

10th January 2019

To:
All Members of the Schools Forum

Your contact is: Claire White, Interim Education and Schools Business Partner
(0118 937 4161)

NOTICE OF MEETING - SCHOOLS FORUM

A meeting of the Schools Forum will be held on **Thursday 17th January 2019**, in the Council Chamber, Civic Centre. The Agenda for the meeting is set out below.

AGENDA

1.	WELCOME AND APOLOGIES
2.	MINUTES OF THE MEETING HELD ON 6 DECEMBER 2018 INCLUDING MATTERS ARISING
3.	SCHOOLS FORUM MEMBERSHIP UPDATE - CONFIRMATION OF REPRESENTATION
4.	DSG BUDGET MONITORING 2018/19 - Claire White
5.	DSG SETTLEMENT FOR 2019/20 - Claire White
6.	GROWTH FUND 2019/2020 - Claire White
7.	FINALISATION of SCHOOL FORMULA FOR 2019/2020 - Claire White
8.	DE-DELEGATIONS & CENTRAL SCHOOL SERVICES BUDGET 2019/2020 - Claire White
9.	SEND STRATEGY UPDATE - Sonia Aulak
10.	HIGH NEEDS BUDGET FOR 2019/2020 - Sonia Aulak
11.	AGENDA ITEMS FOR FUTURE MEETINGS (STANDING ITEM) <i>Finalisation of Central School Services Budget 2019/20</i> <i>High Needs Budget 2019/20</i> <i>Early Years Budget 2019/20</i>
12.	ANY OTHER BUSINESS

Next Meeting : 14th March 2019 at 5pm Civic Centre – Council Chamber

**Minutes of Schools Forum Meeting
6th December 2018 at The Civic Centre, Reading**

Present: Justin McMinn - Head Teacher of E P Collier
Cathy Doberska - Head of English Martyrs
John Cosgrove - Head of Christ the King
Tonia Crossman - Head of Emmer Green
Peter Kayes - Governor at Ridgeway (Chair)
Karen Edwards - Head of The Heights
Simon Utley - Head of Blessed Hugh Faringdon
Isabelle Sandy - Business Manager at Kendrick
Ashley Robson - Head Teacher of Reading School
David Littlemore - Head Teacher of Prospect
Ali McNamara - NEU
Mark Hester - SBM at Cranbury College

BFFC: Claire White - Interim Education & Schools Business Partner
Stephen Kitchman - Director of Children's Services
David Locke - Director of Finance & Resources
Sonia Aulak - Service Manager SEND & CYPD
Rhiannon Schoepe - Minute Taker

Apologies: Jo Budge - Head Teacher of Blagdon Nursery
Ita McGullion - Manager of Kennet Day Nursery
Richard Rolfe - Governor at Micklands
Stieve Butler - Head Teacher of Meadow Park
Annal Nayyar - finance Director of Bayliss Trust (Reading Girls)
Andrew Johnson - Head Teacher of Maiden Erlegh (Reading)
Tracey Green - Avenue Finance Director
Cllr Ashley Pearce - Lead Member for Education

1.	Welcome and Apologies
	<p>The Chair welcomed everyone to the meeting.</p> <p>David Locke (Director of Finance & Resources for Brighter Futures for Children) was welcomed to the forum alongside Stephen Kitchman (Director of Children's Services for Brighter Futures for Children). Brighter Futures for Children went live on 3rd December 2018.</p> <p>Apologies were noted.</p>
2.	Minutes of the meeting held on 12th July 2018
	<p>Minutes were agreed from 18th October 2018.</p> <p>Item 7 - SEND strategy. Paul Wagstaff was going to write to all schools in regards to additional funding for schools with a high number of pupils with EHCPs, however this did not arrive. This funding would be paid according to census data at the end of each term. Claire White confirmed all resource units receive funding of £10k per empty place and are outside this calculation. All pupils in the resource unit would still receive the usual top up funding, even if there are empty places in the resource. The Local Authority is currently awaiting confirmation of the October census data. Schools Forum members noted that funding needs to be clarified for full understanding.</p> <p>Sonia Aulak to take as an action to Helen Redding.</p> <p>The National Funding formula will be covered under point 7 on the agenda.</p>

3.	Schools Forum Membership Update
	<p>There are still currently four vacancies outstanding as well as two members' whose term of office has expired (Tonia Crossman & Joanne Harper).</p> <p>Secondary Academies have to decide which five representatives are official School Forum members. Other Secondary Academy representatives are able to either act as a substitute or attend the Forum as an observer (additional attendees cannot vote). This can be any senior leader from the school and does not necessarily have to be the Head.</p> <p>Schools Forum has not heard back from Jo Budge in regards to the governor vacancy at maintained nursery level.</p> <p>Out of the available 23 positions within Schools Forum, 19 are currently filled.</p>
4.	DSG Budget Monitoring 2018 - 2019
	<p>Claire White presented.</p> <p>This is an update on the previous paper presented at October's Schools Forum.</p> <p>Table 1 shows the revised DSG Allocation for 2018/19.</p> <p>Since the last Schools Forum, St Mary & All Saints has been converted to an Academy. Due to this, the DSG allocation will be reduced however this will have no overall impact upon the budget.</p> <p>The main impact on in year changes to DSG funding is in the High Needs Block, reduced due to late notification of place changes and import/export adjustments. This adds £306k to the deficit.</p> <p>Early Years funding has been reduced in line with the January 2018 Early Years census. This may impact on the budget if take up of places is greater than expected.</p> <p>The 2017/18 adjustment is in relation to Early Years funding as the clawback was less than the provision made in the budget. This gives an additional £366k available in 2018/19 which can be used as a contingency or towards High Needs Block. A decision on this can be made later in the year.</p> <p>Table 2 summarises the 2018/19 expenditure. The current forecast is an overspend of £2.786m by the close of 2018/19. The overspend falls in the High Needs Block however it assumes that this deficit will be offset by the additional allocation in Early Years Block as detailed above and the underspend in the Schools Block.</p> <p>Schools Block should only be subject to variance if Business Rates bills vary from the budget. The year-end position for this will be confirmed in January 2019. The overall £196k underspend for this block is due to unused Growth Fund of £96k and Falling Rolls fund of £100k</p> <p>Central Schools Block should have no overspends as these are picked up by the Local Authority. Copyright licences are agreed in advance so there will be no variance.</p> <p>Early Years Block is currently assuming no variance. The full position can be forecasted once autumn payments have been made to providers.</p> <p>High Needs Block is forecasting a £3.3m overspend. This is an increase of £600k since the last</p>

report in September and £1m since July. This is due to a high number of pupils with EHCPs coming through, with an average of £14k top up funding per pupil. Please note a correction to the figure presented in point 7.4, bullet point 4. The November figure should be 1,269, an increase of 103 pupils since March. The number of pupils with EHCPs is increasing nationwide. Data is available on how Reading compares to other Local Authorities as part of a strand.

Schools Forum would like to be provided with a comparison of average top up funding costs across other Local Authorities in addition to the difference between predicted numbers and the actuals in Reading. Projections can be provided for all members at the next forum from Sonia Aulak. **Action: SA**

Table 3 details a projection in which the deficit decreases over the next three years. Based on the latest 2018/19 estimate, a £2.786m deficit will be brought forward to 2019/20. The deficit is forecast to reduce to £2.539m in 2019/20. This assumes expenditure does not increase above current predictions. It is noted that the continued rise in EHCPs will need to be factored in to next years' figures. Savings from strategies mean there could be a surplus within 3 yrs.

From 2019/20, ESFA will require a report from any Local Authority with a DSG deficit of more than 1% alongside details of how it plans to balance the account. This could lead to more support and sharing ideas of how costs can be controlled between local authorities

The report and revised DSG allocations were noted.

5. DSG Budget Setting Strategy for 2019 - 2020

Claire White presented.

This is an update on the previous paper presented at October's Schools Forum.

The allocation for Schools Block and Central Schools Services Block are to be confirmed next week with the High Needs Block confirmation in March 2019.

Table 1 shows the revised DSG allocations for 2018/19 alongside 2019/20 estimations. These estimations are based on the draft October 2018 census data.

Schools Block will see a £2.7m increase on 2018/19 due to increased pupil numbers and the National Funding Formula. Central School Services Block will have a small increase of £0.025m due to increase in pupil numbers. High Needs Block will also see an increase of £0.348m due to a baseline increase.

Early Years Block will be estimated once the January 2019 census has come in.

Point 6.1 details the decision to be made on the transfer of 0.5% of funding from Schools Block to High Needs Block, approximately £447k. The full consultation document is set out in Appendix 2. Eight schools replied to the consultation as noted at the top of page 24. All schools were in agreement to move the 0.5%. It is therefore proposed that the funding transfer goes ahead.

Schools Forum was happy to accept this recommendation. No members were against the decision.

Table 2 details the current services offered for de-delegation. The decision as to whether these should continue in 2019/20 is to be made to Schools Forum in January 2019. A separate report will be brought to aid this decision. It is noted that Equality Services ceased in July 2018.

Table 3 details budgets funded from the Central Schools Services Block DSG allocation. Due to

the likely funding allocation of £1.330m, there will be a shortfall of £77k in this block as copyright licences previously came from Schools Block in 2018/19. Budget reviews are currently taking place and it is intended for historical commitments to be reduced by 10% to make the saving. The budget for copyright licences should be due from ESFA in December, with estimates for admissions, servicing of Schools Forum and statutory/ regulatory services finalised in January 2019. A report will be brought back to Schools Forum in January 2019 with a final decision to be made in March 2019.

Early Years Block is based on the January 2019 census and will be brought back to Schools Forum in March 2019 for approval. The funding guidelines for 2, 3 & 4 year olds were released a few weeks ago with the funding rates for 2019/20 to remain the same as 2018/19.

Table 3 details the High Needs Block Estimates. This takes into consideration the agreed 0.5% transfer of funding from Schools Block. In year savings are assumed (shown in the fourth line). Savings are made by new in house provisions being cheaper than out of county. Consultation paper details the savings made by Reading having its own resource unit. If the new special school is approved - 80 places for Reading pupils - this equates to an annual saving 33k per pupil. Currently 50.5% of pupils are placed out of local authority. Difficult to 'repatriate' children placed externally

Table 4 details the High Needs Block Central budgets. These will be reviewed and brought back to Schools Forum for consultation in January 2019. A final decision needs to be made in March 2019. It was noted that the table displays actual figures, not £m.

The report was noted.

6. Growth Fund 2019 - 2020

Claire White presented.

Growth Funding in Reading has in the current year been included in the School's Block DSG at the actual level of spend in the previous year, however from 2019/20, this will now be allocated using a new formula based on lagged growth data. The formula for allocating the funding to Local Authorities is given in point 4.10. Protection will apply so no Local Authority's growth allocation will fall by more than 0.5% of its overall 2018/19 schools block funding.

Using data from the October 2018 census, Reading's allocation for 2019/20 will be £1.124m however as the funding floor protection applies, this will be increased to £1.658m. This compares to £2.092m received in the current year, so a reduction of £434k.

Growth Fund can only be used to support growth in pre-16 pupil numbers in order to meet basic need, to support additional classes needed to meet the infant class size regulation or to meet the cost of new schools.

Current Growth Fund criteria for 2018/19 are set out in point 5.6. Please note point 1, line 7 should read as £5,098 Secondary. Given the reduction in funding from 2019/20, it is proposed to amend the criteria for use of the Growth Fund as in point 5.7. Where a school has agreed with the local authority to provide an extra class, additional funding will now be allocated as follows: £65,000 (primary) or £85,000 (secondary) x 7/12. Academies will receive funding for the full year.

Appendix 1 details the Budget Calculation for Growth Fund 2019/20. It is noted that under the heading 'Existing Growing Schools/ Bulge Years', the schools listed are currently a query, so two additional primary classes and one additional secondary class has been added as a contingency. Additional schools may need to be included as needing additional classes. A follow up is required on pupil based planning and projection. Based on the assumptions on schools requiring growth funding, and using the proposed reduced funding rates, there would still be a shortfall which would need to be met from a top slice from the schools block.

Discussion:

Schools Forum members were concerned that the new reduced funding could mean that schools would end up with mixed year group classes as it would not be financially viable to have smaller classes. Stephen Kitchman offered to take this back to the admissions team in order to better predict admission numbers for each school. It was also raised that it would be good to have a document with basic advice in regards to thinking ahead for intake in the upcoming year. As Reading has low reception numbers this year, this will also mean an additional knock on effect on upcoming school year groups. David Locke offered to provide help and advice around this subject.

Schools Forum members requested an investigation into an audit trail for records of agreements between the Local Authority and schools in regards to expansions. It was requested for the Local Authority to honour the amounts and agreements made previously with no verbal agreements going forwards. However, it should be noted that funding cannot be set in stone, as the local authority is bound by changes in funding and regulations set by the ESFA, which is still exploring future options for funding of growth.

Schools Forum concluded they would prefer a lump sum style funding rather than by pupil.

An agreement on points 2.2 and 2.4 has been deferred due to the discussion taken place. A decision on these points will be made in January. Claire White will liaise with schools in the meantime, and return with costed options and implications.

The criteria for the Falling Rolls fund is set out in point 6.4. This fund can only be used to support a 'good' school with falling rolls where it has been shown that surplus places will be required within the next three years - with the purpose of avoiding a redundancy. Only one school has qualified for this funding in previous years.

Moving forwards, schools should be encouraged to reorganise and/or reduce numbers of classes and teachers, as the lower pupil numbers are likely to remain for that year group throughout their life in the school. Due to school funding being retrospective, this would leave schools with 7/12 of higher level funding which can be used as transition funding.

It is proposed to remove the Falling Rolls fund and consider reintroducing the schools in financial difficulty de-delegated fund for maintained Primaries. This would be to help schools with reorganisation costs to either reduce or avoid a deficit.

Schools Forum were happy to accept the recommendation 2.3. The proposal for the de-delegated school in financial difficulty fund will be brought to the January meeting.

The report was noted.

7. Finalisation of School Formula Proposals for 2019 - 2020

Claire White presented.

This is an update on the previous paper presented at October's Schools Forum. Points 4 & 5 remain the same as previous.

Table 1 is an estimation of the Schools Block DSG funding for 2019/20. Overall, the funding increase is £2.7m compared to 2018/19 at £89.5m, with pupil numbers remaining static in primary with a small increase in secondary numbers.

Table 2 sets out an estimate of Schools Block funding available for School Formula allocations. These figures have been used in the latest formula modelling. The total available for School

Formula is £87,168 which is less the assumed Growth & Falling Rolls funding requirement and the transfer to High Needs Block.

Feedback on the consultation regarding continuation of the transitional approach to the National Funding Formula is set out in point 7.8. Six schools responded to the consultation; all were in agreement with the principal however they would prefer additional funding as set out in the other scenarios.

Appendix 3 sets out the position following this formula for each school using October 2018 census figures. After the proposed allocation for 2019/20 there will be £144k left, however this is assuming the reduced growth funding proposal goes ahead. This excludes changes to other pupil data such as free school meals and prior attainment figures, which may also change this position. Negative changes in figures are due to change in pupil numbers.

The formula with the final data will be brought back to Schools Forum in January 19 for approval. The final formula must be submitted to ESFA by 21st January 19.

The impact of the soft funding formula on the budget for 2020/21 is as yet unknown.

A vote was held as to whether Schools Forum agrees the principal that the School Formula factor values will be set, as a minimum, at the transactional rate as set out in Appendix 2. **4 votes in favour, no votes against and 4 abstentions.**

National figures for deficits in schools are currently sat at 45% primary schools and 67% secondary. A Schools in Financial Difficulty paper was brought to the previous meeting which set out interventions the Local Authority would take. LA looking to control deficits as early as possible.

The report was noted.

8. SEND Strategy Update

Stephen Kitchman presented.

This is an update on the previous paper presented at July's Schools Forum.

Sonia Aulak (SEND Service manager for Brighter Futures for Children) presented.

A workshop has been held with representatives from existing strategy groups to set priorities for projections. Feedback from this shows that the sub group should continue operating a little longer to develop gaps identified at the workshop. Results and data from the workshop can be shared with the Forum.

Special school place planning data has been updated and reviewed due to admissions between January and September. Additional space at the Avenue School has been allocated to support additional growth in pupil numbers.

Special Free School bidding was announced by DFE in July and this closed in October. Reading has put forwards a bid alongside Wokingham and West Berkshire who have committed to commissioning places. The outcome of this bid will be received in January 2019.

There have been five strands recommended for this year in terms of progress:

Strand 1 (Data and Information). The analysis and data sub group will continue to meet in order to further develop gaps as identified at the December Workshop.

Strand 2 (Early Intervention and Prevention/ Development of Specialist Provisions). This is a merger of the previous Strands 2 & 3 and is chaired by Deb Hunter, Principal Educational Psychologist. The work carried out is closely linked to Mental Health initiatives and has been awarded the Government Trailblazer. More information will be released around this next week. Early identification of needs. Workshops have been held with excellent buy in and feedback. Training sessions for those schools interested will be held in January and March 2019. The deadline for expression of interests into delivering additional specialist provisions within mainstream schools is December.

Strand 3 (Improving Behaviour). The launch of this strategy will take place in December with two workshops for schools and external partners. A three day training session will take place in January 2019 for head teachers to form a key implementation group. The Local Authority have also introduced a new 'inclusion panel' structure to hear cases for additional funded support for pupils with SEND at risk of permanent exclusion. These will be held once a month. There will also be funding available to support non EHCP pupils.

Strand 4 (Transition to adulthood). An Approaching Adulthood Policy has been drafted and consulted on alongside the creation of an Approaching Adulthood Panel. This panel will be held termly and focus on young people coming through Social Care who are approaching adulthood.

Strand 5 (Review of Short Breaks). Representatives from Children's Services, Reading Families Forum and Leisure & Culture have been meeting to review Short Breaks and improve a universal offer for families. This will form a sub group of the SEND Strategy Board.

Strand 2 was congratulated on the good news regarding the Trailblazer funding.

The report was noted.

9. Approval of Scheme for Financing Schools

Claire White presented.

The proposed changes for Scheme for Financing Schools were presented to Schools Forum at the October meeting. This has now returned from consultation and requires final approval from the Forum.

A summary of the main changes to the scheme is set out in point 5.2.

There have been 14 responses from schools in regards to the consultation. All schools agreed in principal to the changes though concerns have been noted in point 5.3.

Some schools have commented on the budget submission date changing to 1st May. This has now been amended in the document to make clear that this deadline is not mandatory for 2019, however it will come into place in 2020.

Where specific questions have been raised, responses have been made directly back to the schools. Any issues around clarification have now been amended to the wording of the Scheme.

It has been clarified with DFE that loans to schools to support redundancy costs are not permissible.

The report was noted. Schools Forum Approved the revised scheme as amended.

Stephen Kitchman requested that the logo for Brighter Futures for Children is included.

10.	Agenda Items For Future Meetings
	<p>The next meeting will be held on 17th January 2019 (5pm) at the Civic Centre - Council Chambers.</p> <p>Finalisation of Schools Formula (setting the funding values) & de-delegations. High Needs Budget 2019 - 2020 Central School Services Budget 2019 - 2020 Early Years Budget 2019 - 2020</p>
11.	Any Other Business
	<p>David Locke praised the education team for their hard work, in particular Claire White and Sonia Aulak on their involvement in producing the reports for Schools Forum.</p> <p>Ali McNamara encouraged Schools Forum members to respond to a Union consultation in regards to funding.</p>

Agenda Item 3:

SCHOOLS FORUM MEMBERSHIP

Jan-19

Group / Sub Group	Votes	Position	Name	School	First elected / appointed to SF	Last elected / appointed to SF	Period of office as member	Due for re-election / appointment
Members								
Nursery (3)	1	Head teacher	Jo Budge	Blagdon Nursery	Jan-17	Jan-17	1 yr	Jan-19
	2	Governor	Vacant				4 yrs	
	3	PVIs	Ita McGullion	Kennet Day Nursery	Oct-17	Oct-17	On-going	n/a
Maintained Primary (7)	4	Head teacher	Vacant				1 yr	
	5	Head teacher	Justine McMinn	EP Collier	Nov-13	Jan-17	1 yr	Jan-19
	6	Head teacher	Cathy Doberska	English Martyrs	Jul-18	Jul-18	1 yr	Jul-19
	7	Head teacher **	John Cosgrove	Christ the King	Oct-14	Jan-17	1 yr	Jan-19
	8	Head teacher	Tonia Crossman	Emmer Green	May-17	May-17	1 yr	May-18
	9	Governor *	Peter Kayes	The Ridgeway	Mar-07	Dec-16	4 yrs	Dec-20
	10	Governor	Richard Rolfe	Micklands	Dec-16	Dec-16	4 yrs	Dec-20
Academy Primary (3)	11	Member	Karen Edwards	The Heights	Jul-18	Jul-18	1 Yr	Jul-19
	12		Stieve Butler	Meadow Park	Jul-17	Jul-18	1 Yr	Jul-19
	13		Vacant				1 Yr	
Maintained Secondary (1)	14	Head teacher	Simon Utley	Blessed Hugh Faringdon	Jan-17	Jan-17	1 yr	n/a
Academy Secondary (5)	15 16 17 18 19	Member	Isabelle Sandy	Kendrick	Feb-12	Mar-18	1 Yr	Mar-19
			Ashley Robson	Reading	Feb-12	Mar-18	1 Yr	Mar-19
			Rachel Cave	Highdown	Feb-12	Mar-18	1 Yr	Mar-19
			Phil Davies	Prospect	Feb-12	Mar-18	1 Yr	Mar-19
			Laura Ellenor	John Madjeski	Jan-17	Mar-18	1 Yr	Mar-19
			Annal Nayyar	Reading Girls	Dec-17	Dec-17	1 Yr	Dec-18
			Joanne Harper	UTC	Dec-13	Dec-15	1 Yr	Dec-16
			Andy Johnson	Maiden Earlegh in Reading	Jan-18	Jan-18	1 Yr	Jan-19
Maintained Special (1)	20	Head teacher	Vacant	Holybrook Phoenix			1 yr	
Academy Special (1)	21	Member	Tracey Green	The Avenue	Mar-18	Mar-18	1 Yr	Mar-19
Alternative (1)	22	Alternative	Mandy Wilton	Cranbury College			On-going	n/a
Trades Unions (1)	23	Trades Unions	Ali McNamara	Unions			On-going	n/a

Non Members

Observer	-	RBC	Cllr Ashley Pearce, Lead Member for Education					
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* Chair

** Vice chair

BRIGHTER FUTURES FOR CHILDREN

TO:	Reading Schools Forum		
DATE:	17 th January 2019	AGENDA ITEM:	4
TITLE:	Dedicated Schools Grant (DSG) Budget Monitoring 2018/19		
AUTHOR:	Claire White	TEL:	0118 937 4161
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report updates the latest in year financial position and the latest longer term view on reducing the overall deficit.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 **NOTE:** The 2018/19 budget monitoring position, in particular the pressure in the high needs block.
- 2.2 **NOTE:** The longer term financial plan to bring the DSG budget back into balance.

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 BACKGROUND

- 4.1 The Dedicated Schools Grant (DSG) is a ring fenced grant and can only be spent on school/pupil activity, as defined by the School and Early Years Finance (England) Regulations (2018).
- 4.2 The DSG is split between four different funding blocks - schools, central school services, early years, and high needs. Each Council's allocation is largely based upon actual pupil numbers from the October pupil count proceeding the actual financial year. Although separate allocations are received for each block, transfers are allowed between blocks but subject to certain restrictions.
- 4.3 Most of the grant is allocated to schools - the Individual School's Budget (ISB) or delegated budget - this is mainly formula driven; the remainder is the Centrally Retained School's Budget - the non-delegated budget.

- 4.4 Overspends on the DSG are carried forward and are a first call on the new year's allocation of DSG. Underspends on the DSG are carried forward to support the future year's school's budget.
- 4.5 The Authority must ensure that DSG is correctly spent and has to report the outturn position to inform the impact upon the following year's budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.
- 4.6 The LA receives its DSG allocation gross (including allocations relating to academies and post 16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

5. DSG ALLOCATION 2018/19

- 5.1 DSG allocations will change in year due to academy conversions during the year and the ESFA will update the 2018/19 grant when conversions have been completed. Also, allocations in the Early Years and High Needs Block are updated in late July 2018 by the ESFA. The original and current allocation is summarised in Table 1 below, with a detailed breakdown of the calculations provided in Appendix 1.

Table 1: RBC's original and revised (current) DSG allocations for 2018-19

Block	Original DSG Allocation 2018/19			Revised DSG Allocation 2018/19 (December 2018)			Change (£m)
	Gross DSG Allocations (£m)	Less Recoupment relating to Academies/ Post 16 (£m)	Total LA DSG Allocations (£m)	Gross DSG Allocations (£m)	Less Recoupment relating to Academies/ Post 16 (£m)	Total LA DSG Allocations (£m)	Total DSG (£m) Available
Schools Block	86.824	-39.877	46.947	86.823	-41.189	45.634	-1.313
Central Schools Block	1.305		1.305	1.305		1.305	0
Early Years Block	13.432		13.432	12.560		12.560	-0.872
High Needs Block	19.296	-1.618	17.678	19.511	-1.757	17.755	0.077
Total	120.857	-41.495	79.362	120.200	-42.946	77.254	-2.108
17/18 EY adjustment						0.366	0.366
Total Available						77.620	-1.742

- 5.2 The reduction in schools block funding is due to two primary school academy conversions in-year - Christ Church, and St Mary and All Saints. This funding is now paid direct to these schools by ESFA, and has no impact on the budget.
- 5.3 In December 2018, the Secretary of State for Education announced additional high needs funding for both 2018/19 and 2019/20 financial years due to increasing costs of special educational provision, particularly for those pupils with more complex needs. This amounts to £383,946 for Reading, in each year. The 2018/19 allocation has been added to the DSG figures in Table 1.
- 5.4 The impacts from the in-year revisions are:
- High needs block funding reduced in July due to the import/export adjustment (additional pupils placed in settings outside Reading) and increase in the number of places funded in academies, which is deducted from our allocation. This adds to the deficit in this block, but has now been offset by the additional allocation announced in December 2018. The net additional funding of £77k will go towards offsetting the deficit.
 - Early years funding has been reduced in line with the January 2018 early years census. This *may* impact if the actual take up of places is greater. It is assumed that expenditure will reduce by the same amount.
 - The adjustment relating to the 2017/18 early years funding is due to the actual clawback being less than the provision made in the accounts, so this is additional funding available in 2018/19 and is currently unallocated (though offsetting the overall deficit).
- 5.5 There should be no further changes to the DSG allocation in the current financial year.
- 5.6 Note that as part of the 2018/19 budget setting, it was agreed that there would be a transfer of £434k from the Schools Block to the High Needs Block towards the high needs deficit, plus central licences are being met from the Schools Block allocation.

6. DSG BUDGET MONITORING 2018/19 UPDATE

- 6.1 Every Local Authority has to produce the Section 251 (S251) Budget and Outturn per year. The S251 Budget is uploaded onto the council website every April. Link: <http://www.reading.gov.uk/section251-budget-statements>. (Other Education and Children's budget data are also within the S251 statement).
- 6.2 Appendix 2 contains the latest in year budget monitoring position for the DSG, split between the four funding blocks, and broken down by the reporting lines for the DSG section of S251.
- 6.3 Appendix 3 contains brief notes on what is included in each line of the budget report.

6.4 Table 2 summarises the current overall position per block as at the end of December 2018. The position has significantly improved since the last report (for November 2018).

Table 2: Summary Budget Monitoring Position – as at 31 December 2018

	Original Budget (£m)	Virements £m	Current Budget (£m)	Forecast Outturn £m	Variance £m
Schools Block	46.409	-1.313	45.096	44.900	-0.196
Central Schools Block	1.408	0	1.408	1.408	0
Early Years Block	13.432	-0.872	12.560	12.560	0
High Needs Block	18.112	0	18.112	20.638	2.526
Sub Total - Net Expenditure	79.360	-2.185	77.175	79.505	2.330
DSG Allocation	79.362	-1.742	77.620	77.620	0
Balance Over/(Under) Allocated	-0.002	-0.443	-0.445	1.885	2.330

6.5 The current forecast is that the year will close with a £1.885 deficit overall (compared to £2.402m reported last month), i.e. in-year expenditure plus pay back of brought forward deficit will not be met by the in-year allocation of grant. The over spend (and change in the forecast) is all in the high needs block. It is assumed that the additional allocation in the early years block (set out in paragraph 5.4) will go towards offsetting the deficit, but the underspend in the schools block will go towards funding the growth funding shortfall in 2019/20. Thus the high needs deficit to be carried forward to 2019/20 currently stands at £2.081m.

7. VARIANCES

7.1 Schools Block (SB)

- There will only be a variance on primary and secondary school delegated allocations if the actual business rates bills vary from the budget. There are a few rating revaluations going through at the moment and it is likely that there will be a small under spend.
- The Growth Fund for 2018/19 has been set at £900k; allocations confirmed total £804k with no requirement for the contingency set aside. The Falling Rolls fund of £100k will not be used. The overall under spend for these funds is £196k which will be carried forward for growth fund allocations in 2019/20.
- De-delegations are contributions to central services and unlikely to overspend as the LA would pick this up.

7.2 Central Schools Services Block (CSSB)

- Most of the central school services budgets are classed as contributions and the majority of areas will not be overspent as the LA would pick up any over spends. There will be no variance on copyright licences, as this is a national contract agreed in advance.

7.3 Early Years Block (EYB)

- The majority of Early Years Funding (97%) is relating to the free early year's entitlement for 2, 3 and 4 year olds. The budget is based on the hours funded in the January 2018 census at the set hourly rate. The DSG funding due to be received is based on an average of the January 2018 and 2019 census numbers, so in theory, as expenditure is based on the actual uptake of entitlement for each term, any increase or decrease in numbers during the year compared to the January 2018 census should be funded, or funding will be clawed back (by the ESFA) in the following year if there is an over allocation. This assumes that the January census represents a close average for the whole year. A forecast will be possible once all the autumn and spring payments have been made to providers; the current report assumes there will be no variance.
- The maintained nursery grant received within the DSG has been reduced by £53k (due to a reduction in numbers between January 2017 and January 2018), though this amount will not be clawed back from the nursery schools. This may result in a pressure, though at the moment it is assumed that the overall reduction in take up and thus expenditure will offset this.
- Other budgets that pay for central spend are mainly contributions as agreed at the budget setting, and will not have a variance.
- The Early Years adjustment to the DSG of £366k (referred to in paragraph 5.4) is unallocated, which if not required in the early years block, will offset over spends in the high needs block.

7.4 High Needs Block (HNB)

- The High Needs Block has been overspending for many years and the LA has introduced SEND projects (Strands) to implement future SEN processes/resource building and help achieve the reduction of the DSG deficit that stood at £2.9m at 31st March 2018. Details of progress on these projects come under a separate report.
- The LA has also invested some funds to improve the SEND commissioning element that will review SEND placements/Contracts. This will complement the work that the Strands are doing.
- The over spend for 2018/19 is currently forecast to be £2.4m (compared to £3.3m reported last month) after also taking into account the actual deficit brought forward and the revised DSG allocation for the year.
- The reasons for the significant change in the forecast are the additional high needs block DSG allocation; delayed removal of August leavers from

the EMS database, which were still included in the previous top up figures; and updated annual charges for external placements including successful negotiations to reduce inflationary increases.

- Top up funding is overspending by £1.85m, with the number of pupils receiving top up funding increasing from 1,175 in April, to 1,271 in December, an increase of 103 pupils so far this financial year.
- The current over spend position of the HNB is made up as follows:

Difference between budgeted deficit b/f and actual deficit b/f	£0.666m
Top up funding - forecast over spend	£1.850m
Other forecast overspends	<u>£0.010m</u>
Total Expenditure budget over spend	£2.526m
Less: net increase in DSG HNB allocation	-£0.77m
Total over spend on HNB	<u>£2.449m</u>

7.5 Overall Position in Current Year and Future Years' Forecast

- Over £0.9m of the brought forward deficit should be repaid in the current year, resulting in a £1.885m DSG overspend at the end of March 2019 to be carried forward to 2019/20. This is made up of £2.4m HNB less £0.3m contingency in EYB and £0.2m underspend in the SB.
- The HNB should not see further significant increases this financial year now all the academic year changes have been assessed, and as the high needs strategy starts to take effect. Any possible pressures in the EYB should be met by the EYB contingency, though this will reduce the funding available towards the HN deficit. Any final under spend in the EYB and SB (other than the growth fund under spend) could go towards offsetting the HNB.
- The DSG deficit peaked in 2016/17 at £3.4m as shown in Table 3, and is now showing a significant reduction in just two years. This is largely due to increases in funding and transfers from under spending blocks to the high needs block.

Table 3: DSG Deficit Year on Year

Year	£m
2014-15 Actual	0
2015-16 Actual	2.057
2016-17 Actual	3.397
2017-18 Actual	2.860
2018-19 Estimate	1.885

- Table 4 shows the latest view on bringing the DSG budget back into balance, which is likely to take at least a further three years. This is broken down by funding block and assumes that the SB, EYB and CSSB will each balance in year. The HNB will be spending less than the in-year grant allocation even with a small increase in expenditure in 2019/20 compared to the current year forecast. In 2020/21 expenditure will need to reduce by a small amount

(£300k), followed by a further £100k each year which may be possible as the impact of the strategy takes effect, i.e. leavers from expensive provision being replaced by new placements in cheaper local provision. This reduction will need to be maintained until the deficit is paid off. It is assumed that the funding allocation for the HNB will increase by 0.5% each year. On this basis, the deficit will be repaid by 2022/23 and some investment in existing provision can start to be made in 2023/24. This does not, however, account for a significant increase in overall numbers of EHCPs, which could delay recovery of the deficit.

Table 4: DSG Recovery Plan

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Expenditure by Block:					
Schools	44.900	44.275	44.520	44.520	44.520
Central Schools	1.408	1.330	1.330	1.330	1.330
Early Years	12.560	12.548	12.548	12.548	12.548
High Needs	17.778	18.000	17.700	17.600	17.500
Total Expenditure	76.646	76.153	76.098	75.998	75.898
DSG Income by Block:					
Schools	-45.098	-44.078	-44.520	-44.520	-44.520
Central Schools	-1.407	-1.330	-1.330	-1.330	-1.330
Early Years	-12.926	-12.548	-12.548	-12.548	-12.548
High Needs	-18.189	-18.428	-18.071	-18.161	-18.252
Total DSG Income	-77.620	-76.384	-76.469	-76.560	-76.650
In Year Deficit/(surplus):					
Schools	-0.197	0.197	0	0	0
Central Schools	0	0	0	0	0
Early Years	-0.366	0	0	0	0
High Needs	-0.411	-0.428	-0.371	-0.561	-0.752
Total Net Position	-0.974	-0.230	-0.371	-0.561	-0.752
Less B/F Deficit	2.860	1.885	1.655	1.284	0.722
Planned Year End Position	1.885	1.655	1.284	0.723	-0.029

- Note that from next year, the LA will be required to report deficits of 1% or more of the total DSG allocation to the DfE (by the end of June 2019). Recovery plans will need to be discussed with and agreed by the Schools' Forum. The DfE's expectation is that the DSG will be brought back into balance within three years.

Appendices

Appendix 1 - DSG Allocations 2018/19 - December 2018 Update

Appendix 2 - Summary DSG Budget Monitoring Report

Appendix 3 - Additional Information per Service

Appendix 1 - DSG Allocations 2018/19 - December 2018 Update

Schools Block					
Pupil Numbers Primary	13,320.0		13,320.0		13,320.0
Rate	£3,938.01		£3,938.01		£3,938.01
Allocation		£52,454,293		£52,454,293	£52,454,293
Pupil Numbers Secondary	6,057.0		6,057.0		6,057.0
Rate	£5,105.75		£5,105.75		£5,105.75
Allocation		£30,925,528		£30,925,528	£30,925,528
Growth Funding		£3,443,696		£3,443,696	£3,443,696
Premises Funding					
Gross Allocation		£86,823,517		£86,823,517	£86,823,517
Academy Recoupment		-£39,876,799		-£40,604,564	-£41,189,240
actual funding rounding adjustment		-£18		£47	-£277
Schools Block Net Total		£46,946,700		£46,219,000	£45,634,000
Central School Services Block					
Pupil Numbers	19,377		19,377		19,377
Rate	£32.27		£32.27		£32.27
Allocation		£625,296		£625,296	£625,296
Historic Commitments		£680,000		£680,000	£680,000
actual funding rounding adjustment		4		-£296	-£296
Central School Services Block Net Total		£1,305,300		£1,305,000	£1,305,000
High Needs Block					
Formula		£20,156,112		£20,156,112	£20,156,112
Additional Allocation - announced Dec 18					£383,946
Place Numbers - Special Schools	215.0		215.0		215.0
Place Numbers - Alternative Provision	41.0		41.0		41.0
Rate	£4,208.94		£4,208.94		£4,208.94
Allocation		£1,077,489		£1,077,489	£1,077,489
Import/Export Adjustment	-323		-351		-351
Rate	£6,000.00		£6,000.00		£6,000.00
Allocation		-£1,938,000		-£2,106,000	-£2,106,000
Gross Allocation		£19,295,601		£19,127,601	£19,511,547
Recoupment - academy/post 16 places		-£1,618,000		-£1,756,993	-£1,756,993
actual funding rounding adjustment		-1		£392	£392
High Needs Block Net Total		£17,677,600		£17,371,000	£17,754,946
Early Years Block					
3 & 4 year olds Universal - Schools	1,457.0		1,396.0		1,396.0
3 & 4 year olds Universal - PVI	1,617.4		1,496.0		1,496.0
3 & 4 year olds Additional - Schools	837.6		198.4		198.4
3 & 4 year olds Additional - PVI			628.7		628.7
Total	3,912		3,719		3,719
Rate	£5.14		£5.14		£5.14
Allocation - Universal - Schools		£4,268,719		£4,090,001	£4,090,001
Allocation - Universal - PVI		£4,738,746		£4,382,981	£4,382,981
Allocation - Additional - Schools		£2,454,000		£581,272	£581,272
Allocation - Additional - PVI		£0		£1,841,965	£1,841,965
2 year olds - schools	24.0		67.0		67.0
2 year olds - PVI	424.4		314.1		314.1
Total	448.4		381.1		381.1
Rate	£5.74		£5.74		£5.74
Allocation		£1,467,173		£1,246,883	£1,246,883
PPG - schools	271.7		226.0		226.0
PPG - PVI	185.2		120.4		120.4
Total	456.9		346.4		346.4
Rate	£0.53		£0.53		£0.53
Allocation		£138,020		£104,647	£104,647
DAF - eligible pupils	54.0		54.0		54.0
Rate	£615.00		£615.00		£615.00
Allocation		£33,210		£33,210	£33,210
Maintained Nursery Grant		£331,883		£278,895	£278,895
actual funding rounding adjustment		48		£145	£145
Early Years Block Net Total		£13,431,800		£12,560,000	£12,560,000
SUMMARY NET IN YEAR ALLOCATION					
Schools Block		£46,946,700		£46,219,000	£45,634,000
Central School Services Block		£1,305,300		£1,305,000	£1,305,000
High Needs Block		£17,677,600		£17,371,000	£17,754,946
Early Years Block		£13,431,800		£12,560,000	£12,560,000
TOTAL DSG ALLOCATION IN YEAR		£79,361,400		£77,454,999	£77,253,945
(CHECK TO GRANT NOTIFICATION RECEIVED)					
Grant Adjustments		£79,254,000		£77,455,000	£76,870,000
Early years clawback for 2017/18 (difference in provision made)				£365,840	£365,840
Transfer from School Block		-£434,000		-£434,000	-£434,000
Transfer from School Block		-£102,300		-£102,300	-£102,300
Transfer to CSSB		£102,300		£102,300	£102,300
Transfer to HN Block		£434,000		£434,000	£434,000
DSG AVAILABLE					
Schools Block		£46,410,400		£45,682,700	£45,097,700
Central School Services Block		£1,407,600		£1,407,300	£1,407,300
High Needs Block		£18,111,600		£17,805,000	£18,188,946
Early Years Block		£13,431,800		£12,925,840	£12,925,840
TOTAL DSG AVAILABLE		£79,361,400		£77,820,839	£77,619,785

Appendix 2 - Summary DSG Budget Monitoring Report

Summary DSG Budget Monitoring Report - as at 31 December 2018								
new line	S251 Line	Description	Original Budget £m	Virements £m	Current Budget £m	Forecast Outturn £m	Variance £m	old line
Schools Block								
1	1.0.1 (p)	Individual Schools Budget - Maintained Schools	44.930	-1.313	43.617	43.617	0.000	25
2	1.4.5	Falling Rolls Fund	0.100	0.000	0.100	0.000	-0.100	18
3	1.4.10	Growth Fund	0.900	0.000	0.900	0.804	-0.096	20
4	1.1.2	Behaviour Support Services (de-delegation)	0.178	0.000	0.178	0.178	0.000	1
5	1.1.3	Support to UPEG and Bilingual Learners (de-delegation)	0.040	0.000	0.040	0.040	0.000	2
6	1.1.9	Staff costs supply cover (trade unions) (de-delegation)	0.045	0.000	0.045	0.045	0.000	3
7	1.1.10	School Improvement (de-delegation)	0.141	0.000	0.141	0.141	0.000	4
8	1.6.4	Statutory/regulatory Duties (ESG) (de-delegation)	0.075	0.000	0.075	0.075	0.000	23
9		Sub Total Schools Block Net Expenditure	46.409	-1.313	45.096	44.900	-0.196	
10		Schools Block DSG Allocation	46.410	-1.313	45.098	45.098	0.000	
11		Balance Over / (Under) Allocated	-0.002	0.000	-0.002	-0.198	-0.196	
Central Schools Services Block								
12	1.4.1	Contribution to combined budgets	0.630	0.000	0.630	0.630	0.000	15
13	1.4.2	School admissions	0.215	0.000	0.215	0.215	0.000	16
14	1.4.3	Servicing of schools forum	0.020	0.000	0.020	0.020	0.000	17
15	1.4.7	Prudential borrowing costs	0.050	0.000	0.050	0.050	0.000	19
16	1.4.14	Other Items (copyright licences)	0.102	0.000	0.102	0.102	0.000	22
17	1.5.3	Statutory/regulatory Duties (ESG)	0.390	0.000	0.390	0.390	0.000	23
18		Sub Total Central School Services Block Net Expend	1.408	0.000	1.408	1.408	0.000	
19		Central School Services Block DSG Allocation	1.408	-0.000	1.407	1.407	0.000	
20		Balance Over / (Under) Allocated	0.000	0.000	0.000	0.000	0.000	
Early Years Block								
21	1.0.1 (p)	Early Years Funding (free entitlement)	12.750	-0.872	11.878	11.878	0.000	25/27
22	1.2.8 (p)	Support for inclusion	0.100	0.000	0.100	0.100	0.000	12
23	1.2.5 (p)	SEN support services	0.182	0.000	0.182	0.182	0.000	9
24	1.3.1	Central expenditure on early years entitlement	0.400	0.000	0.400	0.400	0.000	14
25		Sub Total Early Years Block Net Expenditure	13.432	-0.872	12.560	12.560	0.000	
26		Early Years Block DSG Allocation	13.432	-0.506	12.926	12.926	0.000	
27		Balance Over / (Under) Allocated	-0.000	-0.366	-0.366	-0.366	0.000	
High Needs Block								
28	1.0.2 (p)	SEN placements (first £10k)	2.197	0.000	2.197	2.197	0.000	26
29	1.2.1	Top up funding - maintained schools	4.675	0.000	4.675	5.388	0.713	5
30	1.2.2	Top up funding - Academies, Free Schools and Colleges	3.900	0.000	3.900	5.053	1.153	6
31	1.2.3	Top up and other funding - non maintained & independent prov	2.900	0.000	2.900	2.884	-0.016	7
32	1.2.4	Additional high needs targeted funding	0.192	0.000	0.192	0.192	0.000	8
33	1.2.5 (p)	SEN support services	0.370	0.000	0.370	0.370	0.000	9
34	1.2.6	Hospital education services	0.198	0.000	0.198	0.208	0.010	10
35	1.2.7/1.2.12	Other alternative provision services	0.292	0.000	0.292	0.292	0.000	11
36	1.2.8 (p)	Support for inclusion	0.750	0.000	0.750	0.750	0.000	12
37	1.2.13	Therapies and other health related services	0.345	0.000	0.345	0.345	0.000	13
38	1.4.11	SEN Transport	0.100	0.000	0.100	0.100	0.000	21
39		Repayment of DSG deficit from previous year	2.193	0.000	2.193	2.860	0.666	28
40		Sub Total High Needs Block Net Expenditure	18.112	0.000	18.112	20.638	2.526	
41		High Needs Block DSG Allocation	18.112	0.077	18.189	18.189	0.000	
42		Balance Over / (Under) Allocated	0.000	-0.077	-0.077	2.449	2.526	
43		Total All Blocks Net Expenditure	79.360	-2.185	77.175	79.505	2.330	
44		Total DSG Allocation Available	79.361	-1.742	77.620	77.620	0.000	
45		Balance - Deficit / (surplus) In Year	-0.002	-0.443	-0.445	1.885	2.330	
Memorandum - Budgets Recouped from Gross DSG Allocation								
46	1.0.1 (p)	Individual Schools Budget - Academies	39.877	1.312	41.189	41.189	0.000	
47	1.0.2 (p)	SEN placements - Academies & Post 16	1.618	0.139	1.757	1.757	0.000	
48		Total DSG Recouped	41.495	1.451	42.946	42.946	0.000	

Appendix 3: Additional information for Appendix 2 table

Explanations of DSG reporting lines.

SCHOOLS BLOCK

Line 1 - Individual School Budget - Schools formula budget for maintained Primary's and Secondary's.

Line 2 - Falling Rolls Fund - The falling rolls budget, was originally set-up for Secondary schools that had more than 30 pupil reduction in Year 7 from one year to the next. This will be reviewed and adapted for Primary's with Schools' Forum.

Line 3 - Growth fund - The growth fund budget is for schools with exceptional pupil number growth in the autumn term and is allocated to schools based on the criteria set by Schools' Forum.

DE-DELEGATIONS - Maintained Primary or/and Secondary Schools Only:

Line 4 - Behaviour Support Services - Passported to Cranbury College to supply this service.

Line 5 - Support to UPEG and Bilingual Learners - Also known as Equality services. This service is closing down from July 2018.

Line 6 - Staff Costs to Supply Union Cover - Union support with supply cover for union duties.

Line 7 - School Improvement - To fund staff and Projects within the service.

Line 8 - Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA on behalf of all maintained schools.

CENTRAL SCHOOLS SERVICES BLOCK

Line 12 - Combined Budgets - cover areas such as Commissioning, school improvement advisors, MASH (Multi Agency Safeguarding Hub), virtual school for looked after children, Early Help - children action teams that covers family workers, Welfare, CAMHs and Education Psychology.

Line 13 - School Admissions - contribution towards Admissions for all Reading Schools.

Line 14 - Servicing of Schools Forum - Preparation for Schools forum.

Line 15 - Prudential Borrowing costs - Borrowing costs for schools capital programme has historically been and will be funded by borrowing over many years. This is a small contribution to the overall borrowing costs.

Line 16 - Other Items - Copyright licences - national contract, purchased on behalf of all schools.

Line 17 - Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA for all schools, including academies.

EARLY YEARS BLOCK

Line 21 - Early Years formula funding - 2,3 & 4 year old free entitlement funding including deprivation and early Years pupil premium and other early years grants relating to maintained nurseries and disability.

Line 22 - Support for Inclusion (combined with line 36) - Early Years Cluster funding and central staffing in Education department. Supports inclusion of children in early year's settings, supporting inclusive practices and resources that enable young children with SEND to have their needs met in these settings.

Line 23 - SEN Support Services (combined with line 33) - provision for early years settings.

Line 24 - Central Expenditure on Children under 5 - Early Years Team Staff and other central early years budgets.

SEN /HIGH NEEDS BLOCK

Line 28 - SEN Placements - Placement funding for pre 16 maintained Resources (first £6k), special Schools (first £10k), and alternative provision (Cranbury College).

Line 29 - Top-up funding for maintained providers - EHCP top-ups for maintained early years, primary, secondary, special and alternative provisions within any LA that has a Reading financial responsibility for the EHCP. This also includes Pupils without EHCPs in Pupil referral units

Line 30 - Top-up funding for Academies and Colleges - EHCP top-ups for Academies, free schools and colleges within the Early years, primary, secondary, special, alternative and college provisions within any LA that has a Reading financial responsibility for the EHCP

Line 31 - Top-up funding and other funding - non maintained and Independents - EHCP Top-ups for Independent and non-maintained special schools.

Line 32 - Top-up funding additional - Includes Nursery Provision (Snowflakes) and some projects relating to pupils.

Line 33 - SEN Support Services (combined with line 23) - This includes Sensory Consortium (joint arrangement with other Berkshire LAs), Portage and ASD Outreach commissioned to Christ The King.

Line 34 - Hospital Education Services - This includes Hospital Education unit at Royal Berkshire Hospital and Education for Pupils in Tier 4 CAMHs specialist independent mental health hospital provision which is commissioned by NHS England

Line 35 - Other Alternative Provisions - this includes Cranbury Post 16 provision and Dingley Contract.

Line 36 - Support for Inclusion (combined with line 22) - New Inclusion fund, and central staffing (2 posts) in Education department, one for statutory functions including monitoring exclusions and one for ASD advisory support. Includes Manor inclusion project, hard to place and cluster funding. Also traveller education and virtual school children looked after.

Line 37 - Therapies and other Health Related services - Contribution towards Speech and Language, Occupational and Physio therapy. Jointly funded with the Clinical Commissioning Group.

Line 38 - SEN Transport - Contributions to SEN School Travel

Line 39 - Repayment of deficit (17-18 C/FWD) - Overall £2.860m deficit has been reported to the DfE as Reading's carry forward on DSG. This is where the £2.193m deficit budget sits that includes minus 0.5% reductions from schools in 16-17 and 17-18 and 0.5% lump sum removed from Schools block in 18-19.

RECOUPMENT

Line 46 - Individual School Budget - School formula budgets recouped for primary and secondary academies.

Line 47 - SEN Placements - Placement funding recouped for post 16 places (at £6k per place), and academy resource unit places (£6k) and special school places (£10k).

BRIGHTER FUTURES FOR CHILDREN

TO:	Reading Schools Forum		
DATE:	17 th January 2019	AGENDA ITEM:	5
TITLE:	Dedicated Schools Grant (DSG) Settlement for 2019/20		
AUTHOR:	Claire White	TEL:	0118 937 4161
JOB TITLE:	Interim Education & Schools Business Partner		
E-MAIL:	claire.white@brighterfuturesforchildren.org		

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report sets out the funding to be received through the Dedicated Schools Grant (DSG) in 2019/20, and sets out what is required to finalise the budget for each block.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 **NOTE:** The DSG allocations to be received by block in 2019/20 (5.1).
- 2.2 **NOTE:** The actions and timescale required to finalise the 2019/20 budget for each DSG block.

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 BACKGROUND

- 4.1 The DSG funds both maintained schools and academies and is ring fenced for school/pupil activity. The grant allocation is largely based upon actual pupil numbers from the October pupil count proceeding the actual financial year. The grant received is notionally split between four funding blocks - schools, central school services, early years, and high needs - and its use is split between the:

- Individual School's Budget (ISB) or delegated budget - this is mainly formula driven;
- Centrally Retained School's Budget - the non-delegated budget. There is some limited flexibility in transferring funding between blocks.

- 4.2 Overspends on the DSG are carried forward and are a first call on the new year's allocation of DSG. Underspends on the DSG are carried forward to support the future year's school's budget. The Authority must therefore monitor the outturn position as to inform the impact upon the new financial year's budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.
- 4.3 The methodology for allocating the DSG to local authorities changed significantly in 2018/19, with new national funding formula introduced for each of the schools, central school services (new block in 2018/19), and high needs blocks. The early years block was funded by a new national formula from 2017/18.
- 4.4 The Authority must ensure that DSG is correctly deployed in accordance with the conditions of grant and the School and Early Years Finance (England) Regulations. The arrangements for 2019/20 are detailed by the Education and Skills Funding Agency (ESFA) in the "Schools revenue funding 2019 to 2020 operational guide" published in July 2018, the "High needs funding 2019 to 2020 operational guide" published in September 2018, and the "Early years entitlements: local authority funding of providers operational guidance for 2019 to 2020" published in November 2018. From 2019/20, ESFA will require a report from any LA that has a DSG deficit of more than 1% as at 31 March 2019, to explain how it plans to bring the DSG account back into balance.

5 DSG ALLOCATION FOR 2019/20

- 5.1 The allocations for 2019/20 were published on 17th December 2018. Appendix 1 of this report sets out the detailed calculation for Reading. Table 1 provides a summary, which also compares to the 2018/19 allocations.

Table 1: RBC's DSG allocations for 2018/19 (revised) and 2019/20

Block	DSG Allocations prior to recoupment		
	2018/19 Revised (£m)	2019/20 (£m)	Change (£m)
Schools Block	86.824	89.525	+2.701
Central School Services Block	1.305	1.330	+0.025
Early Years Block	12.560	12.548	-0.012
High Needs Block	19.128	20.099	+0.971
Total (Gross)	119.817	123.502	+3.685

- 5.2 The allocations for the schools and central schools services blocks are final. A small proportion of the high needs block is subject to change - the import-

export adjustment and changes to place funding will be confirmed in March. This will include an adjustment for Thames Valley Free School which is now included within the local authority allocation. For planning purposes these figures have been estimated. The local authority will also need to estimate the early years block based on the January 2019 census, as the current figure is based on January 2018, and this is not updated until July 2019; it is not confirmed until after the January 2020 census.

- 5.3 Overall, the 2019/20 allocation has increased by over £3.6m. The new national formula for schools has given a further increase for Reading schools of £1.276m on a like for like basis, the remainder of the increase in this block being as a result of the increase in pupil numbers. The high needs formula delivers a minimum increase of 0.5% to the base funding, plus an additional allocation has been given to all local authorities to meet high needs pressures, which for Reading totals £384k (in both 2018/19 and 2019/20), giving a total increase of £733k in this block for 2019/20. The full increase of £971k is not on a like for like basis due to the inclusion of free special schools in the funding allocation from 2019/20, which is then recouped.
- 5.4 Recoupment for academy schools and post 16 high needs places is deducted from the gross allocation; though note that from August 2019, the funding for post 16 high needs places will no longer be recouped for maintained schools. The only impact recoupment has on the budget will be for the funding of *additional* places in high needs settings which will be deducted from the gross allocation (there is no additional funding for growth in number of places). The DSG is adjusted in year for new academy conversions, but this has a neutral impact.
- 5.4 The following paragraphs set out what is required to finalise the 2019/20 budget in each funding block.

6. BUDGET SETTING BY FUNDING BLOCK

6.1 Schools Block

This block consists of the individual school budget shares to primary and secondary mainstream schools allocated to schools through the school funding formula. The proposed funding formula for 2019/20 is covered in a separate report. All funding in this block is allocated out to schools, other than funding top sliced for the growth fund, which is also detailed in a separate report. As all available funding is allocated out to schools, this block will balance.

At the last meeting of the Schools' Forum it was agreed to transfer 0.5% (£447,000) from the schools block to the high needs block.

De-delegations

There are a limited number of central services that maintained mainstream schools can opt to de-delegate from their budget allocation. This decision is made by the relevant members on Schools Forum for their school phase (it is

not the same as a buy back which is an individual school decision). This is an annual decision. A separate report sets out the services to be offered for 2019/20.

The final decisions for the schools block are required to be made at this meeting. The Authority Proforma Tool (APT) setting out the school formula, growth fund, and de-delegations has to be submitted to the ESFA by 21st January 2019.

6.2 Central School Services Block

The central block was separated out from the schools block in 2018/19, and is funded on a per pupil rate, so the funding allocation received can fluctuate depending on the number of pupils. In addition, £680k is received for historic commitments. Schools' Forum approval is required for most services funded by this block. A separate report sets out the budget requirement for 2019/20. The final decision is required to be taken at the March meeting. It is expected that this block will balance.

6.3 Early Years Block

Funding for the early years block is determined by the number of 2, 3 & 4 year olds recorded in the January census - 5/12 from the January falling in the previous financial year, and 7/12 in the January falling in the current financial year. The assumption is therefore that January numbers reflect the average position for the year, with lower numbers in the autumn, building up to the highest numbers in the summer term; this is because the free entitlement commences the term following the child's birthday. Providers receive funding based on their actual take up each term, so it is unlikely that the DSG funding received will ever match the actual spend, and this needs to be carefully managed. Pressure on this block will occur if the January census data is not an average take up for the whole year. The same methodology applies to pupil premium funding and the disability access fund (DAF).

All providers are already receiving a single formula rate (of £4.80 per hour) for 3 & 4 year olds, which is compulsory by 2019/20. The current 2 year old rate paid to providers is £5.55 per hour. DSG funding rates for this block in 2019/20 are the same as 2018/19 so it is probable that the rates paid to providers will stay the same. When setting the provider funding rates any deficit or surplus from the previous year must be taken into account. The intention is to balance this block.

Lump sum funding is also received for maintained nursery schools. This is supplementary transitional funding, and at this stage it is not known how long this will continue for, but it is still payable in 2019/20. The amount received is adjusted if pupil numbers change, and for 2018/19 the amount has gone down due to nursery school numbers falling. The intention will be to pay the nursery schools this funding based on the same methodology on which it is received, and this is likely to be a lower amount than in 2018/19.

Centrally retained funding from the early years block is subject to a 95% pass through rate - this means that up to 5% can be retained, and this includes any transfers of funding out of this block (there were no transfers in 2018/19, and none proposed in 2019/20). As DSG funding will fluctuate according to pupil numbers, the amount available for central services can be affected and needs to be carefully managed. As nursery numbers have decreased between 2017 and 2018, this *may* have an impact on the amount available for central services in 2019/20. The centrally retained budget in 2018/19 totals £580k compared to a revised allocation in 2018/19 of £12.6m, so the pass through rate is still comfortably within the limit.

As the budget needs to be based on the January 2019 census, a detailed budget plan for the early years block will be brought to Schools' Forum in March 2019 for approval.

6.4 High Needs Block

As expected, the funding to be received in this block falls short of budget requirements including the need to pay back the deficit. A separate report details the high needs block budget, which will need to be finalised by the end of March.

7. OTHER FUNDING

7.1 Other school funding announcements made in December were as follows:

- Pupil Premium - to continue at the current per-pupil rates for 2019/20.
- Teachers Pay Grant - to continue in academic year 2019/20.
- Universal Infant Free School Meal Grant - to continue at a meal rate of £2.30 for the 2019/20 academic year.
- Year 7 Catch Up Grant - to continue in 2019/20.
- School Improvement monitoring and brokering grant - continues in 2019/20.
- Key stage 2 moderation and key stage 1 phonics will continue in 2019/20.

Appendices

Appendix 1 - DSG Allocation 2018/19 and 2019/20

Appendix 1 - DSG Allocation 2018/19 and 2019/20

	Actual Allocation 2018/19		2019/20		2019/20	
	December 2018 Notification		December 2018 Notification		LA Estimate for Budget	
Schools Block						
Pupil Numbers Primary	13,320.0		13,317.5		13,317.5	
Rate	£3,938.01		£3,971.23		£3,971.23	
Allocation		£52,454,293		£52,886,856		£52,886,856
Pupil Numbers Secondary	6,057.0		6,411.0		6,411.0	
Rate	£5,105.75		£5,223.35		£5,223.35	
Allocation		£30,925,528		£33,486,897		£33,486,897
Growth Funding		£3,443,696		£1,657,782		£1,657,782
Premises & Mobility Funding				£1,492,369		£1,492,369
actual funding rounding adjustment		-£277		£597		£597
Gross Allocation		£86,823,240		£89,524,500		£89,524,500
Academy Recoupment		-£41,189,240				-£45,000,000
Schools Block Net Total		£45,634,000		£89,524,500		£44,524,500
Central School Services Block						
Pupil Numbers	19,377		19,728.5		19,729	
Rate	£32.27		£32.97		£32.97	
Allocation		£625,296		£650,449		£650,449
Historic Commitments		£680,000		£680,000		£680,000
actual funding rounding adjustment		-£296		-£449		-£449
Central School Services Block Net Total		£1,305,000		£1,330,000		£1,330,000
High Needs Block						
Formula		£20,156,112		£20,321,842		£20,321,842
Hospital Funding				£182,810		£182,810
Additional Allocation		£383,946		£384,000		£384,000
Place Numbers - Special Schools	215.0		276.0		276.0	
Place Numbers - Alternative Provision	41.0		37.0		37.0	
	256.0		313.0		313.0	
Rate	£4,208.94		£4,208.94		£4,208.94	
Allocation		£1,077,489		£1,317,398		£1,317,398
Import/Export Adjustment						
Rate	-351		-351		-297	
Allocation	£6,000.00	-£2,106,000	£6,000.00	-£2,106,000	£6,000.00	-£1,782,000
actual funding rounding adjustment		£392		-£550		-£550
Gross Allocation		£19,511,939		£20,099,500		£20,423,500
Recoupment - academy/post 16 places		-£1,756,993		-£2,310,664		-£2,442,490
High Needs Block Net Total		£17,754,946		£17,788,836		£17,981,010
Early Years Block						
3 & 4 year olds Universal - Schools	1,396.0		1,396.0		1,396.0	
3 & 4 year olds Universal - PVI	1,496.0		1,496.0		1,496.0	
3 & 4 year olds Additional - Schools	198.4		198.4		198.4	
3 & 4 year olds Additional - PVI	628.7		628.7		628.7	
Total	3,719		3,719		3,719	
Rate	£5.14		£5.14		£5.14	
Allocation		£10,896,219		£10,896,219		£10,896,219
2 year olds - schools	67.0		67.0		67.0	
2 year olds - PVI	314.1		314.1		314.1	
Total	381.1		381.1		381.1	
Rate	£5.74		£5.74		£5.74	
Allocation		£1,246,883		£1,246,883		£1,246,883
PPG - schools	226.0		226.0		226.0	
PPG - PVI	120.4		120.4		120.4	
Total	346.4		346.4		346.4	
Rate	£0.53		£0.53		£0.53	
Allocation		£104,647		£104,647		£104,647
DAF - eligible pupils	54.0		54.0		54.0	
Rate	£615.00		£615.00		£615.00	
Allocation		£33,210		£33,210		£33,210
Maintained Nursery Grant		£278,895		£266,555		£266,555
actual funding rounding adjustment		£145		£485		£485
Early Years Block Net Total		£12,560,000		£12,548,000		£12,548,000
SUMMARY GROSS IN YEAR ALLOCATION						
Schools Block		86,823,240		89,524,500		89,524,500
Central School Services Block		1,305,000		1,330,000		1,330,000
High Needs Block		19,511,939		20,099,500		20,423,500
Early Years Block		12,560,000		12,548,000		12,548,000
TOTAL GROSS DSG ALLOCATION IN YEAR		£120,200,178		£123,502,000		£123,826,000
SUMMARY NET IN YEAR ALLOCATION						
Schools Block		£45,634,000		£89,524,500		£44,524,500
Central School Services Block		£1,305,000		£1,330,000		£1,330,000
High Needs Block		£17,754,946		£17,788,836		£17,981,010
Early Years Block		£12,560,000		£12,548,000		£12,548,000
TOTAL NET DSG ALLOCATION IN YEAR		£77,253,945		£121,191,336		£76,383,510
<i>(CHECK TO GRANT NOTIFICATION RECEIVED)</i>		£77,253,946		£121,191,000		
Grant Adjustments						
Early years clawback for 2017/18 (difference in provision)		£365,839				
Transfer from School Block		-£434,000		-£447,000		-£447,000
Transfer to HN Block		£434,000		£447,000		£447,000
Transfer from School Block		-£102,300				
Transfer to CSSB		£102,300				
DSG AVAILABLE						
Schools Block		£45,097,700		£89,077,500		£44,077,500
Central School Services Block		£1,407,300		£1,330,000		£1,330,000
High Needs Block		£18,188,946		£18,235,836		£18,428,010
Early Years Block		£12,925,839		£12,548,000		£12,548,000
TOTAL DSG AVAILABLE		£77,619,784		£121,191,336		£76,383,510

BRIGHTER FUTURES FOR CHILDREN

TO:	Reading Schools Forum		
DATE:	17 th January 2019	AGENDA ITEM:	6
TITLE:	Growth Fund 2019/20		
AUTHOR:	Claire White	TEL:	0118 937 4161
JOB TITLE:	Interim Education & Schools Business Partner		
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 A report was brought to the last meeting of the Schools' Forum to agree proposals for the growth and falling rolls fund. It was agreed to remove the falling rolls fund, but no decision was taken on the growth fund, with a request to give this further consideration.
- 1.2 This report sets out three options for the operation of the growth fund in 2019/20, and the estimated budget requirement compared to the funding received for this purpose through the Dedicated Schools Grant (DSG). Schools' Forum Members are required to approve the criteria and budget for this fund.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 **NOTE:** The DSG allocation received for this purpose in 2019/20 (paragraph 4.6).
- 2.2 **AGREE:** The criteria (paragraph 5.7) and funding calculation to be applied for the allocation of Growth Funding in 2019/20 from the three options given (paragraph 5.8).
- 2.3 **AGREE:** The budget for the Growth Fund for 2019/20 in accordance with the option selected (paragraph 6.2).

3 POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4 FUNDING ALLOCATION FOR GROWTH IN 2019/20

- 4.1 Growth funding enables local authorities to support schools with significant in-year pupil number growth which is not recognised by the lagged school

formula funding system. Up until 2018/19 the schools block DSG has included funding for growth and falling rolls based on the previous year's budget set by the local authority. From 2019/20, this element of funding will be allocated using a new formula based on lagged growth data, but local authorities will still manage their growth funding locally. There is no longer an allocation within the DSG for falling rolls.

4.2 This element of funding is not ring fenced for this purpose, and local authorities can still top slice the overall school block funding to fund pupil number growth and the falling rolls fund budget for needs over and above this allocation.

4.3 The formula for allocating this funding to local authorities in 2019/20 is as follows:

Growth is measured within each "middle layer super output area" (MSOA). These smaller areas will detect pockets of growth within the wider local authority area - in Reading there are 17 MSOAs. Increases in pupil numbers between October 2017 and October 2018 in each of these areas are counted; only positive increases are counted, so a local authority with positive growth in one area balanced out by negative growth in another will still receive funding.

The growth factor values applied are as follows:

£1,370 for each primary growth pupil

£2,050 for each secondary growth pupil

New school lump sum: £65,000 for each brand new school which opened in the previous year.

4.4 It is not expected that local authorities will replicate these rates in their local arrangements, as this is just a proxy methodology to allocate funding for overall growth in the area and not at individual school level.

4.5 Protection is applied so that no local authority's growth allocation will fall by more than 0.5% of their overall 2018/19 schools block funding. Gains will be up to a maximum increase of 50% compared to the 2018/19 growth allocation, with gains above this scaled by a factor of 50%.

4.6 Reading's allocation through this new methodology totals £1.119m in 2019/20. As this is a significant reduction compared to the 2018/19 allocation of £2.092m, the funding floor protection applies. The allocation for 2019/20 is therefore **£1.658m**, a reduction of £434k which is after applying the maximum reduction of 0.5% of the 2018/19 schools block DSG allocation.

5 GROWTH FUND PROPOSAL FOR 2019/20

5.1 The growth fund can only be used for the following purposes:

- To support growth in pre-16 pupil numbers to meet basic need.

- To support additional classes needed to meet the infant class size regulation.
 - To meet the cost of new schools.
- 5.2 New growing schools, where the change is permanent and is a significant change to numbers, must be funded through the school formula by adjusting the pupil numbers. The funding to support this will still be met from the growth fund.
- 5.3 The growth fund cannot be used to support general growth due to popularity, which is managed through lagged funding.
- 5.4 Local Authorities are responsible for funding these needs for all schools in their area, both new and existing. They should all be funded using the same criteria, which must be agreed by the Schools' Forum. The Schools Forum must also agree on the total size of the fund for each phase, and receive updates on the use of the funding.
- 5.5 Criteria for allocating growth funding should contain clear objective trigger points, and a clear formula for calculating allocations. The ESFA Operational Guidance for 2019/20 states that methodologies include:
- A lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs).
 - A per pupil rate (usually based on AWPU, and reflecting the proportion of the year which is not funded within the school's budget share).
 - A per pupil rate, with a maximum ceiling.
- 5.6 The criteria agreed by Reading Schools' Forum in both 2017/18 and 2018/19 is as follows:
- 1) For each expanding school or school taking a new bulge class from the following September: Number of additional pupils x average funding rate per pupil x 7/12 (or a full 12 months if an academy). The average funding rate per pupil is calculated by taking the total formula funding for all schools in each phase and dividing by the total pupil numbers for each phase. In 2018/19 these rates are £3,962 primary and £5,098 primary. There is no ceiling placed on the funding each school can receive. So a class of 30 additional pupils equates to £118,860 for a primary class and £152,940 for a secondary class.
 - 2) If a school faces exceptional costs as a result of agreeing to expand, and it would be unreasonable for the school to meet these costs from its delegated budget, the school can apply to Schools Forum contingency panel for additional funding.
 - 3) There is no provision for infant class size funding.
 - 4) New growing schools including extending the age range are funded through the school formula.

5.7 It is proposed that the criteria for 2019/20 will remain much the same but be set out more clearly as follows:

1) Existing expanding schools:

Where a school has agreed with the local authority to increase its admission number and provide an extra class as an on-going commitment, or to provide a bulge class, both scenarios being in response to meeting basic need in the area, additional funding will be allocated.

If, at the time the growth fund budget is set, it is clear that pupil numbers are no longer increasing at a level that will require an additional class, additional funding will **not** be guaranteed. If in the autumn, numbers are greater than that forecast and an additional class is required, additional funding will then be payable.

2) New/growing schools

New schools are funded through the school formula, by varying the pupil numbers, based 7/12 on the published admission number for the following September. Funding in this manner will cover any diseconomies of scale.

New schools opening in response to basic need, will, in addition, receive an additional one-off grant of £65,000 in the first year of opening for pre- opening and set up costs.

5.8 Given the reduction in funding available in 2019/20, consideration needs to be given to reducing the funding allocation for existing expanding schools/bulge classes. The three options are as follows:

Option A

Same per pupil rates as 2018/19 - £3,962 primary, £5,098 secondary, x 7/12 - for the proposed new class size (additional pupil numbers agreed).

Option B

Basic entitlement (AWPU) funding rate (to meet basic need) - £2,841 primary, £3,863 secondary, x 7/12 - for the proposed new class size (additional pupil numbers agreed).

Option C

Each additional class (irrelevant of the number of pupils) will attract additional funding of £65,000 (primary) or £85,000 (secondary) x 7/12. In addition, a lump sum of £5,000 for set up costs will be paid. This will cover the cost of the additional teacher and other essential resources required *until formula funding catches up*.

Note that Academies are funded for the full academic year, though only 7/12 is payable from the DSG.

- 5.9 At the last meeting of the Schools' Forum, Members raised concerns about reducing the funding rate, and felt that a commitment had been given to the expanding schools which should be honoured. An email was sent to all schools on 13th December 2018 asking for comments on this matter. Nine responses were received, and five of which currently receive the funding plus two other respondents believe that following the review which took place during 2016 on increasing the rate from the AWPU, the higher level of funding agreed at the Schools' Forum meeting in January 2017 had been guaranteed for the entire life of the expansion. Although there is no dispute that funding will continue to be forthcoming for expanding schools, the Schools' Forum reports and minutes are not at all clear that the actual amount of funding to be paid in the future is guaranteed, and each budget setting report confirms the funding level only for the forthcoming year. The schools receiving the funding are however certain that this funding has been promised and have made commitments based on this understanding.
- 5.10 It is impossible for the local authority to guarantee any future funding that is subject to changes in Government legislation and national funding allocations. The change to the national funding methodology for growth funding next year has reduced the funding available for this purpose, and in addition, the current rates used to allocate growth funding to schools are very generous and include an element of double funding for these schools.
- 5.11 Schools should also not be receiving funding for an additional class if in fact the numbers have not materialised and the class is not needed or is not actually instated, and this accounts for some of the shortfall i.e. due to the payment of "ghost" funding - for pupils that don't actually exist. As this funding is top sliced from all schools, other schools may deem this to be unfair, particularly when all schools are struggling to balance their budgets.
- 5.12 Schools also need to be aware that this is one off funding, and in the following year the funding for that year group will be based on the formula and actual pupil numbers. The organisation of classes therefore needs to be based on actual pupil numbers, and schools should not be setting up additional classes based on one off growth funding, if in the long term this will make them unviable.
- 5.13 Moving to a national funding formula will take away local flexibility which includes growth funding, so even if a promise had been made locally, under a national formula arrangement it is highly unlikely that this would be honoured.
- 5.14 In considering the options, Schools' Forum therefore needs to be mindful of the impact each has on the rest of the schools, including taking longer for all schools to reach the national funding formula factor values. The report on the School Formula shows this impact for each option.

6 BUDGET FOR GROWTH FUND 2019/20

6.1 Appendix 1 provides the calculations for determining the estimated budget requirement for growth funding in 2019/20 for each option. The opening of the new school has now been delayed, which has reduced the funding requirement for 2019/20, though the set up/pre-opening costs may still be required in 2019/20 so are included. Due to the shortfall in funding, it is not proposed to set any contingency.

6.2 In summary, the cost of each option is shown below:

2019/20 Growth Fund Budget	Option A £	Option B £	Option C £
New/Growing Schools – Formula Funding	1,248,149	1,248,149	1,248,149
New School set up grant (opening 2020)	65,000	65,000	65,000
Existing schools – Bulge/growth	435,890	316,193	269,168
Total	1,749,039	1,629,342	1,582,317
Less DSG Funding Available	1,658,000	1,658,000	1,658,000
Balance	-91,039	28,658	75,683

6.3 By reducing the level of funding allocations (options B & C) there is a small balance left compared to the DSG allocated for this purpose. Option A will require a top slice from the schools block, so will impact more on the amount of funding available to allocate to all schools through the formula.

6.4 It is still possible under option A to allocate to schools the formula factor values proposed as the base for 2019/20, with a small amount of additional funding available. This is due to an under spend of £196k in the 2018/19 growth fund, which will be carried forward into the schools block for allocation next year rather than go towards the high needs deficit. The school formula paper considers the implications on the formula funding for each option, which Schools' Forum should consider before deciding.

6.5 Whatever decision is reached will be for one year only, and the funding methodology will need to be reviewed again next year in line with funding available and national developments on growth funding.

Appendices

Appendix 1 - Budget Calculation for Growth Fund 2019/20

Appendix 1 - Budget Calculation for Growth Fund 2019/20

New Growing Schools

Civitas - additional 60 pupils in formula funding from September 2019 (pro rata = 35)

The Heights - additional 50 pupils in formula funding from September 2019 (pro rata = 29.17)

Maiden Erleigh - additional 180 pupils in formula funding from September 2019 (pro rata = 105)

The Wren - additional 168 pupils in formula funding from September 2019 (pro rata = 98)

The additional pro rata pupil numbers will attract the full formula funding specific to each school, which roughly equates to the following funding required from the growth fund for 2019/20 financial year:

Civitas - £133,325

The Heights - £91,449

Maiden Erleigh - £520,839

The Wren - £502,536

TOTAL £1,248,149

New Primary School - opening September 2020

One off lump sum for pre-opening costs - £65,000

TOTAL £65,000

Existing Growing Schools/Bulge Years

Academies to be funded April to August 2019 (on 2018/19 agreed rates):

Churchend - 1 additional class from September 2018 - $£3,962 \times 30 \times 5/12 = £49,525$

Newtown - 1 additional class from September 2018 - $£3,962 \times 30 \times 5/12 = £49,525$

Highdown - 1 additional class from September 2018 - $£5,098 \times 30 \times 5/12 = £63,725$

TOTAL £162,775 (this amount is not met from the DSG, but by ESFA)

Additional classes from September 2019:

Option A: Current rates: £3,962 per primary, £5,098 secondary x 7/12

Option B: Basic Entitlement rates: £2,841 primary, £3,863 secondary x 7/12

Option C: Fixed Sum: £65,000 primary, £85,000 secondary x 7/12 + £5,000 set up

	Additional Class	Pupil Numbers	Option A	Option B	Option C
EP Collier	1	30	£69,335	£49,718	£42,917
Ridgeway	1	30	£69,335	£49,718	£42,917
Ridgeway	1	30	£69,335	£49,718	£42,917
Southcote	1	30	£69,335	£49,718	£42,917
Churchend	1	30	£69,335	£49,718	£42,917
Highdown	1	30	£89,215	£67,603	£54,583
TOTAL	6	180	£435,890	£316,193	£269,168

BRIGHTER FUTURES FOR CHILDREN

TO:	Reading Schools Forum		
DATE:	17 January 2019	AGENDA ITEM:	7
TITLE:	School Funding Formula 2019/20		
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report finalises the 2019/20 proposal for the school formula and is the final update to the reports brought to the October and December meetings of the Schools' Forum.
- 1.2 At the previous meeting of the Schools' Forum, a second year transitional approach in moving to the national funding formula (NFF) was agreed for 2019/20. With the funding available from the schools block element of the Dedicated Schools Grant (DSG) for 2019/20 now confirmed, and using the final data from the October 2018 census, this report sets out the formula to be used for the allocation of funding to individual schools.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 **NOTE:** the final schools block DSG allocation for 2019/20 (Table 1 & Table 2).
- 2.2 **AGREE:** one of the three recommended options for allocating the additional funding, according to the decision made on the growth funding methodology (7.10).

3. POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4. BACKGROUND

- 4.1 The National Funding Formula (NFF) for funding schools was implemented by the Government starting in 2018/19. The new formula uses mainly the same factors as previously used, but sets a national funding £ value to each factor. Some local authorities will have an area cost adjustment (ACA) applied to these values (for Reading the ACA is 1.03406). During the transitional period, there is also a minimum funding guarantee per pupil, a funding cap on significant gains, and a funding floor protection. This formula is applied to each individual school, and the totals for each school within a local authority are then aggregated and converted to a funding rate per local authority by dividing by the number of pupils - using the previous year data. Thus in 2018/19 funding nationally has been redistributed to each local authority according to the individual needs and characteristics of their schools - albeit that there are the transitional protections in place.
- 4.2 Although the Government has invested an additional £1.3 billion to school and high needs funding across 2018/19 and 2019/20, not all schools gain funding through the new formula. Therefore a funding cap of 3% per year is applied to schools with significant gains, and a minimum per pupil increase of 0.5% is applied in both 2018/19 and 2019/20. Overall, Reading schools saw an increase to their funding in 2018/19.
- 4.3 For the financial years 2018/19 through to 2020/21 this operates as a “soft” formula, which means that funding *based* on the NFF is distributed to each local authority, who then sets the factors and the funding rates to use in their local formula in consultation with their Schools Forum and schools. This then determines the individual school budget for every school in their area (including academies and free schools).
- 4.4 In Reading the biggest impact has been a shift of funding from primary to secondary, and within the formula a shift from the basic entitlement to deprivation, low prior attainment, and a higher lump sum. However, due to the application of the minimum funding guarantee, all schools gain funding (on a per pupil basis).
- 4.5 Reading Borough Council (RBC) is taking a transitional approach to implementing the NFF, as proposed and favoured following consultation with schools and the Schools’ Forum in Autumn 2017. Nationally in 2018/19, 41 local authorities have mirrored the national rates, with a further 73 moving every one of their factor values closer to the national ones (as per RBC).

4.6 Further information can be found in the policy document <https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs> and operational guidance <https://www.gov.uk/government/publications/pre-16-schools-funding-guidance-for-2019-to-2020>

5. NATIONAL CHANGES FOR 2019/20

- 5.1 There are no changes to the factors that comprise the formula, and most funding rates remain the same. ***No inflationary increase has been added.***
- 5.2 The growth funding element (funding to support schools with significant in-year pupil number growth) is now to be based on a formula rather than historical budget.
- 5.3 The DSG funding for premises (mainly business rates) and mobility factors will be allocated according to actual budget in 2018/19.
- 5.4 The primary low prior attainment factor value has been reduced from £1,050 to £1,022, due to the changes in the Early Years Foundation Stage Profile assessment since 2013, adding a year group each year to the cohort of pupils measured using the new methodology (in order to maintain the total proportion of spend on this factor).
- 5.5 The minimum per pupil funding levels will increase from £4,600 to £4,800 for secondary, and from £3,300 to £3,500 for primary, as originally set out. For Key stage 4 only schools it will be £5,100, and for Key stage 3 only schools it will be £4,600.
- 5.6 Within the local formula arrangements, a new funding floor factor has been introduced to enable an increase of 1% per pupil against the 2017/18 baseline, and capping and scaling can now be applied to the gains cap. These both reflect the methodology used in the NFF for allocating funding to the LA.

6. SCHOOLS BLOCK FUNDING ALLOCATION 2019/20

- 6.1 The Schools Block allocation has now been confirmed by the DfE. Table 1 sets out the 2019/20 allocation, and the 2018/19 allocation for comparison purposes.
- 6.2 The estimated allocation for 2019/20 totals £89.5m, compared to an allocation of £86.8m in 2018/19, an increase of £2.7m. This is due to an

increase in the primary and secondary units of funding (now being based on the October 2017 pupil characteristic data rather than October 2016); the mobility and business rates funding allocations matching the 2018/19 actual budgets (rather than 2017/18 budgets); and an increase in secondary pupils; but offset by a reduction in growth funding which is now based on a new methodology. Details on the new growth factor are set out in a separate report.

Table 1: Schools Block DSG Allocation for 2018/19 and 2019/20

	2018/19 Actual		2019/20 Actual	
		Funding £		Funding £
Primary Unit of Funding (PUF)	£3,938.01		£3,971.23	
<i>Primary Pupil Numbers</i>	<i>13,320</i>	52,455,000	<i>13,317.5</i>	52,887,000
Secondary Unit of Funding (SUF)	£5,105.75		£5,223.35	
<i>Secondary Pupil Numbers</i>	<i>6,057</i>	30,926,000	<i>6,411</i>	33,487,000
Business Rates		1,147,000		1,186,000
Split Site/Rents		92,000		92,000
Mobility		112,000		214,000
Growth funding factor		2,092,000		1,658,000
TOTAL		86,824,000		89,524,000

6.3 Note that even if the local authority wished to mirror the NFF in its local formula this most likely could not be achieved within the actual schools block DSG funding allocation received for the following reasons:

1. Funding allocated to schools for pupil characteristics (such as deprivation and prior attainment) is based on the October 2018 census, whereas the DSG funding being received is likely to be different because the October 2017 census is used in determining the PUF and SUF.
2. The growth funding requirement may be greater than the amount allocated through the new formula, particularly if the local authority varies the pupil numbers it funds through the local formula. Note that the growth formula is a proxy for overall costs at LA level and is not based on need at individual schools.
3. Actual business rates and other local premises factors (mobility, split sites, rents) used in the local formula allocations may be greater than the amount allocated through the DSG formula allocation.
4. Funding requirements in other blocks such as high needs, requiring a transfer of funding out of the schools block, will reduce funding available.
5. An over spend in the previous financial year will be a first call on resources e.g. business rate revaluations/changes greater than the

original allocation, or an over spend in growth funding. An under spend can be added to the resources available.

6.4 At the last meeting of the Schools' Forum, a transfer of 0.5% (£447k) of schools block funding to the high needs block was agreed. The under spend in growth and falling rolls funding in 2018/19 can be brought forward and added to the resources available in 2019/20. Table 2 sets out the schools block funding available for allocation to schools, to include growth funding allocations. Funding for growth funding has not yet been agreed and three options are set out in a separate report.

Table 2: Funding Available for School Formula & Growth Fund Allocations

	£'000
Schools Block DSG Funding to be Received	89,524
Add: underspend to be b/f from 2018/19	196
Less: transfer to high needs block	-447
Total Available for School Formula & Growth Funding	89,273

7. SETTING THE 2019/20 LOCAL SCHOOL FORMULA

7.1 The funding formula factors allowed in 2019/20 are set out in Appendix 1 (from the Schools Revenue Funding 2019 to 2020 Operational Guide). Reading use all the factors except Sparsity (as no school in Reading is eligible) and Looked After Children (which is not included in the national formula as the pupil premium plus rates were increased to replace any previous use of this factor). Private finance initiative contracts and London fringe do not apply to Reading.

7.2 At the last meeting of the Schools' Forum, after consideration of the consultation responses, it was agreed that there will be no changes to the factors used (as already use all the NFF factors) and to continue with the transitional approach by moving all factors onto the NFF values, but without the area cost adjustment (ACA). The values already at NFF values will remain for 2019/20, and the following changes were agreed which will bring the other factor values at least on to the NFF (pre ACA) values:

- Primary Basic Entitlement: reduce from £2,950 to £2,841 (which is the NFF value *with* ACA added).
- Prior Attainment: increase to NFF values, Primary from £950 to £1,022 and Secondary from £1,300 to £1,550.
- English as an additional language: Primary to reduce from £600 to £515 as per the NFF reduction for 2019/20.
- Lump sum: increase to NFF value from £85,000 to £110,000.

- Minimum per pupil level: to honour the NFF promise by increasing the Primary minimum from £3,300 to £3,500 and the Secondary minimum from £4,600 to £4,800.
- To apply a minimum funding guarantee (MFG) of 0.5% to ensure every school receives an increase *per pupil*, even if a school does not gain from the revised formula values. The maximum MFG allowed is 0.5%.
- No cap to be applied to schools gaining funding as so few schools gain more than the 3% which the NFF sets as the funding cap.

7.3 The formula values to be used in 2019/20 are set out in Appendix 2, alongside the NFF values for each factor and the historical values.

7.4 Applying these formula values and using the finalised October 2018 census data, also adding the estimated numbers for the four new schools (Civitas, The Heights, Maiden Erlegh, The Wren) receiving growth funding via the formula (utilising £1.248m of the growth funding allocation), and using estimated business rates for 2019/20, this is affordable.

7.5 Whether there is any *additional* funding available for allocation depends on the outcome of the growth funding decision. Table 3 shows this impact.

Table 3: School Block Allocations 2019/20

	Option A £'000	Option B £'000	Option C £'000
Schools Block DSG Funding Available	89,273	89,273	89,273
Less: growth funding requirement <i>outside the formula</i>	-501	-381	-334
Total Available for School Formula	88,772	88,892	88,939
School Formula Allocations	88,689	88,689	88,689
Balance of Funding Available	83	203	250

7.6 If it is determined that growth funding values will remain the same as in 2018/19 (option A) there will be minimal additional funding available, and this can be allocated out by increasing the lump sum, thus putting more funding into most schools (unless on minimum funding levels). This scenario is set out in Appendix 3.

7.7 Compared to the indicative figures brought to the December meeting of the Schools' Forum, the funding for most schools has increased, mainly because of prior attainment data for primary schools changing to the new measure. The number of schools losing funding has reduced, those losing now being only the schools with a significant decrease in their pupil numbers; these schools all gain on a per pupil level. Most schools are gaining more than 1% per pupil. Under option A, the number of schools on the minimum funding

guarantee has reduced to just nine primary schools, which means that the majority of schools are now on a stable footing for the future. The total additional funding going into schools in 2019/20 compared to 2018/19 totals £3.34m under option A.

7.8 If, however, options B or C are agreed, additional funding can also be allocated through other factors. This will mean determining which formula factor values should be increased to the NFF *with* ACA (as all formula factors are already as a minimum on the NFF *without* ACA). It is not affordable to increase all factors. Primary schools have taken a decrease to their basic entitlement and are already on the NFF *with* ACA for this factor, whilst secondary schools have seen a significant increase to this factor (due to the national formula shifting primary funding to secondary). The allocation of the additional funding should be of benefit to schools in both phases, so the basic entitlement is not being considered as an option. The options are therefore deprivation, prior attainment, English as an additional language (EAL), and the lump sum.

7.9 Table 4 shows different scenarios/examples for allocating additional funding.

Table 4: Ways of Allocating Additional Funding

	Cost £'000
Increasing lump sum by £2,000 to £112,000	68
Increasing lump sum to total ACA value of £113,747	127
Increasing English as an additional language	44
Increasing deprivation - FSM Ever6 only	77
Increasing deprivation - IDACI bands E & F only	115
Increasing prior attainment	168
Increasing all deprivation factors	198

It is proposed that after the lump sum which delivers additional funding to all schools, additional funding is allocated through the deprivation and EAL factors, as for most schools the funding through these factors has reduced, whereas funding through the prior attainment factor has significantly increased.

7.10 The recommendation for each of the growth fund options is as follows:

Option A: (As per paragraph 7.6) Increase the lump sum value to utilise the total funding available (approximately an increase of £2,455 to £112,455).
£83k

Option B: Increase FSM Ever6 and EAL to the ACA values, plus increase the lump sum value to utilise the total funding available (approximately an increase of £2,350 to £112,350). £203k

Option C: Increase FSM Ever6, IDACI bands D, E & F, and EAL to the ACA values, plus increase the lump sum value to utilise the total funding available (approximately an increase of £2,200 to £112,200). £250k

Appendix 4 shows the impact of each of these options on each individual school.

- 7.11 The formula is required to be submitted to the ESFA by no later than 21st January 2019, and maintained schools will be informed of their allocations by the end of January.
- 7.12 The funding rates for the DSG and the funding values for the local school formula will apply **for 2019/20 only**. Although it has been confirmed that the school formula will still be determined locally in 2020/21, the funding values will be subject to the next Government spending review.
- 7.13 The Government is still working on refining certain elements of the formula in order to prepare for a full NFF. This includes growth funding (moving away from lagged funding), mobility & premises (to replace historic spending), low prior attainment (to better target funding to need), and sparsity (refinement of the distance measure).

8. APPENDICES

Appendix 1 - Local Authority Allowable Funding Formula Factors for 2019/20

Appendix 2 - Formula Factor Funding Values

Appendix 3 - School Formula Funding - Option A

Appendix 4 - School Formula Funding - Summary per school all options.

Appendix 1 - Local Authority Allowable Funding Formula Factors for 2019/20
(Source: ESFA Schools revenue funding 2019 to 2020 operational guide July 2018)

Funding factor	Description and further information
<p>1. Basic entitlement A compulsory factor</p>	<p>This factor assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census</p> <ul style="list-style-type: none"> • funding is allocated according to an age-weighted pupil unit (AWPU) • there is a single rate for primary age pupils, which must be at least £2,000 • there can be different rates for KS3 and KS4, with a minimum of £3,000 for each • local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in January 2018, rather than the October 2017 census • we do not include reception uplift in the national funding formula; local authorities currently using a reception uplift factor should consider whether to do so in 2019 to 2020 • schools with reception uplift will not be financially disadvantaged in the national funding formula calculations, as the funding will remain in their baselines
<p>2. Deprivation A compulsory factor</p>	<p>Local authorities can use free school meals (FSM), the income deprivation affecting children index (IDACI), or both, to calculate the deprivation factor</p> <ul style="list-style-type: none"> • we measure eligibility for current FSM using the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census • local authorities using FSM to calculate deprivation can choose to use either current FSM, Ever6 FSM, or both • the IDACI measure uses 6 bands, and different values can be attached to each band; different unit values can be used for primary and secondary within each band • we will automatically set the FSM Ever6 ratio equal to the current FSM ratio for schools where the FSM Ever6 rate is recorded as lower than the current FSM rate
<p>3. Prior attainment An optional factor (used by most local authorities)</p>	<p>The prior attainment factor acts as a proxy indicator for low level, high incidence, special educational needs</p> <ul style="list-style-type: none"> • we will confirm a separate weighting for new year 7 pupils later in the year <p>We have included more information in the prior attainment</p>

Funding factor	Description and further information
	section of the guidance.
<p>4. Looked-after children (LAC) An optional factor</p>	<p>Local authorities can apply a single unit value for any child who has been looked after for one day or more, as recorded on the LA SSDA903 return at 31 March 2018</p> <ul style="list-style-type: none"> we map this data to schools using the January school census to identify the number of LAC in each school or academy we do not use a LAC factor in the national funding formula. Instead, we increased the pupil premium plus rate from 2018 to 2019 from £1,900 to £2,300. Local authorities currently using this factor should consider whether to do so in 2019 to 2020
<p>5. English as an additional language (EAL) An optional factor</p>	<p>Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system</p> <ul style="list-style-type: none"> local authorities can choose to use indicators based on one, two, or three years, and there can be separate unit values for primary and secondary we have used three years in the national funding formula; local authorities should consider this when setting their local formula.
<p>6. Pupil mobility An optional factor</p>	<p>This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils)</p> <ul style="list-style-type: none"> there is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility will attract pupil mobility funding for 2% of pupils)
<p>7. Sparsity An optional factor</p>	<p>Schools that are eligible for sparsity funding must meet two criteria</p> <ul style="list-style-type: none"> they are located in areas where pupils would have to travel a significant distance to an alternative should the school close they are small schools <p>This factor now allows for a sparsity taper to mirror the methodology used as part of the national funding formula. We have included more information in the sparsity section of the guidance.</p>
<p>8. Lump sum An optional factor (used by all local authorities)</p>	<p>Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary.</p> <ul style="list-style-type: none"> local authorities should give middle schools a weighted average, based on the number of year groups in each phase the maximum lump sum is £175,000, even for schools that receive a London fringe uplift

Funding factor	Description and further information
	We have included more information in the lump sum section of the guidance, including information for amalgamated schools.
<p>9. Split sites An optional factor</p>	<p>The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites</p> <ul style="list-style-type: none"> • allocations must be based on objective criteria for the definition of a split site, and for how much is paid <p>We have included more information in the split sites section of the guidance.</p>
<p>10. Rates An optional factor (used by all local authorities)</p>	<p>Local authorities must fund rates at their estimate of the actual cost</p> <ul style="list-style-type: none"> • local authorities can make adjustments to rates during the financial year, but this must be done outside of the funding formula • for example, an additional allocation could be made to a school (funded by balances brought forward) • this should be reflected in the Section 251 outturn statement, and in each school's accounts • the effect on the school would be zero, since any rates adjustment will be offset by a change in the cost of the rates
<p>11. Private finance initiative (PFI) contracts An optional factor</p>	<p>The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.</p> <p>We have included more information in the PFI section of the guidance.</p>
<p>12. London fringe An optional factor, applicable only for five local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex)</p>	<p>The purpose of this factor is to support schools that have higher costs because they are in the London fringe area, and only part of the local authority is in this area. The multiplier is applied to the 6 pupil-led factors, the lump sum factor, and the sparsity factor.</p> <p>The factor can be applied in one of two ways, not both</p> <ul style="list-style-type: none"> • as a multiplier of 1.0156 <ul style="list-style-type: none"> • details of these calculations are in the technical specification for the schools block dataset. • as a multiplier of the differential of the area cost adjustment of fringe and non-fringe zones within the local authority <ul style="list-style-type: none"> • this mirrors the national funding formula calculation; the

Funding factor	Description and further information
	<p>differentials are:</p> <ul style="list-style-type: none"> ▪ Buckinghamshire: 1.0175 ▪ Essex: 1.0335 ▪ Hertfordshire: 1.0302 ▪ Kent: 1.0364 ▪ West Sussex: 1.0561
<p>13. Exceptional premises factors An optional factor</p>	<p>Local authorities can apply to ESFA to use exceptional factors relating to school premises, for example, for rents, or joint-use sports facilities</p> <ul style="list-style-type: none"> • exceptional factors must relate to premises costs • local authorities should only submit applications where the value of the factor is more than 1% of a school’s budget, and applies to fewer than 5% of the schools in the authority’s area • local authorities can use exceptional premises factors used in 2018 to 2019 (for pre-existing, and newly-qualifying schools) in 2019 to 2020, if the qualification criteria are still met
<p>14. Minimum level of per pupil funding for primary and secondary schools An optional factor</p>	<p>The purpose of this factor is to allow local authorities to provide amounts up to the minimum per pupil funding levels for primary and secondary schools</p> <ul style="list-style-type: none"> • where local authorities choose to use this factor, any capping and scaling cannot take the school below the minimum value set in the local formula • local authorities should calculate the minimum per pupil level on the basis of the school’s total funding; this will be set out in the APT guidance • local authorities who wish to reflect the NFF calculation by excluding the premises factors that have been excluded from the NFF calculation can do so through the APT and will not need to submit a disapplication <p>We have included the maximum rates for each phase, and more information on setting a minimum per pupil amount in the schools section of the guidance.</p>
<p>15. Funding floor factor An optional factor</p>	<p>The purpose of this factor is to allow local authorities to reflect the NFF calculation of a minimum 1% per pupil increase over 2017 to 2018 baselines</p> <ul style="list-style-type: none"> • if this factor is used all schools within the local authority must be protected against a baseline, even if they were not open in 2017 to 2018 • we will be publishing theoretical baselines for schools which have opened, merged or split since 2017 to 2018; local authorities wishing

Funding factor	Description and further information
	<p>to amend these theoretical baselines, to take account of local knowledge can do so</p> <ul style="list-style-type: none"> the local authority will need to calculate a baseline for new schools that do not have a theoretical baseline <p>We have included more information in the funding floor section of the guidance.</p>

Required proportion of funding allocated through pupil-led factors

Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1 to 6, 14 and 15 above, and London fringe uplift, where relevant).

Appendix 2 - Formula Factor Funding Values

Formula Values	2017/18	2018/19			2019/20				Notes
	Reading Actual (Pre NFF)	NFF	Reading NFF with ACA	Reading Actual Transitional	NFF	Reading NFF with ACA	Reading Transitional Agreed	Reading FINAL Proposal (Option A)	
Basic Entitlement:									
Primary	£3,131	£2,746.99	£2,840.55	£2,950.00	£2,747.00	£2,841.00	£2,841.00	£2,841.00	reduce to actual NFF with ACA
Secondary - KS3	£3,833	£3,862.65	£3,994.21	£3,863.00	£3,863.00	£3,995.00	£3,863.00	£3,863.00	no change - as per NFF (but with no ACA)
Secondary - KS4	£4,370	£4,385.81	£4,535.19	£4,386.00	£4,386.00	£4,536.00	£4,386.00	£4,386.00	no change - as per NFF (but with no ACA)
Deprivation:									
Free School Meals - Primary	£1,356	£440	£455	£440	£440	£455	£440	£440	no change - as per NFF (but with no ACA)
Free School Meals - Secondary	£2,791	£440	£455	£440	£440	£455	£440	£440	no change - as per NFF (but with no ACA)
Free School Meals Ever 6 - Primary	£0	£540	£558	£540	£540	£558	£540	£540	no change - as per NFF (but with no ACA)
Free School Meals Ever 6 - Secondary	£0	£785	£812	£785	£785	£812	£785	£785	no change - as per NFF (but with no ACA)
IDACI Band F (0.2 - 0.25) - Primary	£0	£200	£207	£200	£200	£207	£200	£200	no change - as per NFF (but with no ACA)
IDACI Band F (0.2 - 0.25) - Secondary	£0	£290	£300	£290	£290	£300	£290	£290	no change - as per NFF (but with no ACA)
IDACI Band E (0.25 - 0.3) - Primary	£0	£240	£248	£240	£240	£248	£240	£240	no change - as per NFF (but with no ACA)
IDACI Band E (0.25 - 0.3) - Secondary	£0	£390	£403	£390	£390	£403	£390	£390	no change - as per NFF (but with no ACA)
IDACI Band D (0.3 - 0.4) - Primary	£0	£360	£372	£360	£360	£372	£360	£360	no change - as per NFF (but with no ACA)
IDACI Band D (0.3 - 0.4) - Secondary	£0	£515	£533	£515	£515	£533	£515	£515	no change - as per NFF (but with no ACA)
IDACI Band C (0.4 - 0.5) - Primary	£0	£390	£403	£390	£390	£403	£390	£390	no change - as per NFF (but with no ACA)
IDACI Band C (0.4 - 0.5) - Secondary	£0	£560	£579	£560	£560	£579	£560	£560	no change - as per NFF (but with no ACA)
IDACI Band B (0.5 - 0.6) - Primary	£0	£420	£434	£420	£420	£434	£420	£420	no change - as per NFF (but with no ACA)
IDACI Band B (0.5 - 0.6) - Secondary	£0	£600	£620	£600	£600	£620	£600	£600	no change - as per NFF (but with no ACA)
IDACI Band A (over 0.6) - Primary	£0	£575	£595	£575	£575	£595	£575	£575	no change - as per NFF (but with no ACA)
IDACI Band A (over 0.6) - Secondary	£0	£810	£838	£810	£810	£838	£810	£810	no change - as per NFF (but with no ACA)
Prior Attainment:									
Primary	£649	£1,050	£1,086	£950	£1,022	£1,057	£1,022	£1,022	increase to actual NFF (but with no ACA)
Secondary	£912	£1,550	£1,603	£1,300	£1,550	£1,603	£1,550	£1,550	increase to actual NFF (but with no ACA)
English as an Additional Language:									
Primary	£679	£515	£533	£600	£515	£532	£515	£515	reduce to actual NFF (but with no ACA)
Secondary	£1,367	£1,385	£1,432	£1,385	£1,385	£1,432	£1,385	£1,385	no change - as per NFF (but with no ACA)
Mobility (locally set - not in NFF)	£745	n.a.	n.a.	£1,000	n.a.	n.a.	£1,000	£1,000	no change - rate as locally set
Lump Sum	£48,480	£110,000	£113,747	£85,000	£110,000	£113,747	£110,000	£112,455	increase to actual NFF (but with no ACA) & balance to funding available
Business Rates (Actual - locally set)	£1,147,157			£1,185,732			£1,207,601	£1,206,397	
Exceptional Circumstances (locally set):									
Rents	£74,895			£74,895			£59,826	£59,826	
Split Site	£17,149			£17,149			£17,149	£17,149	
Minimum Per Pupil Level									
Primary	n.a.	£3,300	£3,300	£3,300	£3,500	£3,500	£3,500	£3,500	as per actual NFF
Secondary	n.a.	£4,600	£4,600	£4,600	£4,800	£4,800	£4,800	£4,800	as per actual NFF
(KS3 only school)					£4,600				
(KS4 only school)					£5,100		£5,100	£5,100	as per actual NFF
Minimum Funding Guarantee	-1.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	as per actual NFF
n.b. Reading ACA is 1.03406									

Appendix 3 - 2019/20 Formula Allocations - Option A

LAESTA B	SCHOOL	2017/18 ACTUAL ALLOCATION			2018/19 ACTUAL ALLOCATION			2019/20 PROPOSED ALLOCATION			Overall Change between 2018/19 and 2019/20			
		Formula Allocation	Pupil No's (Oct 2016)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2017)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2018)	Per Pupil Funding	Total	%	Per Pupil	%
		8702000 Alfred Sutton Primary School	2,174,813	553	3,932.75	2,227,138	576	3,866.56	2,363,268	610	3,874.21	136,130	6.1%	7.65
8702003 Caversham Primary School	1,570,035	452	3,473.53	1,577,340	452	3,489.69	1,606,427	452	3,554.04	29,087	1.8%	64.35	1.8%	
8702005 Coley Primary School	946,271	232	4,078.75	1,008,348	236	4,272.66	1,023,908	234	4,375.67	15,560	1.5%	103.01	2.4%	
8702006 E P Collier Primary School	1,171,553	292	4,012.17	1,351,779	330	4,096.30	1,356,118	328	4,134.50	4,339	0.3%	38.20	0.9%	
8702007 Geoffrey Field Junior School	1,425,814	347	4,108.97	1,472,727	351	4,195.80	1,539,253	358	4,299.59	66,525	4.5%	103.78	2.5%	
8702008 Geoffrey Field Infant School	1,093,873	261	4,191.08	1,152,648	265	4,349.62	1,192,072	269	4,431.49	39,424	3.4%	81.88	1.9%	
8702016 Oxford Road Community School	1,005,070	238	4,222.98	1,018,654	238	4,280.06	1,029,222	236	4,361.11	10,567	1.0%	81.05	1.9%	
8702018 Redlands Primary School	927,566	236	3,930.36	935,397	236	3,963.55	941,902	230	4,095.23	6,505	0.7%	131.68	3.3%	
8702019 The Hill Primary School	1,646,955	470	3,504.16	1,655,590	470	3,522.53	1,603,725	447	3,587.75	-51,864	-3.1%	65.22	1.9%	
8702020 The Ridgeway Primary School	1,511,942	340	4,446.89	1,560,657	350	4,459.02	1,710,515	386	4,431.39	149,858	9.6%	-27.63	-0.6%	
8702021 Park Lane Primary School	1,527,347	413	3,698.18	1,527,545	411	3,716.65	1,542,011	413	3,733.68	14,466	0.9%	17.03	0.5%	
8702024 Wilson Primary School	1,608,761	414	3,885.90	1,633,212	415	3,935.45	1,643,342	413	3,979.04	10,130	0.6%	43.59	1.1%	
8702026 Emmer Green Primary School	1,684,083	476	3,537.99	1,705,274	480	3,552.65	1,622,488	451	3,597.53	-82,786	-4.9%	44.88	1.3%	
8702027 Southcote Primary School	1,941,418	526	3,690.91	2,086,027	554	3,765.39	2,194,353	581	3,776.85	108,326	5.2%	11.46	0.3%	
8702029 St Michael's Primary School	1,393,609	356	3,914.63	1,536,491	387	3,970.26	1,639,622	410	3,999.08	103,131	6.7%	28.82	0.7%	
8702034 Moorlands Primary School	1,709,633	422	4,051.26	1,767,777	435	4,063.86	1,723,897	415	4,153.97	-43,880	-2.5%	90.11	2.2%	
8702036 Thameside Primary School	1,544,439	405	3,813.43	1,573,712	411	3,828.98	1,592,088	408	3,902.18	18,376	1.2%	73.19	1.9%	
8702226 Katesgrove Primary School	2,518,515	615	4,095.15	2,489,246	604	4,121.27	2,499,602	602	4,152.16	10,356	0.4%	30.89	0.7%	
8702233 Caversham Park Primary School	766,943	208	3,687.23	741,611	197	3,764.52	787,638	204	3,860.97	46,027	6.2%	96.45	2.6%	
8702234 Micklands Primary School	1,488,664	390	3,817.09	1,588,034	412	3,854.45	1,550,795	399	3,886.70	-37,239	-2.3%	32.25	0.8%	
8702253 Manor Primary School	1,273,613	303	4,203.34	1,309,936	307	4,266.89	1,247,888	286	4,363.24	-62,049	-4.7%	96.35	2.3%	
8702254 New Christ Church of England (VA) Primary School	811,226	203	3,996.19	797,716	188	4,243.17	811,732	183	4,435.69	14,016	1.8%	192.52	4.5%	
8703000 All Saints Church of England Aided Infant School	293,531	60	4,923.18	294,606	60	4,910.11	319,234	60	5,320.57	24,628	8.4%	410.47	8.4%	
8703301 St Mary and All Saints Church of England Voluntary Aided School	1,392,936	359	3,880.04	1,438,187	354	4,062.68	1,341,079	322	4,164.84	-97,109	-6.8%	102.16	2.5%	
8703302 St Anne's Catholic Primary School	754,296	197	3,828.91	766,026	190	4,031.72	808,189	193	4,187.51	42,162	5.5%	155.79	3.9%	
8703304 English Martyrs' Catholic Primary School	1,551,847	417	3,721.46	1,604,075	411	3,902.86	1,690,523	427	3,959.07	86,447	5.4%	56.21	1.4%	
8703305 Christ The King Catholic Primary School	1,293,115	329	3,930.44	1,459,088	350	4,168.82	1,513,010	348	4,347.73	53,921	3.7%	178.90	4.3%	
8703360 St Martin's Catholic Primary School	658,095	182	3,615.91	664,876	178	3,735.26	590,904	145	4,075.20	-73,972	-11.1%	339.94	9.1%	
8703361 Whitley Park Primary and Nursery School	2,543,559	597	4,260.57	2,592,734	600	4,321.22	2,508,394	569	4,408.43	-84,340	-3.3%	87.20	2.0%	
8705411 Blessed Hugh Faringdon Catholic School	3,654,831	745	4,905.81	3,872,056	762	5,081.44	3,915,798	762	5,138.84	43,741	1.1%	57.40	1.1%	
8702002 All Saints Junior School	371,559	96	3,870.41	404,574	95	4,258.67	430,690	95	4,533.57	26,116	6.5%	274.90	6.5%	
8702004 Meadow Park Academy	1,303,751	315	4,138.89	1,353,567	327	4,139.35	1,390,974	332	4,189.68	37,407	2.8%	50.33	1.2%	
8702011 Battle Primary Academy	1,628,127	403	4,040.02	1,589,176	391	4,064.39	1,595,638	390	4,091.38	6,462	0.4%	26.99	0.7%	
8702012 The Palmer Primary Academy	1,632,438	385	4,240.10	1,696,248	395	4,294.30	1,682,886	389	4,326.18	-13,362	-0.8%	31.89	0.7%	
8702015 Civitas Academy	503,365	120	4,194.71	832,836	189	4,406.54	1,019,835	235	4,339.72	187,000	22.5%	-66.81	-1.5%	
8702017 The Heights Primary School	712,658	197	3,614.62	897,567	254	3,531.33	1,077,565	307	3,508.04	179,998	20.1%	-23.29	-0.7%	
8702025 Ranikhet Academy	1,063,842	238	4,469.92	1,090,936	244	4,471.05	966,392	213	4,537.05	-124,544	-11.4%	66.00	1.5%	
8702028 New Town Primary School	1,114,315	262	4,253.11	1,162,485	273	4,258.19	1,071,397	248	4,320.15	-91,088	-7.8%	61.96	1.5%	
8702031 Churchend Primary Academy	1,227,173	323	3,799.30	1,368,103	350	3,908.87	1,483,893	378	3,925.64	115,790	8.5%	16.78	0.4%	
8703300 St John's Church of England Primary School	1,492,716	398	3,750.54	1,569,506	418	3,754.80	1,571,075	416	3,776.62	1,568	0.1%	21.82	0.6%	
8704000 UTC Reading	785,826	138	5,694.39	977,903	176	5,556.27	1,171,975	214	5,476.52	194,073	19.8%	-79.74	-1.4%	
8704001 Maiden Erlegh School in Reading	2,184,544	465	4,697.94	3,195,238	644	4,961.55	4,192,125	822	5,099.91	996,888	31.2%	138.36	2.8%	
8704002 The WREN School	1,557,768	327	4,763.82	2,589,580	503	5,148.27	3,631,655	683	5,317.21	1,042,075	40.2%	168.94	3.3%	
8704003 Reading Girls' School	2,470,801	473	5,223.68	2,364,921	420	5,630.76	2,307,869	402	5,740.97	-57,052	-2.4%	110.20	2.0%	
8704020 Highdown School and Sixth Form Centre	4,791,680	1,038	4,616.26	5,195,961	1,103	4,710.75	5,512,584	1,141	4,831.36	316,623	6.1%	120.61	2.6%	
8705401 Reading School	2,732,763	645	4,236.84	3,121,227	670	4,658.55	3,380,124	697	4,849.53	258,897	8.3%	190.98	4.1%	
8705410 Prospect School	5,777,312	1,064	5,429.80	5,496,368	1,006	5,463.59	5,197,234	937	5,546.67	-299,134	-5.4%	83.09	1.5%	
8705413 Kendrick School	2,168,650	480	4,518.02	2,225,566	480	4,636.60	2,316,941	479	4,837.04	91,375	4.1%	200.44	4.3%	
8706905 John Madejski Academy	3,189,050	591	5,396.02	2,891,638	496	5,829.92	2,862,441	479	5,975.87	-29,197	-1.0%	145.95	2.5%	
PRIMARY TOTAL	51,279,466	13,030	3,935.44	53,501,451	13,384	3,997.37	54,283,539	13,382	4,056.41	782,088	1.5%	59.04	1.5%	
SECONDARY TOTAL	29,313,225	5,966	4,913.38	31,930,458	6,260	5,100.71	34,488,747	6,616	5,212.93	2,558,289	8.0%	112.22	2.2%	
TOTAL ALL SCHOOLS	80,592,691	18,996	4,242.58	85,431,909	19,644	4,348.97	88,772,285	19,998	4,439.02	3,340,376	3.9%	90.05	2.1%	

Estimated Schools Block DSG			86,823,517			89,524,500		2,700,983
Add: additional DSG for growing schools								
Less:								
Growth funding/falling rolls budget (outside formula)			-1,000,000			-663,665		336,335
Recoupment adjustment for growth funding academies			146,588			162,775		16,187
Transfer to HNB			-434,000			-447,000		-13,000
Licences (trf to CSSB)			-102,300			0		102,300
Carry forward from previous year						195,680		
Total Funding Available to Allocate			85,433,805			88,772,290		3,338,485
Under / (Over) Allocated			1,896			5		-1,891

Appendix 4 - 2019/20 Formula Allocations - All Options

SCHOOL	Option A			Option B		Option C		Increase/Decrease in Funding Compared to 2018/19 Actual	Pupil No. Changes						
	2017/18 ACTUAL ALLOCATION	2018/19 ACTUAL ALLOCATION	Increase Lump Sum	Increase FSM Ever6, EAL, & Lump Sum	Increase FSM Ever6, IDACI, EAL & Lump Sum	2017/18 Actual	2018/19 Actual								
Formula Allocation	Formula Allocation	Formula Allocation	Formula Allocation	Formula Allocation	Formula Allocation	Compared to:		Compared to:							
						2018/19 Actual compared to 2017/18 Actual	Option A	Option B	Option C	2017/18 Actual	2018/19 Actual				
Alfred Sutton Primary School	2,174,813	2,227,138	2,363,268	2,363,274	2,363,284	£ 52,325	2.4%	£ 136,130	6.1%	£ 136,136	6.1%	57	34		
Caversham Primary School	1,570,035	1,577,340	1,606,427	1,606,427	1,606,427	7,305	0.5%	29,087	1.8%	29,087	1.8%	0	0		
Coley Primary School	946,271	1,008,348	1,023,908	1,026,306	1,027,008	62,077	6.6%	15,560	1.5%	17,958	1.8%	2	-2		
E P Collier Primary School	1,171,553	1,351,779	1,356,118	1,359,022	1,359,332	180,226	15.4%	4,339	0.3%	7,243	0.5%	7,553	0.6%	36	-2
Geoffrey Field Junior School	1,425,814	1,472,727	1,539,253	1,542,508	1,543,739	46,913	3.3%	66,525	4.5%	69,781	4.7%	71,012	4.8%	11	7
Geoffrey Field Infant School	1,093,873	1,152,648	1,192,072	1,195,273	1,196,104	58,775	5.4%	39,424	3.4%	42,625	3.7%	43,456	3.8%	8	4
Oxford Road Community School	1,005,070	1,018,654	1,029,222	1,031,440	1,032,679	13,584	1.4%	10,567	1.0%	12,785	1.3%	14,023	1.4%	-2	-2
Redlands Primary School	927,566	932,397	941,902	943,739	943,650	7,831	0.8%	6,505	0.7%	8,341	0.9%	8,252	0.9%	-6	-6
The Hill Primary School	1,646,955	1,656,590	1,603,725	1,603,725	1,603,725	8,635	0.5%	-51,864	-3.1%	-51,864	-3.1%	-51,864	-3.1%	-23	-23
The Ridgeway Primary School	1,511,942	1,560,657	1,710,515	1,710,526	1,710,543	48,715	3.2%	149,858	9.6%	149,870	9.6%	149,886	9.6%	46	36
Park Lane Primary School	1,527,347	1,527,545	1,542,011	1,542,012	1,542,013	198	0.0%	14,466	0.9%	14,467	0.9%	14,468	0.9%	0	2
Wilson Primary School	1,608,761	1,633,212	1,643,342	1,646,708	1,648,584	24,451	1.5%	10,130	0.6%	13,496	0.8%	15,372	0.9%	-1	-2
Emmer Green Primary School	1,684,083	1,705,274	1,622,488	1,622,482	1,622,474	21,191	1.3%	-82,786	-4.9%	-82,792	-4.9%	-82,800	-4.9%	-25	-29
Southcote Primary School	1,941,418	2,086,027	2,194,353	2,197,443	2,199,757	144,609	7.4%	108,326	5.2%	111,416	5.3%	113,730	5.5%	55	27
St Michael's Primary School	1,393,609	1,536,491	1,639,622	1,642,241	1,643,381	142,882	10.3%	103,131	6.7%	105,751	6.9%	106,891	7.0%	54	23
Moorlands Primary School	1,709,633	1,767,777	1,723,897	1,727,170	1,728,857	58,144	3.4%	-43,880	-2.5%	-40,607	-2.3%	-38,920	-2.2%	-7	-20
Thameside Primary School	1,544,439	1,573,712	1,592,088	1,594,442	1,594,335	29,273	1.9%	18,376	1.2%	20,730	1.3%	20,623	1.3%	3	-3
Katesgrove Primary School	2,518,515	2,489,246	2,499,602	2,499,602	2,499,603	-29,269	-1.2%	10,356	0.4%	10,356	0.4%	10,356	0.4%	-13	-2
Caversham Park Primary School	766,943	741,611	787,638	787,965	787,860	-25,332	-3.3%	46,027	6.2%	46,354	6.3%	46,249	6.2%	-4	7
Micklands Primary School	1,488,664	1,588,034	1,550,795	1,550,792	1,550,788	99,320	6.7%	-37,239	-2.3%	-37,242	-2.3%	-37,246	-2.3%	9	-13
Manor Primary School	1,273,613	1,309,936	1,247,888	1,250,659	1,252,455	36,323	2.9%	-62,049	-4.7%	-59,277	-4.5%	-57,481	-4.4%	-17	-21
All Saints Church of England Aided Infant School	293,531	294,606	319,234	319,332	319,320	1,075	0.4%	24,628	8.4%	24,726	8.4%	24,714	8.4%	0	0
St Anne's Catholic Primary School	754,296	766,026	808,189	809,294	809,237	11,730	1.6%	42,162	5.5%	43,268	5.6%	43,211	5.6%	-4	3
English Martyrs' Catholic Primary School	1,551,847	1,604,075	1,690,523	1,693,465	1,695,122	52,228	3.4%	86,447	5.4%	89,390	5.6%	91,047	5.7%	10	16
Christ The King Catholic Primary School	1,293,115	1,459,088	1,513,010	1,515,787	1,516,955	165,973	12.8%	53,921	3.7%	56,699	3.9%	57,967	4.0%	19	-2
St Martin's Catholic Primary School	658,095	664,876	590,904	591,215	591,079	6,781	1.0%	-73,972	-11.1%	-73,661	-11.1%	-73,797	-11.1%	-37	-33
Whitley Park Primary and Nursery School	2,543,559	2,592,734	2,508,394	2,514,434	2,516,821	49,175	1.9%	-94,340	-3.3%	-78,300	-3.0%	-75,913	-2.9%	-28	-31
Blessed Hugh Faringdon Catholic School	3,654,831	3,872,056	3,915,798	3,921,769	3,925,991	217,225	5.9%	43,741	1.1%	49,713	1.3%	53,935	1.4%	17	0
All Saints Junior School	371,559	404,574	430,690	430,863	430,937	33,015	8.9%	26,116	6.5%	26,290	6.5%	26,364	6.5%	-1	0
Meadow Park Academy	1,303,751	1,353,567	1,390,974	1,394,124	1,395,626	49,816	3.8%	37,407	2.8%	40,558	3.0%	42,060	3.1%	17	5
Battle Primary Academy	1,628,127	1,589,176	1,595,638	1,599,638	1,601,051	-38,951	-2.4%	6,462	0.4%	10,462	0.7%	11,875	0.7%	-13	-1
The Palmer Primary Academy	1,632,438	1,696,248	1,682,886	1,687,329	1,688,003	63,810	3.9%	-13,362	-0.8%	-8,919	-0.5%	-8,245	-0.5%	4	-6
Civitas Academy	503,365	832,836	1,019,835	1,022,660	1,023,630	329,471	65.5%	187,000	22.5%	189,825	22.8%	190,794	22.9%	115	46
The Heights Primary School	712,658	897,567	1,077,565	1,077,565	1,077,565	184,909	25.9%	179,998	20.1%	179,998	20.1%	179,998	20.1%	110	53
Rankhet Academy	1,063,842	1,090,936	966,392	966,379	966,360	27,094	2.5%	-124,544	-11.4%	-124,557	-11.4%	-124,575	-11.4%	-25	-31
New Town Primary School	1,114,315	1,162,485	1,071,397	1,071,388	1,071,375	48,170	4.3%	-91,088	-7.8%	-91,097	-7.8%	-91,110	-7.8%	-14	-25
Churchend Primary Academy	1,227,173	1,368,103	1,483,893	1,486,124	1,487,150	140,930	11.5%	115,790	8.5%	118,021	8.6%	119,047	8.7%	55	28
New Christ Church of England Primary School	811,226	797,716	811,732	813,012	813,646	-13,510	-1.7%	14,016	1.8%	15,296	1.9%	15,930	2.0%	-20	-5
St John's Church of England Primary School	1,492,716	1,569,506	1,571,075	1,571,075	1,571,075	76,790	5.1%	1,568	0.1%	1,568	0.1%	1,568	0.1%	18	-2
UTC Reading	785,826	977,903	1,171,975	1,173,012	1,173,155	192,077	24.4%	194,073	19.8%	195,110	20.0%	195,252	20.0%	76	38
Malden Erleigh School in Reading	2,184,544	3,195,238	4,192,125	4,201,167	4,203,516	1,010,694	46.3%	996,888	31.2%	1,005,929	31.5%	1,008,278	31.6%	357	178
The WREN School	1,557,768	2,589,580	3,631,655	3,640,895	3,645,142	1,031,812	66.2%	1,042,075	40.2%	1,051,316	40.6%	1,055,562	40.8%	356	180
Reading Girls' School	2,470,801	2,364,921	2,307,869	2,313,710	2,315,545	-105,880	-4.3%	-57,052	-2.4%	-51,211	-2.2%	-49,376	-2.1%	-71	-18
Higdown School and Sixth Form Centre	4,791,680	5,195,961	5,512,584	5,512,584	5,512,584	404,281	8.4%	316,623	6.1%	316,623	6.1%	316,623	6.1%	103	38
Reading School	2,732,763	3,121,227	3,380,124	3,380,124	3,380,124	388,464	14.2%	258,897	8.3%	258,897	8.3%	258,897	8.3%	52	27
Prospect School	5,777,312	5,496,368	5,197,234	5,210,129	5,216,581	-280,944	-4.9%	-299,134	-5.4%	-286,239	-5.2%	-279,787	-5.1%	-127	-69
Kendrick School	2,168,650	2,225,566	2,316,941	2,316,941	2,316,941	56,916	2.6%	91,375	4.1%	91,375	4.1%	91,375	4.1%	-1	-1
John Madejski Academy	3,189,050	2,891,638	2,862,441	2,870,108	2,872,175	-297,412	-9.3%	-29,197	-1.0%	-21,530	-0.7%	-19,643	-0.7%	-112	-17
St Mary and All Saints Church of England Voluntary Aided Primary School	1,392,936	1,438,187	1,341,079	1,343,715	1,345,802	45,251	3.2%	-97,109	-6.8%	-94,472	-6.6%	-92,385	-6.4%	-37	-32
PRIMARY TOTAL	51,279,466	53,501,451	54,283,539	54,351,156	54,377,351	2,221,985		782,088		849,706		875,901		352	-2
SECONDARY TOTAL	29,313,225	31,930,458	34,488,747	34,540,440	34,561,753	2,617,233		2,558,288		2,609,981		2,631,295		650	356
TOTAL ALL SCHOOLS	80,592,691	85,431,909	88,772,285	88,891,596	88,939,105	4,839,218		3,340,376		3,459,687		3,507,196		1,002	354
Funding Available		85,433,805	88,772,290	88,891,990	88,939,013										
(Over) / Under Funding Allocation		1,896	5	394	-92										

BRIGHTER FUTURES FOR CHILDREN

TO:	Reading Schools Forum		
DATE:	17 th January 2019	AGENDA ITEM:	8
TITLE:	De-delegations and Central School Services Block 2019/20		
AUTHOR:	Claire White	TEL:	0118 937 4161
JOB TITLE:	Interim Education & Schools Business Partner		
E-MAIL:	claire.white@brighterfuturesforchildren.org		

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 This report sets out the services to be offered for de-delegation in 2019/20. Members of the Forum representing maintained primary and secondary schools are to make a decision for their phase on whether each service is to be de-delegated in 2019/20. The report also sets out for information the budgets to be paid for from the central school services block, though these are not yet finalised and the decision on these will need to be made at the March meeting.

2. RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 AGREE: the services and amounts to be de-delegated (paragraph 10).
- 2.2 NOTE: the central school service block budgets as set out in section 11

3. POLICY CONTEXT

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

4. BACKGROUND

- 4.1 In 2018/19, the central school services block was introduced, which includes most of the centrally retained budgets from the schools block. This block now has its own funding allocation and is no longer a top slice from the schools block. The services paid for from this block relate to all schools, whether maintained or academy. Most of these budgets must be approved by the Schools' Forum.

- 4.2 In addition, there continues to be a limited number of central services that maintained mainstream schools can opt to de-delegate from their formula budget allocation. This decision is made by the relevant members on Schools Forum for their school phase (it is not the same as a buy back which is an individual school decision). This is an annual decision.
- 4.3 The services offered for de-delegation in 2018/19 and the current budgets, are shown in Table 1. Note that the Equality service ceased in July 2018, following the decision made last year not to continue with it. The option for primary schools to re-instate de-delegation of funding for schools in financial difficulty is an addition for 2019/20.

Table 1: De-delegations in 2018/19

Service	Primary (£'000)	De-delegation (£)	Secondary (£'000)	De-delegation (£)
Behaviour Support	178	£126.24 per FSM pupil	-	-
Equality Services	40	£19.69 per EAL pupil	-	-
Union duties	45	£4.31 per pupil	-	-
School Improvement	131	£12.58 per pupil	10	£12.58 per pupil
General Duties formerly met by the ESG	75	£7.18 per pupil	5	£7.18 per pupil
Total	469		15	

5. BEHAVIOUR SUPPORT DE-DELEGATION

5.1 The behaviour support service is run by Cranbury College. Appendix 1 sets out the service being offered to provide primary schools. Secondary schools and academies have the option to purchase support through an individual service level agreement.

5.2 The cost of the core service is broken down as follows:

Job title	Cost
BST manager	£39,689
BST Co-ordinator	£31,139
BST HLTA	£30,005
BST HLTA	£28,872
Other HLTA	£18,607
Admin Officer	£12,203
SLT & HR	£14,207
Travel	£1,724
Stationery, IT, other office	£1,220
Total	£177,666

5.3 This will equate to a primary de-delegation of £122.87 per pupil eligible for free school meals (FSM).

6. UNION DUTIES DE-DELEGATION

6.1 Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time. These provisions are contained within the Employment Relations Act 1999, the Trade Union Labour Relations (Consolidation) Act 1992 and the Safety representatives and Safety Committees Regulations 1997.

Pooled funding is the most effective and efficient arrangement to help the local authority and all schools to meet their statutory obligations on trade union facilities time. It helps maintain a coherent industrial relations environment where issues and concerns, whether individual or collective, can be dealt with efficiently. It provides funding for union representatives to accompany workers to disciplinary or grievance hearings, attend union training, carry out union duties and relevant learning activities, and to carry out health and safety functions.

To cover each of these as the need arises, without the arrangements made possible through a central funding arrangement, would be considerably more costly for schools. This service is also available to academies and free schools via a service level agreement.

6.2 The cost of the service is broken down as follows:

Salary costs of representatives (1.2fte)	£57,000
Other costs (e.g. supply cover for reps to attend courses)	£500
Total Cost	£57,500
Less estimated buy back income from other schools	-£15,500
Total to be met by maintained primary schools	£42,000

6.3 The net cost of centrally employing union representatives is estimated at £42,000. This will equate to a primary de-delegation of £4.25 per pupil.

7. SCHOOL IMPROVEMENT DE-DELEGATION

7.1 Due to significant cuts in previous years relating to The Education Services Grant (ESG), Schools Forum agreed to support School Improvement in raising standards in maintained schools requiring support. Appendix 2 has more information on the type of spend this de-delegation will be used for as well as what the additional central schools services element will be paying for. In addition, there is a separate school improvement grant which covers monitoring of performance and statutory intervention of maintained schools (in the 2018/19 academic year the initial grant allocation for Reading is £75,109).

7.2 The total amount to be met from maintained schools through de-delegation is £146,000. This will equate to a de-delegation of £13.73 per pupil.

8. SCHOOLS IN FINANCIAL DIFFICULTY DE-DELEGATION

- 8.1 This de-delegation was removed in 2018/19, but more schools are facing financial difficulties. The majority of schools are spending more than their in-year funding, thus using up reserves, so in order to avoid going into deficit will most likely be required to restructure.
- 8.2 It is proposed that this funding will go towards supporting schools with restructures, both in terms of professional advice and towards any redundancy costs.
- 8.3 It is suggested that the amount to be de-delegated is £50,000, though it can be for any amount. This will equate to a de-delegation of £4.70 per pupil. Half the funding will be used to provide schools on request with advice on their budgets in terms of reducing costs, and half allocated out to schools in financial difficulty on receipt of a business case to meet one off exceptional costs, to be approved by Schools' Forum on a case by case basis. The funding will not be used towards reducing/paying off any deficit.

9. GENERAL DUTIES DE-DELEGATION

- 9.1 This funding goes towards paying for the statutory duties carried out on behalf of maintained schools that were previously funded by the Education Services Grant. This grant was removed in 2017/18 with the expectation that all maintained schools would now pay for these services from their delegated budgets. The grant was also removed from academy schools, so brings all schools onto the same financial basis.
- 9.2 The main services covered include:
- Central budgeting & accounting functions relating to maintained schools.
 - Monitoring of compliance with the scheme for financing schools.
 - Internal audit of maintained schools.
 - Consistent financial reporting.
 - Administration of local government & teachers' pension schemes.
 - Statutory HR duties e.g. conditions of service.
 - Provision of statutory information to the DfE.
- 9.3 The de-delegation in 2018/19 was for £80,000 and no change is proposed for 2019/20. This is a contribution, and does not cover the full cost of these services. This equates to a de-delegation of £7.52 per pupil.

10. OVERALL DE-DELEGATIONS FOR 2019/20

- 10.1 The de-delegations proposed for 2019/20 are set out in Table 2, with a breakdown per school provided in Appendix 3. Maintained school representatives are required to take a decision for their own school phase on each service on whether to de-delegate.

Table 2: De-delegations Proposed for 2019/20

Service	Primary (£'000)	De-delegation (£)	Secondary (£'000)	De-delegation (£)
Behaviour Support	178	£122.87 per FSM pupil	-	-
Union duties	42	£4.25 per pupil	-	-
School Improvement	136	£13.73 per pupil	10	£13.73 per pupil
School in Financial Difficulty	50	£4.70 per pupil		
General Duties formerly met by the Education Services Grant	75	£7.52 per pupil	5	£7.52 per pupil
Total	481		15	

11. CENTRAL SCHOOL SERVICES BLOCK

- 11.1 This block relates to services that local authorities are responsible for providing for all schools, including academies. The funding for this block is partly based on mainstream pupil numbers (although the services relate to all pupils). The allocation for 2019/20 based on pupil numbers is £650k, plus an allocation of £680k is given for historic commitments, a total of £1,330k. The historic commitment element is allocated at the same level as in 2018/19. However this is likely to reduce from 2020/21 as it is the ESFAs expectation that the budgets will reduce over time as contracts and other commitments reach their end points.
- 11.2 Schools' Forum approval is required for most services funded by this block. Table 3 sets out the services Reading currently fund from this block, and the budget for 2018/19 alongside the possible budget for 2019/20. Due to the transfer to Brighter Futures for Children, work on these budgets has been delayed; the final proposals will be brought back to the March meeting. Net reductions of £77k will be required in order to balance this block back to the funding allocation. The paragraphs that follow provide more detail on each of the budget lines.

Table 3: Budgets funded from the Central School Services Block DSG allocation

Service	2018/19 Budget (£'000)	2019/20 Budget (£'000)	Approval Required by Schools Forum	Restrictions
Admissions	215	215	Yes	None
Servicing of Schools' Forum	20	20	Yes	None
Copyright Licences	102	107	No	None
Statutory/Regulatory services e.g. finance	390	322	Yes	None
Prudential Borrowing (historic commitment)	50	50	Yes	Cannot exceed previous budget & no new commitments
Contribution to Commissioning (historic commitment)	15	15	Yes	Cannot exceed previous budget & no new commitments
Contribution to School Improvement (historic commitment)	116	102	Yes	Cannot exceed previous budget & no new commitments
Contribution to Early Help Services (historic commitment)	224	224	Yes	Cannot exceed previous budget & no new commitments
Contribution to Children's Social Care (historic commitment)	136	136	Yes	Cannot exceed previous budget & no new commitments
Contribution to LAC Education (historic commitment)	139	139	Yes	Cannot exceed previous budget & no new commitments
Total	1,407	1,330		

11.3 Details on each of these services are set out below:

- 1) **Admissions**
This funds the staffing for the statutory admissions service for primary and secondary coordinated admissions and for all in year applications.
- 2) **Servicing of Schools Forum**
This relates to Local Authority officer time to research and prepare reports, arrange and attend meetings, plus cost of room hire, contribution to the website for publishing papers etc. The total budget of £20,000 is a contribution towards this cost. Most other local authorities charge significantly more.
- 3) **Copyright Licences**
The DfE has agreed with various agencies (as set out in Appendix 4) to purchase a single national licence managed by the DfE, which means that

local authorities and schools no longer need to negotiate individual licences. The DfE recharges the cost to the local authority, who has the option to pay for it out of the central school services budget rather than charge individual schools from their delegated budget.

4) Statutory/Regulatory Services

These services were previously funded through the Education Services Grant, and the funding for them is now included within this block, though based on the new formula (so not like for like). The main services covered are:

- Director of Children's Services and planning for the education service as a whole.
- Revenue budget preparation, monitoring, and year end accounts.
- School formula review and preparation.
- Administration of payments to schools, including SEN & early years.
- External audit relating to education/DSG.
- Provision of information to the DfE e.g. Section 251 returns.
- Education welfare service.
- Asset management, including management of the education capital programme.

5) Prudential Borrowing

"Prudential borrowing" means borrowing money for the purpose of facilitating the modernisation and rationalisation of the school estate, where the revenue savings that will be achieved are equal to or more than the expenditure that will be incurred in borrowing the money.

Historically Reading has included a small 'notional' amount within the main schools block for prudential borrowing which reflects the fact that a significant element of the ongoing schools capital programme has historically been and will be funded by borrowing over many years, which represents a significant cost to the Authority. The cost included here will be more than matched by revenue savings and/or offset the opportunity costs accruing from these projects. The charge is very small compared to the annual costs of servicing the debt associated with borrowing costs on major schools capital projects. If this were to be unfunded then it is likely that the capital programme would need to be scaled back.

6) Commissioning

The current level of funding has enabled additional hours to be added to the Children's commissioning team (Access to Resources Team - ART) in order that the team can support the process of securing external SEN placements with good providers with increased value for money. Due to the growing numbers of external placements being used this funding is critical and supports the investment that the LA is doing within Commissioning. This has a vital part to play within the SEN strategy.

7) School Improvement

This has been used to support schools with significant issues regarding standards to support additional staffing. It also supports additional staffing

costs if schools require greater leadership capacity. This funding helps to support head teachers new to the post and those new to Reading. This fund is connected to the de-delegation element that is detailed in 7.1 to 7.2 and further details are within Annex 2.

8) Early Help Services

This contribution goes towards a range of Early Help services (which includes, notably family support, mental health, youth, EWOs, EPs, Troubled Families, TP, YOS, drug & alcohol) which the vast majority of schools in the borough access.

9) Children's Social Care & LAC

This contribution goes toward children's safeguarding more generally including the Multi Agency Safeguarding Hub, as well as funding for the Virtual School for looked after Children.

11.4 Schools Forum will be required to approve these budgets on a line by line basis.

Appendices

Appendix 1 - Behaviour Support Service 2019/20

Appendix 2 - School Improvement Service 2019/20

Appendix 3 - Overall de-delegations per school 2019/20

Appendix 4 - National Copyright Licences 2019/20

Appendix 1 - Behaviour Support Service



Report to the Schools Forum

Date: Thursday 17th January 2019

Topic: Behaviour Services De-delegation

Recommendation: Continuation of the de-delegation

It was decided at the Schools Forum meeting in January 2017 to fund the Behaviour Support Services provision by de-delegation (£215k).

The Schools Forum is being asked to continue with these funding arrangements for Behaviour support for the next financial year.

The de-delegation of funding provides for Behaviour Support for all Primary Schools in RBC who are maintained by the local authority. Academies will have to purchase provision from Cranbury College through an individual service level agreement. This de-delegated fund will continue to allow Cranbury College to deliver a core behaviour support team offer. This core offer is currently for PSP support and TA support in the classroom supporting young people and staff.

Risk Factors

Without the de-delegation of funds to Cranbury College the behaviour support outreach team for Primaries will cease and this could have a devastating impact on reducing exclusions and would lead to further permanent exclusions.

College Developments

The College continues to develop its current offer and there are now additional services available for schools and academies to buy into. This includes Training, Time limited interventions, Nurture Group support, Consultations, Coaching and Mentoring as well as development of our Alternative Provision offer. The college has also developed its outreach further into secondary schools and academies through an online buyback system whereby schools can now buy hours in 10, 20 or 50 hour blocks.

Current Data:

Schools BST has worked with;
2015/2016 - 25

2016/2017 - 27

2017/2018 - 29

The behaviour support team is currently working with 28 schools.

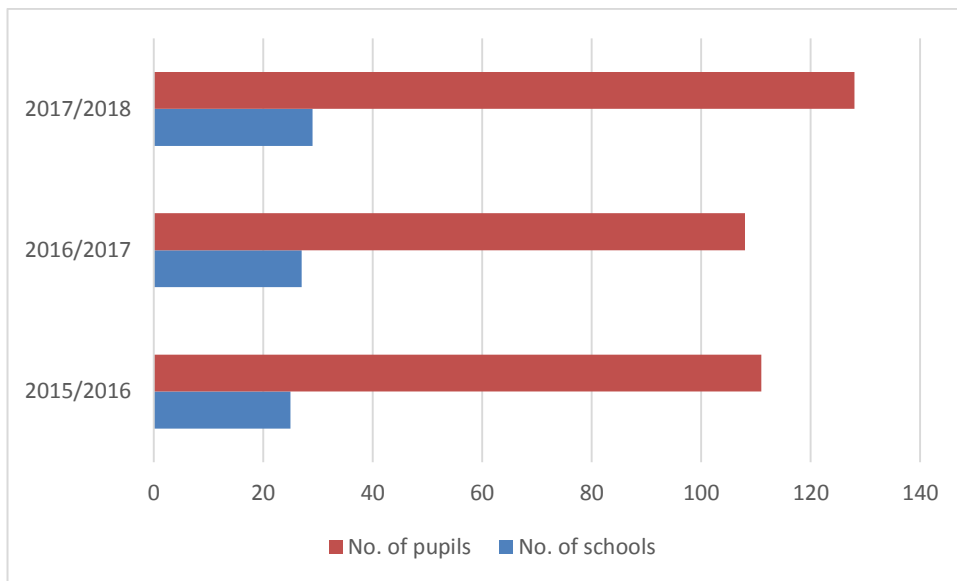
Case loads

The team have worked with the following numbers of children;

2015/2016 - 111

2016/2017 - 108

2017/2018 - 128



There has been a steady increase of schools worked with and students worked with. Loss of this funding would have an impact on 28 + Primary schools that the Cranbury College Primary Behaviour Support team work with.

Mandy Wilton
December 2018

Appendix 2 - Funding for School Improvement Projects

	2019 - 2020	Notes	De-delegation £ Maintained Schools	Central Budget £ All Schools
IEB's Support for governance	X1 IEB X 5 schools - additional support for governance	<ul style="list-style-type: none"> To provide Governance for schools requiring extra support through experienced Governors and to fund Executive Governing Bodies and IEB's 	£10,000	
School Standards Officer - Focus Role Vulnerable groups	Up to 30 schools involved in project	<ul style="list-style-type: none"> Therapeutic Thinking Approach Keeping up to date with new initiatives and research Training for leaders and school staff 		£25,000
School Standards Officer - Focus role SEN	All Schools	<ul style="list-style-type: none"> Support from Kentish Town C of E Primary School to develop inclusive provision and curriculum Support schools to develop ASD resource bases Support for schools to improve provision for ASD SEN Reviews (commissioned) Keeping up to date with new initiatives and research Training for leaders and school staff 		£20,000
School Standards Officer - Curriculum focus (Oracy project)	Additional 10 schools (second year of programme)	<ul style="list-style-type: none"> Part fund training Bespoke support Training for leaders and staff 		£12,000
English Advisors Curriculum focus - writing	10 schools	<ul style="list-style-type: none"> Writing project to improve outcomes in writing Training for leaders and staff Target schools - funding to release staff 		£6,000
Teaching school (commissioned) Curriculum focus - maths	All schools	<ul style="list-style-type: none"> Maths project to develop leadership in maths Training for leaders and staff 		£6,000
School Standards Officer - Focus role Leadership Development	All Schools	<ul style="list-style-type: none"> Bespoke leadership development for those new to role Bespoke middle leadership development and support NLE support/Teaching Schools support for applications Developing School to School Support 	£20,000	

		<ul style="list-style-type: none"> • Keeping up to date with new initiatives and research • Training for leaders and school staff • Ofsted preparation/training for school staff • Leadership and development of the curriculum • Good to Great programme with Hackney Learning Trust 		
Schools in Special Measures (some commissioned role)	Capacity for x2 schools	<ul style="list-style-type: none"> • Funding to support leadership capacity as identified • Funding to meet interventions to support rapid improvement 	£80,000	
Schools in Category 3 (RI schools)	X3 schools currently + 2 schools (possibly)	<ul style="list-style-type: none"> • Category 3 Action Plans to be put in place and monitored through Progress meetings and additional days provided through advisors and School Standards Officers 	£24,000	
Schools at Risk - RAP schools	4 schools	<ul style="list-style-type: none"> • RAP Action Plans to be put in place and monitored through Progress Meetings and additional days provided through advisors and SSOs 	£12,000	
Support for New Heads	Thameside The Hill St Anne's/St Martin's Federation Redlands + 2 others	<ul style="list-style-type: none"> • HT induction programme • Release of Heads from good or outstanding schools to mentor and coach heads that are new to Headship or new to Reading 		£12,000
Secure portal to access data and reports	All Schools - Perspective Lite	<ul style="list-style-type: none"> • Introduction of Perspective, Broadcast and Pendulum to allow all schools to access data and reports (including Notes of Visits and Dashboards) from a one sign in facility 		£15,000
	SUB TOTAL		£146,000	£96,000
	TOTAL		£242,000	

Due to academy conversions, future Ofsted inspections and turnover of Head Teachers, schools will be added or removed and will create different spending patterns that will be updated within the School Forum budget monitoring report.

Appendix 4 - National Copyright Licences

CLA (Copyright Licensing Agency) - £35,518.19

SPML (School Printed Music Licence) - £8,424.24

NLA (Newspaper Licensing Agency) - £733.87

ERA (Education Recording Agency) - £12,806.89

PVSL (Public Video Screening Licence – Filmbank Distribution Ltd.) - £7,670.00

MPLC (Motion Picture Licensing Company) - £4,353.21

PPL (Phonographic Performance Ltd.) - £7,590.64

PRS (Performing Right Society Ltd.) - £7,929.24

MCPS (Mechanical Copyright Protection Society Ltd.) - £13,563.51

CCLI (Christian Copyright Licensing International) - £8,731.57

TOTAL - £107,321.36