

Notice of Meeting

Schools Forum

Monday, 22nd January 2018 at 5.00pm
at Shaw House Church Road Newbury
RG14 2DR

Date of despatch of Agenda: Tuesday, 16 January 2018

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Jessica Bailiss on (01635) 503124
e-mail:

Further information and Minutes are also available on the Council's website at
www.westberks.gov.uk



Agenda - Schools Forum to be held on Monday, 22 January 2018 (continued)

Forum Members: Reverend Mark Bennet, Ben Broyd, Anthony Chadley, Jonathon Chishick, Catie Colston, Jacquie Davies, Chris Davis, Lynne Doherty, Antony Gallagher, Keith Harvey, Reverend Mary Harwood, Angela Hay, Alan Henderson, Jon Hewitt, Lucy Hillyard, Peter Hudson, Brian Jenkins, Mollie Lock, Patrick Mitchell, Helen Newman, Chris Prosser, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor, Keith Watts and Charlotte Wilson

Agenda

Part I

		Page No.
1	Apologies	
2	Minutes of previous meeting dated 11th December 2017	1 - 12
3	Actions arising from previous meetings	13 - 14
4	Declarations of Interest	
5	Membership	

Items for Decision

6	Dedicated Schools Grant (DSG) Funding Settlement and Budget Overview 2018/19 (Claire White)	15 - 22
7	Final Schools Funding Formula 2018/19 (Claire White)	23 - 28
8	Central Schools Block Budget Proposals 2018/19 (Gabrielle Esplin/Ian Pearson)	29 - 38
9	High Needs Block Budget Proposals 2018/19 (Jane Seymour/Michelle Sancho)	To Follow

Items for Information

10	Growth Fund and Falling Rolls Fund 2017/18 (Claire White)	39 - 42
11	DSG Monitoring 2017/18 Month 9 (Ian Pearson)	43 - 48



Agenda - Schools Forum to be held on Monday, 22 January 2018 (continued)

- 12 **Forward Plan** 49 - 50
- 13 **Any Other Business**
- 14 **Date of the next meeting**
Monday 12th of March 2018, 5pm at Shaw House
- 15 **Exclusion of the Press and Public**
RECOMMENDATION: That members of the press and public be excluded from the meeting during consideration of the following items as it is likely that there would be disclosure of exempt information of the description contained in the paragraphs of Schedule 12A of the Local Government Act 1972 specified in brackets in the heading of each item.
[Rule 8.10.4 of the Constitution refers.](#)

Part II

- 16 **Primary Schools in Financial Difficulty - Bid for Funding (Claire White)** 51 - 54
(Paragraph 1 – information relating to an individual/Paragraph 2 – information identifying an individual)

Andy Day
Head of Strategic Support

If you require this information in a different format or translation, please contact Moira Fraser on telephone (01635) 519045.



This page is intentionally left blank

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

SCHOOLS FORUM**MINUTES OF THE MEETING HELD ON
MONDAY, 11 DECEMBER 2017**

Present: Reverend Mark Bennet, Jonathon Chishick, Catie Colston, Jacquie Davies, Chris Davis, Councillor Lynne Doherty, Antony Gallagher, Louise Griffiths (In place of Suzanne Taylor), Keith Harvey, Reverend Mary Harwood, Angela Hay, Jon Hewitt, Brian Jenkins, Patrick Mitchell, Julia Mortimore (In place of Lucy Hillyard), Helen Newman, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman) and Keith Watts

Also Present: Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), Ian Pearson (Head of Education Service), Jane Seymour (Service Manager, SEN & Disabled Children's Team), Andy Walker (Head of Finance), Claire White (Finance Manager (Schools)) and Annette Yellen (Accountant for Schools Funding and the DSG), Jessica Bailiss (Policy Officer (Executive Support)) and Michelle Sancho (Principal EP & Service Manager)

Apologies for inability to attend the meeting: Councillor Anthony Chadley, Lucy Hillyard, Councillor Mollie Lock, Suzanne Taylor and Charlotte Wilson

PART I**42 Minutes of previous meeting dated 30th October 2017**

The minutes of the meeting held on the 30th October were approved as a true and correct record and signed by the Chairman.

43 Actions arising from previous meetings

There were no outstanding actions from previous meetings.

44 Declarations of Interest

There were no declarations of interest received.

45 Membership

The Chairman announced that he had received a letter of notification from Paul Dick, stating that he would be resigning from the Schools' Forum from January 2018 when he was due to retire from his role of Headteacher at the Kennet Secondary School. The Chairman stated that Paul Dick had been a Member of the West Berkshire Schools' Forum since its inception and he thanked Paul Dick for his involvement and commitment. A replacement for Paul Dick would be found for the Schools' Forum in due course.

46 Draft DSG Funding & Budget 2018/19 (Claire White)

Claire White introduced the report (Item 6), which set out the overall calculation of the Dedicated Schools Grant (DSG) in 2018/19, and the current position for each of the funding blocks. The Central Schools Services Block was a new block for 2018/18. This and the way funding for the Schools Block and high needs Block was calculated, had significantly changed in 2018/19 following two consultations carried out by Government over the last two years.

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

The actual allocations for 2018/19 would be announced by the Government mid December 2017. The Early Years and High Need funding allocations would be provisional, and the budgets for these blocks would need to be set using estimates.

Claire White drew attention to Table 1 under section four, which summarised for 2017/18 and 2018/19 the estimated DSG funding to be received for each funding block and the estimated expenditure.

The Schools' Block was based on 2016 pupil numbers. If the number of pupils remained relatively similar then there would be a small amount of headroom. It was currently unknown how changes in pupil characteristics would impact upon the headroom. Claire White stated that the census figures should be available imminently and this would have an impact on what funding each school would receive.

Claire White moved on to talk about the Central Schools Services Block in more detail and stated that it was possible that funding could be moved from the Early Years and High Needs Blocks into the Central Schools Services Block to meet the shortfall in this block.

Reverend Mark Bennett noted that West Berkshire was a small Local Authority and questioned if partnership working with other similar authorities was an option that had been explored. Ian Pearson stated that the Local Authority was always looking to drive efficiencies. Conversations had taken place with other authorities regarding shared services and this was happening across other services within the Local Authority. Sometimes these arrangements worked well, but it was worth noting that partner agencies often suffered from each other's funding pressures.

Claire White reported that the funding rates for the early years block had now been published and would remain the same. The Local Authority had argued that the area cost adjustment was unfair and as a result had secured a meeting with the Department for Education on the 15th January 2018. It was unlikely that anything would change for 2018/19 however, a review could take place for 2019/20.

Claire White moved on to the talk about the Early Years Block and reported that the deficit for the block had been carried forward to 2017/18 and was due to be repaid over a three year period. It was hoped that the indicative funding rates given to providers earlier in 2017 for 2018/19 could be honoured, but this would need to be reviewed in light of the current year expenditure compared to forecast funding, in order to keep the deficit under control.

Louise Griffiths referred to paragraph 6.7 of the report and stated that early years settings were often unable to access some of the statutory services. Claire White confirmed that only services early years settings could benefit from, would be taken into account in any transfer of funding to the central block. Claire White confirmed that more would be known in January 2018.

Claire White moved onto the High Needs Block. A new formula for allocating high needs funding to local authorities was being used in 2018/19. Under this formula West Berkshire would receive less than the current High Needs Block Allocation however, the Department for Education had ensured that all authorities would gain a minimum of 0.5% over their baseline.

Paragraph 8.5 showed how the funding was calculated for the block. The deficit was still higher than had been hoped, as demand in the high needs area continued to grow.

RESOLVED that the Schools' Forum noted the report.

47 Final School Formula Proposal 2018/19 (Claire White)

Claire White introduced her report (Item 7), which set out the results from the consultation with schools on the proposed primary and secondary school funding formula for 2018/19 and also set out the final recommendation.

Claire White moved to section 4.4 of the report, which detailed the consultation responses. Although there were a number of emails and telephone calls to clarify or discuss how certain elements of the formula worked, or to stress the impact on individual schools, there were only four formal responses to the consultation. These were from Winchcombe, Brimpton, Kennet and John O'Gaunt. Section 4.4 of the report included the main points raised as part of the consultation, either formally or informally.

The first point was raised by Brightwalton, which had an issue on the application of the sparsity factor for their school. Claire White explained that if the nearest school was more than two miles away then the sparsity factor was payable. Brightwalton's nearest school on which the distance criteria was based, was Chaddleworth (1.8 miles) however, Brightwalton had declared that no pupils were taught on the site and all the pupils attended the school at Shefford. Claire White reported that she had made an application to the Secretary of State (SoS) for Education to see if the regulations could be dis-applied in this instance and the SoS had agreed that in this instance the regulations could be lifted as there were exceptional circumstances, but subject to Schools' Forum agreement.

Reverend Mary Harwood reported to the Schools' Forum that there were occasions when children attended the school at Chaddleworth. Children were dropped off at the school at Chaddleworth and then taken to the school at Shefford by minibus. If the school at Brightwalton was closed for any reason then children would be sent to Chaddleworth. Claire White clarified therefore that if Brightwalton was not accessible for any reason, then children could be accounted for at Chaddleworth. Mary Harwood confirmed that this was correct and although children were not always taught at Chaddleworth, it was open and children were registered there.

Ian Pearson summarised that Brightwalton had made a case to receive the extra sparsity funding, on the basis that it was more than two miles from its closest school. However this only applied if this closest school was Shefford School. Mary Harwood had declared that Chaddleworth was still open and operating and if this was the case then Brightwalton should not receive the sparsity funding. David Ramsden concurred that if Brightwalton did not meet the criteria then it should not receive the funding.

The Chairman asked the Schools' Forum to vote on whether the sparsity funding should be given to Brightwalton School based on the case they had submitted as part of the consultation, taking into account what had been stated by Reverend Mary Harwood. At the vote the notion not to award Brightwalton School the sparsity funding was carried. The reason for this was that Brightwalton's closest school was Chaddleworth School, which was less than two miles away.

Claire White referred back to section 4.4 of the report which outlined the additional points raised as part of the consultation. The second points concerned, how long the minimum funding guarantee would last into the future, and how reliant schools could be on this element of the funding in their future planning. The third point raised was concern regarding the impact of the lowering of the lump sum on small schools, and Claire White stated that she would come back to this point as there was a proposal that required consideration.

Moving on, Claire White reported that the fourth comment raised as part of the consultation concerned the statement given by Nick Gibb that 'every school would see an increase in funding through the formula from 2018' and this was clearly not the case for

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

some West Berkshire Schools. This was down to the lack of understanding that the national funding formula was a method of allocating funds to local authorities and in reality could not be replicated.

The final point raised was that West Berkshire should continue to lobby the Government for increased funding in order to enhance, or as a minimum maintain education standards.

Claire White stated that since the consultation, there had been two further pieces of information from the Education and Skills Funding Agency (ESFA). Firstly there was now no requirement to apply to the SoS for Education to set a minimum funding guarantee of between 0% and 0.5%. This could be agreed locally and so was now a firm recommendation for the West Berkshire formula rather than it being subject to approval.

Secondly Claire White reported that the sparsity factor calculation used in the National Funding Formula (NFF) was not the same as the calculation allowed in the school finance regulations (SFR). It had been assumed that the SFR would be updated. If there was support for the use of the NFF, then an application would have to be made to the SoS. The SFR calculations applied a taper to the funding according to the number of pupils in a school, whereas the NFF calculation used a weighting according to the year group size. Small schools qualifying for sparsity received more funding by applying the NFF methodology (a difference of about £68k overall). The Heads Funding Group had been of the view that as schools had not previously received sparsity funding (as this was new funding), it could be at a reduced level in the first year by applying the SFR rather than the NFF calculations.

Ian Pearson clarified that in this particular case, if the NFF calculation was used then a larger sum of money would be given to schools which qualified for sparsity funding. Keith Watts noted that this seemed like a plan by the Government to close small schools, but with the understanding that it was not viable to close all small schools. Claire White confirmed that six schools in total qualified for the sparsity funding.

The Chairman asked the Schools' Forum to vote on whether to agree the first three recommendations under section 2.1 of the report collectively:

- Use of the National Funding Formula (NFF) rates for every formula factor, applying a funding cap on gains of 3% per pupil.
- Apply a minimum funding guarantee of 0% but up to the maximum allowable of 0.5% according to the amount affordable based on the final funding allocation.
- If required after the above had been applied, scale every formula factor upwards or downwards in order to match the final funding allocation available for distribution to schools.

Chris Davis proposed that the Schools' Forum agree the first three recommendations (set out above) and this was seconded by Catie Colston. At the vote the motion was carried.

The Chairman asked the Schools Forum to vote on whether to agree the fifth recommendation set out under section 2.1 of the report:

- Use the School Finance Regulations calculation of the sparsity factor, rather than the NFF calculation.

It was proposed by Chris Davis that the Schools' Forum agree the fifth recommendation (set out above) and this was seconded by Jonathan Chischick. At the vote the motion was carried.

RESOLVED that the Schools Forum agreed the recommendations set out under 2.1 of the report (detailed above) apart from the recommendation detailed under bullet point five (detailed below).

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

RESOLVED that the Schools Forum did not approve the recommendation:

- An application to be made to the Secretary of State for Education to dis-apply the financial regulations in order to change the distance of the next nearest school for Brightwalton in the application of the sparsity factor.

48 **Criteria and Budgets for Additional Funds 2018/19 (Claire White)**

Claire White introduced the report (Item 8), which set out proposals for approval of the proposed criteria and budgets for additional funds for 2018/19. Claire White reported that the report had not changed since it was last viewed by the Schools' Forum in October 2017. The only comments received as part of the consultation were in agreement with recommendation two concerning widening the criteria for primary schools in financial difficulty. Recommendations were set out on page 41 of the report.

The Chairman invited Members of the Schools' Forum to vote on whether to agree the recommendations set out under section 2.1 of the report:

- Removal of the Falling Rolls Fund from 2018/19.
- Widening of the criteria for primary schools in financial difficulty to enable schools currently not in deficit to apply for funding towards meeting restructuring costs that were required to avoid a deficit.
- A small amendment to the wording of the growth fund criteria to clarify that funding for an increase to the pupil admission number can only be if this increase was in response to basic need.

Patrick Mitchell proposed that the Schools' Forum agree the recommendations outlined above and this was seconded by Keith Harvey. At the vote this motion was carried.

It was agreed that recommendations under section 2.2 should be separated out so that only primary schools considered approval of the Schools in Financial Difficulty Fund.

The Chairman invited Members of the Forum to vote on whether to approve the following budgets:

- The Growth Fund (£205,000), and;
- Schools with disproportionate Number of High Needs Pupils (£100,000)

David Ramsden proposed that the Schools' Forum approve the budgets outlined above and this was seconded by Chris Davis. At the vote the motion was carried.

The Chairman invited Primary School Members of the Forum to vote on whether to approve the following budget:

- Schools in Financial Difficulty (£9.64 per pupil (approximately £120,000))

Keith Harvey proposed that the Schools' Forum approve the budget outlined above and this was seconded by Anthony Gallagher. At the vote the motion was carried.

RESOLVED that the budgets detailed under sections 2.1 and 2.2 of the report were approved by the Schools' Forum.

49 **De-delegation Proposals 2018/19 (Gabrielle Esplin)**

Ian Pearson introduced the report (Item 9) regarding de-delegation proposals for 2018/19. This report had been discussed by the Schools' Forum in October 2017, where various de-delegations had been considered.

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

Recommendations were contained under sections 2.1, 2.2 and 2.3 of the report. No counter proposals had been received as part of the consultation with schools.

Ian Pearson clarified that the last bullet under section 2.1 and 2.2 (Statutory and Regulatory Duties Option 2) referred to schools de-delegating Health and Safety Level One services, or the core provision. It had been expressed at previous meetings that schools should be given the option to sign up to Level Two services at an extra cost.

Gabrielle Esplin stated that the recommendation under section 2.3 would only need to be considered by representatives of maintained special schools, nursery schools and PRUs.

The Chairman invited representatives of maintained primary schools to vote on whether to agree the de-delegation of fund for the following services:

- Behaviour Support Services
- Ethnic Minority Support
- Trade Union Representation
- Schools in Financial Difficulty
- CLEAPSS
- and Statutory and Regulatory Duties Option 2

Chris Davis proposed that maintained primary school representatives agree the de-delegation of funds for the services outlined above. This was seconded by Keith Harvey. At the vote this notion was carried.

The Chairman invited representatives of maintained secondary schools to vote on whether to agree the de-delegation of funds for the following services:

- Behaviour Support Services
- Ethnic Minority Support
- Trade Union Representation
- Schools in Financial Difficulty
- CLEAPSS
- and Statutory and Regulatory Duties Option 2

David Ramsden proposed that maintained secondary school representatives agree the de-delegation of funds for the services outlined above. This was seconded by Helen Newman. At the vote this notion was carried.

The Chairman invited representatives of maintained special, nursery schools and PRUs to vote on whether to agree the de-delegation of funds in the 2018/19 financial year for Statutory and Regulatory Duties Option 2. Jon Hewitt proposed that maintained special, nursery schools and PRU representatives agree the de-delegation of funds as outlined above. This was seconded Jacquie Davis. At the vote this notion was carried.

RESOLVED that the recommendations set out in sections 2.1, 2.2 and 2.3 were agreed by the relevant Schools' Forum Members.

50 **Draft High Needs Budget 2018/19 (Jane Seymour)**

Ian Pearson introduced the report (Item 10), which set out the current financial position of the High Needs Block Budget (HNBB) for 2017/18 and the position known so far for 2018/19. The report also explored options in order to make savings and balance the budget in 2018/19.

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

Ian Pearson referred to the table on page 85 of the report, which illustrated the pressure that the HNBB was under. The overspend for 2017/18 had been anticipated to be £490,640, however, the current forecast was approximately £10k (£500,750) in excess of this. Any over overspend at year end would need to be met from the 2018/19 grant.

To tackle the deficit in the HNBB, the Schools' Forum had chosen to take a longer time view. Sudden large cuts could have had a detrimental impact upon the needs of pupils and therefore the decision to manage the budget over time had been preferred.

Ian Pearson reported that the estimated deficit for the HNBB was anticipated to rise to £670,980 in 2018/19, which was a growth of about £170k on the 2017/18 figure. The Heads' Funding Group (HFG) had concluded that it was not realistic or desirable to attempt to save the full shortfall in 2018/19, and to do so might be making unnecessary severe cuts, given that a large proportion of the shortfalls was made up of carried forward overspend.

Ian Pearson added that an option discussed at the HFG had been to cover of the growth in deficit of £170k, which was explained in more detail under paragraph 5.2. As the result of discussion the HFG recommended that the savings of £220k should be identified, which represented the portion of the shortfall, which related to the ongoing costs plus 10% of the remainder. Ian Pearson explained that this was currently only a figure and there were not yet any preferences with regard to which areas should be considered for savings. This would be taken as an item for consideration at the next HFG and Schools' Forum meetings.

Reverend Mark Bennett pleaded with Officers to be careful with language used when writing reports (particularly in reference to paragraph 3.2). He understood that the reports were financial in context however, more neutral language was required when referring to the needs of young people and their families, particularly when comparing to the national picture and the level of Statements /EHC Plans.

Keith Harvey noted from the report that other local authorities were in a similar position concerning pressures on HNBB. He had viewed the paperwork of other Schools' Forums and had struggled to find an example where there was not a HNBB deficit. Keith Harvey asked Officers if there had been any comment from Government on the problem being faced nationally. Ian Pearson stated that there was no doubt that the issue was at the top of local authorities' agendas. The issue had largely occurred as the result of two factors. Firstly the introduction of the SEND reform, which had with little warning, given local authorities responsibility for children aged up to 25. The funding provided for this change did not align to the spending required to meet need. The second factor that had contributed to the deficit was planned places, in that the number of children requiring places exceeded the number of places available. Funding for places did not increase year on year, which placed pressure on the system. Ian Pearson stated that these issues collectively eroded the ability to spend. There was also a growing number of children with needs for example, those who were on the Autistic Spectrum. Mental health needs were also increasing. The Government was aware of these issues but had not yet put anything in place to help address them.

Claire White reported that the annual Section 251 statistical return collected information overall for the DSG and not broken down by funding blocks. Generally information gathering took place by each local authority and Claire White stated that all local authorities in the south east seemed to have a deficit in their HNBB.

Keith Watts queried what would happen if deficit were allowed to keep on increasing. Claire White reported that other local authorities had made transfers from other blocks, in particular the schools block and this was why they could not go straight on to using the National Funding Formula (NFF). All areas were working hard to resolve the issue.

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

David Ramsden stressed the Heads' Funding Group and Schools' Forum had put in a lot of hard work to ensure cuts were made as far as possible without shutting the high needs area down. The next discussion that needed to take place was regarding what could be cut further in the HNBB.

The Chairman invited Members to consider whether they agreed that the amount of £220k should be the amount covered off from the HNBB. David Ramsden proposed that the Schools' Forum agree with the recommendation from the HFG that £220k should be identified as a saving in the HNBB. This was seconded by Anthony Gallagher.

RESOLVED that:

- The Schools' Forum agreed that the saving of £220k should be identified within the HNBB.
- A report be brought back the next meetings of the HFG and Schools' Forum, which sets out options for where savings could be made.

51 iCollege - Review of Places and Accommodation (Jacquie Davies)

Ian Pearson introduced the report (Item 11), which aimed to update Members of the group on the establishment of the iCollege and the current situation and proposals for the future. Ian Pearson clarified that the report considered pupil places and accommodation.

The re-organisation of the service had reduced the number of sites from six down to four, which had reduced costs and the number of places available. There were now 66 places in total.

An issue had arisen which was detailed under sections 4.2 and 4.3 of the report. Ian Pearson explained that when the number of places was reduced to 66 it was anticipated that these places would be filled by children out of mainstream provision and not children with SEND or/and EHC. However, it had become apparent that iCollege was suitable for SEND/EHC children, partially due to a gap in specialist support for these children locally, as a number of settings had closed or failed Ofsted inspections. As a result places at iCollege had filled very quickly. The proposal to remediate the problem was to create six additional places, which would increase the overall number of places at iCollege to 72 and increase access to mainstream pupils.

Ian Pearson reported that the other sections of the report detailed issues with the iCollege sites. One of the iCollege sites was located in temporary buildings (Badgers Hill, Calcot), which were old and no longer fit for purpose and therefore needed to be removed and rebuilt. An options appraisal had been conducted and the conclusion was that the provision should be rebuilt on the existing site. Funding for this was already in the capital budget.

Updates on that proposal had been considered by the Heads' Funding Group and was for the Schools' Forum's for information only as it formed an important part of the High Needs Block. Further information would be brought back to future meetings of the Schools' Forum in due course.

RESOLVED that the Schools' Forum noted the report.

52 iCollege - Alternative Education Charging Options (Michelle Sancho)

Michelle Sancho introduced her report (Item 12), which set out iCollege charging options for 2018/19.

Paragraph 3.3 of the report summarised the current position, which was that the High Needs Block Budget (HNBB) heavily subsidised the top up payable for placements made by schools. A further element of the HNBB savings strategy was that schools would become responsible for the full cost of the places they commissioned. The HNBB would

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

therefore pay just for permanent exclusions and sixth form places. The original plan had been that this would be implemented from September 2017 however, when the HNBB was set this was pushed back until April 2018.

An alternative proposal was for a new charging mechanism to be put in place from April 2018 for the full financial year. The Heads' Funding Group (HFG) proposed that the following options (contained under paragraph 4.1 of the report) be considered by the Schools' Forum:

- 1) Continue with the current method, whereby schools paid a fixed sum for each placement up to a maximum ceiling.
- 2) Continue with the original proposal, whereby schools paid in full for their placements.
- 3) The High Needs Block subsidises school places by an agreed percentage (illustrated with 50%).

Michelle Sancho reported that Option 1 was not an affordable option. The Local Authority favoured option 3, as this incentivised schools to keep costs and length of placements as low as possible. The amount that the HNBB would subsidise this option was yet to be decided. A sliding scale had been discussed at the HFG. Appendix A modelled a subsidy of 50% and this would cost the HNBB £820k, which means another £200k of savings would need to be found.

The Chairman asked for clarification from Officers. There were three options to consider however, the percentage for Option 3 was undecided. The Chairman felt that it would be difficult to ask the Schools' Forum to consider voting for an option, where there were no confirmed figures.

David Ramsden referred back to original discussions regarding iCollege charging, which was originally supposed to fall to schools. However some schools had been surprised by this approach and therefore the Heads Working Group formed to review iCollege had met to see if this could be adjusted. David Ramsden was of the view that the High Needs Block could not take on the full subsidy and therefore Option 1 was out of the question. Some smaller schools would also be unable to cover the cost if they had a larger number of pupils requiring the service. If the cost to schools was too great then this could lead to an increase in permanent exclusions.

The Chairman stated that option three must be considered as an in-between option that was yet to be defined. He asked what the process would be if Option 3 was approved. Claire White clarified that if 25% was applied then this would bring spending down by £200k. Option 3 could be modelled over time as follows: 50% in year one; 25% in year two and 0% in year three, when the full cost would have to be met by schools. The Chairman stated that if Option 3 was approved then it would have to be done so on the basis that it would require further modelling work by Officers, with a definitive figure brought back to the Schools' Forum for agreement.

Keith Harvey stated as Headteacher of a primary school that 25% would consume 2% of his budget and this could be 5% for smaller schools. Chris Davis stated that the figure did not link to the size of the school but how many pupils it had using the iCollege service.

Ian Pearson reiterated the options for consideration and confirmed that if Option 3 was approved then this would require an Officer to provide a menu of different options for the Schools' Forum to consider and agree. David Ramsden stated that a consensus needed to be sought from all Headteachers regarding how much they were willing to pay for iCollege services. Ian Pearson stated that a majority might have to be considered rather than all Headteachers and it was important to note that members of the Schools' Forum represented their relative groups.

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

Graham Spellman asked for clarification on if the Schools' Forum agreed the 50% rate if a further £200k would need to be found within the High Needs Block. Ian Pearson stated this was correct unless agreement was reached to carry forward a high deficit. David Ramsden was of the view from discussions that had taken place at the HFG, that 50% was not affordable.

The Chairman invited members of the Schools' Forum to vote. If Option 3 was agreed then it would be carried on the basis that more work was required. At the vote Option 3 was carried.

John Chishick suggested that the iCollege charging options should be dealt with in the context of the High Need Block Budget deficit.

RESOLVED that it was agreed by the Schools Forum that the High Needs Block subsidises school places by an agreed percentage (Option 3), subject to further modelling work being carried out by Officers.

53 Update on Schools in Financial Difficulty (Claire White)

Claire White introduced the report (Item 13), which provided an update from the schools that had set a deficit budget in 2018/19.

All of the schools in deficit had received a support meeting which had taken place between September and early November. The meetings had been attended by the Headteacher, school business manager, the Chair of Governors and/or the Chair of Finance and then from the Local Authority, the School Finance Manager, the senior or school accountant and a peer Headteacher. Claire White commented that it had been particularly useful to have a peer Headteacher present.

Claire White stated that although the process was time consuming it was extremely useful. Workshops would have been an alternative way to carry out the process however, it would have been much harder for schools to apply the information to their own circumstances. Claire White reported that schools in deficit would be re-visited in the spring term of 2018 to consider their budgets for 2018/19. All other schools had been encouraged to review their positions. Claire White reported that so far only 10 schools had requested a support meeting. Details on the questions these schools were asked in assessing their position were included under section five of the report.

Claire White highlighted that the report contained the reports provided by each school. Each school had been given a RAG rating, which had been determined by the West Berkshire team in its assessment on how likely the school was to recover the deficit as per the school's plan, set at the beginning of this financial year.

Chris Davis noted that Beenham was rated as 'amber' however, in 2020/22 it was anticipated that the school would be back in deficit. Claire White reported that at the next meeting with the school in the spring term, the aim would be to check that the school had put firm plans in place to help avoid this happening.

Keith Watts was concerned that some schools seemed to have gone into deficit when they had opted to have one Headteacher between two schools. He was concerned that some schools might see this as an option to cut costs when in reality it made the situation worse. Keith Watt raised a second concern in reference to Kintbury School recruiting teachers based on a salary scale and he did not feel that this was credible. Finally Keith Watts asked what challenge there was for schools were using support staff to cover for teachers.

Claire White responded that the federated schools she had visited were in deficit for a number of different reasons and not because they had chosen to become federated. Financial problems were mainly as a result of poor financial management or because

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

pupils numbers had reduced quicker than a school was able to plan for. With regards to recruiting teachers on lower salary scales to make savings, Claire White reported that schools needed a plan in place to remodel staffing structures, and recruiting on a lower salary scale was an additional “fortuitous” saving. Finally in relations to Keith Watts question about support staff covering for teachers, Claire White reported that this was mainly in relation to HLTAs rather than TAs.

RESOLVED that the Schools’ Forum noted the report.

54 Schools Funding Benchmarking Information (Claire White)

Claire White introduced the report (Item 14), which set out the key school benchmarking information for 2017/18 in a chart/graph format and highlighted any significant points to note regarding West Berkshire’s position compared to its statistical neighbour authorities and all other unitary authorities.

Claire White reported that the report was submitted to the Schools’ Forum on an annual basis. The information showed that West Berkshire’s position was similar to the previous year however, this was expected to change with the introduction of the National Funding Formula.

According to the chart under Appendix G, some local authorities still had a much lower spend on children with high needs in 2017/18. The final two graphs under appendices I and J showed funding versus attainment. West Berkshire received lower than average funding however achieved higher than average attainment.

RESOLVED that the Schools’ Forum noted the report.

55 DSG Monitoring 2017/18 Month 7 (Ian Pearson)

Ian Pearson introduced the report (Item 15), which came to each Schools’ Forum meeting and set out the current financial position of the services funded by the Dedicated Schools Grant (DSG) and highlighted any under or over spends.

Section five of the report detailed information on the Schools’ Block, where the current spend forecast for the Schools Block DSG was in excess of £64 million. The net position was £27,210, which was considered reasonable.

The net position for the Early Years Block was just under £300k. This was an area that was very difficult to predict.

Section seven of the report set out the current position of the High Needs Block and showed the small forecasted overspend of £10k.

It was possible that further variances might arise by the spring term on the budgets for high needs top ups, early years payments and early years funding.

RESOLVED that the Schools’ Forum noted the report.

56 Forward Plan

RESOLVED that the Schools’ Forum noted the forward plan.

57 Any Other Business

Claire White reported that a team had been formed by ESFA with the aim of scrutinising each local authority’s Schools’ Forum. In particular they would be checking that all information was up to date on websites and Forums were adhering to regulations and voting rules. A total of 75 local authorities had been scrutinised so far as part of the process, so it was anticipated that West Berkshire would be contacted soon, unless it

SCHOOLS FORUM - 11 DECEMBER 2017 - MINUTES

had passed all scrutiny checks. A questionnaire would be sent out to School Forum Clerks in the near future as part of the piece of work.

58 Date of the next meeting

The next meeting would take place on Monday 22nd January 2017, 5pm at Shaw House.

(The meeting commenced at 5.00 pm and closed at 6.45 pm)

CHAIRMAN

Date of Signature

Agenda Item 3

Ref No.	Date of meeting(s) raised	Item	Action	Responsible Officer	Comment / Update
Dec17-Ac1	11th December 2017	Draft High Needs Budget 2018/19	A report to be brought back to the next meetings of the HFG and Schools' Forum, that sets out saving options.	Jane Seymour	This report is scheduled to go to the HFG on the 10th January and Schools' Forum on the 22nd January.
Dec17-Ac2	11th December 2017	iCollege - Alternative Education Charging Options	Further modelling work required regarding the iCollege Charging Options.	Michelle Sancho	This will be included as part of the report referenced in Ac1.

This page is intentionally left blank

Dedicated Schools Grant (DSG) Funding Settlement and Budget Overview - 2018/19

Report being considered by: Schools Forum

On: 22/01/2018

Report Author: Claire White

Item for: Discussion **By:** All Forum Members

1. Purpose of the Report

1.1 To set out the December settlement and calculation of the Dedicated Schools Grant (DSG) in 2018/19, and the current budget position for each of the funding blocks.

2. Recommendation

2.1 To note the overall position of the draft 2018/19 Schools Budget.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Introduction

3.1 In 2018/19, the DSG will consist of four funding blocks:

- Schools
- Central Schools Services (new block for 2018/19)
- Early Years
- High Needs

3.2 The way funding for the schools block, central schools services block and high needs block is calculated has significantly changed in 2018/19, following two consultations carried out by the Government over the last two years. The calculation of the early years block was changed in 2017/18.

3.3 Funding can be transferred between blocks, but some blocks have restrictions, including capping of the amount and being subject to School Forum approval.

3.4 This report sets out the 2018/19 DSG settlement for each block, as announced by the Government on 19th December 2017 – though for Early Years and High Needs, these are provisional, and the budgets for these blocks will need to be set using estimates. The likely overall position of the 2018/19 budget for each block is also set out.

4. Overall Position

- 4.1 Table 1 summarises for 2017/18 and 2018/19 the estimated DSG funding to be received for each funding block, and the estimated expenditure. Detailed breakdowns on the funding calculation is contained in Appendix A, and expenditure per service within each block is set out in Appendix B. Note that this is the current best estimate and work continues on refining the expenditure estimates.

TABLE 1	2017/18 Revised Budget £	2017/18 Forecast £	2018/19 Estimate £
<u>Schools Block</u>			
DSG Funding	97,221,170	97,221,170	97,905,070
Expenditure Budget	-97,247,080	-97,247,080	-97,913,340
<i>Difference</i>	-25,910	-25,910	-8,270
<u>Central Schools Services Block</u>			
DSG Funding			992,560
Expenditure Budget			-1,328,090
<i>Difference</i>			-335,530
<u>Early Years Block</u>			
DSG Funding	8,739,610	8,739,610	10,065,970
Expenditure Budget	-9,026,380	-9,026,380	-10,212,220
<i>Difference</i>	-286,770	-286,770	-146,250
<u>High Needs Block</u>			
DSG Funding	19,567,450	19,567,450	19,165,270
Expenditure Budget	-20,058,090	-20,066,960	-20,143,670
<i>Difference</i>	-490,640	-499,510	-978,400
<u>TOTAL</u>			
DSG Funding	125,528,230	125,528,230	128,128,870
Expenditure Budget	-126,331,550	-126,340,420	129,597,320
<i>Difference</i>	-803,320	-812,190	-1,468,450

- 4.2 All blocks are currently showing a deficit position, which is as expected. The following paragraphs summarise the funding calculation and budget position on each block.

5. Schools Block

- 5.1 Reports to previous meetings have set out a detailed explanation of how the funding units for this block have been derived.
- 5.2 The final funding for 2018/19 has been determined using the October 2017 pupil numbers multiplied by West Berkshire's primary and secondary units of funding. The total funding is £97.905m, calculated as follows:
- Primary Unit of Funding (PUF): £3,874.53 x 13,313 pupils = £51.582m
 - Secondary Unit of Funding (SUF) £4,924.85 x 9,133 pupils = £44.979m
 - Plus allowance for growth funding £0.202m
 - Plus allowance for business rate funding £1.248m

- Less expected carry forward deficit from 2017/18 -£0.106m

- 5.3 Although with the agreement of Schools' Forum, and subject to consulting with all schools, up to 0.5% of the total schools block funding can be transferred to the high needs budget or other funding blocks, no transfer from the schools block is being made in 2018/19. This enables West Berkshire to move schools straight onto the national funding formula.
- 5.4 After setting aside £205k for the growth fund, £97.700m is available to be allocated out to schools as per the formula principles agreed by Schools Forum in December (subject to final approval by the Council's Executive on 18th January).
- 5.5 Another report on this agenda provides the details on the final school formula for 2018/19.

6. Central Schools Services Block

- 6.1 The Central Schools Services Block consists of the centrally retained services that were previously funded from the Schools Block, i.e. admissions, licences, servicing of Schools' Forum, Education Welfare, asset management, and statutory & regulatory duties.
- 6.2 A new formula is in place to determine funding allocations to local authorities. This is an amount per pupil (*but based only on primary and secondary pupil numbers*) of £32.46 for West Berkshire (which includes an Area Cost Adjustment of 1.13). A further 10% is allocated according to relative deprivation levels, bringing West Berkshire's rate to £34.36. Without protection this would equate to funding in 2018/19 of £771,245.
- 6.3 As West Berkshire's funding under this formula is less than the budget/funding for these services in 2017/18, the unit allocated per pupil includes transitional protection. West Berkshire's unit of funding in 2018/19 is therefore £44.22 per pupil. This is expected to reduce by a further 2.5% to £43.12 in 2019/20.
- 6.4 The actual funding for 2018/19 is thus £44.22 x 22,446 pupils = £992,560, going down to £967,871 in 2019/20 assuming the same pupil numbers.
- 6.5 There is no restriction on transfers of funding into or out of this block.
- 6.6 There is currently a shortfall of £336k in this block. The costs for a number of services within this block are not driven by pupil numbers, and would be similar irrelevant to the number of pupils within each local authority e.g. cost of Head of Education, servicing of the Schools' Forum, operating the School Formula. This is why in West Berkshire there is a shortfall, with many larger local authorities reporting a surplus in this block.
- 6.7 Proposals in order to balance this block are set out in another report on this agenda, which includes transferring some funding from the early years and high needs blocks.

7. Early Years Block

- 7.1 The new Early Years formula was introduced in 2017/18. The funding rates for 2018/19 are remaining the same, despite our continued concern that the premises

element of the area cost adjustment for West Berkshire used for the three and four year old formula is too low. A meeting with the DfE to challenge and explain this has recently taken place. The factors used in the formula to determine the funding rates are due to be updated on a regular basis, but no indication has been given on when this will next take place. However, officers of the Early Years Funding Team at the DfE have undertaken to look carefully at how the area cost adjustment for West Berkshire has been derived, to see if there is an error in how it has been calculated. The way the premises data has been used in the formula will also be reviewed in due course.

- 7.2 The funding will, as always, be based on two consecutive years of January census data, and be finalised three months after the close of the financial year. The requirement to manage shortfalls or surpluses on an annual basis due to the mismatch between funding received based on the January census, and allocations to providers based on actual provision of nursery hours during the year, continues to be a challenge.
- 7.3 The provisional DSG allocation received in December is based on the January 2017 census and therefore assumes no change to hours of early year's provision, other than the full year effect of the introduction of 30 hours provision for three and four year old children of working parents. West Berkshire will base the budget on the January 2018 census when the relevant data is received in late February.
- 7.4 The deficit in the early years block carried forward to 2017/18 is due to be repaid over three years (i.e. by 2019/20). It is hoped that the indicative funding rates given to providers earlier this year for 2018/19 can be honoured, but this will need to be reviewed in the light of current year expenditure compared to forecast funding, in order to keep the deficit under control. All providers will need to be on a single rate in 2019/20.
- 7.5 In 2018/19, 5% of funding can be set aside for centrally retained services, which can include services to support early year's children with high needs, and transfers to other funding blocks.
- 7.6 Proposals for this block will be brought to the next round of meetings when data from the January 2018 census is available to inform the current position and forecast.

8. High Needs Block

- 8.1 A new formula for allocating High Needs funding to local authorities is being used in 2018/19.
- 8.2 The new formula uses a number of proxy factors (population, deprivation, low prior attainment, disability living allowance and children in bad health), but with 50% allocated on the basis of historical spend, and a basic entitlement for the number of places in special schools. Under this formula West Berkshire receive less than the current High Needs Block allocation. However, all local authorities will gain a minimum of 0.5% over their baseline.
- 8.3 Place numbers at special schools, and import/export adjustments will be excluded from the baseline, and are an additional allocation, so that any year on year changes can be taken into account in the annual allocation.

8.4 The baseline for this block has been determined as follows:

- Total high needs block allocation in 2017/18
- Less the first £4,000 of resource unit place funding transferred to the Schools Block (as a result of this adjustment place and top up funding for resource units will need to be reviewed).

8.5 As West Berkshire is on the baseline, funding for 2018/19 totals £19.164m, calculated as follows:

- Baseline +0.5% = £17.004m
- Add pupil numbers in special schools: 429 pupils x £4,208.94 = £1.806m.
- Add import/export adjustment: 142.5 x £6,000 = £0.855m (this figure is provisional)

This adjustment is to reflect that the DSG funding is based on resident population rather than where pupils go to school/college. If a local authority is receiving more pupils from other local authority areas than are being sent to other local authority areas, (and vice versa) a funding adjustment is made. This adjustment will use the January 2018 census and February 2018 ILR data.

- Less deficit carried forward from 2017/18: assumed -£0.500m.

8.6 The High Needs Block was in deficit at the end of 2016/17. In setting the 2017/18 budget it was agreed to repay the deficit over a three year period. The plan assumed no significant change in demands on this budget in future years.

8.7 The demand in terms of numbers of high needs pupils and unit costs of provision is continuing to rise at a faster rate than new cheaper in-house provision is being established, and savings will need to be found once again in order to prevent a growing deficit in this block.

8.8 Another report on this agenda sets out in detail the budget position and possible options for making savings.

9. Appendices

Appendix A – DSG Funding Calculation 2018/19 V4

Appendix B – Overall DSG Budget per Service 2018/19 V4

DSG Funding Calculation 2018/19 – Version 4

	March '17 Final Budget 2017/18	June '17 Actual Carry Forward	July '17 EY & other Adjs as per DfE	Draft 1 Budget 2018/19	December '17 Estimate 2018/19
SCHOOLS BLOCK					
Pupil Numbers	Oct '16 census	Oct '16 census	Oct '16 census	Oct '16 census	Oct '17 census
School Census - Mainstream Primary	22,335.0	22,335.0	22,335.0	13,261.00	13,313
School Census - Mainstream Secondary	2.0	0.0	0.0	9,074.00	9,133
Add: Reception Uplift	22.0	22.0	22.0		
Less: Pupils/Places in Resource Units	-122.0	-122.0	-122.0		
Total Pupil numbers	22,235.0	22,235.0	22,235.0	22,335.0	22,446.0
DSG Primary Unit of Funding	£4,348.43	£4,348.43	£4,348.43	£3,875.00	£3,874.53
DSG Secondary Unit of Funding				£4,925.00	£4,924.85
DSG Primary based on pupil numbers	£96,687,341	£96,687,341	£96,687,341	£51,386,375	£51,581,618
DSG Secondary based on pupil numbers				£44,689,450	£44,978,655
Growth Funding				£202,000	£202,000
Rates Funding				£1,248,663	£1,248,663
In Year DSG Allocation	£96,687,341	£96,687,341	£96,687,341	£97,526,488	£98,010,936
TRANSFER TO/FROM other Funding Blocks	£0	£0	£0	£0	£0
ADD/SUBTRACT Carry Forward from Previous Yr	£300,000	£532,235	£533,545	£-25,910	£-105,870
Total Schools Block	96,987,341	97,219,576	97,220,886	97,500,578	97,905,066
CENTRAL SCHOOL SERVICES BLOCK					
Pupil Numbers					
School Census - Mainstream				22,335.00	22,446.00
DSG CSSB Unit of Funding				£44.22	£44.22
In Year DSG Allocation				£987,654	£992,562
TRANSFER TO/FROM other Funding Blocks				£0	£60,000
ADD/SUBTRACT Carry Forward from Previous Yr				£0	£0
Total Central School Services Block				987,654	1,052,562
EARLY YEARS BLOCK (Provisional)					
Three & Four Year Old Funding	Jan 2017 census estimate	Jan 2017 census estimate	Jan 2017 census actual	Jan 2017 census actual	Jan 2017 census actual
School Census - Mainstream	406.0	406.0	405.0	405.0	405.0
Early Years Census	1,074.0	1,074.0	1,073.6	1,073.6	1,073.6
Total Pupil numbers	1,480.0	1,480.0	1,478.6	1,478.6	1,478.6
Total assumed for additional 15 hours	580.8	580.8	580.8	580.8	602.4
DSG Guaranteed Unit of Funding	£4,465.00	£4,465.00	£4,465.00	£4,465.00	£4,465.00
DSG based on census pupil numbers	£6,608,200	£6,608,200	£6,601,949	£6,601,949	£6,602,038
DSG based on assumed additional 15 hours (7/12)	£1,512,742	£1,512,742	£1,512,742	£2,593,270	£2,689,716
DSG adjustment for assumed pupil numbers					
Two Year Old Funding					
School Census - Mainstream	27.0	27.0	27.3	27.3	27.3
Early Years Census	108.0	108.0	108.2	108.2	108.2
Total Pupil numbers	135.0	135.0	135.5	135.5	135.5
DSG Guaranteed Unit of Funding	£5,453.00	£5,453.00	£5,453.00	£5,453.00	£5,453.00
DSG based on census pupil numbers	£736,155	£736,155	£738,882	£738,882	£738,991
DSG adjustment for assumed pupil numbers					
Pupil Premium Grant					
School Census - Mainstream				27.6	20.2
Early Years Census				25.0	22.0
Total Pupil numbers				52.6	42.2
DSG Guaranteed Unit of Funding				£503.50	£503.50
DSG based on census pupil numbers	£21,228	£21,228	£21,248	£26,484	£21,248
Other					
Nursery school supplement	267,622	267,622	267,622	267,622	281,451
Disability Access Fund	18,450	18,450	18,450	18,450	23,370
In Year DSG Allocation	£9,164,397	£9,164,397	£9,160,893	£10,246,657	£10,356,814
Prior year adjustment to funding	0	0	-32,000	0	0
TRANSFER TO/FROM other Funding Blocks			0		-33,000
ADD/SUBTRACT Carry Forward from Previous Yr	£-398,210	£-389,282	£-389,282	£-290,840	£-290,840
Total Early Years Block	8,766,187	8,775,115	8,739,611	9,955,817	10,032,974
HIGH NEEDS BLOCK					
Previous Year High Needs Budget	20,060,000	20,060,000	20,056,233	20,056,233	
Adjustments:					
Remove resource unit funding				-550,000	
Remove pupil number element				-2,631,174	
Adjust to funding floor + 0.5%				126,000	
Baseline Funding				17,001,059	17,004,142
Per Pupil Adjustments					
Special School Rate				£4,209.00	£4,208.94
Special School Numbers				422	429
Import/Export Rate				£6,000.00	£6,000.00
Import/Export Numbers (PROVISIONAL)				143	142.5
Pupil Number Allocation				£2,634,198	£2,660,635
In Year DSG Allocation	20,060,000	20,060,000	20,056,233	19,635,257	19,664,777
TRANSFER TO/FROM other Funding Blocks					-27,000
ADD/SUBTRACT Carry Forward from Previous Yr	£-609,870	£-488,783	£-488,783	£-500,750	£-499,510
Total High Needs Block	19,450,130	19,571,217	19,567,450	19,134,507	19,138,267
TOTAL In YEAR DSG FUNDING	125,911,738	125,911,738	125,904,467	128,396,055	129,025,089
TOTAL Carry Forward from Previous Yr	£-708,080	£-345,830	£-376,520	£-817,500	£-896,220
TOTAL DSG FUNDING AVAILABLE	125,203,658	125,565,908	125,527,947	127,578,555	128,128,869
PLUS planned carry forward to next year	903,120	764,050	803,620		
GROSS DSG FUNDING USED	126,106,778	126,329,958	126,331,567	127,578,555	128,128,869

This page is intentionally left blank

Schools Funding Formula 2018/19

Report being considered by: Schools Forum

On: 22/01/2018

Report Author: Claire White

Item for: Discussion **By:** All School representatives

1. Purpose of the Report

1.1 To set out the final primary and secondary school funding formula for 2018/19.

2. Recommendation(s)

2.1 To note the final formula rates and allocations to schools, to be approved by the Council's Executive on 18th January. These have been made according to the principles agreed by Schools' Forum in December and in relation to the total funding available from the Schools Block DSG allocation.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Introduction

3.1 The funding arrangements for 2018/19 include the introduction of the National Funding Formula (NFF). For the next two years the NFF will operate as a "soft" system. This means that the NFF is used as a new methodology of allocating funding to each local authority in a more fair and equitable way. Local authorities will then allocate this out to schools according to a local formula complying with the school finance regulations. The two are not the same, and not all local authorities will be able to exactly replicate the NFF in the allocations it makes to schools.

3.2 The Schools' Forum agreed that West Berkshire should follow the NFF as close as possible. A consultation took place with all schools from 31st October to 20th November 2017, and no school objected to this principle. The following recommendations were made by Schools' Forum on 11th December 2017:

- (1) Use the National Funding Formula (NFF) rates for every formula factor, applying a funding cap on gains of 3% per pupil.
- (2) Apply a minimum funding guarantee of 0% but up to the maximum allowable of 0.5% according to the amount affordable based on the final funding allocation.
- (3) If required after the above has been applied, scale every formula factor upwards or downwards in order to match the final funding allocation available for distribution to schools.
- (4) Use the School Finance Regulations calculation of the sparsity factor, rather than the NFF calculation.

3.3 West Berkshire is able to replicate the NFF because:

- (1) The previous West Berkshire funding rates are not significantly different.
- (2) There has not been a significant difference between 2016 pupil characteristics used in the DSG funding allocation and the 2017 actual pupil characteristics that need to be funded in schools.
- (3) There is only a small deficit in the schools block to be repaid from the 2018/19 allocation (this relates to the difference between budgeted and actual business rate allocations in the formula).
- (4) The estimated requirements for growth funding in 2018/19 are not greater than the historical funding allocated within the DSG.
- (5) There is **no** funding to be transferred from the schools block DSG to other funding blocks, including meeting pressures in the high needs block.

Many local authorities are having to use a half way position due to: a significant difference between their current and NFF rates; needing to use school block funding towards high needs block demands and deficits; and significant growth (new schools) requirements.

4. Final School Formula

- 4.1 The final schools block DSG funding allocation for 2018/19 is £98.011m. After deducting £0.205m for the growth fund, and £0.106m for the deficit to be carried forward from 2017/18 (in year rating revaluations) this leaves £97.700m to be allocated to schools.
- 4.2 Two disapplication requests were made to ESFA: to amend the next nearest school distance for Brightwalton School in the calculation of sparsity funding, and to use the NFF calculation of the sparsity factor. Although the DfE agreed, Schools' Forum in December decided not to agree to Brightwalton School's request, and to use the School Finance Regulations for the calculation of the sparsity factor. However, Brightwalton now meets the sparsity criteria based on its own pupil/distance data.
- 4.3 The final data from the October 2017 school census was received from ESFA on 15th December. However, on 12th January 2018, ESFA supplied local authorities with a revised dataset after discovering an error in the free school meal data. By applying the NFF rates (including the area cost adjustment (ACA) for West Berkshire of 0.0341), and using a 3% per pupil cap on gains and 0% minimum funding guarantee, this costs £97.640m (lower than the figure based on the original data).
- 4.4 A minimum funding guarantee of 0.2% has therefore been applied (compared to 0.1% based on the original data), taking the total cost to £97.708m, just over the grant allocation.
- 4.5 Table 1 contains the funding rates applied (compared to 2017/18) and the total cost of each factor.

Table 1

Factor	WBC 2017/18 Rate	WBC National Rate (with ACA added)	Total Cost	
1.Basic Entitlement:				
Primary	£2,945	£2,841	£37,822,233	
Secondary KS3	£4,372	£3,995	£22,426,310	
Secondary KS4	£4,372	£4,536	£15,954,130	
2.Deprivation:				
Primary current FSM	£0	£455	£3,651,333	
Primary FSM Ever 6	£875	£558		
Primary IDACI Band F (0.2 – 0.25)	£40	£207		
Primary IDACI Band E (0.25 – 0.3)	£120	£248		
Primary IDACI Band D (0.3 – 0.4)	£240	£372		
Primary IDACI Band C (0.4 – 0.5)	£240	£403		
Primary IDACI Band B (0.5 – 0.6)	£240	£434		
Primary IDACI Band A (over 0.6)	£240	£595		
Secondary current FSM	£0	£455		
Secondary FSM Ever 6	£670	£812		
Secondary IDACI Band F	£60	£300		
Secondary IDACI Band E	£180	£403		
Secondary IDACI Band D	£360	£533		
Secondary IDACI Band C	£360	£579		
Secondary IDACI Band B	£360	£620		
Secondary IDACI Band A	£360	£838		
3.Prior Attainment:				
Primary	£284	£1,086		£6,714,418
Secondary	£1,125	£1,603		
4.English as an Additional Language:				
Primary EAL 3	£345	£532	£565,176	
Secondary EAL 3	£345	£1,432		
5.Sparsity				
Primary	£0	£25,852	£94,027	
Secondary	£100,000	£67,216		
6.Lump Sum:				
Primary	£122,800	£113,747	£8,644,772	
Secondary	£122,800	£113,747		
7.Rates:				
Primary (total)	£828,890	£828,890	£1,026,962	
Secondary (total)	£444,410	£444,410	£437,218	
8. Transition Funding				
Cap on Gains (total)	£0		-£227,698	
Minimum Funding Guarantee (total)	£409,550		£599,460	
TOTAL			£97,708,341	

- 4.6 The main reason why a 0.5% minimum funding guarantee cannot be afforded is due to the increase in business rates; the NFF was based on the 2017/18 estimate which is £191k less than the 2018/19 estimate and which also did not include rating revaluations in 2017/18 of £106k.
- 4.7 Appendix A contains the funding allocations per school, also comparing to 2017/18 allocations (schools with resource units are highlighted because pupil's in the units and their formula funding has been added in 2018/19, so it is not a like for like comparison). Where there is a negative impact in total funding, this is because pupil numbers have decreased (funding is protected on a per pupil level only, there is no funding floor). Where funding per pupil has decreased, this is because pupil numbers in the school have increased and the fixed sum is spread over more pupils.
- 4.8 Overall, there is £1.7m of extra funding going into West Berkshire schools (total of £2.2m less £0.5m transferred from High Needs funding to the baseline for resource unit pupils). Overall per pupil funding rates have increased by £72 in primary and £21 in secondary.
- 4.9 This is subject to final approval by the Council's Executive on 18th January 2018.

5. Conclusion

- 5.1 Moving straight onto the NFF rates gives West Berkshire schools certainty and stability on their funding allocations for the next couple of years.
- 5.2 There continues however to be significant concern about the shortfall in funding, and the ability of schools to balance their budget without having an impact on pupils. The table in Appendix A illustrates that for most schools gaining funding, the gain is not significant. Many schools will still have difficulty in balancing their individual budgets given current cost pressures, particularly the twenty schools where pupil numbers have decreased and overall funding has gone down.

6. Appendices

Appendix A – 2018/19 School Formula Allocations – Final (January 2018)

This page is intentionally left blank

Central Schools' Services Block Budget 2018/19

Report being considered by: Schools Forum
On: 10/1/2018
Report Author: Gabrielle Esplin/Ian Pearson
Item for: Decision **By:** All Forum Members

1. Purpose of the Report

- 1.1 To set out the budget position for services funded from the Central Schools' Services block of the DSG and to propose measures to enable the budget for this block to be balanced.

2. Recommendations

- i. To transfer £27,053 from the High Needs Block and £32,850 from the Early Years Block to the Central Schools Services Block (as explained in section 5 of this report);
- ii. To make a saving of £30,000 in the cost of central services to schools by making permanent the temporary management arrangements currently in place for the Education Welfare Service;
- iii. To recommend to the Council's Capital Strategy Group that the remainder of the Education Asset Management Team be funded from the Council's capital programme, in order to achieve a saving of £54,000 in the Central Schools Services block;
- iv. To recommend to the Council that the full cost of strategic planning of the education service and finance support for Education services outside the DSG should be funded from the Council's budget.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Introduction

- 3.1 The Schools Funding Regulations for 2018/19 introduced a new Central Schools' Services block within the Dedicated Schools Grant (DSG). This consists of the centrally retained services that were previously funded from the Schools Block, i.e. admissions, licences, servicing of Schools' Forum, Education Welfare, asset management, and statutory & regulatory duties. (The last three of these services were previously funded from the Education Services grant which was withdrawn in 2017/18).

- 3.2 Grant funding for this block is based on an amount per pupil (*based only on primary and secondary pupil numbers*), 10% of which is allocated according to relative deprivation levels.
- 3.3 The baseline for this block has been determined as follows:
- Total budget for these services in 2017/18
 - Less use of DSG funds in the schools block carried forward from 2016/17.
- 3.4 If the formula funding is less than the baseline, the minimum amount to be received will be the baseline less 2.5%.
- 3.5 The final allocation of funding for the Central Schools Services Block is £44.22 per pupil giving a total allocation of £992,560.

4. Breakdown of Budgets and Funding for the Central Schools Services Block

- 4.1 The following table shows the estimated cost of the services funded from the Central Schools Services Block for 2018/19 in comparison with 2017/18 and the level of funding available for 2018/19

Table 1

	2017/18 Budget £	2018/19 Budget £	Increase/ Decrease in Cost £	Increase/ Decrease (-) %
National Copyright Licences	128,940	159,610	30,670	23.8%
Servicing of Schools Forum	64,090	50,660	- 13,430	-21.0%
School Admissions	301,990	301,430	- 560	-0.2%
Education Welfare	290,340	297,520	7,180	2.5%
Asset Management	68,590	67,940	- 650	-0.9%
Statutory & Regulatory Duties				
Strategic Planning of the Education Service	125,689	130,290	4,601	3.7%
Provision of Education Data	158,748	166,400	7,652	4.8%
Finance Support for the Education Service	150,303	154,240	3,937	2.6%
Total Statutory and Regulatory Duties	434,740	450,930	16,190	3.7%
Total Cost for Central Schools Services Block	1,288,690	1,328,090	39,400	3.1%
Central Schools Services Block DSG		992,560		
Over Spend		335,530		

- 4.2 The cost of copyright license for schools is determined by the relevant national agencies. Details of all the other services included in the Central Schools Services Block (including a breakdown of costs) is given in appendix A.
- 4.3 The overall increase in the costs shown for these services is broken down as follows:

Table 2

	£
Increase in cost of copyright licenses for schools	30,670
Approximate cost of Pay award for Council staff providing central services to schools	16,790
Reduction the cost of support service recharges to central schools services	- 8,060
	39,400

4.4 All the services funded by this block are statutory and have to be carried out. However, in order to balance the Central Schools Services block, a number of options for reducing the costs of these services and for changing the way they are funded are proposed below.

5. Rationale for Transferring Funding from Early Years and High Needs Blocks

5.1 Most of the statutory services funded through the central schools services block are also carried out on behalf of most providers in the early years and high needs blocks. It would therefore be reasonable to transfer some funding from these blocks into the central school services block.

5.2 The funding rate received to fund Central Services to schools is £44.22 per pupil. It would be reasonable to apply this rate to the number of places in West Berkshire Council maintained special schools, resource units and PRUs to arrive at an amount which could be transferred from the High Needs Block, and to places in West Berkshire maintained nursery schools and nursery classes to derive an amount which could be transferred from the Early Years block.

5.3 In addition, it can be argued that the cost of servicing the schools' forum and a proportion (say 50%) of the cost of statutory and regulatory duties can be deemed to be applicable to non West Berkshire schools (including non West Berkshire special schools and resource units, private, voluntary and independent nursery providers). An equivalent funding rate relating to high needs and early years places provided in non-maintained settings can therefore be derived as follows:

	2018/19 £
Servicing the Schools Forum	50,660
Statutory and Regulatory duties	225,465
Total central services to all schools (including non maintained schools and nurseries)	276,125
Total budget for central services to schools	1,328,090
Central services to all schools as a % of the total Central Schools Services Block	20.79%
Equivalent Funding Rate for non maintained schools and nurseries (1)	£9.19

(1) i.e. 20.79% of £44.22

- 5.4 Taking into account the number of high needs and early years places provided in maintained and non-maintained settings, an appropriate amount of funding from those blocks to be set against the Central Schools Services Block can be derived as follows:

High Needs Block	Maintained Schools	Non Maintained Schools	
Special school places	365		
Resource Unit places	139		
PRU places	66		
FE College Places		95	
Non WBC special schools		43	
Non WBC resource units		7	
NMSS/SSI		56	
Total Places	570	201	
Funding Rate	£44.22	£9.19	
Proposed Transfer from High Needs Block to Central Schools Services Block	£25,205	£1,848	£27,053
	Schools FTE	PVI FTE	
Early Years Block			
PVI places		1,504	
Nursery School/Class places	430		
Funding Rate	£44.22	£9.19	
Proposed Transfer from Early Years Block to Central Schools Services Block	£19,019	£13,831	£32,850
TOTAL TRANSFER TO CENTRAL SCHOOLS SERVICES BLOCK			£59,904

6. Other Options for Savings in Cost of Services

- 6.1 The following reductions can be proposed to the cost of services funded from the Central Schools Services block without reducing the level of service currently being provided to schools:
- i. Restructuring of the Education Welfare Service to make permanent the temporary management arrangements which are currently in place for the service - estimated saving - £30,000.
 - ii. Funding the remainder of the Education Asset Management team from the Capital Programme (subject to affordability within the capital programme and approval by the Council's Capital Strategy Group) - estimated saving £54,000

7. Proposal for Change in Funding for Strategic Planning and Finance Support

- 7.1 In 2017/18 the full cost of strategic planning and finance support for the Education Service as a whole were funded (in accordance with the schools funding regulations which apply in the current financial year) from the Schools Block of the DSG. The total cost of strategic planning of the education service as a whole and finance support for Education services outside the DSG, equates to approximately £191,000. As the level of grant funding made available in 2018/19 is insufficient to bear the full cost of these services, it is proposed that a recommendation should be made to the Council that the full cost of these services should be funded for 2018/19 from Council funds outside the DSG.
- 7.2 This proposed change in funding is subject to approval by the full Council as part of its final approval of the overall Council budget in March 2018. However together with the transfers of funding from the High Needs and Early Years Blocks and the savings proposed above, this change would enable the budget for the Central Schools Services block to be balanced.

8. Conclusion

- 8.1 Heads Funding group on the 10th January 2018 agreed that the proposals in sections 5, 6 and 7 should be recommended to Schools Forum.

9. Appendix A

Details and Costs of Central Schools' Services

	Number of Posts	% Charged to Central School's Services Block	2018/19 £
Servicing the Schools Forum			
<u>Description of Statutory Duties covered</u>			
Setting agendas, minute taking, co-ordination and distribution of papers for Schools Forum and its sub groups			
<u>Staffing Structure</u>			
1.0 FTE Head of Education	1.00	10.00%	
Schools Finance Manager	1.00	20.00%	
Schools Forum Clerk			
<u>Breakdown of Costs</u>			
Staff salary costs			41,320
Room hire, consumables and members expenses			2,270
Support Service Recharges			7,070
TOTAL ELIGIBLE EXPENDITURE FOR SERVICING THE SCHOOLS FORUM			50,660
Admissions			
<u>Description of Statutory Duties covered</u>			
Administration of admissions process for maintained schools and academies			
<u>Staffing Structure</u>			
Service Manager	1.00	5%	
Admissions and Transport Manager	1.00	95%	
Admissions Officers	2.93	95%	
Education Place Planning Team Leader	0.97	10%	
<u>Breakdown of Costs</u>			
Staff salary costs			169,590
Employee Expenses			18,700
Supplies and Services			7,980
Capita One recharge			48,590
Support Service Recharges			56,570
TOTAL ELIGIBLE EXPENDITURE FOR ADMISSIONS			301,430

	Number of Posts	% Charged to Central School's Services Block	2018/19 £
Education Welfare			
Description of Statutory Duties covered			
Tracking of children who can be legally removed from the school roll.			
Monitoring of elective home education.			
Issuing and monitoring of child work permits and performance licences.			
Attendance at core group meetings for specific pupils			
Advice on keeping registers			
Progress cases to court where appropriate. Maintain up to date knowledge of legal processes and			
Staffing Structure			
Principal Education Welfare Officer	0.80	90%	
Senior Education Welfare Officer	1.00	85%	
Education Welfare Officers	4.44	48%	
Assistant Education Welfare Officer	1.00	75%	
Administrative Assistant	0.40	80%	
Breakdown of Costs			
Staff salary costs			201,410
Employee expenses/car allowances			16,220
Other non staffing costs			4,420
Income from fines			-9,770
Capita One Recharges			21,600
Support Service Recharges			63,640
TOTAL ELIGIBLE EXPENDITURE FOR EDUCATION WELFARE			297,520
Asset Management			
Description of Statutory Duties covered			
Management of the schools capital programme			
Preparation and review of the education asset management plan			
Staffing Structure			
Strategic Commissioning & Compliance Manager	1.00	53%	
Education Place Planning Data Co-ordinator	1.00	50%	
Breakdown of Costs			
Staff salary costs			53,800
Support Service Recharges			14,140
TOTAL ELIGIBLE EXPENDITURE FOR ASSET MANAGEMENT			67,940

	Number of Posts	% Charged to Central School's Services Block	2018/19 £
Strategic Planning of the Education Service			
<u>Description of Statutory Duties covered</u>			
Strategic planning and management of the Education service as a whole			
<u>Staffing Structure</u>			
1.0 FTE Head of Education	1.00	80%	
1.0 FTE Head of Education PA	1.00	100%	
Director of Communities			
<u>Breakdown of Costs</u>			
Staff salary costs			116,140
Support Service Recharges			14,140
TOTAL ELIGIBLE EXPENDITURE FOR PLANNING OF EDUCATION SERVICE			130,280
Provision of Education Data			
<u>Description of Statutory Duties covered</u>			
Statutory returns to DfE			
Data analysis and reporting e.g. Exam results, performance			
School census administration and reports			
<u>Staffing Structure</u>			
Education data management officers	2.00	100%	
<u>Breakdown of Costs</u>			
Staff salary costs			92,500
Capita One recharge			59,760
Support Service Recharges			14,140
TOTAL ELIGIBLE EXPENDITURE FOR PROVISION OF EDUCATION DATA			166,400

	Number of Posts	% Charged to Central School's Services Block	2018/19 £
Finance Support for the Education Service			
<u>Description of Statutory Duties covered</u>			
DSG services budget preparation, monitoring, and year end			
Education services budget preparation, monitoring, and year end			
School funding formula and early years funding formula			
Administration of funding allocations to all schools for early years and high needs			
Statutory returns e.g. APT, S251, CFO deployment of DSG			
<u>Staffing Structure</u>			
0.65 FTE DSG Accountant	0.65	70%	
1.0 FTE Finance Manager - schools	1.00	45%	
0.76 FTE Senior Accountant - Education	0.76	100%	
0.5 FTE Accountant - Education	0.50	100%	
1.0 FTE Finance Manager - Communities	1.00	20%	
<u>Breakdown of Costs</u>			
Staff salary costs			118,880
Support Service Recharges			35,360
TOTAL ELIGIBLE EXPENDITURE FOR FINANCE SUPPORT			154,240

This page is intentionally left blank

Growth Fund and Falling Rolls Fund 2017/18

Report being considered by: Schools Forum

On: 22/01/2018

Report Author: Claire White

Item for: Information **By:** All School representatives

1. Purpose of the Report

- 1.1 To inform School Forum Members of payments made to schools from the Growth Fund and Falling Rolls Fund budget in 2017/18.

2. Recommendation(s)

- 2.1 To note the payments made and the amount of budget to be carried forward to 2018/19.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Introduction

- 3.1 Under current school funding regulations, Local Authorities are allowed to top slice from the Dedicated Schools Grant (DSG) funding for a Growth Fund and Falling Rolls Fund with the approval of their Schools' Forum.
- 3.2 The Growth Fund is to support primary and secondary maintained schools and Academies *required* to provide extra places/classes in order to meet basic need within the authority, and funding schools where very limited pupil number growth requires an additional class *as set out by infant class size regulations*. It is not payable where schools have chosen to put on an additional class, but actual pupil numbers do not require them to do so. The Schools' Forum agreed the criteria for the 2017/18 Growth Fund at its meeting on 5th December 2016, and set aside a budget of £162,000.
- 3.3 The Falling Rolls Fund is to support good and outstanding primary and secondary schools with temporary falling rolls due to a population dip and where numbers are expected to rise again in 2 to 3 years time. The purpose is to provide funding to enable the school to continue with their existing number of classes (but where current pupil numbers dictate that the number should be reduced) if population data suggests that this number of classes will be required again in the near future, thus avoiding a redundancy in the short term. The Schools' Forum agreed the criteria for the 2017/18 Falling Rolls Fund at its meeting on 5th December 2016, and set aside a budget of £40,000. At the meeting of the Schools' Forum on 11th December 2017, it was agreed not to continue with this fund, so no applications have been invited this year which would become payable in the next financial year.

3.4 Following the receipt of the final October 2017 Census data, all schools were invited to make a funding request if they felt that their circumstances met the growth fund criteria. A review of the relevant pupil number data by Finance also identified schools that may potentially qualify for funding. To support their applications, schools were asked to submit information regarding increases in class and teacher numbers between the two academic years. Only growth in relation to basic need requirements in the area (and thus increases in PAN or bulge years approved by the local authority for this purpose) qualifies for this funding.

4. Budget and Payments Made 2017/18

4.1 Four schools meet the Growth Fund criteria and the relevant payments have been approved by the Head of Education as follows (the detailed calculations are in Appendix A):

Calcot Junior £15,461
 The Winchcombe £29,167
 Spurcroft £29,167
 John Rankin Junior £29,167

4.2 One school (The Ilsleys) met the Falling Rolls Fund criteria, approved last year for payment in the current year. This relates to the (assumed temporary) lower October 2016 pupil numbers driving a lower 2017/18 funding allocation. Payment of £23,325 has been made.

4.3 The overall position on these budgets for 2017/18 is as follows:

	Growth Fund	Falling Rolls Fund
DSG Budget Set Aside	£162,000	£40,000
Less Payments Made	£102,961	-£23,325
Unspent Balance	£59,039	£16,675

4.4 It has been agreed by Schools' Forum that any unspent balance (£76k) will be carried forward and added to next year's growth fund, to ensure that there is enough funding being built up for 2019/20 in order to pay formula funding for additional pupils in the new primary school in Newbury when it opens in September 2019. As funding received through the Dedicated Schools Grant (DSG) is based on the previous year's pupil numbers, if additional funds are not set aside it will mean a reduction in funding available to allocate out to existing schools. The DSG allocation currently includes a growth fund allocation based on 2017/18 costs only and there is no other source of funding in the first year of a new school or as year groups are added.

5. Appendices

Appendix A – Growth Fund Calculations 2017/18

Growth Fund Calculations 2017/18

Calcot Junior - Figures based on maximum class size of 27									
Year Group:	Pupil Numbers			No. of Classes			No. of Teachers FTE		
	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change
Reception			0			0.0			0.0
Year 1			0			0.0			0.0
Year 2			0			0.0			0.0
SUB TOTAL Infant Classes	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Year 3	71	79	-8	3.0	3.0	0.0	3.0	3.0	0.0
Year 4	71	76	-5	3.0	3.0	0.0	3.0	3.0	0.0
Year 5	77	71	6	3.0	3.0	0.0	3.0	3.0	0.0
Year 6	69	53	16	3.0	2.0	1.0	3.0	2.0	1.0
TOTAL All Classes	288	279	9	12.0	11.0	1.0	12.0	11.0	1.0
Classes Required (assuming 30 pupils per class)									
Infants	0	0	0						
Total	11	11	0						
Funding Options:	No.	Rate	Funding	No. Mths	Payment	Max Payable per class:			
Infant Class Funding		£40,000	0	7	£0	£23,333			
or									
Additional class	9	£2,945	26,505	7	£15,461	£29,167			
or									
Increase in PAN		£1,473	0	7	£0	£14,583			
Reason for funding approved or for not meeting criteria:							Funding Approved:		
Growing school, increasing by one form entry per year, but restricted to 27 pupils per class.							£15,461		
Head of Education agreed additional class due to increase in PAN.									

The Winchcombe									
Year Group:	Pupil Numbers			No. of Classes			No. of Teachers FTE		
	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change
Reception	61	89	-28	2.0	3.0	-1.0	2.0	3.0	-1.0
Year 1	89	60	29	3.0	2.0	1.0	3.0	2.0	1.0
Year 2	58	60	-2	2.0	2.0	0.0	2.0	2.0	0.0
SUB TOTAL Infant Classes	208	209	-1	7.0	7.0	0.0	7.0	7.0	0.0
Year 3	60	60	0	2.0	2.0	0.0	2.0	2.0	0.0
Year 4	58	60	-2	2.0	2.0	0.0	2.0	2.0	0.0
Year 5	59	43	16	2.0	1.5	0.5	2.0	1.5	0.5
Year 6	45	33	12	2.0	1.5	0.5	2.0	1.5	0.5
TOTAL All Classes	430	405	25	15.0	14.0	1.0	15.0	14.0	1.0
Classes Required (assuming 30 pupils per class)									
Infants	7	7	0						
Total	15	14	1						
Funding Options:	No.	Rate	Funding	No. Mths	Payment	Max Payable per class:			
Infant Class Funding		£40,000	0	7	£0	£23,333			
or									
Additional class	25	£2,945	73,625	7	£42,948	£29,167			
or									
Increase in PAN		£1,473	0	7	£0	£14,583			
Reason for funding approved or for not meeting criteria:							Funding Approved:		
Growing school, increasing by half a form each year							£29,167		

Spurcroft									
Year Group:	Pupil Numbers			No. of Classes			No. of Teachers FTE		
	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change
Reception	74	72	2	3.0	3.0	0.0	3.0	3.0	0.0
Year 1	73	69	4	2.5	2.5	0.0	2.0	2.0	0.0
Year 2	70	66	4	2.5	2.5	0.0	2.0	2.0	0.0
SUB TOTAL Infant Classes	217	207	10	8.0	8.0	0.0	7.0	7.0	0.0
Year 3	66	64	2	2.0	2.0	0.0	2.0	2.0	0.0
Year 4	64	59	5	2.0	2.0	0.0	2.0	2.0	0.0
Year 5	60	58	2	2.0	1.5	0.5	2.0	1.5	0.5
Year 6	56	45	11	2.0	1.5	0.5	2.0	1.5	0.5
TOTAL All Classes	463	433	30	16.0	15.0	1.0	15.0	14.0	1.0
Classes Required (assuming 30 pupils per class)									
Infants	8	7	1						
Total	16	15	1						
Funding Options:	No.	Rate	Funding	No. Mths	Payment	Max Payable per class:			
Infant Class Funding		£40,000	0	7	£0	£23,333			
or									
Additional class	30	£2,945	88,350	7	£51,538	£29,167			
or									
Increase in PAN		£1,473	0	7	£0	£14,583			
Reason for funding approved or for not meeting criteria:							Funding Approved:		
Growing school, increasing by half a form each year							£29,167		

John Rankin Junior									
Year Group:	Pupil Numbers			No. of Classes			No. of Teachers FTE		
	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change	Oct-17	Oct-16	Change
Reception			0			0.0			0.0
Year 1			0			0.0			0.0
Year 2			0			0.0			0.0
SUB TOTAL Infant Classes	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Year 3	88	85	3	3.0	3.0	0.0	3.0	3.0	0.0
Year 4	85	76	9	3.0	3.0	0.0	3.0	3.0	0.0
Year 5	81	58	23	3.0	2.0	1.0	3.0	2.0	1.0
Year 6	59	61	-2	2.0	2.0	0.0	2.0	2.0	0.0
TOTAL All Classes	313	280	33	11.0	10.0	1.0	11.0	10.0	1.0
Classes Required (assuming 30 pupils per class)									
Infants	0	0	0						
Total	11	10	1						
Funding Options:	No.	Rate	Funding	No. Mths	Payment	Max Payable per class:			
Infant Class Funding		£40,000	0	7	£0	£23,333			
or									
Additional class	33	£2,945	97,185	7	£56,691	£29,167			
or									
Increase in PAN		£1,473	0	7	£0	£14,583			
Reason for funding approved or for not meeting criteria:							Funding Approved:		
Growing school, increasing by one form each year							£29,167		

Dedicated Schools Grant Monitoring Report 2017/18 – Month 9

Report being considered by: Schools Forum
On: 22/1/2018
Report Author: Ian Pearson
Item for: Discussion **By:** All Forum Members

1. Purpose of the Report

1.1 This report sets out the current financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends.

2. Recommendation(s)

2.1 That the report be noted.

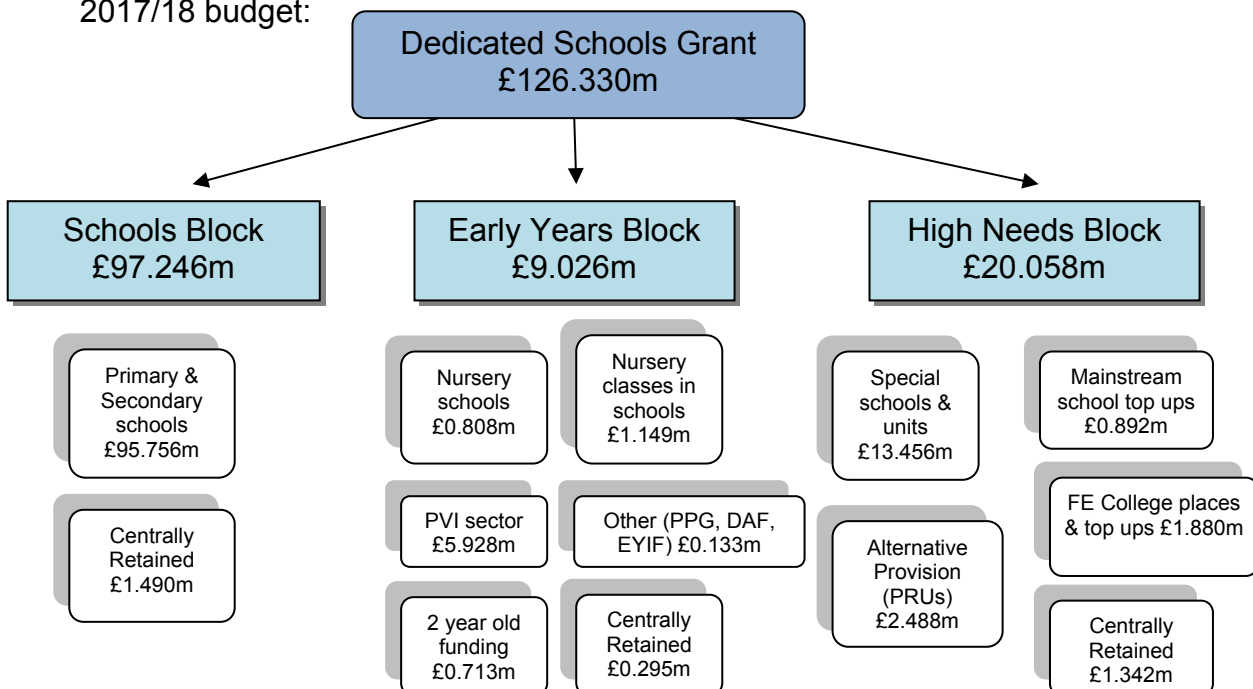
Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Background

3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2017.

3.2 The grant is split into three funding blocks. Although separate allocations are received for each, the blocks themselves are not ring fenced.

3.3 The following diagram shows what is funded out of each of the three blocks in the 2017/18 budget:



Notes:

1. The figures above include expected net overspend of grant totalling £0.426m. The actual in-year grant allocation is £125.904m
2. The main centrally retained services are:
 Schools Block – licences for all schools, growth fund for schools, school admissions service
 Early Years Block – quality monitoring & compliance, eligibility checking, sufficiency & sustainability planning
 High Needs Block – ASD advisory support, Home Tuition, Engaging Potential, therapy services, sensory impairment support, inclusion support, applied behaviour support, vulnerable children support, early intervention
3. The figures include funding to Academies and post 16 high needs place funding which form part of our allocation but not our budget as they are paid direct by the EFA – this totals £35,020k.

3.4 Overspends, unless funded from outside the DSG, are carried forward and top sliced from the following year’s DSG allocation. Under spends must be carried forward to support the school’s budget in future years.

3.5 The Authority and Schools’ Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations, and monitoring of spend against the grant needs to take place regularly to enable decision making on overspends/underspends and to inform future year budget requirements.

4. Monitoring Position as at Month 6 (30 September 2017)

4.1 The forecast under or over spend position at the end of September is shown in Table 1 below. A more detailed position per cost centre is shown in Appendix A.

Table 1

DSG Block	Total Net Budget	Forecast (under) / over spend					Change from last report
		Month Three	Month Six	Month Seven	Month Nine	Month Ten	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block (inc ISB)	64,286	0	0	0	-16		-16
Early Years Block	8,983	0	0	0	-12		-12
High Needs Block	17,518	0	11	10	35		+25
Total Net Expenditure	90,787	0	11	10	7		-3
Support Service Recharges	523	0	0	0	0		0
Total Expenditure	91,310		0	0	7		-3
DSG Grant Expected	-90,506	0	0	0	0		0
Net Position	804	0	11	10	7		-3

- 4.2 The budgeted over spend of £844k on DSG in 2017/18 was approved by the Schools' Forum in March 2017, after consideration of the three year position, as it was forecast that the over spend could be paid back over two years (assuming costs overall do not significantly increase and our DSG allocation remains at a similar level). The budgeted overspend in 2017/18 has now been reduced by £40k to £804k, because the final amount of grant brought forward from 2016/17 was £80k higher than expected, but this was offset by the claw back of 2016/17 early years funding and other minor adjustments made by the DfE in July 2017.
- 4.3 Explanations for variances per funding block are summarised in the following paragraphs.

5. Schools Block

- 5.1 Table 2 sets out the current position of the Schools Block. The main risk of over spend in this block is in relation to business rates (as schools are funded according to their actual rates bill) and there is a small budgeted overspend due to the 2016/17 carry forward of over spend arising from rating revaluations during the year. Expenditure in the schools block is now forecast to be under spent by £16,000 because of vacancy savings which have arisen in the Education Welfare Team.

Table 2 – Schools Block

	Current Budget £	Current Forecast £	Variance £
Expenditure	64,286,490	64,270,490	-16,000
Support services	333,800	333,800	0
Schools Block DSG	-64,593,080	-64,593,080	0
Net Position	27,210	11,210	-16,000

6. Early Years Block

- 6.1 Table 3 sets out the current position of the early years block. The early years block is difficult to predict due to the volatile nature of both early years block funding (the final grant allocation will be determined by the January 2018 census), and payments to providers (payments are made according to actual number of hours of provision each term). The budgeted overspend is due to last year's grant not meeting the payments made to providers, and is planned to be repaid over a three year period.

Table 3 – Early Years Block

	Current Budget £	Current Forecast £	Variance £
Expenditure	8,982,690	8,970,690	-12,000
Support services	43,690	43,690	0
EY Block DSG	-8,739,610	-8,739,610	0
Net Position	286,770	274,770	-12,000

- 6.2 Summer term and autumn term payments have now been made to providers and these are in line with the budget set. At month 9, a small under spend is forecast due to lower than expected take up of the early years inclusion fund. However, there is still a strong possibility that further variances may arise before year end, as a result of spring term payments and funding changes following the January 2018 census.

7. High Needs Block

- 7.1 Table 4 sets out the current position of the High Needs Block.

Table 4 – High Needs Block

	Current Budget £	Current Forecast £	Variance £
Expenditure	17,517,790	17,552,410	34,620
Support services	145,640	145,640	0
HN Block DSG	-17,172,790	-17,172,790	0
Net Position	490,640	525,260	34,620

- 7.2 Forecast spend in the High Needs Block has increased by £24k since month 7. This is mainly due to an increase in top up payments to mainstream schools, resourced units, West Berkshire and Non West Berkshire special schools. As in month 7 a variance of 11k is still forecast in respect of the Sensory Consortium because of additional pupils with HI or VI who have either moved in to the area or who have moved from specialist to mainstream provision.
- 7.3 It is also expected that the budget for PRU top-ups will be overspent at year end because of an increase in the number of places taken up at the i-College, but it is not yet possible to estimate the level of overspend, because the split of funding of those places between schools and the Local Authority has not yet been calculated.

8. Conclusion

- 8.1 As at the end of month 9, an over spend of £35k is forecast in the High Needs Block, which is offset by forecast savings in the Schools and Early Year's block. This gives an overall forecast overspend of £7k, which is a small reduction from the overspend forecast at month 7. However it is expected that the over spend on the High Needs Block will increase by year end and there is also strong possibility that further variances may arise in the spring term on the budgets for early years payments and early years funding.

9. Appendices

Appendix A – DSG 2017-18 Budget Monitoring Report Month 9

Dedicated School's Grant (DSG) 2017-18 Budget Monitoring Month 9								
Budget manager	Cost Centre	Description	Original Budget 2017-18	Net Virements in year	Amended Budget 2017-18	Forecast	Variance	Comments
Ian Pearson	90020	Primary Schools (excluding nursery funding)	47,293,060		47,293,060	47,293,060	0	
Ian Pearson	DSG top slice	Academy Schools Primary	0		0	0	0	
Ian Pearson	90025	Secondary Schools (excluding 6th form funding)	14,544,690		14,544,690	14,544,690	0	
Maxine Slade	DSG top slice	Academy Schools Secondary	0		0	0	0	
Ian Pearson	90230	DD - Schools in Financial Difficulty (primary schools)	119,980	194,670	314,650	314,650	0	
Rob O'Reilly	90113	DD - Trade Union Costs	44,040		44,040	44,040	0	
Hazel Davies	90255	DD - Support to Ethnic minority & bilingual Learners	210,580	41,450	252,030	252,030	0	
Michelle Sancho	90349	DD - Behaviour Support Services	193,860	23,330	217,190	217,190	0	
Ian Pearson	90424	DD - CLEAPSS	2,980		2,980	2,980	0	
Elaine Ricks-Neal	90470	DD - School Improvement	223,240		223,240	223,240	0	
Ian Pearson	90423	DD - Statutory & Regulatory Duties	144,200		144,200	144,200	0	
Ian Pearson	90235	School Contingency - Growth Fund/Falling Rolls Fund	202,000		202,000	202,000	0	
Ian Pearson	90583	National Copyright Licences	128,940		128,940	128,940	0	
Ian Pearson	90019	Servicing of Schools Forum	42,240		42,240	42,240	0	
Ian Pearson	90743	School Admissions	236,460		236,460	236,460	0	
Linda Curtis	90354	ESG - Education Welfare	224,810		224,810	208,810	-16,000	Employee savings
Ian Pearson	90422	ESG - Asset Management	54,030		54,030	54,030	0	
Ian Pearson	90460	ESG - Statutory & Regulatory Duties	361,930		361,930	361,930	0	
Schools Block Total			64,027,040	259,450	64,286,490	64,270,490	-16,000	
Ian Pearson	90010	Early Years Funding - Nursery Schools	807,540		807,540	807,540	0	
Avril Allenby	90037	Early Years Funding - Maintained Schools	1,148,970		1,148,970	1,148,970	0	
Avril Allenby	90036	Early Years Funding - PVI Sector	5,928,090		5,928,090	5,928,090	0	
Ian Pearson	90052	Early Years PPG & Deprivation Funding	39,900		39,900	39,900	0	
Avril Allenby	90051	Disability Access Fund	18,450		18,450	18,450	0	
Avril Allenby	90018	2 year old funding	713,430		713,430	713,430	0	
Avril Allenby	90017	Central Expenditure on Children under 5	206,310		206,310	206,310	0	
Rhian Ireland	90287	Pre School Teacher Counselling	45,000		45,000	45,000	0	
Rhian Ireland	90238	Early Years Inclusion Fund	75,000		75,000	63,000	-12,000	Uptake lower than expected
Early Years Block Total			8,982,690	0	8,982,690	8,970,690	-12,000	
Nicola Ponton	90026	Academy Schools RU Top Ups	768,370		768,370	768,370	0	
Nicola Ponton	90539	Special Schools - Top Up Funding	3,237,280		3,237,280	3,250,680	13,400	Based on current demand
Nicola Ponton	90548	Non WBC Special Schools - Top Up Funding	1,086,890		1,086,890	1,062,910	-23,980	Two Pupils changed setting
Nicola Ponton	90575	Non LEA Special School (OofA)	891,130		891,130	808,920	-82,210	Based on current demand
Nicola Ponton	90579	Independent Special School Place & Top Up	2,012,700		2,012,700	2,022,700	10,000	Based on current demand
Nicola Ponton	90580	Further Education Colleges Top Up	1,309,980		1,309,980	1,293,670	-16,310	Expected demand
Nicola Ponton	90617	Resourced Units top up Funding maintained	202,620		202,620	235,040	32,420	Based on current demand
Nicola Ponton	90618	Non WBC Resourced Units - Top Up Funding	55,000		55,000	107,170	52,170	Two Pupils changed setting
Nicola Ponton	90621	Mainstream - Top Up Funding maintained	534,010		534,010	557,280	23,270	Based on current demand
Nicola Ponton	90622	Mainstream - Top Up Funding Academies	191,410		191,410	199,200	7,790	Based on current demand
Nicola Ponton	90624	Non WBC Mainstream - Top Up Funding	66,960		66,960	74,520	7,560	Based on current demand
Michelle Sancho	90625	Pupil Referral Units - Top Up Funding	875,870		875,870	875,870	0	
Nicola Ponton	90627	Disproportionate No: of HN Pupils - NEW	100,000		100,000	100,000	0	
High Needs Block: Top Up Funding Total			11,332,220	0	11,332,220	11,356,330	24,110	
Michelle Sancho	90320	Pupil Referral Units	735,000		735,000	735,000	0	
Ian Pearson	90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
Nicola Ponton	90584	Resourced Units - Place Funding (70)	350,000		350,000	350,000	0	
High Needs Block: Place Funding Total			3,945,000	0	3,945,000	3,945,000	0	
Nicola Ponton	90240	Applied Behaviour Analysis	76,000		76,000	77,920	1,920	
Rhian Ireland	90280	Spec Needs Sprrt Team	311,840		311,840	311,840	0	
Rhian Ireland	90287	Pre School Teacher Counselling	40,000		40,000	40,000	0	
Rhian Ireland	90288	Elective Home Education Monitoring	27,660		27,660	23,660	-4,000	Exam Grant uptake from parents lower than expected.
Jane Seymour	90290	Sensory Impairment	215,710		215,710	227,040	11,330	Additional visits required due to need.
Jane Seymour	90295	Therapy Services	267,460		267,460	271,090	3,630	Based on current need
Michelle Sancho	90315	Home Tuition	345,000		345,000	345,000	0	
Rhian Ireland	90555	LAL Funding	116,200		116,200	116,200	0	
Nicola Ponton	90565	Equipment For SEN Pupils	10,000		10,000	10,000	0	
Jane Seymour	90577	SEN Commissioned Provision	455,160		455,160	462,790	7,630	Building Maintenance costs
Michelle Sancho	90582	PRU Outreach	77,000		77,000	77,000	0	
Jane Seymour	90585	HN Outreach Special Schools	50,000		50,000	50,000	0	
Nicola Ponton	90610	Hospital Tuition	45,000		45,000	35,000	-10,000	Based on an estimate for demand.
Rhian Ireland	90830	ASD Teachers	139,560		139,560	139,560	0	
Michelle Sancho	90961	Vulnerable Children	40,000	23,980	63,980	63,980	0	
High Needs Block: Non Top Up or Place Funding			2,216,590	23,980	2,240,570	2,251,080	10,510	
High Needs Block Total			17,493,810	23,980	17,517,790	17,552,410	34,620	
Total Expenditure across funding blocks			90,503,540	283,430	90,786,970	90,793,590	6,620	
SUPPORT SERVICE RECHARGES			523,130		523,130	523,130	0	
TOTAL DSG EXPENDITURE			91,026,670	283,430	91,310,100	91,316,720	6,620	

Schools Forum Work Programme 2017/18

	Item	HFG Deadline	Heads Funding Group	SF Deadline	Schools Forum	Action required	Author
Term 4	Work Programme 2018/19	20/02/18	27/02/18	05/03/18	12/03/18	Decision	Jessica Bailiss
	Final DSG Budget 2018/19	20/02/18	27/02/18	05/03/18	12/03/18	Decision	Claire White
	Final Central Schools Block Budget 2018/19	20/02/18	27/02/18	05/03/18	12/03/18	Decision	Gabrielle Esplin/Ian Pearson
	Final High Needs Block Budget 2018/19	20/02/18	27/02/18	05/03/18	12/03/18	Decision	Jane Seymour & Michelle Sancho
	Final Early Years Block Budget 2018/19	20/02/18	27/02/18	05/03/18	12/03/18	Decision	Avril Allenby
	DSG Monitoring 2017/18 Month 10				05/03/18	12/03/18	Information

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank