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TO: ALL MEMBERS OF THE SCHOOLS' FORUM

November 28, 2019

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Notice of Meeting – Schools' Forum

A meeting of the Schools' Forum will be held on **December 5, 2019 at 5pm in the Council Chamber, Civic Centre**. The Agenda for the meeting is set out below.

AGENDA	
1.	Welcome and apologies - Chair
2.	Minutes of the meeting held on October 16, 2019 including matters arising - Chair
3.	Schools' Forum Membership Update – including confirmation of representation - Chair
4.	DSG Budget Monitoring 2019/20 Month 8 - including update on deficit recovery plan – Education & Schools Business Partner
5.	DSG Budget Overview for 2020/21 – including estimate of funding for 2020/21 and strategy for setting high needs and early years budgets - Education & Schools Business Partner
6.	School Formula for 2020/21 Final Proposals – including decision on transferring funding from the schools block to the high needs block - Education & Schools Business Partner
7.	Growth Fund Budget 2020/21 Proposals for decision – Education & Schools Business Partner
8.	SEND Update – Head of SEND
9.	Agenda items for next meeting <ul style="list-style-type: none"> • DSG budget overview for 2020/21 • Final school funding formula for 2020/21 • De-delegations for 2020/21 • SEND strategy update • DSG Budget monitoring 2019/20 month 9
10.	Any other business

Next Meeting: January 16, 2020 at 5pm Civic Centre – Council Chamber

Agenda Item 2

Minutes of Schools' Forum Meeting

October 16, 2019

Present

Cathy Doberska – Head Teacher of English Martyrs, Peter Kayes – Governor at the Ridgeway (Chair), Richard Rolfe – Governor at Micklands, Ann McDonnell – Business Manager of Blessed Hugh Faringdon, Karen Edwards – Head Teacher of The Heights, Isabelle Sandy – Business Manager of Kendrick, Annal Nayyar – Finance Director of Bayliss Trust (Reading Girls), Claire Brown – Business Manager of Prospect, Andrew Johnson - Head Teacher of Maiden Erlegh (Reading), Jo Broadhead - Head Teacher of The Wren, Lee Smith – Head Teacher of Holy Brook, Symon Cooke - Head Teacher of The Avenue, Mark Hester – Business Manager of Cranbury College, Ita McGullion – Manager of Kennet Day Nursery, Ali McNamara – NEU.

Apologies

Jo Budge – Head Teacher for Blagdon/Caversham/New Bridge Nurseries, Jessica Wall – Governor at Caversham & New Bridge, Robert Howell – Head Teacher of Alfred Sutton, Justine McMinn – Head Teacher of E P Collier, Tonia Crossman – Head Teacher of Emmer Green, Stieve Butler – Head Teacher of Meadow Park, Ashley Robson – Head Teacher of Reading School, Rachel Cave – Head Teacher of Highdown, Simon Utley – Head Teacher of Blessed Hugh Faringdon, Cllr Ashley Pearce – Lead Member for Education.

In attendance

Kate Reynolds – Director of Education, Claire White – Interim Education & Schools Business Partner, Deborah Hunter – Head of SEND, Clare Warren – School Support (Finance) Lead, Steven Davies – Strategic Business Partner, Rhiannon Schoepe – Minute Taker

#	Item	Notes
1	Welcome and apologies	<p>The Chair welcomed everyone to the meeting.</p> <p>Kate Reynolds was welcomed to the Forum as the new Director of Education for Brighter Futures for Children.</p> <p>Apologies were noted.</p>
2	Minutes of the meeting held on 27th June 2019	<p>Minutes were agreed from 27th June 2019.</p> <p>Matters arising:</p> <ul style="list-style-type: none">- Forum Membership: Secondary academy heads are to meet on the 17th October to determine the membership moving forwards.- Kate Reynolds is reviewing whether it is appropriate

		<p>for Schools Forum to have a non-school post-16 representative.</p> <ul style="list-style-type: none"> - There have been no volunteers as of yet for the new maintained primary governor position. - Maintained School's Budgets: This will be discussed further under item 9 on tonight's agenda.
3	<p>Schools' Forum Membership Update – confirmation of representation</p>	<p>It was confirmed that there are three vacancies on the School's Forum; maintained primary head, maintained primary governor and non-school post 16 provision.</p> <p>It is necessary for the Forum to elect a Vice Chair. Richard Rolfe (Micklands) was proposed by Peter Kayes (Chair) for the role. The action was seconded by Isabelle Sandy (Kendrick). There were no other nominations put forwards.</p> <p>The role will be re-elected on alternating years to that of the Chair.</p> <p>Richard Rolfe was elected as Vice Chair for a 2 year term.</p> <p>Actions: Secondary academy heads to meet on 17th October to determine their membership and advise the Schools' Forum clerk of the outcome.</p> <p>Kate Reynolds to review the inclusion of a non-school post-16 representative.</p> <p>A primary governor to be sought to fill the new maintained primary school position.</p>
4	<p>DSG Budget Monitoring 2019/20 Month 6</p>	<p>Claire White presented.</p> <p>The position of the DSG allocation to be received as of the end of September 2019 is shown in Table 1 alongside the original budget for 2019/20. An additional £444k is available mainly in the early years block.</p> <p>The increase in the high needs block compared to the estimated allocation is due to the confirmation of place number changes and the import/ export adjustment. The difference in funding compared to the original estimate is £48k.</p> <p>The original budget for the Early Years block was based on the estimates from the January 2019 census and has now been amended to reflect the actuals at an additional £328k. The final confirmation of the claw back for 2018/19 was £68k less than budgeted which has been added to the allocation for</p>

	<p>2019/20. Any changes to numbers from the January 2020 census will in theory be offset by a change in provider payments; however there is a contingency to cover any variance.</p> <p>It is unlikely that there will be additional government funding in the current year due to increases announced for 2020/21 onwards.</p> <p>Table 2 shows a summary of the current budget and forecast per block. The deficit forecast for the end of the financial year has increased to £2.401m. This is £0.777m over budget. £0.474m is due to planned ring-fenced underspends being used for the growth fund and early years in-year. This leaves a net overspend of £0.303m.</p> <p><u>Schools Block</u> The under spend carried forward in schools block from 2018/19 has been earmarked for the Growth Fund. Since setting this budget, three secondary schools have agreed a bulge class from September, totalling £262k. As some of this budget will no longer be required for primary, part of this spend can be offset however this will leave £156k. This will need to be met from the 2020/21 schools block DSG allocation.</p> <p><u>Central Schools Block</u> As most of these budgets are contributions, it is unlikely there will be any variance. It is required for this block to find savings in the coming years.</p> <p><u>Early Years Block</u> There is an additional £702k being kept aside for contingency due to funding and expenditure being based on future census data. Should payments made to providers not match the funding, this would lead to an overspend which would impact on the funding rate to providers in the following year. This contingency can only be used to fund providers through the set Early Years' formula and not to increase hourly rates or change the formula.</p> <p><u>High Needs Block</u> The overspend in the high needs block is due to the statutory top up fees for pupils with EHCPs. Since 2015, EHCPs have increased by 317 or 33% as shown in Table 3.</p> <p>Table 4 shows an increase in both forecast spend and number of EHCPs since the budget was set. The current top-up forecast is £14.7m which is £841k over budget. The percentage of EHCPs within the school population is higher than the population growth, with growth moving from</p>
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		<p>primary to secondary schools overall.</p> <p>Other budgets within the high needs block are on-line, however the inclusion fund could overspend depending on the outcome of the review. This is to be discussed in further detail in item 8 on tonight’s agenda.</p> <p>The high needs block deficit has been decreased partly through the transfer of underspends from other blocks. Table 5 shows the deficit in recent years. A focus is being made on a strategy to develop local provisions in order to prevent specialist provisions being made out of county.</p> <p>The ESFA was tasked with reviewing our recovery plan with feedback due for September. Due to the announcement for additional high needs funding, this has been delayed.</p> <p>Table 6 shows the current DSG recovery plan which now assumes an 8% increase in funding for 2020/21 alongside a 1.5% increase to revised base funding in the following two years. Half of this funding will go towards the increase in expenditure however no decision has been taken yet and the plan remains for illustrative purposes only. In the current position, the DSG will have a small deficit still at the end of 2022/23.</p> <p>The overall budget for 2019/20 was noted along with the current pressures on each block and how this impacts on the deficit recovery plan.</p>
5	<p>School Funding Update for 2020/21</p>	<p>Claire White presented.</p> <p>A supplementary paper on this item was provided based on the further announcement by the Department for Education made on 11th October 2019.</p> <p>In September it was announced by the Secretary of State for Education that there will be an extra £7.1b of national funding to schools and high needs over the next three years. £2.6b of this will be in 2020/21.</p> <p><u>Schools Block</u> Funding for primary and secondary schools will see an overall increase of £4.3m or 4.9%. Core factor values will be increased by 4%, with all schools seeing a minimum funding increase per pupil of 1.84% in line with inflation. Minimum per pupil funding levels were announced at £3,750 for primaries, rising to £4,000 in 2021/22 and at £5,000 for secondaries. This will direct money to schools that do not benefit from other funding, for example those with low deprivation and/ or high</p>

		<p>prior attainment.</p> <p><u>High Needs Block</u> There is no change to the high needs formula, with £700m additional funding distributed in 2020/21. Under the formula, Reading will lose funding, however we will be on the funding floor with a minimum increase of 8% per head (age 2 to 18 population) for the 2019/20 allocation. Table 1 on the supplementary paper shows that there will be £1.9m extra funding, which is a year on year change of 9.5%.</p> <p><u>Early Years Block</u> There has been no information on this as yet, this is usually released in late November. £66m has been promised nationally, however it has not been confirmed how this will be distributed. Hourly rates for two, three and four year olds will increase but it is unknown by how much.</p> <p>The maintained nurseries lump sum has been promised to the end of academic year however it is not yet known whether it will continue or if other arrangements will be put into place for those schools who currently receive it.</p> <p><u>Central Schools Block</u> This will see a reduction of £123k due to no additional national funding along with the historical commitments funding being reduced by 20% (£166k).</p> <p>A key decision will be whether to transfer funding from the schools block to the high needs block. There will be a consultation on transferring this funding to the Inclusion fund to relieve the pressure there. This will be discussed in further detail in Item 8 on tonight’s agenda.</p> <p>The teachers’ pay and pension’s grants will continue as separate funding streams outside of the formula for the next three years. An increase has been announced as a minimum teacher’s salary of £30k.</p> <p>The timetable will be tight to complete work on the 2020/21 budget. A consultation will go out to all schools by the end of week commencing 21st October. This will require responses to be back by the 15th November in time to be taken to for next Schools’ Forum on 5th December 2019. A provisional timetable is shown in Table 1.</p> <p>The funding changes for 2020/21 were noted as well as the tasks and timetables for completing the 2020/21 budget.</p>
6	School Formula 2020/21	Claire White presented.

	<p>Initial proposals</p>	<p>This will be the third year of moving towards the National Funding Formula (NFF). There has been no commitment from the Government in regards to when the move to the NFF will happen.</p> <p>Nationally, there are still many schools that are far off the NFF; Reading is currently very close and is using all NFF factors at the base values, but doesn't apply the area cost adjustment to all factors.</p> <p>The schools block allocation is calculated based on last years' data to give the units of funding to be used in the final funding allocation. As the factors making up the NFF will change from year to year, this will leave a mismatch between the funding received by the local authority and what would have been allocated through the NFF. Table 1 shows a breakdown of the 2019/20 actual funding; once the equivalent data for 2020/21 has been received, a comparison can be made between the two.</p> <p>Point 4.1 lists out the changes announced for the NFF Factors.</p> <p>Point 4.4 sets out the proposed strategy in setting the school formula, with Appendix 3 illustrating what this might look like per school. This is to show how the formula allocates funding to schools if pupil numbers and characteristics remained the same year on year.</p> <p>In comparison to the budget announcement on 11th October, figures in Appendix 3 are very close. Some schools are seeing a significant increase in budgets due to having low deprivation and/ or a high prior attainment and therefore benefitting from the minimum per pupil funding levels. More information will be shared with the Forum when the consultation on the funding strategy for 2020/21 takes place.</p> <p>If there is to be any further funding available, an order of priority should be established. It is proposed that the AWPU is increased rather than looking at other factors. This will reduce the number of schools on the minimum funding as well as bringing all schools up to similar per pupil funding base levels with any differences due to additional needs. Other options will be modelled within the consultation. The paper was not brought to the Forum due to the lateness of the information; however it will be sent to all members for information, and will be discussed at the next meeting.</p>
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		<p>The basis of the school funding formula for 2020/21 was noted.</p> <p>The approach to setting the school formula for 2020/21 was agreed.</p> <p>A final proposal will be brought back to the Forum in December for discussion with the final formula brought to Forum in January 2020.</p>
7	SEND Strategy Update	<p>Deborah Hunter presented</p> <p>The SEND strategy is refreshed each year, this year it took place in October with a multi-agency workshop around a theme of “Making SEND Everyone’s Business”. Working groups – or strands - meet regularly to discuss</p> <ol style="list-style-type: none"> 1. Data and Information to Inform Decision Making <p>Reading is currently data rich but information poor, with this not being interrogated to help the strategies. The second annual SEND Data Report will be sent out to heads, SENCOs and partners. This now includes an Early Years section with children being tracked through from specialist provisions.</p> <p>A Post 16 data chapter is being developed. This will look at young people and track where they are educated, the courses they take and their progress. It is important to ensure young people do not move out of borough by having local support. A cross authority working party has been set up to look at Health data. Currently there is no data on how many children have a diagnosis of autism and the support they receive.</p> 2. Early Intervention through to Specialist Provision. <p>This strand is chaired by Ramona Bridgeman. She has worked with children and young people as well as their families in order to gain an understanding of their views on autism as well as arranging autism training for schools and settings three times a year. Currently this is provided for by an Educational Psychologist, with a fuller offer to be made going forwards. There is also a plan to trial a new format of EHCPs in order for them to be more child-friendly and accessible. These will be produced alongside the families and children as well as giving young people the opportunity to help set their own outcomes.</p>

		<p>The strand is looking into the creation of local provisions to meet the changing needs of children. Blessed Hugh Farringdon is auditing the needs of pupils currently in The Base. It is necessary for a primary resource to be set up in the North of Reading to meet the needs of pupils in the catchment area.</p> <p>3. Improving Emotional Wellbeing</p> <p>This strand is now jointly working with the ONE Reading partnership as it is an agreed priority across Reading partners. A Trauma Informed practitioner has been jointly commissioned and training is currently underway. The Mental Health Support Team held a soft launch in September before going live in January 2020. Therapeutic Thinking Schools has seen much support with only eight schools not signing up. Schools have seen a 25% decrease in fixed term exclusions at primary level since the training was carried out.</p> <p>The Mental Health Strategy will continue to be supported across Reading partners with a triage system in development.</p> <p>4. Preparing for Adulthood</p> <p>This strand is a new team focusing on preparing young people for adulthood. Transition work has started for 17 year olds and with time, this will decrease down to 9 year olds. The Preparing for Adulthood Policies and Pathway has been developed with a dedicated team of seven staff.</p> <p>Moving forwards, a Post 16 group will look at trialling vocational profiling with schools assisting in the pilot. The strand will also work closely with commissioning to look at alternatives to support workers; this could be by increasing direct payments to give young people more flexibility in sourcing their support.</p> <p>5. Review of Short Breaks Provision.</p> <p>A second draft of a new cultural short breaks offer is circulating after listening to parents/ carers and young people. The strand has worked alongside the Avenue School, culture, Leisure and Parks in order to build accessible and universal opportunities for SEND.</p> <p>The self-evaluation framework has also been refreshed and a</p>
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		<p>link to this will be circulated out to schools. The updated framework has been put together with a range of partners. It is important for SEND strategy developments to be included in service plans – to ensure effective communication and engagement with all partners.</p> <p>It was noted that analysis in the number of under 5s with statutory needs assessments had increased over three years. Portage and Early Help services are working to help identify the right settings for children with statutory needs assessments. With this increased support, only one child has had an EHCP within the first six months of joining mainstream school.</p> <p>The report was noted.</p> <p>All schools are to include the SEND strategy in their plans. This will be circulated after the strategy board on the 6th November.</p>
<p>8.</p>	<p>Inclusion Fund Review</p>	<p>Deborah Hunter presented.</p> <p>The Inclusion fund is to financially support mainstream schools with a higher percentage of EHCPs by covering the first £6k of additional costs. The allocation criterion for this funding was agreed in July 2018 by Schools Forum. Funding is targeted to schools which have a higher percentage of EHCPs than the local authority statistical neighbours. For Reading in 2018/19, this is 1.6% for primary and 1.7% secondary. Funding is paid retrospectively for each term and is recalculated after each term using census data. The funding is for mainstream only with specialist provisions receiving base funding for these places.</p> <p>The Inclusion Fund payments made for the academic year 2018/19 are shown in Table 1. These totalled £331k against a budget of £250k. 24 schools received funding with 15 schools seeing an increase in pupils with EHCPs across the year.</p> <p>As the allocation method for academic year 2018/19 was a trial, a consultation was sent to mainstream schools to determine if the funding was meeting its purpose and how the fund should be used in the 2019/20 academic year.</p> <p>The full questionnaire responses can be found in Appendix 1. Overall, 12 responses came back from 49 schools; a return rate of just under 25%. Most questionnaires rely on response</p>

		<p>levels of roughly a third in order to be considered valid.</p> <p>The main conclusions that can be drawn from the responses are as follows; schools have stated that they hold no influence over accepting pupils with EHCPs. The Inclusion funding therefore has no influence over accepting pupils. However, schools have appreciated the funding and it has been used to improve the provisions for pupils which would have been difficult otherwise. There is support for funding to continue as removing this would impact negatively on the quality of provisions and of the overall financial position of the schools. There was however, a mixed response on the criteria used to allocate the funding but this was determined to be due to a misunderstanding of how the calculation works. This is clarified in point 3.3.</p> <p>Most schools fed back that they would like to see the budget increase; however only two schools out of six thought it would be fair to top slice this from Schools Block.</p> <p>This consultation with schools was to ensure the views of the schools were heard; it was sent to all heads to share with their SENCO, senior staff members and bursars.</p> <p>The current method does address meeting the first £6k of funding in a fair way, however the percentage threshold can be considered for change. Currently there is £250k set aside in the budget, but with £331k spent in 2018/19, Reading is already overspending using the current percentage threshold. With the threshold lowered, the funding will be open to more schools to claim. In order to be fair to schools with a high percentage of pupils with EHCPs, the fund should continue but the percentage threshold above which funding is received should not increase.</p> <p>For the remainder of the year (Autumn term 2019 and Spring term 2020), the same method will apply although this will likely result in an overspend and therefore increase the deficit in the high needs block for the current financial year. Schools with a resource unit will have the number of places deducted rather than pupils as they receive base funding for all places whether or not they are filled.</p> <p>It is proposed that from Summer term 2020, funding will be top sliced from schools block Dedicated Schools Grant (up to 0.5% can be transferred with Schools' Forum approval). If this figure is higher than £350k, there will be a small increase to both the funding received by the schools and the amount of schools receiving the funding. This will mean that all schools will contribute to the fund with this then distributed to the</p>
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		<p>schools that require it.</p> <p>The Forum requested further information on how Reading compares to national figures in regards to ECHP numbers in order to get a wider picture of the issue.</p> <p>Other Local Authorities have previously used models other than relative percentage, for example the Exceptional Needs funding. These practices were stopped as like Reading, they moved to a more equitable way going forwards.</p> <p>Forum noted their surprise at the low levels of responses given from the schools, with only a 25% return rate.</p> <p>When asked if the Inclusion fund should continue, ten out of ten schools answered yes, however there were 12 responders to the questionnaire. It was clarified that two schools did not answer this question. It was noted that there was no pattern to responses given and the numbers of pupils receiving EHCPs at those schools.</p> <p>Forum questioned whether Band A EHCPs have increased due to the Inclusion funding being in place. It was confirmed that there was no connection between the Inclusion fund and funding through EHCPs. SEN Panel is robust with the banding descriptors based on the evidence provided. This will be fed back to SENCOs for their information. A request to see more heads and SENCOS sit on panels has been acted upon and the number of representatives has increased.</p> <p>The report and questionnaire responses were noted.</p> <p>The continuation of the Inclusion fund to the end of the financial year (March 2020) was agreed.</p> <p>It was agreed to consult with schools on ‘top-slicing’ the Schools Block to pay for the Inclusion fund in 2020/21.</p>
9.	<p>Maintained School budgets/deficits 2019/20</p>	<p>Clare Warren presented.</p> <p>A three year budget with regards to carried forward balances was presented in point 1.1 showing a decrease in balances overall. Schools have also been cautious in regards to pupil number predictions due to overall uncertainties in the funding they receive.</p>

		<p>There is concern over the falling primary pupil numbers as bulge classes move up into secondary as well as the impact Brexit is having over the lack of investment in IT and buildings in addition to families choosing to leave the UK.</p> <p>Generally, schools are better off than had been budgeted, mainly because of grants being confirmed for teachers pay and pensions. In 2018/19, the budgeted carried forward figure for all maintained schools was £745k; however the actual figure was £2,245k.</p> <p>The forum is to note that the budget as shown in point 1.1 does not take into consideration the new funding announcements.</p> <p>The three schools with the surplus funds have submitted clear plans; one school has upcoming building works, one has refurbishments, redecoration and IT investment, and another will invest in IT but this will be a considered strategy with the surplus not being spent straight away.</p> <p>The report was noted.</p>
10.	Agenda Items For Next Meeting	<p>The next meeting will be held on Thursday 5th December 2019 (5pm) at the Civic Centre – Council Chambers.</p> <ul style="list-style-type: none"> • DSG budget overview for 2020/21 • Growth Fund 2020/21 • Final proposals for school funding formula for 2020/21 • SEND strategy update • DSG Budget monitoring 2019/20 - Month 8
11.	Any Other Business	<p>Congratulations to Symon Cooke and The Avenue for their Section 8 Ofsted inspection. Outstanding rating maintained.</p> <p>Kendrick is looking to increase their 2020 intake from three to four forms. This will be an additional 32 students. They wish to explore use of the growth fund and whether this can be claimed to support the school during the first year of intake. The Growth Fund is only to fund basic needs; if there is no requirement for the places then no funding will be released. The Local Authority is to determine this – Kendrick will liaise with the admissions team. There will be a paper on the Growth Fund coming to the Forum next meeting.</p>

		<p>A reminder was given for members to raise any issues they wish to discuss ahead of the Forum.</p> <p>The Forum gave thanks to Claire White for her contributions to Schools' Forum. It was noted that the format of the papers are much easier to follow.</p> <p>The meeting closed at 18:35.</p>
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Agenda Item 3

SCHOOLS FORUM MEMBERSHIP						Dec-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
School Members:								
Nursery (2)	1	Head teacher	Jo Budge	Blagdon Nursery	Jan-17	Jan-19	3 yrs	Jan-22
	2	Governor	Jessica Wall	Caversham & New Bridge Nurserie	Jun-19	Jun-19	3 yrs	Jun-22
Maintained Primary (8)	3	Head teacher	Robert Howell	Alfred Sutton	Mar-19	Mar-19	3 yrs	Mar-22
	4	Head teacher	Justine McMinn	EP Collier	Nov-13	Jan-19	3 yrs	Mar-22
	5	Head teacher	Cathy Doberska	English Martyrs	Jul-18	Jul-18	3 yrs	Jul-21
	6	Head teacher	Vacant					
	7	Head teacher	Tonia Crossman	Emmer Green	May-17	Mar-19	3 yrs	Mar-22
	8	Governor *	Peter Kayes	The Ridgeway	Mar-07	Dec-19	3 yrs	Dec-22
	9	Governor **	Richard Rolfe	Micklands	Dec-16	Dec-19	3 yrs	Dec-22
	10	Governor	Vacant					
	11	Head teacher	Simon Utley	Blessed Hugh Faringdon	Jan-17	Jan-19	3 yrs	Jan-22
Maintained Secondary (1)	11	Head teacher	Simon Utley	Blessed Hugh Faringdon	Jan-17	Jan-19	3 yrs	Jan-22
Academy Primary (2)	12	Academy Member	Karen Edwards	The Heights	Jul-18	Jul-18	3 Yrs	Jul-21
	13	Academy Member	Stieve Butler	Meadow Park	Jul-17	Jul-18	3 Yrs	Jul-21
Academy Secondary (4)	14	Academy Member	Isabelle Sandy	Kendrick	Feb-12	Mar-19	3 Yrs	Mar-22
	15	Academy Member	Ashley Robson	Reading	Feb-12	Mar-19	3 Yrs	Mar-22
	16	Academy Member	Rachel Cave	Highdown	Feb-12	Mar-19	3 Yrs	Mar-22
	17	Academy Member	Annal Nayyar	Reading Girls	Dec-17	Mar-19	3 Yrs	Mar-22
		Academy Member	David Littlemore	Prospect	Feb-12	Mar-19		
		Observer/Substitute	Camilla Thornalley	John Madjeski				
		Observer/Substitute	Jonathan Nicholls	UTC				
	Observer/Substitute	Andy Johnson	Maiden Erleigh in Reading					
	Observer/Substitute	Jo Broadhead	The Wren					
Maintained Special (1)	18	Head teacher	Lee Smith	Holy Brook	Oct-19	Oct-19	3 yrs	Oct-22
Academy Special (1)	19	Academy Member	Tracey Green	The Avenue	Mar-18	Mar-18	3 Yrs	Mar-21
Alternative Provision (1)	20	Head teacher	Mandy Wilton	Cranbury College			On-going	n/a
Non-School Members:								
Early Year's PVI (1)	21	PVIs	Ita McGullion	Kennet Day Nursery	Oct-17	Oct-17	3 yrs	Oct-21
Trades Unions (1)	22	Trades Unions	Ali McNamara	Unions			On-going	n/a
16 - 19 Provision (1)	23		Vacant					

Non Members

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

Elected October 2018

2 years

Oct-20

** Vice chair

Elected October 2019

2 years

Oct-21



Reading Schools' Forum

December 5, 2019

Agenda Item 4

Dedicated Schools Grant (DSG)
Budget Monitoring 2019/20



For decision



For discussion



For information

SUMMARY

This report sets out the current position (month 8) of the DSG budget for 2019/20 and outlines the variances and impact on the deficit recovery plan.

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VERSION

Version number 1

DATE

October 16, 2019

REVIEW DATE

None

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Brighter Futures for Children
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Company number 11293709

1. Recommendations

- 1.1 NOTE: The current overall DSG allocation for 2019/20.
- 1.2 NOTE: The current pressures within each funding block and impact on the deficit recovery plan.

2. Background

- 2.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant and can only be used in support of the schools budget and spent on school/pupil activity as defined by the School and Early Years Finance (England) (No. 2) Regulations (2018).
- 2.2 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.
- 2.3 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.
- 2.4 Overspends on the DSG are carried forward and are a first call on the following year's allocation of DSG. Underspends on the DSG are carried forward to support the future year's school's budget.
- 2.5 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.
- 2.6 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.

3. DSG Allocation 2019/20

- 3.1. The DSG allocation received by the LA will change during the year. Table 1 shows the original estimate made by the LA and the current position, as notified by the ESFA in November. Further details are contained in Appendix 1.
- 3.2. The allocations shown in the table are prior to any transfers between blocks. For the 2019/20 budget the Schools' Forum has agreed a transfer of £447k from the schools block to the high needs block.
- 3.3. Overall there has been an increase of £450k to the current year allocation, which is explained in the paragraphs below.

Table 1: RBC's original and revised (current) DSG allocations for 2019-20

BLOCK	ORIGINAL ESTIMATED DSG ALLOCATION 2019/20			REVISED DSG ALLOCATION 2019/19			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	89.524	-44.853	44.671	89.524	-44.853	44.671	0
Central Schools Block	1.330		1.330	1.330		1.330	0
Early Years Block	12.079		12.079	12.407		12.407	0.328
High Needs Block	20.424	-2.443	17.981	20.483	-2.448	18.035	0.054
Total	123.357	-47.296	76.061	123.744	-47.301	76.443	0.382
18/19 Early Years adj.						0.068	0.068
Total Available						76.511	0.450

3.4. The main changes that may occur and need to be monitored during the year are as follows:

- Reductions in the net LA schools block and/or high needs block funding due to any in year academy conversions. This is because funding is paid direct to these schools by the ESFA, though this has minimal impact on the LA budget, as expenditure is reduced accordingly. Currently, there are two academy conversions in process – Cranbury and Phoenix College - which will result in an adjustment to the high needs block figures if they are completed before the end of the financial year.
- High needs block funding was adjusted in July due to the import/export adjustment: this is where there has been a change to the number of Reading pupils placed in settings outside Reading or a change in the number of pupils from other LAs attending settings in Reading. This is because the LA where the setting is located is responsible for the place funding, so this adjustment ensures any changes in pupil numbers transferring between LAs are properly funded. High needs funding has also been adjusted for any changes in the number of high needs places in academies, which is deducted from our allocation. In November an additional £6k was received to settle a funding dispute we had with a provider. Overall, the difference in funding compared to our original estimate is £54k in additional funding.
- Early years funding will be based 5/12 on the January 2019 census, and 7/12 on the January 2020 census. Our original budget used January 2019 census estimates, and has now been amended to reflect the January 2019 census actuals confirmed in July, which uplifted our allocation by £328k. The final adjustment for 2018/19 was also made in July; this was estimated to be a reduction of £150k, for which a provision

was made in the 2018/19 accounts. The actual was £68k less, so this is added to our allocation for 2019/20. For the purpose of the budget it is assumed that any changes to numbers recorded in the January 2020 census will be offset by a similar change in provider payments, though a contingency is set aside to cover any variance. Based on Summer and Autumn actual numbers, it is likely that much of this contingency will be required or clawed back.

- The Government could allocate additional funding in response to policy changes/priorities (for example an additional allocation for high needs was made in December 2018), but it could not reduce the funding already allocated. This is unlikely in the current year due to the increase in funding announced for 2020/21.

4. DSG Budget 2019/20 Month 8 Position

- 4.1. Appendix 2 contains the 2019/20 budget and current (month 8) forecasts. This is split between the four funding blocks, and broken down by the main reporting lines for the DSG. Appendix 3 contains brief notes on what is included in each line of the budget report.
- 4.2. Table 2 summarises the current budget and forecast per block. Note that the DSG allocation includes an additional £0.640m which is ring fenced surpluses brought forward from 2018/19 and being utilised in 2019/20 (for growth fund and early years).

Table 2: Summary Budget and Forecast 2019/20

	ORIGINAL BUDGET (£m)	VIREMENTS £m	CURRENT BUDGET (£m)	FORECAST as at MONTH 8 (£m)	VARIANCE as at MONTH 8 (£m)
Schools Block	44.420	0.077	44.497	44.596	0.099
Central Schools Block	1.330		1.330	1.330	0
Early Years Block	12.140	0.702	12.842	12.142	-0.700
High Needs Block	18.281	0.054	18.335	19.433	1.098
Repayment of Deficit	1.771		1.771	2.245	0.474
Sub Total – Net Expenditure	77.942	0.833	78.775	79.746	0.971
DSG Allocation	76.318	0.833	77.151	77.151	0
Balance Over/(Under) Allocated	1.624	0	1.624	2.595	0.971

- 4.3. The deficit forecast for the end of the financial year has increased compared to the budget by £0.971m from £1.624m to £2.595m. The changes are summarised as follows:

Change in deficit amount to be repaid from 2018/19	£473,854
School formula - business rates	£9,032
Growth Fund	£90,327
Early year's contingency	-£700,400
Top-up funding	1,068,189
Other High needs block overspends	£30,000
Total	£971,002

5. Variances, Current Risks & Emerging Issues

5.1. Repayment of Deficit

Due to planned ring-fenced underspends from 2018/19 being used within their block in 2019/20 and not actually being used to offset the deficit, the amount to be repaid is higher than the net carry forward, by £474k. This leaves £497k of other net over spends. The major variances, risks and emerging pressures per block are explained in the following paragraphs.

5.2. Schools Block

- There would only be a variance on maintained primary and secondary school delegated budget allocations due to business rate revaluations or where actual business rates bills vary from the initial school formula allocation. This is due to like for like funding. The current difference for business rates is £9k over the initial allocation.
- The Growth Fund for 2019/20 is £701k (which includes £233k under spend carried forward from 2018/19); Since setting the budget, three secondary schools have agreed to take a bulge class from September, which was not anticipated or included in the budget, at a total cost of £262k. This is partly offset by some of the budget no longer being required for primary. The over spend is estimated to be £90k. Any over spend will need to be met from the 2020/21 schools block DSG allocation.
- De-delegations are contributions to central services and unlikely to have any variance. £40k carried forward for the equality services de-delegation which ceased last year, has been paid back to the maintained schools which paid into this fund.

5.3. Central Schools Services Block

- Most of the central school services budgets are agreed contributions towards the full cost of a service and the majority will not therefore have a variance. There will be no variance on copyright licences, as this is a national contract agreed in advance.

5.4. Early Years Block

- 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 previous financial year at the set hourly rates. The DSG funding due to be received is based on an average of the January 2019 and 2020 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 2019 census should be funded, or funding is clawed back (by the ESFA) in the following year if there has been an over allocation. This assumes that the January census represents the average for the whole year.
- It is therefore impossible to make a reasonable forecast when both funding and expenditure is based on actual take up of places at a date in the future. This is why it is prudent to keep a contingency should the payments made during the year not

match the funding. If the budget was to overspend, this would then have an impact on the funding rate to providers in the following financial year.

- There is currently £702k in contingency in 2019/20, approximately half from under spends in the previous year and the other half from an additional DSG allocation based on the January 2019 census. Although shown as a contingency, it is highly likely that the additional allocation will either be required in the current year or will need to be paid back to the ESFA. Note that the contingency can only be used to fund providers through the early years formula as already set, and cannot be used to increase the hourly rates or to change the formula after these have been set for the year. It can be allocated out in the following financial year; this would need to be as a one-off lump sum (based on hours of provision in 2019/20) and is not built into the base funding (i.e. the hourly rate is not increased for the following year).
- Other budgets that pay for central spend are mainly contributions as agreed at the budget setting, and will not overspend.
- Due to the level of the contingency, this block overall should not overspend. There will be a clearer picture after the January 2020 census, and an assessment can then be made on whether there is a level of under spend that would allow an additional one-off payment to providers.

5.5. High Needs Block

- Over 75% of the high needs block is payments for statutory top up fees for pupils/students with Education Health and Care Plans (EHCPs). This is the area of highest risk due to the unpredictability of the number and level (cost) of plans. It is the continued growth in both the number and cost of these plans that has led to the DSG deficit. Table 3 shows the rising trend in the number of EHCPs. Data as at January in each year is used being mid-way through an academic year, and is what the ESFA advise to use for data comparisons.

Table 3: Numbers of EHCPs

Date	Actual Total Number	Annual Year on Year Increase
14/15: January 2015	959	
15/16: January 2016	1,002	43
16/17: January 2017	1,066	64
17/18: January 2018	1,175	109
18/19: January 2019	1,276	101

- The budget for 2019/20 was set based on the cost of on-going EHCPs as at January 2019 and predicted increase. This and the current top up forecasts and current number of EHCPs are shown in Table 4. The current top up forecast is £15.1m,

which is £1.1m over budget. The budget for 2019/20 was based on there being an average of 1,292 EHCPs; the current number is 1,366, so this is heading for another annual increase of around 100. The largest increases are in mainstream, and in other alternative placements not in a school which are generally short term placements.

Table 4: Top Up Budgets and Forecasts 2019/20

Placement Type	Cost of Top Ups		Number of EHCPs	
	Budget £'000	Forecast £'000	Budget No.	Oct '19 No.
Special Schools	7,902	7,573	435	434
Resource Units	565	602	102	99
Mainstream	1,440	2,058	666	699
Further Education	793	843	Numbers included above	
Independent/NMSS	2,485	2,592	61	60
Other Alternative	54	490		
PRU/Hospital*	819	968	47	63
Total	£14,058	£15,126	1,292	1,355

* PRU/Hospital costs will relate to all pupils placed in these provisions (e.g. includes excluded pupils without an EHCP).

- There is also an over spend of £30k on NHS contracts, as not all academies were previously included in this contract but are now. All other budgets within the high needs block are currently on-line, though the inclusion funding for mainstream schools will most likely overspend.
- Note that the conversion of Cranbury College to an academy should not impact on either the services that schools receive or the cost to the high needs block, and the local authority is currently preparing the service level agreements.

6. DSG Deficit Recovery Plan

- 6.1. In 2018/19, the high needs block balanced in-year and part of the deficit was repaid, despite the continuing pressure of increasing numbers of EHCPs. Transfers between blocks including using underspend from other blocks has also helped bring the deficit in the high needs block down, from its peak of £3.4m overspend at the end of 2016/17. The plan assumed a closing deficit of £1.8m in 2019/20, and the recovery to have been achieved by the end of 2022/23.
- 6.2. The main elements of the recovery plan are as follows:
- The largest individual top up costs are in specialist placements out of county, particularly non maintained and independent providers. Part of the strategy is to

invest in more local provision which will be at a reduced cost, though the financial benefit will take a number of years to materialise. A reduction in cost of £390k per year has been built into the plan from 2020/21 onwards. New resource unit places are being developed locally, and the bid process for running a new special school is currently underway, with the successful provider likely to be appointed early in 2020.

- Inclusion of high needs pupils in mainstream schools to avoid being placed in more expensive specialist provision. As part of this, additional funding for schools with a higher than average percentage of pupils with EHCPs was introduced in September 2018 for a year's trial. This has been reviewed and will continue for the remainder of this financial year. It is being proposed that from the next financial year this cost will be met by a top slice from the schools' block DSG (this was not in the plan and will benefit the deficit recovery if agreed).
- The LA has also invested some funds to improve the SEND commissioning element that review SEND placements/contracts.
- It was assumed and built into the plan that high needs funding would increase by just over £0.5m from 2020/21 onwards, whereas it is increasing by approximately £2.0m in 2020/21, and should be a similar amount in the following two years.
- The contingency held in the early years block is currently offsetting the deficit, but is a first call on this block when it is required, which will be a £700k reduction.

6.3. As a local authority with a deficit greater than 1%, the recovery plan had to be submitted to the ESFA in June. The ESFA review each plan to determine its robustness and viability and also establish areas where they can support local authorities to bring their deficits into balance. Feedback was received from them at the end of October, and was brief. They were generally satisfied with the plan – because the required detail to back up the plan had been provided and the deficit was recovered in four years. They have not requested a meeting, though we can contact them for support. Their expectation is that the additional high needs funding should now be built into the plan. They raised four queries/technical issues, though two of these had already been addressed in a later version of the plan that had been submitted at their request, and the other two is suggesting further information/calculations are supplied in future versions.

6.4. The impact of the current budget monitoring forecast on the recovery plan is shown in Table 6. This now assumes that costs in the high needs block will continue to rise by £0.5m each year net of savings, but that the high needs block allocation will increase by £2m in 2020/21 and £1.5m in each of the following two years. It is assumed that all other blocks will balance in year with any under/over spends *not* offsetting the deficit – this includes not using the contingency in the early years block in 2019/20. On this basis, recovery will still happen in 2022/23, but this is taking a simplistic view on expenditure and income, and is very much dependent on the future high needs DSG allocations. Note that the original plan assumed expenditure of £17.1m in 2022/23, and this plan now assumes £20.9m.

Table 6: Current DSG Recovery Plan

	2019/20 Original Budget £m	2019/20 Current Forecast £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
High Needs Expenditure	18.281	19.433	19.934	20.433	20.933
High Needs Income	-18.428	-18.482	-20.035	-21.535	-23.035
High Needs In Year Deficit/(surplus)	-0.147	0.951	-0.102	-1.102	-2.102
Add B/F Deficit	2.245	2.245	3.196	3.095	1.993
Less Net Underspends in other blocks	-0.306	0	0	0	0
Current Year End Position	1.792	3.196	3.095	1.993	-0.109
Original Year End Position		1.792	1.612	0.952	-0.189

- 6.5. A more detailed refresh of the plan will be produced as part of the high needs block budget setting for 2020/21, and when hopefully more news of the DSG allocations for 2021/22 and 2022/23 have been provided.

7. Appendices

Appendix 1 – DSG Allocation 2019/20

Appendix 2 – Summary DSG Budget and Forecast 2019/20

Appendix 3 – Additional Information per Service

Appendix 1 – DSG Allocation 2019/20

	LA Estimate for Budget		November 2019 Notification	
Schools Block				
Pupil Numbers Primary	13,317.5		13,317.5	
Rate	£3,971.23		£3,971.23	
Allocation		£52,886,856		£52,886,856
Pupil Numbers Secondary	6,411.0		6,411.0	
Rate	£5,223.35		£5,223.35	
Allocation		£33,486,897		£33,486,897
Growth Funding		£1,657,782		£1,657,782
Premises & Mobility Funding		£1,492,369		£1,492,369
actual funding rounding adjustment		£597		£427
Gross Allocation		£89,524,500		£89,524,330
Academy Recoupment		-£44,853,330		-£44,853,330
Schools Block Net Total		£44,671,170		£44,671,000
Central School Services Block				
Pupil Numbers	19,728.5		19,728.5	
Rate	£32.97		£32.97	
Allocation		£650,449		£650,449
Historic Commitments		£680,000		£680,000
actual funding rounding adjustment		-£449		-£449
Central School Services Block Net Total		£1,330,000		£1,330,000
High Needs Block				
Formula		£20,321,842		£20,321,342
Hospital Funding		£182,810		£182,810
Additional Allocation		£384,000		£384,000
Place Numbers - Special Schools	276.0		276.0	
Place Numbers - Alternative Provision	37.0		37.0	
Rate	313.0		313.0	
Allocation	£4,208.94		£4,208.94	
Allocation		£1,317,398		£1,317,398
Import/Export Adjustment	-297		-314	
Rate	£6,000.00		£6,000.00	
Allocation		-£1,782,000		-£1,884,000
(BCA adjustment)				£6,000
Additional funding for Special Free Schools				£155,553
actual funding rounding adjustment		-£550		£221
Gross Allocation		£20,423,500		£20,483,324
Recoupment - academy/post 16 places		-£2,442,490		-£2,448,324
High Needs Block Net Total		£17,981,010		£18,035,000
Early Years Block	(Jan '19 census)			
3 & 4 year olds Universal - Schools	1,321.6		1,321.6	
3 & 4 year olds Universal - PVI	1,410.0		1,463.0	
3 & 4 year olds Additional - Schools	270.8		268.8	
3 & 4 year olds Additional - PVI	576.3		619.2	
Total	3,579		3,673	
Rate	£5.14		£5.14	
Allocation		£10,484,875		£10,759,983
2 year olds - schools	63.0		60.0	
2 year olds - PVI	314.7		325.2	
Total	377.7		385.2	
Rate	£5.74		£5.74	
Allocation		£1,235,759		£1,260,297
PPG - schools	159.0		159.0	
PPG - PVI	144.0		174.0	
Total	303.0		333.0	
Rate	£0.53		£0.53	
Allocation		£91,536		£100,599
DAF - eligible pupils	25.0		56.0	
Rate	£615.00		£615.00	
Allocation		£15,375		£34,440
Maintained Nursery Grant		£251,534		£251,534
actual funding rounding adjustment				£146
Early Years Block Net Total		£12,079,080		£12,407,000
SUMMARY GROSS IN YEAR ALLOCATION				
Schools Block		89,524,500		89,524,330
Central School Services Block		1,330,000		1,330,000
High Needs Block		20,423,500		20,483,324
Early Years Block		12,079,080		12,407,000
TOTAL GROSS DSG ALLOCATION IN YEAR		£123,357,080		£123,744,655
SUMMARY NET IN YEAR ALLOCATION				
Schools Block		£44,671,170		£44,671,000
Central School Services Block		£1,330,000		£1,330,000
High Needs Block		£17,981,010		£18,035,000
Early Years Block		£12,079,080		£12,407,000
TOTAL NET DSG ALLOCATION IN YEAR		£76,061,260		£76,443,001

Appendix 2 – Summary DSG Budget and Forecast 2019/20

Line Ref.	Description	Original Budget £m	Virements £m	Current Budget £m	Forecast Outturn £m	Variance £m
Schools Block						
1	Individual Schools Budget - Maintained Schools	43.310	0.000	43.310	43.319	0.009
2	Growth Fund	0.664	0.037	0.701	0.791	0.090
3	Behaviour Support Services (de-delegation)	0.178	0.000	0.178	0.178	0.000
4	Staff costs supply cover (trade unions) (de-delegation)	0.042	0.000	0.042	0.042	0.000
5	School Improvement (de-delegation)	0.146	0.000	0.146	0.146	0.000
6	Statutory/regulatory Duties (ESG) (de-delegation)	0.080	0.000	0.080	0.080	0.000
7	Equality Services (de-delegation)	0.000	0.040	0.040	0.040	0.000
8	Sub Total Schools Block Net Expenditure	44.420	0.077	44.497	44.596	0.099
9	Schools Block DSG Allocation	44.420	0.077	44.497	44.497	0.000
10	Balance Over / (Under) Allocation	-0.000	-0.000	-0.000	0.099	0.099
Central Schools Services Block						
11	Contribution to combined budgets	0.616	0.000	0.616	0.616	0.000
12	School admissions	0.215	0.000	0.215	0.215	0.000
13	Servicing of schools forum	0.020	0.000	0.020	0.020	0.000
14	Prudential borrowing costs	0.050	0.000	0.050	0.050	0.000
15	Other Items (copyright licences)	0.107	0.000	0.107	0.107	0.000
16	Statutory/regulatory Duties (ESG)	0.322	0.000	0.322	0.322	0.000
17	Sub Total Central School Services Block Net Expenditure	1.330	0.000	1.330	1.330	0.000
18	Central School Services Block DSG Allocation	1.330	0.000	1.330	1.330	0.000
19	Balance Over / (Under) Allocation	0.000	0.000	0.000	0.000	0.000
Early Years Block						
20	Early Years Funding (free entitlement) including contingency	11.458	0.702	12.161	11.458	-0.702
21	Support for inclusion	0.100	0.000	0.100	0.100	0.000
22	SEN support services (Portage/Dingley)	0.197	0.000	0.197	0.198	0.002
23	Central expenditure on early years entitlement	0.385	0.000	0.385	0.385	0.000
24	Sub Total Early Years Block Net Expenditure	12.140	0.702	12.842	12.142	-0.700
25	Early Years Block DSG Allocation	12.140	0.702	12.842	12.842	0.000
26	Balance Over / (Under) Allocation	0.000	0.000	0.000	-0.700	-0.700
High Needs Block						
27	SEN placements - Maintained Schools (first £10k/£6k place funding)	2.610	0.000	2.610	2.610	0.000
28	Top up funding - Special Schools & PRU	8.554	0.054	8.608	8.373	-0.235
29	Top up funding - Resource Units	0.565	0.000	0.565	0.602	0.038
30	Top up funding - Mainstream	1.440	0.000	1.440	1.999	0.559
31	Top up funding - Nursery	0.000	0.000	0.000	0.059	0.059
32	Top up funding - FE Colleges	0.793	0.000	0.793	0.843	0.050
33	Top up and other funding - non maintained & independent providers	2.485	0.000	2.485	3.082	0.598
34	Additional high needs targeted funding (Inclusion Fund)	0.250	0.000	0.250	0.250	0.000
35	SEN support services	0.572	0.000	0.572	0.572	0.000
36	Hospital education services	0.168	0.000	0.168	0.168	0.000
37	Support for inclusion	0.401	0.000	0.401	0.401	0.000
38	Therapies and other health related services	0.345	0.000	0.345	0.375	0.030
39	SEN Transport	0.100	0.000	0.100	0.100	0.000
40	Repayment of DSG deficit from previous year	1.771	0.000	1.771	2.245	0.474
41	Sub Total High Needs Block Net Expenditure	20.052	0.054	20.106	21.678	1.572
42	High Needs Block DSG Allocation	18.428	0.054	18.482	18.482	0.000
43	Balance Over / (Under) Allocation	1.624	-0.000	1.624	3.196	1.572
44	Total All Blocks Net Expenditure	77.942	0.833	78.775	79.746	0.971
45	Total DSG Allocation Available	76.318	0.833	77.151	77.151	0.000
46	Balance - Deficit / (surplus) In Year	1.624	-0.000	1.624	2.595	0.971
Memorandum - Budgets Recouped from Gross DSG Allocation						
47	Individual Schools Budget - Academies	44.853	0.000	44.853	44.853	0.000
48	SEN placements - Academies	2.442	0.006	2.448	2.448	0.000
49	Total DSG Recouped	47.295	0.006	47.301	47.301	0.000
50	Gross DSG Expenditure including Recoupment	125.237	0.839	126.076	127.047	0.971

Appendix 3 – Additional Information for Appendix 2 Table

SCHOOLS BLOCK

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

Line 2 - Growth fund - The growth fund budget is for expanding schools or bulge classes in response to basic need and is allocated to schools from the autumn term based on the criteria set by Schools' Forum.

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

Line 3 - Behaviour Support Services – Passported to Cranbury College to supply this service.

Line 4 - Staff Costs to Supply Union Cover – Pays for Union support and supply cover for staff engaging in union duties.

Line 5 - School Improvement – To fund staff and Projects within the service.

Line 6 – Statutory/regulatory duties - formally known as the Education Services Grant, for statutory duties carried out by the LA on behalf of all maintained schools such as internal audit, year-end accounts, central reporting, monitoring compliance with scheme for financing schools.

Line 7 – Equality Services – this service has now ceased. The budget was carried forward from 2018/19 and will be repaid to the schools that paid into it.

CENTRAL SCHOOLS SERVICES BLOCK

Line 11 - Combined Budgets - covers 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 12 - School Admissions – contribution towards the statutory admissions service for all Reading Schools.

Line 13 - Servicing of Schools Forum – officer time for preparation of reports and attendance at meetings; cost of room hire; arranging meetings, minute taking, web site.

Line 14 - 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 15 – Other Items – Copyright licences – national contract, purchased on behalf of all schools.

Line 16 – Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA for all schools, including academies. Includes DSG budgets, school funding formula, payments to schools, statutory returns, education welfare, asset management.

EARLY YEARS BLOCK

Line 20 - 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 21 - Support for Inclusion – 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. There is also a contribution from the high needs block (in line 37).

Line 22 - SEN Support Services – portage and contribution to Dingley.

Line 23 - Central Expenditure on Children under 5 – Early Years Team Staff including compliance, data, sufficiency and performance.

HIGH NEEDS BLOCK

Line 27 - SEN Placements – Place funding for pre 16 maintained Resource units (first £6k), maintained special Schools (first £10k), and alternative provision (Cranbury College) (first £10k).

Line 28 to 31 - Top-up funding for schools - EHCP top-ups for nursery, 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 32 - Top-up funding for FE Colleges - EHCP top-ups for students in further education colleges.

Line 33 - Top-up funding and other funding – non maintained and Independents - EHCP Top-ups for Independent and non-maintained special schools, and placements in other alternative private provision for pupils with or without a EHCP.

Line 34 – Additional High Needs Targeted Funding (Inclusion Fund) – financial support to schools with a higher than average number of pupils with EHCPs.

Line 35 - SEN Support Services – This includes Sensory Consortium (joint arrangement with other Berkshire LAs), virtual school, and ASD Outreach commissioned to Christ The King School.

Line 36 - 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 37 - Support for Inclusion – Funding for hard to place pupils (through Inclusion panel & Therapeutic Thinking approach), and central staffing (2 posts) in Education department, one for statutory functions including monitoring exclusions and one for ASD advisory support. The final year’s payment to Manor School for the inclusion project, a contribution to the early years inclusion panel, plus early years place funding at Snowflakes.

Line 38 - Therapies and other Health Related services – Contribution towards Speech and Language, Occupational and Physio therapy. Jointly funded with the Clinical Commissioning Group.

Line 39 - SEN Transport – Contributions to SEN School Travel

Line 40 – Repayment of deficit – All of the 18/19 deficit related to the high needs block, and this is a first call on the 2019/20 resources.

RECOUPMENT

Line 47 – Individual School Budget – School formula budgets recouped for academies.

Line 48 - SEN Placements – Placement funding recouped for academy resource unit places (£6k) and special school places (£10k).



Reading Schools' Forum

December 5, 2019

Agenda Item 5

DSG Budget Overview for 2020/21

For decision

For discussion

For information

SUMMARY

This report sets out the likely DSG funding allocations for 2019/20 and an overview of the budget setting.

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VERSION

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DATE

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REVIEW DATE

None

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1. Recommendations

- 1.1 NOTE: The likely DSG funding for 2020/21.
- 1.2 NOTE: The strategy to set the 2020/21 DSG budget.

2. Background

- 2.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority.
 - Schools Block – funds primary and secondary schools through the school formula, and growth funding for new and growing schools/bulge classes.
 - High Needs Block – funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings including non-maintained, independent, and further education colleges.
 - Early Years Block – funds the free entitlement for 2, 3 & 4 year olds in all early year’s settings in the private, voluntary and independent (PVI) sector as well as nursery schools, and nursery classes in mainstream schools.
 - Central Schools Services Block – funds services provided by the local authority centrally for all schools, such as the admissions service.
- 2.2 There has been a delay this year in Government announcements about school funding arrangements, which are usually received late July. At the beginning of September it was announced by the Secretary of State for Education that nationally there would be an extra £7.1 billion over the next three years for schools and high needs, of which £2.6 billion will be in 2020/21. In October further details were received for each of the blocks, providing the allocation methods and funding rates for each local authority. Allocations are due to be confirmed mid-December.
- 2.3 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) Regulations. Detailed guidance is contained within various operational guidance documents issued by the Education Funding & Skills Agency (EFSA).
- 2.4 This report sets out the estimated funding for 2020/21 for each block, and the budget setting strategy.

3. Funding for 2020/21

- 3.1. Appendix 1 sets out the estimated DSG funding to be received for 2020/21, and compares to 2019/20. Overall, the DSG will increase by about £8m (6.5%) to £132m. This is based on the pupil numbers from the draft October 2019 census, so may well change slightly in the final allocations due to be received from the ESFA in mid-December.
- 3.2. The schools block will increase by about £6m (just over 7%) to £94m. Of this increase, approximately £2m is due to changes in pupil numbers - an additional £2.9m in secondary for an extra 541 pupils, and a reduction of £0.9m in primary as numbers in this sector have gone down by 222. The rest of the increase is new money, allocated through an increase to the funding values – an increase of £201 per primary pupil and an increase of £281 per secondary pupil. Growth funding has gone down. In 2019/20 Reading received transitional

protection - a loss of no more than 0.5% of the schools block allocation. For 2020/21 the same transitional protection criteria is being applied, but the growth formula allocates funding to Reading above this level.

- 3.3. The central school services block has gone down by £0.112m due mainly to the phasing out of funding for historical commitments.
- 3.4. There is no change to the High Needs funding formula, and the £700m of additional funding in 2020/21 for high needs will be allocated through this formula. Under this formula, Reading currently loses funding, and are therefore on the funding floor, however every local authority is receiving a minimum increase of at least 8% per head of age 2 to 18 population based on their 2019/20 allocation. On this basis, the allocation for the high needs block is increasing by approximately £2.0m (9.5%) to £22.4m. Most of this is already confirmed funding; the elements for place funding and the import/export adjustment are currently estimated at -£0.5m net and will be confirmed at a later date.
- 3.5. The Spending Review set out that there would be an additional £66m for early years. The hourly funding rates in the early years block for 2, 3, & 4 year olds will increase by just 8 pence. There will be no change to the early years pupil premium rate or disabled access fund rate. Based on January 2019 census recorded hours, this is an overall increase of just £0.185m (1.49%). The actual allocation will be based on January 2020 hours (5/12) and January 2021 hours (7/12). The maintained nursery school lump sum will continue for the entire financial year (it had previously been announced it was to continue just to the end of the 2019/20 academic year).
- 3.6. The teachers' pay grant and teachers' pension grant will both continue as separate funding streams outside the formula. The funding rates for 2020/21 will be announced in due course. No announcements have been made yet on other grants, such as pupil premium.

4. Setting the 2020/21 Budget

- 4.1. Appendix 2 provides the timetable for setting the 2020/21 budget. The setting of the budget for each block is dependent on information becoming available at certain times, and the General Election may well have an impact on the timings.

Schools Block

- 4.2. Other reports on this agenda detail the setting of the school funding formula (following the consultation with all schools) and the setting of the growth fund budget and criteria. The school funding formula report also contains the proposal to transfer funding from the schools block to the high needs block.

High Needs Block

- 4.3. The additional high needs funding will be approximately £2m. There is the expectation from the ESFA that most, if not all, will go towards offsetting high needs deficits, particularly in those authorities where their deficit recovery plans do not recover the debt in the short term. Our original deficit recovery plan repaid the deficit in three years, but as numbers of EHCPs and costs are increasing at a higher rate than our forecast, this is unlikely to happen. The deficit is currently £2.5m.

- 4.4. The deficit recovery plan will be refreshed with current EHCP data and forecasts, and it is likely that a significant part of the additional £2m will offset increases in both numbers of top ups and inflationary increases to top up fees. The top up bandings for all our high needs settings and in mainstream schools are being reviewed, and some of the increase will go towards implementing any changes to our banding system. This may result in some increases in funding for these settings. We may therefore not see a decrease to our deficit in 2020/21.
- 4.5. There is no information yet on how the increases in funding announced for schools and high needs for 2021/22 and 2022/23 will be allocated, but receiving similar increases to 2020/21 in the high needs block will be critical in order to recover the debt. The ESFA has recently consulted with local authorities on ring-fencing the DSG and for the deficit to be totally separate from local authority funding and reserves. This means that the deficit must not be funded by the local authority's general reserves and that DSG deficits will over time be recovered from DSG income. The carry forward of a deficit will no longer require the consent of Schools' Forum. This will provide certainty to local authority finances.
- 4.6. Further information on the high needs budget and the review of bandings will be brought to the Schools' Forum in January and March.

Early Years Block

- 4.7. The percentage increase to the early year's block is relatively small compared to the schools and high needs blocks. We intend to pass on the full increase to providers by increasing the provider funding rates by at least 8p. Once we have a robust estimate on the current year's financial position, we will consider allocating out to all providers as a one-off lump sum (based on 3 & 4 year old numbers) any surplus in funds, after allowing for a reasonable contingency to be carried forward to 2020/21. It is likely we will also increase deprivation funding for 2020/21.
- 4.8. The budgets for the early years block cannot be determined until the draft January 2020 census data is available. This information should be available late February. Details on the early years budget will be brought to the Schools' Forum in March.

Central School Services Block

- 4.9. The intention is to balance the central school services block, which means that savings will need to be made due to the reduction in funding. The reduction relates to historical commitments; these budgets are contributions towards service costs, so will result in these services either having to fund the reduction from elsewhere or reduce the level of service where it can.
- 4.10. Details on these budgets will be brought to the Schools' Forum in January and March.

Appendices

Appendix 1 – DSG Allocations 2019/20 and 2020/21

Appendix 2 - Timetable for Setting the Budget

Appendix 1 – DSG Allocations 2019/20 and 2020/21

	2019/20 ACTUAL		2020/21 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£3,971.23		£4,172				Confirmed
<i>Primary Pupil numbers & funding</i>	13,317.5	52,887	13,095	54,632	+1,745	+3.30%	Based on Oct 19 census estimate
Secondary Unit of Funding (SUF)	£5,223.35		£5,504				Confirmed
<i>Secondary Pupil numbers & funding</i>	6,411	33,487	6,952	38,263	+4,776	+14.26%	Based on Oct 19 census estimate
Premises		1,492		1,284	-209	-14.01%	Confirmed (mobility now included in PUF/SUF)
TOTAL SB		87,866		94,179	+6,313	+7.18%	
Growth Funding Factor		1,658		1,346	-312	-18.82%	Estimate
Central School Services Block (CSSB):							
Unit of Funding	£32.97		£33.61				Confirmed
<i>Pupil Numbers</i>	19,728.5	650	20,047	674	+24	+3.69%	Based on Oct 19 census estimate
Historic Commitments		680		544	-136	-20.0%	Planned reduction by ESFA
TOTAL CSSB		1,330		1,218	-112	-8.42%	
High Needs Block (HNB):							
Formula		20,705		22,778	+2,073	+10.01%	Confirmed
Hospital		183		197	+14	+7.65%	Confirmed
Place Funding Unit of Funding	£4,208.74		£4,212.86				Confirmed
<i>Place Numbers</i>	313	1,317	313	1,319	+2	+0.15%	Will be based on Oct 19 census
Import/Export Adjustment		-1,728		-1,866	-138	-7.99%	Also based on Jan 20 ILR
Total HN		20,477		22,428	+1,951	+9.53%	

	2019/20 ACTUAL		2020/21 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Early Years Block (EYB):							
3 & 4 Year Old Funding Rate	£5.14		£5.22				Confirmed
<i>3 & 4 year olds numbers & funding</i>	3,673	10,760	3,673	10,927	167	1.55%	To be based on Jan 20 & Jan 21 census
2 Year Old Funding Rate	£5.74		£5.82				Confirmed
<i>2 Year old numbers & funding</i>	385	1,260	385	1,278	18	1.43%	To be based on Jan 20 & Jan 21 census
Pupil Premium		101		101			To be based on Jan 20 & Jan 21 census
Disabled Access Fund		34		34			
Maintained Nursey Grant		252		252			
Total EY		12,407		12,592	185	1.49%	
TOTAL ALL BLOCKS		123,738		131,763	8,025	6.49%	

Appendix 1 – Timetable for Setting the Budget

TASK	DATE
ESFA issue final funding arrangements including funding rates for schools, high needs, early years, and central school services, and growth funding allocations.	October 2019
BFFC complete High Needs Place Review.	Submission due to ESFA by 15 November 2019
BFFC consult with all schools on options for school formula, growth funding, and transfer of funding from schools block	Consultation to close on 19 November 2019
BFFC model early years and high needs options.	November – December 2019
Schools' Forum recommend school formula for 2020/21, agree growth funding for 2020/21, review de-delegations for 2020/21 and decide on transfer of funding from Schools Block to High Needs Block. Schools' Forum review early year's and high needs budget options and agree strategy.	5 December 2019
BFFC work on high needs and central school services budgets.	December 2019 – January 2020
Final funding allocations received from ESFA for schools, high needs (part), and central services block. Final data received from ESFA for school formula based on October 2019 census.	Due from ESFA mid December 2019
BFFC finalise the school formula based on final funding allocation.	Late December
Lead Members at Reading Borough Council agree final school formula.	Early January
Schools' Forum view final school formula, decide de-delegations, and review first draft of high needs and central school services budgets in light of funding available/deficit position.	16 January 2020
BFFC submits school formula APT to ESFA.	Submission Due to ESFA by 21 January 2020
BFFC Inform mainstream maintained schools of their budget shares for 2020/21.	By 29 February 2020 (statutory date but in reality by end of January 2020)
BFFC work on final high needs, early years, and central school services budgets.	January to end of February 2020
Schools' Forum review/agree final budgets for high needs, early years, and central school services.	12 March 2020
ESFA confirm to academies their general annual grant (budget shares) for 2020/21.	31 March 2020
High Needs place numbers at institution level published by ESFA.	31 March 2020



Reading Schools' Forum

December 5, 2019

Agenda Item 6

School Formula 2020/21 – Final Proposals

For decision For discussion For information

SUMMARY

This report presents the final proposals for the 2020/21 school formula for Reading primary and secondary schools.

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None

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1. Recommendations

- 1.1 AGREE: The final proposal for setting the school formula for 2020/21 (paragraph 3.7).
- 1.2 AGREE: To transfer £470k DSG from the schools block to the high needs block (section 4).
- 1.3 NOTE: the de-delegations to be offered for 2020/21.
- 1.4 NOTE: The next steps (section 6).

2. Introduction

- 2.1 The “Schools revenue funding 2020 to 2021 operational guide” was published in September 2019 which set out the basis for the primary and secondary school formula. The actual national formula factor values were published in October alongside national funding formula tables and the calculation to be used to determine the funding that each local authority will receive.
- 2.2 A briefing document and proposal for the Reading school formula was sent to all schools on 24th October, which is attached in Appendix 1. The deadline for responses was 19th November.
- 2.3 This report provides the results of the consultation and a final proposal for setting the school formula for 2020/21.

3. Final Proposal

- 3.1. At the last meeting of the Schools’ Forum, the approach to setting the school formula for 2020/21 was agreed. This was to mirror as far as possible the National Funding Formula (NFF) because it is still the Government’s intention to move to the NFF as soon as is practically possible, and it would make no sense to now move away from it. The following will therefore be applied:
 - As Reading is already mirroring the NFF in terms of factors being used, there will be no change to the factors.
 - The factor values are currently all, as a minimum, at the national NFF level *excluding* the Area Cost Adjustment (ACA), and this will continue, which is a 4% increase to the relevant factor values.
 - Set a minimum funding guarantee of the maximum allowed of 1.84% which allows for inflation.
 - Set the mandatory minimum per pupil funding levels.
 - Don’t apply a gains cap so all schools receive all gains due to them (none was applied in the previous 2 years).
 - Make the changes to the mobility factor to mirror the NFF.
 - Business rates to continue to be funded at actual cost, and assume 1.8% increase for the draft.
- 3.2. It is likely that after applying the above there will be funding left over (from the ACA funding which Reading receives). It is not affordable to increase all factors up to the NFF value *including* the ACA, so the decision to be taken is which factor(s) to increase. This formed the basis of the consultation with schools, and four options were provided, as detailed in the consultation document (Appendix 1, section 4).

- 3.3. A summary of the consultation responses are in Appendix 2. A total of 21 responses were received, representing 24 schools (18 primary, 6 secondary) which is a 49% response rate. Note that where a Trust or Federation replied on behalf of all schools it represents, one response has been counted in the votes.
- 3.4. Not surprisingly, as there are more primary schools than secondary school, overall most schools (57%) voted for option 1, to allocate through Primary AWPU only. Obviously only primary schools voted for this option, though not all primary schools. Secondary school votes were spread between the other three options. Where primary schools did not vote for option 1, they all voted for option 2, and overall this option (to increase the additional needs formula factor values) came second, with 24% of the vote.
- 3.5. The argument for option 1 is that it would then bring most primary schools above the minimum funding level of 1.84%, with only 7 on minimum funding compared to 30 (all secondary schools will be above this level). Prior to the allocation of the ACA funding, the average gain for secondary schools is 4.1% and for primary 2.4%, and option 1 would bring the primary average gain up to 3%, with secondary still receiving on average an increase of over 1% more.
- 3.6. However, a number of secondary schools commented on the unfairness of this option, as primary schools have already been protected for the last two years and have had time to prepare for the NFF. The reason for the lower percentage increase for primary schools is because more funding was allocated through the primary AWPU in 2019/20, which secondary schools did not get. Under option 2, primary increases will on average be 2.7% and secondary 4.6% which although increasing the gap to 1.9%, would still bring the number of primary schools on minimum funding down to 10.
- 3.7. Options 2, 3 or 4 bring all schools closer to the full NFF on an equitable basis. The final proposal is therefore to allocate the available ACA funding through the additional needs factors (option 2), being the second favoured option. This increases the funding received for the notional SEN budget. If this brings the values of these factors up to the maximum, any funding left over will then be allocated through the AWPU for all phases.

4. Transfer of Funding from Schools Block to High Needs Block

- 4.1 Following consultation with all schools, the Schools' Forum can take the decision to transfer up to 0.5% of their school block allocation to other blocks. In the last two years (since the commencement of the NFF), it has been agreed to transfer the maximum amount allowed to the high needs block.
- 4.2 The school formula consultation also asked schools their view on transferring funding from the schools block DSG to the high needs block in 2020/21. This is for the specific purpose of providing funding for schools who have a higher than average percentage of pupils with EHCPs. Because the school formula does not recognise this, schools with a higher percentage are disadvantaged by having to fund the first £6k for more of their pupils than the "average" school out of their formula funding. To recognise this, it is proposed that all schools should contribute towards this cost, through a top slice of the schools' budget. Further information can be found in the consultation document, section 6.

- 4.3 Of the 21 responses received, 19 agreed to transfer the funds for this purpose. This was further split by 9 respondents agreeing to transfer £350k and keeping the same funding rate and criteria, 8 respondents agreeing to transfer the maximum 0.5% and to widen the criteria so that existing schools receive a bit more funding and more schools qualify, and 2 respondents didn't mind how much was transferred.
- 4.4 It is proposed to transfer £470k (just under 0.5%) for this purpose, and a proposal to change the criteria will be brought back to the Schools' Forum in March. This amount will be ring fenced for this specific purpose in the high needs block. Any underspend will be carried forward to the following year for this purpose.

5. De-Delegations

- 5.1 Within the school finance regulations, there continues to be a limited number of central services that maintained mainstream schools can opt to de-delegate (have top-sliced) 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.
- 5.2 The services offered for de-delegation in 2019/20 and the current budgets/charge per pupil are shown in Table 1, alongside the budgets proposed for 2020/21.

Table 1: De-delegations in 2019/20 and Proposal for 2020/21

Service	Primary 2019/20	Secondary 2019/20	Primary 2020/21	Secondary 2020/21
Behaviour Support	£178,000 £122.87 per FSM pupil	-	£176,000	-
Union duties	£42,000 £4.25 per pupil	-	£43,200	-
School Improvement	£136,000 £13.73 per pupil	£10,000 £13.73 per pupil	£120,000	£10,000
General Duties formerly met by the Education Services Grant	£75,000 £7.52 per pupil	£5,000 £7.52 per pupil	£75,000	£5,000

- 5.3 The same services are being offered for de-delegation in 2020/21. Service details will be brought to the January meeting of the Schools' Forum where the relevant members will make the decision for their phase. The total cost of each service will be similar to 2019/20 as shown in the table, though the amount per pupil will change in relation to numbers of pupil's from the October 2019 census. In the meantime, forum members may wish to discuss with the schools they represent whether they value these services and wish to continue to receive them.

6. Next Steps

- 6.1 The final schools block funding allocation and the October census data on which the formula allocations are based, is due to be received from the ESFA mid-December, though there could be a delay due to the General Election. Once received, the school formula will be prepared on the basis agreed.
- 6.2 The relevant Lead Members of Reading Borough Council are due to approve the formula early January. The final approved formula will then be brought back to Schools Forum on 16th January to view before the submission date to the ESFA (21st January 2020).
- 6.3 The statutory deadline for maintained schools to receive their formula allocations is 29th February, though in reality these should be received by the end of January. Academies will receive theirs direct from the ESFA by 31st March 2020.

7. Appendices

Appendix 1 – School Formula for Primary and Secondary Schools – Proposals for 2020/21 – Consultation

Appendix 2 – Consultation Responses

Appendix 1

School Formula for Primary and Secondary Schools

Proposals for 2020/21 - Consultation

1. Introduction

- 1.1 The Government had originally intended that all primary and secondary schools would be receiving their funding through the National Funding Formula (NFF) by 2020/21, following two years of transition. Last year it was announced that the transition would continue for at least a third year (2020/21), and local authorities still have the responsibility for determining the funding formula for all schools in its area. Currently there is no commitment from the Government on when the move to the NFF will happen, though the Secretary of State has stated this is still the intention.
- 1.2 There are many local authorities whose schools are still a long way adrift from the NFF. Reading is very close, using **all** the NFF factors at the national value, the same minimum funding guarantee, and same minimum per pupil funding levels. Reading also receives an area cost adjustment, but only some formula factors have been increased towards this rate, due to affordability.
- 1.3 In September 2019, the Secretary of State for Education announced that nationally there would be an extra £7.1bn over the next three years for schools and high needs, of which £2.6bn will be in 2020/21. Early years funding will increase by £66m in 2020/21.
- 1.4 The “Schools revenue funding 2020 to 2021 operational guide”¹ was published in September 2019. This details the funding formula for 2020/21. The actual national formula factor values were published in October in the document “The national funding formulae for schools and high needs 2020-21”², alongside national funding formula tables and the calculation of funding that each local authority will receive³.
- 1.5 This document summarises the national information about school and high needs funding, sets out the strategy that Reading will be using to set the schools funding formula for 2020/21, and sets out options for allocating any additional funding, which we are consulting all schools about. We are also consulting about inclusion funding.

2. Schools Block Funding Allocation for 2020/21

- 2.1 Local authorities receive the Dedicated Schools Grant (DSG), which is split between four funding blocks. The schools block is specifically for primary and secondary mainstream formula allocations and for growth funding (for new and expanding schools and bulge

¹ <https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021>

² <https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

³ <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2020-to-2021>

classes). It is largely ring fenced; up to 0.5% of the allocation can be transferred to other funding blocks, but only with the agreement of Schools' Forum.

2.2 The schools block allocation is based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These units are calculated for each local authority by adding together the total formula allocations for each school in each phase using the NFF but using the previous year's data, and dividing by the previous year's pupil numbers for each phase. These units are then fixed, and will be multiplied by the October 2019 census pupil numbers to give the final funding allocation for next year in December.

2.3 It is unlikely that we, alongside most other local authorities, are able to replicate for schools the NFF *including* the area cost adjustment (ACA) even if we so wished due to the funding received through the schools block allocation not being sufficient. This is due to the following reasons:

- It is likely that the factors other than pupil numbers making up the NFF will change from one year to the next, so there is a mismatch between the funding received by the local authority (based on the previous year's characteristics) and what would have been allocated to schools through a NFF based on the current characteristics.
- Business rates and other local premises costs (funded at actual cost in the local formula) are included in the schools block allocation at the previous year's amount and not the inflated amount.
- The schools block allocation will need to fund any shortfall in the growth funding element of the grant, if the formula funding is not enough.
- Any over spend in growth funding or business rates in 2019/20 will need to be funded from the 2020/21 allocation (any underspends are added to the allocation).
- There may also be a decision to transfer funding from the schools block to the high needs block to meet any specific pressures in this block, which reduces the funding available for the school formula.

2.4 In moving to full implementation of the NFF, the ESFA has yet to determine how the above local issues/decisions can be incorporated, and is one of the reasons for the delay.

2.5 The calculation of funding that was available for the schools formula in 2019/20 is shown in Table 1, compared to our estimate for 2020/21. The estimate is based on the same pupil numbers; the actual allocation for 2020/21 will be based on pupil numbers from the October 2019 census which is likely to be greater as some new schools are still growing, and there is growth in the secondary sector. The PUFs and SUFs will remain the same. On a like for like basis our allocation has increased by £4.3m or 4.76%, from £89.5m to £93.8m.

Table 1: Schools Block DSG Allocation

	2019/20 ACTUAL		2020/21 ESTIMATE	
		Funding £'000		Funding £'000
Primary Unit of Funding (PUF)	£3,971.23		£4,172	
<i>Primary Pupil Numbers</i>	<i>13,317.5</i>	52,887	<i>13,318</i>	55,563
Secondary Unit of Funding (SUF)	£5,223.35		£5,504	
<i>Secondary Pupil numbers</i>	<i>6,411</i>	33,487	<i>6,411</i>	35,286
Business Rates		1,186		1,206
Split sites/Rents		92		77
Mobility		214		0
Growth Funding Factor		1,658		1,658
TOTAL SCHOOLS BLOCK ALLOCATION		89,524		93,790
Add underspend/(less overspend) from previous year		196		
Less: growth fund requirement		-1,749		-1,658
Less: transfer to high needs block		-447		-350
FUNDING AVAILABLE FOR SCHOOL FORMULA		87,524		91,782

- 2.6 For modelling purposes it is assumed that growth funding will be the same as the previous year and cover actual costs, including the over spend in the growth fund in 2019/20 to be paid for from the 2020/21 grant. It is also assumed that there will be a transfer to the high needs block of £350k. The school formula models used in this document are therefore based on £91.8m being available, and assume that pupil numbers and characteristics stay the same. Actual increases in pupil numbers should be met by increases in the grant.

3. School Formula for 2020/21 - Strategy

- 3.1. There will be no change to the NFF factors in 2020/21. These are set out in Annex 1. The changes to the national values are as follows:
- 4% increase to the formula's core factors.
 - 1.84% minimum funding guarantee (in line with inflation).
 - Mandatory minimum per pupil funding levels of £3,750 primary (rising to £4,000 in 2021/22) and £5,000 secondary.
 - No gains cap.
 - A technical change to the mobility factor using a formulaic approach with a national value attached (previously the value was determined by the LA).

- 3.2 The funding formula values for 2020/21 and the previous three years are shown in Annex 2, showing how the Reading local values have moved closer to the national values. This also shows the values with the ACA added.
- 3.3 Local authorities still have discretion over setting the formula, by choosing the factors to use and values to apply as long as this complies with the guidelines.
- 3.4 The following strategy is to be followed in setting Reading's school formula, based on the fact that it is still the Government's intention to move to the NFF as soon as is practically possible, and it would make no sense to now move away from it:
- As Reading is already mirroring the NFF in terms of factors being used, there will be no change to the factors.
 - The factor values are currently all, as a minimum, at the national NFF level excluding the ACA, and this will continue, which is a 4% increase to the relevant factor values.
 - Set a minimum funding guarantee of the maximum allowed of 1.84% which allows for inflation.
 - Set the mandatory minimum per pupil funding levels.
 - Don't apply a gains cap so all schools receive all gains due to them (none was applied in the previous 2 years).
 - Make the changes to the mobility factor to mirror the NFF.
 - Business rates to continue to be funded at actual cost, and assume 1.8% increase for the first draft.
- 3.5 It is highly likely that these changes will be within the funding allocation, and Annex 3 provides an exemplification per school of what this looks like, assuming the same pupil numbers and pupil characteristics.
- 3.6 Due to the introduction of mandatory minimum per pupil funding levels, the formula allocates more additional funding to some types of schools than others – the highest gainers (greater than 4%) being those with low deprivation and high prior attainment, due to the fact that this calculation includes all the additional needs funding.
- 3.7 In the base exemplification, this costs £91.493m, so it is possible that further funding will be available. We are therefore consulting with all schools on how additional funding should be allocated as it is not possible to move all factors onto the NFF values *including* the ACA. This would mean increasing some factors onto or towards the NFF values *including* the ACA. Four options are modelled assuming an additional £300k will be available. Exemplifications of these options are in Annex 4, but whichever option is finally determined, the formula values will be tweaked in the final version according to the actual funding available, though will follow the principal adopted. The exemplifications give an *indication* of the impact on individual schools.

4. Options for Allocating Additional Funding Above the Base NFF

4.1 Option 1 – Increase primary AWPU (primary only)

Under the base exemplification, primary schools average gain is 2.4% and secondaries 4.1%. Most (30 out of 39) primary schools are receiving the minimum funding guarantee (MFG) of 1.84%. All secondary schools are above this level. This means that even with the 4% increase

to the formula values, 30 primary schools are still receiving transitional protection in the move to the national formula and values, and so are receiving the inflationary increase only.

By putting the extra £300k into the primary AWPU, which would increase it to £2,905 (an additional £48), most schools would then have increases above inflation, with just 7 schools continuing to receive the MFG (totalling £145k) meaning only these few schools are still disadvantaged by the move to the NFF. In Reading the primary AWPU was significantly reduced through the move to the NFF; by applying this increase the primary AWPU would still be below the 2017/18 level of £3,131.

This option would increase the average primary school gain to 3%. All schools are facing similar funding pressures, so this is the local authority's preferred option, in ensuring the maximum possible number of schools receive increases above the 1.84% inflation rate.

4.2 Option 2 – Increase Additional Needs Formula Factors (prior attainment, Deprivation – Free School Meals Ever 6 & IDACI), and English as an Additional Language (all schools)

These formula factors are the proxy factors for additional needs, and the purpose of the funding received through these factors is to pay towards the first £6k of an EHCP and all other pupil's additional needs (though note this element of funding is not ring fenced, and schools are free to determine how they use their formula funding). Schools are telling us that the funding they receive for SEN isn't sufficient to cover the costs, so by increasing these factors to the ACA level will help towards addressing this funding need. However, due to the number of primary schools on the MFG, not all of these schools would benefit from this increase. Under this option, primary schools average funding gain would be 2.7% and secondaries 4.6%. There would be 10 primary schools on the MFG under this option, at a total cost of £207k.

4.3 Option 3 – Increase AWPU by same percentage for all key stages (all schools)

Options 3 and 4 have the same impact, by allocating the additional funding on an equitable basis to all schools. Under these options, the primary school average gain is 2.7% and secondary is 4.6%. By putting all the additional funding through the AWPU, the increase to this factor value would be 0.95%. There would be 9 primary schools on the MFG under this option, at a total cost of £202k.

4.4 Option 4 – Increase all factors by the same percentage (all schools)

This may be deemed to be the fairest and most equitable approach, but by spreading the additional funding across all schools and factors the gain is diluted, compared to what could be achieved in targeting funding as per the first two options. Allocating an additional £300k provides an uplift to all factor values of 0.66%. Some primary schools end up with slightly less funding under this option, because of the way the MFG and minimum funding levels calculation excludes the lump sum. There would still be 9 primary schools on the MFG under this option, at a total cost of £204k.

Consultation Question 1

Which is your preferred option for allocating additional funding through the school formula over and above the NFF baseline? Option 1, 2, 3 or 4?

5. Growth Funding

- 5.1 Growth funding is allocated to the local authority through a separate formula, though is still part of the schools block DSG allocation. Reading lost funding last year so transitional protection applied. If this applies in 2020/21 funding will go down from £1.658m to £1.210m.
- 5.2 It is likely that the funding to be received through this formula in 2020/21 will be sufficient to pay schools qualifying for growth funding using the current criteria and funding values. A shortfall in funding would require a top slice from the schools budget (reducing the amount available to allocate out to all schools through the school formula), or a reduction in the payments made to schools (by reducing the funding values).
- 5.3 New schools are paid through the school formula based on their estimated pupil numbers and characteristics. For schools agreeing to take a “bulge” class or are expanding, the current funding rates per additional pupil in the additional class (assumed at maximum capacity, usually 30) are £3,962 primary and £5,098 secondary, and it is likely we will be able to keep to these values in 2020/21, and not need to reduce them. However, a funding profile over the next five years needs to be considered and a report will be taken to Schools’ Forum in December to agree growth funding for 2020/21 and to consider options moving forward.
- 5.4 Note that growth funding can only be paid to schools taking on enough additional pupils that require an additional class and teacher, and that this increase is as a result of basic need in the area. The increase must have been agreed by the local authority as part of its place planning. All other growth in pupil numbers is funded retrospectively through the normal school funding process, based on the previous October census.

6. High Needs Funding

- 6.1 The High Needs Block of the DSG funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings. Due to historic under funding in this block (funding not keeping up with the increase in demand) this block is in deficit. As such, schools receiving funding from this block have not seen increases to their funding rates (i.e. in top up fees).
- 6.2 There is an overall increase of £1.9m allocated to this block for 2020/21, an increase of 9.5%. Although the deficit is greater than this, it is the intention to review top up rates with a possible increase being considered.
- 6.3 Mainstream schools are required to fund the first £6k of a pupil’s additional needs (irrelevant whether they have an EHCP or not) from their formula funding, and factors within the formula are identified as being the notional SEN budget. This traditionally included 7% of the AWPU, 20% of deprivation (free school meals *and* IDACI), and 100% of low prior attainment. Since the NFF has reallocated funding from AWPU to additional needs, we will now remove the 7% AWPU from this calculation. The notional SEN budget will now consist of 100% low prior attainment, 100% deprivation (Free school meal ever 6 and IDACI), and 100% EAL. The free school meals factor (current, not ever 6) is the funding towards the actual cost of free school meals and is therefore not included in the notional SEN calculation.

- 6.4 Where schools have a high percentage of pupils with an EHCP, the demands on their notional SEN budget are higher, due to the first £6k needing to be met. Since September 2018, we have been paying schools additional funding from the high needs block to pay the first £6k where a school's percentage of pupils with EHCPs is above the local authority statistical neighbour average. We reviewed this fund in September 2019, consulting with all schools, and took a report to Schools' Forum (report can be found here, October 2019 agenda item 8: <http://www.reading.gov.uk/schools-forum-meeting-papers>).
- 6.5 This particular budget is overspending and is a pressure on the already overspent high needs block, though it is supporting spend which should come from school's individual budgets. In order to continue to make these payments we are consulting on whether to top slice funding from the schools block funding allocation to pay for this. This can either be £350k to cover costs using the current criteria (local authority statistical neighbour average), or up to a maximum of £470k, which would increase the funding to existing beneficiaries and allow more schools to benefit from this funding (by moving to a specified percentage above which schools would receive additional funding).
- 6.6 Annex 5 shows the impact of each, using data from the May 2019 census and the updated 2019 LA statistical neighbour average percentage. The averages for the South-East and for England are very similar to the statistical neighbour so are not being considered as alternatives. To allocate out £470k, the percentage could be reduced to 1.5% for each phase. The exemplification in Appendix 6 shows that 10 additional schools would qualify for some additional funding compared to the current method. This table also shows for information how much the notional SEN budget within the school formula funding would be in 2020/21 for each school (as per the base exemplification).
- 6.7 In effect, this is pooling funding from all schools, to pay towards the costs incurred by those schools with a higher percentage of EHCPs which is not being identified and met by formula funding.

Consultation Question 2

Do you agree to transferring funding from the schools block to the high needs block in order to provide additional funding to schools with a high percentage of EHCPs?

Yes – maintain at same level/criteria and transfer £350k

Yes – and increase the level of funding and transfer £470k

No – no longer support these schools with additional funding

7. Early Years Funding

- 7.1 The Early Years Block of the DSG funds nursery schools, nursery classes in mainstream schools as well as settings in the Private, Voluntary and Independent Sector (PVI), delivering the free entitlement to 2, 3 & 4 year olds.
- 7.2 At the time of writing, no information has yet been released about funding for 2020/21. Though it is highly likely that the hourly rates will be increased, we just do not yet know by how much. If there are any changes to be made to the early year's formula, this will be subject to a separate consultation.

8. Next Steps

- 8.1 Responses to this consultation need to be returned by 19th November 2019. A final proposal will be based on these responses and taken to Schools' Forum on 5th December 2019 for discussion and review.
- 8.2 We receive the final October 2019 census data and school block funding allocation in mid-December. The draft formula will be produced using this final data and based on the views of Schools' Forum taking into account the consultation responses. The local authority makes the final decision. The Schools' Forum will see the final formula at its meeting on 16th January 2020 before it is submitted to the ESFA on 21st January 2020.
- 8.3 Maintained schools receive their final formula allocations by no later than the statutory deadline of 29th February 2020 (in reality this will be by the end of January), and academies receive their general annual grant by 31st March 2020. Information about high needs and early year's budgets will be provided by 31st March 2020.

9. Annex's

Annex 1 – Local Authority Allowable Formula Factors for 2020/21

Annex 2 – Formula Factor Values: 2017/18 to 2020/21

Annex 3 – Exemplification – Base funding per School for 2020/21

Annex 4 – Exemplifications for Each Option

Annex 5 – Options for Funding Schools with High Percentage of Pupils with EHCPs

Annex 1 – Local Authority Allowable Funding Formula Factors for 2020/21

(Source: ESFA Schools revenue funding 2020 to 2021 operational guide September 2019)

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 the January 2019 census, rather than the October 2018 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 2020 to 2021.
<p>2. Deprivation A compulsory factor</p>	<p>Local authorities can use free school meals (FSM and FSM6), 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. • New IDACI data is due to be published on 26 September 2019. We will not be using this data in the APT or the NFF in 2020 to 2021, so that we have sufficient time to review the effect of any changes; we will use the existing data from 2015. Local authorities will therefore continue to use the 2015 data provided in their local formulae. We plan to start using the new 2019 data for the 2021 to 2022 funding year. • 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.

Funding factor	Description and further information
<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. Local authorities can apply this factor for:</p> <ul style="list-style-type: none"> • Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP). • Secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths. <p>As with current funding arrangements, pupils who have not undertaken the assessment are given the overall average attainment score of their year group, so are taken into account when calculating a school's LPA rate.</p>
<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 2019.</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 2020 to 2021.
<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>The mobility factor allocates funding to schools with a high proportion of pupils who first join on a non-standard date. For 2020/21 we have developed a new methodology that enables us to allocate this funding on a formulaic basis.</p> <p>The new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census.</p> <ul style="list-style-type: none"> • To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%. We will

Funding factor	Description and further information
	<p>then allocate a per-pupil amount to all mobile pupils above that threshold.</p>
<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 (2 miles primary, 3 miles secondary). • They are small schools (primary maximum average number of pupils per year group is 21.4, secondary maximum average number of pupils per year group is 120). This excludes nursery and sixth form. • For the pupils for whom the school is their closest compatible school the factor measures the distance (as the crow flies) from their home to their second nearest compatible school and the mean distance for all pupils is then calculated. As the pupil population changes each year, it is possible for a school to be eligible for sparsity funding in one year but not in the next. • The maximum value is £100,000 which can be applied as a taper or lump sum. • This factor allows for a sparsity taper to mirror the methodology used as part of the NFF • Different values and methodologies can be used for the primary, middle, all-through, and secondary phases. • Local authorities can also make an application to ESFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools (350 pupils or fewer and a sparsity distance of 5 miles or more), which would otherwise be unable to attract sufficient funding to remain viable. <p>Further information and examples on this factor can be found in the Operational Guidance.</p>
<p>8. Lump sum An optional factor (used by most 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. <p>Further information is in the lump sum section of the guidance, including information for amalgamated schools.</p>
<p>9. Split sites</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>

Funding factor	Description and further information
An optional factor	<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. • Schools sharing facilities, federated schools and schools with remote sixth forms or remote early year's provision are not eligible for split site funding. <p>Examples are provided in the split sites section of the guidance.</p>
10. Rates An optional factor (used by all local authorities)	Local authorities must fund rates at their estimate of the actual cost. <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.
11. Private finance initiative (PFI) contracts An optional factor	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>More information is in the PFI section of the guidance.</p>
12. London fringe An optional factor, applicable only for five local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex)	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>The factor can be applied as a multiplier of 1.0156 or as a multiplier of the differential of the area cost adjustment of fringe and non-fringe zones within the local authority.</p>
13. Exceptional premises factors An optional factor	Local authorities can apply to ESFA to use exceptional factors relating to school premises, for example, for rents, or joint-use sports facilities. <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 2019 to 2020 (for pre-existing, and newly-qualifying schools) in

Funding factor	Description and further information
	<p>2020 to 2021, if the qualification criteria are still met.</p> <p>Further information on the application process can be found in the guidance.</p>
<p>14. Minimum level of per pupil funding for primary and secondary schools A compulsory factor</p>	<p>The purpose of this factor is for local authorities to provide the NFF minimum per-pupil funding levels to every school. We intend to make the use of this factor, at the NFF cash values, mandatory in local funding formulae in 2020/21. The detail of its implementation is subject to the MPPF consultation.</p> <ul style="list-style-type: none"> • The minimum per pupil levels will be set at £3,750 for primary schools and £5,000 for secondary schools. • The only factors not included in per-pupil funding for the purpose of the minimum per-pupil calculation are premises and growth funding. • The consultation on the implementation of mandatory minimum per-pupil levels will determine the precise calculation for this factor to be used in local formulae.
<p>15. Minimum Funding Guarantee A compulsory factor</p>	<p>Local authorities will continue to set a pre-16 MFG in their local formulae to protect schools from excessive year on year changes and to allow changes in pupil characteristics (for example, reducing levels of deprivation in a school) to flow through.</p> <ul style="list-style-type: none"> • Local authorities will be able to set an MFG between +0.5% and +1.84% per pupil. • The MFG applies to pupils in reception to year 11. The following formula factors are excluded from the MFG calculation, as not doing so would result in excessive protection or would be inconsistent with other policies: lump sum, sparsity, rates. <p>Information on other technical adjustments, disapplications, and a worked example are in the MFG section of the guidance.</p>
<p>16. Capping and Scaling An optional factor</p>	<p>We will allow overall gains for individual schools to be capped as well as scaled back to ensure that the formula is affordable. The schools NFF will not include a gains cap or alternative gains cap in 2020/21.</p> <ul style="list-style-type: none"> • Local authorities can continue to choose to cap any gains schools receive. Capping and scaling must be applied on the same basis to all schools. • Capping and scaling must not take a school below the minimum per-pupil funding levels. • Should authorities elect to apply a gains cap, the cap must be set at least as high as the MFG threshold. Schools will always retain

Funding factor	Description and further information
	<p>all gains up to the MFG threshold even where a cap is applied.</p> <p>We have included more information in the capping and scaling 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).

Annex 2 – Formula Factor Values: 2017/18 to 2020/21

Formula Values	2017/18	2018/19			2019/20			2020/21		
	Reading Actual (Pre NFF)	NFF	Reading NFF with ACA	Reading Actual Transitional	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading Proposed
Basic Entitlement:										
Primary	£3,131	£2,746.99	£2,840.55	£2,950.00	£2,747.00	£2,841.00	£2,841.00	£2,857.00	£2,954.31	£2,857.00
Secondary - KS3	£3,833	£3,862.65	£3,994.21	£3,863.00	£3,863.00	£3,995.00	£3,863.00	£4,018.00	£4,154.85	£4,018.00
Secondary - KS4	£4,370	£4,385.81	£4,535.19	£4,386.00	£4,386.00	£4,536.00	£4,386.00	£4,561.00	£4,716.35	£4,561.00
Deprivation:										
Free School Meals - Primary	£1,356	£440	£455	£440	£440	£455	£440	£450.00	£465.33	£450.00
Free School Meals - Secondary	£2,791	£440	£455	£440	£440	£455	£440	£450.00	£465.33	£450.00
Free School Meals Ever 6 - Primary	£0	£540	£558	£540	£540	£558	£540	£560.00	£579.07	£560.00
Free School Meals Ever 6 - Secondary	£0	£785	£812	£785	£785	£812	£785	£815.00	£842.76	£815.00
IDACI Band F (0.2 - 0.25) - Primary	£0	£200	£207	£200	£200	£207	£200	£210.00	£217.15	£210.00
IDACI Band F (0.2 - 0.25) - Secondary	£0	£290	£300	£290	£290	£300	£290	£300.00	£310.22	£300.00
IDACI Band E (0.25 - 0.3) - Primary	£0	£240	£248	£240	£240	£248	£240	£250.00	£258.52	£250.00
IDACI Band E (0.25 - 0.3) - Secondary	£0	£390	£403	£390	£390	£403	£390	£405.00	£418.79	£405.00
IDACI Band D (0.3 - 0.4) - Primary	£0	£360	£372	£360	£360	£372	£360	£375.00	£387.77	£375.00
IDACI Band D (0.3 - 0.4) - Secondary	£0	£515	£533	£515	£515	£533	£515	£535.00	£553.22	£535.00
IDACI Band C (0.4 - 0.5) - Primary	£0	£390	£403	£390	£390	£403	£390	£405.00	£418.79	£405.00
IDACI Band C (0.4 - 0.5) - Secondary	£0	£560	£579	£560	£560	£579	£560	£580.00	£599.75	£580.00
IDACI Band B (0.5 - 0.6) - Primary	£0	£420	£434	£420	£420	£434	£420	£435.00	£449.82	£435.00
IDACI Band B (0.5 - 0.6) - Secondary	£0	£600	£620	£600	£600	£620	£600	£625.00	£646.29	£625.00
IDACI Band A (over 0.6) - Primary	£0	£575	£595	£575	£575	£595	£575	£600.00	£620.44	£600.00
IDACI Band A (over 0.6) - Secondary	£0	£810	£838	£810	£810	£838	£810	£840.00	£868.61	£840.00
Prior Attainment:										
Primary	£649	£1,050	£1,086	£950	£1,022	£1,057	£1,022	£1,065.00	£1,101.27	£1,065.00
Secondary	£912	£1,550	£1,603	£1,300	£1,550	£1,603	£1,550	£1,610.00	£1,664.84	£1,610.00
English as an Additional Language:										
Primary	£679	£515	£533	£600	£515	£532	£515	£535.00	£553.22	£535.00
Secondary	£1,367	£1,385	£1,432	£1,385	£1,385	£1,432	£1,385	£1,440.00	£1,489.05	£1,440.00
Mobility (locally set - not in NFF)										
Primary	£745	n.a.	n.a.	£1,000	n.a.	n.a.	£1,000	£875	£904.80	£875.00
Secondary								£1,250	£1,292.58	£1,250.00
Lump Sum	£48,480	£110,000	£113,747	£85,000	£110,000	£113,747	£112,455	£114,400.00	£118,296.46	£114,400.00
Business Rates (Actual - locally set)	£1,147,157			£1,185,732	£1,185,732		£1,206,397	£1,206,397		£1,243,977
Exceptional Circumstances (locally set):										
Rents	£74,895			£74,895	£74,895		£59,826	£59,826		£59,826
Split Site	£17,149			£17,149	£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	£3,750	£3,750	£3,750
Secondary	n.a.	£4,600	£4,600	£4,600	£4,800	£4,800	£4,800	£5,000	£5,000	£5,000
(KS3 only school)					£4,600					
(KS4 only school)					£5,100		£5,100			£5,300
Minimum Funding Guarantee	-1.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.84%	1.84%	1.84%

Annex 3 – Exemplification – Base Funding per School for 2020/21

This assumes same pupil numbers and pupil characteristics.

LAESTA B	SCHOOL	2019/20 ACTUAL ALLOCATION			2020/21 ILLUSTRATIVE ALLOCATION			Overall Change between 2019/20 and 2020/21			
		Formula Allocation	Pupil No's (Oct 2018)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2018)	Per Pupil Funding	Total	%	Per Pupil	%
8702000	Alfred Sutton Primary School	2,363,268	610	3,874.21	2,404,624	610	3,942.01	41,356	1.75%	67.80	1.75%
8702003	Caversham Primary School	1,606,427	452	3,554.04	1,719,875	452	3,805.03	113,448	7.06%	250.99	7.06%
8702005	Coley Primary School	1,023,908	234	4,375.67	1,040,315	234	4,445.79	16,407	1.60%	70.12	1.60%
8702006	E P Collier Primary School	1,356,118	328	4,134.50	1,380,736	328	4,209.56	24,618	1.82%	75.06	1.82%
8702007	Geoffrey Field Junior School	1,539,253	358	4,299.59	1,565,451	358	4,372.77	26,198	1.70%	73.18	1.70%
8702008	Geoffrey Field Infant School	1,192,072	269	4,431.49	1,211,888	269	4,505.16	19,817	1.66%	73.67	1.66%
8702016	Oxford Road Community School	1,029,222	236	4,361.11	1,047,101	236	4,436.87	17,879	1.74%	75.76	1.74%
8702018	Redlands Primary School	941,902	230	4,095.23	958,664	230	4,168.11	16,762	1.78%	72.88	1.78%
8702019	The Hill Primary School	1,603,725	447	3,587.75	1,718,485	447	3,844.48	114,759	7.16%	256.73	7.16%
8702020	The Ridgeway Primary School	1,710,515	386	4,431.39	1,735,734	386	4,496.72	25,219	1.47%	65.34	1.47%
8702021	Park Lane Primary School	1,542,011	413	3,733.68	1,603,449	413	3,882.44	61,438	3.98%	148.76	3.98%
8702024	Wilson Primary School	1,643,342	413	3,979.04	1,675,671	413	4,057.32	32,329	1.97%	78.28	1.97%
8702026	Emmer Green Primary School	1,622,488	451	3,597.53	1,719,465	451	3,812.56	96,977	5.98%	215.03	5.98%
8702027	Southcote Primary School	2,194,353	581	3,776.85	2,244,927	581	3,863.90	50,574	2.30%	87.05	2.30%
8702029	St Michael's Primary School	1,639,622	410	3,999.08	1,663,478	410	4,057.26	23,856	1.45%	58.19	1.45%
8702034	Moorlands Primary School	1,723,897	415	4,153.97	1,755,006	415	4,228.93	31,109	1.80%	74.96	1.80%
8702036	Thameside Primary School	1,592,088	408	3,902.18	1,622,701	408	3,977.21	30,613	1.92%	75.03	1.92%
8702226	Katesgrove Primary School	2,499,602	602	4,152.16	2,539,740	602	4,218.84	40,138	1.61%	66.67	1.61%
8702233	Caversham Park Primary School	787,638	204	3,860.97	802,039	204	3,931.56	14,401	1.83%	70.59	1.83%
8702234	Micklands Primary School	1,550,795	399	3,886.70	1,577,200	399	3,952.88	26,405	1.70%	66.18	1.70%
8702253	Manor Primary School	1,247,888	286	4,363.24	1,271,533	286	4,445.92	23,646	1.89%	82.68	1.89%
8703000	All Saints Church of England Aided Infant School	319,234	60	5,320.57	323,955	60	5,399.26	4,721	1.48%	78.68	1.48%
8703302	St Anne's Catholic Primary School	808,189	193	4,187.51	820,952	193	4,253.64	12,763	1.58%	66.13	1.58%
8703304	English Martyrs' Catholic Primary School	1,690,523	427	3,959.07	1,720,854	427	4,030.10	30,331	1.79%	71.03	1.79%
8703305	Christ The King Catholic Primary School	1,513,010	348	4,347.73	1,539,729	348	4,424.51	26,719	1.77%	76.78	1.77%
8703360	St Martin's Catholic Primary School	590,904	145	4,075.20	600,071	145	4,138.42	9,167	1.55%	63.22	1.55%
8703361	Whitley Park Primary and Nursery School	2,508,394	569	4,408.43	2,554,044	569	4,488.65	45,649	1.82%	80.23	1.82%
8705411	Blessed Hugh Faringdon Catholic School	3,915,798	762	5,138.84	4,068,138	762	5,338.76	152,340	3.89%	199.92	3.89%
8702002	All Saints Junior School	430,690	95	4,533.57	436,508	95	4,594.82	5,818	1.35%	61.24	1.35%
8702004	Meadow Park Academy	1,390,974	332	4,189.68	1,422,582	332	4,284.89	31,609	2.27%	95.21	2.27%
8702011	Battle Primary Academy	1,595,638	390	4,091.38	1,622,889	390	4,161.25	27,251	1.71%	69.88	1.71%
8702012	The Palmer Primary Academy	1,682,886	389	4,326.18	1,711,739	389	4,400.36	28,853	1.71%	74.17	1.71%
8702015	Civitas Academy	1,019,835	235	4,339.72	1,036,488	235	4,410.59	16,653	1.63%	70.87	1.63%
8702017	The Heights Primary School	1,077,565	307	3,508.04	1,154,401	307	3,758.18	76,837	7.13%	250.14	7.13%
8702025	Ranikhet Academy	966,392	213	4,537.05	989,779	213	4,646.85	23,388	2.42%	109.80	2.42%
8702028	New Town Primary School	1,071,397	248	4,320.15	1,089,854	248	4,394.57	18,457	1.72%	74.42	1.72%
8702031	Churchend Primary Academy	1,483,893	378	3,925.64	1,509,088	378	3,992.30	25,194	1.70%	66.65	1.70%
8702254	New Christ Church Church of England (VA) Primary School	811,732	183	4,435.69	824,461	183	4,505.25	12,729	1.57%	69.56	1.57%
8703300	St John's Church of England Primary School	1,571,075	416	3,776.62	1,597,872	416	3,841.04	26,797	1.71%	64.42	1.71%
8703301	St Mary and All Saints Church of England Voluntary Aided P	1,341,079	322	4,164.84	1,365,523	322	4,240.75	24,444	1.82%	75.91	1.82%
8704000	UTC Reading	1,171,975	214	5,476.52	1,215,435	214	5,679.60	43,459	3.71%	203.08	3.71%
8704001	Maiden Erlegh School in Reading	4,192,125	822	5,099.91	4,355,532	822	5,298.70	163,407	3.90%	198.79	3.90%
8704002	The WREN School	3,631,655	683	5,317.21	3,780,466	683	5,535.09	148,811	4.10%	217.88	4.10%
8704003	Reading Girls' School	2,307,869	402	5,740.97	2,389,670	402	5,944.45	81,800	3.54%	203.48	3.54%
8704020	Highdown School and Sixth Form Centre	5,512,584	1,141	4,831.36	5,801,249	1,141	5,084.35	288,665	5.24%	252.99	5.24%
8705401	Reading School	3,380,124	697	4,849.53	3,520,141	697	5,050.42	140,017	4.14%	200.88	4.14%
8705410	Prospect School	5,197,234	937	5,546.67	5,398,729	937	5,761.72	201,494	3.88%	215.04	3.88%
8705413	Kendrick School	2,316,941	479	4,837.04	2,413,058	479	5,037.70	96,117	4.15%	200.66	4.15%
8706905	John Madejski Academy	2,862,441	479	5,975.87	2,971,299	479	6,203.13	108,858	3.80%	227.26	3.80%
PRIMARY TOTAL		54,283,539	13,382	4,056.41	55,578,873	13,382	4,153.20	1,295,334	2.39%	96.80	2.39%
SECONDARY TOTAL		34,488,747	6,616	5,212.93	35,913,714	6,616	5,428.31	1,424,968	4.13%	215.38	4.13%
TOTAL ALL SCHOOLS		88,772,285	19,998	4,439.02	91,492,587	19,998	4,575.05	2,720,302	3.06%	136.03	3.06%

Annex 4a – Exemplifications for Each Option 2020/21 (Funding Allocations)

				Base	At NFF values prior to ACA			Option 1	Increase primary AWPU only	Option 2	Increase additional needs factors	Option 3	Increase AWPU for all key stages by same %	Option 4	Increase all factors by same %
SCHOOL	2019/20 ACTUAL ALLOCATION			2020/21 BASE											
	Formula Allocation	Pupil No's	Per Pupil Funding	Formula Allocation	Pupil No's	Per Pupil Funding	Formula Allocation	Pupil No's	Per Pupil Funding	Formula Allocation	Pupil No's	Per Pupil Funding	Formula Allocation	Pupil No's	Per Pupil Funding
	(Oct 2018)			(Oct 2018)			(Oct 2018)			(Oct 2018)			(Oct 2018)		
Alfred Sutton Primary School	2,363,268	610	3,874.21	2,404,624	610	3,942.01	2,404,624	610	3,942.01	2,404,624	610	3,942.01	2,404,624	610	3,942.01
Caversham Primary School	1,606,427	452	3,554.04	1,719,875	452	3,805.03	1,719,875	452	3,805.03	1,719,875	452	3,805.03	1,719,875	452	3,805.03
Coley Primary School	1,023,908	234	4,375.67	1,040,315	234	4,445.79	1,050,149	234	4,487.82	1,045,781	234	4,469.15	1,045,268.03	234	4,466.96
E P Collier Primary School	1,356,118	328	4,134.50	1,380,736	328	4,209.56	1,380,736	328	4,209.56	1,380,736	328	4,209.56	1,380,736.00	328	4,209.56
Geoffrey Field Junior School	1,539,253	358	4,299.59	1,565,451	358	4,372.77	1,579,043	358	4,410.73	1,573,503	358	4,395.26	1,571,575.32	358	4,389.88
Geoffrey Field Infant School	1,192,072	269	4,431.49	1,211,888	269	4,505.16	1,222,695	269	4,545.34	1,218,755	269	4,530.69	1,217,084.30	269	4,524.48
Oxford Road Community School	1,029,222	236	4,361.11	1,047,101	236	4,436.87	1,055,898	236	4,474.15	1,051,371	236	4,454.96	1,050,975.80	236	4,453.29
Redlands Primary School	941,902	230	4,095.23	958,664	230	4,168.11	966,084	230	4,200.37	960,110	230	4,174.39	961,286.51	230	4,179.51
The Hill Primary School	1,603,725	447	3,587.75	1,718,485	447	3,844.48	1,718,485	447	3,844.48	1,718,485	447	3,844.48	1,718,484.50	447	3,844.48
The Ridgeway Primary School	1,710,515	386	4,431.39	1,735,734	386	4,496.72	1,744,742	386	4,520.06	1,738,370	386	4,503.55	1,736,690.15	386	4,499.20
Park Lane Primary School	1,542,011	413	3,733.68	1,603,449	413	3,882.44	1,603,449	413	3,882.44	1,603,449	413	3,882.44	1,603,449.00	413	3,882.44
Wilson Primary School	1,643,342	413	3,979.04	1,675,671	413	4,057.32	1,694,742	413	4,103.49	1,685,640	413	4,081.45	1,686,127.35	413	4,082.63
Emmer Green Primary School	1,622,488	451	3,597.53	1,719,465	451	3,812.56	1,719,465	451	3,812.56	1,719,465	451	3,812.56	1,719,465.00	451	3,812.56
Southcote Primary School	2,194,353	581	3,776.85	2,244,927	581	3,863.90	2,249,202	581	3,871.26	2,244,927	581	3,863.90	2,244,927.00	581	3,863.90
St Michael's Primary School	1,639,622	410	3,999.08	1,663,478	410	4,057.26	1,676,774	410	4,089.69	1,667,164	410	4,066.25	1,668,222.08	410	4,068.83
Moorlands Primary School	1,723,897	415	4,153.97	1,755,006	415	4,228.93	1,769,613	415	4,264.13	1,761,323	415	4,244.15	1,760,956.38	415	4,243.27
Thameside Primary School	1,592,088	408	3,902.18	1,622,701	408	3,977.21	1,639,035	408	4,017.24	1,628,540	408	3,991.52	1,630,524.98	408	3,996.38
Katesgrove Primary School	2,499,602	602	4,152.16	2,539,740	602	4,218.84	2,539,741	602	4,218.84	2,539,741	602	4,218.84	2,539,740.70	602	4,218.84
Caversham Park Primary School	787,638	204	3,860.97	802,039	204	3,931.56	808,130	204	3,961.42	802,039	204	3,931.56	803,874.58	204	3,940.56
Micklands Primary School	1,550,795	399	3,886.70	1,577,200	399	3,952.88	1,577,200	399	3,952.88	1,577,200	399	3,952.88	1,577,199.62	399	3,952.88
Manor Primary School	1,247,888	286	4,363.24	1,271,533	286	4,445.92	1,282,660	286	4,484.82	1,277,826	286	4,467.92	1,276,894.24	286	4,463.97
All Saints Church of England Aids	319,234	60	5,320.57	323,955	60	5,399.26	326,835	60	5,447.26	325,171	60	5,419.52	325,593.93	60	5,426.40
St Mary and All Saints Church of E	1,341,079	322	4,164.84	1,365,523	322	4,240.75	1,380,979	322	4,288.75	1,374,882	322	4,269.82	1,374,282.29	322	4,267.90
St Anne's Catholic Primary School	808,189	193	4,187.51	820,952	193	4,253.64	829,496	193	4,297.91	824,833	193	4,273.74	825,470.18	193	4,277.05
English Martyrs' Catholic Primary	1,690,523	427	3,959.07	1,720,854	427	4,030.10	1,736,633	427	4,067.06	1,728,099	427	4,047.07	1,727,726.24	427	4,046.20
Christ The King Catholic Primary	1,513,010	348	4,347.73	1,539,729	348	4,424.51	1,554,220	348	4,466.15	1,550,608	348	4,455.77	1,546,961.72	348	4,445.29
St Martin's Catholic Primary Scho	590,904	145	4,075.20	600,071	145	4,138.42	605,127	145	4,173.29	600,260	145	4,139.73	602,102.50	145	4,152.43
Whitley Park Primary and Nursery	2,508,394	569	4,408.43	2,554,044	569	4,488.65	2,581,356	569	4,536.65	2,575,910	569	4,527.08	2,569,487.39	569	4,515.80
Blessed Hugh Faringdon Catholic	3,915,798	762	5,138.84	4,068,138	762	5,338.76	4,068,138	762	5,338.76	4,091,115	762	5,368.92	4,098,761.47	762	5,378.95
Civitas Academy	1,019,835	235	4,339.72	1,036,488	235	4,410.59	1,036,488	235	4,410.59	1,036,488	235	4,410.59	1,036,488.47	235	4,410.59
The Heights Primary School	1,077,565	307	3,508.04	1,154,401	307	3,758.18	1,154,401	307	3,758.18	1,154,401	307	3,758.18	1,154,401.20	307	3,758.18
Ranikhet Academy	966,392	213	4,537.05	989,779	213	4,646.85	999,880	213	4,652.02	989,778	213	4,646.85	989,778.50	213	4,646.85
New Town Primary School	1,071,397	248	4,320.15	1,089,854	248	4,394.57	1,099,855	248	4,394.58	1,089,855	248	4,394.58	1,089,854.85	248	4,394.58
Churchend Primary Academy	1,483,893	378	3,925.64	1,509,088	378	3,992.30	1,521,457	378	4,005.04	1,512,401	378	4,001.06	1,513,582.49	378	4,004.19
New Christ Church Church of Engl	811,732	183	4,435.69	824,461	183	4,505.25	830,790	183	4,539.84	827,308	183	4,520.81	826,972.83	183	4,518.98
St John's Church of England Prim	1,571,074	416	3,776.62	1,597,872	416	3,841.04	1,597,872	416	3,841.04	1,597,872	416	3,841.04	1,597,872.08	416	3,841.04
UTC Reading	1,171,975	214	5,476.52	1,215,435	214	5,679.60	1,215,435	214	5,679.60	1,218,572	214	5,694.26	1,224,707.05	214	5,722.93
Maiden Erlegh School in Reading	4,192,125	822	5,099.91	4,355,532	822	5,298.70	4,355,532	822	5,298.70	4,380,200	822	5,328.71	4,388,363.23	822	5,338.64
The WREN School	3,631,655	683	5,317.21	3,780,466	683	5,535.09	3,780,466	683	5,535.09	3,805,774	683	5,572.14	3,807,439.94	683	5,574.58
Reading Girls' School	2,307,869	402	5,740.97	2,389,670	402	5,944.45	2,389,670	402	5,944.45	2,405,737	402	5,984.42	2,405,958.32	402	5,984.97
Highdown School and Sixth Form	5,512,584	1,141	4,831.36	5,801,249	1,141	5,084.35	5,801,249	1,141	5,084.35	5,801,249	1,141	5,084.35	5,801,249.00	1,141	5,084.35
Reading School	3,380,124	697	4,849.53	3,520,141	697	5,050.42	3,520,141	697	5,050.42	3,520,141	697	5,050.42	3,520,140.50	697	5,050.42
Prospect School	5,197,234	937	5,546.67	5,398,729	937	5,761.72	5,398,729	937	5,761.72	5,437,529	937	5,803.13	5,436,780.28	937	5,802.33
Kendrick School	2,316,941	479	4,837.04	2,413,058	479	5,037.70	2,413,058	479	5,037.70	2,413,058	479	5,037.70	2,413,057.60	479	5,037.70
John Madejski Academy	2,862,441	479	5,975.87	2,971,299	479	6,203.13	2,971,299	479	6,203.13	2,994,555	479	6,251.68	2,990,712.26	479	6,243.66
PRIMARY TOTAL	54,283,539	13,382	4,056.41	55,578,873	13,382	4,153.20	55,870,973	13,382	4,175.03	55,720,805	13,382	4,163.81	55,708,353	13,382	4,162.88
SECONDARY TOTAL	34,488,747	6,616	5,212.93	35,913,714	6,616	5,428.31	35,913,714	6,616	5,428.31	36,067,929	6,616	5,451.62	36,087,170	6,616	5,454.53
TOTAL ALL SCHOOLS	88,772,286	19,998	4,539.02	91,492,587	19,998	4,575.05	91,784,687	19,998	4,589.65	91,788,734	19,998	4,589.86	91,795,522	19,998	4,590.20
Funding Available	88,772,290			91,782,218			91,782,218			91,782,218			91,782,218		
(Over) / Under Funding Allocati	4			289,631			-2,469			-6,516			-13,304		-1,911

Annex 4b – Exemplifications for Each Option 2020/21 (Year on Year Change)

SCHOOL	Increase/Decrease in Funding Compared to 2019/20 Actual									
	Base		Option 1		Option 2		Option 3		Option 4	
	£	%	£	%	£	%	£	%	£	%
Alfred Sutton Primary School	41,356	1.7%	41,356	1.7%	41,356	1.7%	41,356	1.7%	41,342	1.7%
Caversham Primary School	113,448	7.1%	113,448	7.1%	113,448	7.1%	113,448	7.1%	113,448	7.1%
Coley Primary School	16,407	1.6%	26,241	2.6%	21,873	2.1%	21,360	2.1%	21,728	2.1%
E P Collier Primary School	24,618	1.8%	24,618	1.8%	24,618	1.8%	24,618	1.8%	24,605	1.8%
Geoffrey Field Junior School	26,198	1.7%	39,790	2.6%	34,250	2.2%	32,323	2.1%	32,681	2.1%
Geoffrey Field Infant School	19,817	1.7%	30,624	2.6%	26,684	2.2%	25,013	2.1%	25,540	2.1%
Oxford Road Community School	17,879	1.7%	26,677	2.6%	22,150	2.2%	21,754	2.1%	22,082	2.1%
Redlands Primary School	16,762	1.8%	24,182	2.6%	18,207	1.9%	19,384	2.1%	19,295	2.0%
The Hill Primary School	114,759	7.2%	114,759	7.2%	114,759	7.2%	114,759	7.2%	114,759	7.2%
The Ridgeway Primary School	25,219	1.5%	34,226	2.0%	27,855	1.6%	26,175	1.5%	26,553	1.6%
Park Lane Primary School	61,438	4.0%	61,438	4.0%	61,438	4.0%	61,438	4.0%	61,438	4.0%
Wilson Primary School	32,329	2.0%	51,400	3.1%	42,298	2.6%	42,786	2.6%	42,416	2.6%
Emmer Green Primary School	96,977	6.0%	96,977	6.0%	96,977	6.0%	96,977	6.0%	96,977	6.0%
Southcote Primary School	50,574	2.3%	54,849	2.5%	50,574	2.3%	50,574	2.3%	50,574	2.3%
St Michael's Primary School	23,856	1.5%	37,152	2.3%	27,542	1.7%	28,600	1.7%	28,143	1.7%
Moorlands Primary School	31,109	1.8%	45,715	2.7%	37,425	2.2%	37,059	2.1%	37,123	2.2%
Thameside Primary School	30,613	1.9%	46,947	2.9%	36,453	2.3%	38,437	2.4%	37,808	2.4%
Katesgrove Primary School	40,139	1.6%	40,139	1.6%	40,139	1.6%	40,139	1.6%	40,125	1.6%
Caversham Park Primary School	14,401	1.8%	20,492	2.6%	14,401	1.8%	16,236	2.1%	15,837	2.0%
Micklands Primary School	26,405	1.7%	26,405	1.7%	26,405	1.7%	26,405	1.7%	26,391	1.7%
Manor Primary School	23,646	1.9%	34,772	2.8%	29,938	2.4%	28,807	2.3%	29,196	2.3%
All Saints Church of England Aided Infant School	4,721	1.5%	7,601	2.4%	5,937	1.9%	6,349	2.0%	6,854	2.1%
St Mary and All Saints Church of England Voluntary Aided Primary School	24,444	1.8%	39,900	3.0%	33,804	2.5%	33,184	2.5%	33,390	2.5%
St Anne's Catholic Primary School	12,763	1.6%	21,307	2.6%	16,644	2.1%	17,282	2.1%	17,429	2.2%
English Martyrs' Catholic Primary School	30,331	1.8%	46,110	2.7%	37,577	2.2%	37,204	2.2%	36,908	2.2%
Christ The King Catholic Primary School	26,719	1.8%	41,211	2.7%	37,598	2.5%	33,952	2.2%	34,622	2.3%
St Martin's Catholic Primary School	9,167	1.6%	14,223	2.4%	9,357	1.6%	11,199	1.9%	11,188	1.9%
Whitley Park Primary and Nursery School	45,649	1.8%	72,961	2.9%	67,516	2.7%	61,093	2.4%	62,012	2.5%
Blessed Hugh Farington Catholic School	152,340	3.9%	152,340	3.9%	175,318	4.5%	182,964	4.7%	179,029	4.6%
All Saints Junior School	5,818	1.4%	9,925	2.3%	6,867	1.6%	7,944	1.8%	8,224	1.9%
Meadow Park Academy	31,609	2.3%	42,571	3.1%	36,931	2.7%	35,646	2.6%	35,945	2.6%
Battle Primary Academy	27,251	1.7%	32,437	2.0%	27,251	1.7%	27,251	1.7%	27,237	1.7%
The Palmer Primary Academy	28,853	1.7%	47,114	2.8%	42,777	2.5%	39,000	2.3%	39,651	2.4%
Civitas Academy	16,653	1.6%	16,653	1.6%	16,653	1.6%	16,653	1.6%	16,639	1.6%
The Heights Primary School	76,837	7.1%	76,837	7.1%	76,837	7.1%	76,837	7.1%	76,837	7.1%
Ranikhet Academy	23,387	2.4%	24,488	2.5%	23,386	2.4%	23,386	2.4%	23,372	2.4%
New Town Primary School	18,458	1.7%	18,458	1.7%	18,458	1.7%	18,458	1.7%	18,444	1.7%
Churchend Primary Academy	25,194	1.7%	37,574	2.5%	28,508	1.9%	29,689	2.0%	29,295	2.0%
New Christ Church Church of England (VA) Primary School	12,729	1.6%	19,058	2.3%	15,576	1.9%	15,241	1.9%	15,683	1.9%
St John's Church of England Primary School	26,798	1.7%	26,798	1.7%	26,798	1.7%	26,798	1.7%	26,784	1.7%
UTC Reading	43,459	3.7%	43,459	3.7%	46,597	4.0%	52,732	4.5%	51,333	4.4%
Maiden Erlegh School in Reading	163,407	3.9%	163,407	3.9%	188,074	4.5%	196,238	4.7%	192,138	4.6%
The WREN School	148,811	4.1%	148,810	4.1%	174,119	4.8%	175,785	4.8%	173,648	4.8%
Reading Girls' School	81,800	3.5%	81,800	3.5%	97,868	4.2%	98,089	4.3%	97,320	4.2%
Highdown School and Sixth Form Centre	288,665	5.2%	288,665	5.2%	288,665	5.2%	288,665	5.2%	288,665	5.2%
Reading School	140,017	4.1%	140,017	4.1%	140,017	4.1%	140,017	4.1%	140,017	4.1%
Prospect School	201,494	3.9%	201,494	3.9%	240,295	4.6%	239,546	4.6%	236,896	4.6%
Kendrick School	96,117	4.1%	96,117	4.1%	96,117	4.1%	96,117	4.1%	96,117	4.1%
John Madejski Academy	108,858	3.8%	108,858	3.8%	132,114	4.6%	128,272	4.5%	128,103	4.5%
PRIMARY TOTAL	1,319,778	2.4%	1,627,334	3.0%	1,471,069	2.7%	1,457,997	2.7%	1,461,968	2.7%
SECONDARY TOTAL	1,424,968	4.1%	1,424,967	4.1%	1,579,182	4.6%	1,598,423	4.6%	1,583,266	4.6%
TOTAL ALL SCHOOLS	2,744,746	3.1%	3,052,301	3.4%	3,050,252	3.4%	3,056,420	3.4%	3,045,233	3.4%

Annex 5 – Options for Funding Schools with High Percentage of Pupils with EHCPs

DfE Ref	SCHOOL	OPTION a - CURRENT METHOD						OPTION b					
		Formula Funding Notional SEN Budget 2020/21	Annual Based on May 2019 Census					Annual Based on May 2019 Census					
			£6,000	Days:	190	I FTE Funding	£6,000	Days:	190	I FTE Funding	£6,000		
Actual Pupil No's (Yr R - 11) May 2019 Census less RU Pupils	Mainstream Pupil No's (Yr R - 11) with EHCP May 2019	Percent of Pupils with EHCPs	No. of Pupils with EHCPs Above Average (un rounded)	Additional Funding	Actual Pupil No's (Yr R - 11) May 2019 Census less RU Pupils	Mainstream Pupil No's (Yr R - 11) with EHCP May 2019	Percent of Pupils with EHCPs	No. of Pupils with EHCPs Above Average (un rounded)	Additional Funding				
		Revised Method		Above LA Statistical Neighbour Average: Primary 1.70% Secondary 1.80%				Above Fixed Percentage Primary 1.50% Secondary 1.50%					
8702000	Alfred Sutton Primary School	£386,305	623	10	1.61%	0.00	£0	623	10	1.61%	0.65	£3,930	
8703000	All Saints Church of England Aided Infant School	£36,078	60	0	0.00%	0.00	£0	60	0	0.00%	0.00	£0	
8702002	All Saints Junior School	£44,641	94	0	0.00%	0.00	£0	94	0	0.00%	0.00	£0	
8702011	Battle Primary Academy	£339,406	381	4	1.05%	0.00	£0	381	4	1.05%	0.00	£0	
8702233	Caversham Park Primary School	£78,535	199	3	1.51%	0.00	£0	199	3	1.51%	0.02	£90	
8702003	Caversham Primary School	£149,728	448	11	2.46%	3.38	£20,304	448	11	2.46%	4.28	£25,680	
8703305	Christ The King Catholic Primary School	£391,954	318	9	2.83%	3.59	£21,564	318	9	2.83%	4.23	£25,380	
8702031	Churchend Primary Academy	£272,111	380	4	1.05%	0.00	£0	380	4	1.05%	0.00	£0	
8702015	Civitas Academy	£209,712	202	3	1.49%	0.00	£0	202	3	1.49%	0.00	£0	
8702005	Coley Primary School	£204,376	232	0	0.00%	0.00	£0	232	0	0.00%	0.00	£0	
8702006	E P Collier Primary School	£234,526	315	7	2.22%	1.65	£9,870	315	7	2.22%	2.28	£13,650	
8702026	Emmer Green Primary School	£184,362	448	7	1.56%	0.00	£0	448	7	1.56%	0.28	£1,680	
8703304	English Martyrs' Catholic Primary School	£357,438	425	13	3.06%	5.78	£34,650	425	13	3.06%	6.63	£39,750	
8702008	Geoffrey Field Infant School	£269,052	267	3	1.12%	0.00	£0	267	3	1.12%	0.00	£0	
8702007	Geoffrey Field Junior School	£348,756	359	5	1.39%	0.00	£0	359	5	1.39%	0.00	£0	
8702226	Katesgrove Primary School	£522,326	606	7	1.16%	0.00	£0	606	7	1.16%	0.00	£0	
8702253	Manor Primary School	£266,222	295	10	3.39%	4.99	£29,910	295	10	3.39%	5.58	£33,450	
8702004	Meadow Park Academy	£307,376	334	7	2.10%	1.32	£7,932	334	7	2.10%	1.99	£11,940	
8702234	Micklands Primary School	£192,902	405	8	1.98%	1.12	£6,690	405	8	1.98%	1.93	£11,550	
8702034	Moorlands Primary School	£346,993	423	7	1.65%	0.00	£0	423	7	1.65%	0.66	£3,930	
8702254	New Christ Church Church of England (VA) Primary School	£159,164	190	3	1.58%	0.00	£0	190	3	1.58%	0.15	£900	
8702028	New Town Primary School	£204,998	261	4	1.53%	0.00	£0	261	4	1.53%	0.08	£510	
8702016	Oxford Road Community School	£202,149	237	5	2.11%	0.97	£5,826	237	5	2.11%	1.45	£8,670	
8702021	Park Lane Primary School	£179,797	414	1	0.24%	0.00	£0	414	1	0.24%	0.00	£0	
8702025	Ranikhet Academy	£214,130	207	2	0.97%	0.00	£0	207	2	0.97%	0.00	£0	
8702018	Redlands Primary School	£150,304	236	4	1.69%	0.00	£0	236	4	1.69%	0.46	£2,760	
8702027	Southcote Primary School	£357,420	588	8	1.36%	0.00	£0	588	8	1.36%	0.00	£0	
8703302	St Anne's Catholic Primary School	£137,180	194	6	3.09%	2.70	£16,212	194	6	3.09%	3.09	£18,540	
8703300	St John's Church of England Primary School	£244,449	411	12	2.92%	5.01	£30,078	411	12	2.92%	5.84	£35,010	
8703360	St Martin's Catholic Primary School	£62,015	153	4	2.61%	1.40	£8,394	153	4	2.61%	1.71	£10,230	
8703301	St Mary and All Saints Church of England Voluntary Aided Prim	£280,621	304	3	0.99%	0.00	£0	304	3	0.99%	0.00	£0	
8702029	St Michael's Primary School	£301,354	413	7	1.69%	0.00	£0	413	7	1.69%	0.81	£4,830	
8702036	Thameside Primary School	£270,377	404	19	4.70%	12.13	£72,792	404	19	4.70%	12.94	£77,640	
8702017	The Heights Primary School	£81,733	275	8	2.91%	3.33	£19,950	275	8	2.91%	3.88	£23,250	
8702019	The Hill Primary School	£156,969	452	7	1.55%	0.00	£0	452	7	1.55%	0.22	£1,320	
8702012	The Palmer Primary Academy	£429,824	395	3	0.76%	0.00	£0	395	3	0.76%	0.00	£0	
8702020	The Ridgeway Primary School	£364,805	388	6	1.55%	0.00	£0	388	6	1.55%	0.18	£1,080	
8703361	Whitley Park Primary and Nursery School	£656,111	572	17	2.97%	7.28	£43,656	572	17	2.97%	8.42	£50,520	
8702024	Wilson Primary School	£318,360	420	6	1.43%	0.00	£0	420	6	1.43%	0.00	£0	
8705411	Blessed Hugh Faringdon Catholic School	£686,889	740	11	1.49%	0.00	£0	740	11	1.49%	0.00	£0	
8704020	Highdown School and Sixth Form Centre	£521,312	1,141	10	0.88%	0.00	£0	1,141	10	0.88%	0.00	£0	
8706905	John Madejski Academy	£696,756	469	12	2.56%	3.56	£21,348	469	12	2.56%	4.97	£29,790	
8705413	Kendrick School	£39,679	478	0	0.00%	0.00	£0	478	0	0.00%	0.00	£0	
8704001	Maiden Erlegh School in Reading	£737,528	716	12	1.68%	0.00	£0	716	12	1.68%	1.26	£7,560	
8705410	Prospect School	£1,162,130	900	7	0.78%	0.00	£0	900	7	0.78%	0.00	£0	
8704003	Reading Girls' School	£480,183	416	2	0.48%	0.00	£0	416	2	0.48%	0.00	£0	
8705401	Reading School	£72,759	697	1	0.14%	0.00	£0	697	1	0.14%	0.00	£0	
8704002	THE WREN School	£757,735	587	12	2.04%	1.43	£8,604	587	12	2.04%	3.20	£19,170	
8704000	UTC Reading (excluded as funded for high needs differently)	£94,064											
	PRIMARY TOTAL	£9,914,559	13,328	243	1.82%	55	£327,828	13,328	243	1.82%	68	£406,290	
	SECONDARY TOTAL	£5,249,035	6,144	67	1.09%	5	£29,952	6,144	67	1.09%	9	£56,520	
	TOTAL ALL SCHOOLS	£15,163,594	19,472	310		60	£357,780	19,472	310		77	£462,810	

Appendix 2 – Consultation Responses

List of School Responding:

Caversham Primary School
 Coley Primary School
 E P Collier Primary School
 Geoffrey Field Junior School
 Geoffrey Field Infant School
 Oxford Road Community School (*federation response*)
 The Hill Primary School
 Wilson Primary School (*federation response*)
 Emmer Green Primary School
 Thameside Primary School
 Caversham Park Primary School
 Micklands Primary School
 St Anne's Catholic Primary School
 English Martyrs' Catholic Primary School
 Christ The King Catholic Primary School
 New Town Primary School (*MAT response*)
 New Christ Church Church of England (VA) Primary School
 (*MAT response*)
 St John's Church of England Primary School (*MAT response*)
 Blessed Hugh Faringdon Catholic School
 Maiden Erlegh School in Reading
 Highdown School and Sixth Form Centre
 Prospect School
 Kendrick School
 John Madejski Academy

Summary of Responses:

Question 1 - Which is your preferred option for allocating additional funding through the school formula over and above the NFF baseline? School Formula	Primary	Secondary	Total	%
Option 1 – Increase primary AWPU (primary only)	12	0	12	57.1%
Option 2 – Increase Additional Needs Formula Factors (Prior Attainment, Deprivation – Free School Meals Ever 6 & IDACI), and English as an Additional Language (all schools)	3	2	5	23.8%
Option 3 – Increase AWPU by same percentage for all key stages (all schools)		1	1	4.8%
Option 4 – Increase all factors by the same percentage (all schools)		3	3	14.3%
	15	6	21	
Question 2 - Do you agree to transferring funding from the schools block to the high needs block in order to provide additional funding to schools with a high percentage of EHCPs?	Primary	Secondary	Total	%
Option a - yes, and maintain at same level/criteria and transfer £350k	5	5	10	47.6%
Option b – yes, and increase the level of funding and transfer £470k	9	0	9	42.9%
Option c – no, and no longer support these schools with additional funding	1	1	2	9.5%
	15	6	21	



Reading Schools' Forum

December 5, 2019

Agenda Item 7

Growth Fund 2020-21

For decision For discussion For information

SUMMARY

This report sets out the budget required for growth funding in 2020/21 plus estimates for the following two years, and makes a proposal for the criteria to be used in allocating this funding in 2020/21.

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1. Recommendations

- 1.1 AGREE: the budget proposed of £1,492k for the growth fund in 2020/21 (split £338k for the school formula and remaining £1,154k for bulge classes/continuing expansions), and that any unspent funds will be carried forward towards meeting the increased demand in 2021/22.
- 1.2 AGREE: the revised criteria to be applied (paragraphs 4.2 and 4.3).

2. Background

- 2.1 Growth funding is allocated to the local authority to meet the cost of increases in pre-16 pupil numbers either in new schools or bulge classes set up to meet basic need. This is because the funding a school receives is retrospective and based on pupil numbers from the previous October census, and therefore does not include the additional pupils.
- 2.2 The funding is allocated through a separate formula, though is still part of the schools block DSG allocation. It is not ring-fenced specifically for growth, but if there is a shortfall, this needs to be met from a top slice from the main schools block allocation.
- 2.3 In 2019/20 the Government used a new formula for allocating funding for growth, based on actual growth in pupil numbers. The 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. For the 2020/21 allocation, increases in pupil numbers between October 2018 and October 2019 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.
- 2.4 The growth factor values applied for the 2020/21 formula are as follows:
 - £1,475 for each primary growth pupil.
 - £2,205 for each secondary growth pupil.
 - New school lump sum: £67,000 for each brand new school which opened in the previous year.

The values have increased by 4% compared to the previous year, and also include an area cost adjustment for Reading.

- 2.5 Previously, growth was funded on actual budgeted spend and in 2018/19 Reading received £2.092m. In 2019/20 under the new formula, the allocation reduced to £1.658m. In 2020/21 the allocation is estimated to be £1.346m.
- 2.6 Growth funding can only be used to support growth in pre-16 pupil numbers *to meet basic need*; support additional classes needed to meet infant class size regulation; and to meet the revenue costs of new schools. The growth fund must not be used to support general growth due to popularity of a school – this is managed through lagged funding.
- 2.7 New growing schools, where the change is permanent and 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.

- 2.8 The Schools' Forum must agree **on an annual basis** on the total size of the growth fund and the criteria on which it will be allocated. All schools must be funded on the same criteria, new and existing maintained schools and academies. The 2019/20 criteria is as follows:
- 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 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. Funding payable is the average per pupil rate x proposed class size, being £3,962 primary and £5,098 secondary.
 - 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. New schools opening in response to basic need, will, in addition, receive an additional one-off grant of £65,000 for pre- opening and set up costs.
- 2.9 This report sets out the estimated growth funding requirements for 2020/21 and the following two years, and based on this knowledge and estimated funding, proposes the criteria to be applied for 2020/21.

3. Growth Fund Requirements for 2020/21 to 2022/23

- 3.1. Appendix 1 contains a breakdown of the requirements for 2020/21 and the following two years based on current information on the school population (as set out in the latest School Place Planning report)⁴.
- 3.2. In the primary sector, two schools are completing their expansions in 2020/21, plus a new school at Green Park is due to open in September 2020. In the secondary sector, one school is still expanding, and it is estimated that up to two bulge classes will be required in 2020/21. The funding requirement is £970k - £338k for new schools which will go into the school funding formula, and £632k for bulge classes/expanding schools. This is less than the previous few years, and the allocation being received (£1,492k after taking into account overspend from 2019/20 to be repaid and the amount to be met separately by the DfE) will cover the costs assuming the criteria and funding values being proposed are applied.
- 3.3. Looking forward, there will be additional requirements from September 2021, with a new eight form entry secondary school due to open (or bulge classes required if this is delayed a year). It is highly likely there will be a shortfall in the growth funding to be received in 2021/22, thus any under-allocation in 2020/21 will need to be carried forward to go towards this shortfall. A shortfall in funding would require a top slice from the schools budget reducing the amount available to allocate out to all schools through the school formula. It is therefore proposed that the total funding to be received for growth of £1,346k is ring-fenced

⁴ <https://democracy.reading.gov.uk/documents/s7583/School%20Place%20Planning.pdf>

for this purpose, even though it won't all be spent in 2020/21. Any under allocation (estimated at £522k in the plan) would be carried forward to 2021/22.

- 3.4. It is unknown what our growth fund allocation is likely to be from 2021/22, so for the purposes of this plan it is assumed that we will receive minimum funding (the funding floor). With this scenario, and by carrying forward the under-allocation from 2020/21, there should be adequate funding to cover the requirements in the following two years without needing to top slice the schools' budget.

4. Criteria Proposed for 2020/21

- 4.1. New schools are paid through the school formula based on their estimated pupil numbers and characteristics. For schools agreeing to take a "bulge" class or are expanding, the current funding rates per additional pupil in the additional class (assumed at maximum capacity, usually 30) are £3,962 primary and £5,098 secondary. This is the calculation from 2018/19 based on total per pupil funding for all Reading schools (including the lump sum and business rates).
- 4.2. It is proposed to make a slight change to the funding schools taking a bulge class or expanding will receive. The recognised minimum pupil funding levels used in the national funding formula will be used in 2020/21, being £3,750 for primary (rising to £4,000 in 2021/22) and £5,000 for secondary. This will be received for the expected number of additional pupils in the relevant year group as agreed with the local authority (usually 30, but may be less). Although slightly less than current rates, this will provide a consistent and recognised funding level, and is much higher than the AWPU rate which many other local authorities use. The main reason for the difference with the existing rate is that the previous calculation includes the lump sum and business rates, which all schools receive regardless of pupil numbers so it was an anomaly to have included it in the first place and is double counting.
- 4.3. It is also proposed to increase the one-off grant for new schools pre-opening costs to £67,000 to reflect the funding to be received (retrospectively) through the schools block funding allocation.
- 4.4. Note that growth funding can only be paid to schools taking enough additional pupils that **require** an additional class and teacher (i.e. it is not paid for filling spaces in existing classes), and that this increase is as a result of basic need in the area. The increase must have been agreed by the local authority as part of its place planning in order to meet shortfalls in overall places. All other growth in pupil numbers is funded retrospectively through the normal school funding process, based on the previous October census.
- 4.5. Schools also need to be aware that funding for a bulge class is one off funding, and in the following year the funding for that year group will be based on the school funding 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 arrangements based on one off growth funding, if in the long term this will make them unviable. Schools should also be prepared to reduce the number of classes when the bulge class comes to an end; the lagged funding received through the school formula is not deducted, so schools have this additional funding in the final year to make the necessary arrangements.

- 4.6. It is impossible for the local authority to guarantee any future funding that is subject to changes in Government legislation and national funding allocations, and any decisions made are for one year only. Funding will be reviewed on an annual basis and with reference to current regulations. We do not know yet how the Government will allocate growth funding as part of a full National Funding Formula.
- 4.7. Payments to schools will be made in November after the pupil numbers have been verified with the approved October census data. This will cover the period September to March. Academies will receive a further payment in April to cover the period April to August (this payment is made by the local authority, but is recovered from ESFA and is not taken from the growth fund DSG allocation).

5. Appendices

Appendix 1 – Growth Fund – Three Year Plan

Appendix 1 – Growth Fund Three Year Plan

				19/20 Rate	20/21 Rate	21/22 Rate	22/23 Rate		
Primary Rate				£3,962	£3,750	£4,000	£4,000	Academies are funded for 12 months due to academic financial year.	
Secondary Rate				£5,098	£5,000	£5,000	£5,000		
School	Expanding/bulge class	Additional Class size to be Funded	Proportion of Year	2019/20 Budget	2019/20 Actual	2020/21 Budget	2021/22 Budget	2022/23 Budget	Notes
Primary:									
Southcote	Expanding by 30 per year (to 90)	30	0.583333333	69,335	69,335				Full from September 19
EP Collier	Expanding by 30 per year (to 60)	30	0.583333333	69,335	69,335				Full from September 19
The Ridgeway	Expanding by 30 per year (to 60)	30	0.583333333	69,335	69,335				Full from September 19
The Ridgeway	Expanding by 30 per year (to 90)	30	0.583333333	69,335	0				Numbers fallen and to reduce admission number
Churchend ACADEMY	Expanding by 30 per year (to 60)	30	0.583333333	69,335	69,335	65,625			
Churchend ACADEMY	(met by DfE for April to August)	30	0.416666667	49,525	49,525	49,525	46,875		Full from September 20
New Town ACADEMY	(met by DfE for April to August)	30	0.416666667	49,525	49,525				Full from September 18
Contingency									
Secondary:									
Highdown ACADEMY	Expanding by 30 per year (to 250)	30	0.583333333	89,215	89,215	87,500	87,500		
Highdown ACADEMY	(met by DfE for April to August)	30	0.416666667	63,725	63,725	63,725	62,500	62,500	Full from September 21
Blessed Hugh	Bulge Year (PAN 150)	30	0.583333333		89,215				
The Wren ACADEMY	Bulge Year (PAN 180)	28	0.583333333		83,267				
The Wren ACADEMY	(met by DfE for April to August)	28	0.416666667			59,477			
Highdown ACADEMY	Bulge Year (PAN 250)	30	0.583333333		89,215				
Highdown ACADEMY	(met by DfE for April to August)	30	0.416666667			63,725			
TBD	2 x bulge years	60	0.583333333			175,000			
TBD	(met by DfE for April to August)	60	0.416666667				125,000		
New Schools (pre opening start up costs only):									
Green Park Primary				65,000	0	67,000			Opening September 2020
Rivermead Secondary							67,000		Opening September 2021
Total for Expanding Schools/Bulge Years				663,665	791,027	631,577	388,875	62,500	
Add: Total Growth Funding used in School Formula for new schools				1,248,149	1,248,149				
Civitas						132,584	140,000		Full from September 21
Green Park Primary						205,497	140,000	140,000	Opening September 2020
Rivermead Secondary							787,500	700,000	Opening September 2021
Total for New Schools				1,248,149	1,248,149	338,081	1,067,500	840,000	
Total to be met from Growth Fund Allocation				1,911,814	2,039,176	969,657	1,456,375	902,500	
FUNDING:									
DSG Schools Block Growth Fund Allocation				1,657,780	1,657,780	1,346,000	846,000	846,000	Assumes funding floor in 2021/22 & 2022/23
Top Slice from Schools Budget				91,259	91,259				
Carry Forward from Previous Year					37,040	-90,322	522,472	146,472	
Paid by DfE for Academies (April to August payment) via Recoupment Adjustment				162,775	162,775	236,452	234,375	62,500	
Total Estimate of Funding				1,911,814	1,948,854	1,492,129	1,602,847	1,054,972	
Surplus / (Shortfall)				0	-90,322	522,472	146,472	152,472	



Reading Schools' Forum

December 5th, 2019

Agenda Item

SEND Update

For decision

For discussion

For information

SUMMARY

This report provides an update on the SEND strategy

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1. Recommendations

1.1 NOTE: the SEND Strategy updates and the Preparing for Adulthood booklet.

2. Background

2.1 The SEND Strategy was agreed at the October 2017 meeting of the Schools' Forum; it was requested that regular updates regarding the progress of the SEND strategy would be brought to each meeting.

2.2 The SEND Strategy is refreshed on an annual basis with a wide range of partners, including parents, in order to share progress, identify areas for development, and agree priorities and work strands. The refresh this year took place in early October, in a multiagency workshop, with a priority of ensuring all partners understand their role in the delivery of the SEND Strategy, at an operational and strategic level, and to understand that everyone has a role in identifying and meeting the needs of children and young people with SEND. The workshop also updated the local area Self Evaluation Framework for SEND with partners and parents, which is being used to develop the SEND Strategy and the associated Strand priorities.

3. Progress in November 2019

3.1 It was agreed that data and communication will be central to each of the work strands.

3.2 Fiona Tarrant, Head of Communications and Marketing for BFFC, will be advising and helping with communication and presentation of materials.

3.3 There will be regular updates about SEND from Education, Health or Social Care at each of the Staff Briefings.

3.4 There will be 3 SEND events a year for schools, parents and partners. The first is 30th January 5pm-8pm

3.5 The SEND Service will be sending newsletters to schools for SENCOs in particular, to give updates about the service and SEND support and initiatives across the local area.

3.6 The SEND Service offers parent/carers the opportunity to book a sessions to meet a case officer to discuss any issue around SEND and the assessment process. These are held every Friday morning and are bookable through the SEND Service.

3.7 The 'Preparing for Adulthood Information Guide' for parents and carers is completed. It is beautifully presented (thank you Fiona) and was coproduced with the Reading Family Forum and MENCAP. It will be going out to all schools, with a recommendation to use it at all Y9 and Y11 Annual Reviews.

3.8 The Mental Health Support Team trailblazer is due to go live at the end of January. Preparations are going well and we have recruited nearly all the staff for the team. The MHST is currently piloting across 16 schools in the west of Reading, and is in addition to our Schools Link Mental Health project. As part of the MHST we are launching a Mental Health Surgery which will take place on a Wednesday morning as part of the One Reading Partnership Hub. Schools can refer in to this triage following a mental health surgery in their school; children, young people

can make self-referrals, and GPs and parents will also be able to refer. Updates on the Mental Health Triage will take place at the schools forum.

3.9 Social Care are actively developing their role in SEND and have a social care SEND Ambassador in place.

4. Summary

The SEND Strategy continues to be embraced by all partners and is being embedded across services. The Preparing for Adulthood guide will be distributed to schools and available on the Local Offer.