

## Document NK Appendix 1a

# CONSULTATION & INFORMATION ON MAINSTREAM PRIMARY & SECONDARY FORMULA FUNDING 2022/23 FINANCIAL YEAR

## 1. Introduction

1.1 This document sets out the Authority's proposals for:

- The calculation of budget shares for mainstream primary (reception to year 6) and secondary (year 7 to year 11) maintained schools and academies in Bradford for the 2022/23 financial year (the "funding formula"). For those who may not wish to read the full detail of this document, an extended summary of the formula funding proposals is given in paragraph 3.
- The criteria to be used to allocate additional amounts from centrally retained funds within the Schools Block of the Dedicated Schools Grant (DSG), including from the Growth Fund and from the Falling Rolls Fund.

1.2 This document also asks for feedback on the continuation for the 2022/23 financial year of funds delegated from maintained mainstream primary and secondary schools.

1.3 The deadline for responses to this consultation is **Tuesday 30 November 2021**. An analysis of responses received will be discussed at the Schools Forum meeting on 8 December. Please address all questions and responses to Jonty Holden 01274 431927 [jonty.holden@bradford.gov.uk](mailto:jonty.holden@bradford.gov.uk). A response form is included at Appendix 4.

1.4 Please note that separate consultation documents, on Early Years Block and High Needs Block formula funding arrangements for 2022/23, will be published on Bradford Schools Online. These consultations will be signposted from our latest news and updates page [here](#).

1.5 Please also note that the Education and Skills Funding Agency (ESFA) has now confirmed that the national changes proposed to how payments to billing authorities from mainstream primary and secondary schools and academies for business rates (NNDR) are managed will be implemented from April 2022. The outcomes of the ESFA's consultation, and a summary of next steps, is published [here](#). These are directed changes, that have implications for how rates charges are physically paid to billing authorities, how the 'cash moves around the system', and in Bradford most significantly for academies (that will not be physically required to pay their business rates charges). These changes however, do not alter how schools and academies materially are funded for business rates through the Dedicated Schools Grant nor do these alter the requirement for business rates to be recorded as expenditure within individual school and academy accounts. Guidance will be provided in due course on how the business rates payment changes will be managed in Bradford from April 2022 and we encourage all schools and academies now to read the ESFA's consultation outcomes document.

## 2. Background

2.1 The message "DO NOT PANIC" has been communicated in our formula funding consultations in recent years. This remains an important message. The Minimum Funding Guarantee (MFG), and the DfE's mandatory Minimum Levels of Per Pupil Funding (MFLs), protect individual maintained schools and academies against sharp reductions in per pupil funding in any single year that may be caused by technical formula or by October Census data changes. Both the MFG and MFL factors remain in place in 2022/23. The values of the MFLs for each phase are set nationally by the DfE, and are mandatory, but the level of the MFG is one of the key decisions that we must take locally.

2.2 In their most recent three-year budget forecasting, on the advice of the Local Authority, maintained primary and secondary schools will typically have budgeted in 2022/23 for a 'headline' increase of 2.0% per pupil in core formula funding and for a Minimum Funding Guarantee of positive 1.50%. Schools affected by the mandatory Minimum Levels of Per Pupil Funding will typically have estimated that these minimums will be set at £4,264 for the primary phase and £5,523 for the secondary phase. We are aware that a number of academies in Bradford follow the Authority's guidance in estimating their future year formula funding.

2.3 The actual 2022/23 settlement, provided through the National Funding Formula (NFF) and as announced by the DfE in July 2021, is close to the Authority's estimates, and is confirmed as follows:

- The majority of the core NFF formula funding variables are increasing by a 'headline' 3.0%. In reality however, due to the rounding of values to the nearest £5, adjustments to continue existing spending proportions by factor at national level, as well as the policy of uplifting the flat Free Schools Meals factor by 2.0% rather than by 3.0%, core NFF variables are increasing between 2.2% and 3.8%. These uplifts are then (slightly to moderately) increased on the blanket 2.0% we advised maintained schools to use in their budget forecasting for 2022/23. Schools will not typically have forecasted within their 2022/23 budgets for the additional 1.25% employer's National Insurance contribution (for the NHS and Social Care) from April 2022. \*
- The Minimum Levels of Per Pupil Funding (MFLs) are increased by 2.0% from £4,180 to £4,265 (primary) and by 2.0% from £5,415 to £5,525 (secondary). These minimums continue to be mandatory. The confirmed values of the minimums match the estimates we advised maintained schools to use in their budget forecasting for 2022/23.
- The Minimum Funding Guarantee (MFG) can be set between positive 0.5% and positive 2.0%. As we set out further in section 3 of this document, subject to overall affordability, we propose to set the MFG in 2022/23 at the maximum permitted positive 2.0%. This is +0.5% higher than the estimate we advised maintained schools to use in their budget forecasting for 2022/23. But again, schools will not typically have forecasted within their 2022/23 budgets for the additional 1.25% employer's National Insurance contribution (for the NHS and Social Care) from April 2022. \*

\* How additional funding may be allocated to schools and academies to support the cost of the 1.25% National Insurance levy, as well as the value of this funding, is currently unclear. The Government has stated that public sector employers will be compensated for the cost of the 1.25% levy. Following enquiry, the ESFA has advised us that further details on the approach to this compensation will be set out at the conclusion of the Spending Review on 27 October.

2.4 The allocation of the former Teacher Pay and Pensions Grants (TPG and TPENG), in respect of reception to year 11 pupils, within core mainstream formula funding, is continued in 2022/23. This follows the transfer of these grants into core formula funding in 2021/22. We anticipate that the smaller TPG / TPENG allocations, in respect of early years and post 16 pupils, will continue to be allocated as separate grant streams, as these have been in 2021/22. This is still to be confirmed by the DfE. The positions and values in 2022/23 of the other remaining long-standing recurrent separate mainstream pre-16 additional grants – Pupil Premium Grant, Primary PE & Sports Premium and Universal Infant Free School Meals – are also still to be confirmed. DfE announcements on these grants, when they come, will be signposted on Bradford Schools Online.

2.5 We are in an extended period of system change, one of the most significant changes being the movement towards a 'hard' National Funding Formula (NFF) for the calculation of mainstream primary and secondary core formula funding allocations. In July 2021, the DfE launched a new first-stage of consultation, to gather initial views on how to complete the transition to the hard National Funding Formula over the medium term. This consultation can be accessed [here](#). The consultation was considered by Bradford's Schools Forum on 15 September and the Authority has provided a response. This is still a rather high-level consultation, which is to be followed by a more detailed set of proposals. The DfE now sets out a direction of travel towards the completion of the NFF reforms, starting from April 2023 at the earliest. As such, what is being proposed does not directly affect our 2022/23 financial year formula funding decision making. However, we will wish to ensure that we continue to take an approach that will minimise any turbulence that might be caused by the final stages of the transition in the near future.

2.6 Further consultation, at a detailed level, will be required in order for us to have a clearer understanding of the medium to longer term impact of further NFF reform on the funding of individual mainstream primary and

secondary maintained schools and academies in Bradford. Due to the DfE setting out proposals for a gradual approach, following regular impact review, the timing of the final movement to the hard NFF is still uncertain. What the hard NFF will look like post-transition is also uncertain. We might perhaps expect this to be similar to the NFF as currently constructed, using the same factors, values, and protections. However, the DfE has stated that many elements of the NFF are under review. The DfE has also stated previously that the future direction of the NFF, how much money it allocates and how the current protections (the MFG and the MFL) continue, will be influenced by the outcomes of future spending reviews. More recently, the DfE has indicated that the NFF development will be heavily influenced by the outcomes of the current national SEND and Alternative Provision reviews.

2.7 The national movement towards hard NFF began at April 2018. To give context to the proposals that we put forward now for 2022/23, it is helpful to summarise briefly the key decisions that we have taken at and since this date:

- In 2018/19, we replaced our local formula with the DfE's NFF, using this to calculate individual mainstream formula allocations for both primary and secondary phases. We have continued a 'mirroring' policy in each year since, adopting annual incremental changes in the NFF construction and uplifts in formula variable values. The DfE established a new pupil mobility factor in 2020/21, which, following a year of transition, we have now fully adopted for both primary and secondary phases.
- We set a Minimum Funding Guarantee (protecting individual maintained school and academy per pupil funding year on year):
  - a. 2018/19 at positive 0.4% per pupil
  - b. 2019/20 at 0% per pupil
  - c. 2020/21 at positive 2.34% per pupil (set at 0.5% higher than permitted with Secretary of state approval)
  - d. 2021/22 at positive 2.0% per pupil
- Since 2018/19, we have not applied a ceiling, which would have capped the values of annual increases in per pupil funding received by individual maintained schools and academies. All gains, from formula and annual data changes, have been passed through to maintained schools and academies.
- We did not transfer monies from the Schools Block to the High Needs Block in 2018/19. This was primarily because we transferred a significant amount (£5.7m) in 2017/18, which was then 'locked in' to our Dedicated Schools Grant block allocation going forward. We did transfer £2m (0.48%) in 2019/20 but we have not transferred any monies in 2020/21 nor in 2021/22. In setting the Minimum Funding Guarantee at positive 2.34% in 2020/21, which was 0.5% higher than permitted under the normal regulations, our intention was to 'give back' to mainstream schools and academies the money we transferred in 2019/20.
- We have retained our local approaches in the areas of formula funding, at individual schools and academy level, that the DfE's NFF does not yet cover. These are:
  - a. Business rates (funded at actual cost).
  - b. Split sites.
  - c. PFI (Building Schools for the Future DSG affordability gap).
  - d. Growth Funding.
  - e. Falling Rolls Funding.
  - f. Notional SEND definition.
  - g. SEND Funding Floor.
- We established a Falling Rolls Fund for the primary phase in 2019/20 and have continued to have this in place in 2020/21 and in 2021/22.
- We adopted an amended SEND Funding Floor arrangement in 2021/22, for a year in trial, the purpose of which is to support the delivery of SEND provision in mainstream schools and academies. We have

not adjusted our definition of Notional SEND post our transfer to mirroring the NFF. We continued in 2021/22 to define Notional SEND in the same way as it was in 2017/18.

2.8 The combination of a number of factors since 2017/18 – transfer from the Schools Block to the High Needs Block, our mirroring of the DfE’s NFF, year on year changes for individual schools and academies in the data recorded in / sourced with reference to the pupils recorded in their annual October censuses, the DfE’s new mandatory minimum per pupil funding levels - has created the following landscape in Bradford in 2021/22:

- Primary phase: 99 out of 156 schools and academies (64%) were funded on the Minimum Funding Guarantee. 40 schools and academies were funded at the £4,180 minimum per pupil level. All other schools and academies (11%) were funded on the National Funding Formula and above £4,180 per pupil.
- Secondary phase: 9 out of 31 schools and academies (29%) were funded on the Minimum Funding Guarantee. 3 schools and academies were funded at the £5,415 minimum per pupil level. All other schools and academies (61%) were funded on the National Funding Formula and above £5,415 per pupil.
- All through academies: 1 out of the 4 academies (25%) was funded on the Minimum Funding Guarantee. All 4 of these academies were funded above their composite minimum per pupil funding levels.
- In total, 109 out of 191 schools and academies (57%) were funded on the Minimum Funding Guarantee. This was reduced from 133 (70%) in 2020/21. From these summary statistics therefore, it is easy to see how important decisions regarding the Minimum Funding Guarantee are for 2022/23, especially for the primary phase.

2.9 As a final point of reminder, for background, we have highlighted in our annual consultations since April 2018 that a couple of matters relating to the funding of SEND in mainstream primary and secondary schools and academies were raised by our movement to mirror the National Funding Formula. We have identified that these matters need to continue to be considered.

- Firstly, our definition of Notional SEND for mainstream primary and secondary schools and academies. How we currently define Notional SEND within mainstream formula funding allocations is shown in the Technical Annex (Appendix 2). Following analysis and benchmarking, we continue to take the view that we should not amend our Notional SEND definition at this time and certainly not until the outcomes of the DfE’s EHCP and SEND system reviews are clear. These outcomes are still to be published at the time of writing this document. Given the wide range of approaches to defining Notional SEND across authorities currently, we anticipate that the DfE, through the future development of the NFF, will either more closely restrict definitions (may even fully prescribe for authorities how Notional SEND is to be identified within mainstream core formula funding) or may remove notional SEND in favour of an alternative mechanism.

Following the introduction of the Minimum Level of Per Pupil Funding Factor (MFLs) in the primary and secondary funding formula however, some mainstream schools and academies now receive what can be determined to be Additional Educational Needs (AEN) pupil-led funding through the MFLs, rather than through the AEN formula factors, which are used to define published notional SEND budgets. For point of clarity therefore, although the Authority does not propose to change the methodology behind the published notional SEND allocations for schools and academies, the Authority will consider MFL allocations within discussions that may be had with individual schools and academies about available delegated SEND monies.

- Secondly, our SEND Funding Floor. In the immediate aftermath of the movement to mirror the NFF at April 2018, we protected SEND Funding Floor allocations and ‘held off’ acting on a review in anticipation that, as with Notional SEND and following the national reviews, the DfE would soon either more closely restrict or may even fully prescribe an approach to additional targeted SEND funding. However, as we explained in our consultation published this time last year for 2021/22 arrangements, whilst still waiting for the DfE to publish the outcomes of the national reviews, we felt that we could not delay any longer acting on our review of our SEND Funding Floor mechanism. Following consultation,

we implemented at April 2021 an amended arrangement, for a year in trial. This arrangement is described in the Technical Annex (Appendix 2). We are minded to continue this amended arrangement in 2022/23. However, as the SEND Funding Floor is funded from the High Needs Block, not from the Schools Block, we discuss this in more detail within our separate consultation on high needs funding.

### 3. Formula Funding Proposals for 2022/23

3.1 There are **7 key decisions** we need to take on Bradford's 2022/23 mainstream primary and secondary Schools Block funding formula arrangements. 5 of these decisions are very similar to those that were needed for 2021/22.

3.2 The 7 decisions are:

1. Whether we transfer budget from Schools Block to the High Needs Block and, if we do, the value of this transfer.
2. Whether we continue to mirror the DfE's National Funding Formula (NFF).
3. Whether we apply the 'Reception Uplift' factor for the primary phase, on a one off exceptional basis for 2022/23 only. This is a new decision for 2022/23.
4. Whether we continue our existing local approaches to the factors still not covered by the NFF.
5. The value (% level) of the Minimum Funding Guarantee, which can be set between positive 0.5% and positive 2.0%.
6. How we would amend our mainstream primary and secondary funding formula, if necessary for affordability reasons, should the total cost of our formula substantially increase (and be unaffordable) when the October 2021 Census dataset is used. This is a new decision for 2022/23.
7. Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block.
  - a. Growth Fund
  - b. Falling Rolls Fund (primary phase)
  - c. Funds de-delegated from mainstream maintained primary and secondary schools

3.3 Please be aware that the 2.0% increases in the primary and secondary phase minimum levels of funding per pupil (MFLs) are mandatory and not for local determination. We are not consulting on the application of the MFL factor.

3.4 Running alongside our 7 decisions, it should be noted:

- The COVID-19 pandemic has affected the availability of data that would have normally been used to calculate 2022/23 formula funding allocations. The DfE has made adjustments to data sources:
  - For the Low Prior Attainment (LPA) factor, Early Years Foundation Stage (for primary phase funding) and Key Stage 2 (for secondary phase funding) assessment results from 2019 will be used as a proxy for both the 2020 and 2021 assessments. Effectively, this means in 2022/23 that 2019's assessment data is being used for 3 cohorts of pupils in the calculation of a school's / academy's Low Prior Attainment percentage. This may have an impact on the values of allocations that individual schools and academies receive through the LPA factor, especially where 2019 results were improved on results in previous years. Where results were improved, we would expect 2022/23 LPA funding to reduce. The impact of data change is further discussed in section 4.

- For the Pupil Mobility factor, due to the cancellation of the May 2020 Census, the DfE will use the start dates of pupils recorded in the October 2021 Census to identify pupils that were mobile between January 2020 and May 2020.
- The construct of the national high needs funding system – the notional value of £4,000 for element 1 and £6,000 for element 2 – remains unchanged from 2021/22 arrangements. We put forward proposals regarding the funding of top up for Education Health and Care Plans (EHCPs) for 2022/23 within our separate high needs funding consultation.
- The role of Bradford’s Dedicated Schools Grant in the funding of PFI (Building Schools for the Future) remains unchanged in 2022/23, limited to funding the agreed DSG Affordability Gap. PFI funding is a matter that the Schools Forum wishes to monitor closely within the national ‘hard’ NFF review work to come.
- As introduced in paragraph 1.5, the Education and Skills Funding Agency (ESFA) has confirmed that the national changes proposed to how payments to billing authorities from mainstream primary and secondary maintained schools and academies for business rates (NNDR) are managed will be implemented from April 2022. Further guidance will be published.
- The data source for the Pupil Premium Grant (PPG) has been transferred on a permanent basis from the annual January Census back to the annual October Census. 2022/23 PPG allocations data will be sourced with reference to the pupils recorded in the October 2021 Census.

**Decision 1 - Whether we transfer budget from the Schools Block to the High Needs Block in 2022/23**

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

3.6 The DfE has now taken important steps in recognising that there has been a significant national high needs funding sufficiency issue. Bradford received a 17% per pupil increase in High Needs Block funding in 2020/21 and a 12% per pupil increase in 2021/22. We estimate we will receive a 9.5% per pupil increase in 2022/23. Although no announcements have yet been made about the position of high needs funding after 2022/23 and therefore, there is concern about affordability going forward, combined with the uncertainties regarding the financial impact of the DfE’s national SEND and Alternative Provision reviews, the settlements received over 3 years put Bradford’s current High Needs Block in a fundamentally much stronger position than was the case in 2018/19.

**3.7 As a result, the Local Authority does not propose to transfer Schools Block funding to the High Needs Block in 2022/23.** This means that the full Schools Block settlement will be retained for spending within this Block.

**Decision 2 – Whether we continue to mirror the DfE’s 2022/23 National Funding Formula**

3.8 The table below shows the DfE’s NFF factors in 2022/23, as these are applied to Bradford (so adjusted for area costs - ACA), compared against those used for 2021/22. These are the factors that we use in Bradford to allocate formula funding to mainstream primary and secondary schools and academies. The key changes are:

- The values of the NFF pupil-led factors have been uplifted in line with the DfE’s settlement – by a headline 3% - for all factors except for the FSM factors, which have been increased by a nominal 2%. The final factor values have then been adjusted so that the overall weightings (proportions of total spend nationally by factor) previously established within the NFF are maintained. The DfE has then also rounded values, prior to the application of the ACA, to the nearest £5.
- The minimum levels of funding per pupil (MFLs) have been increased by 2% (rounded), from £4,180 to £4,265 (primary) and from £5,415 to £5,525 (secondary).

Factor	NFF £ 2022/23	NFF £ 2021/22	£Diff	% Diff
Primary – Base £APP	£3,217.51	£3,123.50	+ £94.01	+ 3.01%
Secondary – Key Stage 3 Base £APP	£4,536.73	£4,404.70	+ £132.03	+ 3.00%
Secondary – Key Stage 4 Base £APP	£5,112.82	£4,963.79	+ £149.03	+ 3.00%
Lump Sum – Primary & Secondary	£121,319	£117,819	+ £3,500	+ 2.97%
Primary - Deprivation – FSM Ever 6	£590.09	£575.09	+ £15.00	+ 2.61%
Primary - Deprivation – Flat FSM	£470.08	£460.07	+ £10.01	+ 2.18%
Secondary - Deprivation – FSM Ever 6	£865.14	£840.13	+ £25.01	+ 2.98%
Secondary - Deprivation – Flat FSM	£470.08	£460.07	+ £10.01	+ 2.18%
Primary - Deprivation – IDACI F	£220.04	£215.03	+ £5.01	+ 2.33%
Primary - Deprivation – IDACI E	£270.04	£260.04	+ £10.00	+ 3.85%
Primary - Deprivation – IDACI D	£420.07	£410.07	+ £10.00	+ 2.44%
Primary - Deprivation – IDACI C	£460.07	£445.07	+ £15.00	+ 3.37%
Primary - Deprivation – IDACI B	£490.08	£475.08	+ £15.00	+ 3.16%
Primary - Deprivation – IDACI A	£640.10	£620.10	+ £20.00	+ 3.23%
Secondary - Deprivation – IDACI F	£320.05	£310.05	+ £10.00	+ 3.23%
Secondary - Deprivation – IDACI E	£425.07	£415.07	+ £10.00	+ 2.41%
Secondary - Deprivation – IDACI D	£595.10	£580.09	+ £15.01	+ 2.59%
Secondary - Deprivation – IDACI C	£650.10	£630.10	+ £20.00	+ 3.17%
Secondary - Deprivation – IDACI B	£700.11	£680.11	+ £20.00	+ 2.94%
Secondary - Deprivation – IDACI A	£890.14	£865.14	+ £25.00	+ 2.89%
Primary - English as an Additional Language (3)	£565.09	£550.09	+ £15.00	+ 2.73%
Secondary - English as an Additional Language (3)	£1,530.24	£1,485.24	+ £45.00	+ 3.03%
Primary – Low Prior Attainment	£1,130.18	£1,095.18	+ £35.00	+ 3.20%
Secondary – Low Prior Attainment	£1,710.27	£1,660.27	+ £50.00	+ 3.01%
Primary - Pupil Mobility	£925.15	£900.14	+ £25.01	+ 2.78%
Secondary – Pupil Mobility	£1,330.21	£1,290.21	+ £40.00	+ 3.10%
Primary – Minimum £APP (MFL)	£4,265	£4,180	+ £85.00	+ 2.03%
Secondary – Minimum £APP (MFL)	£5,525	£5,415	+ £110.00	+ 2.03%

3.9 So, the NFF in 2022/23 retains the same dynamic as in the last four years, including its focus on Additional Educational Needs (AEN) funding, the Low Prior Attainment factor within AEN, and the lower value of lump sum, which has been one of the most significant factors in terms of impact of the NFF on smaller schools and on the primary phase more widely.

3.10 The Authority's case for moving to fully replicate the DfE's NFF, originally put forward for 2018/19, was strongly supported. Schools and academies in Bradford have since continued to support our close mirroring of the NFF. Therefore, we believe schools and academies will also support the principle that, in this period prior to the establishment of the 'hard' NFF, where further transition is now expected to be directed by the DfE from April 2023, our local formula funding arrangements should continue to move in line with the DfE's NFF as this uplifts and incrementally develops. 105 (out of 150) authorities in the last four years have moved closer to NFF and / or are now within 1% of NFF variable values. This includes 72 other local authorities that are directly mirroring the NFF, as we are.

3.11 We propose therefore, **subject to final affordability (please see decision 6), that we will continue to mirror the NFF in 2022/23, using the 'NFF 2022/23' factor values shown in the table above.**

3.12 The indicative impact of this proposal is shown in Appendix 1. Please also refer to the explanation of the modelling in paragraph 4.

**Question 1 - Do you agree that our local formula in 2022/23 should mirror the DfE's 2022/23 National Funding Formula and that this formula should be used to calculate primary and secondary school and academy mainstream formula funding allocations? If not, please explain the reasons why not.**

**Decision 3 – Whether we apply the ‘Reception Uplift’ factor for the primary phase, on a one off exceptional basis for 2022/23 only. This is a new decision for 2022/23.**

3.13 Authorities currently are permitted to use a ‘Reception Uplift’ factor in their local formula funding arrangements. For 2022/23, this factor will enable authorities to increase the funded pupil number count for schools and academies that had higher reception year numbers recorded in the January 2021 Census than were recorded in the October 2020 Census. For example, a primary phase academy has 210 pupils on roll in total in the October 2021 Census. The academy recorded 30 on roll in the reception year in January 2021 but 28 on roll in the reception year in October 2020. The academy would have 2 pupils added to their funded pupil number count, meaning that they would be funded in 2022/23 for 212 pupils. Only positive adjustments are made i.e. a school or academy that had a lower number of pupils in reception year recorded at January 2021 will not see a negative adjustment, and only differences in reception year numbers are used (the factor does not look at year 1 to year 6 pupil numbers).

3.14 Recognising that the October Census is taken relatively early in the autumn term, the purpose of the Reception Uplift factor is to fund primary schools and academies that have substantial later intakes of pupils into their reception years (as a result e.g. of admission of pupils on appeal or from having available places as a consequence of under-subscription), including at the beginning of the spring term. Albeit that this funding is allocated a year in arrears.

3.15 The use of the Reception Uplift factor is optional. We used this within our local formula up to 2017/18. However, as this factor is not used within the National Funding Formula (NFF), in order to fully mirror the NFF, we ceased to use it at April 2018. We would now not normally revisit this decision. However, there are two matters, which require closer consideration:

- Firstly, the Schools Forum has continued to monitor and to consider the financial implications on schools and academies of the COVID-19 pandemic. An area of concern that was raised by Forum members last year was the delay in the normal primary-phase admissions appeals timetable that the pandemic caused in autumn 2020, meaning that potentially a larger than normal number of primary phase appeals for the reception year were concluded after the October 2020 Census was taken. Applying the Reception Uplift factor in 2022/23, on a one-off exceptional basis, could help minimise the negative financial impact of this situation on schools and academies that admitted reception year children on appeal between October 2020 and January 2021. It could also help schools and academies that have admitted pupils as a consequence of under-subscription.
- Secondly, in the balances brought forward within the Schools Block, we currently hold a sum of £0.917m of unallocated primary phase-specific formula monies. This sum has been accrued over 2020/21 and 2021/22. The Schools Forum has found it difficult to allocate this funding to the primary phase in such a way as to add value but also to ensure that it is not used to contribute to an on-going mechanism (as balances can only be spent once). Allocating a proportion of the £0.917m to the Reception Uplift factor in 2022/23 would be a way of adding value specifically to the primary-phase but only funding a mechanism that would be in place for a single year.

3.16 Following these two considerations, **we propose, subject to final affordability (please see decision 6), to use the Reception Uplift factor in 2022/23. This will be for 2022/23 only and will be funded by the primary-phase specific Schools Block balance.** For point of clarity, in applying the Reception Uplift factor, we are not exactly mirroring the National Funding Formula in 2022/23. However, movement away from mirroring for this purpose is a relatively small adjustment and is time limited. Please also note that the pupil numbers added as a result of the Reception Uplift factor are excluded in the calculation of the Minimum Funding Guarantee (MFG) in 2022/23. The result of this is that, for schools and academies on the MFG, the additional funding allocated by the Reception Uplift factor replaces the funding that would otherwise be allocated by the MFG in 2022/23.

3.17 The number of reception year pupils to be added to 2022/23 formula funding will be provided by the DfE in December, within the dataset that the Authority must use to calculate 2022/23 allocations. Indicatively, using our downloads of census data, we estimate that 102 additional reception pupils would be funded across 52 primary schools and primary academies. We estimate that the cost of adding these pupils will be £0.493m, which would be met from the £0.917m specific brought forward balance.

3.18 The number of additional reception year pupils by school and academy is shown in the modelling in Appendix 1, on an estimated basis.

**Question 2 - Do you agree that, subject to final affordability (please see decision 6) we should include the Reception Uplift factor in our 2022/23 primary-phase funding formula on a one off exceptional basis for 2022/23 only funded using brought forward balances? If not, please explain the reasons why not.**

**Decision 4 – Whether we continue unchanged our existing local approaches to the factors not yet covered by the NFF**

3.19 **Business rates (NNDR)** will continue to be funded at actual cost. As introduced in paragraph 1.5, the Education and Skills Funding Agency (ESFA) has confirmed that the national changes proposed to how payments to billing authorities from mainstream primary and secondary maintained schools and academies for business rates (NNDR) are managed will be implemented from April 2022.

3.20 **We propose to continue in 2022/23 our current formulae for the allocation of split sites funding.** Please see the technical annex at Appendix 2. We propose to increase the values of the variables used within the split site formula by 3%, which is in line with the headline NFF settlement, subject to final affordability (please see decision 6).

3.21 **We propose to continue to pass through the specific BSF DSG Affordability Gap values using our current method** (please see Appendix 2), 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.

3.22 As explained in the introduction, **we propose to continue to use our existing methodology for the definition of Notional SEND budgets for mainstream primary and secondary schools and academies within the Schools Block funding formulae.** We are minded not to propose any amendments at this time, and not until the outcomes of the DfE's reviews are known. Please see Appendix 2 for a breakdown of our current definition. Following the introduction of the Minimum Level of Per Pupil Funding Factor (MFLs) in the primary and secondary funding formula however, some mainstream schools and academies now receive what can be determined to be Additional Educational Needs (AEN) pupil-led funding through the MFLs, rather than through the AEN formula factors, which are used to define published notional SEND budgets. For point of clarity therefore, although the Authority does not propose to change the methodology behind the published notional SEND allocations for schools and academies, the Authority will consider MFL allocations within discussions that may be had with individual schools and academies about available delegated SEND monies.

We discuss the SEND Funding Floor within our separate consultation on high needs funding for 2022/23.

**Question 3a - Do you agree with the proposal to continue to use our existing formula for the allocation of split sites funding, uplifted by 3% in 2022/23 (subject to affordability)? If not, please explain the reasons why not.**

**Question 3b - Do you agree with the proposal to continue to use our existing formula for the apportionment of BSF DSG Affordability Gap funding in 2022/23? If not, please explain the reasons why not.**

**Question 3c - Do you agree with the proposal to continue to use our existing methodology for the definition of notional SEND budgets in 2022/23? If not, please explain the reasons why not.**

**Decision 5 – The % level of the Minimum Funding Guarantee (MFG)**

3.23 The Minimum Funding Guarantee (MFG) is the mechanism through which the Authority can ensure a minimum percentage increase in funding per pupil for all schools and academies in 2022/23. Typically, we seek to set the MFG at the maximum that is affordable, having also considered the minimum provided by the DfE within its NFF settlement as well as how costs in schools and academies may increase, especially following nationally determined teacher and support staff pay awards and salary on-costs changes.

3.24 The DfE permits the Minimum Funding Guarantee in 2022/23 to be set between positive 0.5% and positive 2.0%. 2.0% would mean, simply for example, that a school or academy that is funded on the MFG, and that has the same total pupil numbers recorded in October 2021 as recorded in October 2020, will receive in 2022/23 the cash value of its 2021/22 core-formula funding, uplifted by 2.0%.

3.25 The DfE's has provided a floor (a minimum increase) of + 2.0% in its notional 2022/23 NFF calculations for individual schools and academies. A 2.0% MFG in Bradford would effectively pass this floor through to delegated budgets in Bradford.

3.26 The DfE has previously set out a policy aim to increase the salaries of early career teachers (for example, to bring Main Pay Scale 1 up to a minimum £30,000). An initial step was made at September 2020. Following the COVID-19 pandemic response, and the pay pause at September 2021, the status of, and timescales for, the further implementation of this policy are currently uncertain. However, it is sensible for us to plan our formula funding approach on the basis that some further movement on this policy will take place at September 2022, within an overall national teacher's pay award. It is also sensible to plan on the basis that there will be a support staff pay award at April 2022, as there has been at April 2021. The pay award for NJC scale staff is determined by a separate bargaining process that the Chancellor's pay pause announcement does not extend to. The Government has also recently announced an additional 1.25% employer's National Insurance contribution (for the NHS and Social Care) from April 2022. As stated earlier in this document, how additional funding may be allocated to schools and academies to support the cost of the 1.25% National Insurance levy, as well as the value of this funding, is currently unclear. The Government has stated that public sector employers will be compensated for the cost of the 1.25% levy. Following enquiry, the ESFA has advised us that further details on the approach to this compensation will be set out at the conclusion of the Spending Review on 27 October. Recognising the cumulative cost impact that these salaries factors may have on delegated budgets, and the high proportion of our schools and academies (especially in primary phase) that are currently funded on the MFG, we see that it is important for us to take steps to set the MFG at the maximum permitted level.

**3.27 So, subject to final affordability (please see decision 6), we propose to set the Minimum Funding Guarantee (MFG) in 2022/23 at the maximum permitted level of positive 2.0%.** The impact of this is shown in Appendix 1, illustratively, at individual school and academy level.

**Question 4 - Do you agree with the proposal, subject to final affordability, to set the Minimum Funding Guarantee at the maximum positive 2.0% in 2022/23? If not, please explain the reasons why not.**

**Decision 6 – How we would amend our mainstream primary and secondary funding formula, if necessary for affordability reasons, should the total cost of the formula substantially increase (and be unaffordable) when the October 2021 Census dataset is used. This is a new decision for 2022/23.**

3.28 Lag in the pupil-need data, such as Free School Meals %s and Low Prior Attainment %s, between that, which is required to be used to calculate individual school and academy formula funding allocations and that, which is used by the DfE to calculate Dedicated Schools Grant funding to local authorities, is a feature of the current formula funding system. For this 2021/22 financial year, for example, schools and academies have been funded with reference to their October 2020 Census data. The Local Authority however, has received Dedicated Schools Grant, from which the cost of these school and academy allocations must be met, calculated using data recorded a year earlier in the October 2019 Census.

3.29 Where there are only relatively small data changes year on year, or where there are 'ups and downs' in different data streams, which generally cancel each other out, this lag does not cause overall affordability problems. By 'affordability problems', we mean that the cost of formula funding using the National Funding Formula mirroring approach (Decision 2) exceeds the value of Dedicated Schools Grant funding that the Authority has received from the DfE, to the extent that the Authority has to adjust its proposals to reduce cost.

3.30 One of the problems in managing this situation is that, although we can identify and very indicatively estimate in advance potential areas of change, we do not know for certain whether our formula funding proposals are affordable until we receive the relevant October Census dataset from the DfE in December

each year. It is difficult to model the impact for individual schools and academies with certainty in advance of receiving the dataset.

3.31 In our consultation documents, published in previous years, we have highlighted this as an issue and we have always stated that our proposals are subject to a final 'affordability check'. We have also always previously stated, if we need to adjust our proposals, that we will work closely with the Schools Forum. In recent years, affordability has not been an issue. Although there have been some changes in individual factors, the overall cost of formula funding using the final December dataset has either been as expected or has reduced rather than increased.

3.32 For 2022/23 however, partly as a consequence of the COVID-19 pandemic, we have identified that we may come across greater swings in costs associated with individual formula factors, as a result of greater differences between the data recorded with reference to the October 2021 Census and the data recorded with reference to the October 2020 Census. We do anticipate that this will be an issue limited to 2022/23's formula funding process, due to the specific impact of the greater levels of change in pupil-level data that will be recorded between the October 2020 and October 2021 censuses. We anticipate that the funding system will 'catch up' for 2023/24, meaning that the on-going risks of an affordability issue (for data swings between the respective October censuses) will return to be in line with the levels we would normally expect and that we have managed in recent years.

We have identified the potential for significant cost changes in 2 areas in particular within 2022/23's cycle:

- Free School Meals %s (both Flat and Ever 6) recorded in the October 2021 Census are likely generally to be substantially increased on the %s recorded in October 2020. We have already identified an increase on a snapshot taken from the May 2021 Census.
- As the summer 2019 assessment results are being used for a 3<sup>rd</sup> cohort of children, Low Prior Attainment (LPA) allocations for schools and academies are generally expected to reduce in 2022/23 vs. 2021/22. This is because attainment in 2019 was better on average than in the years where the data now drops out of the LPA calculation.

3.33 Changes in data will have implications for the allocations received by individual schools and academies in 2022/23. Schools and academies need to be alert to this and we give further warning in section 4. Regarding the affordability of our formula arrangements as currently proposed, it may be that changes across different factors continue largely to 'cancel each other out' as they have done recently. Changes in individual factors also may not necessarily result in a significant change in overall cost. This is because the 'top up' allocated by the Minimum Funding Guarantee and by the Minimum Levels of Funding may change at the same time.

3.34 However, given the circumstances this year, we feel that it is appropriate and will aid transparency, to set out in a little more detail the approaches that the Authority would take were we to find that the funding formula we set out in this consultation document for 2022/23, in particular under Decisions 2 (mirroring of the NFF) and 5 (the MFG set at 2%), is not affordable when we use the October 2021 Census dataset provided by the DfE in December. We wish to give schools and academies the opportunity now to provide feedback. This feedback will help guide our continued discussions with the Schools Forum on this issue.

3.35 The 4 broad options that are available are:

- A. Use a value of brought forward balances (one off monies) either to afford our proposals without amendment or to reduce the size of other amendments that might be applied. This may include re-directing the primary phase balance that is proposed to be used to apply the Reception Uplift factor (Decision 3).

- B. Reduce our funding formula factor values, moving away from exact mirroring of the NFF as proposed in Decision 2, so that the cost fits within the Dedicated Schools Grant budget available on a phase-specific basis.
- C. Re-introduce a ceiling, which would cap the year on year %increases in per pupil funding for individual schools and academies that, for example, see higher than average %per pupil increases.
- D. Reduce the Minimum Funding Guarantee (MFG) from the 2% proposed in Decision 5. To be clear - we would not be permitted to reduce the values of the Minimum Levels of Funding (MFLs) as these values are set by the DfE.

3.36 It is the Authority's view currently that:

- In using brought forward balances (A), we need to be careful to ensure that affordability can be managed on an on-going basis. Balances can only be spent once and using these to support an on-going formula funding cost issue may potentially create affordability problems for 2023/24.
- Reducing the Minimum Funding Guarantee (D), from the 2% proposed, would be one of the last adjustments we would consider and, if we reduced it, we would only do so having first reduced formula factor values (B). This would be in recognition of the importance of the MFG for the primary-phase and also of the need to ensure a reasonable minimum level of funding increase in response to estimated growth in costs, including salaries costs, in 2022/23. Not providing an MFG at the maximum permitted 2%, whilst not making any other formula funding cost adjustments, would also further widen the gap in the increases in funding received by schools and academies on the MFG versus those funded on the National Funding Formula.
- Re-introducing a ceiling (C) would be considered before adjusting the MFG but, again, only in combination with adjusting the formula factor values (B). We specifically recognise that we would need to very carefully consider the impact a ceiling would have on individual schools and academies. We would not wish the re-introduction of a ceiling to have a disproportionate impact on the funding received by a relatively small number of schools and academies for supporting pupils with Additional Educational Needs (AEN), including pupils who share protected characteristics who strongly correlate with measures of AEN. It is likely that schools and academies that will see above average % increases in per pupil funding in 2022/23 will achieve these increases because the level of AEN of their pupils has grown. We would need to be very careful about the impact a ceiling would have on reducing funding growth for individual schools and academies in such circumstances.
- The main 'go-to' option for reducing the overall cost of formula funding, after use of brought forward balances, but before a reduction in the MFG and before the re-introduction of a ceiling, would be to reduce the values of the factor variables (B). In doing this, the Authority would not adjust how each formula factor works, but would adjust the value of the variable used for that factor. We would make these adjustments on a phase-specific basis i.e. the adjustments for primary may be different than those for the secondary phase because the formula funding affordability position for the primary phase may be different.

The values of the variables that are currently proposed for 2022/23 are shown in the table under Decision 2.

We propose that we would take a 'collective pro-rata' scaling style approach to adjusting variable values, meaning that we would reduce all factors by the same %, with the scaling % set at the value required to bring the cost of the total formula by phase back within the budget available. There are different approaches that could be taken here, but this kind of 'collective pro-rata' scaling approach ensures, firstly, that we would 'step away' from mirroring the National Funding Formula in an even way. This means, crucially, that this will create less turbulence when seeking to return to mirroring

from April 2023, when additional DfE restrictions are likely to be introduced. Secondly, this approach means that adjustments would not have a disproportionate impact on individual Additional Educational Needs formula factors and the funding that schools and academies receive via these factors. We assess, for example, that there would be a significant disproportionate impact were we to offset any growth in the FSM factor cost only by reducing the values of the FSM variables.

Once we have the final affordability figures, and we know the % reduction that might be needed, we will look more closely with the Schools Forum at our approach before finalising this in January 2022. We would also look more closely at whether / how we would ensure that all factors would still increase by a minimum e.g. 2%.

3.37 We recognising that the discussion here is technical as well as a little abstract. Whilst we are not certain currently that such affordability adjustments will be necessary (or the scale of them if they are, or if the scale will be such that we would need to use more than one adjustment), we nonetheless think it is helpful to highlight this now as a potential issue. We welcome any views that you might have on how best to approach this and we welcome any specific points that you wish the Authority and the Schools Forum to consider, including with reference to your own school or academy.

**Question 5 - Do you have any views on how the Authority should adjust the 2022/23 funding formula, from that which is proposed in this consultation, should the total cost of the funding formula substantially increase (and be unaffordable) when the October 2021 Census dataset is used. We welcome any specific points that you would wish the Authority and the Schools Forum to consider.**

**Decision 7 – Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block**

3.38 The DfE's National Funding Formula does not yet include a methodology, which prescribes how Growth Funding should be allocated at individual school and academy level. Local authorities in 2022/23 therefore, retain the responsibility for determining arrangements locally, albeit within tight Regulations. Local Authority compliance with these Regulations is checked annually by the Education and Skills Funding Agency (EFSA). **Our proposed Growth Fund arrangements and criteria for 2022/23 are set out in the documents embedded under paragraph 6. These are unchanged from current arrangements.**

3.39 We established back in 2019/20 a Falling Rolls Fund for our primary phase. **Our proposed Falling Rolls Fund arrangements and criteria for 2022/23 are set out in the document embedded under paragraph 7. These are unchanged from current arrangements.**

3.40 This document also asks for feedback on the continuation for the 2022/23 financial year of funds de-delegated from maintained primary and secondary schools within the Schools Block of the Dedicated Schools Grant. **Our proposed de-delegated fund arrangements and criteria for 2022/23 are set out in paragraph 5 and also in detail in Appendix 3. These are unchanged from current arrangements.**

**Question 6 - Do you agree with the proposed criteria and methodology for the allocation of the Growth Fund to schools and academies in 2022/23? If not, please explain the reasons why not.**

**Question 7 - Do you agree with the proposed criteria and methodology for the allocation of the Falling Rolls Fund to primary-phase schools and academies in 2022/23? If not, please explain the reasons why not.**

**Question 8 – Should sums continue or cease to be de-delegated from maintained school budgets in 2022/23 for the purposes listed? Please explain the reasons why if you believe that these should cease or change.**

## 4. Consultation Impact Modelling

4.1 As the set of formula funding decisions that are required to be taken for 2022/23 are relatively straightforward, the modelling attached with this document is relatively simple. **Appendix 1a** is a single sheet model, which shows actual formula funding allocations for each primary and secondary school and academy for the current 2021/22 financial year compared against illustrative allocations for 2022/23 calculated on the Authority's proposals and using estimated October 2021 pupil numbers. **Appendix 1b** is a ready reckoner, which provides a breakdown by factor of the totals (shown in columns 2 and 8 in Appendix 1a) for each school and academy. To clarify:

- All modelling for academies uses the Authority's financial year figures not the academic year General Annual Grant (GAG) figures calculated by the EFSA (which the Authority does not see).
- This modelling is calculated on the proposals before any affordability adjustments would be made under Decision 6.
- The totals in Appendix 1a for 2021/22 (column 2) and for 2022/23 (column 8) are the core delegated formula funding allocations excluding business rates, split sites and PFI. These totals also exclude all additional High Needs place and EHCP top up funding, Growth Funding, Falling Rolls Funding, Early Years funding, Post 16 funding and all other additional separate grant streams (PPG, UIFSM etc).
- Apart from pupil numbers, and two other minor data adjustments that are explained below, all pupil-level data used to calculate the 2022/23 illustrative allocations shown in column 8 e.g. IDACI, FSM%, EAL%, Low Prior Attainment is sourced from the October 2020 Census (or with reference to the pupils that were recorded as on roll in the October 2020 Census) and is the same data that was used to calculate actual 2021/22 core formula funding allocations. **Schools and academies should remember that actual 2022/23 allocations will be calculated on updated data sourced from (or with reference to the pupils recorded on roll in) the October 2021 Census. Using updated October 2021 Census data may quite significantly change the value of formula funding received by an individual school or academy in 2022/23 from what is shown in Appendix 1. This is especially the case in schools and academies that are not already substantially funded via the Minimum Funding Guarantee (MFG) or those that do not receive substantial uplifts to the DfE's minimum per pupil funding levels (MFLs).**
- The 2022/23 illustrative allocations are calculated **using an estimate of pupil numbers that will be recorded in the October 2021 Census, plus an estimate of the additional number of pupils that will be funded as a result of applying the Reception Uplift factor.** This means that the cash differences between 2022/23 and 2021/22 allocations (Appendix 1a column 12) include the impact of the estimated growth or estimated reduction in pupil numbers between October 2021 and October 2020. The total number of pupils shown in column 6 includes the additional estimated Reception Uplift number. The estimated Reception Uplift number is then shown separately for reference in column 7.
- The 2022/23 illustrative allocations are calculated incorporating two minor data adjustments, which ensure that our modelling replicates at this stage the adjustments that the DfE has incorporated into the calculation of its notional National Funding Formula allocations that were published on the DfE's website and on COLLECT over the summer. Firstly, the pupil mobility data has been updated to include the DfE's response to the cancellation of the May 2020 Census. Please see paragraph 3.4. Secondly, Ever 6 Free School Meals (FSM) data has been updated to use the October 2020 Census to bring this in line with the changed Pupil Premium Grant methodology. Whilst this data has been updated, schools and academies must remember that both the pupil mobility and the Ever 6 FSM data are still based on the pupils on roll that were recorded in the October 2020 Census. 2022/23 final formula funding allocations will be calculated on the pupil-level data that will be recorded in the October 2021 Census.

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

- The scale of the growth or reduction in the numbers of funded pupils estimated between October 2021 and October 2020 (column 14).

- The range of % uplifts that may be received by individual schools and academies next year, in total cash (column 13) and per pupil terms (column 16), incorporating estimated changes in pupil numbers between October 2021 and October 2020, as well the minor amendments to pupil mobility and Ever 6 FSM data, but before any further pupil-level data changes that may be recorded in the October 2021 Census are brought in. To aid analysis, column 17 shows the % change in per pupil funding when the 2022/23 allocations are calculated using the same total number of pupils that were funded in 2021/22. Column 17 therefore, shows the impact of formula funding proposals on a like-for-like pupil numbers basis.
- How formula funding proposals, combined with the estimated changes in pupil numbers and the minor amendments to pupil mobility and Ever 6 FSM data, but before any further pupil-level data changes that may be recorded in the October 2021 Census are brought in, affect the total cash values of formula funding allocations that may be received by schools and academies in 2022/23 compared with 2021/22 (column 12).
- The schools and academies that are estimated to receive funding through the application of the Reception Uplift factor, on a one off basis in 2022/23. Multiplying column 7 by column 9 gives sight of the additional funding that each school and academy may receive in 2022/23 where the Reception Uplift factor is applied (or may not receive where the factor is not applied).
- The schools and academies that were funded on the DfE's Minimum Levels of per pupil Funding (MFLs) in 2021/22 (column 5) and indicatively will be funded on the uplifted MFLs in 2022/23 (column 11). Schools and academies that are on the MFLs in both years will see a 2% per pupil increase in core formula funding in 2022/23.

Schools and academies that were funded on the MFLs in 2021/22 have a positive figure in column 5. Schools and academies that are modelled at this time to remain on the MFLs in 2022/23 also have a positive figure in column 11.

Depending on their October 2021 Census datasets, and changes in pupil-level data, schools and academies currently modelled in Appendix 1 to be on the MFLs in 2022/23 may come off these to be funded at a per pupil funding value that is higher. This might happen especially in schools and academies that received only relatively small values of MFL funding in 2021/22. The opposite may also happen, again depending on changes in pupil-level data recorded in the October 2021 Census. Schools and academies that in 2021/22 were not funded on the MFLs may find that they come onto the MFLs in 2022/23. This might happen especially in schools and academies that are reasonably close already to the MFL values and that might see changes in pupil-level data from the October 2021 Census that reduce their per pupil funding.

To stress, as it is based on October 2020 Census data, the Appendix 1 modelling does not show the impact of October 2021 Census data changes on a school's or academy's position versus the MFL in 2022/23. This impact can only be modelled using the October 2021 Census dataset when this is provided in December.

- The schools and academies that were funded in 2021/22 on the Minimum Funding Guarantee (MFG) and that may remain on the MFG in 2022/23 to receive the proposed minimum 2% per pupil increase. These schools and academies are highlighted in purple in Appendix 1a. The funding of these schools and academies will be directly affected by the final value of the MFG we set in 2022/23. For example, if under Decision 6, for affordability reasons, we were to set the MFG at 1.5% rather than 2.0%, these schools and academies would be directly affected.

Schools and academies that were funded on the MFG in 2021/22 have a positive figure in column 4. Schools and academies that are modelled at this time to remain on the MFG in 2022/23 also have a positive figure in column 10. If the figure in column 4 is zero then the school or academy was not on the MFG in 2021/22. If the figure in column 10 is zero then the school or academy is modelled at this stage to be off the MFG in 2022/23.

As with the warning given above about the MFLs, schools and academies must treat the MFG modelling with caution at this time. A school's or an academy's position versus the MFG in 2022/23 may change when the October 2021 Census dataset is used to calculate final allocations.

For example, a reduction in Low Prior Attainment (LPA) funding, following the use of the 2019 assessments as a proxy for the summer 2021 assessments, may mean that a school or an academy comes onto the MFG in 2022/23, when it was not funded on the MFG in 2021/22 and is not currently modelled to be on the MFG in 2022/23. This is because the reduction in LPA funding may mean that the school or academy would not receive a minimum 2% increase in per pupil funding through the application of the normal National Funding Formula and so must have its funding topped up to the 2% minimum.

Using an opposite example, an increase in FSM funding, because a school's or an academy's FSM% recorded in the October 2021 Census is higher than that recorded in October 2020, may mean that a school or academy comes off the MFG in 2022/23, when it was on the MFG in 2021/22 and is currently modelled to remain on the MFG in 2022/23. This is because the increase in FSM funding is substantial enough to result in a total per pupil funding uplift in 2022/23 that exceeds the minimum that would be provided by the MFG.

Generally speaking, these sorts of position changes are more likely in schools and academies that receive only relatively small values of MFG funding. For schools and academies that receive quite large values of MFG funding, it will take more substantial changes in pupil-level data to alter their positions versus the MFG in 2022/23. These changes may take more than one year to have an impact.

However, to stress, because it is not based on October 2021 Census data, the current modelling in Appendix 1 does not yet show the impact of changes in pupil-level data on a school's or academy's position versus the MFG in 2022/23. This impact can only be modelled using the October 2021 Census dataset when this is provided in December.

- The schools and academies funded in 2021/22 on the Minimum Funding Guarantee (MFG) that may come off the MFG in 2022/23 because the size of uplifts (+2.2% to +3.8%) received from our continued mirroring of the National Funding Formula is greater than the minimum 2% the MFG provides.

If the figure in column 4 is positive and the figure in column 10 is zero then the school or academy is modelled on current October 2020 based-data to come off the MFG in 2022/23 as a result of the NFF funding uplift. In the Appendix 1 modelling at this stage, these schools and academies may receive increases in 2022/23, which are above the 2% per pupil provided by the MFG but which are lower than the increases received by schools and academies that were not on the MFG in 2021/22. This position is created because the value of MFG protection previously allocated in 2021/22 is deducted from the school's or academy's total % gain in 2022/23.

Typically, schools and academies that received only small values of MFG funding in 2021/22, may come off the MFG in 2022/23, subject to what happens with their pupil-level data to be taken from October 2021 Census.

- The schools and academies that are not currently funded on either the Minimum Funding Guarantee or on the DfE's per pupil minimums (MFLs) i.e. they are funded purely on the National Funding Formula, and may remain so in 2022/23, depending on the impact of changes in their pupil-level data to be recorded in the October 2021 Census. These schools and academies have zeros in all columns 4, 5, 10, and 11. They may receive increases in funding per pupil that are more in line with, or may actually exceed, the overall 'headline' 3% National Funding Formula uplift. However, the funding received by these schools and academies is more prone to being directly affected by year on year census data changes. Depending on their October 2021 Census data, the confirmed final values of their 2022/23 formula funding allocations could change more significantly, both up and down, from what is currently modelled in Appendix 1 than for schools and academies that are on the MFG or on the MFLs.

4.3 On the basis of the illustrative modelling in Appendix 1a, the formula funding landscape in Bradford in 2022/23 is as follows:

- Primary phase: 69 out of 156 schools / academies (44%), are funded on the Minimum Funding Guarantee (at 2.00%). 37 schools / academies (24%) are funded at the £4,265 MFL value. All other schools / academies are funded above £4,265 per pupil.
- Secondary phase: 6 out of 31 schools / academies (19%) are funded on the Minimum Funding Guarantee (at 2.00%). 3 schools / academies are funded at the £5,525 MFL value. All other schools / academies are funded above £5,525 per pupil.
- All through academies: 1 out of the 4 academies (25%) is funded on the Minimum Funding Guarantee (at 2.00%). All 4 of the academies are funded above the composite MFL value.
- In total, 76 out of 191 schools / academies (40%) are funded on the Minimum Funding Guarantee (at 2.00%). 40 out of 191 schools / academies (21%) are funded at the MFL values.

4.4 If you would like to discuss the modelling in more detail, or discuss the data on which indicative allocations are calculated, please contact Jonty Holden.

## 5. 2022/23 Schools Block De-Delegated Funds (Maintained Schools)

5.1 The Finance Regulations continue to significantly restrict the extent to which the Dedicated Schools Grant (DSG) Schools Block can be retained and managed centrally. The Government's intention is to ensure maximum delegation of DSG funding to maintained schools and academies at the start of each financial year. The Regulations do allow funding for certain types of expenditure to be 'de-delegated' - passed back to the Local Authority - from maintained school budgets within the Schools Block. This only applies however, to schools maintained by the Local Authority and the Schools Forum must agree to de-delegate on a phase-specific, fund-specific, basis.

5.2 Previously, the Schools Forum has established Schools Block de-delegated funds to:

- Take advantage of the economies of scale brought about by central management and bulk purchase e.g. Fischer Family Trust subscription.
- Provide services that schools would find difficult or less cost effective to replace on an individual basis e.g. trade union facilities time.
- Protect schools, especially smaller schools, against unpredictable expenditure e.g. maternity and paternity cover.
- Provide funds to be available to support schools in financial difficulty or those facing exceptional circumstances, allocated using agreed criteria.
- Cover the costs in schools of Authority-level re-organisation, including safeguarded salaries, and also the cost of deficit budgets of closing schools or deficits held by schools that convert to academy status under sponsored arrangements.

5.3 Decisions to de-delegate funding must be taken annually.

5.4 The Schools Forum will discuss the position of de-delegated funds for 2022/23 over the autumn term and will take final decisions in January 2022. This document asks for your feedback so this can be considered as part of this process. This consultation asks for your views on whether funds should continue to be de-delegated.

5.5 Maintained schools are reminded that:

- Schools Forum members representing maintained secondary schools agreed, in the 2017/18 DSG budget setting round, to cease de-delegation from the secondary phase for the Maternity / Paternity 'insurance' scheme, Fischer Family Trust, Exceptional Circumstances and School Staff Public Duties and Suspensions. It is assumed that the Schools Forum and maintained secondary schools will not wish to revisit this decision.

- Schools Forum members representing maintained primary schools agreed to cease de-delegation for behaviour support services at 1 September 2018. Maintained schools now have the choice to buy into these services directly. It is assumed that the Schools Forum and maintained primary schools will not wish to revisit this decision.
- The DfE operates a Risk Protection Arrangement (RPA). The RPA is an alternative to commercial insurance. The DfE extended the RPA to maintained schools, who have been able to buy into this since 1 April 2020. Where agreed by the Schools Forum, the Local Authority is permitted to de-delegate for the purposes of accessing the RPA on behalf of all its maintained schools. However, we do not envisage de-delegating for this purpose in 2022/23.

5.6 The following 'de-delegated' funds are held in the current 2021/22 financial year:

- FSM Eligibility Assessments (primary and secondary).
- Fischer Family Trust – School Licences (primary only).
- School Maternity / Paternity 'insurance' (primary only).
- Trade Union Facilities Time (primary & secondary).
- Trade Union Health and Safety Representative Time (primary & secondary).
- School Staff Public Duties and Suspensions Fund (primary only).
- School Re-Organisation Costs (primary and secondary).
- Exceptional Costs & Schools in Financial Difficulty (primary only).

5.7 Further information on each of these funds, including the values held in 2021/22 and the criteria by which they are allocated, is given in Appendix 3.

5.8 We do not propose any amendments for 2022/23 to the criteria that are used for the allocation of de-delegated funds.

5.9 If funding is not de-delegated in 2022/23, for the purposes listed in paragraph 5.7, then the funding that would have been top-sliced will remain within maintained school budgets for schools to meet the cost of replacement services, including by purchasing services, where available, through the Local Authority. The Authority is aware that the views of individual schools may be influenced by the extent of value they feel they receive from accessing these funds currently. In taking final decisions, the Schools Forum will consider specific responses to this consultation, alongside assessing what represents the most cost effective collective approach for maintained schools across the Bradford District.

5.10 Colleagues in maintained primary schools will be aware of the warnings that have been given previously about the viability of our current arrangements for supporting maternity / paternity costs. We have warned, as happened for the secondary phase in 2017/18, that we may be moving towards the position where existing arrangements are no longer financially efficient nor viable. This is due to the growth in salaries costs at the same time as the number of maintained primary schools continuing to reduce year on year. The maternity / paternity scheme will continue in 2022/23, subject to agreement following this consultation. However, the continuation of this scheme from April 2023 will be reviewed. If it is necessary to cease this scheme at a point in the future, we will further discuss with the Schools Forum how maintained primary schools are given sufficient time to respond.

## **6. Schools Block Growth Fund 2022/23**

6.1 We operate a Growth Fund within the Schools Block, which supports both maintained schools and academies that are expanding for basic-needs purposes, at the request of the Local Authority, to manage more effectively the financial pressures brought by expansion. This fund helps to maintain a stable financial platform for schools and academies across the District in support of raising standards.

6.2 The DfE's National Funding Formula does not yet include a methodology, which prescribes how Growth Funding should be allocated at individual school and academy level. Local authorities in 2022/23 therefore,

retain the responsibility for determining arrangements locally, albeit within tight Regulations. Compliance with these Regulations is checked annually by the Education and Skills Funding Agency (ESFA).

6.3 Our proposed Growth Fund arrangements and criteria for 2022/23 are set out in the documents embedded below. These are unchanged from the current arrangements. Please note that the values highlighted in red within the documents are indicative (subject to the finalisation of Decision 2).



Growth Funding  
2022 - primary criteri



Growth Funding  
2022 - secondary critr

6.4 For reference, the total value of the Schools Block Growth Fund held in 2021/22, broken down between phases and between types of allocation, prior to the recovery through recoupment of the cost of allocations to academies for the period April – August 2021, is shown in the table below:

	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
Existing Known Expansions	£138,055	£440,314	£578,370
Existing Bulge Classes	£139,006	£0	£139,006
New Expansions	£175,000	£952,000	£1,127,000
Pre-Opening Costs	£0	£0	£0
Diseconomies of Scale	£0	£430,000	£430,000
<b>Total Value 2021/22</b>	<b>£452,061</b>	<b>£1,822,314</b>	<b>£2,274,376</b>

6.5 We will confirm the total value of the Schools Block Growth Fund held for 2022/23 as part of the DSG setting process, which will be concluded with the Schools Forum in January 2022.

## 7. Falling Rolls Fund 2022/23 (Primary Phase)

7.1 The Schools Forum established a Falling Rolls Fund for the primary phase in 2019/20. We propose to continue to operate this Fund in 2022/23 using the established criteria, which are presented in the embedded document below. This will continue for the primary-phase only.



Falling Rolls Fund  
2022-23.docx

## 8. Consultation Responses

8.1 Please use the responses form at Appendix 4 to submit your views on the proposals outlined in this consultation. If you wish to discuss these proposals in more detail, or have any questions for clarification, please contact Jonty Holden using the contact details shown in section 1.

8.2 Please ensure that your response is submitted by the deadline of **Tuesday 30 November 2021**. Any responses received after this date may not be included in the analysis that will be presented to the Schools Forum.

## 9. Next Steps

9.1 Following consideration of the responses received to this consultation, and consideration of the final recommendations that will be made by the Schools Forum, Council in February 2022 will set the funding formula to be used to calculate budget shares to be allocated to individual mainstream primary and secondary schools and academies, and the criteria for the allocation of Schools Block funds, for the 2022/23 financial year.

9.2 Discussions on the position of the Dedicated Schools Grant (DSG), and the affordability of formula funding arrangements, for 2022/23 will continue with the Schools Forum between now and January. You are recommended to keep in touch with these discussions by visiting the Schools Forum webpage on the Council's Minutes website [here](#).

9.3 It is anticipated that the Schools Forum will make its final formal recommendations on 2022/23 DSG and formula funding arrangements on Wednesday 12 January 2022.

## 10. Equalities Impact Assessment 2022/23 Proposals

10.1 The Public Sector Equality Duty (PSED) of the Equality Act 2010 requires the Local Authority to give due regard to achieving the following objectives in exercising its functions:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

10.2 We assess that our proposals for 2022/23 will have a positive impact on equalities. We have considered the impact on persons who share any of the protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. We have focused on the protected characteristics for which the potential impact is largest, and which are most closely tied to the formula funding proposals we put forward. Where there is positive correlation with the measures that are used, schools and academies receive formula funding to support children and young people that share protected characteristics, related to SEND (disability) and race (ethnicity), through the Additional Educational Needs (AEN) factors that are contained within the schools' funding formula. The AEN factors are: Free School Meals (FSM), Income Deprivation Affecting Children Index (IDACI), English as an Additional Language (EAL), Low Prior Attainment (LPA) and Pupil Mobility. There is strong correlation between LPA and SEND. There is also strong correlation between race (ethnicity), EAL and Pupil Mobility. There are also correlations e.g. between SEND and measures of deprivation and between LPA and measures of deprivation. It is important therefore, that the Authority carefully considers, in particular, the equalities impact of any proposed changes to the AEN factors.

10.3 The arrangements that the Local Authority proposes in this consultation for the 2022/23 financial year retain a significant amount of continuity on current practice, Dedicated Schools Grant distribution and formula funding policy and methodology. At its centre, the Local Authority has previously determined, and continues to propose (Decision 2), to exactly mirror the DfE's National Funding Formula (NFF) for the calculation of mainstream primary and secondary maintained school and academy delegated allocations in Bradford. As such, our equalities impact assessment of our guiding Schools Block formula funding policy for 2022/23 is neutral (representing no change on current positive practice) and continues to align with the DfE's in respect of its [National Formula Funding policy](#) and its already identified positive impact on the funding of children and young people that share protected characteristics.

10.4 Behind the guiding NFF mirroring policy, the values of all formula funding factors are proposed to be uplifted in 2022/23 (Decision 2). These uplifts are assessed to have a positive impact on the funding of all pupils. These uplifts will have a positive impact on the funding of children and young people that share protected characteristics related to disability (SEND) and race (ethnicity), for which schools and academies receive additional funding through the Additional Educational Needs (AEN) formula factors that use measures that correlate with these protected characteristics. The uplifts proposed to be applied to the AEN factors are also assessed at this time not to have a disproportionate impact. In proposing to continue to mirror the National Funding Formula (NFF) in 2022/23, on current data, the balance of base NFF funding allocated for all pupils, versus the NFF funding allocated for pupils with Additional Educational Needs, remains similar. As we show in the table under 'Decision 2', we propose to uplift basic £per pupil and lump sum funding by 3.00%. We propose to set a minimum 2.00% uplift in per pupil funding for all schools and academies, using the Minimum Funding Guarantee methodology. The DfE requires the Minimum Levels of Per Pupil Funding (MFLs) to increase by 2.00%. The factors that allocate funding on measures of Additional Education Needs (AEN) are proposed to increase between 2.2% and 3.8% (with 3.8% being an outlier).

10.5 The balance of the total final value of formula funding allocated in 2022/23, between base funding and AEN funding and between the different AEN funding factors, will adjust for the annual change in school data to be recorded in the October 2021 Census. Whilst we cannot yet complete accurate modelling, two changes we anticipate are that funding allocated through the FSM factors will increase and funding allocated through the LPA factor will decrease. As we explain in section 4, our modelling of the impact of formula uplift is currently based on existing school and academy data, which mostly references the October 2020 Census. We have explained in section 4 of this document how the distribution of formula funding in 2022/23, and the values of allocations received by individual schools and academies, may be affected by the use of the updated October 2021 Census data. We have explained under 'Decision 6' how the Authority may be required to amend the uplifts that are applied to formula funding factors to ensure that our arrangements remain affordable. We have also set out under 'Decision 6' how the Authority will take steps to ensure that any necessary amendments do not have a disproportionate impact, including on the funding of children and young people that share protected characteristics for which schools and academies received formula funding through the Additional Educational Needs factors.

10.6 There are changes to data sources – Low Prior Attainment and Pupil Mobility - which will be applied by the DfE as a consequence of the COVID-19 pandemic. These changes potentially will affect the total values of funding schools and academies receive for children and young people that share protected characteristics, where these pupils are eligible for the factors that are being adjusted. We do not have a choice locally about the application of these data source changes. The DfE has assessed these changes to have a positive impact on equalities. Although these changes may result in both increases as well as decreases in individual school and academy allocations in 2022/23, we assess that they represent reasonable adjustments, which are necessary to enable the National Funding Formula to operate in the way originally intended and which avoid greater turbulence or issue that might be caused by alternative changes.

10.7 The Minimum Levels of Per Pupil Funding (MFLs) are increasing by 2%. This is a mandatory uplift, not for local determination. The DfE has assessed that this uplift will have a positive impact on equalities. Continuing and increasing the minimum per pupil funding levels will generally benefit the lower £per pupil funded schools and academies, that do not otherwise attract these levels of funding through the application of the normal National Funding Formula i.e. these schools and academies do not attract significant levels of funding via the Additional Educational Needs factors. These schools and academies tend to have lower than average proportions of groups with protected characteristics. However, they still tend to have some groups with protected characteristics, and a 2% increase will protect the support that they can give to those groups.

10.8 We propose to set the Minimum Funding Guarantee (MFG) for primary and secondary schools / academies at + 2.0% (Decision 5). The MFG at this level will provide the maximum permitted uplift to formula funding, both for schools and academies that have previously been on the MFG and remain on it in 2022/23 as well as for the schools and academies that are placed on the MFG for the first time in 2022/23 as a result of October 2021 Census data changes. The MFG uplift will be available for these schools and academies to use in support of all pupils, including those that share protected characteristics. Our proposed approach to the MFG is especially important for the primary phase, where 64% of schools and academies were funded on the MFG in 2021/22.

10.9 We assess that proposing (under Decisions 4 and 7) to continue our current definition of Notional SEND, and our other current local approaches not yet covered by the National Funding Formula, including to Growth Funding and Falling Rolls Funding, in 2022/23 is impact neutral on equalities (representing no change on current positive practice).

10.10 We assess that our proposal to use the Reception Uplift factor in 2022/23 (Decision 3), on a one off exceptional basis, will have a positive impact on equalities so far as this factor will allocate additional funding to primary schools and academies for pupils that were more mobile across autumn 2020. Using brought forward balances to fund this factor also means that this factor will allocate additional resource above the value of 2022/23 National Funding Formula allocations.

## 11. Appendices

Appendix 1a – Summary Financial Overview (Modelling)

Appendix 1b – By Factor Breakdown (Ready Reckoner)

Appendix 2 – Technical Annex

Appendix 3 – Schools Block De-Delegated Funds (Maintained Schools)

Appendix 4 – Responses Questionnaire

## Appendix 2 – Technical Annex

This appendix contains more technical detail on the definitions and calculations of factors that are contained within Bradford Local Authority's current 2021/22 financial year primary and secondary school and academy mainstream funding model.

### **Notional SEND (Mainstream Schools Block Primary & Secondary)**

Local authorities are required to define for each primary and secondary school and academy the value of mainstream formula funding that is 'notionally' allocated for Special Educational Needs and Disabilities (SEND) (for meeting the first £6,000 of needs both for pupils with EHCPs and the needs of pupils without EHCPs). How Bradford currently defines notional SEND (the %s of funding within each formula factor that make up this budget) is shown in the table below.

<b>Formula Factor</b>	<b>% Primary</b>	<b>% Secondary</b>
Prior Low Attainment	100%	100%
Free School Meals Factor	23.1%	10.2%
IDACI Factor	22.4%	19.2%
Base £APP	7.5%	6.3%

In addition, 6.0% of a mainstream school's or academy's allocation from the Early Years Single Funding Formula, for mainstream primary schools and academies that have early years entitlement provision, is also defined to be available for supporting SEND in early years.

Following the introduction of the Minimum Level of Per Pupil Funding Factor (MFLs) in the primary and secondary funding formula however, some mainstream schools and academies now receive what can be determined to be Additional Educational Needs (AEN) pupil-led funding through the MFLs, rather than through the AEN formula factors, which are used to define published notional SEND budgets. For point of clarity therefore, the Authority will consider MFL allocations within discussions that may be had with individual schools and academies about available delegated SEND monies.

### **SEND Funding Floor (Mainstream Primary & Secondary)**

In 2021/22, we agreed to trial (for a year pending review) an amended Special Educational Needs and Disabilities (SEND) Funding Floor formula. As with our previous arrangement, this is re-calculated on a monthly basis for changes in the numbers of Education Health and Care Plans (EHCPs) on roll.

This formula is aimed at ensuring that no mainstream primary or secondary school or academy will have to manage, from their own mainstream delegated formula funding, an above phase-average cost pressure in respect of their commitment to meet the cost of Element 2 £6,000 for their EHCPs. As well as supporting provision for pupils with EHCPs, this approach helps to protect the funding used by schools and academies to support their wider Additional Educational Needs, SEND and Alternative Provision activities. It directly financially supports schools and academies that have higher proportions of pupils with EHCPs, in support of inclusion, combining also to support schools and academies that may have lower levels of Additional Education Needs formula funding (because they have e.g. lower levels of deprivation) but higher numbers of EHCPs and also that may be smaller in size. It supports schools and academies that may have some turbulence in formula funding as a result of in year pupil numbers changes.

The formula for 2021/22 is as follows:

Where A is greater than B a school / academy receives a top up for the difference between A and B.

A = is the Full Time Equivalent (FTE) number of EHCPs in a school / academy (mainstream provision, excluding early years and post 16 students) multiplied by £6,000 (Element 2).

B = is the % of a school's Additional Educational Needs delegated formula funding that is required to be put to the Element 2 £6,000 cost of a school's EHCPs, before the SEND Funding Floor will provide additional

financial support. There are 2 parts to the calculation, the % and what is meant by Additional Educational Needs delegated formula funding. Both these are fixed for the 2021/22 financial year, as follows

- The % is the phase median average % of Additional Educational Needs formula funding that schools / academies contribute to Element 2 £6,000 costs in respect of their EHCPs. The phase average is rounded plus 1%. Separate percentages are used for primary and for secondary phases. For 2021/22, these averages are set at 11% for the primary phase and 10% for the secondary phase.
- Additional Educational Needs delegated formula funding is calculated by taking the following funding factors within the delegated formula funding allocations received by mainstream schools / academies. For academies, this is within their General Annual Grant (GAG) funding:

- 100% of the English as an Additional Language factor
- 100% of the Free School Meals factors
- 100% of the Prior Attainment factor
- 100% of the Minimum Funding Level factor
- 100% of the Income Deprivation Affecting Children Index (IDACI) factor
- 80% of Minimum Funding Guarantee factor

### **Split Sites (Mainstream Primary & Secondary)**

Our split sites factor operates as follows:

a) The criteria used to define a split site are as follows:

- *Essential* - two or more distinctly separate campuses where there is no single continuous boundary and where the campuses are split by a through road.
- Additional criteria (for weighting of funding):
  - Category A* - where it is impossible not to move a proportion (either 25% or 50%) of total school / academy pupils between the campuses within the school day
  - Category B* - where the campuses are more than 400 metres apart

b) The criteria used to allocate funding to a school / academy operating across a split site based on the categories defined above, are as follows:

<b>Category</b>	<b>Primary Lump</b>	<b>Primary APP</b>	<b>Secondary Lump</b>	<b>Secondary APP</b>
<i>Essential</i>	£9,121.00	0.00	£10,479.14	0
<i>A</i>	0	£115.40	0	£121.77
<i>B</i>	£19,737.94	£9.80	£22,022.66	£13.69

- Split sites funding is paid to all individual schools and individual academies that meet the above criteria.
- Split sites funding is only allocated where the provision on the additional site does not itself qualify for an individual budget share through the DSG. Federated maintained schools, and schools / academies sharing facilities, are not eligible for split sites funding. Schools / academies with remote sixth forms or remote early years provision are also not eligible. Split sites funding also does not apply to co-located or offsite SEND resourced provisions or Alternative Provision centres.
- The criteria include where a school or academy has remote playing fields, which the school is financially responsible for maintaining and which are also more than 1 mile in distance away from the main school site.
- Where two or more schools have amalgamated, and the new school is operating across a split site, the school will not be eligible for split sites funding where this materially increases the school's allocation above the Minimum Funding Guarantee whilst it is in receipt of any additional lump sum funding.
- Funding is only applicable for Reception to Year 11 mainstream provision.

## **PFI DSG affordability Gap Funding (Building Schools For the Future)**

Our Private Finance Initiative (PFI) / BSF formula factor (mainstream secondary) simply apportions the DSG's contribution to the affordability gap of the Building Schools for the Future (BSF) programme across applicable secondary schools and academies.

The formula for splitting the total contribution between BSF schools / academies is as follows: (Total affordability gap to be funded by the DSG / Total cost of school unitary charges) x Individual school's unitary charge as a % of the total unitary charge.

As a result of discussion with the ESFA (during 2017), the financial year values of the PFI formula allocations for academies only is adjusted so that, when the ESFA converts these allocations into academic year values within academy's General Annual Grant funding, the values the academies receive on an April to March financial year basis is equivalent to the value that the academy is required to repay to the Authority through the PFI contract on an April to March financial year basis.

## **Other Technical Matters**

The following aspects of the current mainstream primary and secondary formula funding framework remain in place in 2022/23:

- DSG sourced formula funding allocations for primary (reception to year 6) and secondary (pre 16) will be calculated on the October 2021 Census.
- Following the change in 2021/22, the Pupil Premium Grant for mainstream primary and secondary schools and academies will continue to be allocated on the October rather than the January Census.
- Local authorities must allocate at least 80% of the delegated schools block funding through the pupil-led factors, which include the base amount per pupil, deprivation (FSM and IDACI), low prior attainment, English as an additional language and pupil mobility factors. We allocated 91.9% of the delegated schools block funding via these pupil-led factors in 2021/22, and the modelling included in this consultation indicates that we continue at around this % in 2022/23.
- The existing framework for the funding of High Needs pupils continues. A High Needs pupil is still defined in 2022/23, for financial purposes, as one whose education costs more than £10,000 per year. The first elements of funding (Element 1 and Element 2) for High Needs pupils continue to be already delegated within school and academy budget shares. A top up (Element 3) is then allocated separately, on a monthly basis, for the cost of additional support above the £6,000 threshold as defined within agreed Education Health and Care Plans (EHCPs). Top up funding arrangements are set out in more detail on our separate consultation on high needs funding.
- Allocations for academies and free schools continue to be paid directly by the Education & Skills Funding Agency (ESFA). The ESFA will use the pro-forma submitted by the Authority in January 2022 to calculate individual academy allocations for the 2022/23 academic year.



## **Appendix 3: Purposes of Schools Block De-Delegated Funds Retained in 2022/23**

### **1. FSM Eligibility Assessments:**

This fund covers the work the Local Authority's Benefits Team does in relation to assessing Free School Meals (FSM) eligibility for pupils in maintained primary and secondary schools. It covers staffing and ICT costs associated with:

- The processing of all applications for FSM for all maintained schools
- Checking & verifying claims, notifying parents of successful and unsuccessful claims
- Notifying schools of successful claims and changes to existing claims
- Assisting schools with eligibility, take up and administrative issues & providing guidance
- Promoting maximum take up of FSM eligibility, including cross checking pupil FSM data with other Authority benefits systems

The Local Authority makes use of a nationwide FSM checking system, which means that paper evidence does not have to be supplied by parents. Applications for all children who attend Bradford schools can be processed quickly via the Council's website, telephone, personal visit or in writing. Currently, schools do not have direct access to this checking system.

If this de-delegated fund is not held in 2022/23, schools will either need to undertake FSM assessment themselves or purchase services. The Local Authority offers a traded service to academies.

### **2. Fischer Family Trust – Primary School Licences:**

This fund pays for maintained primary schools' subscriptions to Fischer Family Trust (FFT). FFT provides a unique service to schools and the local authorities. This services analyses previous national end of key stage data and the contextual data of schools and uses this to provide estimates of outcomes at pupil level for the next key stage result. These pupil level results are aggregated at school and at local authority level. Over time, these estimates have come to be held in high regard and the work of the FFT is valued by schools and local authorities. The purchasing of the data through the Local Authority has recently offered significant savings.

De-delegation for this purpose ceased from the secondary phase at 31 March 2017.

If this de-delegated fund is not held in 2022/23, maintained primary schools will need to purchase their own licences to access FFT data, on an individual basis or as a cluster of schools.

### **3. Primary School Maternity / Paternity 'insurance':**

This fund has historically acted as an 'insurance' pot, where maintained primary schools are reimbursed for the costs of the salaries of staff on maternity / paternity leave, so that the cost of cover / supply arrangements can be afforded from the school's budget. The Schools Forum has previously discussed the delegation of this pot to schools on a number of occasions and has always concluded that the protection this centrally managed fund offers, against the disproportionate and unpredictable nature of maternity / costs, is vital, especially to smaller schools.

De-delegation for this purpose ceased from the secondary phase during 2017/18.

If this de-delegated fund is not held in 2022/23, maintained primary schools will not be reimbursed for the salary costs of staff on maternity / paternity leave and would have to make alternative arrangements to manage this costs, for example, by including maternity cover within the school's supply insurance arrangements or by working in clusters to share the cost of staffing cover.

Colleagues in maintained primary schools will be aware of the warnings that have been given previously about the viability of current arrangements for supporting maternity / paternity costs. We have warned, as happened in the secondary sector, that we may be moving towards the position where existing arrangements

are no longer financially efficient or viable. This is due to the growth in cost at the same time as a reducing number of maintained schools following conversions to academy. The maternity / paternity scheme will remain in place for 2022/23, subject to agreement through this consultation. However, the continuation of this from April 2023 will be reviewed. Schools will be given warning where a decision is taken to cease this fund and we will discuss with the Schools Forum how schools can be given sufficient time to respond.

#### **4. Trade Union Facilities Time & Health and Safety Facilities Time:**

There is a legal obligation (under The Trade Union and Labour Relations (Consolidation) Act 1992) for an employer to provide facilities for recognised trade unions to function within the workplace, including an obligation to grant time off with pay. The recognised unions in schools are:

- Teacher Trade Unions - NEU, ATL, ASCL, NAHT, VOICE, and
- The Trade Unions representing support and other professional school staff – UNISON, GMB and UNITE

To meet this obligation, Bradford Council has agreed to release a number of staff for part or all of their time from their school duties to carry out their duties as elected lay officials. This applies to the recognised trade unions in schools with significant memberships. Historically the agreed ratio for facility time has been 1 day per 400 members, which has been used as a mutually acceptable, in principle, starting point for the joint management and trade union discussions. Current facility time arrangements with respect to school employees provide a total of 7.3 FTE as follows:

- NEU has 3.9 FTE lay officials (19.5 days per week)
- ATL has 1 FTE lay official (5 days per week)
- NAHT has 0.4 FTE lay official (2 days per week)
- UNISON has 1.3 FTE lay officials (6.5 days per week)
- GMB has 0.6 FTE lay officials (3 days per week)
- ASCL has 0.1 FTE lay official (1 day a fortnight)

If this de-delegated fund is not held in 2022/23, individual maintained primary and secondary schools will need to consider how they will meet their statutory obligations to allow trade unions to represent and consult with their members and with the school as the employer, as local branch trade union representatives would no longer be available without cost. For example, each trade union has the right to appoint a trade union representative within a school to carry out statutory functions, and seek time off for these representatives to be trained to carry out these duties.

In order to comply with the letter and the spirit of the Health and Safety Regulations, Bradford Council and the Trade Union Health and Safety Lay Representatives in Bradford made a Health and Safety Agreement in 1989. Nominated accredited Trade Union and lay Health and Safety representatives continue to carry out Health and Safety inspections in schools, with the aim being to inspect each school once a year, and are released for all or part of their time from their school responsibilities to carry out these duties. Safety Representatives also carry out site management visits in relation to building work and work with the Council's Health and Well Being Team on occupational matters and undertake the role of investigating accidents, disease and other medical matters. A total of 6 days per week (1.2 FTE) of facilities time is currently funded within the DSG for these purposes.

If this de-delegated fund is not held in 2022/23, individual maintained primary and secondary schools will need to consider how they will meet their employer statutory obligations around health and safety.

The Schools Forum has recently considered a detailed assessment of the Authority's current Trade Union Facilities Time arrangements, and has concluded that these arrangements are effective and continue to offer value for money.

## **5. School Staff Public Duties and Suspensions Fund:**

This fund has historically acted, on a similar basis to the maternity / paternity scheme, as an 'insurance' type pot for maintained primary schools to be reimbursed for staffing costs associated with public duties (magistrates / court duties) and, more significantly, where an employee is suspended from duty following a Child Protection allegation and where the Police are undertaking an investigation. In the case of suspensions, schools are reimbursed for 50% of the cost of the salary of the member of staff suspended.

De-delegation for this purpose ceased from the secondary phase at 31 March 2017.

If this de-delegated fund is not held in 2022/23, maintained primary schools will not be reimbursed for the salary cost of staff and would have to make alternative arrangements to manage this cost.

## **6. School Re-Organisation Costs:**

This fund serves two purposes and the proposed criteria for allocating funding in 2022/23 are unchanged from 2021/22:

- School staff safeguarded salaries: funding is allocated based on the actual cost of agreed safeguards for individual staff in primary and secondary schools. Only safeguards that have been previously agreed are funded from the DSG. So there is no 'eligibility' criteria as such, other than these safeguards must have been already established and agreed with the Authority following re-organisations. Every year, schools are asked to confirm whether or not safeguards for individual staff are still applicable e.g. where a member of staff has left, the safeguard ceases to be paid. The total cost of safeguards reduces year on year and is expected to eventually cease.
- Deficit of Closing Schools: where a maintained primary school closes with a deficit budget, or where a maintained primary school with a deficit budget converts to academy status under a sponsored agreement, the deficit returns to the Authority. The de-delegated fund is established to meet the cost of this from the DSG. Please note that there is no de-delegation from the secondary phase for this purpose. Please also note that the new de-delegation of additional budget for this purpose from the primary phase was 'paused' in 2020/21 and again in 2021/22 (as there were / are no calls on this budget).

If this de-delegated fund is not held in 2022/23, maintained primary schools will not be reimbursed for the additional salary cost of staff placed through re-organisation and the Authority would need to discuss with the Schools Forum how any deficits of maintained primary schools, that are not repaid by the school incurring the deficit, are alternatively managed.

## **7. Exceptional Costs & Schools in Financial Difficulty:**

This fund is in place for maintained primary schools to enable additional financial support to be provided, in a transparent and controlled way, to specific schools that may face difficult circumstances and unreasonable cost pressures and also to support schools that require immediate intervention around standards that may not be able to identify funds from their own budgets.

De-delegation for this purpose ceased from the secondary phase at 31 March 2017.

The purpose of this fund is to provide support for the budgets of maintained primary schools in the following circumstances:

- Exceptional growth in pupil numbers not picked up within the terms of the Growth Fund.
- 1 Form of Entry (or smaller) primary schools, where the cost of external HR investigations places the school in financial difficulty i.e. would reduce the forecasted carry forward balance below £20,000 \*
- Priority 3 or 4 schools, where additional intervention / support is required and where the school's budget cannot meet the costs without placing the school in financial difficulty i.e. would reduce the forecasted carry forward balance below £20,000 \*

- Local Authority statutory interventions e.g. costs of an Interim Executive Board (IEB).
- Any other circumstance, where the exceptional nature of this is agreed by the Schools Forum and where to not provide financial support would place the school in a financially difficult position that it is likely to have a detrimental impact on outcomes for children. \*

\* £20,000 is a reasonable safety net to apply to all schools i.e. a school with £20,000 holds adequate reserve to meet small value additional unexpected costs.

The financial impact of exceptional in year pupil numbers growth has previously been the most common reason for schools requesting exceptional funding. The criteria for allocating funding in such circumstances in 2022/23 are unchanged from 2021/22 and are as follows:

- The main factor taken into account is the extent of additional cost pressure faced by a school. This is assessed on the information provided by the school on what action has been needed to meet a growth in pupil numbers.
- The extent of increase in numbers: actual numbers and % of roll (vs. the phase average).
- Whether the Local Authority has directed the additional pupils to the school.
- How the additional pupils are distributed across the school.
- Whether this is a one off issue i.e. the potential extent for exceptional growth and further cost pressure in future years.
- In judging exceptional funding for children admitted on appeal, what the specific circumstances are at the school which require the school to make additional provision in the first year.
- The school's carry forward balances position.
- The change in the school's expenditure shown in the Start Budget vs. Q1 vs. Q2 vs. Q3 monitoring reports.
- The Priority category of the School (is the school in Priority 3 or 4?)
- Whether the school has received financial support or funding from elsewhere.

### **2021/22 Schools Block De-Delegated Funds: Values**

The table below shows the cash budget values that were de-delegated in total from maintained school budgets in the current financial year. These figures are those at the start of the year, before reductions have been made following the conversions of maintained schools to academy status during 2021/22.

<b>Fund</b>	<b>Primary £</b>	<b>Secondary £</b>	<b>Total Value £</b>
FSM Eligibility Assessments	£35,083	£11,138	<b>£46,222</b>
Fischer Family Trust – School Licences	£28,450	n/a	<b>£28,450</b>
School Maternity / Paternity 'insurance'	£429,526	n/a	<b>£429,526</b>
Trade Union Facilities Time	£106,402	£32,150	<b>£138,552</b>
Trade Union Health and Safety Rep Time	£16,259	£4,913	<b>£21,172</b>
School Staff Public Duties & Suspensions Fund	£22,851	n/a	<b>£22,851</b>
School Re-Organisation Costs – Safeguarded salaries	£20,020	£1,024	<b>£21,043</b>
School Re-Organisation Costs – Deficit Budgets *	£0	n/a	<b>£0</b>
Exceptional Costs & SIFD	£64,000	n/a	<b>£64,000</b>
<b>Totals</b>	<b>£722,591</b>	<b>£49,225</b>	<b>£771,816</b>

\* please note that de-delegation was paused in 2021/22

The values in the above table were generated in 2021/22 by de-delegating, from individual maintained school budgets, on a flat amount per pupil basis, with the exception of FSM Eligibility Assessments fund, which has been de-delegated on an amount per Ever 6 FSM formula pupil, as follows:

<b>Fund</b>	<b>Primary £app</b>	<b>Secondary £app</b>
FSM Eligibility Assessments (per FSM6)	£5.80	£5.14
Fischer Family Trust – School Licences	£1.16	n/a
School Maternity / Paternity ‘insurance’	£17.50	n/a
Trade Union Facilities Time	£4.33	£4.33
Trade Union Health and Safety Rep Time	£0.66	£0.66
School Staff Public Duties & Suspensions Fund	£0.93	n/a
School Re-Organisation Costs – Safeguarded salaries	£0.82	£0.14
School Re-Organisation Costs – Deficit Budgets *	£0.00	n/a
Exceptional Costs & SIFD	£2.61	n/a
<b>Total Per Pupil</b>	<b>£28.00</b>	<b>£5.13</b>
<b>Total Per FSM (Ever 6)</b>	<b>£5.80</b>	<b>£5.14</b>

\* please note that de-delegation was paused in 2021/22

Each maintained school has contributed from its 2021/22 delegated budget share the amounts per pupil (£app) shown above multiplied by its number of reception to year 11 pupils, or by its number of Ever 6 FSM formula pupils for FSM Eligibility Assessments.



## APPENDIX 4: RESPONSES FORM

### CONSULTATION PRIMARY & SECONDARY FUNDING FORMULAE 2022/23 FINANCIAL YEAR

Name \_\_\_\_\_ School / Academy \_\_\_\_\_

Please choose your phase below:

PRIMARY  SECONDARY

**THE DEADLINE FOR RESPONSES TO THIS CONSULTATION IS TUESDAY 30 NOVEMBER 2021**

Please send completed questionnaire responses to:

[jonty.holden@bradford.gov.uk](mailto:jonty.holden@bradford.gov.uk)

School Funding Team (FAO Jonty Holden)  
City of Bradford Metropolitan District Council  
Britannia House (1st Floor)  
Hall Ings  
Bradford  
BD1 1HX

Tel: 01274 431927

Please complete the questionnaire by marking the appropriate boxes. There is a space below each question for you to record comments.

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**Question 1 - Do you agree that our local formula in 2022/23 should mirror the DfE's 2022/23 National Funding Formula and that this formula should be used to calculate primary and secondary school and academy mainstream formula funding allocations? If not, please explain the reasons why not.**

**Strongly Agree**  **On Balance Agree (some reservations)**  **Strongly Disagree**

If not, please provide further explanation here:

**Question 2 - Do you agree that, subject to final affordability (please see decision 6), we should include the Reception Uplift factor in our 2022/23 primary-phase funding formula on a one off exceptional basis for 2022/23 only funded using brought forward balances? If not, please explain the reasons why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 3a - Do you agree with the proposal to continue to use our existing formula for the allocation of split sites funding, uplifted by 3% in 2022/23 (subject to affordability)? If not, please explain the reasons why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 3b - Do you agree with the proposal to continue to use our existing formula for the apportionment of BSF DSG Affordability Gap funding in 2022/23? If not, please explain the reasons why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 3c - Do you agree with the proposal to continue to use our existing methodology for the definition of notional SEND budgets in 2022/23? If not, please explain the reasons why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 4 - Do you agree with the proposal, subject to final affordability, to set the Minimum Funding Guarantee at the maximum positive 2.0% in 2022/23? If not, please explain the reasons why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 5 - Do you have any views on how the Authority should adjust the 2022/23 funding formula, from that which is proposed in this consultation, should the total cost of the funding formula substantially increase (and be unaffordable) when the October 2021 Census dataset is used. We welcome any specific points that you would wish the Authority and the Schools Forum to consider.**

Please provide feedback here:

**Question 6 - Do you agree with the proposed criteria and methodology for the allocation of the Growth Fund to schools and academies in 2022/23? If not, please explain the reasons why not.**

**Strongly Agree**  **On Balance Agree (some reservations)**  **Strongly Disagree**

If not, please provide further explanation here:

**Question 7 - Do you agree with the proposed criteria and methodology for the allocation of the Falling Rolls Fund to primary-phase schools and academies in 2022/23? If not, please explain the reasons why not.**

**Strongly Agree**  **On Balance Agree (some reservations)**  **Strongly Disagree**

If not, please provide further explanation here:

**Question 8 – Should sums continue or cease to be de-delegated from maintained school budgets in 2022/23 for the purposes listed? Please explain the reasons why if you believe that these should cease or change.**

	<b>YES - de-delegate</b>	<b>NO</b>
<b>FSM Eligibility Assessments</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>School Maternity / Paternity ‘insurance’</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Trade Union Facilities Time</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Trade Union Health and Safety Rep Time</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>School Staff Public Duties and Suspensions Fund</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>School Re-Organisation Costs</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exceptional Costs &amp; Schools in Financial Difficulty</b>	<input type="checkbox"/>	<input type="checkbox"/>

Please provide any additional comments here:

Please use the space below to record any further comments you would like to make on the proposals, which you have not included in your other responses.

**Please send completed questionnaire responses to Jonty Holden by Tuesday 30 November 2021:**

E-mail: [jonty.holden@bradford.gov.uk](mailto:jonty.holden@bradford.gov.uk)

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