%) indicating they had found the process very easy or fairly easy.

Detailed comments from providers

- 5.20 Several providers included comments in their responses; these are set out in full in confidential Annex B.

Changes now proposed

- 5.21 The proposals, based on the responses to the consultation from providers, are set out below.
- a) Over 80% of respondents supported the proposed changes to the calculation of the IDACI measure. Schools Forum is recommended to agree the proposed changes to the IDACI measure including:
- changing the calculation to an average score per child
  - changing the thresholds for eligibility to the bands of the IDACI measure
  - removing the restrictions on childminders qualifying for the IDACI measure
- b) Providers supported retention of the current arrangements for the forecast payment. Schools Forum is recommended to agree the forecast payments remaining unchanged at 60%

**6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

- 6.1 The relevant legal issues are addressed in the report

Borough Treasurer

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

Equalities Impact Assessment

- 6.3 No Equalities Impact Assessment is required as the proposed changes implement statutory guidance which includes eligibility criteria

Strategic Risk Management Issues

- 6.4 There is no perceived risk, all proposals are within budget limits and provider agreement is now sought for these proposals.

**7 CONSULTATION**

Principal Groups Consulted

- 7.1 All providers registered to receive the free entitlements and the Early Years Funding Steering Group.

**BACKGROUND PAPERS**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/718179/Early\\_education\\_and\\_childcare-statutory\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718179/Early_education_and_childcare-statutory_guidance.pdf)

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

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/718181/Early\\_years\\_entitlements-operational\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718181/Early_years_entitlements-operational_guidance.pdf)

Early years entitlements: operational guidance for local authorities and providers

**CONTACT FOR FURTHER INFORMATION**

Cherry Hall, Early Help Locality Manager 01344 312811

[cherry.hall@bracknell-forest.gov.uk](mailto:cherry.hall@bracknell-forest.gov.uk)

David Allais, Early Help Officer 01344 354027

[EHBS@bracknell-forest.gov.uk](mailto:EHBS@bracknell-forest.gov.uk)

Question	Schools	PVI's	Child minder	Total	%
Question 1: Do you agree with the proposal to change calculation of the IDACI measure to an average score per child?					
Yes	4	14	6	24	89%
No	1	0	0	1	4%
No Answer	0	0	2	2	7%
Question 2: Do you agree with the proposed change to the bands for the IDACI measure of the deprivation supplement?					
Yes	4	14	4	22	82%
No	1	0	1	2	7%
No Answer	0	0	3	3	11%
Question 3: Do you agree with the proposal to remove the current restrictions on childminders qualifying for the IDACI measure?					
Yes	5	14	7	26	96%
No	0	0	0	0	0%
No Answer	0	0	1	1	4%
Question 4: Considering what would be best for your provision, please indicate what percentage of the forecast funding for a term you prefer to be paid in the forecast task?					
60%	3	8	5	15	59%
70%	1	6	3	10	37%
No Answer	1	0	0	1	4%

Question	Schools	PVI's	Child minder	Total	%
Question 5: Which of the elements of the EYFF you would prefer the increase in funding to be applied to?					
Base Rate	5	14	8	27	100%
Deprivation Supplement	0	2	0	2	7%
Quality Supplement	0	2	0	2	7%
Other	0	1	0	1	4%
Question 6: How easy do you find the process for claiming funding?					
Very easy	4	4	3	11	41%
Fairly easy	0	9	3	12	44%
Neither	1	0	2	3	11%
Fairly difficult	0	1	0	1	4%
Very difficult	0	0	0	0	0%

By virtue of  
Regulation 4 of the Local Authorities (Executive  
Arrangements) (Access to Information) (England)  
Regulations 2012.

Document is Restricted

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**TO: SCHOOLS FORUM**  
**DATE: 21 NOVEMBER 2019**

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

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to update the Forum in respect of the current forecast for the 2020-21 High Needs Block (HNB) budget, including the outcomes from the recent consultation with schools to gather views on transferring up to 0.5% of the Schools Block (SB) income to the HNB budget.

**2 EXECUTIVE SUMMARY**

- 2.1 The publication of further information by the Department for Education (DfE) on the school and education spending review for 2020-23 has confirmed an 8% increase in funding for the BF HNB in 2020-21 which equates to around an extra £1.5m. Whilst this is a significant increase, in line with many other LAs, HNB costs in BF are increasing at a faster rate than income thereby resulting in significant financial challenges. Projecting current trends over the next 3 years, without interventions, indicates a forecast cumulative deficit of £10.9m.
- 2.2 The Forum is aware of the emerging financial difficulties which have now been quantified over the medium term and have also been clear that a wider range of quality services for pupils with Special Educational Needs and Disabilities (SEND) need to be made available. A HNB sub-group has been established to focus on this.
- 2.3 With the need to urgently complete a sustainable medium-term financial plan, and building on the work completed to date and the emerging themes of: managing demand; increasing placements in BF schools; placing less reliance on external providers; and extending the range of local specialist provisions, a range of proposed changes have been developed and costed. They have recently been presented to the HNB sub-group and are expected to reduce the cumulative deficit at 2023 to £3.1m.
- 2.4 Whilst further actions will need to be developed, none are expected to be in place for a significant impact in the next financial year and therefore the council is requesting that 0.5% of the SB budget at around £0.375m is transferred to the HNB. Responses from schools to the consultation on this proposal do not support it. However, a substantial number of comments received to explain why the proposal could not be supported cited affordability as the key issue. As school comments were made before the spending review announcement and the 6.9% increase in per pupil funding that is expected for next year, which after financing all of the new cost pressures will result in an average 5.9% increase for individual schools, the likelihood is that several schools would have responded differently, in particular those that gave their support in principle.
- 2.5 The Schools Forum is therefore requested to agree the funding transfer in order to help close the funding gap on the HNB and assist the financial recovery and development of more appropriate services for BF pupils.

### **3 RECOMMENDATIONS**

**That the Schools Forum AGREES:**

- 3.1 The developments to future service delivery (paragraph 6.19 and Annex 5)**
- 3.2 That there is a 0.5% funding transfer from the 2020-21 Schools Budget to the High Needs Block budget, estimated at £0.375m**
- 3.3 That further work is undertaken to identify additional projects to work towards a balanced medium-term financial plan**

### **4 REASONS FOR RECOMMENDATIONS**

- 4.1 To allow for necessary budget planning to continue in advance of final decisions.

### **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 A range of options are set out in the supporting information.

### **6 SUPPORTING INFORMATION**

#### Background

- 6.1 The previous Forum meeting received an update on the provisional work undertaken on forecasting the anticipated HNB spend requirement for 2020-21. The approach taken was to project the current trend forward, assuming no intervention, with demand for places continuing the current upwards trend, and no increase in funding from the DfE. This suggested a further 54 placements (+13%) and a year-end over spending of around £3.2m.
- 6.2 The government's high-level announcement on the spending review confirmed an extra £700m for 2020-21 to support pupils with high needs. However, there was no clarity on the likely financial impact in BF with the Education and Skills Funding Agency (ESFA) indicating that the new funding will be allocated to LAs through increases of between 8% and 17%, which for BF would result in additional funding of between £1.3m and £2.8m. A middle range figure of £2m whilst a substantial increase would still be insufficient to fund the forecast cost increase of £3.2m and the 2019-20 year-end deficit on the Schools Budget Unallocated Reserve of £0.4m.
- 6.3 The budget difficulty has mainly arisen due to significant increases in the numbers of pupils requiring support, increases in complexity of need which costs more, and annual increases in the cost of provision above the level of inflation, mainly in relation to pupils placed in Private, Voluntary and Independent (PVI) settings.
- 6.4 This is a national issue, and not just limited to BF 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)<sup>1</sup> having increased in the last 2 years to January 2019 by 11.9%. Changes in the number of children receiving additional support

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<sup>1</sup> 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.

through high needs budgets in BF shows a steeper increase than the national figures, with the number expected to increase by 17.7% from April 2018 to March 2020.

- 6.5 Taking account of the increasing use of more expensive placements outside BF schools, typically with a PVI provider, costs are expected to increase by 27.3% over the same 2-year period during which grant from the DfE has increased by 4.8%.
- 6.6 Considering this information, the Forum made comments that were incorporated into the final consultation document with schools which set out further details of the key issues affecting the financial difficulty and the likelihood that the council would be seeking agreement to a 0.5% transfer – circa £0.375m - of funds from the SB to the HNB. The potential impact on each school's budget from such a transfer was also included, and the final consultation document can be viewed at:

<https://schools.bracknell-forest.gov.uk/finance/school-funding-consultation-2020-21-financial-year/>

### Recent Developments

#### Update on government spending review

- 6.7 In October, the ESFA issued *Operational Guidance* to the HNB which described how the high needs funding system will work next year. This confirmed that no significant changes would be made to current arrangements and that funding increases above the 8% minimum announced in the spending review would be targeted to Local Authorities (LAs) that are currently funded below the level determined through the national funding formula.
- 6.8 The guidance also confirmed that funding increases would not be applied to the basic entitlement factor for the number of pupils and students admitted to a specialist provider, nor the net import / export adjustment that compensates LAs for students attending their schools that are ordinarily resident in other areas. These will continue to be funded at £4,000 and £6,000 respectively and equate to Elements 1 and 2 respectively in the DfE HN funding matrix.
- 6.9 The Forum will recall that the HNB national funding formula is being introduced on a phased basis. This is to ensure that those areas losing money have sufficient time to adjust their spending patterns against a cost base that is largely committed over the medium term on current education placement costs that will likely continue at similar amounts until current students leave education.
- 6.10 This approach has significantly benefitted BF as the council receives additional transitional funding protection in 2019-20 of £2.6m. This amounts to 16% of total income compared to the LA average of 4% from this factor. Taking account of the ESFAs approach to distribution of the additional funds, there will be 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 £1.5m and compares to a provisional (revised) cost increase of £3.4m and therefore results in a £1.9m in-year over spending.

Annex 1 sets out the provisional HNB DSG funding allocation to be received in 2020-21. This is subject to change once new data sets become available, most significantly numbers of pupils in special schools and the import / export adjustment that is made to adjust LA funding for the net cost impact of cross border student movements.

Medium term financial forecast – no interventions

- 6.11 One of the objectives of the council, which has also been supported by the Forum, is to develop a medium-term financial forecast to enable more effective planning through greater certainty of likely future costs as services are reviewed. The completion of the SEND Sufficiency Analysis<sup>2</sup>, as reported to the last Forum meeting has enabled the construction of a robust medium-term financial forecast. Naturally, this includes several assumptions around key elements, including future changes in HNB DSG income and also forecast expenses on what are volatile and high cost areas and will therefore be subject to regular review and update.
- 6.12 The £1.887m over spend forecast for 2019-20, as reported to the September Forum meeting has now been revised to £2.408m as further cost increases have been experienced. With the majority of the over spending being demand led, it will most likely remain in place next year. Taking account of this and using existing trend data as a proxy for future growth, the current projection without intervention is for a £10.9m cumulative over spending at 31 March 2023. This is illustrated below in Table 1, with Annex 2 providing more detail on the main assumptions used.

Table 1: HNB Budget: Medium term financial forecast – no interventions

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m
HNB DSG income to BFC	15.538	17.009	17.690	18.397
Anticipated change		1.472	0.680	0.708
Change (cash)		9.5%	4.0%	4.0%
Forecast spend - no interventions	17.946	19.485	21.067	22.691
Change		1.539	1.582	1.625
		8.6%	8.1%	7.7%
<b><u>Anticipated funding gap:</u></b>				
Annual	2.408	2.476	3.377	4.294
Forecast DSG reserve 31/3/20	-1.631			
Cumulative	0.777	3.252	6.630	10.924

- 6.13 Clearly, the 3-year plan presents a significant financial challenge to overcome. The no intervention assumption broadly predicts that the £2.4m over spend forecast for 2019-20 will continue into future years (£7.2m extra cost over 3 years), with £1.6m per annum cost increases from new pressures. After the 8% HNB DSG funding increase for 2020-21 which roughly matches the cost pressure, increases in income of 4% are assumed, which equates to around £0.7m per annum resulting in a net £0.9m annual cost increase from 2021-22 (£2.7m through cumulative effect over 2 years).
- 6.14 This broadly explains the cumulative £10.9m over spend effect at the end of the 3-year forecast period which comprises the 2019-20 over spend, the net annual cost

<sup>2</sup> <http://search3.openobjects.com/kb5/bracknell/directory/localoffer.page?familychannel=6>

of new pressures and the deficit balance forecast for this year after fully applying available balances i.e. £7.2m + £2.7m + £0.8m = £10.7m.

*DfE consultation on treatment of deficits on the Schools Budget*

- 6.15 The DfE has recently undertaken a consultation to clarify the funding treatment of deficit balances on the Schools Budget which is intended to confirm that they cannot be financed from general LA funds. This reflects the increasing number of LAs with over spent HNB budgets and therefore the expectation is that a medium-term financial plan will only be able to rely on DSG income as a source of funding HNB costs including any over spendings.
- 6.16 The consultation closed on 15 November and final decisions have yet to be confirmed. The following is an extract from the consultation which can be viewed at:

<https://consult.education.gov.uk/funding-policy-unit/revised-arrangements-for-the-dsg/consultation/intro/>

“The DSG is a specific grant, and the conditions of grant make clear that it can only be spent on the Schools Budget, and not on other aspects of local government expenditure. But where there is an overspend on the DSG, local authorities may currently decide to fund that from general resources. This has led some local authority Chief Finance Officers (often referred to as section 151 officers, with reference to section 151 of the Local Government Finance Act 1972) to conclude that if their DSG account is in deficit, they need to be able to cover the deficit from the authority’s general reserves. We know that a similar view is held by organisations that audit local authority accounts. Given the size of some authorities’ DSG deficits, and the other pressures on authorities’ reserves, there is a risk that covering DSG deficits from general funds may lead authorities to make spending reductions in other services that they would not otherwise make.

The Government’s intention is that DSG deficits should not be covered from general funds but that over time they should be recovered from DSG income. No timescale has been set for the length of this process.”

*Developing a balanced medium-term financial plan*

- 6.17 In terms of the updated £2.4m forecast over spending in the current year, the previous Forum meeting received a budget monitoring update to set out the key issues. The explanations to the variances are included again at Annex 3 for reference, together with other key data from the HNB funding consultation which shows the significant increase in demand for SEND, coupled with an over reliance on high cost external providers as a result of limited in-house provisions.
- 6.18 The availability of a range of appropriate quality services to support the needs of pupils and the shortage of funding to finance it has regularly been discussed with the Forum, in particular through the HNB Sub-Group. This work, which incorporates the findings from the SEND Needs Analysis and the review of local arrangements for Alternative Provision (AP) has suggested that the most likely strategies to be adopted for reducing the forecast over spend and underlying deficit are:
- 6.18.1 Development of a consistent and informed approach of identifying needs at the SEN Support stage.
  - 6.18.2 Reducing the demand of EHCPs

- 6.18.3 Reviewing the Published Admissions Number (PAN) for relevant local provision (i.e. College Hall, Kennel Lane Special School).
- 6.18.4 Increasing placements within BF schools
- 6.18.5 Reducing reliance on Specialist Independent settings and placements in other LA schools
- 6.18.6 Extend the range of resource provision available locally, specifically for Autistic Spectrum Disorder (ASD) and Social, Emotional and Mental Health (SEMH).
- 6.18.7 Developing an outcomes focused commissioning model which incorporates a more proactive role in price control.

6.19 Taking account of these findings, the following developments are proposed for the medium-term. These have recently been presented to the HNB sub-group and are expected to result in a wider range of quality provisions which at the same time help to significantly reduce costs:

1. Sustaining the newly introduced SEN Hub - a multi-agency hub that provides prompt, short-term and specified additional resource/support to children and young people without an EHCP through the High Needs Block – as a permanent element of the HNB budget. The SEN Hub has proved to be successful at supporting schools to retain pupils on roll without the need to progress to an EHCP or AP placement. Sufficient funds are available in the specific earmarked reserve to finance this work over the short to medium term. (Links to strategies 6.18.1, 6.18.2).
2. Increasing available capacity at Kennel Lane Special School (KLS) and College Hall Secondary Pupil Referral Unit (PRU) each by 10 places. These changes will allow for increased placements in high quality in-borough provisions at a reduced cost to out of borough placements that also reduces student travelling. (6.18.3, 6.18.4, 6.18.5).
3. Changes in the pattern of admissions to KLS would also aid cost reduction whilst reducing student travelling. There are 2 elements to this:
  - Reduce the number of out of area placements that have averaged around 35 in recent years, with the objective of replacing around 4-5 out of area placements each year with a BF student who would ordinarily be placed elsewhere at an additional cost. (6.18.4, 6.18.5).
  - Proactively manage the 11 remaining students with relatively low additional support needs to be replaced by students with higher level requirements and who would otherwise expect to be placed out of the borough at higher cost. The current age profile suggests a movement of 2-3 each year. (6.18.4, 6.18.5).
4. A number of new in-school SEND provisions, including specialist SEND resource provisions are planned to be developed, taking advantage of the funding available through the DfE Special Provisions Capital Fund (SPCF) to complete the associated building remodelling, adaptations and fit out required to place the students in local schools. Following the unsuccessful bid to the DfE for the development of a Special Free School supporting students with Social, Emotional and Mental Health (SEMH), more SPCF money is available for this purpose than originally expected. There are 2 strands to this:

- Development of new, in-school classroom support areas, each with a different specialism, to support pupils from across the borough as necessary. Plans are in place for 5 schools to open these facilities (4 primary and 1 secondary) that will provide 85 places. A second phase of seeking interest from schools for more in-house provisions is planned for openings from September 2021. (6.18.2, 6.18.4, 6.18.5, 6.18.6).
  - Development of SEND resource provisions at facilities that have been purpose built by the council. This includes placing further secondary aged ASD pupils at the Rise provision as the Unit continues to expand to its full capacity, thereby reducing the need for external placements as well as making placements at the new provision that will be opening for primary aged pupils in the near future at KGA Binfield all-through school, where the specialism has yet to be determined. (6.18.2, 6.18.4, 6.18.5, 6.18.6).
5. Whilst it was extremely disappointing not to receive DfE funding for a new SEMH Special free School, the council is continuing with plans for a new in-house provision. A feasibility study is expected to be approved as part of the council's budget setting process for 2020-21 which at this stage is considering utilising spare capacity in an existing school to provide an assessment and provision base for pupils with SMEH. The previous bid to the DfE provides a sound basis for further consideration and will be subject to the normal decision-making process and consultations. A provisional target opening date has been set for September 2021, with expansion on a phased basis thereafter. (6.19.4, 6.19.5, 6.19.6).
  6. The council has invested significantly to improve the Commissioning and Brokerage of places for vulnerable young people and those with SEND to maximise quality and value for money (6.18.7). Whilst there will be a focus on outcomes, savings are expected to be generated through:
    - Price control on inflationary uplifts, requiring more robust justification of annual increases
    - Development of block contracts to secure quality provision at a reduced price
    - Negotiate a greater discount with the providers where most places are commissioned
    - Proactively manage contracts to ensure support packages can be reduced when appropriate.
  7. A number of the existing SEND support services will be reviewed to validate quality, impact and value for money.

In order to maximise the implementation and benefits from this programme, a dedicated project management resource will be required.

- 6.20 The council has completed an Equalities Impact Screening to consider the impact expected on affected groups. This can be viewed at Annex 4.
- 6.21 It can be seen from the proposed developments that the most effective way to improve provisions for SEND pupils and reduce costs is to maintain pupils in mainstream schools, including making financial contributions as necessary, as this avoids the significant cost implications when pupils move to specialist providers. As well as costs in out of borough placements increasing by 38% (£2.664m) over the last

3 years, there has been a larger 156% (£0.635m) increase in placement costs in education other than at school. Maintaining a higher proportion of these children in mainstream schools with appropriate financial support will have a significant impact on expenditure.

Table 2: Change in cost of alternative provision 2017-18 to 2019-20

Service	2017-18 £m	2019-20 (forecast) £m	Change	
			£m	%
Home tuition	0.253	0.443	+0.190	+75
Externally commissioned AP	0.087	0.228	+0.141	+162
Medical support	0.066	0.370	+0.304	+460
<b>Total</b>	<b>0.406</b>	<b>1.041</b>	<b>0.000</b>	<b>+156</b>

- 6.22 Should all the above proposed changes be incorporated into the medium-term budget plan then the £10.9m forecast deficit for 31 March 2023 would reduce to £3.1m. Table 3 below provides a summary of the changes, with Annex 5 setting out more detail on the main assumptions, including allowances for slippage in the proposals.

Table 3: HNB Budget: Medium term financial forecast after interventions

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m
<b><u>Funding gap from Table 1:</u></b>				
<b>Annual</b>	<b>2.408</b>	<b>2.476</b>	<b>3.377</b>	<b>4.294</b>
<b>Unallocated DSG reserve 1/4/19</b>	<b>-1.631</b>			
<b>Cumulative</b>	<b>0.777</b>	<b>3.252</b>	<b>6.630</b>	<b>10.924</b>
<b><u>Planned interventions:</u></b>				
Prior years on-going savings			-1.450	-2.793
SEND support stage		-0.054	-0.068	-0.068
Reducing demand for EHCP		-0.941	-0.838	-0.401
Review PAN at specialist providers		-0.150	-0.050	0.000
Reducing reliance on external providers		-0.041	-0.064	-0.102
Improved commissioning		-0.180	-0.187	-0.194
Central Services		-0.084	-0.136	-0.060
Forecast impact of interventions		-1.450	-2.793	-3.618
<b><u>Funding gap after interventions</u></b>				
<b>Annual</b>		<b>1.802</b>	<b>0.584</b>	<b>0.676</b>
<b>Cumulative</b>	<b>0.777</b>	<b>1.802</b>	<b>2.387</b>	<b>3.063</b>

- 6.23 Whilst Annex 5 sets out a range of actions to reduce costs which are considered appropriate to implement, they are not significant enough to result in a balanced medium-term budget plan. More work will need to be undertaken, and initiatives presented in the first instance to the HNB Sub-Group.
- 6.24 With a £3.1m funding gap remaining, the council will need to seek agreement to a transfer of 0.5% of funds from the SB. This is the first such request from the Council and is likely to be repeated for each year of the 3-year plan, if permitted by the funding framework. However, the intention is to continue to work with schools to develop additional measures that will reduce the funding gap further. Taking account of the provisional data from the school and education spending review, this is now expected to generate around £0.375m per annum, and £1.1m over the 3-year period of the plan. If this is included, then the cumulative deficit reduces to £2.0m.

*Outcome from the consultation with schools to transfer 0.5% to HNB budgets: circa £0.375m*

- 6.25 In September, the Forum commented on the draft consultation with schools to gather views on transferring up to 0.5% of SB funding to the HNB. This reflected the emerging financial challenges of funding the increased costs of pupils with HN, including the forecasts at that time of a £1.9m over spend for 2019-20 which without intervention was expected to increase to a £3.2m over spend in 2020-21. The request was being made in order to minimise any short term over spending while work continued with the HNB sub-group on service delivery and budget management. The intention of the council is to only make a deduction if the final budget information indicates a funding shortfall without it.
- 6.26 Replies were received from 23 out of 38 mainstream schools (61% response rate). A reply was received from 18 primary schools (58%) and 5 secondary schools (83%). A response was not received from the all through school. Note this consultation was not directly relevant to KLS or College Hall as they are not funded from the SB.
- 6.27 6 Schools supported the proposed transfer (26%) with 17 (74%) opposed. 33% of primary schools were in favour with all secondary schools against.
- 6.28 15 specific comments were also received; 12 from primary schools and 3 from secondaries. The comments can be broadly summarised into:
1. Agree the proposal (2 / 13%)
  2. Agree the proposal in principle but it's not affordable (4 / 27%)
  3. The proposal is not affordable (7 / 47%).
  4. Could not agree the proposal as it would be an in-year, unbudgeted cut for academy schools where budgets run on an academic year basis (2 / 13%)

Confidential Annex 6 sets out the actual responses received which have been grouped together into the themes listed directly above.

- 6.29 LAs are only permitted to request funding transfers for 1 year at a time and the council is seeking agreement to a 0.5% transfer in 2020-21 which amounts to around £0.375m. If the Schools Forum agrees the request it will take place. In making a decision, the DfE requires the Forum to take into account the views of the schools responding.

- 6.30 Whilst only 26% of respondents have supported the transfer, the Schools Forum is advised to consider the longer-term strategic need of having to balance the HNB budget where a significant funding gap is forecast. An important factor in the responses from schools related to affordability and the financial pressures schools are facing, with 13 schools (86% of those making a specific comment to the proposal) citing this as the key issue in making their decision. None of these schools support the funding transfer. With the consultation ending on 18 October, school responses were made in advance of the details of the school and education spending review.
- 6.31 As set out on the complimentary agenda item on initial proposals for the 2020-21 Schools Block budget, after meeting all of the local cost pressures, including the proposed transfer to the HNB budget, there will be an average 5.9% increase in per pupil funding for BF schools next year. If this information had been available for inclusion in the consultation document, it's to be expected that a number of these schools may not have expressed concerns around affordability, and supported the proposal, in particular the 4 that agreed in principle.
- 6.32 A movement of 6 six schools from not supporting to supporting the proposal would have resulted in a majority being in agreement.
- 6.33 If the funding transfer is agreed, it will clearly have an impact on the factor values that can be afforded in the BF Funding Formula and this issue was highlighted as an area that needed attention in the June 2019 Financial Consultation on whether schools on the Minimum Per Pupil Funding (MPPF)<sup>3</sup> levels should make a contribution to financial pressures in the SB as the increased values proposed for 2020-21 may result in a relatively small number of schools above these values having to finance a disproportion amount of the pressure.
- 6.34 Provisional calculations from the initial budget proposals for the SB are presented on a separate agenda item. This indicates that with the extra funds from the spending review, a number of schools previously very close the MPPF level will now exceed it through the normal operation of the BF Funding Formula and the cost of the MPPF values is affordable.

#### Next Steps

- 6.35 The next steps will be influenced by the views expressed, and decisions taken by the Forum on this paper and also the complimentary agenda item on initial proposals for the 2020-21 Schools Block budget. Where a Schools Forum does not agree a request to transfer funds from the SB to the HNB budget, an appeal can be made to the Secretary of State. The Executive Member will consider this matter on 26 November, taking account of the outcomes from this meeting.

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<sup>3</sup> The School National Funding Formula includes MPPF levels that are applied equally to all primary and secondary schools (£3,500 and £4,800 respectively in 2019-20). LAs had discretion to apply these values in their local funding formula but from 2020-21 they will become mandatory at local level, unless agreed by the DfE that they are unaffordable when local budget circumstances are taken into account, most notably in respect of pressures on the Growth Fund from new school and High Needs pupils.

## **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 a contribution from schools at a time of general funding increases will help to reduce this further.

### Equalities Impact Assessment

7.3 See Annex 4.

### 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 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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### Doc. Ref

Doc. Ref K:\Pine\Executive\Schools Forum\95) 211119\2020-21 HNB Budget Preparations.docx



## 2020-21 Provisional HNB income

<u>Funding Factor:</u>	Note	BFC 2020-21 Provisional HNB Funding
<u>(A) Basic entitlement factor (5%)</u>	1	£899,145
<u>(B) Historic spend factor (41%)</u>		£7,597,056
<u>(C) Population factor (25%)</u>		£4,651,122
<u>(D) FSM factor (3%)</u>		£458,342
<u>(E) IDACI factor (1%)</u>		£151,545
<u>(F) Bad health factor (2%)</u>		£432,444
<u>(G) Disability factor (3%)</u>		£574,979
<u>(H) KS2 low attainment factor (3%)</u>		£568,318
<u>(I) KS4 low attainment factor (3%)</u>		£503,851
<u>(J) Funding floor factor (13%)</u>		£2,468,387
<u>(K) Hospital education funding (0%)</u>	2	£21,816
<u>NFF allocation before provisional import/export adjustment (100%)</u>		<b>£18,327,005</b>
<u>(L) Import/export adjustment (provisional) (-5.8%)</u>	3	<b>(£1,065,000)</b>
<u>2020-21 high needs NFF provisional allocation before limit on gains</u>	4	<b>£17,262,005</b>

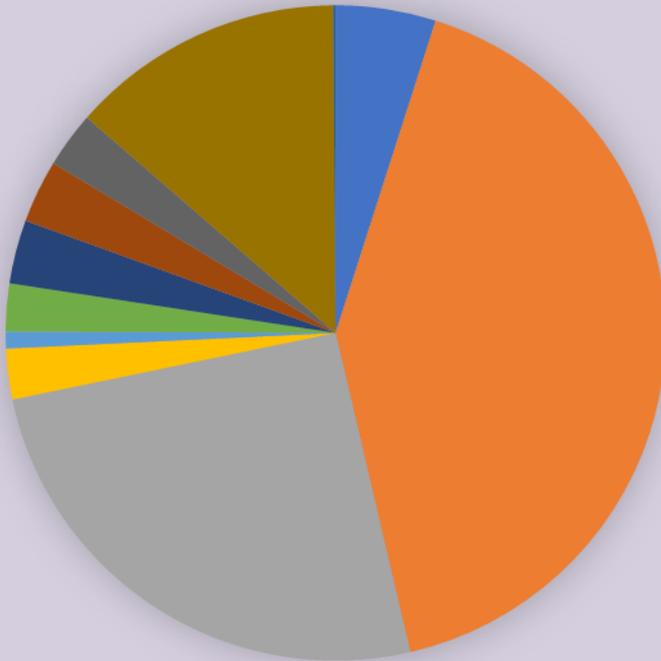
- 1 This funding will be recalculated later based on the January 2019 alternative provision census and October 2019 school census.
- 2 This funding is subject to any changes notified to ESFA in autumn 2019, and agreed as part of the 2020-21 final allocations, and to any further changes introduced following consultation
- 3 This funding will be recalculated based on the January 2020 census and R06 ILR for 2019/20
- 4 Total provisional funding differs by £0.253m from £17.009m in Table 1 which represents the academy school HN place deductions automatically taken from the BFC HNB DSG. These are deducted in Table 1 to present only the funding the council is expected to receive.

DfE has not inflated funding rates for the following factors:

- (A) Basic entitlement factor
- (L) Import / Export adjustment.

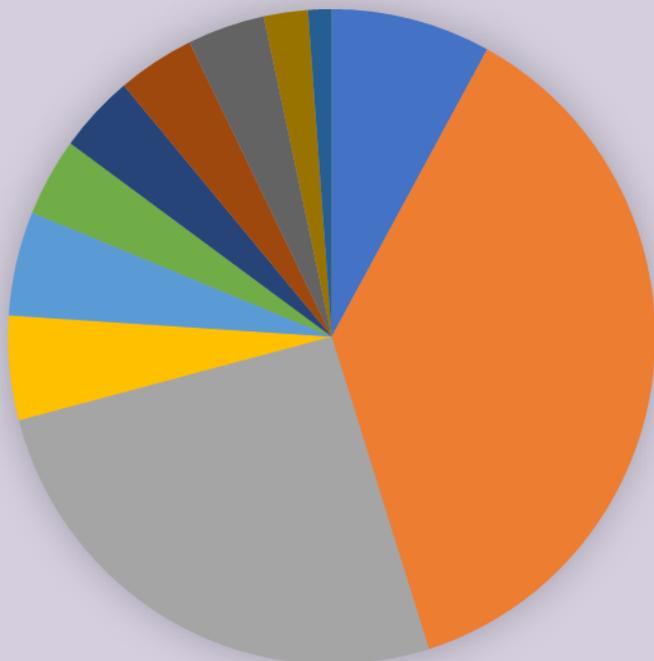
## 2020-21 Provisional HNB income

### Formula split for Bracknell Forest



- (A) Basic entitlement factor (5%)
- (B) Historic spend factor (41%)
- (C) Population factor (25%)
- (D) FSM factor (3%)
- (E) IDACI factor (1%)
- (F) Bad health factor (2%)
- (G) Disability factor (3%)
- (H) KS2 low attainment factor (3%)
- (I) KS4 low attainment factor (3%)
- (J) Funding floor factor (13%)
- (K) Hospital education funding (0%)

### Average LA formula split



- (A) Basic entitlement factor (8%)
- (B) Historic spend factor (37%)
- (C) Population factor (26%)
- (D) FSM factor (5%)
- (E) IDACI factor (5%)
- (F) Bad health factor (4%)
- (G) Disability factor (4%)
- (H) KS2 low attainment factor (4%)
- (I) KS4 low attainment factor (4%)
- (J) Funding floor factor (2%)
- (K) Hospital education Funding (1%)

## Summary medium term financial plan for the HNB – no interventions

Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Comment
<b><u>Income:</u></b>					
Current HNB DSG	15.791	15.538	17.009	17.690	Excludes import / export deduction To remove funds deducted at source from BFC by the ESFA Increases from 2021 assumed at 4%, just below the average 5% increase in school funding announced for the next 3 years
BFC academy places deduction	0.253				
Anticipated change		1.472	0.680	0.708	
<b>Total DSG income to BFC</b>	<b>15.538</b>	<b>17.009</b>	<b>17.690</b>	<b>18.397</b>	
Change (cash)		9.5%	4.0%	4.0%	
<b><u>Expenditure:</u></b>					
Base budget / cost forecast	15.538	17.946	19.485	21.067	£0.521m increase on amount reported to Forum in September, now based on September forecast rather than July. Assumed at 1.5% per annum Based on current growth trend continuing unchanged
Forecast over spend (September)	2.408				
Provision for inflation		0.269	0.292	0.316	
Provision for additional places - <i>estimated growth in demand</i>		1.270 54	1.289 54	1.309 54	
<b>Forecast spend - no interventions</b>	<b>17.946</b>	<b>19.485</b>	<b>21.067</b>	<b>22.691</b>	
Change		1.539 8.6%	1.582 8.1%	1.625 7.7%	
<b><u>Net funding gap:</u></b>					
<b>Annual</b>	<b>2.408</b>	<b>2.476</b>	<b>3.377</b>	<b>4.294</b>	
<b>Forecast DSG reserve 31/3/20</b>	<b>-1.631</b>				
<b>Cumulative</b>	<b>0.777</b>	<b>3.252</b>	<b>6.630</b>	<b>10.924</b>	

**Summary explanation to 2019-20 HNB forecast over spending  
(As reported to 19 September 2019 Forum)**

**High Needs Block - £1.887m over spend:**

Members of the Forum will be aware that budget items 1 to 5) below represent the most unpredictable and volatile education budgets that the council is responsible for. Therefore, a considerable amount of time is taken in their management. However, they remain subject to significant change at short notice which can result in large movements in cost forecasts. To help manage this volatility, a contingency for future cost increases of £0.200m is included in the forecasts until such time as greater certainty is available relating to placement details and their costs. The contingency amount is reviewed each month and adjusted accordingly. Forecasts reported at this time for external pupil placements and top up funding for mainstream schools include confirmed costs for the summer term, with provisional amounts included for autumn and spring which are subject to change until all required placements and their costs are known. The forecasts will continue to change through to the end of the financial year.

- 1) **Delegated Special Schools – £0.034m over spend.** Top up payments to Kennel Lane Special Schools have been recalculated to reflect in-year starters and leavers. The current forecast indicates a net increase in funding allocations of £0.034m.
- 2) **Maintained schools and academies – £0.818m over spend.** Top up payments to BF maintained schools and academies are forecast to over spend by £0.239m. In respect of BF pupil placements in other LA schools and academies, a £0.504m over spend is forecast. Placements have increased by 10% with average costs of support remaining stable.

Note: this budget line includes a contingency for future cost increases of £0.075m for which at this time no spend has been incurred.

- 3) **Non-maintained special schools and colleges – £0.712m over spend.** The latest schedule of actual top up payments agreed by the SEN Team, together with a forecast for future payments based on expected changes and previous trends indicates a £0.605m over spend. Whilst the overall number of places has increased by 4 (2%) from the number assumed in the budget, the average cost of support shows an increase of £2,008 (7.4%) per place.

Note: this budget line includes a contingency for future cost increases of £0.125m for which at this time no spend has been incurred.

- 4) **Education out of school - £0.278m over spend.** The main variances relate to a £0.130m forecast over spending on the cost of home tuition services and £0.060m on externally commissioned alternative provisions as more students are receiving support than allowed for in the budget. There are a number of other relatively small variances across a wide number of budgets.
- 5) **Other SEN provisions and support services - £0.054m over spend.** The main variances relate to a £0.101m forecast over spending on medical support needs for pupils where need exceeds budget provision and a £0.020m under spending on the Autism Support Service as a result of staff vacancies. There are a number of other relatively small variances across a wide number of budgets.

**Summary data of BF pupils with an EHCP receiving high needs funding  
(As included in the consultation with schools)**

	2017-18			
	Grand total			Average cost
	Amount	FTE	%	
BF schools and academies	£6,107,367	372.61	60.98%	£16,391
OLA schools and academies	£1,592,963	75.34	12.33%	£21,145
PVI/College/other post 16	£5,389,375	163.10	26.69%	£33,043
<b>Totals</b>	<b>£13,089,705</b>	<b>611.05</b>	<b>100.00%</b>	<b>£21,422</b>

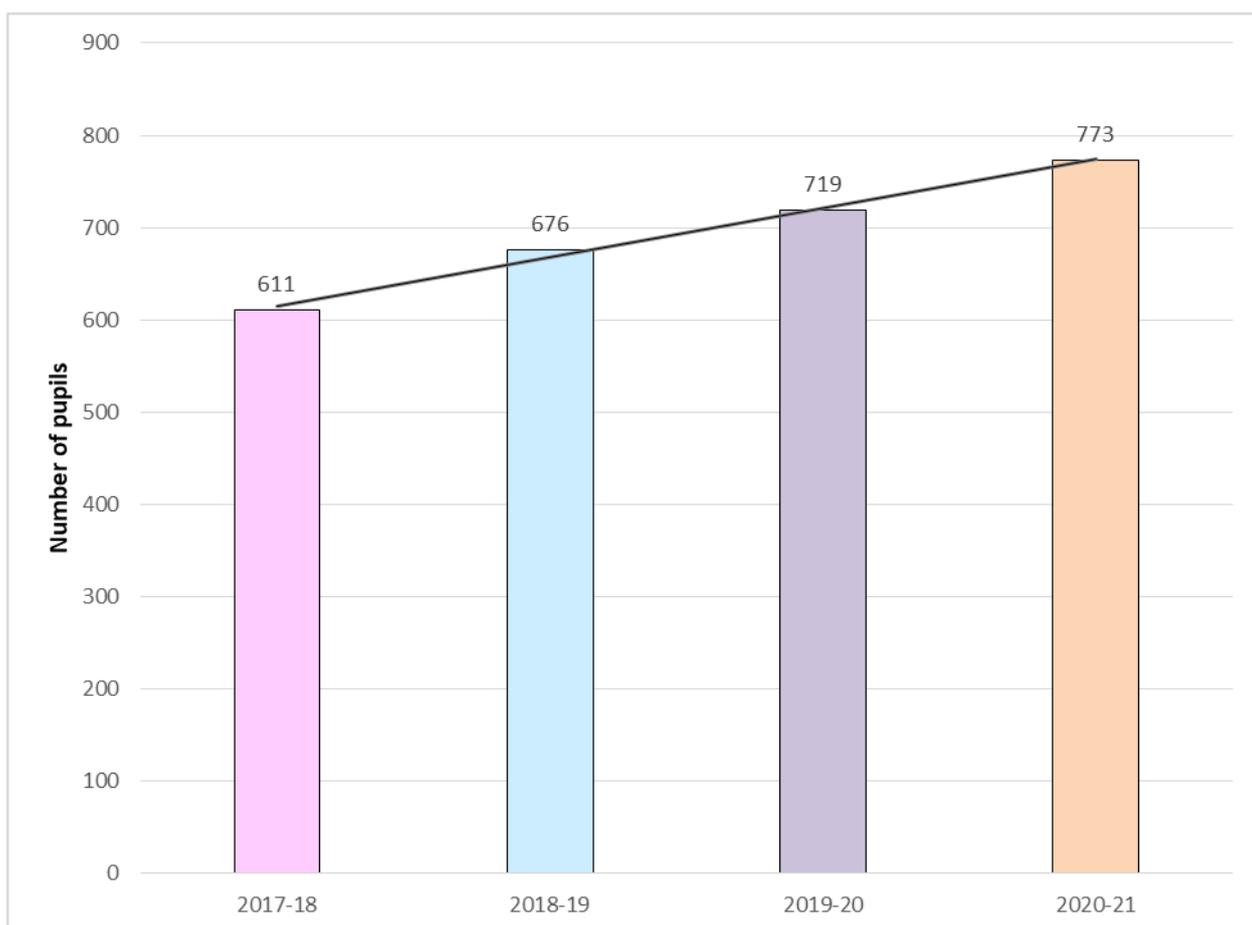
	2018-19			
	Grand total			Average cost
	Amount	FTE	%	
BF schools and academies	£6,954,202	391.96	57.98%	£17,742
OLA schools and academies	£2,198,456	99.70	14.75%	£22,051
PVI/College/other post 16	£5,831,415	184.36	27.27%	£31,631
<b>Totals</b>	<b>£14,984,073</b>	<b>676.01</b>	<b>100.00%</b>	<b>£22,165</b>
<b>Year on year change</b>	<b>14.47%</b>	<b>10.63%</b>		

	2019-20			
	Grand total			Average cost
	Amount	FTE	%	
BFC pupils in BFC mainstream/academy	£2,274,934	201.51	28.02%	£11,289
BFC pupils in BFC special school	£3,774,689	154.48	21.48%	£24,436
BFC pupils in BFC resource provision	£971,929	43.75	6.08%	£22,216
BFC pupils in OLA mainstream/academy	£308,246	28.59	3.97%	£10,782
BFC pupils in OLA special school	£2,399,398	80.25	11.16%	£29,899
BFC pupils in OLA resource provision	£73,804	4.76	0.66%	£15,521
PVI/College/other post 16	£6,865,255	205.91	28.63%	£33,341
<b>Totals</b>	<b>£16,668,255</b>	<b>719.24</b>	<b>100.00%</b>	<b>£23,175</b>
<b>Year on year change</b>	<b>11.24%</b>	<b>6.39%</b>		
<b>Cumulative 2-year change</b>	<b>27.34%</b>	<b>17.71%</b>		

	3 year average 2017-18 to 2019-20	
	FTE	%
BF schools and academies	388.10	58.03%
OLA schools and academies	96.21	14.39%
PVI/College/other post 16	184.46	27.58%
<b>Totals</b>	<b>668.77</b>	<b>100.00%</b>

	2019-20			
	Amount	FTE	Amount	FTE
BF schools and academies	£7,021,553	42.13%	399.74	55.58%
Non BF placements	£9,646,702	57.87%	319.50	44.42%
<b>Totals</b>	<b>£16,668,255</b>	<b>100.00%</b>	<b>719.24</b>	<b>100.00%</b>

**Actual and forecast number of high needs pupil placements  
(As included in the consultation with schools)**



**Steady state assumptions (June 2019 data):**

	2019-20 Estimated Actual	2020-21 Initial Estimate
Number of high cost placements	719	773
Forecast increase in placements		54
Average cost of placement		£23,175
Forecast cost increase		£1,251,000
Forecast overspend in 2019-20		£1,996,000
Forecast overspend for 2020-21		£3,247,000

## Initial Equalities Screening Record Form

<b>Date of Screening:</b>	<b>Directorate: People</b>		<b>Section: Education and Learning</b>
<b>1. Activity to be assessed</b>	This relates to a proposal to retain 0.5% of schools block funding (£0.375m) in 2020/21 and move this to the high needs budget.		
<b>2. What is the activity?</b>	<input checked="" type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input type="checkbox"/> Service <input type="checkbox"/> Organisational change		
<b>3. Is it a new or existing activity?</b>	<input checked="" type="checkbox"/> New <input type="checkbox"/> Existing		
<b>4. Officer responsible for the screening</b>	Kashif Nawaz		
<b>5. Who are the members of the screening team?</b>	Kashif Nawaz, Sharon Jones, Rachel Morgan		
<b>6. What is the purpose of the activity?</b>	Bracknell Forest Council is currently looking at ways of reducing the pressure and overspend in the High Needs Block.		
<b>7. Who is the activity designed to benefit/target?</b>	The Schools Block provides the funding for the mainstream primary and secondary formula, so a transfer will reduce the amount distributed through the formula.		
<b>Protected Characteristics</b>	<b>Please tick yes or no</b>	<b>Is there an impact?</b> What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	<b>What evidence do you have to support this?</b> E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
<b>8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.</b>	Y	If the proposal is not agreed, then potentially negative impact on pupils with disabilities if their school's high needs funding has to be reduced through other proposals linked to the high needs block of the DSG.	 Sufficiency Analysis v2.pdf
<b>9. Racial equality</b>		N	
<b>10. Gender equality</b>		N	

11. Sexual orientation equality		N		
12. Gender re-assignment		N		
13. Age equality	Y		If the proposal to transfer funding from the schools block there will be less funding available for school budgets for those in reception year through to year 11. However, schools will on average receive a 5.9% increase in per pupil funding after allowing for the £0.375m transfer associated with this proposal.	 Sufficiency Analysis v2.pdf
14. Religion and belief equality		N		
15. Pregnancy and maternity equality		N		
16. Marriage and civil partnership equality		N		
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	None			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	No			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	None			
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?		N	Please explain for each equality group	
21. What further information or data is required to better understand the impact? Where and how can that	A full scale analysis has been completed to demonstrate the range of resource and provision needed. This is available at:			

information be obtained?	 Sufficiency Analysis v2.pdf		
22. On the basis of sections 7 – 17 above is a full impact assessment required?		N	The proposal is intended to protect the interests of children with disabilities. No adverse impacts are expected on other groups.
23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.			
<b>Action</b>	<b>1 Timescale</b>	<b>2 Person Responsible</b>	<b>3 Milestone/Success Criteria</b>
Continued liaison with the Schools Forum Sub Group.	Jul '19 – Jul '20	KN/PC	<ul style="list-style-type: none"> <li>• Development of a proportionate High Needs spending plan.</li> <li>• Development of the SEND commissioning strategy together with action plan</li> </ul>
24. Which service, business or work plan will these actions be included in?	The work of the Schools Forum High Needs Sub Group		
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	- review of alternative provision - SEND Needs and Sufficiency analysis - collaboration with Schools Forum Sub Group to shape local provision and direction of High Needs Funding		
26. Chief Officers signature.	4 Signature:		Date:

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## Summary medium term financial plan for the HNB – Proposed Budget Changes

	Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Scaling for risk	Comments
	<b><u>Funding gap from Table 1:</u></b>						
	Annual	2.408	2.476	3.377	4.294		
	Forecast DSG reserve 31/3/20	-1.631					
1	Cumulative	0.777	3.252	6.630	10.924		
	<b><u>Planned changes:</u></b>						Note: some proposals can be categorised differently or across multiple areas
2	Prior years on-going savings			-1.450	-2.793		All assumptions subject to change and therefore need to be viewed as a guide.
	<b><u>SEND support stage</u></b>						
3	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.
	<b><u>Reducing demand for EHCP</u></b>						
4	New SEN units - Phase 1		-0.855	-0.516	-0.035	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.
5	New SEN units - Phase 2			-0.121	-0.206	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.

	Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Scaling for risk	Comments
6	Savings from primary unit		-0.016	-0.028	-0.027	25%	Assumes new SEN Unit opens in September 2020 to 3 pupils, with similar number of admissions thereafter. Specialism for admission yet to be agreed.
7	Spare places at Meadow Vale Unit		-0.036			10%	The SEN Provision at Meadow Vale has 4 vacant places. The funding should be withdrawn or places filled, therefore reducing more expensive places elsewhere.
8	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.
9	Savings from Rise ASD Secondary Resource provision		-0.034	-0.058		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.
	<b><u>Review PAN at specialist providers</u></b>						
10	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
11	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.
	<b><u>Reducing reliance on external providers</u></b>						
12	Increase BF placements at KLS		-0.017	-0.026	-0.041	45%	Ensure 4-5 BF students replace OLA students at KLS each year to ensure better value high quality placements

	Item	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Scaling for risk	Comments
13	Replace no top up pupils at KLS with higher needs pupils		-0.024	-0.038	-0.061	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.
	<b><u>Improved commissioning</u></b>						
14	Inflation management		-0.076	-0.083	-0.090	15%	Assumes save 0.5% per annum on care inflation assumption
15	Block contracts		-0.056	-0.056	-0.056	20%	Economies from prices as providers received guaranteed income.
16	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.
	<b><u>Central Services:</u></b>						
17	- 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.
18	<b>Forecast impact of interventions</b>	<b>0.000</b>	<b>-1.450</b>	<b>-2.793</b>	<b>-3.618</b>		
	<b><u>Funding gap after interventions</u></b>						
19	<b>Annual</b>		<b>1.802</b>	<b>0.584</b>	<b>0.676</b>		
20	<b>Cumulative</b>	<b>0.777</b>	<b>1.802</b>	<b>2.387</b>	<b>3.063</b>		

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**TO: SCHOOLS FORUM**  
**DATE: 21 NOVEMBER 2019**

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**2020-21 BUDGET PREPARATIONS FOR THE  
SCHOOLS BLOCK AND CENTRAL SCHOOL SERVICES BLOCK  
Executive Director: People**

**1 PURPOSE OF REPORT**

- 1.1 To provide an update to the Schools Forum on the matters that can now be dealt with in respect of the Schools Block (SB) and Central School Services Block (CSSB) elements of the Schools Budget in order for the timely preparation of the 2020-21 budget.
- 1.2 Whilst the Department for Education (DfE) has yet to provide the final data that must be used to calculate individual school budgets, information is emerging that allows for decisions to be taken on some key matters which will aid the finalisation of the budget which must be presented to the DfE by the statutory deadline of 21 January 2020.
- 1.3 There are 2 further scheduled meetings of the Forum before the DfE deadline which will present further opportunities to take decisions on next year's budget for schools.

**2 EXECUTIVE SUMMARY**

- 2.1 The release of more information by the DfE on the School and Education spending review has allowed for initial preparations of the 2020-21 SB and CSSB Budgets to commence.
- 2.2 As expected, the financial settlement delivers a much better outcome for schools than in recent years, which when the £0.308m funding contribution from the council is added amounts to an average 6.9% increase in per pupil funding. After accounting for the local cost pressures, of which the most significant relate to diseconomy funding for new schools and supporting pupils with high needs, there remains an average 5.9% increase for individual schools.
- 2.3 These are relatively high-level calculations which will be subject to change as more information becomes available. However, they do present a sound starting point for budget planning and early decision making where appropriate.

**3 RECOMMENDATIONS**

**To NOTE:**

- 3.1 **The latest update on the School and Education Spending review and the impact anticipated for BF at this time**
- 3.2 **The known options used by other LAs for funding the additional costs arising from new schools, as summarised in Table 2**
- 3.3 **The 6.9% increase in per pupil funding, which after meeting the cost of new pressures, schools will on average receive a 5.9% increase.**
- 3.4 **That the Minimum Per Pupil Funding values expected by the DfE of £3,750 for primary aged pupils and £5,000 for secondary can be fully financed**

## **To AGREE:**

- 3.5 The budget changes for 2020-21, as summarised in Table 4, with particular consideration given to:**
- 1. The revised medium-term funding strategy for meeting the additional cost arising from the Growth Fund (Annex 3)**
  - 2. The elements of the 2020-21 Growth Fund (Table 3)**
  - 3. The pressure to support pupils with high needs**
  - 4. The impact of changes in funding to the CSSB**
  - 5. That the Minimum Funding Guarantee is set at the maximum amount of +1.84%**
- 3.6 The updated text for the Funding Policy for New and Expanded Schools (Annex 1)**
- 3.7 On-going central retention by the Council of Central School Services funding for the areas and amounts set out in Annex 4.**
- 3.8 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).**
- 3.9 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.**

## **4 REASONS FOR RECOMMENDATIONS**

- 4.1 To ensure that the Schools Block and Central Schools Services Block elements of the Schools Budget are developed in accordance with the views of the Schools Forum and governors, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual school budgets to the DfE by 21 January 2020.**

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 These are set out in the supporting information.**

## **6 SUPPORTING INFORMATION**

### Background

- 6.1 This report concentrates on the SB and CSSB elements of the Schools Budget which are intended to fund delegated school budgets and the small number of services that the DfE allows LAs to manage centrally on behalf of schools, where agreed by the local Schools Forum.**
- 6.2 The previous meeting of the Forum received a presentation to update members on the School and Education Spending Review which was announced after the deadline for the**

production of reports. Further data has subsequently been received with the key headlines as follows:

### **Schools Budget:**

1. Over the next 3 years there will be a 15% increase in funding which the Institute for Fiscal Studies says restores school spending to pre-austerity levels
2. Whilst total funding levels have been agreed to for each year to 2022-23, at this stage detailed decisions have only been taken for 2020-21 for which:
  - a. Factors in the School National Funding Formula (SNFF) will increase by 4%
  - b. Eligibility to a Free Schools Meal (FSM) is the one exception and will rise by 1.84% which is the forecast Gross Domestic Product deflator and equates to the impact of inflation. The DfE treat this factor as broadly intended to cover actual costs in schools
  - c. The gains cap (previously limited to 3%) has been removed, enabling schools to move to the SNFF funding rates in the DfE model
  - d. LAs must now apply these Minimum Per Pupil Funding Levels (MPPFL)<sup>1</sup> in their local Funding Formula – previously discretionary
  - e. The Minimum Funding Guarantee (MFG)<sup>2</sup> that LAs must use in their Funding Formula i.e. minimum annual change in per pupil funding - must be between +0.5% and +1.84%.
3. There is a renewed commitment to implement the SNFF and further remove local involvement in decision making on school funding.
4. The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the SNFF in 2020-21, with funding rates yet to be confirmed.

### **Central School Services Budget:**

1. The ongoing responsibilities element of the CSSB, which funds all LAs for central functions they have to deliver for all pupils in maintained schools and academies, is paid to LAs as an amount per pupil. There is a protection to ensure no LA sees losses of greater than 2.5% per pupil, compared to 2019-20.
2. The historic commitments element of the CSSB, which funds some LAs for commitments they made prior to 2013-14 that support vulnerable pupils is being reduced by 20% from LAs' 2019-20 allocations, in line with the previously announced intention to begin to reduce this funding. This equates to £0.081m in BF.

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<sup>1</sup> The SNFF includes MPPF levels that are applied equally to all primary and secondary schools (£3,750 and £5,000 respectively in 2020-21). LAs had discretion to apply these values in their local funding formula but from 2020-21 they will become mandatory at local level, unless agreed by the DfE that they are unaffordable when local budget circumstances are taken into account, most notably in respect of pressures on the Growth Fund from new schools and High Needs pupils.

<sup>2</sup> 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. The MPPF calculation made by the DfE is for a minimum value of per pupil funding and only excludes business rates. Therefore, the calculations are performed differently.

## Provisional budget position for 2020-21

### *Estimated Schools Block Dedicated Schools Grant (DSG)<sup>3</sup>, income to be paid to BFC*

- 6.3 In terms of the potential impact from these decisions on school budgets in BF, further information has now been released which can be used to start to determine the likely financial effect.
- 6.4 The Forum will be aware that to determine an LAs SB DSG funding, the DfE applies the same uniform SNFF factors and values to every school in the country, using lagged pupil number and other data e.g. FSM, test results. The resultant individual primary school budgets are then aggregated together and divided by total primary pupil numbers to determine an LAs standard primary per pupil funding rate – called the Primary Unit of Funding (PUF). The same calculation is also made for secondary schools to determine the Secondary Unit of Funding (SUF). Each LA is then funded at these per pupil funding rates on the most recent October census data.
- 6.5 For next year, the DfE will calculate the PUFs and SUFs against the confirmed 2020-21 SNFF units of resource and the 2018 census data, so on a partially lagged basis. This approach is taken to provide schools and LAs key budget data at an early stage of the budget setting process as the most up to date October 2019 census data is not validated until December 2019. Waiting for actual data would mean a release date of just 1 month before budgets must be finalised and approved through the local democratic process.
- 6.6 The DfE has made one change to the SNFF for 2020-21 which relates to a new formulaic approach to the high pupil mobility factor so that funding is allocated more fairly to LAs compared to the current basis of historic spend. Rather than relying on a single census, this new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. The new data allocates £0.036m to BF, an increase of £0.034m from 2019-20, and is incorporated into the calculation of PUFs and SUFs.
- 6.7 The DfE has now confirmed the PUFs and SUFs that will be used to calculate 2020-21 DSG allocations and these will be £3,930.99 for the BF PUF and £5,234.90 for the BF SUF. This equates to a 6.8% increase in the per pupil funding rate for primary aged pupils and 4.8% for secondary.
- 6.8 Based on there being no change in the 16,140 pupils recorded on the actual October 2018 school census data, this would deliver £71.517m of SB DSG income, a cash increase of £3.965m, and an average 5.9% increase in per pupil funding on a like for like basis. This follows a 2.3% increase in 2019-20 and reflects the impact of the spending review.
- 6.9 The provisional October 2019 census data shows that pupil numbers have increased by 143 to 16,283 and this generates a further £0.835m DSG income and £72.352m in total. The expected change in pupil number profile between primary and secondary schools results in an average increase in per pupil funding from PUFs and SUFs of 6.2%.

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<sup>3</sup> The DSG is the ring-fenced grant allocated by the DfE to LAs to fund most of their expenditure on school and education related services.

6.10 The DfE has also confirmed the separate funding allocations to LAs for non-pupil-based school expenses. This is mainly intended to finance the cost of business rates and other specific costs agreed with individual LAs. Funding for these costs will be £1.866m and is allocated based on 2019-20 actual spend and for BFC comprises:

1. £1.679m for business rates
2. £0.075m for split site costs (Warfield Primary)
3. £0.112m for additional lump sum payment, generally for 1 year only, to schools that amalgamated in 2018 (College Town Infant and Junior Schools)

As with all funding that is received on a lagged basis, there will be differences in the amounts received by BFC and what is then provided to individual schools as this must use the most up to date data.

6.11 In terms of the Growth Fund<sup>4</sup>, the DfE will continue to use the existing formula which measures pupil growth between the two most recent October census points across small geographical areas and allocates funding where there is a net increase in numbers, with no net-off against areas that experience a reduction.

6.12 The DfE has recently released limited data to assist LAs in calculating potential Growth Fund DSG income, which for BF, using provisional October 2019 pupil numbers, suggests around £0.800m of DSG.

6.13 Therefore, at this stage, the overall income for the SB is estimated at £75.018m, an overall increase from last year of £5.214m. Table 1 below sets out a summary of the change in funding from each element of the SB DSG.

Table 1: Forecast SB DSG for 2020-21

	<b>Total £'000</b>	<b>Total £'000</b>
<b>Total DSG for 2019-20</b>		<b>69,804</b>
<u>Forecast changes for 2020-21:</u>		
Effect of 6.2% increase in DSG funding rates	3,931	
Effect of 143 new pupils	835	
Change in high pupil mobility funding	34	
Change in business rates funding	206	
Change in split site factor funding	75	
Change in school amalgamation funding	112	
Change in Growth Fund	21	
Total forecast change		5,214
<b>Total forecast DSG for 2020-21</b>		<b>75,018</b>

<sup>4</sup> 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.

### *Current Schools Budget base budget*

- 6.14 The SB base budget approved at the January 2019 meeting of the Schools Forum amounted to £70.361m, of which £69.769m was funded by SB DSG income (note it was agreed to transfer £0.035m of the £69.804m total to the CSSB budget), £0.254m from accumulated balances and £0.338m from the council as part of a 4-year funding plan to contribute £1m to the extra costs arising from new schools. £70.361m is therefore the initial cost base needing to be funded before considering any budget changes.

### *Proposed budget changes for 2020-21*

#### ***Change in pupil numbers***

- 6.15 Paragraph 6.9 above sets out that the provisional October 2019 census data indicates that pupil numbers have increased by 143 and that this generates a further £0.835m of DSG income. This is expected to closely represent the extra amount of funding allocated to schools and a budget pressure for this amount has therefore been included in the proposals. After taking account of the additional DSG income, no significant financial impact is anticipated in next year's budget as a result of changes in pupil numbers.

#### ***Growth Fund - Impact from new / expanding schools and other criteria***

- 6.16 Forum members will be aware that the SB Budget is experiencing a significant pressure from the additional cost of new schools and in December 2018 approved an updated funding policy for 2019-20. The agreed policy can be viewed at:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=187&MId=8188&Ver=4>

- 6.17 In reviewing the policy, one change is proposed for 2020-21. This relates to when a new school moves from the new school funding policy to the normal BF Funding Formula. Current wording sets in place thresholds based on actual pupil capacity to determine transference to the BF Funding Formula.
- 6.18 It is now proposed that once a school has admitted pupils to all the intended pre-16 year old year groups, it will move to the BF Funding Formula. This will provide greater certainty to schools as to the funding method to be used. Should a new school consider there are circumstances that makes this inappropriate, then an appeal can be made which will be considered on a case by case basis. The change reflects current experience and is intended to ensure new schools move quickly to the BF Funding Formula and are funded on an equitable basis to existing schools.

Annex 1 sets out the changes proposed to the current policy.

- 6.19 In recognition of the financial impact arising from new schools that is not being fully financed through the Growth Fund element of the SB DSG, the council's Executive agreed to provide £1m of funding over a 4-year period from the council's reserves as part of a medium term budget strategy. This strategy also utilises the £1m held in the earmarked New School Start-up / Diseconomy Reserve that was created for this purpose and part of the annual increase in SB DSG. The £1m contribution from the council was agreed despite the significant financial pressures being faced, including a forecast budget gap of at least £10m to for 2023-24.

Annex 2 sets out a summary of the £4.3m additional cost originally anticipated over the 4-year period from April 2019 to March 2023 and the contribution required from each funding stream.

- 6.20 In considering the financial impact of new schools, the last meeting of the Forum requested information on how other LAs provided funding and whether there were other areas to consider in BF. A survey requesting funding sources was therefore sent to LAs in the south east of England region and 10 replies were received which indicated no alternative funding sources were being used and that BFC was the only LA part funding the cost of new schools from its general resources. Table 2 below summarises the replies:

Table 2: New schools: analysis of funding sources

<b>Funding source</b>	<b>Number of LAs making use</b>
DSG: SB - Growth Fund	8
DSG: SB - General	3
Accumulates SB balances	4
Council Funding	0
Other	0

Note: Some LAs use more than 1 funding source.

- 6.21 The funding plan to March 2023 has been updated to reflect current expectations around admissions to the new schools and the School and Education Spending Review. This indicates that the funding gap to March 2023 has reduced by £0.522m to £3.696m. The main reason for the improvement relates to an estimated £0.774m extra Growth Funding from the DfE through the SB DSG. There is now a greater understanding of how this new formula in the DfE funding system works which indicates on-going significant funding from the extra pupils being admitted to the new schools in North Bracknell.
- 6.22 Furthermore, the budget provision for Growth Fund responsibilities managed by BFC in existing schools has been reviewed to reflect forecast October 2019 data with the budget requirement proposed to be reduced by £0.101m to £0.365m. The medium-term forecast of likely need is expected to remain at around £0.420m comprising £0.332m for in-year growth allowances, £0.073m for KS1 classes and £0.015m for new school post opening costs.
- 6.23 Taking account of these changes, it is appropriate to review the medium-term funding strategy that was agreed last year. This originally indicated a need to increase the contribution from the SB DSG from 0.5% in 2019-20 to 0.8% in 2020-21 before peaking at 1.1% in 2021-22. The strategy also planned to fully utilise the £1m from the council and £1m from the New School Start-up / Diseconomy Reserve.
- 6.24 A revised funding plan is now proposed that continues to use the £1m of funding from the council for which £0.308m would be provided in 2020-21, with reduced contributions of 0.7% from the SB DSG in 2020-21 (circa £0.525m) and 0.9% (circa £0.675m) for the 2 subsequent years. This approach would create a new pressure of £0.187m on the SB DSG in 2020-21 i.e. the £0.338m deduction agreed for 2019-20 remains available again in the base budget for this purpose, with a further £0.187m now required to reach the £0.525m cumulative amount. A further pressure of £0.150m would arise in 2021-22. The New School Start-up / Diseconomy Reserve would retain a balance of £0.483m which would be available as a contingency against any net cost increase over the period.

- 6.25 Considering the improved 6.2% average increase in per pupil funding to be received through the PUFs and SUFs, from a medium-term financial planning perspective, maintaining a contribution at a relatively high level when funding is more favourable is considered the best approach to take rather than fully utilising the reserves.
- 6.26 Table 3 below summarises the funding strategy proposed for 2020-21, and the additional financial support anticipated for new schools at this stage. Annex 3 sets out the medium-term financial plan in more detail, together with the changes from the plan compared to those presented when the 2019-20 budget was set.

Table 3: Proposed financing and associated budget for the Growth Fund (provisional)

	<b>Primary £'000</b>	<b>Secondary £'000</b>	<b>Total 2020-21 £'000</b>	<b>Total 2019-20 £'000</b>	<b>Total Change £'000</b>
<b><u>New schools:</u></b>					
Diseconomy costs	443	824	1,268	1,243	25
	443	824	1,268	1,243	25
<b><u>Retained Growth Fund</u></b>					
Start-up costs	0	0	0	26	-26
Post opening costs	15	0	15	75	-60
In-year pupil growth	139	139	277	305	-28
KS1 classes	73	0	73	60	13
	227	139	365	466	-101
<b>Total estimated costs</b>	<b>670</b>	<b>963</b>	<b>1,633</b>	<b>1,709</b>	<b>-76</b>
<b><u>Financing:</u></b>					
BF council			308	338	-30
DSG balances			0	254	-254
2020-21 DSG income - Growth Fund			800	779	21
2020-21 DSG income - SNFF			525	338	187
<b>Total estimated costs</b>			<b>1,633</b>	<b>1,709</b>	<b>-76</b>
<b><u>By school:</u></b>					
Warfield Woodhurst	0	0	0	105	-105
KGA - Oakwood	248	0	248	203	45
KGA - Binfield	195	824	1,019	934	85
<b>Total estimated costs</b>	<b>443</b>	<b>824</b>	<b>1,268</b>	<b>1,243</b>	<b>25</b>

- 6.27 The funding plan will clearly need to be kept under review. In terms of longer-term expectations, September 2023 is expected to be the latest point that KGA Binfield Secondary school would be resourced through the new school funding policy. At the point funding moves to the BF Funding Formula and overall costs of the new schools funding policy are forecast to reduce by £0.6m from the relevant September, and £0.9m in a full year.

### ***Proposed funding transfer to the High Needs Block (HNB)***

- 6.28 At its last meeting, the Forum agreed the release of a consultation from the council to gather views from schools on transferring up to 0.5% - circa £0.375m – of SB DSG to contribute to the significant cost pressures being experienced in the HNB. A separate agenda item covers this proposal in more detail and includes the recommendation to approve the transfer. For overall budget planning purposes, it is assumed that the transfer will be agreed, and funding for this pressure has therefore been set aside, although clearly this is not certain and may need to be amended.

### ***Impact from business rates revaluation***

- 6.29 Forum members are aware that there was a business rates revaluation at April 2017 of which the outcome was a cost increase to most schools. However, the full financial impact is being phased in through a 5-year transitional protection scheme. There is also an annual uplift to charges levied through the business rates scheme, estimated at 1.6%. Taking account of the latest available information, including the changing school estate, there is estimated to be a net cost reduction to school rates of £0.037m. This mainly reflects the over provision for business rates at KGA Binfield which has a provisional rating valuation (RV) based on the school being partially open, rather than the full cost which was included in the 2019-20 base budget. Other savings have also occurred between estimated RV increases at recently expanded schools and actual charges.

### ***Split site schools***

- 6.30 For the current year budget, the Forum agreed to fund the £0.075m pressure raised by Warfield Primary school which was expanded by a further 2 forms of entry to accommodate additional pupils that would require a school place as a result of house building. The new school is located on a different site and has a walking distance of 1.167 miles from the original school which presents unique issues.
- 6.31 After two years' experience of managing the split site school, the school had identified a number of additional costs that needed to be incurred as a result of the site configuration for which there is no additional funding allocation. These mainly relate to staffing needed to maintain a presence on 2 sites which creates inefficiencies, and includes office staff, especially main reception, lunchtime controllers and site staff. The most significant non-staffing cost relates to the need for a mini-bus to enable sharing of curriculum and sporting activities across both sites. The cost impact has been calculated at £0.075m.
- 6.32 The intention is to review this budget requirement each year to ensure the amount paid remains valid. The Headteacher has continued to monitor the additional costs being incurred and with no substantial changes to the characteristics of the school considers the current funding allocation remains the valid amount. No change is therefore proposed to the current base budget for this item.
- 6.33 As set out above in paragraph 6.10 2, LAs are fully funded for costs that are agreed with the DfE, but on a lagged basis. The DfE has agreed to fund this cost, with additional income to be received for the first time in 2020-21 at £0.075m. Therefore, no additional cost pressure arises for the split site factor, which based on the assertion of the Headteacher that the additional costs are necessary, the split site funding factor is assumed to continue.

### ***School amalgamations***

- 6.34 2 school amalgamations occurred in September 2019. These generally result in improved management capacity to raise school standards and greater financial viability than

compared to smaller Infant and Junior schools. In the short term, DfE Funding Regulations allow for additional funding allocations to be made to schools in the year following an amalgamation to allow for more time to implement change. The Regulations assume the amalgamated school receives a 1-year funding uplift to 85% of the standard lump sum payment that the 2 former schools received. LAs receive funding for these payments on a lagged basis.

- 6.35 As set out above in paragraph 6.10 3 lagged funding of £0.112m is included in the SB DSG for the cost of school amalgamations. With 2 schools qualifying for additional payments next year, taking account of a provisional 2020-21 lump sum payment of £0.119m, then each school will receive an extra £0.101m. The net cost increase in 2020-21 is therefore £0.090m which has been included as a pressure. On this basis, the 2021-22 SB DSG will include £0.202m of income for school amalgamations when there may be no costs to finance, presenting additional income.
- 6.36 Governors of the schools at these latest amalgamations have raised concerns that cost reductions are occurring at a slower rate than expected and have requested that enhanced funding continues for a second year. The LA is seeking evidence to support this claim which will be presented to the Forum for consideration when available, although this will not impact until the 2021-22 budget. The DfE will need to agree any enhanced payments past the first year on a case by case basis. The expectation of the DfE is that if agreed, the second year will be no more than 70% uplift to the core lump sum payment all other schools receive.

#### ***Allocating additional funds to schools***

- 6.37 Table 4 below summarises the budget changes proposed by the council for 2020-21. If all of these are supported by the Forum, then there is expected to be £3.470m of new funds to be allocated to schools that helps to deliver 5.9% average per pupil funding increases.
- 6.38 At the last meeting of the Forum it was 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. At this stage, it is expected that each BF factor value will be set at 98.7% of the equivalent SNFF rates.

#### ***Meeting DfE per pupil funding requirements***

- 6.39 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 i.e. the MPPF value
  2. increase in per pupil funding from the previous year i.e. the MFG

#### ***MPPF values***

- 6.40 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. The provisional calculations made at this stage indicate additional payments of £0.447m, with 5 primary schools receiving £0.246m in aggregate with 2 secondaries receiving £0.201m. This is a reduction of £0.164m compared to 2019-20 when 6 primary schools received £0.156m and 3 secondary schools £0.455m.

- 6.41 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 receiving lower per pupil funding increases.
- 6.42 It was reported to the previous meeting of the Forum that there was concern that if a significant number of schools were funded to the mandatory MPPF rates, then a disproportionate burden would fall on all other schools in meeting the cost pressures. With the general 4% uplift in SNFF factor, a significant number of schools previously close to MPPF values have moved above them, with initial budget calculations indicating a reduction in the number of schools and cost associated with meeting the MFPPF rates. This is no longer considered an area of significant concern.

#### *MFG*

- 6.43 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%.
- 6.44 Reflecting on the additional funding included in the SNFF, the council proposes that the maximum +1.84% increase is applied, which is the amount required to cover the cost of inflation. 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. Current estimates are that a very small amount of MFG at £0.003m will need to be paid to a single 1 Form of Entry (FE) school only which would ordinarily be receiving a 1.47% increase compared to their current year budget.
- 6.45 The DfE recognise that there can be circumstances when the normal operation of the MFG can result in unexpected outcomes and LAs can therefore make a request for a "disapplication" of the MFG.
- 6.46 MFG disapplication requests have been approved previously where "the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls". Indeed, the DfE approved a request from BFC for 2019-20 for the scenario being faced at Kings Academy Binfield, where the diseconomy funding model results in a reduction in per pupil funding between years as the school experiences a relatively significant increase in pupil admissions each year but with the per pupil funding lower than the previous year as the impact of diseconomies reduces.
- 6.47 The same issue is again faced in 2020-21, along with the newly opened Kings Academy Oakwood. An MFG disapplication request has also been made to the DfE for the 2020-21 budget.

#### ***Illustrative 2020-21 individual school budgets***

- 6.48 In order to prepare these budget proposals, individual school budgets have been modelled. Taking account of the data currently available, this uses the provisional October 2019 pupil numbers and for all other pupil characteristics used for funding purposes, such as FSM eligibility, lagged 2018 data has been used.
- 6.49 The budget assumptions set out above have all been incorporated into the modelling. This includes a 6.9% increase in per pupil income from 2019-20 which comprises 6.2% from the increase in PUFs and SUFs, 0.4% from the funding contribution from the council

and 0.3% from net additional DSG funding for rates, the split site factor and the Growth Fund.

6.50 Using these key assumptions, the following headline data is available for illustrative school budgets (NB in this context, per pupil funding is calculated from the whole school budget less rates):

- 1 Primary schools would receive an average increase in per pupil funding of 6.5%, and secondaries 5.0%. The average increase for all schools is 5.9%
- 2 The highest per pupil increase in a primary school would be 12.2%, with 7.5% in secondary. The lowest increases would be 0.9% and 2.3% respectively.
- 3 10 of the 11 lowest increases in per pupil funding are all 1 FE primary schools, where the overall average for all 11 1 FE schools is 2.3%. The average increase for both 2 FE and 3 FE schools is 7.9% with 5.0% for secondary schools.
- 4 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.
- 5 The MPPF level amount has increased by 7.1% for Primary and the secondary rate has increased by 4.1%
- 6 The average per pupil funding amount for a primary school would be £3,883 and £5,189 for a secondary.

6.51 The analysis of potential change in school budgets clearly shows a significantly lower increase in per pupil funding for 1 FE primary schools than all other sized schools. The reason for this relates to the importance of the fixed lump sum factor to small schools. The 2019-20 BF Funding Formula includes £0.160m for the lump sum. With the approach now being taken of scaling all factor values by the same proportion, this reduces to £0.119m. In the current year, the lump sum on average accounts for 20.0% of a 1 FE school's budget. This reduces to 14.6% in 2020-21.

6.52 A number of other local LAs are also experiencing the major impact of the reduced lump sum value in the SNFF on 1 FE schools and are including funding protection. This was highlighted as a potential issue on the budget modelling included on the July financial consultation with schools. The Forum is recommended to agree that the December meeting considers phasing the reduction in the fixed lump sum allocation over the 3-year spending review period in order to provide higher increases for 1 FE schools. If agreed, options will be modelled and presented for consideration in December.

### **Reasons why the SNFF budget will not be delivered in BF**

6.53 There are a number of reasons why despite the DfE fully funding the SNFF, individual LAs are not always able to replicate the budgets locally. These include:

1. Differences between the factors used in the SNFF and their values compared to the local Funding Formula, in particular where lagged funding is used e.g. split site factor, school amalgamations
2. Differences between DfE funding for cost of new schools, supporting pupils with HN and business rates compared to actual costs expected.
3. Differences between the prior year per pupil data e.g. FSM, test results used to fund LAs and the current year data that LAs must use to fund schools.
4. The impact of the MFG is not included the SNFF allocations published by the DfE.

## **The Central School Services Block**

- 6.54 The central school services block has been created to ensure LAs can continue to carry out their important role in supporting the provision of excellent education for all children of compulsory school age. It covers pre-defined service budgets, with the local Schools Forum holding the statutory decision-making responsibility for agreeing the amount of funds that can be spent on each budget.
- 6.55 It covers two elements which are treated differently within the national funding formula: ongoing responsibilities and historic commitments. On-going responsibilities, where an existing budget has previously been agreed by the BF Schools Forum, and comprises school admissions, servicing of the Schools Forum, places in independent schools for non-SEN pupils, contribution to responsibilities that local authorities hold for all schools and boroughwide initiatives (capped at up to 0.1% of the total Schools Budget).
- 6.56 Historic commitments, which 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. Amongst other things, the funding is used to support the Family Intervention Project, Virtual School for Looked After Children, Young People in Sport and Education Health Partnerships.
- 6.57 Funding for ongoing responsibilities to LAs is distributed 90% according to a per-pupil factor and 10% of funding according to a deprivation factor. Both elements are adjusted for area costs. There are significant differences in LA spending on these duties and therefore the DfE has implemented transitional funding arrangements to balance the rate of change against the need to make progress towards the formula. The new formula will result in a 10.7% funding reduction for BFC through the per pupil funding element. Transitional funding protection limits the loss to 2.5% each year. The Schools Forum has previously financed the loss of grant from the SB DSG. After allowing for a under estimating the 2019-20 grant by £0.005m, the shortfall on this part of the CSSB now amounts to £0.026m.
- 6.58 Like most services, those held within the CSSB are facing significant financial pressures, in particular in respect of pay and pensions. Prior to 2019-20, there had been no inflationary increases to budgets in these areas for 7 years which was creating more significant financial difficulties each year and a funding increase of 3% to all budgets was agreed for this year at a cost of £0.019m. The same issues remain in 2020-21 and a further increase of 3% is proposed. Providing funding for 2 years inflation amounts to £0.039m pressure which it is proposed is funded through a transfer from the SB.
- 6.59 Funding for historic commitments is based on 2013 actual budgets. No new commitments have been allowed and the DfE had previously indicated that funding will be reduced from April 2020. This has now been confirmed at a 20% reduction which amounts to £0.081m of the existing £0.406m budget. As these services support the most vulnerable pupils, the £0.081m pressure is proposed to be funded through a transfer from the SB DSG.
- 6.60 Annex 4 sets out the services proposed to be centrally managed by the council, showing the 2019-20 base budget and the funding proposed for 2020-21 which the Forum is recommended to agree. In total, this will require a £0.146m funding transfer from the SB DSG.

Summary of proposed changes

6.61 Based on provisional budget data, a series of changes have been set out above that the council proposes are reflected in the 2020-21 budget. The Forum is recommended to agree this approach, with further updates likely to be presented at the December and January Forum meetings. At this stage, after meeting new budget pressures, additional funds of £3.470m are expected to be available for schools. Table 4 below summarises the proposed budgets.

Table 4: Summary initial budget proposals for 2020-21

Para Ref.	Item	Schools Block		Central Services Schools Block	Total
		Delegated school budgets	Growth Fund - LA Managed		
		1	2	3	4
		£'000	£'000	£'000	£'000
	<b>2019-20 Schools Block budget</b>	<b>69,895</b>	<b>466</b>	<b>1,060</b>	<b>71,421</b>
	<b>Correction to grant funding</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>5</b>
6.14	<b>2019-20 base budget</b>	<b>70,361</b>		<b>1,065</b>	<b>71,426</b>
6.13	<b>Provisional 2020-21 DSG funding</b>	<b>75,018</b>		<b>939</b>	<b>75,957</b>
6.24	<b>Contribution from BFC to cost of new schools</b>	<b>308</b>		<b>0</b>	<b>308</b>
	<b>2020-21 forecast income</b>	<b>75,326</b>		<b>939</b>	<b>76,265</b>
	<b>+Surplus of income / - Deficit of income</b>	<b>4,965</b>		<b>-126</b>	<b>4,839</b>
	<b><u>Core changes proposed for 2020-21:</u></b>				
6.15	Impact of change in pupil numbers (+143)	835	0	0	<b>835</b>
6.24	New schools - 2020-21 increased cost pressure	187	0	0	<b>187</b>
6.22	In-year growth allowances, KS1 classes etc	0	-101	0	<b>-101</b>
6.29	Rates: revaluation and inflation	-37	0	0	<b>-37</b>
6.35	School Amalgamation - impact on lump sum	90	0	0	<b>90</b>
	<b>Total core changes required for 2020-21</b>	<b>1,075</b>	<b>-101</b>	<b>0</b>	<b>974</b>
	<b><u>Funding transfer from Schools Block:</u></b>				
6.28	Contribution to HNB pressures	375			<b>375</b>
6.60	Contribution to CSSB pressures	146		<b>146</b>	
	<b>Total transfers</b>	<b>521</b>	<b>0</b>	<b>146</b>	<b>667</b>
	<b>Balance for new pressures</b>	<b>3,470</b>			
	<b>2020-21 on-going Schools Block budget</b>	<b>74,440</b>	<b>365</b>	<b>1,085</b>	<b>75,890</b>
	<b>Change in budget</b>	<b>4,545</b>	<b>-101</b>	<b>20</b>	<b>4,464</b>

### Issuing 2020-21 budgets to schools

- 6.62 Continuing the approach adopted for the first time last year, provisional individual school budgets will be issued in early January rather than an indicative budget at the end of December followed by the final budget at the end of January. This is in place because:
1. Provisional budgets have typically been issued on the last day of term with many schools then not having the opportunity to review them until the start of the spring term.
  2. As the DfE are not able to release the October 2019 census data that must be used for budget setting purposes until the middle of December, it is too late to incorporate into the provisional school budgets which are therefore based on estimated data. Whilst pupil numbers can generally be estimated accurately from LA data, other measures, such as free school meal eligibility, and test scores are more difficult to accurately predict.
  3. With the introduction of universal credit, deprivation data is expected to be more volatile than in previous years, as is low prior attainment data for primary schools with the changes in the Early Years Foundations Stage assessments resulting in increases in pupils eligible for funding.

### Growth Fund – significant in-year increases in pupil numbers

- 6.63 The Forum is aware that the criteria for allocating funds to schools experiencing significant in-year increases in pupil numbers is being reviewed for compliance with DfE *Schools revenue funding 2020 to 2021 Operational guidance*. This sets out that the Growth Fund can only be used to “support growth in pre-16 pupil numbers to meet basic need” and may not be used to support “general growth due to popularity; which is managed through lagged funding”.
- 6.64 The DfE define basic need as the statutory duty on local authorities to make sure there are enough school places for children in their local area. This requirement does not extend to individual planning or school designated areas within an authority. This duty has always been met by the council.
- 6.65 Applying the basic need condition on the Growth Fund adds a complication in that at its simplest, all admissions to schools should be separated between basic need and other factors, most notably parental preference, in order to calculate any valid in-year basic need growth pressures which would attract funding. Further clarification has been sought from the DfE with the response that each LA should set their own criteria, taking account of relevant legal advice.
- 6.66 Having considered this, the council considers any application of the basic need requirement can only be practically applied to admissions into the intake year as this reflects the most significant amount of pupil movements and the data is readily available. Taking account of the pupil number thresholds required to trigger an additional payment, this would ordinarily limit the impact of a policy change to secondary schools only.
- 6.67 The most significant impact that could arise should a basic need calculation be added to the Growth Fund policy is that schools benefiting from parental preference gains from pupils attending from out of designated areas would need to fund the cost of any additional classes for 2 terms from September admissions before benefiting from the lagged funding system at the start of the next financial year. These pupils would ordinarily be expected to attend their local school where enough places exist and therefore the extra places being offered are not required. The local school would receive fewer pupils than would otherwise be the case, and therefore lower funding.

- 6.68 The council is therefore proposing an amendment to the qualifying criteria, to be implemented from the October 2019 census, with Annex 5 setting out the full funding policy.

### **Conclusion and Next steps**

- 6.69 Due to the historic low funding levels, BF schools are in general gaining from the national funding reforms. However, there are local budget pressures that are not adequately resourced by the DfE that reduce the overall funding gain that can ultimately be passed on to schools. The council is proposing to provide £0.308m from its own resources in 2020-21 (£1m over 4 years) to ensure schools receive a larger increase than would otherwise be the case.
- 6.70 The recommendations presented in this report allow for some key budget decisions to be taken now that assists with the budget planning. Final SB and CSSB budget proposals for 2020-21 will be presented to the Forum to consider on 16 January when all relevant data used for budget setting purposes is expected to have been finalised which may require some of the proposals included in this report to be revised.

## **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 A decision on the need for an EIA will be taken when the final budget proposals are confirmed.

### **Strategic Risk Management Issues**

- 7.4 Whilst the funding reforms and financial settlement in general result in schools receiving additional funds, a number of strategic risks exist, most significantly:
1. Insufficient funding to cover anticipated pay and price inflation and changes in contributions to the Pension Funds for those schools receiving the lowest increases.
  2. The ability of schools with licensed deficits to manage their repayments. Two secondary schools and four primary schools have significant deficits that need to be managed during a period of financial change.
  3. Managing the additional revenue costs arising from the new / expanded schools programme and increased number of high needs pupils.
  4. The ability of schools to achieve school improvement targets.
- 7.5 These risks will be managed through support and assistance to schools in the budget setting process which is a well-established programme. It has ensured that schools develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term

loans. There remains a de-delegated budget of £0.190m (after academy deduction) to support maintained schools in financial difficulties that meet qualifying criteria.

- 7.6 Any further school academy conversions are also likely to increase budget and general resource pressures on the council. These will need to be managed as they emerge.

## **8 CONSULTATION**

### Principal Groups Consulted

- 8.1 People Directorate Management Team, school governors, head teachers, Schools Forum and other interested parties.

### Method of Consultation

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

### Representations Received

- 8.3 Included in body of the report.

### Background Papers

None:

### Contact for further information

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### Doc. Ref

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## Proposed amendment to the Funding Policy for New and Expanding Schools

New text is in bold and shaded i.e. **bold and shaded**, deleted text is bold and struck through i.e. ~~bold and struck through~~

- 11) To ensure new / expanding schools move quickly to the SNFF and most likely to higher funding allocations, **once a school has admitted pupils to all the intended pre-16 year old year groups it will move to the BF Funding Formula. Should a school consider there are existing circumstances that make this approach inappropriate, then a case can be made to the Assistant Director responsible for schools. The primary considerations will be the needs of pupils throughout the borough and the financial impact on the school, where it will be expected that a school can operate on the BF Funding Formula when pupil numbers are:**

- 1 At least 90% of capacity for 1 FE schools**
- 2 At least 85% capacity for 2 FE schools**
- 3 At least 80% capacity for 3 FE and above schools.**

Funding thresholds are lower for larger schools which in general benefit from greater economies of scale.

**For all through schools, separate calculations will be made for the primary and secondary phases.**

**An appeal to the Assistant Director's decision can be made to the Executive Director responsible for schools whose decision will be final.**

~~Thresholds will be in place based on actual pupil capacity in a new school. 1 FE schools will move to the SNFF once pupil numbers reach 95% of capacity, 2 FE at 90% and 3 FE and above at 85%.~~

*Note to the forum: the funding thresholds have been changed for reasons of funding equity as they are now considered to better reflect what would be expected of an established school.*

**Medium Term funding plan for meeting the cost of new schools:  
as reported to Schools Forum in January 2019**

<b>17 January 2019 Schools Forum Report</b>	<b>2019-20 Estimate £m</b>	<b>2020-21 Estimate £m</b>	<b>2021-22 Estimate £m</b>	<b>2022-23 Estimate £m</b>	<b>4 year total £m</b>
<b><u>New schools:</u></b>					
Start-up costs	0.026	0.000	0.000	0.015	0.041
Diseconomy costs	1.243	1.311	1.142	0.872	4.568
Post opening costs	0.075	0.038	0.030	0.023	0.165
	1.344	1.349	1.172	0.909	4.774
<b><u>Existing Schools:</u></b>					
In-year pupil growth / KS1 classes	0.365	0.400	0.400	0.400	1.565
<b>Total estimated costs</b>	1.709	1.749	1.572	1.309	6.339
Estimated funding from DfE	-0.779	-0.440	-0.440	-0.440	-2.099
<b>Funding gap</b>	0.930	1.309	1.132	0.869	4.240
<b><u>Proposed funding sources:</u></b>					
Use of Schools Budget balances	0.254	0.566	0.186	-0.077	0.929
Contribution from BFC	0.338	0.203	0.203	0.203	0.947
SNFF allocation (DSG):					
<i>In year change</i>	0.338	0.203	0.203	0.000	
Cumulative	0.338	0.540	0.743	0.743	2.364
<b>Total funding</b>	0.930	1.309	1.132	0.869	4.240
<b>4-year shortfall</b>	4.218				
<i>In year % contribution from existing schools</i>	0.50%	0.30%	0.30%	0.00%	
<i>Cumulative % contribution from existing schools</i>	0.50%	0.80%	1.10%	1.10%	

## November 2019: Medium Term funding plan for meeting the cost of new schools

<b>21 November 2019 Schools Forum Report</b>		<b>2019-20 Actual £m</b>	<b>2020-21 Provisional £m</b>	<b>2021-22 Estimate £m</b>	<b>2022-23 Estimate £m</b>	<b>4 year total £m</b>
<b><u>New schools:</u></b>						
1	Start-up costs	0.026	0.000	0.015	0.041	0.082
2	Diseconomy costs	1.243	1.268	1.174	1.160	4.845
3	Post opening costs	0.075	0.015	0.015	0.023	0.128
		1.344	1.283	1.204	1.224	5.054
<b><u>Existing Schools:</u></b>						
4	In-year pupil growth / KS1 classes	0.365	0.350	0.400	0.400	1.515
5	<b>Total estimated costs</b>	1.709	1.633	1.604	1.624	6.569
6	Estimated funding from DfE	-0.779	-0.800	-0.647	-0.647	-2.873
7	<b>Funding gap</b>	0.930	0.833	0.957	0.977	3.696
<b><u>Proposed funding sources:</u></b>						
8	Use of Schools Budget balances	0.254	0.000	0.000	0.229	0.483
9	Contribution from BFC	0.338	0.308	0.282	0.073	1.000
10	SNFF allocation (DSG): <i>In year change</i>	0.338	0.187	0.150	0.000	
11	<i>Cumulative</i>	0.338	0.525	0.675	0.675	2.213
12	<b>Total funding</b>	0.930	0.833	0.957	0.977	3.696
13	<b>4 year shortfall</b>	3.696				
14	<i>In year % contribution from existing schools</i>	0.50%	0.20%	0.20%	0.00%	
15	<i>Cumulative % contribution from existing schools</i>	0.50%	0.70%	0.90%	0.90%	
16	<i>Cumulative % contribution last year estimate</i>	0.50%	0.70%	0.90%	0.90%	

<b>Change from 17 January 2019 Schools Forum Report</b>		<b>2019-20 £m</b>	<b>2020-21 Provisional £m</b>	<b>2021-22 Estimate £m</b>	<b>2022-23 Estimate £m</b>	<b>4 year total £m</b>
<b><u>New schools:</u></b>						
1	Start-up costs	0.000	0.000	0.015	0.026	0.041
2	Diseconomy costs	0.000	-0.044	0.033	0.288	0.277
3	Post opening costs	0.000	-0.023	-0.015	0.000	-0.038
	<b>Total estimated costs</b>	0.000	-0.066	0.032	0.314	0.280
<b><u>Existing Schools:</u></b>						
4	In-year pupil growth	0.000	-0.050	0.000	0.000	-0.050
5	<b>Total estimated costs</b>	0.000	-0.116	0.032	0.314	0.230
6	Estimated funding from DfE	0.000	-0.360	-0.207	-0.207	-0.774
7	<b>Funding gap</b>	0.000	-0.476	-0.175	0.107	-0.544
<b><u>Proposed funding sources:</u></b>						
8	Use of Schools Budget balances	0.000	-0.566	-0.186	0.306	-0.445
9	Contribution from BFC	0.000	0.105	0.079	-0.130	0.053
10	SNFF allocation (DSG): <i>In year change</i>	0.000	-0.016	-0.053	0.000	
11	<i>Cumulative</i>	0.000	-0.015	-0.068	-0.068	-0.151
12	<b>Total funding</b>		-0.476	-0.175	0.107	-0.543
13	<b>4 year shortfall</b>	-0.522				
14	<i>In year % contribution from existing schools</i>	0.00%	-0.10%	-0.10%	0.00%	
15	<i>Cumulative % contribution from existing schools</i>	0.00%	-0.10%	-0.20%	-0.20%	

### Services proposed to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Budget 2019-20 £	Proposed Changes £	Draft 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
<b>Total</b>	<b>£1,064,680</b>	<b>£19,760</b>	<b>£1,084,440</b>

\* 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.

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

New text is in bold and shaded i.e. **bold and shaded**, deleted text is bold and struck through i.e. ~~**bold and struck through**~~

This element of the Growth Fund is ring fenced so that it is only used for the purpose of supporting growth in pre-16 pupil numbers to meet basic need<sup>5</sup>. The fund will be for the benefit of both maintained and Academy schools. For Academy Schools, the funding is for an academic year.

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

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

The relevant thresholds for additional funding are:

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

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

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

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

- **For the year of entry, the calculation of additional pupils will be capped at the lower of the actual number admitted or the Published Admission Number (PAN), other than where the need to exceed PAN is agreed in advance with the LA.**
- **Pupil admissions from parental appeals, LAC pupils and pupils with an EHCP are included in the number on roll when checking that a school has not exceeded its PAN in year of entry; these admissions are generally known by May preceding the start of the academic year.**
- **Schools can request that the Assistant Director: Education and Learning of Education considers additional funding in exceptional circumstances. These will be considered on an individual case basis.**
- **An appeal to a decision of the Assistant Director: Education and Learning can be made to the Executive Director: People, whose decision will be final.**

**For schools that qualify for this factor the calculation is unchanged from the current methodology that compares the total NOR for statutory aged pupils on roll for the**

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

**October census in the current financial year with that of the October Census number on roll in the previous financial year.**

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

There are 2 exceptions to **this the general rule policy**.

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

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

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

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

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