

Report of the Assistant Director, Finance and Procurement to the meeting of the Executive to be held on 20 February 2018 and Council to be held on 22 February 2018.

Document BA

Subject:

Allocation of the Schools Budget 2018/19 Financial Year

Summary statement:

The report seeks Executive approval of the recommendations of the Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2018/19 and subsequent recommendation to Full Council.

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Portfolio: Leader of Council

Overview & Scrutiny Area: Corporate

1. SUMMARY

- 1.1 This report informs the Executive of the recommendations of the Schools Forum in allocating the Dedicated Schools Grant (DSG) for the 2018/19 financial year.
- 1.2 The Schools Budget is part of the overall budget proposal for the Council, which includes:
 - the recommended Capital Investment Plan (Document BB)
 - the Revenue Estimates (Document AZ)
- 1.3 This report is submitted to enable the Executive to make recommendations to Council on the setting of the budget and the Council Tax for 2018/19, as required by Article 4 of the Council's Constitution.

2. BACKGROUND

- 2.1 Under national Regulations, every local authority is required to operate a Schools Forum. The primary function of a Schools Forum is consultative; to recommend to the Council's Executive how the funding, which the Government provides for schools and individual pupils (known as the Dedicated Schools Grant (DSG)), is managed. The Schools Forum has some specific decision making powers.
- 2.2 Following the Government's National Funding Formula reforms, implemented from April 2018 (the final details of which were published on 14 September 2017), the DSG is constructed in four blocks with each block having a 'national formula' basis: the Schools Block, based on October 2017 pupil census data; the Early Years Block, based on January 2018 and 2019 census data; the High Needs Block, based partly on population, deprivation and other needs-led data and partly on historic spending levels; the newly created Central Schools Block, based on pupil numbers and deprivation data. All four Blocks in 2018/19 include some ceiling and floor arrangements as the Government moves to the new National Funding Formula over time. Our Schools Block and Early Years Block allocations are protected by these transitional arrangements. Our High Needs Block and Central Schools Block allocations are capped by these transitional arrangements and our funding in 2018/19 would be higher if the transition was not in place.
- 2.3 Within the 2018/19 DSG settlement, after transitional adjustments, Bradford has received an additional:
 - £8.54m within the Schools Block (+ 2.1%). £3.99m of this from the continued growth of numbers in our primary and secondary schools and academies (+43 primary; +815 secondary). £4.55m is received as a result of the Government's implementation of National Funding Formula alongside the commitment to allocate a minimum 0.5% increase in primary and secondary per pupil funding in 2018/19. The Government has committed to a further minimum 0.5% per pupil funding increase in 2019/20. This is a shift from the initial position outlined by the Government in its December 2016 consultation, which was for a protection for losers as a result of National Funding Formula of negative 3% per pupil.
 - £1.95m within the High Needs Block (+ 3.1%). This is the first year of allocation

of the growth resulting from the National Funding Formula. The Government's modelling shows that Bradford should receive an additional £15m (on 2017/18 base). This growth is capped by transitional arrangements to £7.5m, which is expected to be allocated over the next 4 years. There is currently no indication of the timescale for the allocation of the outstanding growth value.

- Estimated £2.65m within the Early Years Block for the full year delivery of the extended early years entitlement for eligible 3 and 4 year olds, which began at September 2017. This increase however, is netted against an estimated £1.38m reduction, which completes the £3m total reduction in our funding for 3 and 4 year olds as a result of the national reforms implemented at April 2017. The Early Years Block continues to include the specific allocation to protect maintained nursery schools. The Government has committed to this funding until the end of 2019/20 and has stated that there will be further consultation on the future funding of nursery schools.
- £0.08m within the Central Schools Block (+ 2.9%). This is the first year of allocation of the growth in our Central Schools Block as a result of the Government's National Funding Formula. We anticipate similar sized cash growth annually over the next 5 years.

2.4 The Government has stated its intention to implement the 'hard' National Funding Formula for primary and secondary schools and academies at April 2020. This means that for 2018/19 and 2019/20 the Local Authority with the Schools Forum continues to have responsibility for setting formula funding arrangements locally within tight regulations. After April 2020, local responsibility will be retained for the High Needs Block, Early Years Block and Central Schools Block, but the main Schools Block primary and secondary funding formula will be calculated nationally and only 'passport' by the Authority to schools.

2.5 Given this direction of travel, a key decision for all local authorities is whether to adopt the Government's National Funding Formula for the allocation of funding to individual primary and secondary schools for 2018/19. The Government has also enabled local authorities to decide locally the value of the Minimum Funding Guarantee (MFG) for primary and secondary schools, which can be set between minus 1.5% and positive 0.5% per pupil. This is a key decision, as 75% of Bradford's schools and academies will be funded at the MFG level in 2018/19. The MFG is the mechanism, which either limits the value of loss of funding per pupil or sets a minimum value of increase per pupil for every school compared against their allocation in the previous year. The MFG has been previously set nationally by Government at minus 1.5%.

2.6 The Authority, with the Schools Forum, completed consultations over the autumn 2017 on 2018/19 formula funding arrangements. The Authority has informally discussed with schools now for some time the possible implications of, and options around, National Funding Formula.

2.7 The Schools Forum has recommended on 10 January 2018 that we fully adopt the National Funding Formula for the calculation of primary and secondary formula allocations for 2018/19 and that the Schools Block MFG be set at positive 0.4%. 0.4% is the level at which arrangements are affordable within our DSG envelope. The recommended move to National Funding Formula enables the growth in

Schools Block monies that has come into the District from this to flow to individual schools and confirms the plan the Authority set out in outline in early 2017.

- 2.8 The recommendation to set the MFG at 0.4% is made in the context of the forecasted further growth in costs over 2018-2021. National Funding Formula, as it currently stands, does not address the very significant cut in the real terms value of school funding. This is a national issue. The National Audit Office has calculated, in its report published in December 2016, that on a national average basis the reduction in the real terms value of existing levels of education funding is 8.7% across 2016-2020. 8.7% is roughly a reduction of £45m in Bradford's DSG in real terms. The NAO's figure includes assumptions about inflationary pressures on non-staffing spending, the apprenticeship levy, annual pay awards and salaries increases, teacher pension scheme costs and increases in national insurance contributions. It is anticipated that annual pay awards will generally increase above 1% over the 2018-2021 period and the employer's contribution to teacher pensions will increase by at least 1.5% in 2019/20. As such, the cumulative pressure is now likely to exceed 8.7%. In addition to these factors, locally, education budgets are being required to absorb increased employer contributions to non-teaching staffing pension costs.
- 2.9 The total estimated amount of DSG available for distribution in 2018/19 is £535.908m, which includes a forecasted value of under spend (one off carry forward) within the DSG up to 31 March 2018 of £7.929m. The final 2018/19 DSG High Needs Block allocation will be confirmed in March 2018. The value of one off DSG carry forward will be confirmed by July 2018. The final value of the 2018/19 Early Years Block allocation will be confirmed in July 2019 (following the collection of the January 2019 Census data). The recommended distribution of the estimated DSG is summarised in the table below:-

Description	Early Years Block £m	Schools Block £m	High Needs Block £m	Central Schools Block £m	Total DSG £m
Estimated DSG available 2018/19	£43.997	£415.336	£65.793	£2.853	£527.979
Estimated DSG B'fwd from 2017/18	£1.523	£4.775	£1.631	£0.000	£7.929
Total Estimated DSG (Schools Budget) 2018/19	£45.520	£420.111	£67.424	£2.853	£535.908
Delegated to Schools / Providers	£42.970	£411.422	£52.317	£0.000	£506.709
Non-Delegated Items	£1.027	£3.913	£13.825	£2.853	£21.618
Allocation of One Off	£0.606	£0.550	£1.631	£0.000	£2.787
Total Funding Allocated	£44.603	£415.885	£67.773	£2.853	£531.114
Difference (reserve)	+ £0.917	+ £4.226	- £0.349	£0.000	+ £4.794

- 2.10 Members will identify from the table above that the DSG in total is forecasted to remain in surplus but the High Needs Block is currently forecasted to be in deficit at the end of 2018/19. The High Needs Block faces acute pressure and structural change is required to deliver financial sustainability whilst also delivering effective provision in sufficient quantity to meet the needs of pupils with SEND.
- 2.11 Members are asked to consider and approve the recommendations of the Schools Forum as agreed at its meeting on 10 January 2018. Should Members wish to propose amendments then representation must be made back to the Schools Forum.

3. SCHOOLS FORUM RECOMMENDATIONS ON THE ALLOCATION OF THE SCHOOLS BUDGET 2018/19

(£000)

Total Estimated DSG (Schools Budget) Available 2018/19 **£535,908**

3.1 The Schools Block **£415,336**

This Block funds delegated formula funding allocations, services funded by de-delegation, and the Growth Fund, for primary and secondary schools and academies. Other central funds previously managed within this Block are now transferred to the separate newly established Central Schools Block.

For 2018/19, the Schools Block is calculated on National Funding Formula-based primary and secondary per pupil values x October 2017 census pupil numbers, plus additional defined cash allocations. Bradford's primary £app is £4,167; our secondary £app is £5,394. These values have been derived by the DfE through the amalgamation of the allocations that individual schools would have received via the National Funding Formula on October 2016 Census information, uplifted for the 0.5% minimum per pupil commitment and capped at 3% in the case of schools that gain. The additional cash allocations total £15.06m for Business Rates (£4.73m), split sites (£0.38m), PFI (£6.12m), pupil mobility (£0.54m) and Pupil Numbers Growth (£3.29m).

Please note that the funding for the delegated budgets of academies and free schools is 'top sliced' from this Block so that these settings can be funded directly by the Education Skills Funding Agency.

3.2 The High Needs Block **£65,793**

This Block funds resources for pupils in mainstream schools with Special Educational Needs (with Education Health and Care Plans), delegated budgets for Special Schools, Pupil Referral Units and resourced provisions. These budgets are calculated under the national 'Place-Plus' framework. Other DSG provision relating to high needs pupils, both centrally managed and devolved, is also funded from this Block. This includes teaching support services, support for inclusion, behaviour support, Education in Hospital provision and home tuition and the placement of

Bradford children in out of authority and in non-maintained provisions.

High Needs Block allocations are now calculated via National Funding Formula under transitional arrangements. Bradford receives £4,000 for pupils in special schools and academies (including independent special schools), plus 50% of the value of our 2017/18 High Needs Block spending plus a capped allocation under the new National Funding Formula, which is based on population, deprivation and other needs-led data. An adjustment is made to recognise cross border movement of children between authority areas. The Authority also receives within the High Needs Block a specific allocation for Education in Hospital provision, estimated at £1.6m in 2018/19.

Please note that the funding for high needs places in Bradford-located academies and Post 16 settings is 'top sliced' from this Block so that these settings can be funded directly by the Education Skills Funding Agency.

(£'000)

3.3 The Early Years Block £43,997

This Block funds delegated budgets, support services and other funds held centrally, relating to the provision of the free entitlement to nursery education for eligible 2, 3 and 4 year olds in nursery schools, primary schools and academies with nursery classes and private, voluntary and independent settings. The total value of this Block is currently estimated and will be finalised on the number of eligible children recorded in the January 2018 and January 2019 Censuses x £4,361 per FTE (£4.59 per hour) for pupil aged 3 & 4 and £4,940 per FTE (£5.20 per hour) for pupils aged 2.

Estimated figures of £0.491m and £0.193m are included in this Block for the Early Years Pupil Premium and the Disability Access Fund. In addition, an estimated £1.110m is included for the DfE's Maintained Nursery School Supplement.

3.4 The Central Schools Block £2,853

The Central Schools Block is newly established at April 2018. A number of items previously funded via 'top-slice' within the Schools Block are transferred to this Block, including Admissions and Local Authority statutory duties in respect of all state funded schools previously funded through the Education Services Grant.

The 2018/19 financial year allocation is calculated on a National Funding Formula basis. Bradford receives £27.82 per pupil x October 2017 Census numbers in primary and secondary schools and academies, plus a lump sum of £0.44m to match to the value of the 'historic commitments' spend within our 2017/18 DSG. This £0.44m lump sum is not expected to be received after 2018/19.

3.5 Estimated DSG Brought Forward from 2017/18 £7,929

Final DSG allocations are not confirmed by the DfE until later in the financial year and the School Forum's recommendations are based on estimates of expenditure

especially within the High Needs and Early Years Blocks. These estimates are reconciled at the end of each financial year and differences are added to the DSG in the next year for the Schools Forum to allocate on a one off basis. Decisions taken in previous years have already committed a proportion of the sum estimated to be carried forward at April 2018.

The table in paragraph 1.9 separates the DSG carry forward into the four blocks. This follows the local informal approach to the management of DSG reserves agreed with the Schools Forum; that end of year balances will be earmarked by Block. The Schools Forum specifically established in 2017/18 the principle of ring-fencing of the Early Years Block. For formal (external) purposes however, a single DSG carry forward figure is recorded. DSG reserves are not ring-fenced by the Regulations and can be used cross-block.

4. ALLOCATION TO DELEGATED BUDGETS (£000)

Total Allocated to School / Provider Delegated Budgets £506,709

Broken down as follows:

4.1 Early Years Providers via Single Funding Formula £42,970

This is funding delegated to maintained nursery schools, nursery classes in primary schools and academies and Private, Voluntary and Independent (PVI) providers, to support the delivery of the free entitlements to nursery education:

- Nursery Schools 3 / 4 year old universal and extended entitlement, incorporating the Maintained Nursery School Supplement £3.321m
- Nursery Classes in Primary Provisions 3 / 4 year old universal and extended entitlement £14.934m
- PVI Providers 3 / 4 year old universal and extended entitlement £14.762m
- The free entitlement for the 40% most deprived 2 year olds £9.269m
- Early Years Pupil Premium £0.491m
- Disability Access Fund £0.193m

The Schools Forum recommends that the amendments that were set out in the Authority's consultation document, published in October 2017, are taken forward to be incorporated into our Early Years Single Funding Formula (EYSFF) used to calculate budget shares for settings delivering provision for 2 and 3 / 4 year olds in 2018/19, with the exception of the proposal for a new monthly starters and leavers framework, which is not being taken forward. The Schools Forum proposes to retain the current termly headcount basis for the EYSFF.

These amendments continue to respond to the Government's national early years funding reform, which has placed restrictions on how early years funding can be allocated e.g. in setting a maximum spend on additional supplements, including deprivation and which requires the adoption of a single universal setting base rate for all providers for the 3 / 4 year old entitlements by April 2019. A simple summary of Bradford's EYSFF that is recommended for 2018/19 is attached at Appendix 3.

(£000)

4.2 **Primary and Secondary Schools and Academies** **£411,422**

Primary £231.240m
Secondary £180.182m

The Forum has recommended to:

- Use the formulae outlined in Appendix 1 to calculate budget shares. The formulae have been agreed, following consultation with schools in the autumn. We submitted the final version of the required Pro-forma on 15 January and this is subject to final validation by the ESFA.
- 'Move to National Funding Formula' (NFF) at April 2018, thereby using the NFF announced on 14 September 2017 to calculate individual formula funding budget shares for both the primary and secondary phases. This is as set out in the autumn 2017 consultation and defined in detail in the Pro-forma.
- Set the value of Minimum Funding Guarantee (MFG) at + 0.4%.
- Set the value of the Ceiling at + 3.0% per pupil (+ 3.0% cap, 100% scaling).
- Fully implement the £3,500 (primary), £4,800 (secondary) and £4,042 (all-through) new minimums for eligible schools, discounting Building Schools for the Future and Business Rates from the calculation of these minimums.
- Continue our current formulae for the allocation of both split sites and pupil mobility.
- Continue the value of the DSG contribution to the Building Schools for the Future affordability gap at £6.670m in 2018/19.
- Meet the cost (estimated) of expanding places in primary and secondary schools and academies through the DSG Growth Fund; a total planned budget of £1.790m, excluding items funded by one off monies.

Please note that there is no transfer of Schools Block monies to the High Needs Block within the 2018/19 DSG recommendations. Members will recall that a sum of £5.7m in total was transferred from the Schools Block to the High Needs Block in 2017/18.

4.3 **Special Schools and Special Academies** **£25,040**

The national definition of a "High Needs" pupil is one whose education, incorporating all additional support, costs more than £10,000 per annum. The Government has introduced a national framework of "Place Plus" to allocate funding to schools and other settings. The "Place" element has been set nationally at £10,000 for both SEN and Alternative Provision settings. The "Plus" element is the top up above the "Place" funding and is based on an assessment of the additional need of an individual pupil. Local authorities are permitted to establish bands or ranges for this element of funding. The allocation of the High Needs Block for 2018/19 is recommended on the basis on Bradford's existing Place-Plus model with two significant structural amendments, which were set out in the autumn 2017 consultation document:

- The cessation, from 1 September 2018, of the High Needs Block's direct funding of Top Up (the Plus element) for the placement of pupils in

alternative provision settings without EHCPs that remain on the roll of mainstream schools. Following this change, the commissioner of the placement (the mainstream school) will hold the responsibility for funding the top up element from their delegated budget.

- The full establishment of Bradford's Place-Plus model for the funding of early years resourced provision, replacing previous temporary methodologies that have been in place for the funding of Children's Centre Plus provisions.

Bradford's Ranges Model, and the values of 'Plus' funding attached to each range, are outlined in Appendix 2. The funding values are reduced by 1.50% on those allocated in 2017/18.

The 2018/19 planned spending of £25.040m incorporates the allocation of an additional 162 FTE places to special schools in the 2018/19 academic year vs. the 2017/18 academic year.

(£'000)

4.4 Pupil Referral Units (PRUs)

£7,155

The PRUs are funded via the Place-Plus framework explained above and via the Plus funding rates shown in Appendix 2. The Schools Forum has recommended the cessation, from 1 September 2018, of the High Needs Block's direct funding of Top Up (the Plus element) for the placement of pupils in alternative provision settings without EHCPs that remain on the roll of mainstream schools. The settings specifically within the scope of this amendment are the primary behaviour centres and Bradford Central PRU. Following this change, the commissioner of the placement (the mainstream school) will hold the responsibility for funding the top up element from their delegated budget. The Schools Forum has also given its support to the Authority's work towards the cessation of the High Needs Block's direct funding of Top Up (the Plus element) for the placement of pupils in District PRU, beginning from September 2018. This proposal is captured within the Authority's continuing wider SEMH review.

The 2018/19 planned spending of £7.155m incorporates the allocation of an additional 42 FTE places to PRUs in the 2018/19 academic year vs. the 2017/18 academic year.

4.5 Behaviour Centres (Primary)

£810

The Primary Behaviour Centres are funded via the Place-Plus framework explained above and via the Plus funding rates shown in Appendix 2. The adjustment described in paragraph 4.4 above relating to the funding of placements of pupils without EHCPs also applies to this sector. The number of funded places in 2018/19 is the same as 2017/18.

(£'000)

4.6 Resourced Provisions (Primary & Secondary) £6,489

All resourced provisions attached to mainstream primary and secondary schools and academies; Designated Specialist Provisions (DSPs) and Additional Resourced Centres (ARCs), in 2018/19 are funded via the Place-Plus framework explained above and via the Plus funding rates shown in Appendix 2. Please note that ARC provision is centrally managed. Please also note that there is a technical revision to the funding of resourced provisions, directed by the DfE, the result of which is that the value of the place element for places occupied at October 2017 is £6,000 rather than £10,000, with the host school now receiving instead full formula funding for the resourced provision pupils.

The 2018/19 planned spending of £6.489m incorporates the allocation of an additional 126 FTE places to primary and secondary resourced provisions in the 2018/19 academic year vs. the 2017/18 academic year.

4.7 Pupils with EHCPs in Mainstream Schools and Academies £6,461

Funding is delegated to mainstream schools and academies for pupils with Education Health and Care Plans based on the Ranges Model. The planned cost of £6.461m incorporates the SEN Funding Floor (the factor that ensures a minimum level of funding for SEND provision in schools and academies), which is affected by the National Funding Formula. The Schools Forum has recommended that SEN Floor allocations for mainstream primary and secondary schools and academies are protected at their 2017/18 financial year values i.e. schools and academies currently in receipt of the SEN Funding Floor will not receive less via this factor in 2018/19 than they did in 2017/18.

The Schools Forum has also recommended that the 'notional SEN' values for primary and secondary schools and academies are calculated on the basis set out in the autumn 2017 consultation (allowing the impact of National Funding Formula to flow into this). The Forum has asked the Authority to benchmark our approach against that in other authorities, using the 2018/19 pro-forma information, to determine how our notional SEN calculation should develop under National Funding Formula from April 2019.

4.8 Post 16 Further Education Providers £4,435

The transfer to the DSG of the full cost of Post 16 High Needs provision was completed at April 2017. Places are funded at £6,000 from the High Needs Block. For the 'Plus' element, Further Education providers are funded for the vast majority of students at 60% of the Ranges Model value (shown in Appendix 2) for the primary need of the student. The exceptions are students with the primary need of sensory impairment (Hearing / Visual), where funding is calculated on an actual cost basis.

The 2018/19 planned spending of £4.435m incorporates the allocation of an additional 125 FTE places to Further Education providers in the 2018/19 academic

year vs. the 2017/18 academic year.

(£'000)

4.9 Early Years Resourced Provision £998

Early years resourced provision, newly established, is to be funded via the full Place-Plus framework explained above. The 2018/19 planned spending of £0.998m is based on an allocation of 78 FTE places. Please note that the children placed in early years resourced provisions continue to receive their allocations under the Early Years Single Funding Formula (see paragraph 4.1). The High Needs Block allocates £6,000 per FTE place plus the respective top up value via the Ranges Model.

4.10 Education in Hospital and Tracks Provision £929

Education in Hospital and Tracks provision is funded on the agreed planned number of places, with the Finance Regulations requiring that the funding per place in 2018/19 is not lower than the value in 2017/18. The number of funded places in 2018/19 is the same as 2017/18.

5. AMOUNT ALLOCATED TO NON-DELEGATED BUDGETS (£000)

Total Allocated to non-delegated Budgets £21,618

Broken down as follows:

The School and Early Years Finance (England) Regulations have, over time and in preparation for National Funding Formula, altered the treatment of non-delegated items and contingencies. The Regulations now require a greater proportion of the DSG to be delegated to schools and early years providers and also require that the Schools Forum makes recommendations for permitted centrally managed items individually and some on a phase specific basis. The DfE published its Policy Document entitled "The national funding formula for schools and high needs" and the 2018 Regulations came into effect on 5 February 2018, which formally establishes the new Central Schools Block.

5.1 Schools Block non-delegated budgets £3,913

A total of £3.913m is recommended to be held within the Schools Block for the following purposes:

- £2.203m for items de-delegated from maintained primary and secondary schools. The Schools Forum recommends the continuation of de-delegation for the same purposes as 2017/18 with the exception of behaviour support services for the primary phase, which is recommended to cease at 31 August 2018. This is recommended with the understanding that these services are proposed to form part of the Authority's wider SEND support services traded

offer from September 2018. The Schools Forum has also asked to consider a benefit vs. cost analysis of the current level of funding of Trade Union Facilities Time, which may affect the value of de-delegation for this purpose going forward.

- £1.014m provision for new growth (pupil numbers expansion in primary and secondary schools and academies) at September 2018. £0.700m of this is for growth in the secondary phase.
- £0.696m Business Rates provision.

(£000)

5.2 High Needs Block non delegated budgets

£13,825

A total of £13.825m (before the allocation of one off monies) is recommended to be held within the High Needs Block. There are sum smaller budgets within this total e.g. for speech and language therapy of copyright licences. However, this total is primarily made up of spending in 4 areas:

- £7.420m for the cost of placements in out of authority maintained and independent schools. This is £0.84m greater than the planned budget in 2017/18.
- £4.516m for centrally managed SEND support services, the development of which from September 2018 is currently under consultation.
- £1.000m for the provision of home tuition for children not able to access school on medical grounds.
- £0.740m for the DSG's contribution to the Affordability Gap for Building Schools for the Future for special schools.

5.3 Early Years Block non delegated budgets

£1,027

A total of £1.027m is recommended to be held within the Early Years Block for the following purposes:

- £0.800m Early Years SEND Inclusion Fund, which is to be allocated to support high incidence low need SEND in early years settings. This is increased from a fund of £0.600m held in 2017/18. Although recorded as centrally managed in this report this funding is expected to be paid out to providers during the year.
- £0.193m for nursery school access to relevant agreed 'de-delegated' funds.
- £0.034m for copyright licences.

Please note that £1.027m constitutes 1.2% of the 3 / 4 year old DSG funding allocation and therefore, complies with the DfE's 5% Early Years Block central funds restriction.

5.4 Central Schools Block

£2,853

The Central Schools Block is newly established at April 2018. A number of items previously funded via 'top-slice' within the Schools Block are transferred to this

Block. The £2,853m is recommended to be allocated as follows:

- Schools Forum costs £0.001m.
- School Admissions £0.580m.
- Education Services Grant Centrally Retained Duties in support of the statutory duties delivered by the Local Authority on behalf of all state funded schools including academies £1.331.
- Copyright licences Schools Block £0.357m.
- £0.584m to enable the transfer of High Needs Block activities where the nature of the expenditure is covered by the Regulations, which govern the purposes for which Central Schools Block monies can be used i.e. statutory and regulatory duties for all maintained schools and academies regarding the exclusions of pupils and school attendance. The budgets are Youth Offending, Behaviour Support, and Travellers Children.

6. AMOUNTS ALLOCATED ON A ONE OFF BASIS (€000)

Total allocated on a one off basis in 2018/19 £2,787

The £2.787m is made up of the following recommended allocations:

- Schools Block: £0.550m estimated for the cost in 2018/19 of the financial support for Beckfoot Upper Heaton Academy allocated via the agreed model.
- Early Years Block: £0.606m estimated for the cost in 2018/19 of protecting against the full reduction in the value of the setting base rate for 3 and 4 year olds that would otherwise come as a result of national reform. £0.605m uplifts the base rate value from £4.03 to £4.12 per hour.
- High Needs Block: £1.631m is estimated at this stage to be used to offset the forecasted overspending within the High Needs Block in 2018/19. £1.631m is the full value of the estimated carry forward balance held in the High Needs Block at April 2018. The £1.631m is subject to confirmation following the closure of the 2017/18 financial year.

7. AMOUNTS NOT ALLOCATED IN 2018/19 (€000)

Total amount not allocated in 2018/19 £4,794

The £4.794m is made up of the following sums net of the forecasted £0.349m overspending in the High Needs Block:

Schools Block £4.226m:

- £1.790m to support meeting the cost of the agreed financial support model for Beckfoot Upper Heaton Academy after 31 March 2019.
- £0.650m for the deficit of a school converting to academy status.
- £0.716m of reserve specifically earmarked for supporting additional costs of

- pupil numbers growth from April 2019.
- £0.091m balance of de-delegated funds carried forward.
- £0.979m resilience reserve. This sum is effectively the remaining unallocated balance within the Schools Block.

Early Years Block £0.917m:

- £0.606m earmarked to continue to protect the setting base rate for the 3 and 4 year old free entitlements for 1 further financial year in 2019/20.
- £0.311m resilience reserve. This sum is effectively the remaining unallocated balance within the Early Years Block.

8. RISK MANAGEMENT AND GOVERNANCE ISSUES

If the allocations are not agreed by Elected Members then representations have to be made to the Schools Forum. In the event that agreement cannot be reached with the Schools Forum, the Council must refer the matter to the Department for Education (DfE).

9. LEGAL APPRAISAL

Section 45 of the School Standards and Framework Act 1998 provides that for the purposes of the financing of maintained schools by local authorities every such school shall have for each funding period a budget share, which is allocated to it by the authority which maintains it to be determined in accordance with sections 45 – 47 of that Act.

Section 47(A) of the Act requires that every local authority must, in accordance with regulations, establish for their area a body to be known as a schools forum. The purpose of a schools forum is to advise the local authority on such matters relating to the authority's schools budget as may be prescribed by regulations.

The Schools Forum has some decision making powers in relation to school budget functions. The role of the Local Authority is to make proposals to the Forum on those matters, which the Forum can decide, and to consult the Forum annually in connection with various schools budget functions. Where the Schools Forum and the Local Authority are in disagreement about proposals made by the Authority the Secretary of State for Education will adjudicate.

In 2018/19 the new national funding formula (NFF) for schools, high needs and central school services will come into effect. The national funding formula for early years was introduced in 2017/18. The new NFF will determine how the DSG is allocated to local authorities. The formula for schools means that school funding will be distributed to local authorities according to a formula based on the individual needs and characteristics of every school in the country. However in 2018/19 and 2019/20 local authorities still retain discretion to determine schools' budget allocations locally. The Department for Education consulted on the proposed changes.

The School and Early Years Finance (England) Regulations 2018 came into force on 5th February 2018. These Regulations apply in relation to the financial year

beginning on 1st April 2018. Local Authorities are required to calculate budgets for all maintained schools using a funding formula. The Regulations require the Local Authority to decide the formula it will use for the financial year 2018/2019. A local authority must, not later than 28th February 2018 (a) make an initial determination of its schools budget; and (b) give notice of that determination to the governing bodies of the schools which it maintains.

10. OTHER IMPLICATIONS

There are no direct implications resulting from this report.

11.1 EQUALITY & DIVERSITY

There are no direct implications resulting from this report.

11.2 SUSTAINABILITY IMPLICATIONS

There are no direct implications resulting from this report.

11.3 GREENHOUSE GAS EMISSIONS IMPACTS

There are no direct implications resulting from this report.

11.4 COMMUNITY SAFETY IMPLICATIONS

There are no direct implications resulting from this report.

11.5 HUMAN RIGHTS ACT

There are no direct implications resulting from this report.

11.6 TRADE UNION

There are no direct implications resulting from this report.

11.7 WARD IMPLICATIONS

There are no direct implications resulting from this report.

12. NOT FOR PUBLICATION DOCUMENTS

None

13. OPTIONS

Please see the recommendations below.

14. RECOMMENDATIONS

14.1 It is recommended that the Executive asks Council to:

- a) Accept and approve the proposals from the Schools Forum for the allocation of the 2018/19 DSG as set out in this report.**
- b) Approve the total amount of £535.908m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2018/19.**

11. APPENDICES

- Appendix 1 – Local Authority Funding Reform Pro-Forma 2018/19
- Appendix 2 – High Needs Provision: Proposed Fund Categories, Bands & Amounts 2018/19
- Appendix 3 – Early Years Single Funding Formula 2018/19

12. BACKGROUND DOCUMENTS

- [Decisions List of School Forum 10 January 2018](#)
- Section 151 Officer's Report – Executive 20 February 2018 – (Doc BC)