

2020/21 Financial Year Dedicated Schools Grant Recommendations and Decisions List

This paper lists the recommendations and decisions the Schools Forum is asked to make to allocate the 2020/21 Dedicated Schools Grant (DSG).

1. Schools Block Centrally Managed Funds 2020/21

Schools Block De-Delegated Funds 2020/21

Please refer to Document LI (and Appendices 1 – 3).

1.1 Schools Members representing maintained primary & secondary schools only are asked to **agree the values of de-delegated funds, with contributions to be taken from 2020/21 formula funding allocations**, as per Document LI and its appendices (VOTE BY PHASE).

- a) **School Re-Organisation Costs (Safeguarded Salaries) (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases for the actual cost of continuing safeguarded salaries in maintained primary and secondary schools.
- b) **School Re-Organisation Costs (Sponsored conversions budget deficits) (Primary only)**: Pause de-delegation from the primary phase meaning that no new contribution is taken in 2020/21. Review again for 2021/22. The Schools Forum will be provided with monitoring reports where the brought forward balance is used within 2020/21 for this purpose.
- c) **Exceptional Costs & Schools in Financial Difficulty (Primary only)**: continue de-delegation from the primary phase at the 2019/20 per pupil value.
- d) **Costs of FSM Eligibility Assessments (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases at the 2019/20 per FSM6 values, with contributions continuing to be taken using FSM Ever 6 data.
- e) **Fisher Family Trust (Primary only)**: continue de-delegation from the primary phase, recovering the cash value to match the actual cost. The secondary phase and all primary academies will be invited to subscribe through the Local Authority (paying for this from their own delegated budgets via invoice). Please note that the Schools Members representing maintained primary schools decided on 16 October 2019 to continue de-delegation in 2020/21 for the purposes of subscribing to FFT. As such, this decision is repeated here only for reference and completeness.
- f) **Trade Union Facilities Time – Negotiator Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at the 2019/20 per pupil value.
- g) **Trade Union Facilities Time – Health and Safety Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at the 2019/20 per pupil value.
- h) **School Maternity / Paternity ‘insurance’ fund (Primary only)**: continue de-delegation from the primary phase at a value forecasted to afford the scheme for a full year. The £app cost is shown in Document LI Appendix 2 (£17.18 per pupil). The reduction from £27.41 in 2019/20 to £17.18 per pupil includes the release, on a one off basis, of £0.30m of balance brought forward within this fund.
- i) **School Staff Public Duties and Suspensions Fund (Primary only)**: continue de-delegation from the primary phase on the same £app basis as 2019/20.

1.2 Schools Members representing maintained primary & secondary schools only are asked to agree the **principles** behind the management of the Schools Block de-delegated funds listed in paragraph 1.1:

- a) Any over or under spending within these funds will be written off from, or added back to, the DSG's de-delegated funds in 2021/22 on a phase specific, fund specific, basis i.e. if primary schools overspend in the maternity / paternity insurance scheme fund the value of the fund created through de-delegation in 2021/22 will need to compensate for this.
- b) These decisions set the position for the 2020/21 financial year only.
- c) The funds will be allocated according to their applicable criteria set out in the autumn 2019 consultation (where it was proposed to continue the same criteria as used in 2019/20).

1.3 The Schools Forum is asked to note that a net surplus balance of de-delegated funds of £1.252m is forecasted to be carried forward within the Schools Block into 2020/21. As such, the Schools Forum is not asked to write off from the 2020/21 Schools Budget any deficit associated with de-delegated funds.

Schools Block Growth Fund 2020/21

Please refer to Document LI Appendix 1 (full list of DSG centrally managed funds) and Document LK Appendix 1 (list of allocations from the Growth Fund to existing expanding schools and academies).

1.4 The Schools Forum is asked to agree the allocations from the Schools Block Growth Fund to **existing expansions and bulge classes** as listed in Document LK Appendix 1. Members are asked to note:

- a) There are 26 allocations with a total value of £1.359m. 17 Primary schools / Primary academies; 2 all through academies; 7 Secondary academies.
- b) The allocations to the all through academies (for secondary expansions) and 6 of the 7 allocations to the secondary academies simply complete for the full academic year the growth funding set out in Document LD for the period September 2019 to March 2020. Appendix 1 does not list any further allocations from the main Growth Fund to the secondary phase for the 2020/21 academic year for the continuation of expansions that begun at September 2017, September 2018 or September 2019. Allocations for both continuing and new expansions in the secondary phase in the 2020/21 academic year will be funded from the provision explained in paragraph 1.5 below and will be confirmed and presented to the Schools Forum during autumn 2020.
- c) The allocation of £0.427m to Beckfoot Upper Heaton Academy is funded from the £1.209m designated brought forward balance, not from the 2020/21 Schools Block, and is estimated using the agreed formula model. There is one more year of financial support to fund after 2020/21.
- d) £0.499m of the cost of the 5/12ths Growth Fund allocations for academies for the period April to August 2020, shown in Appendix 1, will be recovered back to the Schools Block via the ESFA academy recoupment process. As such, these allocations do not represent a cost to the 2020/21 Schools Block. So, although the Forum is asked to approve allocations totalling £1.359m listed in Appendix 1, the actual cost of these allocations to the Schools Block in 2020/21 is £1.359m minus £0.499m minus £0.427m = £0.433m.

1.5 The Schools Forum is asked to agree a further planned budget of £1.000m for the Schools Block Growth Fund for **additional / new allocations during 2020**. This planned budget is split £0.200m Primary and £0.800m Secondary. All new in year allocations from the Growth Fund will be agreed by the Schools Forum prior to confirmation with the receiving school or academy. Growth Fund allocations will continue as a standing Forum agenda item to enable this.

- a) £0.200m will enable c. 4 additional forms of entry or bulge classes in the primary phase at September 2020 (for the period September 2020 to March 2021). This budget is the same as held within the Schools Block in 2019/20.

- b) £0.800m will fund c. 14 additional forms of entry or bulge classes in the secondary phase at September 2020 (for the period September 2020 to March 2021). This budget is increased on the £0.645m held within the Schools Block in 2019/20 in response to the actual £0.741m cost of allocations in this current year.

1.6 The Schools Forum is asked to agree to use the **criteria** for the allocation of the Schools Block Growth Fund in 2020/21 as set out in the autumn 2019 consultation document, which are the criteria used in 2019/20. These are summarised in Document LD for reference.

Schools Block Falling Rolls Fund 2020/21

Please refer to Document LI Appendix 1 (full list of DSG centrally managed funds).

1.7 The Schools Forum is asked to agree to the **continuation of a Falling Rolls Fund for the primary phase**. This was initially established for 2019/20. The proposed planned budget for 2020/21 is £0.250m, which is the same value as held in 2019/20. Forum Members are asked to note that actual proposed allocations from the Falling Rolls Fund in this current year will be presented to the Schools Forum in March 2020.

1.8 The Schools Forum is asked to agree to use the **criteria** for the allocation of the Schools Block Falling Roll Fund in 2020/21 as set out in the autumn 2019 consultation document, which are the criteria used in 2019/20.

2. Early Years Block Centrally Managed Funds 2020/21

Please refer to Document LI Appendix 1 (full list of DSG centrally managed funds).

2.1 The Schools Forum is asked to agree to the **retention of funds for central management within the Early Years Block**, as listed in Document LI Appendix 1:

- a) £0.091m for access for maintained nursery schools to Schools Block **de-delegated funds** (Trade Union Facilities Time, Maternity / Paternity Insurance Scheme, Staff Public Duties and Suspensions). A breakdown of the £0.091m by fund is given in Document LI Appendix 2. These centrally retained funds count within the 5% of 3&4 year old entitlement funding that the Authority is permitted to centrally retain within the Early Years Block.
- b) £0.037m for the Early Years Block's contribution to the **DfE Copyright Licences charge**.
- c) £1.150m in total for the estimated cost of allocations to early years providers from the **Early Years SEND Inclusion Fund**. This budget is split £0.150m for 2 year olds and £1.000m for 3&4 year olds. The criteria to be used for the allocation of this SEND Inclusion Fund were set out in the autumn 2019 consultation on Early Years Single Funding Formula arrangements for 2020/21 (summarised in document LF Appendix 3). Although this budget is shown here as centrally retained, the full value of £1.150m is intended for allocation to providers. As such, this budget counts within the pass-through of funds for the purposes of measuring our position against the DfE's 95% Early Years Block pass-through restriction. A budget of £1.150m is £0.350m reduced on the £1.500m retained within the 2019/20 planned budget.
- d) £0.365m for the Early Years Block's contribution to the cost of **early years high needs support services**, including portage and the pre-5 service. £0.300m of this fund is existing cost that was transferred at April 2019 as agreed from the High Needs Block. The £0.300m has then been increased for cumulative inflation / pay award (6%) to £0.318m. £0.047m is the budget for the Authority to use to enable capacity to deliver the holistic Early Years SEND Inclusion Fund. A part year budget of £0.025m was retained for this purpose in 2019/20. The £0.365m counts within the 5% of 3&4 year old entitlement funding that the Authority is permitted to retain within the Early Years Block 3&4 year old funds. The £0.365m represents an increase of £0.040m on the £0.325m planned budget set for 2019/20.

e) Please note that the Early Years Pupil Premium and Disability Access Funds shown in Document LI Appendix 1 are funds that are allocated to providers following the conditions set out by the DfE and do not count within the 5% retention restriction.

2.2 The Schools Forum is asked to note that £0.493m of the centrally retained budgets within the Early Years Block count within the 5% restriction. As shown in the Early Years Pro-Forma (Document LJ Appendix 4), we calculate that 100.7% of 3&4 Year Old entitlement funding (excluding use of brought forward balances) will be passed-through to providers in 2020/21. This % is enhanced to be above 100% due to the benefit that comes into our Early Years Block spending position as a result of the difference in profile of DSG-level funded hours (on January censuses) and setting-level funded hours (on termly censuses). Without this enhancement, our pass-through rate in 2020/21 is 98.1%.

2.3 The Schools Forum is asked to note that it is not expected that the balance of Early Years Block centrally managed funds held at the end of the 2019/20 financial year will be a deficit. As such, the Schools Forum is not asked to write off from the 2020/21 Schools Budget any deficit associated with an Early Years Block fund.

3. The Central Schools Services Block 2020/21

Please refer to Document LI and LI Appendix 1 (full list of DSG centrally managed funds).

3.1 The Schools Forum is asked to agree the allocation of the **Central Schools Services Block (CSSB)** as set out in Document LI and LI Appendix 1:

- a) **Schools Forum Running Costs:** proposed to continue at the 2019/20 value of £10,000.
- b) **School Admissions:** proposed to be £0.615m, which is the 2019/20 value plus an increase for cumulative inflation / pay award (6%).
- c) **DfE Copyright Licences:** a value of £0.375m. The cost of copyright licences for primary and secondary schools and academies is met from the Central Schools Services Block. This is not a matter for decision for the Schools Forum as the DfE negotiates the price and top-slices our DSG. The costs for early years and high needs providers are charged within our model to the respective blocks. The DfE confirmed 2020/21 costs on 19 December 2019; increased by 2.2% on 2019/20.
- d) **Education Services Grant Statutory Duties:** proposed to be £1.426m, which continues to passport to the Local Authority's budget the 2019/20 value (£1.331m) plus an increase of £0.015m for SACRE and an increase for cumulative inflation / pay award (6%). This is the former ESG Centrally Retained Duties Grant, transferred into the DSG at April 2017, allocated in support of the statutory duties delivered by the Local Authority on behalf of all state funded schools and academies. A list of statutory activities is provided at Document LI Appendix 4 for the Forum's reference.
- e) **Transfer of services previous funded from the High Needs Block:** The budget of £0.389m for New Communities and Travellers was permanently transferred to the Central Schools Services Block at April 2019. It is proposed that this budget is uplifted in 2020/21 for cumulative inflation / pay award (6%) to £0.412m.

3.2 The Schools Forum is asked to note that this allocation of the CSSB, including the uplifts for cumulative inflation / pay award, is fully funded within our National Funding Formula based CSSB allocation, with a remainder of £0.074m, **which is proposed to be transferred as headroom to the High Needs Block.**

3.3 The Schools Forum is asked to note that it is not expected that any CSSB fund held in 2019/20 will hold a deficit balance at the end of the current financial year. As such, the Schools Forum is not asked to write off from the 2020/21 Schools Budget any deficit associated with a CSSB fund.

4. The High Needs Block 2020/21

Please refer to Document LG (DSG summary, which explains the initial planned High Needs Block budget and gives an updated view of the High Needs Block future year trajectory) and Document LE (consultation document, list of specialist places to be commissioned and individual setting planned budgets).

4.1 The Schools Forum is asked for its **formal feedback on the Authority's proposed changes to Bradford's high needs funding model for 2020/21**. These changes are set out in Document LE. Most significantly, the Authority proposes to adopt a new Banded Model to replace our existing 'Ranges Model' for the funding of EHCPs. It is proposed that all existing EHCPs will be transferred onto the new Banded Model at 1 April 2020. Members are asked to note that these proposals are out for consultation until 4 February. It is expected then that a final decision on the proposed changes will be taken by the Executive and then by Council on 20 February so that agreed revised arrangements are in place for 1 April 2020. Final arrangements will be presented to the Schools Forum at its March meeting (however, this will just be for information).

4.2 The estimated total additional cost to the High Needs Block in 2020/21 of the proposed changes is £5.428m. £5.000m of this cost is related directly to the implementation of the proposed new EHCP Banded Model, which includes a £2.000m contingency to support additional costs where the position of existing EHCPs may be adjusted upwards by the SEND Panel following annual review, appeal or dispute. **The Schools Forum is asked to agree that the 2020/21 High Needs Block planned budget includes the £5.428m.** Including the £2.000m, it is estimated that the proposed changes will allocate in the region of 47% of the additional NFF-led High Needs Block monies Bradford has been allocated in 2020/21.

4.3 **The Schools Forum is asked to note** that the 2020/21 High Needs Block planned budget incorporates a financial response to the following structural changes in the delivery of provision:

- a) The further development and expansion of new Local Authority-led resourced provisions in mainstream primary and secondary schools and academies. The initial 135 places agreed for 2019 are now budgeted for on a full year basis in 2020/21.
- b) Wider, the additional 354 specialist places (354 includes the 135 places above) are budgeted for on a full year basis in 2020/21.
- c) The completion of the 'restructuring' of our PRU provision at 1 September 2020, where our PRUs going forward deliver provision for pupils permanent excluded, proposed to be funded via a formulaic Day Rate mechanism.
- d) The completion at 1 September 2020 of the re-alignment of responsibility between the High Needs Block and schools for the funding of alternative provision that is commissioned by schools. The High Needs Block's funding of District PRU, placements with independent alternative providers and the Primary Behaviour Centres ceases at 31 August 2020.
- e) The amalgamation of Bradford's hospital education, Tracks and medical home tuition provisions into a single Local Authority managed service. This amalgamation will be completed at 1 September 2020.

4.4 The Schools Forum is also **asked to note and to give any feedback on the following:**

- a) Section V in Appendix 1 provides a breakdown of the 2020/21 High Needs Block planned budget. This is calculated on the existing cost base plus estimates of growth in need and the cost of our proposed amended high needs funding arrangements. Members are reminded that High Needs Block expenditure is more difficult to predict than that in other blocks as it is more subject to changes during the year. This difficulty is especially present currently due to the significant amount of structural change that is being delivered (see above), alongside the Authority's processes for the completion of outstanding EHCP assessments. The apportionment of placement costs between education, social care and health is also currently an area of review and this review could result in changes to the net cost to the High Needs Block in 2020/21 and on-going. These factors combine to mean that it is challenging to forecast with certainty what the profile of spend will be across the coming financial year. In particular, spending on mainstream EHCPs, places in special schools and resourced provisions and on out of authority / independent

placements is somewhat uncertain. The Local Authority, with the Schools Forum's support, has always taken a prudent approach in setting the initial budget.

- b) The proposed High Needs Block planned budget for 2020/21 is balanced without cause for transfer of budget from the Schools Block and without any further transfer of expenditure outwards to the Central Schools Services Block or to the Early Years Block.
- c) Unlike in 2019/20, there is no un-earmarked safety net contingency held within the 2020/21 planned budget. We estimate a carry forward balance of £11.098m at 31 March 2020, which will be used to meet any unexpected or higher than expected costs as well as any transitional costs associated with the delivery of structural change that are one off or short term in nature.
- d) A list of the places that the Authority plans to commission in 2020/21 in Bradford located specialist settings is presented at Document LE Appendix 2. This includes provision for 100 places to be newly established / commissioned during 2020 in addition to the 354 developed from 2019.
- e) Following the approach taken in previous years to the construction of the planned budget, specifically the estimate of the cost of top up funding, we have continued to assume that our established specialist provisions will be fully occupied across the 2020/21 financial year. Occupancy does fluctuate during the year and this has contributed to a level of under-spend in the High Needs Block in 2019/20. However, it is difficult to quantify the extent of fluctuation in occupancy that will be present in the coming year and it is prudent to assume that this will not have a significant cost impact.
- f) The DfE's Call for Evidence on the financial arrangements for SEND and alternative provision, conducted in summer 2019, and the DfE's announcement at the beginning of September of a larger SEND system review, are important factors in our consideration of our notional SEND and SEND Funding Floor arrangements for mainstream provisions going forward. As set out in our consultations, we have not proposed any amendments to our existing mainstream notional SEND and SEND Floor arrangements in 2020/21. We do not feel that it is productive to potentially implement new arrangements in these two important areas for these to be immediately overridden by new Finance Regulations. Our proposed changes to the Banded Model for funding EHCPs will have knock on implications for the SEND Floor in particular, so we also think it is sensible to have a new model agreed and in place before seeking then to develop and adopt any new Floor mechanism. We will keep both these under review for 2021/22.
- g) The way that we propose to adopt the new EHCP Banded Model means that no separate additional arrangements are required to comply with the Minimum Funding Guarantee for special schools and special school academies.
- h) The cost of SEND teaching support services within the planned budget continues to incorporate the changes in structure that were agreed by the Executive in July 2018. The total on-going cost of these services in 2020/21 is £4.241m of which £3.923m is met by the High Needs Block and £0.318m met by the Early Years Block. The 2020/21 cost is based on the 2019/20 budget plus 6% for cumulative inflation and pay award. In 2019/20 a sum of £0.8m was allocated from the Authority's base budget to the High Needs Block in support of these subsidised SEND teaching support services. This contribution has been removed in 2020/21 in response to the significant increase in DSG High Needs Block funding.
- i) No specific amendments have been made within the planned budget for 2020/21 in response to the School Forum's discussions, in July and September 2020, on issues related to the shift in the way health services are delivered in schools. This is a matter for continued discussion.
- j) The High Needs Block planned budget as currently set out in Document LG may be vired between spending headings during 2020 as our specialist places, and our structural changes that are re-shaping SEND provisions, develop. The Forum will be kept informed as this work develops and as the initially planned High Needs Block distribution changes during 2020.

5. The Allocation & Retention of Balances forecasted to be Brought Forward from 2019/20

Please refer to Document LH.

5.1 The Schools Forum is asked to agree the proposed treatment of the £21.060m of balances forecasted to be brought forward from 2019/20, as set out in the paragraphs below. Members are asked to note that the figure of £21.060m is an estimate. The confirmed values of brought forward balances by DSG block will be presented to the Schools Forum initially in July 2020 and then finally in September 2020 (the latter incorporating the final adjustment to Early Years Block income from the January 2020 Census).

5.2 The 4 options are, to:

- a) Commit these balances now to spending within the 2020/21 Schools Budget.
- b) Retain these balances at this stage pending further confirmation of their possible allocation during 2020/21.
- c) Retain these balances as they are already committed by previous decisions to spending after 2020/21.
- d) Retain these balances as reserve (including for possible commitment from April 2021 to matters under discussion or that will be reviewed during 2020).

5.3 The Schools Forum is asked to note that we do not forecast at this stage that there will be a balance brought forward within the Central Schools Services Block.

5.4 It is forecasted that a balance of £4.329m will be brought forward within the **Early Years Block**. The Schools Forum is asked to approve that:

- a) £0.488m is allocated into the Early Years Single Funding Formula (EYSFF) in 2020/21 to uplift / protect the value of the 3&4 year old Universal Base Rate at £4.19 per hour, as set out in autumn 2019 consultation, alongside supporting the wider changes proposed to be made within the EYSFF. Please see paragraph 6.
- b) The balance of £0.072m in de-delegated funds is ring-fenced and retained.
- c) The remaining value of balance, currently estimated to be £3.770m, is retained to be used in support of the Early Years Funding Formula from April 2021.

5.5 It is forecasted that a balance of £11.098m will be brought forward within the **High Needs Block**. As stated earlier in this report, Forum Members will see in the calculations for the 2020/21 planned budget that all safety net provision has been removed, with the expectation that balances brought forward in the High Needs Block will be used to meet unexpected or higher than estimated costs. There is a significant amount of continuing structural change taking place within Bradford's high needs provision, as well as continuing uncertainty in the national funding picture, and in other factors, that are very likely to alter our cost base going forward. The £11.098m itself is significantly estimated. The Schools Forum is asked to support the following position:

- a) We do not propose to allocate any proportion of the £11.098m in 2020/21 at the planned budget stage. Surplus balances brought forward are available to be spent on a one off basis only. When previously considering such balances, the Forum has sought to avoid allocating these in support of on-going expenditure pressures.
- b) The first call on the £11.098m will be meeting the cost of change as well as supporting any unexpected costs or higher than anticipated costs that may arise across 2019 and 2020.
- c) The £11.098m will also then support the avoidance of cumulative deficit in the High Needs Block over the medium term. Although this cannot be guaranteed, it may also mean that we will not need to enact further transfer of budget from the Schools Block over this period. The indicative trajectory (Document LG Appendix 2) however, does suggest that the High Needs Block is likely to continue to face financial pressure going forward, with the £11.098m supporting financial resilience.

5.6 It is forecasted that a balance of £5.633m will be brought forward within the **Schools Block**. The Schools Forum is asked to approve the following approach.

a) £1.252m is a ring-fenced balance of de-delegated funds. A breakdown of this balance is provided in the separate report (Document LI Appendix 2). The Authority proposes to release an amount of this balance (£0.3m) to support a reduction in the cost of contribution to the maternity / paternity insurance scheme in 2020/21. The balance will also be used to support any further costs arising from new deficits held by sponsored primary academy converters, as the Authority proposes that no new value of budget is de-delegated for this purpose in 2020/21. The rest of the balance is ring-fenced and is proposed to be held in support of the cost of continuing de-delegated funds, in line with the principles set out in paragraph 1.2.

b) £1.636m is the Growth Fund ring-fenced balance.

£1.209m of this balance remains earmarked for the Beckfoot Upper Heaton Academy financial support model agreed in January 2015, of which £0.427m is estimated to be allocated in 2020/21. There is one further financial year of support to be funded in 2021/22, and £0.782m of balance remains available for this.

£0.427m of this balance is retained in support of future main Growth Fund costs.

c) £0.650m is balance already committed by the previous Schools Forum decision in January 2015 to support the deficit of a secondary school converting to academy status. It is expected that this sum will continue to be held and may be deployed in 2020/21.

d) The remaining value of £2.095m of the balance brought forward includes provision for the confidential item discussed by the Schools Forum in May 2016. It is proposed that this sum be fully retained as a resilience reserve. £2.095m is 0.4% of the Schools Block.

6. Early Years Single Funding Formula and Pro-Forma 2020/21

Please refer to Document LF Appendix 3 (Summary of EYSFF consultation proposals), Document LJ Appendix 4 (Early Years Pro-forma) and Document LJ Appendices 2a, 2b and 2c (indicative provider modelling).

6.1 The Schools Forum is asked to **agree the structure of the Early Years Single Funding Formula (EYSFF) for 2020/21**, the detailed workings of which were set out in the Technical Statement, which formed part of the autumn 2019 consultation documentation. In summary:

a) Continue our current termly headcount methodology (and 2nd headcount for the 2 year old offer).

b) Make a small adjustment to the payment profile for PVI providers for the spring term 2021. This will mean that 25% of the estimated funding for the spring term will be paid in each of the 3 months December, January and February, leaving the final 25%, together with an adjustment for any differences between estimated and actual funding confirmed from the January census, to be paid in March.

c) Continue to pass through to providers 100% of the nationally set funding rates for the Early Years Pupil Premium (confirmed at £0.53 per hour) and the Disability Access Fund (confirmed at £615 per year).

d) Regarding the Early Years SEND Inclusion Fund (EYIF):

EYIF will continue to be fully funded from the Early Years Block.

We will continue to apply to all providers the holistic SEND Inclusion Fund approach that was introduced in 2019/20.

2 year olds will continue to be eligible for EYIF. The cost of 2 year old access to EYIF will continue to be met from the 3&4 year old Early Years Block budget supported by one off monies.

- e) Regarding the 2 year old entitlement, providers in 2020/21 will continue to be funded on a single flat rate per hour with no additional supplements. The DfE has confirmed that Bradford's rate of funding for 2 year olds in 2020/21 at DSG level has been uplifted by 1.54% (+ £0.08) to £5.28 per hour. We will pass this uplift onto providers in full by setting our 2 year old funding rate at £5.28 per hour for 2020/21.
- f) Regarding funding the 3 & 4 year old entitlement, whilst recognising that reserves / one off monies are still currently available and will be deployed in 2020/21, we will begin to take incremental action, which is aimed at both reducing the reliance on one off monies and maximising the value of our Universal Base Rate over the medium term. To this end, we will:

Begin to reduce the proportion of our 3 & 4 year old EYSFF that is allocated via the Deprivation & SEND supplement, with the intention to reduce this down by April 2022 to the average of our statistical neighbours, which is currently rounded at 6%. Our current proportion in 2019/20 is 9.5%. We will reduce down to the 6% average in three steps over three years, with the proportion reduced from 9.5% to 8.0% in 2020/21, and then indicatively down to 7.0% in 2021/22 and then to 6.0% in 2022/23.

Continue to employ one off monies to set the 3 & 4 Year Old Universal Base Rate (UBR) in 2020/21 at £4.19 per hour. This is an uplift of 1.95% (+ £0.08) on the £4.11 set for 2019/20. The uplift of + £0.08 passes through to providers more than the £0.06 increase Bradford has received from the DfE at DSG Early Years Block level.

Not introduce any more supplements into our 3 & 4 year old EYSFF. These supplements would dilute further both the Universal Base Rate and the Deprivation & SEND rates at a time when we see our priority to be to maximise the value of the UBR for all providers.

- g) Regarding the funding of the 3&4 year old entitlements in Maintained Nursery Schools, we will uplift the protected base rate in line with the general settlement and retain the other elements of the protection funded by the DfE's supplement at existing levels, so:

The protected setting base rate for maintained nursery schools is set at £5.78 per hour in 2020/21. This is the current protected £5.70 (which is carried forward from 2016/17) uplifted by £0.08 per hour in line with the uplift delivered in the 3&4 year old Universal Base Rate for other providers.

The Deprivation and SEN supplement rates for each nursery school will continue to be retained at their 2016/17 values.

The nursery school lump sum sustainability supplement will continue to be calculated on existing variable values using the current methodology.

6.2 The Schools Forum is asked to give its final approval to the **Early Years Pro-Forma for the 2020/21 financial year**, using the draft pro-forma at Document LJ Appendix 4 as a guide. This pro-forma sets out in summary the setting base rates under the full EYSFF, the mean deprivation and SEN rates and centrally managed Early Years Block funds.

(BY VOTE – PRIMARY, NURSERY AND EARLY YEARS PVI REPRESENTATIVES).

6.3 The Schools Forum is reminded and asked to note:

- a) Deprivation and SEND rates for individual PVI and classes providers will be confirmed once January 2020 postcode data is used to update the Index of Multiple Deprivation 3 year rolling averages. The figures shown in Document LJ Appendices 2b and 2c are indicative.
- b) A series of estimates have been made in the 2020/21 Early Years Block calculations relating to both income and to the cost of the entitlements (the number of hours to be delivered across the coming year). By necessity this approach requires end of year reconciliation and may require carry over of either an under or over spend into 2021/22.
- c) As described in Document LG, the planned budget for the Early Years Block continues to include the financial 'benefit' that comes from our profile of entitlement hours delivery. We anticipate that we will be funded at DSG level (based on January 2020 and 2021 censuses) for a larger number of 3&4 year old

entitlement hours than providers will deliver across the 3 terms (that the number of hours delivered in the summer term 2020 will be higher than January 2020 but that the additional cost of this will be more than offset by the number of hours delivered in autumn term 2020 being lower than the following January 2021).

- d) There is no un-allocated contingency held within the 2020/21 Early Years Block planned budget.
- e) As shown in the Pro-Forma, our Early Years Block planned budget complies with the DfE's statutory restrictions for the funding of 3&4 year old hours delivery concerning a) the minimum 95% pass-through and b) the maximum 10% spend on supplements. Our planned budget also complies with the DfE's expectation that the specific Maintained Nursery School Supplement will be allocated to protect nursery school funding at pre-national reform (2016/17) rates.

7. Primary and Secondary Formula Funding and Pro-Forma 2020/21

Please refer to Document LF Appendix 1 (Summary of consultation proposals), Document LJ, Document LJ Appendix 3 (Primary & Secondary Pro-forma) and LJ Appendices 1a, 1b and 1c (indicative modelling).

Forum Members are asked to note that the Pro-forma (Document LJ Appendix 3) is set out on the basis of the approach proposed in the consultation document that was discussed with the Schools Forum on 16 October as well as the adoption of a +2.34% rather than a +1.84% Minimum Funding Guarantee.

7.1 The Local Authority does not propose to transfer Schools Block budget 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 mainstream formula funding and on the other identified devolved funds (Growth Fund and Falling Rolls Fund).

As shown in Document LG, **there is £0.540m of headroom remaining within the Schools Block**. This is related to Primary-phase £GUF funding and, on a simplified basis, is generated from the net impact of the change in data recorded by the primary phase in the October 2019 Census vs. the October 2018 Census and the number of primary schools and primary academies that are funded on either the Minimum Funding Guarantee or the £3,750 per pupil minimum.

The Local Authority proposes to retain this £0.540m within the Schools Block, added to Schools Block reserve, so that it can be earmarked and spent in support of the primary-phase funding formula in 2021/22. The rationale for this proposal (as opposed to the rationale for seeking to allocate this headroom in 2020/21) will be explained further at the meeting. Although we would not obviously immediately propose to not allocate available funding, attempting to allocate the £0.540m to the primary phase in 2020/21 will result in a significant movement away from our guiding principle of seeking to closely mirror the National Funding Formula. This is because the majority of primary schools and academies (146 out of 156) are funded on either the MFG or the £3,750 per pupil minimum. Adjustment to our formula to spend the £0.540m would result in a 'distorted' concentration of this headroom in the small number of primary schools and academies that are funded in between the MFG and the £3,750 minimum.

The Schools Forum is asked to agree this proposal. If accepted, on this basis, the Schools Block will under-spend against the 2020/21 allocation by £0.540m with this sum added to the Schools Block reserve.

7.2 The Schools Forum is asked to **agree the mainstream Schools Block Primary & Secondary Funding Formula**, the detailed workings of which are set out in the Pro-Forma Document LJ Appendix 4. In summary, to:

- a) Continue to closely mirror the DfE's National Funding Formula at local level, meaning that we will:

Amend our minimum levels of per pupil funding to match the mandatory values set by the DfE (£3,750 primary; £5,000 secondary).

Amend our local formula, from that used in 2019/20, to mirror the DfE's 'NFF 2020/21' values for existing factors.

Continue to include funding for pupil mobility within our formula with this being calculated using the DfE's new NFF factor. We will move to fully use the new NFF value for the secondary phase pupil mobility factor in 2020/21. However, in transition to the full implementation of the new formula, as an initial step in 2020/21, we will 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.

We do not propose to alter our core NFF-based primary and secondary funding formula in 2020/21 other than for these three amendments.

- b) Set the Minimum Funding Guarantee at + 2.34%.
- c) Continue to use our existing local formula approach for the funding of split sites as this is not yet covered by the National Funding Formula.
- d) 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. Please see 7.3 below.
- e) 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.
- f) Continue to protect SEND Floor allocations for primary and secondary schools and academies at 2017/18 levels.
- g) Continue to fund business rates at actual cost, with the cost currently estimated within the planned budget.

7.3 The Schools Forum is asked to agree the value of the **DSG's total contribution to the Building Schools for the Future (BSF) Affordability Gap** for 2020/21, which is £7.382m; split £6.595m Schools Block and £0.787m High Needs Block. These figures incorporate a 3.03% increase on 2019/20 for the RPIX. This represents a net increase (allowing for adjustments relating to the apportionment for academies) of £0.271m on the 2019/20 cost. This contribution will be split between relevant schools and academies on the same % basis as in 2019/20 (based on the school's unitary charge value). For Secondary schools and academies, this contribution is expressed as a formula factor. For Special schools and academies, this contribution is managed as a central item within the High Needs Block.

7.4 The Schools Forum is asked to give its final **approval to the Pro-Forma for the 2020/21 financial year**, using the draft pro-forma at Document LJ Appendix 3 as a guide.

(BY VOTE – PRIMARY AND ACADEMY; BY VOTE SECONDARY AND ACADEMY).

7.5 The Schools Forum is reminded and asked to note:

- a) A +2.34% Minimum Funding Guarantee costs £955,291 more than a +1.84% MFG, with this split + £748,862 primary and + £206,429 secondary.
- b) The cost of business rates shown in the Pro-forma is estimated and is subject to change during the year. The cost is estimated to be £0.153m lower than in 2019/20 and may reduce further. The main driver of reduction is the transfer of maintained schools to academy as the cost of rates generally reduces by 80% following conversion.
- c) In moving to using the National Funding Formula at local individual primary and secondary school level in 2018/19, the Schools Forum wished to more closely monitor the actual spending of the Schools Block by phase against the funding received within the Schools Block by phase i.e. phase ring-fencing within the Schools Block. An updated calculation of the position for 2020/21 is shown in Document LG. Forum Members are reminded that premises-related costs and Growth Fund costs are funded on a cross-phase basis so are not included in this calculation. It is from this calculation that we can identify that the £0.540m of headroom remaining within the Schools Block relates to the primary phase.

- d) There is no un-allocated contingency held within the 2020/21 Schools Block planned budget.
- e) On the basis of the modelling presented to this meeting, the formula funding landscape in Bradford in 2020/21 is as follows:

Primary phase: 121 out of 156 schools (78%), including academies, are funded on the Minimum Funding Guarantee (at +2.34%). 25 schools are funded at the £3,750 minimum level. All other schools are funded above £3,750 per pupil.

Secondary phase: 11 out of 31 schools (36%), including academies, are funded on the Minimum Funding Guarantee (at +2.34%). 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 +2.34%). All of these academies are funded above the composite minimum level.

In total, 133 out of 191 schools and academies (70%) are funded on the Minimum Funding Guarantee.