



RESPONDING TO DfE REFORM OF SCHOOL FUNDING

A CONSULTATION WITH SCHOOLS

Issued on 21 June 2019

For reply by 19 July 2019

List of Contents

Item	Page
Why are we undertaking this consultation?	1
Who should respond to this consultation?	1
Further information	1
Queries	2
Responses	2
One page summary of this consultation	3
School Funding Reform	
National context	4
Bracknell Forest approach to reform	5
2020-21 financial position	6
Allocating funds to schools	7
Application of the DfE Minimum Per Pupil Funding Level (MPPFL)	10
'De-delegation' proposals	10
Funding proposals for education related statutory and regulatory duties of the council	12
Next Steps	13

List of Annexes

Annex	Item	Page
1	2019-20 NET school budget allocations through the proposed Options 1-3 – Appropriate for Maintained Schools	15
2	2019-20 GROSS school budget allocations through the proposed Options 1-3 – Appropriate for Academy Schools	17
3	SNFF Units of Resource compared to BF Funding Formula - 2019-20	18
4	Agreed Medium Term Funding Strategy for costs arising from New Schools	19
5	Impact of funding relevant schools at the DfE Minimum Per Pupil Funding Level less 0.5%	22
6	Outline of LA education related statutory and regulatory duties	23

Why are we undertaking this consultation?

1. The council is undertaking this consultation in advance of the detailed 2020-21 school budget setting process in order to consider whether implementing common practices in other local authorities (LAs) in the allocation of funds to schools would improve arrangements in Bracknell Forest (BF) as well as aiding associated service planning. Views are also being sought on a small number of other financial matters.
2. It is being undertaken earlier than in previous years as the Department for Education (DfE) is not expected to confirm the 2020-21 financial settlement for schools until late autumn rather than the usual timing of July. Advanced planning now will greatly assist the overall budget setting process in what will be a constricted timescale.
3. The council's aim is for all schools to be good or better and in order to achieve this we need to develop a strong school system built upon effective relationships with all stakeholders. Views are therefore being gathered from stakeholders so they can be taken into account when funding decisions are taken.

Who should respond to this consultation?

4. The Chair of governors, in consultation with the head teacher and other governors, academy school representatives and other relevant organisations.
5. Information from paragraph 22 to paragraph 40 of this document presents an overview of the national funding reforms, together with the anticipated impact in BF and the approach taken to school funding. Matters on school funding where views are being sought are then set out from paragraph 41.
6. Whilst views are being sought from all schools – maintained, academy, special and Pupil Referral Unit – and other interested parties such as diocesan authorities and trades unions, different aspects of this consultation are more relevant to different stakeholders as follows:
 - Mainstream Maintained Schools. All areas of the consultation are relevant.
 - Mainstream Academy Schools – paragraphs 41 to 60. These deal with options for allocating funds to mainstream schools.
 - Maintained Special School and Pupil Referral Unit – paragraphs 71 to 78. These deal with a request for a financial contribution to the council's education related statutory and regulatory duties.
7. A one page high level summary of this consultation has been added at paragraph 12.

Further information

8. Further information on school funding, including policy documents from the Department for Education (DfE) and more detailed budget papers presented to the Bracknell Forest (BF) Schools Forum can be found at:
<https://schools.bracknell-forest.gov.uk/finance/school-funding-consultation-2020-21-financial-year/>
9. School Bursars will be briefed on this consultation at the 12 July support session.

Queries

10. It is recognised that school funding is governed by a complicated framework so If you have any queries on this consultation, please contact:

Paul Clark, Finance Business Partner – CYPL, Telephone 01344 354054

Email: paul.clark@bracknell-forest.gov.uk

Responses

11. Responses are requested through the separate response form, and you are asked to email your signed, scanned reply, **by Friday 19th July 2019** to:

education.finance@bracknell-forest.gov.uk

One page summary of this consultation

12. DfE reform of school funding has mainly paused after 2 years of change with no significant modifications expected in 2020-21. This means LAs remain responsible for setting school budgets in their area and are not required to follow the DfE approach.
13. Transition to the new School National Funding Formula (SNFF) is still taking place, meaning some LAs, such as BF have yet to receive the full financial benefit expected from the reforms. This means we are receiving insufficient funds to pay BF schools at the national SNFF funding rates used by the DfE.
14. The DfE is not expected to announce the 2020-21 financial settlement until late autumn, rather than the usual July publication. This reduces the time available for budget decisions in advance of the January 2020 deadline for submission of key information to the DfE. This means local processes need to be simplified whilst retaining key priorities.
15. The key objective in allocating funds to existing schools through the BF Funding Formula remains achieving a close match to each school's total SNFF budget allocation.
16. A study of methodologies adopted by other LAs has identified 3 Options that speed up the process whilst resulting in relatively small changes in budgets. This is in part due to the Minimum Funding Guarantee which will continue to limit annual changes to individual school budgets whatever method is selected to calculate school budgets. **Schools are being asked for their preferred Option for calculating budgets.** The allocation of funds to schools will remain subject to regular review and future update.
17. The local pressure arising from new schools initially opening with relatively small class sizes necessitates a diversion of some SNFF money to provide appropriate levels of funds. This also impacts on the affordability of being able to pay the SNFF rates.
18. Up until now, the funding transferred to new schools has been taken at an equal proportionate rate from all schools, other than those receiving the lowest per pupil funding rates – below £3,500 for primary schools and £4,800 for secondary. **Schools are being asked whether the lowest funded schools should continue to receive their full gross budget, or be subject to the same proportionate deduction as all other schools.**
19. The impacts on individual schools from the options being present are set out in the Annexes. These are all presented on 2019-20 data so will change for 2020-21 budgets.
20. **The council is also seeking agreement from maintained schools to continue to deduct funds from delegated budgets:**
 - a) to fund central management of a small range of services where there is a benefit of risk sharing, achieving economies of scale or benefit from an area wide service from doing this. The DfE term this approach 'de-delegation'.
 - b) to contribute to LA education related statutory duties where the DfE has withdrawn £1.6m of grant funding but still requires LAs to meet all the duties.
21. The 'de-delegated' maternity leave absence scheme that covers the cost of classroom staff during their absence from schools has been over spending for 3 years with the prospect of further cost increases. **3 Options are presented for schools to indicate their preference for how the maternity leave scheme should be financed.**

School Funding Reform

National context

22. Over the last 2 years, the DfE have implemented national funding reforms for schools and education. This includes the introduction of the School National Funding Formula (SNFF) which ensures a consistent approach to funding all schools. It replaces an historic per pupil funding model that was based on each LAs traditional spending level. The SNFF is a school based formula, using up to date data, with units of resource now paid at the same value in each factor for every school in the country.
23. The one exception to uniform factor values being applied to all schools is that an area cost adjustment is added where relevant to reflect specific, geographic cost pressures, which for BF equates to a 5.61% uplift.
24. Once individual school budgets have been calculated by the DfE they are aggregated to the total of all schools in each LA to determine the total funding for the area.
25. The factors used and their relative weighting in the SNFF broadly reflect the aggregate position of all LA funding formulae in use in 2017-18. The relative weighting of funds distributed through each element also largely reflects the 2017-18 average distribution of funding made by LAs, but with significant differences to this approach relating to increasing funding on additional needs factors and also recognising disadvantage in a broader sense. These increases have been financed by a lower amount of core per pupil funding and also a reduced lump sum amount that all schools receive, irrespective of size.
26. The reforms to the funding framework have been accompanied with additional funding to help smooth the impact of change so that those areas that would ordinarily lose money still receive at least a +0.5% increase each year in per pupil funding, which to remain affordable within the overall DfE budget, then limits increases due in areas benefiting from the reforms to no more than +3% per annum.
27. The financial impact on schools in BF over the 2 year funding period 2018-19 and 2019-20 is that per pupil funding is 5.0% higher (£3.2m) than the amount received through the funding framework in place up to 2017-18. The 2018-19 schools budget received a £1.7m (2.7%) funding increase with a further £1.5m (2.3%) received in 2019-20.
28. Funding increases have arisen over the period for most BF schools as they have historically been receiving relatively low per pupil funding rates compared to similar schools in other areas of the country. This is now being addressed through the SNFF with the uniform funding rates which ensure schools with similar characteristics receive similar amounts of funding, irrespective of where they are located.
29. Despite this additional money, BF does not receive sufficient funding to fully implement the SNFF units of resource. This is because the SNFF is being phased in over a number of years at an affordable level to the DfE. The speed at which further progress towards the SNFF funding rates will be achieved will be dependant on future financial settlements. Details have yet to be announced in respect of the 2020-21 financial settlement for schools which is expected to be late autumn rather than the usual timing of July.

30. The key elements of the new system used by the DfE to fund LAs are:

1. A simple and consistent funding formula will be used to calculate individual budgets for all schools. It contains 6 pupil related factors – core per pupil, deprivation (3 strands), low prior attainment and English as an additional language – plus a fixed lump sum allocation payable in the same value to all schools.

Annex 3 sets out each SNFF factor and their values.

2. Separate arrangements are in place to fund LAs and schools for costs in respect of business rates, high pupil mobility and the “growth fund”¹. These are treated differently as the DfE do not consider that need to spend on these items correlates closely to the number of pupils on roll at census date.
3. In calculating LA funding allocations through the aggregation of individual school budgets on the SNFF, there will be gains of up to +3% a year per pupil, with every school receiving at least a +0.5% a year per pupil cash increase.
4. In addition, there will be minimum per pupil funding levels (MPPFL) for primary and secondary schools - £3,500 and £4,800 respectively in 2019-20. Meeting these minimum rates is outside the +3% SNFF cap set out above, meaning some schools will exceed the maximum +6% two year increase.
5. LAs remain responsible for setting budgets in their area within outline parameters set by the DfE. However, they are **NOT** required to replicate the SNFF i.e. LAs do not have to implement the +0.5% minimum per pupil funding increase or the MPPFL if local circumstances require a different approach. For example, some LAs have agreed with their schools to divert some money to support pupils with high needs. This means they will not have enough money to fully replicate the SNFF even if sufficient funds are received from the DfE.

31. Even where a LA wants to replicate the SNFF in budget allocations to their schools, this will not always be possible. How LAs can then pass on funding to their schools is dictated by the School Funding Regulations issued by the DfE. These Regulations do not allow LAs to fully replicate the funding methods used in the SNFF, most notably in the minimum +0.5% annual increase in pupil funding where LAs have to use a different methodology to the DfE.

Bracknell Forest approach to the reforms

32. Arrangements regarding education funding in BF have been well established on the basis of a partnership with schools and the Schools Forum². Whilst most funding decisions on school budgets remain the responsibility of the council, they have always been taken on the basis of recommendations from the Schools Forum. This follows consideration of the views gathered from schools on key budget matters through these annual financial consultations.

¹ The growth fund covers diseconomy funding to reflect the small class sizes usually in place and other allocations to new schools such as pre-opening costs, and for existing schools, significant in-year increases in pupil numbers and Key Stage 1 funding top ups to limit classes to 30 pupils.

² Each LA is required to establish and maintain a Schools Forum to represent Education providers and partners on key financial matters. The membership of the BF Forum has been drawn from head teachers, including academies, governors and representatives of the teacher associations, diocesan boards, Early Years providers and Bracknell and Wokingham College.

33. In setting the 2018-19 budget, 97% of the 30 school respondents to the 2017 financial consultation agreed that the strategy should be to aim for a close fit to the indicative SNFF allocation for each school. This reflected the expectation at that time that all schools would have to move to the SNFF within 2 years and that there should be a smooth transition to the new arrangements. It also ensured that all schools would receive at least a 0.5% increase in per pupil funding, in accordance with the methodology that LAs must use.
34. Based on strong support from schools in the previous year to aim for a close fit to the indicative SNFF allocation for each school, no changes to the overall strategy were proposed to schools for the 2019-20 budget and the Schools Forum supports continuing with this approach for 2020-21.

2020-21 financial position

35. As set out above, 2020-21 funding details have yet to emerge, with latest DfE briefings suggesting an increased likelihood that there will be a one year financial settlement rather than being part of a more strategic 3 year settlement with details to be confirmed in late autumn, rather than before the end of the summer term. Early planning will therefore greatly assist in the more challenging circumstances to budget setting that will be in place.
36. What the DfE have confirmed is that no significant changes are expected to be made to the school funding framework, meaning all the key aspects in place for 2019-20 budgets will remain for 2020-21, including LAs retaining responsibility for setting budgets in accordance with local priorities with no requirement to fully implement the SNFF.
37. In terms of local financial matters, schools will be aware that the pressure in respect of needing to allocate additional funds to new schools is expected to remain over the medium term as the funding to be received through the DfE Growth Fund for this purpose is expected to be considerably below the amount considered necessary to provide adequate funding to new schools.
38. The pressure arises from significant housing developments that require new schools which will initially have relatively low pupil numbers and require additional financial support to remain economically viable as the housebuilding programme that generates the demand for extra school places continues over a number of years.
39. Due to the long term nature of the build programme, the reliance on external factors, such as the speed of house building that will be determined by a range of developers and complexities around formulating accurate pupil forecasts down to individual school level mean forecasts need to be regularly reviewed. An update will be completed once the October 2019 census data has been gathered for inclusion in final budget decisions as appropriate.
40. In setting the 2019-20 budget, the Schools Forum agreed a 4 year funding strategy with the council to ensure a sustainable and deliverable plan was in place to manage the pressure. The agreement includes a total of up to £1m of funding from Council Reserves, utilising the accumulated unspent Dedicated Schools Grant balance of around £1.6m, and a contribution each year from the annual DfE grant funding that is paid through the SNFF. Annex 4 sets out more information on the medium term funding strategy for new schools.

Allocating funds to schools

41. Responses from schools to previous consultations of how funding should be allocated to schools clearly supported aiming for as close fit as possible to the SNFF. However, it is recognised that a precise match would not be possible and this will remain the case for 2020-21 budgets. The main reasons for differences in BF relate to:

1. Not all schools have reached their SNFF budget as the DfE make the transition to SNFF on an affordable timeline. This means some LAs, like BF, do not receive sufficient income to fund their schools at SNFF rates.
2. The SNFF calculation by the DfE incorporates the gains of up +3% a year per pupil, with a minimum increase of +0.5%. School Funding Regulations do not permit LAs to fully replicate these conditions when calculating school budgets which therefore impacts on the ability to replicate the SNFF.

For example, LAs have to use the Minimum Funding Guarantee (MFG)³ to calculate minimum permitted per pupil funding changes between years for each school. The MFG calculation includes the full school budget excluding funding for fixed lump sum allocations and business rates, whereas the SNFF calculation uses the full school budget but only excludes business rates. The cost of meeting MFG top-ups is financed by placing a cap on the gains retained at school's experiencing the largest increases which also impacts on the ability of LAs to meet the +3% funding gain cap used in the SNFF.

3. 2020-21 per pupil funding allocations paid to LAs will be based on October 2018 census data. It will multiply relevant pupil numbers, additional needs top ups for deprivation, low prior attainment etc. by the yet to be confirmed SNFF factor values to calculate total funding for primary aged pupils and a second calculation for total funding for secondary pupil. These amounts will be divided by the total number of pupils in each phase to determine an average per pupil funding amount for each LA.

Actual allocations to schools in 2020-21 will use October 2019 census data. Where this shows an increase in additional needs data, the overall average per pupil funding will be above the amount used by the DfE and included in the LA financial settlement, meaning relevant LAs will not be able to afford to pay SNFF funding rates.

42. In addition to the issues highlighted above from national factors, the local pressure relating to new schools requiring more funding than that provided by the DfE means lower funding rates than contained in the SNFF will have to be used in the BF Formula.
43. The calculation of individual school budgets by BFC initially involves the determination of the total affordable budget and then each factor value in the BF Funding Formula is adjusted on a trial and error basis until such time as a best fit for the majority of schools to the SNFF amount has been achieved. It is therefore an inefficient, time consuming and iterative process that can deliver unexpected factor values, for example one of the deprivation funding levels is £15,092 higher than the £631 paid in the core SNFF rate.

³ The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, for which the DfE has set a range of between +0.5% and -1.5%, then a funding top up is added to meet the minimum requirement. The calculation excludes funding for business rates and fixed lump sum allocations.

44. In order to use a more consistent, predictable and transparent approach, the methods adopted by other LAs have been examined. This has shown common themes emerging of an application of a single or small number of scalings to SNFF funding rates to make total funding allocations affordable to budget. In addition, some LAs add protection to a limited number of factor values, typically to deprivation funding rates, and therefore the most vulnerable pupils, or the fixed lump sum amount that all schools receive equally and which generally benefits smaller schools.
45. Reflecting on the methodologies of other LAs, 3 different Options for change have been developed and views are now being sought from schools on their preferred Option. Responses will be reported to the Schools Forum in September to make a subsequent recommendation for change to the Executive Member.
46. As the financial settlement for 2020-21 is not yet known, each of the Options have been modelled as if they had been implemented in 2019-20 and a clear comparison can then be made to actual funding received this year. Clearly, these illustrations will not reflect actual allocations for next year as all of the funding models use October 2018 census data. Actual budgets for 2020-21 will reflect October 2019 census data and the yet to be announced DfE financial settlement will have an impact as will other budget decisions of the Schools Forum. Therefore all individual budget illustrations need to be viewed as indicative and subject to change.
47. All of the indicative financial illustrations incorporate the 2019-20 funding decisions agreed by the Schools Forum, so include the medium term funding strategy for new schools with the 0.5% deduction to total available funds. However, with each of the available Options delivering different budgets, there is a revised impact of the MFG which all LAs must apply and which the BF Schools Forum agreed should be set at the highest permitted level of a +0.5% increase in per pupil funding from 2018-19 rates.
48. Annexes 1 and 2 set out a high level summary of the indicative individual budgets that each school would have received from each Option if it had been in place for the 2019-20 budget. In order for maintained schools to focus on the net budget they receive after the deduction of de-delegated funding and a contribution to LA statutory education duties, Annex 1 presents budgets on a net basis. For academies, which are responsible for paying associated costs, deductions are not made, it is more appropriate to view the gross budget which is shown at Annex 2. Annex 3 sets out the BF Funding Formula gross factor values for each Option i.e. before deductions for de-delegation and contributions to LA statutory education duties.
49. In order to be well placed to obtain decisions on the budget from the Schools Forum and to promptly undertake budget calculations for individual schools upon receipt of relevant data, the council is seeking views on different approaches that can be taken in allocating funds to individual schools whilst ensuring a close match to the SNFF. Whatever Option is selected, it would be subject to regular review and change if required.
50. A further explanation is required to the impact of the MFG. The MFG is an extremely effective mechanism at reducing funding turbulence between years and therefore moderates the impact of the different Options as illustrated through the relatively small changes in funding through each Option when there are differences in the underlying principles and calculations.
51. With the expectation that the MFG will continue in place for the foreseeable future – it's been a requirement since 2004-05 – there are likely to be relatively small changes in annual per pupil funding amounts irrespective of the principles of the BF Funding Formula. This stabilising effect has been applied each year throughout the funding

reforms and is one of the biggest factors complicating the process to match school budget allocations to the SNFF allocation.

52. With the expectation that the MFG will continue in place for the foreseeable future – it's been a requirement since 2004-05 – limiting the annual change in per pupil funding, there is generally very little change to final budget allocations under each of the Options. The key consideration is therefore the impact over time once the effect of the MFG begins to diminish.
53. There are 2 key elements in the MFG calculation which will determine the speed at which school funding moves from the current level: the amount of funding in the financial settlement from the DfE; and the rate at which the MFG is set. As neither of these have been confirmed, how quickly a noticeable impact will be experienced is difficult to predict.
54. The identified Options for change are:
- a) **Option 1** Proportional match to SNFF.
Underlying Principles: The SNFF contains the correct factors and the correct weight of funding for the demographics and key priorities for BF and therefore all factors should be scaled at the same rate.
Impact on SNFF rates: All factor values would be funded at around the same 97.5% of the SNFF rate.
 - b) **Option 2** Prioritise funding allocations through additional needs factors and the fixed lump sum.
Underlying Principles: The shortfall in funding from the SNFF should not affect intended funding allocations for pupils with additional needs or the smallest schools that benefit less from economies of scale compared to larger schools. Any reduction in factor values would be restricted to core per pupil funding.
Impact on SNFF rates: Core per pupil funding rates would be funded at around 96.8% of SNNF factor values, with all other factors funded at SNNF values.
 - c) **Option 3** Prioritise core per pupil funding allocations.
Underlying Principles: The shortfall in funding from the SNFF should not affect core per pupil values but rather all other factors. The alignment of the SNFF to the average LA funding distribution through the SNFF, with additional weighting to additional needs factors is not a close match to the demographic profile in BF as an area of low deprivation.
Impact on SNFF rates: Core per pupil funding rates would be funded at 100% of SNNF factor values, with all other factors funded at around 88.6% of SNNF values.
55. There is a general note to explain the columns of data in each of Annexes 1 and 2.

Application of the DfE Minimum Per Pupil Funding Level (MPPFL)

56. An issue was identified after the 2018 financial consultation with schools that needs to be considered now as part of the 2020-21 budget setting process. This relates to how the funding required to support new schools should be removed from the overall budget for existing schools.
57. For 2019-20, the approach taken was to deduct 0.5% from the total budget available for existing schools, other than those being funded at the lowest per pupil amounts at the SNFF MPPFL where no deduction was made. An alternative approach that could be considered would be to aim for all schools to be funded with a similar proportionate reduction to their funding.
58. Scaling of 0.5% to the SNNF MPPFL amounts of £3,500 for primary and £4,800 for secondary would result in a BF MPPFL being set at £3,482 and £4,776 respectively. The impact from setting scaled MPPFL rates would be an aggregate £0.156m reduction in funding to the 9 schools currently funded on the MPPFL. The £0.156m funding reduction would then be re-distributed through the BF Funding Formula.

Note the impact of the MFG means that there is not a straightforward deduction of £18 per pupil in relevant primary schools budgets and £24 in secondary schools.

59. Annex 5 sets out the impact on individual schools had this change been implemented in the 2019-20 actual budget. For schools in receipt of an MFG funding top up which is greater than the benefit from a redistribution of the £0.156m funding previously applied to schools on the MPPFL, there is no overall impact from this change. This is because the minimum budget that a school can receive through the MFG protection has not changed, so any increase in funding from the re-distributed MPPFL is initially offset by a £ for £ reduction in required MFG top up. So in these circumstances the components of the budget allocation change, but the total amount stays the same.
60. Schools are asked to consider whether MPPFL rates should be paid where relevant at the amount set by the DfE, as these schools have the lowest per pupil funding amounts, or whether they should be subject to the same proportionate reduction as all other schools, to make an equal contribution to cost pressures.

'De-delegation' proposals

61. As a result of previous consultations, schools will be aware that national funding arrangements require all LAs to delegate funding to mainstream schools for the same services and functions, with a general presumption of maximum delegation. However, where relevant school representatives on a Schools Forum agree that the whole budget for their phase e.g. primary or secondary should be returned to the Council for central management, this is allowed, but only in respect of a small number of services. This recognises that there are reasons of cost effectiveness, shared risk management and ease of organisation and management that a strategic approach can bring.
62. The DfE term this approach 'de-delegation' and it applies only to maintained primary and secondary schools. Academy schools are responsible for providing these services and therefore receive their share of 'de-delegated' budgets direct, with some being available for purchase from the council. 'De-delegation' is not relevant to special schools or pupil referral units as these institutions are funded from separate High Needs budgets where the DfE requires different arrangements apply.

63. Overall, around £1.2m of Schools Block funding is involved in BF and covers contingencies (including schools in financial difficulties and exceptional costs in primary schools), support to underperforming ethnic groups and bilingual learners, CLEAPSS subscriptions, Behaviour Support Services, staff supply cover costs, premature retirement / dismissal costs and free school meal eligibility checking. In general, a per pupil deduction is made to maintained school budgets and passed back to the council to use to fund central management of the services.
64. The relevant services affected are summarised below in Table 1. When asked, schools have always supported on-going 'de-delegation' of services, with 97% of respondents on average agreeing in each of the last 3 years.

Table 1: Services subject to de-delegation at April 2019 with approximate amounts

Ref	Service area	Gross budget £k	Academy deduction £k	Potential budget for LA to manage £k
-----	--------------	--------------------	-------------------------	---

Items requested for-de-delegation

1	Contingencies; support to schools in financial difficulty and exceptional costs in primary schools (1)	290	-96	194
2	Support to underperforming ethnic minority and bi-lingual pupils	127	-28	99
3	CLEAPSS licence fees	1	0	1
4	Staff supply for official absences (1, 2)	360	-104	256
5	Premature retirement / dismissal costs (1)	62	-18	44
6	Free school meals eligibility checking	20	-6	14
7	Behaviour and Education Support Team	300	-78	222
8	Anti-bullying co-ordinator	25	-7	18
	TOTAL	1,185	- 337	848

- 1 Not available for buy-back by academy schools
- 2 Covers maternity leave (£220k), trades union (£19k) and suspensions (£17k).

65. A particular issue on the official school absences element of de-delegation services has emerged over the last few years. This relates to the element that funds the cost of classroom staff on maternity leave, meaning that schools do not have to meet both the cost of staff on maternity leave and the cost of any required cover arrangements. The scheme therefore manages risks and ensures predictability of costs on what can be a high cost, volatile budget.
66. In 2018-19 the budget over spent by £55k (26%) which followed a £26k (10%) over spend in 2017-18. This reflects both an increase in incidence of maternity leave and their average cost through pay awards. As the per pupil de-delegation deduction has

remained unchanged, and with costs increasing by around 9% in September 2019 from the 7% confirmed increase in contribution rate to the Teacher's Pension Scheme and a 2% pay award proposed by the DfE, costs are expected to increase further.

67. For 2020-21, the expectation is that a budget requirement of around £0.300m, an increase of around £0.080m will be required to maintain current levels of benefit. To move the service to a viable financial position, the rate of per pupil deduction will need to increase from £23 to £31 per pupil (+35%) or the percentage of costs covered by the scheme reduced from the current 100% rate to around 75%.
68. Alternatively, the scheme could close and schools manage these costs on an individual basis and no longer make a per pupil deduction through the de-delegation route.
69. Views are therefore being sought from maintained, mainstream schools as to how this aspect of the scheme should operate.
70. More information on de-delegated services can be found at:

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

Funding proposals for education related statutory and regulatory duties of the council

71. Schools will be aware that from April 2017, the DfE implemented a saving of £600m through the complete withdrawal of the Education Services Grant (ESG) which was the mechanism used to fund LAs for their statutory and regulatory education related duties as prescribed in various Education Acts and other relevant statutes. This followed a cut of £200m in 2015-16.
72. Despite withdrawal of the funding, nothing has changed in terms of the duties and responsibilities on the LA from Education Acts which means that expenditure cannot be avoided. The main functions this relates to are School Improvement, in particular expenditure incurred in connection with statutory powers where schools are under performing; expenditure on monitoring National Curriculum assessment arrangements in the EYFS, KS1 and KS2; Finance; Human Resources; Health and Safety; Legal Services; planning and reviewing education related services; provision of statutory information; compliance with the Equalities Act 2016; collection of electronic data from schools; functions in relation to the standing advisory council on religious education; expenditure on the appointment of governors; Education Welfare Services; and Asset Management Planning.

Further details of these responsibilities can be found at Annex 6.
73. LAs previously received £77 per pupil to finance delivery of these duties, which for BFC amounted to £1.23m. The cost of delivering these services amounted to £1.893m, meaning the council previously provided a subsidy of £0.663m. Prior to the cuts in ESG grant funding, the £1.893m spend was in line with ESG grant income receipts.
74. The Council accepts that schools are not in a position to pay the full £77 per pupil funding rate that was previously received from the DfE. However, as set out above, neither is the council able to fully fund school services due to the significant reduction in general grant funding - the Council has experienced an overall reduction in Government funding of over 40% over the past 5 years and this trajectory is likely to continue into the

future - at a time of increasing pressures, most notably on child and adult social care needs. These factors contribute to a significant budget gap for the Council which is currently estimated at around £11m over the next 2 years.

75. Despite these significant financial pressures, Members of the council are clear in their commitment to support all schools to deliver high standards and understand that to achieve this there need to be complimentary high quality services available from the council. Therefore, services to schools remain a priority. In order to ensure essential services across the council are protected, changes are required and the medium term expectation is that school support services will need to move to an affordable cost base, which will include both reducing costs and seeking contributions from schools. This work will be progressed through the Council's Transformation Programme which includes representation from schools.
76. This approach is in line with expectations of the DfE, which "recognise that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed" and will "allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG."
77. The amount to be retained by LAs will need to be agreed by the maintained schools members of the Schools Forum. It will be determined through a single rate per 5 to 16 year old pupil deduction from all maintained schools. The rate must be expressed per place rather than per pupil for special schools and PRUs. A higher rate can be charged to specialist providers, but the council proposes to be consistent to all schools.
78. In each of the 2 years where views have been sought, schools have always supported contributing to these costs, with 80% of respondents on average agreeing. Comments from respondents mention the financial difficulties that schools are facing, but also recognise the need for the services currently being provided and that they have to be financed from somewhere. Although it is estimated that these costs have increased by around 5% over the past 2 years, the council is proposing to retain the £20 per pupil contribution. Based on the estimated number of pupils likely to be educated in maintained schools, this amounts to around £0.229m.

Next Steps

79. The results of this consultation, including all comments made by schools, will be considered by the Schools Forum on 19th September. The Schools Forum will need to take a strategic approach in making decisions but is expected to approve the majority view of schools.
80. Once the DfE confirm the 2020-21 financial settlement for schools, detailed work on school budgets can commence. Further information will be provided as it emerges.

Notes to Annex 1 – Maintained school view of budgets

General:

Annex 1 does not attempt to predict 2020-21 budgets. It shows the impact arising from each of the Options for change had they been in place for the 2019-20 budget. It therefore uses October 2018 census data whereas the 2020-21 budget will be calculated from the October 2019 census.

Annex 1 – NET budgets received by maintained schools

Number on roll

Column 2: Number on roll. This shows the October 2018 school census data, together with notional pupil numbers funded at schools financed on the new school funding policy.

2019-20 SNFF illustrative budget:

Column 3: Total illustrative SNFF budget allocation calculated through the DfE funding formula, scaled to available budget after funding local cost pressures e.g. new schools.

2019-20 actual NET budget for BF schools

Column 4: Total NET actual budget maintained schools received for 2019-20. As per the data in column 3, for ease of comparison to the actual budget that is delegated to maintained schools, it also removes the funding agreed to be passed back to the council to fund the 'de-delegated' services and the financial contribution to LA education related statutory and regulatory duties.

2019-20 illustrative funding options from BFC – for each Option presented:

Columns 5, 8, 11: Total illustrative NET actual budget allocation under each Option had they been in place.

Columns 6, 9, 12: Total illustrative change in amount of NET funding from each Option had they been in place.

Columns 7, 10, 13: Total illustrative percentage change in NET funding from each Option had they been in place.

Summary of 2019-20 change under each Option

	Change from 2019-20 actual NET budget					
	Option 1		Option 2		Option 3	
<u>Primary</u>						
Minimum	-£8,227	-1.28%	-£7,731	-1.21%	-£11,118	-1.56%
Maximum	£5,409	0.45%	£5,276	0.44%	£5,814	0.48%
Average (mean)	£10	0.00%	£89	0.01%	-£314	-0.03%
<u>Secondary</u>						
Minimum	-£1,371	-0.02%	-£3,340	-0.05%	-£131	0.00%
Maximum	£1,859	0.04%	£1,544	0.03%	£6,329	0.09%
Average (mean)	-£50	0.00%	-£461	-0.01%	£1,625	0.03%

2019-20 NET school budget allocations through the proposed Options 1-3 – Appropriate for Maintained Schools

School - NET budget (Maintained school view) <small>* After deducting 0.5% for new schools, de-delegation and £20 per pupil for statutory education services.</small>	October 2018 funded pupil numbers	2019-20 SNFF after 0.5% deduction for new schools	2019-20 actual NET budget *	Option 1			Option 2			Option 3		
				Total NET budget	Change from 2019-20 actual NET budget (column 4)		Total NET budget	Change from 2019-20 actual NET budget (column 4)		Total NET budget	Change from 2019-20 actual NET budget (column 4)	
					5	6		7	8		9	10
1	2	3	4	5	6	7	8	9	10	11	12	13
Primary												
Ascot Heath Infant School	162	£636,853	£641,060	£632,833	-\$8,227	-1.28%	£633,328	-\$7,731	-1.21%	£631,043	-\$10,017	-1.56%
Ascot Heath Church of England Junior School	225	£838,545	£825,691	£822,599	-\$3,091	-0.37%	£822,775	-\$2,915	-0.35%	£821,963	-\$3,728	-0.45%
Binfield Church of England Primary School	413	£1,444,408	£1,414,269	£1,414,269	£0	0.00%	£1,414,269	£0	0.00%	£1,414,269	£0	0.00%
Birch Hill Primary School	397	£1,463,522	£1,401,878	£1,403,289	£1,411	0.10%	£1,403,248	£1,370	0.10%	£1,403,440	£1,562	0.11%
College Town Primary School	496	£1,843,971	£1,780,198	£1,781,593	£1,395	0.08%	£1,781,535	£1,337	0.08%	£1,781,896	£1,698	0.10%
Cranbourne Primary School	211	£787,878	£785,668	£788,275	£2,607	0.33%	£788,119	£2,450	0.31%	£788,843	£3,174	0.40%
Crown Wood Primary School	557	£1,971,664	£1,898,648	£1,898,648	£0	0.00%	£1,898,648	£0	0.00%	£1,898,648	£0	0.00%
Crowthorne Church of England Primary School	208	£792,803	£783,913	£783,696	-\$217	-0.03%	£783,709	-\$204	-0.03%	£783,649	-\$264	-0.03%
Fox Hill Primary School	209	£877,258	£859,228	£860,395	£1,167	0.14%	£860,325	£1,096	0.13%	£860,649	£1,420	0.17%
Great Hollands Primary School	380	£1,495,807	£1,439,080	£1,443,765	£4,684	0.33%	£1,444,332	£5,252	0.36%	£1,441,475	£2,394	0.17%
Harmans Water Primary School	561	£2,010,982	£1,965,682	£1,965,682	£0	0.00%	£1,965,682	£0	0.00%	£1,965,682	£0	0.00%
Holly Spring Infant and Nursery School	251	£984,548	£944,188	£942,981	-\$1,207	-0.13%	£943,190	-\$997	-0.11%	£942,332	-\$1,856	-0.20%
Holly Spring Junior School	318	£1,207,151	£1,193,319	£1,192,165	-\$1,154	-0.10%	£1,192,402	-\$917	-0.08%	£1,191,177	-\$2,141	-0.18%
Jennett's Park CofE Primary School	403	£1,482,499	£1,438,383	£1,441,637	£3,254	0.23%	£1,441,441	£3,058	0.21%	£1,442,345	£3,962	0.28%
Meadow Vale Primary School	606	£2,165,936	£2,117,126	£2,117,469	£343	0.02%	£2,117,415	£289	0.01%	£2,117,641	£515	0.02%
New Scotland Hill Primary	194	£766,015	£750,847	£748,580	-\$2,266	-0.30%	£748,624	-\$2,223	-0.30%	£748,422	-\$2,424	-0.32%
King's Academy Oakwood	0	£203,108	£202,324	£202,324	£0	0.00%	£202,324	£0	0.00%	£202,324	£0	0.00%
Owlsmoor Primary School	548	£1,927,477	£1,927,477	£1,927,477	£0	0.00%	£1,927,477	£0	0.00%	£1,927,477	£0	0.00%
The Pines School	326	£1,262,795	£1,206,032	£1,211,441	£5,409	0.45%	£1,211,307	£5,276	0.44%	£1,211,845	£5,814	0.48%
Sandy Lane Primary School	488	£1,762,546	£1,716,844	£1,718,132	£1,289	0.08%	£1,718,167	£1,323	0.08%	£1,717,943	£1,099	0.06%
St Joseph's Catholic Primary School, Bracknell	210	£798,693	£789,163	£788,509	-\$653	-0.08%	£788,549	-\$614	-0.08%	£788,367	-\$796	-0.10%
St Margaret Clitherow Catholic Primary	208	£815,491	£798,844	£799,778	£934	0.12%	£799,722	£878	0.11%	£799,981	£1,137	0.14%
St Michael's Easthampstead Primary School	241	£920,877	£898,239	£898,476	£237	0.03%	£898,461	£223	0.02%	£898,527	£289	0.03%
St Michael's Primary School, Sandhurst	189	£707,303	£701,532	£700,807	-\$725	-0.10%	£700,808	-\$724	-0.10%	£700,804	-\$728	-0.10%
Uplands Primary School and Nursery	210	£783,863	£773,213	£773,678	£465	0.06%	£773,650	£437	0.06%	£773,779	£566	0.07%
Warfield Church of England Primary School	408	£1,554,433	£1,535,051	£1,528,085	-\$6,966	-0.45%	£1,529,067	-\$5,985	-0.39%	£1,523,933	-\$11,118	-0.72%
Whitegrove Primary School	414	£1,480,387	£1,451,297	£1,451,297	£0	0.00%	£1,451,297	£0	0.00%	£1,451,297	£0	0.00%
Wildmoor Heath School	195	£747,208	£744,212	£741,687	-\$2,525	-0.34%	£741,839	-\$2,373	-0.32%	£741,138	-\$3,074	-0.41%
Wildridings Primary School	395	£1,520,024	£1,458,642	£1,461,633	£2,991	0.21%	£1,461,877	£3,235	0.22%	£1,460,617	£1,974	0.14%
Winkfield St Mary's CofE Primary School	199	£762,019	£757,078	£756,607	-\$470	-0.06%	£756,635	-\$442	-0.06%	£756,505	-\$573	-0.08%
Wooden Hill Primary and Nursery School	342	£1,329,359	£1,251,228	£1,252,844	£1,616	0.13%	£1,252,894	£1,666	0.13%	£1,252,593	£1,365	0.11%
Secondary												
The Brakenhale School	976	£5,176,412	£4,989,413	£4,991,272	£1,859	0.04%	£4,990,957	£1,544	0.03%	£4,992,964	£3,552	0.07%
Easthampstead Park Community School	762	£4,271,883	£4,234,662	£4,233,875	-\$787	-0.02%	£4,233,694	-\$969	-0.02%	£4,234,531	-\$131	0.00%
Edgbarrow School	1,082	£5,193,383	£5,135,302	£5,135,302	£0	0.00%	£5,135,302	£0	0.00%	£5,135,302	£0	0.00%
Garth Hill College	1,402	£7,204,384	£7,003,304	£7,001,933	-\$1,371	-0.02%	£6,999,964	-\$3,340	-0.05%	£7,009,633	£6,329	0.09%
Ranelagh School	831	£3,983,485	£3,939,922	£3,939,922	£0	0.00%	£3,939,922	£0	0.00%	£3,939,922	£0	0.00%
Sandhurst School	1,017	£5,074,413	£4,981,575	£4,981,575	£0	0.00%	£4,981,575	£0	0.00%	£4,981,575	£0	0.00%
All through												
King's Academy Binfield	120	£1,631,926	£1,606,477	£1,606,477	£0	0.00%	£1,606,477	£0	0.00%	£1,606,477	£0	0.00%
Total all	16,154	£69,895,294	£68,341,006	£68,341,007	£1	0.00%	£68,341,006	£0	0.00%	£68,341,007	£0	0.00%

Notes to Annex 2 – Academy school view of budgets

General:

Annex 2 does not attempt to predict 2020-21 budgets. It shows the impact arising from each of the Options for change had they been in place for the 2019-20 budget. It therefore uses October 2018 census data whereas the 2020-21 budget will be calculated from the October 2019 census.

Annex 2 – GROSS budgets received by academy schools

Number on roll

Column 2: Number on roll. This shows the October 2018 school census data, together with notional pupil numbers funded at schools financed on the new school funding policy.

2019-20 SNFF illustrative budget:

Column 3: Total illustrative SNFF budget allocation calculated through the DfE funding formula, scaled to available budget after funding local cost pressures e.g. new schools.

2019-20 actual NET budget for BF schools

Column 4: Total GROSS actual budget schools received for 2019-20. There are no deductions for 'de-delegated' services or a financial contribution to LA education related statutory and regulatory duties.

2019-20 illustrative funding options from BFC – for each Option presented:

Columns 5, 8, 11: Total illustrative GROSS actual budget allocation under each Option had they been in place.

Columns 6, 9, 12: Total illustrative change in amount of GROSS funding from each Option had they been in place.

Columns 7, 10, 13: Total illustrative percentage change in GROSS funding from each Option had they been in place.

2019-20 GROSS school budget allocations through the proposed Options 1-3 – Appropriate for Academy Schools

School - GROSS budget (Academy school view) * After deducting 0.5% for new schools.	October 2018 funded pupil numbers	2019-20 SNFF GROSS budget *	2019-20 actual GROSS budget *	Option 1			Option 2			Option 3		
				Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)		Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)		Total GROSS budget	Change from 2019-20 actual GROSS budget (column 4)	
1	2	3	4	5	6	7	8	9	10	11	12	13
Primary												
Crown Wood Primary School	557	£1,971,664	£1,954,280	£1,954,280	£0	0.00%	£1,954,280	£0	0.00%	£1,954,280	£0	0.00%
Great Hollands Primary School	380	£1,495,807	£1,483,675	£1,488,359	£4,684	0.32%	£1,488,927	£5,252	0.35%	£1,486,069	£2,394	0.16%
Jennett's Park CofE Primary School	403	£1,482,499	£1,478,277	£1,481,531	£3,254	0.22%	£1,481,335	£3,058	0.21%	£1,482,239	£3,962	0.27%
King's Academy Oakwood	0	£203,108	£203,108	£203,108	£0	0.00%	£203,108	£0	0.00%	£203,108	£0	0.00%
St Margaret Clitherow Catholic Primary School	208	£815,491	£823,271	£824,205	£934	0.11%	£824,149	£878	0.11%	£824,408	£1,137	0.14%
Wildmoor Heath School	195	£747,208	£761,171	£758,647	£-2,525	-0.33%	£758,798	£-2,373	-0.31%	£758,097	£-3,074	-0.40%
Secondary												
The Brakenhale School	976	£5,176,412	£5,082,790	£5,084,649	£1,859	0.04%	£5,084,335	£1,544	0.03%	£5,086,342	£3,552	0.07%
Edgbarrow School	1,082	£5,193,383	£5,227,390	£5,227,390	£0	0.00%	£5,227,390	£0	0.00%	£5,227,390	£0	0.00%
Ranelagh School	831	£3,983,485	£4,009,710	£4,009,710	£0	0.00%	£4,009,710	£0	0.00%	£4,009,710	£0	0.00%
All through												
King's Academy Binfield	120	£1,631,926	£1,631,926	£1,631,926	£0	0.00%	£1,631,926	£0	0.00%	£1,631,926	£0	0.00%

SNFF Units of Resource compared to BF Funding Formula - 2019-20

Formula Factors	2019-20 SNFF base rates	BF SNFF rates with 5.6% area cost addition and 0.5% top slice for new schools	Actual 2019-20 BF Funding Formula rates	Option 1			Option 2			Option 3		
				All factors scaled by same %	Change from 2019-20 Actual units	Scaling	Only scale AWPU	Change from 2019-20 Actual units	Scaling	Scale all factors other than AWPU	Change from 2019-20 Actual units	Scaling
Age Weighted Pupil Unit (AWPU): Primary	£2,747	£2,887	£2,769.35	£2,815.49	£46.14	97.53%	£2,795.80	£26.45	96.85%	£2,886.68	£117.33	100.00%
Age Weighted Pupil Unit (AWPU): Secondary - KS3	£3,863	£4,059	£4,086.78	£3,959.31	-£127.47	97.53%	£3,931.63	-£155.14	96.85%	£4,059.43	-£27.34	100.00%
Age Weighted Pupil Unit (AWPU): Secondary - KS4	£4,386	£4,609	£4,296.81	£4,495.35	£198.54	97.53%	£4,463.92	£167.11	96.85%	£4,609.03	£312.21	100.00%
Additional needs funding:												
Deprivation												
Pupils currently claiming FSM: Primary	£440	£462	£373.90	£450.97	£77.07	97.53%	£462.37	£88.47	100.00%	£409.72	£35.81	88.61%
Pupils currently claiming FSM: Secondary	£440	£462	£633.68	£450.97	-£182.71	97.53%	£462.37	-£171.30	100.00%	£409.72	-£223.96	88.61%
FSM pupils in the past 6 years: Primary	£540	£567	£87.94	£553.46	£465.52	97.53%	£567.46	£479.52	100.00%	£502.83	£414.89	88.61%
FSM pupils in the past 6 years: Secondary	£785	£825	£384.72	£804.57	£419.85	97.53%	£824.92	£440.20	100.00%	£730.97	£346.25	88.61%
IDACI band F: Primary	£200	£210	£182.30	£204.99	£22.69	97.53%	£210.17	£27.87	100.00%	£186.23	£3.93	88.61%
IDACI band E: Primary	£240	£252	£445.48	£245.98	-£199.49	97.53%	£252.20	-£193.27	100.00%	£223.48	-£222.00	88.61%
IDACI band D: Primary	£360	£378	£192.02	£368.98	£176.96	97.53%	£378.31	£186.29	100.00%	£335.22	£143.20	88.61%
IDACI band C: Primary	£390	£410	£412	£399.72	-£12	97.53%	£409.83	-£2.06	100.00%	£363.16	-£48.73	88.61%
IDACI band B: Primary	£420	£441	£737.68	£430.47	-£307.21	97.53%	£441.36	-£296.33	100.00%	£391.09	-£346.59	88.61%
IDACI band A: Primary	£575	£604	£607.27	£589.34	-£17.94	97.53%	£604.24	-£3.04	100.00%	£535.42	-£71.85	88.61%
IDACI band F: Secondary	£290	£305	£1,348.92	£297.23	-£1,051.69	97.53%	£304.75	-£1,044.17	100.00%	£270.04	-£1,078.88	88.61%
IDACI band E: Secondary	£390	£410	£1,254.32	£399.72	-£854.60	97.53%	£409.83	-£844.49	100.00%	£363.16	-£891.17	88.61%
IDACI band D: Secondary	£515	£541	£2,940.28	£527.84	-£2,412.44	97.53%	£541.19	-£2,399.10	100.00%	£479.55	-£2,460.73	88.61%
IDACI band C: Secondary	£560	£588	£1,997.94	£573.96	-£1,423.98	97.53%	£588.48	-£1,409.47	100.00%	£521.46	-£1,476.49	88.61%
IDACI band B: Secondary	£600	£631	£15,723.51	£614.96	-£15,108.55	97.53%	£630.51	-£15,093.00	100.00%	£558.70	-£15,164.81	88.61%
IDACI band A: Secondary	£810	£851	£2,830.85	£830.19	-£2,000.65	97.53%	£851.19	-£1,979.66	100.00%	£754.25	-£2,076.60	88.61%
Low prior attainment												
Low prior attainment: Primary	£1,022	£1,074	£917.46	£1,047.48	£130.02	97.53%	£1,073.97	£156.51	100.00%	£951.66	£34.20	88.61%
Low prior attainment: Secondary	£1,550	£1,629	£1,216.21	£1,588.64	£372.43	97.53%	£1,628.82	£412.60	100.00%	£1,443.32	£227.11	88.61%
English as an additional language												
English as an additional language: Primary	£515	£541	£426.61	£527.84	£101.23	97.53%	£541.19	£114.57	100.00%	£479.55	£52.94	88.61%
English as an additional language: Secondary	£1,385	£1,455	£777.38	£1,419.53	£642.15	97.53%	£1,455.43	£678.05	100.00%	£1,289.67	£512.30	88.61%
Lump sum												
Lump sum: Primary	£110,000	£115,593	£160,143.48	£112,742.41	-£47,401.07	97.53%	£115,593.43	-£44,550.06	100.00%	£102,429.01	-£57,714.47	88.61%
Lump sum: Secondary	£110,000	£115,593	£148,572.74	£112,742.41	-£35,830.33	97.53%	£115,593.43	-£32,979.31	100.00%	£102,429.01	-£46,143.73	88.61%

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

Agreed Medium Term Funding Strategy for costs arising from New Schools

1. A significant, medium term cost pressure exists as a result of a funding shortfall between what the DfE provides through the Growth Fund⁴ element for new schools and the actual amount of additional cost incurred.
2. Governors will be aware of this issue and that it will arise from significant housing developments. All new schools will initially have relatively low pupil numbers and will need additional financial support to remain economically viable as the housebuilding programme that will generate the demand for extra school places continues over a number of years. This creates the significant revenue budget pressure.
3. The Schools Forum has previously agreed a funding policy for new schools which complies with DfE requirements and includes an allocation for business rates at estimated actual costs (same as BF Funding Formula), an enhanced fixed lump sum to recognise additional diseconomies in the initial years after a school opens, per class funding (not actual pupil numbers) to reflect low average class sizes as schools will generally open before all housing developments are complete, and a post opening grant to fund initial stock for day to day learning resources.
4. The DfE use pupil growth to determine Growth Fund allocations to LAs which is measured by counting the increase in pupil numbers in each LA between the two most recent October censuses. For the 2019-20 budget, relevant censuses were October 2017 and October 2018 which represents a lagged approach to funding. The measure is via small geographical areas used by the Office for National Statistics for various types of data analysis called middle super output areas (MSAO). These areas are considered small enough to detect pockets of growth. Only positive increases by MSAO are counted. Reductions in other MSAO areas are be deducted. Additional funding is also provided in the year that a new school opens.
5. Based on 2019-20 budget data, after taking account of estimated DfE income of £0.5m, the cost pressure remaining on all elements of the BF Growth Fund was estimated to average around £1.25m per annum in each of the next 4 years.
6. In considering this budget issue, the Schools Forum expressed concern that the DfE are not providing sufficient funding to cover the cost of the new schools that were required to meet demand from new housing. The Forum therefore directly requested to the Council's Executive to consider ways of mitigating the adverse financial impact by providing additional resources to schools from outside the DfE grant.
7. Governors will be aware that the Council itself faces significant financial challenges due to a substantial reduction in general grant funding at a time of increasing pressures, most notably on child and adult social care needs. These factors contribute to a significant budget gap for the Council which is currently estimated at £11m over the next 2 years.

⁴ The growth fund covers diseconomy funding to reflect the small class sizes usually in place and other allocations to new schools such as pre-opening costs, and for existing schools, significant in-year increases in pupil numbers and Key Stage 1 funding top ups to limit classes to 30 pupils.

8. Despite these significant financial pressures, the Council's Executive are clear in their commitment to support all schools to deliver high standards and agreed to provide up to a total of £1m of funding from Council Reserves over the next 4 financial years. This additional income would need to be seen as part of a 4 year funding package that would also make full use of accumulated unspent Dedicated Schools Grant income – estimated at around £1.6m - and a contribution each year from the annual DfE grant funding that is paid through the SNFF.
9. In terms of a 4 year funding plan, 0.5% of SNFF income would be applied in 2019-20, with further 0.3% contributions in both 2020-21 and 2021-22. Based on current forecasts, no further increase in the percentage rate in hold back is proposed for year 4, and therefore 1.1% of SNFF income would be applied from 2021-22. A 1.1% hold back equates to around £0.76m and £0.013m for an average primary school, and £0.054m for an average secondary school. The hold back percentage is also being applied to the BF funding policy for new schools.
10. There was no cut in funding to schools in 2019-20 from this approach. The extra cost of new schools would be financed from Council balances (£0.345m), unspent DSG balances (£0.494m) and by using 21% of the £1.631m growth in funding being paid through the SNFF (£0.345m).
11. The amounts proposed to be held back from SNFF allocations are from the core budget which is funded by the DfE on an on-going basis. Therefore as a further amount of hold back is applied in the second and third year, the total amount of hold back aggregates. Any funding contribution from the Council would be time limited and from one-off balances and is not therefore cumulative. Taking the different funding sources into account, this proposal is for the council to match the annual increase in hold back applied to school budgets, with a minimum annual contribution set at 0.3% of school budgets.
12. The total 4 year cost of supporting new schools is estimated at £5m. The breakdown of the funding plan would be as follows with more information in Table 2:
 - Unspent DSG balances £1.6m (30%)
 - Increase in SNFF funding £2.4m (50%)
 - Contribution from BFC £1.0m (20%)

Table 2: Forecast Revenue Funding implications anticipated from the new schools programme

	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	Total £m
<u>Existing Schools:</u>					
In-year pupil growth / KS1 funding	0.398	0.398	0.398	0.398	1.592
<u>New schools:</u>					
Start-up costs	0.025	0.000	0.000	0.014	0.039
Diseconomy costs	1.187	1.451	1.321	1.214	5.173
Post opening costs	0.075	0.038	0.030	0.023	0.165
Total estimated costs	1.684	1.886	1.749	1.649	6.969
Estimated funding from DfE	-0.500	-0.500	-0.500	-0.500	-2.000
Funding gap	1.184	1.386	1.249	1.149	4.969
<u>Proposed funding sources:</u>					
Use of Schools Budget balances	0.494	0.626	0.283	0.183	1.587
Contribution from BFC	0.345	0.208	0.207	0.207	0.967
SNFF allocation (DSG):					
<i>In year change</i>	0.345	0.208	0.207	0.000	
Cumulative	0.345	0.552	0.759	0.759	2.415
Total funding	1.184	1.386	1.249	1.149	4.969
4 year shortfall	4.969				
<i>In year % contribution from SNFF</i>	0.50%	0.30%	0.30%	0.00%	
<i>Cumulative % contribution from SNFF</i>	0.50%	0.80%	1.10%	1.10%	

Impact of funding relevant schools at DfE Minimum Per Pupil Funding Level less 0.5%

SCHOOL	October 2018 funded pupil numbers	2019-20 actual amount of MPPFL	Impact from 0.5% deduction to MPPFL	
			Loss	Gain
1	2	3	4	5
Primary				
Ascot Heath Infant School	162	£0	£0	£608
Ascot Heath Church of England Junior School	225	£0	£0	£1,774
Binfield Church of England Primary School	413	£34,213	-£10,325	£0
Birch Hill Primary School	397	£0	£0	£0
College Town Primary School	496	£0	£0	£0
Cranbourne Primary School	211	£0	£0	£0
Crown Wood Primary School	557	£5,398	-£4,196	£0
Crowthorne Church of England Primary School	208	£0	£0	£0
Fox Hill Primary School	209	£0	£0	£0
Great Hollands Primary School	380	£0	£0	£3,033
Harmans Water Primary School	561	£14,760	-£14,025	£0
Holly Spring Infant and Nursery School	251	£0	£0	£2,794
Holly Spring Junior School	318	£0	£0	£13,875
Jennett's Park CofE Primary School	403	£0	£0	£0
Meadow Vale Primary School	606	£12,972	-£4,138	£0
New Scotland Hill Primary	194	£0	£0	£4,527
King's Academy Oakwood	0	£0	£0	£0
Owlsmoor Primary School	548	£63,671	-£13,700	£0
The Pines School	326	£0	£0	£4,363
Sandy Lane Primary School	488	£0	£0	£11,005
St Joseph's Catholic Primary School	210	£0	£0	£0
St Margaret Clitherow Catholic Primary School	208	£0	£0	£0
St Michael's Easthampstead Primary School	241	£0	£0	£486
St Michael's Primary School, Sandhurst	189	£0	£0	£2,716
Uplands Primary School and Nursery	210	£0	£0	£0
Warfield Church of England Primary School	408	£0	£0	£6,458
Whitegrove Primary School	414	£24,769	-£10,350	£0
Wildmoor Heath School	195	£0	£0	£0
Wildridings Primary School	395	£0	£0	£4,611
Winkfield St Mary's CofE Primary School	199	£0	£0	£1,107
Wooden Hill Primary and Nursery School	342	£0	£0	£6,518
Secondary				
The Brakenhale School	976	£0	£0	£13,522
Easthampstead Park Community School	762	£0	£0	£23,355
Edgbarrow School	1,082	£226,395	-£36,788	£0
Garth Hill College	1,402	£0	£0	£55,602
Ranelagh School	831	£118,170	-£28,254	£0
Sandhurst School	1,017	£110,264	-£34,578	£0
All through				
King's Academy Binfield	120	£0	£0	£0
Total all	16,154	£610,614	-£156,354	£156,354

Outline of LA education related statutory and regulatory duties

In the 2015 Spending Review, the DfE announced a saving of £600m through the complete withdrawal of the ESG which is the mechanism used to fund LAs for their statutory and regulatory education related duties as prescribed in various Education Acts and other relevant statutes. This follows cuts of £200m in 2015-16.

Despite withdrawal of the funding, nothing has changed in terms of the duties and responsibilities on the LA from Education Acts of which the main matters are:

- a) School Improvement, in particular expenditure incurred in connection with functions under the Education and Inspections Act 2008. The LA is required to use statutory powers where schools are under performing. This includes implementing interventions as defined in the Schools Causing Concern document 2016, including Schools that have been judged inadequate by Ofsted, Schools that are coasting, and Schools that have failed to comply with a warning notice. A range of statutory powers are available for the fulfilment of duties, including requiring the governing body to enter into arrangements of additional support, collaboration with other schools, appointing additional governors which includes paying a National Leader of Governance to be a temporary Chair of Governors and establishing an interim executive board which has the power to suspend the delegated budget.

Furthermore, LAs must exercise their education functions with a view to promoting high standards. They need to act as champions of education excellence across schools, to understand the performance of schools, using data to identify those schools that require improvement and intervention, work with the Regional Schools Commissioner to ensure swift and effective action is taken when underperformance occurs in a maintained school, including and using their intervention powers, where this will improve leadership and standards, encourage good and outstanding maintained schools to take responsibility for their own improvement and to support other schools, and enable other schools to access such support.

- b) Expenditure on monitoring National Curriculum assessment arrangements in the EYFS, KS1 and KS2 which includes identifying and training of moderators. Supply cover for schools is provided where moderators are employed. The Standards and Testing Agency also have an expectation that a thorough quality assurance process is in place for visits in schools.
- c) Finance, including preparation of budgets (including the Funding Formula for Schools), making grant claims, completion of statutory accounts, internal and external audit arrangements, managing a school's suspended delegated budget, developing and maintaining the financial framework that schools need to operate within, including the issuing of notice of financial concern and the action and monitoring required thereafter, and providing advice on procurement with a view to securing continuous improvement.
- d) Human Resources, including recruitment, training, continuing professional development, performance management and personnel management of staff, investigations of employees, or potential employees, functions in relation to local government superannuation, advice in relation to staff pay and the management of all such staff, the determination of conditions of service for non-teaching staff,

the appointment or dismissal of employees, the investigation and resolution of complaints, liaison and negotiation with trade unions.

- e) Health and safety, including compliance with duties under the Health and Safety at Work etc. Act 1974 and the relevant statutory provisions that are defined and the LAs monitoring the performance role, including the provision of advice.
- f) Legal services relating to the statutory functions of the council.
- g) Planning and reviewing education related services.
- h) Provision of information to, or at the request of the Crown and the provision of other information which the authority is under a duty to make available.
- i) Compliance with the Equality Act 2010, including the LAs monitoring and performance role, including the provision of advice.
- j) Expenditure on establishing and maintaining electronic computer systems, including data storage, which are intended primarily to maintain linkage between local authorities and schools.
- k) Functions in relation to the standing advisory council on religious education including reconsideration and preparation of an agreed syllabus of religious education.
- l) Expenditure on the appointment of governors, the making of instruments of government, and the provision of information to governors. Links to statutory functions set out above in paragraph a).
- m) Education welfare services, including making arrangements to identify children not receiving education, send a written notice to a parent whose child of compulsory school age is not receiving suitable education and subsequent school attendance and education supervision orders, investigate the whereabouts of pupils who have poor attendance and administering and enforcing requirements and protections for those below compulsory school leaving age taking part in employment or performances.
- n) Asset management, including management of the authority's capital programme, preparation and review of an asset management plan, negotiation and management of private finance transactions and contracts (including academies which have converted since the contracts were signed), landlord premises functions for relevant academy leases, health and safety and other landlord premises functions for community schools.