



Prof Dr Kate Reynolds
Director of Education

Civic Officers, Bridge Street, Reading,
RG1 2LU

Direct: 0118 937 4717
E-mail: kate.reynolds@brighterfuturesforchildren.org

TO: ALL MEMBERS OF THE SCHOOLS' FORUM

June 18, 2020

Your contact: Claire White, Schools/DSG Business Partner

Tel: 0118 937 4161

E-mail: claire.white@brighterfuturesforchildren.org

Notice of Meeting – Schools' Forum

A meeting of the Schools' Forum will be held on **July 2, 2020 at 5pm. This will be held virtually using Microsoft Teams, the link will be sent via email.** The Agenda for the meeting is set out below.

AGENDA	
1.	Welcome and apologies - Chair
2.	Minutes of the meeting held on March 12, 2020 including matters arising - Chair
3.	Schools' Forum Membership Update – including confirmation of representation - Chair
4.	Schools' Forum Constitution/Terms of Reference for 2020/21 – Schools/DSG Business Partner
5.	DSG Outturn 2019/20 – including update on deficit recovery plan - Schools/DSG Business Partner
6.	Maintained School Balances – School Support Lead
7.	DSG Budget 2020/21 - including update on top up review and inclusion fund – Schools/DSG Business Partner
8.	SEND Update – Head of SEND
9.	Scheme for Financing Schools Update – Schools/DSG Business Partner
10.	Agenda items for next meeting <ul style="list-style-type: none"> • DSG budget setting strategy for 2021/22 • Initial proposals for school funding formula for 2021/22 • Budget monitoring 2020/21 month 6 (including update on deficit recovery plan) • SEND update • Top Up funding review
11.	Any other business

Next Meeting: October 15, 2020 at 5pm Civic Centre – Committee Room 4a/4b



Agenda Item 2

Minutes of Schools' Forum Meeting

March 12, 2020

Present

Jo Budge – Executive Head Teacher of REYS Federation, Julia Cottee – Governor at REYS Federation, Justine McMinn – Head Teacher of E P Collier, Cathy Doberska – Head Teacher of English Martyrs, Sarah Bernto – Head Teacher of St Anne's, Peter Kayes – Governor at the Ridgeway (Chair), Richard Rolfe – Governor at Micklands, Dani Hall – Governor at Oxford Road, Karen Edwards – Head Teacher of The Heights, Jane Brown – Business Manager of Churchend School, Isabelle Sandy – Business Manager of Kendrick, Symon Cooke - Head Teacher of The Avenue, Ita McGullion – Manager of Kennet Day Nursery, Mark Hester – Business Manager of Cranbury College,

Apologies

Robert Howell – Head Teacher of Alfred Sutton, Tonia Crossman – Head Teacher of Emmer Green, Simon Utley – Head Teacher of Blessed Hugh Faringdon, David Littlemore – Head Teacher of Prospect, Rachel Cave – Head Teacher of Highdown, Annal Nayyar – Finance Director of Bayliss Trust (Reading Girls), Lee Smith – Head Teacher of Holy Brook, Ali McNamara – NEU, Ben Sims – Reading College.

Kate Reynolds – Director of Education, Steven Davies – Strategic Business Partner.

In attendance

Cllr Ashley Pearce – Lead Member for Education, Claire White – Schools & DSG Business Partner, Corinne Dishington, Under Fives Service Manager, Clare Warren – School Support Lead, Deborah Talbot - Minute Taker.

#	Item	Notes
1	Welcome and apologies	The Chair welcomed everyone to the meeting including new members. Introductions were made. Apologies were noted.
2	Minutes of the meeting held on January 16, 2020	Minutes were circulated and agreed from 16 January 2020 Matters arising: <ul style="list-style-type: none">- Actions vacant posts – thanks to all.- Clarification of Teacher pay and pension grant for 2021 to all schools circulated

3	Schools' Forum Membership Update – confirmation of representation	<p>Actions:</p> <p>There are no vacancies.</p> <p>For those new members we elect a chair and a vice chair, and each post is for two years, currently alternating; there should always be a chair while the new person gets elected.</p>
4	DSG Budget Monitoring 2019/20 Month 11	<p>Claire White Presented</p> <p>The report highlights the latest budget position for month 11, 19/20. Actual DSG allocation for the current year is the same as previously reported, the only thing to note is that the early years block allocation is based on the early years draft census figures for January 2020 and there will likely be minor amendments. Change in funding will likely be in the region of £20,000 to £30,000</p> <p>Actual expenditure is noted on page 14, table 2 which sets out the current overspend standing at £2.1m, £480k more than originally estimated. In January there was a higher overspend on top up payments forecast and this estimate has come down significantly. There was an error in our top up formula for one child and during the year we have been forecasting worst case scenario. The table at bottom of page 14 shows the main variances.</p> <p>Reminder that during the Autumn the Government carried out a consultation which was published in January 2020, which means that from the end of this financial year (2019/2020) DSG deficits must be carried forward and LAs are not liable to fund any part of that deficit. It is no longer the case that LAs must keep reserves in place for this. Schools' Forum will no longer be required to approve the carry forward of the deficit although the LA will still work closely with the Forum and the arrangements to pay back the deficit.</p> <p>Reasons for the Early Years Block variances are on page 16 showing a comparison to our original forecast. Numbers of children have gone up requiring over half of our contingency of £700,000 to be used in payments to providers.</p> <p>High needs block on page 17 (table 3), January 2020 figure of EHCPs still increasing, by 115 since January the previous year. £417,000 over our budget. Table shows where the increases and reductions are, the main increase is other alternative which is mainly temporary placements prior to pupils being placed in the longer-term placements. Overspend of £30,000 on NHS contract as the original budget did not include all academies, that has now been rectified. Inclusion fund for schools with disproportionate number of pupils with EHCPs is likely to be an overspend by £40,000</p>

		<p>The impact on the deficit recovery plan is an increase to the overall deficit by £380,000 in year, plus £306,000 funding removed from the underspend in the early years block, taking the total deficit forecast at the end of 2019/20 to £2.477m. Report is noted for the current situation and current pressures are also noted.</p> <p>Appendices - a question was raised asking if it is true that the funding for all the DSG blocks includes funding for academies which is then reversed out leaving a net allocation for the maintained schools. We receive a gross DSG allocation, and funding is then top sliced for mainstream academies formula funding and high needs place funding in academies. All other DSG funding includes funding for academies.</p>
5	<p>Early Years Budget 2020/21 – Schools/DSG Business Partner</p>	<p>Claire White presented the paper outlining the proposal for setting the early year block budget for 2020/21.</p> <p>The Early Years National Funding Formula (EYNFF) requires all settings whether they are a school or nursery or PVI to be funded on the same basis and at the same funding rate.</p> <p>Because actual early years block funding is based on future census data, assumptions need to be made in setting the budget. Draft 2020 January census data is being used assuming there will be little variation between 2020 and 2021, and any significant variation will incur a funding adjustment at the end of the year. This year there has been very little difference.</p> <p>The funding rate universally has gone up by 8p for 2, 3 and 4 year olds, and the Reading rates are now £5.22 for 3 and 4 year olds and 5.82 for 2 year olds. No increase to pupil premium which remains at 53p per hour and disability access fund at £615 per eligible child. Table 1 shows we are estimating £12.6 million funding available. The official notification on the DfE website is still using January 2019 data.</p> <p>Maintained nursery schools - we will continue to receive the supplementary funding for the full financial year which protects those nursery schools at 2016 rates. It is estimated that there will be an underspend of £471k carried forward from 2019/20 so total funding we will be receiving will be just over £13.1million.</p> <p>Due to volatility of funding, there needs to be caution when setting the funding rate for the following year; should the funding be less than we have budgeted for then the only way we could resolve that is to reduce the hourly rate in the following year, and we don't want to be in that situation. It is therefore prudent to keep back a contingency.</p>

		<p>Using the total hours claimed for the previous year, we propose an increase to the hourly rate of 8p and increase 50p on to the deprivation rate to increase this to 97p so £1.50 being received in total for children eligible for the pupil premium. Table 2-page 28 shows the calculation of the budget.</p> <p>Maintained nursery supplementary funding received will be passed on in full to the nursery schools which is at £1.08 per hour – the total will increase slightly in 2020/21.</p> <p>A proposal was put forward to replicate what some other local authorities are doing, for example Hampshire, in top slicing the supplementary funding to pay in full the nursery school business rates, with the balance then allocated using a lower hourly rate. An illustration was set out in Table 3, page 29.</p> <p>Jo Budge asked why were heads not asked initially and feels this was unprofessional. Claire White stated that this is what was requested. This was the only choice in paying for business rates, as the only source of funding was the supplementary funding. It was up to the nursery schools how they would like this fund to be allocated. Jo Budge felt that to use this grant to pay rates is an immoral thing to do and has no impact on the children. A paper was circulated about the scheme from Hampshire, but this is still using the supplementary fund, there is no other source of funding. Their supplementary grant is significantly higher for a lower number of children in nurseries - £1.6 million for 3 schools with 324 children. So they can be more flexible with how it is distributed. DfE guidance say maintained nursery schools can be paid a lump sum from their local Authority, which is how the supplementary funding is being distributed. Jo Budge said it's frustrating as they are being told two different versions from two different sources. However, all other providers have the same issues with payment of business rates.</p> <p>There were concerns that this was a change with no consideration, and no one came to talk to the head teachers about it. This was noted and would be considered next time. Decided to stick to the £1.08 supplement and no adjustment for actual business rates. Jo was thanked for sharing concerns, but we do have to adhere to regulations.</p> <p>Ita McGullion asked why we carry over a large amount of funding that is never used. The contingency originated from when the additional 15 hours came in; there was a slow take up from the September, but we were funded on the actual numbers in the following January, so this money has been kept in early years as a contingency. Although ideally when</p>
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		<p>money comes in for one year it should be spent in that year, the unpredictability of the funding does not allow for this. Need to agree an acceptable contingency. Claire White has suggested 2.5% of total estimated funding. Of the predicted carry forward of £471,000, there are still final payments to go through, and £100,000 will be used for deprivation in 2020/21. Proposing a contingency of £366,000 and this will probably decrease once we have the actual carry forward. Slightly higher than 2.5% but there is more to come out.</p> <p>Need to manage the risk, as we would end up overspending if we have more children to fund than we have had in the previous year. We started off the current year with £702,000 in contingency but half of this has had to be used for provider payments. Money is not being taken away from early years it will stay with them. Corinne Dishington said we do have an idea of our birth rate and the 0-5 population has decreased since 2016. It is envisaged the population will rise again. We do get live birth data, but it depends on take up as well. Corinne explained the methods behind it. It's complicated and not very robust and very difficult to calculate how the estimate is arrived at. The Actual from last year is used as a base for next year. It was asked what the accuracy and track record is like compared to our estimated figures. Cllr Pearce said it's quite good and we are in the top 10%. Quite hard as there will be no census in the future.</p> <p>SEN inclusion fund – there were some issues with the usage of the money and maintained nursery heads and the EP service who maintain the inclusion fund have updated the terms of spend to make sure we are providing the best opportunity for children. A paper was circulated recently where several issues were listed for both sides and comments were invited. It was noted we need to have the best opportunity and to avoid escalation for those children to high cost placements. From April 2020 the fund will remain at £150,000, with £50,000 coming from the high needs block</p> <p>5% of the block allocation can be retained centrally and budgets will be virtually the same as previous year as set out in paragraph 7.2. This equates to 1.33% .</p> <p>Comparison rates are set out in Table 4, page 32, and Reading's 3 & 4 year old rate is much higher than neighbouring authorities. Hampshire hourly rate is £4.06.</p> <p>EYPP claims for our nursery classes is extremely low so there are probably children that are not being claimed for. Parents have to fill the forms out. Decreased in general so all primary schools are finding the same issue.</p>
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		<p>Action: to contact early years who will come and sit with them and go through it.</p> <p>Repot is noted.</p> <p>The centrally retained early years budget for 2020/21 approved unanimously.</p> <p>Noted maintained nursery grant will be allocated as per usual method, with no change.</p>
6	<p>High Needs Budget 2020/21 – Schools/DSG Business Partner</p>	<p>High needs block currently in deficit. We are legally obliged to fund top ups and the numbers of pupils with EHC plans continue to grow. Other issues creating pressures are above inflation increases by external providers – some have been known to implement 20% increase and although there are discussions taking place there is little we can do. Increases have been at a much greater cost than the funding we received in previous years. For 2020/21 we have been given a much larger increase, and the Government is hoping that the funding will help decrease deficits. The LA is responsible for deciding the High needs budget.</p> <p>High Needs Block funding is increasing by just under £2m to £22.5m, the break down is on page 36 table 1.</p> <p>The Academy recoupment of place funding takes into account that Phoenix College transferred to an academy on 1st January and assumption is Cranbury will be transferring on the 1st April 2020.</p> <p>Page 36 section 4 sets out the budget in detail, comparing the 2019/20 budget and forecast, to the proposed budget for 2020/21.</p> <p>Place funding – 5 additional resource unit places are built in to the budget</p> <p>Top ups - 90 additional places built in and the way it's been calculated is set out from page 39, section 7.</p> <p>Mainstream school increase has been about 15% and we expect that to continue as we want children to be included. In order to be able to support schools with pupils with EHCPs need to look at the banding.</p> <p>Overall increase in top up rates built into budget at 2%. Do not have any control with out of county. Some LAs do not</p>

		<p>have a deficit recovery plan and will be able to afford for their schools to have higher increases to their rates.</p> <p>Updated deficit recovery plan assumptions set out on Page 41 - paragraph 9.4. Assume income to increase at £2m for the following two years, although the government has not yet stated what the split will be between the schools and high needs. Underspend in other blocks will not go to pay off the deficit. Non top up costs will remain static. Number of top up year on year will continue to increase at current rate.</p> <p>The deficit recovery is shown in table 3 page 42. Forecast for the current year is increase deficit by £233,000 add to b/f from previous year will be a c/f of £2.478m deficit.</p> <p>Next year a slight surplus of £303,000 is forecast being used to go toward the deficit. Now the overspend in the current year is built into the base, and if the increases to funding continue, the deficit could be paid off in 2022/23.</p> <p>Concern from schools' point of view seeing more and more children in first stage with severe communication needs as well as a lot of adult support and how will this keep the figures down. They are year ones and twos and two were excluded this week for their behaviours.</p> <p>Who oversees the speech and language contracts? it is noted that BFFC has a team that looks after contracts, Corinne Dishington said it is a shared contract with the CCG.</p> <p>It was mentioned that speech and language is not being shared between the schools. No Whitley schools get any support.</p> <p>Action Corinne Dishington to find out what's in the contract.</p> <p>Noted high needs funding and budget for next year, and the current deficit recovery plan.</p>
7	SEND Update (presentation) – Head of SEND	<p>Kate Reynolds joined the meeting at 18.24. No report available as Deborah Hunter not in attendance.</p> <p>Kate Reynolds reiterated that SEND Is important to every member here. It was noted that there were concerns to be raised but did not have the chance to ask questions on this occasion. Health and safety liability is personal not corporate.</p>

8.	School Forum Meetings 2020/21 – Schools/DSG Business Partner	<p>This is a Statutory and public meeting that is required to meet a minimum of 4 times a year. Proposing to have the same number of meeting this coming year.</p> <p>Proposal approved – scheduled to tie in with budget setting and timings seem to have worked well in the last year. Keep the dates much the same. Thursdays.</p> <p>Starting at 5.00pm is agreed to continue</p> <p>Approved</p>
9.	Agenda Items For Next Meeting	<p>The next meeting will be held on June 25, 2020 at the Civic Centre Council Chamber.</p> <p>Agenda items noted.</p>
10.	Any Other Business	<p>Recent fire in Tilehurst – does anybody know what was burning as there were repercussions to the staff and children in some of the schools that were in proximity. Headaches for two days and dizziness and metallic taste also for two days.</p> <p>Action: Kate Reynolds to speak to the health and safety team.</p> <p>Back in December’s meeting a discussion took place about the growth fund 3-year plan. Kendrick school want to discuss with BFFC their expansion plans as many of their additional children will be coming from Reading itself - what is the process and how can Kendrick claim for that money for growth funding. Kate Reynolds is in discussions with the head at Kendrick. Claire White clarified that when the growth fund budget is set it states the number of bulge classes in the plan but does not identify specific schools. The funding is available for any school that meets the criteria set by the Schools’ Forum.</p> <p>Justin McMinn would like it noted that her business manager appreciated the budget information earlier this year and this has really helped.</p> <p>The meeting closed at 18.36</p>

Agenda Item 3

SCHOOLS FORUM MEMBERSHIP Jul-20

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	Reading EY Schools Federation	Jan-17	Jan-19	3 yrs	Jan-22	
	2	Governor	Julia Cottee	Reading EY Schools Federation	Mar-20	Mar-20	3 yrs	Mar-23	
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	Sarah Bernto	St Anne's	Mar-20	Mar-20	3 yrs	Mar-23	
	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	Dani Hall	Oxford Road and Wilson	Mar-20	Mar-20	3 yrs	Mar-23	
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	Richard Pearse	Churchend	Mar-20	Mar-20	3 yrs	Mar-23	
Academy Secondary (4)	14	Academy Member	Isabelle Sandy	Kendrick	Feb-12	Mar-19	3 Yrs	Mar-22	
	15	Academy Member	David Littlemore	Prospect	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	
			Observer/Substitute	Ashley Robson	Reading				
			Observer/Substitute	Camilla Thornalley	John Madjeski				
			Observer/Substitute	Jonathan Nicholls	UTC				
			Observer/Substitute	Andy Johnson	Maiden Erleigh in Reading				
		Observer/Substitute	Jo Broadhead	The Wren					
Maintained Special (1)	18	Head teacher	Lee Smith	Holy Brook	Oct-19	Oct-19	3 yrs	Oct-22	
Academy Special (1)	19	Academy Member	Symon Cooke	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	NEU			On-going	n/a	
16 - 19 Provision (1)	23	FE College	Ben Sims	Reading College (Activate Learning)	Mar-20	Mar-20	3 yrs	Mar-23	

Non Members

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

Elected October 2018

2 years

Oct-20

** Vice chair

Elected October 2019

2 years

Oct-21



Reading Schools' Forum

July 2, 2020

Agenda Item 4

Schools' Forum Constitution
2020/21

For decision For discussion For information

SUMMARY

This report sets out changes required to the composition of the membership to comply with the regulations, and attaches the amended constitution document to be approved for the 2020/21 academic year.

AUTHOR

Claire White, Schools/DSG
Business Partner

Tel: 0118 937 4161

Email:

claire.white@brighterfuturesforchildren.org

VERSION

Version number 1

DATE

July 2, 2020

REVIEW DATE

None

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Brighter Futures for Children
Civic Offices, Bridge Street,
Reading RG1 2LU

1. Recommendations

- 1.1 AGREE: The revision to the membership as shown in Table 1.
- 1.2 AGREE: The Schools' Forum constitution for the 2020/21 financial year (Appendix 1).

2. Background

- 2.1 The Schools' Forum is a statutory and public meeting. The 'Schools Forums (England) Regulations 2012' govern the composition, constitution and procedures. The respective roles of Schools Forums, local authorities and the Department for Education are summarised in the document 'schools forum powers and responsibilities'¹.
- 2.2 It is good practice for school forums to set its own constitution following the guidelines contained in the regulations and operational guide. This will include documenting the local arrangements for:
 - Terms of Reference
 - Membership – size and composition
 - Procedures
- 2.3 The current constitution for Reading Schools Forum is provided in Appendix 1. This needs to be updated annually for membership changes required and if any changes to the regulations require a revision.

3. Membership for 2020/21

- 3.1. An annual review is required to ensure that the composition of the membership is still meeting the statutory requirements as follows:
 - There is no maximum or minimum size. There needs to be a balance between keeping it to a manageable size and ensuring all the various types of schools are represented. The average size of Schools' Forums in England is 20 to 25 members.
 - All types of schools must be represented – with at least one head teacher (or their representative) and at least one Governor overall.
 - Mainstream academies, special academies, and AP academies must each be represented if a school of this type exists in the LA. There is no requirement to have members from both primary and secondary academies.
 - Must have a representative from 16-19 providers.
 - Must have a representative from early years PVI providers.
 - School and academy representatives must comprise of at least two thirds of the school forum membership.
 - Maintained primary schools, maintained secondary schools and academies must be broadly proportionately represented on schools' forum, based on the total number of pupils registered at them.
 - Additional non-school members may include diocese representatives, trade unions, and other professional associations.

¹ <https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

- 3.2. Table 1 provides a breakdown of the current membership and the proposed revision in order to comply with the regulations.

Table 1: Current and Proposed Membership Breakdown

	Current Representation				Revised Representation			
	Head Teacher	Gover nor	Total	%	Head Teacher	Gover nor	Total	%
School Members:								
Primary Maintained	5	3	8	53.3	4	3	7	46.7
Secondary Maintained	1		1	6.7	1		1	6.7
Primary Academy			2	13.3			2	13.3
Secondary Academy			4	26.7			5	33.3
Sub Total			15	100.0			15	100.0
Other School Members:								
Nursery	1	1	2				2	
Special Maintained	1		1				1	
Special Academy	1		1				1	
Alternative Provision	1		1				1	
Total School Members			20				20	
Non School Members:								
Early Years PVI			1				1	
16-19 Provision			1				1	
Trade Union			1				1	
Total Non-School Members			3				3	
TOTAL MEMBERSHIP			23				23	
Proportion of School Members (must be at least 66.7%)			87.0%				87.0%	

- 3.3. The current pupil number percentage breakdown for the purpose of determining the proportional representation of school members is shown in Table 2.

Table 2: Pupil Number Breakdown

January 2020 Census (Headcount all year groups including nursery and 6 th form)	Pupil Numbers	%
Primary Maintained	10,296	45.8
Secondary Maintained	863	3.9
Primary Academy	3,749	16.7
Secondary Academy	7,557	33.6
Total Pupil Numbers	22,465	100.0

- 3.4. Based on this split and for the school members to be broadly in proportion, the number of academy representatives needs to increase by one and maintained primary to decrease by one. It is proposed that one of the secondary academy substitutes becomes a member, and one of the maintained primary members becomes a substitute.
- 3.5. All other members will remain as per the current representation, maintaining the total membership at a total of 23.

4. Constitution for 2020/21

The proposed constitution for 2020/21 is in Appendix 1 and contains the membership changes.

- 4.1 The only statutory change is the removal from part A that it is a Schools' Forum annual decision to agree the carry forward of the DSG (deficit) from one financial year to the next; this is now a local authority decision.
- 4.2 The Schools' Forum regulations have also been amended due to Coronavirus to enable Schools' Forums to meet remotely for this financial year only, though this does not need to go in the constitution.
- 4.3 Schools Forum members are required to approve its constitution for 2020/21.
- 4.4 Note that the ESFA has a team who scrutinise the proceedings of every local authority's Schools' Forum to ensure compliancy with the regulations.

5. Appendices

Appendix 1 – Reading Schools' Forum Constitution 2020/21

Reading Schools' Forum Constitution

The Schools' Forum is a decision making and consultative body in relation to matters concerning schools' budgets as defined in the School and Early Years Finance (England) Regulations 2020. The Schools Forum Regulations 2012 govern the composition, constitution and procedures of Schools' Forums.²

This document is divided into 3 sections:

- A. Terms of Reference for the Reading Schools' Forum
- B. Membership of the Reading Schools' Forum
- C. Operating Conventions of the Reading Schools' Forum

Further information, including the Schools' Forum Operational and Good Practice Guide published by the Education and Skills Funding Agency (ESFA) can be found on their website.³

² These Regulations can be accessed at: <http://www.legislation.gov.uk/uksi/2012/2261/made>

³ <https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

A. TERMS OF REFERENCE OF THE READING SCHOOLS' FORUM

Status of the Schools' Forum

The Schools' Forum is established in accordance with Sections 47(1) 47A of the School Standards and Framework Act 1998 and The Schools Forums (England) Regulations 2012.

Annual Consultation on School Funding

The authority must consult the Schools Forum annually in respect of the authority's functions relating to school funding including:

- Changes to the primary and secondary funding formula (only school members plus the early years PVI representative can vote).
- The allocation of the Dedicated Schools Grant (DSG), including movements between blocks (except for movement from the schools block – see below).
- Contracts where the LA is entering into a contract to be funded from the schools budget.
- Funding arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools, and the arrangements for paying top up funding.
- Funding arrangements for the use of Pupil Referral Units and the education of children otherwise than at school in particular the places to be commissioned by the LA and schools, and the arrangements for paying top up funding.
- Central spend on children and young people with high needs.
- Funding arrangements for early year's provision.
- Central spend on licences negotiated centrally by the Secretary of State.
- Administrative arrangements for the allocation of central government grants paid to the schools via the authority.
- Changes to the Minimum Funding Guarantee and any other changes from the regulations which the local authority intends to submit to the DfE for approval.
- Any other matter concerning the funding of schools as the Schools' Forum sees fit.

Annual Decisions on School Funding

School Forum Members must decide (usually annually) on the following proposals made by the LA:

- Movement of up to 0.5% from the schools block to other blocks.
- The amount of expenditure the local authority can centrally retain from the school budget, including growth fund, falling rolls fund, admissions service, servicing of schools forum, contributions to responsibilities that local authorities hold for all schools, contributions to combined budgets, prudential borrowing costs, and central spend on early years.
- The criteria for allocating funding from the growth fund and falling rolls fund.
- The de-delegation from mainstream maintained schools budgets for allowable central budgets, to be decided by the schools representatives of the relevant phase on behalf of all the schools they represent. This includes the general duties (support services) for maintained schools.
- Revisions to the authority's Scheme for Financing Schools.
- Elects the Chair of Schools' Forum and determines the voting procedures.

B. MEMBERSHIP OF THE READING SCHOOLS' FORUM

Composition

The Schools' Forums regulations 2012 state that maintained primary schools, maintained secondary schools, and academies must be broadly proportionately represented on the Schools' Forum having regard to the total number of registered pupils, though there must be at least one representative for each type of school. There must also be at least one representative of head teachers and one representative of governors among the school members. Schools and academies members must number at least two-thirds of the total membership

Reading Schools' Forum shall in total comprise of 23 members being 20 school members (including academies) and 3 non-school members. The school members shall be Headteachers, Governors or Early Years representatives drawn from the schools / provisions in the Reading Borough Council Local Authority area. The Primary and Secondary head teacher members may also include representatives of head teachers - senior members of staff, such as School Business Managers.

School Members

The current number of representatives in each phase is as follows:

- a) **Maintained Primary Representatives**
7 representatives from primary schools of which at least 1 must be a head teacher and at least 1 is a governor.
- b) **Maintained Secondary Representatives**
1 representative from secondary schools.
- c) **Maintained Special School Representatives**
1 representative from special schools.
- d) **Nursery School Representatives**
2 representatives from the nursery schools.
- e) **Academy Primary & Secondary School Representatives**
7 representatives from the academies, of which 2 from the primary sector and 5 from the secondary sector.
- f) **Academy Special School Representatives**
1 representative from academy special schools.
- g) **Alternative Provision Representatives**
1 representative from the Pupil Referral Unit.

Election of Schools Members

The maintained primary school head teacher representatives shall be elected by their Heads Forum.

The maintained primary school governor representatives shall be elected through nominations from and a vote by all governors in the relevant sector.

The maintained secondary school representative shall be decided by the school (there is only one school).

Academy representatives shall be decided by the Academies proprietors.

The special school representatives shall be decided by the relevant schools (there is only one maintained special and one academy special).

The nursery school representative shall be elected by mutual agreement between them.

The pupil referral unit representative shall be decided by the school (there is only one school).

The Clerk of the Schools' Forum must make a record of the process by which the constituents of each group elect their nominees to the Schools' Forum. An election scheme must take into account the following factors:

- The process for collecting names of those wishing to stand for election.
- The timescale for notifying all constituents of the election and those standing.
- The arrangements for dispatching and receiving ballots.
- The arrangements for counting and publicising the results.
- Any arrangements for unusual circumstances, such as only one candidate standing in an election or where there is a tie between two or more candidates.
- Whether existing members can stand for re-election.

If an election does not take place by any date set by the Authority or any such election results in a tie between two or more candidates the Authority will appoint the schools member.

Non-School Members

In addition to the 20 school members a representative of the following groups will have full voting rights within the Schools' Forum except for voting on the funding formulae where only the Early Years PVI Provider representative can vote:

- Trade Union
- Early Years PVI Provider
- Non school Post 16

The representative will be elected by their group and the record of the appointment process will be held by the Clerk of the Schools' Forum.

Substitute Members

Representative groups may nominate permanent substitutes who have sufficient experience and knowledge of schools funding to attend meetings.

and/or

A stand-in substitute who attends as a full voting member if a headteacher or permanent substitute is unavailable. Stand-in substitutes may attend some meetings as an observer to gain an insight into the work of the Forum.

The clerk must be notified in writing 24 hours before the start of the meeting that a substitution will be required. Substitute members will have full voting rights when taking the place of the substantive member for whom they are the designated substitute.

Participation of Observers

Observers shall be invited to attend Forum meetings. Observers may participate in the debate but will not have voting rights should any business of the Forum require a vote. The following groups shall be asked if they would like to nominate an observer (and a named substitute) to the Forum:

- The Education & Skills Funding Agency (ESFA)

Council Officers and Elected Members

Officers may attend and speak at the Schools' Forum meetings in an advisory capacity only. The following or their representatives will be invited to attend the Forum meetings:

- Director of Education or their representative
- Head of Finance or their representative
- Lead Member for Education
- Any person invited by the Schools' Forum to provide financial or technical advice

Terms of Office

The term of office for members of the Forum is three years. The same members can be reappointed providing they are re-elected by the group that they represent. This also applies to any permanent substitutes.

As well as the term of office coming to an end, a schools member ceases to be a member of the Schools' Forum if he or she resigns from the Forum, giving at least one month's written notice, or no longer occupies the office which he or she was nominated to represent. An election should be held within the outgoing members electing group to nominate a successor. The Clerk will then inform the Forum members of the result of the election within one month.

If a change in membership representation (e.g. due to proportionality) requires a reduction in members from a particular group, that group will mutually decide between them which member(s) will step down. The member(s) stepping down will be welcome to continue to attend as a substitute/observer.

Review of the Membership

Membership will be a standing item on the agenda for each meeting of the Schools' Forum, to review the current list of members which will include which group they represent and their term of office.

The proportionality of the membership will be reviewed annually (in June/July) so that elections if required can be held by the end of the summer term ready for the new academic year.

C. OPERATING CONVENTIONS OF THE READING SCHOOLS FORUM

Ordinary Meetings

An ordinary meeting of the Schools' Forum shall be held, at a minimum, four times a year.

Administration of Meetings

Meetings of the Schools' Forum shall be convened by the Local Authority, who will arrange the clerking and recording of meetings. The cycle of annual meetings are based on the financial year. All the meeting dates for the next financial year are set by the end of March every year.

Items for consideration by the Schools' Forum shall be submitted to the Clerk no later than 10 working days prior to the meeting. The agenda and working papers should be circulated a week in advance of the meeting date. Every effort should be made to circulate minutes to Forum members within 10 working days of the meeting.

The Chair and Vice Chair

The Chair and Vice-Chair shall be elected from within the membership of the Schools Forum (but may not be either an elected member or an officer of the local authority).

Quorum

The Schools' Forum shall be quorate if at least 40% of the total membership is present (this excludes observers and vacancies). If the Schools' Forum is not quorate the meeting can proceed and the members present can give advice to the local authority, but the authority is not obliged to take that advice into consideration. Decisions on the schools budgets may not be taken unless 40% of the school members are present.

Voting

Each member shall only have one vote. Voting shall be by show of hands. If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote.

When the vote is on the schools funding formula only the schools members and the Early Years PVI Representative are eligible to vote.

Sub-Committees and Working Groups

The Schools' Forum may have sub-committees or working groups. The Schools' Forum shall receive reports from the sub-committees or working groups to approve formally.

Declaration of Interest

Any member of the Schools' Forum who has an interest in any proposal beyond the generality of the group that they represent or in which they might have a personal or prejudicial interest shall declare the interest at the beginning of the relevant item. The member can explain any issues to the meeting and then must leave the meeting until the item has finished. The member cannot vote on that item.

Where it is clear that a decision in which a member has an interest is likely to arise at a particular meeting, the meeting concerned may invite a substitute member (with no interest to declare) in accordance with the constitution to attend the meeting in their place.

Elected members are subject to the governance of the Council's Code of Conduct.

Status of Reports

All report authors will be responsible for informing the clerk in advance of the status of reports to be included in the agenda i.e. confidential or non-confidential.

Expenses

The Local Authority shall maintain a budget for the reimbursement of all reasonable expenses relating to the operation of the Forum and charge these expenses to the Schools Budget. The Local Authority shall reimburse expenses of members of the Schools' Forum when members submit appropriate claims, in connection with attendance at the meetings. Supply cover should only be claimed when it has been necessary to employ a supply cover teacher to enable the Headteacher to attend the Forum.

Interpretation of the Constitution

The Chair or person residing at the meeting shall be the final arbiter regarding the interpretation of the Schools' Forum's constitution. The constitution shall be interpreted in conjunction with the relevant provisions contained in the legislation relating to the Schools' Forum's proceedings. The requirements of legislation will prevail in the event of there being any inconsistency between the legislation and the constitution.

Amendment of the Constitution

With the exception of matters subject to legislative provision or approval by the authority, the Schools' Forum may vary its constitution by a simple majority vote by the members provided that prior notice of the nature of the proposed variation is made and included on the agenda for the meeting.

Publicity relating to the Schools Forum

The Schools Forum is a public meeting and the Local Authority is responsible for putting the Schools' Forum papers, minutes and decisions promptly on the Reading Borough Council website and generally draw schools attention to forthcoming Schools' Forum meetings and agendas and the minutes of Schools' Forum discussions.

Document approved by the Reading School's Forum on 2 July 2020



Reading Schools' Forum

July 2, 2020

Agenda Item 5

Dedicated Schools Grant (DSG)
Outturn 2019/20



For decision



For discussion



For information

SUMMARY

This report details the final outturn of the DSG in 2019/20 and the overall deficit to be carried forward to 2020/21.

AUTHOR

Claire White, Schools & DSG
Business Partner

Tel: 0118 937 4161

Email:

claire.white@brighterfuturesforchildren.org

VERSION

Version number 1

DATE

July 2, 2020

REVIEW DATE

None

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Brighter Futures for Children
Civic Offices, Bridge Street,
Reading RG1 2LU

Company number 11293709

1. Recommendations

- 1.1 NOTE: The overall 2019/20 DSG carry forward of £1.768m deficit.
- 1.2 AGREE: The individual block carry forwards as follows:
- Schools Block £90k overspend on growth funding to be met from 2020/21 growth fund allocation as per budget.
 - Schools Block £7k overspend on business rates to be met from Schools Block in 2020/21 as per budget.
 - Central Schools Services Block £39k underspend to remain in this block and taken into account in setting the 2021/22 DSG budget.
 - Early Years Block £380k underspend to support 2020/21 early years budget (£104k) as per budget and the balance (£276k) to be set aside as a contingency.
- 1.3 NOTE: The High Needs Block deficit of £2,090k to be carried forward and the longer term financial plan to bring this block back into balance.

2. Background

- 2.1 The Dedicated Schools Grant (DSG) is a ring fenced grant and can only be spent on school/pupil activity, as defined by the School and Early Years Finance (England) Regulations (2018).
- 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 The LA receives its DSG allocation gross (including allocations relating to academies), 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
- 2.5 From the end of 2019/20, a DSG deficit must be carried forward to be dealt with from future DSG income, and LAs will not be able to fund any part of the deficit from sources other than the DSG unless the Secretary of State authorises the LA not to do this. Although Schools' Forum will no longer approve the carry forward of the deficit, LAs will still need to work closely with their Forum on their plans for managing DSG deficits. Underspends on the DSG are carried forward to support the future year's school's budget.
- 2.6 The Authority must ensure that DSG is correctly spent and must report the outturn position in a separate table within its Statement of Accounts. The outturn position is also submitted to ESFA.

3. DSG Outturn 2019/20

- 3.1 The DSG accounts for 2019/20 have now been closed. Table 1 summarises the overall final position compared to the original and revised budget.
- 3.2 Appendices 1 and 2 provide more detail for each funding block.
- 3.3 The overall final position is a carry forward deficit of £1.768m (i.e. in-year expenditure plus pay back of brought forward deficit has not been met by the in-year allocation of grant). This compares favourably with the last budget monitoring report brought to Schools' Forum (month 11) which reported a £2.103m overall deficit. This position is after the repayment of the brought forward deficit from 2018/19 which totalled £1.605m. Thus, the deficit has increased by £163k in year, which is £144k over the original budget.

Table 1: Summary Outturn Position – 2019/2020

	ORIGINAL BUDGET (£m)	VIREMENTS £m	REVISED BUDGET (£m)	ACTUAL OUTTURN £m	VARIANCE £m
Schools Block					
Expenditure	44.420	0.077	44.497	44.594	0.097
DSG Income	44.420	0.077	44.497	44.497	0
Over/(Under)	0	0	0	0.097	0.097
Central Schools Block					
Expenditure	1.330	0	1.330	1.291	-0.039
DSG Income	1.330	0	1.330	1.330	0
Over/(Under)	0	0	0	-0.039	-0.039
Early Years Block					
Expenditure	12.140	0.702	12.842	12.462	-0.380
DSG Income	12.140	0.702	12.842	12.842	0
Over/(Under)	0	0	0	-0.380	-0.380
High Needs Block					
Expenditure	20.052	0.054	20.106	20.412	0.306
DSG Income	18.428	0.054	18.482	18.322	0.160
Over/(Under)	1.624	0	1.624	2.090	0.466
Total – All Blocks					
Total Expenditure	77.942	0.833	78.775	78.759	-0.016
Total DSG Income	76.318	0.833	77.151	76.991	0.160
Balance Over/(Under) Spent	1.624	0	1.624	1.768	0.144

- 5.4. The under spends and over spends in each block will be carried forward within each block, meaning that the deficit in the high needs block of £2.090m is to be repaid over time and is the figure used in the deficit recovery plan. Further details on each block are set out in the following paragraphs.

4. Variances

4.1. Schools Block (SB)

- The schools block is over spent by £97k, mainly due to the growth fund (£90k) where the shortfall in funding was expected and has been reported during the year. This has already been taken into account in setting the growth fund budget for 2020/21 and is to be carried forward and repaid from this fund. £7k is school business rate differences, and again this has already been taken into account in setting the budget for 2020/21 and is to be carried forward and repaid from schools' block funding.

4.2. Central Schools Services Block (CSSB)

- There was a small underspend of £39k in this block relating to the Admissions Service (staffing). This will be carried forward within the block and taken into account when setting the 2021/22 DSG budget.

4.3. Early Years Block (EYB)

- The expectation was that this block would underspend, due to a high contingency budget of £702k in 2019/20. Over half of this contingency was required for payments to providers which were £416k overspent. Central budgets (early years team staffing and the early years inclusion fund) were £94k under spent, resulting in a net underspend of £380k to carry forward.
- The 2020/21 budget has assumed a carry forward of £471k, of which £367k would remain as contingency, and £104k towards the increase in funding rates to providers (mainly the deprivation rate). The reduced carry forward will bring the contingency budget down to £276k, which is 2.2% of our estimated funding. However, in early July the DSG allocation will be revised based on the January 2020 census, which is likely to provide a small increase in funds and will be added back to the contingency fund.
- It is prudent to maintain a contingency due to unpredictable funding and payments to providers. There may also be more demands on this budget this year due to the impact of COVID-19.

4.4. High Needs Block (HNB)

- The High Needs Block deficit brought forward from 2018/19 was £2.245m and has reduced by £155k to £2.090m at the end of 2019/20. The actual outturn is lower than the forecast position reported to the last meeting of the Schools' Forum (month 11 forecast) of £2.477m.
- The variance of £465k over the budget set is much lower than in previous years, and Table 2 provides a breakdown of this variance.

Table 2: Summary of HNB Over spend

Reason for HNB Overspend	£m
Difference between budgeted deficit b/f and actual deficit b/f – mainly due to under spends in other blocks being used within those blocks and not offsetting the HNB.	0.474
Top up funding – over spend.	0.226
Place funding - £160k is due to Phoenix College academy conversion, offset by reduced DSG allocation below.	-0.281
Other budgets - net underspends	-0.113
Total Expenditure budget over spend	0.306
Add: reduction in DSG HNB allocation	0.160
Total Over spend on HNB	0.466

- The variance on top up funding of £0.226m is significantly lower than previous years (in 2018/19 this was £2.061m), though this did vary between different types of placement. This is despite the numbers of EHCPs increasing significantly more than assumed when the budget was set. The number of EHCPs at the end of 2019/20 was 1,408, an increase of 123 in year. The budget assumed a net minimal increase. This means that the average cost of placements are coming down as per the strategy, with an increase in local placements and reduction in expensive out of county placements. Table 3 shows the budget variances by type of placement.

Table 3: Top Up Budgets 2019/20

	ORIGINAL BUDGET (£m)	ACTUAL EXPENDITURE £m	VARIANCE (£m)
Special Schools	7.902	7.543	-0.359
Resource Units	0.565	0.730	0.165
Mainstream (incl. nursery)	1.440	1.517	0.077
FE Colleges	0.793	0.839	0.046
Independent/NMSS	2.485	2.372	-0.113
PRU	0.652	0.851	0.199
Other Alternative Placements	0.054	0.245	0.191
Hospital incl. Tier 4	0.167	0.187	0.020
TOTAL	14.058	14.284	0.226

- There were some underspends within this block mainly related to support for inclusion; there was no spend on therapeutic thinking as this work was covered by

an existing member of staff. The place funding budget under spent due to the new resource places not yet being open, and an increased 6th form grant was received towards Cranbury College post 16 places. There were small over spends on NHS contracts and the sensory consortium.

5. DSG Deficit Recovery Plan

- 5.1 All local authorities that have a DSG deficit of 1% or more at the end of the financial year are now required to submit a recovery plan to the ESFA, outlining how they will bring their deficit back into balance. At the end of 2018/19 Reading's deficit was 1.3% of its allocation and were required to submit their plan. At the end of 2019/20 the percentage has gone up to 1.43%, so we will be required to submit an update to our plan.
- 5.2 Appendix 3 provides in summary format the latest plan, taking into account the financial position at the end of 2019/20. If funding in the high needs block in the following two years increases at a similar level to 2020/21, and the numbers of EHCPs do not rise significantly more each year than the current trend, the deficit could be repaid by 2022/23.
- 5.3 We do however need to consider increases to top up funding (currently built in to the plan at an average of 2% per year for inflation) to ensure mainstream schools in particular have the support they need for the increasing numbers of pupils with EHCPs. None of our schools have seen an increase to top up rates for a few years now which has played a huge part in keeping the deficit down. It is now time to review the rates and increase the top up funding going to our schools (from September 2020), even if this means putting back the recovery of the deficit. The proposals and impact on the recovery plan will be brought back to Schools' Forum in October.
- 5.4 Finance staff, the Director of Education, and Councillor Pearce met with ESFA representatives in early June to review and discuss this latest plan. They commended us on doing a remarkable job in reducing the deficit over the last couple of years compared to so many other local authorities where their deficit continues to rise. They were also complimentary on the presentation of the plan and links between data and pressures. They made a few suggestions on other data and analysis that could be provided as back up to progress being made, which we will take on board. Otherwise the message was to continue with what we are doing.
- 5.5 The opening of the new local special free school is crucial to the recovery plan and future sustainability of the high needs budget in order to have local places available for the assumed continued increase in numbers of pupils with EHCPs. A lack of local provision would mean having to seek placements out of area which would increase again the average cost of placements and impact the recovery plan.
- 5.6 The budget monitoring reports to the Schools' Forum will continue to review progress against this plan.

6. Appendices

Appendix 1 – Summary DSG Outturn Report 2019/20

Appendix 2 – Additional Information for Appendix 1 Table

Appendix 3 – DSG Deficit Recovery Plan

Appendix 1 – Summary DSG Outturn Report 2019/20

Line Ref.	Description	Original Budget £m	Virements £m	Current Budget £m	Actual Outturn £m	Variance £m
Schools Block						
1	Individual Schools Budget - Maintained Schools	43.310	0.000	43.310	43.317	0.007
2	Growth Fund	0.664	0.037	0.701	0.791	0.090
3	Behaviour Support Services (de-delegation)	0.178	0.000	0.178	0.178	-0.000
4	Staff costs supply cover (trade unions) (de-delegation)	0.042	0.000	0.042	0.042	0.000
5	School Improvement (de-delegation)	0.146	0.000	0.146	0.146	0.000
6	Statutory/regulatory Duties (ESG) (de-delegation)	0.080	0.000	0.080	0.080	-0.000
7	Equality Services (de-delegation)	0.000	0.040	0.040	0.040	-0.000
8	Sub Total Schools Block Net Expenditure	44.420	0.077	44.497	44.594	0.097
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	0.097	0.097
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	0.176	-0.039
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	1.291	-0.039
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	-0.039	-0.039
Early Years Block						
20	Early Years Funding (free entitlement) including contingency	11.458	0.702	12.161	11.874	-0.286
21	Support for inclusion	0.100	0.000	0.100	0.097	-0.003
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	0.292	-0.093
24	Sub Total Early Years Block Net Expenditure	12.140	0.702	12.842	12.462	-0.380
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	-0.380	-0.380
High Needs Block						
27	SEN placements - Maintained Schools (first £10k/£6k place funding)	2.610	0.000	2.610	2.330	-0.281
28	Top up funding - Special Schools & PRU	8.554	0.054	8.608	8.393	-0.215
29	Top up funding - Resource Units	0.565	0.000	0.565	0.730	0.165
30	Top up funding - Mainstream	1.440	0.000	1.440	1.417	-0.023
31	Top up funding - Nursery	0.000	0.000	0.000	0.100	0.100
32	Top up funding - FE Colleges	0.793	0.000	0.793	0.839	0.046
33	Top up and other funding - non maintained & independent providers	2.485	0.000	2.485	2.617	0.132
34	Additional high needs targeted funding (Inclusion Fund)	0.250	0.000	0.250	0.307	0.057
35	SEN support services	0.572	0.000	0.572	0.584	0.013
36	Hospital education services	0.168	0.000	0.168	0.187	0.019
37	Support for inclusion	0.401	0.000	0.401	0.197	-0.203
38	Therapies and other health related services	0.345	0.000	0.345	0.365	0.020
39	SEN Transport	0.100	0.000	0.100	0.100	0.000
40	Repayment of DSG deficit from previous year	1.771	0.000	1.771	2.245	0.474
41	Sub Total High Needs Block Net Expenditure	20.052	0.054	20.106	20.412	0.306
42	High Needs Block DSG Allocation	18.428	0.054	18.482	18.322	-0.160
43	Balance Over / (Under) Allocation	1.624	-0.000	1.624	2.090	0.466
44	Total All Blocks Net Expenditure	77.942	0.833	78.775	78.759	-0.016
45	Total DSG Allocation Available	76.318	0.833	77.151	76.991	-0.160
46	Balance - Deficit / (surplus) In Year	1.624	-0.000	1.624	1.768	0.144
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	2.608	0.160
49	Total DSG Recouped	47.295	0.006	47.301	47.461	0.160
50	Gross DSG Expenditure including Recoupment	125.237	0.839	126.076	126.220	0.144

Appendix 2 – Additional Information for Appendix 1 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).

Appendix 3 – DSG Deficit Recovery Plan

Reading Borough Council - Deficit Recovery Plan Summary							
Background							
The DSG deficit peaked at £3.4m at the end of 2016/17 . Of this the HNB deficit was £3.2m.							
Since then it has been gradually reducing, even though numbers of EHCPs have continued to rise, and HNB income has been largely static.							
This has been achieved through using underspends from other blocks, and controlling costs as per the strategy.							
Highlights of 2019/20 Outturn							
Overall the DSG deficit has gone UP from a total of £1.606m at the end of 2018/19 to £1.768m at the end of 2019/20, an increase of £163k							
- mainly due to surpluses b/f from schools and early years blocks offsetting the deficit being used in year.							
The high needs deficit has gone DOWN from £2.245m at end of 2018/19 to £2.090m at end of 2019/20, a total of £155k repaid .							
Actual in year HNB expenditure in 2019/20 was £292k MORE than in year HNB DSG allocation (the £447k transfer of DSG from the Schools' Block has brought the in-year position into surplus).							
Compared to the original budget set, the top up budget was £226k overspent, or 1.6%; underspends in place funding and inclusion funding has offset this within the block.							
Given the continued increase in numbers of EHCPs (from 1,277 January 2019 to 1,391 in January 2020, an increase of 8.9%), costs are managing to be contained and are not spiralling out of control.							
Recovery Plan Strategy							
Focus is on High Needs Block - all other blocks deficits/surpluses are being managed and balanced within a two year period.							
Emphasis is on control of EHCP top up costs - being the largest proportion of the spend, and with a statutory requirement to provide this funding, so demand led. As follows:							
- SEN panel is robust and consistent in its decision making; EHCPs are necessary and funding is set at the right level/banding and reviewed annually.							
- Ensure out of county independent/NMSS costs and annual reviews are negotiated at the right level through the commissioning team, and inflation is contained to a reasonable realistic level.							
- Inclusion in mainstream - help schools in providing the right support for their EHCP pupils, and provide additional funding through the inclusion fund (money transferred from schools block - £350k in 2020/21)							
- Maximise lower cost local provision - this includes additional new places in resource units and new local special school							
- Minimise higher cost placements in Independent/NMSS where possible by providing good local provision.							
Ensuring minimal increases in other contracts in HNB (no greater than inflation) - negotiated by commissioning team							
Assumptions Used in Current 3 Year Recovery Plan							
Increase in HNB DSG annually - assumed £2m 2021/22 & 2022/23, the same level of increase as in 2020/21. The overall funding for schools and high needs is due to rise by similar amounts, though the split is not known.							
£350k transfer from SB to HNB for inclusion funding continues until the deficit is repaid.							
All other funding blocks balance in year/carry forward their balances - underspends in other blocks will not offset HNB deficit							
All non top up costs in HNB remain static beyond 2020/21							
The number of top ups overall continue to increase year on year at current EHCP trend (90 - 100) and adjusted in type of provision for known changes e.g. special schools go up and ind/NMSS go down							
Average cost of top ups increase annually by inflation at an average 2%							
Current HNB Recovery Plan							
Based on the above assumptions, the deficit is repaid in 2022/23.							
This is only possible with the assumed additional DSG funding, and that current trends on numbers/costs of EHCPs continue and are not significantly exceeded.							
The deficit is recovered because previous years overspends are now built into the base and are covered by the increased grant.							
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m	£m	£m
Brought Forward	2.057	3.228	2.860	2.245	2.090	1.787	0.605
In Year	1.171	-0.368	-0.615	-0.155	-0.303	-1.182	-1.829
Carried Forward	3.228	2.860	2.245	2.090	1.787	0.605	-1.224

Financial Plan per Funding Block						
Overall DSG Position (Net of Academy recoup)	2018/19	2019/20	2019/20	2020/21	2021/22	2022/23
	actual	budget	actual			
Expenditure						
Schools Block	44,825,042	44,496,830	44,593,880	46,010,770	46,010,770	46,010,770
Central Schools Services Block	1,407,629	1,330,000	1,290,736	1,217,850	1,217,850	1,217,850
Early Years Block	12,169,080	12,139,780	12,462,005	12,595,040	12,595,040	12,595,040
High Needs Block	17,813,706	18,281,300	18,167,357	18,356,496	19,478,262	20,830,659
Total Expenditure	76,215,457	76,247,910	76,513,978	78,180,156	79,301,922	80,654,319
DSG Income						
Schools Block	-45,097,700	-44,496,830	-44,496,700	-46,010,770	-46,010,770	-46,010,770
Central Schools Services Block	-1,407,300	-1,330,000	-1,330,000	-1,217,850	-1,217,850	-1,217,850
Early Years Block	-12,775,840	-12,445,780	-12,842,060	-12,595,040	-12,595,040	-12,595,040
High Needs Block	-18,188,999	-18,428,010	-18,322,000	-18,659,800	-20,659,800	-22,659,800
Total Income	-77,469,839	-76,700,620	-76,990,760	-78,483,460	-80,483,460	-82,483,460
In Year Net Position - Deficit/(surplus)						
Schools Block	-272,658	-0	97,180	0	0	0
Central Schools Services Block	329	0	-39,264	0	0	0
Early Years Block	-606,760	-306,000	-380,055	0	0	0
High Needs Block	-375,293	-146,710	-154,643	-303,304	-1,181,538	-1,829,141
Total Net	-1,254,382	-452,710	-476,782	-303,304	-1,181,538	-1,829,141
Add brought forward deficit (net)	2,859,586	1,605,204	1,791,852	1,768,221	1,787,055	605,518
Brought forward ring fenced amounts in other blocks		639,358	453,151	322,139		
Planned Year End Position	1,605,204	1,791,852	1,768,221	1,787,055	605,518	-1,223,623
High Needs Block Budget						
High Needs Budget (Net of Recoupment for Academy Place Funding)			2019/20	2020/21	2021/22	2022/23
			actual			
Expenditure						
Place Funding			2,429,700	1,073,500	1,073,500	1,073,500
Top Up Funding			14,283,908	15,542,196	16,663,962	18,016,359
Other			1,453,749	1,740,800	1,740,800	1,740,800
Total High Needs Block Expenditure			18,167,357	18,356,496	19,478,262	20,830,659
DSG High Needs Block Funding			-18,322,000	-18,659,800	-20,659,800	-22,659,800
In Year High Needs Block			-154,643	-303,304	-1,181,538	-1,829,141
Add brought forward deficit / (surplus)			2,245,003	2,090,360	1,787,056	605,518
Planned Year End Position			2,090,360	1,787,056	605,518	-1,223,622



Reading Schools' Forum

July 2, 2020

Agenda Item 6

Maintained School Balances

For decision

For discussion

For information

SUMMARY

This report provides information on maintained school balances as at the end of financial year 2019/20.

AUTHOR

Clare Warren, School Support Lead

Tel: 0118 937 4350

Email:

clare.warren@brighterfuturesforchildren.org

VERSION

Version number 1

DATE

July 2, 2020

REVIEW DATE

N/A

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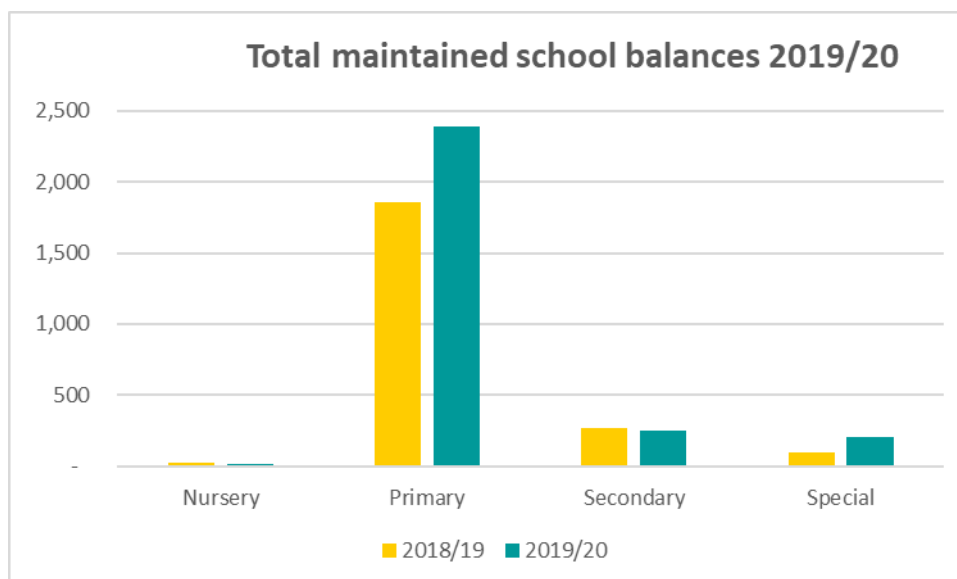
Brighter Futures for Children
Civic Offices, Bridge Street,
Reading RG1 2LU

Company number 11293709

1. Summary

1.1 Schools are to be commended for their hard work and commitment in following the year end closing of accounts processes and meeting the deadlines in what has been very difficult and unusual circumstances for all.

1.2 Overall school balances increased from £2,239k as at 31 March 2019 to £2,853k as at 31 March 2020, overall a 27.4% increase, as per the following chart:



1.3 The movements during the year by phase were:

Phase	2019/20 movement	Total 2019/20 balance
	£'000s	£'000s
Nursery	-5	15
Primary	531	2,387
Secondary	-22	249
Special	110	202
Total	614	2,853

Overall school balances have increased due to schools being prudent in their spending. At the time of setting the budget there had been uncertainty over future funding levels especially for the increases in teacher pay and pension, and rising costs.

1.4 6 schools ended the year 2019/20 with a deficit balance totalling £818k compared to 8 schools at the end of 2018/19 with a combined deficit balance of £916k. Of the 8 schools:

- 1 school has moved out of deficit
- 1 special school converted to an academy
- 4 decreased their deficit
- 2 slightly increased their deficit

Also 2 of these schools have had their funding de-delegated and the school finance team act as interim finance manager whilst continuing to work with the remaining schools to support them

to improved their financial position and has recently introduced a new School Finance Support SLA to support all non-statutory school finance requirements.

The school finance team has also worked with the school resource management advisor (SRMA) from the DfE to carry out a review on 3 schools to help identify areas of review and potential saving. A further SRMA review was carried out by the school finance team at a 4th school.

Excluding the secondary school (which will have a higher balance anyway) there are 4 primary schools with significant (over £200k) surplus balances which total £1,223k compared to 2018/19 with a total balance of £1,062k. Some of this has arisen due to delays in current building works/spending plans.

- 1.5 With the additional challenges of Covid-19 these balances are likely to fall as schools are losing income from lettings, after-school clubs etc as well as increasing expenditure for online resources/staff costs during holidays etc. The Department for Education have only confirmed that schools may claim for additional costs in premises, FSM and cleaning. They have also stated that schools are expected to cover their own additional costs rather than claiming if they are able to do so from existing budgets as per the information provided below:

Funding will be available to cover costs relating to specific items. These items are ones we judge are likely to be necessary to allow schools to provide appropriate support to those children who will continue to attend school under the current arrangements.

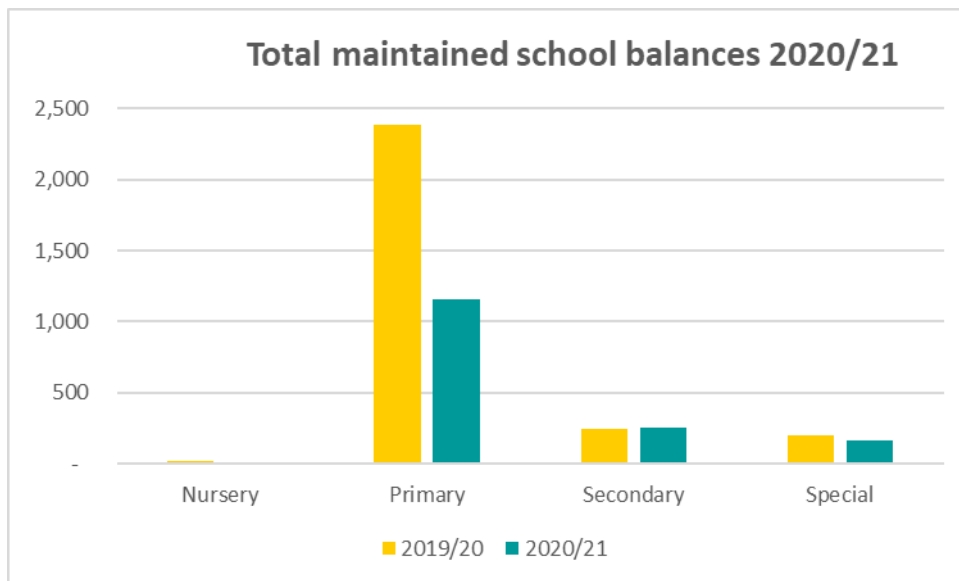
Funding will be available to schools that are unable to meet such additional costs from their existing resources, or which they could only meet by drawing down on reserves and undermining their long-term financial sustainability.

While we are not asking schools to draw on existing reserves to meet these costs, we do not expect schools to make a claim against this funding if they are anticipating that they will be able to add to their reserves in the 2020 to 2021 financial year.

We are asking schools to make the necessary payments from their existing budgets and record these in line with local finance policies. In June, we will publish further guidance for schools on the process for informing us of any additional costs relating to coronavirus (COVID-19). We understand the significant challenges schools are facing at present and will therefore make the process for reporting this information as simple as possible. We will then make payments – direct to academies, or to local authorities to pass onto their schools – to reimburse schools for costs they apply for up to the limits set out below.

2. 2020/21 budgeted balances

Maintained school budgets were set on a pre-Covid-19 basis to be consistent. Overall balances for 2020/21 are budgeted to decrease by £1,270k compared to 2019/20 to £1,583k:



This includes 8 schools in deficit totalling £897k (up from 2019/20 £818k).

It is expected that balances may actually fall compared to budget due to the impact of Covid-19 as it has already been stated above not all additional costs/lost income can be claimed from the DfE. Schools are submitting details of all their additional costs/lost income which is being collated to track the overall impact by schools.

3. Appendices

See Appendix 1 for Balances by School for 2019/20.

Appendix 1: School balances 2019/20

School name	Type of School	Main School Revenue/Community Total Balances		In-year movement		Balance as % of total income
		2018/19	2019/20	19/20 vs 18/19	% movement	
Blagdon Nursery School and Children's Centre	Nursery	-56,238	-50,027	6,211	-11.0%	-7.0%
Blagrave Nursery School	Nursery	58,656	50,583	-8,073	-13.8%	18.0%
Caversham Nursery School	Nursery	-56,183	-19,712	36,471	-64.9%	-2.2%
New Bridge Nursery School	Nursery	81,237	48,684	-32,553	-40.1%	9.0%
Norcot Early Years Centre	Nursery	-7,896	-14,581	-6,685	84.7%	-1.2%
Total Nursery Schools		19,576	14,946	-4,630	-23.7%	0.4%
Alfred Sutton Primary School		180,283	191,499	11,216	6.2%	6.2%
All Saints Church of England Aided Infant School	Voluntary Controlled	65,085	89,377	24,292	37.3%	22.7%
Caversham Park Primary School		39,050	54,972	15,922	40.8%	5.7%
Caversham Primary School		99,804	104,282	4,478	4.5%	5.1%
Christ the King Catholic Primary School	Voluntary Aided	1,736	33,595	31,859	1835.2%	1.4%
Coley Primary School		74,898	110,676	35,778	47.8%	8.3%
Emmer Green Primary School		45,364	18,168	-27,196	-60.0%	0.9%
English Martyrs' Catholic Primary School	Voluntary Aided	240,098	269,537	29,439	12.3%	11.7%
EP Collier Primary School		89,985	124,346	34,361	38.2%	6.7%
Geoffrey Field Infant School		82,666	182,349	99,683	120.6%	11.0%
Geoffrey Field Junior School		141,267	250,211	108,944	77.1%	12.6%
Katesgrove Primary School		455,962	402,241	-53,721	-11.8%	13.2%
Manor Primary School		45,160	134,295	89,135	197.4%	7.4%
Micklands Primary School		49,878	64,578	14,700	29.5%	3.4%
Moorlands Primary School		158,760	122,787	-35,973	-22.7%	5.5%
Oxford Road Community School		54,518	125,356	70,838	129.9%	9.1%
Park Lane Primary School		78,320	49,282	-29,038	-37.1%	2.7%
Redlands Primary School		-7,730	15,924	23,654	-306.0%	1.3%
Southcote Primary School		112,492	84,875	-27,617	-24.6%	3.0%
St Anne's Catholic Primary School	Voluntary Aided	-594,379	-540,010	54,369	-9.1%	-51.4%
St Martin's Catholic Primary School	Voluntary Aided	-70,529	-120,856	-50,327	71.4%	-16.7%
St Michael's Primary School		224,933	301,406	76,473	34.0%	15.5%
Thameside Primary School		105,973	86,421	-19,552	-18.5%	4.0%
The Hill Primary School		47,672	57,041	9,369	19.7%	3.0%
The Ridgeway Primary School		-92,717	-72,842	19,875	-21.4%	-3.2%
Whitley Park Primary and Nursery School		46,788	51,270	4,482	9.6%	1.5%
Wilson Primary School		180,636	196,260	15,624	8.6%	9.1%
Total Primary Schools		1,855,973	2,387,039	531,066	28.6%	4.6%
Blessed Hugh Faringdon Catholic School	Voluntary Aided	271,489	249,109	-22,380	-8.2%	5.0%
Total Secondary School		271,489	249,109	-22,380	-8.2%	5.0%
Cranbury College		7,470	90,290	82,820	32.7%	12.2%
The Holy Brook School		84,281	111,814	27,533	108.8%	12.2%
Total Special Schools		91,751	202,104	110,353	120.3%	2.5%
Total Balances		2,238,789	2,853,199	614,410	27.1%	4.4%



Reading Schools' Forum

July 2, 2020

Agenda Item 7

Dedicated Schools Grant (DSG)
Budget 2020/21

For decision

For discussion

For information

SUMMARY

This report sets out the DSG budget for 2020/21 and outlines the areas of pressure to be monitored throughout the year.

AUTHOR

Claire White, Schools & DSG Business Partner

Tel: 0118 937 4161

Email:

claire.white@brighterfuturesforchildren.org

VERSION

Version number 1

DATE

July 2, 2020

REVIEW DATE

None

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Brighter Futures for Children
Civic Offices, Bridge Street,
Reading RG1 2LU

Company number 11293709

1. Recommendations

- 1.1 NOTE: The overall budget for 2020/21.
- 1.2 NOTE: The possible pressures within each funding block.

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) Regulations (2020).
- 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 2020/21

- 3.1 The DSG allocation estimated for 2020/21 is summarised in Table 1 below, with a more detailed breakdown of the calculations provided in Appendix 1. The DSG allocation received by the LA will change during the year and the next update is due in July when the latest high needs and early year's allocations are published. The original budget was based on the LAs own estimate of these, and this needs to be monitored as it could impact on the overall position.
- 3.2 The allocations shown in the table are prior to any transfers between blocks. For the 2020/21 budget the Schools' Forum has agreed a transfer of £350k from the schools block to the high needs block.

Table 1: RBC's original and revised (current) DSG allocations for 2020-21

BLOCK	ORIGINAL ESTIMATED DSG ALLOCATION 2020/21			REVISED DSG ALLOCATION 2020/21			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	95.536	-49.165	46.371	95.536	-49.165	46.371	0
Central Schools Block	1.218		1.218	1.218		1.218	0
Early Years Block	12.638		12.638	12.638		12.638	0
High Needs Block	22.472	-4.162	18.310	22.472	-4.162	18.310	0
Total	131.864	-53.327	78.537	131.864	-53.327	78.537	0
19/20 EY adjustment						0	0
Total Available						78.537	0

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

- Reductions in the schools block funding due to any 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 no mainstream academy conversions in process.
- High needs block funding will be adjusted in July due to the import/export adjustment if there is 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 is also adjusted for any changes in the number of high needs places in academies, which is deducted from our allocation. These figures are currently estimated; the import-export is likely to reduce our funding by £78k, and there will be an adjustment when Cranbury become an academy as the budget assumed this would take place on 1st April.
- Early years funding will be based 5/12 on the January 2020 census, and 7/12 on the January 2021 census. Our original budget has used January 2020 census estimates which will be confirmed in July. The final adjustment for 2019/20 will also be made in July; we made no provision in the 2019/20 accounts as it is expected that this will

be just a small increase to funding. 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, but it could not reduce the funding already allocated.

4. DSG Budget 2020/21 Update

- 4.1. Appendix 2 contains the original 2020/21 budget as agreed/notified at previous meetings of the Schools' Forum. 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 per block. Note that the high needs block budget includes repayment of the previous year's deficit as forecast when the budget was set, and the DSG allocation includes an additional £0.460m which is ring fenced surpluses anticipated to be brought forward when the budget was set.

Table 2: Summary Budget 2020/21

	ORIGINAL BUDGET (£m)	VIREMENTS £m	CURRENT BUDGET (£m)
Schools Block	46.011		46.011
Central Schools Block	1.218		1.218
Early Years Block	13.109		13.109
High Needs Block	20.833		20.833
Sub Total – Net Expenditure	81.171		81.171
DSG Allocation	78.997		78.997
Balance Over/(Under) Allocated	-2.174		-2.174

- 4.4. Budgets and forecasts will be adjusted for the actual 2019/20 carry forward when agreed. This will reduce the forecast deficit to £1.787m though other changes to the DSG will need to be taken into account when confirmed in July. It is too early in the year to assess whether this position will be sustained. Risks and any emerging pressures are highlighted per block in the following paragraphs.

5. 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). These are likely to be minimal.

- The Growth Fund DSG allocation for 2020/21 is more than is anticipated will be required in year (and after paying back last year's deficit) though the surplus at the end of the financial year will be required for futures year requirements as set out in the plan brought to Schools' Forum last December.
- De-delegations are contributions to central services and unlikely to have any variance.

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. The small surplus brought forward from 2019/20 is likely to be required in 2021/22 as the DSG allocation for this block is likely to reduce again next year.

5.3. Early Years Block (EYB)

- Over 95% of Early Years Funding 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 2020 and 2021 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 2020 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 a close 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.
- It is therefore prudent to maintain a contingency, and £276k of the carry forward from 2019/20 is to be set aside as a contingency in 2020/21. 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. COVID-19 may also have an impact on payments to providers in 2020/21.
- Other budgets that pay for central spend are mainly contributions as agreed at the budget setting, and will not have a variance.
- There has still not been a Government announcement concerning the future funding of maintained nursery schools, including whether the current lump sum payment they receive will actually cease at the end of the 2019/20 academic year.

5.4. High Needs Block (HNB)

- Annual expenditure in the HNB is now largely being contained within its annual DSG allocation, and the overall deficit is reducing, so the focus is to continue to drive average costs of placements down in order to repay the deficit.
- The latest deficit recovery plan is set out in the DSG Outturn report elsewhere on this agenda. The plan assumes that the number of placements will continue to rise as per the trend in the last couple of years, and that inflationary increases to top up fees will average at 2%.
- As top up fees represent 85% of the high needs budget this will be closely monitored throughout the year, including comparing actual number and average cost of placements by each type to the original budget set.
- As mentioned in the outturn report, the actual level of top up fees paid to Reading schools is being reviewed, with a view to increasing these from September 2020. As schools have not seen an increase to the top up rates for a number of years, it is likely that the recommended increases will be above the 2% included in the budget. The impact on the deficit recovery plan will need to be taken into account when reviewing the options, and it may well be that the repayment of the deficit will take longer in order to facilitate increases above inflation.
- The Inclusion Fund provides additional funding to mainstream schools with a high percentage of pupils with EHCPs compared to our statistical neighbour average. £350,000 has been transferred from the Schools Block to the High Needs block to pay for this. Based on the current numbers of EHCPs in mainstream, the increase in some schools since the Spring term will mean that this budget will overspend by about £100k. This will be reviewed in the Autumn, but it is clear that the qualifying percentage cannot be reduced as previously thought.
- The monitoring of the high needs block and the deficit recovery plan will continue to be reported to each meeting of the Schools' Forum.

6. Appendices

Appendix 1 – DSG Allocations 2019/20 – Estimate

Appendix 2 – Summary DSG Budget 2019/20

Appendix 3 – Additional Information per Service

Appendix 1 – DSG Allocations 2020/21 – Estimate

	March 2020 DfE Notification		LA Estimate for Budget	
Schools Block				
Pupil Numbers Primary	13,096.5		13,096.5	
Rate	£4,172.37		£4,172.37	
Allocation		£54,643,444		£54,643,444
Pupil Numbers Secondary	6,952.5		6,952.5	
Rate	£5,503.69		£5,503.69	
Allocation		£38,264,405		£38,264,405
Growth Funding		£1,345,264		£1,345,264
Premises & Mobility Funding		£1,283,373		£1,283,373
actual funding rounding adjustment		£1		£35
Gross Allocation		£95,536,486		£95,536,520
Academy Recoupment		-£48,977,490		-£49,165,490
Schools Block Net Total		£46,558,996		£46,371,030
Central School Services Block				
Pupil Numbers	20,049.0		20,049.0	
Rate	£33.61		£33.61	
Allocation		£673,847		£673,847
Historic Commitments		£544,000		£544,000
actual funding rounding adjustment				£53
Central School Services Block Net Total		£1,217,847		£1,217,900
High Needs Block				
Formula		£22,778,471		£22,778,471
Hospital Funding		£197,435		£197,435
Additional Allocation				
Pupil Numbers - Special Schools	287.0		287.0	
Pupil Numbers - Alternative Provision	35.0		35.0	
Rate	£4,213.00		£4,213.00	
Allocation		£1,356,586		£1,356,586
Import/Export Adjustment	-313		-313	
Rate	£6,000.00		£6,000.00	
Allocation		-£1,878,000		-£1,878,000
Additional funding for Special Free Schools		£17,553		£17,553
actual funding rounding adjustment		-£45		-£45
Gross Allocation		£22,472,000		£22,472,000
Recoupment - academy high needs places		-£3,162,167		-£4,162,200
High Needs Block Net Total		£19,309,833		£18,309,800
Early Years Block	(Jan '19 census)		(Jan '20 census)	
3 & 4 year olds Universal - Schools	1,321.6		1,369.2	
3 & 4 year olds Universal - PVI	1,463.0		1,510.0	
3 & 4 year olds Additional - Schools	268.8		270.4	
3 & 4 year olds Additional - PVI	619.2		590.0	
Total	3,673		3,740	
Rate	£5.22		£5.22	
Allocation		£10,927,454		£11,126,806
2 year olds - schools	60.0		72.0	
2 year olds - PVI	325.2		270.0	
Total	385.2		342.0	
Rate	£5.82		£5.82	
Allocation		£1,277,862		£1,134,551
PPG - schools	191.0		204.6	
PPG - PVI	144.0		127.0	
Total	335.0		331.6	
Rate	£0.53		£0.53	
Allocation		£101,204		£100,176
DAF - eligible pupils	60.0		26.0	
Rate	£615.00		£615.00	
Allocation		£36,900		£15,990
Maintained Nursery Grant		£251,535		£260,276
actual funding rounding adjustment		£87		£1
Early Years Block Net Total		£12,595,042		£12,637,800
SUMMARY GROSS IN YEAR ALLOCATION				
Schools Block		95,536,486		95,536,520
Central School Services Block		1,217,847		1,217,900
High Needs Block		22,472,000		22,472,000
Early Years Block		12,595,042		12,637,800
TOTAL GROSS DSG ALLOCATION IN YEAR		£131,821,375		£131,864,220
SUMMARY NET IN YEAR ALLOCATION				
Schools Block		£46,558,996		£46,371,030
Central School Services Block		£1,217,847		£1,217,900
High Needs Block		£19,309,833		£18,309,800
Early Years Block		£12,595,042		£12,637,800
TOTAL NET DSG ALLOCATION IN YEAR		£79,681,718		£78,536,530

Appendix 2 – Summary DSG Budget 2020/21

Line Ref.	Description	Original Budget £m
Schools Block		
1	Individual Schools Budget - Maintained Schools	44.325
2	Growth Fund	1.257
3	Behaviour Support Services (de-delegation)	0.176
4	Staff costs supply cover (trade unions) (de-delegation)	0.043
5	School Improvement (de-delegation)	0.130
6	Statutory/regulatory Duties (ESG) (de-delegation)	0.080
7	Sub Total Schools Block Net Expenditure	46.011
8	Schools Block DSG Allocation	46.011
9	Balance Over / (Under) Allocated	0.000
Central Schools Services Block		
10	Contribution to combined budgets	0.494
11	School admissions	0.215
12	Servicing of schools forum	0.020
13	Prudential borrowing costs	0.040
14	Other Items (copyright licences)	0.111
15	Statutory/regulatory Duties (ESG)	0.338
16	Sub Total Central School Services Block Net Expenditure	1.218
17	Central School Services Block DSG Allocation	1.218
18	Balance Over / (Under) Allocated	0.000
Early Years Block		
19	Early Years Funding (free entitlement)	12.425
20	Support for inclusion	0.100
21	SEN support services (Portage/Dingley)	0.198
22	Central expenditure on early years entitlement	0.385
23	Sub Total Early Years Block Net Expenditure	13.109
24	Early Years Block DSG Allocation	13.109
25	Balance Over / (Under) Allocated	0.000
High Needs Block		
26	SEN placements - Maintained Schools (first £10k/£6k place funding)	0.974
27	Top up funding - Special Schools & PRU	9.254
28	Top up funding - Resource Units	0.514
29	Top up funding - Mainstream	1.950
30	Top up funding - Nursery	0.092
31	Top up funding - FE Colleges	0.917
32	Top up and other funding - non maintained & independent providers	2.639
33	Additional high needs targeted funding (Inclusion Fund)	0.350
34	SEN support services	0.572
35	Hospital education services	0.175
36	Support for inclusion	0.425
37	Therapies and other health related services	0.395
38	SEN Transport	0.100
39	Repayment of DSG deficit from previous year	2.478
40	Sub Total High Needs Block Net Expenditure	20.834
41	High Needs Block DSG Allocation	18.660
42	Balance Over / (Under) Allocated	2.174
43	Total All Blocks Net Expenditure	81.171
44	Total DSG Allocation Available	78.997
45	Balance - Deficit / (surplus) In Year	2.174
Memorandum - Budgets Recouped from Gross DSG Allocation		
46	Individual Schools Budget - Academies	49.450
47	SEN placements - Academies & Post 16	4.162
48	Total DSG Recouped	53.612
49	Gross DSG Expenditure including Recoupment	134.783

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 duties carried out by the LA on behalf of all maintained schools.

CENTRAL SCHOOLS SERVICES BLOCK

Line 10 - Combined Budgets - covers 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 11 - School Admissions – contribution towards the Admissions service for all Reading Schools.

Line 12 - Servicing of Schools Forum – Preparation for Schools forum.

Line 13 - 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 14 – Other Items – Copyright licences – national contract, purchased on behalf of all schools.

Line 15 – Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA for all schools, including academies.

EARLY YEARS BLOCK

Line 19 - 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 20 - 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 36).

Line 21 - SEN Support Services – portage and contribution to Dingley.

Line 22 - Central Expenditure on Children under 5 – Early Years Team Staff including compliance, data, sufficiency and performance.

HIGH NEEDS BLOCK

Line 26 - SEN Placements – Place funding for maintained school Resource Units (first £6k) and maintained Special Schools (first £10k). It was assumed that Cranbury College (PRU/alternative provision) would convert to academy on 1st April so currently no budget showing from April to date of conversion.

TOP UP FUNDING (EHCP top ups within any LA that Reading has a financial responsibility for):

Line 27 - Top-up funding for Special schools and PRU - This also includes Pupils without EHCPs in Pupil referral units

Line 28 - Top-up funding for Resource Units - EHCP top-ups for pupils placed in resource units.

Line 29 - Top-up funding for Mainstream schools - EHCP top-ups for pupils in mainstream schools (not resource units).

Line 30 - Top-up funding for FE Colleges - EHCP top-ups for students placed in further education colleges.

Line 31 - Top-up funding Nursery providers - EHCP top-ups for children in both maintained and private settings.

Line 32 - Top-up funding and other funding – non maintained and Independents - EHCP Top-ups for Independent and non-maintained special schools. This also includes other private alternative short term placements which are not schools.

Line 33 – Additional High Needs Targeted Funding (Inclusion Fund) – financial support to schools with a higher than average percentage of pupils with EHCPs.

Line 34 - SEN Support Services – This includes Sensory Consortium (joint arrangement with other Berkshire LAs), virtual school, and ASD Outreach commissioned to Christ The King.

Line 35 - 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 36 - Support for Inclusion – Funding for hard to place pupils (through Inclusion panel), and central staffing (2 posts) in Education department, one for statutory functions including monitoring exclusions and one for ASD advisory support. Includes Manor inclusion project, and early years inclusion panel contribution, plus early years place funding at Snowflakes.

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

Line 38 - SEN Transport – Contributions to SEN School Travel

Line 39 – Repayment of deficit (19/20 C/FWD) – This is the 19/20 deficit relating to the high needs block, and this is a first call on 2020/21 resources.

RECOUPMENT

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

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



Reading Schools' Forum

July 2, 2020

Agenda Item 9

Scheme for Financing Schools
2020/21

For decision

For discussion

For information

SUMMARY

This report sets out the statutory changes required to the Scheme for Financing Schools, which requires approval by the Schools' Forum.

AUTHOR

Claire White, Schools/DSG
Business Partner

Tel: 0118 937 4161

Email:

claire.white@brighterfuturesforchildren.org

VERSION

Version number 1

DATE

July 2, 2020

REVIEW DATE

None

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Brighter Futures for Children
Civic Offices, Bridge Street,
Reading RG1 2LU

Company number 11293709

1. Recommendations

- 1.1 AGREE: The revisions to the Scheme for Financing Schools as set out in Appendix 1.

2. Background

- 2.1 The Scheme for Financing Schools is a statutory document and all local authorities are required to publish their Scheme. It sets out the financial relationship between them and the schools they maintain.
- 2.2 The Department for Education (DfE) set out the provisions which the Scheme must, should or may include. In making any changes to their Schemes, other than directed revisions, local authorities must consult all maintained schools in their area and receive the approval of the members of Schools' Forum representing maintained schools.
- 2.3 The last update to Reading Borough Council's Scheme was in July 2019 and can be found on the RBC website⁴.
- 2.4 The statutory guidance for the 2020/21 financial year was updated by the DfE on 1st April 2020⁵.

3. Proposed Changes

- 3.1 Statutory changes have been kept to a minimum this year in the context of coronavirus (COVID-19) and some changes that were expected (for example changes following the consultation on financial transparency) have been delayed by the DfE.
- 3.2 There is therefore only one main change, which is including the risk protection arrangement (RPA) as an alternative commercial insurance for maintained schools. This is not a directed revision because the DfE has not yet carried out a consultation to make it such, so at this stage it is a change to the guidance. There are other minor/presentational changes to reflect current policy wording. The changes are listed in Appendix 1.
- 3.3 We do not propose any local changes at this time, but we will exercise discretion on schools meeting certain requirements/deadlines as set out in the Scheme. For example, the submission of annual budgets was delayed by a few weeks where schools had difficulty meeting the deadline.
- 3.4 As we are only making the changes to reflect the current DfE policy guidance, we will not go out to consultation with all schools, though Schools' Forum are still required to approve these changes.

4. Appendices

Appendix 1 – Changes to The Scheme for Financing Schools

⁴ <https://www.reading.gov.uk/schemes-for-financing-schools>

⁵ <https://www.gov.uk/government/publications/schemes-for-financing-schools>

Appendix 1 – Changes to The Scheme for Financing Schools 2020/21

- Paragraph 1.1: Minor change - changed to “current funding framework”.
- Paragraph 2.10: Minor change - removed “Taking into account the purchasing, tendering and contracting requirements.”
- Paragraph 2.16: Minor change - changed to “For the purposes of the procurement directives schools are viewed as discrete contracting authorities”
- Paragraph 10.1: Changes made to the guidance - added “Instead of taking out insurance, a school may join the Secretary of State’s Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools may join the RPA after 1st April 2020. Schools may do this individually when any insurance contract of which they are part expires. All primary and/or secondary maintained schools may join the RPA collectively by agreeing through the Schools Forum to de-delegate funding.”
- Paragraph 11.3: Minor change - changed “Governors’ Allowances”
- Paragraph 11.3: Presentational change - added “Schools without delegated budgets”. The authority may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors’ expenses. Governing bodies would not normally have discretion in the amounts of such allowances, which would be set by the authority.
- Paragraph 11.3: Presentational change - added “Schools with delegated budgets”
- Paragraph 13.9: Changes made to the guidance - added “Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.”
- Paragraph 13.11: Changes to the guidance - deleted “schools must not borrow money to fund a community service without the written consent of the Secretary of State.”