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## TO: ALL MEMBERS OF THE SCHOOLS' FORUM

March 04, 2021

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## NOTICE OF MEETING - SCHOOLS FORUM 11 MARCH 2021

A meeting of the Schools Forum will be held on Thursday, 11 March 2021 at 5.00 pm. 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		
Item		Page
1.	Welcome and apologies - Chair	
2.	Minutes of the previous meeting including matters arising - Chair	3 - 10
3.	Schools' Forum Membership Update - including confirmation of representation - Chair	11 - 12
4.	DSG Budget monitoring 2020/21 month 11 - Schools/DSG Business Partner	13 - 26
5.	Early Years Budget 2021/22 - Schools/DSG Business Partner	27 - 36
6.	High Needs Budget 2021/22 - Schools/DSG Business Partner	37 - 46
7.	SEND Update - Director of Education	47 - 52
8.	Alternative Provision review - Mandy Wilton	53 - 58
9.	Schools' Forum meeting dates 2021/22 - Schools/DSG Business Partner	59 - 62
10.	Agenda items for next meeting	

- DSG Outturn 2020/21
- Maintained School Balances 2020/21
- DSG Budget and Deficit Recovery Plan for 2021/22
- SEND Strategy Annual Update
- SEND Top-Up review
- Schools' Forum Constitution/ Terms of reference for 2021/22
- Update to Scheme for Financing Schools

11. Any Other Business

- ESFA Consultation on High Needs Block

12. Date of Next Meeting

- June 24, 2021 at 5pm (venue to be confirmed)



## Minutes of Schools’ Forum Meeting

14 January 2021

### Members Present

Justine McMinn – Head Teacher of E P Collier; Cathy Doberska – Head Teacher of English Martyrs; Peter Kayes – Governor at the Ridgeway; Richard Rolfe – Governor at Micklands (Chair); Dani Hall - Co-Chair of the Federation between Oxford Road Community School & Wilson School; Simon Uttley – Head Teacher of Blessed Hugh Faringdon; Richard Pearse – Principal of Churchend; Isabelle Sandy – Business Manager of Kendrick; Claire Brown – Business Manager of Prospect School (substitute); Marie Belcher – Finance Director of Reading School (Substitute); John Salberg – Principal of The Wren; Symon Cooke – Head Teacher of The Avenue; Mandy Wilton – Head of Cranbury College; Ita McGullion – Manager of Kennet Day Nursery; Alison McNamara - NEU.

### Apologies

Jo Budge – Executive Head Teacher of Reading Early Years Schools Federation; Julia Cottee - Governor at Reading Early Years Schools Federation; Robert Howell – Head Teacher of Alfred Sutton; Tonia Crossman – Head Teacher of Emmer Green; Karen Edwards – Head Teacher of The Heights; Rachel Cave – Head Teacher of Highdown School; Annal Nayyar – Finance Director of Bayliss Trust (Reading Girls); Lee Smith – Head Teacher of Holy Brook; Charlotte Morgan – Reading College.

### In attendance

Cllr Ashley Pearce – Lead Member for Education; Ann McDonnell – Business Manager of Blessed Hugh Faringdon; Kate Reynolds - Director of Education & Research; Claire White – Schools & DSG Business Partner; Clare Warren – School Support Lead; Steven Davies – Strategic Business Partner; Siobhan Egan – Service Manager IT & Data Intelligence; Corinne Dishington – Service Manager Under 5s; Steph Heaps – Observer; Vanessa Hurdle – minute taker.

	Item	Notes
1	Welcome and apologies - Chair	<p>The Chair welcomed everyone to the meeting.</p> <p>Claire White introduced Steph Heaps. Steph is taking over from Claire, though Claire will be staying until the end of April to help Steph learn the role.</p> <p>Ashley Pearse thanked all school staff for their efforts, especially this month with the return to school followed immediately by another lockdown and the need to deliver on-line lessons within a matter of hours.</p>

		<p>Claire White read out the protocol for the virtual meeting and confirmed who was eligible to vote and for which votes. Recording of the meeting commenced. The recording will be retained until the minutes have been approved.</p> <p>Apologies were noted.</p>
2	Minutes of the meeting held on 3 December 2020 - Chair	<p>Minutes were agreed as an accurate record of the meeting from the 3 December 2020.</p> <p><b>Matters arising:</b></p> <ul style="list-style-type: none"> <li>- Academy Membership – The Academies have still not named a fifth Secondary school member. Isabelle Sandy confirmed that she has still not heard back from Ashley Robson, Head of Reading School, despite contacting him twice. She will email him again. It was suggested that the observer from Reading School might also wish to mention the vacancy to him. Alternatively, the Secondary Academies could find someone else as their fifth member.</li> <li>- Full Costing of Resource Provision – Claire explained that this has not happened. Data has been received from two schools, but she is still waiting for information from other schools. If need be, she will just use the data provided by these two schools and bring a report to the March meeting.</li> </ul>
3	Schools’ Forum Membership Update – including confirmation of representation - Chair	<p>Richard re-iterated that the Forum had full membership, apart from the name of the fifth Academy Secondary member.</p>
4	DSG Budget Overview for 2021/22 including announcements made in December 2020 - Schools/DSG Business Partner	<p>Claire White Presented.</p> <p>The allocations for the DSG funding for 2021/22 were published by the Government on 17 December 2020. Overall there has been an increase of £10.3m, which is 7.8% and means that the total of the DSG has increased to £142.3m. However, it should be noted that this figure includes the teachers’ pay and pension grants of £4.634m. Without this, the real increase is 4.3%, or £5.673m.</p> <p>The Schools Block has increased by £7.945m to £103.481m. If the grants and growth fund are excluded, then this is an increase of 4.4% or just over £4m. The key thing to note is that pupil numbers have increased in the secondary sector. On a per pupil level, the real increase is 3.2%.</p> <p>The Central Schools Block has decreased due to the phasing out of funding for historical commitments.</p>

		<p>In the High Needs Block the increase, excluding the additions for grants, is just under £2m, or 8.78%.</p> <p>In the Early Years Block, the increase is just 6 pence per hour for 3 and 4 year olds, and 8 pence for 2 year olds. If the January 2020 census figures are used, then the increase will be just £0.145m. The Government has still not confirmed which census will be used for this allocation. There is a concern if the January 2021 census is used for funding Summer 2021 as numbers are likely to be much lower now compared to the summer due to the pandemic.</p> <p>There is no change to the values for the Pupil Premium Grant. This funding will be based on the October 2020 census, rather than January 2021. No further announcements have been made regarding grants, but it has been confirmed that the Free School Meals Supplementary Grant will not continue after the February 2021 payment.</p> <p>The second part of the report relates to the requirements for setting the DSG budget for 2021/22.</p> <p>The school funding formula and Central Schools Services Block budget is discussed in a further report.</p> <p>Funding for the High Needs Block will be just under £2m. Currently the deficit is estimated to be £2.3m. Most, if not all, of the funding will be needed for increased top-up costs next year. The number of places, plus the costs for out of borough placements continue to rise. Based on current numbers, there would be an increase of £0.845m in 2021/22, and this is without inflation and additional numbers being taken into account.</p> <p>Additional places also needed to be budgeted for as part of the long-term strategy not to send pupils out of borough. This is expected to cost around £350k but will lead to savings in the long term. There is also likely to be increases to the central budget.</p> <p>As has previously been stated, there is a great deal of uncertainty with the Early Years Block. It is expected that the full increase will be passed on. It is hoped that it will be possible to bring the proposed budget to the March 2021 meeting.</p> <p>Ita McGullion queried the Early Years rates being used in Appendix 1. Claire explained that the funding received is on a different basis to how it is paid out. The funding is based on the January census, but is paid out according to actual</p>
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		<p>numbers for each term, so in setting the rate for the year it has to be estimated what the actual number of hours will be. Central costs are also deducted from the available funding, which may be up to 5%. Surpluses and deficits from previous years are also taken into account. There is currently a surplus, which can provide a buffer for when the numbers don't tie up.</p>
5	<p>Final School Funding Formula for 2021/22 – Schools/DSG Business Partner</p>	<p>Claire White presented</p> <p>The final allocation, based on the October 2020 census, was received just before Christmas 2020. After deducting for the growth funding and the transfer to the High Needs block, there is £102.445m to be allocated to primary and secondary schools. This means that all the factors can be increased to the National Formula Funding values including the area cost adjustment except the lump sum which will increase by 1.74%. There was a concern that there may have been a shortfall, but the budget the Government's decision to freeze Business Rates next year has helped this position.</p> <p>Appendix 2 shows the allocations per school for 2021/22. Academies need to note that the totals include business rates, which will not be included when they receive their funding from ESFA. When the grants that have been added are excluded, the overall increase for primary schools is 3.4% and for secondary 2.47%. The increases will vary according to whether schools are on the minimum per pupil funding level. These schools may see much larger increases. Those schools on 4% or above previously tended not to receive much funding through the additional funding factors such as deprivation and low prior attainment. The minimum funding guarantee has been built in at 2% increase per pupil. Any schools showing a per pupil increase of less than 2%, this is due to the lump sum, which is excluded from the minimum funding guarantee calculation.</p> <p>For schools that are showing a reduction to their funding, this is due to lower pupil numbers. Schools would expect to see this decrease.</p> <p>When the National Funding Formula is eventually introduced, it will not make a big difference to the budgets that schools receive. Similar funding increases are expected to be received next year as this is the second year of a three-year commitment of additional funding to schools.</p>
6	<p>De-delegation for 2021/22 - Schools/DSG Business Partner</p>	<p>Claire White presented.</p>

		<p>The Schools Forum has the responsibility of re-approving the de-delegations annually. There are four services for maintained Primaries and two for maintained Secondaries. Academies and non-mainstream schools are not included in this vote.</p> <p>The total costs for the four services remain unchanged, but the per pupil amounts will vary according to the number of pupils in the maintained sector.</p> <p><b>All 5 maintained primary school members voted yes to continuing with each of the services offered for 2021/22: Behaviour Support at £100.51 per FSM pupil; Union Duties at £4.58 per pupil; School Improvement at £12.47 per pupil; and General Duties at £7.80 per pupil. None against.</b></p> <p><b>The 1 maintained secondary school member voted yes to continue with each of the services offered for 2021/22: School Improvement at £12.47 per pupil; and General Duties at £7.80 per pupil. None against.</b></p>
7	Central School Services Block Budget for 2021/22 - Schools/DSG Business Partner	<p>Claire White presented.</p> <p>The Schools' Forum is required to approve the budget as set out in table 2.</p> <p>The funding has decreased to £1.167m as the funding received for historic commitments is going down by 20% per year. This is the second year of this reduction.</p> <p>A balanced budget has been set by reducing the budget for some of these historic commitments. The Schools Forum has to vote on all the separate items except for Copyright Licences, which remains a local authority decision.</p> <p><b>12 members agreed to all the budget lines as set out in Table 2 with none against.</b></p>
8.	DSG Budget Monitoring 2020/21 – Month 9 - Schools/DSG Business Partner	<p>Claire White presented.</p> <p>The funding allocation remains the same and has not changed since July. No changes are expected, except for Early Years when it is eventually known how it will be funded for the spring term.</p> <p>There is also very little change to the overall budget position from what was reported in December 2020. The end of year deficit is still expected to be £1.473m which is £701k reduction from the original deficit.</p>

		<p>The table in paragraph 4.3 shows the key variances. The two major underspends – the growth fund and the early years’ contingency – are ringfenced and don’t count against the deficit. There is an overspend in the High Needs block and this counts towards the deficit.</p> <p>The underspend in the Schools Block is due to the growth fund and is a planned underspend. It is needed going forward and has been ringfenced.</p> <p>A contingency is needed in the Early Years block due to all the current uncertainty. The contingency stands at just under £200k.</p> <p>The top up forecast for the High Needs block has not changed very much since the previous report. It is forecast that there will be a spend of £16.003m on top-ups, which is £461k over budget. The bigger variances are in the non-maintained and independent sector. This is currently £374k overspent and has 14 additional placements compared to the budget. The second area showing an increase in costs is Alternative Provision – alternative placements outside of the PRU. These placements tend to be short-term, but the forecast assumes those pupils will remain in the placement until the end of the financial year. Not all of the costs will materialise as pupils move to different placements. It is, therefore, hoped that the current forecast of an overspend of £16.003m will not increase much more than this, and may even decrease.</p> <p>The current estimate for the Recovery Plan is that the deficit in the High Needs block will increase by £202k. it was originally estimated that the total deficit would be £1.787m. it is now forecast that it will be £2.293m and means that re-payment of the deficit will shift from 2022/23 to 2023/24. It should be noted, however, that further costs will need to be built into the budget, which could increase the deficit even more in future years. This position is still good in comparison to other Local Authorities, which are seeing their deficits double within the current financial year.</p>
9.	SEND Update, including review of resource provision funding – Director of Education	<p>Kate Reynolds presented.</p> <p>Kate asked if the School Forum still required her to report at every meeting, or if a more detailed report should come periodically. A lot of the work that is being done is now feeding into other reports on the agenda.</p> <p>3.1 Progress to Date – It should be noted that there is a typo here. The narrative states that there are 1,413 pupils with EHCPs, whilst the table shows 1,464 pupils. The table is correct. Kate was pleased to announce that in both September and</p>



		<p>December 2020, 100% of EHCPs were issued in the statutory timeframe. This compares to January 2020, when only 47% of EHCPs were issued within the statutory deadline. Thanks were expressed to the SEN team for this achievement.</p> <p>The report shows the range of projects that are currently in progress:</p> <ul style="list-style-type: none"> <li>• Capital investment – there is investment in schools, together with the expansion of the provision that is available, particularly for ASD and AMH. The new Oak Tree Special School is due to open in September 2022.</li> <li>• Social &amp; Communication Difficulties Provision in Primary Schools – This will be in Southcote which has already opened and North Reading.</li> <li>• Early Years Provision</li> <li>• Secondary Provision</li> <li>• Revision of Service Level Agreements with Schools, plus the admissions process. First admissions Panel, in relation to resourced provision, will take place this January.</li> <li>• Revenue Funding – Review of the costings of provision to be undertaken.</li> <li>• Alternative Provision – The provision needs to be fit for purpose. Mandy Wilton is leading in this area.</li> </ul> <p>The current SEND Strategy will finish in 2022. The strategy will be further reviewed in 2021 and the refresh reported to Schools Forum for consideration. The new process will be Berkshire-wide. A new process for supporting children at a much earlier age will be piloted in 2021. A new Quality Assurance Scheme has also been put into place so that all plans are assessed externally to check that they are clear, fit for purpose and to ensure that the voice of the child is central to the plan.</p>
10	Agenda items for next meeting	<p>The next meeting will be held on 11 March 2021. This will also need to be virtual.</p> <ul style="list-style-type: none"> <li>• High Needs Block Budget for 2021/22</li> <li>• Early Years Block Budget for 2021/22</li> <li>• Budget Monitoring 2020/21 month 11 (including update on deficit recovery plan)</li> <li>• SEND update and review of top up bandings</li> </ul>

		<ul style="list-style-type: none"> <li>• Update to Scheme for Financing Schools</li> <li>• Schools' Forum meetings 2021/22</li> </ul>
<b>11</b>	Any other business	There were no items of any other business and the meeting finished at 17.55.

## Summary of Actions Outstanding

SF Date & Item no.	Action Required	Responsible Person
3/12/20 – item 2	Academy membership – 5 <sup>th</sup> secondary school representative to be decided.	Isabelle Sandy has followed up with Ashley Robson twice and not had a response. She will try again.
3/12/20 – item 8	Full costing of all resource provision to be brought to Schools' Forum in January 2021.	Claire White. As at January 2021, data from two schools received, others will be chased. To report to Schools' Forum in March. .
3/12/20 – item 8	Options Appraisal for all 5 options for future top up funding to be brought to Schools' Forum in March 2021.	Kate Reynolds has engaged Project Manager to lead on this.
3/12/20 – item 9	Progress report on the AP review to be brought to Schools' Forum in March 2021.	Mandy Wilton.

## Agenda Item 3

<b>SCHOOLS' FORUM MEMBERSHIP</b>	<b>Mar-21</b>
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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
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### 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 (7)	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	Tonia Crossman	Emmer Green	May-17	Mar-19	3 yrs	Mar-22	
	7	Governor **	Peter Kayes	The Ridgeway	Mar-07	Dec-19	3 yrs	Dec-22	
	8	<b>Governor *</b>	Richard Rolfe	Micklands	Dec-16	Dec-19	3 yrs	Dec-22	
	9	Governor	Dani Hall	Oxford Road and Wilson	Mar-20	Mar-20	3 yrs	Mar-23	
		Observer/Substitute	Sarah Bernto	St Anne's					
Maintained Secondary (1)	10	Head teacher	Simon Utley	Blessed Hugh Faringdon	Jan-17	Jan-19	3 yrs	Jan-22	
Academy Primary (2)	11	Academy Member	Karen Edwards	The Heights	Jul-18	Jul-18	3 Yrs	Jul-21	
	12	Academy Member	Richard Pearse	Churchend	Mar-20	Mar-20	3 yrs	Mar-23	
Academy Secondary (5)	13	Academy Member	Isabelle Sandy	Kendrick	Feb-12	Mar-19	3 Yrs	Mar-22	
	14	Academy Member	David Littlemore	Prospect	Feb-12	Mar-19	3 Yrs	Mar-22	
	15	Academy Member	Rachel Cave	Highdown	Feb-12	Mar-19	3 Yrs	Mar-22	
	16	Academy Member	Annal Nayyar	Reading Girls	Dec-17	Mar-19	3 Yrs	Mar-22	
	17	<b>Academy Member</b>	<b>Ashley Robson</b>	<b>Reading</b>					
			Observer/Substitute	Louise Baker	John Madjeski				
			Observer/Substitute	Jonathan Nicholls	UTC				
		Observer/Substitute	Andy Johnson	Maiden Erlegh in Reading					
		Observer/Substitute	John Salberg	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	Charlotte Morgan	Reading College (Activate Learning)	Oct-20	Oct-20	3 yrs	Oct-23

### Non Members

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

\*\* Vice chair

Elected October 2020

Elected October 2020

Agenda Item 3

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# Reading Schools' Forum

March 11, 2021

Agenda Item 4

Dedicated Schools Grant (DSG)  
Budget Monitoring 2020/21

For decision

For discussion

For information

## SUMMARY

This report sets out the current position (month 11) of the DSG budget for 2020/21 and outlines the variances.

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## VERSION

Version number 1

## DATE

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## REVIEW DATE

None

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## 1. Recommendations

- 1.1 NOTE: The current overall DSG allocation and budget position for 2020/21.
- 1.2 NOTE: The current position within each funding block and impact on the deficit recovery plan.

## 2. Background

- 2.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant and can only be used in support of the schools' budget and spent on school/pupil activity as defined by the School and Early Years Finance (England) 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 following year's allocation of DSG. Underspends on the DSG are carried forward to support the future year's school's budget.
- 2.5 The Authority must ensure that DSG is correctly spent and has to report the outturn position to inform the impact upon the following year's budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.
- 2.6 The LA receives its DSG allocation gross (including allocations relating to academies and post 16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

## 3. DSG Allocation 2020/21

- 3.1. The DSG allocation received by the LA will change during the year. Table 1 shows the original estimate made by the LA and the current position, as last notified by the ESFA in January 2021. Further details are contained in Appendix 1. Changes to the allocation could impact on the overall budget 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.
- 3.3. Overall there has been an increase of £586k to the current year allocation, which is explained in the paragraphs below (there has been no change since the month 6 report).

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	12.832		12.832	0.194
High Needs Block	22.472	-4.162	18.310	22.395	-3.829	18.566	0.256
<b>Total</b>	<b>131.864</b>	<b>-53.327</b>	<b>78.537</b>	<b>131.981</b>	<b>-52.994</b>	<b>78.987</b>	<b>0.450</b>
19/20 Early Years adj.						0.136	0.136
<b>Total Available</b>						<b>79.123</b>	<b>0.586</b>

3.4. 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 no impact on the LA budget, as expenditure is reduced accordingly. Currently, there are no mainstream academy conversions in process, so the budget remains the same.
- High needs block funding was adjusted in July due to the import/export adjustment: this is where there has been a change to the number of Reading pupils placed in settings outside Reading or a change in the number of pupils from other LAs attending settings in Reading. This is because the LA where the setting is located is responsible for the place funding, so this adjustment ensures any changes in pupil numbers transferring between LAs are properly funded. Overall, this has resulted in a reduction in funding of £78k, as the number of pupils placed outside of Reading has increased by 10. High needs funding has also been adjusted for the conversion of Cranbury College to an Academy. When the budget was set it was assumed the conversion would take place on 1<sup>st</sup> April; it was on 1<sup>st</sup> August, so £334k has been added back to the budget to reflect this. There should not be any further changes to this block this year.
- The latest information is that early years funding will (for this year only) be based 9/12 on the January 2020 census, and 3/12 on the January 2021 census due to Covid-19 (the usual split is 5/12 and 7/12). Our original budget used January 2020 census estimates and has been amended to reflect the January 2020 census actuals

confirmed in July, which uplifted our allocation by £194k. This is required for payments to providers. The final adjustment for 2019/20 was also made in July; this has added £136k to the current year allocation (no provision for this was made in the 2019/20 accounts as the estimate at that time was relatively low).

- The numbers in the January 2021 early years census are lower than the January 2020 so there will be a final adjustment (reduction) to the DSG of approximately £351k based on the draft 2021 census data. There will be a provision made in the year end accounts for the final estimate and this is taken into account in the monitoring position for this block.

#### 4. DSG Budget 2020/21 Month 11 Overall Position

- 4.1. Appendix 2 contains the 2020/21 budget and current (month 11) forecasts. This is split between the four funding blocks, and broken down by the main reporting lines for the DSG. Appendix 3 contains brief notes on what is included in each line of the budget report.
- 4.2. Table 2 summarises the current budget and forecast per block. Note that the DSG allocation includes an additional net £0.322m which is ring fenced deficits/surpluses brought forward from 2019/20 and being utilised in 2020/21 (for growth fund, central schools block, and early years).

**Table 2: Summary Budget and Forecast 2020/21**

	ORIGINAL BUDGET (£m)	VIREMENTS £m	CURRENT BUDGET (£m)	FORECAST as at MONTH 11 (£m)	VARIANCE as at MONTH 11 (£m)
Schools Block	46.011	-0.087	45.924	45.302	-0.622
Central Schools Block	1.218	0.039	1.257	1.257	0
Early Years Block	13.109	0.239	13.348	12.961	-0.386
High Needs Block	18.356	0.333	18.690	19.015	0.325
Repayment of Deficit	2.477	-0.387	2.090	2.090	0
<b>Sub Total – Net Expenditure</b>	<b>81.171</b>	<b>0.137</b>	<b>81.309</b>	<b>80.626</b>	<b>-0.683</b>
DSG Allocation	78.997	0.524	79.522	79.093	-0.429
<b>Balance Over/(Under) Allocated</b>	<b>2.174</b>	<b>-0.387</b>	<b>1.787</b>	<b>1.533</b>	<b>-0.254</b>

- 4.3. There has been a small change since the last report in January 21. This is made up of a reduction in the High Needs block overspend along with a reduction in the Early Years block surplus. The deficit forecast for the end of the financial year is now £1.533m (£1.473m was reported at the last meeting) compared to the original budget of £2.174m and revised budget of £1.787m. The variances from the original budget are summarised as follows:

Reduction in deficit amount to be repaid from 2019/20	-£387,140
School formula - business rates	£1,057
Growth fund	-£622,723
Early year's contingency not yet utilised	-£35,008
Reduction in HNB grant due to import/export adjustment	£77,487



Place funding	-£52,433
High Needs top-up funding	£367,237
Other DSG funding adjustments (rounding's across all blocks)	-£57
Contact costs (NHS S&L)	£9,991
<b>TOTAL</b>	<b>-£641,589</b>

4.4. Note that because many of these underspends are ringfenced and required for future commitments, this does not mean that the overall deficit has reduced by this amount. The following paragraphs provide more details on the variances.

## 5. Variances, Current Risks & Emerging Issues

### 5.1. Repayment of Deficit

The end of year position in 2019/20 was more favourable than when the current year budget was planned and set, so the deficit to be repaid has reduced by £387k to £2.090m.

### 5.2. Schools Block

- There would only be a variance on maintained primary and secondary school delegated budget allocations due to business rate revaluations or where actual business rates bills vary from the initial school formula allocation. This is due to schools being funded for their business rates like for like. The difference for business rates is only £1k.
- The Growth Fund will underspend (as planned), with the surplus funding currently estimated at £623k required to be carried forward towards paying for additional secondary bulge classes in 2021/22 and beyond.

### 5.3. Central Schools Services Block

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

### 5.4. Early Years Block

- The majority of Early Years Funding (95%) 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 should be funded if the January census represents the average for the year. Funding is increased or clawed back (by the ESFA) in the following year if there has been an under or over allocation.
- However, for 2020/21, only 3/12 of the funding will be based on the January 2021 census. This is because LAs were encouraged to fund providers in the Autumn term using the previous Autumn numbers if take up of places was significantly lower. We funded providers on the October 2020 headcount/census but used the 2019 hours

of provision if this was higher. The additional “sufficiency” payments to providers totalled £642k. Two thirds of this payment was offset by the guaranteed funding based on the January 2020 census, with the remainder to be met from contingency.

- The Government stated before Christmas that the Spring funding will be based on the January 2021 census, and if numbers significantly increase later in the term, exceptional funding can be applied for. Payments are being made to providers based on the January 2021 census, though for many this is significantly lower than normal. Table 3 shows the difference between January 2020 numbers and January 2021.

**Table 3: Early Years Census Numbers per Type of Provider**

Provider Type	January 2020	January 2021	Change
Childminders	61	68	+7
PVI	1,803	1,635	-168
Nursery School	488	399	-89
School Based Provision	950	790	-160
<b>Total</b>	<b>3,302</b>	<b>2,892</b>	<b>-410</b>

- The contingency budget is £412k (originally set at £367k but added to by carry forward from 2019/20), and the current forecast after spring payments have been made is £35k remaining. There is therefore no funding available for further payments to providers in the Spring term if their numbers significantly increase later in the term compared to the January 2021 census on which they have been funded. However, further information regarding any additional DSG funding that may be forthcoming for this purpose is still being sought from ESFA.
- Other budgets that pay for central spend are mainly contributions as agreed at budget setting.

#### 5.5. High Needs Block

- Annual expenditure in the HNB is now largely being contained within its annual DSG allocation, and the focus is to continue to drive average costs of placements down in order to repay the deficit.
- Approximately 85% of the high needs block budget is payments for statutory top up fees for pupils/students with Education Health and Care Plans (EHCPs). This is the area of highest risk due to the unpredictability of the number and level (cost) of plans. It is the continued growth in both the number and cost of these plans that has led to the DSG deficit. Table 4 shows the rising trend in the number of EHCPs. Data as at January in each year is used being mid-way through an academic year and is what the ESFA use for data comparisons. The current number of EHCPs (February 2021) is 1,439, an increase of 48 since January 2020.

**Table 4: Numbers of EHCPs**

Date	Mainstream	Further Education	Independent, Resource, Special	Other (PRU, Alternative, Home Education)	Actual Total Number	Annual Yr on Yr Increase
15/16: January 2016	353	62	550	37	1,002	43
16/17: January 2017	361	115	531	59	1,066	64
17/18: January 2018	363	209	567	36	1,175	109
18/19: January 2019	398	244	580	54	1,276	101
19/20: January 2020	444	296	585	66	1,391	115
20/21: January 2021	514	235	589	102	1,440	49
<b>Latest Annual Increase</b>	<b>+70</b>	<b>-61</b>	<b>+4</b>	<b>+36</b>	<b>+49</b>	

- The top up budget for 2020/21 was set based on the number and cost of top ups as at February 2020 and predicted increase (note that not all EHCPs result in a top up payment which is why the top up numbers are lower). The budget and the current top up forecasts (cost and number of placements) are shown in Table 5. The current forecast is £15.909m, which is £367k over budget (2.3%), although the individual variances by type of placement are quite large. The overall numbers of placements are currently 25 over budget.

**Table 5: Top Up Budgets and Current Forecasts 2020/21**

Placement Type	BUDGET £ 2020/21	CURRENT FORECAST FOR 2020/21	Variance	BUDGET Numbers 2020/21	CURRENT ACTUAL FOR 2020/21	Variance	BUDGET AVERAGE Cost per place	CURRENT AVERAGE Cost per place	Variance
Special Schools	8,394,258	8,158,528	-235,730	462	430	-32	18,169	18,973	804
Resource Provision	514,558	609,479	94,921	84	91	7	6,126	6,698	572
Mainstream	1,950,140	2,151,993	201,853	417	450	33	4,677	4,782	106
Nursery	92,102	84,964	-7,138	13	5	-8	7,085	16,993	9,908
NMSS & Independent	2,204,158	2,571,128	366,970	47	64	17	46,897	40,174	-6,723
Further Education	916,690	853,285	-63,405	107	128	21	8,567	6,666	-1,901
Pupil Referral Units	859,867	916,770	56,903	12	13	1			
Hospital	175,450	195,950	20,500						
Other Alternative Provision	434,972	367,341	-67,631	38	24	-14	11,447	15,306	3,859
<b>TOTAL</b>	<b>15,542,196</b>	<b>15,909,437</b>	<b>367,241</b>	<b>1,180</b>	<b>1,205</b>	<b>25</b>	<b>13,171</b>	<b>13,203</b>	<b>31</b>

\* PRU/Hospital costs will relate to all pupils placed in these provisions (e.g. costs include excluded pupils *without* an EHCP who are not included in the numbers above).

- These figures include the increases in top up fees paid to Reading schools from September 2020 from which an overspend was expected. However, the larger than expected overspend is down to several new expensive placements in Independent schools which could not be avoided. Note that the forecast for other alternative

provision has reduced since the last report as this is short term provision whilst a permanent placement is found.

- 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 since the Spring term would have meant a significant overspend using the original criteria. Therefore, the qualifying percentage has been increased in order to keep within budget, so some schools have received lower payments from this fund than would have been expected.
- There is a small saving of £32k in place funding, which is 6<sup>th</sup> form grant received to offset the payments made to Cranbury for their post 16 places at £10k per place. The current estimate of this grant for the current year is greater than budgeted.
- The overall position is a 1.7% increase over budget which still compares extremely favourably to neighbouring local authorities where significant in year deficits to their high needs blocks are emerging.

## 6. DSG Deficit Recovery Plan

- 6.1. Since 2018/19, the high needs block deficit has been reducing, despite the continuing pressure of increasing numbers of EHCPs. Transfers between blocks including using underspend from other blocks in previous years has helped bring the deficit in the high needs block down, from its peak of £3.4m overspend at the end of 2016/17. Last year's plan assumed a closing deficit of £2.098m in 2019/20, and the recovery of the deficit to have been achieved by the end of 2022/23. The actual closing deficit last year was £2.090m
- 6.2. The main elements of the recovery plan are as follows:
- The largest individual top up costs are in specialist placements out of county, particularly non maintained and independent providers. Part of the strategy is to invest in more local provision to avoid having to seek more expensive out of county placements for the growing numbers of pupil's requiring support. New resource unit places are being developed locally, and a new special school to be located in Wokingham is being built.
  - Inclusion of high needs pupils in mainstream schools to avoid being placed in more expensive specialist provision. As part of this, additional funding for schools with a higher than average percentage of pupils with EHCPs was introduced in September 2018. In 2020/21 this cost is being met by a top slice from the schools' block DSG.
  - The LA has also invested some funds to improve the SEND commissioning element that review SEND placements/contracts.
  - The increase in allocation of the HNB DSG by approximately £2.0m in 2020/21, and in the following two years.

- 6.3. The DSG conditions of grant for 2020/21 have changed and now states that any LA with an overall deficit on its DSG account at the end of 2019/20, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the DfE for managing their future DSG spend. The plan should be shown to the local Schools' Forum and should be kept regularly updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document. We have been presenting and updating the plan for Schools' Forum as part of budget monitoring for the last two years, so this is nothing new for Reading. We also met with the DfE in June 2020, who were satisfied with our plan and progress made.
- 6.4. The current forecast is that the high needs deficit will not decrease this year, but will increase by £99k (4.7%) by the end of 2020/21, and the end of year carry forward will be £2.189m. The original planned recovery was for the deficit to be repaid in 2022/23, but with the continuing increase in numbers of EHCPs and costs this will not happen. It is likely that the deficit will increase again next year followed by a slow repayment over several years as more local provision is built. The High Needs Block Budget report elsewhere on this agenda provides further details on the future recovery of the deficit.

## 7. Appendices

Appendix 1 – DSG Allocation 2020/21

Appendix 2 – Summary DSG Budget and Forecast 2020/21 as at 25 February 2021

Appendix 3 – Additional Information per Service for Appendix 2 table

## Appendix 1 – DSG Allocation 2020/21

	December 2019 DfE Notification		LA Estimate for Budget		July Update	
<b>Schools Block</b>						
Pupil Numbers Primary	13,096.5		13,096.5		13,096.5	
Rate	£4,172.37		£4,172.37		£4,172.37	
Allocation		£54,643,444		£54,643,444		£54,643,444
Pupil Numbers Secondary	6,952.5		6,952.5		6,952.5	
Rate	£5,503.69		£5,503.69		£5,503.69	
Allocation		£38,264,405		£38,264,405		£38,264,405
Growth Funding		£1,345,264		£1,345,264		£1,345,264
Premises & Mobility Funding		£1,283,373		£1,283,373		£1,283,373
actual funding rounding adjustment		£1		£35		£1
<b>Gross Allocation</b>		<b>£95,536,486</b>		<b>£95,536,520</b>		<b>£95,536,486</b>
Academy Recoupment				-£49,165,490		-£49,165,490
<b>Schools Block Net Total</b>		<b>£95,536,486</b>		<b>£46,371,030</b>		<b>£46,370,996</b>
<b>Central School Services Block</b>						
Pupil Numbers	20,049.0		20,049.0		20,049.0	
Rate	£33.61		£33.61		£33.61	
Allocation		£673,847		£673,847		£673,847
Historic Commitments		£544,000		£544,000		£544,000
actual funding rounding adjustment				£53		
<b>Central School Services Block Net Total</b>		<b>£1,217,847</b>		<b>£1,217,900</b>		<b>£1,217,847</b>
<b>High Needs Block</b>						
Formula		£22,778,471		£22,778,471		£22,778,471
Hospital Funding		£197,435		£197,435		£197,435
Additional Allocation						
Pupil Numbers - Special Schools	287.0		287.0		287.0	
Pupil Numbers - Alternative Provision	35.0		35.0		35.0	
Rate	£4,213.00		£4,213.00		£4,212.86	
Allocation		£1,356,586		£1,356,586		£1,356,541
Import/Export Adjustment	-313		-313		-323	
Rate	£6,000.00		£6,000.00		£6,000.00	
Allocation		-£1,878,000		-£1,878,000		-£1,938,000
Additional funding for Special Free Schools		£17,553		£17,553		£0
actual funding rounding adjustment		-£45		-£45		
<b>Gross Allocation</b>		<b>£22,472,000</b>		<b>£22,472,000</b>		<b>£22,394,447</b>
Recoupment - academy high needs places		-£2,514,000		-£4,162,200		-£3,828,834
<b>High Needs Block Net Total</b>		<b>£19,958,000</b>		<b>£18,309,800</b>		<b>£18,565,613</b>
<b>Early Years Block</b>						
	(Jan '19 census)		(Jan '20 census)		(Jan '20 census)	
3 & 4 year olds Universal - Schools	1,321.6		1,369.2		1,369.2	
3 & 4 year olds Universal - PVI	1,463.0		1,510.0		1,550.2	
3 & 4 year olds Additional - Schools	268.8		270.4		262.6	
3 & 4 year olds Additional - PVI	619.2		590.0		603.9	
Total	3,673		3,740		3,786	
Rate	£5.22		£5.22		£5.22	
Allocation		£10,927,454		£11,126,806		£11,264,507
2 year olds - schools	60.0		72.0		72.0	
2 year olds - PVI	325.2		270.0		279.7	
Total	385.2		342.0		351.7	
Rate	£5.82		£5.82		£5.82	
Allocation		£1,277,862		£1,134,551		£1,166,829
PPG - schools	191.0		204.6		205.6	
PPG - PVI	144.0		127.0		135.8	
Total	335.0		331.6		341.4	
Rate	£0.53		£0.53		£0.53	
Allocation		£101,204		£100,176		£103,125
DAF - eligible pupils	60.0		26.0		60.0	
Rate	£615.00		£615.00		£615.00	
Allocation		£36,900		£15,990		£36,900
Maintained Nursery Grant		£251,535		£260,276		£260,276
actual funding rounding adjustment		£87		£1		£2
<b>Early Years Block Net Total</b>		<b>£12,595,042</b>		<b>£12,637,800</b>		<b>£12,831,639</b>
<b>SUMMARY GROSS IN YEAR ALLOCATION</b>						
Schools Block		95,536,486		95,536,520		95,536,486
Central School Services Block		1,217,847		1,217,900		1,217,847
High Needs Block		22,472,000		22,472,000		22,394,447
Early Years Block		12,595,042		12,637,800		12,831,639
<b>TOTAL GROSS DSG ALLOCATION IN YEAR</b>		<b>£131,821,375</b>		<b>£131,864,220</b>		<b>£131,980,420</b>
<b>SUMMARY NET IN YEAR ALLOCATION</b>						
Schools Block		£95,536,486		£46,371,030		£46,370,996
Central School Services Block		£1,217,847		£1,217,900		£1,217,847
High Needs Block		£19,958,000		£18,309,800		£18,565,613
Early Years Block		£12,595,042		£12,637,800		£12,831,639
<b>TOTAL NET DSG ALLOCATION IN YEAR</b>		<b>£129,307,375</b>		<b>£78,536,530</b>		<b>£78,986,096</b>

## Appendix 2 – Summary DSG Budget and Forecast 2020/21 as at 25 February 21

Line Ref.	Description	Original Budget £m	Virements £m	Current Budget £m	Forecast £m	Variance £m
<b>Schools Block</b>						
1	Individual Schools Budget - Maintained Schools	44.325	0.003	44.328	44.329	0.001
2	Growth Fund	1.257	-0.090	1.167	0.544	-0.623
3	Behaviour Support Services (de-delegation)	0.176	0.000	0.176	0.176	-0.000
4	Staff costs supply cover (trade unions) (de-delegation)	0.043	0.000	0.043	0.043	0.000
5	School Improvement (de-delegation)	0.130	0.000	0.130	0.130	0.000
6	Statutory/regulatory Duties (ESG) (de-delegation)	0.080	0.000	0.080	0.080	0.000
<b>7</b>	<b>Sub Total Schools Block Net Expenditure</b>	<b>46.011</b>	<b>-0.087</b>	<b>45.924</b>	<b>45.302</b>	<b>-0.622</b>
<b>8</b>	<b>Schools Block DSG Allocation</b>	<b>46.011</b>	<b>-0.087</b>	<b>45.924</b>	<b>45.924</b>	<b>0.000</b>
<b>9</b>	<b>Balance Over / (Under) Allocated</b>	<b>0.000</b>	<b>-0.000</b>	<b>0.000</b>	<b>-0.622</b>	<b>-0.622</b>
<b>Central Schools Services Block</b>						
10	Contribution to combined budgets	0.494	0.000	0.494	0.494	0.000
11	School admissions	0.215	0.000	0.215	0.215	0.000
12	Servicing of schools forum	0.020	0.000	0.020	0.020	0.000
13	Prudential borrowing costs	0.040	0.000	0.040	0.040	0.000
14	Other Items (copyright licences)	0.111	0.000	0.111	0.110	-0.000
15	Statutory/regulatory Duties (ESG)	0.338	0.039	0.378	0.378	0.000
<b>16</b>	<b>Sub Total Central School Services Block Net Expenditure</b>	<b>1.218</b>	<b>0.039</b>	<b>1.257</b>	<b>1.257</b>	<b>-0.000</b>
<b>17</b>	<b>Central School Services Block DSG Allocation</b>	<b>1.218</b>	<b>0.039</b>	<b>1.257</b>	<b>1.257</b>	<b>0.000</b>
<b>18</b>	<b>Balance Over / (Under) Allocated</b>	<b>0.000</b>	<b>-0.000</b>	<b>0.000</b>	<b>-0.000</b>	<b>-0.000</b>
<b>Early Years Block</b>						
19	Early Years Funding (free entitlement)	12.425	0.239	12.664	12.278	-0.386
20	Support for inclusion	0.100	0.000	0.100	0.100	0.000
21	SEN support services (Portage/Dingley)	0.198	0.000	0.198	0.198	0.000
22	Central expenditure on early years entitlement	0.385	0.000	0.385	0.385	0.000
<b>23</b>	<b>Sub Total Early Years Block Net Expenditure</b>	<b>13.109</b>	<b>0.239</b>	<b>13.348</b>	<b>12.961</b>	<b>-0.386</b>
<b>24</b>	<b>Early Years Block DSG Allocation</b>	<b>13.109</b>	<b>0.239</b>	<b>13.348</b>	<b>12.997</b>	<b>-0.351</b>
<b>25</b>	<b>Balance Over / (Under) Allocated</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.035</b>	<b>-0.035</b>
<b>High Needs Block</b>						
26	SEN placements - Maintained Schools (first £10k/£6k place funding)	0.974	0.333	1.307	1.254	-0.052
27	Top up funding - Special Schools & PRU	9.254	0.000	9.254	9.075	-0.179
28	Top up funding - Resource Units	0.514	0.000	0.514	0.609	0.095
29	Top up funding - Mainstream	1.950	0.000	1.950	2.152	0.202
30	Top up funding - Nursery	0.092	0.000	0.092	0.085	-0.007
31	Top up funding - FE Colleges	0.917	0.000	0.917	0.853	-0.063
32	Top up and other funding - non maintained & independent providers	2.639	0.000	2.639	2.938	0.299
33	Additional high needs targeted funding (Inclusion Fund)	0.350	0.000	0.350	0.350	0.000
34	SEN support services	0.572	0.000	0.572	0.572	0.000
35	Hospital education services	0.175	0.000	0.175	0.196	0.021
36	Support for inclusion	0.425	0.000	0.425	0.425	0.000
37	Therapies and other health related services	0.395	0.000	0.395	0.405	0.010
38	SEN Transport	0.100	0.000	0.100	0.100	0.000
39	Repayment of DSG deficit from previous year	2.478	-0.387	2.090	2.090	-0.000
<b>40</b>	<b>Sub Total High Needs Block Net Expenditure</b>	<b>20.834</b>	<b>-0.054</b>	<b>20.780</b>	<b>21.105</b>	<b>0.325</b>
<b>41</b>	<b>High Needs Block DSG Allocation</b>	<b>18.660</b>	<b>0.333</b>	<b>18.993</b>	<b>18.916</b>	<b>-0.077</b>
<b>42</b>	<b>Balance Over / (Under) Allocated</b>	<b>2.174</b>	<b>-0.387</b>	<b>1.787</b>	<b>2.189</b>	<b>0.402</b>
<b>43</b>	<b>Total All Blocks Net Expenditure</b>	<b>81.171</b>	<b>0.137</b>	<b>81.309</b>	<b>80.626</b>	<b>-0.683</b>
<b>44</b>	<b>Total DSG Allocation Available</b>	<b>78.997</b>	<b>0.524</b>	<b>79.522</b>	<b>79.093</b>	<b>-0.429</b>
<b>45</b>	<b>Balance - Deficit / (surplus) In Year</b>	<b>2.174</b>	<b>-0.387</b>	<b>1.787</b>	<b>1.533</b>	<b>-0.254</b>
<b>Memorandum - Budgets Recouped from Gross DSG Allocation</b>						
46	Individual Schools Budget - Academies	49.450	0.000	49.450	49.450	0.000
47	SEN placements - Academies & Post 16	4.162	-0.333	3.829	3.829	0.000
<b>48</b>	<b>Total DSG Recouped</b>	<b>53.612</b>	<b>-0.333</b>	<b>53.279</b>	<b>53.279</b>	<b>0.000</b>
<b>49</b>	<b>Gross DSG Expenditure including Recoupment</b>	<b>134.783</b>	<b>-0.196</b>	<b>134.588</b>	<b>133.905</b>	<b>-0.683</b>

## 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 new/growing 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 – Passport 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.

### **CENTRAL SCHOOLS SERVICES BLOCK**

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

Line 12 - Servicing of Schools Forum – contribution towards officer time for preparation of reports and attendance at meetings; cost of room hire; arranging meetings, minute taking, web site.

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. Includes DSG budgets, school funding formula, payments to schools, statutory returns, education welfare, asset management.

### **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 37).



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 pre 16 maintained Resource units (first £6k), maintained special Schools (first £10k), and Cranbury College up to the date they became an academy.

Line 27 to 30 - 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 31 - Top-up funding for FE Colleges - EHCP top-ups for students in further education colleges.

Line 32 - 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 33 – Additional High Needs Targeted Funding (Inclusion Fund) – financial support to schools with a higher than average number 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 School.

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 & 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 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 – All of the 2019/20 deficit related to the high needs block, and this is a first call on the 2020/21 resources.

### **RECOUPMENT**

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

Line 47 - SEN Placements – Placement funding recouped for academy resource unit places (£6k) and special school places (£10k), and Cranbury College from the date they became an academy.

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# Reading Schools' Forum

March 11, 2021

Agenda Item 5

Early Years Budget 2021/22

For decision

For discussion

For information

## SUMMARY

This report sets out the early years DSG block funding and budget proposed for 2021/22.

## AUTHORS

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## 1. Recommendations

- 1.1 NOTE: The basis used to determine the funding allocation for 2021/22 (paragraphs 3.3 & 3.4).
- 1.2 NOTE: The early years funding rates to be paid to providers in 2021/22 (paragraphs 8.3).
- 1.3 AGREE: The centrally retained early year's budget for 2021/22 (as set out in section 7).

## 2. Background

- 2.1 The Early Years Block of the Dedicated Schools Grant (DSG) provides funding to support delivery of the early years entitlements in all early year's settings, including private, voluntary & independent settings (PVI's), maintained nursery schools, and nursery classes in infant and primary schools. The early years entitlements are:
  - 15 hours entitlement for disadvantaged two year olds
  - Universal 15 hours entitlements for all three and four year olds
  - Additional 15 hours entitlements for eligible working parents of three and four year olds.
  - Early Years Pupil Premium for eligible three and four year olds
  - Disability Access Fund – for children in receipt of the Disability Living Allowance - to support disabled children's access to the entitlements for three and four year olds, e.g. to support providers making adjustments to their settings.
  - Maintained nursery school supplementary funding
- 2.2 A new formula for distributing the funding to local authorities was introduced in 2017/18 which established new funding rates, alongside new regulations for allocating this funding to providers. This single early year's national funding formula (EYNFF) requires all settings, irrelevant of type, to be funded on the same basis i.e. same hourly rate. The first two years were transitional, but since 2019/20 all providers are paid on the same rate.
- 2.3 The Early Years arrangements for 2021/22 were published by the ESFA in December 2020 and can be found on the webpage [Early years funding: 2021-2022 - GOV.UK \(www.gov.uk\)](http://www.gov.uk).
- 2.4 This report sets out the funding assumptions for 2021/22 and the overall early year's budget based on the funding likely to be available. Schools' Forum agreement is required for the centrally retained budget.

## 3. Early Year's Block Funding 2021/22

- 3.1. Early year's funding is mainly based on the numbers of two, three, and four year olds recorded in the January census – 5/12 from the January falling in the previous financial year (January 2021), and 7/12 in the January falling in the current financial year (January 2022). The overall assumption is therefore that January numbers reflect the average position for the year, with lower numbers in the autumn, building up to the highest numbers in the summer term; this is because the free entitlement commences the term following the child's birthday. Providers receive funding based on their actual take up each term, so it is unlikely that the DSG funding received will ever match the actual spend, and this needs to be carefully managed. Pressure on this block will occur if the January census data is lower than the actual take up for the whole year. The same method applies to early years pupil premium grant (EYPPG) funding and the disability access fund (DAF).

- 3.2. As 2020/21 has been an unusual year as a result of COVID-19, funding allocations were split by 9/12 from January 2020 census and 3/12 from January 2021 however we expect the allocation split to revert to 5/12 and 7/12 for 2021/22. No further details have been published yet, therefore the budget is built on this basis.
- 3.3. The breakdown of the 2021/22 allocation is shown in Table 1, with the first two columns replicating the notification received from the ESFA in December 2020 which is based on January 2020 census data, and the second two columns based on the January 2021 draft census data – the ESFA will update the allocation to the final January 2021 figures in July 2021, though only 5/12 of the final allocation for the year will be based on this (subject to confirmation from the ESFA). For the purpose of setting the budget, the draft 2021 January census is used at 100%, with the assumption that any significant decrease or increase in take up between now and next January will be replicated by an adjustment to the grant.
- 3.4. The funding rates for 2021/22 have increased by £0.08 for two year olds and £0.06 for three and four year olds compared to 2020/21. The minimum rate allocated to a local authority is £4.44 per hour for three and four year olds and £5.36 per hour for two year olds. Each local authority has an area cost adjustment added if relevant, and for three and four year olds an additional needs allowance, both of which Reading benefits from. For Reading, the rates for 2021/22 have increased from £5.22 to £5.28 for three and four year olds and from £5.82 to £5.90 for two year olds. To arrive at the funding allocation these rates are multiplied by the number of part time equivalent (PTE) children (1 PTE = 15 hours attendance) in the relevant census multiplied by 15 hours for each week and multiplied by 38 for the number of funded weeks in the year.

**Table 1: Early Year’s Block Funding 2021/22**

	2021/22 – December '20 Notification		2021/22 – LA Estimate to base budget on	
	PTE NUMBER (Jan 20 census)	FUNDING £	PTE NUMBER (Jan 21 census)	FUNDING £
3 & 4 year olds - universal @ £5.28 x 15 hours x 38 weeks	2,919.37	8,786,136	2,517.00	7,575,163
3 & 4 year olds – extended entitlement @ £5.28 x 15 hours x 38 weeks	866.51	2,607,849	843.40	2,538,297
2 year olds @ £5.90 x 15 hours x 38 weeks	351.73	1,182,868	310.0	1,042,530
PPG @ £0.53 x 15 hours x 38 weeks	341.36	103,125	341.36	103,125
DAF @ £615	66	40,590	66	40,590
Maintained nursery grant		260,276		207,580
<b>Total Allocation</b>		<b>12,980,843</b>		<b>11,507,285</b>

- 3.5. Between January 2020 and January 2021, all numbers of children have reduced with the biggest reduction being in three and four year olds accessing the free universal entitlement which has dropped by 402 or 13.8%. 2 year olds have also reduced by 41 or 11.9%

- 3.6. In addition, there are allocations for pupil premium (EYPPG) and the Disability Access Fund (DAF) for the number of eligible pupils. There has been no increase to the EYPPG (£0.53 per hour) and DAF rate (£615 per eligible child per year).
- 3.7. The Maintained nursery schools supplementary grant will continue in 2021/22 however on a different basis to that of previous years and will now be in two parts. Allocations already given for April to August 2021 are indicative and will be updated according to the latest census. The calculation is as before and the hourly rate of £1.08 remains unchanged. All allocations will be distributed to schools on the same basis as it is received. Given the reduction in 3 & 4 year olds this grant will also reduce. The remaining part of the grant for September 2021 to March 2022 will be classed as conditional. Conditions are yet to be published and these may be subject to change therefore we must treat them as unconfirmed.
- 3.8. Overall, the initial Early Years block grant has decreased by £0.973m from £12.480m (expected in 2020/21) to £11.507m, this is due to the reduction in numbers.
- 3.9. We are not forecasting any surplus for the current 2020/21 financial year. Should any surplus arise this will be carried forward to 2021/22 and used as contingency.

#### 4. Early Year's National Funding Formula (EYNFF) for 2021/22

- 4.1. New regulations came into force from 1<sup>st</sup> April 2017 for distributing funding to providers for three and four year olds. There was a two year transitional period, and from April 2019 all types of providers including maintained nursery schools have received a single funding rate (including the same base rate and supplements) for both the universal and additional 15 hours.
- 4.2. Other regulations include:
- LAs must pass on at least 95% of their three and four year old funding directly to providers.
  - May continue to use lump sums to distribute the additional supplementary funding to maintained nursery schools.
  - Must use a deprivation supplement in the three and four year old formula, and any other supplements must fall within one of the allowable categories (i.e. sparsity, flexibility, quality, English as an additional language).
  - Must not channel more than 10% of funding for three and four year olds through supplements.
  - Must provide a Special Educational Needs Inclusion Fund for three and four year olds.
  - Must pass on Early Years Pupil Premium in full to providers of eligible three and four year olds at the national rate of £0.53 per hour up to a maximum of 570 hours per year (paid on universal hours only).
  - Must fund all settings providing a place for Disability Access Fund eligible three and four year olds at the annual rate of at least £615. It is payable as a lump sum and must not be pro-rated according to hours taken up.

- 4.3. In 2020/21 all Reading providers received a single base formula rate of £4.88 per hour for three and four year olds, and £5.63 per hour for two year olds. When setting the provider funding rates any deficit or surplus from the previous year must be considered (i.e. this could arise if the January census on which the funding is based does not reflect the actual census counts and thus payments during the year). It is assumed there will be no deficit or surplus from 2020/21 to be taken into account when setting the 2021/22 budget.
- 4.4. In order to set the budget, a decision needs to be made on how many hours are to be paid to providers during the year ahead. It is usual to base it on the actual take up during the previous financial year, if the current January census data is not significantly different (as this is what the funding is based on).
- 4.5. Because 2020/21 has been an unusual year and actual take up has been significantly lower than the previous year, in order to set the indicative budget, the 2019/20 actual hours less 11.8% form the basis of the calculations. This is to reflect the reduction in funding between January 2020 and January 2021.
- 4.6. Using these hours of provision multiplied by the current funding rates plus a proposed additional £0.08 for 2 year olds (£5.71) and £0.06 for 3 & 4 year olds (£4.94) gives an annual budget as shown in Table 2. Appendix 1 gives this breakdown by type of provider.
- 4.7. The only supplement used by Reading is for deprivation, and in 2020/21 this was paid on the same eligibility criteria as the PPG at £0.97 per hour, bringing the total funding through this factor up to £1.50. This was an increase of £0.50 from 2019/20 however there is no proposal to increase this again in 2021/22 and will remain at £0.97.

**Table 2: Early Years Entitlement Budget Calculation for 2021/22**

	TOTAL HOURS in 2019/20 less 11.8%	FUNDING RATE £	ANNUAL BUDGET £
3 & 4 year old - universal	1,467,775	£4.94 per hour	£7,039,516
3 & 4 year olds – extended	466,256	£4.94 per hour	£2,236,183
2 year olds	183,305	£5.71 per hour	£1,016,171
Pupil Premium Grant/Deprivation	171,097	£1.50 per hour	£256,646
Disabled Access Fund	26 (children)	£615 per child	£15,990
			<b>£10,564,505</b>

- 4.8. Providers will be paid based on their actual hours of take up each term and at the increased hourly rates. The actual number of hours could be higher than used in the indicative and if this is the case for the summer term and funding for the summer term is confirmed based on the January 2021 census (though this has not yet been determined by the Government) there is a risk that the budget will go into deficit. This would then need to be addressed when setting the 2022/23 budget.

## 5. Maintained Nursery School Supplementary Funding

- 5.1. The Government expects the supplementary funding received for maintained nursery schools to be used to protect nursery schools with the funding rate they received in 2016/17 for the universal 15 hours. The lump sum amount received is adjusted if number of hours of provision change (as it is based on £1.08 multiplied by the hours of provision).
- 5.2. The nursery schools will be paid this funding on the same method as received. The first 5/12 will be based on the relevant census (assumed January 2021 census but not yet confirmed) i.e. actual hours of provision multiplied by a supplement of £1.08 per hour. The remaining 7/12 allocation basis has not yet been given by ESFA. Further guidance is awaited.

## 6. Early Years SEN Inclusion Fund

- 6.1. Local authorities are required to have SEN inclusion funds for three and four year olds with lower level or emerging special educational needs who are taking up the free entitlement, regardless of the number of hours taken. Reading took a local decision to extend this offer to two year old funded children. Children with more complex needs and/or in receipt of an Education Health and Care Plan (EHCP) continue to receive funding from the high needs budget.
- 6.2. The fund for 2021/22 will remain at £150,000, which includes £50,000 allocated from the high needs block. Funding is allocated to providers on a case by case basis through a panel which meets termly. Most of the funding is passed directly on to providers, with part going towards the cost of Educational Psychologists who carry out work with providers for children with more complex needs who are likely to need a statutory needs assessment.
- 6.3. After changing the criteria for financial year 2020/21 the fund has been fully utilised. In part, this can be attributed to the lockdown restrictions during the year which has seen an increase in needs for many young children.
- 6.4. Settings can apply for additional funding to support them to meet the child's SEND needs. The requests are made in line with the Early Years Graduated Response Guidance; support is provided to settings to complete SEN audits and paperwork if needed.
- 6.5. Communication and Interaction difficulties are the greatest area of need in settings and there are plans to create SCD resource bases in two nursery schools in 2021/22. Therefore, a proportion of the Early Years Inclusion Fund is to be used to fund these bases equivalent to the individual funding they would have received through the panel.

## 7. Centrally Retained Early Year's Budget Proposal

- 7.1. The local authority can retain up to 5% of their three and four year old allocation for central expenditure; this is calculated on the planned (budgeted) spend i.e. the overall average hourly rate to be paid to providers must be at least 95% (the pass through rate) of the funding rate received.
- 7.2. Schools' Forum is asked to agree the proposed amount to be centrally retained in 2021/22. It is proposed that this will be £635,200, this an adjustment of £51,800 in relation to



inflationary pay increases and on costs from previous years. It is proposed pay increases will be automatically added to the budget in future years. This budget pays for the following services:

- Early Years Team £386,900 – this is the management and administrative costs involved in delivering the free entitlement. It includes the following posts and activities:
  - Early Years Team manager 0.81 FTE
  - Childcare Compliance Manager 1.0 FTE
  - Early Years SEND Support Advisor 1.0 FTE
  - Early years data, sufficiency and performance officer 0.68 FTE
  - Early Years Development Officer 1.0 FTE
  - Early Years Advisor Teacher 1.0 FTE
  - SEND Support Worker 0.86 FTE
  - Extended Childcare Project Officer 1.0 FTE
  - Early Years Operations and Support Officer 1.0 FTE
  - Training, marketing, and Open objects software
  
- Early Years Portage Team £221,500 – Early intervention home visits. It includes the following posts and activities:
  - 5 x workers
  - Manager
  
- Dingley Contract £16,800 (plus £25,000 from high needs block) will provide Family Support Programme, Providers Advisory Support Service (PASS). Dingley’s Promise provide a suitable environment for further assessment and therapy from Social Care, Education and Health professionals to advance the children’s prospects.
  
- Central Establishment Charges £10,000 – contribution to central costs such as finance, office accommodation, ICT.

7.3. The pass through rate compares the equivalent average three and four year old rate paid to providers (including any contingency funding set aside, the deprivation supplement and inclusion funding paid to providers) to the actual hourly rate received. This works out at £5.08 compared to £5.28 being received which is 96.24% and above the 95% minimum requirement. The proposed centrally retained budget is therefore well within the statutory requirement.

## 8. Overall Budget for 2021/22

- 8.1. Table 3 sets out the overall budget for 2021/22, compared to 2020/21.
- 8.2. The funding does not include any carry forward from 2020/21. If there is any surplus at the end of 2020/21 this will be set aside as a contingency

**Table 3: Early Years Block Budget 2020/21 and Proposed Budget for 2021/22**

	2020/21 BUDGET £	2020/21 Forecast £	2021/22 PROPOSED £
Three & Four Year old funding - universal	7,884,807	7,972,885	7,039,516
Three & four Year old funding – extended entitlement	2,504,699	2,675,881	2,236,183
Two Year old funding	1,136,042	1,091,953	1,016,171
Maintained nursery grant	260,276	260,276	207,580
Pupil Premium & Deprivation	256,646	269,108	256,646
Disabled Access Fund	15,990	7,995	15,990
Inclusion Fund	100,000	100,000	100,000
Centrally Retained	583,400	583,400	635,200
<b>Total Expenditure</b>	<b>13,108,800</b>	<b>12,961,497</b>	<b>11,507,285</b>
Total Funding	13,108,800	12,995,505	11,507,285
<b>Over/ (Under)</b>	<b>(366,940)</b>	<b>(35,008)</b>	<b>0</b>

8.3. The hourly funding rates in 2021/22 will therefore be set as follows:

Three and four year olds - £4.94

Two year olds - £5.71

Deprivation - £0.97 (added to £0.53 for pupil premium)

## 9. Appendices

Appendix 1 – Breakdown of Early Years Entitlement Budget 2021/22

## Appendix 1 – Breakdown of Early Years Entitlement Budget 2021/22

Entitlement By Type of Provider	Actual Hours Paid 2019/20 less 11.8%			TOTAL	2021/22 Funding Rate	2021/22 Budget £	No. of Children PTE
	Summer 19 13 weeks	Autumn 19 14 weeks	Spring 20 11 weeks				
3 & 4 year old UNIVERSAL - maintained nursery schools	80,556	58,786	61,527	200,868	£4.94	£992,287.61	352
3 & 4 year old UNIVERSAL- primary schools Maintained	122,553	98,458	95,084	316,095	£4.94	£1,561,508.68	555
3 & 4 year old UNIVERSAL- primary schools Academy	55,206	44,450	42,638	142,294	£4.94	£702,932.47	250
3 & 4 year old UNIVERSAL - PVI	302,975	223,011	239,760	765,746	£4.94	£3,782,787.14	1,343
<b>TOTAL</b>	<b>561,290</b>	<b>424,705</b>	<b>439,009</b>	<b>1,425,003</b>		<b>£7,039,515.89</b>	<b>2,500</b>
3 & 4 year old EXTENDED - maintained nursery schools	29,856	21,151	20,577	71,584	£4.94	£353,622.87	126
3 & 4 year old EXTENDED - primary schools	22,014	19,817	18,772	60,603	£4.94	£299,380.22	106
3 & 4 year old EXTENDED - PVI	140,662	86,187	93,632	320,482	£4.94	£1,583,179.60	562
<b>TOTAL</b>	<b>192,532</b>	<b>127,155</b>	<b>132,981</b>	<b>452,669</b>		<b>£2,236,182.69</b>	<b>794</b>
2 year old - maintained nursery schools	9,115	11,298	9,604	30,017	£5.71	£171,398.28	53
2 year old - primary schools	688	556	873	2,117	£5.71	£12,086.26	4
2 Year Old Funding - PVI	49,986	53,028	42,815	145,830	£5.71	£832,686.45	256
<b>TOTAL</b>	<b>59,789</b>	<b>64,882</b>	<b>53,293</b>	<b>177,963</b>		<b>£1,016,170.99</b>	<b>312</b>
Disability Access Fund - maintained nursery (No. of children)	6	3	2	11	£615.00	£6,765.00	11
Disability Access Fund - primary schools (No. of children)	1	0	0	1	£615.00	£615.00	1
Disability Access Fund - PVI (No. of children)	7	2	5	14	£615.00	£8,610.00	14
<b>TOTAL</b>	<b>14</b>	<b>5</b>	<b>7</b>	<b>26</b>		<b>£15,990.00</b>	<b>26</b>
Early Years Pupil Premium - maintained nursery	18,525	10,500	13,134	42,159	£0.53	£22,344.27	74
Early Years Deprivation - maintained nursery	18,525	10,500	13,134	42,159	£0.97	£40,894.23	74
Early Years Pupil Premium - primary schools	20,475	14,910	20,625	56,010	£0.53	£29,685.30	98
Early Years Deprivation - primary schools	20,475	14,910	20,625	56,010	£0.97	£54,329.70	98
Early Years Pupil Premium - PVI	30,742	19,280	22,906	72,928	£0.53	£38,651.84	128
Early Years Deprivation - PVI	30,742	19,280	22,906	72,928	£0.97	£70,740.16	128
<b>TOTAL</b>	<b>49,267</b>	<b>29,780</b>	<b>36,040</b>	<b>115,087</b>		<b>£256,645.50</b>	<b>300</b>
						<b>£10,564,505.08</b>	

Number of Providers	Mar-19	Mar-20	Mar-21
Maintained Nursery Schools	5	5	5
Maintained/Academy Primary Schools	22	22	22
PVI - Private Nurseries & Pre Schools	59	59	52
PVI - Childminders	28	34	31
<b>TOTAL</b>	<b>114</b>	<b>120</b>	<b>110</b>

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# Reading Schools' Forum

March 11, 2021

Agenda Item 6

High Needs Block Budget 2021/22

For decision

For discussion

For information

## SUMMARY

This report sets out a breakdown of the high needs block funding allocation and budget for 2021/22, and the latest update on the deficit recovery plan.

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## 1. Recommendations

- 1.1 NOTE: The high needs block funding for 2021/22 (paragraph 3.3).
- 1.2 NOTE: The proposed budgets for the high needs block in 2021/22 (section 4).
- 1.3 NOTE: The draft deficit recovery plan and assumptions (section 9)

## 2. Background

- 2.1 The High Needs Block (HNB) supports the delivery of the Council's Special Educational Needs and Disability (SEND) Strategy (2017 – 2022). The Strand 1 work stream which includes representative members of Schools Forum incorporates the analysis of data and information, including financial information, to inform future provision and joint commissioning.
- 2.2 The HNB is currently in deficit, and the monitoring of this position is updated in the budget monitoring report brought to each meeting of the Schools' Forum. The Forum also receives regular reports on the progress of the strategy. As the current year budget monitoring shows, the number of pupils receiving EHCPs which the Council is legally obliged to fund continues to grow, and the inflationary increases applied by external providers continue to rise, with both at a greater cost than the increase in funding received in each year.
- 2.3 In 2020/21, there was a much larger increase in the HNB DSG allocation than in recent years, and a similar increase is being received for 2021/22. There is the expectation from the ESFA that this additional funding will help reduce the deficits that many local authorities have been accumulating in their HNB. However, a realistic estimate of continuing increases in the numbers of pupils eligible for top up funding must be budgeted bearing in mind in which types of provision these increases will be in accordance with the strategy (i.e. in reducing the average costs per placement).
- 2.4 The local authority decides the high needs budget, but welcomes comments and suggestions from the Schools' Forum.

## 3. High Needs Block Funding 2021/22

- 3.1. The HNB element of the Dedicated Schools Grant (DSG) for 2021/22 was announced on 17<sup>th</sup> December 2020 and further information on the funding arrangements can be found in ESFAs High Needs Operational Guide <https://www.gov.uk/government/publications/high-needs-funding-arrangements-2021-to-2022>.
- 3.2. All local authorities are to receive a minimum increase of 8% per head of the age 2 to 18 population based on their 2020/21 allocation. For Reading, the high needs block is increasing by £2.264m (10.1%) to £24.658m. Part of this increase (296,780) is for pay and pension grants added to the DSG and is therefore not new funding.
- 3.3. At the December 2020 meeting of the Schools' Forum, it was agreed to transfer £484,000 of funding from the schools' block to the high needs block, in order to financially support schools with disproportionate numbers of pupils with EHCPs.

- 3.4. The allocation for 2021/22 is broken down as shown in Table 1 (also comparing to the 2020/21 allocation).

**Table 1: High Needs Block Funding Allocation 2020/21 and 2021/22**

HIGH NEEDS BLOCK	2020/21 ALLOCATION	2021/22 ALLOCATION
High Needs formula	£22,778,471	£24,687,713
Hospital allocation	£197,435	£213,230
Special School census pupil numbers allocation (2021/22 includes pay and pension grants added)	£1,356,541	£1,629,449
AP Teachers pay/pension grant (from 21/22)	-	£65,995
Import/Export adjustment (not yet confirmed)	-£1,938,000	-£1,938,000
<b>Gross High Needs Allocation</b>	<b>£22,394,447</b>	<b>£24,658,837</b>
Add transfer from schools' block	£350,000	£484,000
<b>High Needs Funding Available</b>	<b>£22,744,447</b>	<b>£25,142,387</b>
Academies place funding top slice (recoupment) for ESFA to pay academies direct	-£3,828,834	-£4,177,300
<b>Net High Needs Block Funding</b>	<b>£18,915,613</b>	<b>£20,965,057</b>

- 3.5. The import/export adjustment for 2021/22 is not yet known as it will be based on the 2020/21 academic year numbers to be informed by July 2021. This is based on the high needs places provided in Reading to other LAs pupils less high needs places accessed by Reading pupils in other LAs (for Reading this is a deduction in funding as we are a net exporter).
- 3.6. Funding is top sliced (or recouped) for place funding for academies which is paid to the academies direct by the ESFA. The reason for the difference between the two years is that Cranbury College became an academy in August 2020 and the difference largely equates to the April to July 20 retained funding now being paid directly.

#### 4. High Needs Block Budget 2021/22

- 4.1. Table 2 sets out the current budget and forecast for 2020/21 and the proposed budget for 2021/2022. The paragraphs that follow set out further information for each budget line.

**Table 2: High Needs Budget 2020/21 and 2021/22**

REF to PARAGRAPH BELOW	DESCRIPTION	BUDGET 2020/21 £	FORECAST 2020/21 £	PROPOSED BUDGET 2021/22 £
	<b>Centrally Retained Budgets</b>	<b>1,740,800</b>	<b>1,750,791</b>	<b>2,209,140</b>
	Inclusion support posts	174,500	174,500	240,000
	Inclusion support – schools with higher proportion of pupils with EHCPs	350,000	350,000	484,000
	Inclusion Support – Therapeutic Thinking	50,000	50,000	50,000
	Inclusion Support – ASC outreach	40,000	40,000	40,000
	Early years inclusion funding	50,000	50,000	50,000
	Dingley Contribution	25,000	25,000	25,000
	Inclusion Support - Manor	50,000	50,000	0
	Contract - Sensory consortium	300,000	300,000	312,000
	Contract - Speech/language & occupational	394,700	404,691	412,860
	Virtual School – Children looked after	127,600	127,600	119,500
	Transport contribution	100,000	100,000	100,000
	Central overheads	79,000	79,000	79,000
	Teachers Pay & Pension grants	0	0	296,780
	<b>Place Funding</b>	<b>5,235,665</b>	<b>5,219,199</b>	<b>5,684,664</b>
	<b>Maintained Schools</b>	<b>828,500</b>	<b>844,667</b>	<b>1,112,332</b>
	EP Collier RU (12 places)	72,000	72,000	76,000
	Christ The King RU (21 places)	150,000	150,000	158,000
	Southcote RU (Increasing from 4 to 8 places from Sept 21)	12,500	28,667	55,332
	NEW Resource Provision (4 places Sept 21)	0	0	33,333
	Blessed Hugh Farringdon RU pre 16 (22 places)	156,000	156,000	140,000
	Blessed Hugh Farringdon RU post 16 (3 places)	18,000	18,000	18,000
	Holybrook special school (32 places, additional 2 places from Sept 21)	320,000	320,000	331,667
	Snowflakes (Early Years)	100,000	100,000	100,000
	New Early Years resources	0	0	200,000
	<b>Academy Schools (top sliced)</b>	<b>4,407,165</b>	<b>4,374,532</b>	<b>4,572,332</b>
	Prospect RU (30 places)	197,332	197,332	210,999
	Highdown RU (5 places)	34,833	34,833	36,333



	The Avenue special school (175 places, 30 extra places Sept 21)	1,750,000	1,750,000	1,925,000
	Hamilton pre 16 (56 places)	560,000	560,000	560,000
	Hamilton post 16 (8 places)	80,000	80,000	80,000
	Cranbury College PRU pre 16 (100 places)	1,000,000	1,000,000	1,000,000
	Cranbury College PRU post 16 (32 places, £100k met from Post 16 grant)	245,000	212,367	220,000
	Thames Valley special Free school (54 places)	540,000	540,000	540,000
	<b>EHCP Top Ups</b>	<b>15,366,800</b>	<b>15,713,487</b>	<b>17,288,929</b>
	Mainstream schools	1,984,100	2,177,883	2,748,900
	Special Schools	8,394,300	8,158,528	9,135,866
	Resource units	514,499	609,479	777,797
	Independent & non maintained special schools	2,262,300	2,630,201	2,507,272
	Further Education Colleges	916,700	853,285	952,633
	PRU including Cranbury College	859,900	916,770	910,747
	Other independent alternative placements	435,000	367,341	255,714
	<b>Hospital &amp; Medical</b>	<b>175,400</b>	<b>195,950</b>	<b>198,959</b>
	Cranbury hospital funding	150,400	150,450	153,459
	Medical hospital tuition (Tier 4)	25,000	45,500	45,500
	<b>TOTAL HIGH NEEDS BLOCK</b>	<b>22,518,665</b>	<b>22,879,427</b>	<b>25,381,692</b>

4.2. The budget proposed for 2021/22 is £25.381m, which is £0.239m (0.9%) above the in-year HNB DSG allocation of £25.142m, which will mean a small increase to the deficit.

4.3. The additional new funding in 2021/22 is required to fund new place funding and additional top ups; the increase in numbers above the original 2020/21 budget (for which there was no funding in 2020/21); there is also the assumed on-going increase in numbers in 2021/22; and an assumed average 2% inflationary increase to the fees. There are also increases to the number of local places and inflationary increases to other high needs budgets. None of the deficit can therefore be repaid in 2021/22.

## 5. Centrally Retained Costs

5.1. **Inclusion support posts (£240,000)** – this budget includes the cost of three posts retained by the Local Authority. They carry out a range of statutory functions relating to monitoring exclusions, part time timetables and other issues relating to vulnerable pupils, and ASC advisory support/outreach.

- 5.2. **Inclusion support (£484,000)** – This is funding to support schools with a higher percentage of pupils with EHCPs than the statistical neighbour average in order to support inclusion in mainstream schools. The method for its allocation was agreed at the July 2018 meeting of the Schools’ Forum following the recommendation of a SEND working group and was reviewed (via a consultation with all schools) during Autumn 2019. Following a further consultation with all schools on the funding of this support, Schools’ Forum agreed to transfer £484,000 from the schools’ block to the high needs block to pay for this support, and this funding is ringfenced specifically for this purpose. The calculation used to allocate this funding will be reviewed in the Summer and brought back to the Schools’ Forum in June 2021.
- 5.3. **School Inclusion Panel (Therapeutic Thinking Approach) (£50,000)**
- 5.4. **ASC Outreach (£40,000)** is provided by Christ the King School.
- 5.5. **Early Years Inclusion Fund (£50,000)** - this is a contribution to a larger budget funded from the Early Years DSG Block (£150k in total). It supports inclusion of children in early years’ settings. Work has been undertaken to move away from 1:1 funding to identify and support inclusive practices and resources that enable young children with SEND to have their needs met in these settings.
- 5.6. **Dingley’s Promise SEND Provision (£25,000)** - The total cost of the provision is £41.5k, with £16.5k contributed from the Early Years DSG block.
- 5.7. **Sensory Consortium (£312,000)** – This is a joint arrangement with Windsor and Maidenhead and other Berkshire Local Authorities. Inflated for 2021/22.
- 5.8. **Speech and Language (SALT) and Occupational Therapy (OT) Contract (£412,860)** - The contract value has now been adjusted to include all academies, as some were originally excluded. Inflated for 2021/22.
- 5.9. **Virtual School Children Looked After (£119,500)** - This contribution adds to the 139k from the central school services block (combined services) for the Virtual school.
- 5.10. **SEND transport contribution (£100k)** - This contributes to the total SEND Transport spend of £2.23m.
- 5.11. **Central overheads (£79,000)** - This contributes towards the cost of council overheads. The amount has not increased for several years.
- 5.12. **Teachers Pay & Pension Grants (£296,780)** – This amount has been added to the HNB DSG for the local authority to pay over to special schools and alternative provision these grants based on the actual number of pupils recorded in the October 2020 census.

## 6. Place Funding

- 6.1. This funds the agreed number of places in special schools, resource provision/units in mainstream schools, and alternative provision (pupil referral units). The funding is fixed for the year regardless of how many pupils are on roll. Resource provisions receive £6k per

place plus the school formula funding for the actual number of pupils in the unit on the previous October census day (or post 16 formula funding); Pre 16 vacant places as on October census day are funded at £10k per place. The mix between filled/vacant places changes annually and has an impact on the budget (if there are more vacant places, it costs the HNB more). Special schools and pupil referral units receive £10k per place.

- 6.2. **Maintained school place funding (£1,112,332)** – In addition to The Snowflake Centre (based at New Bridge Nursery School), there are new Early Years resource provisions due to open in April 2021 which will support up to 24 nursery age children with additional complex needs, and a new ASD resource in a primary school starting with 4 pupils.
- 6.3. **Academies place funding (£4,572,332)** – This is top sliced by the ESFA from the Local Authority HNB allocation to fund places in Academies based on the LA HNB place return which is submitted in November of the previous year. From 2019/20 this has included Free Special Schools, so the budget includes the places at Thames Valley School. The 2021/22 budget includes 30 additional places at The Avenue which are being considered as satellite classes from September 2021. The funding for this is being held centrally and is not included in the recoupment.

## 7. EHCP Top Ups

- 7.1. **Mainstream schools Top Up (£2,748,900)** – this is based on the actual number of top ups as at February 2021, increased by an additional 50. This supports the inclusion strategy and reflects the current trend of increase. The top up bandings are currently under review as part of the overall Top Up review. The rates were uplifted in September 2020. The budget has built in an overall 2% increase to the rates.
- 7.2. **Special School Top Up (£9,135,866)** – this is based on the actual number of top ups as at February 2021, increased by 30 places. As above, top up rates are currently under review. The budget has assumed an overall average increase in rates of 2%, though we have no control on increases in other local authorities.
- 7.3. **Resource Unit Top Ups (£777,797)** - this is based on the actual number of top ups as at February 2021, increased by an additional 20 places as we are opening a number of additional new places. The review of the top up rates has recently taken place with a view to an increase being implemented from April 2021. The budget has assumed an overall average increase in rates of 2%, though we have no control on increases in other local authorities.
- 7.4. **Out of Authority (OOA) Independent and Non Maintained Special Schools (NMSS) (£2,507,272)** – this is based on the actual number of top ups as at February 2021, decreased by a total of 5 placements as pupils leave. The budget assumes inflation at 2%.
- 7.5. **Further Education Colleges (£952,633)** – this is based on the actual number of top ups as at February 2021, with no change to the actual number as the demand for college placements appears to have remained static. The budget assumes inflation at 2%. Strand 4 of the SEND Strategy are looking at integrating the transition into adulthood work for young people with SEND, and working with key partners to align this with other post 16 pathways into FE, employment, apprenticeships etc.

- 7.6. **Pupil Referral Units top up funding (£910,747)** – Cranbury College receive a sum of £684k for PRU placements. The additional amount is for EHCP placements at Cranbury and top up fees in other PRUs. No increase in numbers has been assumed for 2021/22 and assumed 2% inflation. Funding removed from schools for permanent exclusions are credited against this budget if the pupil is subsequently placed in a PRU.
- 7.7. **Other independent alternative placements (AP) (£255,714)** – there has been a reduction in the number of pupils attracting additional support for AP on short term alternative packages either through their school or through the Council. Where schools place pupils who are already receiving top up, they are now responsible for this payment to avoid double funding. This budget is based on the actual number of top ups as at February 2021 with an increase for inflation.

## 8. Hospital and Medical

- 8.1. **Hospital Education (£153,459)** - This budget funds a teaching team at the Royal Berkshire Hospital and is hosted by Cranbury College. It is required to support pupils from any Local Authority area who are in hospital in Reading. The budget has been increased by 2% for inflation.
- 8.2. **Other hospital funding (£45,500)** - This budget funds the cost of pupils' education while they attend tier 4 specialist independent mental health hospital provision which is commissioned by NHS England. This is demand led and cannot be predicted. Annual costs in recent years have averaged £45,000.

## 9. Draft Deficit Recovery Plan for 2021/22

- 9.1. The DSG deficit is now totally separate from local authority funding and reserves. This means that the deficit must not be funded by the local authority's general reserves and that DSG deficits will over time be recovered from DSG allocations. The carry forward of a deficit no longer requires the consent of Schools' Forum.
- 9.2. The local authority must however be able to present a plan to the DfE for managing their future DSG spend. The plan should be shown to the local Schools' Forum and should be kept regularly updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document.
- 9.3. The current (February 2021) budget monitoring forecast shows the deficit will increase by £0.090m by the end of 2020/21 with £2.189m to be carried forward at the end of the current financial year.
- 9.4. The SEND strategy is still key in supporting the recovery of the deficit and keeping costs down to ensure future sustainability. The basis of the plan is a continuation of the following strategies:
- Maximise local provision. This includes increasing the number of places in local resource units and the building of a new special school.

- Inclusion in mainstream – help schools in providing the right support for their EHCP pupils and provide additional funding through the inclusion fund (with £484k transferred from the schools’ block in 2021/22 for this purpose).
- Minimise placements in the most expensive independent/non maintained specialist provisions by providing good local provision.
- SEN panel is robust and consistent in its decision making; EHCPs are necessary and set at the right level and are reviewed annually.
- Ensure out of county top up costs/annual reviews are negotiated at the right level through the commissioning team, and inflation is contained to a reasonable realistic level.
- Ensure other contracts in the HNB do not increase more than inflation, negotiated by the commissioning team.

9.5. The assumptions made in estimating the budgets for next year and the following three years are as follows:

- The annual increase in the HNB DSG allocation for 2021/22 and 2022/23 is at 8%, and 5% thereafter. Note however that the funding for 2022/23 and beyond is being reviewed by the ESFA (currently out to consultation).
- £484k transfer from the schools’ block to the high needs block for inclusion funding continues until the deficit is repaid.
- All other funding blocks balance in year or carry forward their balances; under spends in other blocks will not offset the high needs deficit.
- All centrally retained costs in the high needs block remain static beyond 2021/22.
- The number of places to be funded for new resources and the new special school are factored in.
- Average costs of top ups inflated annually by 2%.
- The number of top ups overall continue to increase year on year (95 per year) at current trend/known changes in each type of provision and at the average cost for each type of provision.

9.6. Table 3 summarises the 2021/22 draft financial plan using the above basis and assumptions. This does not repay the deficit within the timeframe shown, but from 2022/23 around £400k to £500k is repaid per year, which if maintained would repay the deficit by 2027/28. One of the reasons for the increase in costs in 2021/22 is for additional place funding in local schools as a one off additional cost. This will provide lower average cost places for the increasing numbers of new placements and is therefore mitigating against higher costs in future years.

**Table 3: High Needs Block Deficit Recovery – Draft Plan 2021/22**

High Needs Budget (Net of Recoupment for Academy Place Funding)	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
<b>Expenditure</b>						
Place Funding	2,429,700	1,354,367	1,507,340	1,532,340	1,450,673	1,460,673
Top Up Funding	14,283,909	15,909,437	17,487,888	18,682,721	19,918,370	21,195,990
Other	1,453,749	1,750,791	2,209,140	2,209,140	2,209,140	2,209,140
<b>Total High Needs Block Expenditure</b>	<b>18,167,358</b>	<b>19,014,595</b>	<b>21,204,368</b>	<b>22,424,201</b>	<b>23,578,183</b>	<b>24,865,803</b>
DSG High Needs Block Funding	-18,322,000	-18,915,613	-20,965,057	-22,939,112	-24,008,612	-25,270,612
<b>In Year High Needs Block</b>	<b>-154,642</b>	<b>98,982</b>	<b>239,311</b>	<b>-514,912</b>	<b>-430,429</b>	<b>-404,809</b>
Add brought forward deficit / (surplus)	2,245,003	2,090,361	2,189,343	2,428,654	1,913,742	1,483,313
<b>Planned Year End Position</b>	<b>2,090,361</b>	<b>2,189,343</b>	<b>2,428,654</b>	<b>1,913,742</b>	<b>1,483,313</b>	<b>1,078,504</b>

- 9.7. The plan shows the deficit will increase by £0.239m to £2.429m in 2021/22. When the plan is finalized in June, the actual brought forward deficit is likely to be a different amount which may impact on the figures. Assumptions about increases in places for the 2021/22 academic year will also be firmed up.
- 9.8. The recovery is dependent on the funding increases as set out in the assumptions, and that the rate of growth in the number of top ups does not exceed the current trends. The current ESFA consultation on High Needs funding can be found here: [https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes/supporting\\_documents/High%20needs%20NFF%20review%20consultation%20document.pdf](https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes/supporting_documents/High%20needs%20NFF%20review%20consultation%20document.pdf) . Responses are required by 24<sup>th</sup> March.
- 9.9. The final more detailed plan will be shared at the next meeting of the Schools' Forum. The high needs budget and deficit recovery plan will continue to be regularly monitored with a report brought to each meeting of the Schools' Forum.



# Reading Schools' Forum

11 March 2021

Agenda Item 7

SEND update

For decision

For discussion

For information

## SUMMARY

This briefing paper gives the context and remit of the SEN review of finance and provision

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## VERSION

Version number v1

## DATE

04 March 2021

## REVIEW DATE

Not applicable

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## 1. Recommendations

- 1.1 That Schools' Forum note the progress that has been made in this area.
- 1.2 That Schools' Forum agrees to consider the outcomes of the review – particularly the banding review in due course.
- 1.3 That Schools' Forum thank schools for their work in ensuring the local offer is robust and fit for purpose.

## 2. Background

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

- SEND – everybody's business
- Right support / right time
- Local provision that meets local needs
- Making best practice common practice
- Co-production at the heart of what we do: changing the way in which we work together with families operationally and strategically; doing with families, not doing to
- Parents / carers and young people are confident in local provision

2.2 There are 6 Strands to the SEND Strategy to achieve these priorities: Strand 1: Communication; Strand 2 Early Intervention through to Specialist Provision; Strand 3 Consistent approaches to mental health; Strand 4 Short Breaks; Strand 5 Preparation for Adulthood; Strand 6 Preparation for the local area SEND Inspection.

2.3 All SENDCOs have been given a Framework to record how they are currently implementing the priorities of the SEND Strategy and what actions the school will put in place to further achieve these priorities.

## 3. Progress to date

3.1 Number of EHCPs: In January 2021 we had 1,440 children with EHCPs split across the following phases:

	Nursery	Primary	Secondary	Post 16 / FE	TOTAL
<b>Mainstream (includes resourced bases)</b>	3	352	224	271	<b>850</b>
<b>Special</b>	5	184	247	52	<b>488</b>
<b>Other (includes AP, home education)</b>	0	6	33	63	<b>102</b>
<b>TOTAL</b>	<b>8</b>	<b>542</b>	<b>504</b>	<b>386</b>	<b>1440</b>

3.2 Reading EHCP by Primary Need

Primary need			The three highest level of primary need are autism, SEMH, and MLD
ASD	SEMH	MLD	
35.6 %	19.5 %	14.7 %	



NCY	<b>ASD</b>	<b>SEMH</b>	<b>MLD</b>	The breakdown of the percentage of children with an EHCP with a primary need for autism, SEMH and MLD.
Primary %	58.6%	19.7%	21.7%	
Secondary %	47.0%	32.3%	20.6%	

Table A: Percentage of children and young people with an EHC plan maintained by the Local Authority, at an additionally resourced provision				Table B: Percentage of children and young people with an EHC plan funded by the Local Authority at an independent or non-maintained special school			
	2017	2018	2019		2017	2018	2019
Reading %	8.9	7.2	8.1	Reading %	9.0	8.5	7.6
Statistical Neighbours %	4.5	5.3	5.4	Statistical Neighbours %	9.9	11.9	13.0
England %	2.5	3.0	3.2	England %	12.9	13.9	14.9
Table C: Percentage of children and young people with an EHC plan maintained by the Local Authority at a state funded special school							
	2017	2018	2019				
Reading %	34.8	34.9	32.3				
Statistical Neighbours %	35.8	34.5	33.6				
England %	36.0	34.8	33.6				

### 3.3 CYP in mainstream resourced provision and special schools

One of our SEND Strategy priorities is to keep our children and young people local to their communities. Reading has a higher percentage of children and young people in an additionally resourced provisions local to their home. Reading has a higher percentage of resourced provision than our statistical neighbours or England, and we have a lower percentage of CYP attending independent or non-maintained special schools (Table B) or state funded special schools (Table C).

Therefore, we are looking at increasing the additionally resourced provisions in Reading, and increasing the capacity for schools to be fully inclusive.

The majority of schools have updated their local offer to ensure it is fit for purpose.

## 4. SEND review

As reported to previous meetings, work is underway for our major review of our SEND finances and provision in Reading. We are working on the following as key elements of that review:

- Capital investment – to include expansion of provision
- Revising our SLAs with schools to ensure they are fit for purpose
- Refreshing our admissions process for resourced bases and our maintained schools

- Revenue funding and ensuring our funding arrangements deliver an appropriate resource to support the needs of the child or young person.
- Reviewing alternative provision – as reported to the last Schools Forum, this work is being chaired by Mandy Wilton.

A project group is in place and has met three times. Project documentation is being developed to ensure all the interdependencies of these various strands of work are co-ordinated effectively.

Alongside this work we will be reviewing our Self evaluation framework and our SEND strategy (the strategy finishes in 2022). Alongside our partners in Berkshire West we will also be piloting a new process for supporting children at a much earlier stage. This follows a multi agency audit conducted earlier in the year.

## 5. Admissions arrangements

We are piloting a new admissions process for resourced bases. This sits alongside the work being completed on refreshing service level agreements for these bases. A monthly meeting is held with all the bases to discuss the admission of individual children.

## 6. Funding Arrangements Review (Top Ups)

At an earlier meeting of the Schools' Forum a range of options were put forward to be further explored as a future funding model. As mentioned above, a project group is in place and a Project Manager has been designated to lead on this work. We are exploring the opportunity of using data analytics to generate a new framework for funding EHCPs. The outcome from this work will come to Schools' Forum in due course.

In the meantime a detailed costing review of all our resource provision has taken place. Five out of the six Reading schools with resource provision have contributed to this review. To ensure fairness and consistency, a new funding model has been developed to determine revised top up rates which more closely reflect current costs of each provision. Using this model, the top up rates for four of the provisions would increase. This will be shared with the relevant schools shortly, with a view to implementation of revised banding rates from April, and the final outcome will be reported back to the next Schools' Forum. This solution does not impact on the wider top up review, and this may therefore be just a temporary change.

## 7. Capital investment

Alongside our review of revenue funding, we are investing in capital to ensure the supply of places meets demand. This includes:

- Establishment of a new free school – Oak Tree – in Wokingham with provision for ASD and SEMH. This will provide 75 places.
- Two primary mainstream resource units for Social Communication Difficulties in schools in the West and North of Reading. The first of these will be based at Southcote School. Each unit will provide 12 places.
- Early Years – initial scoping of 2 SCD resources to be based in 2 early years providers. This work will feed into the Council's capital programme.

## 8. Summary

The SEND Strategy continues to be embraced by all partners and is being embedded across services. The SEN Review will enable us to continue the work on our strategic priorities and to ensure local provision for children with SEND is available and fit for purpose.

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# Reading Schools' Forum

March 11, 2021

Agenda Item 8

Alternative Provision Review - Update

## SUMMARY

This report is the second update on progress to date with the Alternative Provision Review

## OWNER

Claire Goss

## VERSION

V 1

## DATE

March 2021

## REVIEW DATE

Summer Term 2021



For decision



For discussion



For information

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## 1. Purpose of report

To Update Reading Schools Forum on the progress to date following the Report “Alternative Provision-case for change” presented to Forum on 8th October 2020 and an Alternative Review Project subsequent update in December 2020.

## 2. Summary

Following the Schools Forum Meeting in October 2020 it was agreed that a review on the quality and quantity of Alternative Provision across Reading Schools and Services within Brighter Futures for Children (BFFC) should be completed. This review should be led by schools and supported by the Commissioning, Contracts and Procurement Team (CCP). Mandy Wilton, Head of Cranbury College was nominated and agreed to lead this review.

## 3. Project Scope

For the scope of this project the focus will be on placements of children and young people in Alternative Provisions via pupil referral units, mainstream schools or BFFC services. It will also include off site provisions and other non-school based provisions including online learning and home tuition.

These provisions will either be funded directly from the High Needs Block of the Designated School Grant or directly from schools. The age focus will be Key Stages 1-4, it is expected most provisions being in Key Stage 3 and 4(secondary aged pupils).

## 4. Project Objectives

To develop a clear agreement and understanding of what constitutes Alternative Provision across all Stakeholders

- a) The legal status of Registered Providers
- b) The use of Offsite Activities and clear roles and responsibilities about usage
- c) Home/Individual tuition services used costings, quality and effectiveness
- d) Online Tuition services used costings, quality and effectiveness

To audit use of Alternative Provision and off-site Provision

- a) funded by the High Needs Block
- b) Used by Reading Schools
- c) Have clear data on the number of Children and Young People accessing Alternative Provision for all or part of their education

To have clear transparent costings of Placements across all Alternative Provision Providers and other provisions used to include those named on Education, Health and Care Plans as Education, other than at School (EOTAS) by BFFC

To ensure all Pupils placed in Alternative Provisions by BFFC are placed following stringent due diligence processes.

To develop a central directory of BFFC Approved Alternative Providers where information is provided and held centrally electronically which can effectively and efficiently enable access to appropriate alternative provision for children and young people

With colleagues to have a clear agreement of what constitutes “Quality” Provision and identify provisions where the Outcomes for Children and Young People are Good or better where providers are not subject to OfSted Inspections

Develop effective Commissioning of Alternative Provision and explore the benefits of the use of a Dynamic Purchasing Framework to be used by BfFC and Schools to allow more cost-effective purchasing

To have clear commissioning arrangements for:

- a) Home tuition
- b) Online learning
- c) Outdoor Activities

To develop clear Governance arrangements for procuring and placing Children and Young People in Alternative Provision and other non-school provisions.

## 5. Progress to date.

- There have been two Steering Group meetings which have been very well attended and have included attendance of a wide range of Stakeholders.
- Terms of Reference have been agreed and shared
- The Draft PID was finalised at the December meeting and updated at the February meeting and the project is on target at this point.
- The definition of Alternative Provision was discussed with the Group in December. The definition that was agreed in the PID, the DfE definition was agreed to be used this is.

***Education arranged by local authorities for pupils who, because of exclusion, illness or other reasons, would not otherwise receive suitable education;  
Education arranged by schools for pupils on a fixed-term exclusion;  
Pupils being directed by schools to off-site provision to help improve their behaviour.***

- However, there were further discussions around what is Provision and what is an Intervention and how this may differ in the Primary Phase to the Secondary Phase.
- In the February meeting it was agreed that the questionnaire going out to schools would include a question which would capture information from the Primary and Secondary Sector to include these broader onsite Providers, for example, Play Therapy, Counselling Services and other Therapeutic Interventions.
- The content of the Questionnaire was agreed at the Steering Group, amendments were made as per group discussion and this was sent out to Schools on the 22 February 2021 to be returned by the 5 March 2021.

## 6. Draft Specification for Alternative Provision Providers

A draft specification which will go out to tender has been developed. This has had input from the Virtual Head, Schools Admission Manager, School Improvement and the Principal Educational Psychologists. Amendments have been made accordingly.

### The Identified Lots at present are;

Lot 1: Full-Time Alternative Education Provision	Education provision offered to a pupil outside of the school setting for 25 hours a week or more. Provision should be age-appropriate, outcomes focussed and cover a broad curriculum to achieve accredited qualifications. This provision could be to support one pupil or a group (maximum group size is 8).
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	The Provider should be registered as an independent school if providing full time education to five or more pupils of statutory school age or one pupil who is a LAC and/or has an EHCP. It is expected that the provider will follow a trauma informed approach to help children and young people understand and develop their emotional responses and self-regulation
Lot 2: Part-Time Alternative Provision	<p>Educational provision that is delivered outside of the school setting to enhance the school curriculum and/or a vocational placement. Provision should be age-appropriate and lead to improved attainment and progress including the achievement of accredited qualifications, academic and wider learning outcomes and/or vocational skills development. Pupils will remain registered at their current school.</p> <p>Part time hours are flexible to meet the needs of the child/young person, i.e. half a day or full day once or twice a week up to 15 hours. This provision could be to support one pupil or a group.</p>
Lot 3: Tutoring	Tutoring provision delivered by qualified teachers outside of the school setting to support the school curriculum and/or the specific needs of a pupil. Programmes are usually bespoke / individualised and delivered to individuals or a small group of a maximum of 6 pupils.
Lot 4 Bespoke Provision	<p>This describes bespoke and personalised programmes of proactive support, mentoring and/or coaching, which will be offered to pupils to enhance their learning experience and engagement. This could include physical activities or therapeutic interventions. This will support or improve the child's understanding of their responses, attendance, and the re-integration of pupils into mainstream schools.</p> <p>This provision could be to support one pupil or a group. The hours are flexible depending on the intervention.</p>
Lot 5: Online Learning	This could be part of Lot 3 and 4 but may be specific to an individual to support or improve the Young Person's processing and regulation of their emotions and how they articulate problems and thus, support the school curriculum and/or specific needs of a pupil.
Lot 6: Other Therapeutic Interventions	This could be any other Interventions purchased by Schools/ Services. This again may be part of Lot 3 and 4.

Further discussion will be needed around the best way to progress whether this be two frameworks, or one with all 6 Lots

It is Proposed that these will go out to Tender in Mid-April 2021.



## 7. Updated Proposed Time Scales

Activity	Date	Actions Taken	Further notes
The first meeting of the Steering Group	10 December 2020	Terms of Reference Agreed PID Agreed Minutes circulated	Completed
First Draft of Audit/ Questionnaire developed	22 January 2021	Draft questionnaire to be shared with Mandy Wilton for comments Draft to be circulated with Agenda for comments from Steering Group members'	Draft Questionnaire agreed circulation on the 22 February 2021
First Draft of Alternative Provision Specification Developed	19 January 2021	19 January 2021 Draft circulated to; Clare Houlton Gill Dunlop Alice Boon Deb Hunter Nikki Stevens Mandy Wilton For comments on specific areas	February 2021 Comments received draft updated, Outline shared with the Steering Group. Papers to go to Schools Forum on the 25 February for the 11 March meeting. Final Specification with changes /amendments to be agreed following this.
Draft Directory format and content development to start 8 <sup>th</sup> March 2021 with information from the Audit.	March/April 2021	Smaller task and finish group to be developed to look at this	Returns from Questionnaire due 5 <sup>th</sup> March 2021, this work will then commence.

On line Provider event to be arranged to discuss process and way forward	March/April 2021	Presentation in draft Form to be shared with Steering Group.	Date of event to be finalised but will be no later than 16 April 2021.
Tendering Process to commence	Mid-April 2021	Contracts and Approvals by June 2021	Completion of all by end of the Academic Year 2021.

## 8. Recommendations

That the Schools Forum note the progress to date with the Alternative Provision Review and note that the project is on track to deliver a new procurement framework for AP from September 2021

That updated progress of this review is reported back to Schools Forum in Early Summer Term 2021



# Reading Schools' Forum

March 11, 2021

Agenda Item 9

Schools' Forum Meeting Dates  
2021/22

For decision     For discussion     For information

## SUMMARY

This report proposes the dates and agenda items for the 2021/22 financial year.

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## VERSION

Version number 1

## DATE

04 March 2021

## REVIEW DATE

None

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## 1. Recommendations

- 1.1 AGREE: The Schools' Forum dates and agenda items for the 2021/22 financial year

## 2. Proposed Dates



- 2.1 The Schools' Forum is a statutory and public meeting, which is required to meet as a minimum four times a year. In Reading, the Forum met five times in the last financial year. This worked well, and it is proposed that the same number of meetings are held in the coming year. We are not aware of any additional items of business that may need to be reviewed/discussed in the Summer term to warrant two meetings.
- 2.2 The meetings need to be scheduled at appropriate points in the year to tie in with decision making deadlines in relation to the setting of the School budget, and release of key data and information from the Education & Skills Funding Agency (ESFA). The frequency and timing of meetings need to be agreed in advance of each financial or academic year.
- 2.3 In 2020/21 the dates worked with the ESFA deadlines and It is proposed to keep to similar dates in 2021/22. The meetings will continue to be held on Thursday's at 5pm with location to be confirmed (either virtually or in the Civic Centre) and scheduled for two hours.
- 2.4 The dates proposed are set out in Table 1. The agenda and papers need to be dispatched one week in advance and published on the website so that all interested parties can access the papers and can make representations to Schools' Forum Members.

**Table 1: Proposed Schools' Forum Dates 2021/22 Financial Year**

MEETING DATE	DISPATCH OF AGENDA
June 24, 2021	June 17, 2021
October 14, 2021	October 7, 2021
December 9, 2021	December 2, 2021
January 20, 2022	January 13, 2022
March 10, 2022	March 3, 2022

## 3. Agenda Items

- 3.1. The key agenda items for each meeting are set out below. Other ad hoc reports will be added as and when, for example to discuss school funding based national announcements or consultations launched by the ESFA.
- 3.2. June meeting agenda items:
- DSG outturn 2020/21
  - Maintained school balances 2020/21 and budgets 2021/22
  - Review of the Schools' Forum constitution
  - DSG Budget 2021/22 and update on deficit recovery plan
  - SEND Top-up report
  - SEND Strategy Annual report

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- 3.3. October meeting agenda items:
- DSG budget setting strategy for 2022/23
  - Initial proposals for school funding formula for 2022/23
  - Budget monitoring 2021/22 month 6
- 3.4. December meeting agenda items:
- DSG budget overview for 2022/23
  - Final proposals for school funding formula for 2022/23
  - Agree growth fund for 2022/23
  - Budget monitoring 2021/22 month 8
- 3.5. January meeting agenda items:
- DSG actual funding settlement for 2022/23
  - Final school funding formula for 2022/23
  - Agree de-delegations for 2022/23
  - Agree central school services budget for 2022/23
  - Budget monitoring 2021/22 month 9
- 3.6. March meeting agenda items:
- Agree high needs budget for 2022/23
  - Agree early years budget for 2022/23
  - Budget monitoring 2021/22 month 11
  - Agree Schools' Forum meeting dates for 2022/23

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