

Schools Forum
Wednesday, 15 March 2017 at 8.00 am
VENUE: Committee Room 1 - City Hall, Bradford

PLEASE NOTE

All meetings will be held in public; the agenda, decision list and minutes will be publicly available on the Council's website and Committee Secretariat, Room 112, City Hall, Bradford.

The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Forum Clerk Asad Shah - 01274 432280 who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions should be aware that they may be filmed or sound recorded

1. APOLOGIES FOR ABSENCE

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

2. DISCLOSURES OF INTEREST

To receive disclosures of interests from Members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it only becomes apparent to the member during the meeting.

3. MINUTES OF 7 DECEMBER 2016, 11 & 18 JANUARY 2017 & MATTERS ARISING 1 - 34

Recommended –

That the minutes of the meetings held on 7 December 2016 and 11, 18 January 2017 be signed as correct records (previously circulated).

(Asad Shah – 01274 432280)



4. **MATTERS RAISED BY SCHOOLS**

Members will be asked to consider any issues raised by schools.

5. **STANDING ITEM - DSG GROWTH FUND ALLOCATIONS (i)**

There are no new allocations for consideration at this meeting.

6. **NATIONAL FUNDING FORMULA - CONSULTATION RESPONSE (a)** 35 - 86

The Business Advisor (Schools) will present a report, **Document HF**, which provides an update on National Funding Formula news and which asks the Schools Forum to consider its response to the DfE's 2nd stage of consultation, which closes on 22 March 2017. A response drafted by the Business Advisor (Schools) is presented with this report.

Recommended –

The Schools Forum is asked to consider and agree its response to the DfE's 2nd stage of consultation on National Funding Formula (to be submitted by 22 March).

(Andrew Redding – 01274 432678)

7. **UPDATE ON MATTERS CONCERNING THE 2017/18 DEDICATED SCHOOLS GRANT (i)** 87 - 90

The Business Advisor (Schools) will present a report, **Document HG**, which provides an update on a number of matters related to the 2017/18 Dedicated Schools Grant.

Recommended –

The Schools Forum is asked to consider and to note the information provided in the report.

(Andrew Redding – 01274 432678)

8. **MATTERS CONCERNING SCHOOL AND ACADEMY BUDGETS (i)** 91 - 94

The Business Advisor (Schools) will present a report, **Document HH**, which provides an update on matters related to school and academy budgets. In particular, this report responds to the request made by Members at the last meeting for an interim update on the anticipated volume of conversions of maintained schools to academy status in Bradford and the likelihood of liabilities resulting from the conversion of schools holding deficit budgets.



Recommended –

The Schools Forum is asked to consider and to note the information provided in the report.

(Andrew Redding – 01274 432678)

9. OTHER SCHOOLS FORUM STANDING ITEMS (i)

Updates on the following Forum standing items will be provided verbally where these have not been covered within other agenda items:

- Update from the Schools Financial Performance Group (SFPG)
- Update from the Early Years Working Group (EYWG)
- Update from the Formula Funding Working Group (FFWG)
- Update on Primary School Places
- Update on Academies & Free Schools

Recommended –

The Forum is asked to note the information provided.

(Andrew Redding – 01274 432678)

10. ANY OTHER BUSINESS (AOB) / FUTURE AGENDA ITEMS

Members will be asked for any additional items of business, for consideration at a future meeting.

11. DATE OF NEXT MEETING

Please see the published schedule of meetings – Wednesday 17 May 2017.

(a) Denotes an item for action

(i) Denotes an item for information



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MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 7 DECEMBER 2016 AT CITY HALL, BRADFORD

Commenced 0805, Adjourned 0955
Reconvened 1015, Concluded 1135

PRESENT

SCHOOL MEMBERS

Bev George, Brent Fitzpatrick, Chris Quinn, Dianne Rowbotham, Dominic Wall, Dwayne Saxton, Emma Ockerby, Helen Williams, Ian Morrel, Kevin Holland, Lesley Heathcote, Sir Nick Weller, Ray Tate, Sue Haithwaite, Tahir Jamil, Trevor Loft and Wahid Zaman

NON SCHOOLS MEMBERS & NOMINATED SUB SCHOOL MEMBERS

Alison Kaye, Ian Murch and Irene Docherty

EXECUTIVE PORTFOLIO HOLDER – EDUCATION, EMPLOYMENT AND SKILLS

Councillor Imran Khan

LOCAL AUTHORITY (LA) OFFICERS

Andrew Redding	- Business Advisor (Schools)
Angela Spencer-Brooke	- Strategic Manager, SEND and Behaviour
Dawn Haigh	- Principal Finance Officer (Schools)
Judith Kirk	- Deputy Director, Education, Employment and Skills
Michael Jameson	- Strategic Director, Children's Services
Raj Singh	- Financial Service, Business Advisor
Stuart McKinnon-Evans	- Director of Finance

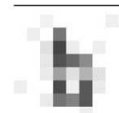
APOLOGIES

Members - Nicky Kilvington, Nigel Cooper, Ray Tate and Sami Harzallah; Regular Observer - Lynn Murphy (Business Manager, Feversham College)

DOMINIC WALL IN THE CHAIR

211. CHAIR'S OPENING REMARKS

In opening the meeting, the Chair explained that this was the first Schools Forum meeting since the death of Gareth Dawkins. Gareth was a long-standing member of the Schools Forum and the Chair asked Members to remember Gareth, and to recognise the significant contribution that he made in Bradford over many years, in a way that Gareth would have enjoyed. The Chair led the Schools Forum in a round of applause.



The Chair explained that there has been Press interest in today's meeting that the Press may be in attendance.

The Chair expressed his appreciation to Sir Nick Weller, for the clarity and boldness of his Northern Powerhouse Schools Strategy report, and his success in the publication of this.

The Chair provided an overview for Members of the position of discussions on key matters and stressed the importance of today's meeting. He explained that he and the Vice Chair had attended the most recent Education Improvement Strategic Board and had briefed members of this board about the critical issues relating to the management of pressures within the DSG High Needs Block in 2017/18, including the options for contribution from the Schools Block. He explained that a view is forming about the impact of the 'worst case scenario' Minimum Funding Guarantee option, which needs to be interrogated. Today's meeting is a final opportunity for Forum Members to ask for more information prior to January's decision making process. A critical question with every agenda item is whether Members feel that they have sufficient information on which to take recommendations.

The Chair explained that there are now strong rumours that the DfE is about to publish its 2nd stage of consultation on National Funding Formula. He highlighted for members the modelling that has been published already by the NUT on the pressures within education funding nationally. He reported that he has talked directly with 3 other regional Chairs of Schools Forums and that these conversations have confirmed the view about common pressures related to the High Needs Block.

The Chair explained that the DfE has confirmed the final details, following its earlier consultation, on early years funding reform and that these will be picked up under the early years funding agenda item.

Finally, the Chair explained that, although most of the items do not require decisions, it will be helpful for a decision to be made on de-delegation for the purposes of subscribing to Fischer Family Trust, due to the timescale for confirming subscription for next year.

212. DISCLOSURES OF INTEREST

Declaration were received from the Chair, Ian Morrel, Sue Haithwaite and Trevor Loft for agenda item 11 "Funding High Needs 2017/18 (including Consultation Outcomes).

ACTION: *City Solicitor*

213. MINUTES OF 19 OCTOBER 2016 & MATTERS ARISING

a) Agree the minutes as a correct record.

b) The Business Adviser on progress made "Action" items:

- **Consultation on High Needs Block funding matters** (item 204 page 11): It was reported that the consultation was published and this is returning on the agenda under



item 11. The request for further information on high needs funding matters is picked up in a number of report but especially under agenda item 11.

- **DSG Central Items and De-Delegated Funds** (item 205 page 12): A further report is presented under agenda item 12. It was reported that the Vice Chair presented information on de-delegation to BPIP on 4 November. 6 additional responses were received giving mixed views about the position of de-delegation.

c) Other matters arising

- **Northern Powerhouse Schools Strategy report:** Members will be aware already of publication of the report by Sir Nick Weller on the Northern PowerHouse Schools Strategy. This report makes a number of recommendations, which will be of interest to the Schools Forum in its decision about the use of resources, the development of high needs provisions, and in the context of national funding formula. We recommend that this report is considered more fully by the Schools Forum in the new year.
- **Post 16 Free School Provision:** A request was made at the last meeting for further information on how the Local Authority is managing, and modelling the implications of, the development of new Post 16 free school provision in the Bradford District. A response has been provided as a matters arising document in the agenda reports pack. In responding to this document, the Member representing Teacher Trade Unions expressed his concern about how the Local Authority is controlling the strategic direction of post 16 provision and ensuring that every child has access to a place. He stated that his concern is shared by Union colleagues. He referred to a secondary school that has already decided to close its 6th form. The Strategic Director, Children's Services, responded by explaining that the role of the Local Authority is to influence and that there has been extensive engagement with partners about the direction of post 16 provision. There are established forums in which strategic provision matters are discussed. The Member referred to specific questions that have been asked about provision in Bradford South that have not yet been responded to. The Strategic Director offered to discuss this matter further outside the meeting. The Chair stated that the Member is welcome to raise this matter again with the Forum if he still has concerns following these discussions.
- **Social Impact Bond:** Members will recall the discussion in the July meeting regarding the Social Impact Bond. An update is provided as a matters arising document.
- **Academy conversions:** The Business Advisor reported that 10 schools have converted to academy status since the last Forum meeting (9 primary and 1 secondary) and that none of these schools are expected to close with a deficit budget. 19 schools have converted so far this academic year.
- **Oastler Letter Panel Update:** The Business Advisor reported that the additional information that was requested by the Panel is being collected and a meeting date for the Panel to conclude its recommendations on the Oastler School deficit budget matter will be set for the New Year.



- **Schools Unbilled Payroll:** Forum Members asked at the last meeting for further information regarding the total value and number of schools that will have converted to academy before the matter is resolved. The Business Advisor reported that £156,000 has been re-paid with £661,000 still to be repaid. 9 schools have converted to academy and it is expected that a further 6 will convert before February 2017.

Resolved –

- (1) **That progress made on “Action” and “Matters Arising” be noted.**
- (2) **That the minutes of the meeting held on 21 September 2016 be signed as a correct record.**

ACTION: *City Solicitor*

214. MATTERS RAISED BY SCHOOLS

No resolution was passed on this item.

215. THE AUTUMN SPENDING REVIEW & NATIONAL FUNDING FORMULA

The Business Advisor (Schools) confirmed the Chair’s statement in the introduction to the meeting, that it is strongly rumoured that there will be an announcement about National Funding Formula before Christmas. At this point however, we are still very unclear about what will be proposed for National Funding Formula for the Schools and High Needs Blocks and what the impact will be on Bradford. There is quite a lot of noise in local press across the country regarding the modelling that has been published by the NUT, which in particular highlights the erosion in the real terms value of education funding.

The DfE has announced the final details of changes in the funding of the Early Years Block. The final position for Bradford is as the DfE initially proposed in its consultation; an increase in the rate of funding for the 2 year old offer but a decrease in the funding of the 3 and 4 year old offer and a restriction on the proportion of spend on deprivation. There is still uncertainty about the medium to longer term funding position for nursery schools, but the DfE has announced that rates of funding for nursery schools will now be protected for 3 financial years starting April 2017.

The Business Advisor also reported that little was said about education funding by the Chancellor in his Autumn Statement other than the identification of capital funding for the development of grammar schools.

Forum Members did not have any comments or questions.

216. THE LOCAL AUTHORITY'S BUDGET CONSULTATION

The Strategic Director, Children's Services presented the Council's (Children's Services) budget position and the proposals for 2017-19 that were currently out for consultation across the District.

The detail of this presentation is recorded in the PowerPoint (these minutes do not repeat the detail). The Strategic Director emphasised that the proposals are based on the key priorities of improving educational outcomes, safeguarding and supporting vulnerable children and families at the point of need and promoting employment and skills for all and on the key principles of early help and support, managing demand and building on strengths, improving placement choice, a school-led delivery system, which includes trading and maximising the benefits of integration and joint commissioning. He also emphasised that the proposals are made in the context of reducing central Government funding (a further £82m of savings by 2020), a growing population, increasing numbers of new arrivals into the District, and increasing demand for services, but also in the context of reducing DSG budget contributions and growing pressure in the High Needs Block. The Deputy Director added that the DSG financial element is hugely challenging for the Council, as it is for schools.

In summary, the Strategic Director explained the proposed budget savings as follows:

- £0.47m, 2017-18 Savings Proposals already approved in February 2016 (£0.15m School Improvement, £0.243m Employment & Skills, £0.077m Youth Offending)
- £1.518m, 2017-18 Savings Proposals already approved in February 2016 where amounts and phasing have altered (Social Care)
- £1.207m, 2017-18 Savings Proposals already approved in February 2016 replaced with compensatory proposals subject to consultation (Social Care)
- £1.808m, 2017-18 & 2018-19 New Saving Proposals subject to consultation (£0.06m School Readiness , £0.3m Employment & Skills, £1.448m Social Care)
- £2.4m, Potential Loss of Dedicated School Grant for Council Services
- Total Savings of £7.4m in 2017-18 and 2018-19 (excluding current year pressure of £3.1m)

Schools Forum Members asked the following main questions and made the following comments:

- The Vice Chair commented that schools with higher proportions of children from vulnerable families are in receipt of the Pupil Premium Grant but there is a tension in that schools are increasingly needing to use their PPG to pay for support services that are no longer available through the Council / not available without charge, pulling this funding away from spend on educational outcomes focused interventions.
- The Chair commented that the stand out impression that comes from this presentation (and the size of the budget reductions) is the necessity to drive immediate and substantial cost efficiencies, within both the Council's budget and the DSG.
- In terms of efficiencies, what strategies are being employed by the Council across its budget? Can these been shared with the Forum e.g. early help, more effective collaboration. A report on this would be welcomed.



- There are significant efficiencies to be found in improving how schools and health services work together.
- How much reserve is the Council proposing to use in its budget across 2017-2020? The Director of Finance stated that it is proposed to use £20m of reserve over the next 4 years, but with £17m of this in 2017/18. Following this, the Council will have £150m of reserve, of which £40m is in schools.

At the end of the Forum's discussion, the Executive Member for Education, Employment and Skills, stated that these were a set of very difficult budget proposals with no easy choices. The budget position is such that the Council is struggling to deliver statutory services. Within this, education is a priority and the Council wishes to work very closely with its partners and with schools in particular.

Resolved –

- (1) Forum Members are asked to give their feedback to the Executive's budget proposals affecting education and Children's Services either to the next meeting (11 January) or directly via the consultation process.**
- (2) That a report be provided to a future Forum meeting on what guiding strategies the Council is employing to deliver its budget savings (strategies such as focusing on early help, delivering further efficiencies, multi agency budget collaboration and transfer of responsibilities).**

217. 2016/17 DSG SPENDING POSITION AND ONE OFF MONIES

The Business Advisor (Schools) presented the report, Document GT, which updated members on the forecasted spending positions of centrally managed and de-delegated funds held within the DSG in 2016/17. This document gave members a view of the estimated value of one off monies that would be available to add to the 2017/18 DSG Headroom and a view of the uses of this funding. The presentation focused on Appendix 2.

The Business Advisor explained that the value of one off monies / uncommitted reserve held within the DSG is expected to be lower at March 2017 than held in previous years (£1.75m compared with £3.0m). This is the result, in particular, of the forecasted overspending against the planned High Needs Block budget due to the creation of new additional places from January 2017 and pressure in the cost of EHCP's in mainstream provisions and placements out of authority. As a result, there is little money available for additional investment and it is recommended that the uncommitted reserve within the DSG is held unallocated. Following a Member's question, the Chair reminded the Forum of the discussions that took place in May 2016 on a confidential matter, which placed additional commitment on the DSG's reserve figure presented in Appendix 2.

The Business Advisor explained that it is now proposed to retain the identified sum of £0.5m to protect base rates funding for the 3 and 4 year old offer in 2018/19 rather than in 2017/18.



The Business Advisor highlighted the pressure within the de-delegated maternity / paternity scheme, explaining that this is behind the request for the Schools Forum to review the position of this scheme especially for the secondary phase, which will be considered in the later agenda item.

Forum Members did not have any comments and did not asked any further questions.

Resolved – No resolution was passed on this item.

218. 2017/18 DSG UPDATE

The Business Advisor (Schools) presented a report, Document GU, which provided a forecast of the anticipated DSG budget position and cost pressures in the 2017/18 financial year. It was stressed that this is still an estimated position, but, unless a significant addition sum is allocated to Bradford in the 2017/18 DSG High Needs Block settlement (announced later in December), this is a realistic appraisal of the 2017/18 DSG.

The Business Advisor highlighted the following:

- One of the key principles proposed to lay behind the management of the DSG going forward is that the Early Years Block will be ring-fenced, apart from its contribution to earl years SEND costs.
- The actual estimated pressure in the High Needs Block next year is £6.86m. This assumes only £1m of new income from DfE. 50% roughly of this £6.86m pressure comes from the cost of new places (including only a 7/12ths provision for the 2nd tranche of 120). 50% comes from growth in pressure in existing provisions, including growth of mainstream EHCPs / SEND statements and out of authority placements. This pressure is after the Early Years Block has contributed £300,000 for the SEN Inclusion budget. It is also after a 1.5% reduction has been levied on the High Needs Block top up rates and centrally managed budgets.
- A 1.5% contribution from the Schools Block pupil-led factors, on current estimates, will provide a sum of £4m to help offset the £6.86m. This contribution is split 50/50 between primary and secondary when a blanket 1.5% reduction in all factors is applied.
- After these contributions however, it is still currently estimated that the High Needs Block will overspend and the total DSG funding gap is estimated to be £2.3m i.e. more may need to be done to balance the 2017/18 DSG.

The Chair emphasised that, on current modelling, a 1.5% reduction within the Schools Block would not close the DSG gap in 2017/18 fully. This leaves the Schools Forum with a very difficult set of considerations and decisions to make. However, the Schools Forum must make recommendations that set a balanced DSG budget. The Chair asked that Members hold their detailed responses on this until all the agenda items relating to the DSG position, including the updated modelling of school budgets and the High Needs Block, have been presented.

In responding to the presentation, Members made the following comments and asked the following questions:

- Whether modelling can be done on comparative High Needs Block per pupil spending, incorporating a view about the level of spending in higher performing



local authorities. The Chair responded that benchmarking has taken place (and has been presented to the Forum) showing that our spending per place in special schools is close to the national median. It is understood that the comparison for alternative provision is more complex because of the diverse nature of provisions can come under the AP designation. However, it will be helpful for more information on the 'national context' to be provided for 11 January meeting.

- Whether the calculations suggest that a contribution of 1.9% from the Schools Block resolves the £2.3m final gap. It was explained that the resolution is more complicated than this as there are restrictions on how monies can be 'moved around'.
- What will be the impact of a 1.5% / sizeable transfer of money out of primary and secondary school budgets in 2017/18? Do we have a clear view about this? The Business Advisor explained that he has collected information on impact through his discussions with schools, but that he welcomed the opportunity to talk with individual members who offered in the meeting to put their schools forward as 'case studies'.

Resolved –

- (1) That a report be provided to the 11 January meeting, which sets out in more detail the options that are available for the management and balancing of the DSG in 2017/18. That this report also provides further information on Bradford's position in the national context.**
- (2) That further work takes place, on a case-study style basis, to interrogate the impact of a 1.5% reduction in the primary and secondary formula funding values in 2017/18 and the options around this, to inform the Forum's discussions on the 11 January.**

219. CONSULTATION OUTCOMES – EARLY YEARS SINGLE FUNDING FORMULA

The Business Advisor (Schools) presented a report, Document GV, which asked Members to consider the outcomes of the consultation on the 2017/18 Early Years Single Funding Formula (EYSFF). Members deferred a decision on the structure of the EYSFF to 11 January. As such, this item was treated as 'for information'.

The Business Advisor highlighted the following:

- As set out in the DSG document for the previous item, it is proposed to establish the principle of ring-fencing of the Early Years Block for 2017/18 and for the future.
- There is nothing in the responses to our consultation (that the Forum approved at the last meeting) that suggests our proposals regarding structure of the EYSFF for 2017/18 are not supported and should not be implemented. We proposed a lot of continuity on current arrangements. The Authority asks then that the Forum recommends the structure of the EYSFF as set out in the consultation document is implemented for 2017/18.
- The main concern expressed in responses to our consultation is the significant reduction in rates of funding for the 3 and 4 year old entitlement as a result of the



Government's Early Years Funding Reform and the impact that this will have on the quality of provision.

- The Government announced the final details of its national formula on 1 December. Our 2017/18 proposals are compliant with what is required from April 2017. We do need to develop further our existing approach to SEN Inclusion funding and we propose to re-convene the EYWG in the new year to do this. Our next steps around structural reform will be working towards a consultation on amended formula arrangements in Bradford for 2018/19, incorporating a universal base rate, as we set out in our consultation document.
- The DfE has confirmed:
 - Our net loss of funding is as set out in the original consultation document. This is unchanged. Our 2 year old rate of funding will increase to £5.20 but we will lose £3m in 3 and 4 year old funding over the next 2 years.
 - The restriction on supplements to 10% does come in at 1 April 2017. The calculation of this is tighter than estimated, which means that we cannot spend as much at 10% on deprivation as we anticipated. This factor in particular affects the funding of nursery classes. The transfer of budget from deprivation to base rate does however protect the funding of PVI sector.
 - The Maintained Nursery School Supplement is confirmed and is extended for at least another year (until April 2020) with further consultation to take place. We are expected to fund nursery schools as currently. However, our value of Supplement funding will be set on our actual current spend so we will not have a balance to allocate (the £275k we set out in the report will not exist).
 - A new Disability Access Fund will be established, estimated to be worth £160,000 in Bradford in 2017/18.
 - A requirement for local authorities to operate SEN Inclusion funds. We have in place already an SEN Inclusion Fund, but we do need to do some work to develop this
- As a result of the confirmation of the tightening of the 10% restriction, we suggest amending the proposal around the use of the £500,000 one off, so that this is allocated in the 2018/19 not the 2017/18 financial year.

The Member representing maintained nursery schools expressed her concern about the potential loss of the Nursery School Supplement and that it is important that the Forum considers carefully how one off monies can be used to support the sustainability of the early years sector.

Forum Members did not have any further comments and did not asked any further questions.

Resolved –

No resolution was passed on this item. Final recommendations on the structure of the Early Years Single Funding Formula for 2017/18 are deferred to the 11 January 2017.



220. INDICATIVE BUDGETS 2017/18 PRIMARY & SECONDARY SCHOOLS AND ACADEMIES

The Principal Finance Officer (Schools) presented a report, Document GW, which provided members with updated indicative modelling of Primary & Secondary delegated budget shares in 2017/18, using the pupil numbers taken from the October 2016 Census.

The Principal Finance Officer explained that this is part of the information presented for the Forum's consideration about the Schools Block contribution to the DSG gap in 2017/18. The modelling shows:

- The position of each school's budget and how this is adjusted for changes in pupil numbers.
- The cost to each school's budget of a '1.5% per pupil Schools Block contribution' to the High Needs Block, which generates a sum of £4m.
- The proportionate sector cost of this 1.5% contribution (£60.70 per pupil secondary; £37.74 per pupil primary).
- What the worst case scenario position would be (how much more contribution could be taken from individual schools before all schools would be on their Minimum Funding Guarantee levels). This would generate a sum of £6m (£2m more than under the 1.5% option).

Forum Members did not have any comments and did not ask any questions on this modelling at this point. The Chair commented again that such a contribution from school budgets in 2017/18 will have an impact, including on staffing levels, and that the Forum is being asked to consider some very difficult decisions.

Resolved –

No resolution was passed on this item.

221. FUNDING HIGH NEEDS 2017/18 (INCLUDING CONSULTATION OUTCOMES)

The Business Advisor (Schools) presented a report, Document GX, which asked the Forum to consider the outcomes of the consultation on the 2017/18 High Needs Funding Model and gave the Forum sight of the planned number of high needs places to be commissioned by the Authority. Document GX also gave an update on the position of other strategic high needs funding matters. Members deferred a decision on the structure of the High Needs Block funding model to 11 January. As such, this item was treated as 'for information'.

The Business Advisor explained that this was the final agenda item, presented to give Members sight of the issues related to the difficult decisions that will be required to be taken in allocating the 2017/18 DSG budget.

The report set out further information behind the High Needs Block allocation and cost pressures, including the allocated places within the planned model (Appendix 1). It provided sight of the impact of a 1.5% reduction in top up values (Appendix 2). It also



provided information relating to 'efficiency and value for money', highlighting some key areas of watch, improvement and review, and information on the sector-led teaching services review, in response to the requests made by Members at the previous meeting.

In response to the report, Members focused on the information presented regarding the funding of unfilled places (4%). Members asked for a further more detailed breakdown of unfilled places to be presented on 11 January. It was clarified that the cost estimates for the High Needs Block in 2017/18 presented to the meeting included the financing of the 1st tranche of new places as well as 7/12ths of the 2nd tranche and that the cost of additional places that were already filled are also included.

In pulling together the information presented to the meeting so far about the 2017/18 DSG, the Strategic Director, Children's Services expressed his awareness of the complexity of the issues being raised. He advised that it will be helpful for an options impact analysis paper to be presented to the Forum at the next meeting. As it is highly likely that the DSG budget position will be need to be resolved by combining actions, savings and contributions, across the DSG, it will be helpful for the Forum to have full, clear sight of all of these, and the impact of these and how impact could be mitigated, in one report.

The Chair asked Members whether they had any comments at this stage on the option for the sizeable contribution from the Schools Block to the High Needs Block in 2017/18. Members stated generally that they needed further time to consider this and to talk with colleagues, but made the following comments and asked the following questions:

- There is support amongst colleagues for the creation of high needs places. However, there is considerable concern about the implications on schools budgets of a sizeable formula funding reduction in 2017/18.
- The system for the assessment and placement of high needs children in Bradford is currently too slow. The speed of access to assessment services as well to centrally funded high needs support services needs to improve.
- How will high needs provision, responding to growth, be financial sustainable in the longer term if the High Needs Block is currently set to overspend so significantly. What is the Local Authority's strategic plan? What will be the impact of National Funding Formula?
- How can we mitigate against the impact of a formula funding reduction in schools in 2017/18? What are the options for using DSG (and reserve) over more than one year to 'delay' or mitigate the impact of a formula funding contribution?
- How do the issues that Bradford is having to consider fit into the national picture?

Forum Members agreed that an options appraisal report be provided as well as further 'case-study' analysis for the 11 January meeting (actions recorded under minute 218).

Resolved –

(1) Final recommendations on the structure of the High Needs Block funding model for 2017/18 are deferred to the 11 January 2017.

(2) That further information is presented to the next meeting on unfilled places.



222. CENTRAL AND DE-DELEGATED EARLY YEARS & SCHOOLS BLOCK FUNDS 2017/18

The Business Advisor (Schools) presented a report, Document GY, which asked Forum Members to further consider the position of Schools and Early Years Block central and de-delegated items from the DSG in 2017/18, following the initial discussion in the meeting of 19 October 2016.

The Business Advisor explained that Members are asked for a steer, prior to final decisions to be made on 11 January, on whether any Member disagrees with any of the recommendations set out in the report on the continuation or cessation of funds, or whether Members need further information on any of these. He explained that it will be helpful for secondary maintained Forum members to give a specific steer on de-delegation in 2017/18 for the maternity and paternity insurance scheme in the secondary phase, responding to the concerns regarding the financial viability of this fund that are set out in the report (the loss of critical mass). The Business Advisor also highlighted for Members the outline proposal to hold a sum to be used for meeting the cost of deficit budget of primary sponsored academies.

It was explained that most of the report was presented only for further information and to gain a steer (to inform decisions to be taken in January). However, it would be helpful for the Forum to take a decision on the position of the funding of the Fischer Family Trust (FFT) subscription in 2017/18, if possible.

Members made the following comments and asked the following questions on funds other than FFT (focused on the maternity reimbursement scheme):

- That the maternity reimbursement insurance scheme does look to be financial unviable for the secondary phase.
- That if the maternity scheme is ceased for the secondary phase consideration needs to be given about appropriate timing of exit from this (recognising existing commitments).
- In responding to the explanation that the Authority does not currently broker supply insurance arrangements for schools, a Member expressed disappointment that the Local Authority is not prepared to negotiate a District-wide agreement for maternity insurance across schools. Another Member expressed concern about the implications for the cessation of the maternity scheme for smaller schools. It was clarified that cessation is only currently under consideration for the secondary phase and that there are commercial alternatives. It was also clarified that de-delegation is a Schools Forum decision.

The Forum engaged in a rather complicated debate about the subscription to Fischer Family Trust, with a need for clarification on some aspects of the contractual position. From this discussion, Primary maintained members voted in favour (3 out of 3) and secondary members voted against (2 out of 2) the continuation of de-delegation in 2017/18 to subscribe to Fischer Family Trust (FFT) data. However, prior to a final decision, it was agreed that clarification is sought on the contractual and cost position where the primary and secondary phases are not in agreement. The Vice Chair also stated that she wished to further consult with BPIP regarding the decision to be made for the primary phase.



Resolved –

Primary maintained members voted in favour (3 out of 3) and secondary members voted against (2 out of 2) the continuation of de-delegation in 2017/18 to subscribe to Fischer Family Trust (FFT) data. Prior to a final decision on FFT subscription for 2017/18, to be taken on 11 January, that clarification is sought on the position where the primary and secondary phases are not in agreement about de-delegation. The Vice Chair is to further consult with BPIP regarding the decision for the primary phase.

223. STANDING ITEM – DSG GROWTH FUND ALLOCATIONS

No resolution was passed on this item.

224. STANDING ITEM – BRADFORD EDUCATION IMPROVEMENT COMMISSIONING BOARD

No resolution was passed on this item.

225. OTHER SCHOOLS FORUM STANDING ITEMS

Resolved –

That Single Status be removed as a standing agenda item.

226. ANY OTHER BUSINESS

No resolution was passed on this item.

227. DATE OF NEXT MEETING

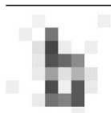
That the dates of the next two meetings of the Schools Forum be confirmed as:

- **Wednesday 11 January 2016**
- **Wednesday 18 January 2017**

Note: These minutes are subject to approval as a correct record at the next meeting of the Schools Forum.

committeesecretariat\minutes\SF17Dec

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



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MINUTES OF THE MEETING OF THE SCHOOLS FORUM HELD ON WEDNESDAY 11 JANUARY AND WEDNESDAY 18 JANUARY 2017 AT CITY HALL, BRADFORD

11 January 2017

Commenced 0805, Adjourned 1010,
Reconvened 1035, Adjourned 1155

18 January 2017

Reconvened 0805, Adjourned 0945,
Reconvened 1015, Concluded 1105

PRESENT

SCHOOL MEMBERS

Bev George, Brent Fitzpatrick, Chris Quinn, Dianne Rowbotham, Dominic Wall, Donna Willoughby, Dwayne Saxton, Emma Hamer, Helen Williams, Ian Morrel, Lesley Heathcote, Michele Robinson, Nick Weller, Nicky Kilvington, Nigel Cooper, Sami Harzallah, Sue haithwaite, Trevor Loft, Wahid Zaman

NON SCHOOLS MEMBERS & NOMINATED SUB SCHOOL MEMBERS

Alison Kaye Donna, Willoughby, Ian Murch and Irene Docherty

COUNCIL EXECUTIVE PORTFOLIO HOLDER – EDUCATION, EMPLOYMENT AND SKILLS

Councillor Imran Khan

LOCAL AUTHORITY (LA) OFFICERS

Andrew Redding - Business Advisor (Schools)
Angela Spencer-Brooke - Strategic Manager, SEND and Behaviour
Dawn Haigh - Principal Finance Officer (Schools)
Judith Kirk - Deputy Director, Education, Employment and Skills
Michael Jameson - Strategic Director, Children's Services
Raj Singh - Financial Service, Business Advisor
Stuart McKinnon-Evans - Director of Finance
Sarah North - Principal Finance Officer (Schools)

OBSERVER

Councillors Pollard and Ward

APOLOGIES

11 January 2017 - Kevin Holland, Maureen Cairns, Ray Tate, Tahir Jamil and Executive Portfolio Holder - Councillor Imran Khan (Education, Employment and Skills).

18 January 2017 - Ray Tate, Sami Harzallah and Tahir Jamil

DOMINIC WALL IN THE CHAIR

These minutes combine the reports presented, and discussion, which took place across 2 meetings. All decisions / recommendations are captured at the end of these minutes.



229. DISCLOSURES OF INTEREST

No disclosures of interest in matters under consideration were received.

230. MINUTES OF 7 DECEMBER 2016 AND MATTERS ARISING

The Chair explained at the beginning of the 11 January meeting that the minutes of the 7 December Forum meeting are not available for presentation due to the volume of work that has been required preparing for this meeting and he asked the Business Advisor to prioritise this. The minutes will be presented to the March meeting. It was explained that specific matters arising relating to the December meeting related to information requests however, are reported back within this agenda.

231. MATTERS RAISED BY SCHOOLS

No resolution was passed on this item.

232. STANDING ITEM – DSG GROWTH FUND ALLOCATIONS

No resolution was passed on this item.

233. NATIONAL FUNDING FORMULA DFE ANNOUNCEMENT / CONSULTATION

At the beginning of the 11 January meeting, the Chair stressed the toughness of the decisions that will need to be made by the Schools Forum. He stressed that these decisions focus on the position of the High Needs Block and the option for the 'strategic reset' of the DSG to enable the creation of new additional high needs places, now in the context of National Funding Formula, by moving monies in 2017/18 from the Schools Block. This is the culmination of the Forum's considerations over the autumn term (and earlier).

The Chair asked the Business Advisor (Schools) to update Members on the crucial announcements that have been made since the 7 December meeting and to confirm the position of the 2017/18 DSG. The Chair impressed on Members the importance of their understanding what is a very complicated picture. As such, the 11 January meeting is seen as an information presentation and questions meeting, with the Forum returning to make its recommendations on 18 January. The Chair asked Members to think about how they can gather feedback from school colleagues on these issues before 18 January meeting and to do this where they can.

The Business Advisor presented the Authority's analysis of the National Funding Formula, Document GZ, beginning by reminding Members of the matters that the Schools Forum has considered across the autumn term and the estimates and 'educated guesses' that the Authority had made around the potential impact of National Funding Formula and key watch areas. The Business Advisor gave a summary of the key announcements that have

been made and what these do to confirm our understanding of Bradford's financial position in 2017/18 and beyond, referring to:

- The DfE's National Funding Formula 2nd stage consultation announcement of 14 December 2016
- The DfE's announcement on early years funding reform of 1 December 2016
- The National Audit Office's report on the real terms value of education funding, published on 14 December 2016
- The DfE's announcement on 2017/18 DSG allocations for local authorities, made on 20 December.

The Business Advisor also presented (in response to the requests made in December):

- A document, which set out more data on how Bradford's financial and High Needs Block position compares with the national picture.
- A document, which provided more detailed analysis of the position of unfilled high needs places in Bradford in 2016/17.
- A document, which provides an outline view of the High Needs Block over the next 5 years. Following initial consideration, the Forum asked for a more detailed picture of this, which was presented to the 18 January meeting.

In response to the presentation of this information, on 11 January, Forum members made the following main comments and asked the following main questions:

- What is the cash value of the funding of unfilled high needs places in 2016/17? The Business Advisor stated that this is estimated to be £675,000. It is expected that the value of funding related to unfilled places continues to be minimised.
- That the National Funding Formula appears to significantly more negatively affect the primary phase and smaller schools in Bradford.
- That Bradford appears to be heavily reliant on the proposed 3% floor factor.
- The weighting of Additional Educational Needs is recognised, but the movement away from IDACI and deprivation within this is also noted.
- That the NFF proposals will reduce Bradford's Schools Block and increase our High Needs Block over time. However, that the High Needs Block position is very challenging.
- That the erosion in the real terms value of funding is a massive issue for schools going forward and will have staffing implications.
- That overall the loss to Bradford as a result of the National Funding Formula (NFF) does not look as bad as expected. However, a cash neutral position hides some very significant challenges, including in the High Needs Block, where the full value of increase that the NFF suggests we should receive will be damped, and in the continued erosion of the value of funding in real terms.

The Business Advisor explained that a drafted response to the DfE's 2nd stage of consultation would be presented for consideration on 15 March.

Resolved –

That the information contained in Document GZ (and additional information presented on 18 January) be noted.



234. UPDATE ON THE 2017/18 DSG FUNDING POSITION

The Business Advisor (Schools) presented the report, Document HA, to the 11 January meeting, which updated members on the position of the Dedicated Schools Grant for the 2017/18 financial year. He explained that the critical aspect of the School Forum's discussion will be how the £7.02m pressure within the High Needs Block in 2017/18 is to be resolved. He explained how the £7.02m pressure is created and why this is different from the £6.8m figure presented to the December meeting.

The Chair emphasised to Members that the Forum must recommend a balanced DSG to the Council. Within this, the Forum must be careful to understand the value of reserve being deployed in 2017/18.

The Business Advisor, using an options document tabled on the day on 11 January meeting, explained the range of options that have been considered and are being put forward for the management of the £7.02m pressure. He explained that, of the 6 main options, 3 of these have been discounted, leaving 3 for consideration (referred to as options 2, 3 and 4):

- Option 2: Transfer the £2.1m headroom from the Schools to the High Needs Block, taking £4.9m of spending out of the High Needs Block.
- Option 3: Transfer a total of £4.5m from the Schools to the High Needs Block (£2.1m headroom; £2.4m explicit contribution), taking £2.5m of spending out of the High Needs Block.
- Option 4: Transfer a greater sum e.g. £5.6m from the Schools to the High Needs Block (£2.1m headroom; £2.4m explicit contribution; £1.1m further contribution), taking £1.4m of spending out of the High Needs Block.

It was explained that the Forum must consider the impact of these options and also the 'achievability' of savings across both the short and longer terms. Much of the Forum's discussion focused on a) these options in the context of national funding formula in the future and b) the immediate additional pressure that an 'explicit' formula funding reduction would produce within delegated budgets. The content of a 'preferred' option 4 model became more defined following the Forum's initial discussion. Following the Forum's request, an additional report was presented on 18 January, which set out a fully worked through option 4 method for balancing the 2017/18 DSG. A further additional report was also presented to the 18 January meeting, which provided a more detailed view of the potential impact on the PRUs (within option 4) of a reduction in the value of direct ranges funding for pupils without EHCPs.

On 11 January, the Business Advisor explained how the confirmed 2017/18 DSG Schools Block position is different from what was previously estimated due to the changes in data that have been recorded by schools in the October 2016 census. The reduction in the FSM% in the primary phase was particularly highlighted. In response to this, Members asked for further analysis to be presented to the 18 January meeting. Following consideration of this, Members asked for an analysis of the difference in FSM% between reception and year 6 to be presented to the March meeting.

The Chair explained that this change in Census data, and the creation of £2.1m of headroom within the Schools Block, alongside the information we now have about National Funding Formula, alters our view of the options for the contribution from the Schools Block to the £7.02m High Needs Block pressure in 2017/18; moving away from a blanket 1.5% formula funding reduction. The Business Advisor explained this further with reference to Document HD and the options document tabled on 11 January.

The main comments made by Forum Members and the main questions asked on 11 January are recorded below:

- How will schools feel the financial benefit from the creation of new high needs places (when delegated funding will reduce but children with SEND may still be in the mainstream school)? Schools are facing massive financial pressure. A discussion followed from this question on how transition will take place and how children will be placed in new / expanded provisions from a variety of sources, including transferred from mainstream schools. Input was provided by the Chair and the Authority's Strategic SEN Manager.
- Which of the options fully resolves the £7.02m DSG pressure? The Business Advisor explained that it is only either options 3 or 4 that resolve this, and only option 4 resolves this as well as enabling the financing of new high needs places.
- Will the Schools Block continue in the future to be required to contribute to the High Needs Block? The Business Advisor explained that, on current analysis, 2017/18 would be the last year in which a contribution could be taken from the Schools Block. Although authorities may be permitted to transfer monies under National Funding Formula in the future, because Bradford is a loser in the Schools Block and the majority of schools hit the floor protections, it is highly unlikely that we will have any headroom to transfer. In thinking about a transfer in 2017/18, we also need to think about the High Needs Block position over the next 5 years and that a transfer in 2017/18 will substantially strengthen the High Needs Block position (this is the opportunity to 'strategically reset' the DSG allocation).
- The Vice Chair expressed her concerns where the 2017/18 DSG allocation does not enable new high needs places creation. However, it is understood that consideration of option 3 or option 4 is a 'very big deal' for schools.
- How much saving can be made in the High Needs Block in 2017/18, to reduce the amount of Schools Block that needs to be transferred? The options, impact and pros and cons need to be presented more fully. It is expected that a suite of measures across the Schools and High Needs Block will be engaged to balance the DSG in 2017/18 to 'spread the pain'.
- It was noted that the option 4 methodology included the use of £0.5m of reserve.

Reconvening on 18 January:

- Whether the Council's reserve could be employed to support the DSG's position in 2017/18? The Director of Finance clarified that the DSG is expected to manage its own pressures.
- The representative of Secondary Maintained schools Headteachers reported that he had asked for the view of colleagues on the outline options; 4 indicated support for option 4 and 3 for option 3. He added that the benchmarking data clearly supports the view for the expansion of high needs places in Bradford.



- A representative of Secondary Maintained governors reported that he had contacted colleagues, who have highlighted to him their concerns about the impact of any reduction in formula funding budgets in 2017/18. Colleagues are seeking re-assurance that such a reduction will help to resolve existing issues as well as building capacity for the future. The Authority's SEND Strategic Manager responded to provide re-assurance that the Authority is looking for the quick release of vulnerable children from mainstream settings into expanded provisions this term.
- Representatives of Maintained Primary Schools reported that, although there is very clear concern about the impact on budgets, option 4 is supported so that new high needs places can be created. Colleagues stress to the Authority that these places now must be created as quickly as possible.
- The Chair reported that he would summarise colleagues' views from conversations that he has had as 'concerned resignation'. Forum Members.
- A representation of the Trades Unions stated that the Schools Forum and Bradford schools should understand that the financial position isn't the making of anyone in Bradford, but that if the Forum does not make a recommendation now to support the High Needs Block, there will be difficulties to face in the future.
- The Chair asked the Director of Finance to give his view about the financial position and the decisions to be taken by the Forum. The Director expressed his understanding of the difficulties of balancing the budget in 2017/18. Looking across the High Needs Block in the longer term supports the view that action needs to be taken now to enable high needs provision to move forward. The Forum has talked about these issues for sometime and now needs to take a firm decision.
- A question was asked about how, within option 4, the saving from the reduction in the direct funding of placements in the PRUs of pupils without EHCPs will actually be delivered. The Business Advisor stated that this will be discussed further with the BACs Strategic Group (there are options for the management of this).
- The Chair, on behalf of the Forum, stated for the minutes, that the position of the funding of Building Schools for the Future within the DSG continues to irritate.
- A request was made for an update to be given on the financial positions of maintained schools, specifically with reference to the possibility of liabilities resulting from deficit in schools that may convert as sponsored academies.

Resolved –

That the information contained in Document HA be noted.

235. UPDATE 2016/17 CENTRALLY MANAGED FUNDS SPENDING POSITION

The Business Advisor (Schools) presented an analysis on 11 January, Document HB, which updated members on the position of 2016/17 funds and the value of one off funding available. It was explained that this is purely a repeat of the information presented to the Forum on 7 December (and is provided only for reference).

Resolved –

That the information contained in Document HB be noted.



236. CENTRALLY MANAGED AND DE-DELEGATED FUNDS 2017/18

The Business Advisor (Schools) presented in summary the report on 11 January, Document HC, which set out the position of the funding of Schools and Early Years Block central and de-delegated items from the DSG, to enable Members to make recommendations and decisions under agenda item 11. This document was returned to on 18 January within the decision making, which is recorded at the end of these minutes.

Resolved –

That the information contained in Document HC be noted.

237. INDICATIVE DELEGATED BUDGETS 2017/18

The Business Advisor (Schools) presented the report on 11 January, Document HD, which showed the indicative value of delegated allocations for individual schools, academies and early years and high needs settings for the 2017/18 financial year and also shows the draft Primary and Secondary and Early Years Pro-formas. A number of additional models showing the impact of different options on primary and secondary schools and academies were presented to the Forum across the 2 meetings. The minutes (deliberately) do not record the questions asked by Members seeking clarification on the modelling.

On 11 January a request was made for further information on the reduction in (cessation of) the Education Services Grant allocations for academies. This was presented on 18 January.

On 11 January a key line of inquiry by Forum members was how the movement of a substantial amount of DSG monies out of the Schools Block to the High Needs Block in 2017/18 will affect the value of the 3% protection allocated to schools in the future under National Funding Formula. The Business Advisor explained that this was very complicated, but that his modelling had shown that the DSG in total would not gain or lose as a result of such a transfer, but that the benefit would be 'locked in' to the High Needs Block in the future rather than in the Schools Block. Meaning that the value of 3% protection allocation to schools on this factor would be lower (and under option 4 would be the most affected) but that the base starting point for the High Needs Block would be higher.

Resolved –

That the information contained in Document HD (and additional information presented on 18 January) be noted.

238. FINAL RECOMMENDATIONS AND DECISIONS 2017/18 DSG

The Business Advisor (Schools) presented on the 11 January, Document HE, which summarised the decisions and recommendations that the Schools Forum is asked to make in setting the allocation of the DSG and final formula funding arrangements for the 2017/18 financial year. The Forum was asked to take decisions / make recommendations on the items listed under the following main headings:

- Schools and Early Years Block Central and De-Delegated Items
- Growth Fund Allocations
- The High Needs Block
- The Allocation of Available One Off Monies
- Early Years Funding and Pro-Forma
- Primary & Secondary Funding and Pro-Forma

Please note that the 'option 4' that is referred to in the list of decisions list below relates to the Document 3 that was presented to the Schools Forum meeting 18 January 2017.

1. SCHOOLS & EARLY YEARS BLOCKS CENTRAL AND DE-DELEGATED ITEMS 2017/18

FUNDS FOR THE 2017/18 FINANCIAL YEAR AGREED BY SCHOOLS AND ACADEMIES MEMBERS ON A RELEVANT PHASE SPECIFIC BASIS (EARLY YEARS, PRIMARY AND SECONDARY):

Resolved –

- (1) Schools Forum Costs: agreed to continue the DSG budget at the 2016/17 value of £10,000.**
- (2) School Admissions: agreed to continue the DSG budget at the 2016/17 value of £577,600.**
- (3) DSG Matched Contribution to School Improvement: agreed to ratify the decision already made by the Schools Forum on 6 January 2016, but with the additional amendment agreed within the application of 'option 4', to**
 - a. Continue for the period 1 April 2017 to 31 August 2017 at reduced values (the values for the period 1 April 2015 to 31 August 2015 reduced by 25%) plus a further reduction of £24,121 (from the application of adjustment no. 9 under 'option 4').**
 - b. Cease at 31 August 2017, with the sums released to Primary, Secondary and Early Years delegated budgets in 2017/18 and 2018/19.**
- (4) Education Services Grant Centrally Retained Duties: agreed to passport to the Local Authority's budget 95% of the ESG Centrally Retained Duties Grant that has been transferred into the DSG Schools Block, at £1.331m in 2017/18, in**



support of the statutory duties delivered by the Local Authority on behalf of all state funded schools and academies. This incorporates the 5% reduction agreed within the application of 'option 4' (adjustment no. 8).

- (5) **Early Years Single Formula Adjustments:** agreed to hold a contingency of £200,000 within the EYSFF (Early Years Block) to meet the costs of in year adjustments relating to the termly recalculation of nursery funding and any specific EYSFF exceptional circumstances allocations.

SCHOOLS MEMBERS REPRESENTING MAINTAINED SCHOOLS ONLY AGREED THE FOLLOWING VALUES OF DE-DELEGATED FUNDS AS PER DOCUMENT HC AND ITS APPENDICES 1 AND 2 FOR THE 2017/18 FINANCIAL YEAR:

- (6) **ESBD School Support (Primary only):** continue de-delegation from the primary phase at the 2016/17 per pupil value.
- (7) **Costs of FSM Eligibility Assessments:** continue de-delegation from both the primary and secondary phases at the 2016/17 per FSM values, with contributions containing to be taken using FSM Ever 6 data.
- (8) **Fisher Family Trust:** continue de-delegation from the primary phase at the cost of subscription. The representatives of maintained primary schools agreed for the Chair and Vice Chair to work with officers to agree the final subscription option for the primary phase. Agreed not to de-delegate for this purpose from the secondary phase.
- (9) **Trade Union Facilities Time – Negotiator Time:** continue de-delegation from the early years, primary and secondary phases at the 2016/17 per pupil values.
- (10) **Trade Union Facilities Time – Health and Safety Time:** continue de-delegation from the early years, primary and secondary phases at the 2016/17 per pupil values.
- (11) **School Maternity / Paternity 'insurance' fund:** continue de-delegation from early years (nursery schools) and primary phases at a value forecasted to afford the scheme for a full year and repay the 2016/17 overspending. Cease de-delegation for / access to this scheme for the secondary phase at 1 July 2017 (so no new claims after 1 July but with existing claims honoured until these expire), with a full year de-delegation contribution initially taken and an end of year reconciliation of cost with reimbursement back to contributing schools (where necessary).
- (12) **School Staff Public Duties and Suspensions Fund:** continue de-delegation from the early years (nursery schools) and primary phases for a full year, providing a total budget of £40,000. Cease de-delegation from the secondary phase for this purpose from April 2017 (meaning that no fund will be available to the secondary phase in 2017/18).



- (13) **School Re-Organisation Costs (Safeguarded Salaries):** continue de-delegation from both the primary and secondary phases for the actual cost of continuing safeguarded salaries.
- (14) **School Re-Organisation Costs (Sponsored conversions budget deficits):** de-delegate from the primary phase to provide a sum of £150,000 that will be available to meet the cost of deficit balances of primary schools that convert to academy status under sponsored arrangements during 2017/18. The Schools Forum to be provided with in year monitoring reports where this provision is used.
- (15) **Exceptional Costs & Schools in Financial Difficulty:** continue de-delegation from the primary phase to provide a budget of £100,000. Cease de-delegation from the secondary phase for this purpose at 1 April 2017 (meaning that no fund will be available to the secondary phase in 2017/18).

ALL FORUM MEMBERS BY CONSENSUS AGREED THE PRINCIPLES BEHIND THE MANAGEMENT OF THESE FUNDS, THAT:

- (16) Funds set for 2017/18 will continue to be managed by the Schools Forum. The Forum will be provided with monitoring reports during the year, especially showing the impact of further conversions of maintained schools to academy status between April and September.
- (17) Any over or under spending against these 2017/18 funds will be written off from, or added back to, the DSG's de-delegated funds in 2018/19 on a maintained school phase specific, fund specific, basis i.e. if maintained primary schools overspend in the maternity / paternity insurance scheme fund the value of the fund created through de-delegation in 2018/19 will need to compensate for this.
- (18) These decisions set the position for the 2017/18 financial year only. All de-delegated funds are required by the Regulations to be reviewed for 2018/19. It is expected that de-delegation will be required to cease across all areas at 1 April 2019.

2. GROWTH FUND ALLOCATIONS AND PROVISION 2017/18

ALL SCHOOLS AND ACADEMIES MEMBERS BY CONSENSUS AGREED TO:

- (19) That the allocations from the Growth Fund for existing & known expansions and bulge classes in 2017/18, listed for reference in Document 8 (the values of these allocations are slightly amended following the application of the adjustments numbered 5 to 7c under the agreed 'option 4' – the value of confirmed allocations is £1,634,161).

- (20) That an additional planned budget of £980,000 to be held for new in year allocations for both Primary and Secondary schools and academies. This planned budget is split £300,000 Primary and £680,000 Secondary.

3. THE HIGH NEEDS BLOCK 2017/18

ALL FORUM MEMBERS BY CONSENSUS AGREED:

- (21) To retain all current budget allocations within the High Needs Block in the 2017/18 financial year unless otherwise specifically stated. This is done on the understanding that the review and re-commissioning of SEND teaching support services may mean that centrally managed budgets are re-aligned during the financial year.
- (22) To retain the existing structure of the High Needs Funding Model (Place-Plus) to calculate delegated allocations for the 2017/18 financial year but with the following amendments:
- a. To adjust the cash budget protection factor applied to special schools, DSPs and the primary behaviour centres, so that this factor limits a setting's reduction in Place-Plus funding to 3.0% of last year's allocation.
 - b. To establish at April 2017 a small setting funding factor for resourced provisions attached to mainstream settings, which would be applied for the funding of DSPs (not ARCs) and the primary behaviour centres.
- (23) To calculate the initial planned cost of High Needs Block spending in 2017/18 on the allocation of places for Bradford-located settings outlined in Document HE Appendix 2. To reduce however, the value of planned budget for the creation of additional places by £152,200 (this is the additional adjustment no. 15 agreed under the application of 'option 4').
- (24) To help support meeting the funding gap in the overall DSG that is the result of the growth in pressure in the High Needs Block, and to continue to secure efficient use of monies, by making the following adjustments:
- a. Reduce the rates of Top Up in the HNB Funding Model for all Place-Plus calculated budgets by 1.5% ('option 4' no. 2).
 - b. Reduce all centrally managed / non-Place-Plus HNB budgets by 5% ('option 4' no.s 4 and 10).
 - c. That, for the mainstream SEN Funding Floor, the variable values are reduced by 1.5%, and the lump sum values, reduced by 25% ('option 4' no.s 3 and 13).
 - d. Remove the specialist equipment budget for special schools ('option 4' no.s 11 and 12), meaning that no additional funding will be allocated to



special schools for this purpose in 2017/18.

- e. Reduce the DSG's planned budget on alternative provision by £100,520 through the amendment of the formulaic basis of the funding of pupils without EHCPs from September 2017. How this saving is to be delivered (via either a direct reduction in funding allocated to provisions or through reimbursement from the BACs) is to be further discussed with the provisions and the BACs Strategic Group. ('option 4' no. 14).

(25) That the Early Years Block will make a contribution of £300,000 in 2017/18 to match fund the existing High Needs Block budget of £300,000 ('option 4' no. 1). This will create a total budget of £600,000 for Early Years SEND Inclusion. How this budget is to be allocated, building on current practice, will be considered by the Early Years Working Group, with recommendations to be presented to the Schools Forum in March.

4. THE ALLOCATION OF ONE OFF MONIES (DSG UNDERSPEND)

ALL FORUM MEMBERS NOTED THAT:

(26) Further approval is not sought for the allocation of the £75,724 relating to funds to be retained for the same purpose or re-allocated back to delegated budgets in 2017/18 (as this is a requirement of the Finance Regulations).

(27) No value of one off monies is allocated generally into delegated formula funding budgets in 2017/18.

(28) £3.544m of the £5.798m has already been committed to be spent after 1 April 2017 by decisions taken by the Schools Forum taken at previous meetings (shown in sections 1 and 2 of Document HB Appendix 2). Members are not being asked to revisit these:

- a. Financial Support for Beckfoot Upper Heaton Academy
£1.938m
- b. Post Opening Diseconomies of Scale – Bradford Forster Academy
£0.324m
- c. Joint Improvement Investment Fund (retained balance)
£0.294m
- d. Behaviour Support monies
£0.338m
- e. Deficit of a Secondary School Converting to Academy Status
£0.650m

ALL FORUM MEMBERS BY CONSENSUS AGREED TO:

(29) Retain £500,000 to be spent in 2018/19 to provide some additional protection, for 2018/19 only, against the reduction in funding rates for the 3 and 4 year old



free entitlement provision that will come from the DfE's national early years funding reform at April 2018. How the £500,000 will be allocated into the Early Years Single Funding Formula in 2018/19 will be further considered by the Early Years Working Group.

- (30) Earmark £520,790 of reserve to be used to offset the gap in the 2017/18 DSG budget following the application of 'option 4' should this be necessary (should the spending position of the DSG not change during 2017/18 to the negate the need to call on this reserve).
- (31) Retain the remaining £1.232m as the DSG's resilience reserve.

5. EARLY YEARS FUNDING AND PRO-FORMA 2017/18

SCHOOLS AND ACADEMIES MEMBERS (BY CONSENSUS ON A PHASE SPECIFIC BASIS) AGREED:

- (32) To 'ring-fence' the Early Years Block in 2017/18 and to apply this principle in future years. Ring-fencing means that:
- a. Contributions are not taken from the Early Years Block in support of pressures in any other DSG Block, with the exception of the funding of the Early Years SEND Inclusion budget, where it is expected that the Early Years Block will contribute alongside High Needs Block resources and that the Early Years Block's contribution will increase where spend on Early Years SEND Inclusion increases.
 - b. Increases and decreases in both expenditure and income relating to the Early Years Block are contained within the Early Years Block i.e. the Early Years Block manages its own pressures.
 - c. Any over or under spending in the Early Years Block in 2017/18, that is not dealt with in 2017/18, will be recycled back into or written off from the 2018/19 Early Years Block.
 - d. Within the Early Years Block, the budget for the 2 year old offer is treated discretely from the budget for the 3 and 4 year old offer with a 'passporting' principle applied. This means in 2017/18 that the increase in the 2 year old rate of funding within the DSG is passed on to 2 year old hours providers and that the decrease in the 3 and 4 year old funding rate within the DSG is passed on to 3 and 4 year old hours providers.
 - e. The specific funding added by the DfE into the Early Years Block for the Nursery School Supplement is spent only on supporting our nursery schools. In 2017/18, this funding is utilised in maintaining 2016/17 rates of funding for the delivery of the 3 and 4 year old offer in the nursery schools.



(33) To the structure of the Early Years Single Funding Formula (EYSFF) for 2017/18. In summary, allocations for early years providers will be calculated as follows:

- a. Using the technical, administrative, payment and counting arrangements, and timetable, that are already established and have been used to calculate and pay allocations in the current 2016/17 financial year. The full details of these arrangements are set out in the Technical Statement. The administration of the extended 30 hours offer from September 2017 will be brought into these existing administrative arrangements.**
- b. The 2 Year Old Offer:**
 - i. The simple universal rate of funding per hour for all types of provider, without supplement, will be retained.**
 - ii. This rate is set at the value of the rate the Government funds the Early Years Block (EYB) i.e. 100% pass through of the Government's rate to providers, which has BEEN confirmed at £5.20 in 2017/18.**
- c. The 3 and 4 Year Old Offer, incorporating the extended 30 hours entitlement:**
 - i. Continue to use 3 different Setting Base Rates (nursery classes, nursery schools and PVI providers). The same rates will be used to fund the 15 and the 30 hour entitlements in each type of setting.**
 - ii. Continue our current Deprivation and SEN Supplement, using the 3 year average of Index of Multiple Deprivation (IMD) data. Our total spending will be reduced from 13.2% of budget currently to 10%.**
 - iii. Cease the separate (and additional) formula funding for looked after children, currently funded at £333 per term. Looked After Children will continue to receive additional funding through the Early Years Pupil Premium.**
 - iv. Bring the catering supplement for nursery schools into the nursery school setting base rate and deprivation rate funding (this is a technical change that does not change levels of funding allocated to individual schools).**
 - v. Continue Bradford's nursery school sustainability supplement, without reduction, but bring the extended 30 hours into the calculation of this from September 2017.**
 - vi. Maintain 2016/17 rates of funding for the delivery of the 3 and 4 year old offer in the nursery schools (utilising the DfE's specific Nursery Schools Supplement).**



- vii. Reduce 3 and 4 year old funding rates according to the needs of affordability (so that the overall Early Years Block balances for 2017/18) with reference to the expected trajectory of the Government's funding reform, as set out in Document HD Appendix 5.

(34) To approve the Early Years Pro-Forma for 2017/18, set out in Document HD Appendix 5. This pro-forma sets out the proposed setting base rates of funding under the full EYSFF for 2017/18 as well as the mean deprivation and SEN rate. Please note that deprivation and SEN rates for individual providers will be confirmed once January 2017 postcode data is available to calculate updated IMD scores.

6. PRIMARY AND SECONDARY FORMULA FUNDING AND PRO-FORMA 2017/18

SCHOOLS AND ACADEMIES MEMBERS (BY CONSENSUS ON A PHASE SPECIFIC BASIS) AGREED:

- (35) The value of the DSG's contribution to the Building Schools for the Future affordability gap for 2017/18 set at £6,607,720, which is the 2016/17 value plus an estimated 3.5% RPIX (an increase of £223,449). That this contribution be split between schools on the same % basis as in 2016/17 (based on the school's unitary charge value).
- (36) That all the 'option 4' adjustments relating to reductions in the values of delegated formula allocations for primary and secondary schools and academies, as set out in Document 3 – numbers 5, 6, 7a, 7b and 7c - be applied. This has the effect of transferring to the High Needs Block in 2017/18 the sum of £5.605m from the delegated formula funding budget within the Schools Block. Added to the additional £94,178 transferred from the centrally managed Schools Block under option 4 (adjustment numbers 8 and 9), it is agreed that a sum of £5.70m in total is transferred to the High Needs Block in 2017/18 from the Schools Block.
- (37) The Primary and Secondary Pro-forma for the 2017/18 financial year, using Document 9 as a reference point. Members understood that, in agreeing the application of 'option 4' consent is also given for the submission on the Pro-forma to the Education Funding Agency calculated on this basis. That the final Pro-forma be circulated to Members for their reference.
- (38) That updated information is provided to the March meeting on the anticipated volume of conversions of maintained schools to academy status in Bradford and the likelihood of liabilities resulting from the conversion of schools holding deficit budgets.
- (39) That additional information is provided to a future Forum meeting on the causes of the changes (reductions) in the percentages of primary-aged children recorded in the October 2016 Census as eligible for Free School Meals under the



Ever 6 Free School Meals measure. That the information to be presented also gives sight of the extent of difference in FSM% recorded for pupils in Year 6 vs. pupils in Reception.

239. ANY OTHER BUSINESS

No resolution was passed on this item.

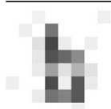
10. DATE OF NEXT MEETING

The next meeting of the Schools Forum is Wednesday 15 March 2017.

Note: These minutes are subject to approval as a correct record at the next meeting of the Schools Forum.

committeesecretariat\minutes\SF\11&18Jan17

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



Phase	School	Based on 2016/17						Based on 2017/18 UNDER FINAL OPTION 4						Diff in 3% Floor Value 17/18 vs. 16/17	Diff from value of 3% Floor Under Option 3
		2016/17 Base	2016/17 NFF B4 3% Floor	% Variance	2016/17 NFF After 3% Floor	% Variance	Value of 3% Floor	2017/18 Base	2017/18 NFF B4 3% Floor	% Variance	2017/18 NFF After 3% Floor	% Variance	Value of 3% Floor		
PRIMARY	Addingham Primary School	800,000	729,931	-8.8%	780,000	-2.5%	50,069	806,000	746,902	-7.3%	786,000	-2.5%	39,098	-10,970	0
PRIMARY	Aire View Infant School	980,000	899,841	-8.2%	954,000	-2.7%	54,159	1,042,000	970,650	-6.8%	1,015,000	-2.6%	44,350	-9,809	0
PRIMARY	All Saints' CE Primary School (Bradford)	2,626,000	2,625,000	0.0%	2,625,000	0.0%	0	2,715,000	2,731,000	0.6%	2,731,000	0.6%	0	0	0
PRIMARY	All Saints' CE Primary School (Ilkley)	1,163,000	1,084,020	-6.8%	1,132,000	-2.7%	47,980	1,137,000	1,066,758	-6.2%	1,107,000	-2.6%	40,242	-7,738	0
RECOUPMENT ACADEMY	Beckfoot Allerton Primary Academy	1,758,000	1,631,611	-7.2%	1,709,000	-2.8%	77,389	1,724,000	1,607,359	-6.8%	1,676,000	-2.8%	68,641	-8,748	-4,063
PRIMARY	Ashlands Primary School	1,584,000	1,563,000	-1.3%	1,563,000	-1.3%	0	1,555,000	1,545,000	-0.6%	1,545,000	-0.6%	0	0	0
RECOUPMENT ACADEMY	Atlas School	1,023,000	973,333	-4.9%	996,000	-2.6%	22,667	1,019,000	967,016	-5.1%	993,000	-2.6%	25,984	3,317	0
PRIMARY	Baildon CE Primary School	1,465,000	1,354,581	-7.5%	1,424,000	-2.8%	69,419	1,432,000	1,335,505	-6.7%	1,393,000	-2.7%	57,495	-11,924	0
PRIMARY	Bankfoot Primary School	1,195,000	1,137,552	-4.8%	1,163,000	-2.7%	25,448	1,094,000	1,038,438	-5.1%	1,065,000	-2.7%	26,562	1,114	-6,101
RECOUPMENT ACADEMY	Barkerend Academy	1,891,000	1,834,799	-3.0%	1,838,000	-2.8%	3,201	1,903,000	1,856,000	-2.5%	1,856,000	-2.5%	0	-3,201	0
PRIMARY	Ben Rhydding Primary School	818,000	750,830	-8.2%	797,000	-2.6%	46,170	824,000	763,270	-7.4%	803,000	-2.5%	39,730	-6,440	-1,140
PRIMARY	Blakehill Primary School	1,568,000	1,539,000	-1.8%	1,539,000	-1.8%	0	1,553,000	1,526,000	-1.7%	1,526,000	-1.7%	0	0	0
PRIMARY	Bowling Park Primary School	2,910,000	2,915,000	0.2%	2,915,000	0.2%	0	2,757,000	2,794,000	1.3%	2,794,000	1.3%	0	0	0
PRIMARY	Brackenhill Primary School	1,851,000	1,848,000	-0.2%	1,848,000	-0.2%	0	1,828,000	1,780,000	-2.6%	1,780,000	-2.6%	0	0	0
PRIMARY	Burley & Woodhead CE Primary School	828,000	757,300	-8.5%	807,000	-2.5%	49,700	821,000	757,329	-7.8%	801,000	-2.4%	43,671	-6,030	-391
PRIMARY	Burley Oaks Primary School	1,488,000	1,407,749	-5.4%	1,448,000	-2.7%	40,251	1,467,000	1,400,821	-4.5%	1,427,000	-2.7%	26,179	-14,072	-512
PRIMARY	Byron Primary School	2,680,000	2,661,000	-0.7%	2,661,000	-0.7%	0	2,695,000	2,702,000	0.3%	2,702,000	0.3%	0	0	0
PRIMARY	Carrwood Primary School	1,804,000	1,695,216	-6.0%	1,756,000	-2.7%	60,784	1,732,000	1,607,816	-7.2%	1,685,000	-2.7%	77,184	16,400	0
PRIMARY	Cavendish Primary School	1,859,000	1,829,000	-1.6%	1,829,000	-1.6%	0	1,836,000	1,818,000	-1.0%	1,818,000	-1.0%	0	0	0
RECOUPMENT ACADEMY	Christ Church Primary Academy	906,000	838,021	-7.5%	882,000	-2.6%	43,979	924,000	862,131	-6.7%	900,000	-2.6%	37,869	-6,110	0
PRIMARY	Clayton CE Primary School	1,578,000	1,498,246	-5.1%	1,535,000	-2.7%	36,754	1,577,000	1,499,277	-4.9%	1,534,000	-2.7%	34,723	-2,031	-7,296
PRIMARY	Clayton Village Primary School	924,000	853,206	-7.7%	900,000	-2.6%	46,794	942,000	866,062	-8.1%	917,000	-2.7%	50,938	4,144	0
RECOUPMENT ACADEMY	Copthorne Primary	1,806,000	1,801,000	-0.3%	1,801,000	-0.3%	0	1,772,000	1,775,000	0.2%	1,775,000	0.2%	0	0	0
PRIMARY	Cottingley Village Primary School	1,575,000	1,499,842	-4.8%	1,532,000	-2.7%	32,158	1,561,000	1,493,841	-4.3%	1,519,000	-2.7%	25,159	-6,999	-5,381
PRIMARY	Crossflatts Primary School	1,498,000	1,427,599	-4.7%	1,457,000	-2.7%	29,401	1,478,000	1,430,382	-3.2%	1,437,000	-2.8%	6,618	-22,783	-422
PRIMARY	Crossley Hall Primary School	2,490,000	2,491,000	0.0%	2,491,000	0.0%	0	2,425,000	2,448,000	0.9%	2,448,000	0.9%	0	0	0
PRIMARY	Cullingworth Village Primary School	951,000	883,058	-7.1%	927,000	-2.5%	43,942	1,020,000	967,220	-5.2%	994,000	-2.5%	26,780	-17,162	0
RECOUPMENT ACADEMY	Denholme Primary	874,000	826,267	-5.5%	851,000	-2.6%	24,733	863,000	813,774	-5.7%	841,000	-2.5%	27,226	2,493	-1,826
RECOUPMENT ACADEMY	Dixons Marchbank Academy	1,937,000	1,899,000	-2.0%	1,899,000	-2.0%	0	1,866,000	1,782,427	-4.5%	1,814,000	-2.8%	31,573	31,573	0
PRIMARY	East Morton CE Primary School	814,000	737,144	-9.4%	793,000	-2.6%	55,856	804,000	735,808	-8.5%	784,000	-2.5%	48,192	-7,663	-1,166
PRIMARY	Eastburn Junior and Infant School	809,000	751,105	-7.2%	789,000	-2.5%	37,895	785,000	736,551	-6.2%	765,000	-2.5%	28,449	-9,446	0
PRIMARY	Eastwood Primary School	1,778,000	1,700,038	-4.4%	1,729,000	-2.8%	28,962	1,770,000	1,693,001	-4.4%	1,721,000	-2.8%	27,999	-963	0
PRIMARY	Eldwick Primary School	1,561,000	1,494,646	-4.3%	1,518,000	-2.8%	23,354	1,605,000	1,557,970	-2.9%	1,562,000	-2.7%	4,030	-19,324	-2,775
PRIMARY	Fagley Primary School	1,048,000	992,751	-5.3%	1,021,000	-2.6%	28,249	1,052,000	1,009,114	-4.1%	1,024,000	-2.7%	14,886	-13,363	-7,882
PRIMARY	Farfield Primary	1,833,000	1,778,740	-3.0%	1,782,000	-2.8%	3,260	1,833,000	1,762,062	-3.9%	1,783,000	-2.7%	20,938	17,678	-17,024
PRIMARY	Farnham Primary School	1,882,000	1,899,000	0.9%	1,899,000	0.9%	0	1,829,000	1,859,000	1.6%	1,859,000	1.6%	0	0	0
PRIMARY	Fearnville Primary School	1,742,000	1,687,633	-3.1%	1,694,000	-2.8%	6,367	1,707,000	1,655,502	-3.0%	1,661,000	-2.7%	5,498	-869	0
RECOUPMENT ACADEMY	Feversham Primary Academy	1,784,000	1,694,401	-5.0%	1,734,000	-2.8%	39,599	1,783,000	1,662,279	-6.8%	1,734,000	-2.7%	71,721	32,123	0
PRIMARY	Foxhill Primary School	839,000	780,235	-7.0%	817,000	-2.6%	36,765	838,000	787,561	-6.0%	816,000	-2.6%	28,439	-8,326	-3,695
PRIMARY	Frizinghall Primary School	1,708,000	1,643,371	-3.8%	1,661,000	-2.8%	17,629	1,689,000	1,633,025	-3.3%	1,642,000	-2.8%	8,975	-8,654	0
PRIMARY	Girlington Primary School	1,876,000	1,834,000	-2.2%	1,834,000	-2.2%	0	1,817,000	1,798,000	-1.0%	1,798,000	-1.0%	0	0	0
PRIMARY	Glenaire Primary School	942,000	868,756	-7.8%	918,000	-2.5%	49,244	900,000	836,272	-7.1%	877,000	-2.6%	40,728	-8,516	-481
RECOUPMENT ACADEMY	Green Lane Primary	2,784,000	2,583,422	-7.2%	2,705,000	-2.8%	121,578	2,729,000	2,551,475	-6.5%	2,651,000	-2.9%	99,525	-22,053	0
PRIMARY	Greengates Primary School	926,000	867,705	-6.3%	903,000	-2.5%	35,295	919,000	860,594	-6.4%	896,000	-2.5%	35,406	112	-5,458
PRIMARY	Grove House Primary School	1,648,000	1,608,000	-2.4%	1,608,000	-2.4%	0	1,603,000	1,598,000	-0.3%	1,598,000	-0.3%	0	0	0
RECOUPMENT ACADEMY	Harden Primary Academy	797,000	720,168	-9.6%	776,000	-2.6%	55,832	802,000	728,295	-9.2%	781,000	-2.6%	52,705	-3,126	0
RECOUPMENT ACADEMY	Haworth Primary Academy	935,000	880,165	-5.9%	911,000	-2.6%	30,835	981,000	936,180	-4.6%	955,000	-2.7%	18,820	-12,015	-4,677
RECOUPMENT ACADEMY	Beckfoot Heaton Primary Academy	2,714,000	2,721,000	0.3%	2,721,000	0.3%	0	2,666,000	2,687,000	0.8%	2,687,000	0.8%	0	0	0
PRIMARY	Heaton St Barnabas' CE Primary School	1,673,000	1,574,835	-5.9%	1,626,000	-2.8%	51,165	1,692,000	1,615,106	-4.5%	1,645,000	-2.8%	29,894	-21,271	0
RECOUPMENT ACADEMY	High Craggs Primary Academy	1,741,000	1,678,843	-3.6%	1,693,000	-2.8%	14,157	1,683,000	1,638,000	-2.7%	1,638,000	-2.7%	0	-14,157	0

Phase	School	Based on 2016/17					Based on 2017/18 UNDER FINAL OPTION 4					Diff in 3% Floor Value 17/18 vs. 16/17	Diff from value of 3% Floor Under Option 3		
		2016/17 Base	2016/17 NFF B4 3% Floor	% Variance	2016/17 NFF After 3% Floor	% Variance	Value of 3% Floor	2017/18 Base	2017/18 NFF B4 3% Floor	% Variance	2017/18 NFF After 3% Floor			% Variance	Value of 3% Floor
PRIMARY	Hill Top CE Primary School	863,000	812,219	-5.9%	840,000	-2.7%	27,781	871,000	820,508	-5.8%	849,000	-2.5%	28,492	710	0
PRIMARY	Hollingwood Primary School	1,689,000	1,693,000	0.2%	1,693,000	0.2%	0	1,646,000	1,656,000	0.6%	1,656,000	0.6%	0	0	0
PRIMARY	Holybrook Primary School	1,108,000	1,028,845	-7.1%	1,079,000	-2.6%	50,155	1,060,000	986,223	-7.0%	1,032,000	-2.6%	45,777	-4,377	-5,231
PRIMARY	Holycroft Primary School	1,735,000	1,701,000	-2.0%	1,701,000	-2.0%	0	1,695,000	1,665,000	-1.8%	1,665,000	-1.8%	0	0	0
PRIMARY	Home Farm Primary School	1,686,000	1,623,461	-3.7%	1,640,000	-2.7%	16,539	1,720,000	1,663,431	-3.3%	1,673,000	-2.7%	9,569	-6,970	-20,037
RECOUPMENT ACADEMY	Horton Grange Primary	2,687,000	2,709,000	0.8%	2,709,000	0.8%	0	2,683,000	2,708,000	0.9%	2,708,000	0.9%	0	0	0
RECOUPMENT ACADEMY	Horton Park Primary	2,132,000	1,921,123	-9.9%	2,073,000	-2.8%	151,877	2,127,000	1,912,955	-10.1%	2,068,000	-2.8%	155,045	3,168	0
PRIMARY	Hothfield Junior School	1,078,000	1,005,100	-6.8%	1,050,000	-2.6%	44,900	1,075,000	1,004,733	-6.5%	1,046,000	-2.7%	41,267	-3,633	0
PRIMARY	Hoyle Court Primary School	1,121,000	1,065,974	-4.9%	1,092,000	-2.6%	26,026	1,140,000	1,101,310	-3.4%	1,110,000	-2.6%	8,690	-17,336	-11,400
PRIMARY	Idle CE Primary School	1,018,000	924,870	-9.1%	991,000	-2.7%	66,130	1,125,000	1,038,511	-7.7%	1,094,000	-2.8%	55,489	-10,640	0
PRIMARY	Ingrow Primary School	1,449,000	1,382,601	-4.6%	1,409,000	-2.8%	26,399	1,534,000	1,462,857	-4.6%	1,492,000	-2.7%	29,143	2,744	0
RECOUPMENT ACADEMY	Iqra Primary Academy	2,368,000	2,168,002	-8.4%	2,300,000	-2.9%	131,998	2,471,000	2,273,571	-8.0%	2,401,000	-2.8%	127,429	-4,569	0
PRIMARY	Keelham Primary School	493,000	430,500	-12.7%	481,000	-2.4%	50,500	502,000	439,136	-12.5%	491,000	-2.2%	51,864	1,365	0
PRIMARY	Keighley St Andrew's CE Primary School	1,757,000	1,760,000	0.2%	1,760,000	0.2%	0	1,641,000	1,646,000	0.3%	1,646,000	0.3%	0	0	0
PRIMARY	Killinghall Primary School	2,545,000	2,591,000	1.8%	2,591,000	1.8%	0	2,599,000	2,653,000	2.1%	2,653,000	2.1%	0	0	0
PRIMARY	Knowleswood Primary School	1,968,000	1,900,485	-3.4%	1,913,000	-2.8%	12,515	1,982,000	1,935,000	-2.4%	1,935,000	-2.4%	0	-12,515	0
PRIMARY	Lapage Primary School and Nursery	2,758,000	2,666,783	-3.3%	2,680,000	-2.8%	13,217	2,655,000	2,587,000	-2.6%	2,587,000	-2.6%	0	-13,217	0
PRIMARY	Laycock Primary School	579,000	505,728	-12.7%	565,000	-2.4%	59,272	591,000	516,636	-12.6%	577,000	-2.4%	60,364	1,092	-680
RECOUPMENT ACADEMY	Lees Primary Academy	842,000	773,650	-8.1%	820,000	-2.6%	46,350	821,000	762,499	-7.1%	800,000	-2.6%	37,501	-8,849	-8,376
PRIMARY	Ley Top Primary School	1,444,000	1,380,029	-4.4%	1,405,000	-2.7%	24,971	1,462,000	1,398,008	-4.4%	1,422,000	-2.7%	23,992	-979	-2,678
PRIMARY	Lidget Green Primary School	2,306,000	2,272,000	-1.5%	2,272,000	-1.5%	0	2,314,000	2,296,000	-0.8%	2,296,000	-0.8%	0	0	0
PRIMARY	Lilycroft Primary School	1,972,000	1,947,000	-1.3%	1,947,000	-1.3%	0	1,819,000	1,827,000	0.4%	1,827,000	0.4%	0	0	0
PRIMARY	Lister Primary School	1,720,000	1,673,000	-2.7%	1,673,000	-2.7%	0	1,653,000	1,630,000	-1.4%	1,630,000	-1.4%	0	0	0
PRIMARY	Long Lee Primary School	1,376,000	1,329,138	-3.4%	1,339,000	-2.7%	9,862	1,471,000	1,437,000	-2.3%	1,437,000	-2.3%	0	-9,862	-10,413
PRIMARY	Low Ash Primary School	1,607,000	1,537,611	-4.3%	1,563,000	-2.7%	25,389	1,602,000	1,541,071	-3.8%	1,558,000	-2.7%	16,929	-8,460	0
PRIMARY	Low Moor CE Primary School	1,551,000	1,493,651	-3.7%	1,508,000	-2.8%	14,349	1,561,000	1,516,971	-2.8%	1,518,000	-2.8%	1,029	-13,320	0
PRIMARY	Lower Fields Primary School	1,868,000	1,777,484	-4.8%	1,817,000	-2.7%	39,516	1,901,000	1,798,392	-5.4%	1,849,000	-2.7%	50,608	11,091	0
PRIMARY	Margaret McMillan Primary School	2,429,000	2,498,000	2.8%	2,498,000	2.8%	0	2,515,000	2,597,000	3.3%	2,597,000	3.3%	0	0	0
PRIMARY	Marshfield Primary School	1,759,000	1,673,836	-4.8%	1,710,000	-2.8%	36,164	1,754,000	1,676,509	-4.4%	1,706,000	-2.7%	29,491	-6,674	0
PRIMARY	Menston Primary School	1,435,000	1,339,015	-6.7%	1,396,000	-2.7%	56,985	1,435,000	1,348,951	-6.0%	1,396,000	-2.7%	47,049	-9,936	0
RECOUPMENT ACADEMY	Merlin Top Primary Academy	1,574,000	1,475,053	-6.3%	1,531,000	-2.7%	55,947	1,494,000	1,384,167	-7.4%	1,452,000	-2.8%	67,833	11,886	0
PRIMARY	Miriam Lord Community Primary School	1,685,000	1,617,834	-4.0%	1,639,000	-2.7%	21,166	1,607,000	1,555,937	-3.2%	1,564,000	-2.7%	8,063	-13,103	0
PRIMARY	Myrtle Park Primary School	831,000	769,074	-7.5%	809,000	-2.6%	39,926	839,000	786,858	-6.2%	817,000	-2.6%	30,142	-9,784	-1,403
PRIMARY	Nessfield Primary School	1,627,000	1,552,554	-4.6%	1,583,000	-2.7%	30,446	1,604,000	1,524,848	-4.9%	1,560,000	-2.7%	35,152	4,706	0
PRIMARY	Newby Primary School	1,816,000	1,795,000	-1.2%	1,795,000	-1.2%	0	1,801,000	1,789,000	-0.7%	1,789,000	-0.7%	0	0	0
PRIMARY	Newhall Park Primary School	1,674,000	1,578,062	-5.7%	1,628,000	-2.7%	49,938	1,670,000	1,592,617	-4.6%	1,625,000	-2.7%	32,383	-17,556	-1,141
RECOUPMENT ACADEMY	Oakworth Primary Academy	1,456,000	1,356,717	-6.8%	1,416,000	-2.7%	59,283	1,472,000	1,384,287	-6.0%	1,431,000	-2.8%	46,713	-12,569	-3,248
PRIMARY	Oldfield Primary School	365,000	284,365	-22.1%	358,000	-1.9%	73,635	389,000	307,125	-21.0%	381,000	-2.1%	73,875	240	0
PRIMARY	Our Lady & St Brendan's Catholic Primary School	906,000	898,000	-0.9%	898,000	-0.9%	0	915,000	903,000	-1.3%	903,000	-1.3%	0	0	0
RECOUPMENT ACADEMY	Our Lady of Victories Catholic Primary Academy	969,000	976,000	0.7%	976,000	0.7%	0	953,000	958,000	0.5%	958,000	0.5%	0	0	0
RECOUPMENT ACADEMY	Oxenhope CE Primary Academy	802,000	731,442	-8.8%	781,000	-2.6%	49,558	780,000	718,090	-7.9%	760,000	-2.6%	41,910	-7,648	0
PRIMARY	Parkland Primary School	1,179,000	1,107,514	-6.1%	1,149,000	-2.5%	41,486	1,156,000	1,063,792	-8.0%	1,125,000	-2.7%	61,208	19,723	0
PRIMARY	Parkwood Primary School	1,062,000	903,111	-15.0%	1,035,000	-2.5%	131,889	1,047,000	888,952	-15.1%	1,020,000	-2.6%	131,048	-841	0
PRIMARY	Peel Park Primary School	2,596,000	2,484,779	-4.3%	2,526,000	-2.7%	41,221	2,520,000	2,419,048	-4.0%	2,451,000	-2.7%	31,952	-9,269	0
PRIMARY	Poplars Farm Primary School	933,000	908,417	-2.6%	909,000	-2.6%	583	910,000	882,199	-3.1%	887,000	-2.5%	4,801	4,218	-8,040
PRIMARY	Priestthorpe Primary School	791,000	734,284	-7.2%	771,000	-2.5%	36,716	770,000	710,617	-7.7%	751,000	-2.5%	40,383	3,667	-6,537
PRIMARY	Princeville Primary School and Children's Centre	2,429,000	2,408,000	-0.9%	2,408,000	-0.9%	0	2,541,000	2,551,000	0.4%	2,551,000	0.4%	0	0	0
RECOUPMENT FREE SCH	Rainbow Primary Free School	1,375,000	1,401,000	1.9%	1,401,000	1.9%	0	1,582,000	1,576,000	-0.4%	1,576,000	-0.4%	0	0	0
RECOUPMENT ACADEMY	Reevy Hill Primary School	1,005,000	936,487	-6.8%	979,000	-2.6%	42,513	1,037,000	961,300	-7.3%	1,010,000	-2.6%	48,700	6,187	-1,997
PRIMARY	Riddlesden St Mary's CE Primary	1,538,000	1,511,000	-1.8%	1,511,000	-1.8%	0	1,491,000	1,473,000	-1.2%	1,473,000	-1.2%	0	0	0
PRIMARY	Russell Hall Primary School	873,000	800,012	-8.4%	850,000	-2.6%	49,988	884,000	821,249	-7.1%	861,000	-2.6%	39,751	-10,237	0
RECOUPMENT ACADEMY	Ryecroft Primary Academy	1,510,000	1,366,931	-9.5%	1,469,000	-2.7%	102,069	1,446,000	1,326,150	-8.3%	1,407,000	-2.7%	80,850	-21,220	0

Phase	School	Based on 2016/17					Value of 3% Floor
		2016/17 Base	2016/17 NFF B4 3% Floor	% Variance	2016/17 NFF After 3% Floor	% Variance	
PRIMARY	Saltaire Primary School	1,579,000	1,486,565	-5.9%	1,535,000	-2.8%	48,435
PRIMARY	Sandal Primary School and Nursery	1,467,000	1,372,933	-6.4%	1,427,000	-2.7%	54,067
PRIMARY	Sandy Lane Primary School	1,293,000	1,235,018	-4.5%	1,259,000	-2.6%	23,982
RECOUPMENT ACADEMY	Shibden Head Primary Academy	1,480,000	1,434,289	-3.1%	1,439,000	-2.8%	4,711
PRIMARY	Shipley CE Primary School	908,000	841,475	-7.3%	884,000	-2.6%	42,525
RECOUPMENT ACADEMY	Shirley Manor Primary Academy	910,000	818,183	-10.1%	886,000	-2.6%	67,817
RECOUPMENT ACADEMY	Southmere Primary Academy	1,776,000	1,715,020	-3.4%	1,726,000	-2.8%	10,980
RECOUPMENT ACADEMY	Dixons Manningham Primary Academy	1,751,000	1,723,000	-1.6%	1,723,000	-1.6%	0
RECOUPMENT ACADEMY	St Anne's Catholic Primary Academy	1,166,000	1,131,034	-3.0%	1,134,000	-2.7%	2,966
PRIMARY	St Anthony's Catholic Primary School (Clayton)	895,000	832,636	-7.0%	871,000	-2.7%	38,364
PRIMARY	St Anthony's Catholic Primary School (Shipley)	607,000	544,128	-10.4%	592,000	-2.5%	47,872
PRIMARY	St Clare's Catholic Primary School	894,000	862,589	-3.5%	871,000	-2.6%	8,411
PRIMARY	St Columba's Catholic Primary School	1,658,000	1,585,907	-4.3%	1,612,000	-2.8%	26,093
PRIMARY	St Cuthbert & the First Martyrs' Catholic Primary	889,000	838,357	-5.7%	865,000	-2.7%	26,643
PRIMARY	St Francis' Catholic Primary School	852,000	775,743	-9.0%	830,000	-2.6%	54,257
RECOUPMENT ACADEMY	St James' Church Primary School	1,636,000	1,595,000	-2.5%	1,595,000	-2.5%	0
RECOUPMENT ACADEMY	St John The Evangelist Catholic Primary	839,000	812,671	-3.1%	818,000	-2.5%	5,329
PRIMARY	St John's CE Primary School	1,759,000	1,632,491	-7.2%	1,709,000	-2.8%	76,509
PRIMARY	St Joseph's Catholic Primary School (Bingley)	811,000	740,289	-8.7%	790,000	-2.6%	49,711
PRIMARY	St Joseph's Catholic Primary School (Bradford)	1,481,000	1,425,635	-3.7%	1,440,000	-2.8%	14,365
RECOUPMENT ACADEMY	St Joseph's Catholic Primary, Keighley	1,215,000	1,131,788	-6.8%	1,182,000	-2.7%	50,212
PRIMARY	St Luke's CE Primary School	926,000	855,980	-7.6%	902,000	-2.6%	46,020
PRIMARY	St Mary's and St Peter's Catholic	1,007,000	941,953	-6.5%	980,000	-2.7%	38,047
PRIMARY	St Matthew's Catholic Primary School	984,000	918,651	-6.6%	957,000	-2.7%	38,349
PRIMARY	St Matthew's CE Primary School	1,826,000	1,752,277	-4.0%	1,775,000	-2.8%	22,723
RECOUPMENT ACADEMY	St Oswald's CE Primary Academy	1,875,000	1,763,423	-6.0%	1,823,000	-2.8%	59,577
PRIMARY	St Paul's CE Primary School	879,000	832,768	-5.3%	856,000	-2.6%	23,232
RECOUPMENT ACADEMY	St Philip's CE Primary Academy	938,000	911,097	-2.9%	913,000	-2.7%	1,903
PRIMARY	St Stephen's CE Primary School	1,683,000	1,674,000	-0.5%	1,674,000	-0.5%	0
RECOUPMENT ACADEMY	St Walburga's Catholic Primary School	831,000	771,613	-7.1%	810,000	-2.5%	38,387
PRIMARY	St William's Catholic Primary School	898,000	863,369	-3.9%	874,000	-2.7%	10,631
RECOUPMENT ACADEMY	St Winefride's Catholic Primary	1,595,000	1,532,801	-3.9%	1,551,000	-2.8%	18,199
PRIMARY	Stanbury Village School	447,000	375,927	-15.9%	437,000	-2.2%	61,073
PRIMARY	Steeton Primary School	1,170,000	1,137,800	-2.8%	1,139,000	-2.6%	1,200
PRIMARY	Stocks Lane Primary School	573,000	513,434	-10.4%	560,000	-2.3%	46,566
PRIMARY	Swain House Primary School	1,837,000	1,778,061	-3.2%	1,787,000	-2.7%	8,939
PRIMARY	Thackley Primary School	1,476,000	1,390,619	-5.8%	1,436,000	-2.7%	45,381
RECOUPMENT ACADEMY	The Sacred Heart Catholic Primary Academy	793,000	725,028	-8.6%	773,000	-2.5%	47,972
RECOUPMENT ACADEMY	Thornbury Academy	2,650,000	2,651,000	0.0%	2,651,000	0.0%	0
PRIMARY	Thornton Primary School	2,231,000	2,214,000	-0.8%	2,214,000	-0.8%	0
PRIMARY	Thorpe Primary School	920,000	846,415	-8.0%	896,000	-2.6%	49,585
PRIMARY	Trinity All Saints CE Primary School	1,285,000	1,203,800	-6.3%	1,250,000	-2.7%	46,200
RECOUPMENT ACADEMY	Victoria Primary School	1,081,000	1,074,000	-0.6%	1,074,000	-0.6%	0
PRIMARY	Wellington Primary School	1,657,000	1,635,000	-1.3%	1,635,000	-1.3%	0
PRIMARY	Westbourne Primary School	1,776,000	1,736,000	-2.3%	1,736,000	-2.3%	0
RECOUPMENT ACADEMY	Westminster CE Primary Academy	2,586,000	2,584,000	-0.1%	2,584,000	-0.1%	0
RECOUPMENT ACADEMY	Whetley Primary Academy	2,466,000	2,304,250	-6.6%	2,396,000	-2.8%	91,750
PRIMARY	Wibsey Primary School	2,454,000	2,348,411	-4.3%	2,386,000	-2.8%	37,589
PRIMARY	Wilsden Primary School	1,461,000	1,385,673	-5.2%	1,421,000	-2.7%	35,327
PRIMARY	Woodlands CE Primary School	499,000	440,758	-11.7%	488,000	-2.2%	47,242
RECOUPMENT ACADEMY	Woodside Academy	1,777,000	1,619,015	-8.9%	1,728,000	-2.8%	108,985
RECOUPMENT ACADEMY	Worth Valley Primary	936,000	890,038	-4.9%	912,000	-2.6%	21,962

Phase	School	Based on 2017/18 UNDER FINAL OPTION 4					Value of 3% Floor	Diff in 3% Floor Value 17/18 vs. 16/17	Diff from value of 3% Floor Under Option 3
		2017/18 Base	2017/18 NFF B4 3% Floor	% Variance	2017/18 NFF After 3% Floor	% Variance			
PRIMARY	Saltaire Primary School	1,585,000	1,505,452	-5.0%	1,542,000	-2.7%	36,548	-11,887	0
PRIMARY	Sandal Primary School and Nursery	1,445,000	1,355,560	-6.2%	1,406,000	-2.7%	50,440	-3,628	0
PRIMARY	Sandy Lane Primary School	1,226,000	1,177,296	-4.0%	1,193,000	-2.7%	15,704	-8,278	-462
RECOUPMENT ACADEMY	Shibden Head Primary Academy	1,490,000	1,459,000	-2.1%	1,459,000	-2.1%	0	-4,711	0
PRIMARY	Shipley CE Primary School	872,000	811,614	-6.9%	849,000	-2.6%	37,386	-5,139	0
RECOUPMENT ACADEMY	Shirley Manor Primary Academy	887,000	802,168	-9.6%	864,000	-2.6%	61,832	-5,985	-8,092
RECOUPMENT ACADEMY	Southmere Primary Academy	1,720,000	1,652,072	-3.9%	1,672,000	-2.8%	19,928	8,947	0
RECOUPMENT ACADEMY	Dixons Manningham Primary Academy	1,736,000	1,710,000	-1.5%	1,710,000	-1.5%	0	0	0
RECOUPMENT ACADEMY	St Anne's Catholic Primary Academy	1,057,000	1,027,115	-2.8%	1,028,000	-2.7%	885	-2,082	0
PRIMARY	St Anthony's Catholic Primary School (Clayton)	899,000	837,673	-6.8%	876,000	-2.6%	38,327	-38	-4,773
PRIMARY	St Anthony's Catholic Primary School (Shipley)	612,000	553,633	-9.5%	597,000	-2.5%	43,367	-4,505	0
PRIMARY	St Clare's Catholic Primary School	939,000	902,810	-3.9%	915,000	-2.6%	12,190	3,779	0
PRIMARY	St Columba's Catholic Primary School	1,647,000	1,586,921	-3.6%	1,601,000	-2.8%	14,079	-12,014	-11,767
PRIMARY	St Cuthbert & the First Martyrs' Catholic Primary	895,000	855,754	-4.4%	871,000	-2.7%	15,246	-11,397	0
PRIMARY	St Francis' Catholic Primary School	856,000	785,689	-8.2%	833,000	-2.7%	47,311	-6,946	-8,648
RECOUPMENT ACADEMY	St James' Church Primary School	1,473,000	1,440,000	-2.2%	1,440,000	-2.2%	0	0	0
RECOUPMENT ACADEMY	St John The Evangelist Catholic Primary	829,000	795,942	-4.0%	807,000	-2.7%	11,058	5,728	0
PRIMARY	St John's CE Primary School	1,736,000	1,640,506	-5.5%	1,688,000	-2.8%	47,494	-29,014	-19,173
PRIMARY	St Joseph's Catholic Primary School (Bingley)	810,000	746,978	-7.8%	789,000	-2.6%	42,022	-7,689	0
PRIMARY	St Joseph's Catholic Primary School (Bradford)	1,442,000	1,392,097	-3.5%	1,403,000	-2.7%	10,903	-3,462	-1,322
RECOUPMENT ACADEMY	St Joseph's Catholic Primary, Keighley	1,135,000	1,054,866	-7.1%	1,105,000	-2.6%	50,134	-77	0
PRIMARY	St Luke's CE Primary School	928,000	853,753	-8.0%	904,000	-2.6%	50,247	4,226	0
PRIMARY	St Mary's and St Peter's Catholic	985,000	927,618	-5.8%	958,000	-2.7%	30,382	-7,665	0
PRIMARY	St Matthew's Catholic Primary School	974,000	913,497	-6.2%	949,000	-2.6%	35,503	-2,845	-2,059
PRIMARY	St Matthew's CE Primary School	1,703,000	1,640,936	-3.6%	1,656,000	-2.8%	15,064	-7,659	-7,024
RECOUPMENT ACADEMY	St Oswald's CE Primary Academy	1,791,000	1,724,938	-3.7%	1,741,000	-2.8%	16,062	-43,515	0
PRIMARY	St Paul's CE Primary School	884,000	838,474	-5.1%	861,000	-2.6%	22,526	-706	0
RECOUPMENT ACADEMY	St Philip's CE Primary Academy	937,000	920,000	-1.8%	920,000	-1.8%	0	-1,903	0
PRIMARY	St Stephen's CE Primary School	1,773,000	1,765,000	-0.5%	1,765,000	-0.5%	0	0	0
RECOUPMENT ACADEMY	St Walburga's Catholic Primary School	826,000	775,921	-6.1%	805,000	-2.5%	29,079	-9,308	0
PRIMARY	St William's Catholic Primary School	829,000	800,641	-3.4%	808,000	-2.5%	7,359	-3,272	-6,106
RECOUPMENT ACADEMY	St Winefride's Catholic Primary	1,589,000	1,532,228	-3.6%	1,545,000	-2.8%	12,772	-5,426	-13,359
PRIMARY	Stanbury Village School	450,000	382,699	-15.0%	440,000	-2.2%	57,301	-3,772	-2,392
PRIMARY	Steeton Primary School	1,175,000	1,146,000	-2.5%	1,146,000	-2.5%	0	-1,200	-1,604
PRIMARY	Stocks Lane Primary School	636,000	579,599	-8.9%	621,000	-2.4%	41,401	-5,165	-1,208
PRIMARY	Swain House Primary School	1,780,000	1,736,000	-2.5%	1,736,000	-2.5%	0	-8,939	0
PRIMARY	Thackley Primary School	1,497,000	1,426,592	-4.7%	1,456,000	-2.7%	29,408	-15,973	-18,640
RECOUPMENT ACADEMY	The Sacred Heart Catholic Primary Academy	772,000	711,771	-7.8%	752,000	-2.6%	40,229	-7,742	0
RECOUPMENT ACADEMY	Thornbury Academy	2,475,000	2,473,000	-0.1%	2,473,000	-0.1%	0	0	0
PRIMARY	Thornton Primary School	2,245,000	2,217,000	-1.2%	2,217,000	-1.2%	0	0	0
PRIMARY	Thorpe Primary School	905,000	844,776	-6.7%	882,000	-2.5%	37,224	-12,361	-7,654
PRIMARY	Trinity All Saints CE Primary School	1,251,000	1,185,461	-5.2%	1,217,000	-2.7%	31,539	-14,661	-9,138
RECOUPMENT ACADEMY	Victoria Primary School	1,150,000	1,154,000	0.3%	1,154,000	0.3%	0	0	0
PRIMARY	Wellington Primary School	1,646,000	1,644,000	-0.1%	1,644,000	-0.1%	0	0	0
PRIMARY	Westbourne Primary School	1,690,000	1,668,000	-1.3%	1,668,000	-1.3%	0	0	0
RECOUPMENT ACADEMY	Westminster CE Primary Academy	2,591,000	2,561,000	-1.2%	2,561,000	-1.2%	0	0	0
RECOUPMENT ACADEMY	Whetley Primary Academy	2,278,000	2,191,877	-3.8%	2,213,000	-2.9%	21,123	-70,627	0
PRIMARY	Wibsey Primary School	2,431,000	2,362,078	-2.8%	2,363,000	-2.8%	922	-36,666	-31,704
PRIMARY	Wilsden Primary School	1,430,000	1,375,810	-3.8%	1,392,000	-2.7%	16,190	-19,137	-1,449
PRIMARY	Woodlands CE Primary School	490,000	435,280	-11.2%	478,000	-2.4%	42,720	-4,522	0
RECOUPMENT ACADEMY	Woodside Academy	1,817,000	1,709,257	-5.9%	1,766,000	-2.8%	56,743	-52,242	0
RECOUPMENT ACADEMY	Worth Valley Primary	897,000	849,215	-5.3%	873,000	-2.7%	23,785	1,823	-3,032

Phase	School	Based on 2016/17					
		2016/17 Base	2016/17 NFF B4 3% Floor	% Variance	2016/17 NFF After 3% Floor	% Variance	Value of 3% Floor
PRIMARY	Worthinghead Primary School	881,000	791,011	-10.2%	858,000	-2.6%	66,989
PRIMARY	Wycliffe CE Primary School	1,130,000	1,054,101	-6.7%	1,099,000	-2.7%	44,899
	Total Primary	226,397,000	216,980,726	-4.2%	221,891,000	-2.0%	4,910,274

Phase	School	Based on 2017/18 UNDER FINAL OPTION 4						Diff in 3% Floor Value 17/18 vs. 16/17	Diff from value of 3% Floor Under Option 3
		2017/18 Base	2017/18 NFF B4 3% Floor	% Variance	2017/18 NFF After 3% Floor	% Variance	Value of 3% Floor		
		876,000	788,868	-9.9%	854,000	-2.5%	65,132	-1,857	-8,153
		1,232,000	1,163,377	-5.6%	1,199,000	-2.7%	35,623	-9,276	0
		224,412,000	216,161,094	-3.7%	220,295,000	-1.8%	4,133,906	-776,368	-319,229

RECOUPMENT ACADEMY	Beckfoot Academy	7,290,000	7,185,000	-1.4%	7,185,000	-1.4%	0
RECOUPMENT ACADEMY	Beckfoot Upper Heaton Academy	2,198,000	2,015,708	-8.3%	2,136,000	-2.8%	120,292
RECOUPMENT ACADEMY	Belle Vue Girls' Academy	5,083,000	4,934,000	-2.9%	4,934,000	-2.9%	0
SECONDARY	Bingley Grammar School	7,208,000	7,101,000	-1.5%	7,101,000	-1.5%	0
RECOUPMENT ACADEMY	Buttershaw Business & Enterprise College Academy	7,953,000	8,006,000	0.7%	8,006,000	0.7%	0
SECONDARY	Carlton Bolling College	6,966,000	6,840,000	-1.8%	6,840,000	-1.8%	0
RECOUPMENT ACADEMY	Dixons City Academy	4,414,000	4,219,312	-4.4%	4,285,000	-2.9%	65,688
RECOUPMENT ACADEMY	Feversham College	3,414,000	2,992,262	-12.4%	3,315,000	-2.9%	322,738
RECOUPMENT ACADEMY	Grange Technology College	9,569,000	9,606,000	0.4%	9,606,000	0.4%	0
SECONDARY	Hanson School	8,253,000	8,568,000	3.8%	8,568,000	3.8%	0
RECOUPMENT ACADEMY	Ilkley Grammar School	5,506,000	5,364,000	-2.6%	5,364,000	-2.6%	0
RECOUPMENT ACADEMY	Immanuel College Academy	6,028,000	5,937,000	-1.5%	5,937,000	-1.5%	0
RECOUPMENT FREE SCH	Dixons Kings Academy	4,679,000	4,414,076	-5.7%	4,542,000	-2.9%	127,924
RECOUPMENT ACADEMY	Laisterdyke Leadership Academy	5,199,000	5,230,000	0.6%	5,230,000	0.6%	0
RECOUPMENT ACADEMY	Beckfoot Oakbank Academy	7,052,000	7,089,000	0.5%	7,089,000	0.5%	0
RECOUPMENT ACADEMY	Oasis Academy Lister Park	4,413,000	4,407,000	-0.1%	4,407,000	-0.1%	0
SECONDARY	Parkside School	4,328,000	4,292,000	-0.8%	4,292,000	-0.8%	0
RECOUPMENT ACADEMY	Queensbury Academy	4,735,000	4,697,000	-0.8%	4,697,000	-0.8%	0
RECOUPMENT ACADEMY	Samuel Lister Academy	3,622,000	3,482,874	-3.8%	3,517,000	-2.9%	34,126
SECONDARY	St Bede's & St Joseph's Catholic College	8,571,000	8,449,000	-1.4%	8,449,000	-1.4%	0
SECONDARY	The Holy Family Catholic School	4,026,000	3,965,000	-1.5%	3,965,000	-1.5%	0
RECOUPMENT ACADEMY	Beckfoot Thornton Academy	6,629,000	6,720,000	1.4%	6,720,000	1.4%	0
SECONDARY	Titus Salt School	7,314,000	7,279,000	-0.5%	7,279,000	-0.5%	0
RECOUPMENT ACADEMY	Tong Leadership Academy	7,738,000	7,833,000	1.2%	7,833,000	1.2%	0
RECOUPMENT ACADEMY	University Academy Keighley	5,272,000	3,951,819	-25.0%	5,142,000	-2.5%	1,190,181
	Total Secondary	147,460,000	144,578,052	-2.0%	146,439,000	-0.7%	1,860,948

		7,273,000	7,255,000	-0.2%	7,255,000	-0.2%	0	0	0
		2,364,000	2,187,950	-7.4%	2,297,000	-2.8%	109,050	-11,242	0
		5,054,000	5,032,000	-0.4%	5,032,000	-0.4%	0	0	0
		7,137,000	7,146,000	0.1%	7,146,000	0.1%	0	0	0
		7,802,000	7,873,000	0.9%	7,873,000	0.9%	0	0	0
		7,055,000	6,984,000	-1.0%	6,984,000	-1.0%	0	0	0
		4,317,000	4,203,000	-2.6%	4,203,000	-2.6%	0	-65,688	-27,671
		3,522,000	3,189,190	-9.4%	3,420,000	-2.9%	230,810	-91,928	-30,526
		9,281,000	9,461,000	1.9%	9,461,000	1.9%	0	0	0
		7,760,000	8,215,000	5.9%	8,215,000	5.9%	0	0	0
		5,643,000	5,583,000	-1.1%	5,583,000	-1.1%	0	0	0
		5,883,000	5,873,000	-0.2%	5,873,000	-0.2%	0	0	0
		4,391,000	4,284,000	-2.4%	4,284,000	-2.4%	0	-127,924	-19,093
		4,928,000	5,005,000	1.6%	5,005,000	1.6%	0	0	0
		6,915,000	6,986,000	1.0%	6,986,000	1.0%	0	0	0
		4,475,000	4,497,000	0.5%	4,497,000	0.5%	0	0	0
		4,293,000	4,297,000	0.1%	4,297,000	0.1%	0	0	0
		4,672,000	4,681,000	0.2%	4,681,000	0.2%	0	0	0
		3,489,000	3,414,000	-2.1%	3,414,000	-2.1%	0	-34,126	-6,221
		8,277,000	8,254,000	-0.3%	8,254,000	-0.3%	0	0	0
		4,026,000	4,037,000	0.3%	4,037,000	0.3%	0	0	0
		6,647,000	6,749,000	1.5%	6,749,000	1.5%	0	0	0
		7,079,000	7,169,000	1.3%	7,169,000	1.3%	0	0	0
		6,811,000	6,971,000	2.3%	6,971,000	2.3%	0	0	0
		5,106,000	3,858,174	-24.4%	4,982,000	-2.4%	1,123,826	-66,356	-29,304
		144,200,000	143,204,314	-0.7%	144,668,000	0.3%	1,463,686	-397,263	-112,816

RECOUPMENT ACADEMY	Appleton Academy	5,923,000	5,796,000	-2.1%	5,796,000	-2.1%	0
RECOUPMENT FREE SCH	Bradford Girls Grammar (Free School)	3,823,000	3,783,000	-1.0%	3,783,000	-1.0%	0
	Total All Through	9,746,000	9,579,000	-1.7%	9,579,000	-1.7%	0

		5,991,000	5,960,000	-0.5%	5,960,000	-0.5%	0	0	0
		4,155,000	4,120,000	-0.8%	4,120,000	-0.8%	0	0	0
		10,146,000	10,080,000	-0.7%	10,080,000	-0.7%	0	0	0

Grand Total **383,603,000** **371,137,777** **-3.2%** **377,909,000** **-1.5%** **6,771,223**

378,758,000 **369,445,408** **-2.5%** **375,043,000** **-1.0%** **5,597,592** **-1,173,631** **-432,044**

SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To provide Members with an update on National Funding Formula news and to ask the Schools Forum to consider its response to the DfE's 2nd stage of consultation, which closes on 22 March 2017. A response drafted by the Business Advisor (Schools) is presented with this report (Appendix 3).

Date (s) of any Previous Discussion at the Forum

The Schools Forum discussed in detail the DfE's 2nd stage consultation proposals, and impact analysis, in its deliberations on the allocation of the 2017/18 DSG across the 11 and 18 January 2017 meetings.

Background / Context

The DfE published its 2nd stage of consultation on National Funding Formula – for the Schools and High Needs Blocks – on 14 December 2017. The Executive Summary of the DfE's proposals, which was presented to the Forum on 11 January is presented again at Appendix 1 for reference. The Authority's briefing note, which was also presented to the Forum, is also included reference at Appendix 2.

Details of the Item for Consideration

A response to the DfE's consultation has been drafted by the Business Advisor (Schools) and is presented at Appendix 3 as a 'starter for 10'. Forum Members are asked for their views on this response; the general tone, areas of consensus and whether this presents effectively our main concerns on the proposals as these currently stand.

The response has been written in particular to highlight our concerns on:

- The reduction in the spending power of school budgets that comes from the lack of response to the growth in costs in schools, especially in staffing costs.
- The impact on smaller schools with the proposal for a low value of lump sum.
- The excessive damping of the High Needs Block national formula result when this is viewed over a medium term period.

There are 2 separate but similar consultations running. As a result the responses are similar and there is some repetition.

There haven't been any further formal announcements from the DfE on Schools or High Needs Block funding proposals since the 14 December. However, there has been a significant level of coverage in national and local Press across the country as authorities, schools and other groups (such as the F40 Group) react to what is being proposed. An update will be provided verbally on the gist of this coverage.

Following the January 2017 Schools Forum meeting, the Authority has met with the business manager forums and has also published a ready reckoner, which enables schools and academies in Bradford to analyse the impact of the national funding formula compared against 2017/18 formula funding (whereas the DfE's modelling shows the impact vs. 2016/17). School Funding Team has also presented to schools and governors in some local areas that have requested briefings. Comprehensive guidance, on national funding formula and the financial landscape, has been published and is available for schools to access through Bradford Schools Online.

We expect that DfE's Nursery School spending validation, and the 2017/18 DSG 're-baselining' exercises, will be published later in March 2017. We also still expect the final details of the national funding formula to be published by the DfE later in the summer term.

Implications for the Dedicated Schools Grant (DSG) (if any)

The National Funding Formula has direct and significant implications for the DSG going forward.

Recommendations

The Schools Forum is asked to consider and agree its response to the DfE's 2nd stage of consultation on National Funding Formula (to be submitted by 22 March).

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Executive Summary (repeat of Document GZ Appendix 1 11 January 2017)
Appendix 2 – Local Authority Initial Impact Assessment (repeat of Document GZ 11 January 2017)
Appendix 3 – Draft Consultation Response

Contact Officer (name, telephone number and email address)

Andrew Redding, Business Advisor (Schools)
01274 432678
andrew.redding@bradford.gov.uk



Department
for Education

Schools and high needs national funding formulae

Executive summary

December 2016

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Foreword

This Government is committed to creating a country that works for everyone. No matter where they live, whatever their background, ability or need, children should have access to an excellent education that unlocks talent and creates opportunity. We want all children to reach their full potential and to succeed in adult life.



The current funding system does not support this aspiration. It is unfair, untransparent and out of date. Similar schools and local areas receive very different levels of funding, with little or no justification. Patchy and inconsistent decisions have built up over many years, and mean resources are not getting to the schools and pupils that need them most. Underfunded schools do not have access to the same opportunities to do the best for their children, and it is harder for them to attract the best teachers and to afford the right support. That is why introducing fair funding was a key manifesto commitment.

This unfairness is seen right across the country. For example, as we said in the first stage of our consultation, a school in Barnsley could receive 50% more funding, with no changes to its circumstances, if it were situated in Hackney instead. Coventry received nearly £500 more per pupil than Plymouth, despite having the same proportion of pupils eligible for the pupil premium.

For schools, this unfairness is made even worse at local level, because each local authority sets a different formula to distribute funding. As a result, a primary school in Cornwall teaching a pupil eligible for free school meals with English as an additional language would receive £3,389, whereas if the same child was educated in Devon, their school would receive £4,718 – a difference of £1,329. Our national funding formula aims to address this unfairness. That is why we are confirming that we want to move towards a ‘hard’ national funding formula that distributes the vast majority of funding directly to schools. It is the only way we can be sure that the same child, with the same needs, will attract the same funding regardless of where they happen to live; and the only way that parents can be sure there is a level playing field. It fits squarely with our vision for a school led system, with as much funding as possible reaching the front-line and headteachers benefiting from more transparent and predictable budgets that allow schools to plan ahead and ensure every pound has maximum impact for their pupils.

We also want to ensure high needs funding improves the life chances of our most vulnerable children and young people. There is just as great, and as arbitrary, a variation in the funding that the Government currently provides to support children with special

educational needs and disabilities across the country. We similarly need to deliver a high needs funding system that properly reflects the needs of every child.

We set out the first stage of our proposals for a fairer system for funding schools and high needs in March. Over 6,000 people, including headteachers, teachers, governors, school business managers, parents and representative groups took the time to respond to the consultation.

Our vision, principles and the proposed structure for the formulae were all met with strong support, and we are now consulting on how we propose to weight funding across the factors in the formulae. Where concerns have been raised, we have considered these carefully and improved our proposals. We know that it is important that we get the formulae and system right so that every pound of the investment we make in education has the greatest impact. Our proposals sit alongside and complement the new early years funding formula arrangements that were announced in December.

Introducing fair national funding formulae will be an historic reform - the biggest change to school and high needs funding for well over a decade. For the first time, we would have a clear, simple and transparent system that matches funding to children's needs and the schools they attend. Areas and schools across the country that have been underfunded for too long will begin to see increases that will help them achieve more for their pupils.

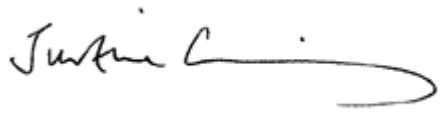
On average, schools in the historically lowest-funded local authority areas will gain 3.6% as a result of this formula. Schools serving large numbers of pupils who live in areas of deprivation but who are not eligible for free school meals – those whose families are just about managing – will benefit from our proposals. Schools in areas of sustained educational underperformance will also gain.

It is vital that we provide sufficient stability for schools as we implement a fair formula. Our proposals will therefore include an absolute floor so that no school will face an overall reduction of more than 3% per pupil as a result of this formula. The minimum funding guarantee (MFG) of minus 1.5% per pupil year on year will continue, providing additional stability for schools. And the transition year of 2018-19 will allow local authorities to continue to set local formulae, in preparation for 2019-20, when the national funding formula will set the vast majority of each school's individual funding.

We know that stability for high needs is even more important, because of the need to provide consistency for individual placements for young people. On high needs, our proposals ensure that no local authority would see any reduction in funding as a result of the formula.

Parents can have assurance that wherever they live in the country their children will attract funding that reflects their needs. Schools and teachers will receive a consistent and fair share of the funding available, so they can help every child to reach their full

potential. In summary, fairer funding will equip all schools to play their part in an education system that works better for everyone.

A handwritten signature in black ink, appearing to read 'Justine Greening', with a long, sweeping underline that extends to the right.

Rt Hon Justine Greening MP

About the consultations

How to get involved

To help us analyse responses to the consultation please use the online system wherever possible. To submit your response visit:

- [Schools national funding formula stage 2](#)
- [High needs funding reform stage 2](#)

If for exceptional reasons you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, please contact us at:

- SchoolsNationalFundingFormula.CONSULTATION@education.gov.uk
- HighNeedsFundingReform.CONSULTATION@education.gov.uk

The consultation closes on 22 March 2017.

Enquiries

If you have a question about the consultation please email us at the mailboxes listed above. If your question is about the data or calculations involved in illustrating the impact of our proposals for a particular school or local authority, please include '[NFF data query](#)' in the subject line.

If you have a general enquiry you can contact the DfE Ministerial and Public Communications Team by telephone on 0370 000 2288 or via the [DfE Contact us page](#).

The response

The results of the consultation and the government's response will be [published on GOV.UK](#) in Summer 2017.

Introduction

1. The Government is committed to creating a country that works for everyone. Introducing fair funding across schools and high needs is essential to support opportunity for all children, irrespective of their background, ability, need or where in the country they live.
2. We have protected the national core schools budget since 2010, and we will continue to do so, in real terms overall, to 2020. This year we are spending over £40 billion on schools, the highest amount in history. However, the current system for distributing this funding is unfair, untransparent and out of date. Similar schools and local areas receive very different levels of funding, with little or no justification. Unfairness and discrepancies in funding levels are seen right across the country. That is true both of funding for schools, and the funding the government provides to support the life chances of our most vulnerable children and young people with special educational needs (SEN) and disabilities.
3. We set out many examples of the unfairness we see in the current system of school and high needs funding in the document published as part of the first stage of our consultation, [Schools and high needs funding reform. The case for change and consultation summary](#). The response we received to that consultation, and the vision, principles and proposed structure for the national funding formulae that it set out, demonstrated that the unfairness of the current system and the case for reform is widely accepted. We are now consulting on how we propose to weight funding across the factors in the formulae. These proposals sit alongside and complement the new early years funding formula arrangements announced in December.
4. A fairer funding system will help to provide all schools with the resources needed to ensure an excellent education for all pupils. The national funding formula will help schools to manage cost pressures, by directing resources where they are most needed and by creating greater certainty and transparency in the funding system to allow schools to plan ahead with confidence. We know that how schools spend their money is as important as the amount of funding they receive. So we will support all schools to become more efficient and manage their budgets well, helping them to achieve the highest standards for their pupils.
5. This summary accompanies a suite of documents covering our response to the first stage of the schools and high needs consultations and detailed proposals for consultation on the national funding formulae for schools, high needs and the central school services block¹. It also explains what will happen next. Namely, it:

¹ This was referred to as the central schools block in the March 2016 consultation. We have changed the name to better distinguish it from the schools block.

- a. Confirms that we will introduce national funding formulae for schools, high needs and local authority services for schools in 2018-19;
- b. Confirms the design of the funding system. We will split the dedicated schools grant (DSG) into 4 blocks – for schools, high needs, early years (on which we have consulted separately) and central school services;
- c. Confirms that we will have a school-level ('hard') formula for the schools block from 2019-20. In the interim, schools will still be funded according to a local formula. The schools block will be ring-fenced for spending on schools, but there will be some limited scope for movement before 2019-20, and some continuing local flexibility from 2019-20;
- d. Confirms that the schools national funding formula will comprise the 12 factors we proposed in the first stage of our consultation, with the addition of a mobility factor in light of consultation responses, and summarises our proposals for the relative weighting of the factors;
- e. Confirms that the high needs formula will comprise the 9 factors we proposed in the first consultation, and summarises our proposals for the relative weighting of the factors;
- f. Explains the approach to transition, including how quickly we propose to distribute gains and our plans to provide stability and financial security by limiting reductions. In particular:

For schools we propose:

- i. To provide up to **3% per pupil increases** in 2018-19 for schools due to gain under the formula, and up to 2.5% increases in 2019-20;
- ii. To include a floor in our schools formula that will **limit the overall reduction to any individual school's budget as a result of the introduction of this national funding formula to 3% per pupil**; and
- iii. That the MFG for schools of **minus 1.5% per pupil** year on year will continue - limiting annual reductions to manageable levels.

For high needs we propose:

- i. To provide up to **3% increases** in 2018-19 and 2019-20 respectively for local authorities due to gain under the formula; and
- ii. That there will be **no cash losses** to local authorities as a result of the high needs formula.

For central school services we propose:

- i. to allow local authorities **increases of up to 2.4%** in 2018-19; and

- ii. that no local authority will **lose more than 2.5%** of its per pupil funding in either 2018-19 or 2019-20.
 - g. Summarises the illustrative impact of the formulae on local authorities and schools; and
 - h. Sets out our plans for implementation; including summarising our support to schools on efficiency and financial health, and to local authorities on managing their high needs budgets.
6. We are also publishing full details of the impact of our proposed formulae as part of the consultation. This is so that headteachers, governors, local authorities and parents can see how our proposals would affect them – supporting a full and open consultation process.

The overall budget

7. The DSG provides the core budgets for all schools, early years provision, and additional support for children and young people with high needs. It also covers some of local authorities' continuing duties in education. The national core schools budget has been protected in real terms since 2010, and we are continuing to protect it in real terms overall, to 2020.
8. Our proposals are concerned with how to distribute the total funding within the different blocks of the DSG. New formulae will result in changes to budgets and a redistribution of funding between local areas and institutions, but will not reduce the national total provided to schools and local authorities.
9. The real terms protection on the national core schools budget means we can invest resources – over and above flat cash per pupil – in 2018-19 and 2019-20 to increase the rate at which we can allocate gains. We are able to allocate around £200 million in each year above flat cash per pupil, allowing us to combine significant protections for those facing reductions and more rapid increases for those set to gain.
10. As set out in the first stage of our consultation, the pupil premium, pupil premium plus, and service premium will continue to operate through the separate pupil premium grant; and we have already separately committed to retain the early years pupil premium in its current form. With the exception of an adjustment to the pupil premium plus (explained in the government's response to the stage one consultation), these grants are unaffected by our proposals.

The design of the funding system

11. The dedicated schools grant (DSG) is the main source of government funding to local authorities for education provision in their area. It is currently allocated to local authorities from the Education Funding Agency of the Department for Education in three notional blocks: schools, high needs, and early years. In consultation with their schools forum, local authorities make decisions about the split in funding between the blocks, and the local formulae that determine the allocations for individual schools and early years providers. Initial allocations of high needs funding to local authorities are the source of the majority of place funding for special schools and units, colleges and other post-16 providers, and of the top-up funding for children and young people with high-cost SEN and disabilities. Local authorities also hold some DSG centrally to spend on schools and central services.
12. The first stage of consultation set out our proposal to create a fourth block of the DSG, to fund those duties that local authorities carry out for both maintained schools and academies, such as admissions and education welfare services. We are confirming that we will introduce this new block – the **central school services block** — from 2018-19.
13. We also proposed a school-level formula (a hard national funding formula) from 2019-20, where each school's budget would be set nationally. This would apply to the funding for 5-16 year olds for all mainstream schools (special schools would continue to be funded as they are now). A hard formula would mean that all schools would be funded through a single, national approach, removing the additional layer of variation and complexity created by the current existence of a different formula in every local authority.
14. We are now confirming our intention that a school-level formula will be used to calculate the vast majority of a mainstream school's budget from 2019-20. We confirmed in July that the formula would begin in 2018-19 not 2017-18, to allow us to give certainty to local authorities who were starting to plan budgets for 2017-18. In 2018-19 (only) we will calculate notional budgets for schools according to the national formula. These will then be aggregated and allocated to local authorities as the schools block for distribution to schools according to the locally agreed formula.
15. However, even under the school-level formula arrangement (from 2019-20 and beyond), we expect local authorities to continue to have flexibility on some limited parts of the formula, particularly in relation to funding for pupil growth.
16. Local authorities currently decide how to divide their total DSG across the three blocks: they are not obliged to set schools, high needs or early years budgets in line with the notional allocations they receive for each from the department. Under a hard formula, local authorities will continue to make decisions about how to spend their

high needs, early years² and central school services blocks. The difference under a hard formula is that there will be limited flexibility for local authorities in how they allocate the schools block funding. To prepare for this in advance of introducing a hard formula, we proposed to apply a ring-fence around the schools block requiring local authorities to pass all of their schools block funding to schools and not to move it to other DSG blocks in 2018-19. A majority of respondents supported the proposal for a ring-fence around mainstream schools funding, though some raised concerns about potential impacts for pupils with high needs.

17. We are confirming that we will ring-fence the schools block in 2018-19, but with additional arrangements that will address the risks highlighted during the consultation about support for pupils with SEN and disabilities. We are proposing that local authorities would have a limited ability to move funding between the schools and high needs blocks in 2018-19, following local consultation and with the explicit agreement of the schools forum and a majority of their schools. As now, they will continue to be able to provide additional support through their high needs block and outside the main school budget share to schools supporting large numbers of pupils with high needs. We also intend to develop some continuing local flexibility from 2019-20, and will work with the sector to make sure that such arrangements properly take account of schools' and local authorities' collective responsibilities for children and young people with SEN and disabilities.

18. We are taking further steps to make sure that local authorities are supported in other ways to develop the quality of provision for children and young people with SEN and disabilities. We will:

- a. Protect each local authority's high needs block from any loss as a result of the introduction of this formula;
- b. Fund all local authorities to prepare and implement strategic plans that enable them to spend their high needs funding in a way that achieves the best outcomes for children and young people with high needs; and
- c. Provide capital funding to support the expansion of special provision in schools (including mainstream schools) and other institutions, and progress a new route for more special schools to be established through the free schools programme.

² We will require that all local authorities pass 93% in 2017-18 then 95% from 2018-19 onwards of early years funding to providers.

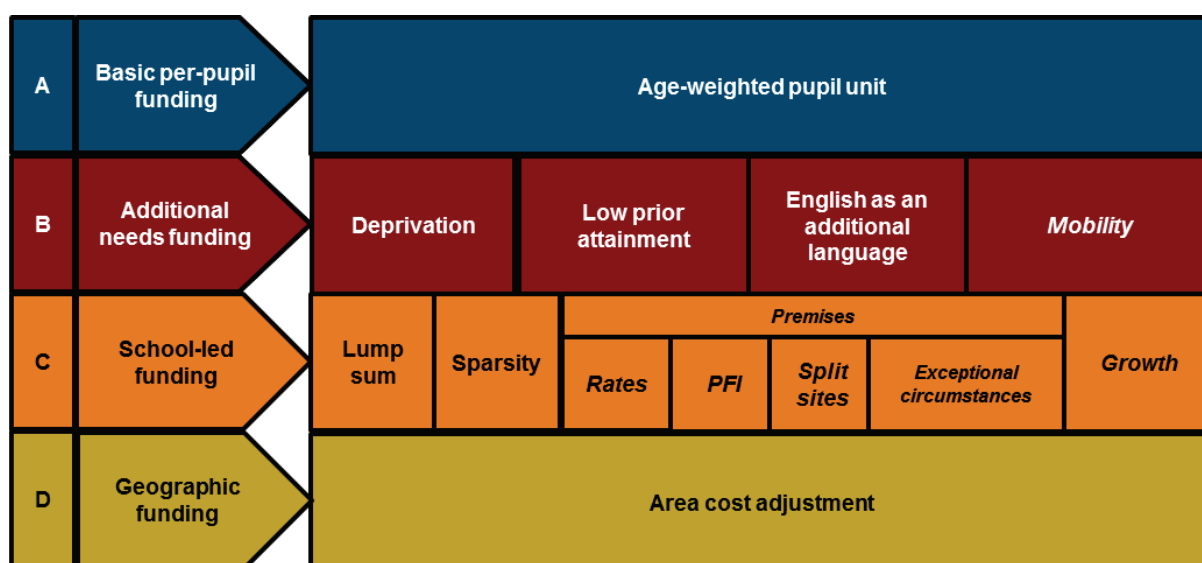
The content of the national funding formulae

19. In our first stage of consultation we set out the factors we proposed to include in the national funding formulae for the schools, high needs and central school services blocks. The strong support and feedback we received about our proposals gave us a good basis to proceed and develop more detailed proposals. The consultations launched alongside this summary set out the full composition of the formulae and how we propose to weight the different factors.
20. The sections below set out our plans for the schools, high needs and central school services block formulae, and summarise our proposals on weighting.

National funding formula for the schools block

21. Following the first stage of our consultation, we are confirming that the schools national funding formula will include all the factors we proposed, with the addition of a factor for mobility. The costs to schools associated with in-year pupil mobility were highlighted consistently during consultation. We have listened to these concerns and concluded that we should include a mobility factor to recognise that some schools face additional pressures. The formula factors are illustrated in Figure 1 below.

Figure 1 – schools national funding formula factors



This diagram illustrates the 13 different factors that will be taken into account when calculating DSG Schools Block funding allocations through the national funding formula. It is not designed to scale. Funding for factors in italics will be allocated to local authorities in 2018-19 on the basis of historic spend.

22. The focus of this stage of consultation is the weightings we propose to give the different factors within the formula. We have considered the key principles for the national funding formula that we set out in the first stage of our consultation. We want

to achieve a fair and transparent formula, which is simple while reflecting relative need, and which ensures sufficient stability.

23. Our starting point for developing the formula weightings has been the collective formulae used by local authorities to distribute funding to schools. This represents the conclusions made over a number of years by local authorities and their schools forums; and in many instances there are similarities between the choices made locally. We know, however, that the funding system is complex, and that looking at national averages can only be a starting point. In this consultation, therefore, we propose the ways in which we believe the national funding formula should vary from that current distribution of funding. The changes we propose reflect the best available evidence about the impact of resources on outcomes and our ambition of achieving an education system that works for all children.
24. The formula we propose represents our overall view on how best to balance competing priorities. We want to hear from respondents whether this balance is broadly right.
25. The schools funding formula will distribute a core amount of funding to schools at a consistent rate for every pupil, increasing in value as pupils progress through the key stages. This will be the largest individual factor, accounting for over £23 billion of core schools funding. We are proposing to set the balance in funding between the primary and secondary phases in line with the current national average. We have not found conclusive evidence to suggest that shifting the current balance would lead to better outcomes for pupils.
26. The formula will recognise educational disadvantage in its widest sense, including those who will not be benefiting from the pupil premium but whose families may be just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system. Within this, our proposed formula places a greater emphasis on pupils' prior attainment, so that schools receive additional funding to ensure no child – regardless of background – is left behind.
27. Over and above the pupil premium – worth £2.5 billion this year – we are proposing that the national funding formula allocates a total of £5.8 billion through the additional needs factors in total – including £3.0 billion in support of deprived pupils and £2.4 billion in support of pupils with low prior attainment. Under these proposals, a secondary school pupil with significant additional needs could attract over £10,000 to their school through the national funding formula and the pupil premium as follows:
 - a. £4,312 as the basic secondary school KS4 pupil rate:
 - b. £2,160 extra for FSM eligibility (£1,225 through the formula and £935 through the pupil premium);

- c. An extra £810 for living in the most deprived areas³;
- d. An extra £1,550 for having low prior attainment; and
- e. An extra £1,385 for having English as an additional language (EAL).

28. The new mobility factor will recognise some of the pressures schools face in accommodating in-year pupil mobility. An important issue in developing a mobility indicator for use in the national funding formula is that the underpinning data is not sufficiently robust for local authorities that do not currently use this as a factor. We are looking at ways in which this could be addressed for the longer-term, but in the interim, we are proposing to allocate funding to local authorities on an historic basis, reflecting the amount of money they put through the mobility factor in the previous year.

29. The formula includes a significant lump sum factor to help schools meet costs that do not vary with pupil numbers. We want to maximise the proportion of funding allocated to pupil-led factors, so are proposing to spend less on the lump sum than local authorities are spending currently. We know that for small and remote schools it is sometimes a particular challenge to find efficiencies and partnerships, and that the lump sum alone may not be sufficient. The formula therefore also includes an enhanced sparsity factor that will target additional funding to support these schools.

30. As we proposed in the first stage of the consultation we will allocate funding for private finance initiatives (PFI), rates, split-sites, exceptional premises and growth to local authorities in 2018-19 on the basis of what has been spent on these factors in the past.

31. The final element of the schools formula is the area cost adjustment, which reflects geographic variation in labour market costs. The formula uses the 'hybrid' area cost adjustment methodology, which reflects variation in both the general labour market and the teacher labour market, and which commanded the most support in the first stage of the consultation. Area cost adjustment uplifts are calculated depending on the location of the school.

32. There was strong support in the first stage of our consultation for including explicit additional funding for areas expected to face significant growth in pupil numbers as a factor in the formula. Although a majority disagreed with our specific proposal to allocate it in 2018-19 on the basis of historic funding as this may not reflect future growth, there was no consensus on a better method.

33. We are confirming that funding for growth will be allocated to local authorities in 2018-19 on the basis of spend in 2017-18: this will be an interim arrangement. We recognise that this will not match need exactly, but it represents a significant

³ Pupils living in IDACI Band A. See chapter 2 of the [consultation document](#) for more information.

improvement on the current system where local authorities are expected to absorb all the costs of growth without additional funding.

34. We are consulting on a different, long-term approach that could be introduced from 2019-20. This would allocate funding based on the pupil growth local authorities actually experienced in the year before. We think that this 'lagged' funding approach would be a further improvement on historic spend. Our evidence tells us it would be a better predictor of future growth, and over time, will mean the right amount of funding will reach local authorities, albeit with a one-year lag.

Protection and transition - schools

35. The schools funding formula we are proposing in this consultation will, rightly, see new levels of funding across the country as funding is better matched to need. However, the need for stability and security for schools was a consistent theme in the responses we received to the first consultation. We are clear that we want the impact on losing schools to be fully manageable, while allowing under-funded schools to move towards their formula allocations as quickly as possible. We have proposed a number of measures to support this:

- **Schools due to gain under the formula will see per pupil increases of up to 3% in 2018-19, and up to a further 2.5% in 2019-20.** The real terms protection of the schools budget allows us to increase the rate we can allocate gains beyond a redistribution of flat cash per pupil;
- **Inclusion of a floor that will limit the overall reduction to any individual school's budget as a result of the introduction of this national funding formula to 3% per pupil.** This means that any school that would have seen a reduction greater than this will be protected; and
- The national MFG for schools of **minus 1.5% per pupil** year on year will continue – limiting annual reductions to manageable levels. **This means that the annual level of losses felt by individual schools will be no greater than are currently allowed through local formula changes.**

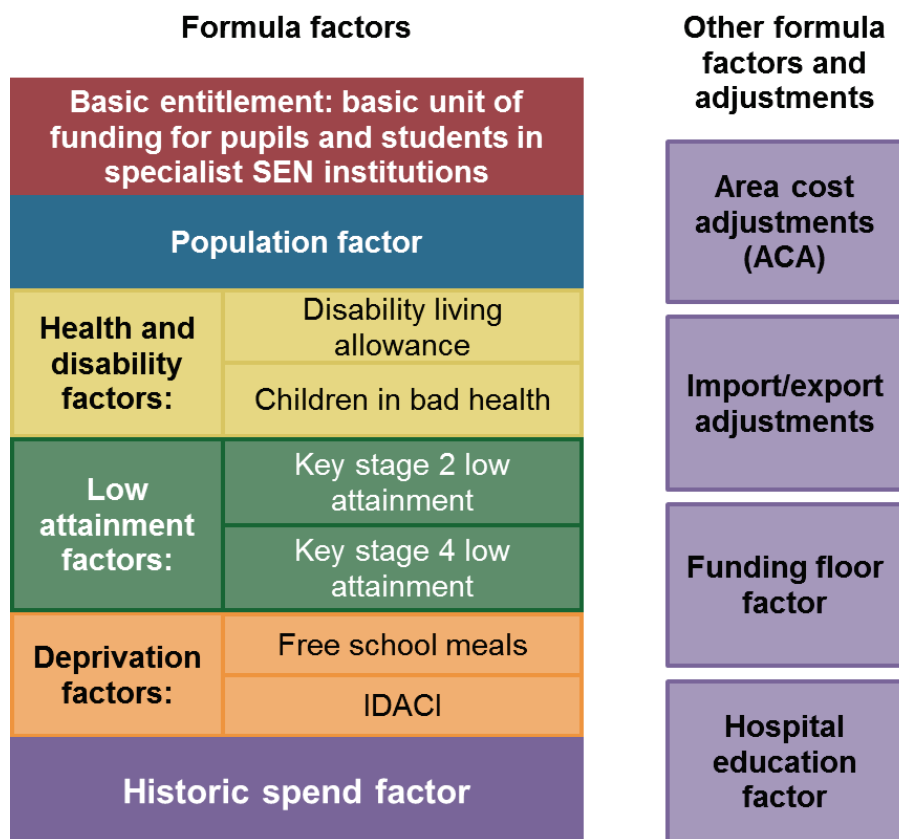
National funding formula for the high needs block

36. The first stage of our consultation sought views on proposed improvements to the way that high needs funding is distributed, and other ways in which we can support the administration of funding for pupils and students with SEN and disabilities and for those who are in alternative provision.
37. We received over 1,000 responses and there was strong support for our proposals for a high needs national funding formula. Over two thirds agreed that the principles on which we are basing our reforms are right, and a majority supported each of the proposed factors we set out for the formula. A significant concern raised during the first stage of the consultation was about how high needs pressures might be

managed if a ring-fence was applied to the schools block. Our plans to address those concerns are set out in paragraphs 17 and 18 above. The limited local flexibility we are proposing will enable local areas to reflect the balance in the numbers of pupils with high needs in mainstream and special schools, where the formulae for schools and high needs do not fully reflect those numbers.

38. Based on the response to the first stage of the consultation, we believe we are right to proceed in building the formula on the basis proposed. We are therefore confirming that the formula will comprise of 9 factors as set out in Figure 2 below.

Figure 2 – high needs national funding formula factors



This diagram illustrates the 9 different factors that will be included in the high needs national funding formula. It is not designed to scale.

39. As for the schools block, high needs funding will include a hybrid area cost adjustment; however, the balance in the weighting given to general labour market costs and teacher labour market costs will be adjusted to reflect the different balance of spending in special schools.

40. As well as ensuring that no local authority will lose funding as a result of the high needs formula, we are proposing that for the next four years there will be a significant element of funding allocated to local authorities to reflect their historic spending levels and actual costs of maintaining the provision for those with high needs already placed in schools and colleges. This element of the formula will be a cash amount for each authority, set at half of their current spend. Around half of the funding will be based on resident population projections (50%), deprivation factors (20%), health and disability factors (15%) and low attainment factors (15%). These are all proxy factors that

together correlate with the measures of the distribution of actual SEN and disability that we have available. The use of proxy indicators avoids the risk of creating perverse incentives for the over-identification of high needs and consequent inflationary pressures.

41. Although we believe it is important to retain an element of historic spending in the formula for the next four years, we will review how the high needs formula should work subsequently, looking carefully at:
- a. Whether the factors in the formula need any adjustment;
 - b. Whether and the extent to which, in the longer term, the formula should continue to reflect local authorities' actual spending decisions; and,
 - c. Whether any particular approaches that local authorities take secure better outcomes for young people, and better value for the taxpayer. We will explore and gather evidence on how specific kinds of investment in children and young people with SEN and disabilities can achieve outcomes that enhance their lives as they move into adulthood, both to inform future distribution and to help aid local areas commissioning decisions.

Protection and transition – high needs

42. The pressure local authorities are facing on their high needs budgets was a recurring theme throughout the first stage of consultation. We have listened to these concerns and are setting out our plans for protection and transition to support local authorities to deliver high quality provision for young people with high needs. We propose:
- **To provide up to 3% increases in 2018-19 and 2019-20 for local authorities due to gain from our formula.** This means that 75% of local authorities will be on or above their formula allocation by 2019-20; and
 - **There will be no cash losses to local authorities at all as a result of the high needs formula.** We recognise that local authorities' current spending is dependent on a range of factors that have determined the local pattern of provision, and that protection will be needed to enable authorities to manage future cost pressures effectively.

National funding formula for the central school services block and the future of the Education Services Grant

43. In the first stage of consultation, we proposed creating a central school services block by merging two existing funding streams that support the role of the local authority in education – the schools block funding currently held centrally by local authorities, and the retained duties part of the Education Services Grant (ESG). The second stage of the consultation confirms that local authorities' continuing responsibilities will be funded through the central school services block according to a per pupil rate,

adjusted by area costs, with the addition of a deprivation factor to recognise the challenges of providing some central services in areas of high socio-economic deprivation. Local authorities' historic commitments will also be recognised on the basis of their actual costs, and for the most part will unwind over time⁴. There will be no protection for the removal of funding where historic commitments have either finished or are not compliant with regulations.

44. In removing the general funding element of the ESG, we are aware that local authorities may need to use alternative sources of funding to pay for education services for maintained schools. Our proposal to allow local authorities to retain some of their maintained schools' DSG centrally for duties currently funded by the general funding rate was supported by a majority of respondents, including 63% of the responses from maintained schools. Further details of this arrangement are set out in the [2017-18 operational guidance for local authorities](#).

45. We have also set out our plans to support local authorities to continue to monitor and broker school improvement support for weaker maintained schools by introducing a new £50 million per year grant to begin in September 2017 at the point at which the ESG general funding rate is fully withdrawn. In addition, in recognition that the school-led system of school improvement is not yet sufficiently mature in all areas, maintained schools will have the option to decide to transfer funding for further school improvement support from their own school's budgets back to the local authority through the 'de-delegation' process. This transitional option will be available until the hard formula begins in 2019-20, after which time we expect that all school improvement provision by local authorities at no cost to schools will have ended or will be offered through a traded service⁵.

Transition – central school services block

46. We want to make sure that the move towards a per pupil formula for local authorities for central education services is fully manageable. We are therefore proposing that no local authority will lose more than 2.5% of funding in 2018-19 and 2019-20. This allows us to allocate gains of up to 2.4% in 2018-19 and 2019-20. We believe our proposals strike the right balance between manageable change, and moving towards a fairer basis for funding local authority central services for schools in the long term.

⁴ A full list of historic commitments can be found in Annex 1 of the schools national funding formula government consultation, and include combined budgets contributing to wider children's services, staff redundancy, costs relating to decisions taken before 2013, and the back pay associated with equal pay legislation. These are commitments which were entered into before April 2013, and the expectation is that these costs will unwind over time.

⁵ Further detail on new funding arrangements for school improvement can be found online at www.gov.uk/government/news/new-funding-for-school-improvement--2

Support for efficiency

47. Effective schools make the best use of resources – ensuring every pound is used efficiently to improve standards and have maximum impact for their pupils. Managing school finances is not an ‘additional’ responsibility or requirement – it is core and fundamental to each and every school. For schools to deliver high standards, they must start from a position of strong financial management. In practice, this means schools can invest more of their resources in the classroom, making even more of a difference to the children that need it most. Effective school leaders know that this is a key part of their role, and taxpayers across the country expect nothing less. We already see great examples of schools delivering high quality education at lower cost than others, so we know from schools in the sector that this is achievable.
48. Schools can already draw on much excellent practice in other schools. In a school-led system, this is the most important source of advice and guidance, but the department has an important role in supporting capacity-building in the system. We have put in place, and continue to develop, a comprehensive package of support to help enable schools to make efficiency savings while continuing to improve the quality of education for their pupils. We have published a collection of tools and guidance including benchmarking information; advice on how to minimise spend on procurement and back-office services; and guidance on how to achieve workforce efficiencies by reviewing staffing structures – including a significant number of case studies of schools delivering savings in practice. This can be found on [the schools financial health and efficiency website](#).
49. We have published a directory of organisations who offer services to help schools identify if, where and how they can make improvements in financial management and use of resources in the [schools financial health checks supplier directory](#). We will also shortly be publishing a procurement strategy to help support a step change in school buying and underpin significant savings in non-pay costs across the system.
50. The first stage of the consultation set out our intention to launch an ‘invest to save’ fund to allow schools to invest in ways to save money in future, helping them manage the transition to a national formula. Our proposed floor will mean that no school will lose more than 3% of its funding per pupil overall as a result of this formula. Rather than creating a specific ‘invest to save’ fund, we have prioritised this floor, alongside allocating gains more quickly to schools that are due increases. In addition, we have announced £140 million per year for a new Strategic School Improvement Fund to support school improvement - building school-led capacity in parts of the country where it is needed. This includes support for improving financial health and the use of resources.

Impact assessment – how our new formulae would change current budgets

51. The tables we are publishing alongside our consultation documents show how our proposed formulae would impact on school and local authority funding allocations⁶.
52. It is important that headteachers, teachers, governors, parents, local authorities and representative bodies are able to understand our proposed formulae in detail and respond meaningfully to our consultations. To help with this, we are releasing data to illustrate how the proposed formulae for each of the blocks would change how much each local area would receive for its schools and high needs pupils. We are enabling individual schools – through our tables and in detail through the COLLECT system – to get a sense of how their funding might change under the national funding formula. These cannot show exactly what each school would get under the national funding formula, as local authorities will continue to determine local formulae during the soft year (2018-19), and, of course, the number of pupils attending each school, and their characteristics, will change, but it will allow schools and local authorities to understand the likely overall impact of what we are proposing⁷.
53. It is important to note that all figures are shown in cash terms per pupil. Like many organisations, schools are facing pressures – for example from pay increases and employers contributions to National Insurance and pensions. These are discussed further in the schools national funding formula consultation document, alongside the steps we are taking to help schools to improve efficiency and secure their financial health, but it is not possible to translate these pressures into individual school level estimates. That is partly because many schools will see significant increases in pupil numbers over the coming period, feeding through into increased total budgets. It is also because the circumstances of every school are unique – with different pay and non-pay costs and very different staffing structures. Every school will need to understand and plan for their own situation. Illustrating core funding levels in cash

⁶ The tables show what would happen under the proposed formula if pupil numbers and characteristics stayed exactly as they were in 2016-17 and the formula was implemented in full. This will not represent schools' actual final formula position for a number of reasons – in particular, pupil numbers and characteristics will change for many schools. It should also be noted that in 2018-19 under the soft formula arrangement, schools' allocations will be notional and aggregated into the total schools block to be distributed according to a local formula.

⁷ The formula is based on schools having pupils in all year groups. To apply the formula fairly to schools without some classes yet established we need to calculate their allocation in a different way. This is relevant for maintained schools, free schools or academies that local authorities have told us have opened in the last 7 years, and do not have pupils in all year groups yet. We will use the early phase of the consultation period to gather the necessary information and work with schools that are not yet full. We will provide relevant schools with an illustration of their funding level under the proposed national funding formula in January 2017, and publish these at the same time. Further details are set out in the consultation document on the schools national funding formula.

terms per pupil – based on real 2016-17 data – is the clearest and most helpful way of enabling them to do so.

54. We have analysed the impact of our proposed formulae and highlighted key changes below. The impact is explained in more detail in the relevant chapters of the consultation documents published in parallel. The [equalities impact assessment](#) sets out the impact of our proposals on the eight protected characteristics identified in the Equalities Act 2010.

Schools formula

55. In designing our formula, we have taken careful steps to balance the competing principles of fairness and stability. To achieve fairness, we believe that our formula should:

- a. Distribute the majority of funding on the basis of pupil numbers and characteristics rather than types of schools or their premises;
- b. Direct more funding than is currently explicitly directed towards pupils with additional needs and recognise educational disadvantage in its widest sense;
- c. Recognise that some schools face additional costs because they are small and serving rural communities.

56. Achieving these priorities means that funding will need to be redistributed around the country. Our proposal to include a funding floor and to use headroom available within our overall DSG settlement means that we can do this with a manageable impact for schools.

57. The proposed formula would result in 10,740 schools gaining funding. 3,379 schools would see increases to their budgets of more than 5%. For 6,487 schools the changes would be limited to plus or minus 2%. The MFG means that reductions would be limited to 1.5% year on year, and the floor means that schools cannot lose more than 3% per pupil overall. 5,500 schools will benefit from the minus 3% per pupil funding floor protection.

58. The highest funded schools would – rightly – remain those in areas with the highest concentration of socio-economic deprivation. There are also some specific groups of schools that gain as follows:

- a. Schools that have high numbers of pupils living in disadvantaged areas that are not necessarily eligible for free school meals – these are identified using area-level deprivation data. These pupils may have additional needs as they face levels of deprivation, but may not necessarily attract the pupil premium. Outside London, these schools gain 1.4% on average;
- b. Schools with the highest proportion of pupils with low prior attainment but which are not in areas of high deprivation. These gain 2.8% on average;

- c. Small, rural schools – as a group, these schools gain 1.3% on average; and
- d. Primary schools in sparse communities. These schools gain 5.3% on average.

59. At local authority level, 101 areas will see gains and 49 will see reductions. The 10 least well-funded local authorities will, as a group, gain on average 3.6%. This is on top of £390 million of additional funding, which was introduced through the minimum funding levels arrangement in 2015-16 and has remained in the baseline for the national core schools budget.
60. London, along with other inner city areas, faces high levels of deprivation and pupils with EAL. Under our formula, schools in inner London will attract 30% more funding per pupil than the national average. This is because funding will be matched to need, and so London schools will continue to receive significant funding to help them support their pupils with additional needs. They will also receive additional funding to reflect the higher cost base they face being in London. They will, however, see some reductions as a result of our formula, reflecting the reduction in levels of deprivation that have been seen in London in recent years⁸. The floor we have proposed will limit these to 3% per pupil.
61. It is our expectation that schools would start to move towards these new funding levels in 2018-19. In 2018-19, however, it will be up to local authorities to decide funding allocations locally, so allocations will not necessarily mirror our formula allocations, nor the illustrations in this consultation. If local authorities were to adopt the national funding formula proposed, as we would encourage them to do, we would expect around 4,215 of those schools due to be funded at a higher level to reach their new per pupil level in 2018-19.

High needs formula

62. Under our proposed formula 72 local authorities would see an immediate increase of up to 3% in 2018-19. 98 local authorities would have an allocation equal to their formula allocation in the first year, and 113 authorities by the second year.
63. Our proposed formula would distribute funding on the basis of the local demography and proxy factors that indicate the level of need amongst children and young people in an area. This would mean, for example, that funding is targeted towards areas of deprivation, reflecting the evidence of a link between deprivation and high needs. We are planning research on the costs and outcomes resulting from different types of provision, which will inform a review of the factors in the high needs funding formula after four years. In the meantime, the historic spending factor and protection we are

⁸ Over the last 10 years, the percentage of pupils eligible for FSM in London has dropped from 27% to 18%.

offering will reflect the existing pattern of provision that has developed in response to parents' preferences, local circumstances and other factors.

64. A high needs strategic planning fund is being allocated this year, to encourage all local authorities to review their special provision and plan ahead in light of what this consultation indicates about the level of high needs funding they will receive in future years. Our expectation is that local authorities will produce strategic plans for SEN and disability provision, working with schools (mainstream and special), early years providers and further education providers, and involving parents and young people as well. We know that many local authorities are already planning ahead, and their experience has informed the guidance that we are offering alongside this fund.
65. Early in 2017 we will provide more information on the allocation of capital funding for special provision, and set out next steps in the process for establishing new special schools, where they are needed, funded through the free schools programme.

Central school services formula

66. Under the proposed formula, 84 local authority areas would see their funding increase. Per pupil funding for 66 local authorities would reduce gradually (at up to 2.5% in 2018-19 and 2019-20), to bring funding for those areas in line with the formula.



Department
for Education

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Impact Assessment Briefing Note

This note sets out an assessment of the impact of the proposals published by the DfE on 14 December 2016. The proposals are very detailed and this note does not provide a narrative. It focuses on headline impact.

In reading this briefing note, please think about the proposed funding changes in 3 stages:

- *Firstly, the changes that are proposed in the numerous variables and measures that are combined to calculate funding allocations in the Dedicated Schools Grant and for individual schools.*
- *Secondly, how the full impact of the changes to the variables and measures will be ‘damped’ so that the impact of change, on a longer term or more permanent basis, is lessened.*
- *Thirdly, how the changes to the variables and measures will be implemented under transitional arrangements, which will mean that losses and gains will be realised incrementally over time.*

Summary – Overall Impact

1) Our Dedicated Schools Grant (DSG) position under a fully implemented National Funding Formula (after transitional arrangements) is basically standstill when compared against the 2016/17 baseline. Within this position however, there is a significant amount of transfer of monies between the different DSG components:

a) Schools Block	a loss of £5.7m on a baseline of £386.5m (-1.5%)
b) High Needs Block	a gain of £8.2m on a baseline of £56.9m (+14.4%)
c) Central Schools Block	a gain of £0.2m on a baseline of £2.1m (+9.5%)
d) Early Years Block	a loss of £2.4m on a baseline of £39.0m (-6.2%) *
Total	a gain of £0.3m on a baseline of £484.5m (+0.1%)

* the Early Years Block has been covered in previous briefing notes and so is not discussed in this one.

2) There is a significant amount of damping within this overall position (this is in addition to transitional implementation measures). Damping quite significantly ‘overrides’ the clean impact of the National Funding Formula (NFF):

a) To our benefit in the Schools Block (primary and secondary delegated allocations): without the proposed 3% protection factor (meaning that no school’s pupil-led funding will reduce by more than 3% on ‘current’ levels) our loss in the Schools Block would be £12.5m vs. the £5.7m shown above. The value of the 3% protection is £6.8m. This damping is more significant for our primary phase and this phase fares worse under NFF proposals; 75% of primary schools have their losses dampened by this factor, compared with 24% of our secondary schools. A major reason for this is the reduction of the value of the lump sum factor to £110,000, which is £65,000 lower than our current value. Another key reason is the NFF phase weighting. We assume that the 3% protection factor will be a permanent feature of the NFF going forward, but there is risk that this could be removed or reduced in the future (or that this protection is changed as a result of the consultation). On a more positive note, the DfE has put back into the formula a pupil-mobility factor.

b) To our detriment in the High Needs Block: the DfE proposes to allocate only 50% of the national HNB budget on the basis of the new formula, with 50% allocated on the basis of current spending levels (of which ours is lower than the average). Our gain if the NFF was 100% on formula would roughly be £16m vs. the £8.2m stated above; we lose £8m of our gain as a result of this damping. The DfE does not state for how long 50%

of the HNB will be based on historic spending. If this is reduced in the future we may begin to see better gains. However, the 3% protection in the Schools Block could be reduced at the same time and net this off.

- c) The balance of damping is broadly not in our favour (a gain of £6.8m in the Schools Block vs. a loss of £8m in the High Needs Block).
- 3) In addition to this, there will be transitional floors and ceilings, which will mean that the full effect of the dampened NFF will take some years to be realised:
- a) Again, transitional measures are to our benefit in the Schools Block: No school's individual budget will reduce by more than 1.5% a year. This will protect against the reduction in the value of the lump sum. The value of this protection means that we will be out of transition in the Schools Block in 2 to 3 financial years.
 - b) Again, transitional measures are to our detriment in the High Needs Block: our core HNB funding will not increase by more than 3% a year in 2018/19 and 2019/20 (assuming that this is a progressive year on year cap). The DfE has not committed to a % after this, but assuming the continuation of 3% on a progressive basis, we will not see the full value of our £8.2m gain until 2022/23 (for 5 years). On this basis, the pace of gain in the High Needs Block is slower than the pace of loss in the Schools Block. There is a factor in the HNB formula that will fund every occupied place in special schools, special academies and our placements in independent special schools at £4,000. On a positive note then, although allocated on a lagged basis, where we increase our places in our special schools, our HNB formula allocation will grow undampened e.g. 360 places = £1.44m.
 - c) However, we have the ability to alter the starting positions of the Blocks through an updated re-baseline exercise, which may help us i.e. we can start the NFF change using either the 2016/17 baseline or our updated spending based on our 2017/18 DSG allocation. This will be important for us if we move a sizeable sum from the Schools to the High Needs Block in 2017/18. This will have the effect of reducing the protection in the Schools Block in favour of increasing the baseline of the High Needs Block at April 2018. The Schools Forum will consider this on 11 January.
- 4) The NFF is basically doing what we expected it to, which is to transfer monies from the Schools Block into the High Needs Block. We expected this from our analysis of our spending positions and how our distribution of pupils with SEND is different from that in other authorities. As a quick reminder, roughly benchmarking the number of specialist places funded by our High Needs Block evidences that we have significantly fewer funded places in discrete specialist settings than found in other authorities. In relation to 0-19 population, Bradford's DSG funds 1 SEND place in Bradford-located settings for every 116 young people. The national average is 1 for every 83; on this basis Bradford has 518 fewer places proportionately than the national average. Based on 2015/16 data.

The scale of loss in the Schools Block is not as great as feared only due to the damping effect of the 3% protection factor. The scale of gain in the High Needs Block is lower than we hoped because of the 50% historic spending damping.

- 5) This change begins at April 2018. Nothing announced on 14 December directly affects the DSG budget position for 2017/18.
- 6) The Local Authority, as previously announced, will 'lose the control' of the Schools Block formula funding from April 2019. The Authority will continue to have responsibility for the management of the High Needs, Early Years and Central Schools Blocks. This means that we will continue to set the formulae and distribution of funding in

each of these areas, albeit under tight regulatory restrictions. It appears that the Schools Forum will still have a role on the future, but its position and membership is to be reviewed.

- 7) The DfE has allocated a new Strategic SEN Grant, through which Bradford is allocated £232,000 (1.2% of the national value). The purpose of this is to enable local authorities to identify capacity through which to strategically review their SEND and Alternative provisions.
- 8) Pupil Premium is set to continue on a cash flat basis as a separate grant.
- 9) The Education Services Grant Retained Duties element will form part of the new Central Schools Block. It is estimated that we may be a marginal gainer out of this Block (+£0.2m). This means we may have more budget available e.g. for admissions and for other statutory duties. However, any gain will be eroded if the DfE does not match the growth in cost year on year of copyright licensing. We also identify that the way the DfE is proposing to apply transitional protections in this Block may cause us problems.
- 10) De-delegation back to the centre is still expected to cease at April 2019.
- 11) Please note that the figures quoted for the Schools Block in this note exclude the funding of 7 establishing schools, where the DfE has not yet provided modelling data. Our Schools Block loss will be greater than £5.7m as we would expect these 7 schools to lose.

Summary – Main Areas of Challenge

1) Schools Block:

- a) The size of the un-dampened loss, especially in primary school budgets.
- b) Any risk to the permanence of the 3% protection damping factor.
- c) The lack of response to the growth in costs in real terms (this is the major financial problem in all schools across 2016-2020). For clarity, this is not a formula issue. It is an issue that is arising as a result of the quantum of education funding falling behind as costs (of salaries and services) increase.
- d) The lack of available headroom that will be present in Bradford's 2018/19 Schools Block position (and the requirement to move to NFF at April 2018 – see 2c below).
- e) The adequacy of the funding of in year pupil numbers growth with this being based on the spend level in the previous year.

2) High Needs Block:

- a) That damping halves our gain from £16m to £8m and that there is no view about whether / when this damping will be lifted.
- b) Our planned 2017/18 HNB spending level already exceeds what our dampened NFF HNB allocation will be at 2022/23. Our spending position is set to further increase across 2018-2023. It does not appear that the DSG HNB will be sufficient to cover this.
- c) Because we are a loser in the Schools Block, we will need to implement the NFF for our schools and academies in 2018/19 (because we will not be allocated the Schools Block funding to do anything else). Even though there is some flexibility for the Schools Block budget to be transferred to the High Needs Block from April 2018, we will not have the money to do so. In effect then, 2017/18 is the final time we will be able to transfer significant sums to support High Needs Block pressures. Where we do this, we will improve our HNB resources but at the cost of reducing the protection that will be provided for individual school budgets from April 2018.

3) Central Schools Block:

- a) That the modest gain in this Block (£0.2m) will be eroded if the DfE does not match the growth in cost year on year of copyright licensing.
- b) That the DfE's proposed transitional implementation measure actually appears to reduce our on-going funding rather than increase it over the transitional period!

Some More Detail about the Schools Block

The extract 1 below gives a more detailed analysis of the differences in formula factor values in the NFF compared against Bradford's 2016/17 formula. This highlights how allocations differences are being generated.

Schools Block Factor Variable Values	Prim		Sec	
	Bfd 16/17	£ Diff	Bfd 16/17	£ Diff
	Base APP	2,871	-160	
Base APP KS3			4,139	-341
Base APP KS4			4,257	55
Lump Sum	175,000	-65,000	175,000	-65,000
Deprivation - FSM Ever 6	1,055	-515	956	-171
Deprivation - FSM	0	440	0	440
Deprivation IDACI A	1,016	-441	1,328	-518
Deprivation IDACI B	831	-411	1,087	-487
Deprivation IDACI C	646	-286	845	-330
Deprivation IDACI D	554	-194	725	-210
Deprivation IDACI E	462	-222	604	-214
Deprivation IDACI F	369	-169	483	-193
EAL	198	317	1,192	193
SEN Attainment	241	809	494	1,056

The extract 2 below gives a detailed analysis of the cash differences by formula factor NFF vs. Bradford's current formulae in 2016/17. It also shows the number and % of schools on the 3% protection factor.

Analysis of Areas of Loss and Gain in NFF / Reliance on 3% Protection

Uses 2016/17 NFF vs. 2016/17 base (including MFG)

	Primary	Secondary	All Through	Total
AWPU	-8,475,692	-4,240,400	-360,459	-13,076,551
Deprivation FSM	-4,535,140	627,152	-8,677	-3,916,666
Deprivation IDACI	-7,336,057	-3,585,332	-288,609	-11,209,998
Pupil Mobility	0	0	0	0
SEN Prior Attainment	17,361,687	7,907,349	531,303	25,800,339
EAL	3,863,243	178,757	82,240	4,124,240
Lump Sum	-10,140,000	-1,625,000	-130,000	-11,895,000
PFI	0	78,622	0	78,622
Rates	0	0	0	0
Split Sites	0	0	0	0
Area Cost Adjustment	33,711	22,463	1,488	57,662
High Needs Block Transfer (DSP and ARC Places)	-318,218	-706,880	0	-1,025,098
Sub Total	-9,546,467	-1,343,269	-172,714	-11,062,450
Minimum Funding Guarantee / Ceiling	-15,716	-1,557,647	0	-1,573,363
3% Protection	4,910,274	1,860,948	0	6,771,223 **
Grand Total	-4,651,908	-1,039,968	-172,714	-5,864,590
Value of Loss Without the 3% Protection	-9,562,183	-2,900,916	-172,714	-12,635,813 ***
Grand Total loss Figure from DfE Modelling	-4,492,000	-1,022,000	-167,000	-5,681,000
Importance of the 3% Protection factor	No.	%		
Number of primary schools on the 3%	118	75.6%		
Number of secondary schools on the 3%	6	24.0%		
Number of all through schools on the 3%	0	0.0%		
Totals	124	67.8%		

PLEASE NOTE THERE ARE 7 SCHOOLS NOT INCLUDED IN THE DfE'S ANALYSIS YET (ESTABLISHING SCHOOLS)

The 2nd stage consultation document provides clear pointers to the DfE's guiding aims in setting out the new NFF:

- Increasing the focus on the pupil-led basis of funding i.e. funding follows the pupil. This is behind an increase in the proportion of funding allocated via the Age Weighted Pupil Unit (AWPU) with a reduction in the value of the lump sum.
- Ensuring a consistent and minimum value of basic funding for all schools.
- Restricting the ways in which monies can be managed centrally or 'top sliced', seeking to ensure maximum delegation to schools. Seeking to move Council services onto a traded basis within a competitive market place.
- Maintaining the current overall weighting of funding between the primary and secondary phases (secondary weighting of 1:1.29). The DfE sees that there is no current evidence base on which to change this weighting (there is no evidence that a change in the weighting will deliver improvement in pupil outcomes).
- Maintaining a very significant weighting of funding towards supporting children with additional educational needs (AEN), but placing a greater emphasis in the distribution of these monies between schools on measures of low attainment and English as an Additional language (EAL), with a corresponding decrease in the weighting for deprivation measures (FSM and Income Deprivation Affecting Children Index). In this, the NFF will work alongside the continuing sizeable (£36m for Bradford) Pupil Premium Grant, which is a grant that is mostly allocated on the basis of deprivation (FSM).

- Targeting the 'Just About Managing'. The greater emphasis on low attainment, as well as the reduced emphasis on the IDACI deprivation measure helps to target funding more to this group, with a corresponding reduced weighting towards schools with the greater proportions of children from more deprived backgrounds.
- Continuing to recognise that the mobility of pupils is an issue in schools affecting both costs and educational outcomes.

The extracts on the previous page show for Bradford that:

- The majority of formula variable rates under the NFF are lower than current rates in Bradford (extract 1). This is related to our current higher weighting of funding in the Schools Block vs. the High Needs Block. Please see paragraph 4. Our net total undamped loss of £12.6m (extract 2) is driven by a loss of £27.4m in base funding factors (mainly the AWPU and the lump sum). This is money coming out of all schools, with the impact of the reduction in lump sum being felt more in smaller schools.
- There is a continued very significant emphasis in the NFF on additional educational needs (AEN). This emphasis is in fact greater than Bradford's existing spend weighting. Extract 2 shows that, within a total undamped loss of £12.6m, our funding on AEN factors will actually increase by £14.8m.
- Within the suite of AEN factors however, a lower weighting is given to the deprivation measures (FSM and IDACI). It is assumed that the DfE's rationale is that the separate Pupil Premium (which is focused on FSM) will continue to target funding to this group.
- Within the suite of AEN factors, a greater emphasis is given to SEN low attainment and English as an Additional Language (EAL), which are weighted significantly higher than in Bradford's current formula. This change in emphasis redistributes monies identified for supporting children with SEN across schools in the District.
- That the negative impact of the undamped NFF proposals is very significant (a £12.6m loss) and that this impact is greater for the primary phase. The primary phase has a greater reliance on the 3% protection factor. A major reason for this is the reduction of the value of the lump sum factor. There is a correlation between the scale of reliance on the 3% and size of school. Another key reason is the overall NFF secondary to primary weighting, which is set at 1:1.29. We have indicated previously that, when we look at the primary to secondary funding ratio at the level of formula funding, our spending on secondary schools is proportionately lower than the national position and the NFF follows this.

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National Funding Formula – Draft Responses to the 2nd Stage Consultation

Please note that there are 2 separate consultations & responses (with some overlap and repetition)

a) Main National Funding Formula proposals

b) High Needs Funding Reform proposals

a) Main National Funding Formula Proposals

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Yes

No

Please explain your reasoning and any further evidence we should take into account:

A National Funding Formula that does not build into its construction growth in real terms for inflation and employer's costs, and which therefore, locks in an insufficiency of funding of schools that will continue to grow over the next 3 to 5 years; an estimated £44m 'shortfall' within Bradford's DSG by 2020, cannot be said to support stability. We understand that this is an issue of the size of the overall funding envelop not an issue specifically concerning the technical construct of the Formula. However, it is an overarching influencer of views about the fairness of what is being proposed.

In terms of technical construct, we agree with the general principle of protecting all parts of the DSG system, separately, against immediate and then unreasonable levels of total loss.

We are specifically pleased to see that it is now proposed that the National Funding Formula will include a pupil mobility factor.

However, we argue that the damping within the High Needs Block, the 0% floor combined with the 50% historical spending factor, over a medium term period, is excessive and will delay for too long the additional High Needs Block funding that authorities, like Bradford, critically need in order to re-shape and create new provisions to meet demand over the next 3 to 5 years. Such a level of damping hampers our transition.

We agree that a 3% funding floor, alongside a minus 1.5% annual Minimum Funding Guarantee, does achieve a reasonable balance within the Schools Block. This is not said because we agree that we are currently 'overfunded'. This is said with the understanding that, because we have taken decisions previously to distribute more of our 'high needs' monies into our Schools Block, we expected under National Funding Formula for a proportion to be 'transferred' back to our High Needs Block. In the light of responses of others to the proposals that have been recorded in the Press, we wish to make the point again that the comparative current rates of per pupil funding that are quoted (as a rationale for change) are misleading in that we do not see that these comparisons factor in where a local authority currently spends more of its High Needs Block resources in the Schools Block because of its distribution of children with SEND. Put simply, because Bradford has been a very inclusive authority, a larger number of children with SEND are educated in mainstream settings (funded by the Schools Block primary / secondary formula) and we currently have fewer places in specialist provisions (funded by the High Needs Block) than in other authorities. It is incorrect to conclude that our rates of funding in the Schools Block are 'unfairly' higher than in other authorities; we are simply allocating more of our High Needs funding in the Schools Block because

this is where a greater number of higher cost (and higher funded) children are currently educated. We are concerned that the DfE, in setting the final weightings of funding factors in the Schools Block, does not bend to incorrect assertions that Bradford's schools have up to this point been unfairly overfunded and should lose a greater amount on current levels because of this.

Our analysis indicates that the 3% floor in Bradford mainly supports the funding gap that is created for smaller schools from the proposal to set a low value of lump sum at £110,000. This is £65,000 lower than Bradford's current value. The proposal to set the lump sum at £110,000 does not provide stability for our smaller schools where the 3% floor does not exist. As this is such a significant element of what is being proposed, we would now not expect the DfE to remove or reduce this protection. We continue to argue more fundamentally however, that the lump sum should be set at a value no lower than £175,000 for primary schools.

In the context of the interplay between the Schools and High Needs Blocks, it is critical to our re-shaping of provisions that, as our Schools Block funding reduces our High Needs Block funding increases and that we receive the full amount of additional High Needs Block monies as quickly as possible. We model that our damped loss (of £5.7m) in the Schools Block will take 2 financial years to be completed. However, our damped gain of £8m in the High Needs Block is likely to take 5 years. Firstly then, there is a mismatch in the speed of transition, which is detrimental to our creation of new high needs provision over the next 3 to 5 years. Secondly, the proposed High Needs Block formula, undamped, would allocate an additional £16m to Bradford and there is no timescale set out for the full allocation of this.

We do understand that, whilst we are 'losing' from damping in the High Needs Block, we are benefiting from damping in the Schools Block. However, we argue that it is unreasonable that 50% of our High Needs Block gain is not yet proposed to be allocated, especially when, as we are losing in the Schools Block, we will not have the 'headroom' to be able to consider transferring monies into the High Needs Block in future years. We argue that the 0% cash floor and a 50% historic spend element combine provide an excessive level of protection in the High Needs Block over a medium term period. Such a level of protection is only defensible in the first year of implementation. We argue that these protections should be lifted incrementally year on year so that the undamped formula allocations are fully allocated within a maximum of 5 years.

We also argue that critical to fairness is the cessation of the 'separate' funding of high needs places in free schools outside the DSG. All high needs places should be funded from the same source so that there is a level playing field for local authorities.

2. Do you support our proposal to set the primary to secondary ratio in line with the current national average? We have decided that the secondary phase should be funded, overall, at a higher level than primary, after consulting on this in stage one. We are now consulting on how great the difference should be between the phases. The current national average is 1:1.29, which means that secondary pupils are funded 29% higher overall than primary pupils.

- Yes**
- No – the ratio should be closer (i.e. primary and secondary phases should be funded at more similar levels)
- No – the ratio should be wider (i.e. the secondary phase should be funded more than 29% higher than the primary phase)

Please explain your reasoning and any further evidence we should take into account:

We agree with the DfE's view that this 'building block' decision must be guided by evidence of impact on educational outcomes as well as evidence for the differential in the costs of provision between phases ('activity-led'). This ratio should be reviewed on a regular basis, especially for major policy decisions that significantly affect these cost bases.

However, we identify that the primary phase's negative view of this proposal is amplified, in Bradford, by the proposal for the low value of the lump at £110,000, and as the real terms value of funding is eroded. Both these issues must be addressed.

3. Do you support our proposal to maximise pupil-led funding? We are proposing to maximise the amount of funding allocated to factors that relate directly to pupils and their characteristics, compared to the factors that relate to schools' characteristics. We propose to do this by reducing the lump sum compared to the current national average (see question 7 on the lump sum value).

- Yes
- No - you should further increase pupil-led funding and further reduce school-led funding
- No - you should keep the balance between pupil-led and school-led funding in line with the current national average
- No - you should increase school-led funding compared to the current national average**

Please explain your reasoning and any further evidence we should take into account:

As we have set out in responses to previous questions, we argue that the lump sum should be set at a value no lower than £175,000. We identify that this is higher than the current national average. We believe however, that this is a reasonable level of lump sum, balancing the need to support smaller schools, that are not eligible for the sparsity factor but that are still essential in maintaining a sufficiency of places, with fixed costs whilst encouraging efficiencies and allowing the majority of funding to follow the pupil. This is especially important as the real terms value of funding continues to be eroded and the financial positions of smaller schools are significantly stretched.

4. Within the total pupil-led funding, do you support our proposal to increase the proportion allocated to the additional needs factors? Of the total schools block funding, 76% is currently allocated to basic per-pupil funding (AWPU) and 13% is allocated to the additional needs factors (deprivation, low prior attainment and English as an additional language). The formula will recognise educational disadvantage in its widest sense, including those who are not eligible for the pupil premium but whose families may be only just about managing. It increases the total spent on additional needs factors compared to the funding explicitly directed through these factors in the current system. We are therefore proposing to increase the proportion of the total schools block funding allocated to additional needs factors to 18%, with 73% allocated to basic per-pupil funding.

- Yes**
- No – allocate a greater proportion to additional needs
- No – allocate a lower proportion to additional needs

Please explain your reasoning and any further evidence we should take into account:

Although we have some comments about the distribution of additional educational needs (AEN) monies under the National Funding Formula, we strongly support the proposal to increase the proportion of spending on AEN, in particular the focus on EAL and low attainment.

Supporting the needs of vulnerable learners must be placed at the heart of the new funding system. We agree that a National Funding Formula, which allocates consistent amounts of funding for pupils with the same levels of need, removing the 'postcode lottery', is fair. However, also critical to fairness is that the correct weighting (uplift) is applied to the funding of pupils with additional educational needs, recognising in particular the clear correlation between levels of deprivation, lower pupil outcomes and higher costs.

Our formula development work has always concluded that a combination of pupil-led and area-based factors are more effective in measuring pupil-need than using only one type of measure in isolation.

5. Do you agree with the proposed weightings for each of the additional needs factors?

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Deprivation - pupil based at 5.5%

Please explain your reasoning and any further evidence we should take into account:

We identify that the proposals seek to align AEN funding within the schools' formula with the deprivation (and FSM) focused Pupil Premium Grant.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Deprivation - area based at 3.9%

Please explain your reasoning and any further evidence we should take into account:

Area-based measures enable a weighting of funding to schools with higher proportions of children from more deprived backgrounds. We identify that the schools' formula as currently proposed does re-distribute deprivation-focused funding away from these schools. In this regard then, we would welcome a higher weighting being given to the area-based measure in the schools' formula. However, we can see how the different AEN measures currently proposed do fit together.

We strongly prefer the school's formula to use the full Index of Multiple Deprivation measure, rather than IDACI. This is a point we have made in our responses to previous consultations. Prior to April 2013, we used the IMD as a more comprehensive measure of the full extent of pupil need from deprivation. The refresh of IDACI at 2015 indicates that Bradford's rank of deprivation vs. other local authorities is broadly comparable with that measured by IDACI 2010. IMD 2015 however, indicates that Bradford's pupils are comparatively more deprived than measured by IMD 2010.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Low prior attainment at 7.5%

Please explain your reasoning and any further evidence we should take into account:

We welcome the increased focus on the funding of low attainment. We support the view that this specifically targets funding where it is currently needed in schools and also helps to support the delivery of funding for children with special educational needs. However, we have some reservations about the robustness / volatility of this measure going forward and also the 'perverse incentive' arguments. We are concerned that schools will see over the medium term life of the formula the loss of the targeted funding that enabled the raising of standards in the first place. As such, we would see that the specific impact of this new additional focus of AEN funding on this measure must be reviewed on a regular basis.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

English as an additional language at 1.2%

Please explain your reasoning and any further evidence we should take into account:

We welcome the increased focus on the funding of EAL.

6. Do you have any suggestions about potential indicators and data sources we could use to allocate mobility funding in 2019-20 and beyond? We have decided to include a mobility factor in the national funding formula, following the first stage of consultation. This will be based on historic spend for 2018-19, while we develop a more sophisticated indicator. We would welcome any comments on potential indicators and data sources that could be a better way of allocating mobility funding in future.

The most convenient data source is the school's census and both in year and longer term stability can be measured from this data. For example, we have previously used census information (year groups and entry dates) to calculate a 'stability' measure for each school, measuring the % of children in a school's year 2, year 6, year 9 and year 11, that were present in that school at the start of the relevant key stage. We used this in our local funding formula for a number of years. We have also previously looked at using census information to calculate a turbulence rate based on the calculated volume of starters and leavers during the school year.

7. Do you agree with the proposed lump sum amount of £110,000 for all schools? This factor is intended to contribute to the costs that do not vary with pupil numbers, and to give schools (especially small schools) certainty that they will receive a certain amount each year in addition to their pupil-led funding.

Allocate a higher amount This is about the right amount **Allocate a lower amount**

Primary

Allocate a higher amount This is about the right amount **Allocate a lower amount**

Secondary

Please explain your reasoning and any further evidence we should take into account:

As we have set out in responses to previous questions, we argue that the lump sum should be set at a value no lower than £175,000.

8. Do you agree with the proposed amounts for sparsity funding of up to £25,000 for primary and up to £65,000 for secondary, middle and all-through schools? We have decided to include a sparsity factor to target extra funding for schools that are small and remote. We are proposing that this would be tapered so that smaller schools receive more funding, up to a maximum of £25,000 for primary schools and £65,000 for secondary schools.

Allocate a higher amount **This is about the right amount** Allocate a lower amount

Primary

Allocate a higher amount **This about the right amount** Allocate a lower amount

Secondary

Please explain your reasoning and any further evidence we should take into account:

Bradford's schools are not eligible for sparsity funding and, as such, we have no direct comments. However, the uplift of the main lump sum factor to £175,000 would reduce reliance and complication in this area.

9. Do you agree that lagged pupil growth data would provide an effective basis for the growth factor in the longer term? The growth factor will be based on local authorities' historic spend in 2018-19. For the longer term we intend to develop a more sophisticated measure and in the consultation we suggest the option of using lagged pupil growth data. We will consult on our proposals at a later stage, but would welcome any initial comments on this suggestion now.

Yes

No

Please explain your reasoning and any further evidence we should take into account:

We are recording a 'no', but really we need to see more detailed proposals in order to form a view.

If the intention is for growth funding to be allocated directly to schools and academies as part of the National Formula, but on a lagged basis, there would need to be a change in expectation in schools regarding the real time allocation of money and certainly there would be cash flow and budget overspend issues to resolve. There is a need for continued allocation of growth funding in real time to avoid these difficulties, whether this is allocated directly by National Funding Formula (on estimates, which are then reconciled retrospectively) or allocated by local authorities from a centrally managed pot who are then reimbursed.

10. Do you agree with the principle of a funding floor? To ensure stability we propose to put in place a floor that would protect schools from large overall reductions as a result of this formula. This would be in addition to the minimum funding guarantee (see question 13).

- Yes
- No

Please explain your reasoning and any further evidence we should take into account:

We agree with the principle of protecting all parts of the DSG system, separately, against unreasonable levels of total loss.

We agree that a 3% funding floor, alongside a minus 1.5% annual Minimum Funding Guarantee, does achieve a reasonable balance within the Schools Block.

However, our analysis indicates that the 3% floor in Bradford mainly supports the funding gap that is created for smaller primary schools from the proposal to set a low value of lump sum at £110,000. This is £65,000 lower than Bradford's current value. The proposal to set the lump sum at £110,000 does not provide stability for smaller schools where the 3% floor does not exist. As this is such a significant element of what is being proposed, we would now not expect the DfE to either remove or reduce this protection. We continue to argue more fundamentally however, as we have done in previous responses, that the lump sum should be set at a value no lower than £175,000 for primary schools.

11. Do you support our proposal to set the funding floor at minus 3%? This will mean that no school will lose more than 3% of their current per-pupil funding as a result of this formula.

- Yes
- No – the floor should be lower (i.e. allow losses of more than 3% per pupil)
- No – the floor should be higher (i.e. restrict losses to less than 3% per pupil)

Please explain your reasoning and any further evidence we should take into account:

We agree that a 3% funding floor, alongside a minus 1.5% annual Minimum Funding Guarantee, does achieve a reasonable balance within the Schools Block.

12. Do you agree that for new or growing schools (i.e. schools that are still filling up and do not have pupils in all year groups yet) the funding floor should be applied to the per-pupil funding they would have received if they were at full capacity? We believe that, to treat growing schools fairly, the funding floor should take account of the fact that these schools have not yet filled all their year groups.

Yes

No

Please explain your reasoning and any further evidence we should take into account:

We agree as this approach will prevent locking in a distorted level of per pupil funding.

We would welcome clarification on how the 3% floor will be applied to a new school that is created from the amalgamation of 2 schools (with the closure of 1 of these schools). We would expect the values of 3% floor protection to be carried forward to the new school in this circumstance.

13. Do you support our proposal to continue the minimum funding guarantee at minus 1.5%? The minimum funding guarantee protects schools against reductions of more than a certain percentage per pupil each year. We are proposing to continue the minimum funding guarantee at minus 1.5% per pupil per year.

Yes

No – the minimum funding guarantee should be lower (i.e. allow losses of more than 1.5% per pupil in any year)

No – the minimum funding guarantee should be higher (i.e. restrict losses to less than 1.5% per pupil in any year)

Please explain your reasoning and any further evidence we should take into account:

We agree that a 3% funding floor, alongside a minus 1.5% annual Minimum Funding Guarantee, does achieve a reasonable balance within the Schools Block.

14. Are there further considerations we should be taking into account about the proposed schools national funding formula?

A National Funding Formula that does not build into its construction growth in real terms for inflation and employer's costs, and which therefore, locks in an insufficiency of funding of schools that will continue to grow over the next 3 to 5 years; an estimated £44m 'shortfall' within Bradford's DSG by 2020, cannot be said to be fair and cannot be said to support stability. This is an overarching influencer of views, nationally, about the fairness of what is being proposed, even though the way that the schools' formula has been technically constructed has been well thought through.

We would strongly prefer the school's formula to use the full Index of Multiple Deprivation measure, rather than IDACI. This is a point we have made in our responses to previous consultations. Prior to April 2013, we used the IMD as a more comprehensive measure of the full extent of pupil need from deprivation. The refresh of IDACI at 2015 indicates that Bradford's rank of deprivation vs. other local authorities is broadly comparable with that measured by IDACI 2010. IMD 2015 however, indicates that Bradford's pupils are comparatively more deprived than measured by IMD 2010.

15. Do you agree that we should allocate 10% of funding through a deprivation factor in the central school services block?

- Yes
- No - a higher proportion should be allocated to the deprivation factor**
- No - a lower proportion should be allocated to the deprivation factor
- No - there should not be a deprivation factor

Please explain your reasoning and any further evidence we should take into account:

We argue that a greater weighting should be applied though a deprivation factor, combined with a mobility measure, especially as the Education Services Grant is now transferred into the DSG.

We would see that the proportion allocated for deprivation / mobility within the Central Schools Block should be equivalent to the weighting given to the suite of AEN factors within the schools' formula, which is 12.9%.

16. Do you support our proposal to limit reductions on local authorities' central school services block funding to 2.5% per pupil in 2018-19 and in 2019-20?

- Yes**
- No - allow losses of more than 2.5% per pupil per year
- No - limit reductions to less than 2.5% per pupil per year

Please explain your reasoning and any further evidence we should take into account:

We agree with the principle of protecting all parts of the DSG system, separately, against immediate levels of loss.

However, we are concerned with the methodology that is proposed to be used to calculate transitional floors and ceilings, specifically in the assumptions that are made on the proportion of current spending that relates to historic commitments. In our work through of this, we believe that, although we gain in the Central Schools Block, under transition, our allocation will actually be lower than the proportion of our current spend that is related to on-going activities. We would welcome clarification on how transition will work and how information on historic commitments spending will be collected and will inform the formula on which the floors and ceilings will be calculated. We expect that the calculation of floors and ceiling closely aligns with the actual split between historic commitments and on-going functions, rather than this being based on a blanket 'assumed formula'.

17. Are there further considerations we should be taking into account about the proposed central school services block formula?

We argue that the Central Schools Block should also include funding on the basis of mobility / migration / places growth, as this is major influencer of the cost of the delivery of the admissions and place planning functions. A formula that does not recognise mobility and population growth this will not fund Bradford fairly for its statutory responsibilities.

We are also concerned about the erosion in the real terms value of the Central Schools Block, especially where the cost of Copyright Licensing significantly increases.

b) High Needs Funding Reform Proposals

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Yes

No

A National Funding Formula that does not build into its construction growth in real terms for inflation and employer's costs, and which therefore, locks in an insufficiency of funding of schools and the High Needs Block that will continue to grow over the next 3 to 5 years; an estimated £44m 'shortfall' within Bradford's total DSG by 2020, cannot be said to support stability. We understand that this is an issue of the size of the overall funding envelop not an issue specifically concerning the technical construct of the Formula. However, it is an overarching influencer of views about the fairness of what is being proposed.

In terms of technical construct, we agree with the general principle of protecting all parts of the DSG system, separately, against immediate and then unreasonable levels of total loss.

However, we argue that the damping within the High Needs Block, the 0% floor combined with the 50% historical spending factor, over a medium term period, is excessive and will delay for too long the additional High Needs Block funding that authorities, like Bradford, critically need in order to re-shape and create new provisions to meet demand over the next 3 to 5 years. Such a level of damping hampers our transition.

In the context of the interplay between the Schools and High Needs Blocks, it is critical to our re-shaping of provisions that, as our Schools Block funding reduces our High Needs Block funding increases and that we receive the full amount of additional High Needs Block monies as quickly as possible. We model that our damped loss (of £5.7m) in the Schools Block will take 2 financial years to be completed. However, our damped gain of £8m in the High Needs Block is likely to take 5 years. Firstly then, there is a mismatch in the speed of transition, which is detrimental to our creation of new high needs provision over the next 3 to 5 years. Secondly, the proposed High Needs Block formula, undamped, would allocate an additional £16m to Bradford and there is no timescale set out for the full allocation of this.

We do understand that, whilst we are 'losing' from damping in the High Needs Block, we are benefiting from damping in the Schools Block. However, we argue that it is unreasonable that 50% of our High Needs Block gain is not yet proposed to be allocated, especially when, as we are losing in the Schools Block, we will not have the 'headroom' to be able to consider transferring monies into the High Needs Block in future years. We argue that the 0% cash floor and a 50% historic spend element combine provide an excessive level of protection in the High Needs Block over a medium term period. Such a level of protection is only defensible in the first year of implementation. We argue that these protections should be lifted incrementally year on year so that the undamped formula allocations are fully allocated within a maximum of 5 years.

We argue that critical to fairness is the cessation of the 'separate' funding of high needs places in free schools outside the DSG. All high needs places should be funded from the same source so that there is a level playing field for local authorities.

We also argue that, to achieve consistency and fairness with the national schools' formula, the High Needs Block national formula should specifically recognise the cost of PFI arrangements for high needs providers and that this should increase by RPIX each year. Bradford's High Needs Block currently meets a £0.7m annual cost related to our special schools.

2. Do you agree with the following proposals?

Allocate a higher proportion The proportion is about right **Allocate a lower proportion**

Historic spend factor -
To allocate to each local authority a sum equal to 50% of its planned spending baseline

Please explain your reasoning and any further evidence we should take into account:

We argue that the 0% cash floor and a 50% historic spend element combine provide an excessive level of protection in the High Needs Block over a medium term period. Such a level of protection is only defensible in the first year of implementation. We argue that these protections should be lifted incrementally year on year so that the undamped formula allocations are fully allocated within a maximum of 5 years.

Allocate a higher amount **This is about the right amount** Allocate a lower amount

Basic entitlement - To allocate to each local authority £4,000 per pupil

Please explain your reasoning and any further evidence we should take into account:

No additional comments.

3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Population – 50%

Please explain your reasoning and any further evidence we should take into account:

No additional comments.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Free school meals (FSM) eligibility – 10%

Please explain your reasoning and any further evidence we should take into account:

No additional comments.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Income deprivation affecting children index (IDACI) – 10%

Please explain your reasoning and any further evidence we should take into account:

We would strongly prefer the school's formula to use the full Index of Multiple Deprivation measure, rather than IDACI.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Key stage 2 low attainment – 7.5%

Please explain your reasoning and any further evidence we should take into account:

No additional comments.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Key stage 4 low attainment – 7.5%

Please explain your reasoning and any further evidence we should take into account:

No additional comments.

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Children in bad health – 7.5%

Please explain your reasoning and any further evidence we should take into account:

Allocate a higher proportion **The proportion is about right** Allocate a lower proportion

Disability living allowance (DLA) – 7.5%

Please explain your reasoning and any further evidence we should take into account:

No additional comments.

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document.

- Yes
 No

Please explain your reasoning and any further evidence we should take into account:

Yes, however, we argue that the 0% cash floor and a 50% historic spend element combine provide an excessive level of protection in the High Needs Block over a medium term period. Such a level of protection is only defensible in the first year of implementation. We argue that these protections should be lifted incrementally year on year so that the undamped formula allocations are fully allocated within a maximum of 5 years.

5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

- Yes
 No

Please explain your reasoning and any further evidence we should take into account:

We argue that the 0% cash floor and a 50% historic spend element combine provide an excessive level of protection in the High Needs Block over a medium term period. Such a level of protection is only defensible in the first year of implementation. We argue that these protections should be lifted incrementally year on year so that the undamped formula allocations are fully allocated within a maximum of 5 years.

6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

- Yes
 No

Please explain your reasoning and any further evidence we should take into account:

We agree with the principle of this. However, it needs to be understood that, as we are losing in the Schools Block under national funding formula proposals, we will not have the 'headroom' to be able to consider transferring monies into the High Needs Block in future years (we have 67% of schools on the 3% floor and an expected 80% of schools on the MFG in the 1st year). This is a key factor behind our argument about the excessive damping currently proposed in the High Needs Block over the medium term. Release of damping in the High Needs Block is the only way we will effectively financial transition and new places creation. Having the flexibility to move money from the Schools Block is not a solution for a local authority that is losing so significantly in / is so reliant on the protections being put into the Schools Block.

7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond? We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but would welcome any initial comments now.

We do not believe that the level of flexibility should be prescribed in terms of values of %s, unless there is a clear process that will enable exception, where a local authority seeks to transfer larger sums. We would see the Schools Forum being important in agreeing such exceptions.

8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

We argue that critical to fairness is the cessation of the 'separate' funding of high needs places in free schools outside the DSG. All high needs places should be funded from the same source so that there is a level playing field for local authorities.

We also argue that, to achieve consistency and fairness with the national schools' formula, the High Needs Block national formula should specifically recognise the cost of PFI arrangements for high needs providers and that this should increase by RPIX each year. Bradford's High Needs Block currently meets a £0.7m annual cost related to our special schools.

We would also ask that the complexity in the High Needs Block is reviewed, in particular around the position of funding of resourced provisions and the relationship with the October Census. Alongside the early years funding reform, from a local authority perspective, there is growing level of complexity and administration related to relatively small amounts of money within the DSG. This is a growing administrative burden on local authorities. We welcome the establishment of High Needs Block arrangements that simplify rather than over complicated existing arrangements.

To emphasise 2 critical points:

A National Funding Formula that does not build into its construction growth in real terms for inflation and employer's costs, and which therefore, locks in an insufficiency of funding of schools and the High Needs Block that will continue to grow over the next 3 to 5 years; an estimated £44m 'shortfall' within Bradford's total DSG by 2020, cannot be said to support stability.

We argue that the damping within the High Needs Block, the 0% floor combined with the 50% historical spending factor, over a medium term period, is excessive and will delay for too long the additional High Needs Block funding that authorities, like Bradford, critically need in order to re-shape and create new provisions to meet demand over the next 3 to 5 years. Such a level of damping hampers our transition. We argue that these protections should be lifted incrementally year on year so that the undamped formula allocations are fully allocated within a maximum of 5 years.

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SCHOOLS FORUM AGENDA ITEM

For Action

For Information

Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To provide an update on a number of matters related to the 2017/18 Dedicated Schools Grant.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the 2017/18 DSG across meetings held on 11 and 18 January 2017. The Forum considered the Social Impact Bond on 20 July 2016.

Background / Context

See the details for consideration below.

Details of the Item for Consideration

Short Updates on Various DSG Items (for Information)

The Executive proposed to Council on 23 February 2017 the School Forum's recommendations on the allocation of the 2017/18 DSG, unamended. These recommendations were ratified by Council. Detailed budget information, and guidance, were published for maintained schools and early years providers on 24 February. Prior to this, an illustrative National Funding Formula impact statement, based on 2017/18 data, was published for schools on Bradford Schools Online and was discussed at the Business Manager Forums.

Members may wish to raise for the Forum's attention any significant feedback that they have received directly on the 2017/18 DSG recommendations and / or budget information that has now been published.

The Education Funding Agency (EFA) has approved our Schools Block Pro-forma submission for 2017/18 (the primary and secondary funding formula).

We currently await final confirmation on the 2017/18 DSG allocation (High Needs Block).

We currently await details from the EFA of 2 key DSG exercises a) re-baselining of the 3 DSG Blocks for our 2017/18 spending position (incorporating the transfer of funding from the Schools to the High Needs Block) and b) validation of the value of the Maintained Nursery School Supplement. Both these exercises are expected to begin later in March.

We currently await the DfE's operational guidance related to the technical management of the extended 30 hours free entitlement to nursery provision for eligible parents. The Local Authority may need to revise its administrative process for the delivery of the Early Years Single Funding Formula in the light of this final guidance. We will provide guidance for settings.

The Early Years Working Group met on 2 February, in particular to outline the development of our funding of SEN inclusion at the early years stage. This work is progressing and recommendations will be presented back to the Schools Forum at a future meeting.

The reconciliation of one off monies, following the 2016/17 year end closedown, will be presented to the Schools Forum in July.

A position statement on the High Needs Block, the delivery of additional (interim) high needs places and other strategic review matters, will be provided to the Schools Forum in May. The DfE announced on 4 March additional special provision capital fund allocations, to be used by local authorities to develop provision for pupils with EHCPs. Authorities will be required publish a concise plan to show how they intend to invest their funding. The national pot value is £215m over 3 years (from 2018/19). Bradford will receive a total of £657,967; £219,322 a year for 3 years. Additional High needs Block benchmarking data has also been recently published by the DfE, which will be further investigated.

At the BACs Strategic Group meeting, to be held 20 March, the Local Authority will present and discuss the Forum's recommendation for the reduction in the direct High Needs Block funding for placements in alternative provisions for pupils without EHCPs. An update will be provided to the Schools Forum in May.

Details of the Item for Consideration

Social Impact Bond

The Schools Forum received a presentation on 20 July 2016 regarding a Social Impact Bond, which would finance a new Positive Behaviour Service to help young people with learning disabilities and behaviours that were at high risk of residential education and / or care entry to achieve better outcomes by supporting these young people to remain at home. It was explained that this will also help control the increase of / reduce the Council's spending on these placements. The education element of the cost of the Bond would be financed from the High Needs Block, but with savings achieved also benefiting this Block.

The minutes of the 20 July 2016 meeting record that the Schools Forum, "...gives its support, in principle, to the Council's application to enter into a Social Impact Bond, where a proportion of the contribution to the successful outcomes payments for the proposed service will be met from the High Needs Block as indicatively set out in the PowerPoint presentation...that the School Forum's final agreement on the detail of the Social Impact Bond (and funding from the High Needs Block) is subject to consideration of the confirmed Social Impact Bond contract."

An update on the position of the Bond, including the details of the final contract (that will now be published for tender), is provided in the bullet points below. Understanding that the Local Authority is the commissioner of High Needs Block funded activity (the Schools Forum is a consultative body), the Schools Forum has given its in principle approval already, and that the details of the contract are as presented to the Forum on 20 July 2016, the Authority will progress the procurement process as set out below.

- Work is proceeding to put a Positive Behavioural Support service in place in Bradford, to work with children and young people with learning disabilities and behaviours that challenge in order to prevent the needs for full-time residential placements out of the authority. The service model is for delivery to 14 children / young people over 6 years.
- Application to the Big Lottery was successful, so they will be contributing to the outcomes payments if the service is successful.
- The split of outcomes payments between commissioners will be Social Care 60%, Education 10% (DSG), Health (CCGs) 16%, Big Lottery 14%.
- The contract will be with a service provider, who will receive investment to deliver the service from a social investor. If the service is successful outcomes payments will be made by the commissioners, which will be used to repay the investment made in the service.
- Outcomes payments will be made if children / young people remain out of full-time residential care.
- A procurement process will be undertaken to identify the provider and investor partnership, the procurement route will include dialogue with potential partnerships. This dialogue will include discussion of the detail of the outcomes payments model, the precise detail of the model may change but the overall contract value and the maximum funding available for outcomes payments will not change.
- The maximum contribution from the High Needs Block will be £175k over 6 years; this is if the programme is completely successful. The anticipated spend is £160k over 6 years, based on expectations of the success level of the service. This was the figure that was presented to the Schools Forum on 20 July 2016.
- Referral / entry criteria to the service are being developed with professionals from SEN services, social care, health and schools to ensure that places on the programme are taken by children / young people who would be highly likely to enter full-time residential provision without the programme intervention.

Fisher Family Trust (FFT)

The minutes of the 18 January 2017 Forum meeting record, "Fisher Family Trust: continue de-delegation from the primary phase at the cost of subscription. The representatives of maintained primary schools agreed for the Chair and Vice Chair to work with officers to agree the final subscription option for the primary phase. Agreed not to de-delegate for this purpose from the secondary phase."

Following further discussion with FFT, it was clarified that the cost of subscription for all primary schools and academies in 2017/18 would be £20,900. The cost for subscribing just for maintained primary schools would be higher at £31,600, because FFT will not give such a discounted price. So value for money has indicated that we subscribe on behalf of all primary schools and academies and then ask academies to buy into this. This is the approach we have now followed, in agreement with the Chair and Vice Chair. An exercise is currently taking place to ask primary academies whether they wish to buy into this collective subscription (if they do not they will not have access). A reconciliation of actual cost to the primary phase de-delegated fund will take place once the number of primary academies buying into the collective arrangements has been confirmed and this will be reported to the Forum at a future meeting.

For the Forum's awareness, an exercise took place in January / February to ask secondary schools and academies whether they wished to come together to fund the collective purchase for this phase through the Authority.

Details of the Item for Consideration

Analysis of Primary Free School Meals Data

As part of the Forum's considerations in January, Members have asked for further analysis of how / why the level of deprivation as recorded by Free School Meals (FSM) in the October 2016 Census has reduced compared against October 2015 and previous years. Some outline analysis was provided to the Forum on 18 January. As a next step, the Forum asked specifically to see data that shows the extent of the difference in FSM% recorded for pupils in Year 6 vs. Reception.

This data is presented as part of an on-going conversation into the levels of deprivation that are recorded by FSM and the factors that are influencing this measure. The Council's Revenues and Benefits Department has informed that the number of applications across both primary and secondary phases remains fairly constant, but obviously this comes against the backdrop of a growing school population.

The table below shows the 'flat' FSM data recorded in the January 2017 Census vs. the January 2014 Census. It is a snapshot, which shows that the proportion of primary phase children being recorded as eligible for FSM has decreased overall over the last 3 years and that this decrease is greater in Reception and Key Stage 1.

FSM%	Jan 2017	Jan 2014	Diff
Reception	14.7%	21.7%	-7.0%
Key Stage 1	17.3%	23.0%	- 5.7%
Year 6	19.9%	22.2%	- 2.3%

Implications for the Dedicated Schools Grant (DSG) (if any)

As set out in the report (this is an item for information)

Recommendations

The Schools Forum is asked to consider and to note the information provided in the report.

List of Supporting Appendices / Papers (where applicable)

None

Contact Officer (name, telephone number and email address)

Andrew Redding, Business Advisor (Schools)
01274 432678
andrew.redding@bradford.gov.uk

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SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To provide Members an update on matters related to school and academy budgets. In particular, this report responds to the request made by Members at the last meeting for an interim update on the anticipated volume of conversions of maintained schools to academy status in Bradford and the likelihood of liabilities resulting from the conversion of schools holding deficit budgets.

Date (s) of any Previous Discussion at the Forum

The Schools Forum received a detailed report on school balances and implications of academy conversions on 18 May 2016 (Document GA).

Background / Context

The financial year runs from 1 April to 31 March. At the end of each financial year, maintained schools are required to 'closedown' their accounts and to finalise the values of balances held at this point. This information is forwarded to the DfE and is publicly published. The Authority's Deficit Budget Protocol is in place to manage maintained schools that hold (or forecast to hold) deficit revenue balances.

Maintained schools are permitted to carry forward surplus revenue balances. Currently, schools with revenue balances in excess of 4% (Secondary) or the greater of £60,000 or 6% (all other schools) of funding must comply with the Authority's Surplus Balances Protocol, which requires schools to assign the value of excess balances to spend on permitted schemes. With the School Forum's support, the Surplus Balances Protocol was reviewed (strengthened) during 2013.

Academies and Free Schools are responsible to the Education Funding Agency (the EFA) for their financial reporting and positions. As such, the Local Authority does not have a direct view of academy financial positions. The EFA sets monitoring and reporting requirements and has oversight of academy balances. A key 'intervention tool' used by the EFA is the issuance of a 'Financial Notice to Improve'. These Notices are posted on the EFA's website for public record / scrutiny.

Deficit budgets on the closure of a maintained school revert back to the Local Authority and may be charged to the DSG if de-delegated arrangements operate to enable this. Surplus balances are credited to the DSG. Any claw back of surplus balances from maintained schools through the Intended Use of Balances process increases the amount of funding available for the Schools Budget in the DSG.

On the conversion of a maintained school to academy status:

- A surplus balance (irrespective of the type of conversion) is transferred to the academy trust (so there is no benefit to the Local Authority nor the DSG).
- A deficit of a maintained school that is a 'converter' academy is also transferred to the academy trust (so there is no liability on the Local Authority nor the DSG).
- A deficit of a maintained school that is a 'sponsored' academy reverts back to the Local Authority and may be charged to the DSG if de-delegated arrangements operate to enable this.

Forum Members are reminded:

- That an identified sum of £0.65m is held within the DSG (within one off monies) to support the cost of the deficit of a secondary school converting to academy status.
- That within the recommendations that were agreed by Council on 23 February is the establishment of a new fund of £150,000 for deficit provision for sponsored conversions for the primary phase in 2017/18.
- Of the information that has previously been presented to the Schools Forum on how the Local Authority (School Funding Team) supports and challenges schools on their budget positions and works to identify and resolve issues early. The Authority also has published a detailed guidance document for schools, which sets out expectations in preparation for financial close on academy conversion.
- That the deadline for the submission of governor approved budgets for 2017-2020 from maintained schools is 15 May 2017. It is these submissions that give the Authority a clearer view of the position of school budgets.

Background / Context

- That the timing of conversion is an important factor in the potential for liability related to deficit budgets of sponsored academies. For example, a school that has an in year deficit budget in 2017/18, and converts on 1 September 2017, may respond to this in year, but savings from staffing restructure may only be implemented at the start of the new academic year. So, although the school's budget will balance in the full year, it is the academy's budget post 1 September that will benefit from these savings. The maintained school's budget may fall into cumulative deficit if the value of the school's balance held at the end of 2016/17 is not sufficient to meet the value of overspending in the first half of the year.
- That an update on the position of academy conversions is a standing item on School Forum agendas.
- That, as a result of expectations on the speed of academy conversions in Bradford, the Authority effectively ceased last year to offer the capital loans scheme to maintained schools, which is funded by the DSG reserve.
- That the Forum agreed on 20 July 2016 that, "a formal 'Panel' of Forum Members be established with the remit to discuss in detail the financial implications of academy conversions and requests for financial support from the DSG that may be made. That this Panel includes Members representing governors. That this Panel makes recommendations back to the full Schools Forum."
- That, following an initial 'scoping' meeting, the Panel recommended criteria that should be used in the consideration of requests that may be made to the Schools Forum for financial support related to academy conversion. The Forum agreed these criteria on 20 July.
- That the Schools Forum received a letter from Oastler School in July 2016, which asked for consideration of financial support for its deficit budget. The Forum's Panel met in the autumn term to consider this and asked for further information. A final recommendation from the Panel is to be presented to the Forum.
- Of the warnings previously given that the opportunity for liabilities to arise relating to deficit balances is greater due to the expected larger number of academy conversions and as budgets become tighter following the continued fall in the real terms value of funding. As reported to the Forum in January, the National Audit Office, in its report published in December 2016, has calculated an average 8.7% reduction in the value of school funding in real terms over the period 2016-2020. The Institute for Fiscal Studies (IFS), in its report published on 27 February 2017, has calculated that spending per pupil is expected to fall by 6.5% in real terms between 2015-16 and 2019-20 and that this will be first time schools have seen real terms cuts in spending per pupil since the mid 1990's. The IFS has also stated that 16-18 education has been the "biggest loser" from education spending changes over the last 25 years.

Details of the Item for Consideration

Financial Positions of Maintained Schools and Academy Conversions (interim update)

The following information is provided in advance of the final closedown of financial accounts for maintained schools for the 2016/17 financial year and receipt of 2017-2020 approved budgets. As such, this is an interim position statement. Further updates on confirmed figures will be provided in May (March 2016 balances) and July (2014/18 budget forecasts).

- Since February 2016, at time of writing this report, the Local Authority has completed the financial close of 13 maintained schools that have converted to academy status. None of these have closed with deficit budgets. A total of £1.90m of surplus balances has been paid across for these 13 conversions.
- The Local Authority is currently processing the financial closures of 24 maintained schools that have converted to academy, 4 of which are sponsored academies i.e. there have been 37 conversions of maintained schools to academy status in total between February 2016 and March 2017. There is risk of a small value of deficit in one of these 24 conversions (a primary sponsored academy). However, on current information, the other 23 schools will convert with surplus balances. We will continue to keep the Schools Forum informed about the position of these conversions.
- At 1 March 2017 we have 133 maintained schools. We have immediate sight of around 30 schools that are planning conversion / may convert / are likely to convert during 2017. The position is moving regularly. 5 of these 30 would potentially be regarded as sponsored academies. On current information, there is risk of a small value of deficit in one of the 5 potential sponsored conversions (a primary sponsored academy) and risk of a larger value of deficit in a secondary sponsored academy conversion.
- In terms of the financial positions of maintained schools generally, at March 2016 we had 6 maintained schools in deficit. At March 2017, we currently forecast that 10 maintained schools will be in deficit. 10 represents 7.5% of our total number of maintained schools. We are seeing a general reduction in the values of balances held by maintained schools. The schools that are still maintained held a net £15.2m surplus balance at March 2016 and are currently forecasting to hold a net £7.7m at March 2017. Although

Details of the Item for Consideration

we expect that the forecast of £7.7m is an underestimation, as schools have historically underestimated their balances in their prior-year end forecasts, this does identify that the values of balances are reducing. 71% of our schools forecast to have in year deficits in 2016/17 (where in year spending exceeds in year income and the school's budget is supported by the use of carry forward balances). The Schools Forum will receive a report about 2016/17 final balances; deficits and surpluses in May 2017 and a report on forecasted 2017/18 budget positions in July 2017.

2017-20 Budget Challenge (Update and highlight of 2 additional pressures)

The Forum has received information previously on the level of financial challenge that is created for schools from the reduction in the real terms value of funding as well as other significant changes in funding streams (including the ESG, National Funding Formula and reform of early years funding). The Local Authority has recently published detailed guidance to support maintained schools in their budget setting.

The vast majority of schools have so far taken quick and positive action to manage their budget positions. However, the profile of increasing cost pressures is such that the next 3 year period, 2017-2020, will be very financially challenging. Schools and academies may find that the action they have already taken and / or have agreed to take based on their indicative planning is not sufficient to deliver a balanced budget in 2017/18 or 2018/19. Critically, schools must look again in detail at their budgets, focusing especially on their 'in year' positions i.e. the extent to which their expenditure in year may exceed their in year income. On top of the general messages that have previously been reported to the Schools Forum, there are 2 additional headline changes affecting budget positions from April 2017 that are highlighted below:

- Schools, where applicable, must add into their budgets annually from April 2017 the cost of the Government's Apprenticeship Levy. The Levy accompanies new responsibilities to be placed on all public sector bodies (including schools and academies) for the development of apprenticeships. Please refer to the additional guidance available on Bradford Schools Online [here](#). All community and voluntary controlled maintained schools will be charged 0.5% of their monthly pay bills, on an on-going basis, beginning at April 2017. This is 0.5% on all pay that is subject to National Insurance. For example, a school with a monthly pay bill of £100,000 will be charged £6,000 a year (£100,000 x 12 months x 0.5%). For other types of maintained schools (voluntary aided, foundation and trust) and for academies, as the Council is not the employer, the applicability of the charge depends on the sizes of their individual pay bills. These schools should refer to the Government's guidance and discuss this further with their HR and payroll partners.
- All Bradford maintained schools must factor into their budgets, from April 2017, the increase from 14.2% to 17.5% in the employer's contribution (non-teaching staffing) to the West Yorkshire Pension Scheme as well as the anticipated additional annual lump sum payment to be made in 2017/18. Academies should discuss their positions directly with the WYPS. Schools will be aware of the changes that were implemented at April 2014 in the way employer's contributions to the Local Government Pension Scheme (West Yorkshire Pension Fund) are taken. For reminder, the value of employer's monthly contribution in 2013/14, prior to change, was 15.00%. This contribution reduced to 14.20% at April 2014 with schools being required to make instead a separate payment relating to the element of the contribution to support the deficit within the pensions fund calculated by the Actuary. As outlined in the letter to schools in June 2014, this separate payment covered the period up to the end of the 2016/17 financial year. The cost structure from April 2017 is:
 - As a result of tri-annual valuation, an increase in the monthly employer's contribution rate to 17.50% from 14.20%. This is a significant increase, which is the result of pensioners living longer and higher than expected pay growth. This will have a full year impact on school budgets in 2017/18. This 17.5% contribution is expected to remain for 2017/18, 2018/19 and 2019/20, with the next valuation for April 2020.
 - A lump sum payment, which we anticipate will be roughly a third of the £145,000 total payment to be made by the Council, relating to the fund deficit calculation. Although this means a much smaller value of lump sum payment than schools were charged in 2014/15 (£2.23m), reflecting good investment returns more recently, this payment only relates to 2017/18 and does not cover a 3 year period. The deficit position of the fund will now be reviewed on an annual basis and it is expected that annual lump sum payments will be made by schools at values at least the same as in 2017/18. Further information, including the value of lump sum charge for individual schools in 2017/18, and how this charge will be administered, will be published for schools early in the new financial year.

Implications for the Dedicated Schools Grant (DSG) (if any)

As set out in the report.

Recommendations

The Schools Forum is asked to consider and to note the information provided in the report.

List of Supporting Appendices / Papers (where applicable)

None

Contact Officer (name, telephone number and email address)

Andrew Redding, Business Advisor (Schools)

01274 432678

andrew.redding@bradford.gov.uk