

Notice of Meeting

Schools Forum

Monday 12th March 2018 at 5.00pm
at Shaw House Church Road Newbury
RG14 2DR

Date of despatch of Agenda: Tuesday, 6 March 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
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Agenda - Schools Forum to be held on Monday, 12 March 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

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Agenda - Schools Forum to be held on Monday, 12 March 2018 (continued)

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.



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

SCHOOLS FORUM

**MINUTES OF THE MEETING HELD ON
MONDAY, 22 JANUARY 2018**

Present: Jonathon Chishick, Catie Colston, Jacquie Davies, Chris Davis, Lynne Doherty, Antony Gallagher, Keith Harvey, Reverend Mary Harwood, Angela Hay, Jon Hewitt, Lucy Hillyard, Brian Jenkins, Mollie Lock, Patrick Mitchell, Helen Newman, Chris Prosser, David Ramsden, Bruce Steiner (Chairman), Suzanne Taylor and Keith Watts

Also Present: Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), Ian Pearson (Head of Education Service), Claire White (Finance Manager (Schools)), Katharine Andrews (Accountant (Schools)), Jessica Bailiss (Policy Officer (Executive Support)) and Michelle Sancho (Principal EP & Service Manager)

Apologies for inability to attend the meeting: Reverend Mark Bennet, Councillor Anthony Chadley and Graham Spellman

PART I

59 Minutes of previous meeting dated 11th December 2017

The minutes of the meeting held on the 11th December 2017 were approved as a true and correct record and signed by the Chairman.

60 Actions arising from previous meetings

The actions from previous meetings were noted. There were two actions and both would be covered off under agenda item nine.

61 Declarations of Interest

There were no declarations of interest received.

62 Membership

The Chairman announced that Alan Henderson (John O' Gaunt School) was the new academy representative on the Schools' Forum, in place of Paul Dick.

**63 Dedicated Schools Grant (DSG) Funding Settlement and Budget
Overview 2018/19 (Claire White)**

Claire White introduced the report, which 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. Claire White highlighted that the settlement amount for Early Years and part of the High Needs settlement was provisional and the budgets for these blocks would need to be set using estimates. Funding would be based on data from the January 2018 census.

Table one under section four of the report set out the funding that would be received for each funding block. Appendix A to the report contained further information on the funding calculations and Appendix B showed the overall DSG budget per service for 2018/19.

There was an estimated deficit for 2018/19 of £1.5 million and reports later on the agenda would look in more detail at each of the blocks.

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Claire White reported that section five on the Schools Block set out how the funding for the block was calculated. There was £97.700m available to be allocated out to schools as per the formula principles agreed by the Schools Forum in December 2017 (and since approved by the Council's Executive on 18th January). Although with the agreement of the Schools' Forum, and subject to consulting with all schools, up to 0.5% of the total schools block funding could be transferred to the high needs budget or other funding blocks, no transfer from the schools block was being made in 2018/19. This enabled West Berkshire to move straight onto the national funding formula.

Claire White moved onto the Central Schools Services Block. A new formula was in place to determine funding allocations to local authorities. Without additional transitional protection funding the budget would amount to £771,245. As West Berkshire's funding under the formula was less than the current funding for these services in 2017/18, the unit allocated per pupil included transitional protection. Actual funding therefore for 2018/19 would be £992,560, going down to £967,871 in 2019/20 assuming the same pupil numbers.

There was currently a shortfall of £336k in the Central Schools Services Block and this was largely due to West Berkshire being a small local authority. Many larger local authorities were reporting a surplus in this block and some areas had transferred money to other blocks, for example the High Needs Block.

Regarding the Early Years Block, the new Early Years formula was introduced in 2017/18. The funding rates for 2018/19 remained the same, despite continued concern that the premises element of the area cost adjustment for West Berkshire used for three and four year olds was too low. Claire White reported that Councillor Lynne Doherty had helped to set up a meeting with the Department for Education (DfE) so that these concerns could be raised. This had taken place last week and as a result the DfE were going to review how the area cost adjustment for West Berkshire had been derived. If an error emerged then the DfE had stated they would correct the issue. It was hoped that the DfE would review how the data was used next time around. More detail on the funding for Early Years would be known once the data from the January 2018 census was available.

Jonathan Chishick asked why costs in the area of Early Years had increased so much and Claire White reported that this was due to the increase from 15 hours to 30 hours of free nursery provision for three and four year olds of working parents, introduced by Central Government in September 2017.

Section eight gave a brief summary on the High Needs Block Budget. Under the new formula for the High Need Block, West Berkshire would receive less than the current High Needs Block allocation. However, all local authorities would gain a minimum of 0.5% over their baseline.

RESOLVED that the Schools' Forum noted the report.

64 Final Schools Funding Formula 2018/19 (Claire White)

Claire White introduced the report, which set out the final primary and secondary school funding formula for 2018/19. Claire White reported that final formula rates had been approved by the Council's Executive on the 18th January and the final funding allocation had been sent to schools that morning (22nd January 2018).

(David Ramsden joined the meeting at 5.10pm)

Section 3.3 set out why West Berkshire was able to replicate the National Funding Formula (NFF).

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Many other Local Authorities had needed to transfer significant amounts of funding due to increasing pressures in other areas, for example to meet high needs block demands and deficits or for significant growth such as new schools. West Berkshire was not transferring any funding from the schools block to other blocks and therefore was able to use the NFF rates.

Claire White reported that the decision had been taken at the last Schools' Forum meeting not to agree to Brightwalton Schools' request to adjust the nearest school distance in the calculation of sparsity funding. Claire White reported however, that Brightwalton now met the sparsity criteria based on its own pupil/distance data. Claire White added that the calculation for sparsity finding was very volatile and was based on the postcodes of children living within the catchment area.

Claire White stated that the final data from the October 2017 census was received from the Education and Skills Funding Agency (ESFA) on 15th December 2017. However, on the 12th January 2018 the ESFA supplied local authorities with a revised dataset after discovering an error in the free school meal data. As a result a minimum funding guarantee of 0.2% had been applied (compared to the 0.1% based on the original data, taking the total cost to £97,708m, just over the grant allocation.)

The main reason why 0.5% MFG could not be afforded was due to an increase in business rates.

Appendix A to the report detailed the 2018/19 School Formula allocations. Overall there would be £1.7m of extra funding going into West Berkshire schools and per pupil funding rates had increased by £72 in primary and £21 in secondary schools. Claire White reported that although this increase in funding was positive, it did not deal with the increasing pressure being faced by schools and it was anticipated that the year ahead would be difficult.

RESOLVED that the Schools' Forum noted the report.

65 **Central Schools Block Budget Proposals 2018/19 (Gabrielle Esplin/Ian Pearson)**

Ian Pearson introduced the report, which set out the budget position for services funded from the Central Schools' Services block of the Dedicated Services Grant (DSG) and to propose measures to enable the budget for this block to be balanced.

Ian Pearson stated that there seemed to be a floor regarding what the Government had based its formula on for this block.

Grant funding for this block was based on an amount per pupil, 10% of which was allocated to relative deprivation levels. West Berkshire had a large number of smaller schools and therefore was receiving less funding than larger authorities. In addition, central services support for Early Years and High Needs was not included in this formula. To try and rectify the problem a number of recommendations were included under section two of the report as follows:

- i. To transfer £27,053 from the High Needs Block and £32,850 from the Early Years Block to the Central Schools Services Block;
- 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

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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.

Gabrielle Esplin referred to recommendations iii and iv. She stated that she had attended the meeting of the Capital Strategy Group, where it had been agreed that the required saving (as highlighted in recommendation iii) be included within the Capital Management Strategy. This would be considered by the Council's Budget Board on Thursday 25th January 2018. Recommendation iv would be taken to the Council's Executive (February 2018) and Full Council (March 2018) meeting for decision.

Suzanne Taylor stressed her concern about taking money from the Early Years and High Needs Block budgets, when these areas were already under a great amount of pressure. She was concerned that the amount of money per child in Early Years setting would get cut further. Ian Pearson stated that concerns were being taken into account however, it was going to be extremely difficult to balance the budget outside of the Dedicated School Grant (DSG) and regrettable decisions were having to be made. Brian Jenkins stressed that early years settings were already under extreme strain and there seemed to be no options for improvement. He found the recommendation (i) extremely difficult to accept and asked if there was any chance this could be reviewed. Ian Pearson confirmed that this had been reviewed many times and therefore a further review was not an option.

Helen Newman noted the increase in National Copyright Licences outlined on the table of page 30 of the report. Claire White confirmed that there was no control over this area, the rates were set nationally.

David Ramsden felt that effort being made to settle the shortfall of £190k outside of the DSG was sensible. He was however, aware that capital funding was already a very pressured area and asked if shifting this pressure would cause further pressures elsewhere. Gabrielle Esplin reported that the capital budget had already been cut however not in the area of education.

Helen Newman asked what the plan would be if recommendation iii was refused by the Council. Ian Pearson stated that this would be reviewed if necessary. The Council's Head of Finance had advised that the recommendation be put before Members and the outcome of this route would be known shortly.

Jonathan Chishick noted that West Berkshire was disadvantaged due to it being a small local authority and with this in mind questioned if options to work with other authorities had been explored to provide a joint service. Ian Pearson confirmed that options for joint working had been looked into, including with authorities in Hampshire and Berkshire. Some of these authorities were particularly difficult to negotiate with. Keith Watts concurred with Ian Pearson and added that these arrangements were often difficult due to changes in personnel. What seemed like a straight forward process was often costly and complex.

The Chairman consulted the Forum on whether it would like to agree the recommendations collectively or individually and collectively was decided as the most appropriate approach.

David Ramsden proposed that the Schools' Forum support the recommendations set out under section two of the report and this was seconded by Chris Davis. At the vote this motion was carried.

RESOLVED that the recommendations set out in section two of the report were approved by the Schools' Forum.

66 High Needs Block Budget Proposals 2018/19 (Jane Seymour/Michelle Sancho)

Ian Pearson introduced the report, which set out the current financial position of the high needs budget for 2017/18 and the position known so far for 2018//19.

Ian Pearson reflected that at previous meetings of the Schools' Forum a lot of time had been spent trying to deal with pressures on the High Needs Block for the next two to three years, through the management of a long term plan.

Ian Pearson reported that pressures on the block were now suggesting that the original long term plan was no longer viable and the deficit was set to grow. Officers and the Heads Funding Group had considered a range of options as ways to reduce the deficit and some of these options were more palatable than others.

Ian Pearson drew attention to the report which aimed to set out the key pressures within the High Needs Block. In essence these pressures included that there were more children entering the system; the way Local Authorities were funded regarding place funding and that there was increasing numbers of children with increased needs and a shortage of resources able to meet their needs. Ian Pearson added that until recently the High Needs Block had not been responsible for young people up to the age of 25, so it was now responsible for a new cohort of pupils.

Ian Pearson drew attention to paragraph 3.4, which stated that in 2017/18 several savings were made in the High Needs Budget, and a deficit of £584k was set. Some of these savings had impacted negatively upon schools. Ian Pearson stressed that the issues being faced were not isolated to West Berkshire.

Paragraph 3.7 gave an indication of the position in 2018/19. The estimated shortfall was £978,400, which included a carry forward overspend of £499,510. Ian Pearson highlighted that paragraph 3.8 set out why the overspend had risen.

Ian Pearson referred to paragraph 3.9, which stated that it should also be noted that the shortfall figure did not include another newly identified pressure of £50k or £100k for West Berkshire maintained special schools. Currently these were funded at £5k per additional planned place rather than the full £10k planned place value. If planned places at the special schools were funded at £10k per place, this represented an additional pressure £100k and if they were funded at £7.5k (a recommended mid-point) per place this represented an additional pressure of £50k.

Ian Pearson highlighted that the bottom line of Table one showed the cumulative position if no action was taken to resolve the shortfall. The Heads Funding Group, at its meeting on the 10th January 2018, had been tasked with forming a menu of possible savings that were detailed within the table under Appendix C.

Councillor Lynne Doherty stated that she had met with Members of the south east along with Directors of Children's Services and all had concurred regarding issues facing the High Needs Block. Councillor Doherty would be pursuing the issue with the Local Government Association and was also forming a lobbying process with the local Member of Parliament.

Regarding place funding, Ian Pearson referred to paragraph 1.3 of Appendix A, which reported that there was only funding for 675 places, which was extremely frustrating as it did not reflect the number of pupils requiring places (736). Schools only received an increase in place funding if they incurred a 10% increase in pupil numbers and it was stated that few schools grew to this extent in a single year.

Ian Pearson further explained that there were an increasing number of children being diagnosed with Autism Spectrum Disorder (ASD). There was less pressure for external

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ASD Placements since the Trinity and Fir Tree ASD resources were available. This was much more cost effective than out of county settings.

Ian Pearson moved on to talk about Pupil Referral Unit (PRU) top ups. The budget in this area for 2016/17 was just over £1 million however, nearly £1.3million had been spent. It was likely that the 2017/18 budget was going to overspend due to the number and length or placements. The proposal for schools to pay for their places in full from 2018/19 was being challenged.

Ian Pearson added that there were other statutory services, which were critical in preventing the needs of pupils escalating. These services were detailed under section four of the report. Non statutory services were detailed under section five of the report. There was more potential to make savings on these services, although a reduction in any of these budgets would likely cause an increase in pressure on statutory budgets.

Appendix B to the report listed a number of High Needs Block saving options. The Heads Funding Group at its meeting on the 10th January 2018 had considered the full list of savings set out in Appendix B and proposed that the list of savings detailed in Appendix C should be considered by the Schools' Forum for implementation. Ian Pearson highlighted that the Schools' Forum did not need to make a final decision right away however, would need to take a view on which savings could be explored further. A final decision by the Schools' Forum would be required at the meeting on 12th March 2018.

Keith Watts stated that he had sat of the Schools' Forum for many years and much of its work consisted of looking at decreasing the costs of the High Needs Block Budget. Keith Watts recalled the cuts that had been made for 2017/18 and was curious how much these had contributed to increasing costs. He expressed his support for early intervention as later intervention was much more costly. He was concerned that schools might chose not to offer particular services as a result and face huge costs at appeal.

Ian Pearson sympathised with Keith Watts' concerns regarding cuts to preventative services. Effort had been made to invest to save however, the issue was that there was little money available to invest. As a result of the situation that West Berkshire was in, representations were being made to the Department for Education. Keith Harvey agreed that the savings were very unpalatable and even if all the cuts were made, the deficit would still increase year on year.

David Ramsden felt that cuts had not been made hard enough or early enough. He noted that a recovery plan had been mentioned however, he could not see a five year recovery plan within the paperwork to the report. David Ramsden concurred with the points made by both Keith Watts and Keith Harvey. Ian Pearson reported that there had been a three year recovery plan however, a new plan was now required to tackle increased pressures. The issue needed to be resolved collectively. David Ramsden agreed and stressed that any future recovery plan must be reviewed on a regular basis. He expressed his sympathy for Jane Seymour who worked relentlessly within the SEND Team. David Ramsden queried if a recovery plan would be brought the March Schools' Forum Meeting. Ian Pearson felt it would be unlikely that the plan would be ready for the March meeting however, there would definitely need to be discussions at the March meeting about the commencement of a recovery plan.

The Chairman expressed his astonishment that funding was based on historical figures, which bared no relation to actual figures.

Patrick Mitchell stated that the situation was critical and money for investment needed to be found. He stressed that the current system was not sustainable. Money from elsewhere needed to be made available as it was unlikely there would be a change in the way the funding was allocated. Ian Pearson referred to the sum of £500k provided by the Government for the purpose of improving facilities. It was confirmed that this money had

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been invested in iCollege for an additional six places. If the services had needed to seek these places elsewhere they would have cost much more.

Councillor Doherty highlighted that most of the £70k referenced in paragraph 3.12 for a review of High Needs Block expenditure, would be used to fund a full time SEND Strategy Officer, who had recently been recruited on a fixed term 12 month contract. The remainder of the money would be used to support the review.

Keith Watts felt that this was a sensible position to have as someone needed to plan for the area. There was little control currently over what money was being spent on. It was a difficult issue for the Local Authority/Schools' Forum to resolve.

The Chairman referred to the recommendation within the report which was asking the Schools' Forum to take a view on the implementation of some or all of the savings proposed by the Heads Funding Group in Appendix C. David Ramsden felt that it was difficult to cut services until a plan was available.

Ian Pearson referred to Appendix B and stated that the first two options were not viable options and therefore options three to 14 needed consideration. The Schools' Forum could either go through each option individually or consider the table in Appendix C as a whole, which contained recommendations by the Heads Funding Group.

Jonathan Chishick asked why more effort was not being made to transfer money across blocks. Ian Pearson stated that this was not an option in the current year as the schools block had already been agreed by the Schools' Forum at a past meeting. Ian Pearson stated that the Schools' Forum might wish to look at transferring money from the Schools Block in to the High Needs in 2019/20. Jonathan Chishick felt that given that the deficit in the Schools Block was only small that schools could be asked to fund children's needs in a 'money follows the child' scenario.

Chris Davis recalled that in the past money had been moved from the DSG block into the High Needs Block and he felt that a repeat of this was inevitable for the 2019/20 financial year. He felt that an in-depth review was required rather than simply snipping away at budgets.

David Ramsden stated that he would resist a transfer of money from the Schools Block as there was already a huge amount of pressure on schools. He referred to Appendix C and stated that each option had been discussed to great lengths and that this approach needed to be pursued until a long term plan was in place as there was no other choice. It was difficult to judge which children in which institutes would be most immediately affected. David Ramsden stated that Jane Seymour had tried to demonstrate a methodical impact for each of the options. He felt that it would be a bad decision not to proceed.

Chris Davis stated that the Heads Funding Group had recommended the cuts with the hope that the services would continue.

The Chairman invited the Schools Forum to take a view on whether all the savings should be implemented as set out in Appendix C. A final decision would be taken on this on the 12th March 2018.

David Ramsden proposed that the Schools Forum agree that the options outlined in Appendix C should be explored further. This was seconded by Chris Davis.

RESOLVED that the Schools Forum were supportive of the implementation of the savings contained with Appendix C. A final decision on this would be required at the meeting of the Schools' Forum on 12th March 2018.

67 Growth Fund and Falling Rolls Fund 2017/18 (Claire White)

Claire White introduced the report, which informed School Forum Members of payments made to schools from the Growth Fund and Falling Rolls Fund budget in 2017/18.

Four schools had met the Growth Fund criteria and the relevant payments had been approved by the Head of Education.

The table under paragraph 4.3 showed the overall position of the Growth Fund and Falling Rolls Fund for 2017/18.

It had been agreed by the Schools' Forum that the unspent balance of £76k should be carried forward and added to the next year's growth fund, to ensure there was 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 DSG was based on previous year's pupil numbers, if additional funds were not set aside it would mean a reduction in funding available to allocate out to existing schools. The DSG allocation currently included a growth fund allocation based on 2017/18 costs only and there was no other source of funding in the first year of a new school or as year groups were added.

RESOLVED that the Schools' Forum noted the report.

68 DSG Monitoring 2017/18 Month 9 (Ian Pearson)

Ian Pearson introduced the report, which set out the current financial position of the services funded by the Dedicated Schools Grant (DSG) and highlighted any under or overspends. Ian Pearson highlighted that the diagram under section 3.3 of the report showed how the DSG was split between the three blocks in the 2017/18 budget.

Table one on page 44, showed the difference in spending compared to the previous report brought to the Schools' Forum in December 2017.

As at the end of month nine, an overspend of £35k was forecast in the High Needs Block, which was offset by forecast savings in the Schools and Early Year's blocks. This gave an overall forecast overspend of £7k, which was a small reduction from the overspend forecast at month seven. It was however, expected that the over spend on the High Needs Block would increase by year end and was also a strong possibility that further vacancies might arise in the spring term on the budgets for early years payments and early years funding.

RESOLVED that the Schools' Forum noted the report.

69 Forward Plan

RESOLVED that the Schools' Forum noted the forward plan.

70 Any Other Business

RESOLVED that there was no other business.

71 Date of the next meeting

The next meeting would take place on Monday 12th March 2018, 5pm at Shaw House.

72 Exclusion of the Press and Public

RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006. Rule 8.10.4 of the Constitution also refers.

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73 Primary Schools in Financial Difficulty - Bid for Funding (Claire White)

The Schools' Forum considered an exempt report (Agenda Item 16) which sought approval of a bid to the Schools' in Financial Difficulty fund, for the amount of £6k.

RESOLVED that the recommendations in the exempt report be agreed.

Reason for the decision: as outlined in the exempt report.

(The meeting commenced at 5.00 pm and closed at 6.25 pm)

CHAIRMAN

Date of Signature

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High Needs Block Budget 2018/19

Report being considered by: Schools Forum on 12 March 2018

Report Author: Ian Pearson, Michelle Sancho, Jane Seymour

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

1. Purpose of the Report

1.1 This report sets out the current financial position of the high needs budget for 2017/18 and the proposals for setting the budget for 2018/19.

2. Recommendations

2.1 To agree the proposals made by Heads Funding Group as follows:

- Implement savings totalling £306,300 in 2018/19 and £341,800 in 2019/20 as set out in paragraph 4.11 of this report.
- Set a deficit budget of £702,900 for 2018/19, with a strategy to be worked on over the coming months in order to determine a longer term savings plan which will balance this budget in future years.
- Top up funding rates for special schools, resource units, and mainstream schools to remain the same as the 2017/18 rates.
- Special school place funding for additional “unfunded” places be increased from £5,000 to £7,500 from 1 September 2018.
- The top up rate for iCollege to be set at £106 per day from 1st April 2018 for all placements.

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"/>
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3. Introduction

3.1 Setting a balanced budget for the High Needs Block continues to be a challenge; funding received for this block has only seen minimal increases for several years, yet the demand in terms of numbers of high needs pupils and unit costs of provision has continued to rise. Place funding has remained static in spite of increasing numbers, and in 2015/16 local authorities took on responsibility for students up to the age of 25 with SEND in FE colleges without the appropriate funding to cover the actual cost.

3.2 Since implementation of SEND reform under the Children and Families Act 2014, there has been a 14% increase in the total number of children in West Berkshire with a Statement or EHC Plan, mainly as a result of the eligible age range extending to 25, which has a significant impact on the budget which has remained static.

3.3 Up until 2016/17, West Berkshire was setting a balanced high needs budget which included a significant contingency built in. 2015/16 was the first year that the budget overspent, with the contingency all used up. A decision was made to set a deficit budget for the first time in 2016/17, firstly because the Government was consulting on reforms to high needs funding, and secondly to allow the work being carried out on driving costs down to take effect.

3.4 In 2017/18 several savings were made in the high needs budget, and a deficit of £584k was originally set. The current predicted spend on the HNB for 2017-18 is £564,640, so the overspend has been contained within the original planned deficit.

3.5 The pressure on the high needs budget is a national issue, and many local authorities have significant over spends and have also set deficit budgets, some with no firm plans to recover the deficit.

3.6 Tables 2, 3, 4 and 5 in Appendix A show where the predicted 2018-19 costs exceed 2017-18 budgets.

3.7 The net shortfall in the 2018-19 HNB budget, as estimated at this stage, is **£1,009,200**. This includes a carried forward overspend of £564,640 in the current financial year.

3.8 The figures assume that the payment to special schools for additional planned places which are over and above their planned place allocation will be increased to £7,500 from September 2018. Currently these are funded at £5,000 per additional planned place rather than the full £10,000 planned place value.

3.9 The budgets within the 2018-19 HNB which are predicted to exceed 2017-18 budgets are

- Independent and non maintained special schools
- Resourced units in maintained schools and academies
- Non West Berkshire resourced units
- Non West Berkshire special schools
- West Berkshire maintained special schools
- Non West Berkshire mainstream schools

3.10 Details of the services paid for from the high needs budget and the corresponding budget information are set out in Appendix A, together with an explanation of the reasons for budget increases.

3.11 £70,000 was awarded in 2017-18 for the purposes of conducting a review of High Needs Block expenditure and provision. Most of this funding will be used to fund a full time SEND Strategy Officer who has recently been recruited on a fixed term 12 month contract. The remainder will be used to support the review in other ways which are necessary, such as specific pieces of targeted work requiring additional capacity or specific expertise.

3.12 A detailed SEND Review has been initiated, incorporating the HNB Review. This will involve schools, parents and other stakeholders and will lead to the production of a

revised West Berkshire SEND Strategy by July 2018, following consultation with all relevant parties. One of the strands of the strategy will be reducing demand for specialist placements by building capacity in local mainstream schools, reviewing support available to schools and also creating more local provision.

3.13 £500,000 has been allocated over a three year period to support SEND capital projects. This funding may be used to create additional capacity in PRUs for children who have Education, Health and Care Plans and have a primary need of Social, Emotional and Mental Health difficulties (SEMH). This will help to reduce pressure for places in independent and non-maintained SEMH schools.

4. Summary Financial Position and Proposals

4.1 The latest estimate of expenditure in the High Needs Block budget for both 2017/18 and 2018/19 is set out in Table 1. The figures are based on all services continuing at current staffing levels and contract costs, with no change in the funding rates for top ups and the current/known number and funding level of pupils.

4.2 Most of the DSG allocation for the high needs block is now confirmed. Part of it is estimated and will be based on the actual import/export adjustments based on the January 2018 census and February 2018 ILR. A funding increase of 0.5% on baseline is expected in 2019/20.

TABLE 1	2017/18 Budget £	2017/18 Forecast £	2018/19 Estimate £	2019/20 Estimate £
Place Funding	6,339,660	6,339,660	5,841,830	5,800,670
Top Up Funding	10,456,350	10,292,260	11,227,150	11,227,150
PRU Funding (top ups only)	875,870	1,125,870	623,950	623,950
Other Statutory Services	1,441,990	1,430,080	1,428,200	1,428,200
Non Statutory Services	798,580	798,580	833,920	833,920
Support Service Recharges	145,640	145,640	127,290	127,290
Total Expenditure	20,058,090	20,132,090	20,082,340	20,041,180
HNB DSG Allocation – confirmed	20,056,230	20,056,230	18,809,780	17,088,740
HNB DSG Allocation - estimated			855,000	2,631,170
DSG Allocation transferred to Central Schools Block			-27,000	-27,000
HNB DSG C/F	-488,780	-488,780	-564,640	-1,009,200
Total DSG Funding	19,567,450	19,567,450	19,073,140	18,683,710
Shortfall	-490,640	-564,640	-1,009,200	-1,357,470

4.3 Expenditure for 2017/18 is currently forecast to be approximately £564,640 in excess of available funding. Any overspend at year end will need to be met from the 2018/19 grant.

4.4 Taking this into account, there is a shortfall of £1,009,200 in the 2018/19 HNB.

4.5 Appendix A sets out the detail of the budgets included within the High Needs Block, and the reasons for the pressure on the 2018-19 HNB budget.

4.6 Options available in order to make savings are set out in Appendix B.

4.7 The Schools Forum, at its meeting on 22nd January 2018, was supportive of the savings set out in Appendix C of this report.

4.8 Since the Schools Forum meeting in January, schools have been informed of the savings which were being considered for the 2018-19 financial year, both by e-mail and through discussion at the Heads Forum.

4.9 Some concerns have been raised by schools in relation to charging for Language and Literacy Centre placements. Some schools have reported that the cost would be prohibitive for them and that their pupils would therefore not have access to this specialist provision. The CALT team has also set out a case for retaining all posts, and this is set out in Appendix E.

4.10 A review of the Home Education Service for pupils who cannot attend school because of health needs and options for charging for this service, was also presented to Heads Funding Group. This report is set out in Appendix D, and the Group recommended implementing option 4 from 1st April 2018.

4.11 The savings options were discussed further by the Heads Funding Group on 27th February 2018, and the additional information was considered. The Group determined that the savings relating to the CALT team and to the Specialist Inclusion Support Service (SISS) should be removed until the strategic review is completed. Consideration of transferring funding from the schools block in 2019/20 will also be considered next year. All other savings are to be taken, plus the charging for home tuition. The recommendations are set out in Table 2.

TABLE 2	2018/19 Saving £	2019/20 Saving £
Sensory Impairment – charge schools for sensory impairment support for children without Statement or EHC plan from 1/4/18.	27,000	27,000
Equipment – schools to meet full cost of equipment for children with SEND	12,000	12,000
Therapy Services – negotiate a 10% saving through retendering.	26,700	26,700
Home Tuition on medical grounds – charge schools the average West Berkshire pupil led funding from 1/4/18	90,000	90,000
Home tuition on medical grounds – achieve an efficiency saving in provision of the home tuition service.	10,000	10,000
iCollege top up funding – subsidy from high needs block to be reduced to 20% (for non-permanent exclusions) with schools to meet the remainder of cost – from 1/4/18	81,000	81,000
LALs – schools to be charged 50% of LAL places taken up by their pupils - from 1/9/18	33,800	58,100
PRU outreach – reduction in service – from 1/9/18	15,800	27,000
Vulnerable children – reduction in size of fund	10,000	10,000
TOTAL SAVINGS	306,300	341,800

4.12 The impact on the overall budget by taking these revised proposals are as set out in Table 3.

TABLE 3	2018/19 Estimate £	2019/20 Estimate £
Total Expenditure	20,082,340	20,041,180
Less proposed savings	-306,300	-341,800
Total Expenditure	19,776,040	19,699,380
DSG Funding in year	19,637,780	19,692,910
HNB DSG deficit brought forward	-564,640	-702,900
Total DSG Funding	19,073,140	18,990,010
Net Deficit Position	-702,900	-709,370
If transfer Funding from Schools Block in 2019/20 at maximum 0.5%		500,000
Revised Position	-702,900	-209,370

4.13 It is recommended that these proposals are agreed.

5. Appendices

Appendix A – High Needs Block Budget Detail

Appendix B – High Needs Block Savings Options

Appendix C – List of Potential Savings

Appendix D – Review of West Berkshire Home Education Service and Options for Charging

Appendix E – Letter from CALT team

High Needs Block Budget Detail

1. PLACE FUNDING – STATUTORY

1.1 Place funding is agreed by the Education and Skills Funding Agency (ESFA) and has to be passed on to the institution, forming their base budget. Academy and post 16 places are included in the initial HNB allocation but the agreed place numbers are then deducted and paid to the institution direct (DSG top slice). From 2018/19 pre 16 resource unit place funding is reduced from £10,000 to £6,000 per place, and each pupil within the unit is included in the main school formula funding allocation. As a result of these changes there will be a reduction to the funding received in 2018/19. However, the school will need to receive the full £10k funding for any unfilled places, so this does not necessarily have a neutral impact. For academies this will be from September 2018.

1.2 The ESFA is not funding any overall increases to places, although in West Berkshire the actual number of places occupied is greater than the number funded and there continues to be an increase in demand for places in special schools. **Table 1** currently shows no increase to special school planned places, as there is no additional planned place funding to allocate unless there is surplus planned place funding in other institutions which can be reallocated. If no place funding can be released from other institutions, and if it is decided that additional planned places should be funded at the special schools, this is a pressure on the High Needs Block.

TABLE 1 Place Funding Budgets	2017/18 Budget			2018/19 Estimate			2019/20 Estimate
	No. of Places Funded by EFA	£	Current No. of Pupils	No. of Places Funded (from 1/9/17)	£	Proposed No. of Places funded for 18/19	£
Special Schools – pre 16 (90540)	286	2,860,000	311	286	2,860,000	286	2,860,000
Special Schools – post 16 (DSG top slice)	79	790,000	85	79	790,000	79	790,000
Resource Units Maintained – pre 16 (90584)	35	350,000	30	35	242,000	35	210,000
Resource Units Academies – pre 16 (DSG top slice)	84/92	886,660	79	92	599,830	95	596,670
Mainstream Maintained – post 16 (DSG top slice)	8	48,000	9	8	40,000	6	36,000
Mainstream Academies – post 16 (DSG top slice)	22/14	100,000	11	14	80,000	13	78,000
Further Education	95	570,000	142	95	570,000	95	570,000
PRU Place Funding (90320)	84/66	735,000	69	66	660,000	66	660,000
TOTAL	675	6,339,660	736	675	5,841,830	675	5,800,670

1.3 Planned places have been reduced for 2018-19 where resourced units or mainstream sixth forms had surplus places, but the planned place funding which was released was required for the new ASD resourced provision, so there has been no funding gain. Additional places are required at Fir Tree ASD resource which opened in September 2017 and also at the Trinity ASD Resource which is growing in size. It is assumed that place numbers in 2019/20 will be the same as the 2018/19 academic year, and all places will be filled.

1.4 Where an institution requires planned place funding in excess of the number of planned places agreed by the ESFA, the additional funding is taken from the relevant top up budget.

1.5 The financial implications of the new method of funding resourced units has been factored in. The impact is £69k, assuming that £10k place funding for unfilled places in academies will be recouped from September 2018.

2. TOP UP FUNDING – STATUTORY

2.1 Top up funding is paid to the institutions where we are placing pupils who live in West Berkshire (we do not pay our institutions top up funding for pupils who live outside West Berkshire). **Table 2** shows the budget and forecast for 2017/18 and the estimate for 2018/19.

TABLE 2 Top Up Budgets	2016/17 Budget		2017/18 Budget			2018/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
Special Schools Maintained (90539)	3,142,550	3,108,617	3,237,280	3,254,280	17,000	3,300,420
Non WBC special schools (90548)	1,068,100	904,043	1,086,890	1,038,210	-48,680	1,098,070
Resource Units Maintained (90617)	367,910	306,091	202,620	222,120	19,500	293,020
Resource Units Academies (90026)	546,760	483,102	768,370	728,380	-40,000	854,270
Resource Units Non WBC (90618)	50,000	34,037	55,000	107,170	52,170	107,000
Mainstream Maintained (90621)	480,420	526,027	534,010	556,110	22,100	541,560
Mainstream Academies (90622)	184,790	184,101	191,410	199,200	7,790	185,170
Mainstream Non WBC (90624)	66,220	61,217	66,960	74,520	7,560	75,000
Non Maintained Special Schools (90575)	750,950	790,410	891,130	695,800	-195,330	840,100
Independent Special Schools (place & top up) (90579)	1,683,500	1,588,161	2,012,700	2,024,080	11,380	2,436,400
Further Education (90580)	832,650	753,033	1,309,980	1,292,400	-17,580	1,396,140
Disproportionate HN Pupils (90627)	127,690	114,033	100,000	100,000	0	100,000

TOTAL	9,301,540	8,852,862	10,456,350	10,292,260	-164,090	11,227,150
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2.2 Most top up budgets are predicted to require a higher level of funding in 2018-19 with the type of placement creating pressure shown below.

- Independent and non maintained special schools
- Resourced units in maintained schools, academies and non West Berkshire resourced units
- Non West Berkshire special schools
- West Berkshire maintained special schools
- FE placements
- Non West Berkshire mainstream schools

2.3 The predictions of cost for 2018-19 take in to account known pupils whose needs can no longer be met in local schools, together with some cases which are due to go to the SEND Tribunal. It is not possible to predict all pupils who may need placements in 2018/19. The figures assume a middle ground between the best case scenario and the worst case scenario (financially) in terms of Tribunal outcomes.

2.4 The figures in this report for non-maintained and independent special school fees are higher than in earlier reports as two additional pupils have been identified who require specialist placements.

2.5 **Independent and non maintained special schools**

The number of out of area placements for children with SEMH (Social Emotional and Mental Health difficulties) is increasing, in part due to two maintained SEMH schools in other Local Authorities having gone in to special measures. Where pupils had to be removed from these schools, every effort was made to accommodate them locally, for example at Engaging Potential or PRUs, but some had to be placed in independent or non maintained special schools. Inability to use these schools has also impacted on new placements which have had to be made. There is also increasing pressure for primary SEMH placements.

There is less pressure for external ASD placements now that the Trinity and Fir Tree ASD resources are available, although there continue to be some very challenging pupils who require more specialist provision.

Hearing impairment is another pressure area as several families move in to West Berkshire each year whose children have Mary Hare School named in their Statement or EHC Plan.

The number of cases which go to the SEND Tribunal has traditionally been low in West Berkshire but is now increasing. Some placements are made as a result of Tribunal direction.

2.6 **Resourced units in maintained schools and academies**

Top up costs for children in resourced units in both maintained schools and academies in West Berkshire have risen, partly due to the expansion of ASD resourced provision and also due to some very high need pupils being placed in our

resourced schools this year. However, in both cases this is seen as a positive as the additional pupils in resourced schools and the very high needs pupils placed this year would all have been otherwise placed in more expensive independent special school placements.

2.7 Non West Berkshire resourced units

Top up costs have increased for non West Berkshire resourced units as we have been able to access a new provision in Bracknell called The Rise at Garth Hill School for children with ASD who cannot manage much integration with mainstream peers / classes and are therefore unsuitable for our own resourced provision. This is a very cost effective option for these pupils who would otherwise have been placed in non maintained or independent specialist provision.

2.8 Non West Berkshire special schools

This increase reflects the ongoing need for placements in specialist Free Schools for children with ASD, such as Forest Bridge School and Thames Valley Free School. Whilst expansion of our own ASD resources and access to The Rise in Bracknell have reduced our need for specialist ASD placements, there continues to be a need for these placements for children with the most challenging behaviours. Special free schools are usually more cost effective than independent and non maintained special schools.

2.9 West Berkshire maintained special schools

West Berkshire maintained special schools continue to be under pressure, with more children in the moderate learning difficulties range moving out of mainstream. The special schools do not currently receive funding for all of their planned places, due to inadequate planned places being allocated by the ESFA. Where pupils are placed over and above the planned place number, 50% of the planned place funding is currently allocated and is taken from the special school top up budget, which is another reason for the pressure.

The special schools are in financial difficulty due to

- the shortfall in planned place funding
- the cut to the value of bandings in 2017-18
- the decision that special schools now have to fund all equipment from their own budgets in 2016-17
- the decision in 2017-18 that they would also have to purchase some of their speech and language therapy from their own budgets
- significant pay rises for non teaching staff

It has been agreed to fund places in excess of planned places at £7,500 per place.

2.10 FE Placements

The main reason for the pressure in 2018-19 is two very costly specialist FE College placements which the Council was ordered to make by the SEND Tribunal.

2.11 Non West Berkshire mainstream schools

This increase in cost relates to pupils with EHC Plans who have moved over the West Berkshire border from neighbouring Local Authorities but have opted to remain at their original school. This budget pays for a relatively small number of pupils so can be subject to significant fluctuations.

3. PUPIL REFERRAL UNITS (PRU) – STATUTORY

3.1 **Table 3** shows the budgets for PRU top ups. The decision by Schools' Forum for 2017/18 was to continue with the 2016/17 top up rate and not introduce increased charges for schools. The 2018/19 estimate assumes that schools will be responsible for the full payment of places they commission.

TABLE 3 PRU Budgets	2016/17 Budget		2017/18 Budget			2018/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
PRU Top Up Funding (90625)	1,033,340	1,292,642	875,870	1,125,870	250,000	623,950
Non WBC PRU Top Up Funding (90626)	0	0	0	0	0	
TOTAL	1,033,340	1,292,642	875,870	1,125,870	250,000	623,950

3.2 It is likely the 2017/18 budget is going to overspend due to the number and length of placements. The original proposal was for schools to pay for their places in full from 2018/19 but revised proposals for 2018/19 have been considered.

4. OTHER STATUTORY SERVICES

4.1 **Table 4** details the budgets for other statutory services. There is a net reduction in cost across these services due to savings made in the Sensory Consortium Service.

TABLE 4 Other Statutory Services	2016/17 Budget		2017/18 Budget			2018/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
Applied Behaviour Analysis (90240)	76,130	77,947	76,000	69,030	-6,970	75,000
Sensory Impairment (90290)	238,800	198,866	215,710	227,040	11,330	199,750
Engaging Potential (90577)	540,260	476,407	455,160	464,260	9,100	456,000
Equipment for SEN Pupils (90565)	20,000	18,660	10,000	5,000	-5,000	12,000
Therapy Services (90295)	324,430	293,320	267,460	271,090	3,630	267,460
Elective home Education Monitoring (90288)	27,840	22,751	27,660	23,660	-4,000	27,990
Home Tuition Service (90315)	300,000	358,551	345,000	345,000	0	345,000
Hospital Tuition (90610)	20,000	43,107	45,000	25,000	-20,000	45,000
TOTAL	1,547,460	1,489,609	1,441,990	1,430,080	-11,910	1,428,200

4.2 Applied Behaviour Analysis (ABA)

4.2.1 This budget supports a small number of children with Statements / EHC Plans for whom the Authority has agreed an ABA programme as part of their statement. ABA is an intensive intervention programme for children with autism which aims to modify

behaviours which are typical of ASD in order to allow children to function more successfully in school and in society.

4.2.2 This budget also covers the cost of children with Statements / EHC Plans accessing other bespoke educational packages where this is the most appropriate and cost effective way of meeting their needs.

4.3 **Sensory Impairment**

4.3.1 Support for children with hearing, visual and multi sensory impairments is purchased from the Berkshire Sensory Consortium Service. This includes support from qualified teachers of HI and VI, audiology and mobility support. The service supports children with and without Statements / EHC Plans.

4.4 **Engaging Potential**

4.4.1 Engaging Potential is an independent special school commissioned to provide alternative educational packages for 14 young people in Key Stage 4. Students placed at Engaging Potential are those who have Statements or EHC Plans for social, emotional and mental health difficulties and whose needs cannot be met in any other provision. This can include young people who have been excluded from specialist SEMH schools. Two places are currently sold to other Local Authorities. (The budget required for the service takes this income in to account). The unit cost of a place at just under £38K represents good value for money compared to other independent schools for SEMH which typically start at around £70K per annum. The small increase in cost for 2018-19 relates to premises costs.

4.5 **Equipment for SEN Pupils**

4.5.1 This budget funds large items of equipment such as specialist chairs and communication aids for pupils with Statements / EHC Plans.

4.5.2 The budget has been reduced twice in previous HNB savings programmes and now stands at £10,000. Equipment is now only purchased for children attending mainstream and resourced schools; special schools are expected to fund these large items of equipment from their own budgets. Since the beginning of this financial year, mainstream schools have been charged a 50% contribution to equipment, as agreed by the Schools Forum.

4.6 **Therapy Services (Contract with Berkshire Healthcare Foundation Trust)**

4.6.1 The therapy services budget covers the costs for children with SEN who have speech and language therapy or occupational therapy in their Statements or EHC Plans. This budget moved to the HNB in 2015/16.

4.6.2 Therapy services are provided by the Authority solely to children who have the need for a service stipulated and quantified in their Statement or EHC Plan. It is a statutory duty for the Local Authority to provide these therapies in these circumstances.

4.7 **Elective Home Education Monitoring**

4.7.1 The elective home education monitoring service consists of one part time teacher who monitors children who are electively home educated. There is a statutory duty to monitor arrangements for EHE made by parents.

4.8 **Home Tuition**

4.8.1 The Home Tuition Service is a statutory service providing home tuition to children with medical conditions and illness that prevent them accessing full-time school. It is currently commissioned by WBC from the iCollege which provides all management.

4.9 Hospital Tuition

4.9.1 Hospital tuition is a recent addition to HNB funding. WBC is now obliged to pay the educational element of specialist hospital placements, usually for severe mental health issues. These placements are decided by NHS colleagues and we have little influence over the placement or duration of stay. We are negotiating with the settings to ensure we are only charged for the education a young person actually receives and would benefit from.

5. NON STATUTORY Services

5.1 **Table 5** details the non statutory service budgets for 2016/17, 2017/18 and estimates for 2018/19. The latest forecast is that in the majority of cases these budgets should be on-line. These services are non statutory so there is more potential scope to make savings, although a reduction in any of these budgets is likely to increase pressure on statutory budgets.

5.2 The table shows the budget for these services in 2018/19 assuming that the services continue and there are no changes to staffing levels.

5.3 In addition there is a proposal that a grant of £30,000 is considered as a new call on the High Needs Block. Further details are given in paragraph 5.12 below.

TABLE 5 Non Statutory Services	2016/17 Budget		2017/18 Budget			2018/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
Language and Literacy Centres LALs (90555)	116,200	116,200	116,200	116,200	0	116,200
Specialist Inclusion Support Service (90585)	70,000	70,000	50,000	50,000	0	50,000
PRU Outreach Service (90582)	117,000	117,000	77,000	77,000	0	77,000
SEN Pre School Children (90238)	50,210	41,880	In Early Years Block	0	0	0
Cognition & Learning Team (90280)	272,440	271,247	311,840	311,840	0	319,170
ASD Advisory Service (90830)	139,720	137,806	139,560	139,560	0	141,550
Vulnerable Children (90961)	60,000	36,021	63,980	63,980	0	60,000
Early Development and Inclusion Team (90287)	Met by EY block	0	40,000	40,000	0	40,000

Dingley's Promise (New pressure)		0		0	0	30,000
TOTAL	865,570	806,824	798,580	798,580	0	833,920

5.4 Language and Literacy Centres (LALs)

5.4.1 This budget funds the primary LALs at Theale and Winchcombe schools. The LALs provide intensive literacy support for primary children with severe specific literacy difficulties. 48 places per year are available across the two LALs.

5.4.2 Referrals for LAL places usually exceed places available by approximately 24 per year.

5.5 Specialist Inclusion Support Service

5.5.1 This service provides outreach support from West Berkshire's special schools to mainstream schools to support the inclusion of children with learning and complex needs in their local mainstream schools.

5.5.2 This budget has been subject to reductions in the previous two financial years with the special schools providing the service absorbing the cost.

5.6 PRU Outreach

5.6.1 The PRU Outreach Service offers consultancy / outreach support mainly to students who have been attending the iCollege and are starting to attend a mainstream school. Schools may request Outreach for any pupil causing concern but it is dependent on capacity.

5.7 SEN Pre School Children

5.7.1 This budget provides one to one support to enable children with SEN to access non maintained and voluntary pre- school settings.

5.8 Cognition and Learning Team

5.8.1 The Cognition and Learning Team (CALT) provides advice, support and training to mainstream schools to help them to meet the needs of children with SEN.

5.8.2 Many primary schools are reliant on this service to supplement their own SEN provision and expertise, especially schools where the Head has to act as SENCO or where there is an inexperienced SENCO.

5.8.3 This is a partially traded service. All schools receive a small amount of free core service, but the majority of support now has to be purchased by schools.

5.9 ASD Advisory Service

5.9.1 The ASD Advisory Service provides advice, support and training for mainstream schools on meeting the needs of children with Autistic Spectrum Disorder. The purpose of the service is to enable children with ASD to be successfully included in mainstream schools wherever possible.

5.9.2 The context for this service is vastly increasing numbers of children with ASD diagnoses and mainstream schools having more and more difficulty meeting the needs of these children. The majority of our placements in non West Berkshire

special schools, independent special schools and non maintained special schools are for children with ASD.

5.10 **Vulnerable Children**

5.10.1 The Vulnerable Children Fund is a small budget used to help schools support their most vulnerable pupils on an emergency, unpredicted or short term basis.

5.10.2 The budget has gradually been reduced from £120K over the past few years. The criteria have strengthened, with funding allocated for shorter periods and fewer extensions. However this is a well used resource that helps schools support vulnerable pupils with complex needs.

5.11 **Early Development and Inclusion Team**

5.11.1 The service comprises of 1.7 teachers who are specialists in early years and SEND. Children under 5 who are identified by Health professionals as having significant SEND are referred to this service. Staff initially visit children in their homes (if they are not yet in an early years setting) in order to promote their educational development and model strategies and resources for parents to use to support their child's progress.

5.11.2 EDIT teachers also assist with the transition to early years settings and schools, providing support and training for staff to help them to meet the child's needs, and continuing to visit for a period of time to provide ongoing support and advice. They also help to coordinate support which the family is receiving from other professionals.

5.11.3 The service is currently supporting approximately 100 children. It has been reduced in size in recent years from 3.4 to 1.7 staff.

5.12 **Dingley's Promise**

5.12.1 Dingley's Promise is a charitable organisation which provides pre school provision for children under 5 with SEND in West Berkshire, Reading and Wokingham. It is the only specialist early years SEND setting in the private, voluntary and independent early years sector in West Berkshire. It provides an alternative to mainstream early years settings, where experience and expertise in SEND can vary greatly. Parents are able to take up their early years entitlement at Dingley's Promise, rather than at a mainstream early years setting, if they wish. However, Dingley's Promise are only able to claim the standard hourly rate for providing the early years entitlement as mainstream settings, in spite of offering specialist provision, higher ratios and more one to one support.

5.12.2 In Reading and Wokingham the Local Authority gives a grant to Dingley's Promise from the HNB to top up the hourly rate, in recognition of their specialist offer. This has not historically happened in West Berkshire and the service is consequently running at a loss and may cease to be viable in this area without some Council funding. Dingley's Promise as an organisation is active in funding raising and seeking grants but these sources of funding are unreliable.

5.12.3 An option would be to place these children at our maintained special schools as an alternative to supporting Dingley's Promise, but this would have the following disadvantages:

- We would still need to provide planned place and top up funding to the special school for these children

- This would increase numbers in our special schools both in the short term and the longer term, at a time when there is already significant pressure for places
- Parents may not yet be ready to consider special school for their child

5.12.4 If Dingley's Promise closes, children may be admitted to mainstream early years settings which may struggle to meet their needs. Alternatively, parents may choose to keep them at home until they reach statutory school age, which could result in primary schools receiving children with SEND who are ill prepared for the transition to school. Parents may also seek EHC Plans earlier than they might otherwise have done, with associated costs to the HNB budget.

5.12.5 It is acknowledged that the HNB budgets are under pressure for 2018-19, but it is recommended that the allocation of grant to Dingley's Promise is supported to avoid the loss of this resource and potential increased spend in other areas of the HNB.

High Needs Block Savings Options

Option 1 – Set a deficit budget in 2018/19

It has been recommended already by HFG and Schools Forum that a deficit budget should be set for 2018/19, but that savings should be identified to reduce the size of the deficit.

Option 2 – Transfer funding from other funding blocks in the DSG.

This is always a theoretical possibility, although other funding blocks in the DSG are also under pressure. Many other local authorities are transferring funding from the schools block in 2018/19 in order to fund shortfalls in the high needs block. The decision was taken not to do this in 2018/19 in order to move schools straight onto the National Funding Formula rates rather than phase this in. However, this does not preclude considering this action for 2019/20, in order to pay back the underlying 2017/18 deficit of £565k. If Schools' Forum agree to this approach, this will be subject to consultation with all schools in Autumn 2018, and modelling of the impact on schools. The likely impact will be no increases to the minimum funding guarantee, it would not mean a reduction in funding rates which will remain at the national level, but it depends how much funding is received for business rates in the schools block DSG in 2019/20.

Option 3 – Reduce top up funding

Although possible, any reduction in top up funding would be subject to minimum funding guarantee. It should also be noted that top up funding was reduced last year as part of the 2017-18 HNB savings programme.

Implications / Risks:

- (1) Impact on school budgets as provision set out in Statements/EHC Plans would still have to be made. Special schools in particular are reporting financial difficulties associated in part with the reduction in top up funding.
- (2) Possible difficulty in placing high needs pupils.
- (3) Significant risk of legal challenge/judicial review if schools reduced provision for pupils with Statements / EHC Plans as a result of reduced top up funding.

It is not recommended that further reductions to top up funding are made.

Option 4 – Sensory Impairment

Efficiency savings have been made in this budget in 2016-17 and 2017-18.

It is not possible to make further reductions without compromising the needs of children with sensory impairment. Visits for pupils who do not have a Statement or EHC Plan have already been reduced to a minimum level which is acceptable. Visits for children who have Statements or EHC Plans have been set at a level which is deemed necessary to give them access to the curriculum.

The only potential option for savings would appear to be charging schools for the SCS service which is provided for children who do not have a Statement or EHC Plan. This could raise income of approximately **£27,000**.

Implications / Risks:

- (1) This could create a perverse incentive for schools and parents to seek EHC assessments / plans for children who have a sensory impairment, with associated costs.
- (2) Additional pressure on schools' budgets.

Option 5 – Equipment

The budget for equipment in schools for children with SEND is currently £10K. Schools now fund 50% of the cost of specialist equipment items for children with EHCPs.

The budget could be reduced further / removed if schools funded 100% of the cost of equipment for pupils with Statements / EHC plans.

Implications / Risks:

- (1) Increased funding pressures on schools
- (2) Risk of budget overspend e.g. if a small school genuinely can't fund an expensive item and there is a statutory duty to provide it.

Option 6 – Therapy Services

The service includes speech and language therapy and occupational therapy for children with Statements / EHC Plans. There is a statutory duty to provide these services to children who have a need for speech and language therapy or occupational therapy written in to their Statement or Education, Health and Care Plan as an educational need.

A saving was made on this budget in 2016-17 by reducing speech and language therapy to two resourced units which are under numbers currently, and reducing speech and language therapy to the special schools by half a day of therapy each, which the special schools are now funding from their own budgets.

The service is being retendered for 2018-19 and the contract is being offered at 5% less than the current contract cost. This could achieve a saving of approximately **£13,000**.

Negotiation of a 10% reduction would achieve a saving of **£26,000**.

Option 7 – Home Tuition Service

Home Tuition on medical grounds is a statutory requirement, currently commissioned by WBC from the iCollege which manages the service. This was

part of the PRU consultation and a subsequent decision has been made to retain the link with the iCollege in 2017/18, whilst consideration is given to its longer term future and delivery model.

The service is a statutory requirement and therefore cannot be removed entirely.

Currently the Home Education budget is showing online but awaiting the latest update from the iCollege. The iCollege are looking at options appraisals for savings.

One possible strategy in the shorter term, pending the review of the service, would be to charge schools for any pupils using the service who are no longer there on statutory grounds. This could potentially achieve income of around **£10,000**.

Implications/Risks:

- (1) Additional pressure on school budgets.

Option 8 – iCollege top up funding

The 2018/19 budget assumed that from April 2018, schools commissioning places at iCollege would pay for the top up in full, irrelevant of duration i.e. there would be no subsidy from the high needs (HN) block. The HN block would continue to pay the full top up for permanent exclusions and sixth form. The budget included in the 2018/19 estimate is £623,950 based on the HN block paying in full for 34 places throughout the year.

Given concerns raised by schools about ability to pay for places and possible impact on their budgets, at the December 2017 meeting of the Schools' Forum it was requested that a menu of options be provided in order to determine the subsidy (if any) that could be given to schools from April 2018, by referencing the impact on both the HN block and individual schools. The following table shows a range of subsidy options. The figures are based on an assumed total budget for iCollege in 2018/19 of just under £2m and on the current composition of placements (20 of which are permanent exclusions or sixth form, hence the additional saving if no subsidy is given to schools). Further details of the calculations are shown in Annex A.

Subsidy from HN Block	HN Block Saving (or additional cost)	Additional annual cost for a secondary placement
0% (original proposal)	£265,850	£14,850
10%	£173,430	£12,830
20%	£81,020	£10,820
25%	£34,810	£9,820
30%	(£11,400)	£8,810
40%	(£103,820)	£6,810
50%	(£196,240)	£4,790

Savings of **£173,430, £81,020 or £34,810** could be achieved if the 10, 20 or 25% options are agreed, but bear in mind that this is based on the autumn placements, and the numbers are increasing.

Option 9 - Language and Literacy Units (LALs)

LALs offer specialist part time provision for primary pupils with significant specific literacy difficulties.

It would be possible to retain the LALs but make them self-funding with places purchased by schools. Schools could be charged the full cost of a place at £2,600 per annum or 50% of the cost of a place at £1,300 per annum. Charging schools 50% of the cost would generate a saving of **£33,891** in 2018-19 and £58,100 in future years.

Implications / Risks:

- (1) Children at schools which cannot fund LAL places would be denied access to LAL provision, creating inequity across the Authority and a “postcode lottery” of provision. A number of schools have indicated that they would not be in a position to purchase LAL places for their pupils
- (2) There is a risk that children who cannot access LAL will not have their needs met if schools are not able to replicate the quality and intensity of provision which LALs offer
- (3) There is a significant risk of increased EHC requests from parents and schools for children who are unable to access a LAL place. This is considered to be a high risk and would impact directly on the Mainstream School Top Up budget.
- (4) Risk of appeals to the SEND Tribunal for specialist school placements, with associated costs. This is considered to be a high risk and would impact directly on the budget for non maintained and independent special school places.
- (5) Feedback suggests that LALs are highly regarded by parents and schools. Their closure would create significant anxiety on the part of parents and negative publicity. The Parent SEN Survey carried out in 2017 showed that support for children with dyslexia is a particular concern for parents who responded.
- (7) If insufficient schools purchase LAL places in 2018-19, the savings target will not be achieved.

Option 10 – Specialist Inclusion Support Service

This service supports children with learning difficulties and associated needs in mainstream schools. The budget for this service was reduced from £70,000 to £50,000 in 2017-18. Consideration could be given to removing or reducing this service further.

Removal of the service would generate a saving of **£50,000**.

Reducing the service by half would generate a saving of **£25,000**.

Implications / Risks:

- (1) Possibility of schools / parents seeking more special school placements, with associated costs.

- (2) Children / staff in mainstream schools unable to access suitable support.
- (3) Additional pressure on other SEN services such as CALT and the ASD Service.

Option 11 – PRU Outreach

From Sept 2017 an outreach facility is part of the iCollege.

A cut of £80k was made to this separate budget in 2015/16, with a further cut of £40,000 in 2017/18. The budget is now £77,000 and could be reduced to £50,000, making a saving of **£27,000**.

Implications/Risks

- (1) Increase in the number of permanent exclusions
- (2) Less support to schools in reintegrating young people who have been permanently excluded from another school
- (2) Greater demand for iCollege places

Option 12 – CALT Team

The CALT Team has been working to an income target since April 2015 which has achieved a saving in the HNB. Evaluations of the service are consistently very positive, but some schools report they cannot afford to buy the service or to buy as much support as they would like.

Staffing has been reduced in 2016-17 in order to bring the expenditure in the trading budget in line with the likely income to be generated by the team.

It is unlikely to be realistic that an increased income target could be met. Savings could therefore only be made by reducing the size of the service. Reducing by 0.5 of a post would make a saving in the region of **£27,500**. Reducing by a full time post would make a saving in the region of **£55,000**.

Implications / Risks:

- (1) The core service provided free to all schools who do not buy in would be reduced or removed
- (2) Reduced support for children and impact on levels of SEN expertise and training of staff in schools. Reduced support for SENCOs.
- (3) Reduced capacity to address concerns about some mainstream schools' SEN provision raised by parents in the 2017 Parent SEN Survey.
- (4) Possible increase in EHC requests, with associated costs.

Option 13 – ASD Teachers

The ASD Advisory Service provides advice, support and training for mainstream schools on meeting the needs of children with Autistic Spectrum Disorder. The purpose of the service is to enable children with ASD to be successfully included in mainstream schools wherever possible.

Given that the greatest pressure on the HNB is children moving from mainstream to specialist ASD schools, it is strongly recommended that this service is not reduced.

Implications / Risks if the service were to be reduced:

- (1) No or reduced support for schools in meeting the needs of children with ASD. Evidence suggests that children with ASD present the greatest challenge to mainstream schools compared to children with other types of SEND.
- (2) Pressure for EHC Assessments and Plans for children with ASD who do not currently have EHCPs, with associated costs
- (3) Increase in demand for placements in specialist ASD schools, with associated costs. This is considered to be a very high risk.

Option 14 – Vulnerable Children

The Vulnerable Children's Fund of £60k pa is a highly appreciated, relatively small fund, especially for small schools who have unexpected additional financial pressures due to in-year admissions of children with challenging behaviour. It is specifically devised to promote social inclusion, reduce exclusions and take the pressure off SEN budgets by providing temporary funding.

It is possible to remove completely or reduce the fund i.e. only being available for primary schools and / or funding given for shorter periods, or no funding extensions. The criteria have been strengthened, with funding allocated for shorter periods and fewer extensions.

Previously, Heads Funding Group has indicated its reluctance to further reductions of this fund, but a reduction of **£15,000** could be considered.

Implications/ Risks:

If schools, particularly smaller primary schools, cannot access this support in the future it could lead to:

- (1) Increased movement between schools, with schools being asked to admit more pupils with behaviour difficulties
- (2) Higher exclusion figures
- (3) Pressure on the iCollege as more schools ask for primary placements at Inspiration
- (4) Greater pressure on the costs associated with EHC plans and expensive statutory provision

(4) Increased pressure on the capacity of specialist support services

Appendix C

High Needs Block Recommended Savings

Heads Funding Group on the 10th January 2018 considered the full list of savings set out in Appendix B and proposed that the list of savings given below should be considered by Schools Forum for implementation. These savings have been categorised as follows:

A Saving agreed

B Possible saving subject to further discussion

C Avoid making if at all possible

Saving Category Agreed by Heads Funding Group 10-1-18			A	B	C	A	B	C
Savings Option No	Service Area	Saving agreed by Heads Funded Group	2018-19/Part Year Saving			2019-20/Full Year Saving		
			£000	£000	£000	£000	£000	£000
4	Sensory Impairment	Charge schools for sensory impairment support for children without Statement or EHC plan		27.0			27.0	
5	Equipment	Schools to meet full cost of equipment for children with SEND		10.0			10.0	
6	Therapy	Aim to negotiate a 10% saving through retendering	26.7			26.7		
7	Home Tuition on Medical Grounds	Charge schools for places for children receiving home tuition not on statutory grounds	10.0			10.0		
7	Home Tuition on Medical Grounds	Achieve 10% efficiency saving in provision of the home tuition service	34.5			34.5		
8	i College Top Up Funding	Subsidy from high needs block to be reduced to 20%, with schools to meet remainder of cost	81.0			81.0		
9	LALs	Schools to be charged 50% of LAL places taken up by their pupils with effect from September 2018	33.8			58.1		
10	Specialist Inclusion Support Service	Reduce the service by 50%	25.0					
11	PRU Outreach	Further reduction in the size of the service with effect from September 2018	15.8			27.0		
12	CALT Team	Reducing the size of the team by 0.5 post with effect from September 2018	16.0			27.5		
14	Vulnerable Children	Reduction in the size of the fund			10.0			10.0
	Total		242.8	37.0	10.0	264.8	37.0	10.0
	Total categories A & B			279.83			301.8	
	Total categories A, B & C				289.8			311.8

Review of West Berkshire Home Education Service for pupils who cannot attend school because of health needs, and Options for Charging.

West Berkshire delivers a Home Education service, for pupils who cannot attend school because of health needs, free at the point of delivery. However the service has been directed by the Heads Funding Group to review the service it provides and make a budget saving of 10% (£34,500). Funding for the service currently comes from the High Needs Block.

The first stage in the review has been to scrutinise the guidance (DFE 'Ensuring good education for children who cannot attend school because of ill health' January 2013) and establish what other neighbouring authorities provide and their process for the delivery of home education.

The guidance states that the Local Authority has a statutory duty to arrange suitable full-time education (or part time when appropriate for the child's needs) for children of compulsory school age who, because of illness, would otherwise not receive suitable education. While the LA has the responsibility to arrange the service the guidance does not state that they should pay for the service. This has been checked with the legal department who confirm that the Local Authority has a duty to arrange education but does not have to fund the service.

The review of adjoining authorities has revealed that, most charge for the service, which they organise, manage and deliver. Some, such as Reading, Wokingham and Oxfordshire, charge a set fee (between £35 and £45) for each hour of tuition delivered, usually 10 hours per week. Others, such as Buckinghamshire and Hampshire, draw down from the schools a percentage of the AWPU – 1/38 for each week of tuition provided.

Current funding

The budget for the service in 17-18 is £345,000 and the cost of the core service which includes: management, family support worker, administration, and premises costs is approximately £170,000. All additional costs are for the provision of tutors, their planning and travelling time as well as travelling expenses. The total cost of tuition, including travel, in 2016-17 was £186,444 and the predicted spend in 2017-18 is £173,173.

While planning to continue to fund the central management and administration of the service, the authority now believe it is not viable for it to provide free Home Education especially as the schools receive funding for the pupils.

The average number of pupils on home education at any one time across a financial year is 20, however as pupils come on and off the tuition list the number across the year is more like 30. As 20 is the average number on roll this number has been used to calculate unit (hourly) costs. Usage of the

service varies between schools some have up to 7 places per year while many use 1 or 2 places per year.

Options for charging

For all options Home Education will be provided if a pupil is unable to attend school because of ill health for more than 15 days. The Home Education service will on receipt of the completed application organise and arrange the delivery of home tuition. All pupils would receive 10 hours tuition a week unless their medical condition prevents it.

Option 1.

For option 1, the most expensive proposal, the first 4 weeks of tuition would be free at the point of delivery but after that the schools should be charged for the delivery of the service at a set hourly rate of £35 which is in line with adjoining authorities.

This would produce an approximate income of £238,000 per annum which would fund all the tuition costs including on costs and make a contribution to the core funding of the service. With this model the service would not be able to overspend as an increase in the number of pupils would cover the cost of their tuition.

Option 2

This is based on the actual cost of tutoring, £25 per hour, and a weekly charge would be made from day one of delivery. This option would cover the cost of tuition and make a contribution towards the on cost including travel and would make a small contribution to the core costs of the service. The approximate income from this option would be £190,000 and fluctuation in pupil numbers would not put the service budget under pressure.

Option 3

A weekly charge will be made from day one of delivery of the service and the charge would be based on the schools Basic Entitlement Funding (in school formula 2018-190) and charged at 1/38 per week. This would typically be: Primary £74.76, Key Stage 3 £105, Key Stage 4 £119.34 per week.

This would produce an approximate income of £84,137. This would not cover the full cost of tuition and core funding plus top up costs would continue to come from the High Needs Budget. In exceptional years the service might need to receive top up funding from the High Needs Budget to cover tuition costs.

Option 4

This option is based on the average West Berkshire funding per pupil for 2018-19 and charged at 1/38 per week. This would be £103.66 primary, and £129.34 secondary. This would produce an approximate income of £97,324. As for option 3 the income from this would not cover the cost of tuition and core funding plus top up costs would continue to come from the High Needs Budget. In exceptional years the service might need to receive top up funding from the High Needs Budget to cover tuition costs.

Cost comparisons per pupil of proposed options.

	Option 1 £35 per hour	Option 2 Actual Cost of tutoring £25 per hour	Option 3 Basic entitlement	Option 4 Average WB funding per pupil
Weekly charge Per pupil	£350	£250	Pri. £74.76 KS3 £105.11 KS4 £119.34	Pri. £103.66 Sec. £129.34
Annual charge Per pupil	£11,900	£9,500	Pri. £2,841 KS3 £3,994 KS4 £4,535	Pri. £3,939 Sec. £4,915
Approximate income	£238,000	£190,000	£84,137	£97,324
½ weekly charge for transition weeks*	£18,900	£13,500	£6,444	£6,966
Total approximate income	£219,100	£176,500	£77,693	£90,359

(*Modelled on secondary weekly rate using 17/18 numbers, at an average 12 weeks transition for long term users and 6 weeks transition for others)

Where a pupil has an EHCP and is receiving Home education a charge will be made to SEN against the top up funding.

Funding implications for the service and the High Needs Block.

Ideally the cost of tuition should be covered by the income from the service and any income would reduce the funding required from the High Needs block. Options 1 and 2 would cover the cost of tuition and option 1 a substantial part of the core cost of the service. They could make a saving for the High Needs block of between £200k and £150k. However both options would have an impact on schools budgets.

Options 3 and 4 would not cover the cost of tuition and while they could make a saving for the High Needs Block an initial saving of between £80k and £95k could be made. If there was any pressure on the service, due to the number of referrals, and the charge does not cover the full cost of tuition the service could over spend or an additional charge would need to be made on the High Needs Block.

*Cognition and Learning Team
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RG14 1BZ*

**Proposal to Restructure CALT
A Response from the Cognition and Learning Team**

Dear Ian,

The Cognition and Learning Team would like to express their concerns regarding the impact of the proposed restructuring of our service. We would be grateful if this letter could be shared with the Schools Forum at their next meeting on 12th March. As knowledge and understanding of Special Educational Needs, and cognition and learning grow, professionals are better skilled than ever at assessing need and tailoring the learning environment to realise the potential of children and young people experiencing difficulties making progress in school. Current figures (January Census, reported in July 2017) indicate that nationally, 13.5 % of primary age children and 12.4% of secondary age pupils have SEN. Local authority figures are broadly in line and as such, every individual West Berkshire school will have significant numbers of children with SEND, both already identified or in need of identification.

As can be seen from the table below, by far the largest SEN categories are Specific Learning Difficulties (SpLD) and Speech, Language and Communication Difficulties (SCLN). Together, these categories represent 46.8% of all those children and young people on the Special Needs Register in West Berkshire. It is the Cognition and Learning Team who are best placed to support schools in mainstream SEND provision for pupils with SpLD. Added to this, such is the co-occurrence of speech and language difficulties and poor literacy skills, that we are often called upon to advise and support a considerable proportion of this second largest group of pupils on the SEN register. In fact, it is not unusual to be involved with pupils from any of the other groups; literacy and numeracy is important to everyone. CALT is the only team of experienced primary and secondary classroom teachers with post graduate qualifications in SEN and SpLD. There is no other team with the same level of expertise in supporting pupils with literacy and numeracy difficulties within the local authority.

Table to show the composition of SEND in West Berkshire Schools

SpLD	24.1%
MLD	8.6%
SLD	3.7%
PMLD	0%
SEMH	15.3%
SCLN	22.7%
HI	3.7%
VI	0.9%
MSI	0.3%
PD	2.9%
ASD	13.9%
Other	2.9%

The SEND Code of Practice (2014), among other things, sought to clarify the roles and responsibilities of all those who work with pupils with SEND. It sets out the duties of the SENCo as well as those of the class room teacher. This most recent Code of Practice places a duty on the classroom teacher to ensure that SEN provision is fully integrated into classroom practice, is of the highest quality and is implemented, monitored and evaluated in regular cycles. 'Every teacher is a teacher of SEN'. For many settings, this has been and continues to be a significant challenge. CALT is supporting SENCos, ENCos and class teachers in making this important transition, ensuring where ever possible that pupils will benefit from increased class room understanding and expertise. Some may not have developed the confidence or expertise to do this and it is our role as advisors to support and facilitate their continued professional development.

The SENCo role itself is particularly varied in our schools. The national picture sees 34% of SENCos also performing SLT roles combined with significant classroom teaching commitments. In smaller schools, against a backdrop of diminishing resources, Head teachers are likely to also hold the SENCo post. They will often express their concerns and frustrations at not being able to do enough for SEN within the school. Each school has its own challenges and character: We offer a bespoke and personalised service to each individual setting. The objective is to develop the SENCo's skill set so that they can continue to improve and enhance their SEND offering.

Historical evidence indicates that we are a valued service. Feedback from schools, (formal and informal), reflect the high quality service we provide. Committed to continued professional development, with nationally accredited qualifications, we are able to provide schools with up to date relevant and evidenced based information and resources. In the second year of trading we saw an increase in the number of schools choosing to buy back after a year without access to us. We are concerned that if schools cannot access the quality and expertise of our team they will be forced into a position of choosing services with no proven track record. It is vital that schools invest their time, effort and money wisely in order to raise attainment and close the gap for those pupils who are struggling to make adequate progress. The comment below is an example of the informal feedback team members receive.

'As the gates FINALLY close for the last time this year, I am emailing to thank you for all your support and guidance during the year. You remain a much needed and valued lifeline for [us] and we look forward to your productive visits throughout the year.'

WB Primary School

Alongside our commitment to developing the professional role of the SENCo, we are also able to support the strategic management of SEND within the school. We have developed an 'SEND Health check' which aims to work with SLT to identify strengths and areas for development. An Action Plan identifies priorities, and advice and support is given to the SENCo on how best to manage it. The following comment reflects the impact that the process had on this particular school.

(The process) '...helped us to pull together in a clear and concise fashion our strengths and weaknesses. It was then very straightforward to draw out an action plan. Involving governors with this process fully supported their understanding of SEND. The whole process felt supportive and at no point did it feel at all judgemental.'

WB Primary School

We are an able, competent and highly qualified team able to be flexible and adapt to meet the ever changing demands placed on our schools. Given capacity, we have the potential to further enhance our offering, such as our recent introduction of a formal dyslexia diagnosis assessment. Several pupils have already benefitted from this.

In summary, we are concerned about the possible consequences of the proposal to restructure CALT. Here are some examples of our concerns.

- The capacity of the team to maintain the level of involvement and support as outlined above would be seriously compromised.
- The number of pupils whose needs are addressed in a timely fashion at SENS level is likely to decrease. Difficulties may escalate and become more complex over time if not dealt with at an early stage. This in turn may lead to greater numbers of EHC Plan applications and increased costs draining precious resources from the High Needs Block.

- Waiting times for pupil assessments would be longer.
- The likelihood of longer turn round time for reports; therefore the pupil would have to wait longer before support was implemented.
- Fewer school visits.

- Reduced capacity for monitoring the quality of support, intervention and differentiation in the classroom.
- Diminished focus on raising standards and attainment, closing the gap between pupils with SEND and their peers, and the adverse social and emotional effects this would have upon the pupil.
- Loss of close working relationships with individual schools and all of the benefits a personal approach can bring.

The proposal to begin charging schools for placing pupils in LAL would:

- impact upon our service requiring more individual and bespoke programmes to be written with associated pre and post evaluations and modelling
- increase the necessity for additional in-school training in order to deliver bespoke one to one packages of intervention

Chapter 6 of the Code of Practice (2014) describes the actions that mainstream schools should take to meet their duties in relation to identifying and supporting children with SEND, whether they have an EHC Plan or not. It focuses on the right of every child and young person to receive an education that enables them to make progress.

Ultimately, our service plays a vital role in assisting schools to enable pupils with SEND to make a successful transition to adulthood. It is increasingly important that schools meet the needs of a modern society in producing literate, numerate and confident young people who achieve their best and are able to fully participate in and contribute to their community.

Yours sincerely,

Aue Whiting
C. Palmer

Hayley Gittens
/ vera vica

[Signature]

[Signature]

Cognition and Learning Team
21st February 2018

Early Years Budget 2018/19 and 2019/20

Report being considered by: Schools Forum on 12 March 2018

Report Author: Avril Allenby / Gabrielle Esplin

Item for: Decision **By:** All Members of the Forum

1. Purpose of the Report

- 1.1 To set out the proposal for the Early Years budget, which is based upon the recommendations of the Early Years Funding Group.

2. Recommendations

- 2.1 For the Forum to agree the two year budget model for the Early Years block, as set out in section 5 of this report.

- 2.2 To agree the following provider funding rates for 2018/19:

- Increase the three & four year old base rate by 1.2% from £4.25 to £4.30 per hour.
- Increase the three & four year old quality supplement by 1.2% from £0.65 to £0.66 per hour.
- Three & four year old deprivation supplement to remain the same at £0.47 per hour.
- Two year old rate to remain the same at £5.45 per hour.
- The maintained nursery school lump sum supplement to remain the same at £133,810 per school.
- A minimum funding guarantee of 10% (meaning no provider will see a reduction in their rate of more than 10% of their 2016/17 rate).
- A cap on increase in funding rate of 10% (meaning no provider will see an increase in their rate of more than 10% of their 2016/17 rate).

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"/>
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3. Funding Framework for 2018/19

- 3.1 A new national funding formula for early years was introduced in 2017/18. The funding arrangements for 2018/19 remain much the same.

- 3.2 The 2018/19 West Berkshire rate for three and four year olds remains the same as the 2017/18 rate of £4.70, made up as follows:

	Excluding Area Cost Adjustment (ACA)	ACA	Total
Base Rate	£3.53	£0.92	£4.45
Additional Needs	£0.20	£0.05	£0.25
Total	£3.73	£0.97	£4.70

- 3.3 The rates for disadvantaged two year olds (£5.74) and the early years pupil premium (£0.53) also remain at the 2017/18 rates per hour.
- 3.4 A Disability Access Fund (DAF) payment of £615 per child per year will continue to be made for children in receipt of Disability Living Allowance.
- 3.5 The supplementary funding for maintained nursery schools has slightly increased, and will be provided until at least 2019/20. This will enable the lump sum to continue to be paid to these two WBC nursery schools.
- 3.6 Funding for 2018/19 has been estimated as follows:

3 & 4 year old funding (including the extended entitlement): 1,940 fte x £4,465	£8,662,100
Disadvantaged 2 year old funding: 120 fte x £5,453	£654,360
Early Years Pupil Premium: 42 fte x £503.50	£21,147
Disability Access Fund: 38 x £615	£23,370
Maintained nursery school supplement	£281,451
Total in-year funding	£9,642,428
Less carry forward deficit from 2017/18	-£33,016
Less Transfer to Central Block	-£33,000
Funding available in 2018/19	£9,576,412

- 3.7 The regulations around distributing the funding have not changed, and are summarised as follows:
 - A single base rate is to be paid to all types of providers. For three and four year olds the same base rate must be used for the universal 15 hours and the additional 15 hours for working parents. The single base rate must be in place by 2019/20.
 - A mandatory funding supplement for deprivation must be applied.

- A quality supplement can also be used to recognize workforce qualifications. However, supplements for three and four year olds will be capped at 10% of the allocated budget to providers, which will include the mandatory deprivation supplement.
- Maintained nursery schools can continue to receive a lump sum in order to protect their 2016/17 funding rates.
- A requirement to set an average funding rate for providers of three and four year olds which is at least 95% (was 93% in 2017/18) of the authority's funding rate (£4.70 for West Berkshire). This minimum funding level is referred to as the pass through rate.
- Funding must be set aside for an SEN Inclusion fund for three and four year olds.
- Funding for the pupil premium and disability access fund must be passed on to providers.

4. Forecast Outturn for 2017/18

- 4.1 A deficit £421,000 was brought forward from 2016/17 in the early years block. Budgeted spend for 2017/18 was set at £138,000 below the estimated level of funding in order to reduce the deficit to £283,000 by the end of 2017/18 as part of a plan to bring the budget back into balance by the end of 2019/20.
- 4.2 The additional 15 hours of free entitlement for working parents was introduced from September 2017. The budget for payments for the additional 15 hours was based on the Department for Education's estimate of take up of approximately 165,000 hours per term.
- 4.3 Actual take up of extended hours was only 110,000 in the Autumn term and is estimated to be 127,000 in the Spring term. Forecast spend on provider payments is therefore expected to be £611,000 below budget. However, the final level of funding for 2017/18 is based on the January 2018 census, and the number of early years hours has been significantly higher in the spring term than the autumn term. For this reason the reduction in funding from the budgeted level is only £361,000. This gives a forecast net underspend of £388,000, which is expected to bring the deficit to only £33,000 by the end of this financial year. An analysis of the outturn position is set out in table 1 below.

Table 1	2017/18 Budget Set	2017/18 Forecast	2017/18 Variance
	£	£	£
Funds Delegated to Early Years Providers			
PVI Providers (90036)	5,928,090	5,322,142	-605,948
Nursery classes in Mainstream Schools (90037)	1,148,970	1,143,004	-5,966
Maintained Nursery Schools (90010)	807,540	817,005	9,465
2 Year Old Funding (90018)	713,430	708,942	-4,488
Pupil Premium Grant (53%) and deprivation funding (47%) (90052)	39,900	47,431	7,531
Total Delegated Funds	8,637,930	8,038,524	-599,406
Centrally Managed Funds			
Central Expenditure on Children Under 5 (90017)	206,310	206,310	0
Pre School Teacher Counselling (90287)	45,000	45,000	0
SEN Inclusion Fund (90238)	75,000	63,000	-12,000
Disability Access Fund	18,450	18,450	0
SSRs	43,690	43,690	0
Total Centrally Managed Funds	388,450	376,450	-12,000
TOTAL EXPENDITURE	9,026,380	8,414,974	-611,406
Early Years DSG Block Funding In Year (see below)	-9,164,397	-8,803,240	361,156
IN YEAR NET POSITION	-138,017	-388,266	-250,250
Early Years DSG Block Funding carried forward	398,213	£421,282	23,069
OVERALL NET POSITION	260,196	33,016	-227,181

4.4 It should be noted that the funding regulations state that the funding for extended hours in 2017/18 will be “based on” January 2018 census data, so there is a risk that the final allocation of DSG may be further reduced to reflect the low level of take up of extended hours in the autumn term.

5. Budget Model for 2018/19 and 2019/20

5.1 It is proposed that West Berkshire should continue to use a single base rate with a quality supplement, and a deprivation supplement based upon the current arrangements with the funding being linked to the early year’s pupil premium. As some providers are still receiving funding at a higher rate than the standard rate, the minimum funding guarantee will continue to apply in 2018/19 in order to minimise the loss to these providers in 2018/19. The maximum loss is set at 10% of the provider’s 2016/17 funding rate.

5.2 To help fund the minimum funding guarantee, some providers which are currently funded significantly below the standard rate that will have the increase to their funding rate capped at 10% above their 2016/17 funding rate. However the Government will require all providers to be on the same local universal formula rates by 2019/20 so there will be no minimum funding guarantee or funding caps in 2019/20.

- 5.3 The Local Authority is allowed to fund from the grant some centrally provided services, including staffing and IT costs in relation to overseeing the delivery of the free entitlement, sufficiency of places, eligibility checking, and administration of funding payments to providers. However funding for these services is limited by the requirement to set a “pass through rate” for 3 and 4 year olds which is at least 95% of the authority’s funding rate.
- 5.4 The budget for provider payments for 2018/19 has been set on the assumption that payments in Autumn 2018 and Spring 2019 will be similar to Autumn 2017 and Spring 2018 and that payments in the Summer term 2018 will be 13% higher than Spring 2018. (This forecast is in line with trends in early years numbers in previous years). However, because of the take up of extended hours has been lower than expected in the Autumn 2017 and Spring 2018 terms, allowance has been made for a further increase in extended hours of 27,000 hours per term on average in the financial year 2018/19.
- 5.5 DSG funding for the early years block for 2018/19 financial year has been estimated on the basis of January 2018 census data at £9.642 million. The Schools Forum on the 10th January also agreed for £33,000 of the Early Years Block DSG to be transferred to the Central Schools Services Block to help address a potential deficit in that block of £335,000. This transfer was justified because most of the services provided through the Central Schools Services Block support early years providers as well as schools.
- 5.6 Taking all these factors into account it is forecast that it will now be possible to increase the basic provider rate and the quality rate by 1.2% in 2018/19 to £4.30 and £0.66 per hour respectively, while setting an early years budget which is expected to show a small surplus at the end of 2018/19 and to be balanced at the end of 2019/20. These funding rates will give a pass through percentage of 96.8%.
- 5.7 It should be noted that early years providers under the previous funding formula had no rate rises for five years. Since the introduction of the new national funding formula many providers have lower hourly rates and also more free entitlement hours to provide, which is having an impact on sufficiency and the offer to parents in West Berkshire. Therefore the proposed small increase will help to support the local childcare market and sufficiency of free entitlement places in West Berkshire.
- 5.8 The proposed Early Years Block Budget for 2018/19 and 2019/20 is set out in the table below:

Table 2	2018/19 Yr 1 Budget	2019/20 Yr 2 Budget
	£	£
Funds Delegated to Early Years Providers		
PVI Providers (90036)	6,199,460	6,211,370
Nursery classes in Mainstream Schools (90037)	1,269,086	1,385,240
Maintained Nursery Schools (90010)	876,073	876,073
2 Year Old Funding (90018)	719,482	719,482
Pupil Premium Grant (53%) and deprivation funding (47%) (90052)	48,280	48,280
Total Delegated Funds	9,112,381	9,240,444
Centrally Managed Funds		
Central Expenditure on Children Under 5 (90017)	223,300	223,300
Pre School Teacher Counselling (90287)	45,000	45,000
SEN Inclusion Fund (90238)	75,000	75,000
Disability Access Fund	23,370	23,370
SSRs	49,500	49,500
Total Centrally Managed Funds	416,170	416,170
TOTAL EXPENDITURE	9,528,551	9,656,614
Early Years DSG Block Funding In Year (see below)	-9,642,428	-9,642,428
Transfer to Central Schools Services Block	33,000	33,000
IN YEAR NET POSITION	-80,877	47,186
Early Years DSG Block Funding carried forward	£33,016	-£47,861
OVERALL NET POSITION	-47,861	-675

6. Conclusion

- 6.1 It is proposed that the Forum should agree the two year budget model for the Early Years block, as set out in section 5 of this report and to increase the base rate and quality supplement for three and four year olds by 1.2% to support the local childcare providers. The Heads Funding Group agreed the recommendations and made no further comment.
- 6.2 Based on our current estimates of forecast spend and funding for Early Years, it is possible to make this small increase in the provider rates for 2018/19 from those previously proposed, while still setting a budget which is expected to be balanced at the end of 2019/20.
- 6.3 However, Early Years numbers can be volatile from term to term and the final level of funding for 2018/19 will be partly based on January 2019 census data. Therefore if the final level of spend and/or funding for 2018/19 is significantly different from the budgeted level, it will be necessary to amend spending plans for 2019/20.

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

Report being considered by: Schools Forum on 12 March 2018

Report Author: Claire White

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

1. Purpose of the Report

- 1.1 To set out the overall budget for the Dedicated Schools Grant (DSG) for 2018/19, and the final budget position for each of the funding blocks.

2. Recommendations

- (1) To note the DSG funding allocations and transfers between blocks, detailed in Appendix A.
- (2) Agree the final DSG (schools) budget for each block as set out in each section of the report and in Appendix B.
- (3) Agree an overall deficit budget in 2018/19 of £655,040.

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"/>
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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 (subject to certain restrictions), and there will be some movement between blocks in 2018/19.

- 3.4 This report sets out the 2018/19 DSG settlement for each block, as announced by the Government on 19th December 2017. This forms the basis for determining the budget for 2018/19. The early years block needs to be estimated based on the January 2018 census, and a small element of the high needs block is not yet

confirmed. Carry forwards from 2017/18 also need to be taken into account, as any under spend of DSG needs to be added to the 2018/19 allocation, and any over spend subtracted.

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.

TABLE 1	2017/18 Revised Budget £	2017/18 Forecast £	2018/19 Estimate £
<u>Schools Block</u>			
DSG Funding	97,221,170	97,221,170	97,913,340
Expenditure Budget	-97,247,080	-97,318,770	-97,913,340
<i>Difference</i>	-25,910	-97,600	0
<u>Central Schools Services Block</u>			
DSG Funding			1,052,560
Expenditure Budget			-1,052,560
<i>Difference</i>			0
<u>Early Years Block</u>			
DSG Funding	8,739,610	8,381,960	9,576,410
Expenditure Budget	-9,026,380	-8,421,930	-9,528,550
<i>Difference</i>	-286,770	-39,970	47,860
<u>High Needs Block</u>			
DSG Funding	19,567,450	19,567,450	19,073,140
Expenditure Budget	-20,058,090	-20,132,090	-19,776,040
<i>Difference</i>	-490,640	-564,640	-702,900
<u>TOTAL</u>			
DSG Funding	125,528,230	125,170,580	127,615,450
Expenditure Budget	-126,331,550	-125,872,790	-128,270,490
<i>Difference</i>	-803,320	-702,210	-655,040

- 4.2 This is the final position assuming the proposals and savings for the early years and high needs blocks are agreed (detailed in other reports on the agenda). It is proposed that the high needs block will set a deficit budget, with the aim of repaying this deficit over a two to three year period. The early years block will have a small surplus which will be used in 2019/20 when all providers are required to be on a single base rate.

5. Schools Block

- 5.1 Reports to previous meetings have set out in detail how the funding for this block has been derived. The school funding formula has now been set (as detailed in the January report) using the national funding formula rates and a minimum funding guarantee of 0.2%. No funding from this block is being transferred to other blocks (or vice versa).
- 5.2 It is estimated that there will be an over spend of £98k on this block in 2017/18 due to in year business rate revaluations (schools are funded for rates on a like for like

basis). This will need to be funded from the 2018/19 grant allocation. There will be an under spend in the growth fund, but it has been agreed that this will be carried forward and added to the 2018/19 budget allocation towards paying for the set up costs of the new primary school, so is not available for reallocation.

5.3 The final budget for this block is as follows:

Schools Block Funding (Confirmed)	£98,010,940
Less estimated carry forward of deficit from 2017/18	-£97,600
Total funding available	£97,913,340
Less budget set aside for Growth Fund	-£205,000
Total funding allocated to schools via the formula	£97,708,340

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, and the details were set out in previous reports. As the funding being received does not cover the ongoing costs in this block (a shortfall of £335k), proposals to balance this block were brought to the January 2018 meeting of the Schools' Forum.

6.3 The proposals agreed were as follows:

- (1) Transfer of funding from the early years block and high needs block towards paying for the central services that are carried out on behalf of settings in these blocks (£60k).
- (2) Staff savings in the Education Welfare Service (£30k).
- (3) Asset management to be funded from the Council's capital programme (£54k).
- (4) Some statutory & regulatory duties (for strategic planning of the education service and finance support for education services) to be met from the Council's revenue budget (£191k).

6.4 Although the Council's Executive has agreed to meet the statutory and regulatory duties costs in 2018/19, this is a one year only decision and there will be a requirement to find significant savings in this block next year. In addition, the funding for this block will reduce by about £25k in 2019/20.

6.5 In setting the budget for this block it has been assumed there will be no carry forward from 2017/18. There may be a small under spend, and if so this will improve the position.

6.6 The final budget for this block is as follows:

Central Schools Services Block Funding (Confirmed)	£992,560
Add transfers from other blocks	£60,000
Total funding available and allocated	£1,052,560

7. Early Years Block

7.1 The new Early Years formula was introduced in 2017/18 with new funding rates to local authorities, and a revised simplified formula for allocating funding to providers was also brought in. All providers have to be on the same base rate by 2019/20.

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 to which it relates. 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 estimated full year effect of the introduction of 30 hours provision for three and four year old children of working parents. In order to set the budget for 2018/19, the draft January 2018 census data is being used, and in calculating the funding the assumption is being made that there will be no change to this data in January 2019.

7.4 The 2017/18 budget was set with a deficit to be repaid over three years (i.e. by 2019/20). However, the current year position is significantly better, and it is estimated that only a small deficit will be carried forward to 2018/19. This is because the hours recorded in the January census on which funding is based is greater than the average actual for the whole year – in particular because of the slow uptake of the additional 15 hours during the autumn term.

7.5 Therefore it is being proposed that the funding rates to providers can be increased slightly (the original proposal for 2018/19 assumed there was still a significant deficit to repay), resulting in a budget with a small surplus, and when all providers are on the same base rate in 2019/20 the budget will be balanced. Details on the proposals are set out in another report.

7.6 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. £33k is being transferred to the central schools block.

7.7 The proposed budget for this block is as follows:

Early Years Block Funding (estimate based on draft January 2018 census)	£9,642,430
Less estimated carry forward of deficit from 2017/18	-£33,020
Less transfer to central schools block	-£33,000
Funding available	£9,576,410
Estimated budget	-£9,528,550
Net Surplus	£47,860

8. High Needs Block

- 8.1 A new formula for allocating High Needs funding to local authorities is being used in 2018/19. The details have been set out in previous reports. Although West Berkshire is allocated significantly less under the new formula, funding for 2018/19 has been protected at the 2017/18 baseline plus 0.5%.
- 8.2 It is estimated that this block will carry forward a deficit of £565k from 2017/18. A transfer of funding to the central schools services block of £27k has been agreed.
- 8.3 As demands in terms of number of pupils and levels of provision continue to grow and impact on this block, significant savings need to be found. Savings totalling £306k in 2018/19 are being proposed and the details are set out in another report on this agenda. These savings will not clear the deficit and a strategy to bring spend down to the annual funding allocation will need to be developed over coming months.
- 8.4 The proposed budget for this block is as follows:

High Needs Block Funding (Provisional)	£19,664,780
Less estimated carry forward of deficit from 2017/18	-£564,640
Less transfer to central schools block	-£27,000
Funding available	£19,073,140
Estimated expenditure (including proposed savings)	-£19,776,040
Net Deficit	-£702,900

9. Conclusion

- 9.1 Setting a balanced DSG budget remains a challenge, particularly the high needs block, where difficult decisions regarding savings have had to be taken which will impact on all schools. A key part of the decision making has been to ensure that the deficit doesn't actually grow, and the proposals being made will reduce the overall deficit in 2018/19.
- 9.2 The challenge will be no easier for 2019/20, where for the central schools services block and the high needs block no additional funding is expected yet costs and demand continue to rise.

10. Appendices

Appendix A – DSG Funding Calculation 2018/19 V6

Appendix B – Final DSG Budget per Service 2018/19 V6

DSG Funding Calculation 2018/19 – Version 6

	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	March '18 Final Estimate 2018/19
SCHOOLS BLOCK	Oct '16 census	Oct '16 census	Oct '16 census	Oct '16 census	Oct '17 census	Oct '17 census
Pupil Numbers						
School Census - Mainstream Primary	22,335.0	22,335.0	22,335.0	13,261.00	13,313	13,313
School Census - Mainstream Secondary	0.0	0.0	0.0	9,074.00	9,133	9,133
Add: Reception Uplift	22.0	22.0				
Less: Pupils/Places in Resource Units	-122.0	-122.0				
Total Pupil numbers	22,235.0	22,235.0	22,235.0	22,335.0	22,446.0	22,446.0
DSG Primary Unit of Funding	£4,348.43	£4,348.43	£4,348.43	£3,875.00	£3,874.53	£3,874.53
DSG Secondary Unit of Funding				£4,925.00	£4,924.85	£4,924.85
DSG Primary based on pupil numbers	£96,687.341	£96,687.341	£96,687.341	£51,386.375	£51,581.618	£51,581.618
DSG Secondary based on pupil numbers				£44,689.450	£44,978.655	£44,978.655
Growth Funding				£202,000	£202,000	£202,000
Rates Funding				£1,248,663	£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	£98,010,936
TRANSFER TO/FROM other Funding Blocks	£0	£0	£0	£0	£0	£0
ADD/SUBTRACT Carry Forward from Previous Yr	£300,000	£532,235	£533,545	£25,910	£105,870	£97,600
Total Schools Block	96,987,341	97,219,576	97,220,886	97,500,578	97,905,066	97,913,336
CENTRAL SCHOOL SERVICES BLOCK				Draft 1 Budget 2018/19	December '17 Estimate 2018/19	March '18 Final Estimate 2018/19
Pupil Numbers				Oct '16 census	Oct '17 census	Oct '17 census
School Census - Mainstream				22,335.00	22,446.00	22,446.00
DSG CSSB Unit of Funding				£44.22	£44.22	£44.22
In Year DSG Allocation				£987,654	£992,562	£992,562
TRANSFER TO/FROM other Funding Blocks				£0	£60,000	£60,000
ADD/SUBTRACT Carry Forward from Previous Yr				£0	£0	£0
Total Central School Services Block				987,654	1,052,562	1,052,562
EARLY YEARS BLOCK (Provisional)	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	March '18 Final Estimate 2018/19
Three & Four Year Old - Universal Entitlement	Jan 2017 census estimate	Jan 2017 census estimate	Jan 2017 census actual	Jan 2017 census actual	Jan 2017 census actual	Jan 2018 census estimate
School Census - Mainstream	406.0	406.0	405.0	405.0	405.0	393.0
Early Years Census	1,074.0	1,074.0	1,073.6	1,073.6	1,073.6	1,093.0
Total Pupil numbers	1,480.0	1,480.0	1,478.6	1,478.6	1,478.6	1,486.0
Three & Four Year Old - Extended Entitlement						
School Census - Mainstream						82.0
Early Years Census						372.0
Total Pupil numbers	580.8	580.8	580.8	580.8	602.4	454.0
DSG Guaranteed Unit of Funding	£4,465.00	£4,465.00	£4,465.00	£4,465.00	£4,465.00	£4,465.00
DSG based on universal pupil numbers	£6,608,200	£6,608,200	£6,601,949	£6,601,949	£6,602,038	£6,634,990
DSG based on extended pupil numbers	£1,512,742	£1,512,742	£1,512,742	£2,593,270	£2,689,716	£2,027,110
DSG adjustment if not using census figures						
Two Year Old Funding						
School Census - Mainstream	27.0	27.0	27.3	27.3	27.3	27.0
Early Years Census	108.0	108.0	108.2	108.2	108.2	93.0
Total Pupil numbers	135.0	135.0	135.5	135.5	135.5	120.0
DSG Guaranteed Unit of Funding	£5,453.00	£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	£654,360
DSG adjustment if not using census figures						
Pupil Premium Grant						
School Census - Mainstream				27.6	20.2	27.0
Early Years Census				25.0	22.0	15.0
Total Pupil numbers				52.6	42.2	42.0
DSG Guaranteed Unit of Funding				£503.50	£503.50	£503.50
DSG based on census pupil numbers	£21,228	£21,228	£21,248	£26,484	£21,248	£21,147
Other						
Nursery school supplement	267,622	267,622	267,622	267,622	281,451	281,451
Disability Access Fund	18,450	18,450	18,450	18,450	23,370	23,370
In Year DSG Allocation	£9,164,397	£9,164,397	£9,160,893	£10,246,657	£10,356,814	£9,642,432
Prior year adjustment to funding	0	0	-32,000	0	0	0
TRANSFER TO/FROM other Funding Blocks				0	-33,000	-33,000
ADD/SUBTRACT Carry Forward from Previous Yr	£398,210	£389,282	£389,282	£290,840	£290,840	£33,016
Total Early Years Block	8,766,187	8,775,115	8,739,611	9,955,817	10,032,974	9,576,416
HIGH NEEDS BLOCK	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	March '18 Final Estimate 2018/19
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				-2,831,174		
Adjust to funding floor + 0.5%				126,000		
Baseline Funding				17,001,059	17,004,142	17,004,142
Per Pupil Adjustments						
Special School Rate				£4,209.00	£4,208.94	£4,208.94
Special School Numbers				422	429	429
Import/Export Rate				£6,000.00	£6,000.00	£6,000.00
Import/Export Numbers (PROVISIONAL)				143	142.5	142.5
Pupil Number Allocation				£2,634,198	£2,660,635	£2,660,635
In Year DSG Allocation	20,060,000	20,060,000	20,056,233	19,635,257	19,664,777	19,664,777
TRANSFER TO/FROM other Funding Blocks					-27,000	-27,000
ADD/SUBTRACT Carry Forward from Previous Yr	£609,870	£488,783	£488,783	£500,750	£499,510	£564,640
Total High Needs Block	19,450,130	19,571,217	19,567,450	19,134,507	19,138,267	19,073,137
TOTAL In YEAR DSG FUNDING	125,911,738	125,911,738	125,904,467	128,396,055	129,025,089	128,310,707
TOTAL Carry Forward from Previous Yr	£708,080	£345,830	£376,520	£817,500	£896,220	£695,256
TOTAL DSG FUNDING AVAILABLE	125,203,658	125,566,908	125,527,947	127,578,555	128,128,869	127,615,451
PLUS planned carry forward to next year	655,041	764,050	803,620			655,041
GROSS DSG FUNDING USED	125,858,699	126,329,958	126,331,567	127,578,555	128,128,869	128,270,492

Primary Schools in Financial Difficulty – Bid for Funding 2017/18

Report being considered by: Schools Forum on 12 March 2018

Report Author: Claire White, Ian Pearson

Item for: Decision **By:** All Primary Maintained Schools Representatives

1. Purpose of the Report

1.1 To summarise a bid that has been received from a school in deficit to access funding from the 'primary schools in financial difficulty' de-delegated fund.

2. Recommendation

2.1 Heads Funding Group has recommended approval of the bid, with payment being the full amount sought of £25,430.

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"/>
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3. Introduction

- 3.1 Since April 2013, local authorities have been required to delegate to all schools the contingency previously held for schools in financial difficulty. Each phase in the maintained sector then has the option to de-delegate and pool this funding, with allocations made to schools that need it. This decision is made on an annual basis.
- 3.2 Primary schools have opted to continue to de-delegate this funding in 2017/18.
- 3.3 The budget for 2017/18 is £314,650, which includes the carry forward of the unspent budget from 2016/17 of £194,670. Two payments have so far been made in the current financial year, totalling £29,421.
- 3.4 The criteria agreed by the Schools' Forum for allocating this funding to schools is as follows:

If a school has a deficit budget it may be allocated additional support funding. If a school can meet the following criteria, a bid for additional funding can be made by the school to be considered by the Schools' Forum:

- 1. The school has sought and followed the advice of the Schools' Accountancy Service **prior** to going into deficit*
- 2. The school has (up to) a five year robust deficit recovery plan in place which has been discussed with and verified by the Schools' Accountancy Service.*
- 3. Additional funding may be payable for one of the following exceptional unforeseen circumstances which has taken the school into deficit:*

- a) *Short term downturn in pupil numbers - to maintain current staffing structure where evidence can be provided that the numbers are likely to recover within a 2 - 3 year period and where downsizing of staff and resultant redundancy costs in order to balance the budget on a short term basis would not be an efficient use of resources.*
- b) *Sudden permanent downturn in pupil numbers in a school causing concern (i.e. Ofsted category of notice to improve or worse – to maintain current staffing levels on a temporary basis where to reduce the staffing levels immediately in order to balance the budget would be detrimental to the recovery of standards in the short term.*
- c) *Unforeseen sudden permanent downturn in pupil numbers –to cover staffing costs during a short term interim period whilst restructuring takes place and in order where possible to avoid redundancies (such as through natural wastage).*
- d) *Redundancy payments, where the staffing reductions are required in order to balance the budget, but these costs will put the school further into a deficit position and taking the school longer to recover the deficit.*
- e) *Any other one off costs incurred on recovery of the deficit, such as specialist consultancy advice/support (it was agreed by Schools’ Forum on 11th July 2016 that where West Berkshire’s Accountancy Service are engaged for such support, the cost can be charged direct to this fund without making a separate bid).*

In order to access this funding, a school will need to complete and submit an application to the WBC Schools’ Finance Manager who will arrange a panel (usually the next Heads Funding Group) to assess the application. The school will be invited to present their case in person to the panel and answer questions. The panel will also be provided with benchmarking information produced by Schools’ Accountancy (which will be shared with the school prior to the meeting). The panel will recommend the amount and duration of the financial support to Schools’ Forum for approval or not.

3.5 Note that the decision to be taken by Schools’ Forum is by Primary maintained school representatives only.

4. Bid from Beenham Primary School

- 4.1 An application has been received from Beenham Primary School. It is for £25,430 out of a total current year planned deficit of £64,600, now risen to a year end forecast of £84,600. This amount is to cover the unforeseen closure costs of the After School Club which were not accounted for in the original budget.
- 4.2 The Head Teacher attended the Heads Funding Group meeting on 27th February 2018, and gave a detailed background to the closure of the club, explaining the circumstances and why the school budget has become liable for the closure costs. Several questions were asked by members of the group to clarify the position, and were satisfactorily answered.
- 4.3 The school is in deficit mainly because pupil numbers have reduced rapidly (for reasons as set out in the bid) and costs have not been reduced quickly enough to offset the reduction in income. The deficit has now increased due to being liable for the costs relating to the closure of the After School Club.
- 4.4 The school has been undertaking further work on their deficit recovery plan following the review meeting held with them in the Autumn, and the current plans

were set out in the bid. The bid meets the criterion (3d and 3e) set by the Schools' Forum.

- 4.5 2017/18 is Beenham's second year of a planned four year deficit recovery. Beenham also had a deficit in 2013/14 which was cleared in year, and the school has met all redundancy costs of restructures carried out over the last few years.
- 4.6 The school has previously received additional funding of £72,000 in March 2013 to repay a loan the school had taken out in 2009/10 for £90,000 and was unable to repay due to the significant reduction in capital allocations.

5. Recommendation and Conclusion

- 5.1 The Heads Funding Group agreed unanimously to recommend that the bid be approved in full. The school are meeting all other school related redundancy costs from their budget and have limited their bid only to this particular unusual and exceptional circumstance which has increased their deficit in the current year.
- 5.2 Approval of the bid will not clear the school's deficit, and they will still be required to implement the savings in their deficit recovery plan. Receipt of the funding will help repay the deficit in the year as planned. If it is not approved this will inevitably increase the repayment period beyond five years.
- 5.3 Approval of the bid will leave £259,799 in the fund to be carried forward to the 2018/19 financial year.

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Agenda Item 10

Schools Forum Work Programme 2018/19

	Item	HFG Deadline	Heads Funding Group	SF Deadline	Schools Forum	Action required	Author
Term 6	Scheme for Financing Schools 2019/20	30/05/18	06/06/18	12/06/18	18/07/18	Decision	Wendy Howells
	School Balances 2017/18	30/05/18	06/06/18	12/06/18	18/06/18	Discussion	Wendy Howells
	DSG Outturn 2017/18	30/05/18	06/06/18	12/06/18	18/06/18	Decision	Ian Pearson/Wendy Howells
	Vulnerable Children's Fund - Annual Report for 2017/18			12/06/18	18/06/18	Information	Michelle Sancho
	Trade Union Facilities Time - Annual Report for 2017/18			12/06/18	18/06/18	Information	Keith Watts
Term 6	Schools Funding Arrangements for 2019/20	26/06/18	03/07/18	10/07/18	16/07/18	Decision	Wendy Howells
	School Budgets 2018/19 and Schools in Financial Difficulty	26/06/18	03/07/18	10/07/18	16/07/18	Discussion	Wendy Howells
	DSG Monitoring Month 3			10/07/18	16/07/18	Discussion	Ian Pearson
	Schools' Forum Membership and Constitution from September 2018	26/06/18	03/07/18	10/07/18	16/07/18	Decision	Jessica Bailiss
Term 1	Schools Funding Formula 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Decision	Wendy Howells
	Additional Funding Criteria 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Decision	Wendy Howells
	De-delegations 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Decision	Wendy Howells/TBC
	High Needs Places and Arrangements 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Discussion	Jane Seymour
	DSG Monitoring 2018/19 Month 5			09/10/18	15/10/18	Information	Ian Pearson
Term 2	Draft DSG Funding & Budget 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Wendy Howells
	Final School Funding Formula Proposal 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Decision	Wendy Howells
	Final Additional Funding Criteria 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Decision	Wendy Howells
	Final De-delegations 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Decision	Wendy Howells/TBC
	Draft Central Schools Block Budget	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	TBC/Ian Pearson
	Draft High Needs Budget 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Jane Seymour & Michelle Sancho
	Draft Early Years Budget 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Avril Allenby
	Update on Schools in Financial Difficulty	21/11/18	28/11/18	04/12/18	10/12/18	Information	Wendy Howells
	Schools Funding Benchmarking Information	21/11/18	28/11/18	04/12/18	10/12/18	Information	Wendy Howells
Term 3	DSG Monitoring 2018/19 Month 7			04/12/18	10/12/18	Information	Ian Pearson
	Dedicated Schools Grant (DSG) Funding Settlement and Budget Overview 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Discussion	Wendy Howells
	Final Schools Funding Formula 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	Wendy Howells
	Central Schools Block Budget Proposals 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	TBC/Ian Pearson
	High Needs Block Budget Proposals 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	Jane Seymour & Michelle Sancho
	Early Years Block Budget Proposals 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	Avril Allenby
	Growth Fund and Falling Rolls Fund 2018/19	02/01/19	08/01/19	15/01/19	21/01/19	Information	Wendy Howells
	DSG Monitoring 2018/19 Month 9			15/01/19	21/01/19	Information	Ian Pearson
Term 4	Work Programme 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Jessica Bailiss
	Final DSG Budget 2019/20 - Overview	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Wendy Howells
	Final Central Schools Block Budget 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	TBC/Ian Pearson
	Final High Needs Block Budget 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Jane Seymour & Michelle Sancho
	Final Early Years Block Budget 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Avril Allenby
	DSG Monitoring 2018/19 Month 10			05/03/19	11/03/19	Information	Ian Pearson

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