

2021/22 Financial Year Dedicated Schools Grant Decisions and Recommendations List

This report lists the decisions and recommendations the Schools Forum is asked to make in supporting the Local Authority to establish the Dedicated Schools Grant (DSG) planned budget and formula funding arrangements for the 2021/22 financial year. The Forum is asked to take decisions (as required by the Regulations), and to make its final formal recommendations, on the Authority's proposals.

1. Schools Block Centrally Managed Funds 2021/22 (DECISION)

Schools Block De-Delegated Funds 2021/22 (DECISION)

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

1.1 Schools Members representing maintained primary & secondary schools only are asked to **decide the values of de-delegated funds, and the contributions to be taken from the 2021/22 formula funding allocations of maintained primary & secondary schools**, as proposed in Document MQ 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 academy conversions budget deficits) (Primary only)**: Continue to 'pause' de-delegation from the primary phase, meaning that no new contribution is taken in 2021/22. Review again for 2022/23. The Schools Forum will be provided with monitoring reports where this fund's brought forward balance is used in 2021/22 for this purpose.
- c) **Exceptional Costs & Schools in Financial Difficulty (Primary only)**: continue de-delegation from the primary phase at the 2020/21 per pupil value.
- d) **Costs of FSM Eligibility Assessments (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases at the 2020/21 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 continue to 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 14 October 2020 to continue de-delegation in 2021/22 for the purposes of subscribing to FFT. As such, this decision is repeated here only for reference and for completeness.
- f) **Trade Union Facilities Time – Negotiator Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at 95% of the 2020/21 per pupil value.
- g) **Trade Union Facilities Time – Health and Safety Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at 95% of the 2020/21 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 MQ Appendix 2 (£17.50 per pupil, which is + 1.86% on 2020/21). The £17.50 per pupil value includes the release, on a one off basis, of an estimated £0.20m of balance brought forward within this fund. It is estimated that the scheme will cost £0.70m in total in 2021/22.
- i) **School Staff Public Duties and Suspensions Fund (Primary only)**: continue de-delegation from the primary phase on the same £app basis as 2020/21.

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

- a) Any over or under spend within these funds will be written off from, or added back to, the DSG's de-delegated funds in 2022/23 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 2022/23, support by available surplus balances brought forward, will need to compensate for this.
- b) These decisions set the position for the 2021/22 financial year only.
- c) The funds will be managed and allocated according to their applicable criteria as set out in the autumn 2020 consultation document (where it was proposed to continue the same criteria as used in 2020/21).

1.3 The Schools Forum is asked to note that a total net surplus balance of de-delegated funds of £1.091m is forecasted to be carried forward within the Schools Block into 2021/22. As such, the Schools Forum is not asked to write off from the 2021/22 Schools Budget any deficit associated with de-delegated funds.

Schools Block Growth Fund 2021/22 (DECISION)

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

1.4 The Schools Forum is asked to agree (to decide) the allocations from the 2021/22 Schools Block Growth Fund to **existing expansions and existing bulge classes** as proposed and as listed in Document MU Appendix 1. Members are asked to note:

- a) There are 22 allocations with a total gross value of £1.147m. 12 Primary schools / Primary academies; 2 all through academies; 8 Secondary academies.
- b) The allocations to the all through academies (for secondary phase expansions) and 7 of the 8 allocations to the secondary academies simply complete for the full 2020/21 academic year the growth funding set out in Document MF (presented and agreed on 9 December 2020), which was only for the period up to 31 March 2021. Appendix 1 does not include allocations from the Growth Fund to the secondary phase for the 2021/22 academic year for the continuation of expansions that have begun since September 2017. Allocations for both continuing and new expansions and bulge classes in the secondary phase for the 2021/22 academic year will be funded from the provision explained in paragraph 1.5 below and will be presented to the Schools Forum for agreement in December 2021 following the collection of the October 2021 Census.
- c) The allocation of £0.430m to Beckfoot Upper Heaton Academy (BUHA) is funded from the £0.789m specific balance brought forward from 2020/21. It is not funded from the 2021/22 Schools Block. £0.430m is an estimate, which is calculated using the agreed formula model. This allocation will be confirmed in autumn using actual October 2021 Census pupil numbers. This is the final allocation to the academy (it is the final year of 7 years of specific growth fund support).
- d) The £0.485m for academies for the period April to August 2021 will be reimbursed back to the Schools Block via the ESFA's academy recoupment process. As such, the £0.485m does not represent a cost to the 2021/22 Schools Block. So, although the Forum is asked to approve allocations totalling £1.147m, as listed in Appendix 1, the actual net cost of these allocations to the 2021/22 Schools Block is £1.147m minus £0.485m (academies) minus £0.430m (BUHA) = £0.232m.

1.5 The Schools Forum is asked to agree (to decide) that a further planned budget of £1.127m is taken from the 2021/22 Schools Block for the Growth Fund to cover **additional / new allocations to be agreed during 2021**. This planned budget is split £0.175m Primary and £0.952m Secondary. All new in year allocations from the Growth Fund will be agreed by the Schools Forum prior to confirmation them with the receiving school or academy. Growth Fund allocations will continue as a standing Schools Forum agenda item to enable this.

- a) £0.175m will fund c. 4 additional forms of entry or full bulge classes in the primary phase at September 2021 (funded for the period up to 31 March 2022). This budget is £0.025m lower than held within the Schools Block in 2020/21.
- b) £0.952m will fund c. 14 additional forms of entry or bulge classes in the secondary phase at September 2021 (for the period up to 31 March 2022). This budget is increased on the £0.800m that was held within the Schools Block in 2020/21 in response to the increased unit cost of growth as a result of the transfer into core formula funding of the Teacher Pay and Teacher Pensions Grants and as the increase in pupil numbers in the secondary phase has reached key stage 4 (and the key stage 4 base £app is greater in value than the key stage 3 base £app).

1.6 The Schools Forum is asked to agree (to decide) to use the **criteria** for the allocation of the Schools Block Growth Fund in 2021/22 as set out in the autumn 2020 consultation document, which are the criteria used in 2020/21.

Schools Block Falling Rolls Fund 2021/22 (DECISION)

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

1.7 The Schools Forum is asked to agree (to decide) to **continue the Falling Rolls Fund for the primary phase for the 2021/22 financial year.**

1.8 The Schools Forum is asked to agree (to decide) to use the **criteria** for the allocation of the Schools Block Falling Roll Fund in 2021/22 as set out in the autumn 2020 consultation document, which are the criteria used in 2020/21 (with the annual reference points moved on one year in time).

1.9 The Schools Forum is asked to agree (to decide) that the **cost of the 2021/22 Falling Rolls Fund be met from the balance that will be brought forward from 2020/21** rather than by taking new budget from the 2021/22 Schools Block. Forum Members are asked to note that actual proposed allocations from the Falling Rolls Fund for this current financial year will be presented to the Schools Forum in March 2021. The final value of balance that will be carried into 2021/22 therefore, will be confirmed at this point.

2. Early Years Block Centrally Managed Funds 2021/22 (RECOMMENDATION)

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

2.1 The Schools Forum is asked to support the Authority to establish the 2021/22 DSG planned budget by recommending the **retention of funds for central management within the Early Years Block** as proposed and as listed in Document MQ Appendix 1:

- a) £0.031m for the Early Years Block's contribution to the **DfE Copyright Licences charge.**
- b) £0.094m for access by 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 £0.094m is given in Document MQ Appendix 2. This budget counts within the maximum 5% of 3&4 year old entitlement funding that the Authority is permitted to centrally retain within the Early Years Block.
- c) £0.500m for the estimated cost of allocations to early years providers from the **Early Years SEND Inclusion Fund**. This budget is reduced by £0.650m on the £1.150m held within the 2020/21 planned budget in response to more accurate data. The £0.500m budget is split £0.100m for 2 year olds and £0.400m for 3&4 year olds. The criteria proposed to be used to allocate the SEND Inclusion Fund are set out in our consultation on Early Years Single Funding Formula arrangements for 2021/22 (please see Document MR). These criteria are the same as currently used in 2020/21. Although the £0.500m budget is shown here as centrally retained, the full value is intended for allocation to providers during the year. As such, the £0.400m proportion of this budget to be allocated to eligible 3&4 year olds does not count towards the maximum 5% that can be retained centrally within the Early Years Block. Although this will

also be passed out to providers, because it is not allocated in respect of 3&4 year olds, the £0.100m for 2 year olds does count towards the 5%.

- d) The School Forum is then asked to note that the **Early Years Pupil Premium** and **Disability Access Fund** budgets shown in Document MQ Appendix 1 are funds that are also allocated to providers during the year, following the conditions set by the DfE, and these funds also do not count towards the maximum 5% central retention restriction.
- e) In support of the particular and (hopefully) short-term difficulties and pressures that exist within the Early Years Block in 2021/22 (as discussed in Document MR), the Authority proposes that the £0.448m, that would have been the Early Years Block's contribution to **early years high needs support services**, including portage, the pre-5 service and the administration and management of the Early Years SEND Inclusion Fund, is transferred to be funded by the High Needs Block in 2021/22. The Authority would expect to move this budget back to the Early Years Block in 2022/23.

For reference, the £0.448m budget is increased by £0.083m on the £0.365m held within the 2020/21 planned budget. The 2021/22 budget has been uplifted for service pressure in portage and then for pay / inflation using the mean average EHCP Banded Model top up % uplift. The £0.448m would normally count within the maximum 5% of 3&4 year old entitlement funding that the Authority is permitted to retain within the Early Years Block. However, as this budget is transferred to the High Needs Block in 2021/22, this does not count within the 5% next year.

2.2 The Schools Forum is asked to note that, following this transfer, a total of £0.226m of the centrally retained budgets listed in paragraph 2.1 count towards the 5% central retention restriction. As shown in the Early Years Pro-Forma (Document MS Appendix 5), we calculate that **98.0% of our 2021/22 3&4 year old entitlement funding will be passed-through to providers**; or, to put it another way, 2.0% of our 2021/22 funding will be either be retained or used otherwise than for funding the 3&4 year old entitlement. The equivalent figure for 2020/21 was 98.1% or (1.9%). The Authority must emphasise here again the degree to which the Early Years Block planned budget is currently estimated.

The 98.0% is affected not just by the values of budgets held centrally within the Early Years Block (the £0.226m), but also by the cost of the 2 year old entitlement. We estimate at this time that the cost of funding the 2 year old entitlement in 2021/22 may exceed its funding by £0.456m due to the profile of hours to be funded across the year by term and how this relates to the way the DfE has said it will fund the Early Years Block using the January Censuses. This is a position that we estimate may be particularly affected by COVID-19 in the short term, but it is also present where 2 year old numbers reduce in line with demographic trends. We will therefore, continue to monitor this to ensure that our funding approach does not place excessive pressure on our 3&4 year old entitlement funding on an on-going basis.

Previously, when we have included within the pass-through % calculation the benefit that has come into our Early Years Block spending position as a result of the difference in profile of DSG-level funded 3&4 year old entitlement hours (on January censuses) and setting-level funded hours (on termly censuses), our pass-through % has been higher than 100%. In 2020/21 it was 100.7%. However, one of the actions we have taken to protect the Early Years Block in 2021/22 is to remove this benefit. The budget impact of removing this (roughly £1.000m) has been offset by the reduction in the Early Years SEND Inclusion budget (£0.650m) and by the transfer of the early years high needs support services budget to the High Needs Block (£0.365m). We anticipate, post COVID-19 impact, that this benefit (or most of it) will be restored. However, as with the 2 year old entitlement, we will need to continue to monitor the impact of demographic trends.

2.3 Finally, 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 2020/21 financial year will be a deficit. As such, the Schools Forum is not asked to write off from the 2021/22 Schools Budget any deficit associated with an Early Years Block fund.

3. The Central Schools Services Block 2021/22 (DECISION)

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

3.1 The Schools Forum is asked to agree (to decide) the allocation of the **Central Schools Services Block (CSSB)** for 2021/22 as proposed and as listed in Document MQ Appendix 1:

- a) **Schools Forum Running Costs:** proposed to continue at the 2020/21 value of £10,000.
- b) **Pupil Admissions:** proposed to be £0.737m, which is an increase of £0.122m on the 2020/21 value of £0.615m. The budget is increased, using the headroom received from the + 6.45% per pupil CSSB National Funding Formula settlement, to respond to the service's current spending pressure, plus an increase for pay / inflation in 2021/22.
- c) **DfE Copyright Licences:** a value of £0.349m. 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 the 2021/22 costs on 18 December 2020; reduced by 1.3% on 2020/21.
- d) **Education Services Grant Statutory Duties:** proposed to be £1.495m, which will continue to passport to the Local Authority's budget the 2020/21 value (of £1.426m) plus an increase for pay / inflation. This is the former ESG Centrally Retained Duties Grant that was transferred into the DSG at April 2017 and is now 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 was presented to the Forum on 9 December 2020 in Document MH Appendix 3.
- e) **Education Access Officers:** This budget was permanently transferred from the High Needs Block at April 2019. The budget is proposed to be uplifted in 2021/22 to £0.423m (from £0.412m held in 2020/21) for pay / inflation.
- f) **Former Teacher Pensions Grant monies retained within the CSSB (centrally employed teachers):** a new value of £0.164m is proposed to be retained within the Central Schools Services Block to continue the funding that has previously been received by the Authority through the Teacher Pension Grant, which is now transferred into the CSSB. The £0.164m is allocated to support the cost of Local Authority centrally employed teachers that are deployed within CSSB budgets. This funding is shown separately for clarity in the first year of transfer but will be amalgamated into respective budgets from 2022/23.

3.2 A total sum of £0.406m has been received within the 2021/22 CSSB settlement for the continuation of former Teacher Pension Grant monies allocated in respect of centrally employed teachers. The Authority proposes that £0.164m of this is retained within the CSSB (as in paragraph f above) and that **£0.242m is transferred to the High Needs Block**. This is a non-material technical transfer of new DSG Pension Grant funding to ensure that all DSG income relating to centrally managed teachers, employed within the SEND teaching support services and within the central Education in Hospital and Medical Home Tuition Service, is accounted for within the High Needs Block where their expenditure is also charged. The proposed split of Pension Grant funding between the CSSB and the High Needs Block continues how the grant funding was apportioned in 2020/21.

3.3 The Schools Forum is asked to note that this proposed allocation of the CSSB, including the uplifts for pay /inflation, is fully funded within our National Funding Formula CSSB allocation.

4. [The High Needs Block 2021/22 \(RECOMMENDATION\)](#)

Please refer to:

- Document MO (the 2021/22 DSG summary, which summarises the planned High Needs Block budget).
- Document MT (the DSG Management Plan, which includes an updated view of the estimated High Needs Block future year trajectory and a list of planned commissioned specialist places).
- Document MS Appendix 3 (which shows in more detail how the High Needs Block planned budget for 2021/22 has been constructed at individual setting and budget heading level).

4.1 The Schools Forum is asked to support the Authority to establish the **2021/22 High Needs Block planned budget** by recommending that the formula approach (**the High Needs Funding Model**) the

Authority proposed in our consultation, and that was reported back to the Schools Forum on 9 December 2020 (Document ML), is used to delegate High Needs Block funding to high needs providers, mainstream schools and academies and other settings in the 2021/22 financial year. This approach includes the following significant elements:

- a) The continuation and uplift of our EHCP Banded Model and of our PRU / AP Provider Day Rate Model.
- b) The revision of our SEND Funding Floor mechanism, in trial for a year, in support of the funding of EHCPs (element 2) in mainstream primary and secondary schools and academies.
- c) The allocation of the Teacher Pay and Teacher Pensions Grants to specialist settings through the High Needs Block.
- d) An unchanged approach to our definition of Notional SEND funds allocated through core Schools Block formula funding.

4.2 The Schools Forum is asked to note and **to give any feedback to the Authority** on the following significant elements, estimates and assumptions, which are incorporated into the construction of the 2021/22 High Needs Block (HNB) planned budget:

- a) The 2021/22 HNB planned budget is balanced without cause for transfer of budget from the Schools Block and without transfer of expenditure outwards to the Central Schools Services Block or to the Early Years Block. A sum of £0.235m of brought forward is allocated to formally 'balance' the budget at this stage. Whether this value of balance is actually needed (or whether a greater sum is needed) will depend on how spending develops during the year and how this compares against the estimates used now.
- b) The Local Authority continues to take taken a prudent approach to setting the planned budget. The Forum is reminded that HNB 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 amount of structural change that continues to be delivered.
- c) The planned budget is constructed to build sustainable and affordable capacity for the medium to longer terms. It is constructed on a full year full places occupancy basis. This is done with the understanding that the filling of new capacity will be achieved in a managed way and that there can be some degree of fluctuation in the occupancy of existing capacity during the year.
- d) The planned budget includes £3.000m for the further development of specialist provisions, which is a full year budget for an additional 120 SEND places.
- e) The planned budget incorporates the completion of the 'restructuring' of our PRU / AP provisions. Our PRU / AP provisions going forward, where funded from the HNB, will deliver Local Authority commissioned provision for pupils permanent excluded. 165 places are funded within the 2021/22 planned budget. The planned budget does not fund school-commissioned alternative provision.
- f) The planned budget is constructed incorporating the financial efficiencies that come from the completion of the amalgamation of Bradford's hospital education, Tracks and medical home tuition provisions into a single Local Authority managed service.
- g) The planned budget is based on estimates that the spend on pupils with EHCPs in mainstream settings and in post 16 Further Education settings, and on pupils placed in independent and non maintained special school provisions, will continue to grow at current rates.
- h) No amendments have been made to the planned budget at this stage specifically in response to the School Forum's recent discussions, on issues related to the way health services are financed in schools, or in anticipation of a national review of the regulatory position regarding the use of education funding for health services. This is a matter for continued discussion.
- i) The DfE's impending national SEND / EHCP / AP system and funding reviews may have significant implications for the planned budget going forward but nothing is factored into the 2021/22 budget at this stage. We may need to review our planned budget should these reviews, the outcomes of which are

expected to be published in the new year, result in changes that are required to be implemented during 2021/22.

- j) The planned budget retains a reduced earmarked contingency provision (of £1m reduced from £2m held in 2020/21), which is available to cover further costs that may potentially come from the embedding of our new (at April 2020) EHCP Banded Model. Except for this £1m, all other unexpected or higher than expected costs that cannot be met by savings elsewhere within the HNB in 2021/22 will be covered by the HNB brought forward balance.
- k) How we propose to continue and to uplift our existing EHCP Banded Model means that separate additional arrangements are not required in order for us to comply with the DfE's Minimum Funding Guarantee for special schools and for special school academies.
- f) Provision for SEND teaching support services held within the planned budget continues to incorporate the changes in structure that were agreed by the Executive in 2018. The total budget provision for these services in 2021/22, now incorporating the transfer of the Teacher Pension Grant as well as uplift for pay / inflation, is £4.830m. As explained in paragraph 2.1, in protection of the Early Years Block, the £0.448m proportion that would have normally been met by the Early Years Block has been transferred to the High Needs Block for 2021/22. The Authority would expect to move this budget back to the Early Years Block in 2022/23.

5. The Allocation & Retention of Balances forecasted to be Brought Forward from 2020/21 (RECOMMENDATION)

Please refer to Document MP Appendix 2.

5.1 The Schools Forum is asked to support the Authority to establish the **2021/22 DSG planned budget** by recommending the treatment of the £25.272m of balances, forecasted to be carried forward into 2021/22, as listed and as proposed in the paragraphs below. £25.272m is 4.1% of the 2021/22 DSG allocation.

5.2 In doing so, the Forum is asked to note that the figure of £25.272m is an estimate. The confirmed values of brought forward balances by DSG block will be presented to the Forum initially in July 2021 and then finally in September 2021 (the latter incorporating the final adjustment to Early Years Block income).

5.3 The Schools Forum is also asked to note that we currently forecast that there will not be a balance remaining within the **Central Schools Services Block** to carry forward into 2021/22. We have signalled (to the Forum on 9 December 2020 Document MH) some potential spending pressures, especially within Pupil Admissions. A final reconciliation will take place within the Council's year end closedown process and we will present to the Forum in July 2021 the final balances position for the CSSB for the end of the 2020/21 financial year. We have previously established with the Forum a policy of transferring any net overall under spend in CSSB budgets to the carry forward balance retained within the Schools Block. We transferred from the CSSB to the Schools Block £0.005m of surplus balance at the end of 2018/19 and £0.151m at the end of 2019/20. If the CSSB holds a net deficit balance at 31 March 2021, which is at a value lower than or equal to £0.156m, we would expect to charge this deficit to the Schools Block carry forward balance and we will ask for the Forum's approval to do this.

5.4 It is forecasted that a balance of £3.273m will be brought forward within the **Early Years Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) £0.615m is allocated into the 2021/22 Early Years Block planned budget to support the estimated cost of our Early Years Single Funding Formula (EYSFF) as proposed in Document MR. Please also see paragraph 6. Whether this value of balance is actually needed (or whether a greater sum is needed) will depend on how spending develops during the year and how this compares against the estimates used now.
- b) The balance of £0.072m in de-delegated funds is ring-fenced and retained.

- c) The balance of £0.460m in the Disability Access Fund (DAF) is retained and earmarked for this purpose. We continue to underspend DAF funds. As well as carrying out work to better understand why providers may not be fully claiming DAF funds, and to encourage higher take up, the Authority proposes to increase the value of the DAF allocation paid per child in 2021/22, from £615 to £1,000, and to use a proportion of the £0.460m balance in support of the cost of this increase, if this is required. The allocation of DAF monies will continue to be closely monitored.
- d) The remaining value of balance, currently estimated to be £2.126m, is retained to be used in support of the cost, including any unexpected or higher than expected cost, of the Early Years Funding Formula (EYSFF) in 2021/22 and going forward. £2.126m is 4.9% of the Early Years Block. As explained in Document MR, the Authority wishes to emphasise to the Forum and to early years providers that it is very difficult at this time to forecast the cost of our EYSFF in 2021/22 due to the potential for continued impact from COVID-19, but also because COVID-19 has meant that we do not have an accurate 'actuals base' for hours delivered by providers in 2020/21 to use to estimate delivery next year. This is especially difficult for the calculation of estimates for the delivery of the 2 year old entitlement, where there is expected to be an overall reduction in the numbers of 2 year olds due to reducing birth rate. There is potential for us to need to use a substantial amount of brought forward balance in 2021/22. Whilst recognising the need to release available funds to providers that are facing challenging circumstances, the Authority is minded to seek to retain as much balance brought forward as possible at this planned budget stage so that this is available to support the management of additional and unexpected costs. The Authority is also conscious that we have previously anticipated that we will have reserve available in future years to continue uplifting base rates for all providers and to support maintained nursery schools through any transition that a national funding review may require. We have built our funding approach around this and the absence of reserve in future years will cause us to review this strategy.

5.5 It is forecasted that a balance of £15.449m will be brought forward within the **High Needs Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) A sum of £0.236m is allocated to formally 'balance' the High Needs Block planned budget at this stage. Whether this value of balance is actually needed (or whether a greater sum is needed) will depend on how spending develops during the year and on how this compares against the estimates used now.
- b) We do not propose to allocate any further amount of the £15.449m into the 2021/22 High Needs Block planned budget. Surplus balances brought forward are available to be spent on a one off basis only. When previously considering such balances, the Forum has always supported the Authority's approach to avoid over-allocating one off monies to on-going expenditure.
- c) The next call on the £15.449m, after balancing the planned budget, will be meeting any unexpected or higher than expected costs that may arise across the remainder of the 2020/21 and then the 2021/22 financial years, noting that the £15.449m figure itself is significantly estimated.
- d) The balance of the £15.449m will then be retained to support the avoidance of cumulative deficit in the High Needs Block over the medium term, with its use forming part of our DSG Management Plan as presented in Document MT Appendix 1. £15.449m is 16.7% of the High Needs Block. Although, in his November Spending Review Statement, the Chancellor confirmed the Government's commitment to the third year of above inflationary increases in school funding in 2022/23, the Authority is cautious / concerned about how the Government's response to public sector spending following COVID-19 will affect the values of DSG and High Needs Block settlements from April 2023. In this context, having a secure balance, which can be used to continue to meet increasing demands and increasing costs, will provide resilience. In addition, we are also currently uncertain about whether and how the DfE's national SEND / AP systems reviews will impact on the High Needs Block. Although this cannot be guaranteed, the retention of this balance may also mean that the Authority will not need to enact any further transfers of budget from the Schools Block over the period of our current Management Plan. The final implementation of the Schools Block hard National Funding Formula (when this comes) may also prevent transfers, meaning that the High Needs Block will need to be self-sufficient.

5.6 It is forecasted that a balance of £6.550m will be brought forward within the **Schools Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) £1.091m is retained as the ring-fenced balance of de-delegated funds. A breakdown of this balance is provided in the separate report (Document MQ Appendix 2). The Authority proposes to release an amount of this balance (estimated £0.2m) to support the net cost to schools of their contributions to the maternity / paternity insurance scheme in 2021/22. The balance will also be used to support any 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 2021/22. 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) £1.386m is retained as the Growth Fund ring-fenced balance. £0.430m of this balance remains earmarked to be allocated to Beckfoot Upper Heaton Academy using the agreed support model. 2021/22 is the final year of this support funding. £0.956m of the £1.386m balance is retained in support of future Growth Fund costs.
- c) £0.500m is retained as the ring-fenced balance for the primary phase Falling Rolls Fund. We do expect to agree allocations from this fund with the Schools Forum in March 2021. However, we have shown the Fund as fully unspent at this time so that the Forum can clearly see that two years' of budget provision totalling £500,000 is now available. This helps to explain the rationale for the Authority's proposal (see paragraph 1.9) that we 'pause' taking new budget provision from the 2021/22 Schools Block. We anticipate allocating in the region of £0.250m of the brought forward balance in 2021/22.
- d) £0.650m is retained as 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 be deployed in 2021/22.
- e) £0.540m, which is the Primary £GUF headroom not allocated from the 2020/21 settlement, is retained for further discussion but with the provisional intention to use this sum to support the additional cost of the reception uplift factor, which we would add into our Schools Block primary funding formula in 2022/23 for one year only. This would be in response to the issue that has been identified where, due to COVID-19, the placement of reception-aged children on appeal into primary schools and primary academies was delayed in the autumn 2020 term (and did not take place before the October 2020 Census was taken). The reception uplift factor in 2022/23 would retrospectively fund the difference between the number of reception aged children on roll recorded in the January 2021 Census against the number recorded in the October 2020 Census.

Please see paragraph 7 for further discussion on the use of this headroom in the context of the headroom that exists within the 2021/22 Schools Block settlement.

- f) The remaining value of £2.383m 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. £2.383m is 0.5% of the Schools Block.

6. Early Years Single Funding Formula and Pro-Forma 2021/22 (RECOMMENDED)

Please refer to:

- Document MR (EYSFF consultation proposals)
- Document MS Appendix 5 (Early Years Pro-forma, which summarises the proposed setting base rates, the mean Deprivation & SEN rates and maintained nursery school supplement funding).
- Document MS Appendices 2a, 2b and 2c (indicative provider funding rate modelling 2021/22).

6.1 The Schools Forum is asked to support the Authority to establish the **2021/22 Early Years Block planned budget** by giving its formal feedback on the Early Years Single Funding Formula (EYSFF) the Authority proposes to be used to fund all early years providers for their delivery of the 2, 3 & 4 year old entitlements. The Authority's proposals are set out in detail in Document MR and its Appendix 1 (EYSFF Technical Statement).

6.2 The Authority ideally would like the Forum to give its formal support to these proposals.

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

6.3 In providing feedback now however, the Forum is asked to note the **variance from our normal decision making timetable**. Due to the timing of the DfE's announcements on Early Years Block funding arrangements, consultation on our 2021/22 EYSFF has not yet been completed. Our consultation will begin after this meeting and will run until 3 February 2021. Final proposals, incorporating any adjustments made in response to consultation feedback, will be presented to Executive on 16 February and then to Council on 18 February for final decision (subject to the Executive's resolution). The Forum's next scheduled meeting is not until 10 March, so this means that final decisions will be taken before the Forum has had sight of any consultation feedback and any amendments from this. The Authority will send an email to Forum Members as soon as possible after 3 February to inform them whether the final proposed EYSFF, to be presented to the Executive / Council, has changed from what is proposed now in Document MR. The Authority will also aim to meet with the Early Years Working Group as soon as possible following the closure of the consultation on 3 February to discuss feedback and final arrangements.

6.4 In providing feedback now, the Forum is also asked to note that, as explained in Document MR, there are **still a number of matters for the 2021/22 financial year that are uncertain and that will likely require further discussion, consultation and decisions**. One of the key outstanding matters is the **funding of maintained nursery schools from September 2021**. We are only able at this time to confirm our proposals for nursery school funding for the period April to August 2021. It is likely that we will need to consult with the Forum again specifically on this matter once the DfE's position has been confirmed.

6.5 The Schools Forum is also reminded and is asked to note:

- a) The warning and provision that is included within our Technical Statement (Document MR Appendix 1) relating to managing any impact of COVID-19 in 2021/22. Local authorities are not permitted to alter their EYSFF arrangements in year without DfE approval, so we are minded to ensure that there is sufficient "controlled flexibility" within our arrangements, especially flexibility in our entitlement delivery counting arrangements, to enable us to respond to any unexpected exceptional circumstances as appropriate.
- b) Deprivation and SEND rates for individual providers will be confirmed once January 2021 postcode data is used to update the Index of Multiple Deprivation 3 year rolling averages. The figures shown in Document MS Appendices 2a, 2b and 2c are indicative for this reason. The rates are also indicative because they are subject to the outcomes of the consultation.
- c) A series of estimates have been made in the 2021/22 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 an over spend into 2022/23. The Authority must emphasise here again the degree to which the Early Years Block planned budget is currently estimated.
- d) In previous years we have established our EYSFF rates of funding incorporating the benefit that comes from our DSG Early Years Block being funded for a greater number of 3&4 year old entitlement hours than providers actually deliver across the 3 terms. As explained in paragraph 2.2, one of the actions we have taken to protect the Early Years Block in 2021/22 is to remove this benefit. The budget impact of removing this (roughly £1.000m) has been offset by the reduction in the Early Years SEND Inclusion budget (£0.650m) and by the transfer of the early years high needs support services budget to the High Needs Block (£0.365m). We anticipate, post COVID-19 impact, that this benefit (or most of it) will be restored. However, as with the 2 year old entitlement, we will need to continue to monitor the impact of demographic trends. Reductions in numbers during the year reduce the value of the benefit.
- e) There is no unallocated contingency fund held within the 2021/22 Early Years Block planned budget.
- f) As shown in the Pro-Forma (Document MS Appendix 5), 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. As far as we are able to confirm at this time, for the period April to August 2021, our planned budget also complies with the DfE's expectation that the specific Maintained Nursery School Supplement is allocated to protect nursery school funding at pre-national reform (2016/17) rates.

7. Primary and Secondary Formula Funding and Pro-Forma 2021/22 (RECOMMENDED)

Please refer to Document MS Appendix 4 (Primary & Secondary Pro-forma) and Document MS Appendices 1a, 1b and 1c (indicative modelling).

7.1 The Schools Forum is asked to support the Authority to establish the **2021/22 Schools Block planned budget** by recommending the formula approach that the Authority proposed in our consultation, and that was reported back to the Schools Forum on 9 December 2020 (Document MJ), is used to calculate core formula funding allocations for mainstream primary and secondary maintained schools and academies for the 2021/22 financial year. This approach includes the following significant elements:

- a) No transfer of budget from the Schools Block to the High Needs Block.
- b) Continue to fully mirror the DfE's National Funding Formula (NFF) at factor level.
- c) Set the Minimum Funding Guarantee (MFG) at positive 2.0%. Within the calculation of the MFG, we continue to exclude premises factors (business rates, split sites and PFI) in the baselines for both 2020/21 and 2021/22 so that we can continue to closely mirror the way the MFG is calculated within the National Funding Formula.
- d) 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.
- e) 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 7.2 below.
- f) Continue to fund business rates at actual cost, with the cost currently estimated within the planned budget.
- g) 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.
- h) Retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block – Growth Fund, Falling Rolls Fund, De-delegated Funds.

7.2 The Schools Forum is asked to agree (to recommend) the value of the **DSG's total contribution to the Building Schools for the Future (BSF) Affordability Gap** for 2021/22, which is £7.412m; split £6.612m Schools Block and £0.800m High Needs Block. These figures incorporate a 1.56% increase on 2020/21 for the RPIX. This represents a net increase (allowing for adjustments relating to the apportionment for academies) of £0.03m in cash budget terms on the 2020/21 cost. This contribution will be split between relevant schools and academies on the same % basis as in 2020/21 (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.

7.3 As shown in Document MO, **there is £0.467m of headroom remaining within the Schools Block 2021/22 settlement**. Of this £0.467m, £0.377m is monies specifically attached to the primary phase. The remainder comes from other adjustments to joint funded budgets within the Schools Block e.g. Growth Fund, business rates, which are not attached to any specific phase.

The Local Authority has modelled whether / how this headroom could be allocated through formula funding to the primary phase in 2021/22. This will be discussed further with the Schools Forum at the meeting. As we found for the 2020/21 primary phase headroom, there are difficulties caused by the position of the primary phase vs. the MFG and the £4,180 MFL. Only a small proportion of primary schools and academies would benefit and we would need to quite significantly adjust our formula to allocate the headroom. Increasing the value of our lump sum, for example, does nothing to improve the allocations of schools (and small schools) that may sit on the MFG. The Authority does not wish not to move away from the principles we have established, to distort our formula, or to move too far away from what we have said we would do in our consultation with schools and academies.

Our conclusion (and our proposal) is that the £0.467m is better retained at this time. This means that we would add the £0.377m primary phase monies to the £0.540m brought forward from 2020/21 to create a sum of £0.917m specifically available to support the cost of the reception uplift factor in 2022/23. For reference, the reception uplift factor would have cost approximately £0.524m in 2021/22 had we applied this factor (it would have funded 114 more reception pupils). We would expect however, due to the delay in admissions on appeal in autumn 2020, that the number of pupils that would be funded via the reception uplift factor in 2022/23 will be greater than 114.

The remaining balance of £0.09m of the £0.467m headroom will be added to the general Schools Block reserve.

The Schools Forum is asked to support this proposal. If accepted, on this basis, the Schools Block will under-spend against the 2021/22 allocation by £0.467m with this sum added to the Schools Block balances as proposed.

7.4 The Schools Forum is asked to give its final **approval to the Pro-Forma for the 2021/22 financial year**, using the draft pro-forma at Document MS Appendix 4 as a guide.

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

7.5 The Schools Forum is reminded and is asked to note:

- a) 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 £0.208m lower than in 2020/21 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.
- b) In moving to using the National Funding Formula at local individual primary and secondary school level, 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 2021/22 is shown in Document MO. Forum Members are reminded that premises-related costs and Growth Fund and Falling Rolls Fund costs are funded on a cross-phase basis so are not included in this calculation.
- c) There is no unallocated contingency fund held within the 2021/22 Schools Block planned budget.
- d) On the basis of the modelling presented to this meeting, the formula funding landscape in Bradford in 2021/22 is as follows:

Primary phase: 99 out of 156 schools (64%), including academies, are funded on the Minimum Funding Guarantee. 40 schools are funded at the £4,180 minimum per pupil level. All other schools are funded above £4,180 per pupil.

Secondary phase: 9 out of 31 schools (29%), including academies, are funded on the Minimum Funding Guarantee. 3 schools are funded at the £5,415 minimum per pupil level. All other schools are funded above £5,415 per pupil.

All through academies: 1 out of the 4 academies (25%) is funded on the Minimum Funding Guarantee. All of these academies are funded above their composite minimum per pupil funding levels.

In total, 109 out of 191 schools and academies (57%) are funded on the Minimum Funding Guarantee. This is reduced from 133 (70%) in 2020/21. 43 out of 191 schools and academies (23%) are funded on the phase-relevant minimum per pupil funding levels. This is increased from 28 (15%) in 2020/21.