

Decision 1 - Whether we transfer budget from the Schools Block to the High Needs Block in 2020/21

3.6 This is the first question in our consultation because a transfer directly affects the amount of funding available to spend within the Schools Block and therefore, what formula funding uplift and Minimum Funding Guarantee we can afford to propose.

3.7 With the agreement of the Schools Forum, the Local Authority transferred a sum of £2.0m (0.48%) of Schools Block budget to the High Needs Block in 2019/20. The case for this transfer was set out in our consultation document published in autumn 2018. This was rooted in the current position in Bradford where the need for spending on provision for high needs children and young people is growing at a faster rate than our High Needs Block NFF allocation. As a result of this transfer, in 2019/20, we retained the values of formula variables cash flat on 2018/19, and set the Minimum Funding Guarantee at 0%, rather than uplifting the values of formula variables by / setting the Minimum Funding Guarantee at 0.5%.

3.8 The DfE has now taken some important steps, at a national DSG level, towards recognising that there is a very significant High Needs Block funding problem. The Secretary of State announced at the beginning of September that an additional £780m will be allocated in 2020/21 in support of high needs provision. It was further announced that local authorities would receive a minimum 8% per pupil (based on 2-18 population forecasts) increase in High Needs Block funding in 2020/21, but that the settlement would actually permit authorities to receive up to a 17% per pupil increase. It was confirmed on 11 October that Bradford's High Needs Block allocation will substantially increase, indicatively from £69.66m to £81.17m in 2020/21, an increase of £11.51m or 16.5% in cash terms (and 17% in per pupil terms). Although no announcements have yet been made about the position of high needs funding after 2020/21 and therefore, there is still some concern about affordability going forward, this settlement puts Bradford's High Needs Block for next year in a fundamentally much stronger position.

3.9 As a result, the Local Authority does not propose to transfer Schools Block funding to the High Needs Block in 2020/21. This means that the full Schools Block settlement will be retained within this Block to be spent on primary and secondary formula funding and the other identified devolved funds (e.g. Growth Fund).

Decision 2 – Whether we continue to closely mirror the DfE's 2020/21 National Funding Formula

3.10 The table below shows the DfE's NFF factors in 2020/21, as these are applied to Bradford (so adjusted for area costs), compared against those used for 2019/20. Please be aware that the Area Cost Adjustment for 2020/21 is still to be confirmed and this may very slightly alter the final values of the 2020/21 NFF for Bradford from what is shown in the table below. The key changes are:

- The minimum levels of funding per pupil have been increased from £3,500 to £3,750 (primary) and from £4,800 to £5,000 (secondary).
- The values of the NFF pupil-led factors have been uplifted in line with the DfE's settlement – by a nominal 4.00% for all factors except for the FSM factors, which have been increased by a nominal 1.84%. The final factor values have then been adjusted after this uplift so that the overall weightings (proportions of spend by factor) previously established within the national formula are maintained.
- The lump sum is uplifted by 4% from £110,000 to £114,400.
- A new NFF Pupil Mobility factor has been added with new values, which are lower than those in our current local formula.

Factor	NFF £ 2020/21	NFF £ 2019/20	£Diff	% Diff
Primary – Base £APP	£2,857.46	£2,747.44	+ £110.02	+ 4.00%
Secondary – Key Stage 3 Base £APP	£4,018.64	£3,863.62	+ £155.02	+ 4.00%
Secondary – Key Stage 4 Base £APP	£4,561.73	£4,386.70	+ £175.02	+ 4.00%
Lump Sum – Primary & Secondary	£114,418	£110,017	+ £4,401	+ 4.00%
Primary - Deprivation – FSM Ever 6	£560.09	£540.09	+ £20.00	+ 3.70%
Primary - Deprivation – Flat FSM	£450.07	£440.07	+ £10.00	+ 2.27%
Secondary - Deprivation – FSM Ever 6	£815.13	£785.13	+ £30.00	+ 3.82%
Secondary - Deprivation – Flat FSM	£450.07	£440.07	+ £10.00	+ 2.27%
Primary - Deprivation – IDACI F	£210.03	£200.03	+ £10.00	+ 5.00%
Primary - Deprivation – IDACI E	£250.04	£240.04	+ £10.00	+ 4.17%
Primary - Deprivation – IDACI D	£375.06	£360.06	+ £15.00	+ 4.17%

Primary - Deprivation – IDACI C	£405.06	£390.06	+ £15.00	+ 3.85%
Primary - Deprivation – IDACI B	£435.07	£420.07	+ £15.00	+ 3.57%
Primary - Deprivation – IDACI A	£600.10	£575.09	+ £15.00	+ 4.35%
Secondary - Deprivation – IDACI F	£300.05	£290.05	+ £10.00	+ 3.45%
Secondary - Deprivation – IDACI E	£405.06	£390.06	+ £15.00	+ 3.85%
Secondary - Deprivation – IDACI D	£535.09	£515.08	+ £20.00	+ 3.88%
Secondary - Deprivation – IDACI C	£580.09	£560.09	+ £20.00	+ 3.57%
Secondary - Deprivation – IDACI B	£625.10	£600.10	+ £25.00	+ 4.17%
Secondary - Deprivation – IDACI A	£840.13	£810.13	+ £30.00	+ 3.70%
Primary - English as an Additional Language (3)	£535.09	£515.08	+ £20.01	+ 3.88%
Secondary - English as an Additional Language (3)	£1,440.23	£1,385.22	+ £55.02	+ 3.97%
Primary – Low Prior Attainment	£1,065.17	£1,022.16	+ £43.01	+ 4.21%
Secondary – Low Prior Attainment	£1610.26	£1,550.25	+ £60.01	+ 3.87%
Primary – Minimum £APP	£3,750	£3,500	+ £250	+ 7.14%
Secondary – Minimum £APP	£5,000	£4,800	+ £200	+ 4.17%
Primary - Pupil Mobility	£875.14	£1,608.19	- £733.05	- 45.60%
Secondary – Pupil Mobility	£1,250.20	£1,915.87	- £665.67	- 34.75%

3.11 So, the NFF in 2020/21 retains the same dynamic as in the last two years, including its focus on Additional Educational Needs (AEN), low prior attainment within AEN, and the lower value of lump sum, which is one of the most significant factors in terms of impact on the primary phase.

3.12 The Authority's original case put forward for 2018/19 for moving to fully replicate the DfE's NFF in our calculation of individual primary and secondary formula allocations was strongly supported by schools. The continuation of close mirroring in 2019/20 was also supported. Therefore, we believe schools will continue to support the principle that, in this period prior to the establishment of the 'hard' NFF, our local formula funding arrangements should move in line with the DfE's NFF as this uplifts and incrementally develops.

3.13 For 2020/21, we propose therefore, that

- **Subject to final affordability, we will amend our local formula to mirror the 'NFF 2020/21' values for existing factors shown in the table above.** If we are not able to fully afford these % increases, because of the cost of data change recorded in the October 2019 census, we will reduce the values of the factors on a pro-rata basis.
- **We will continue to include funding for pupil mobility within our formula with this being calculated using the DfE's new NFF factor.** We propose to move to fully use the new NFF value of £1,250.20 for the secondary phase pupil mobility factor in 2020/21. However, in transition to the full implementation of the new formula, we propose as an initial step in 2020/21 to use a value of £1,286.55 for the primary phase pupil mobility factor, which is 80% of our current value and sits in between our current value and the new NFF value. We would expect then to move closer to the new NFF factor value of £875.14 for the primary phase in 2021/22.

3.14 **We do not propose to alter our core NFF-based primary and secondary funding formula in 2020/21 other than for these two amendments and for the mandatory increases in the per pupil minimums.**

3.15 To explain further the change in the pupil mobility factor.

- Pupil mobility is an optional factor. Where this is used, local authorities must use the methodology prescribed by the DfE. This methodology has changed for 2020/21.
- Currently for 2019/20 the prescribed methodology is as follows (quoting the DfE's operational guidance): "This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils). There is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility will attract pupil mobility funding for 2% of pupils)." The source of information is the October Census (start dates recorded by schools on their systems). In this regard, there has always been vulnerability in this data and the Authority has been required to correct obvious errors for individual schools and academies e.g. where maintained schools have converted to academy and have given all pupils a new start date as the conversion date or where schools and academies have incorrectly entered multiple start dates on their systems.
- The DfE's new NFF-led factor for 2020/21 works as follows (quoting the DfE's operational guidance): "Rather than relying on a single census, this new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This

methodology also excludes pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census. To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.” The DfE’s new methodology, in tracking UPNs rather than relying on start dates, is a much more robust measure of true mobility, avoiding the risk of erroneous data that comes from inaccurate recording.

- Pupil mobility is a cost issue for a number of our schools and academies and we have previously agreed that allocating funding to recognise this ‘adds value’ to our overall formula funding approach. We therefore, propose to continue to include this factor in our local formula in 2020/21 and on this basis, we will be required to use the new methodology. The inclusion of this factor also aligns with our overall approach of continuing to closely mirror the NFF as this incrementally develops.
- The impact of the methodology change for individual schools and academies, based on census information up to October 2018, is illustrated in Appendix 1. Schools and academies are reminded that the Minimum Funding Guarantee protects against any losses in this factor insofar as all schools and academies are guaranteed a minimum value of per pupil increase in 2020/21. Schools and academies are also reminded that actual 2020/21 allocations will be based on the dataset provided by the DfE in December, which will incorporate the latest available census data.

Question 1 - Do you agree that, subject to final affordability, our local formula in 2020/21 should mirror the DfE’s 2020/21 NFF and that this formula should be used to calculate primary and secondary school and academy formula funding allocations? If not, please explain the reasons why not.

Question 2 – Do you agree that our formula in 2020/21 should continue to include funding for Pupil Mobility, which will be calculated using the DfE’s new NFF factor? If not, please explain the reasons why not.

Decision 3 – Whether we continue unchanged our existing local approaches to the factors not yet covered by the NFF

3.16 **Business rates** will continue to be funded at actual cost and this is not a matter under consultation.

3.17 **We propose to continue in 2020/21 our current formulae for the allocation of split sites funding.** We propose to increase the values of the variables within the split site formula in line with the NFF, subject to final affordability.

3.18 **We propose to continue to pass through the specific BSF DSG affordability gap values using our current method,** continuing the adjustment to ensure that the amounts passed on to academies by the ESFA on an academic year basis are equivalent to the amounts that the Authority requires academies to pay back on a financial year basis. The DfE is currently looking how PFI funding can be brought into the NFF but there is no timescale for this yet.

3.19 As explained in the introduction, **we propose to continue to use our existing methodology for the definition of notional SEND budgets for mainstream primary and secondary schools and academies within the Schools Block funding formulae.** We are minded not to propose any amendments and until the outcomes of the DfE’s reviews are known.

3.20 Also as explained in the introduction, **we propose to continue to protect SEND Floor allocations for primary and secondary schools and academies at 2017/18 levels.** We are minded not to propose any amendments and until the outcomes of the DfE’s reviews are known..

Question 3a - Do you agree with the proposal to continue to use our existing formula for the allocation of split sites funding? If not, please explain the reasons why not.

Question 3b - Do you agree with the proposal to continue to use our existing formula for the apportionment of BSF DSG affordability gap funding? If not, please explain the reasons why not.

Question 3c - Do you agree with the proposal to continue to use our existing methodology for the definition of notional SEND budgets? If not, please explain the reasons why not.

Question 3d - Do you agree with the proposal to continue to protect SEND Funding Floor allocations at 2017/18 cash values? If not, please explain the reasons why not

Decision 4 – The value of Minimum Funding Guarantee (MFG) we provide

3.21 The Government permits the MFG to be set between positive 0.5% and positive 1.84%. 1.84% is the DfE’s measure of inflation in 2020/21 (the forecasted GDP deflator). 1.84% would mean, for example, that a school that is

funded on the MFG and has the same total pupil numbers recorded in October 2019 as in October 2018 would receive in 2020/21 its 2019/20 core formula funding cash value plus 1.84%.

3.22 Subject to final affordability, we propose to set the Minimum Funding Guarantee (MFG) in 2020/21 at the maximum level of positive 1.84%. The impact of this is shown, illustratively, at individual school and academy level in Appendix 1. Where we cannot afford 1.84% in addition to the full mirroring of the NFF (decision 2), due to the cost of data change from the October 2019 Census, we will discuss with the Schools Forum how to provide for the right balance of uplift between schools on and of the MFG and how to deliver the maximum value of MFG possible.

Question 4 - Do you agree with the proposal, subject to final affordability, to set the Minimum Funding Guarantee at the maximum 1.84% in 2020/21? If not, please explain the reasons why not.

The Schools Forum is asked to consider an amendment to the MFG calculation, which would have the affect of setting an MFG around 2.3% for those schools on the MFG in 2020/21. Please see the separate modelling.

Decision 5 – Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block

3.23 The DfE's National Funding Formula does not yet include a methodology, which prescribes how Growth Funding should be allocated at individual school or academy level. Local authorities in 2020/21 therefore, retain the responsibility for determining arrangements locally, albeit within tight Regulations. Local authority compliance with these Regulations is checked annually by the ESFA. **Our proposed Growth Fund arrangements and criteria are set out in the documents embedded under paragraph 6. These are unchanged from current arrangements.**

3.24 We established this year a new Falling Rolls Fund for our primary phase. The first allocations from this are expected to be presented to the Schools Forum in March 2020. **Our proposed Falling Rolls Fund arrangements and criteria are set out in the document embedded under paragraph 7. These are unchanged from current arrangements.**

3.25 This document also asks for feedback on the continuation for the 2020/21 financial year of funds de-delegated from maintained primary and secondary schools. **Our proposed de-delegated fund arrangements and criteria are set out in paragraph 5 and Appendix 3. These are unchanged from current arrangements.**

Question 5 - Do you agree with the proposed criteria and methodology for the allocation of the Growth Fund to schools and academies in 2020/21? If not, please explain the reasons why not.

Question 6 - Do you agree with the proposed criteria and methodology for the allocation of the Falling Rolls Fund to primary-phase schools and academies in 2020/21? If not, please explain the reasons why not.

Question 7 – Should sums continue or cease to be de-delegated from maintained school budgets in 2020/21 for the purposes listed? Please explain the reasons why if you believe that these should cease or change.

Modelling

4.2 The key at the bottom of Appendix 1 explains what is shown in each column. The modelling helps identify in particular:

- The specific impact of the change in the Pupil Mobility factor (column 13). This is the clean impact before any losses are protected by the Minimum Funding Guarantee. This modelling highlights the rationale for the proposal to move in transition, rather than in a single step, to the full use of the NFF variable value in the primary phase.
- The range of % uplifts that may be received by schools and academies next year in total cash and per pupil terms (columns 15 and 18), incorporating changes in pupil numbers between October 2019 and October 2018. However, to aid understanding, column 19 gives the % change in per pupil funding when the 2020/21 allocations are calculated using the same pupil numbers as used for 2019/20.
- How proposals, combined with the estimated changes in pupil numbers at October 2019, affect the cash values of formula funding allocations by school and academy in 2020/21 (column 14).
- The schools and academies funded in 2019/20 on the existing £3,500 (primary) and £4,800 (secondary) minimums (column 5) and those that benefit through the increase in these minimums to £3,750 + 7.1% (primary) and £5,000 + 4.2% (secondary), including the schools and academies that are funded on these minimums for the first time in 2020/21 (column 11). Columns 3 and 9 show the total per pupil funding values

for 2019/20 and 2020/21 respectively to enable schools to see how their values relate to the existing and uplifted 2020/21 minimums.

- The primary schools and academies that will potentially benefit from the further increase in the minimum per pupil funding value from £3,750 to £4,000 in 2021/22. Column 9 illustratively shows the per pupil funding value in 2020/21. If this is lower than £4,000 then the school or academy will see its per pupil funding increase to at least £4,000 in 2021/22. Multiplying the difference between £4,000 and the figure in column 9 by the pupil numbers in column 7 will give an indication of the cash value of this increase. Please treat this with caution however, and be aware that the actual benefit of this increase in 2021/22 will need to be re-calculated once 2020/21 final allocations are confirmed. We estimate on current data that 49 (a third) primary schools and academies will see an uplift in funding to £4,000 in 2021/22.
- The schools and academies funded in 2019/20 on the Minimum Funding Guarantee (MFG) that may remain on the MFG in 2020/21 to receive the proposed minimum 1.84% per pupil increase. Schools and academies that are funded on the MFG in 2019/20 have a positive figure in column 4. Schools and academies that may remain on the MFG in 2020/21 also have a positive figure in column 10. If the figure in column 4 is zero then the school is not on the MFG in 2019/20. If the figure in column 10 is zero then the school is modelled to be off the MFG in 2020/21.
- The schools and academies funded in 2019/20 on the Minimum Funding Guarantee (MFG) that may come off the MFG in 2020/21 because of the size of uplift (+4% in National Funding Formula values), meaning that they may receive an increase above 1.84% per pupil in 2020/21, depending on their data recorded in October 2019, but lower than 4% (because the value of MFG protection previously allocated is deducted from the school's total gain). If the figure in column 4 is positive and the figure in column 10 is zero then the school is modelled to come off the MFG in 2020/21 as a result of the funding uplift.
- The schools and academies that are not currently funded on either the Minimum Funding Guarantee or the per pupil minimums i.e. they are funded purely on the National Funding Formula, and may remain so in 2020/21, depending on their data recorded in October 2019. These schools and academies have zeros in all of columns 4, 5 10, and 11. These schools and academies may receive an uplift more in line with the overall +4% National Funding Formula uplift (reduced slightly from 4% in total % terms because the FSM factors are only increasing by 1.84%). However, they are also more directly affected by data change and their 2020/21 positions could change significantly where the data recorded in the October 2019 Census is significantly different from October 2018.

4.3 We would like to re-iterate that schools and academies must recognise that, although the 2020/21 settlement overall is better than previously estimated, it is likely that additional costs will come alongside this. Schools must ensure that growth in costs, above that which has previously been budget for, are met before they consider allocating any per pupil funding increase to other or new activities.

4.4 On the basis of the illustrative modelling in Appendix 1, the formula funding landscape in Bradford in 2020/21 is as follows:

- Primary phase: 97 out of 156 schools (62%), including academies, are funded on the Minimum Funding Guarantee (at 1.84%). 22 schools are funded at the £3,750 minimum level. All other schools are funded above £3,750 per pupil.
- Secondary phase: 7 out of 31 schools (23%), including academies, are funded on the Minimum Funding Guarantee (at 1.84%). 3 schools are funded at the £5,000 minimum level. All other schools are funded above £5,000 per pupil.
- All through schools: 1 out of the 4 academies (25%) is funded on the Minimum Funding Guarantee (at 1.84%). All of these academies are funded above the composite minimum level