

SCHOOLS FORUM AGENDA ITEM

For Action

For Information



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

This report provides an overview / introduction to local formula funding review priorities for 2022/23.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the 2021/22 DSG and formula funding arrangements on 13 January 2021.

Background / Context

See the details for consideration below.

Details of the Item for Consideration

DSG, High Needs (SEND Reviews) & National Funding Formula Development

We are again in a period of uncertainty, with a lack of informed insight at this time into the shape and value of our DSG and of the National Funding Formula from April 2022. Please note that this report has been written in advance of any announcements from the DfE that might be made late June / early July. Any further information, if available, will be presented verbally.

In the context of the COVID-19 pandemic, and with reference to what has been said by the DfE earlier this year about the possible timescales for implementing the outcomes of the national SEND and Alternative Provision reviews, it might be reasonable for us to anticipate only a limited amount of technical change in national DSG and formula funding arrangements for the 2022/23 financial year. We might anticipate that larger scale changes will be planned for 2023/24 (which we will need to respond within our review work next year).

We normally begin to receive in July detailed information from Government on the next year's DSG and formula funding arrangements, which enables us to formulate plans for consultation, which we can then begin to discuss with schools, academies and other providers from early in the autumn term. We now await further announcements from the Government, in particular, on the following:

- The 2022/23 funding settlements for the Schools Block, the High Needs Block and the Central Schools Services Block (expected in July). Within this, the outcomes of the recent short consultations, including on the management of business rates and amendments to the High Needs Block historic protections. Also within this, how the final instalment of the DfE's 3 year £7.2bn increase in school funding is distributed, between the Schools Block and high needs and between funding for 'levelling up' and funding in support of additional educational needs and COVID-19 pandemic catch up response.
- The 2022/23 funding settlement for the Early Years Block and for Post 16, which will be governed by the timing of the autumn spending review (as these settlements are announced on a single year basis, we are unlikely to have an indication of these settlements before the middle of the autumn term). Within this, critically, the position of the funding of the Maintained Nursery School Supplement from April 2022.
- The technical development, and timescale for further movement towards the implementation, of the hard National Funding Formula within the Schools Block. Within this, the positions (and possible 'merger' into NFF) of the remaining recurrent additional grants, especially Pupil Premium Grant. Also within this, the position of other important Schools Block elements, such as de-delegation, the funding of PFI, the funding of Growth, support for smaller schools and the continuation of the Minimum Funding Guarantee.
- The outcomes of the DfE's holistic national SEND / AP system review and its impact on the High Needs Block and place-element and top up funding arrangements for EHCPs and for the funding of alternative provision. We understand that consultation on funding changes in response to these national reviews will come later in the year (affecting 2023/24 rather than 2022/23 arrangements). However, these reviews may have significant DSG funding implications and are likely to require substantial action from us in response. The DfE's reviews could alter a number of non-financial systems and frameworks relating to SEND and AP, but financially, amongst other things, it could affect the Place-Plus thresholds (the £6,000) and the value of place-element funding (the £10,000), SEND Funding Floor arrangements, how top up funding is calculated and administered, how notional SEND budgets are defined, how Alternative Provision funding responsibilities are aligned, how authorities are funded for hospital and medical home tuition provision, and the distribution of responsibilities between health, education and social care.

Details of the Item for Consideration

Bradford – Local Formula Funding Review

We have made a number of quite significant changes to our formula funding approaches across all the DSG Blocks since the beginning of National Funding Formula-based arrangements. We expect that our recent decisions and actions will inform how we will respond to announcements concerning 2022/23 DSG and formula funding arrangements and changes, when these are made. By way of re-cap, locally, we have:

- Moved to mirror the DfE's National Funding Formula (NFF) for primary and secondary mainstream formula funding within the Schools Block (we did this at April 2018). We would expect to continue to mirror NFF in 2022/23. This mirroring in the Schools Block has included the establishment of Minimum Levels of Per Pupil Funding, in 2021/22 at values of £4,180 (primary) and £5,415 (secondary). As in 2021/22, prior to any further amendment in response to the impact of the COVID-19 pandemic, we may reasonably expect the DfE to make adjustments to the primary & secondary NFF weightings and variable values to maintain the distribution of funding at national level when using updated October Census data. We also know that, following the DfE's consultation, adjustments will be made to the prior low attainment factor in 2022/23 in response to the cancellation of the usual summer assessments.
- Identified how significant decisions about the Minimum Funding Guarantee (MFG) will be going forward for the formula allocations received by individual mainstream schools and academies, especially in the primary phase. This is again likely to be a key recommendation for the Forum for 2022/23. We set the MFG at the maximum positive 2.0% in 2021/22. Forum Members are reminded that a sum of £0.917m of primary-phase headroom is carried over from 2021/22 and we have indicatively discussed using this to include the Reception Uplift factor for the primary phase within our 2022/23 formula on a one off basis.
- Identified issues related to falling rolls and under-subscription. The Schools Forum has a sub-group to discuss these issues and has established a primary-phase Falling Rolls Fund in the Schools Block. Further discussion is required on these issues, as reported to the Forum in March. We also need to consider more closely the financial implications across the DSG of moving to a position where our total of pupil numbers that is recorded annually in the October Census reduces rather than increases.
- Identified the funding of PFI (BSF) as an area to watch in the development of the Schools Block NFF.
- Within the Early Years Block, we began to reduce the proportion of our 3&4-year-old Early Years Single Funding Formula (EYSFF) that is allocated via the Deprivation & SEND supplement, with the intention to reduce this down over 3 years from 9.5% to the average of our statistical neighbours, which is currently rounded at 6% (5.7%), in support of maximising our Universal Base Rate. However, recognising the impact of the COVID-19 pandemic, we did not take the planned second step (to reduce from 8% to 7%) in 2021/22 and this is a matter for specific review for 2022/23. We have continued to allocate reserves (one off monies from brought forward balances) held within the Early Years Block to protect the value of the 3&4-year-old Universal Base Rate at its current year level of £4.25 per hour. We must continue to discuss how our EYSFF and Early Years Block arrangements can most effectively support the early years sector in their delivery of the early years entitlements going forward.
- Also within the Early Years Block, we implemented at April 2019 an amended holistic Early Years Inclusion Fund supporting emerging SEND. We have also identified the critical significance of pending DfE decisions concerning the continuation of the Maintained Nursery School Supplement. We have also indicated that we are currently exploring the introduction of a new single Bradford Provider Gateway for all providers to use to submit all their entitlement delivery information to the Authority. We aim to pilot this Gateway during 2021/22 with a view potentially to rolling this out for 2022/23. This new Gateway will allow us to consider whether our early years entitlement counting arrangements should adjust to be more responsive to changes in numbers within each term.
- Within the High Needs Block, at April 2020, we introduced a new Banded Model for the allocation of 'top up' funding for EHCPs. We also introduced a new Day Rate Model for the funding of the PRUs / Alternative Provision Academies for pupils permanently excluded. These models were consolidated and uplifted in 2021/22. For mainstream, we introduced for 2021/22, in trial for one year pending review, an amended SEND Funding Floor. The operation of this Floor will be a specific point of review for 2022/23. Since the introduction of the NFF, we have chosen not to adjust our definition of Notional SEND, but we have identified that this definition does need closer attention, including with reference to any changes that may be directed following the DfE's national SEND reviews.
- We have reviewed and re-shaped responsibilities, between the High Needs Block and mainstream schools and academies, in respect of the funding of alternative provision.
- We have presented a DSG Management plan to the Schools Forum (13 January 2021) and we have identified within this how the sufficiency of the High Needs Block settlement going forward is crucial to the affordability of our high needs provision development and our funding models in the future.

Details of the Item for Consideration

We anticipate at this time following the timetable that we have used in previous years for the development of consultation, and decision making, on DSG formula funding arrangements for 2022/23.

This begins by inviting Forum Members to attend one of 3 Formula Funding Working Group sessions that have been arranged for Tuesday 28 September (8am), Wednesday 29 September (8am) or Tuesday 5 October (8am). As last year, these sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2022/23 that are anticipated will be set out for consultation in October. It is anticipated that these sessions will be held remotely.

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

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

Recommendations

- (1) The Schools Forum is asked to consider and to note the information provided.
- (2) Forum Members are invited to (remotely) attend a 'Formula Funding Working Group' session, on Tuesday 28 September (8am) or Wednesday 29 September (8am) or Tuesday 5 October (8am). As last year, these sessions will enable Forum Members to consider in more detail the impact of formula funding decisions and to explore and guide the proposals for 2022/23 that are anticipated will be set out for consultation in October.

List of Supporting Appendices / Papers (where applicable)

None

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