



RESPONDING TO DEPARTMENT FOR EDUCATION (DfE) REFORM OF SCHOOL FUNDING

A CONSULTATION WITH SCHOOLS

Issued on 15 September 2021

For reply by 15 October 2021

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Why are we undertaking this consultation?

1. 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.
2. The council is therefore undertaking this consultation in advance of the detailed 2022-23 school budget setting process in order to inform the Schools Forum¹ of your views on a small number of matters that are consistently raised with schools. This will ensure current views can be taken into account when funding decisions are taken. No new significant questions are being raised for the first time this year.
3. The main focus of this consultation is towards mainstream schools, although there is some relevance to Kennel Lane Special School and College Hall Pupil Referral Unit.
4. The opportunity is also being taken to gather views on a small number of changes being proposed to elements of the local financial rules and procedures framework that apply to maintained schools only, as set out in the Scheme for Financing Schools².

What are we seeking comments on?

5. There are five questions posed in this consultation:
 - 1) Should we aim to set the minimum per pupil funding increase from 2021-22 at the highest permitted rate of 2% for all school types i.e. mainstream and special?
 - 2) Should schools receiving the highest increases in per pupil funding finance the cost of ensuring all schools receive a minimum increase in per pupil funding from 2021-22?
 - 3) Should funds from maintained mainstream schools continue to be "de-delegated" back to the council on permitted budgets where there are strategic, risk sharing or cost-effective benefits to gain?
 - 4) Should maintained schools continue to make a financial contribution to the education related statutory and regulatory duties required of the council that are no longer financed through a grant from the DfE?
 - 5) Should changes be made to the Scheme for Financing Schools, specifically in relation to clawing-back significant surplus balances from schools and the financing of school licensed deficits and loans?

Who should respond to this consultation?

6. The chair of governors of maintained schools, in consultation with the head teacher and other governors, academy school representatives and other relevant organisations.

¹ 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 private sector providers and Bracknell and Wokingham College.

² All LAs must develop a "Scheme" which sets out financial roles and responsibilities of LAs and the schools they maintain. It must cover minimum requirements set by the DfE, with some areas open to local determination. It is a legally binding document and can only be updated following consultation with schools and approval of the Schools Forum.

7. 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. Questions 1 to 5.
 - Mainstream Academy Schools. Questions 1 and 2.
 - Kennel Lane Special School. Questions 1, 4 and 5.
 - College Hall Pupil Referral Unit. Questions 4 and 5.

Further information

8. Further information on school funding, including policy documents from the DfE and financial information provided by Bracknell Forest Council (BFC) can be found at:

<https://schools.bracknell-forest.gov.uk/finance/school-funding-consultation-2022-to-2023-financial-year/>

9. Bursars of maintained schools were briefed on this consultation at the 16 September support session. As this consultation relates to matters routinely raised with schools each year, no further briefings are planned.

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 – People Directorate: Telephone 01344 354054

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

Responses

11. Please use this consultation document to make your responses by completing your preferences against each question and then email your signed, scanned reply, **by Friday 15th October 2021** to:

education.finance@bracknell-forest.gov.uk

12. Please complete the following details before making your reply. If this is a joint response, for example from the head teacher and chair of governors, please include details from both parties, including signatures and make one response only:

School / Organisation:				
Name of respondent(s):	(1)		(2)	
Position:	(1)		(2)	
Signature:	(1)		(2)	
Contact details:	(1)		(2)	

School Funding Reform – Mainstream Schools

Overview of national context

13. The DfE commenced the implementation of funding reforms for schools and education in earnest from April 2018. The most significant development to date has been the introduction of a National Funding Formula (NFF) to calculate the amount of funding to be allocated to LAs for their schools.
14. The DfE uses the NFF to calculate individual school budgets, drawing on the characteristics and needs of each school and its pupil and then applying the same unit of resource to each schools' budget, irrespective of where they are located. LAs receive their funding from the aggregation of all the individual school budgets in their area.
15. There are various funding protection measures in place. A ring-fence on the funding provided to LAs for schools and education means it can only be used for the purposes defined by the DfE and cannot be diverted to fund other costs. Furthermore, schools receive at least a guaranteed minimum per pupil level of income each year plus a funding floor to ensure that all schools also receive an annual increase in pupil-led funding.
16. Since its introduction, the NFF has been a 'soft' formula. This means LAs determine individual schools' final funding allocations through a local formula, within parameters set by the DfE. Whilst LAs must closely follow the NFF, there is no requirement to implement

it. LAs have discretion about the amount of funding put towards each factor and some flexibility over which factors to use in the local formulae. Therefore, an individual school's funding can vary from the NFF allocation.

17. 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 an increase each year in per pupil funding as well as those areas receiving increases through the new NFF.
18. The NFF has in general resulted in larger funding increases than the national average being received by most BF schools. This is as a consequence of the relatively low per pupil funding rates historically received from the DfE compared to similar schools in other areas of the country. This is now being addressed with the uniform funding rates which ensure schools with similar characteristics receive similar amounts of funding, irrespective of where they are located.
19. The key elements of the new system used by the DfE to fund LAs are:

1. A simple and consistent funding formula is used to calculate individual budgets for all schools. It contains basic per pupil funding together with supplements for additional educational needs – deprivation (3 strands), low prior attainment and English as an additional language – a top up for high in-year pupil admissions, and a fixed lump sum allocation payable in the same value to all schools. There is also a local uplift to the national funding rates, paid to areas with high costs. BF receives an additional 5.7%.

Annex 1 sets out each NFF factor and their values in 2021-21 together with the funding rates used in BF.

2. Separate arrangements are in place to fund LAs and schools for costs in respect of business rates and the "Growth Fund"³. 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 addition, there are the two funding protection mechanisms:
 - i. The Minimum Funding Guarantee (MFG)⁴. To provide a degree of funding stability between financial years. Each LA needs to set a minimum change in per pupil funding that a school can experience compared to 2021-22 with the DfE allowing a rate of between +0.5% and +2.0%.
 - ii. The Minimum Per Pupil Funding Levels (MPPFL)⁵. To ensure that every primary school receives at least £4,265 per pupil (£4,180 in 2021-22), and every secondary school at least £5,525 per pupil (£5,415 in 2021-22).

³ 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.

⁴ 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.

⁵ The NFF includes MPPFLs that are applied equally to all primary and secondary schools (£4,180 and £5,415 respectively in 2021-22 with the former grant funding added). LAs must also apply these minimum rates in their local funding formula. The only factors not included in per-pupil funding for the purpose of the MPPFL calculation are premises e.g. business rates, split site factor and growth funding.

20. There are a small number of changes being introduced to the national process of funds allocation to LAs for 2022-23 as follows:
1. Data on pupils who have been eligible for free school meals at any time in the last six years (FSM6) is now taken from the October school census instead of from the January census, to bring the factor into line with arrangements in place for funding schools for the pupil premium.
 2. Following the cancellation of assessments in summer 2020 due to COVID-19, funding allocations to schools for low prior attainment (LPA) will use 2019 assessment data as a proxy for the 2020 assessments for reception (primary schools) and year 6 cohort (secondary schools).
 3. The business rates payment system for schools will be centralised and Education and Skills Funding Agency (ESFA) will pay billing authorities directly on behalf of state funded schools from 2022-23 onwards. Further details on this, including treatment in school accounts will be issued separately by the DfE in due course. However, there will be no overall financial impact on schools from this change.
21. The latest announcements also re-affirm the government's commitment to removing LAs from the process of allocating funds to schools, eventually requiring full implementation of the 'hard' NFF. A consultation document on proposals for this was released in July for response by 30 September. No changes are planned before 2023-24 financial year, with more information available from the report prepared for the Schools Forum which can be viewed from the School Management website area referred to above in paragraph 8.

Bracknell Forest approach to the reforms

22. Arrangements regarding education funding in BF have been well established on the basis of a partnership with schools and the Schools Forum. 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 careful consideration of the views gathered from schools on key budget matters through these annual financial consultations.
23. In considering the 2021-22 budget, 100% of the school respondents to the 2020 financial consultation agreed that the strategy should continue to be to mirror the factors and factor values of the NFF in the local BF Funding Formula, as far as this is affordable. Final budgets for schools, which included taking account of the local budget pressure of needing to allocate additional funding for diseconomy costs at new schools, still resulted in delivering individual school budgets at 100% of NFF values.
24. With the expectation of the DfE taking steps in the near future to require individual school budgets to be set at the NFF rates without local alteration, no changes to the overall strategy of allocating funds to schools for the 2022-23 budget are proposed by BFC.

Initial 2022-23 financial position

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

25. 2022-23 is the final year of a three-year funding settlement that will see core school funding increase by £2.6bn in 2020-21 compared to 2019-20, and by a further £2.2bn and £2.37bn in 2021-22 and 2022-23 respectively. In addition to this, there is around a further £2bn to fund additional teachers' pay and pension costs previously separately funded by grant.
26. Schools will be aware that there is a medium-term local funding pressure relating to new schools and the 2022-23 budget will need to continue to reflect the financial impact arising. Whilst the DfE allocates additional funds to LAs with increasing pupil numbers, in the past this has not been sufficient to fund the costs arising from the *BF Start-up and Diseconomy funding policy for new and expanding schools* which can be viewed from the link above at paragraph 8.
27. As part of this policy, the Schools Forum has agreed a medium-term financial strategy which includes the council providing £1m of funding, drawing down £1m held in the earmarked New School Start-up / Diseconomy Reserve that was created in the Schools Budget for this purpose and if necessary, using a part of the annual increase in NFF funding. The detailed implications of this can only be determined once the October 2021 census data is available. For 2021-22, the additional costs were fully funded by specific "Growth Fund" funding from the DfE and an additional top up from the council.
28. With the DfE having now released some of the detailed preliminary information on the 2022-23 budget, an overall view of the financial position can be established and initial planning commence.
29. Nationally, school funding allocated through the NFF is increasing by 2.9% in cash terms which is equivalent to 2.8% per pupil. The main features are.
 - a. The key factors in the NFF will increase by 3% i.e. basic per-pupil funding, free school meals at any time in the last 6 years, income deprivation affecting children index (IDACI), LPA, EAL and the lump sum. The exception being funding for pupil eligibility to a FSM which will increase by 2% to reflect the expect cost increase in providing a free meal.
 - b. The minimum per pupil funding levels (MPPFL) have been increased by 2%. This will ensure that every primary school receives at least £4,265 per pupil (£4,180 in 2021-22), and every secondary school at least £5,525 per pupil (£5,415 in 2021-22).
 - c. Provisional data indicates that 11 BF primary schools will be funded at these MPPFLs. All secondary schools are provisionally above the MPPFL.
 - d. Where the normal operation of the NFF does not allocate at least 2% more in per pupil funding compared to its 2021-22 NFF baseline, top-up funding is added to meet this rate of increase i.e. the Minimum Funding Guarantee (MFG) ⁶.

⁶ The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, a funding top-up is added to meet the minimum per pupil change requirement. The MFG calculation required by the DfE excludes funding for business rates and fixed lump sum allocations. The cost of top-up funding is financed by scaling back increases to schools experiencing the highest proportional funding gains.

Provisional data based on October 2020 Census point indicates that if MFG was agreed to be set at the maximum of 2.0%, the normal operation of the Funding Formula would exceed this level for all schools with no top-up funding needing to be allocated.

30. Using this initial data indicates that average per pupil funding for BF primary schools – excluding new schools where funding rates are very volatile due to significant changes in pupil numbers between years - will increase by 2.4 % to £4,329 and secondary schools by 2.9% to £5,844. These increases are intended to ensure that BF can closely replicate the allocations in the NFF and pay schools at the same values as calculated by the DfE although this may not be the case in final budgets, where there are local factors to consider that are not always adequately reflected in the NFF, such as funding for new schools.

Areas where comments are being sought from schools

Setting the minimum per pupil funding increase from 2021-22 – the MFG

31. As set out above, the DfE includes a minimum 2% increase in per pupil funding from 2021-22 in the NFF. However, LAs can set their own, lower, affordable rate, albeit this must be through a different calculation to that used in the NFF. LAs need to consider the rate of MFG they wish to set and how it will be financed.
32. The DfE has determined that the rate can be between +0.5% and +2.0%, which is unchanged from the available options for 2021-22. In accordance with the overriding funding strategy of mirroring the NFF, BFC would recommend that the same +2.0% increase should be applied, subject to affordability.
33. In terms of financing any cost associated with the MFG, the Schools Forum has previously agreed that those schools receiving an increase in their per pupil share are required to finance the cost of those schools losing money. In order to fund this from schools receiving the greatest funding gains, only those with gains above the average percentage increase make a contribution.
34. In previous years, the same MFG rate has always been applied to Kennel Lane Special school as mainstream schools, and this is proposed to continue. The MFG does not apply to pupil referral units.

Allocating funds to schools in 2022-23

Question 1 - Response requested from:	All primary, secondary and special schools (maintained and academy)
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1. Do you agree that subject to affordability, that both mainstream and special schools should receive a minimum +2% increase in per pupil funding from the 2021-22 financial year? 2% is the highest increase permitted by the DfE.	
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Yes		No	
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Question 2 - Response requested from:	All primary and secondary schools (maintained and academy)
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2. Do you agree that we should continue to fund any cost associated with providing all mainstream schools with the agreed minimum percentage increase in per pupil funding from 2021-22 by limiting increases to those mainstream schools receiving the largest increases in per pupil funding, typically those above the average percentage increase?	
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Yes		No	
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'De-delegation' proposals

35. 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 efficiency, shared risk management and effectiveness of structure that a strategic approach can bring.
36. The DfE term this approach 'de-delegation' and it applies only to maintained primary and secondary schools. Academy schools are responsible for providing these services and therefore receive their share of 'de-delegated' budgets direct, with some being available for purchase from the council. 'De-delegation' is not relevant to special schools or pupil referral units as these institutions are funded from separate High Needs budgets where the DfE requires different arrangements to apply.
37. Overall, around £1.4m 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 (primarily maternity

leave absence), 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.

38. The Schools Forum is responsible for agreeing 'de-delegation' of services, with a decision required each year. The relevant services affected are summarised below in Table 1. When asked, schools have always supported on-going 'de-delegation' of services, with 96% of respondents on average agreeing in each of the last 5 years.

Table 1: Services subject to de-delegation at April 2022 with approximate amounts

Ref	Service area	Gross budget £k	Academy deduction £k	Potential budget for LA to manage £k
1	Contingencies; support to schools in financial difficulty and exceptional costs (1)	325	-122	203
2	Support to underperforming ethnic minority and bi-lingual pupils	139	-32	108
3	CLEAPSS licence fees	1	0.5	0.5
4	Staff supply for official absences (1, 2)	528	-174	354
5	Premature retirement / dismissal costs (1)	69	-23	46
6	Free school meals eligibility checking	22	-7	15
7	Behaviour and Education Support Team	328	-91	237
8	Anti-bullying co-ordinator	28	-9	18
	TOTAL	1,442	-460	982

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

39. More information on de-delegated services can be found at from the link above at paragraph 8:

De-delegation of services permitted by the DfE			
Question 3 - Response requested from:		Maintained primary and secondary schools ONLY (not relevant to academies or maintained special school or PRU)	
<p>3. To continue the strategic and cost effective approach in the use of the funds for contingencies (including schools in financial difficulties including those in or in danger of entering an Ofsted category), support to underperforming ethnic groups, CLEAPSS licence fees, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services, do you agree that the Schools Forum should again agree to de-delegate all relevant funding for continued central management by the LA?</p>			
Yes		No	

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

40. 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.
41. 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 2.
42. 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.

43. 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, neither is the council able to fully fund school services due to the significant 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.
44. Despite these 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.
45. 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.”
46. 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.
47. In each of the 5 years where views have been sought, schools have always supported contributing to these costs, with 84% of respondents on average agreeing. Although it is estimated that these costs have increased by around 15% over the past 5 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 £0.200m.

On-going contribution to LA education related statutory and regulatory duties
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Question 4 - Response requested from:	Maintained primary, secondary, and special schools and the PRU (not relevant to academies)
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4.	In respect of making a financial contribution to the education related statutory and regulatory duties required of the council that will no longer be financed through DfE grant, do you agree that maintained schools should continue to make a £20 per pupil / place contribution?
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Yes		No	
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Changes to the Scheme for Financing Schools

48. Each LA is required to publish a Scheme. It is an important document that sets out the financial relationship between the LA and the maintained schools which it funds. It is a legally binding document on both the LA and schools relating to financial management and associated issues. Academy schools are not bound by the Scheme.
49. The DfE issues statutory guidance to LAs in respect of the areas that must be covered within Schemes. Parts of Schemes must be in accordance with “directed scheme revisions” and are mandatory, sometimes to the precise wording that must be used. For other elements of schemes, there is discretion to make amendments to best reflect local circumstances. The statutory power to update discretionary parts of Schemes rests with maintained school representatives on the Schools Forum⁷, but changes can only be made after a consultation with all governing bodies and head teachers.
50. Two discretionary changes are now proposed to the Scheme:
- 1) An amendment to the exceptions to the calculation to claw back significant surplus balances (Annex D of the Scheme) to exclude funds held from a specific on-going activity that provides a borough-wide benefit for more than one school. This has arisen specifically in respect of the Teaching School which can hold significant income receipts pending delivery of services to schools across the borough in the next financial year. Funds from these types of activities are proposed to be excluded from the surplus balance calculation.
 - 2) An amendment to the financing arrangements for licensed deficit and loan applications (paragraphs 4.9 and 4.10 of the Scheme) to provide maximum advances of up to 3% of final, aggregate school budgets from the previous financial year (excluding brought forwards). This reflects the need to update the current financing arrangements which limited advances to 40% of aggregate school balances. As these have tended to reduce, there is a danger that insufficient financing would be available to meet all valid requests. This amendment reflects the recognition by the DfE that a number of LAs will not hold sufficient surpluses to operate an effective deficit scheme and the latest statutory Scheme guidance permits “LAs to make alternative arrangements if it can do so within the relevant local authority finance legislation”. Such a change would provide around £1.8m of financing and is considered a long-term funding solution for school deficits. Deficits and loans currently amount to £0.805m.
51. The current BF Scheme and can be found at:

<https://schools.bracknell-forest.gov.uk/wp-content/uploads/scheme-for-financing-schools-may-2021.pdf>

⁷ Each LA is required to create a Schools Forum to represent Education providers and partners. 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, the 14-19 Partnership and an Independent lay person.

Updating the Scheme for Financing Schools

Question 5 - Response requested from:	Maintained primary, secondary, and special schools and the PRU (not relevant to academies)
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5. Do you agree that amendments should be made to the Scheme to update the claw-back of surplus balances calculation to exclude activities directly related to Teaching Schools and similar functions and to increase the amount of financing available to support schools requesting a licensed deficit or loan?

Yes		No	
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Next Steps

52. The results of this consultation, including all comments made by schools, will be considered by the Schools Forum on 18th November. The Schools Forum will need to take a strategic approach in making decisions but is expected to approve the majority view of schools.
53. Publication of 2022-23 individual school budgets will follow last year's timeline, with provisional budgets issued in early January 2022 and final budgets in March 2022. The expectation is that the January provisional budgets will reflect the October 2021 verified census data (subject to this being provided by the DfE no later than mid-December) and the final budget decisions of the Schools Forum and will therefore be very close to final allocations.

Do you have any other suggestions or comments on the issues raised in this consultation?

Thank you for taking the time to respond to this consultation.

Responses to this consultation will be summarised, reported to the Schools Forum and posted on the Council's public website. Any specific comments made will be reported to the Schools Forum through a confidential annex which will not be made public.

Signed, scanned electronic responses should be emailed to: education.finance@bracknell-forest.gov.uk

The closing date for responses is **Friday 15th October, 2021**.

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Financial Consultations/Consultation 2021/1. September 2021/Consultation with schools - September etc 2021 v1.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Financial%20Consultations/Consultation%202021/1.%20September%202021/Consultation%20with%20schools%20-%20September%20etc%202021%20v1.docx)

SNFF Units of Resource compared to BF Funding Formula - 2020-21

Factor	National Core NFF	BF Actual NFF ¹	BF 2021-22 Actual ²
	Unit of resource		
Per pupil funding:			
Age Weighted Pupil Unit: Primary	£3,123	£3,301	£3,301
Age Weighted Pupil Unit: Secondary - KS3	£4,404	£4,655	£4,655
Age Weighted Pupil Unit: Secondary - KS4	£4,963	£5,246	£5,246
Additional needs funding:			
Deprivation			
Current FSM top up (Primary)	£460	£486	£486
Current FSM top up (Secondary)	£460	£486	£486
FSM anytime in last 6 years: Primary	£575	£608	£608
FSM anytime in last 6 years: Secondary	£840	£888	£888
IDACI ³ band F: Primary	£215	£227	£227
IDACI band E: Primary	£260	£275	£275
IDACI band D: Primary	£410	£433	£433
IDACI band C: Primary	£445	£470	£470
IDACI band B: Primary	£475	£502	£502
IDACI band A: Primary	£620	£655	£655
IDACI band F: Secondary	£310	£328	£328
IDACI band E: Secondary	£415	£439	£439
IDACI band D: Secondary	£580	£613	£613
IDACI band C: Secondary	£630	£666	£666
IDACI band B: Secondary	£680	£719	£719
IDACI band A: Secondary	£865	£914	£914
Low prior attainment			
Low prior attainment: Primary	£1,095	£1,157	£1,157
Low prior attainment: Secondary	£1,660	£1,755	£1,755
English as an additional language (EAL)			
EAL: Primary	£550	£581	£581
EAL: Secondary	£1,485	£1,570	£1,570
Mobility			
Mobility: Primary	£900	£951	£951
Mobility: Secondary	£1,290	£1,363	£1,363
Lump sum:			
Lump sum: Primary	£117,800	£124,508	£124,508
Lump sum: Secondary	£117,800	£124,508	£124,508

¹ Includes BF area cost uplift at 5.69%

² Funded at BF Actual NFF

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

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.