

Notice of BCP Schools Forum

Date: Wednesday, 25 September 2019 at 8.00 am

Venue: Main Hall - Bournemouth Learning Centre - BLC



Membership:

Chairman:

Phil Keen

Vice Chairman:

Patrick Earnshaw

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

Linda Duly
Phillip Gavin
Brigid Hincks
Jason Holbrook
Sue Johnson
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: Jacqui Phillips or email jacqui.phillips@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

17 September 2019



Available online and
on the Mod.gov app



AGENDA

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

- | | |
|---|---------|
| 1. Introduction | |
| 2. Apologies for Absence To receive any apologies for absence. | |
| 3. Declarations of Interest To receive any declarations of disclosable pecuniary interests from Forum Members/Officers in matters appearing on the agenda. | |
| 4. Minutes of the Previous Meeting To confirm the minutes of the previous meeting, held on 13 June 2019, as a correct record. | 5 - 10 |
| 5. Dedicated Schools Grant (DSG) Budget Monitoring 2019-20 To consider the information report. | 11 - 22 |
| 6. Dedicated Schools Grant (DSG) Budget Guidance 2020-21 To consider the information report. | 23 - 26 |
| 7. Permanent Exclusion: Funding Arrangements 2020-21 To consider the information report. | 27 - 38 |
| 8. BCP Mainstream Funding Formula 2020-21 To consider the information report. | 39 - 48 |
| 9. BCP Growth Funding Policy 2019-20 To consider the information report. | 49 - 62 |
| 10. Forward Plan To consider and note the Forward Plan. | 63 - 64 |
| 11. Dates of Future Meetings <ul style="list-style-type: none">• Tuesday 5 November 2019• Wednesday 11 December 2019• Friday 17 January 2020• Friday 19 June 2020 | |
| 12. Any Other Business To consider any other business, which, in the opinion of the Chairman, is of sufficient urgency to warrant consideration. | |

13. Exclusion of the 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 SCHOOLS FORUM 13 June 2019

The meeting commenced at 8.00am and concluded at 09.00am.

Present:

Maintained – Secondary

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

Mainstream Academies – Primary

Lauren Dean – Principle, Kings Park Academy
Dave Simpson – Headteacher, The Epiphany School
Jon Chapple – Headteacher, Twynham Primary
Kate Carter - CEO, TEACH Academy Trust

Mainstream Academies – Secondary

Phil Keen – Headteacher, Corfe Hills School
Mark Avoth – Headteacher, Bourne Academy
Jason Holbrook – Headteacher, Avonbourne College

All-Through Academies

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

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
Sue Johnson – Jack in the Box, Bournemouth

Invited Attendees

Nicola Webb – Assistant Chief Finance Officer, BCP Council
Neil Goddard - Service Director – Quality and Commissioning, BCP Council

1. INTRODUCTION

Neil Goddard, Service Director for Quality and Commissioning, BCP Council, opened the meeting and welcomed all present.

2. ELECTION OF CHAIR

RESOLVED that Phil Keen (Head Teacher- Corfe Hills School) be elected Chairman of the BCP Schools Forum.

3. ELECTION OF VICE-CHAIR

RESOLVED that Patrick Earnshaw (Head Teacher – Highcliffe School) be elected Vice Chairman of the BCP Schools Forum (confirmed after the meeting as not present).

4. APOLOGIES FOR ABSENCE

Apologies for absence were received from:

- Andy Baker – Headteacher, Poole Grammar School
- Jeremy Payne – Principal, St James CE School
- Judith Ramsden, Executive Director, Children's Services
- Councillor Sandra Moore, Portfolio Holder for Children and Families

5. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of disclosable pecuniary interests.

6. MINUTES

RESOLVED that the Minutes of the Meeting held on 18 March 2019, having been previously circulated, be taken as read, signed and confirmed by the Chairman as a correct record.

Matters arising and not included on the agenda were considered.

The number of free school bids in Dorset was queried at the previous meeting. The free school in Bovington was confirmed to be opening in September 2019, in temporary accommodation with 25 students initially. Vicky Wales followed up the query regarding a second free school and has confirmed that Dorset has been successful in a second free school bid; the location has not yet agreed.

7. TERMS OF REFERENCE

It was queried if there were any changes from the Terms of Reference considered by the BCP Shadow Schools Forum at the last meeting.

The following changes were noted:

- The ratio of primary and secondary representatives had changed as per the agreement of the BCP Shadow Schools Forum to include 6th Form numbers when calculating ratios.
- The Minutes of the meeting are to be published within 5 working days in line with DfE guidance.
- The Terms of Office have been set as 2 years; this was previously 3 years.
- The Early Years representation has been specified as per the agreement of the BCP Shadow Schools Forum.
- There have been minor grammatical improvements.

It was confirmed that the Forum has secured a governor representative; Brigid Hinks, Chair of Governors of St Joseph's Primary School.

RESOLVED that The Terms of Reference adopted by unanimous agreement.

8. DSG OUTTURN AND DEFICIT RECOVERY PLAN

Nicola Webb, Assistant Chief Finance Officer, BCP Council, presented the report.

The report provided gives the draft 2018-19 outturn position for the Bournemouth, Christchurch and Poole 2018-19 DSG (table 1). Bournemouth's DSG budget was broadly balanced, Poole had a £0.7m surplus and Dorset a £6m deficit. The 2018-19 outturns, brought forward DSG balances at April 2018 and Christchurch share of Dorset establishes the April 2019 opening position for BCP as a deficit of £3.6 million requiring recovery, preferably within 3 years. A deficit recovery plan was included in the report (table 4). Also included for context was a review of the financial health of schools across BCP at their latest reporting date (tables 6 and 7).

It was clarified that the remit of Schools Forum is to consider the transfer to the High Needs Block (HNB) and the deficit.

It was suggested that Central Government have listened to the issues raised during last year regarding the growing pressures in high needs and that there is a need to consider policies and funding mechanisms. There are currently 2 consultations running looking at these issues; however, it is unlikely that any changes from these will be in place for 2020-21.

Spending review announcements will not be received until immediately before Christmas 2019. Late July announcements from the DfE may set the general funding framework but no monetary values will be possible until after the Government Spending Review in late autumn.

BCP Council has provided £2.4 million as a one-off payment to the budget; this will not be repeated in 2020-21 so balancing next year and recovering any of the deficit will be challenging.

Individual school balances were provided as part of the overall financial picture. Christchurch maintained school balances are estimated as final figures are not yet available. It was noted that the main deficits are in secondary sponsored academies and that in most cases these continue to rise.

Questions were invited from Forum.

The amount of transfer from schools' budgets to recover the deficit was queried. It was confirmed that 0.5% had been built into the in-year budget plan with the deficit recovery plan requiring a further 0.5% to recover over 4 years (i.e., 1% in total).

The deficit within the HNB was discussed; in 2018-19 there was a deficit of £3.3 million which needed to be sourced from other blocks (or carried forward as further deficit in Dorset's case). The estimate for 2019-20 is that there will be a £4.8 million shortfall in high needs funding, which allows for growth in the pressure on the HNB. This is funded by the Council and transfer from schools and early years.

It was queried if there was an assumption that there would be more funding from Government. It was explained that the HNB was previously rebased by Government which resulted in a £3 million increase across BCP for 2018-19; if this was done again for 2020-21 there would be a £2.4 million increase in funding so a significant increase is not impossible. The DfE must find some solutions to the national problem.

The relevance of providing school balances in the paper was discussed; it was explained that this gives context and an overview of the funding available within the system. It was explained that Councillors could request this information to assist forming a view when considering which services need to be prioritised for funding. The balances were not taken into account when setting the funding formula.

Forum was asked to consider the DSG deficit recovery plan and whether it was agreed that a 0.5% transfer rate from schools funding was set for 4 years. It was felt by Forum that there was insufficient information on Government plans for the budget in order to make a decision. The deficit recovery plan needs to be submitted by the end of June; this does not need approval from Forum but the DfE will be advised of Forum's position.

RESOLVED that Schools Forum believes there is insufficient information to approve the proposed recovery plan at this stage, by unanimous agreement.

9. HNB FINANCIAL STRATEGY GROUP

Dave Simpson, Chair of the HNB Financial Strategy Group, presented the report.

It was explained that the Christchurch figures were not fully available yet; this made projections difficult. The number of EHCPs for Christchurch is known, but the costs have not been established yet.

The report showed a gender bias; boys have a significantly higher percentage of EHCPs; it was confirmed that it is a national issue, although BCP is on the higher end of the scale.

It was advised that the Action Plan required the inclusion of Christchurch data; once this has been received, the plan will be presented to Forum.

Mainstream Plus at St Edward's RC/CE School and Carter Community School was discussed; it was raised that both sites are localised in the west of the conurbation. It was advised that, from September 2019, the report outlines 31 additional places at local special schools across Bournemouth, along with 2 satellites in Poole and additional places at the Quay School in order to help reduce the cost of sourcing alternative provision in more expensive independent placements.

The number of EHCPs in the under 5 group was queried; it was advised that this is currently a small cohort, although growing, and mostly supported without plans. Linwood School had opened a maintained nursery. No financial input from Health is received towards this; the contribution from Health is Health Visitors.

Forum discussed the increasing number of EHCPs and how this could be managed when EHCPs are a reflection of law. It was discussed that the aim would be to reduce the growth to bring the level of EHCPs in line with the national average. It was acknowledged that there are small gains that can be made to reduce plans; it was raised that parental expectation needed to be managed as part of this.

The aim is to meet high needs from the HNB, whilst operating within financial constraints and legal constraints. However, it must be acknowledged that a low number of high cost tribunals could prevent budgets being met.

The Chair thanked members of the HNB Financial Strategy Group for their work.

RESOLVED that:

- (i) A set of financial targets are monitored by the BCP HNB Financial Strategy Group at each of their half-termly meetings, by unanimous agreement.**
- (ii) A response to the DfE consultation is submitted by the Group by 31 July 2019, by unanimous agreement.**

10. **FORWARD PLAN**

The dates of future meetings and discussions arising were explained to be set by the DfE timetable.

The following Forum discussions will need to take place:

- September: National funding and considering options and the Local Authority response.
- October: Draft consultation with schools if required
- December: Result of the consultation and final recommendations. The Government must give the final settlement prior to Christmas 2019.
- January: Final funding values for the NFF and what can be afforded; budget sent to DfE.

NFF values will not be known until December. The local formula will continue for another year. Updates for schemes of financing maintained school are usually announced in March so would be dealt with later in the cycle.

Forum may decide that a further meeting is required between January and June 2020.

11. DATES OF FUTURE MEETINGS

- Wednesday 25 September 2019
- Thursday 31 October 2019
- Wednesday 11 December 2019
- Friday 17 January 2020
- Friday 19 June 2020

It was requested that the Clerk circulates the meeting dates by separate email to Forum members, due to issues that had been noted with the system which appeared to have failed to send emails to all members of Forum.

12. ANY OTHER BUSINESS

David Todd, Headteacher, St Peter's School, advised that it would be his final meeting with Forum and that his successor from September 2019 would be Ben Doyle. Thanks for his contribution were extended by the Chair.

Chairman



BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

| | |
|-------------------------------|---|
| Subject | Dedicated Schools Grant (DSG) Budget Monitoring 2019-20 |
| Meeting Date | 25 September 2019 |
| Report Author | Nicola Webb, Assistant Chief Finance Officer e-mail: nicola.webb@bcpcouncil.gov.uk Tel: 01202 63 3296 |
| Contributors | Steve Ellis, Management Accountant – Childrens Services |
| Status | Public |
| Classification | For information |
| Executive Summary | <p>The report considers the forecast end of year position for the DSG budget 2019-20 at a net deficit of £1m. There is currently a predicted overspend of £2 million resulting from pressures within the High Needs Block but this is partially offset by £1 million of funding adjustments (mostly one off relating to prior years) and a small saving.</p> <p>The growth in demand for high needs placements continues to be both a national problem and local issue with the new places created locally quickly filled by rising demand.</p> <p>Recent government announcements have indicated a significant increase in funding from 2020-21 for mainstream pupils and those with high needs. The details are not yet known but it remains very likely that further local measures will be needed to balance the DSG budget next year.</p> <p>The High Needs Block Financial Strategy Group (HNB FSG) will continue to monitor the high needs action plan with a full report scheduled for Schools Forum at the November meeting.</p> |
| Recommendation | The report is to be noted |
| Reason for the recommendation | Budget monitoring is an important element of current year financial management and budget planning for future years. |

Estimated DSG 2019-20

1. The DSG forecast for BCP has been updated to reflect the DfE adjustments in July 2019 to take account of the cross-border flow of high needs placements (import / export data from January 2019 census) to finalise the 2019-20 High Needs Block. Funding for the Early Years Block has also been updated to reflect the January 2019 early years census as the best estimate for this first year as trends have not yet been established. The funding for early years will be finalised in July 2020 to also take account of the January 2020 census.
2. Table 1 below summarises the current allocation of DSG for 2019-20 in comparison with the budget.

Table 1 – Estimated DSG 2019-20

| Funding Block | 19/20 Budget £000's | 19/20 Forecast £000's | Variance | | Reason for variance |
|-------------------------|---------------------|-----------------------|--------------|---------------|---|
| | | | £000's | % | |
| Early Years | 21,865 | 20,765 | (1,100) | (5.0%) | Fewer hours funded from the January 2019 census than budgeted |
| Schools Formula | 197,316 | 197,316 | 0 | 0.0% | Finalised in December 2018 Settlement No change |
| Central School Services | 2,062 | 2,062 | 0 | 0.0% | |
| High Needs | 38,885 | 39,186 | 301 | 0.8% | Import / export adjustment to funded places |
| Prior Year Adjustments | 0 | 662 | 662 | - | Early years (0.5m) and academy recoupment adjustments |
| Total | 260,128 | 259,991 | (137) | (0.1%) | |

Early Years Block

3. The current early years block allocation is calculated using the January 2019 census for the whole of the 2019-20 financial year. The final allocation will use 5/12 of the January 2019 census and 7/12 of the January 2020 census. An adjustment to the allocation will be made in July 2020 with an estimate included in the year end position. The current forecast assumes no change from the January 2019 census as trends have not yet been established for the new council. This would result in £1.1m less funding than budgeted, however forecast spend (based on hours paid to providers) is expected to be broadly equal to the hours provided in funding, that is no overall impact on the forecast outturn for the year. The forecast will be updated later in the year if a clear trend emerges.
4. The July 2019 reduction in early years funding for 2018-19 in predecessor councils was not as large as allowed at outturn with an additional £0.5m of one-off funding being available for 2019-20.
5. The remainder of the prior year adjustment relates to pupil growth and business rates budgets no longer expected to be recouped by the DfE from legacy Council DSG allocations.

High Needs Block

6. An additional £0.3m of funding was allocated through the High Needs Block when the import / export adjustment was finalised in July 2019. This adjustment moves place funding between Local Authorities/ESFA based on January data collections. In 2018-19 each of the legacy councils saw funding reduce through this adjustment with an allowance made in the 2019-20 budget for this trend to continue. It is not clear if this adjustment reflects a new trend for BCP.

Estimated Expenditure 2019-20

7. Estimated expenditure for each block is summarised in Appendix A. An overspend of £2.0m is expected on the High needs block despite the transfer from school's block, council contribution and actions taken to date. Savings in other blocks and an increased allocation of grant results in a net forecast deficit of £1.0m. The cumulative deficit is therefore expected to increase from £3.6m to £4.6m at 31 March 2020.

Early Years Block Spend

8. Early information using data from the summer term of 2019 was presented to the early years provider sub-group in July 2019. This indicated that in terms of average cost per hour, the spend to date is in line with the budget set. A lower proportion of hours are attracting the Deprivation supplement than budgeted due to the Christchurch estimate proving less reliable than other areas with the change in eligibility criteria. This will continue to be monitored. The increasing cost of the inclusion fund (SEND) is expected to use any surplus generated by lower deprivation allocations.
9. The sub group will consider updated monitoring and impact data before proposing any changes to the formula for 2020-21 which would require consultation with the sector.

Schools Block Spend

10. The mainstream schools funding formula is being paid to mainstream schools and recouped by the ESFA for academies as per the formula set in January 2019.
11. The growth fund allocations are currently forecast to be paid across to schools as budgeted with work underway to establish where pupil growth has taken place.

Central School Services Block Spend

12. The funding is provided for LA duties supporting the DSG system and services for all schools – mainstream and special in both maintained and academy sectors.
13. The charge for copyright licences from the DfE for all schools is less than budgeted (DfE estimate including VAT which the LA can recover), giving a saving of £44k, but no other variances are currently expected.

High Needs Block Spend

14. The High Needs block is forecast to overspend by £2.0m compared with the budget set. Additional funding through the high needs block for the import / export adjustment reduces the pressure from this block to £1.7m in-year. This means that the forecast DSG funding gap for the high needs block is now £6.5m after taking account of the transfer from schools and early years providers (£2.4m) and the contribution from Council (£2.4m). Growth in EHCP's is still above 10% per annum nationally, (with BCP currently above this trend) with potentially a further £4.6m needed for 2020-21 based on the current profile of placements.
15. A report to Council from the Corporate Director for Children's Services, as part of the first quarter's budget monitoring information, is included at Appendix B. This report considers the high needs action plan, historic deficit recovery plan and in-year 2019-20 high needs budget position as at the end of June.
16. The action plans of the legacy Councils have been consolidated and considered by the HNB FSG in the summer term with regular reporting to Schools Forum from this group included in the forward plan. The actions include the creation of new provision in local special schools (satellites and new places) and the introduction of "mainstream plus" from September 2019. These developments have helped delay the use of expensive independent school placements, but unless a greater proportion of plans are maintained within mainstream settings or the rate of EHCP growth significantly reduces, further high cost placements are inevitable as local special schools are already at capacity despite the number of places added.
17. BCP current data compared to national can be seen in the key financial indicators for the High Needs Budget in Appendix C. The projected overspend has increased since an earlier version of this schedule was considered by the HNB FSG in July. Over the summer the full details and estimated costs of Christchurch legacy plans and new activity across the BCP area have been established.
18. The greater proportion of pupil placements within higher cost providers is the main reason for the average cost of an EHC plan exceeding the budgeted figure with a lower proportion in mainstream settings compared with both the budget and nationally. The action plan had sought to reduce the BCP average cost of a placement through a range of activities.
19. The further growth in EHCPs has also led to greater use of temporary bespoke placements while permanent places are sought leading to a £1.0m budget pressure. The cost of independent and non-maintained special schools (INMSS) accounts for the further £1.0m of pressure. This is partly due to above inflation increases to fees, but largely from the increase in the number of placements from the rising demand.
20. The Alternative Provision budget is forecast to overspent by £0.2m assuming the rate of exclusion drops back down to levels seen at the end of last year. If exclusion rates continue at the rate seen in the Summer term 2019, this

overspend would increase to £0.6m. It should be noted that an extra £1.3m has already been added to the budget for 2019-20.

21. A report from the HNB FSG is due to be presented at the November meeting and this will consider the actions taken to date with recommendations going forward.

Financial Implications

22. The budget implications for 2020-21 of further high needs demand are set out in the report. The Spending Review on 4 September 2019 announced significant extra funding for high needs with further detail following on 10 September. The estimated increase for BCP is £3m at the minimum increase of 8% (which is likely as current funding is within the floor protection of the high needs national funding formula). If demand continues to grow at current trends the funding gap could grow to an estimated £8 million annually unless further actions can be identified to reduce demand on the budget.

Legal Implications

23. It is a requirement of the Council to monitor budgets during the financial year and best practice that the Schools Forum is made aware of issues relating to the DSG.

Appendix A

| Budget Monitoring 2019-20 | Forecast | | |
|--|------------------|-------------------|--------------------|
| | Total £000's | Outturn £000's | Variance £000's |
| DSG 2 year olds NFF | (2,772) | (2,543) | 229 |
| DSG 3 year olds NFF | (18,920) | (18,058) | 862 |
| DSG NFF Other Blocks (final) | (234,659) | (234,660) | (1) |
| DSG Import/Export (final in July 19) | 0 | (301) | (301) |
| DSG Premises (final) | (1,797) | (1,797) | 0 |
| DSG Growth Fund NFF (final) | (1,806) | (1,806) | 0 |
| DSG Pupil Premium | (100) | (89) | 11 |
| DSG Disability Access Fund | (74) | (74) | 0 |
| DSG Prior Year (final July 19) | 0 | (663) | (663) |
| Council Contribution | (2,400) | (2,400) | 0 |
| Total Funding | (262,528) | (262,391) | 137 |
| Providers - 2 year olds | 2,624 | 2,395 | (229) |
| Providers - 3 and 4 Year olds | 18,172 | 17,272 | (900) |
| Providers SEN top up grants | 512 | 550 | 38 |
| Early Years Pupil Premium | 100 | 89 | (11) |
| Disability Access Fund | 74 | 74 | 0 |
| Early Years LA duties | 181 | 181 | 0 |
| Mainstream Schools Formula | 194,344 | 194,177 | (167) |
| Growth Fund | 779 | 946 | 167 |
| School Admissions | 750 | 750 | 0 |
| Licences Purchased by DfE | 265 | 220 | (44) |
| Servicing Schools Forum | 31 | 31 | 0 |
| Ex ESG Services (all schools) | 726 | 726 | 0 |
| Commitments - Premature retirements | 16 | 16 | 0 |
| Commitments - ASD Base / other | 275 | 275 | 0 |
| Place Funding | 11,621 | 10,332 | (1,289) |
| Top up Funding - Maintained/Academy | 11,984 | 12,868 | 884 |
| Top up Funding - Independent/NMSS | 10,105 | 11,409 | 1,304 |
| Top up Funding - Post Schools | 3,633 | 3,427 | (206) |
| Top up Funding - Pre schools | 212 | 83 | (129) |
| Top up Funding - Excluded Pupils/AP | 2,327 | 2,545 | 218 |
| Commissioned Services including Outreach | 573 | 753 | 180 |
| Hospital Education Top up | 128 | 128 | 0 |
| Bespoke /Therapies | 1,388 | 2,428 | 1,040 |
| Support for Inclusion | 241 | 241 | 0 |
| Early Years Central SEN support | 712 | 712 | 0 |
| Sensory Impaired Service | 758 | 758 | 0 |
| Total Expenditure | 262,528 | 263,387 | 859 |
| In- year (Surplus) / Deficit | 0 | 996 | 996 |
| (Surplus) / Deficit from predecessor councils | 3,605 | 3,605 | 0 |
| (Surplus) / Deficit to carry forward to 2020-21 | 3,605 | 4,601 | 996 |

REPORT ON HIGH NEEDS & DEFICIT RECOVERY PLAN

1.0 BCP HNB Action Plan

- 1.1 A detailed BCP 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.
- 1.2 Progress against these actions are reported to the BCP HNB Financial Strategy Group and then to the BCP School's Forum. A summary is provided below.
- 1.3 Reduce the rise in Education, Health and Care Plans (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.
 - From September 2019 there will be 1 panel process across BCP for decision making bringing consistency in practice.
 - The graduated response toolkit has been introduced in Christchurch to provide schools with a wider range of interventions at SEND support.
- 1.4 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 Malmesbury 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
- 1.5 Reduce exclusions:
 - There is a full review of Alternative Provision, adolescents at risk and early help with a clear aim to support young people at an earlier stage and reduce exclusion.
 - This will also provide a consistent commissioning approach to alternative provision and reduce the need for bespoke packages of support for pupils out of school.
 - The positive re-integration work is being evaluated with the aim of returning pupils to mainstream schools from alternative provision and reducing demand.

2.0 Recovery Plan for Historic Deficit

- 2.1 BCP Council starts the 2019/20 financial year with an accrued DSG deficit of £3.6m.
- 2.2 This has been brought forward from the predecessor Councils whose focus has been on setting a balanced budget for the BCP DSG in 2019/20.
- 2.3 This was achieved through reviewing with schools the processes and policies for the support of EHCP, agreeing a transfer of £2.4m from the School's and Early Years Block and a one-off contribution from the new Council of £2.4m.
- 2.4 Having successfully put these measures in place it was not possible to identify any further resources which could be set against the brought forward deficit.
- 2.5 Therefore, the deficit will not be reduced in 2019/20 barring any underspend that can be generated in year.
- 2.6 Looking to the future, BCP is working collaboratively with schools to identify strategies that will enable a balanced budget to be set for 2020/21.
- 2.7 This will require meeting the £4.8m shortfall as a result of the one off investments set out above and meeting any further growth in the High Needs Budget.
- 2.8 In order to then reduce the deficit, further proposals would have to be identified over and above those used to balance the budget. This would require an increased transfer from the Schools / Early years block as other options that will deliver in year will have been exhausted.
- 2.9 As further context the high needs budgets in Bournemouth and Dorset County Council (DCC) both continued to overspend in the 2018/19 financial year (total estimated at £1.6 million to include Christchurch's share of DCC) despite budget cuts, savings measures, funding transfers from the schools block of £1.2 million between them and the extra funding allocated in December 2018.
- 2.10 Poole closed with a surplus on high needs but only after taking into account a transfer from the schools block (Poole's outturn effectively needing only £0.5 million of school block funding to balance).
- 2.11 The BCP 2018/19 DSG comparator therefore would have required an additional £3.3 million of high needs funding to balance the 2018/19 account (£1.6 million overspend + £1.7 million transfers from schools block).
- 2.12 This compares with the estimated high needs funding shortfall for 2019/20 noted above of £4.8 million which is after further savings measures and further growth have been taken into account.

3.0 Current Forecast Budget Variance £2.0m

- 3.1 The HNB was built on a range of assumptions regarding the growth of EHCPs and reduction in permanent exclusions and taking average costs for anticipated Christchurch cases. However, from 1st May until 1st July 2019 BCP saw a continued overall rise in EHCPs of 3.3% and has ended the academic year with an overall increase in permanent exclusions. The costs for the cases from Christchurch are projected to be higher than previously expected.
- 3.2 Alongside this there was an increase in the number of EHCPs transferred from Dorset to the original 300 anticipated.
- 3.3 There is an agreed process between service operational teams and financial services to ensure robust forecasting. The latest projection is shown in the table below:

Projected High Needs Budget 2019/20 as at June 2019

| PROVISION | BCP 2019-20 REVISED BUDGET | | | 2019-20 YEAR END FORECAST | | | 2019-20 (Under) / Over spend | | |
|-------------------------------------|----------------------------|-------------------|---------|---------------------------|-------------------|---------|------------------------------|------------------|---------|
| | Budget | | Average | Forecast | | Average | Variance | | Average |
| | FTE | Cost | Top-Up | FTE | Cost | Top-Up | FTE | Cost | Top-Up |
| EHCP Top up | 2,365.67 | 27,377,533 | 11,573 | 2,379.00 | 30,215,031 | 12,701 | 13.34 | 2,837,499 | 1,128 |
| Centrally Commissioned Services | | 1,503,800 | | | 1,511,000 | | | 7,200 | |
| 0-5 High Needs | | 712,000 | | | 712,000 | | | 0 | |
| Inclusion & Out of School | | 241,000 | | | 241,000 | | | 0 | |
| Place Costs (£10k or £6k per place) | | 10,584,768 | | | 9,525,789 | | | (1,058,979) | Note 1 |
| TOTAL SEN | | 40,419,101 | | | 42,204,820 | | | 1,785,719 | |
| Total AP - Medical | | 345,374 | | | 483,039 | | | 137,665 | |
| Total AP – Exclusions | | 2,327,000 | | | 2,229,039 | | | (97,961) | Note 2 |
| Total AP – Other | | 0 | | | 161,200 | | | 161,200 | |
| Pupil Reintegration Programme | | 0 | | | 17,500 | | | 17,500 | |
| Cross Border Hospital (DfE funded) | | 460,525 | | | 460,525 | | | 0 | |
| Hospital | | 128,000 | | | 128,000 | | | 0 | |
| TOTAL Alternative Provision | | 3,260,899 | | | 3,479,302 | | | 218,403 | |
| TOTAL HIGH NEEDS | | 43,680,000 | | | 45,684,122 | | | 2,004,123 | |

Note 1: Additional places allowed in NMSS and post 16 provision but are being paid through top up instead

Note 2: Budget has not been split between medical, exclusion and other AP in Bournemouth and Christchurch provision. Only Poole had a dedicated budget for medical provision.

General note regarding appendices: The reports in Appendix B and C were produced for the end of quarter 1 (June) monitoring and reflect the forecast at this point. Appendix A is the latest forecast.

| CHILDRENS KEY FINANCIAL HEALTH INDICATOR | | | | |
|---|---|--|-----------|---------------------------|
| High Needs Block Strategy - Key Targets | | | | |
| Overall position reported | | £2.004m overspend | | |
| Pressures highlighted below | | £2.978m | | |
| Savings from places | | -£0.974m (not used due to increased use of high cost places) | | |
| | | | | |
| Target | Reduce growth in EHC Plans | | | |
| Budgeted saving * | £324,000 | | | |
| National Average^ | 10.7% (Jan 2019) | | | |
| Last year comparator | 12.0% B&P 2017 to 2018 year on year growth | | | |
| Target for 19-20 | 10.0% | | | |
| Targeted change | -2.0% | | | |
| | | | | |
| Current growth (compared to Sep-18) | 10.8% | | | |
| Trend Improving? | Yes | | | |
| Change (compared with 18-19) | -1.2% | | | |
| Achieving Target? | No | | | |
| Impact on 19-20 forecast | £133,353 | | Overspend | |
| | | | | |
| Target | Reduce the average cost of an EHC Plan | | | |
| Budgeted saving * | £899,000 | | | |
| Last year comparator | £11,953 average at September 2018 | | | |
| Target for 19-20 | £11,573 | | | |
| Targeted change | -£380 | | -3.2% | |
| | | | | |
| Current average cost | £12,701 | | per EHCP | |
| Trend Improving? | No | | | |
| Change (compared to Sep-18) | 6.3% | | | |
| Achieving Target? | No | | | |
| Impact on 19-20 forecast | £2,683,148 | | Overspend | |
| | | | | |
| Target | Increase proportion of EHC Plans in mainstream provision | | | |
| Budgeted saving * | included within average cost above | | | |
| | Mainstream | Special | INMSS | |
| ^ National average | 54.9% | 39.4% | 4.7% | (Jan 2019) |
| Last year comparator | 51.3% | 33.4% | 15.3% | average at September 2018 |
| Target for 19-20 | 52.6% | 32.3% | 15.0% | (Budget) |
| Targeted change | 1.3% | -1.1% | -0.2% | |
| | | | | |
| Current proportion | 49.8% | 32.2% | 18.0% | |
| Difference to budgeted split | -2.8% | -0.2% | 3.0% | |
| Difference to national ave. | -5.1% | -7.2% | 13.3% | |
| Trend Improving? | No | | | |
| Achieving Target? | No | | | |
| | | | | |
| Target | Reduce the number of pupils in Alternative Provision | | | |
| Budgeted saving * | £460,000 | | | |
| Last year comparator | 131 pupils on roll in AP in Sept-18. Continuing trends at the time would have led to 218 FTEs in AP during 19-20. | | | |
| Target for 19-20 | 198 FTE | | | |
| Change | -20 FTE | | | |
| | | | | |
| Average exclusions (last 3 months) | 10.7 | | per month | |
| Trend against previous 3 months | Rising | | | |
| Forecast FTEs 19-20 | 198.8 | | FTE | |
| Achieving Target? | No | | | |
| Impact on 19-20 forecast | £161,200 | | Overspend | |
| | | | | |
| * Budget saving is against continuing 18-19 trends | | | | |
| ^ National average from SEN2 Statistics: | | | | |
| https://www.gov.uk/government/statistics/statements-of-sen-and-ehc-plans-england-2019 | | | | |

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BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

| | |
|-------------------------------|--|
| Subject | Dedicated Schools Grant (DSG) Budget Guidance 2020-21 |
| Meeting Date | 25 September 2019 |
| Report Author | Nicola Webb, Assistant Chief Finance Officer e-mail: nicola.webb@bcpcouncil.gov.uk Tel: 01202 63 3296 |
| Contributors | |
| Status | Public |
| Classification | For information |
| Executive Summary | <p>The report sets out the headline announcements for the DSG from the Government's September 2019 Spending Review.</p> <p>Funding increases for 2020-21 have been announced for high needs at a minimum of 8% (per head of 2-18 population) for local authorities and at 4% for the core factors in the National Funding Formula (NFF) for mainstream schools. The early years funding increase is estimated at less than 2% nationally.</p> <p>Some details of the arrangements are included in the report with a link provided to the full LA guidance.</p> |
| Recommendation | The report is to be noted |
| Reason for the recommendation | Detailed proposals will need to be developed for consultation when the full financial information has been provided by the DfE in October. |

Headline DSG Announcements for 2020-21

1. The Secretary of State for Education on 3 September 2019 confirmed to Parliament that the funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23.
2. In 2020-21 this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF). Provisional NFF allocations at local authority and school level will be published in October. This will include local authorities' final primary and secondary units of funding for the Schools Block. Technical documents will be provided at the same time and these will set out the detail underpinning the formulae.
3. Final mainstream school allocations will follow in the December Settlement to reflect the October 2019 school census pupil numbers applied to the primary and secondary units of funding.

4. Initial allocations for high needs will also be made in December and then updated in July 2020 to reflect the outcome of the January 2020 census.
5. A funding increase of £66m nationally for early years has also been announced and this equates to less than 2%. No announcements have yet been made about how this will be reflected in the early years funding streams.

Schools NFF

6. The Schools NFF for 2020-21 will continue to have the same factors as at present, and progress will be made to move to a system where funding is based on need. The key aspects of the formula for 2020-21 will be:
 - The minimum per pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The following year, in 2021-22, the primary minimum level will rise to £4,000.
 - The funding floor will be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil NFF allocations for all schools in real terms. This minimum increase in 2020-21 allocations will be based on the individual school's NFF allocation in 2019-20.
 - Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula's core factors.
 - There will be no gains cap in the NFF, unlike the previous two years, so that all schools attract their full core allocations under the formula.
 - As previously set out there will be a technical change to the mobility factor so that it allocates using a formulaic approach, rather than on historic spend.
7. Growth funding will be based on the same methodology as 2019-20, with the same transitional protection ensuring that no authority whose growth funding is reducing will lose more than 0.5% of its 2019-20 schools block allocation. This guarantee is worth little as BCP growth funding could reduce by as much as £1m before the guarantee would be triggered.
8. The Secretary of State also confirmed the government's intention to move to a 'hard' NFF for schools – where school budgets will be allocated according to a single national formula at a future unspecified date. In 2020-21 local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area.
9. However, as a first step towards hardening the formula, from 2020-21 the use of the national minimum per pupil funding levels, at the values in the school NFF, is compulsory in the local funding formulae.
10. In addition, two important restrictions will continue:
 - Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2020-21 must be between +0.5% and +1.84%. This allows the real terms protection in the NFF to be mirrored, which is the Government's expectation.
 - Local authorities can only transfer up to 0.5% of their School Block to other blocks of the DSG, with Schools Forum approval. To transfer more than this, or any amount without Schools Forum approval, a request to the Department for Education is needed, and unlike last year even if the same amount was agreed in previous years.

High Needs

11. The High Needs NFF for 2020-21 will also have the same factors as at present. With over £700 million of additional funding, the formula will:

- Ensure that every local authority will receive an increase of at least 8% per head of 2 to 18 population through the funding floor. This minimum increase will be based on local authorities' high needs allocations in 2019-20, including the additional £125 million announced in December 2018. BCP allocations could increase by an estimated £3m through this mechanism.
- Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated per head of population. This is unlikely to be relevant to BCP as high needs funding is likely to remain in the floor with a minimum increase.

Financial Implications

12. All mainstream schools will be guaranteed an increase per pupil under the arrangements for 2020-21 unless there is agreement to disapply any of the regulations for individual schools (special circumstances could lead to an unfair result under the regulations).

13. The budget implications for 2020-21 of further high needs demand are set out in the DSG budget monitoring report for 2019-20 on the meeting agenda. The estimated increase of only £3m from the Spending Review will not close the high needs funding gap which is already £4.8m in the budget for 2019-20. It could grow to £8m if the current year deficit is realised and current trends continue into next year.

Legal Implications

14. The DSG budget must be set according to the School Finance Regulations which determine the expenditure that can be charged to the grant and in large part the methods by which funding can be allocated to schools and other providers.

Background Paper

15. The full DfE guidance for 2020-21 can be found from the following link:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021>

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BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

| | |
|-----------------------------|---|
| Subject | PERMANENT EXCLUSION: FUNDING ARRANGEMENTS 2020-21 |
| Meeting Date | 25 th September |
| Report Author (s) | Jack Cutler, Quality and Commissioning |
| Contributors | Neil Goddard, Director, Quality and Commissioning Nicola Webb, Assistant Chief Finance Officer, Finance Felicity Draper, Service Manager: Access and School Commissioning, Quality and Commissioning Steve Ellis, Management Accountant, Finance |
| Status | Public |
| Classification | For decision by school members only |
| Executive Summary | <p>The Schools Forum are being consulted on the local arrangements regarding the financial adjustment to be agreed with all BCP mainstream schools. This will apply from 1st January 2020 and will be reviewed annually by the forum. The arrangements will cover:</p> <ul style="list-style-type: none"> • pupils permanently excluded from mainstream schools across the local authority area. • pupils placed into Alternative Provision Medical placements, or leaving mainstream schools for any reason to receive alternative provision funded by the local authority. |
| Recommendations | Schools Forum are requested to consider the contents of this report and agree the recommendations. The preferred proposal is Option 2. |
| Reasons for Recommendations | The proposal within this report is above the statutory minimum arrangements, and as such support from the Schools Forum would provide a steer for schools when they are consulted on these proposals in Autumn 2019. |

1. Background

- 1.1. A Schools funding is driven primarily by pupil numbers at that school, with the pupil characteristics also taken into consideration. This is considered from a particular snapshot in time, the October School Census, and with a lag between such snapshot and the funding period.
- 1.2. When a pupil is permanently excluded from a school, or leaves school and is admitted into Alternative Provision (AP) for any other reason, funding should follow the pupil into alternative provision, and then to any subsequent new school they are admitted to, subject to the national finance arrangements below.
- 1.3. The purpose of this report is to consult the Schools Forum on financial arrangements the LA intend to propose to schools from January 2020. The financial arrangements will cover permanent exclusions from mainstream schools and academies, pupils leaving mainstream school to receive AP funded by the Local Authority for any other reason, and pupils remaining on-roll with a school but receiving AP provision for medical needs where this is not funded by the school at which they are on-roll.

National Finance Arrangements

- 1.1. Paragraph 27 of the School and Early Years Finance regulations 2018 (no. 2) contain legislation on the funding adjustment Local Authorities **must** apply following the permanent exclusion (PEX) of a pupil resident in their area from a maintained mainstream school.

The excluding school's budget share must be reduced by $A \times (B)^{52} + C$ where—

- (a) A is the amount determined by the authority in accordance with this Part that would be attributable to a pupil of the same age and personal circumstances as the pupil in question at primary or secondary schools maintained by the authority for the full funding period;
- (b) B is either—
 - (i) the number of complete weeks remaining in the funding period calculated from the relevant date; or
 - (ii) where the permanent exclusion takes effect on or after 1st April in a school year at the end of which pupils of the same age, or age group, as the pupil in question normally leave that school before being admitted to another school with a different pupil age range, the number of complete weeks remaining in that school year calculated from the relevant date; and
- (c) C is the amount of the adjustment made to the school's budget share under a financial adjustment order.

- 1.2. A similar reciprocal arrangement is in place for when a maintained school admits a pupil following their permanent exclusion; the adjustment is pro-rated for the remainder of the funding period the pupil on-roll with the admitting school.
- 1.3. The 'Schools Revenue Funding 2020-21 Operational Guide' is very clear that the adjustment should be made independent of whether the particular pupil had been on the school census at the school in the first place, and whether the school had received funding for them.
- 1.4. The adjustment should also be made for pupils who leave a mainstream school for reasons other than permanent exclusion, and are receiving education funded by the local authority other than at school.

1.5. Academies

Most academies have provisions in their funding agreement that require the same adjustments to their budgets if requested to do so by the LA. To date, all academies in Bournemouth and Poole that have received a charge have entered into an agreement to make the payment; academies in Christchurch will be made aware of the arrangements and will also be required to enter into agreement with BCP Council. The council is not aware of any academies within the BCP local area that do not have a requirement to do so within their funding agreements.

- 1.6. As the wording in these agreements relates to the 2018 (No. 2) Regulations, the funding period the adjustments relate to should be the LA financial year; LA's can change this to the academy financial year with local agreement.

1.7. **Exclusions from Out of Borough Schools**

BCP have an arrangement with Dorset LA that when a BCP resident pupil is permanently excluded from a Dorset school, Dorset Council are made aware of this and they will arrange an adjustment/ charge and transfer the funds to BCP. A similar arrangement is to be established with Hampshire County Council.

Legacy LA Positions

- 1.8. Legacy Bournemouth and Dorset determined the amount to be deducted from a school following a PEX in line with the School and Early Finance regulations 2018 (no.2), as in paragraph 3.1 of this report i.e. the statutory minimum amount, and considered the funding period for both maintained and academy schools to be the LA financial year.
- 1.9. Legacy Poole applied an enhanced adjustment agreed with Poole Schools Forum as follows:

- a) For PEXs prior to the October census, the adjustment applied to the remainder of that LA financial year for all schools
- b) For PEXs after the October census, the adjustment applied to the remainder of that LA financial year for all schools, plus a full year amount for the following financial year to reflect funding that the pupil attracts as a result of having been included in the October census.

2. Local Contextual Information

Exclusions across BCP schools

2.1. Permanent exclusions across BCP schools have risen in recent years, as a percentage of the school population, as illustrated in Table 1.

Table 1 – Permanent exclusions across BCP schools since 2014/15

| Key Stage | Measure | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| Primary | Count | 6 | 8 | 3 | 7 | 7 |
| | Prevalence | 2.4 | 3.1 | 0.8 | 2.6 | 2.6 |
| Secondary (Years 7-14) | Count | 53 | 53 | 70 | 95 | 109 |
| | Prevalence | 24.2 | 23.6 | 30.4 | 43.5 | 47.4 |

The prevalence measure is the number of permanent exclusions across BCP per 10,000 pupils in the relevant phase across BCP schools. The table shows a 100% increase in secondary permanent exclusions in the 3 years between 2015/16 to 2018/19.

Costs of AP provision

2.2. AP provision across BCP is undertaken by a variety of providers, ranging from PRU's, AP/ Special Academies, and independent providers.

2.3. The average annual FTE cost of an AP placement in a PRU/ Special/ AP academy is £19,000 compared with a National average cost of £18,000. This equates to £1,583 per month or £97 per day. National average costs with independent providers were slightly higher at £19.75k, while locally the cost is approximately £23k for a 15 hour per week placement.

2.4. Based on the National Finance arrangement outlined in 1.1 above, the average annual FTE formula and pupil premium funding adjusted for following the exclusion of a pupil is £6,400. It must be noted that such funding is only claimed for one year following the exclusion on a pro-rata basis, and as such the actual amount adjusted for per pupil was less than half this, at £2,830. Pupils entering AP provision often stay in such provision for a number of years, often until they reach the statutory age at which they can leave school.

2.5. As an example, for a pupil that is excluded right at the start of the financial year in Year 7, an adjustment of £6,400 would be made that could be used towards the cost of alternative provision. Should such a pupil then remain in AP until the end of year 11, this would cost approximately £80,000 across the period they are in AP. The financial adjustment would therefore contribute just 8% towards these costs, the remainder to be met from the LA's annual High Needs budget allocations.

3. The Proposed Policy

3.1. Option 1

Apply the statutory minimum adjustment required under the Financial Regulations.

3.2. Whilst there is a requirement to apply the statutory regulations regarding the movement of funds with the pupil, current practices mean that the cost of AP provision far outweighs the funding transfer that accompanies the movement of a permanently excluded pupil. Further to this, for a school that admits a permanently excluded pupil following the October census date, if an academy, the pupil will not attract funding to the school until the September after next. For example, if a school admits a permanently excluded pupil on 12 October 2019, that pupil will not attract funding to the school until September 2021, following their appearance on the subsequent Autumn 2020 census, almost 2 years after the date they have admitted the pupil.

3.3. Option 2

This alternative option is therefore presented to address such inconsistencies by promoting a policy of fairness in terms of the funding that will follow the pupil following a PEX. A review into alternative provision due to be finalised in the Autumn term will address the issues surrounding managing exclusions through partnership working with schools; such is outside the scope of this report.

3.4. For any pupil permanently excluded from a state funded mainstream school, the funding period for which a financial adjustment will be made will be as follows:

- If the excluded pupil is removed from the school roll prior to the Autumn (Oct) census of that academic year, the funding period will be considered the financial year in which the 6th Day following the exclusion occurs. A funding adjustment will be made pro-rata for the number of complete weeks remaining in the funding period from the 6th Day. This is as per the statutory requirements.
- If the excluded pupil is removed from the school roll post the Autumn (Oct) census of that academic year, the funding period will be considered the financial year in which the 6th Day following the exclusion occurs plus the full

following financial year. The funding adjustment will be made pro-rata for the number of complete weeks remaining in the funding period from the 6th Day. The withdrawal of funds for the following year is an enhancement above the statutory requirements, and recognises the additional years-worth of funding the pupil has attracted to the school as a result of appearing on the schools October census.

The 6th Day is the Relevant Date in the funding regulations, and is the 6th school day after the permanent exclusion from which the LA is responsible for providing suitable education.

3.5. The funding period for **academy** exclusions will be the academic year, in line with academy financial years, such that:

- If pupil is removed from the school roll following a PEX prior to the Autumn (Oct) census of that academic year, a funding adjustment will be made from the 6th day following the exclusion pro-rated for the number of complete weeks remaining in that academic year, while
- If the excluded pupil is removed from the school roll post the Autumn (Oct) census of that academic year, a funding adjustment will be made from the 6th day following the exclusion pro-rated for the number of complete weeks remaining in that academic year, plus the full following academic year.

Option 2 is in line with the principle of fairness and the funding attracted by the pupil following the pupil, and may also make things more straightforward for academies by aligning the funding periods applied to their financial years. Such local arrangement with an academy is allowed under finance regulations, so long as there is mutual agreement between the academy and the local authority.

3.6. Under both options 1 and 2, for pupils in the final year of the school (this includes year 11 even when the school has a sixth form) regulations state that:

*“where the permanent exclusion takes effect on or after 1st April in a school year at the end of which **pupils of the same age, or age group, as the pupil in question normally leave that school before being admitted to another school with a different pupil age range**, the number of complete weeks remaining in that school year calculated from the relevant date.”*

This does not reflect a change from any of the legacy Bournemouth, Dorset or Poole policies.

Where a pupil is excluded from Year 6 of an all-through school, the exclusion will not be considered to occur in a transitional year, and as such the funding adjustment will be made to the end of the financial funding period, rather than the current academic year, whilst the majority of pupils stay on at the school into Year 7. For middle and first and infant schools, the transition year will be considered the final national curriculum year of the school.

3.7. These arrangements will only apply to BCP schools as these schools are the schools the LA are requesting sign up to the local agreement. For out of borough school exclusions, either the local arrangements in place or the statutory minimum requirement will apply.

Financial impact under Options 1 and 2

3.8. Table 2 below sets out the total funding based on an average 2018-19 per pupil adjustment projected for mainstream excluding schools annually under Options 1 and 2:

Table 2: Funding adjustment from excluding schools under Options 1 and 2

| | Option 1 | Option 2 | <i>Additional under Option 2</i> |
|-----------------------------|-----------------|-----------------|----------------------------------|
| Per pupil £ | 2,829 | 7,906 | 5,077 |
| Total based on 105 Pupils £ | 297,075 | 830,176 | 533,101 |

3.9. Payments to admitting schools through the funding adjustment are forecast to grow proportionally according to the above, under Option 2 when compared with Option 1.

Permanent exclusions from special schools

3.10. PEXs from special schools are very rare and in normal circumstances it is expected that the pupils needs will have been reviewed and an appropriate education package agreed. It is not proposed that additional charges be applied to special schools but the school will not receive top-up funding for a pupil from the 6th day following the permanent exclusion because the pupil will no longer be receiving education at the provision. Specialist Resource Provision pupils are considered within the scope of mainstream exclusions, and similar financial adjustments will apply; in addition, top-up funding for such a pupil will cease from the date of the PEX. The wider SEND review may make changes to these arrangements.

Funding following the pupil to another maintained school

3.11. For any pupil excluded from a mainstream school and subsequently admitted into another mainstream school, that school will receive the same budget share removed from the excluding school, including the enhancement if this was the case, and pro-rated as per the Finance Regulations. This applies even if the excluding school was maintained and the admitting school an academy, or vice versa (see 3.5 above where different funding periods for academies and maintained schools are discussed).

Alternative Provision for reasons other than permanent exclusion

- 3.12. In accordance with the School and Early Year Finance regulations 2018 (no. 2) where a pupil leaves a mainstream school for any reason to receive alternative provision from the local authority, and is no- longer on roll with the school, a funding adjustment to the schools budget share will be made in-line with the statutory finance regulations.
- 3.13. Where a pupil remains on-roll with the mainstream school but is receiving Medical Alternative Provision, it is proposed that an additional funding adjustment will be made on a daily basis.
- 3.14. **Option A** -The funding adjustment is made for each school day the pupil is in Medical Alternative Provision, from the **first day they start at this provision**. The daily rate will be calculated as the annual funding attracted through both the local Schools Block funding formula and any pupil premium, divided by 195 school days. i.e. if the pupil attracted £4,000, the daily rate would be $\text{£}4,000 / 195 = \text{£}20.50$. This would continue whilst the Medical Alternative Provision is in place, and cease once such provision is removed. The daily rate would only be adjusted for the specific days the pupil is in the AP provision.
- 3.15. **Option B** - After a period of 7 school weeks of a pupil receiving Medical Alternative Provision for each school day the pupil is in the provision a daily charge to be made calculated as the annual funding attracted through both the local Schools Block funding formula and any pupil premium, divided by 195 school days. i.e. if the pupil attracted £4,000, the daily rate would be $\text{£}4,000 / 195 = \text{£}20.50$. This would continue whilst the Medical Alternative Provision is in place, and cease once such provision is removed. The daily rate would apply for the number of days the pupil is attending the AP provision.
- 3.16. It is proposed that the agreed arrangements for determining the school's budget share for AP be implemented from 1st January 2020. Consultation with schools will be undertaken in the Autumn term.
- 3.17. In Year Fair Access and Re-integration Protocols for 2020-21 sit outside the scope of this report. Such protocols often consider incentives to schools, while the remit of this policy is limited to the principle of 'fairness'.

4. Recommendations

- 4.1. The Forum are recommended to agree to indicate their support for Option 2 as set out in section 3 above. The forum should also indicate their support for either Option A or B in paragraphs 3.14 and 3.15.

5. Legal Implications

5.1. The following legislation applies:

The school and Early Years Finance (England) Regulations 2018 (No. 10).
http://www.legislation.gov.uk/ukxi/2018/10/pdfs/ukxi_20180010_en.pdf

Section 2.2.1 of the Academy and Free School: Master Funding Agreement
<https://www.gov.uk/government/publications/academy-and-free-school-multi-model-master-funding-agreement>

6. Financial Implications

6.1. The financial implications are set out in Table 2. Examples of the adjustment mechanism under option 2 are provided in the Appendix.

Appendix - Examples

Example 1

- 6.2. A pupil is permanently excluded from Year 8 of a BCP maintained school on Tuesday 17th September 2018, and removed from the school roll before the October 2018 census. The 6th day would be Wednesday 25th Sep, resulting in 26 weeks remaining in the relevant funding period, 1st Apr 2018 to 31 Mar 2019. If the schools block pupil-led funding plus pupil premium attracted for the full year (52 weeks) was £5,000, the funding adjustment applied to the excluding school would be a reduction of $26/52 \times £5,000 = £2,500$.

If the pupil is subsequently admitted to an academy on 19th December, then there are 14 full weeks remaining in the funding period, and so the funding adjustment added to the admitting school's budget is $14/26 \times £2,500 = £1,346$. This would leave £1,154 for 12 weeks in AP provision, or approximately £19 per day, compared with an average cost of £97 per day (a 20% contribution).

6.3. Example 2

As per example 1 but the pupil has been excluded from an academy, rather than a maintained school. This would result in 48 weeks remaining in the relevant funding period (1st Sep 2018 to 31st August 2019). As the full year (52 weeks) funding adjustment was for £5,000, the funding adjustment applied to the excluding school would be $48/52 \times £5,000 = £4,615$.

If the pupil is subsequently admitted to an academy on 19th December, then there are 36 full weeks remaining in the funding period, and so the funding adjustment added to the admitting school's budget is $36/48 \times £4,615 = £3,462$. As above, this would leave £1,154 for 12 weeks in AP provision.

6.4. Example 3

A pupil is permanently excluded from Year 10 of a BCP academy on 15th January 2019, and removed from the school roll before the October 2019 census. The 6th day would be 23th January. Since this is after the October census of that Academic year, the funding period covers both the 2018-19 and 2019-20 academic years, i.e. 1st Sep 2018 to 31st Aug 2020. There are 83 weeks remaining in this funding period from the 6th Day. If the schools block pupil-led funding plus pupil premium attracted for the full year (52 weeks) was £6,000, the funding adjustment applied to the excluding school would be a reduction of $83/52 \times £5,000 = £9,577$.

If the pupil is subsequently admitted to an academy on 5th March, then there are 77 full weeks remaining in the funding period, and so the funding adjustment added to the admitting school's budget is $77/83 \times £9,577 = £8,885$. This would leave £692 for 6 weeks in AP provision, or approximately £23 per day.

6.5. Example 4

A pupil leaves Year 6 of a primary school of a school on 14th June 2018 for non-medical reasons and is placed into AP provision. Since this is a transition year group, the funding period for consideration is 1st April 2018 to 31st August 2018. There are 14 weeks remaining in the funding period. If the schools block pupil-led funding plus pupil premium attracted for the full year (52 weeks) was £4,000, the funding adjustment applied to the school from which the pupil is leaving would be a reduction of $14/52 \times £4,000 = 1,077$.

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BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

| | |
|-----------------------------|---|
| Subject | BCP MAINSTREAM FUNDING FORMULA 2020-21 |
| Meeting Date | 25 th September |
| Report Author (s) | Jack Cutler, Quality and Commissioning |
| Contributors | Neil Goddard, Director, Quality and Commissioning Nicola Webb, Assistant Chief Finance Officer, Finance Felicity Draper, Service Manager: Access and School Commissioning, Quality and Commissioning Steve Ellis, Management Accountant, Finance |
| Status | Public |
| Classification | For consultation |
| Executive Summary | The National Funding Formula (NFF) continues to determine the Local Authority area total school Block funding for distribution between schools according to the locally determined funding formula. The report provides an overview of confirmed arrangements for the NFF as of 13 Sep 2019, along with some high-level financial modelling of the impact on BCP schools. |
| Recommendations | Schools Forum are recommended to consider the contents of this report. |
| Reasons for Recommendations | Schools forum should consider the mainstream funding formula for the purposes of consultation and consideration of any movement of funds between DSG funding blocks. The LA must submit school allocations under the local funding formula to the Education and Skills Funding Agency by a date to be confirmed, expected the middle of January 2020. |

Background

1. Mainstream schools funding continues to be delivered in most part through the Schools Block of the Dedicated Schools Grant (DSG). As for 2019-20, each Local Authority (LA) area allocation will be determined using a National Funding Formula (NFF). The LA are responsible for distributing this funding between schools through a Local Funding Formula, (LFF). This is known as a 'soft' NFF.
2. In 2019-20 the NFF formula and the LFF applied across BCP schools were as per the Appendix.
3. More LA areas are closer to NFF based on their 2019-20 formulae than in 2018-19, presumably in anticipation of a 'Hard' formula, where all school budgets are determined as per the NFF. The implementation date of a hard formula is still to be established.

Changes for 2020-21

4. In previous years, the Department for Education (DfE) would have at this point in the year shared provisional DSG allocations and operational guidance on 2020-21 funding. However, a spending review has delayed this process; such information is not currently expected until early December.
5. The government announced as part of the September 2019 Spending Round the following:
 - Schools funding will increase by £2.6bn nationally for 2020-21. However, this will include additional funding for increasing pupil numbers, particularly at Secondary phase.
 - The £2.6bn additional schools funding includes £700m that has been allocated to support children and young people with special educational needs.
 - The government will ensure that that per pupil funding for all mainstream schools can rise in line with inflation at 1.84% (the forecast GDP inflator). This will be delivered through applying a funding floor of 1.84% against 2019-20 NFF per pupil funding levels.
 - For schools already on their National Funding Formula allocation, the per pupil values in the formula will increase by generally 4% for most core factors in 2020-21.
 - There will not be a funding floor in 2020-21 (in 2019-20 this mechanism compared per pupil funding with the baseline for 2017-18).

- There will be no cap on gains delivered through the NFF.
- Minimum per pupil funding levels (MPPFLs) will be changing for 2020-21 as per Table 1. Mobility is now included in the calculation as part of per pupil funding before applying the minimum per-pupil factors and funding floor. For schools with non- standard year groups such as middle, all through, studio and upper schools, a phase weighted MPPFL will apply across the school to determine that schools specific MPPFL. The DfE are consulting on whether to implement mandatory minimum per pupil funding levels in LFFs, such that LAs would be required to submit disapplication requests not to apply them. This consultation can be found at the link below:

https://www.gov.uk/government/consultations/implementing-mandatory-minimum-per-pupil-funding-levels?utm_medium=email&utm_source=govdelivery

Table 1: 2020-21 MPPFLs in the NFF

| Phase | 2019-20 | 2020-21 | Change |
|------------------|---------|---------|--------|
| Primary | £3,500 | £3,750 | +£250 |
| Secondary | £4,800 | £5,000 | +£200 |
| KS 3 year groups | £4,600 | £4,800 | +£200 |
| KS 4 year groups | £5,100 | £5,300 | +£200 |

- Local authorities will be able to set a Minimum Funding Guarantee (MFG) of between +0.5% to +1.84% (as compared with between -1.5% to +0.5% in 2019-20).
- Growth funding allocations will be based on the same methodology as 2019-20.
- Funding through the mobility factor will be determined using a formulaic approach rather than on the basis of historical spend as it has been to date under NFF. The methodology is outlined in the Operational Guidance with the DfE providing the relevant data to LAs in October.
- The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21.

Per pupil NFF rates are expected to be at least those provided in the final column of the Appendix.

Changes for 2021-22 and 2022-23

6. There is a view to further increase the Primary MPPFL to £4,000 from 2021-22.
7. The school's budget has been announced to rise by £4.8 billion in 2021-22 and £7.1 billion in 2022-23, compared to 2019-20 funding levels.

Impact on BCP schools under known 2020-21 NFF Changes.

8. Modelling of school budgets (without reducing any estimated NFF formula values) is undertaken in Table 2. The basis for such modelling has been to use 2020-21 allocations as a base and uplift as follows:
- Increase MPPFLs to 2020-21 rates set out in Table 1.
 - Increase all NFF formula factor rates to those in the Appendix.
 - Apply no cap on gains under the formula.
 - There is no longer a funding floor, and MFG has been set at 1.84% against an MFG baseline of illustrative 2019-20 NFF (with the exception of new/ growing schools, for which this information was not available – as such modelled 2019-20 NFF baselines are used) which mirrors closely actual 2019-20 NFF allocations.
 - Mobility funding rates and all premises-led funding has been kept static for modelling purposes, but we do know that mobility funding will be included in the 2020-21 NFF.
 - School led – lump sum and sparsity factors have been kept static
 - Pupil numbers and characteristics have been kept as per the pupil base submitted in the Authority Pro-Forma Tool (APT) 2019-20. This was the October 2018 census plus intrinsic growth.

Table 2 – Initial modelling of NFF funding allocations to the LA attracted by schools (excludes funding through the growth factor) grouped by their phase, under current assumptions for the NFF 2020-21, and 2019-20 APT pupil count.

| | 2019-20 per pupil Budget | 2019-20 Total school Budgets | 2020-21 Post MFG per pupil Budget | Per Pupil change against 2019/20 | 2020-21 Total school Budgets |
|-------------------------|--------------------------|------------------------------|-----------------------------------|----------------------------------|------------------------------|
| Infant/ First Total | 3,673 | 17,441,321 | 3,903 | 6.27% | 18,534,604 |
| Junior Total | 3,681 | 19,220,084 | 3,906 | 6.12% | 20,395,628 |
| Primary Total | 3,759 | 61,981,419 | 3,982 | 5.92% | 65,649,206 |
| PRIMARY PHASE | 3,728 | 98,642,824 | 3,953 | 6.02% | 104,579,438 |
| Middle/ Secondary Total | 4,991 | 81,388,248 | 5,238 | 4.94% | 85,408,510 |
| All- through Total | 4,478 | 14,277,362 | 4,717 | 5.32% | 15,036,744 |
| SECONDARY TOTAL | 4,907 | 95,665,610 | 5,152 | 5.00% | 100,445,254 |

9. As further information is released from the DfE, the modelling presented to the Forum will be updated accordingly. It should be noted that the final NFF factors and unit values are not yet known. Table 2 shows projected allocation under static pupils and pupil characteristics, based on the October 18 census, and the above changes to the formula. The final BCP NFF allocation in December 2019 for distribution to schools will be based on the October 19 census pupil counts but pupil characteristics calculations will not be updated but remain at October 2018 (through the primary and secondary units of funding for 2020-21 already notified in October). The local formula will use all updated data from the October 2019 census in all final school budget calculations. Further, the allocations above are based on a number of assumptions and simplifications applied to the formula. These include but are not limited to the above. Growth factor, and other premises funding, that has until now under NFF been based on historic allocation levels, is not yet confirmed. The allocation to schools may be different from NFF pending decisions taken on the local formula and growth fund, and any decisions taken to move funding between DSG funding blocks.
10. The impact on individual schools is illustrated in Table 3 below. Intrinsic growth funded in 2019-20 has been included within baselines. The main changes to note from 2019-20 are that there are no capped schools under the NFF. There are considerably more formula schools at both primary and secondary, as a result of no cap, and an increase in funding rates through the formula. The number of MPPFL schools has dramatically increased at both primary and secondary phases, approximately doubling across each phase. The number of MFG schools has also increased considerably.

Table 3 – Impact on individual schools by ‘formula-school type’ under modelled 2020-21 NFF allocations

| Count of schools by type | Formula | MPPFL | MFG | Total |
|--------------------------|------------|------------|------------|-----------|
| Infant/ First Total | 5 | 9 | 2 | 16 |
| Junior Total | 7 | 5 | - | 12 |
| Primary Total | 14 | 15 | 8 | 37 |
| PRIMARY | 26 | 29 | 10 | 65 |
| Primary % | 40% | 45% | 15% | 100% |
| Middle/ Secondary Total | 12 | 7 | 2 | 21 |
| All- through Total | 3 | - | - | 3 |
| SECONDARY | 15 | 7 | 2 | 24 |
| Secondary % | 63% | 29% | 8% | 100% |

11. Other considerations

As a result of moving towards NFF, some schools, particularly those with high levels of pupil deprivation, are funded considerably higher than the formula would allocate. These schools are protected through Minimum Funding Guarantee (MFG) at the higher levels. One school is protected at 22% above their formula allocation if an MFG of 1.84% is set, which equates to approximately £390,000 for that school. Six schools are protected above 10%.

For a more immediate impact, there is an option to disapply MFG regulations, subject to Secretary of State (SoS) approval if the regulations provide an exceptional (potentially unfair) result for an individual school.

Considerations for 2020-21 Local Funding Formula

12. For 2019-20 the funding allocated through the pupil growth factor in the NFF considerably exceeded (by approximately £780k) the funding required locally for growth. This is not expected to be the case for 2020-21, since both implicit and explicit growth is forecast to cost a similar amount to that in 2019-20; however, the NFF growth factor allocation is forecast to be approximately half that of 2019-20. As such there may be no surplus NFF growth funding to distribute elsewhere in the formula, or for transfer between funding blocks.

13. It is likely there will be no flexibility to release NFF funding from schools on the MPPFLs. Funding could therefore be released from NFF through the following:

- Formula schools – adjusting the formula rates. Setting all schools onto MFG of 1.84% or MPFFLs at NFF (as applicable) releases £2.2m funding.
- Formula schools – introducing a cap on gains which is still possible in the local formula.
- MFG schools – setting an MFG below +1.84%, to the lowest permissible level of +0.5%. Keeping formula factor rates at NFF and setting MFG at 0.5% is currently modelled to release £260k
- Adjustment to premises funding allocations
A compound effect of setting all school onto NFF MPPFLs and +0.5% MFG releases £3.3m. This is the maximum that could be released from the formula under current local formula flexibility DfE proposals.

The above represents fewer than half the schools across BCP contributing to any funding transfer. This report does not recommend any of the above; this will be considered in the report to Schools Forum at the November meeting, once more information is available prior to consultation with all schools.

When MPPFLs are at 2020-21 NFF levels, an additional £2.74m is allocated to schools above their 2019-20 funding when at 2020-21 NFF, through this factor. Of this, 74% (£2.02m) is through the Primary MFFPL, and 26% (£0.726m) is through the Secondary MFFPL factor. When MFG is set at +0.5% and all schools

that are not MPPFL schools are on MFG, the MPPFL factor allocates £3.7m to schools.

Recommendations

14. The Forum are recommended to note the contents of this report. The Schools Forum should consider any implications of the considerations noted above.

Legal Implications

15. The Schools Forum must be consulted by the LA on the Local Funding Formula. The local authority must also consult all mainstream schools on the formula.

Financial Implications

16. The Schools Block budget for 2020-21 will be in the region of £200 million, that must be distributed fairly and appropriately between all state-funded mainstream schools in BCP, as per the School and Early Years (England) Finance Regulations 2018 (No. 10).

Appendix

2020-21 NFF and local formula

| | | NFF 2019-20 | 2019-20 Local Formula | Possible NFF 2020-21 |
|-----------|-----------------------------|-------------|-----------------------|----------------------|
| | MPPFL's | | | |
| | Exclude Rates | Yes | Yes | Yes |
| | Exclude PFI | Yes | Yes | Yes |
| | Exclude Mobility | Yes | No | No |
| | Exclude Split-site | Yes | Yes | Yes |
| | Primary £ | 3,500 | 3,472 | 3,750 |
| | Secondary (KS3 only) £ | 4,600 | 4,572 | 4,800 |
| | Secondary (KS4 only) £ | 5,100 | 5,072 | 5,300 |
| | Secondary £ | 4,800 | 4,772 | 5,000 |
| | Basic Entitlement £ | | | |
| | Primary | 2,746.99 | 2,718.60 | 2,857 |
| | KS3 | 3,862.65 | 3,822.73 | 4,017 |
| | KS4 | 4,385.81 | 4,340.48 | 4,561 |
| | Additional Factors £ | | | |
| PRIMARY | FSM | 440 | 440 | 448 |
| | FSM6 | 540 | 540 | 562 |
| | IDACI Band F | 200 | 200 | 208 |
| | IDACI Band E | 240 | 240 | 250 |
| | IDACI Band D | 360 | 360 | 374 |
| | IDACI Band C | 390 | 390 | 406 |
| | IDACI Band B | 420 | 420 | 437 |
| | IDACI Band A | 575 | 575 | 598 |
| | EAL Type | 3 years | 3 years | 3 years |
| | EAL | 515 | 515 | 536 |
| | LPA | 1,022 | 1,022 | 1,063 |
| | Mobility | 85 | 85 | Formulaic |
| SECONDARY | FSM | 440 | 440 | 448 |
| | FSM6 | 785 | 785 | 816 |
| | IDACI Band F | 290 | 290 | 302 |
| | IDACI Band E | 390 | 390 | 406 |
| | IDACI Band D | 515 | 515 | 536 |
| | IDACI Band C | 560 | 560 | 582 |
| | IDACI Band B | 600 | 600 | 624 |
| | IDACI Band A | 810 | 810 | 842 |
| | EAL Type | 3 years | 3 years | 3 years |
| | EAL | 1,385 | 1,385 | 1,440 |
| | LPA | 1,550 | 1,550 | 1612 |
| | Mobility | 149 | 149 | Formulaic |

| | | | | |
|--|---|---------|-------------|-------------------------------|
| | LAC | 0 | 0 | 0 |
| | Premises Led | | | |
| | Lump Sum Primary | 110,000 | 110,000 | 110,000 |
| | Lump Sum Secondary | 110,000 | 110,000 | 110,000 |
| | Sparsity Factor | NFF | NFF | NFF |
| | | | | |
| | Transitional Arrangements/ Protections | | | |
| | Funding Floor | 1% | Not applied | +1.84% from 2019-20 |
| | MFG | N/A | -0.50% | Permitted range +0.5 - +1.84% |
| | Capping Factor | 3% | 2.5% | None |
| | Scaling Factor | 100% | 100% | None |

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BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

| | |
|-----------------------------|---|
| Subject | BCP GROWTH FUNDING POLICY 2020-21 |
| Meeting Date | 25 th September |
| Report Author (s) | Jack Cutler, Quality and Commissioning |
| Contributors | Neil Goddard, Director, Quality and Commissioning Nicola Webb, Assistant Chief Finance Officer, Finance Felicity Draper, Service Manager: Access and School Commissioning, Quality and Commissioning Steve Ellis, Management Accountant, Finance |
| Status | Public |
| Classification | For decision by school members only |
| Executive Summary | This report contains a summary of the 2019-20 growth funding payments, and options for the 2020-21 growth funding policy. It also forecasts the cost of both implicit and explicit growth funded under the proposed policy. |
| Recommendations | Schools Forum are recommended to agree the proposals put forward within this report. |
| Reasons for Recommendations | The LA must have in place a policy for funding growth for the 2020-21 financial year, and this should be agreed with the Schools Forum, who must also agree a budget for the 2020-21 explicit growth fund. The growth policy should be agreed no later than the January 2020 Schools Forum meeting. |

Background



1. The Growth Fund – An introduction

1.1. The local authority is required to produce criteria through which growth funding is allocated, that must be agreed by the Schools Forum.

1.2. Growth funding can be allocated for the following:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

DfE guidance states that whilst the growth fund is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should vary pupil numbers in situations where the scale of change in numbers is sufficiently great and permanent that it should be applied to all factors in the formula.

BCP Council are responsible for funding such basic need growth, for all new and existing maintained schools and academies in their area.

The Council should fund all schools on the same criteria.

1.3. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils.

They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need. ESFA will continue to fund start-up and diseconomy costs for new free schools where they are not being opened to meet the need for a new school as referred to in section 6A of the Education and Inspections Act 2006.

1.4. Growth funding is within the LAs schools block (SB) NFF allocation. From 2019-20, this funding is allocated to the LA using a formulaic method based on lagged growth data. The amount allocated in 2019-20 was £1.806m. A lower allocation is expected for 2020-21 due to no forecast further growth in primary pupils, accompanied by similar levels of growth in secondary.

1.5. Any funding allocated for growth is budgeted from the SB, and as such a larger growth fund results in lower funding remaining in the SB for distribution through the formula.

2. Current position for 2019-20

2.1. Existing growth policies for three different BCP areas: Schools in Bournemouth, Christchurch and Poole will continue to receive growth funding under the legacy LA policies of Bournemouth, Dorset and Poole respectively, with the following caveat:



“The principles of Bournemouth and Dorset legacy policies to be applied to any Poole school that does not realise expected pupil growth.”

The legacy policies can be found in Appendix 2.

2.2. The legacy Bournemouth policy for temporary (bulge)/ permanent expansion states that:

“A lump sum will be paid to the school for each additional class created.”

This means that where a school has been asked to make provision for bulge classes, revenue growth funding will be provided regardless of the pupil numbers that materialise. However, there will remain an expectation that the school will be required to open an additional class at any point within the duration that bulge class would theoretically remain with the school.

2.3. Appendix 2 provides a breakdown of the growth payments made through this fund for 2019-20.

3. Planned growth within 2020-21 financial year

3.1. For 2020-21, some of the existing growth in schools will continue; Table 1 below sets out expected growth that has been requested by the local authority to meet basic need requirements. Appendix 2 provides a breakdown of forecast growth required over the next 7 years.

| School | Academic Year growth added | Future FYs in place for | Description |
|------------------------------|----------------------------|-------------------------|---|
| Avonbourne Girls | 2020-21 | 2020-21 | 3 FE bulge classes |
| Avonbourne Boys | 2020-21 | 2020-21 | 2 FE bulge classes |
| Avonbourne (Avonwood) | 2014-15 | 2020-21, 2021-22 | Diseconomy of scale & resources funding for new primary phase |
| St. Peters (Primary) | 2014-15 | 2020-21, 2021-22 | Diseconomy of scale & resources funding for new primary phase |
| Bournemouth School | 2019-20 | 2019-20 to 2024-25 | 1 FE permanent expansion |
| Bournemouth School for Girls | 2019-20 | 2019-20 to 2024-25 | 14 places permanent expansion |
| Highcliffe St. Marks | 2014-15 | 2020-21 | 1 FE permanent expansion |
| Carter | 2019-20 | 2019-20 to 2024-25 | 2 FE permanent expansion |

2020 – 21 Growth Funding Policy Options

4. Existing Growth

4.1. For 2020-21 the following options have been considered:

- (i) **OPTION 1:** fund existing growth according to the arrangements in place for 2019-20. This was under the arrangements of Section 2 above.

There will still be some differences across BCP schools depending on legacy arrangements. In particular the legacy Dorset policy funds permanent expansion growth implicitly through all pupil led factors not just Basic Entitlement as per the legacy Bournemouth and Poole, but considers a form of entry to be 25 pupils for both temporary and permanent growth, rather than 30, as per legacy Bournemouth and Poole

or

- (ii) **OPTION 2:** fund existing growth under the to-be-determined 2020-21 agreed policy.

4.2. The LA propose that existing growth continues to be funded under Option 1. Appendix 2a provides forecast growth if existing growth continues to be funded under this policy, while Appendix 2b provides forecast growth if existing growth is funded under the proposals for Option 2.

5. New schools to meet basic need

5.1. The LA recommend post start-up and diseconomy of scale funding for new/ growing schools as follows:

Part 1: Diseconomy of scale funding

| Empty Cohorts | 6 | 5 | 4 | 3 | 2 | 1 | MAX |
|-----------------------|----------|----------|----------|----------|---------|---------|----------|
| Primary | £80,500 | £67,500 | £54,000 | £40,500 | £27,000 | £13,500 | £283,000 |
| Secondary | | | £125,000 | £93,500 | £62,500 | £31,000 | £312,000 |
| All through primary | £140,500 | £117,811 | £94,248 | £70,686 | £47,124 | £23,562 | £493,931 |
| All through secondary | | | £185,000 | £138,380 | £92,500 | £45,880 | £461,760 |

Part 2: Resource Funding: £7,500 per FE added annually.

5.2. This funding is in-line with the legacy Bournemouth mechanism.

This policy only applies to free schools and academies that have been opened to meet basic need through the presumption route where the LA seeks bids for the establishment and operation of a new Academy.



The above would apply when a school has been asked to extend its age range to meet basic need range and there are empty cohorts in the school.

- 5.3. In addition to the funding discussed above, a new or growing school will also receive implicit growth funding by adjusting pupil numbers to those forecast to be on-roll as per the following October census, pro-rated for the period Sep – Mar. This is a statutory requirement.

6. Temporary Expansions (Bulge Classes)

- 6.1. The LA will provide Basic Entitlement (BE) funding for the relevant phase for any additional places prorated for the period September to March. This is on the basis that an additional FE will be funded at 30 places.

- 6.2. Regarding any retrospective adjustments to the funding, once the bulge has passed through the school:

The proposed policy does not apply any adjustment based on the actual number of pupils that end up on-roll in the class, or any other pupil number measure.

With no adjustment in place, a secondary school taking a single bulge class into year 7 school will receive additional funding of $30 \times £3,823 \times 7/12 = £66,898$, above the funding the school would have been due to receive under funding formula arrangements.

This policy is proposed since there is an expectation that a school may prepare for a bulge class in terms of teacher recruitment etc. before pupil numbers being admitted are known, and it would not be appropriate to unfairly penalise a school for this, particularly as they are working with the LA to assist with sufficient provision of school places. This is no change from the 2019-20 policy.

7. Permanent Expansions

- 7.1. It is not expected in the foreseeable future for a permanently expanding school to reduce their PAN to pre-expansion levels. The LA propose that it is appropriate to provide growth funding by considering all formula factors, not just Basic Entitlement. This is achieved by taking an average prevalence rate across all pupils-led factors by increasing pupil numbers accordingly. Each FE will be based on 30 pupils, funded for the period Sep – Mar. Such funding will be provided through implicit growth in the formula, rather than the explicit growth fund.

- 7.2. This is a change from the 2019-20 policy for non-Christchurch schools. The change is from funding growth at a per pupil Basic Entitlement rate only to funding at an average per -pupil, pupil-led factors formula funding rate. This is as per the legacy Dorset approach.

- 7.3. For a 1 FE permanent expansion into Year 7, the difference would be an increase of approximately £22,000 per annum. This is based on £66,898 under



the 2019-20 policy increasing to £87,500 based on a £5,000 minimum per pupils funding level under the proposed 2020-21 policy.

8. For temporary and permanent expansions, and new/ growing schools, academies will receive additional funding for the period Apr – Aug in recognition that their funding is lagged by a full year. This is not an additional charge against the growth fund because funding recouped by the ESFA is reduced accordingly.

9. Funding to meet infant class size legislation

9.1. This is funding to support the opening of KS 1 classes where overall pupils numbers exceed a multiple of 30, by a minimum number of pupils. For example, if a school with a PAN of 90 admits 66 pupils and as a result must open a 3th class rather than only 2 classes of 33 in each, funding could be provided to support this.

9.2. The proposal is to not provide funding through this route. Previously the LA considered this a significant issue only to small schools, with all relevant BCP schools of sufficient size to be able to manage the issue without needing extra funding.

10. Minor Variation to pupil numbers

10.1. In addition to section 9 above, the LA could fund growth for:

- Infant class sizes exceeding an agreed threshold due to exempt pupils,
- KS 2 classes exceeding a threshold
- Secondary places required where growth is not able to be contained within PAN.
- Other growth/ pupil number variations that have been requested by the local authority.

10.2. The proposal is not to fund minor variations to pupil numbers.

11. Falling Rolls Fund - The LA are not proposing to implement a falling rolls fund for 2020-21, which is no change from 2019-20

12. Growth will only be funded where the LA has requested such growth in writing, and such growth arrangements have been accepted by the school or academy in writing.

Recommendations

13. The Schools Forum are recommended to agree the proposals in sections 4.2, 5.1, 6.2, 7.1, 9.2, 10.2, 11.

Legal Implications



14. Growth funding policy and explicit growth budget for 2020-21 to be established in-line with the School and Early Years Finance (England) Regulations 2018 (No. 10).

15. Schools forum have a statutory responsibility to agree a growth fund.

Financial Implications

16. The growth fund is ringfenced for the funding purposes outlined above.

| School Name | 2019-20 ACT. | 2020-21 EST. | 2021-22 EST. | 2022-23 EST. | 2023-24 EST. |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Existing growth under 2019-20 policy, new growth from 2020-21 under new 2020-21 policy | £822,961 | £669,836 | £244,412 | £365,708 | £365,708 |
| Existing growth under 2020-21 policy, new growth from 2020-21 under new 2020-21 policy | 822,961 | 766,382 | 329,133 | 450,429 | 450,429 |
| Funding released if existing growth remained funded at 2019-20 levels | £0 | £96,546 | £84,721 | £84,721 | £84,721 |

Background Papers

17. Agenda Item 6: Growth Funding 2019-20, BCP Shadow Schools Forum, 8 January 2019.

<https://democracy.bcpCouncil.gov.uk/documents/g167/Public%20reports%20pack%2008th-Jan-2019%2016.00%20BCP%20Schools%20Forum.pdf?T=10>



APPENDIX 1 - COMPARISON OF EXISTING POLICIES BETWEEN LAs

In all cases the growth must have been at the request of the LA (basic need) and not a school's decision only.

Bournemouth and Poole Growth Policies are quite similar, however the Dorset policy, whilst also having similarities, also has considerable differences. Table 1 below provides a summary of the similarities/ differences across the existing 3 LA's

TABLE 1: A comparison of existing Growth Fund policies across Bournemouth, Dorset and Poole (B, D & P)

| | Bournemouth | Dorset | Poole |
|---|-------------------------------------|----------------------------|---------------------|
| <i>Growth paid for:</i> | | | |
| Permanent increase to PAN | Y | Y | Y |
| Expanding School across national curriculum year groups | Y | Y | Y |
| New School | Y | Set- up only | Set up Only |
| Bulge Classes (temporary increase to PAN) | Y (first year only) | Y (including future years) | Y (first year only) |
| Fund when Infant Class Size exceeded | N | Y | N |
| <i>Class Funding:</i> | For Bulge class, Permanent Increase | | |
| Pupil count 1 FE based on | 30 | 25 | Actual NOR Change |

FUNDING OF GROWTH ACROSS LEGACY LAs

Permanent or temporary (bulge) expansion

This is funding provided to a school to support additional costs incurred to the school of setting up an additional class, that are not yet funded through the local funding formula due to the lagged nature of funding. Accompanying Capital Basic Need funding may or may not be provided depending on whether a physical expansion of the school to accommodate a bulge is required. A permanent expansion will almost always be accompanied by Basic Need funding.

TABLE 2: A comparison of how a temporary expansion/ bulge class is funded across legacy LAs

| | Bournemouth | Dorset | Poole |
|--|-------------|--------|-------|
|--|-------------|--------|-------|

| | | | |
|--------------------------------|---|--|--|
| Permanent Increase to PAN | Number of FE x 30 x relevant BE [#] x 7/12 | Number of FE x 25 x (relevant BE + other factors where affordable) x 7/12 Plus £1,000 Management Allowance + £1800 class set-up per FE each year (new schools receive double this i.e. £3600 class set up per year). Any MFG* allocations included with the schools ISB [^] are deducted from this sum. | Lower of: <ul style="list-style-type: none"> NOR entry year minus old PAN in entry year Overall school change) x relevant BE x 7/12 |
| Temporary PAN Increase (Bulge) | As above, but for 1 st year only | As above, but for 1 st year only, + £360 class set- up costs per year. Ghost funding is provided to guarantee 25 place funding per FE as bulge progresses through school. MFG allocations are taken into account as above. | As above, but for 1 st year only |

[#]BE is the Basic Entitlement per pupil for the Key stage/ phase in which the growth has occurred, and additional factors are those pupil-led factors funded through the Local School Funding Formula.

*MFG is the Minimum Funding Guarantee that protects schools against significant losses to per pupil funding year on year as a result of formula/ pupil characteristic changes.

[^]ISB is the Individual School Budget allocation from the Schools Block determined through the local funding formula.

New/ Growing School where year groups are increasing each year

This is funding to support either a new school that has opened and does not yet have all year groups in place, or a school that has expanded into a new phase that also does not yet have all year groups in place

TABLE 3 : Legacy Bournemouth funded as follows:

| Empty Cohorts | 6 | 5 | 4 | 3 | 2 | 1 | MAX |
|-----------------------|----------|----------|----------|---------|---------|---------|-----------------|
| Primary | £80,500 | £67,500 | £54,000 | £40,500 | £27,000 | £13,500 | £283,000 |
| Secondary | | | £125,000 | £93,500 | £62,500 | £31,000 | £312,000 |
| All through primary | £140,500 | £117,811 | £94,248 | £70,686 | £47,124 | £23,562 | £493,931 |
| All through secondary | | | £185,00 | £138,38 | £92,500 | £45,880 | £461,76 |



The amounts in this table are as per the diseconomy of scale funding that the DfE paid out to new and growing free schools at the time this payment was established in 2014. The funding is prorated for the portions of the relevant financial year the empty classes are present.

In addition, new/ growing schools attract £250 per primary place added and £500 per secondary place added, to cover the provision of pupil resources.

Legacy Dorset provides £1,000 management allowance each year plus £3,600 class set-up costs per year per FE. Dorset also provided pre-opening start up funding for new schools but no Christchurch schools would qualify in 2019-20 under this policy. An example of how this policy has worked historically is provided below:

Legacy Dorset Policy: Pre-opening Funding

Dorset provides pre-opening funding for new schools that covers a share of Head Teacher salary, a management allowance, administration support funding, a caretaking allowance, a premises allowance and a per capital sum. This per capital sum is currently £120 per mainstream child in the school, as if the school were full.

As an example, Twynham Primary received the following through pre-opening start-up funding:

| Purpose | Method | Funding £ |
|------------------------|--|------------------|
| Head Teacher's Salary | Differentiated by size and phase of school | 28,925 |
| Management Allowance | As per the policy (see above) | 1,000 |
| Administration Support | Calculated at Grade 5 NJC point 15 | 6,902 |
| Caretaking allowance | Equivalent to 2/12 th of a caretaker at Grade 7 NJC point 21 plus on costs and inflation covering the period July and August. | 4,057 |
| Premises Allowance | Hire of of rooms for interviews, parents' evenings etc. | 665 |
| Per Capita Sum | £120 per mainstream place as if full | 25,200 |
| Total | | 66,739 |

Legacy Poole does not have a specific policy for this as only 1 new school has been opened. In this case Poole provided £100,000 one off start-up allowance with significant resources (for example, all furniture and ICT) paid from the Capital Programme.

Minor variation to numbers

Bournemouth and Poole do not provide funding through this route. Dorset's 2018-19 policy is as below:

Legacy Dorset Policy: Minor Variation to Numbers



There are occasions when, rather than meeting the full costs of setting up an additional class, it is more efficient to amend the present arrangements using 'ghost funding'. These would normally be:

- (i) Breach of infant class size legislation (class of 30) for a non-exempt pupil
Provide ghost funding of pupils to fund an additional teacher = £35k (5/12ths of class cost) less breached pupils' AWPU. This situation should not occur and will only be paid in exceptional circumstances.
- (ii) Infant class size of 32 or more due to exempt pupils Pay AWPU from when the additional children join the school until generated through census to allow early employment of TA to give additional support for oversized class – once children are on census that extra funding will come into the school budget through AWPU and grant will cease.
- (iii) Key Stage 2 class size of 34 or more (actual or reserved places) Pay AWPU from when places are required/reserved to allow early employment of TA to give additional support for oversized class. Once children are on census that extra funding will come in through the delegated school budget in AWPU and grant will cease/reduce accordingly.
- (iv) Secondary places required where growth is not able to be contained within PAN (actual or reserved places). Pay AWPU from when places are required/reserved to allow structure to be put in place to accommodate the pupils. Once the expected pupils are on the census, that extra funding will come into the school's delegated budget through the AWPU and grant will cease/reduce accordingly).

APPENDIX 2 – ACTUAL AND PROJECTED GROWTH

This is growth through implicit and explicit growth that must be agreed with the schools forum; it does not include statutory implicit growth for new and growing schools, where the age range is changing.

a – Existing growth continues to be funded to its conclusion under the 2019-20 policy. New growth from Sep 2020 is funded under the 2020-21 policy

| School Name | Description | Cost to both Explicit and Implicit Growth | | | | |
|--|--------------------------------------|---|-----------------|-----------------|-----------------|-----------------|
| | | 2019-20 ACT. | 2020-21 EST. | 2021-22 EST. | 2022-23 EST. | 2023-24 EST. |
| | | £ | £ | £ | £ | £ |
| Avonbourne (Primary) | All through expansion from Sep 14 | 48,380 | 24,818 | 6,250 | - | - |
| Jewell | Growing academy from Sep 13 | 6,250 | - | - | - | - |
| Kingsleigh | Increased FE | 47,576 | - | - | - | - |
| St Peters | All through expansion from Sep 14 | 48,380 | 24,818 | 6,250 | - | - |
| Avonbourne (Secondary) | Increase 3FE Y7 from Sep 2019 | 200,693 | 200,693 | - | - | - |
| Harewood | Increase 2FE Y7 from Sep 2019 | 133,796 | 133,796 | - | - | - |
| Bournemouth School | Increase 1FE Y7 from Sep 2019 | 66,898 | 66,898 | 66,898 | 66,898 | 66,898 |
| BSG | Increase 0.5FE Y7 from Sep 2019 | 31,219 | 31,219 | 31,219 | 31,219 | 31,219 |
| Carter | Increase 2FE Y7 from Sep 2019 | 133,796 | 133,796 | 133,796 | 133,796 | 133,796 |
| Twynham Prim | Set Up for new school Y_R Sep 2013 | 4,600 | - | - | - | - |
| Highcliffe St. Marks | Set Up for 1FE expansion YR Sep 2014 | 2,800 | 2,800 | - | - | - |
| Avonwood (Primary) | Bulge Sep 19 | 47,576 | - | - | - | - |
| Highcliffe St. Marks <i>[Implicit]</i> | 1FE expansion Y_R Sep 2014 | 51,000 | 51,000 | - | - | - |



| | | | | | | |
|---------------|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Year 7 Bulges | 2FE* (schools not yet identified) | - | - | - | 133,796 | 133,796 |
| Total | | £822,961 | £669,836 | £244,412 | £365,708 | £365,708 |

b – Existing growth is funded from 2020-21 under the 2020-21 policy to its conclusion. New growth from Sep 2020 is funded under the 2020-21 policy.

| School Name | Description | Cost to both Explicit and Implicit Growth | | | | |
|---------------------------------|--------------------------------------|---|-----------------|-----------------|-----------------|-----------------|
| | | 2019-20 ACT. | 2020-21 EST. | 2021-22 EST. | 2022-23 EST. | 2023-24 EST. |
| | | £ | £ | £ | £ | £ |
| Avonbourne (Primary) | All through expansion from Sep 14 | 48,380 | 24,818 | 6,250 | - | - |
| Jewell | Growing academy from Sep 13 | 6,250 | - | - | - | - |
| Kingsleigh | Increased FE | 47,576 | - | - | - | - |
| St Peters | All through expansion from Sep 14 | 48,380 | 24,818 | 6,250 | - | - |
| Avonbourne (Secondary) | Increase 3FE Y7 from Sep 2019 | 200,693 | 200,693 | - | - | - |
| Harewood | Increase 2FE Y7 from Sep 2019 | 133,796 | 133,796 | - | - | - |
| Bournemouth School [Implicit] | Increase 1FE Y7 from Sep 2019 | 66,898 | 87,500 | 87,500 | 87,500 | 87,500 |
| BSG [Implicit] | Increase 0.5FE Y7 from Sep 2019 | 31,219 | 40,833 | 40,833 | 40,833 | 40,833 |
| Carter [Implicit] | Increase 2FE Y7 from Sep 2019 | 133,796 | 188,300 | 188,300 | 188,300 | 188,300 |
| Twynham Prim | Set Up for new school Y_R Sep 2013 | 4,600 | - | - | - | - |
| Highcliffe St. Marks | Set Up for 1FE expansion YR Sep 2014 | 2,800 | - | - | - | - |
| Avonwood (Primary) | Bulge Sep 19 | 47,576 | - | - | - | - |
| Highcliffe St. Marks [Implicit] | 1FE expansion Y_R Sep 2014 | 51,000 | 65,625 | | | |



| | | | | | | |
|---------------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Year 7 Bulges | 2FE* (schools not yet identified) | | | | 133,796 | 133,796 |
| Total | | 822,961 | 766,382 | 329,133 | 450,429 | 450,429 |



BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

25th September 2019

Forward Plan

November 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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