

# **Report of the Director of Finance to the meeting of the Executive to be held on 16 February 2021 and Council to be held on 18 February 2021.**

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## **Subject:**

**Allocation of the Schools Budget 2021/22 Financial Year**

## **Summary statement:**

**The report seeks Executive approval of the recommendations of Bradford's Schools Forum in allocating the Dedicated Schools Grant (DSG) for 2021/22 and subsequent recommendation to Full Council.**

## **EQUALITY & DIVERSITY:**

The Schools Budget proposed for 2021/22 is put forward to retain a significant amount of continuity on current practice, Dedicated Schools Grant distribution and formula funding policy and methodology.

### Schools Block

Council has previously (for April 2018) determined to mirror the DfE's National Funding Formula (NFF) for the calculation of primary and secondary school / academy delegated funding allocations. There is no change in this policy in 2021/22 and only minor technical change in the NFF itself. As such, we continue to align with the DfE regarding the [National Formula Funding policy](#) and its priorities and impacts on the funding of children and young people that share protected characteristics.

In setting the School's Budget for 2021/22, Council is asked to approve that the Minimum Funding Guarantee (MFG) for primary and secondary schools / academies is set at + 2.0%, which is the maximum permitted by the Regulations. The purpose and consequence of this proposal is to uplift the funding of schools / academies that remain on the MFG, in particular in the primary phase where 64% of schools / academies are on this in 2021/22. This is to ensure that funding is available to these schools / academies to use in support of all pupils including those that share protected characteristics.

## High Needs Block

Council is asked to approve, for the allocation of Education Health and Care Plan (EHCP) top up funding to schools and providers, the continued application of the Banded Model, which was first introduced at April 2020. The impact of this Model, on the funding of schools and providers for all children and young people with EHCPs, is assessed to continue to be entirely positive. The Banded Model continues to improve the way schools and providers in Bradford are funded for children and young people with SEND with EHCPs. Although it cannot be evidenced at this stage that this change has directly advanced equality of opportunity for children and young people that share a protected characteristic, it is expected that this Model will support this.

Council is asked to approve the proposal to amend the Special Educational Needs and Disabilities (SEND) Funding Floor for mainstream schools in 2021/22. As well as supporting provision for pupils with EHCPs, the new approach is aimed at protecting the funding used by schools / academies to support their wider Additional Educational Needs (AEN), SEND and Alternative Provision (AP) activities. This will better financially support schools / academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools / academies that may have lower levels of AEN formula funding and that may be smaller in size. It will also support schools / academies that may have some turbulence in formula funding as a result of in year pupil numbers changes. The impact of this new Floor, combined with the increases in the minimum level of per pupil funding and continuing protection for named identified schools / academies, is assessed to be entirely positive.

## Early Years Block

Council is asked to approve the continued protection of maintained nursery schools, at this time for the period April to August 2021 with arrangements from September 2021 to be further discussed once the DfE confirms the position. This protection is funded using the specific supplement within the Early Years Block, supported by one off monies. The numbers of children with SEND and from more deprived backgrounds is higher in the nursery schools sector and this protection continues to support provision for these children.

The Early Years Pupil Premium, as well as the Disability Access Fund and Early Inclusion Funds, will continue to complement the Early Years Single Funding Formula and will provide additional funds to support children with SEND as these have done in 2020/21. The proposal to increase Disability Access Funding, from £615 to £1,000 for eligible children, is put forward with the aim of further supporting providers in meeting the needs of eligible children with SEND in 2021/22.

Council is asked to approve the recommendation to pause the previously planned further reduction in spend on the Deprivation & SEND supplement, meaning that spending on this supplement will be retained at 8% in 2021/22. This proposal is put forward in recognition of the current impact of the COVID-19 situation and the Authority's concern to maximise the amount of funding that will be allocated to early years providers to support children from more deprived backgrounds next year.

The position of the Deprivation & SEND supplement will need to be reviewed again for

2022/23. The average of our statistical neighbours, at last measurement, was 6%. The Authority set out in consultation in autumn 2019 how brought forward balances (one off monies) are currently being used within the Early Years Block to protect the current value of the Universal Base Rate (UBR) following the national early years funding reform in 2017. However, the use of one off monies is not a permanent solution. To keep within the funding settlement currently available, either the UBR or spending on other factors (including the Deprivation & SEND supplement) will need to reduce. Protecting and uplifting the UBR annually for all providers helps support universal good quality provision for all children. However, the Authority sees that reducing the Deprivation & SEND supplement to better afford the UBR in 2021/22 will not help providers manage the impact of the COVID-19 situation on children from more deprived background. For this reason, the pausing of the reduction is strongly supported by the Schools Forum.

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**Portfolio: Leader of Council**

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**Overview & Scrutiny Area: Corporate**

## **1. SUMMARY**

- 1.1 This report informs the Executive of the allocation of the Dedicated Schools Grant (DSG) and the proposed Schools Budget for the 2021/22 financial year. The proposed Schools Budget incorporates the decisions and recommendations that were made by the Schools Forum on 13 January 2021.
- 1.2 The Schools Budget is part of the overall budget proposal for the Council, which includes:
- The recommended Capital Investment Plan (Document “DG”)
  - The Revenue Estimates (Document “DL”)
- 1.3 This report is submitted to enable the Executive to make recommendations to Council, on the setting of the budget and the Council Tax for 2021/22, as required by Article 4 of the Council's Constitution.

## **2. BACKGROUND**

- 2.1 Under national Regulations, every local authority is required to operate a Schools Forum. The Schools Forum is a decision making and consultative body dealing with the Dedicated Schools Grant and the Schools Budget. The Forum acts as a consultative body on some issues and a decision making body on others.

The Forum acts in a consultative role for:

- Changes to the local funding formula for schools and academies.
- Changes to the operation of the Minimum Funding Guarantee.
- Arrangements for the funding of the early years entitlements.
- Financial arrangements for pupils with special educational needs and disabilities, and for pupils in pupil referral units, including arrangement for paying top-up funding for pupils with Education Health and Care Plans.
- Changes to or new contracts that are funded from the Schools Budget.

The Forum is responsible for decisions on:

- How much funding is centrally retained within the Dedicated Schools Grant.
- Growth Funding and Falling Rolls Funding within the Schools Block.
- The movement of Schools Block funding to other DSG Blocks.
- Proposals to de-delegate funding from maintained schools.
- Changes to the Scheme of financial management that governs maintained schools.

Therefore, one of primary functions of the Schools Forum is to recommend to the Authority how the funding, which the Government provides for schools and individual pupils (known as the Dedicated Schools Grant (DSG)), is managed.

- 2.2 Following the Government's 'National Funding Formula' reforms, which began at April 2018, the DSG is constructed in four blocks with each block having a 'national formula' basis. The movement to National Funding Formula is accompanied by transitional protections.

All four blocks continue to include capping and floors in 2021/22. However, these have been adjusted by the Government's settlement, which, most significantly, means that Bradford's High Needs Block has increased by 12% per pupil (+ £9.23m). This is the second year of significant high needs funding increase; Bradford received an additional 17% per pupil (+ £11.47m) in 2020/21. These increases have placed our High Needs Block in a stronger position. As a consequence, it is not proposed for 2021/22 to transfer monies out of the Schools Block in support of high needs pressures.

- 2.3 The Government has recently again re-affirmed its intention to implement a 'hard' National Funding Formula for primary and secondary schools / academies. Although local responsibility is expected to be retained for the High Needs Block, Early Years Block and Central Schools Services Block, the main Schools Block primary and secondary funding formula is expected to be calculated nationally and only 'passported' by the Authority to schools. However, the Authority continues in 2021/22 to have responsibility for deciding all formula funding arrangements locally albeit within tight regulations.

- 2.4 Given this direction of travel, a key decision for all authorities has been whether to adopt locally the Government's National Funding Formula for the allocation of the Schools Block to primary and secondary schools / academies. Council took this decision at April 2018 and the Schools Block recommendations for 2021/22 are put forward to ensure that we continue to mirror the Government's National Funding Formula as this annually incrementally develops.

The Government's 2021/22 Schools Block primary and secondary mainstream National Funding Formula provides broadly for an increase in funding per pupil of 3.0%. This is a little lower than the 4.0% increase in 2020/21 but is still substantially improved on the increases in recent prior years. However, schools / academies will not uniformly receive 3.0%. Increases will depend on data and on pupil numbers changes but also significantly on the school's / academy's relationships to both the Minimum Funding Guarantee (MFG) and the Government's mandatory minimum per pupil funding levels. On a simple basis, increases in per pupil funding in mainstream primary and secondary schools / academies in Bradford, prior to the impact of data and pupil numbers changes, range between + 2.0% and + 6.7%.

In consultation with the Schools Forum, the Minimum Funding Guarantee (MFG) for primary and secondary schools / academies is proposed to be set at + 2.0% in 2021/22, meaning all schools / academies will receive a minimum 2.0% increase in per pupil funding using the DfE's prescribed methodology. 2.0% is the maximum

permitted by the Regulations. The MFG is a very significant factor in Bradford, in particular for our primary phase where 99 out of 156 (64%) schools / academies receive funding through it. In total, 109 out of 191 (57%) primary and secondary schools / academies in Bradford are funded on the MFG set at + 2.0% in 2021/22.

A significant element of the Government's National Funding Formula for mainstream primary and secondary schools / academies in 2021/22 is the requirement that all primary schools / academies receive a minimum of £4,180, and all secondary schools / academies a minimum of £5,415, per pupil. This continues to deliver the Government's intention to 'level up'. The funding of 40 (out of 156) primary schools / academies and 3 (out of 31) secondary schools / academies in Bradford is increased by this requirement.

- 2.5 The increases allocated by the national settlement for the Early Years Block for 2021/22 are lower than by the settlement for primary and secondary schools / academies. Bradford's rate of funding for 3&4 year olds is increased by £0.06 per hour to £4.69 (+ 1.30%) and for 2 year olds is increased by £0.08 per hour to £5.36 (+ 1.52%).

In the context of the current COVID-19 situation, the Authority remains concerned about the potential for sizeable additional unexpected costs or losses in DSG income that could be incurred during 2021/22 especially within the Early Years Block. The Authority will continue to monitor closely COVID-19 matters in relation to our 2021/22 early years entitlement funding arrangements (EYSFF). After our 'normal' arrangements have been agreed, we will continue to respond appropriately during the year, but in line with the Finance Regulations and with the DfE's expectations and guidance. Local authorities are not permitted to alter their EYSFF arrangements in year without DfE approval, so we are minded to continue 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.

Also within the Early Years Block, a matter of significant uncertainty has been the settlement for maintained nursery schools. Bradford currently receives a discrete sum (a 'supplement'), which is used to protect our 7 nursery schools at historic funding levels. Without this supplement, these schools would each lose in the region of a third of their funding, meaning that they are unlikely to remain financially viable in their current forms.

At the time of writing this report, the DfE has only confirmed supplement funding up to the end of August 2021. Although the DfE has published supplement allocations for the period September 2021 to March 2022, these allocations are described as "conditional" and the DfE has instructed authorities to treat these as unconfirmed. We are only able at this time therefore, to confirm our proposals for nursery school funding for the period April to August 2021. Depending on what the DfE confirms, we may need to consult with the Schools Forum and nursery schools again specifically on this matter. If the DfE confirms the continuation of our supplement, and that we are permitted to continue to protect nursery school funding as we do currently, the Authority anticipates proposing to extend our April to August 2021

arrangements to the period September 2021 to March 2022.

- 2.6 The proposed allocation of the High Needs Block in Bradford continues to incorporate our responses to the growth in the needs of children and young people as well as the structural changes taking place in the delivery of provision across the District.

The planned budget for 2021/22 fully allocates the additional £9.23m received within the 2021/22 settlement and incorporates the following continuing headline structural changes:

- The development of additional specialist SEND places, including the development of Authority-led resourced provisions in mainstream primary and secondary schools / academies.
- The restructuring of our PRU provision, where our High Needs Block funded PRUs going forward deliver provision for pupils permanently excluded.
- The re-alignment of responsibility between the High Needs Block and schools for the funding of alternative provision that is commissioned by schools.

Members are reminded that the Council introduced at April 2020 a new Banded Model for the funding of top up for Education Health and Care Plans (EHCPs). It is our intention to use this model in 2021/22 as the vehicle through which to release to SEND providers a significant proportion of the additional £9.23m High Needs Block funding. The minimum value of increase proposed in EHCP top up funding is 6.6% (with increases ranging between 6.6% and 13.8%). It is important to continue to emphasise that the way we moved to the new Banded Model has meant that no EHCP that was in place at 1 April 2020 has reduced in value as a result of this change.

The £9.23m is also allocated to increase the number of specialist places and to meet the increased provision costs resulting from the continued growth in the numbers of children and young people with EHCPs.

Our current four year forecast indicates that our High Needs Block should not develop a structural deficit problem in the medium term. The retention of the brought forward balance that is forecasted to be held at the close of 2020/21 is an important part of this current view. Our forecast does confirm the need to continue to monitor key aspects, to ensure value for money and to control expenditure, in particular, through the continued development of 'local' specialist places. This forecast does also rely on continued growth in funding from Government year on year, which if not received via the national DSG settlements will require us to take mitigating action.

- 2.7 The reports to Council on the Schools Budget, presented in previous years, have highlighted the extent to which increases in funding have not been sufficient to match growth in costs, especially in salaries, leading to schools and other providers being required to deliver structural budget savings. However,

- The increases provided by this current year's DSG settlement were substantially improved and the increases for 2021/22 continue on this basis.
- We highlight in particular that primary schools / academies funded on the increased mandatory minimum of £4,180 per pupil will see significant (up to 6.7% per pupil) growth.
- Two thirds of secondary schools / academies will broadly see 3% per pupil.
- The Teacher Pay and Pensions Grants, which are transferred into, and are secured within, the DSG from April 2021, continue to support schools / academies to meet a large proportion of the growth in the employer's costs of teacher salaries that took place in 2018 and again in 2019.
- Through our Banded Model, we are proposing to continue to substantially increase funding allocated to schools and providers in support of EHCPs. This will continue to improve the position of all providers and of special schools in particular. We have also consulted on, and now propose, to strengthen our SEND Funding Floor arrangement, which will better support mainstream schools / academies in meeting their responsibilities for the first £6,000 of the cost of the additional needs of all pupils.
- Locally, education budgets will still be required to absorb the impact of pay award, incorporating employer contributions to staff pension costs and the increase in the national living wage, as well as increases in the prices of goods and services. However, an overall headline pay freeze for teachers at September 2021 will positively benefit school / academy budgets and should mean headroom is available to be re-deployed.

Against this position however, it is forecasted that the COVID-19 situation will have some negative impact on education budgets in this current financial year. This is due to the additional expenditure that has been incurred, as well as losses in funding and in private income streams, that may not be fully covered by the Government's national support schemes. This is a matter the Authority and the Schools Forum continue to monitor. COVID-19 is likely to continue to have financial impact into 2021/22. Schools, academies and other providers will need to take focused decisions on how they use the totality of their budget resources, including the Government's COVID-19 Catch Up Premium, to support their pupils. This is likely to include re-prioritising budget allocations in line with a re-focused school development plan as well as continuing to manage other financial implications related to additional expenditure and reduced income.

Also against this position, as set out in paragraphs 2.4 and 2.5, the health of the budgets of individual schools, academies, and other providers will be dependent on a number of factors. In terms of areas of possible pressure in Bradford, we highlight:

- The settlement for two thirds of primary schools / academies, and a third of secondary schools / academies, is at the level of the Minimum Funding



Guarantee at + 2.0%, which is lower than the 'national headline' of + 3.0%.

- In the context of meeting the cost pay award, including the increase in the national living wage (+ 2.2%), the combined overall settlement for early years providers is lower than + 1.5%.
- There is uncertainty still over the funding of maintained nursery schools from September 2021. Even where the supplement continues, the national early years funding settlement does not currently recognise that the cost base of maintained nursery schools has increased in recent years.
- Pupil Premium Grant (PPG), which is a substantial funding stream for schools / academies in Bradford focused on supporting children from more deprived backgrounds, is not increased in value in 2021/22. The DfE has also adjusted the methodology, to use the October 2020 census rather than the January 2021 census, meaning that children that would have become eligible for the PPG over the autumn term after the October census was taken will now not be funded.
- The specific Year 7 Catch Up Premium, allocated to secondary schools / academies for lower achieving pupils, has ceased and is now contained within the COVID-19 Catch Up Premium.

Schools and providers, in their management of their delegated funds, continue to need to take prudent decisions understanding that there is significant uncertainty for the near-future. The Government has re-stated its commitment to completing in 2022/23 the "£7.1bn over 3 years" school funding increase. However, the position of the DSG in 2022/23 is not yet clear in detail and the extent to which school funding settlements after 2022/23 will be affected by public sector spending restraint following COVID-19 is unclear. The status, and timescale for the delivery, of the Government's intended increase in the minimum salary of qualified teachers to £30,000 and the knock-on implications for salaries across main pay scale especially (which was previously announced for September 2022 and which will significantly increase salaries expenditure in schools) is also currently uncertain.

2.8 In summary, Bradford has received in 2021/22 compared against 2020/21:

- An additional £32.74m within the Schools Block (+ 7.49%). £18.95m comes from the transfer of the Teacher Pay and Teacher Pension Grants, so this is not new money into the District. £12.74m comes from the Government's broad 3% uplift of its National Funding Formula alongside its commitment to allocate an increased minimum level of per pupil funding. £2.02m comes from the continued growth in pupil numbers in our secondary schools / academies netted against the continued reduction in pupil numbers in the primary phase. Other adjustments account for a reduction of £0.97m.
- An additional £11.19m within the High Needs Block (+ 13.8%). £1.24m comes from the transfer of the Teacher Pay and Teacher Pension Grants, so this is not new money into the District. £9.23m comes from the Government's uplift of its

National Funding Formula. £0.72m comes from the growth of our special school population and from other minor adjustments.

- An additional £0.55m within the Early Years Block (+ 1.28%). This is the total increase resulting from the Government's National Funding Formula uplift, net of adjustments for changes in estimated entitlement delivery numbers. The Early Years Block continues to include an estimated / "conditional" full year value of the supplement for maintained nursery schools.
- An additional £0.51m within the Central Schools Services Block (+ 17.4%). £0.41m comes from the transfer of the Teacher Pay and Teacher Pension Grants, so this is not new money into the District. £0.10m comes from the Government's uplift of its National Funding Formula, which is partially offset by the reduction in funding for our historic commitments.

2.9 The total estimated amount of DSG available for distribution in 2021/22 is £634.679m, which includes a forecasted cumulative value of under-spend (one off carry forward balance) up to 31 March 2021 of £25.271m (4.0%). The recommended distribution of this Schools Budget is summarised in this table:

Description	Early Years Block £m	Schools Block £m	High Needs Block £m	Central Schools Services Block £m	Total DSG £m
Estimated DSG available 2021/22 (inc. transfers)	£43.514	£470.038	£92.678	£3.178	£609.408
Estimated DSG B'fwd from 2020/21	£3.273	£6.550	£15.449	£0.000	£25.271
<b>Total Estimated DSG (Schools Budget) 2021/22</b>	<b>£46.787</b>	<b>£476.588</b>	<b>£108.127</b>	<b>£3.178</b>	<b>£634.679</b>
Delegated to Schools / Providers	£43.389	£467.673	£85.249	£0.000	£596.310
Non-Delegated Items	£0.126	£1.899	£7.429	£3.178	£12.632
Allocation of One Off	£0.615	£0.430	£0.235	£0.000	£1.280
<b>Total Funding Allocated</b>	<b>£44.130</b>	<b>£470.001</b>	<b>£92.912</b>	<b>£3.178</b>	<b>£610.221</b>
<b>Difference (C'Fwd)</b>	<b>£2.657</b>	<b>£6.587</b>	<b>£15.214</b>	<b>£0.000</b>	<b>£24.458</b>

*Please note due to roundings the total may not add up exactly*

2.10 Members are asked to consider and to approve the 2021/22 Schools Budget as proposed in this report. This proposed Schools Budget incorporates the decisions and recommendations that were made by the Schools Forum on 13 January 2021. Should Members wish to propose amendments to this Schools Budget then representation must be made back to the Schools Forum.

### **3. SCHOOLS FORUM DECISIONS & RECOMMENDATIONS ON THE ALLOCATION OF THE SCHOOLS BUDGET 2021/22**

**(£000)**

**Total Estimated DSG (Schools Budget) Available 2021/22** **£634,679**

#### **3.1 The Schools Block** **£470,038**

This Block funds formula-based delegated allocations for mainstream primary and secondary schools / academies, services funded by de-delegation from maintained school budgets, a Growth Fund for primary and secondary schools / academies and a Falling Rolls Fund for primary schools and primary academies.

For 2021/22, the Schools Block is calculated on National Funding Formula-based primary and secondary per pupil values x October 2020 census pupil numbers, plus additional defined cash allocations. Bradford's primary amount per pupil (£app) is £4,596 (+6.98% on 2020/21; +2.79% excluding grant transfer); our secondary £app is £6,042 (+8.13% on 2020/21; +3.38% excluding grant transfer). These values have been derived by the DfE through the amalgamation of the allocations that individual schools / academies in Bradford would receive via the National Funding Formula and following the application of minimum floors. They also now include the former Teacher Pay and Pensions Grants (£18.95m) that have been transferred into the Schools Block at 1 April 2021. Additional cash allocations total £13.30m, for Business Rates (£3.98m), split sites (£0.42m), PFI (£6.70m) and Pupil Numbers Growth (£2.20m).

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

#### **3.2 The High Needs Block** **£92,678**

This Block funds resources for pupils in mainstream schools with Special Educational Needs & Disabilities (with Education Health and Care Plans), delegated budgets for Special Schools, Pupil Referral Units and resourced provisions. These budgets are calculated under the national 'Place-Plus' framework. Other DSG provision relating to high needs pupils, both centrally managed and devolved, is also funded from this Block. This includes school SEND mainstream teaching support services, Education in Hospital provision and home tuition (medical needs). It also includes the cost of the placement of Bradford children in out of authority and non-maintained / independent provisions.

High Needs Block allocations are calculated via National Funding Formula under transitional arrangements. Bradford receives £4,661 for pupils in special schools and academies (including independent special schools), plus 50% of the value of our High Needs Block spending as it was in 2017/18, plus a capped allocation

(+12% per pupil) on the new National Funding Formula, which is based on population, deprivation and other needs-led data. An adjustment is made to recognise the cross border movement of children between authority areas. The Authority then also receives specific allocations (£1.94m in 2021/22) for Education in Hospital and home tuition (medical needs) provision and £0.25m in respect of the former Teacher Pension Grant that is allocated to alternative provisions and that is transferred into the High Needs Block at 1 April 2021.

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

**(£000)**

### **3.3 The Early Years Block £43,514**

This Block funds delegated allocations, and a smaller value of funds held centrally, relating to the delivery of the entitlements to early years education for eligible 2, 3 and 4 year olds in nursery schools, in primary schools / academies with nursery classes and in Private, Voluntary and Independent (PVI) settings. The value of this Block is currently estimated and will be finalised, on current guidance, on the number of eligible children recorded in the January 2021 and January 2022 censuses x £4,456 per FTE (£4.69 per hour) for children aged 3 & 4 and £5,092 per FTE (£5.36 per hour) for children aged 2.

Estimated figures of £0.407m and £0.196m are included for the Early Years Pupil Premium and for the Disability Access Fund. In addition, an estimated £1.213m is currently included for the DfE's Maintained Nursery School supplement. Please see the introduction of this report for further explanation of the current unconfirmed status of this supplement.

### **3.4 The Central Schools Services Block £3,178**

The Central Schools Services Block was established at April 2018, when a number of items previously funded via 'top-slice' within the Schools Block were transferred to this Block and given a formula basis. These included Pupil Admissions and Local Authority statutory duties in respect of all state funded schools and academies that were previously funded through the now ceased Education Services Grant.

The 2021/22 allocation is calculated on a National Funding Formula. Bradford receives £35.44 per pupil x October 2020 census numbers recorded in primary and secondary schools and academies, plus a lump sum of £0.28m to match 60% of the value of our 'historic commitments' spend we recorded in 2017/18. This additional £0.28m has been reduced from the £0.35m (80%) funded in 2020/21 and is set to be fully phased out by the DfE over time. The £35.44 per pupil includes the former Teacher Pension Grant monies (£0.41m) in respect of centrally employed teachers that are transferred into the DSG at 1 April 2021.

(£000)

**3.5 Estimated DSG Balance Brought Forward from 2020/21 £25,271**

Final DSG allocations are not confirmed by the DfE until later in the financial year and the Authority's proposals are based on estimates of expenditure especially within the High Needs and Early Years Blocks. These estimates are reconciled at the end of each year and differences are added to the DSG in the next year's planned budget. Decisions taken in previous years have already committed a proportion of the sum estimated to be carried forward from 2020/21.

The table in paragraph 2.9 separates the total estimated DSG carry forward balance into the four blocks. This follows our local informal 'block earmarking' approach to the management of DSG balances that has been agreed with the Schools Forum. For formal (external) purposes however, a single DSG carry forward figure is recorded. DSG balances are not ring-fenced by the Regulations and can be used cross-block.

**4. ALLOCATION TO DELEGATED BUDGETS (£000)**

**Total Allocated to School / Provider Delegated Budgets £596,310**

**Broken down as follows:**

**4.1 Early Years Providers via Single Funding Formula £43,389**

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

- Maintained Nursery Schools 3 / 4 year old universal and extended entitlements, incorporating the estimated Maintained Nursery School supplement £3.708m.
- Nursery Classes in Maintained Primary Provisions 3 / 4 year old universal and extended entitlements £6.918m.
- PVI Providers (including academies) 3 / 4 year old universal and extended entitlements £24.321m.
- The entitlement for the 40% most deprived 2 year olds £7.954m.
- Early Years SEND Inclusion for 2 Year Olds £0.100m.
- Early Years SEND Inclusion for 3&4 Year Olds £0.400m.
- Early Years Pupil Premium £0.407m.
- Disability Access Fund £0.196m.
- Adjustment for the planned spending of balance brought forward (minus) £0.615m.

Members are reminded of what is said in paragraph 2.5 regarding the uncertainty the COVID-19 situation creates for early years entitlement funding. This report asks the Council to agree our 'normal' funding arrangements for 2021/22.

Due to the timing of the DfE's announcements on early years funding for 2021/22, which were significantly later than usual, the Authority completed on 3 February a short consultation on our Early Years Single Funding Formula (EYSFF) proposals. At its meeting on 13 January, the Schools Forum gave its full formal support to the Authority's proposals. 3 other responses to the consultation were received; 1 from a PVI provider and 2 from maintained nursery schools. These responses also supported the Authority's proposals for 2021/22. In their responses however, the maintained nursery schools emphasised the extremely difficult financial situation they currently face.

The Authority therefore, following the Forum's support, recommends that the Early Years Single Funding Formula (EYSFF) that was set out in the Authority's consultation is used to calculate budget shares for all providers delivering provision for 2 and 3 & 4 year olds in 2021/22. A summary of Bradford's recommended EYSFF is attached at Appendix 3. In headline:

- Providers will be funded for the delivery of the 2 year old entitlement on a single flat rate per hour of £5.36, which fully passes on the £0.08 per hour increase allocated to our Early Years Block by the Government.
- Regarding the main 3 & 4 year old entitlement, the Universal Base Rate (UBR) will be set at £4.25 per hour. This is an uplift of +£0.06 on the £4.19 set for 2020/21 and passes through to providers in full the increase Bradford has received from the Government. We propose to 'pause' the previously planned further reduction in spend on the Deprivation & SEND supplement, meaning that spending on this supplement will be retained at 8% in 2021/22. The planned reduction, ultimately to 6%, will be reviewed again for 2022/23. We do not introduce any more supplements into our 3 & 4 year old EYSFF. New supplements would dilute further both the UBR and the Deprivation & SEND rates at a time when we see our priority to be to maximise the values of these rates for providers.
- Regarding the funding of the 3&4 year old entitlements in Maintained Nursery Schools, proposed for the period April 2021 to August 2021 only at this time, the protected setting base rate will be set at £5.84 per hour. This is the 2020/21 protected rate uplifted by £0.06 per hour in line with the uplift delivered in the 3&4 year old Universal Base Rate. The Deprivation and SEND rates for each nursery school will continue to be retained at their 2016/17 values. The nursery school lump sum for sustainability will continue to be calculated on existing variable values using the current methodology. Proposals for the period September 2021 to March 2022 will be put forward following the DfE's confirmation of the status of the supplement, as explained in the introduction.
- Our current SEND Inclusion Fund will continue to be used to allocate additional monies to early years providers to support their meeting the needs of eligible

children identified with low level emerging SEND.

- We will increase the value of the Disability Access Fund (DAF) allocation paid per child in 2021/22, from the minimum required of £615 to £1,000, using a proportion of the balance brought forward in support of the cost of this increase, if this is required.

98.0% of our 2021/22 3&4 year old entitlement funding will be passed-through to providers. 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.

**(£000)**

#### **4.2 Primary and Secondary Schools and Academies**

**£467,673**

Primary £250.682m.

Secondary £216.991m.

The Schools Forum has recommended to:

- Use the formula outlined in Appendix 1 to calculate delegated budget shares for primary and secondary schools / academies. This formula has been agreed following consultation with schools / academies in autumn 2020. We submitted the final version of the required Pro-forma on 15 January 2021 and this is subject to final validation by the Education & Skills Funding Agency.
- Continue to fully mirror the Government's National Funding Formula, meaning that we:

Amend our minimum levels of per pupil funding to match the mandatory values of £4,180 primary and £5,415 secondary.

Amend our local formula to mirror the Government's 2021/22 National Funding Formula values for existing factors. The values of these factors have broadly increased by 3% on 2020/21.

- Set the Minimum Funding Guarantee at + 2.00%.
- Continue to use our existing local formula for the funding of schools / academies on split sites as this is not yet covered by the National Funding Formula. Continue to pass through the specific Building Schools for the Future DSG affordability gap values using our current method. Continue to fund business rates at actual cost, with this cost currently estimated.

- Continue to use our existing methodology for the definition of notional SEND budgets for mainstream primary and secondary schools / academies within the Schools Block funding formulae.
- Retain, with their existing criteria and methodologies, the additional funds that are initially managed centrally within the Schools Block (with some then released to eligible schools / academies during the year) – Growth Fund, Falling Rolls Fund (primary phase only), De-delegated Funds (maintained schools only).

Please note that the funding for the delegated budgets of academies is ‘top sliced’ so that these settings can be funded directly by the Education & Skills Funding Agency.

**(£000)**

#### **4.3 Special Schools and Special Academies £34,550**

The national high needs funding approach is based on the financial definition of a ‘High Needs’ child or young person being one whose education, incorporating all additional support, costs more than £10,000 per annum. This threshold lays the foundation of the national ‘Place Plus’ framework and the basis of the definition of the responsibility that maintained schools, academies and other providers have for meeting the needs of children and young people from their delegated budgets.

Delegated high needs funding has two parts a) core (or place) funding and b) top-up (or plus) funding. At its simplest level, the basic “Place” element has been set nationally at £10,000 for both SEND and Alternative Provision settings. The “Plus” element is the top up above the “Place” funding and is based on an assessment of the additional needs of an individual pupil. Local authorities are permitted to establish bands for this element of funding.

The 2021/22 planned budget of £34.550m is calculated on 1,500 places on a full year 2021/22 academic year basis across eight special schools / academies.

As stated in paragraph 2.6, the Council introduced at April 2020 a new Banded Model for the funding of top up for Education Health and Care Plans (EHCPs). This Banded Model, as set out in Appendix 2 for 2021/22, is proposed to continue to be used to allocate top up funding for pupils with EHCPs placed in special schools and in special academies.

Please note that the place funding for academy special schools is ‘top sliced’ from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

#### **4.4 Pupil Referral Units (PRUs) & Alternative Providers £3,985**

Two key strategic provision changes that have adjusted the 2021/22 High Needs



Block planned budget are:

- The restructuring of our PRUs, where our High Needs Block funded PRUs going forward deliver turn-around provision for pupils permanently excluded.
- The re-alignment of responsibility for the funding of alternative provision that is commissioned by schools.

We have now moved to a position where schools / academies are responsible for paying from their delegated budgets the cost of placements they commission (for pupils without EHCPs and that are not permanently excluded). The Authority retains responsibility for funding from the High Needs Block provision for pupils that the Authority places (those with EHCPs and that are permanently excluded).

The 2021/22 planned budget makes provision in total for 165 places on a full year basis to be available for turn-around provision for pupils permanently excluded. We propose to continue to calculate top up for this provision using the Day Rate Model, which was first introduced at April 2020. The rate of funding allocated by the Day Rate Model is proposed to increase in 2021/22 by 7.29%.

Please also note that the place funding for academy PRUs is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

(£000)

**4.5 School-Led SEND Resourced Provisions (Primary & Secondary) £6,300**

School-Led SEND Resourced Provisions are provisions attached to mainstream primary and secondary schools / academies where the school / academy under Service Level Agreement manages this provision and employs its staffing. Place and top up funding is fully delegated.

The planned budget of £6.300m is calculated on 343 places across 23 provisions for the 2021/22 academic year.

School-Led SEND resourced provisions are funded using the Place-Plus framework and the Banded Model as set out in Appendix 2.

Please note that the place funding for resourced provisions in academies is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

**4.6 Authority-Led SEND Resourced Provisions (Primary & Secondary) £5,090**

Authority-Led SEND Resourced Provisions are provisions attached to mainstream primary and secondary schools / academies where the Authority, rather than the school / academy, manages this provision and employs its staffing. Funding is

partly delegated and partly retained. The top up is retained and managed by the Authority. The host school / academy retains the first element of place funding (broadly £4,000) to cover its basic curriculum and site costs.

The planned budget for Authority-Led SEND Resourced Provisions incorporates both the budget for the established sensory provisions as well as the growing budget for the SEND resourced provisions that began to be established from 2019 as part of the strategy to deliver additional specialist SEND places.

The planned budget of £5.090m is calculated on 236 places in total for the 2021/22 academic year, with 100 places attached to the 4 established sensory provisions and 136 places attached to 7 developing SEND provisions.

Authority-Led SEND resourced provisions are funded using the Place-Plus framework and the Banded Model as set out in Appendix 2.

Please note that a proportion of the planned budget is centrally retained. However, recognising that this budget is spent directly on provision within schools / academies, and in the interests of simplicity, the full budget is recorded here as delegated.

**(£000)**

**4.7 Pupils with EHCPs in Mainstream Schools and Academies £12,513**

Top up funding is delegated to mainstream schools / academies for pupils with EHCPs. The Banded Model, as set out in Appendix 2, is proposed to apply to the calculation of this top up for 2021/22. The planned budget of £12.513m incorporates a forecasted 12% increase in cost as a result of the continued growth in the numbers of EHCPs that are anticipated to be placed in mainstream schools / academies during 2021/22.

The national high need funding system works on the basis that mainstream schools / academies have sufficient funding already within their delegated allocations to enable them to meet the additional costs of the SEND of their pupils, up to the threshold of £6,000 per pupil. Local authorities are required to define for each primary and secondary school / academy the value of their formula funding that is 'notionally' allocated for SEND to be used in meeting costs up to the £6,000 threshold.

The planned budget of £12.513m incorporates the SEND Funding Floor, which is a factor that ensures a minimum level of funding for SEND provision in primary and secondary schools / academies. Following our consultation on this matter in autumn 2020, we propose to amend our SEND Funding Floor for the 2021/22 financial year. This proposal is supported by the Schools Forum and is put forward as a trial, for one year only, and being subject to further review including in the light of the outcomes of the DfE's expected national reviews.

The amended formula is aimed at ensuring that no mainstream primary or

secondary school / academy will have to manage from their own formula funding an above phase-average cost pressure in respect of their commitment to fund the first £6,000 of cost for their pupils with EHCPs. As well as supporting provision for pupils with EHCPs, the new approach is aimed at protecting the funding used by schools / academies to support their wider AEN (Additional Educational Needs), SEND and AP (Alternative Provision) activities. It will directly financially support schools / academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools / academies that may have lower levels of AEN formula funding and that may be smaller in size. It will also support schools / academies that may have some turbulence in formula funding as a result of in year pupil numbers changes.

Given that we expect a DfE review, we have not previously seen merit in adjusting our SEND Floor for this to be immediately changed by a new national policy. Our current SEND Funding Floor however, was substantially affected by our movement at April 2018 to the National Funding Formula for mainstream primary and secondary funding. Since then, the values of SEND Floor allocations received by individual primary and secondary schools / academies have been protected at 2017/18 cash levels.

The current status of the DfE's national reviews is not confirmed. At the same time however, we are starting to see a greater number of issues being raised by schools / academies in respect of the sufficiency of their funding in relation to their numbers of EHCPs. These issues are expanding as the numbers of pupils with EHCPs that are educated in mainstream settings continue to grow. We also identify that, due to the DfE's 'levelling up' of mainstream formula funding, in particular where all mainstream primary schools / academies will receive a minimum of £4,180 in per pupil funding in 2021/22, many schools / academies that would continue to have their previous Floor allocations protected are now allocated significantly higher levels of relevant formula funding. It does not feel to be correct to continue in 2021/22 to protect previous allocations where it is clear a school's / academy's circumstances have changed.

(£000)

#### 4.8 **Post 16 Further Education / Special Post 17 Institutions (SPIs) £5,329**

The transfer to the DSG of the full cost of Post 16 High Needs provision was completed at April 2017. Places are funded at £6,000. For top up, Further Education providers and SPIs are funded for the vast majority of their Post 16 students at 60% of the values prescribed by the Banded Model as set out in Appendix 2. The main exception are students with the primary need of sensory impairment (hearing / visual), where funding is calculated on an actual cost basis.

The planned budget of £5.329m is calculated on 341 places commissioned by the Authority in the 3 main Bradford-located FE colleges for the 2021/22 academic year, plus provision for the estimated cost of top up allocations to all Post 16 provisions and for the cost of potential growth in places during the year.

Please note that the place funding for the 3 FE colleges is 'top sliced' from the High Needs Block so that these settings can be funded directly by the Education & Skills Funding Agency.

**(£000)**

#### **4.9 Early Years Resourced Provisions £1,315**

Early years resourced provisions are attached to 5 maintained nursery schools and will continue to be funded via the Place-Plus framework. The Banded Model set out in Appendix 2 applies to the calculation of top up from April 2021.

These provisions operate as school-led SEND resourced provisions, where the school under Service Level Agreement manages the provision and employs its staffing. Place and top up funding is fully delegated.

The planned budget of £1.315m is calculated on an allocation of 78 FTE places for the 2021/22 academic year.

#### **4.10 Placements in Out of Authority & Independent Settings £10,745**

The cost of placements of pupils with EHCPs in out of authority and in independent settings is calculated on an actuals basis with this total cost appropriately shared between the DSG (education), health and social care. The funding of independent providers currently sits outside the national Place-Plus framework. The number and cost of placements commissioned by the Authority has continued to increase due to demand. The planned budget of £10.745m is calculated estimating that the cost will continue to grow at current rates.

#### **4.11 Provision for the Creation of Additional SEND Places £3,000**

The planned budget includes £3.000m full year provision to support the creation of a further 120 specialist SEND places. Given the projected continued growth in demand, the Authority will continue to seek to create SEND places on an on-going basis and will make budget provision for this from the High Needs Block.

#### **4.12 Additional Provision for the Banded Model £1,000**

The 2021/22 planned budget retains a reduced earmarked contingency provision (of £1.000m reduces from £2.000m held in 2020/21) which is available to cover further costs that may potentially come from the embedding of our EHCP Banded Model in its second year of operation.

#### **4.13 Former Teacher Pay and Pensions Grants £1,422**

We are required to add into our formula funding arrangements for specialist settings

the allocation of the Teacher Pay Grant (TPG) and the Teacher Pension Grant (TPEG). This change is required in response to these grants being transferred into the High Needs Block at April 2021. These grants have previously been allocated separately and in addition to place-plus funding.

These monies are described by the DfE as “additional place funding” and we propose to allocate them in 2021/22 on a place-led basis as we set out for consultation in autumn term 2020.

Unlike main place-element funding, the Authority will allocate these monies to academies as well as to maintained schools and PRUs.

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

**Total Allocated to non-delegated Budgets £12,632**

### **Broken down as follows:**

The School and Early Years Finance (England) Regulations (as amended) have, over time and in preparation for National Funding Formula, altered the treatment of non-delegated items and contingencies. The Regulations require a greater proportion of the DSG to be delegated to schools, academies and other providers and also require that the Schools Forum makes recommendations (and some decisions) for permitted centrally managed items individually and, in some cases, on a phase specific basis.

### **5.1 Schools Block non-delegated budgets £1,899**

A total of £1.899m is recommended to be held within the Schools Block for the following purposes. Please note that some of the monies below that are initially held will actually be delegated to schools and academies during the year.

- £0.772m for items de-delegated from maintained mainstream primary and secondary schools. De-delegated funds continue in line with 2020/21.
- £1.127m of provision for new growth (pupil numbers expansions in primary and secondary schools / academies) at September 2021. £0.952m of this is for growth in the secondary phase; £0.175m is for growth in the primary phase.
- £0.000m for the Falling Rolls Fund for the primary phase, to support eligible primary schools and primary academies, rated Good or Outstanding by Ofsted, that are managing ‘blips’ in pupil numbers, where their surplus capacity is forecasted to be filled within 3 years. The cost of the 2021/22 Falling Rolls Fund will 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.

(£000)

## 5.2 **High Needs Block non-delegated budgets** **£7,429**

A total of £7.429m is recommended to be held centrally within the High Needs Block for the following purposes:

- £4.830m for centrally managed SEND teaching support services. In support of the particular difficulties and pressures that exist within the Early Years Block in 2021/22, the Authority proposes that the £0.448m, that would have been the Early Years Block's contribution to 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. The Authority would expect to move this budget back to the Early Years Block in 2022/23.
- £1.341m for the Authority's statutory home tuition and education in hospital provision for children and young people not able to access school for medical reasons.
- £0.800m for the DSG's contribution to the Affordability Gap for Building Schools for the Future for special schools.
- £0.458m of smaller budgets, including copyright licences for special schools and PRUs, speech and language therapy services and specialist equipment.

## 5.3 **Early Years Block non-delegated budgets** **£126**

A total of £0.126m is recommended to be held centrally within the Early Years Block for the following purposes:

- £0.094m for nursery schools to access relevant agreed 'de-delegated' funds.
- £0.032m for copyright licences.

98.0% of our 2021/22 3&4 year old entitlement funding will be passed-through to providers in 2021/22.

## 5.4 **Central Schools Services Block** **£3,178**

The £3.178m is recommended to be allocated as follows:

- £0.010m Schools Forum costs.
- £0.737m Pupil Admissions.

- £1.495m Statutory duties delivered by the Authority on behalf of all state funded schools including academies.
- £0.349m Copyright Licences Schools Block.
- £0.423m Education Access Officers
- £0.164m Teachers Pension Grant. £0.406m has been received within the 2021/22 settlement for the continuation of former Teacher Pension Grant monies allocated in respect of centrally employed teachers. £0.242m of this is transferred to the High Needs Block 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.

## **6. ALLOCATION OF BALANCES BROUGHT FORWARD (ONE OFF) (£000)**

**Total allocated on a one off basis in 2021/22** **£1,280**

The £1.280m is made up of the following 3 recommended allocations:

- Schools Block: £0.430m, which is the estimated cost of the financial support for Beckfoot Upper Heaton Academy to be allocated via the long-standing agreed model. 2021/22 is the final year of this support model.
- Early Years Block: £0.615m, which is allocated to support the estimated cost of our Early Years Single Funding Formula (EYSFF) in 2021/22.
- High Needs Block: £0.235m, which is allocated to formally 'balance' the 2021/22 planned budget at this stage.

## **7. AMOUNT NOT ALLOCATED IN 2021/22 (£000)**

**Total amount not allocated in 2021/22** **£24,458**

The £24.458m of balance forecasted to be retained at the planned budget stage / carried forward into 2022/23 is made up of the following sums.

Schools Block £6.587m:

- £0.956m of Growth Fund balance ring-fenced to support additional costs of pupil numbers growth.

- £0.500m 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 and March 2022. However, we have shown the Fund as fully unspent at this time so that it can clearly be seen that two years' of budget provision totalling £500,000 is now available. This helps to explain the rationale for the proposal that we 'pause' taking new budget provision from the 2021/22 Schools Block.
- £1.091m of balance ring-fenced to de-delegated funds for maintained schools. An amount of this balance (£0.20m) is planned to be released in 2021/22 to support the cost of contribution to the maternity / paternity insurance scheme. The balance will also be used to support any further costs arising from deficits held by sponsored primary academy converters, as no new budget is de-delegated for this purpose.
- £0.650m for the deficit of a school converting to academy status.
- £0.917m of primary phase headroom from the 2020/21 and 2021/22 settlements that is earmarked to be spent in support of the primary-phase funding formula (provisionally the one off application of the reception uplift factor) in 2022/23.
- £2.473m resilience reserve. This sum is effectively the remaining unallocated balance within the Schools Block.

#### Early Years Block £2.657m:

- £0.072m of balance ring-fenced to de-delegated funds for maintained nursery schools.
- £0.460m retained and earmarked for the Disability Access Fund (DAF). 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.
- £2.125m 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.

#### High Needs Block £15.214m:

- The first call on the £15.214m, 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 £15.214m figure itself is significantly estimated.
- The balance of the £15.214m 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.

## **8. FINANCIAL & RESOURCE APPRAISAL**

This appraisal is given throughout this report. The table provided in paragraph 2.9 demonstrates that a balanced Schools Budget for 2021/22 is put forward for the Council's approval.

## **9. RISK MANAGEMENT AND GOVERNANCE ISSUES**

If the allocations set out in this report are not fully agreed by Elected Members then representations must be made to the Schools Forum. In the event that agreement cannot be reached with the Schools Forum, for certain items, the Council must refer the matter to the Department for Education (DfE).

## **10. LEGAL APPRAISAL**

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

Section 47(A) of the Act requires that every local authority must, in accordance with regulations, establish for their area a body to be known as a schools forum. The purpose of a schools forum is to advise the local authority on such matters relating to the authority's schools budget as may be prescribed by regulations. Local authorities must have regard to advice given by schools forum and or consult them on certain matters before taking prescribed decisions.

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

The new National Funding Formula (NFF) for schools, high needs and central school services came into effect from April 2018. A national funding formula for early years was introduced at April 2017. The NFF now determines how the DSG is allocated to local authorities. The core basic structure of the schools national funding formula has not changed for 2021/2022. The National Funding Formula for schools and high needs 2021-22 contains some formula and technical changes, which are highlighted in the body of the Report. It is the Government's stated

intention to introduce a 'hard' NFF in the future whereby every primary and secondary mainstream school's / academy's budget share will be set on the basis of a single national formula. The Local Authority currently maintains some flexibility over how it distributes the funding it receives through the NFF locally in consultation with schools.

The School and Early Years Finance (England) Regulations require the Local Authority to calculate budgets for all maintained schools, and amounts to be allocated in respect of early years provision, using a funding formula and to decide the formula it will use for the funding period. It must, not later than 28 February, (a) make an initial determination of its schools budget; and (b) give notice of that determination to the governing bodies of the schools which it maintains.

Under new provisions set out in the School and Early Years Finance (England) Regulations 2020, and in the DSG conditions of grant for 2021-22, local authorities will have either to carry forward any cumulative deficit in their Schools Budget to set against DSG in the next funding period (Y+1); or carry forward some or all of the deficit to the funding period after that (Y+2), in order to determine how much resource is available to be spent during the funding period (Y+1).

## **11. OTHER IMPLICATIONS**

### **11.1 SUSTAINABILITY IMPLICATIONS**

There are no direct implications resulting from this report.

### **11.2 GREENHOUSE GAS EMISSIONS IMPACTS**

There are no direct implications resulting from this report.

### **11.3 COMMUNITY SAFETY IMPLICATIONS**

There are no direct implications resulting from this report.

### **11.4 HUMAN RIGHTS ACT**

There are no direct implications resulting from this report.

### **11.5 TRADE UNION**

There are no direct implications resulting from this report.

### **11.6 WARD IMPLICATIONS**

There are no direct implications resulting from this report.

### **11.7 IMPLICATIONS FOR CORPORATE PARENTING**

There are no direct implications resulting from this report.

## **11.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

There are no issues resulting from this report.

## **12. NOT FOR PUBLICATION DOCUMENTS**

None.

## **13. OPTIONS**

Please see the recommendations below.

## **14. RECOMMENDATIONS**

### **14.1 It is recommended that the Executive asks Council to:**

- a) **Accept and approve the proposals for the allocation of the 2021/22 Dedicated Schools Grant as set out in this report.**
- b) **Approve the total amount of £634.679m to be appropriated in respect of all schools covered by the Bradford Scheme for the Local Management of Schools, so as to establish the Individual Schools Budget for 2021/22.**

## **15. APPENDICES**

- Appendix 1 – Local Authority Funding Reform Pro-Forma 2021/22 (Schools Block).
- Appendix 2 –Banded Model for EHCP Top Up Funding (High Needs Block).
- Appendix 3 – Early Years Single Funding Formula 2021/22 (Early Years Block).

## **16. BACKGROUND DOCUMENTS**

- [Decisions List of the Schools Forum meeting 13 January 2021](#) (link to webpage)
- [Consultation on the High Needs Funding Model 2021/22](#) (link to webpage)
- [Consultation on the Early Years Single Funding Formula 2021/22](#) (link to webpage)
- [Consultation on Schools Block Funding Arrangements 2021/22](#) (link to webpage)
- [SEND Places Sufficiency Report](#) (within 9 December Schools Forum reports)
- [High Needs Block DSG Management Plan](#) (within 13 January Schools Forum reports)
- Section 151 Officer's Report – Executive 16 February 2021