

**SLOUGH SCHOOLS' FORUM**  
**10<sup>th</sup> October 2017**

**Directorate of Children Learning and Skills**

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**Langley Hall Free School – Exceptional Circumstances Business Case**

**1 PURPOSE OF THE REPORT**

To request the Schools' Forum (SF) to allow Langley Hall (LH) to make a case to SF to consult all schools to change the National Funding Formula (NFF) to include an exceptional circumstances (premises) factor from 2018-19. The Council is neutral on this matter and believes it is a decision for Schools Forum to make following consultation with schools.

**Background**

- 1.1 Langley Hall took out a lease of land to accommodate school expansion requirements with an annual rental of **£271,000**. This commitment now places a significant annual budgetary pressure on the school. The school has been denied additional funding from the EFA. The school would like this to be funded from the Schools' Block. The school's circumstances fit the criteria under the exceptional circumstances (Premises) factor.

**2 RECOMMENDATIONS**

- 2.1 That Schools' Forum considers and comments on the request by Langley Hall to amend the funding formula to include an exceptional premises factor.
- 2.2 That Schools' Forum notes and comments on the process for consulting with schools regarding the proposal to change the funding formula.

**3 REASONS FOR RECOMMENDATION**

- 3.1 To meet the DfE criteria for a change to the local schools NFF to include an exceptional circumstances (premises) factor.

## 4 SUPPORTING INFORMATION

- 4.1 Langley Hall states that as their funding has been cut for four successive years they are in a different position when dealing with the school expansion that required taking out the lease. The lease rental costs are having a significant burden on the school's finances. A full business case from the school is attached as Appendix A.
- 4.2 The timeline for the consultation and application process is set out in the table below.

<b>Date</b>	<b>Activity</b>
October SF	SF considers and comments on the case for exceptional premises factor by LH
October/November	Consultation questionnaire sent to schools
November Special SF	SF reviews and comment on the result of the consultation
End of November	If agreed, submission of exceptional premises factor to EfA

- 4.3 The following Appendices are attached
- Appendix 1 contains the Langley Hall business case
  - Appendix 2 illustrates the potential impact across all school budgets were the application to be approved.
  - Appendix 3 contains the DfE criteria for an exceptional premises factor.
- 4.4 Using the May 2017 NoR Appendix 2 distributes the pro-rata share across all schools. This equates to an average reduction of 0.2% in budget share in 2018-19 if the application was approved by the EfA.
- 4.5 The business case compares to the EFA eligibility criteria as follows:
- The 2017-18 school's budget is £2,845,132 and 1% threshold is £28,451. At £271,000 the rent is meets this criterion;
  - Such costs must affect fewer than 5% of all schools in Slough including academies: 5% equates to 2 schools (rounded down from 2.2) and the application would meet this criterion.

## 5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not applicable.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### **6.1 Monitoring Officer**

The relevant legal provisions are contained within the main body of this report.

### **6.2 Section 151 Officer – Strategic Director of Resources**

The financial implications of the report are outlined in the supporting information.

### **6.3 Access Implications**

There are no access implications.

## **7 CONSULTATION**

### **7.1 All schools if SF agree.**

Contact for further information

John Voytal

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## Langley Hall Free School – Exceptional Circumstances Business Case

### APPENDIX A

#### LANGLEY HALL PRIMARY ACADEMY TRUST LTD PAYMENT FOR PREMISES ON LONG TERM LEASES

LHPA opened in September 2011 in premises purchased by the EFA and given to the trust. In line with all other schools the funding for the premises came from central funds and not GAG funds intended for the provision of educational services.

The school grew quickly in all year groups, from the initial 182 in September 2011 to 342 in September 2012.

The St. Mary's Road site was acquired on a long lease for the start of the third year and the school started in September 2013 with 676 growing to its capacity of 728 the following year.

*The school expansion provided much needed capacity in the area and was implemented with no extra capital funding for furniture, equipment and building renovations.*

At this time we did approach Slough Borough Council if some funding could be made available for the expansion but were told this was not possible.

The expansion of the school meant that the existing catering arrangements were inadequate and so a long term lease was taken on a disused building opposite the upper school site and this was converted to kitchen and canteen accommodation serving both sites, again, with no extra capital input whatsoever.

*Therefore the expansion and provision of extra capacity was achieved with tremendous value for money due to exceptional financial management.*

The position now is that Langley Hall is presently paying £271,000 per year from our schools block funding. No other school has to pay for building leases of this size from funds that should be directed to more educational activities.

The EFA maintained that the school's position was governed by the case put forward to the Department for the expansion of the school when the school acquired a lease of the St Mary's road site to facilitate the expansion of the school. At that stage, the school in support of its case stated that it could afford the additional rent for the St Mary's road site. However since then, in the light of the funding cuts year on year this has now become a burden which is affecting school expenditure for educational purposes. It is now a larger and significant proportion of our budget.

The DfE asked if the trust could afford the leases when approving our expansion and our answer at the time was positive. However, since then our funding has been cut for four successive years. As a result, our current financial position is entirely different to the position when we were dealing with at the time of the school's expansion. This means that now, these rental costs are having a significant burden on the school's finances.

We have been involved in correspondence and discussion with Slough Borough Council and the EFA for a long time but it is now vital that we settle this issue *and do not continue to disadvantage the children at the school, with funds meant for educational provision being directed to buildings.*

It appears that the chances of receiving payment from the EFA are slim and we are asking for an exceptional case to be made for local funds. We do acknowledge that this will mean a small topslice to all local schools, but we believe that this would be fairer than Langley Hall taking the whole burden of this cost when all other schools have building costs dealt with outside of GAG funding. It is estimated that the extra would be less than 0.2% of the budget for each school, but currently is 9% of the budget for Langley Hall.

We would be grateful if the Schools Forum could consider this issue with some urgency.

CHRIS EATON – ADVISOR TO THE GOVERNORS  
8<sup>th</sup> September 2017

**Langley Hall Free School – Exceptional Circumstances Business Case  
APPENDIX 2**

<b>Phase</b>	<b>School</b>	<b>NoR *</b>	<b>Rent share</b>
<b>Primary</b>	Castleview School	618	6,041
	Cippenham Infant School	265	2,590
	Cippenham Primary School	821	8,026
	Claycots School	1,543	15,083
	Colnbrook CE Primary School	238	2,327
	Foxborough Primary School	384	3,754
	Godolphin Infant School	350	3,421
	Godolphin Junior Academy (The)	450	4,399
	Holy Family Catholic Primary School	469	4,585
	Iqra Slough Islamic Primary School	628	6,139
	James Elliman Academy	814	7,957
	Khalsa Primary School	459	4,487
	Langley Academy Primary (The)	227	2,219
	Marish Primary School	786	7,683
	Montem Academy	864	8,446
	Our Lady of Peace Catholic Primary and Nursery School	680	6,647
	Parlaunt Park Primary School	650	6,354
	Penn Wood Primary and Nursery School	688	6,725
	Pippins School	202	1,975
	Priory School	921	9,003
	Ryvers Primary School	683	6,677
	St Anthony's Catholic Primary School	600	5,865
	St Ethelbert's Catholic Primary School	462	4,516
	St Mary's CE Primary School	591	5,777
	Western House Academy	694	6,784
	Wexham Court Primary School	698	6,823
	Willow Primary School	509	4,976
	Baylis Court School	892	8,720
Beechwood School	805	7,869	
<b>Secondary</b>	Ditton Park Academy	480	4,692
	Eden Girls School	269	2,630
	Herschel Grammar School	937	9,159
	Langley Grammar School	1,076	10,518
	Langley Academy	1,127	11,017
	Lynch Hill Enterprise Academy	243	2,375
	Slough & Eton C of E Business & Enterprise College	1,131	11,056
	St Bernard's Catholic Grammar School	834	8,153
	St Joseph's Catholic High School	810	7,918
	Upton Court Grammar School	1,009	9,863
	Westgate School	958	9,365
	Wexham School	858	8,387
	<b>Total</b>	<b>27,723</b>	<b>271,000</b>

## Langley Hall Free School – Exceptional Circumstances Business Case

### Appendix 3: DfE/EFA Exceptional Premises Factor Guidance

#### Requesting exceptional premises factors

Local authorities may request the inclusion of additional factors in their formula for exceptional circumstances. Additional factors may be approved in cases where the nature of the school premises gives rise to significant additional costs greater than 1% of the school's total budget, and where such costs affect fewer than 5% of the schools (including academies) in the authority.

Where local authorities have already received approval for exceptional premises factors in the previous five years, they may continue to use the approved factors providing the criteria are still being met. Where an exceptional factor has already been approved for particular schools, it's permissible for a further school or schools to receive the factor where a change in circumstances meets the existing approved criteria, providing that the cost to the additional school exceeds 1% of its budget share (as calculated through the APT) and that the factor still applies to fewer than 5% of schools in the authority.

Local authorities will need to apply to ESFA for any new exceptional premises factors to be used in 2018 to 2019, setting out the rationale for the factor and demonstrating that the criteria are met. Any requests for exceptional factors must be received before the end of November 2017.

Exceptional factors previously approved include:

- rents
- joint use of leisure facilities by contractual agreement
- building schools for the future (BSF) schemes; additional contribution to lifecycle maintenance costs
- hire of PE facilities
- listed buildings
- school with a farm included as part of its educational provision

Each application is considered on its own merits and it shouldn't be assumed that a future application will be successful simply because it falls into one of the categories shown above. Local authorities are not obliged to request additional factors, but in considering whether to do so they should look at the circumstances of academies and free schools as well as maintained schools. Any request for an exceptional factor should be submitted by attaching the exceptions and disapplications proforma to the ESFA contact form.