

## SCHOOLS FORUM AGENDA ITEM

For Action

For Information



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

**This report provides an update on matters relating to the future development of National Funding Formula and the 2020/21 Dedicated Schools Grant as well as an update on local formula funding review work.**

**Date (s) of any Previous Discussion at the Forum**

The Schools Forum made its recommendations on the 2019/20 DSG on 9 January 2019. An update, which included areas of review, was presented to the Schools Forum on 13 March.

**Background / Context**

See the details for consideration below.

**Details of the Item for Consideration**

DSG & National Funding Formula Development April 2020

We have previously highlighted the uncertainty of arrangements for 2020/21 concerning the shape and value of our DSG and the National Funding Formula (NFF). We normally begin to receive detailed information from Government on the following's years DSG and formula funding arrangements in June / July, which enables us to formulate plans for consultation, which we can then begin to discuss with schools and providers early in the autumn term. The critical DSG announcements are expected cover:

- Early Years Block overall settlement.
- Early Years Block nursery school protection after August 2020.
- Schools Block overall settlement.
- Schools Block development of National Funding Formula at factor level including mobility, growth and PFI.
- Schools Block Minimum Funding Guarantee.
- Schools Block permitted framework for de-delegated funds.
- Schools Block flexibility for the movement of funds to the High Needs Block.
- High Needs Block overall settlement and release of damping.
- High Needs Block uplift of the Place-Plus thresholds.
- High Needs Block funding of education in hospital and medical home tuition.
- High Needs Block national re-definition of notional SEND.
- High Needs Block outcomes of the national alternative provision review.
- Central Schools Services Block historic commitments funding.
- The status of / merger ('mainstreaming') of grant streams e.g. teacher pay grant into the DSG and the impact on baselines and protections.

We know from what the DfE / ESFA has said so far that:

- The hard primary & secondary National Funding Formula (NFF) will not be implemented until April 2021 at the earliest. The Local Authority, with the Schools Forum, will set Bradford's formula arrangements for 2020/21.
- The current protected level of funding for maintained nursery schools is in place until at least Sept 2020.
- The autumn 2019 spending review will determine most of the matters listed above. Announcements concerning levels of funding however are unlikely to be made prior to this review.
- The DfE is currently conducting a 'call for evidence' on financial arrangements for SEND and Alternative Provision, with the stated expectation that views collected in this exercise will inform the autumn 2019 spending review and may mean changes to high needs funding, including to Place-Plus thresholds and the definition of notional SEND budgets.
- There are some specific areas of the primary & secondary NFF that may be adjusted in 2020/21, including a new NFF for pupil mobility. ESFA representatives at a recent regional meeting also indicated that:
  - NFF composition changes may be implemented for 2020/21 irrespective of decisions to be taken about levels of funding. Announcement on technical NFF change may be made in July.
  - NFF 'baselines' may be updated to reflect 2019/20 spending & DSG distribution.
  - It is a "safe assumption" that there will be flexibility in 2020/21 to transfer Schools Block monies to the High Needs Block.

### Details of the Item for Consideration

- As in 2019/20, we may reasonably expect the DfE to make small adjustments to the primary & secondary NFF weightings and variable values to maintain the same distribution of funding at national level when using updated October 2019 Census data e.g. to maintain the same proportionate spend within the NFF on deprivation factors.

Locally we have already recently:

- Moved to mirror the DfE's NFF for primary and secondary mainstream formula funding. We expect to continue to do so in 2020/21 in the run up to the 'hard' NFF.
- Identified how significant decisions about the Minimum Funding Guarantee will be going forward for the formula allocations received by individual mainstream schools and academies, especially in the primary phase. This is likely to be a key recommendation for the Forum for 2020/21.
- Identified issues related to falling rolls and under-subscription. The Schools Forum has a sub-group to discuss these issues and has established a primary-phase Falling Rolls Fund in the Schools Block. First allocations from the Falling Rolls Fund are scheduled to be presented to the Schools Forum in spring 2020.
- Identified the funding of PFI (BSF) as an area to watch in the development of the Schools Block NFF. The Forum has received a report on the affordability of PFI at school level (presented to this meeting).
- In 2019/20, enacted a transfer of £2m (0.48%) from the Schools Block to the High Needs Block. We would expect to repeat this transfer in 2020/21 where there is no significant release of the damping within the High Needs Block and no significant uplift in high needs funding. The Authority has previously presented how the 5 year forecast for the High Needs Block shows a sharpening deficit where funding is not substantially increased.
- Begun to review and re-shape responsibilities between the High Needs Block and schools in respect of the funding of alternative provision. We expect to continue this work.
- In 2018/19 and 2019/20, used scope within the Central Schools Services Block and the Early Years Block to support high needs provision costs and release some of the pressure on the High Needs Block.
- Identified the need, and made a commitment, to review our high needs funding model to ensure that this 'enables' the re-structure of SEND provision and alternative provision and works to support the continuum of provision. We are currently progressing the first stage of this review with the District Achievement Partnership, building on the work begun in 2018.
- Identified the significance going forward of approaches that will ensure the correct minimum level of SEND / AEN funding in schools. This is a key part of the DfE's 'call for evidence' and this will be crucial in our development of our 'SEND Funding Floor' arrangements, which we have previously indicated we will review.
- Completed our 3 year strategy for the funding of early years provision, which we developed in response to the DfE's early years NFF reform in 2016. This strategy has included the use of one off monies to protect the value of the 3&4 year old universal base rate in 2018/19 and 2019/20. We have identified that we now need to holistically review our rates of funding and, in this specifically, the relationship between universal base rate and deprivation funding for 3&4 year olds. We expect to shortly bring together the Early Years Working Group to progress this review with a mind to getting some information out to providers as soon as possible to help then plan.
- Identified the significance of pending DfE decisions concerning the continuation or cessation of the Maintained Nursery Supplement. We have begun work with the nursery schools on assessing the impact of different scenarios.

As set out, we expect that our recent decisions and actions will influence / inform how we will respond to announcements concerning 2020/21 DSG and formula funding arrangements and changes.

This report has been written in advance of any announcement from the DfE made late June / early July. Any further information, if available, will be presented verbally.

**We anticipate at this time following the timetable that we have used in previous years for the development consultation, and decision making on DSG formula funding arrangements for 2020/21. This begins by inviting Forum Members to attend one of 3 Formula Funding Working Group sessions that have been arranged for Tuesday 1 October (8am), Wednesday 2 October (8am), Tuesday 8 October (8am). These sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2020/21 that are anticipated will be set out for consultation in October.**

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

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

**Recommendations**

- (1) The Schools Forum is asked to consider and to note the information provided.
- (2) Forum Members are invited to attend a 'Formula Funding Working Group' session, on Tuesday 1 October (8am) or Wednesday 2 October (8am) or Tuesday 8 October (8am). As last year, these sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2020/21 that are anticipated will be set out for consultation in October.

**List of Supporting Appendices / Papers** (where applicable)

None

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