

Notice of BCP Schools Forum



Date: Thursday, 13 June 2019 at 8.00 am

Venue: Main Hall, Bournemouth Learning Centre, Ensbury Avenue,
Bournemouth BH10 4HG

Membership:

Chairman:

Vice Chairman:

Russell Arnold
Mark Avoth
Andy Baker
Kate Carter
Jon Chapple
Geoff Cherrill
Lauren Dean
Linda Duly

Patrick Earnshaw
Phillip Gavin
Brigid Hincks
Jason Holbrook
Sue Johnson
Phil Keen
Angela Malanczuk
David Newman

Jacqueline Page
Jeremy Payne
Sean Preston
Michael Reid
Dave Simpson
David Todd

All Members of the BCP Schools Forum are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to attend.

If you would like any further information on the items to be considered at the meeting please contact: Marilyn Scofield-Marlowe or email Marilyn.Scofield-Marlowe@bcpcouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 454668 or email press.office@bcpcouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

Date Not Specified



Available online and
on the Mod.gov app



AGENDA

Items to be considered while the meeting is open to the public

- | | |
|--|---------|
| 1. Introduction | |
| To receive an introduction to the Forum from the Service Director for Quality and Commissioning (Children's). | |
| 2. Election of Chair | |
| To elect a Chairperson of the Forum. | |
| 3. Election of Vice-Chair | |
| To elect a Vice-Chairperson of the Forum. | |
| 4. Apologies for Absence | |
| To receive any apologies for absence. | |
| 5. Declarations of Disclosable Pecuniary Interest | |
| To receive any declarations of disclosable pecuniary interest(s) from Forum Members and/or Officers in matters appearing on the agenda. | |
| 6. Shadow Schools Forum Minutes | 1 - 8 |
| To agree the Minutes of the final meeting of the Shadow Schools Forum, held on 18 March 2019. | |
| 7. Terms of Reference | 9 - 18 |
| To approve the Terms of Reference. | |
| 8. Dedicated Schools Grant (DSG) Outturn and Deficit Recovery Plan | 19 - 36 |
| To consider the report. | |
| 9. High Needs Budget (HNB) Financial Strategy Group | 37 - 40 |
| To consider the report. | |
| 10. Forward Plan | 41 - 42 |
| To consider the Forward Plan. | |
| 11. Dates of Future Meetings | |
| <ul style="list-style-type: none">• Wednesday 25 September 2019• Thursday 31 October 2019• Wednesday 11 December 2019• Friday 17 January 2020• Friday 19 June 2020 | |

12. Any Other Business

To discuss any business, which in the opinion of the Chairman is urgent enough to warrant consideration.

13. Exclusion of Public and Press

To consider passing the following Resolution (if required):

“RESOLVED that, in accordance with Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the Meeting for the following item(s) of business on the grounds that it/they may involve the likely disclosure of exempt information as defined in paragraph(s) [INSERT PARAGRAPH NUMBER HERE] of Part 1 of Schedule 12A of the Said Act as the public interest in withholding the information outweighs the public interest in disclosing it

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

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BOURNEMOUTH, CHRISTCHURCH AND POOLE

SHADOW SCHOOLS FORUM

18 March 2019

The meeting commenced at 8.00am and concluded at 08.55am.

Present:

Maintained - Primary

Karen Boynton – Headteacher, Highcliffe Primary

Maintained – Secondary

David Newman – Director of Finance and Operations, Poole High School.

Mainstream Academies – Primary

Jeremy Payne – Principal, St James CE School

Bob Kennedy - Headteacher, St Michael's School

Dave Simpson – Headteacher, The Epiphany School

Sean Preston - Chief Financial Officer, Hamwic Education Trust

Jon Chapple – Headteacher, Twynham Primary

Angela Malanczuk – Principal Stanley Green Infant Academy and Chair of PSA,

Kate Carter – CEO, TEACH Academy Trust

Mainstream Academies – Secondary

Phil Keen – Headteacher, Corfe Hills School

Andy Baker – Headteacher, Poole Grammar School

Patrick Earnshaw – Headteacher, Highcliffe School

Mark Avoth – Headteacher, Bourne Academy

Jason Holbrook – Headteacher, Avonbourne College

All-Through Academies

David Todd – Headteacher, St Peter's School, Bournemouth

Mainstream PRU

Phillip Gavin - Headteacher, Christchurch Learning Centre

AP Academy

Russell Arnold, Headteacher, The Quay School

Maintained - Special

Geoff Cherrill – Head Teacher, Winchelsea School

Academies – Special

Michael Reid - Finance Director, Ambitions Academy Trust

Early Years Representative

Linda Duly – Cuddles Day Nursery, Poole

Sue Johnson – Jack in the Box, Bournemouth

Invited Attendees

Councillor Nicola Greene - Bournemouth Borough Council

Councillor Trish Jamieson - Christchurch Borough Council

Nicola Webb – Assistant Chief Finance Officer, Bournemouth and Poole

Vicky Wales – Head of Children, Young People & Learning, Poole

Neil Goddard - Service Director - Community Learning & Commissioning, Bournemouth

Jeffrey Mason – Headteacher, Virtual School for Bournemouth and Poole.

1. **APOLOGIES FOR ABSENCE**

Sue Ross – Director, Adults and Children, Bournemouth

Councillor Mike White – Borough of Poole

Jan Thurgood – Strategic Director, People Theme, Poole

Jacqui Kitcher – Bournemouth & Poole College, 14-19 Representative

2. **DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS**

There were no declarations of disclosable pecuniary interests.

3. **MINUTES**

RESOLVED that the Minutes of the Meeting held on 08 January 2019, having been previously circulated, be taken as read, signed and confirmed by the Chairman as a correct record.

It was confirmed that the budget was approved by the Shadow Authority.

The Chair of the BCP High Needs Block (HNB) Financial Strategy Group gave a verbal update to Forum. The HNB Financial Strategy Group has met several times, with good representation from BCP schools. It was acknowledged that the additional funding from the Local Authority had cushioned the impact to schools, but that this was not a long term resolution to the pressure on the budget.

The financial information has been looked at closely by the Group, although the details for Christchurch are still unknown. Estimates were made on the assumption that this will be broadly similar to Bournemouth and Poole.

Although out of borough placements are high, these are mostly historic.

The banding system being implemented will cause significant challenges for some schools. There have been areas of underspend in Bournemouth and Poole within some budgets of a total of £60,000. This funding is to be used to provide a protection element for schools with a high proportion of pupils with Education, Health and Care Plans (EHCPs), of 3% or higher.

Permanent exclusions are continuing to rise. Placements outside of mainstream school are putting pressure on the HNB budget. Sub groups are meeting to look at this issue and resolutions; Exclusions Reduction Group, High Needs Spend Group and Special School Headteachers Group.

A BCP HNB Action Plan has been put in place, which includes financial targets to be achieved.

Conversations have been taking place between the Local Authority and independent schools, to look at reducing costs. The Local Authority is also working with Health to consider where they might make a contribution to out-of-Borough placements.

Initiatives such as outreach, Mainstream Plus and satellite classes have been actioned.

Looking forward, the impact of the HNB spend will continue. This is not solely a school or Local Authority issue; this requires joint working. Unless government policy is changed, it will likely continue.

It was noted that Dorset has had a successful bid for a free school. It was not known if this was in addition to the school at Bovington. There are 39 free schools nationally, but only 2 are for alternative provision.

Action:

It was agreed that VW will contact Dorset for clarification with regards to the free school bid.

The Chair expressed thanks to the Local Authority and school representatives for the hard work carried out.

RESOLVED that a standing item to receive updates from the HNB Financial Strategy Group is included on future Forum agendas.

4. LOCAL GOVERNMENT REORGANISATION (LGR) UPDATE

Vicky Wales and Neil Goddard provided a verbal update on LGR. It was clarified that the intention is to have a safe landing for services on 1 April 2019.

There are IT challenges; there is confidence that the Social Care system will be in place.

Information on the LA Traded Services offer was distributed on 15 March 2019.

Staff TUPE has been confirmed.

Graham Farrant, Chief Executive for BCP, is in post, with Judith Ramsden, Corporate Director of Children's Services for BCP, starting soon.

Local Elections will be held in May 2019.

A positive approach was noted for the 1 April 2019; there will not be a change in services on the day but this was acknowledged to give an opportunity for improvement in the future.

RESOLVED that the verbal report was noted.

5. LOOKED AFTER CHILDREN (LAC) PUPIL PREMIUM

Jeffrey Mason, Headteacher for the Bournemouth and Poole Virtual School, presented the report for arrangements for Pupil Premium Plus for 2019-2020.

It was noted that there are currently 3 policies across the conurbation; these are to be aligned for BCP.

Pupil Premium will attract funding of £2300 per school-aged LAC. Schools will receive a maximum £650 per term per LAC, which equates to £1950 per year. £350 is retained for strategic use by the Virtual School to support LAC with complex disadvantages. Schools are also able to apply for additional funding from these retained funds. It also supports the training of the designated teacher for LAC and other staff development for schools.

The PEP has a central role to funding allocation. It provides the core educational record for LAC, is integral to the care plan and is statutory. The allocation of Pupil Premium is reliant on the information contained within the PEP, which is a shared working document showing educational targets and what needs to be in place in order for the LAC to meet these.

How a school intends to use the Pupil Premium Grant should be described on the PEP. The amount allocated is based on what is described and costed on the PEP. If the pupil is not to remain in education beyond Key Stage 4, the funding will be retained to support transition work into education, employment and training.

For Early Years, the Virtual School provide support and PEPs are put in place.

It was queried how many LAC there will be across BCP. It was confirmed that there will be approximately 270 LAC between the ages of 5 and Year 11; 350 including Early Years and post 16.

The regularity of PEPs and retained funding was queried; this was confirmed that the retention and regularity is set down in statutory guidance.

Retained funding is calculated on an annual basis, not termly basis. It was queried how many schools had applied for additional funding; it was confirmed that approximately 12 had applied.

RESOLVED that the report was noted.

6. FINAL DEDICATED SCHOOLS GRANT (DSG) BUDGET AND MAINSTREAM SCHOOLS FORMULA 2019-20

Nicola Webb confirmed that budgets have been sent out. The report provided gives the final budget position for 2019/20.

The Chair thanked all for their work in producing this.

RESOLVED that the report was noted.

7. MAINTAINED SCHOOLS SCHEME OF DELEGATION 2019-20

Only 1 maintained school had responded to the consultation, largely seeking clarifications and these had been provided directly. No changes were proposed to the draft document circulated.

RESOLVED that the Scheme for Financing Maintained Schools 2019-20 was agreed with the unanimous vote of 4 maintained school representatives.

8. SCHOOLS FORUM FOR BCP 2019-20

It was confirmed that the meeting would be the final meeting of the Shadow Schools Forum; the final work of the Shadow Forum would be to look at the setting up of the BCP Schools Forum.

The Terms of Reference for the Schools Forum was circulated. Setting up membership was the key issue to be looked at today.

The current Shadow Forum group has 7 primary representatives and 5 secondary representatives.

It was raised that the proposed representation balance going forward for primary and secondary had changed as 6th Form numbers had not been included as part of the mainstream representation; this would reduce secondary representation. It was suggested that 6th Form funding was separate to the DSG. However, this age group is included in the high needs arrangements with growing demand having a significant impact on school budgets. Other Local Authority areas do include post 16 numbers and it was considered that this should continue for BCP.

Early Years representation was raised; there are currently 2 representatives, 1 from a voluntary setting and 1 private setting. The number of voluntary settings across BCP is small and it would be better to include all pre-schools as a category. A proposal was put forward that representation should be 1 nursery and 1 pre-school to better reflect the make up of providers.

RESOLVED the recommendation is to be made to BCP Council that the newly formed Schools Forum has the following proportion of academy representation of 7 primary and 5 secondary schools. Early years representation to be 1 day nursery and 1 pre school.

Representation was agreed to be sought by the following existing representatives by the end of April 2019:

Maintained Primary – Karen Boynton
Maintained Secondary – David Newman
Academy Primary – Kate Carter
Academy Secondary – Phil Keen
Maintained special – Geoff Cherrill will liaise with Julie Jeanes
All through schools – Jason Holbrook

The Early Years representatives to be selected by the sector.

It was clarified that, between the 4 maintained school representatives, at least 1 must be a governor.

Membership length was considered: it was considered that 1 year would be too short. 3 years was considered to be more appropriate but that primary and secondary representation would need to be re-visited during this time to ensure that it remained proportional. It was also considered that representatives may become ineligible, for instance in the event of academisation of a maintained school.

The Terms of Reference will need to be included on the Agenda for the first meeting of Schools Forum.

9. ANY OTHER BUSINESS

Thanks were extended to the Chair and Shadow Forum by elected members, in recognition of the work that had been done.

The first meeting of Schools Forum will be held on 13 June 2019, 8.00am at the Bournemouth Learning Centre.

Chairman

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BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

Subject	Schools Forum for Bournemouth, Christchurch and Poole (BCP) Draft Terms of Reference
Meeting Date	Thursday 13 th June 2019
Report Author (s)	Neil Goddard, Service Director, Quality and Commissioning Email: Neil.Goddard@bcpcouncil.gov.uk Vicky Wales, Head of Children, Young People and Learning Email: v.wales@bcpcouncil.gov.uk
Contributors	Felicity Draper, Schools Access and Commissioning Manager, Community Learning and Commissioning, Jack Cutler, Planning and Statistics Officer, Community Learning and Commissioning Nicola Webb, Assistant Chief Finance Officer
Status	Public
Classification	For decision
Executive Summary	The new BCP Authority was established on 1 st April 2019. After which a new BCP Schools Forum must be established. This Forum requires proportional representation across primary and secondary schools and academies, by phase of school and type of school. Representation is also required from special schools, academies, AP schools/ academies and PRU's. There must also be representation from other sectors including Early Years and Post-16 providers, and Diocesan representatives. The Terms of Reference should be agreed by the newly established permanent Forum at this meeting.
Recommendations	The Schools Forum to consider the report and take a decision whether to agree the proposed constitution and Terms of Reference; the Forum are asked to express a view on the members Term of Office.
Reasons for Recommendations	It is a statutory requirement for a Local Authority to establish and operate a Schools Forum. This Forum should provide proportional representation from the various school groups discussed within this report.
Background Papers	Shadow Schools Forum 18 st March 2019 Agenda Item 8. Shadow Schools Forum 31 st October 2018 Agenda Item 5.



Draft Terms of Reference for Bournemouth, Christchurch and Poole Schools Forum

1 Background and statutory authority

- 1.1 A Schools Forum is the formal consultation and decision-making body on matters relating to the funding of schools and plays a role in the discussions on the overall funding contained within the Dedicated Schools Grant. The framework was established to give schools greater involvement in the distribution of funding within the Local Authority.
- 1.2 The Forum is governed by Statutory Instrument 2012 No 2261: The Schools Forums (England) (Amendment) Regulations 2012. The Department for Education issued guidance on Schools Forums: Operational and Good Practice Guidance in September 2018.

2 Purpose

- 2.1 The purpose of the Schools Forum is to advise the Local Authority and in certain specific areas decide on the operation of the Schools' Budget and its distribution among schools and other bodies.

3 Membership

- 3.1 The membership of the School Forum is to consist of nineteen school members and five non-school members – the latter can be up to 1/3rd of the total membership. Observers can attend and participate in the meetings, but will have no voting rights. The membership groups shall consist of the following representatives:

3.1.1 Schools Members

Primary School – Maintained*	1
Secondary School – Maintained*	1
Special School – Maintained*	1
PRU – Maintained*	1
Primary - Academy	7
Secondary - Academy	5
All-through - Academy	1
Special - Academy	1
Alternative Provision - Academy	1
Total Schools Members	19



*At least one of the four representatives of maintained schools must be a Governor. Academies have the option to choose a local Governor or Trustee. No school can have more than 1 representative.

3.1.2 Non-Schools Members

Diocesan Representative	2
Early Years Provider Representatives (1 day-nursery, 1 pre-sch.)	2
16-19 provider	1
Total Non-Schools Members	5

3.1.3 Invited Officers and Members

Executive Council Members	2
Children's Services Lead Officer	1
Finance Lead Officer	1
Total	3

3.2 The LA Children's Services Lead Officer will be either the Director of Children's Services or their representative. The Finance Lead Officer will be the LA Chief Finance Officer or their representative. Other officers relevant to the area to be covered by the new authority of Bournemouth, Christchurch and Poole will attend as appropriate.

4 **Clerk to the Schools Forum**

4.1 The Clerk to the Schools Forum will be provided through the Local Authority.

5 **Election and Nomination of Members**

5.1 The Head Teachers Representatives, School Leadership and Governors will be elected by their respective associations.

5.2 Early Years Provider and 16-19 representatives will be elected by their respective peers.

5.3 The Diocesan members will be determined by the Catholic Diocese of Plymouth, the Salisbury Diocesan Board of Education, the Catholic Diocese of Portsmouth and the Winchester Diocesan Board of Education.

5.4 Nominations for membership should be sent to the Clerk, who will contact the appropriate association or body to undertake an election.



- 5.5 Nomination for membership when a Term of Office is due to end should be received 2-months prior to the date of cessation. For the initial permanent Forum establishment, nominations for membership should have been sent to the Forum Clerk by the end of April 2019.
- 5.6 Newly elected members will receive a welcome information pack and are able to access an induction meeting, and Forum training upon request.

6 Chair

- 6.1 The Chair shall be elected by members of the Schools Forum.
- 6.2 The election shall take place at the start of the first meeting or at the first meeting following a retirement or resignation of the Chair.
- 6.3 The election shall be conducted by the Clerk and each member shall have one vote.
- 6.4 The Chair will represent the Schools Forum at other meetings as and when required.

7 Period of Office

- 7.1 The period of office for all members will commence no later than the cessation of Shadow Schools Forum which will be no later than July 2019. The period of office will last for 2 years, after which the forum will be reconstituted.
- 7.2 The period of office for the Chair will commence no later than the cessation of Shadow Schools Forum which will be no later than July 2019. The period of office will last for 2 years, after which the post will be re-elected; the same representative can stand for re-election.
- 7.3 Appointments will begin from the start of the first meeting of the permanent Schools Forum for the Bournemouth, Christchurch and Poole Authority.
- 7.4 A member shall remain in office until:
- They cease to hold the office by virtue of which he or she became eligible for appointment to the Forum;
 - The term of office as a member comes to an end;
 - They resign as a member.



- 7.5 Members of the interim Shadow Forum constituted for the 2018-19 financial year are allowed to seek election to the permanent Schools Forum should they still be eligible.
- 7.6 Where a vacancy occurs, there shall be a new appointment to fill the unexpired term of office.
- 7.7 In the event of no member of a group standing for nomination, the Chair may obtain agreement from the Schools Forum members to co-opt an appropriate person.

8 Non-Attendance

- 8.1 If a member is not in attendance for 3 consecutive meetings, the Chair shall ascertain the reasons and take Chair's action to consult with the relevant group regarding a replacement.

9 Substitutes

- 9.1 Where a member is unable to attend the meeting he or she may draw to the attention of the Clerk or the Chair 48 hours in advance, a substitute who is attending from their group.
- 9.2 In the event of a matter being put to a vote, the substitute will have a vote.
- 9.3 Where possible, formal substitutes should be elected, and should be in a position to represent the group of schools/ providers of the member they are substituting for. The Clerk should be made aware of any formal substitutes elected by the various groups.

10 Observers

- 10.1 The meetings of the Schools Forum are open meetings and members of the public may attend as observers. Observers are requested to notify the Clerk or the Chair of their intention to attend one week before a meeting to ensure a suitably sized room is arranged for the meeting.
- 10.2 Observers may take part in the meeting with the permission of the Chair. The Chair's decision will be final.
- 10.3 Members of the Schools Forum may request the Chair to exclude observers from discussion of confidential items. Such items shall be clearly indicated in



advance on the Agenda for the meeting. Papers relating to such items shall be labelled confidential.

10.4 In the event of a matter being put to a vote, observers will not have a vote.

11 Meetings

11.1 Normally a Schools Forum meets four times a year. Meetings of the Schools Forum will aim to follow this routine but the exact number of meetings required will be determined by the membership and the business to be discussed.

11.2 Dates of the Schools Forum meetings shall be agreed with the membership at the first permanent Forum meeting.

11.3 Extra ordinary meetings of the Schools Forum may be called by the Chair or by 40% of its membership.

11.4 The quorum of a meeting will be 40% of the Schools Forum membership (ten members).

11.5 Members must declare any interest associated with any item under discussion related directly to the organisation they represent.

11.6 Observers attending the meeting may contribute with the Chair's permission.

11.7 Notes of the meetings will be available to the public and distributed to members within 5 working days of each meeting. They will be agreed at the next Schools' Forum meeting.

11.8 With regard, to sub-committees or working groups, any advice formally passed to the Local Authority must be approved by the Schools Forum as, a whole.

11.9 Costs of the Schools Forum will be charged to the Schools' Budget.

11.10 The Authority shall pay what it deems to be reasonable expenses of members of the Schools Forum or their substitutes, in connection with their attendance at Schools' Forum meetings.

12 Voting

12.1 Only members of the Schools Forum or their nominated substitutes shall have a vote.

12.2 The Chair will have a second and casting vote if required.



12.3 Observers are not eligible to vote.

13 Urgent Business

13.1 Should urgent business requiring action be required between meetings the Chair shall contact all members by e-mail. The Chair shall then give the Local Authority a decision based upon the responses received. This shall be fully reported to the next Schools Forum meeting.

14 Remit

14.1 The Local Authority has a duty to consult with the Schools Forum on:

14.1.1 Schools' Funding Formula:

Any proposed changes to the Schools' Funding Formula in relation to factors and criteria that have been taken, into account or methods, principles and rules that have been adopted, together with the financial effect of any such change.

The consultation will take place in sufficient time to allow any views expressed to be taken, into account in determining the formula and schools' budget shares before the beginning of the financial year.

14.1.2 Contracts:

At least one month prior to the issue of invitations to tender, if applicable the Local Authority will consult the Forum on the terms of any proposed contract for supplies or services to be paid out of the Schools' Budget where the estimated value of the contract is considered material.

14.1.3 Financial Issues:

The Schools Forum will also be consulted on the Schools' Budget in relation to the following:

- The arrangements to be made for the education of pupils with Special Educational Needs;
- Arrangements for the use of the Pupil Referral Unit and the education of children otherwise than at school;
- Arrangements for Early Years education;
- Prospective revisions to the Scheme for Financing Maintained Schools;
- Allocation of the Individual Schools' Budget to schools;



- Administrative arrangements for the allocation of central Government grants paid to schools via the Local Authority;
- Any other appropriate financial issue.

14.2 The Forum will monitor and assess the quality and value-for-money of services purchased by/ for schools.

14.3 It may also be provided with or request reports on other items deemed a priority to its remit.

15 Sub-Groups

15.1 A Funding Formula sub-group will meet as and when required to investigate and develop the Schools' Funding Formula. The membership shall consist of Headteachers, Governors, Finance Officers/Bursars and/or officers depending on the issues being considered. The Sub-Group will make recommendations to the Schools' Forum on the outcomes of any review undertaken, before any consultation is undertaken with schools.

15.2 An Early Years sub-group will meet as and when required to develop the Early Years Formula. The membership will consist of Early Years providers and officers. The subgroup will make recommendations to the Schools Forum.

15.3 A High Needs Financial Strategy sub-group will meet half termly in 2019/20 to monitor the impact of the High Need Budget financial action plan, and report regularly to the Forum. In subsequent years, this sub-group will meet as and when required.

15.4 Other sub-groups can be formed to investigate or develop further issues as and when required by the Schools Forum.

15.5 The membership of any sub-group does not have to consist solely of Schools Forum Members, e.g., the Early Years sub group.

16 Establishing School Representation

16.1 The table below provides a representation of how the proportional split of Primary/ Secondary, Maintained/ Academy has been achieved, with an accompanying note on the methodology.



LA Area	Mainstream Maintained		Mainstream Academy			Special Schools and PRU		TOTAL	%
	Primary	Secondary	Primary	Secondary	AT	Maintained	Academy		
Total	4,238	2,901	22,262	15,915	3,432	428	326	49,502	100%
	1	1	7	5	1	1 Special 1 PRU	1 Special 1 AP	19	

Note: Mainstream pupil count includes years R – 14 inclusive as per the weighted average NOR across the period April 2019 to March 2020. Special pupil numbers are as per the special places agreed with schools for the same period, and academies for the 2019-20 academic year. The number of representatives was determined by rounding down to the nearest integer NOR / 2800, which if equalling 0 then setting at 1. Middle school primary phase pupils are considered against the primary NOR, while their secondary pupils contribute towards the secondary NOR.

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BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

Subject	Dedicated Schools Grant (DSG) Outturn 2018-19 and Deficit Recovery Plan
Meeting Date	13 June 2019
Report Author (s)	Nicola Webb Assistant Chief Finance Officer ☎ 01202 633296 ✉ nicola.webb@bcpcouncil.gov.uk
Contributors	Judith Ramsden – Executive Director Children’s Services
Status	Public
Classification	For Consultation
Executive Summary	The report provides the draft outturn position for the Bournemouth, Christchurch and Poole 2018-19 DSG. This establishes the April 2019 opening position for BCP with a deficit of £3.6 million requiring recovery, preferably within 3 years. A deficit recovery plan is included for consideration in the report. Also included for context is a review of the financial health of schools across BCP at their latest reporting date.
Recommendations	To agree the DSG deficit recovery plan shown in Appendix 2
Reasons for Recommendations	Schools Forum must be informed of the DSG outturn position and consider plans for deficit recovery.

DSG Outturn 2018-19 for BCP Preceding Councils

1. The DSG balances for Bournemouth and Poole transfer fully to the new BCP Council along with Christchurch’s share of Dorset County Council (DCC).
2. The estimated 2018-19 outturns for each funding block for Bournemouth and Poole are included in the table below with further detail in Appendix 1. Detailed information for Dorset is not yet available.

Table 1: Bournemouth and Poole - Summary DSG Outturn 2018-19 - £000's

	Bournemouth					Poole				
	Expenditure			DSG*	Surplus/	Expenditure			DSG*	Surplus/
	Budget	Variance	Outturn	Funding	(Deficit)	Budget	Variance	Outturn	Funding	(Deficit)
Blocks										
Early Years	10,068	692	10,760	10,683	(77)	7,289	760	8,049	8,207	159
Schools	88,689	(355)	88,334	88,689	355	73,365	(312)	73,053	73,365	312
Central	1,289	(186)	1,103	1,289	186	546	(14)	532	546	14
High Needs	19,367	1,152	20,519	19,657	(862)	16,117	89	16,206	16,411	205
Total	119,413	1,303	120,716	120,318	(398)	97,317	523	97,840	98,530	690
Early Years DSG adjustment for 17/18 (January 18 census)					476					
Net Surplus for the Year					78					690
Brought/Forward Surplus / (Deficit)					(3,209)					564
Carry/Forward Surplus / (Deficit)					(3,131)					1,254

* DSG total reflects the transfer between blocks, additional high needs allocation in December 2018 and estimated early years adjustment for the outcome of the January 2019 census expected in June/July 2019.

- The above table shows that both Councils will record an in-year DSG surplus for 2018-19, although the position in Bournemouth has been supported by the early years DSG adjustment from the previous year. The outturns for each include a surplus for the schools block. This is largely due to unused pupil growth funding.
- Table 1 also highlights that the additional funding in December 2018 allocated to Bournemouth for high needs was insufficient to allow for the further growth in demand during the year. The expenditure block remains in deficit (after the budgeted transfer between blocks) by £862k. In Poole, the additional funding covered the additional expenditure of £89k and contributed to the overall surplus for the year.
- The estimated deficit for BCP at 1 April 2019 is £3.6 million. This includes a share of the final DCC deficit based on published 2018-19 draft financial statements. It equates to 1.4% of the DSG for 2018-19. The BCP opening position is summarised in Table 2 below:

Table 2: Analysis of BCP Net £3.6m DSG Deficit at 1 April 2019 - £000's

Area	Schools Block 18/19	Remainder of Balance	Net Deficit
Bournemouth	355	(3,486)	(3,131)
Christchurch *		(1,728)	(1,728)
Poole	312	942	1,254
Total	667	(4,272)	(3,605)

*Estimated at 11.7% share.

- It is a requirement under the DSG conditions of grant for 2019-20 that local authorities with a cumulative DSG deficit of more than 1% provide a recovery plan to the Education and Skills Funding Agency (ESFA), starting at the end of the financial year 2018-19. The plan should explain in detail how the local authority intends to bring its DSG account into balance.

BCP Budget 2019-20 and 3-Year Plan

7. The high needs pressures are not new but became more visible nationally when responsibility for the decision to transfer funding from the schools block to high needs moved from the Council to Schools Forum (or DfE) for the financial year 2018/19. Previously, these transfers occurred locally as necessary to balance the DSG budget.
8. The DSG expenditure budget 2019-20 is balanced by a transfer of funding between blocks and a Council contribution as follows:

Table 3: Summary DSG Budget 2019-20 - £000's

Budget Area	Expenditure Budget	DSG Funding	Council Funding
Early Years	21,663	21,866	
Mainstream Schools	195,123	197,315	
High Needs	43,680	38,885	
Central School Services	2,062	2,062	
Council contribution (one off)			2,400
Total	262,528	260,128	2,400

9. DSG high needs funding for 2019/20 is estimated at £38.9m. It will be finalised in June/July of 2019 when net cross border pupil flows within specialist provision have been taken into account from the January 2019 school census. Any difference from the budgeted level will need to be managed in-year.
10. High needs expenditure is forecast at £43.7m. The resulting shortfall of £4.8m was balanced as follows:
 - a. Transfer from Schools Block £2.2m
 - b. Transfer from Early Years block £0.2m
 - c. BCP Council General Fund £2.4m (earmarked reserve)
11. The transfer from the schools block of £2.2m (1.1% of the funding block) was agreed by the Schools Forum and approved by the DfE (being greater than 0.5%). A lower level of transfer would have required budget cuts considered counter-productive to the system as a whole. The transfer from the Early Years Block and support from the Council were agreed by BCP Council in February 2019.
12. The approval process for the transfer from the schools block to high needs included a 3-year budget plan considered first with the Shadow Schools Forum and then submitted to the DfE.
13. The budget plan is summarised in Table 4 below along with the main assumptions used. The assumptions for cost projections include that the action plan is successful in dampening the growth in demand as well as that additional lower cost places are created. Funding assumptions include that transfers from schools and early years continue at 0.5% with significant additional funding received from the DfE to balance the in-year account.

**Table 4: Summary High Needs Budget 3-Year Plan
2019/20 - 2021/22 - £000's**

Expenditure	2019/20	2020/21	2021/22	Main Assumptions
Place Funding	11,391	11,761	12,041	Rising demand continues but action plan to dampen growth
Non-state Special Schools	10,105	10,136	10,060	Strategy to limit use of higher cost placements
Colleges (Post 16)	3,632	4,028	4,366	National Policy continued impact
State Special Schools	8,901	9,299	9,597	Creation of local places for rising demand
Mainstream top up	2,653	2,895	3,137	Creation of new bases
Other	4,543	4,599	4,658	Demand remains at existing levels
Education Health and Care Plan top up	29,834	30,957	31,818	Rising number of pupils overall
Exclusions	2,327	2,327	2,327	BCP action plan works
Private Hospitals	128	128	128	
Alternative Provision top up	2,455	2,455	2,455	Static number of pupils overall
Total Budget	43,680	45,173	46,314	6% growth over 2 years
High Needs Block	38,087	38,687	39,287	Allocations assumed before DfE action
DfE Action	798	5,386	5,927	More funding or DfE action
Council contribution	2,400	0	0	One off
Transfer E/years	203	100	100	1% then 0.5% each year
Transfer Schools	2,192	1,000	1,000	1.1% then 0.5% each year
Total Funding	43,680	45,173	46,314	

As submitted to the DfE in January 2019

14. The DfE has been aware of the growing high needs pressures since the SEND reforms in 2014. In the years of significant DSG reform since this time, including the introduction of the National Funding Formulae (NFF) for each block, funding has been rebased by the DfE between blocks to reflect the pattern of local expenditure (limited by the total of the grant allocation). This will have shown funding moving into the high needs block from the school block over time.
15. This rebasing process has locked in local historic transfers from the schools to high needs block and benefitted those LAs that had preserved central budgets for the benefit of mainstream pupils (such as for early intervention and outreach support). The most recent DSG rebase occurred for 2018/19 with BCP LAs

benefitting by an additional £3m for the high needs block. Bournemouth accounts for £2m of the total. This large transfer away from schools in the previous year was unpopular at the time but local schools collectively have seen funding restored (with growth) through the national redistribution of the schools block. The total DSG funding in BCP is higher than it would otherwise have been.

16. In LAs where funding had not been transferred between blocks over time (or only at low levels) central high needs services will have been cut impacting on SEND pupils or unrealistic budgets set, or a combination of both. The DfE rebasing exercises will have been of little benefit with growing in-year and cumulative deficits being the result. DCC has made relatively low transfers and set unrealistic annual budgets (shortfall of £4m+ per year over the last 3 years) leading to a closing cumulative deficit of £14.8m.
17. DSG deficits have also grown nationally despite the funding blocks rebase where budgets lagged behind actual expenditure with the rebase addressing only part of the local pressure up to that point. The number and scale of in-year and cumulative DSG deficits now clearly indicate new approaches are needed for central policy and funding arrangements.
18. Recent events illustrate DfE recognition of unavoidable pressures in the high needs block from SEND policies, with additional funding allocations for both 2018-19 and 2019-20 in December 2018. This included both capital and revenue funding.
19. On 3 May 2019 the DfE issued a Call for Evidence entitled “Provision for children and young people with special educational needs and disabilities, and for those who need alternative provision: how the financial arrangements work”. The deadline for a response is 31 July 2019.
20. Also in May 2019, the Timpson Review of School Exclusion was published containing a number of recommendations for the DfE. These include that schools should retain responsibility for the attainment and achievements of pupils after exclusion.

High Needs Action Plan

21. The DfE provided revenue funding in 2017-18 to LAs to support the development of high needs strategies and action plans. The strategies underpin the drawdown of capital funding over the 3 years 2018-19 to 2020-21 of £2.5m for BCP.
22. The previous strategies and plans of Bournemouth and Poole have been consolidated with plans for the Christchurch area in development.
23. The forecast budget requirement assumes success of the current plans summarised as:
 - Reduce the rise in Education Health and Care Plans (EHCP)
 - Support mainstream schools to be more inclusive
 - Reduce reliance on Independent and Non-Maintained special Schools and improve value for money
 - Maximise capacity of Academy and Maintained Special Schools
 - Manage demand and develop pathways for those aged 16 -25
 - Greater commissioning of provision with partners (Dorset LA, Health, Housing, Social Care)

- Building parental confidence in local provision
 - Reduce permanent exclusions to national average
 - Commission a review of Alternative Provision
24. The achievement of the plan is overseen by the High Needs Block Financial Strategy Group, chaired by a Headteacher with support from Officers, with regular meetings and reporting to Schools Forum.
25. Recovery of the historic deficit brought forward into BCP has not yet featured in the 3 year plan given the difficulty in balancing the in-year position each year.

Proposed BCP Historic Deficit Recovery Plan

26. DfE requirements include that deficit recovery plans should be discussed with the Schools Forum, and must be signed off by the local authority's chief financial officer (CFO) before the plans are submitted to the department.
27. Any LAs that propose to leave part or all of their accumulated DSG deficit outstanding need to provide clear evidence why recovery in the short term is not possible and requires the agreement of the CFO.
28. All plans will be reviewed by an ESFA panel to consider viability as well as establish areas in which the department can support local authorities to bring their DSG back into balance.
29. The DfE recognise that deficits have been largely caused by high needs pressures and that a lot of evidence required for the recovery plans has already been reviewed in approving requests to transfer more than 0.5% of funding from the schools block to support high needs in 2019-20. The DfE acknowledge that the earlier information can be referenced without the need to provide again. This information for BCP included the 3 Year Budget Plan in Table 4 above.
30. The cost estimates in the Plan were projected forward from the 2018-19 annual forecast outturn prepared in October 2018 with the Bournemouth and Poole outturns close to these figures.
31. The costs of provision are expected to continue to rise annually despite measures to dampen demand and reduce the average costs of placements. The budget is shown to balance in-year only with significant extra funding from the DfE being assumed as well as 0.5% funding transfers from the schools and early years blocks each year. The LGA report "Have we reached a tipping point?" illustrated why additional funding will not solve the high needs financial problem and concluded that Councils have only limited ability to control expenditure with existing central government policies and funding mechanisms.
32. The Budget Plan submitted did not tackle deficit recovery as this would require an even larger increase in DSG high needs funding to be received each year, higher levels of transfer from the schools and early years blocks or Council support to the DSG continuing.
33. At this stage deficit recovery can be achieved only with higher levels of transfer from the Schools and Early Years Blocks than the 0.5% already included in the plan each year. Deficit recovery over the 3 years 2020-21 to 2022-23 would require transfers continuing at 1% per year. Higher levels of transfer will of course be required if the assumptions for the level of Government funding (or

alternative policy changes to reduce costs) prove unrealistic. Table 5 shows how the historic deficit could be cleared by this mechanism over 4 years from the start of 2019-20.

Table 5: Historic Deficit Recovery Plan over 4 years

	2019/20	2020/21	2021/22	2022/23
Deficit brought forward (ex schools block)	(4,272)	(3,605)	(2,505)	(1,405)
Further 0.5% transfer from Early Years		100	100	100
Schools Block carried forward 18/19	667			
Further 0.5% transfer from Schools Block		1,000	1,000	1,305
Deficit carried forward at end of the year	(3,605)	(2,505)	(1,405)	0
Total transfer from early years in-year DSG (0.5% already in plan plus 0.5% towards deficit)	203 (1%)	200 (1%)	200 (1%)	200 (1%)
Total transfer from schools in-year DSG (0.5% already in plan plus 0.5% towards the deficit / 0.7% in year 4)	2,192 1.1%	2,000 1%	2,000 1%	2,305 1.2%

34. An alternative could be to extend the deficit recovery period to 5 years rather than the 4 years illustrated in Table 5. This would reduce the level of transfers to recover the deficit to:

- £75k per year from early years funding compared with £100k above (0.9% transfer, including the base budget support each year).
- £826k per year from schools funding compared with £1m / £1.3m above (0.9% transfer, including the base budget support each year).

35. Any in-year surplus, should it arise, or further initiatives to reduce the cost of future high needs provision could be set against the deficit to clear it more quickly.

36. The proposed annual levels of transfers from mainstream schools need to be considered within the context of local school funding and current levels of reserves. If the majority of BCP schools were seeing per pupil funding reductions under the NFF with low and declining reserves this strategy would not be viable. The next section considers the current financial position and outlook across BCP schools.

Summary Financial Position for BCP Schools

37. It should be noted for context that the latest published academy balances (at August 2018) are before the NFF delivered significant funding increases to BCP LAs for allocation to mainstream schools from the start of 2018-19. In comparison, for maintained schools the balances at 31 March 2019 are at the end of the first year of the NFF and local implementation.

38. Despite funding transfers from the schools block to high needs in both 2018-19 and 2019-20, the 3 predecessor Councils and BCP formulae have delivered funding increases compared with 2017-18 to approximately 75% of all mainstream schools across BCP, with the remaining quarter being protected by the minimum funding guarantee (MFG). Locally, the MFG mechanism has limited

the funding reduction per pupil compared with 2017-18 to 0.5% over the 2 years 2018-20. Those schools seeing increases (or relatively static per pupil funding) are in 3 broad categories:

- 35% of schools have seen funding uplifted towards the NFF minimum per pupil funding levels (MPPFL) in 2019-20 (with a number also having received a significant uplift in 2018-19 in transition to the current level).
- 15% have seen per pupil funding increases capped at 2.5% in 2019-20 (and in some cases this follows on from increases of up to 3.5% in the previous year). These schools can expect further increases in 2020-21 (NFF and school data unchanged).
- 25% have local formula allocations without protection, capping or being uplifted to minimum per pupil levels in 2019-20. Funding changes per pupil will vary significantly within this group but will be no more than 6% over the 2 years 2018-20.

39. The BCP local formula was designed so that all mainstream schools contributed some of their NFF allocations to the transfer to high needs. As can be seen from the above it does not mean that the transfer meant all schools saw a reduction in funding.

40. How funding is allocated between schools in a fair and transparent manner is important but the greatest impact on overall school funding is the change in the number of pupils on roll. Falling rolls can be a significant detriment to financial health, particularly as this is not shared evenly but concentrated in particular schools or areas with demographic changes.

41. It is recognised that in addition to the above, there are other funding streams in schools (for example, post 16 formula and the remnants of the academy ESG in some cases) as well as unknown context behind the level and trend of reserves within individual schools. However, at summary level conclusions can be drawn about the general financial health of schools.

Academy Revenue Balances at 2016-2018

42. The latest trend of academy balances is shown in Table 6 below:

Table 6: Summary BCP Academy Revenue Balances 2016 - 2018

Phase	Number of Schools	Aug 16 (note a) £000's	Aug 17 (note a) £000's	Aug 18 £000's	Aug 18 (note b) % formula	Aug 17 to Aug 18 £000's
Infant/First	14	1,554	1,657	2,130	14%	473
Primary	28	4,767	6,114	6,655	13%	541
Junior	11	1,865	2,135	2,135	12%	0
Secondary surplus	10	6,775	6,597	6,057	15%	(540)
Secondary deficit (c)	9	(3,735)	(5,818)	(7,555)	(26%)	(1,737)
All through	3	323	388	94	1%	(294)
Specialist	4	382	341	741	7%	400
Total	79	11,931	11,414	10,256	6%	(1,158)

Notes to Table 6:

(a) Comparative for all schools is not at August each year as it depends on the date of conversion with the maintained equivalent at conversion or preceding March being used as available,

(b) Formula used in the calculation is 2019/20 BCP mainstream school formula or specialist provider 2017/18 annual costs (income figures not available for specialist providers in all cases).

(c) Secondary schools in deficit are those at August 2018 with comparatives including surplus or deficit in previous years. The annual movements, therefore, are for the same schools. The deficits within United Learning Trust have been estimated from data either supplied directly by a school or the ESFA schools benchmarking website as the published accounts have not included school level detail of balances since August 2016.

43. Table 6 shows that overall academy balances are declining. This is mainly due to rising deficit balances in a number of sponsored secondary academies. Secondary balances in surplus have also declined over this period but for some academies this is from very high levels.
44. The underlying detail to the table includes that at school level the range of balances varies considerably. At August 2018, 3 academies have recorded over 50% of annual funding in revenue reserves (1 each of first, primary and junior) with 3 secondary academy deficits approaching or over this level (with one equivalent to 132% of 2019-20 formula funding).
45. The primary phase overall has rising balances over the most recent complete two academic years with revenue balances increasing by £1.7m (21%) in 2016-17 and a further £1.0m (10%) over the 2017-18 academic year.
46. Specialist academies overall (4 in total) have increased reserves over this period with 2 now with significant balances (greater than 20% of costs) but one has a significant deficit (reducing over 2017-18).
47. Further detail is in Appendix 2A. This includes that Christchurch academies have a small net deficit overall but those in Bournemouth and Poole have net positive balances of £7.1 million (8%) and £3.2m (5%), respectively, despite a number of large deficit balances.

Maintained Schools Revenue Balances 2016-18

48. The latest trend of maintained school balances is shown in Table 7 below:

Table 7: Forecast BCP Maintained School Revenue Balances 2017 – 2019

Phase	Number of Schools	March 17 £000's	March 18 £000's	March 19 £000's	March 19 % formula	Mar 18 to Mar 19 £000's
Infant/First	2	192	76	70	4%	(6)
Primary/Junior	10	905	771	860	7%	89
Secondary surplus	2	1,119	1,053	1,286	11%	233
Specialist	3	857	769	956	9%	187
Total	17	3,073	2,669	3,172	8%	503

The balances for Christchurch schools have not yet been finalised with estimates provided by DCC in March used in most cases.

- 49. Table 7 shows that maintained school balances at the end of the first year of the new NFF are £0.5m (18%) higher than at the start of the financial year.
- 50. No schools are forecast to be in deficit and compared with academies there is a narrower spread of balances at between 1% and 14% of funding.
- 51. Further summary detail is in Appendix 2B. This includes that as for academies, maintained schools overall have a lower proportion of funding in reserves (estimated at 4%) in Christchurch compared with Bournemouth and Poole where overall maintained schools have revenue balances of 10% in each area.

Recommendations

- 52. To agree deficit recovery by a % allocation from the schools and early years blocks (in addition to the 0.5% transfer to high needs to support the in-year budget each year) over the 4 (or 5) years from 2019-20.

Legal Implications

- 53. Local authorities must discuss the recovery plan with the Schools Forum and agree it if possible, but agreement does not need to be obtained before the plan is submitted. The DfE will study the recovery plan and provide comments back to the local authority by September 2019.
- 54. Failure to provide a plan by the deadline will result in escalation to the Minister.

Financial Implications

- 55. These are set out in the body of the report and appendices.

Background Papers

- 56. Shadow Schools Forum - Funding Transfer Papers on 14 December 2018 and 8 January 2019.
- 57. Shadow Schools Forum – Final DSG Budget and Mainstream Formula 2019-20 on 18 March 2019.

Table 8: Bournemouth and Poole DSG Outturn 2018-19

DSG Outturn 18/19 Bournemouth & Poole	Bournemouth					Poole				
	Budget	Variance	Outturn	Funding	Block Outturn	Budget	Variance	Outturn	Funding	Block Outturn
	£000's	£000's	£000's	£000's		£000's	£000's	£000's	£000's	
Early Years										
Providers - 3 & 4	8,159	733	8,892	9,294		6,119	569	6,688	7,046	
Providers - 2's	1,299	-53	1,246	1,306		1,019	61	1,080	1,088	
Central high needs	326	-13	313			0	0	0		
Early years pupil premium	54	-2	52	49		51	-18	33	44	
DAF	34	0	34	34		30	-5	25	30	
Inclusion Fund	155	27	182			0	160	160		
Central Spend - eligibility 2,3 and 4	41	0	41			70	-7	63		
	10,068	692	10,760	10,683	-77	7,289	760	8,049	8,207	159
Mainstream Schools										
Schools Formula	87,076	0	87,076	87,435		72,294	-14	72,280	72,739	
Transfer to High Needs	0	0	0	-1,083		0	0	0	-678	
Business Rates/Joint Use/Split Site	801	-10	791	786		616	16	632	696	
Growth Contingency	319	-319	0	0		0	0	0	0	
Growth Fund	493	-26	467	1,551		455	-314	141	608	
	88,689	-355	88,334	88,689	355	73,365	-312	73,053	73,365	312
Central Schools										
School Admissions	544	-104	440			150	-7	143		
Licences purchased by DfE	101	0	101			88	0	88		
Servicing Schools Forum	31	0	31			6	0	6		
Ex ESG Services all schools -	338	-81	257			302	-7	295		
ASD Base Borrowing Repayment	275	-1	274			0	0	0		
	1,289	-186	1,103	1,289	186	546	-14	532	546	14

Appendix 1

DSG Outturn 18/19 Bournemouth & Poole	Bournemouth				
	Budget £000's	Variance £000's	Outturn £000's	Funding £000's	Block Outturn
High Needs				18,574	
Transfer from Schools Block				1,083	
Special School Places – Maintained	2,590	80	2,670		
Special School Places - Academy pre 16	900	0	900		
Special School Places – Maintained post 16	390	0	390		
Mainstream post 16 EHCP	90	0	90		
Medical Places – Cross-border unit	0	0	0		
Academy Medical Places – own	6	0	6		
Academy AP Places	554	6	560		
Resource Bases	148	0	148		
EIP - Secondary Quay (Poole)	0	0	0		
EIP - Primary - Ambitions (Poole)	0	0	0		
Miscellaneous / ad hoc SEN support	0	308	308		
Top up Funding - Maintained/Academy	6,178	506	6,684		
Top Up Funding - Excluded pupils	597	-175	422		
Top up Funding - NMSS/Independent	5,743	471	6,214		
Top up Funding - Post Schools	832	-246	586		
Top up Funding - Pre Schools	176	-176	0		
Top up Funding – Mainstream Units	0	11	11		
Top up Funding - AP Medicals	78	113	191		
Special School Outreach	150	2	152		
Hospital Education (incl. private providers)	78	-78	0		
Bespoke Packages (out of School)	440	243	683		
Support for inclusion	40	120	160		
Specialist support - 2, 3 and 4's	5	23	28		
Specialist Support - Sensory impaired	372	-56	316		
	19,367	1,152	20,519	19,657	-862
Total Expenditure	119,413	1,303	120,716	120,318	-398

Poole				
Budget £000's	Variance £000's	Outturn £000's	Funding £000's	Block Outturn
			15,733	
			678	
1,040	0	1,040		
1,250	0	1,250		
216	1	217		
96	0	96		
461	0	461		
345	0	345		
600	0	600		
0	0	0		
22	21	43		
147	-62	85		
0	427	427		
4,858	97	4,955		
400	151	551		
4,615	-606	4,009		
825	190	1,015		
0	0	0		
0	0	0		
0	0	0		
227	0	227		
50	66	116		
130	-12	118		
53	-1	52		
506	-153	353		
276	-30	246		
16,117	89	16,206	16,411	205
97,317	523	97,840	98,530	690

Appendix 1

DSG Outturn 18/19 Bournemouth & Poole	Bournemouth			
	Budget £000's	Variance £000's	Outturn £000's	Funding £000's
Expenditure funded by:				
Initial allocations 2018/19	119,413	905	120,318	119,413
Import-export adjustment (July 18)	0	0	0	-90
Extra High Needs allocation Dec 2018	0	0	0	381
Early Years estimated adjustment 2018/19	0	0	0	614
Early Years 2017/18 adjustment	0	476	476	0
Balance is an In-year surplus	0	-78	-78	0
Total Funding	119,413	1,303	120,716	120,318
DSG Brought Forward Surplus / Deficit (-)	-3,209	0	-3,209	
DSG In-year Surplus	0	78	78	
DSG Carried Forward Surplus / Deficit (-)	-3,209	78	-3,131	

Poole			
Budget £000's	Variance £000's	Outturn £000's	Funding £000's
97,317	1,213	98,530	97,317
0	0	0	-27
0	0	0	321
0	0	0	918
0	0	0	0
0	-690	-690	0
97,317	523	97,840	98,530
564	0	564	
0	690	690	
564	690	1,254	

BCP School Balances Additional Context

A. Academy Revenue Balances at August 2018 (before the introduction of the NFF)

1. A summary of August 2018 academy balances by preceding BCP authority is shown in Table 9 below:

Table 9: BCP Academy Balances at August 2018

LA AREA		Bournemouth		Christchurch		Poole		Total		
SCHOOL PHASE	Number of Schools	Aug 18 £	% 19/20 Formula *	Aug 18 £	% 19/20 Formula *	Aug 18 £	% 19/20 Formula *	Aug 18 £	% 19/20 Formula *	Annual Balance Change
Infant/First	14	431,795	12%			1,698,320	15%	2,130,115	14%	473,311
Primary	28	5,239,930	16%	17,000	2%	1,397,783	9%	6,654,713	13%	541,032
Junior	11	1,231,161	24%	154,000	9%	749,412	7%	2,134,573	12%	-866
Primary Total	53	6,902,886	16%	171,000	7%	3,845,515	10%	10,919,401	13%	1,013,477
Secondary in Surplus	10	3,194,713	16%	190,000	3%	2,671,803	19%	6,056,516	15%	-540,400
Secondary in Deficit	9	-2,657,259	-23%	-240,000	-3%	-4,657,660	-51%	-7,554,919	-26%	-1,736,958
Secondary Total	19	537,454	2%	-50,000	0%	-1,985,857	-9%	-1,498,403	-2%	-2,277,358
All-through	3	242,681	2%	-149,077	-9%			93,604	1%	-293,983
Special/AP	4	-629,686	-16%			1,370,909	22%	741,223	7%	399,954
TOTAL ACADEMY	79	7,053,335	8%	-28,077	0%	3,230,567	5%	10,255,825	6%	-1,157,910

* The % of formula and annual balance change has been calculated in the same way as in Table 6 in the main report.

2. Balances for Christchurch academies net to a small deficit in comparison with Bournemouth and Poole where balances total £10 million between them at 8% and 5% of formula funding, respectively. This overall position is despite a number of very large deficits in sponsored academies in the secondary phase in the two larger areas.

Primary Phase

3. The Primary phase receives approximately 50% of the Schools NFF. There is no link between the level of current balances across the phase and those benefitting from the NFF or funding being protected by the Minimum Funding Guarantee (MFG). Relatively little funding remains capped in 2019-20 and there are a number of relatively high MFG allocations (86% of total MFG funding). Some academies with MFG funding have high and historically rising balances but as expected a number have balances that are low and declining. A number of academies with low balances are also seeing funding reduce for nursery classes as a single base rate for the sector is implemented over 2017-2020. The financial outlook and resilience of individual schools in the phase is therefore mixed.
4. Infant/First academies as a group have seen increasing balances over the last 2 years, the most significant increase (29%) being over the most recent year. Those with balances at August 2018 above 10% of formula funding (50% of the phase) have seen balances increase over each of the last two academic years. Those with low positive balances (3 schools with below 3%) have seen balances reduce each year. One school remains in deficit but this was substantially recovered over 2017-18.
5. Primary academies increased balances significantly between August 2016 and 2017 with a further increase for August 2018. Almost half (43%) have more than 10% of funding in reserves. A small number of schools have low balances (below 3%) with 3 being in deficit.
6. Junior academies have seen lower increases in overall balances since August 2016 compared with the other schools in the primary phase. The overall summary masks that 2 academies have significant and rising balances over 2017-18 closing at greater than 20% of funding but the majority have declining balances below 10% but no academies are in deficit in this group at August 2018.

Secondary Phase

7. The latest financial position for Secondary academies varies greatly across the phase. There are 7 academies with surplus balances greater than £0.5 million each but 4 with deficit balances approaching or above £1 million each.
8. Most secondary academies with surplus balances have benefitted from the NFF after the latest financial reporting date. Of the 10 academies in this group, 6 in 2019-20 will see funding topped up through MPPFL allocations due to a pupil roll with relatively high prior attainment and affluence. A number of academies will also have seen funding topped up in 2018-19 when the funding floor was lower. One school has capped funding with the remaining 3 schools receiving formula allocations in 2019-20. No schools in this group are seeing per pupil funding reduce with protection from the MFG in 2019-20. Although falling rolls can still impact on overall funding levels, the financial outlook for this group is generally positive after August 2018.

9. Secondary academies with deficit balances at August 2018 in most cases have seen these rise (or their surplus reduce) over at least the last 2 years, with one deficit now standing at £3.6 million. The highest deficit balances are in the more deprived sponsored academies where pupil numbers have fallen in recent years. The financial outlook for this group of 9 academies remains mixed. Some have benefitted from the NFF through higher formula values (3 increases still capped in 2019-20) or the MPPFL (1 academy) but the scale of some deficits will remain problematic and will not be solved through local formula adjustments. The ESFA is providing financial support through funding advances and longer term loans to schools in relatively small Multi Academy Trusts.

All-through Academies

10. This group contains 3 academies, with 2 in deficit. The NFF has provided some benefit to this group with 2 receiving capped funding (the third school receiving formula allocations) in 2019-20. The rising pupil roll will also improve the financial outlook.

B. Maintained School Revenue Balances at March 2019 (at the end of the first year of the NFF)

11.A summary of forecast maintained school balances by preceding BCP authority is shown in Table 10 below: Balances for the Christchurch area remain estimated based on information from DCC in late March 2019.

Table 10: BCP Maintained School Balances at March 2019

LA AREA	Total	Bournemouth		Christchurch		Poole		Total		
MAINTAINED	Number of Schools	March 19 £	% 19/20 Formula *	March 19 £	% 19/20 Formula *	March 19 £	% 19/20 Formula *	March 19 £	% 19/20 Formula *	Annual Change
Infant	2			70,088	4%			70,088	4%	-5,879
Primary/Junior	10	488,872	10%	291,369	4%	79,804	8%	860,045	7%	88,936
Total Primary Phase	12	488,872	10%	361,457	4%	79,804	8%	930,133	6%	83,057
Secondary (all surplus)	2					1,285,812	11%	1,285,812	11%	232,794
Specialist	3	803,414	11%	13,000	2%	139,309	6%	955,723	9%	186,754
TOTAL MAINTAINED	17	1,292,286	10%	374,457	4%	1,504,925	10%	3,171,668	8%	502,605

* The % of formula and annual balance change has been calculated in the same way as in Table 6 in the main report

12.No maintained schools are forecast to be in deficit at 31 March 2019. As for academies, the balances across schools in Bournemouth and Poole are typically higher as a proportion of funding than in the Christchurch area.

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BOURNEMOUTH, CHRISTCHURCH and POOLE (BCP) SCHOOLS FORUM

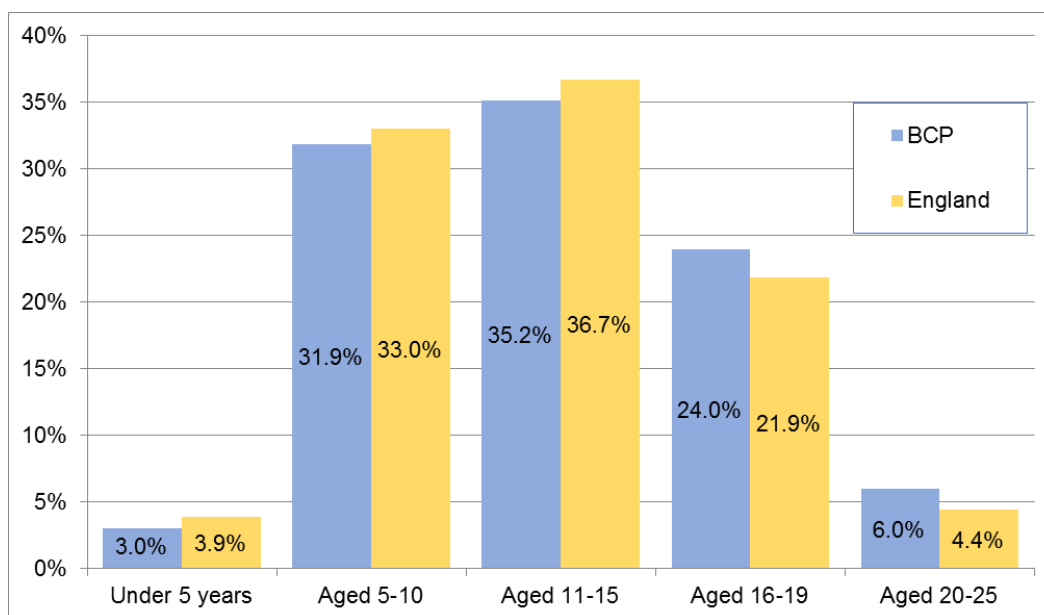
Subject	Update from the BCP HNB Financial Strategy Group
Meeting Date	13 June 2019
Report Author (s)	Dave Simpson, Headteacher, The Epiphany School, Bournemouth Vicky Wales, Head of Children, Young People and Learning
Contributors	Steve Ellis, Education Accountant, Children, Young People & Learning
Distributed to	<u>BCP HNB Financial Strategy Group Members:</u> Dave Simpson (Bournemouth Primary and Chair) Alison Timmings (Christchurch Primary) Helen Roderick (Poole Primary) Nadine Lapskas (Bournemouth Secondary) Mel Strachan (Christchurch Secondary) Sam Davidson (Poole Secondary) Nicki Morton / Geoff Cherrill (Special School) Leigh Bailey-Pearce (AP Provider) Vanessa Grizzle (BCP SEND Lead) Geraint Griffiths (BCP AP Lead) Vicky Wales (BCP Senior Officer) Teresa Jones (BCP SEND Lead) Julie Gale (BCP AP Lead) Nicola Webb (BCP Assistant Chief Finance Officer) Steve Ellis (BCP Management Accountant, Childrens Services)
Status	Public
Classification	For decision - all members eligible to vote
Executive Summary	This report provides an update of the work of the BCP HNB Financial Strategy Group.
Recommendations	The following recommendations are being brought forward to the BCP Schools Forum: <ul style="list-style-type: none"> • A set of financial targets are monitored by the BCP HNB Financial Strategy Group at each of their half-termly meetings. • A response to the DfE consultation is submitted by the Group by 31 July 2019.
Reasons for Recommendations	Schools forum passed the role of monitoring the High Needs Budget to the HNB Financial Strategy Group.

1. Background

- 1.1 The Bournemouth, Christchurch and Poole (BCP) Shadow Schools Forum (SSF) on 13 December 2018 agreed that the BCP High Needs Block (HNB) Financial Strategy Group needed to continue to meet to draw together a joint action plan to reduce the demands on the HNB, monitor the impact of the plan and report regularly to the BCP Schools Forum.
- 1.2 The BCP SSF received a verbal update from the group at its last meeting on 18 March 2019.
- 1.3 The Group has met twice since this date and a smaller group has also met to work in detail on the bringing together of the 2 action plans into 1 BCP HNB action plan.
- 1.4 The Group has received detailed information regarding the 2018-19 HNB outturn figures for Bournemouth and Poole and have scrutinised these in detail.

2. BCP Council SEND Data, May 2019

- 2.1 England data is from January 2018. 2019 data will be available at the end of May.
- 2.2 Local Authority data is as reported in the SEN2 except where indicated below as school census.
- 2.3 BCP Council currently maintains 2,241 Education, Health and Care Plans (EHCPs) and is undertaking 180 assessments.
- 2.4 74% of EHCPs are for males, 26% for females.
- 2.5 EHCPs by age:



3. BCP HNB Action Plan

- 3.1 A detailed plan has been produced which highlights a wide range of actions and activities that are being put into place to reduce demand on the HNB.
- 3.2 Progress against these actions are reported to the BCP HNB Financial Strategy Group. A summary is provided below.
- 3.3 Reduce the rise in EHCPs and support mainstream schools.
- Demand continues to grow, however many schools in BCP are taking part in the School Improvement Fund work (The LASSIE project) which aims to support mainstream schools with their practice.
 - BCP are appointing to a post which will focus on work with adult services and ensuring that EHCPs have targets which have clear outcomes for independent living.
 - The outreach offer from BCP special schools will be available across the local area with the LA chairing a referral panel and all providers working together.
 - 2 secondary schools are due to offer an enhanced curriculum (Mainstream Plus) from September 2019 for their pupils who are highlighted as at risk of requiring specialist provision.
- 3.4 Reduce the need for independent special schools by increasing capacity at local special schools. From September 2019 the following should be in place:
- 10 additional places at Linwood School
 - 6 places at Kingsleigh Primary Resource Base
 - 8 additional places at Malmsbury Park Primary Resource Base
 - 7 additional places at Tregonwell Academy
 - 2 Winchelsea satellites at Old Town Infant School and Canford Heath Junior School, adding further places
- 3.5 Special schools across BCP are undertaking an audit process in order to work collaboratively on their offer and including our non-maintained special schools.

4. Bournemouth and Poole HNB 2018-19 Outturn

- 4.1 It has been recognised that there continued to be increasing demand through requests for EHCPs and rising numbers of exclusions.
- 4.2 The DfE allocated additional funding to Bournemouth and Poole to be allocated to the HNB. After this, the figures are as follows:
- Bournemouth: £862,000 overspend
 - Poole: £205,000 underspend
 - Christchurch: unknown as awaiting final figures from Dorset. Christchurch will be on 11.7% of the overall Dorset figure.
- 4.3 It has been proposed that, as well as monitoring the spend to date of the HNB, that a set of clear financial targets be set.

4.4 The proposals for these targets are as follows:

- Reduce the growth in total EHCPs (12% to 10%). 41 less plans.
- Reduce the average cost of children with an EHCP by 3.2% (£381 / plan). This demonstrates a movement of plans down the pyramid into lower cost placements. i.e. less in independent, more in mainstream. The group will also monitor number of plans in these placements.
- Increase capacity (and use) of local special schools.
- Reduce the number of pupils accessing non-registered provision (individual packages).

In building the budget for 19-20, it has been assumed BCP will meet these targets, otherwise there will be further increased demand on the HNB for 2020-21.

The budget (and targets) are based on the position in September 2018. Work continues to ensure we have an accurate picture of the demands across BCP.

5. National Context

- 5.1 The DfE has issued A Call for Evidence “Provision for Children and Young People with Special Educational Needs and Disabilities, and for those who need Alternative Provision: how the financial arrangement work.”
<https://consult.education.gov.uk/funding-policy-unit/funding-for-send-and-those-who-need-ap-call-for-ev/>
- 5.2 It is proposed that at the next meeting of the BCP HNB Financial Strategy Group this document should be considered in detail and a proposed response drafted from the discussion.

6. Recommendations

- 6.1 The following recommendations are being brought forward to Schools Forum:
- A set of financial targets are monitored by the BCP HNB Financial Strategy Group at each of their half-termly meetings.
 - A response to the DfE consultation is submitted by the Group by 31 July 2019.

7. Legal Implications

- 7.1 The SEND Code of Practice: 0 to 25 Years provides statutory guidance on duties, policies and procedures relating to Part 3 of the Children and Families Act 2014 and associated regulations.

8. Conclusion

- 8.1 The BCP HNB Financial Strategy Group will continue to meet on a half-termly basis and be provided with detailed financial data in order to scrutinise the progress of the action plan and impact on the HNB for 2019-20.

BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM



13 June 2019

Forward Plan

September 2019

- DSG Budget Monitoring 2019-20
- DfE Budget Guidance 2020-21
- Mainstream National Funding Formula 2020-21
- Growth Funding 2020-21
- Permanent Exclusion Adjustment to Budget Share

October 2019

- Early Years Formula 2020-21 Proposals for Consultation
- Mainstream Schools Formula 2020-21 Proposals for Consultation
- High Needs Block Financial Strategy Group

December 2019

- Early Years Formula Consultation Outcome
- Mainstream Schools Formula Consultation Outcome
- High Needs Block Financial Strategy Group
- Central School Services Budget 2020-21
- DSG Budget Monitoring 2019-20

January 2020

- DSG Settlement and Budget 2020-21
- Growth Fund 2020-21
- Funding Transfer from Schools Block 2020-21
- Maintained Schools Central Retention 2020-21
- Looked After Children Pupil Premium Arrangements 2020-21

June 2020

- DSG Outturn 2019-20
- High Needs Block Financial Strategy Group
- Scheme of Financing Maintained Schools (if update is required)

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