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TO: ALL MEMBERS OF THE SCHOOLS' FORUM

October 9, 2019

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Notice of Meeting – Schools' Forum

A meeting of the Schools' Forum will be held on **October 16, 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 June 27, 2019 including matters arising - Chair
3.	Schools' Forum Membership Update – including confirmation of representation and appointment of Vice Chair - Chair
4.	DSG Budget Monitoring 2019/20 Month 6 - including update on deficit recovery plan – Education & Schools Business Partner
5.	School Funding Update for 2020/21 – including arrangements for high needs and early years – Education & Schools Business Partner
6.	School Formula 2020/21 Initial Proposals – including possible funding scenario for illustrative purposes only – Education & Schools Business Partner
7.	SEND Strategy Update – Head of SEN
8.	Inclusion Fund Review – Head of SEN
9.	Maintained School Balances 2019 to 2022 – School Support Finance Lead
10.	Agenda items for next meeting <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

Next Meeting: December 5, 2019 at 5pm Civic Centre – Council Chamber



Minutes of Schools' Forum Meeting

June 27, 2019

Present

Jo Budge – Head Teacher for Blagdon/Caversham/New Bridge Nurseries, Jessica Wall – Governor for Caversham & New Bridge, Ita McGullion – Manager of Kennet Day Nursery, John Cosgrove – Head Teacher of Christ the King, Peter Kayes – Governor at the Ridgeway (Chair), Richard Rolfe – Governor at Micklands, Ann McDonnell – Business Manager of Blessed Hugh Faringdon, Isabelle Sandy – Business Manager of Kendrick, Ashley Robson – Head Teacher of Reading School, Rachel Cave – Head Teacher of Highdown, Ali McNamara - NEU

Apologies

Robert Howell – Head Teacher of Alfred Sutton, Justine McMinn – Head Teacher of E P Collier, Cathy Doberska – Head Teacher of English Martyrs, Tonia Crossman – Head Teacher of Emmer Green, Karen Edwards – Head Teacher of The Heights, Stieve Butler – Head Teacher of Meadow Park, Simon Utley – Head Teacher of Blessed Hugh Faringdon, Annal Nayyar – Finance Director of Bayliss Trust (Reading Girls), Tracey Green – The Avenue Finance Director, Mandy Wilton – Head Teacher of Cranbury College.

In attendance

Cllr Ashley Pearce – Lead Member for Education, Mark Fowler – Interim Director of Education, Claire White – Interim Education & Schools Business Partner, Vanessa Hurdle – Minute Taker, Clare Warren – School Support Lead, Richard Pearse – Head Teacher of Churchend.

#	Item	Notes
1	Welcome and apologies	The Chair welcomed everyone to the meeting. Apologies were noted.
2	Minutes of the meeting held on 14 th March 2019	Minutes were agreed from 14th March 2019. Ali McNamara noted that the minutes cited her as being from Unison rather than the NEU. Matters arising: The Director of Education post has now been filled. Dr Kate Reynolds will start in September '19.
3	Schools' Forum Membership Update –	It was confirmed that there are two vacancies on the Schools' Forum – one for academy primaries and the other for

	confirmation of representation	<p>maintained special schools.</p> <p>Membership of the Forum to be discussed further under the next item on the agenda.</p>
4	Schools' Forum constitution/terms of reference	<p>Claire White presented.</p> <p>Claire White explained that she had not been able to find a copy of the Constitution for the Schools' Forum.</p> <p>It is good practice to have a Constitution, which should consist of the following three parts:</p> <p>Terms of Reference Membership Procedures e.g. voting</p> <p>The membership of the Forum is important and should be reviewed annually. This would ensure that it meets the statutory requirements for membership. Maintained primary schools, maintained secondary schools, and academies should be proportionately represented. Representation for academy schools does not need to be split between primary and secondary.</p> <p>Table 1 cites the current representation of the Forum and a proposed revision to the membership breakdown, whilst Table 2 provides percentage split based on pupil numbers. Based on the January 2019 census, there are currently more pupils in the primary sector.</p> <p>It was queried if proportional representation had to be so strict. As Reading only has one maintained secondary school, this school has to have representation on the Forum. It is recommended that to achieve a more accurate balance, the number of academy members is reduced from eight to six. In order to achieve this, the primary academy vacancy would be removed. The academy sector could then be represented by two primary members and four secondary members. This would require one of the current secondary members to step down.</p> <p>Secondary academies have already discussed this issue. They were advised to discuss the matter further and to be aware that in time secondary schools will require more representation as their numbers increase. They should consult with all the academies and determine their membership before the next meeting in October. Whatever they decide will be accepted by the Forum. It was noted that any member, who stands down, could still attend as an observer or substitute.</p>

		<p>It was suggested that primary governors are under-represented and that the number should be increased from two to three.</p> <p>There is currently no member from the non-schools 16-19 provision, which should be addressed. A member will be sought from this sector, from Reading College or the Post-16 Partnership Forum. Ita McGullion questioned why a non-school representative was needed, rather than someone from a school. Peter Kayes confirmed that pupils in sixth forms will already be represented by the secondary members. Mark Fowler added that there are a wide range of post 16 providers and it was felt that this addition would add to the knowledge base.</p> <p>Terms of Office – It was suggested that all representatives should be members for three years. Previously it has been one year for Head Teachers and four for governors.</p> <p>Membership of the Schools’ Forum will continue to be reviewed annually. Although there had been no Constitution, the Forum had been meeting all regulations. The ESFA has been scrutinising Schools’ Forums across the country. In particular, the following areas have been looked at: membership, minutes, attendance lists, whether quorate, website – showing dates of meetings and the minutes. Reading’s School Forum complies fully with these expectations. The ESFA can also attend meetings if they wish.</p> <p>The Constitution and membership for 2019/20 academic year was approved.</p> <p>Actions: Academies to determine their membership and advise the school forum clerk before the next meeting in October.</p> <p>Mark Fowler to ask the Post-16 Partnership Forum to provide a representative for the non-school post-16 position.</p> <p>A primary Governor be sought to fill the new maintained primary school position.</p>
5	DSG outturn 2018/19 and DSG deficit recovery	<p>Claire White and Mark Fowler presented.</p> <p>The overall position at the end of 2018/19 is a carry forward deficit of £1.6m. The previous budget monitoring report presented to the Schools’ Forum in month 11 showed a £1.794m deficit. This also compares favourably against a deficit of £2.8m at the end of 2017/18.</p>

		<p>The deficit is split between four different funding blocks – schools, central school services, early years and high needs. The deficit falls in the high needs block and is offset by underspends in other blocks.</p> <p><u>Schools Block</u> The Schools Block was underspent by £273k. £196k of this underspend has already been earmarked for the growth fund in 2019/20, which has a shortfall. There is also a £40k underspend against the equality service as this service ceased in August 2018. It is intended to refund those schools, which paid into this service. The remaining £37k will also be added to the 19/20 growth fund.</p> <p><u>Central Schools Services Block</u> There were no variances in this block.</p> <p><u>Early Years Block</u> It was already budgeted that this block would underspend. The position at the end of 18/19 was an underspend of £607k, £241k more than expected. This £241k will be put towards the high needs block deficit. £366k will be carried forward within the early years block towards the 2019/20 budget and contingency.</p> <p><u>High Needs Block</u> This block showed an end of year deficit of £2.48m, a reduction of £0.376m from the deficit brought forward. The majority of the overspending is due to top-up funding. The number of pupils receiving top-up funding increased by 10% during the financial year.</p> <p>Reading is now required to submit a Deficit Recovery Plan to the ESFA. This has happened previously, but is now done more formally and for deficits greater than 1% of the DSG allocation.</p> <p>A five year Recovery Plan has been produced. Using this plan, the deficit will increase slightly, but will then start to drop from 2021/22. The number of places will continue to rise but the average cost of places should decrease as Reading develops more of its own provision. This includes encouraging inclusion in mainstream schools. Commissioning continues to be strengthened. Someone is currently in post working on this.</p> <p>A further 25 high needs places have been identified. Blessed Hugh Faringdon will be opening a new unit in July 2019. It is still intended that the new free school will open in 2020/21.</p>
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		<p>Two further resource units have also been proposed. John Cosgrove queried whether they will still open. It has not been established where they will be situated yet. One is required in the north part of the borough. They will not open before 2020/21. This will place more pressure on Blessed Hugh Faringdon or the use of out of borough places. It was felt that this matter should be addressed urgently and that the borough needs a secondary resource.</p> <p>Top-ups are still lower than in Wokingham or West Berks for autistic pupils. Places are expected to increase but not the amount of the top-up itself. Top-up funding is currently being reviewed. It has been proposed that there will be two levels of top-up in resources. In 19/20 the number of resource places will increase by five and then by ten in subsequent years. Reading has the final decision on how top-ups are dealt with. If they prove to be a challenge for the current funding level then the Schools' Forum will need to review the situation. It is likely that there will be a paper on this at the next Schools' Forum meeting.</p> <p>The overall carry forward of £1.6m deficit was agreed, including the proposed distribution/use of the carry forward per funding block.</p> <p>The Deficit Recovery Plan was agreed</p>
6	DSG budget 2019/2020	<p>Claire White presented.</p> <p>The DSG is not a fixed allocation for the year. The next update on the high needs and early year's allocations will be received in July. The original budget was based on the LAs own estimate. It will need to be monitored. Claire White to update the Forum at the meeting in October 2019.</p> <p>Table 2 details the breakdown of the allocation of the expected £76m DSG Funding between the four blocks. This shows that the original budget expected a deficit of £1.6m.</p> <p>The Growth Fund had been set for those classes that are expanding. Three secondary schools have now agreed to take a 'bulge' class. This will lead to an overspend in this area. There is no contingency funding in place.</p> <p><u>Early Years Block</u> – A contingency is needed for this block as it is difficult to make a reasonable forecast. Both funding and expenditure are based on the actual take up of places at a future date.</p>

		<p>No announcement has been made by the Government on the funding for nurseries. The current lump sum that nurseries receive is due to cease at the end of the summer term 2020.</p> <p><u>High Needs Block</u> – The Recovery Plan will needs to be monitored and reported at each meeting of the Schools’ Forum.</p> <p>The funding for 2020/21 will probably not be announced until Autumn 2019. It is highly unlikely that there will be National Formula Funding in the next few years.</p> <p>The DSG budget and pressures for 2019/20 was noted.</p>
7	SEND Strategy Update	<p>Mark Fowler gave a verbal report.</p> <p>There are five elements to the SEND Strategy:</p> <ol style="list-style-type: none"> 1. Data and Information to inform decision making The main reason for this group is the development of comprehensive Early Years data to inform planning and decision making. This is now very well-developed and the final draft will go to the SEND Strategy Board in July. 2. Early Identification through to provision This group has a wide range of members. Whilst co-production at a strategic level has significantly improved, more work needs to be done at the operational level. Actions are being implemented to improve the process of listening to the views of children and families, and also involving them in the next stages. Training is being developed and the uptake of this from schools and other establishments is being monitored. 3. Improving Emotional Wellbeing This area is concerned with the implementation of the Therapeutic Thinking Schools approach and the Trauma Informed Approach, as well as the Schools Link project next stage of implementation. It will ensure that information and the offer is co-ordinated with regards to supporting improved emotional wellbeing and mental health. The training and support for this is being very well received by schools. 4. Preparing for Adulthood An Approaching Adulthood Policy has been developed and

		<p>approved. The aim of this policy is to enable services to work together to identify early enough those children and young people who may need support to prepare for adulthood. The Policy has been produced using the experiences of young people and their families, who have already gone through this transition period. A Multi-Agency Approaching Adulthood Panel has been formed, which is responsible for identifying and monitoring those children and teenagers who may require continuing support as they enter adulthood.</p> <p>5. Review of Short Breaks Provision</p> <p>The group has been building on provision to support the offer, and now has good bonds with the Parks, Leisure and Culture sections. The Avenue School has greatly increased their offer, as well as the accessibility of their site for other clubs and users. The aim is to reduce the need for families to access higher cost Short Breaks.</p> <p>The updates to the SEND strategy were noted.</p>
8.	<p>Maintained School balances 2018/19</p>	<p>Clare Warren presented.</p> <p>School balances have increased from £1,951k to £2,245k. This is because schools have been more prudent in their spending due to uncertainty over funding levels and increasing staffing costs. A number of LAs in the south east are reporting an increase in balances.</p> <p>Eight schools ended 18/19 in deficit. St Anne’s Primary had the largest deficit. The school has now got a new Head Teacher and current budget monitoring is showing that the school’s financial position is improving. All of the other schools with deficit balances are being monitored and will be offered plans to improve their situation. The EFSA has offered to help nominated schools.</p> <p>The end of year school balances were noted.</p>
9.	<p>Maintained School budgets/deficits 2019/20</p>	<p>Clare Warren presented.</p> <p>Schools provide the LA with a three year budget plan. The current increase in teacher pensions is being funded for the first year, but the assumption is not after that. Schools are expecting to see a reduction in their surplus balances.</p> <p>Schools have queried whether it is up to the Schools’ Forum to address school balances/reserves. Up until October 2018 the</p>

		<p>Schools' Forum could clawback anything over 5% for primary schools and 8% for secondary schools, although to date the Forum had chosen not to do so as schools when asked had justified the reason for their balances and how they intended to use them. However, it was felt that there was an inconsistency in the regulations in this regard as academies could retain their full balance and needed to ensure they had an adequate level of reserves. It was felt that the same was true for the maintained schools.</p> <p>It was suggested that school budgets could be reviewed and compared to the schools' outturns. This would give an indication as to whether the balance was planned or 'accidental'.</p> <p>Six schools have set a deficit budget, and a strategy for schools in financial difficulty has been put in place.</p> <p>The 2019/20 school budgets and the strategy for schools in financial difficulty were noted.</p> <p>Actions: To bring back a report in the Autumn showing schools' three year budget plans.</p>
10.	<p>Agenda Items For Future Meetings</p>	<p>The next meeting will be held on Wednesday 16th October 2019 (5pm) at the Civic Centre – Council Chambers.</p> <ul style="list-style-type: none"> • DSG budget setting strategy for 2020/21 • Initial proposals for school funding formula for 2020/21 • High needs strategy update • Budget monitoring 2019/20 month 6
11.	<p>Any Other Business</p>	<p>The issue of primary school admissions was discussed. As primary pupil numbers decrease, this means that many schools are not filling their reception classes as they had in the past. It had been questioned whether there should be a special funding arrangement in place for any unforeseen pressures. This can only be dealt with through the de-delegation of funds for schools in financial difficulty which is an annual decision by the Schools' Forum, and will next be discussed in the Autumn. For the 2019/20 financial year this had been rejected by the Forum.</p> <p>This should not be confused with schools receiving funding from the Growth Fund for bulge classes which are coming to an end. Schools need to revert back to their original structure and make staffing adjustments accordingly. Maintained</p>

		<p>schools receive the funding for an additional 7 months after the additional bulge class has ended to support any necessary changes.</p> <p>The meeting closed at 18.40</p>
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Agenda Item 3:

SCHOOLS FORUM MEMBERSHIP						Oct-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 Nurseries	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					
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	Laura Ellenor	John Madjeski				
		Observer/Substitute	Jonathan Nicholls	UTC				
		Observer/Substitute	Andy Johnson	Maiden Earlegh 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					
* Chair								
** Vice chair								



Reading Schools' Forum

October 16, 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 6) 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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1. Recommendations

- 1.1 NOTE: The overall budget 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 new 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 after taking into account the latest high needs and early year's allocations that were published in July. 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.

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	20.477	-2.448	18.029	0.048
Total	123.357	-47.296	76.061	123.738	-47.301	76.437	0.376
18/19 Early Years adj.						0.068	0.068
Total Available						76.505	0.444

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

- Reductions in the 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 which will adjust 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. The difference in funding compared to our original estimate is £48k 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.

- 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.

4. DSG Budget 2019/20 Month 6 Position

- 4.1. Appendix 2 contains the 2019/20 budget and current (month 6) forecasts. This is split between the four funding blocks, and broken down by the main reporting lines for the DSG.
- 4.2. Appendix 3 contains brief notes on what is included in each line of the budget report.
- 4.3. 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 (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 6 (£m)	VARIANCE as at MONTH 6 (£m)
Schools Block	44.420	0.077	44.497	44.660	0.164
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	0.048	18.329	19.170	0.840
Repayment of Deficit	1.771		1.771	2.245	0.474
Sub Total – Net Expenditure	77.942	0.827	78.769	79.546	0.777
DSG Allocation	76.318	0.827	77.145	77.145	0
Balance Over/(Under) Allocated	1.624	0	1.624	2.401	0.777

- 4.4. The deficit forecast for the end of the financial year has increased compared to the budget by £0.777m from £1.624m to £2.401m. Due to planned ringfenced underspends 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, leaving £303k of net over spends. The major variances, risks and emerging pressures are highlighted per block in the following paragraphs.

5. Variances, Current Risks & Emerging Issues

- 5.1. Schools Block (SB)
 - 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 (due to like for like funding). The current difference in formula funding for business rates is £8k over. No rating revaluations have been notified to date.

- 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 may partly be offset by some of the budget no longer being required for primary, but there will still be an over spend of at least £156k. 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.

5.2. Central Schools Services Block (CSSB)

- Most of the central school services budgets are contributions 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. However, this block is required to find savings in future years.

5.3. Early Years Block (EYB)

- The majority of Early Years Funding (97%) is relating to the free early year's entitlement for 2, 3 and 4 year olds. The budget is based on the hours funded in the 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 kept aside as a contingency in 2019/20 (mainly from under spends in the previous year). 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.
- 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. The current monitoring shows the contingency as an under spend.

5.4. High Needs Block (HNB)

- The largest costs in the high needs block are 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	Number
January 2015	959
January 2016	1,002
January 2017	1,066
January 2018	1,175
January 2019	1,276

- The budget for 2019/20 was set in January based on the cost of on-going EHCPs at that time and predicted increase. This and the current top up forecasts and current number of EHCPs are shown in Table 4.

Table 4: Top Up Budgets and Forecasts 2019/20

Placement Type	Cost of Top Ups		Number of EHCPs	
	Budget £'000	Forecast £'000	Budget No.	Sep '19 No.
Special Schools	7,902	7,587	435	434
Resource Units	565	616	102	99
Mainstream	1,440	2,045	666	699
Further Education	793	675	Numbers included above	
Independent/NMSS	2,485	3,072	61	60
Alternative/Other*	699	0.730	47	63
Total	£13,884	£14,725	1,292	1,355

* Alternative/other costs will relate to all pupils placed in alternative provision (e.g. excluded pupils), not just those with an EHCP.

- The current top up forecast is £14.7m, which is £841k over budget. There *may* still be some pupils/students to be removed from the system who have now left.
- All other budgets within the high needs block are currently on-line, though depending on the outcome of the inclusion funding review, this budget may overspend if we continue to support mainstream schools based on the same criteria.

6. DSG Deficit Recovery Plan

6.1. Despite the continuing pressure of increasing numbers of EHCPs, costs are being driven down, and the overall position for the DSG is that in-year costs can be covered by the in-year grant. Transfers between blocks including using underspend from other blocks has helped bring the deficit in the high needs block down. Table 5 shows the high needs block deficit in recent years.

Table 5: High Needs Block Deficit

Year	In-Year £m	Cumulative HNB £m	Cumulative HNB net of other block underspends £m
2015-16 Actual	2.111	2.111	2.057
2016-17 Actual	1.171	3.228	3.228
2017-18 Actual	0.114	3.511	2.861
2018-19 Actual	-0.375	2.485	2.245

6.2. The main cost reduction measures in 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 number of pupils with EHCPs was introduced in September 2018 for a year's trial. The review of this has been undertaken and is in a separate report.
- The LA has also invested some funds to improve the SEND commissioning element that review SEND placements/contracts.

- A 0.5% transfer from the schools block to the high needs block was agreed for 2019/20, but no further transfers have been built into the plan. A transfer of funding will now be proposed for 2020/21 for the inclusion fund, though this is not built into the plan. It was also assumed and built into the plan that high needs funding would increase by 0.5% from 2020/21 onwards, whereas it is likely to increase by 8% in 2020/21.
- 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.

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 will review each plan to determine its viability and also establish areas where they can support local authorities to bring their deficits into balance. Feedback was due in September, but we have now heard that they won't be providing this due to the announcement on additional funding for high needs which may alter the plans significantly.

6.4. The impact of the current budget monitoring forecasts on the recovery plan is that it will take longer to repay the deficit. Table 6 provides the current deficit recovery plan compared to the original set at the beginning of this financial year.

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	19.169	19.629	19.239	18.849
High Needs Income	-18.428	-18.476	-19.681	-19.976	-20.276
High Needs In Year Deficit/(surplus)	-0.147	0.693	-0.052	-0.737	-1.427
Add B/F Deficit	2.245	2.245	2.401	2.350	1.613
Less Net Underspends in other blocks	-0.306	-0.537	0	0	0
Current Year End Position	1.792	2.401	2.350	1.613	0.186
Original Year End Position		1.792	1.612	0.952	-0.189

6.5. The plan now *assumes* an 8% increase in funding in 2020/21, and 1.5% increase to the revised base funding in the following two years. Expenditure has been increased by half of the additional funding in 2020/21, though there has been *no decision taken yet* on how the additional funding will be allocated, and this is for illustrative purposes only. The original planned savings of £390k per year from 2020/21 remain in this plan.

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	July 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
	313.0	313.0
Rate	£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
Additional funding for Special Free Schools		£155,553
actual funding rounding adjustment	-£550	£221
Gross Allocation	£20,423,500	£20,477,324
Recoupment - academy/post 16 places	-£2,442,490	-£2,448,324
High Needs Block Net Total	£17,981,010	£18,029,000
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	20,477,324
Early Years Block	12,079,080	12,407,000
TOTAL GROSS DSG ALLOCATION IN YEAR	£123,357,080	£123,738,655
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	£18,029,000
Early Years Block	£12,079,080	£12,407,000
TOTAL NET DSG ALLOCATION IN YEAR	£76,061,260	£76,437,001

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	0.008
2	Growth Fund	0.664	0.037	0.701	0.856	0.155
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	44.660	0.164
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	0.164	0.164
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	0.048	8.602	8.317	-0.285
29	Top up funding - Resource Units	0.565	0.000	0.565	0.616	0.051
30	Top up funding - Mainstream	1.440	0.000	1.440	1.988	0.549
31	Top up funding - Nursery	0.000	0.000	0.000	0.056	0.056
32	Top up funding - FE Colleges	0.793	0.000	0.793	0.675	-0.118
33	Top up and other funding - non maintained & independent providers	2.485	0.000	2.485	3.072	0.587
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	0.345	0.000
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	0.048	20.100	21.414	1.314
42	High Needs Block DSG Allocation	18.428	0.048	18.476	18.476	0.000
43	Balance Over / (Under) Allocation	1.624	-0.000	1.624	2.938	1.314
44	Total All Blocks Net Expenditure	77.942	0.827	78.769	79.546	0.777
45	Total DSG Allocation Available	76.318	0.827	77.145	77.145	0.000
46	Balance - Deficit / (surplus) In Year	1.624	-0.000	1.624	2.401	0.777
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	0.833	126.070	126.847	0.777
Summary of Changes:						
				£m		£m
	Original budget set (deficit)					1,624.000
	<i>Changes in budget</i>					
	Revised budget					1,624.000
	Original budget forecast £1.771m deficit to be repaid, actual is £2.245m			474.000		
	School formula business rates			8.328		
	Growth fund			155.327		
	Early years contingency			-700.400		
	Top Up funding - forecast overspend			840.321		
	Other HNB over/underspends			0.000		
	<i>sub total changes in forecast expenditure</i>					777.576
	Deficit to be c/f					2,401.576

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

October 16, 2019

Agenda Item 5

School Funding Update for 2020/21

For decision

For discussion

For information

SUMMARY

This report sets out the information we know so far about school funding for 2020/21, and the timetable for setting the budget.

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VERSION

Version number 1

DATE

October 16, 2019

REVIEW DATE

None

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1. Recommendations

- 1.1 NOTE: The funding changes that have been announced for 2020/21.
- 1.2 NOTE: The tasks and timetable for completing the 2020/21 budget.

2. Background

- 2.2 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 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 nursery schools, nursery classes in mainstream schools, and the free entitlement for 2, 3 & 4 year olds in early year’s settings in the private, voluntary and independent (PVI) sector.
 - Central Schools Services Block – funds services provided by the local authority centrally for all schools, such as the admissions service.
- 2.3 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.
- 2.4 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).
- 2.5 The operational guidance for the schools block (mainly detailing the school funding formula) was issued by ESFA in mid-September, but although this provides information on the formula and a small number of changes to be implemented, the detail around actual funding rates and an estimate of funding to be received by each local authority has not yet been released. Further information is expected from the Government during October for all blocks of funding, and the final schools, central school services, and high needs allocations will be published as always in December.
- 2.6 This report therefore sets out the basis of funding changes to be expected for 2020/21, the possible implications for Reading, and the tasks required and timetable for setting the budget.

3. Funding Announced for 2020/21

- 3.1. The implementation of the National Funding Formula (NFF) for mainstream schools will continue in 2020/21, though there is no confirmation when final implementation will take place; a number of local authority’s schools are still a long way off. Funding will continue to be distributed to local authorities using Primary Units of Funding (PUFs) and Secondary

Units of Funding (SUFs), based on the previous year's data. These funding rates have not yet been announced. The local authority in consultation with the Schools' Forum and all schools will then determine the local formula, with the aim to move closer to the NFF. Reading is currently very close to the NFF. It is not possible to replicate the NFF in the local formula because funding received/available for the school formula is unlikely to match funding required for the NFF due to the following reasons:

- Differences between the two years in the pupil characteristics driving the funding.
- Increase in business rates bills and other premises costs not matched.
- Growth funding requirements not met by the separate grant, and so a top slice is required.
- Funding transfers to other blocks (namely high needs).
- Overspends in the previous financial year are a first call on resources in the following year. This will only happen for business rates and growth funding.

- 3.2. The NFF will increase the core factor values by 4%, and there will be a minimum funding guarantee of 1.84% per pupil (in line with inflation), so if this can be replicated in the local formula this will increase individual school budgets significantly more than in previous years, which have been at a minimum funding guarantee of 0.5% per pupil. The minimum per pupil funding levels announced (£3,750 primary rising to £4,000 in 2021/22, and £5,000 secondary) include all pupil led funding, not just the AWPU. This will be compulsory in the local formula, but most schools in Reading are already receiving this level of funding; the schools that will benefit are those with a low percentage of pupils with deprivation and/or low prior attainment. Further information about the school formula is contained in another report.
- 3.3. Growth funding will be on the same formula basis as last year and with the same transitional protection. Under the formula, Reading lost funding last year, so the transitional protection applied – being a loss of no more than 0.5%. We can assume that this will also apply for 2020/21, though demand on this budget should reduce in 2020/21.
- 3.4. There will be 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 will have a minimum increase of at least 8% per head of age 2 to 18 population based on their 2019/20 allocation. This will deliver approximately an additional £1.8m to the high needs block assuming similar population numbers. This will be very helpful in improving current provision and reducing the deficit in this block. Consideration will need to be given on how this additional funding is allocated, bearing in mind the continual increase in numbers of pupils requiring additional support.
- 3.5. As always, there will be the requirement to review the number of high needs places to be funded, and to submit any changes to ESFA in November.
- 3.6. The Spending Review set out that there would be an additional £66m for early years, though there has been no announcement yet on the detail of how this will be allocated, including whether the formula will be updated for the premises and deprivation factors. This should however result in an increase in the hourly rate that all providers receive for 2, 3 & 4 year

olds, though the level of this increase is currently unknown. It is not yet known whether the maintained nursery school lump sum will continue beyond the end of this academic year, or whether other arrangements will be put in place for these schools.

- 3.7. There has been no announcement yet on the level of funding for the Central Schools Services block, which is expected in October. It was previously announced that funding for the historical commitments element would start to be reduced, and the approach to this will be announced in due course. If this reduces our allocation overall, savings will need to be found in this block.
- 3.8. A key decision to be made is whether to make a transfer of funding from the Schools Block to the High Needs Block. As in previous years, this is subject to a maximum of 0.5% of the total allocation with Schools' Forum approval, and following a consultation with all schools. Although there is additional funding to be received in the high needs block, there is a pressure in the inclusion fund (which is non statutory), and for which funding could be specifically transferred. Further information on the inclusion fund is contained in another report.
- 3.9. 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. Provisional Timetable for Setting 2020/21 Budget

- 4.1. Despite the delay in providing the required information on next year's budget, the usual deadlines will apply, leaving a shorter timescale to complete the work. Table 1 sets out the tasks and timetable for setting the 2020/21 budget.

Table 1: Provisional Timetable

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 respond to Government consultation on implementing mandatory minimum per pupil levels	Submission due to DfE by 22 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 15 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	5 December 2019

Needs Block. Schools' Forum review early year's and high needs budget options and agree strategy.	
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
Schools' Forum consulted on 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
Local Authority agrees school formula for 2020/21 and BFFC submits 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

October 16, 2019

Agenda Item 6

School Formula 2020/21 – Initial Proposals

For decision For discussion For information

SUMMARY

This report summarises the school formula arrangements for 2020/21, and sets out an approach for setting the 2020/21 formula for Reading schools.

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VERSION

Version number 1

DATE

October 16, 2019

REVIEW DATE

None

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1. Recommendations

- 1.1 NOTE: The basis of the school funding formula for 2020/2.
- 1.2 AGREE: The approach to setting the school formula for 2020/21.

2. Introduction

- 2.1 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). 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.
- 2.2 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 base value, the same minimum funding guarantee, and same minimum per pupil funding levels. Reading also receives an area cost adjustment of 1.03406 (ACA) added to each factor value, but only some formula factors have been increased to this rate, due to affordability.
- 2.3 The “Schools revenue funding 2020 to 2021 operational guide”¹ was published in September 2019. This details the funding formula for 2020/21 but does not provide the actual formula factor values. Also, the funding to be received has also not yet been published. These pieces of information are due in October.
- 2.4 This report therefore outlines the information we have received so far, and sets out a strategy for setting the schools funding formula for 2020/21.

3. Schools Block Funding Allocation

- 3.1. 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 and dividing by the previous year’s pupil numbers for each phase. These units are then fixed, and multiplied by the October 2019 census pupil numbers to give the final funding allocation in December.
- 3.2. 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 and what would have been allocated to schools through a NFF. The other differences are that business rates (funded at actual cost in the local formula) and other local premises costs are included in the schools block allocation at the previous year’s amount and not the updated allocation.
- 3.3. The schools block allocation will also need to fund any shortfall in the growth funding element of the grant, if the formula does not deliver enough. There is also likely to be an

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

over spend in growth funding in 2019/20 which will need to be funded from the 2020/21 allocation.

- 3.4. 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.
- 3.5. In moving to a full NFF, the ESFA has yet to determine how the above local issues can be incorporated, and is one of the reasons for the delay.
- 3.6. The calculation of funding that was available for the schools formula in 2019/20 is shown in Table 1. We are still waiting for the equivalent data for 2020/21 in order to make an estimate and see the comparison.

Table 1: Schools Block DSG Allocation

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

4. School Formula for 2020/21

- 4.1. There will be no change to the NFF factors in 2020/21. These are set out in Appendix 1. Although the factor values have not yet been confirmed, the following changes have been announced:
- 4% increase to the formula's core factors.
 - 1.84% minimum funding guarantee.
 - Mandatory minimum per pupil funding levels of £3,750 primary and £5,000 secondary.
 - No gains cap.
 - A technical change to the mobility factor using a formulaic approach.
- 4.2 An estimate of the funding formula values for 2020/21 is shown in Appendix 2 alongside recent years, showing how the Reading local values have moved closer to the national values.
- 4.3 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 (a summary is provided in Appendix 1).
- 4.4 The following strategy is proposed in setting the school formula:
- As Reading is already mirroring the NFF in terms of factors being used, no change is proposed to the factors.
 - The factor values are currently all, as a minimum, at the base NFF level (i.e. excluding the ACA), and it is proposed that this continues, which would see a 4% increase to the relevant factor values.
 - Set a minimum funding guarantee of the maximum allowed of 1.84%.
 - Set the mandatory minimum per pupil funding levels.
 - Don't apply a gains cap (none was applied in the previous 2 years).
 - Make changes to the mobility factor to mirror the NFF.

It is hopeful that these changes would be within the funding allocation, and Appendix 3 provides an illustration per school of what this might look like, assuming the same pupil numbers. Note this is NOT a proposed formula allocation and has made assumptions on formula factor values which have not yet been announced. Its purpose is to show how the formula allocates more additional funding to some types of schools than others if pupil numbers and other pupil characteristics in each school stayed the same year on year.

- 4.5 If further funding is available, an order of priority needs to be established. This would involve increasing some factors onto or towards the NFF values *including* the ACA. Due to the fact that the NFF has decreased standard pupil funding in Reading's primary schools (the AWPU) and increased additional needs funding (for deprivation, low prior attainment and English as an additional language), it is proposed that the priority is in increasing the AWPU up to the funding available. This would also reduce the number of schools receiving the minimum funding guarantee, and minimum per pupil level, bringing all schools up to similar per pupil levels for the base funding, with differentials based on additional needs.

5. Next Steps

- 5.1 Once the schools block funding PUFs and SUFs have been announced to enable an estimate to be made of the funding available, and the NFF formula factor values have been confirmed, models setting out options can be produced. This can hopefully be completed before the end of October.
- 5.2 A questionnaire will be sent to all schools to seek their views on the strategy, and if additional funding is available, which formula factor(s) should have their values increased. Views will also be sought on growth funding allocations, and transfer of funding to the high needs block. The deadline for return of the questionnaire will be 15th November 2019.
- 5.3 A final proposal will be brought back to Schools' Forum in December for discussion. This will be prior to final funding allocations being confirmed, but will set out how funding will be allocated to formula factors. The final formula will be built on the agreed basis and will be brought back to Schools Forum in January to view a few days before the submission date.

6. Appendices

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

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

Appendix 3 – Illustration of Possible Funding Scenario per School for 2020/21

Appendix 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).

Appendix 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 ESTIMATE	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	£2,856.88		
Secondary - KS3	£3,833	£3,862.65	£3,994.21	£3,863.00	£3,863.00	£3,995.00	£3,863.00	£4,017.52		
Secondary - KS4	£4,370	£4,385.81	£4,535.19	£4,386.00	£4,386.00	£4,536.00	£4,386.00	£4,561.44		
Deprivation:										
Free School Meals - Primary	£1,356	£440	£455	£440	£440	£455	£440	£448.80		
Free School Meals - Secondary	£2,791	£440	£455	£440	£440	£455	£440	£448.80		
Free School Meals Ever 6 - Primary	£0	£540	£558	£540	£540	£558	£540	£550.80		
Free School Meals Ever 6 - Secondary	£0	£785	£812	£785	£785	£812	£785	£800.70		
IDACI Band F (0.2 - 0.25) - Primary	£0	£200	£207	£200	£200	£207	£200	£208.00		
IDACI Band F (0.2 - 0.25) - Secondary	£0	£290	£300	£290	£290	£300	£290	£301.60		
IDACI Band E (0.25 - 0.3) - Primary	£0	£240	£248	£240	£240	£248	£240	£249.60		
IDACI Band E (0.25 - 0.3) - Secondary	£0	£390	£403	£390	£390	£403	£390	£405.60		
IDACI Band D (0.3 - 0.4) - Primary	£0	£360	£372	£360	£360	£372	£360	£374.40		
IDACI Band D (0.3 - 0.4) - Secondary	£0	£515	£533	£515	£515	£533	£515	£535.60		
IDACI Band C (0.4 - 0.5) - Primary	£0	£390	£403	£390	£390	£403	£390	£405.60		
IDACI Band C (0.4 - 0.5) - Secondary	£0	£560	£579	£560	£560	£579	£560	£582.40		
IDACI Band B (0.5 - 0.6) - Primary	£0	£420	£434	£420	£420	£434	£420	£436.80		
IDACI Band B (0.5 - 0.6) - Secondary	£0	£600	£620	£600	£600	£620	£600	£624.00		
IDACI Band A (over 0.6) - Primary	£0	£575	£595	£575	£575	£595	£575	£598.00		
IDACI Band A (over 0.6) - Secondary	£0	£810	£838	£810	£810	£838	£810	£842.40		
Prior Attainment:										
Primary	£649	£1,050	£1,086	£950	£1,022	£1,057	£1,022	£1,062.88		
Secondary	£912	£1,550	£1,603	£1,300	£1,550	£1,603	£1,550	£1,612.00		
English as an Additional Language:										
Primary	£679	£515	£533	£600	£515	£532	£515	£535.60		
Secondary	£1,367	£1,385	£1,432	£1,385	£1,385	£1,432	£1,385	£1,440.40		
Mobility (locally set - not in NFF)	£745	n.a.	n.a.	£1,000	n.a.	n.a.	£1,000			
Lump Sum	£48,480	£110,000	£113,747	£85,000	£110,000	£113,747	£112,455	£110,000.00		
Business Rates (Actual - locally set)	£1,147,157			£1,185,732			£1,222,072			
Exceptional Circumstances (locally set):										
Rents	£74,895			£74,895			£59,826			
Split Site	£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		
Secondary	n.a.	£4,600	£4,600	£4,600	£4,800	£4,800	£4,800	£5,000		
(KS3 only school)					£4,600					
(KS4 only school)					£5,100		£5,100			
Minimum Funding Guarantee	-1.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	1.84%		
n.b. Reading ACA is 1.03406										

Appendix 3 – Illustration of Possible Funding Scenario per School for 2020/21

This assumes same pupil numbers and pupil characteristics. This is NOT a proposed funding allocation, and should NOT be used as an indication of funding for 2020/21.

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	2,403,908	610	3,940.83	40,641	1.72%	66.62	1.72%
8702003	Caversham Primary School	1,606,427	452	3,554.04	1,719,427	452	3,804.04	113,000	7.03%	250.00	7.03%
8702005	Coley Primary School	1,023,908	234	4,375.67	1,039,975	234	4,444.34	16,067	1.57%	68.66	1.57%
8702006	E P Collier Primary School	1,356,118	328	4,134.50	1,380,347	328	4,208.37	24,229	1.79%	73.87	1.79%
8702007	Geoffrey Field Junior School	1,539,253	358	4,299.59	1,564,866	358	4,371.13	25,613	1.66%	71.55	1.66%
8702008	Geoffrey Field Infant School	1,192,072	269	4,431.49	1,211,510	269	4,503.75	19,438	1.63%	72.26	1.63%
8702016	Oxford Road Community School	1,029,222	236	4,361.11	1,046,698	236	4,435.16	17,476	1.70%	74.05	1.70%
8702018	Redlands Primary School	941,902	230	4,095.23	958,291	230	4,166.48	16,388	1.74%	71.25	1.74%
8702019	The Hill Primary School	1,603,725	447	3,587.75	1,717,743	447	3,842.83	114,018	7.11%	255.07	7.11%
8702020	The Ridgeway Primary School	1,710,515	386	4,431.39	1,734,339	386	4,493.11	23,824	1.39%	61.72	1.39%
8702021	Park Lane Primary School	1,542,011	413	3,733.68	1,585,624	413	3,839.28	43,613	2.83%	105.60	2.83%
8702024	Wilson Primary School	1,643,342	413	3,979.04	1,675,136	413	4,056.02	31,794	1.93%	76.98	1.93%
8702026	Emmer Green Primary School	1,622,488	451	3,597.53	1,718,970	451	3,811.46	96,482	5.95%	213.93	5.95%
8702027	Southcote Primary School	2,194,353	581	3,776.85	2,243,766	581	3,861.90	49,413	2.25%	85.05	2.25%
8702029	St Michael's Primary School	1,639,622	410	3,999.08	1,662,808	410	4,055.63	23,186	1.41%	56.55	1.41%
8702034	Moorlands Primary School	1,723,897	415	4,153.97	1,754,457	415	4,227.61	30,560	1.77%	73.64	1.77%
8702036	Thameside Primary School	1,592,088	408	3,902.18	1,622,088	408	3,975.71	30,000	1.88%	73.53	1.88%
8702226	Katesgrove Primary School	2,499,602	602	4,152.16	2,538,669	602	4,217.06	39,067	1.56%	64.90	1.56%
8702233	Caversham Park Primary School	787,638	204	3,860.97	801,717	204	3,929.99	14,079	1.79%	69.01	1.79%
8702234	Micklands Primary School	1,550,795	399	3,886.70	1,576,426	399	3,950.94	25,631	1.65%	64.24	1.65%
8702253	Manor Primary School	1,247,888	286	4,363.24	1,270,975	286	4,443.97	23,087	1.85%	80.73	1.85%
8703000	All Saints Church of England Aided Infant School	319,234	60	5,320.57	323,354	60	5,389.23	4,119	1.29%	68.66	1.29%
8703302	St Anne's Catholic Primary School	808,189	193	4,187.51	820,914	193	4,253.44	12,725	1.57%	65.93	1.57%
8703304	English Martyrs' Catholic Primary School	1,690,523	427	3,959.07	1,720,802	427	4,029.98	30,280	1.79%	70.91	1.79%
8703305	Christ The King Catholic Primary School	1,513,010	348	4,347.73	1,539,677	348	4,424.36	26,668	1.76%	76.63	1.76%
8703360	St Martin's Catholic Primary School	590,904	145	4,075.20	600,047	145	4,138.25	9,143	1.55%	63.05	1.55%
8703361	Whitley Park Primary and Nursery School	2,508,394	569	4,408.43	2,551,126	569	4,483.53	42,731	1.70%	75.10	1.70%
8705411	Blessed Hugh Faringdon Catholic School	3,915,798	762	5,138.84	4,064,595	762	5,334.11	148,797	3.80%	195.27	3.80%
8702002	All Saints Junior School	430,690	95	4,533.57	436,493	95	4,594.66	5,803	1.35%	61.09	1.35%
8702004	Meadow Park Academy	1,390,974	332	4,189.68	1,422,496	332	4,284.63	31,523	2.27%	94.95	2.27%
8702011	Battle Primary Academy	1,595,638	390	4,091.38	1,622,811	390	4,161.06	27,174	1.70%	69.68	1.70%
8702012	The Palmer Primary Academy	1,682,886	389	4,326.18	1,711,548	389	4,399.87	28,662	1.70%	73.68	1.70%
8702015	Civitas Academy	1,019,835	235	4,339.72	1,036,306	235	4,409.81	16,471	1.62%	70.09	1.62%
8702017	The Heights Primary School	1,077,565	307	3,508.04	1,154,357	307	3,758.04	76,793	7.13%	250.00	7.13%
8702025	Ranikhet Academy	966,392	213	4,537.05	989,713	213	4,646.54	23,322	2.41%	109.49	2.41%
8702028	New Town Primary School	1,071,397	248	4,320.15	1,089,795	248	4,394.33	18,398	1.72%	74.18	1.72%
8702031	Churchend Primary Academy	1,483,893	378	3,925.64	1,508,974	378	3,991.99	25,081	1.69%	66.35	1.69%
8702254	New Christ Church Church of England (VA) Primary School	811,732	183	4,435.69	824,454	183	4,505.21	12,722	1.57%	69.52	1.57%
8703300	St John's Church of England Primary School	1,571,075	416	3,776.62	1,597,735	416	3,840.71	26,660	1.70%	64.09	1.70%
8703301	St Mary and All Saints Church of England Voluntary Aided P	1,341,079	322	4,164.84	1,363,503	322	4,234.48	22,424	1.67%	69.64	1.67%
8704000	UTC Reading	1,171,975	214	5,476.52	1,212,682	214	5,666.74	40,707	3.47%	190.22	3.47%
8704001	Maiden Erlegh School in Reading	4,192,125	822	5,099.91	4,351,137	822	5,293.35	159,011	3.79%	193.44	3.79%
8704002	The WREN School	3,631,655	683	5,317.21	3,767,386	683	5,515.94	135,731	3.74%	198.73	3.74%
8704003	Reading Girls' School	2,307,869	402	5,740.97	2,379,191	402	5,918.39	71,322	3.09%	177.42	3.09%
8704020	Highdown School and Sixth Form Centre	5,512,584	1,141	4,831.36	5,740,784	1,141	5,031.36	228,200	4.14%	200.00	4.14%
8705401	Reading School	3,380,124	697	4,849.53	3,519,524	697	5,049.53	139,400	4.12%	200.00	4.12%
8705410	Prospect School	5,197,234	937	5,546.67	5,392,065	937	5,754.61	194,831	3.75%	207.93	3.75%
8705413	Kendrick School	2,316,941	479	4,837.04	2,412,741	479	5,037.04	95,800	4.13%	200.00	4.13%
8706905	John Madejski Academy	2,862,441	479	5,975.87	2,965,272	479	6,190.55	102,831	3.59%	214.68	3.59%
	PRIMARY TOTAL	54,283,539	13,382	4,056.41	55,541,846	13,382	4,150.44	1,258,307	2.32%	94.03	2.32%
	SECONDARY TOTAL	34,488,747	6,616	5,212.93	35,805,376	6,616	5,411.94	1,316,630	3.82%	199.01	3.82%
	TOTAL ALL SCHOOLS	88,772,285	19,998	4,439.02	91,347,222	19,998	4,567.78	2,574,937	2.90%	128.76	2.90%



Reading Schools' Forum

October 16, 2019

Agenda Item 7

SEND Strategy Update – October 2019

For decision For discussion For information

SUMMARY

This report provides an update on the SEND strategy

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VERSION

Version number 1

DATE

October 16, 2019

REVIEW DATE

None

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1. Recommendations

- 1.1 NOTE: the update.
- 1.2 NOTE: the recommendation that all schools and services include the SEND strategy in their service development plans in order to ensure SEND is everybody's business.

2. Background

- 2.1 It was agreed at the October 2017 meeting of the Schools' Forum 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 for 2019/20. The refresh this year took place in early October, in a multiagency workshop, with a priority of ensuring all partners understand their role in its delivery and 'making SEND everybody's business'. 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.
- 2.3 The progress, areas of development and Strands are summarised below.

3. Progress 2018/19 – context

- 3.1 There have been several important developments over the last year that are important in the SEND Strategy refresh and making SEND everybody's business:
 - Brighter Futures for Children working on behalf of RBC.
 - ONE Reading Partnership: a strategic alliance between Public Sector partners and Reading's voluntary sector and local community – with the shared aim of working together to improve outcomes for children, young people and families, reduce demand on high costs services and build resilient communities across our Town.
 - The jointly commissioned Mental Health Support Team trailblazer.

4. Progress 2018/19 – the Strands

4.1 Strand 1 – Data and Information to Inform Decision Making

Achievements:

- A comprehensive SEND Data Report which is updated annually and used to inform priorities.
- An Early Years section has been developed.

Developments:

- Post 16 data chapter is next.
- Regular reports to Schools' Forum.
- Link to Health data.

4.2 Strand 2 – Early Intervention through to Specialist Provision

Achievements:

- Worked with CYP and families around their views of mental health support.
- Autism training arranged 3 times a year for schools and settings.
- Trialling plan to make EHCPs more user friendly and develop coproduction in Plans.
- Coproduction with young people, parents and partners in setting up the Mental Health Support Team Trailblazer.
- Progress is being made in agreeing locations of 2 new SCD Resources in west and north of Reading. Working with Blessed Hugh Faringdon School on an audit of the needs of the pupils currently in The Base.

Areas for development:

- Co-production with parents and with other professionals in individual cases.
- Young people being involved in setting their own outcomes.
- Updating the Graduated response documents in line with the trauma informed practice.
- Primary resource in the North.

4.3 Strand 3 – Improving Emotional Wellbeing

Achievements:

This is now a joint working group across the SEND Strategy partners and the ONE Reading partners as it is an agreed priority across all partners in Reading.

- Mental Health Support Team (MHST), including mental health triage that CYP will be able to self-refer to, soft launch Sept 2019 and will be live in January 2020;. School Links Mental Health Project (SLP) take up by 95% of all schools in Reading.
- Therapeutic Thinking Schools: 8 schools NOT signed up; 3 Beacon schools and group to develop a therapeutic centred behaviour policy. Other professionals and teams trained in the approach. 25% decrease in fixed term exclusions at primary level since the training.
- Trauma Informed practitioner has been jointly commissioned by ONE Reading to work across Reading. Training in this approach has is underway across teams in Reading.
- Focus on vulnerable populations.

Areas for development

- Mental Health Strategy being co-developed.
- Mental Health triage in development.

4.4 Strand 4 – Preparing for Adulthood

- Since July 2018 – we have transitioned all 18 – 25 cases to Adult Social Care that were previously sat within children’s services; We have started transition work with 17 year olds and the vision is to discuss 14+ age group.
- We have developed the Preparing for Adulthood Policy and Pathway .
- We have set up a team called Preparing for Adulthood, this has increased from 2 to 7 staff.

- We have reviewed everyone in our Alexandra Road Property to ensure we are maximising the purpose of the house.

Developments needed:

- We need to get better at making sure the outcomes stated on Education, Health and Care Plans are reflected in social care assessments.
- We need to get better at planning EHCP reviews with education to make sure we can attend and provide feedback.
- We need to work with commissioning to look at alternatives to support workers.
- One way could be to increase the number of direct payments, to allow greater flexibility to young people about how they source support.

4.5 Strand 5 – Review of Short Breaks Provision

- We have listened to parents / carers and young people to identify gaps (continuing).
- We have worked with the Avenue School to develop and publicise their offer.
- Colleagues across Culture, Leisure and Parks are working with us to build accessible universal and targeted opportunities for SEND.
- We have co-commissioned with Cultural Services a new cultural short breaks offer.

5. Strand 2019/20

The SEND Refresh has agreed that the Data work strand should be embedded in each of the other strands, and that coproduction, engagement and communication run through all the SEND Strategy work as a priority. Areas for development include improved communication with and engagement with all partners and parents to ensure SEND is everybody's business.

6. Special Free School

Bids have been submitted and we will be using DfE guidelines to select preferred bid. DfE announced interviews will now be held in March 2020 following initial analysis of the bids.

7. Next Steps

It is recommended that all settings and partners include references to the SEND Strategic developments for CYP in their service development plans to ensure effective communication and making SEND everybody's business.



Reading Schools' Forum

October 16, 2019

Agenda Item 8

Inclusion Fund Review – Autumn 2019

For decision For discussion For information

SUMMARY

This report reviews the inclusion fund and makes a proposals for its continuation for the remainder of the current year and for the next financial year.

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VERSION

Version number 1

DATE

October 16, 2019

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None

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1. Recommendations

- 1.1 NOTE: the questionnaire responses.
- 1.2 AGREE: the continuation of the fund to the end of this financial year (March 2020) with no changes (other than updating the relevant data).
- 1.3 AGREE: going out to consultation with schools on top-slicing an amount from the schools block DSG to pay for this fund from April 2020 for financial year 2020/21, and with a view to increasing the level of funding going to schools from this fund in 2020/21 financial year.

2. Background

- 2.1 The purpose of the Inclusion fund is to financially support inclusive mainstream schools that have a higher percentage of pupils with EHCPs i.e. to cover the first £6k of additional costs which is paid from formula funding, but that schools with lower percentages would not incur. This is separate from top up funding which is agreed for each individual pupil for their needs above £6k. The fund will help schools to have in place what they need to keep/admit pupils with high needs where a parent / carer wants it, who would otherwise need to be placed in more expensive specialist provision.
- 2.2 In July 2018, the Schools' Forum determined new criteria for the allocation of this funding as follows:
 - The aim of this additional funding is to support schools with a larger percentage of pupils with EHCPs.
 - Funding is targeted to those schools that have a higher percentage of EHCPs than the local authority statistical neighbour average for that phase. For 2018/19 the statistical neighbour average has been 1.6% primary and 1.7% secondary.
 - Only the number of pupils above that percentage are counted (but as a proportion, not in whole numbers of pupils).
 - The amount is recalculated using census data for each term (October, January and May).
 - Funding is paid retrospectively for that term - for each additional FTE pupil £6,000 pro rata for the number of days in that term. (£6,000 is the amount all schools contribute towards the provision identified in the EHCP),
 - This funding is for mainstream only. For schools with specialist provisions, the numbers of pupils in that specialist provision are deducted as these schools already receive base funding for these places.
- 2.3 The payments made for the full academic year (2018/19) totalled £331k (against a budget of £250k) to 24 schools, with the numbers of pupils with EHCPs increasing during this period in 15 of these schools, as shown in Table 1.

Table 1: Inclusion Fund Payments Academic Year 2018/19

School	Total Inclusion Funding Received for Academic Year 18/19	Autumn '18 No. of pupils with EHCP	Summer '19 No. of pupils with EHCP	Summer '19 % of pupils with EHCP
Alfred Sutton Primary School	£61	8	10	1.61%
Caversham Primary School	£25,124	12	11	2.46%
Christ The King Catholic Primary School	£20,957	9	8	2.52%
E P Collier Primary School	£19,963	9	8	2.53%
English Martyrs' Catholic Primary School	£35,252	13	13	3.06%
Manor Primary School	£10,590	4	10	3.39%
Meadow Park Academy	£8,210	5	7	2.10%
Micklands Primary School	£2,900	6	8	1.98%
Moorlands Primary School	£443	5	7	1.65%
New Town Primary School	£72	4	4	1.53%
Oxford Road Community School	£3,251	4	5	2.11%
Redlands Primary School	£1,678	4	4	1.69%
Southcote Primary School	£1,617	10	8	1.36%
St Anne's Catholic Primary School	£13,320	5	6	3.09%
St John's Church of England Primary School	£29,970	11	12	2.92%
St Martin's Catholic Primary School	£7,501	3	4	2.61%
St Michael's Primary School	£2,578	7	7	1.69%
Thameside Primary School	£64,523	16	19	4.70%
The Heights Primary School	£19,216	7	8	2.91%
Whitley Park Primary and Nursery School	£18,295	9	17	2.97%
Blessed Hugh Faringdon Catholic School	£11,834	14	15	2.02%
John Madejski Academy	£19,562	11	12	2.56%
Maiden Erlegh School in Reading	£4,068	14	12	1.68%
The WREN School	£9,893	11	12	2.04%
Total payment	£330,878	201	227	

n.b. percentages may have been higher in earlier terms which generated a payment.

- 2.4 This method of allocating inclusion funding was a trial for one year (academic year 2018/19), and now needs to be reviewed to ensure that it is meeting its intended purpose. All mainstream schools were invited to complete a questionnaire in order to help inform this review and to determine if and how this fund will be operated in the 2019/20 academic year.

3. Questionnaire Responses from Schools

- 3.1. Appendix 1 contains in full the responses received from schools. 12 schools out of a possible 49 sent in responses, just under 25%. 15 out of the 24 schools currently receiving this funding *did not* reply.
- 3.2. The main conclusions that can be drawn from the responses are:
- Schools have stated that they have no influence on whether they accept a pupil with an EHCP.
 - Receipt of the funding has been very much appreciated and been used to improve the provision where possible, which would have otherwise been difficult.

- Overwhelming support for the fund to continue. Removal of the fund would have a negative impact on both the quality of provision and on the finances of the school.
- A mixed response on the criteria used for the allocation of the funding, but the comments reflect a misunderstanding of how the calculation works. It is to pay towards the first £6,000 which is common to all pupils with an EHCP, and is separate to the calculation of top ups which is paid in relation to an individual pupil's needs. Linked to this, there is also a misunderstanding of the significance of using proportions/percentages – a school with a larger number of pupils will be receiving more SEN funding in their main formula funding for the first £6k, so the additional funding has to be based on overall percentages of pupils, and not actual numbers.
- Most schools felt that the budget should be increased, but only 2 schools out of 6 thought it would be fair to top slice this from the schools block.

3.3. Other comments made were more to do with the EHCP system than specifically inclusion funding, so outside the scope of this review. The comments are however useful to know.

4. Proposal for Remainder of 2019/20 and 2020/21 Financial Years

- 4.1. It remains a priority to encourage inclusion in mainstream schools, mainly for where this benefits the pupil, but also for the financial value it offers. Data shows that the numbers of pupils with EHCPs in mainstream schools have gone up, and some schools have taken higher numbers through using this funding to facilitate the resources required.
- 4.2. We should however ensure that all schools that develop their inclusive practices to enable admission of more pupils with additional needs are fairly funded. The current method does address helping to meet the first £6k of an EHCP in a fair and transparent way; what can be considered for change is the percentage threshold (currently the local authority statistical neighbour average).
- 4.3. There is currently £250k set aside in the budget. £331k was spent in 2018/19 academic year, so the budget is already overspending using the current percentage threshold.
- 4.4. It is considered that in order to be fair to schools that have a higher percentage of pupils with EHCPs (who will have increased costs compared to other schools), this fund should continue, and that the percentage threshold above which they receive funding should not increase.
- 4.5. For Autumn term 2019 and Spring term 2020 it is proposed that the same method will apply, even though this will most likely result in an overspend and will increase the high needs block deficit for the current financial year. A slight amendment is that schools with resource units will have the number of *places* in the unit deducted rather than pupils, as they currently receive base funding for all places whether or not they are filled.
- 4.6. From Summer term 2020 (and for the 2020/21 financial year) it is proposed to top slice funding from the schools block Dedicated Schools Grant (up to 0.5% is permitted with Schools' Forum approval). If more than £350k is transferred this will allow for a small

increase to the funding being received by schools and increase the number of schools receiving this funding (by decreasing the percentage threshold above which funding is received). In effect, this means that all schools are contributing into the fund and this is then distributed to those schools that have the need. This will then no longer impact on the high needs block deficit, which should only reflect the statutory provision. This will be subject to consultation with all schools, with a final decision to be made by Schools' Forum in December 2019. Without this transfer, it may not be possible to continue with this fund.

- 4.7. Note that this does not address top up funding levels, which is outside the scope of this review, but will be considered in due course.

5. Appendices

Appendix 1 – Questionnaire Responses

Appendix 1 - Review of the Inclusion Fund - Questionnaire Responses

Name of Schools Responding:
Caversham Primary
English Martyrs
E P Collier
Geoffrey Field Infant
Katesgrove
Meadow Park
Oxford Road
Park Lane
Thameside
The Heights
Whitley Park
The Wren
12 out of 49 (24.5%)

Schools who received this funding in 2018/19:

1. Does receipt of this funding influence your decision on taking additional pupils with EHCPs?	YES: 1 out of 9 (11%) NO: 8 out of 9 (89%)
2. Are there any other factors which influence this decision?	<p>In reality, we do not choose if we take pupils with an EHCP or not.</p> <p>The type of need the child has and whether we have the appropriate physical space for the child.</p> <p>We ALWAYS put the needs of the children first. The funding has been extremely helpful, but if we weren't in receipt of additional funding, we would never compromise the needs of a child due to funding. We will find a way to deliver a child's EHC plan somehow. There would be a negative impact on Non-EHCP children support. Our financial status as a school is in a challenging position, as is everyone's.</p> <p>We don't have an option of which children to take. I don't understand this question. If we are named on the EHCP we get the children. If new to the area we are informed by SEN there is no option but to take. Funding plays no part in the discussion.</p> <p>Staff training and ability to meet provision outlined in EHCP</p> <p>Places are allocated through admissions. A decision would need to be made on what provision best supports the child and whether this can be offered, This would include finances but extra money does not ALWAYS</p>

	<p>mean that you can get the right provision for a child. It depends on what exactly they need. Whether or not we can meet their needs within our mainstream setting.</p> <p>Are we able to meet their needs; do we have the resources in place; is there top up funding attached to the EHCP.</p> <p>As far as I am aware schools do not have a choice? Factors that influence whether or not schools are able to put in place the correct provision for additional EHCP children are: resources primarily staffing but also specialist resources and or training relating to individual needs eg: insulin administration; Impact on the learning of other SEND pupils in a class where there are a high number of EHCP in the same class; Teacher experience and expertise, where recruitment and or budget necessitates employing higher than average number of NQTs who in the early stage of their careers do not necessarily have the experience or expertise needed.</p> <p>School's are not able to make decisions about taking additional pupils with EHCP's as it is the parents who make that decision. It is increasingly challenging to try to meet the needs of all the children we have with high needs with the budget constraints we're experiencing.</p>
<p>3. How have you used the funding, and has it had any impact on</p> <p>a) Outcomes for the pupil?</p>	<p>Funding is used to manage the whole school budget. 1 to 1s where needed would be allocated regardless so pupil outcome is not changed by funding. However, additional interventions could be added for pupils where deemed beneficial.</p> <p>We have used the funding to support alternative provision to avoid exclusions, we have used it to support additional educational support (not all 1:1) we have used some of it to part fund a sensory room.</p> <p>We had 13 children with EHCPs, that is £78,000 of our 'SEN budget' before we get any additional funding from the borough. We have managed to retain LSAs with specialist qualifications in S&L, OT and Play Based Therapy to ensure that our EHCP children receive the support set out in their plans. Our other SEN children have continued to make progress without having reduced or withdrawn support from available adult</p>

	<p>resources.</p> <p>Able to subsidise part time hours for 1 member of staff in order to help support 2 children with EHCP.</p> <p>Yes it has improved outcomes for children as we have been able to offer therapeutic support that would not have been in our budget.</p> <p>The funding has enabled us to employ a specialist SEND teacher for our provision which has hugely improved outcomes for both the children accessing the provision and their peers. It has hugely benefitted the children’s wellbeing – much calmer and far fewer behavioural incidents. The funding has also enabled us to set up our new Garden Room facility to support children across the school. We found the funding really helpful. We used it to pay for additional TA who worked very closely with two of our children with EHCPs.</p> <p>We have used the funding to buy in additional EP time, to include EP surgeries and staff training.</p> <p>We used the funding to extend one TA’s hours on a fixed term basis. It has allowed us to extend our literacy intervention work.</p>
<p>b) The school’s overall financial position?</p>	<p>Without the funding, the school would be projecting a deficit budget.</p> <p>Without this money support role would not be financially viable.</p> <p>Money by no means covers what the school puts in we just use it to lessen the impact on the budget.</p> <p>We are not yet in deficit.</p> <p>It has had a little impact on the budget but not greatly as this is additional money we would have had to find from other budget areas so it means we have been able to maintain provision for the general school population to a degree that that we are happier with. The cost of high needs SEN children is not covered by the additional funding although it is gratefully received!</p> <p>Yes, it has helped the school’s overall financial position</p> <p>It has had no impact on the overall financial position of the school due to its minimal nature</p> <p>No impact on the school’s overall financial position. At a time when we are experiencing</p>

	much higher and more complex needs, we also forecast a deficit budget within the next couple of years.
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Schools who did not receive this funding in 2018/19:

1. Knowing that this fund exists, would it influence your decision to take pupils with EHCPs?	YES: 1 out of 2 (50%) NO: 1 out of 2 (50%)
2. Are there any other factors which influence this decision?	The needs of the pupils and having staff with the training to meet the pupil's needs. Environment - the school environment being suitable for the pupil. Current needs within the school Head Teachers are unable to influence this decision in real terms.
3. Do you think that taking pupil's with EHCPs has a negative impact on the schools overall financial position?	YES: 2 out of 2 (100%) NO: 0 out of 2 (0%)

All Schools:

4. Do you think that this fund should continue?	YES: 10 out of 10 (100%) NO: 0 out of 10 (0%)
5. What would be the impact within your school if the fund was to cease?	It would affect our budget which could affect provision. Staff redundancies or non-renewal of contract Even less funding and more pressure on the budget. All pupils suffer as learning resources and need to look at staffing restructure. We would struggle to provide the quality of education for all children that we aspire to. It may well lead to higher exclusion rates as support levels would be compromised and there would be an impact on staff health and well being. Deficit position would be worse than currently predicted. Prioritisation may have to be given to TA support depending on extent of EHCP needs We would be less able to meet the needs of our EHCP students which could lead to more requests for a, more expensive, change of placement for the LA. It would be catastrophic to an inclusive

	<p>school such as ours with regards to outcomes for all of our children and wellbeing for staff and pupils.</p> <p>Provision for children with EHCPs will be compromised and/or provision for non EHCP SEN children will be compromised as resources are stretched further; The list of children awaiting EP assessments as part of the EHCP submission process will increase even further; Negative impact on work load of class teachers and as a result their well being.</p> <p>We have not yet benefited from this fund. We would benefit from a quicker turnaround within the EHCP process. Funding often becomes available as the child is about to move to Year 3.</p>
<p>6. If the fund continues, should there be any change to the criteria or the way it is distributed, bearing in mind it needs to be simple, transparent and fair to all, using readily available data?</p>	<p>YES: 5 out of 10 (50%) NO: 5 out of 10 (50%)</p> <p>Current method does not account for the context/ needs within each EHCP- the needs identified in Bands A-D need to be reflected in the pro-rata process.</p> <p>It seems that some schools cope more in house with children with additional needs rather than go through EHCP route. This is then to their detriment with funding.</p> <p>The number of EHCP's does not reflect the needs of students, thus disadvantaging schools with less EHCP's. The number is not as relevant as the level of need outlined within a EHCP and the provision that is detailed. Also by having percentages you are disadvantaged if you are a larger school.</p> <p>We disagree with criteria 3) as it unfairly disadvantages larger schools – the funding should be based on the whole number of pupils above the %, NOT the proportion that those pupils represent in relation to the NoR. An additional x4 EHCP pupils above average % should attract additional inclusion funding irrespective of the size of the school.</p> <p>Looking at the available data within this review, it is difficult to ascertain the mechanisms on which the funding is calculated for each school. For example, The Wren and John Madjeski have the same number of students with EHCPs in both Autumn '18 and Summer '19 and yet JMA</p>

	<p>received approximately £10,000 more than The Wren. We understand that JMA has a higher total number of roll than we do, yet with the same number of EHCPs, our percentage is smaller than theirs. There are also other schools with significantly more funding with the same statistics, so we do question how transparent and fair the “calculations” are.</p>
<p>7. The budget for this fund in 2019/20 is £250,000 (from the High Needs block), and to keep within this budget the criteria would need to be amended e.g. changing the percentage above which payments are made.</p> <p>a) Do you think the budget should be increased in order to support schools with the funding they need where they have comparatively higher numbers of EHCPs than other schools?</p> <p>b) If yes, would you be prepared to accept a top slice from the Schools Block budget (in 2020/21) to specifically pay for inclusion funding?</p>	<p>a) YES: 8 out of 10 (80%) NO: 2 out of 10 (20%)</p> <p>b) YES: 2 out of 6 (33%) NO: 4 out of 6 (67%)</p>

Other comments made on inclusion funding:

We are really grateful for the Inclusion Funding that we currently receive – it is only through this that we are able to support the pupils that we have on roll, a number of whom are currently awaiting places at special school.

I think that Reading really need to look at the banding that they are allocating when an EHCP is given. There are times when children are given Band A funding although this does not reflect the provision outlined in the EHCP.

When looking at the number of EHCP’s the inclusion panel should take into account the banding level of the EHCP and whether the child with a EHCP is awaiting specialist placement. It should also take into account the number of pupils with EHCP awaiting confirmation (currently we have some which are 70 days over-due from the final date of confirmation)

We are not starting from a level playing field so it will be very difficult to resolve this issue. The crux of the issue is SEND provision is grossly underfunded and this has a severe impact on children’s futures.

In response to Q7b Inevitable- those schools not having to cope with high needs in school need to support those who are!

There is an issue around certainty of this funding and of its timely payment. In order for us to make best use of this funding, we would appreciate clarity around what monies to expect and when we would receive them. This would allow us to plan a longer term strategy to meet the needs of these high-level students.

A disproportionate amount of time has been spent by our Bursar over the last few years tracking and chasing up funding. The system is clumsy and opaque, and to be absolutely honest we are never completely sure that we have received the funds that each child with an EHCP is entitled to. SENDCo capacity to complete EHCP paperwork, the number of EHCPs in our school does not in any way

reflect the actual high level needs. This academic year we have identified x26 children on pathway whose EHCP requests need to be written as soon as possible, x7 children who we need to prioritise for EP and who may well join the EHCP pathway as a result, x13 pupils who have EHCPs but banding needs to be looked at through early Annual Review process because of the specialist support that needs to be in place for them, x8 children requiring regular Annual Reviews. EHCP paperwork delay during this academic year meant that we missed the 1.6% EHCP in May. Pupils who join from Nursery schools with no prior involvement from professionals are a concern.



Reading Schools' Forum

October 16, 2019

Agenda Item 9

Maintained school balances 2019-2022

For decision

For discussion

For information

SUMMARY

This is to report the 3-year budget balances for maintained school for 2019-20

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VERSION

Version number 1

DATE

16 October 2019

REVIEW DATE

N/A

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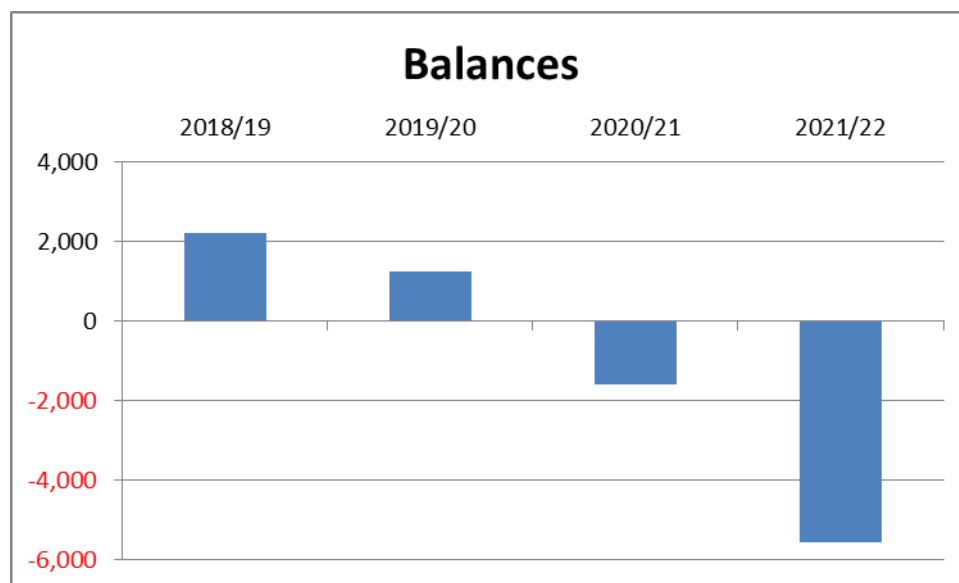
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1. Summary

1.1 Overall the school's carried forward balances have decreased:

- +£2,212k in 2018/19
- +£1,252k in 2019/20
- -£1,595k in 2020/21
- -£5,544k 2021/22

These balances do not include schools where data is not available due to undergoing changes such as federation and academisation.



Overall school balances are budgeted to sharply decline due to:

- Teachers' pay increases; at the time of budget setting the grant had only been confirmed until March 2020 and therefore schools were cautious and assumed this funding would not continue. However it is likely the grant will continue or be funded through the Delegated Schools Grant.
- This is also the case for the teachers' pension increases.
- In the Spring it was also expected that there would be no increases in funding as Reading Schools are already close to the National Funding Formula levels, and the schools may have been quite prudent with regards to pupil numbers.
- No expertise from the LA/BFFC to assist schools in their budgeting process as there is no school support SLA.

1.2 Since budgets were sent in the Spring time we now have information that there will be additional funding which are referred to in agenda items 5 and 6. Teachers' pay and pension increases are to be covered, and there are also possible increases in top-up funding and Early Years hourly rates.

1.3 It is also likely that schools will identify further savings and efficiencies over time such as through changes in staffing, taking advantage of improving technology and negotiating more favourable deals for contracts.

- 1.4 However there is also concern of falling pupil numbers in Primary Schools as recent bulge classes are now moving into Secondary education, the impact of Brexit as some families choose to leave the UK as well as the impact of lack of investment in IT and buildings as schools seek to try and balance their budgets.
- 1.5 It should also be noted that schools will tend to budget to spend both in year income and any surplus brought forward, but often the final balances are much better e.g. in 2018/19 budgeted carried forward for all maintained schools totalled a surplus of £745k whereas the actual carried forward surplus was £2,245k. It is for this reason that we have not given balances by school but just an indication of overall balances for maintained Schools in Reading.
- 1.6 We have recently put in place the Strategy for Schools in Financial Difficulty to outline the support available to schools and will monitor closely school balances to offer this in a timely manner. We have also recently worked with the ESFA's School Resource Management Advisor to utilise the new SFVS dashboard and develop tools for providing further help to schools should they need/request this.