

## 2022/23 Financial Year Dedicated Schools Grant Decisions and Recommendations List

This report lists the decisions and recommendations that the Schools Forum is asked to make in supporting the Local Authority to establish the Dedicated Schools Grant (DSG) planned budget and formula funding arrangements for the 2022/23 financial year. The Forum is asked to take decisions (as required by the Regulations), and to make its final formal recommendations, on the Authority's proposals.

### 1. Schools Block Centrally Managed Funds 2022/23 (DECISION)

#### Schools Block De-Delegated Funds 2022/23 (DECISION)

Please refer to Document OA Appendices 1 – 3.

1.1 Schools Members representing maintained primary & secondary schools only are asked to **decide the values of de-delegated funds, and the contributions to be taken from the 2022/23 formula funding allocations of maintained primary & secondary schools**, as proposed in Document OA and its appendices (VOTE BY PHASE).

- a) **School Re-Organisation Costs (Safeguarded Salaries) (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases for the actual cost of continuing safeguarded salaries in maintained primary and secondary schools.
- b) **School Re-Organisation Costs (Sponsored academy conversions budget deficits) (Primary phase only)**: Continue to 'pause' de-delegation from the primary phase, meaning that no new contribution is taken in 2022/23. Review again for 2023/24. The Schools Forum will be provided with monitoring reports where this fund's brought forward balance is used in 2022/23 for this purpose.
- c) **Exceptional Costs & Schools in Financial Difficulty (Primary phase only)**: continue de-delegation from the primary phase at the 2021/22 per pupil value.
- d) **Costs of FSM Eligibility Assessments (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases at the 2021/22 per FSM6 values, with contributions continuing to be taken using Free School Meals (FSM) Ever 6 data.
- e) **Fisher Family Trust (Primary phase only)**: continue de-delegation from the primary phase, recovering the cash value to match the actual cost. The secondary phase and all primary academies will continue to be invited to subscribe through the Local Authority (paying for this from their own delegated budgets via invoice). Please note that the Schools Members representing maintained primary schools decided on 13 October 2021 to continue de-delegation in 2022/23 for the purposes of subscribing to FFT. As such, this decision is repeated here only for reference and for completeness.
- f) **Trade Union Facilities Time – Negotiator Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at the 2021/22 per pupil value.
- g) **Trade Union Facilities Time – Health and Safety Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at the 2021/22 per pupil value.
- h) **School Maternity / Paternity 'insurance' fund (Primary phase only)**: continue de-delegation from the primary phase at a value forecasted to afford the scheme for a full year. The £app cost is shown in Document OA Appendix 2 (£20.29 per pupil, which is + 16% on 2021/22). The £20.29 per pupil value includes the release, on a one off basis, of £0.15m of balance brought forward within this fund. It is estimated that the scheme will cost £0.70m in total in 2022/23.
- i) **School Staff Public Duties and Suspensions Fund (Primary phase only)**: continue de-delegation from the primary phase on the same £app basis as 2021/22.

- j) **School Improvement (Replacement of the School Improvement Monitoring and Brokering Grant) (Primary & Secondary):** subject to the outcomes of the DfE's consultation, the Local Authority proposes to establish new de-delegation from both primary and secondary phases for the purpose of directly replacing the grant monies that will be lost to the Authority as a result of the DfE's reduction (proposed by 50%) of the School Improvement Monitoring and Brokering Grant (SIMB) in 2022/23. On this basis, the total value of de-delegation in 2022/23 would be £133,000, which would represent a new contribution per pupil of £4.29 from both primary and secondary phases. At the time of writing this paper, the DfE has still to announce the outcomes of its consultation. The DfE has indicated that these outcomes will be announced early January and we anticipate that these will be known in time for the Forum's meeting on 12 January. Should the DfE not go ahead with its proposal to reduce the SIMB Grant in 2022/23, the Authority will not enact this de-delegation. Should the DfE go ahead with a level of reduction, which is different from 50%, the Authority will propose to enact de-delegation at an amended value to cover the value of grant that has been lost.

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

- a) Any over or under spend within these funds will be written off from, or added back to, the DSG's de-delegated funds in 2023/24 on a phase specific, fund specific, basis i.e. if primary schools overspend in the maternity / paternity insurance scheme fund the value of the fund created through de-delegation in 2023/24, support by available surplus balances brought forward, will need to compensate for this.
- b) These decisions set the position for the 2022/23 financial year only.
- c) The funds will be managed and allocated according to their applicable criteria as set out in the autumn 2021 consultation document (where it was proposed to continue the same criteria as used in 2021/22).

1.3 The Schools Forum is asked to note that a total net surplus balance of de-delegated funds of £0.795m is forecasted to be carried forward within the Schools Block into 2022/23. As such, the Schools Forum is not asked to write off from the 2022/23 Schools Budget any deficit associated with de-delegated funds. Within the 2022/23 proposals, £0.150m of the £0.795m is specifically earmarked to support the cost of the school maternity / paternity insurance fund.

### **Schools Block Growth Fund 2022/23 (DECISION)**

Please refer to Document OA Appendix 1 (full list of DSG centrally managed funds) and Document OD Appendix 1 (list of proposed allocations from the Growth Fund to existing expanding schools and academies for the Forum's approval).

1.4 The Schools Forum is asked to agree (to decide) the allocations from the 2022/23 Schools Block Growth Fund to **existing expansions and existing bulge classes** as proposed and as listed in Document OD Appendix 1. Members are asked to note:

- a) There are 19 allocations with a total gross value of £0.789m. 7 Primary schools / Primary academies; 2 all through academies; 10 Secondary academies.
- b) The allocations to the all through academies and to the secondary academies simply complete, for the full 2021/22 academic year, the growth fund allocations that are set out in Document NT (presented under agenda item 5), which cover the period up to 31 March 2022. Appendix 1 does not include allocations from the Growth Fund to the secondary phase for the 2022/23 academic year. Allocations for both continuing and new expansions and bulge classes in the secondary phase for the 2022/23 academic year will be funded from the provision explained in paragraph 1.5 below and will be presented to the Schools Forum for agreement in December 2022, following the collection of the October 2022 Census.
- c) The £0.597m for academies for the period April to August 2022 will be reimbursed back to the Schools Block via the ESFA's academy recoupment process. As such, the £0.597m does not represent a cost to our 2022/23 Schools Block. So, although the Forum is asked to approve allocations totalling £0.789m, as

listed in Document OD Appendix 1, the actual net cost of these allocations to the 2022/23 Schools Block is £0.789m minus £0.597m = £0.192m.

1.5 The Schools Forum is asked to agree (to decide) that a further planned budget of £0.859m is taken from the 2022/23 Schools Block for the Growth Fund to cover **new allocations to be agreed during 2022/23**. This planned budget is only for growth in the secondary-phase i.e. no new budget provision is proposed to be taken from the 2022/23 Schools Block for primary-phase growth. All new in-year allocations from the Growth Fund will be agreed by the Schools Forum, prior to confirmation these with the receiving school or academy. Growth Fund allocations will continue as a standing Schools Forum agenda item to enable this.

- a) Recognising: that the pupil population in the primary-phase is reducing, as a consequence of demographic trends, that the DfE has proposed to take over the funding of growth at the point the 'hard' National Funding Formula is established, and that a value of £1.051m of balance held within the Schools Block is forecasted to be carried forward into 2022/23, the Authority proposes not to take new budget from the 2022/23 Schools Block allocation for the purposes of funding growth in the primary-phase. A proportion of the £1.051m balance instead will be used to meet any costs of new growth that may be agreed for the primary-phase in 2022/23.
- b) £0.859m will fund c. 12 additional forms of entry or bulge classes in the secondary phase at September 2022 (for the period September 2022 to 31 March 2023). By comparison, the Authority has funded 15 forms of entry, in total, for the period September 2021 to March 2022. As above with the primary-phase, recognising that a value of £1.051m of balance held within the Schools Block is forecasted to be carried forward into 2022/23, the Authority proposes to take a reduced budget from the 2022/23 Schools Block allocation, for the purposes of funding growth in the secondary-phase, with a proportion of the £1.051m balance being available to meet any additional cost above 12 forms of entry. In doing this, the Authority seeks to use the existing balance to maximise the value of 2022/23 Schools Block funding that is available to be allocated to other purposes, including in support of continuing to afford our full mirroring of the National Funding Formula for mainstream primary and secondary schools and academies.

1.6 The Schools Forum is asked to agree (to decide) to use the **criteria** for the allocation of the Schools Block Growth Fund in 2022/23 as set out in the autumn 2021 consultation document, which are the criteria used in 2021/22.

### **Schools Block Falling Rolls Fund 2022/23 (DECISION)**

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

1.7 The Schools Forum is asked to agree (to decide) to **continue the Falling Rolls Fund for the primary phase for the 2022/23 financial year**. Whilst we have concluded that the Falling Rolls Fund currently holds limited value, as it is not a mechanism that will support the vast majority of primary-phase schools and academies, it is a mechanism that was developed following close review. As such, the Authority does not wish to remove this mechanism entirely from our Schools Block funding approach.

1.8 The Schools Forum is asked to agree (to decide) to use the **criteria** for the allocation of the Schools Block Falling Roll Fund in 2022/23 as set out in the autumn 2021 consultation document, which are the criteria used in 2021/22 (with the annual reference points moved on one year in time).

1.9 The Schools Forum is asked to agree (to decide) that the **cost of the 2022/23 Falling Rolls Fund be met from the balance that will be brought forward from 2021/22**, rather than by taking new budget from the 2022/23 Schools Block. Forum Members are asked to note that actual proposed allocations from the Falling Rolls Fund for this current financial year will be presented to the Schools Forum in March 2022. The final value of balance that will be carried into 2022/23 therefore, will be confirmed at this point. On current modelling however, the Authority anticipates that there will not be any allocations from this fund for the 2021/22 financial year. Therefore, the balance carried forward is expected to be £0.500m. The Authority proposes to continue to retain this balance in 2022/23, but with the view that, should this balance still substantially be held at March 2023, it could be transferred into the Growth Fund for spending on the completion of growth in the lead up to the full implementation of the 'hard' National Funding Formula.

## 2. Early Years Block Centrally Retained Funds 2022/23 (DECISION)

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

2.1 The Schools Forum is asked to support the Authority to establish the 2022/23 DSG planned budget by **deciding the retention of funds for central management within the Early Years Block** as proposed and as listed in Document AO Appendix 1:

- a) £0.033m (continuation) for the Early Years Block's contribution to the **DfE Copyright Licences charge**.
- b) £0.095m (continuation) for access by maintained nursery schools to Schools Block **de-delegated funds** (Trade Union Facilities Time, Maternity / Paternity Insurance Scheme, Staff Public Duties and Suspensions). A breakdown of the £0.095m is given in Document AO Appendix 2. This budget counts within the maximum 5% of 3&4-year-old entitlement funding that the Authority is permitted to centrally retain within the Early Years Block.
- c) £0.500m (continuation) for the estimated cost of allocations to early years providers from the **Early Years SEND Inclusion Fund (EYIF)**. The £0.500m budget is split £0.100m for 2-year-olds and £0.400m for 3&4-year-olds. The criteria proposed to be used to allocate the SEND Inclusion Fund are set out in our consultation on Early Years Single Funding Formula arrangements for 2022/23 (please see Document NP presented to the Forum meeting 8 December). These criteria are the same as currently used in 2021/22. The consultation is currently live and closes on 24 January. The outcomes of the consultation will be presented to the Schools Forum on 9 March. At this time, we are establishing the planned budget for the Early Years Block on the basis that the Authority's proposals will be agreed and implemented.

Although the £0.500m budget is shown here as centrally retained, the full value is intended for allocation to providers during the year. As such, the £0.400m proportion of this budget, to be allocated to eligible 3&4-year-olds, does not count towards the maximum 5% of 3&4-year-old entitlement funding that can be retained centrally within the Early Years Block. Although this will also be passed out to providers, because it is not allocated in respect of 3&4-year-olds, the £0.100m EYIF budget for 2-year-olds does count towards the 5%.

The School Forum is asked to note that the **Early Years Pupil Premium** and **Disability Access Fund** budgets, shown in Document AO Appendix 1, are funds that are also allocated to providers during the year, following the conditions set by the DfE, and these funds also do not count towards the maximum 5% central retention restriction.

- d) £0.204m for the Early Years Block's contribution to early years high needs support services, specifically **the Area SENCOs function** that is managed by the Local Authority in respect of PVI providers. This budget is returned to the Early Years Block, following its transfer to the High Needs Block on a one-off exceptional basis in 2021/22. This transfer was one of the mechanisms, that were agreed with the Schools Forum in January 2021, for supporting the Early Years Block in the context of the financial immediate impact of the COVID-19 pandemic. Please note that the SEND Pre-5 and Portage Service budget, that was also transferred in 2021/22, remains funded by the High Needs Block on an on-going basis.
- e) £0.100m, as presented to the Schools Forum on 8 December (Document NX), for the purpose of beginning to increase the **Local Authority's capacity** that is available to support the delivery of the Authority's early years function and entitlement arrangements, focusing, in particular, on communication, provider sustainability, quality, compliance and on the processes that are required for the effective delivery of the Early Years Single Funding Formula, in support of parents and providers. This is a new centrally retained Early Years Block budget proposed to be held in 2022/23.

2.2 The Schools Forum is asked to note that a total of £0.532m of the centrally retained budgets listed in paragraph 2.1 count towards the 5% of 3&4-year-old entitlement funding central retention restriction. As shown in the Early Years Pro-Forma (Document OB Appendix 5), we calculate on this basis that **97.2% of our estimated 2022/23 3&4-year-old entitlement funding (excluding the allocation of brought forward balances) will be passed-through to providers**; or, to put it another way, 2.8% of our estimated 2022/23 3&4-year-old entitlement funding will be either be centrally retained or will be used otherwise than for funding the 3&4-year-old entitlement and the 3&4-year-old Early Years SEND Inclusion Fund. The equivalent figure

for 2020/21 (which is the last 'normal year' for comparison, due to the transfer of funds to the High Needs Block that took place in 2021/22) was 98.1%.

The 97.2% is affected, not just by the values of budgets held centrally within the Early Years Block (the £0.532m), but also by the additional cost of the 2-year-old entitlement. We estimate at this time that the cost of funding the 2-year-old entitlement in 2022/23 may exceed its funding by £0.477m, due to the profile of hours to be funded across the year by term and how this relates to the way the DfE funds the Early Years Block using the January Censuses. This is a position that we estimate is present when 2-year-old numbers reduce in line with demographic trends. This is also a position that we estimate will affect our 3&4-year-old numbers going forward. Therefore, we will need to continue to monitor this situation closely, to ensure that our 2-year-old funding approach does not place excessive pressure on our 3&4-year-old entitlement funding on an on-going basis.

Previously, when we have included within our pass-through % calculation the benefit that has come into our Early Years Block spending position, as a result of the difference in profile of Early Years Block-level funded 3&4-year-old entitlement hours (on January censuses) and setting-level funded hours (on termly censuses), our pass-through % has been higher than 100%. In 2020/21, our pass-through % was 100.7%. This is because, historically, we have been funded at Early Years Block-level for a greater number of entitlement hours than providers have delivered, as counted on a 3 terms basis. However, one of the actions we took to protect the Early Years Block in 2021/22 was to remove this benefit, because we were unclear whether this benefit would exist in 2021/22, due to COVID-19 impact, and because we also predicted that the reduction in numbers in early years from demographic trends will remove this benefit on an on-going basis. Because of the way the DfE temporarily changed the Early Years Block methodology, this benefit is not present in 2021/22 and so we were correct to make this assumption. In the light of current forecasted demographic trends, we continue to assume that this benefit will not be present.

2.3 Finally, the Schools Forum is asked to note that it is not expected that the balance of Early Years Block centrally managed funds held at the end of the 2021/22 financial year will be a deficit. As such, the Schools Forum is not asked to write off from the 2022/23 Schools Budget any deficit associated with an Early Years Block fund.

### **3. The Central Schools Services Block 2022/23 (DECISION)**

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

3.1 The Schools Forum is asked to agree (to decide) the allocation of the **Central Schools Services Block (CSSB)** for 2022/23 as proposed and as listed in Document AO Appendix 1:

- a) **Schools Forum Running Costs:** proposed to continue at £11,000, which is the 2021/22 value of £10,000 plus an allowance for pay and inflation. This budget contributes to the costs of running the Schools Forum that are met by School Funding Team and by Committee Secretariat.
- b) **Pupil Admissions:** Proposed to continue this budget at £0.931m, which is an increase of £0.194m on the 2021/22 value of £0.737m. As presented to the Schools Forum on 8 December (Document NX), the base budget is increased by £0.150m, using the headroom received from the CSSB National Funding Formula settlement, to respond to the Service's requirements, plus an increase for pay / inflation in 2022/23.
- c) **DfE Copyright Licences:** a value of £0.368m. The cost of copyright licences for primary and secondary schools and academies is met from the CSSB. This is not a matter for decision for the Schools Forum, as the DfE negotiates the price and top-slices our DSG. The costs for early years and high needs providers are charged within our DSG model to the respective blocks. The DfE confirmed the 2022/23 costs on 16 December 2021; increased in total by 5.24% on 2021/22.
- d) **Education Services Grant Statutory Duties:** proposed to continue this budget at £1.559m, which will continue to passport to the Local Authority's budget the 2021/22 value (of £1.495m) plus an increase for pay / inflation. This is the former ESG Centrally Retained Duties Grant that was transferred into the DSG at April 2017 and is now allocated in support of the statutory duties that are delivered by the Local Authority on behalf of all state funded schools and academies. A list of statutory activities was presented to the Forum on 8 December 2021 in Document NX Appendix 3.

- e) **Education Access Officers:** This budget was permanently transferred from the High Needs Block at April 2019. The budget is proposed to be continued and uplifted in 2022/23 to £0.472m (from £0.423m held in 2021/22) for pay / inflation and also to reflect the Service's current spending requirements.
- f) **Education Services Planning:** Proposed to establish a new on-going budget of £0.140m. As presented to the Schools Forum on 8 December (Document NX), this budget will support the Local Authority's statutory education services planning (places planning) and consultation function. The £0.140m is funded from the budget headroom that is available within the CSSB National Funding Formula settlement. Forum members are reminded that there are relationships between this proposal and the proposal to increase the Local Authority's capacity within the Early Years Block (see section 2). There are also relationships with High Needs Block financial and provision planning and development.
- g) **CSSB Resilience Provision:** Proposed to 'hold back' £0.05m of the 2022/23 CSSB settlement to ensure on-going structural resilience: a) identifying that there are continuing service spending pressures, b) that we will continue annually to lose a proportion of the £0.225m of historic commitments funding we current receive (meaning that our CSSB spending commitments ultimately must continue to be affordable within our CSSB allocation excluding this funding, and c) that as our school pupil population reduces, our CSSB funding will also reduce.

3.2 The Schools Forum is asked to note that, as a result of these proposals, there is no transfer of CSSB funding to any other DSG block. The full value of the 2022/23 CSSB funding settlement is allocated to spending within the CSSB. The Schools Forum is also asked to note that CSSB spending for 2022/23, as proposed, is fully funded within our National Funding Formula CSSB settlement, without any reliance on any other block.

#### 4. The High Needs Block 2022/23 (RECOMMENDATION)

Please refer to:

- Document NY (the 2022/23 DSG summary, which summarises the planned High Needs Block budget).
- Document OC (the DSG Management Plan, which includes an updated view of the estimated High Needs Block future year trajectory and a list of planned commissioned specialist places).
- Document OB Appendix 3 (which shows in more detail how the High Needs Block planned budget for 2022/23 has been constructed at individual setting and budget heading level).

The Schools Forum is asked to note specifically that the **additional £3.848m High Needs Block supplementary funding for 2022/23**, which was announced by the DfE on 16 December, is **NOT included in these recommendations** i.e. the £3.848m supplementary funding is not specifically allocated by these recommendations. Further guidance on how this funding is to be spent is expected to be provided by the DfE. This funding is focused on supporting the additional cost of the 1.25% National Insurance Social Care / NHS Levy and on supporting continued COVID-19 recovery. The Authority will discuss the allocation of this funding, across the High Needs Block, with high needs providers and then with the Schools Forum at a future meeting. The Authority anticipates that the £3.848m will broadly be allocated between:

- Further increasing the top up values that are allocated in 2022/23 by our EHCP Banded Model and by our PRU Day Rate Funding Model. Please note that our funding model proposals, as consulted on in autumn, already provide for the additional cost of the National Insurance Social Care / NHS Levy. However, we are now being allocated additional monies specifically for this purpose, with the expectation that these monies will be used to better financially support high needs providers.
- Further Education Colleges & other post-16 provisions to support the greater top-up cost that will be incurred in respect of high needs students as a result of the additional recovery time (40 hours) that is provided within the post-16 funding settlement for the 2022/23 academic year.
- Independent, NMSS and OLA placements – meeting the additional cost of placements that will come in response to the introduction of the National Insurance Social Care / NHS Levy from April 2022.

4.1 The Schools Forum is asked to support the Authority to establish the **2022/23 High Needs Block planned budget** by recommending that the formula approach (**the High Needs Funding Model**) the Authority proposed in our consultation, and that was reported back to the Schools Forum on 8 December

2021 (Document NS), is used to delegate High Needs Block funding to high needs providers, mainstream schools and academies and other settings in the 2022/23 financial year. This approach includes the following significant elements:

- a) The continuation, with uplift, of our EHCP Banded Model and of our PRU / Alternative Provision Day Rate Model. Please note that the top-up values allocated by these two models in 2022/23 are likely to be increased further as a result of the allocation of the Supplementary Grant funding, which is to be further discussed and decided.
- b) The continuation of our amended SEND Funding Floor mechanism, for a further year pending review, in support of the funding of EHCPs (element 2) in mainstream primary and secondary schools and academies.
- c) The continuation and uplift of the allocation of the Teacher Pay and Teacher Pensions Grants to specialist settings through the High Needs Block.
- d) An unchanged approach to our definition of Notional SEND funds allocated through core Schools Block formula funding to mainstream primary and secondary schools and academies.

4.2 The Schools Forum is asked to note and **to give any feedback to the Authority** on the following significant elements, estimates and assumptions, which are incorporated into the construction of the 2022/23 High Needs Block (HNB) planned budget:

- a) The 2022/23 HNB planned budget is balanced without cause for transfer of budget from the Schools Block and without transfer of expenditure outwards to the Central Schools Services Block or to the Early Years Block (other than the return of the Area Sencos budget to the Early Years Block). A sum of £0.319m (0.3%) of the 2022/23 High Needs Block allocation is currently shown as un-spent. However, whether this remains the case will depend on how spending develops during the year and how actual spending compares against the range of estimates that are used to construct the planned budget at this time.
- b) The Local Authority continues to take a prudent approach to setting the planned budget. The Forum is reminded that HNB expenditure is more difficult to predict than that in other blocks as it is more subject to changes during the year. This difficulty is especially present currently due to the amount of structural change that continues to be delivered.
- c) The planned budget is constructed to build sustainable and affordable capacity for the medium to longer terms. It is generally constructed on a 'full year full places occupancy' basis. This is done with the understanding that the filling of newly established or establishing capacity will be achieved in a managed way and that there can be some degree of fluctuation in the occupancy of existing capacity during the year. The main exception to this approach is for the PRU / AP budget, where the planned budget is based on 95% annual occupancy.
- d) The planned budget includes £1.820m for the further development of specialist provisions, which is a September 2022 to March 2023 (7 months) budget for an additional 120 SEND places.
- e) The planned budget incorporates the completion of the 'restructuring' of our PRU / AP provisions. Our PRU / AP provisions going forward, where funded from the HNB, deliver Local Authority commissioned provision for pupils permanent excluded. 165 places are funded within the 2022/23 planned budget (at 95% occupancy). This is the same number of places as funded within the 2021/22 planned budget. The planned budget for 2022/23 continues not to fund school-commissioned alternative provision.
- f) The planned budget continues to be constructed incorporating the financial efficiencies that have come from the completion of the amalgamation of Bradford's hospital education, Tracks and medical home tuition provisions into a single Local Authority managed service.
- g) The planned budget is based on estimates that the spend on pupils with EHCPs in mainstream settings and in post-16 Further Education & SPI settings, and on pupils placed in independent and non-maintained special school provisions, will continue to grow at current rates as estimated in December 2021. The rate of growth of spend on post-16 provision especially requires close monitoring, as the pupil

population bulge now moves into post-16. Please note that additional costs that will come as a result of the Social Care / NHS National Insurance Levy, and the delivery at post-16 of the COVID-19 'recovery hours', will now specifically and additionally be supported by the £3.8m Supplementary Grant funding.

- h) The DfE's national SEND / EHCP / Alternative Provision system and funding reviews may have significant implications for our HNB planned budget going forward, from April 2023. Nothing is factored into the 2022/23 budget in anticipation. The outcomes of these reviews are expected to be published in the first quarter of 2022 and will need close financial review in response.
- i) The 2022/23 planned budget continues an earmarked fund of £1.0m, which is available to cover further costs that may potentially come from the embedding of our EHCP Banded Model, especially from the further development of the 'stacking' facility. Except for this £1.0m, all other unexpected or higher than expected costs, that cannot be met by savings elsewhere within the HNB in 2022/23, will be covered by the HNB brought forward balance, with support from the £3.8m Supplementary Grant funding.
- j) How we propose to continue and to uplift our existing EHCP Banded Model means that separate additional arrangements are not required in order for us to comply with the DfE's Minimum Funding Guarantee for special schools and for special school academies.
- f) Provision for SEND teaching support services held within the planned budget continues to incorporate the changes in structures that were agreed by the Executive back in 2018. The total budget provision for these services in 2022/23, which continues to incorporate the transfer of the Teacher Pension Grant as well as uplift for pay / inflation, is £5.015m. This compares with the 2021/22 planned budget value of £4.830m (or the value of £4.636m, accounting for the PVI Area SENCO's budget that was transferred to the HNB in 2021/22 but that has been returned to the Early Years Block in 2022/23).

## 5. The Allocation & Retention of Balances forecasted to be Brought Forward from 2021/22 (RECOMMENDATION)

Please refer to Document NZ Appendix 2.

5.1 The Schools Forum is asked to support the Authority to establish the **2022/23 DSG planned budget** by recommending the treatment of the £32.115m of balances that are forecasted to be carried forward into 2022/23, as listed and as proposed in the paragraphs below. £32.115m is 5.1% of the estimated 2022/23 DSG allocation.

5.2 In doing so, the Forum is asked to note that the figure of £32.115m is an estimate. The confirmed values of brought forward balances by DSG block will be presented to the Forum initially in July 2022 and then finally in September 2022 (the latter update incorporating the final adjustment to Early Years Block income).

5.3 The Schools Forum is asked to note that we currently forecast that there will not be a balance held within the **Central Schools Services Block (CSSB)** at 31 March 2022. Whilst there are service pressures, which we ask the Forum to consider in the allocation of the CSSB headroom available in 2022/23 (see section 3), we expect that the overall net position of the CSSB at 31 March 2022 will either be a zero or a small surplus balance. However, a final reconciliation will take place within the Council's year-end closedown process and we will present to the Forum in July 2022 the final position. For wider reference, we have previously established with the Forum a policy of transferring any net overall under-spend in CSSB budgets to the carry forward balance retained within the Schools Block. We transferred £0.005m at the close of 2018/19, and £0.151m at the close of 2019/20. Against this, we asked the Forum in July 2021 to approve writing off a deficit of £0.078m held within the CSSB at the close of 2020/21. Overall therefore, the net position of the transfer of balances is still in favour of the Schools Block. If the CSSB does hold a deficit at 31 March 2022, which is at a value lower than or equal to £0.078m, we would anticipate that this could be charged to the Schools Block carry forward balance and we may ask for the Forum's approval for this.

5.4 It is forecasted that a balance of £4.001m will be carried forward from 2021/22 within the **Early Years Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) £0.735m is allocated into the 2022/23 Early Years Block planned budget to support the estimated cost of our Early Years Single Funding Formula (EYSFF) as proposed. Please see paragraph 6. Whether this

value of balance is actually needed (or whether a greater or lesser sum is needed) will depend on how spending develops during the year and how this compares against the entitlement delivery estimates used now.

- b) The balance of £0.072m in de-delegated funds is ring-fenced and retained.
- c) The balance of £0.458m in the Disability Access Fund (DAF) is retained and earmarked for this purpose. The Authority proposes to continue to allocate DAF funding to providers at £1,000 per child per year in 2022/23, which is higher than the £800 minimum now set by the DfE (the DfE's minimum has been uplifted from the £615 minimum in 2021/22), and to use a proportion of the £0.458m balance in support of the cost, if this is required. The allocation of DAF monies will continue to be closely monitored.
- d) The remaining value of balance, currently estimated to be £2.737m, is retained to be used in support of the cost, including any unexpected or higher than expected cost, of the Early Years Funding Formula (EYSFF) in 2022/23 and going forward. £2.737m is 6.7% of the estimated value of our Early Years Block in 2022/23. The Authority has sought to explain in our current Early Years Single Funding Formula consultation document for 2022/23 (presented to the Schools Forum on 8 December; Document NP) the financial position of the Early Years Block, how we are currently managing the structural issues that are present, whilst also continuing to maximise the rates of funding allocated to providers for their entitlement delivery. The availability of reserves will be crucial to how these structural issues are managed / resolved over the next couple of years. The Authority is also conscious that the DfE has not yet confirmed the longer-term funding position of maintained nursery schools. Reserves held within the Early Years Block may be needed to support maintained nursery schools through transition that may be required following this confirmation.

5.5 It is forecasted that a balance of £21.739m will be carried forward from 2021/22 within the **High Needs Block**. The following sets out the position of this balance at this time, for on-going discussion:

- a) The 2022/23 High Needs Block planned budget, as presented to this meeting, does not include the allocation of any proportion of the £21.739m forecasted balance.
- b) The Authority will continue to consult with the Schools Forum in spring and summer term meetings about how the £21.739m balance may be retained or may be allocated going forward. Members present at the 8 December 2021 meeting provided some initial feedback (as recorded in the briefing note). Also at this meeting, within the presentation of the annual SEND Sufficiency Statement, the Authority 'tested the waters' with the Forum about the possibility of using a proportion of the High Needs Block surplus balance to support capital spending to secure the creation of additional specialist places. From a purely financial perspective, this is presented on the basis that the continued creation of specialist places is critical to the success of our DSG High Needs Block management plan.
- c) When previously considering the balance held within the High Needs Block, the Forum has agreed with the Authority that this balance should not be allocated in support of on-going expenditure increases or pressures. This is because balances can only be spent once.
- d) The first general call on the £21.739m will be meeting in year the cost of change, as well as supporting any unexpected costs that may arise across 2021 and 2022, after the planned budget for 2022/23 has been agreed by Council in February.
- e) The second general call on the £21.739m balance will be supporting the avoidance of cumulative deficit in the High Needs Block over the medium term, forming part of our DSG Management Plan, as presented in Document OC. We anticipate that we will have less flexibility and less headroom within our High Needs Block going forward. Although our forecast (Document OC Appendix 2) doesn't suggest that we are immediately at risk of developing a significant structural deficit, it does indicate the incremental growth of an annual over-spend, which needs to be monitored and which may need to be managed, especially with reference to the various uncertainties the forecast currently incorporates. In the context of these uncertainties, it is important that we ensure that there is financial resilience within the High Needs Block. This includes the retention of a surplus balance.

f) Three significant uncertainties may necessitate the allocation of the surplus balance:

- Firstly, we are currently unclear about how the DfE's national SEND and Alternative Provision systems reviews will impact on the High Needs Block and more widely e.g. on the balance of provider vs. Local Authority responsibilities in respect of SEND and alternative provision. Our DSG management plan currently does not explicitly bring in any costings or changes associated with these reviews, nor the movement to the 'hard' National Funding Formula. At the very least, it is perhaps reasonable to speculate / to plan on the basis that these reviews will not reduce the spending-base that is met by the High Needs Block, nor will they release any pressure currently met by this Block. It is also perhaps reasonable to plan on the basis that these reviews will trigger change and transition, which may incur additional costs, especially in the short term. The allocation of balances may enable us to introduce positive changes more quickly than we would otherwise. The final Schools Block 'hard' National Funding Formula transition may also affect high needs funding. This transition is likely also to prevent transfer of funding away from the Schools Block. This means that the High Needs Block will need to be entirely self-sufficient going forward. In this context, it is important for us to ensure that we retain the position whereby our balancing our High Needs Block budget is not conditional on transfers of funding from any other block.

As the DfE has stated that the outcomes of the national SEND and AP reviews will be published in the first quarter of 2022, we anticipate that we will discuss the financial implications, alongside the use of balances, with the Forum in the summer term May and July meetings.

- Secondly, whilst the Spending Review 2021 has indicated that the core schools budget nationally will continue to increase, how this budget will be allocated between the Schools Block and the High Needs Block is not known. The cash values of increases that have been published for 2023/24 and 2024/25 are lower than the annual cash budget increases that have been allocated across 2020-2022. This might suggest that funding increases going forward will not be at the level of the last 3 years. Whilst our current DSG management plan estimates a continued 9% increase in High Needs Block funding per pupil, this is only an estimate. A reduction in growth of 1% e.g. to 8% would reduce our High Needs Block funding by £1m.
- Thirdly, we are currently uncertain about how much Bradford will receive of the £2.6bn of SEND capital funding, which was announced in the Spending Review 2021, and how the DfE may open a new wave of free school applications. The availability of sufficient capital funding, which is allocated to the Local Authority to use, is critical to our development of 200-240 additional specialist places across 2022/23 and 2023/24. The continued creation of specialist places is critical to the success of our DSG High Needs Block management plan.

5.6 It is forecasted that a balance of £6.375m will be carried forward from 2021/22 within the **Schools Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) £0.795m is retained as the ring-fenced balance of de-delegated funds. A breakdown of this balance is provided in the separate report (Document OA Appendix 2). The Authority proposes to release an amount of this balance (estimated £0.150m) to support the net cost to maintained primary schools of their contributions to the maternity / paternity insurance scheme in 2022/23. The balance will also be used to support any costs arising from new deficits held by sponsored primary academy converters, as the Authority proposes that no new value of budget is de-delegated for this purpose in 2022/23. The rest of the balance is ring-fenced and is proposed to be held in support of the cost of continuing de-delegated funds, in line with the principles set out in paragraph 1.2.
- b) £1.051m is retained as the Growth Fund ring-fenced balance and will be used to support the cost of allocations in 2022/23 and on-going. Please see paragraph 1.5.
- c) £0.500m is retained as the ring-fenced balance for the primary phase Falling Rolls Fund. Please see paragraph 1.9.
- d) £0.650m is retained as balance already committed by the previous Schools Forum decision taken in January 2015 to support the deficit of a secondary school that is converting to academy status. It is expected that this sum will be deployed in 2022/23.

- e) £0.495m of the £0.917m Primary £GUF headroom balance is proposed to be allocated to enable the addition of the Reception Uplift factor within the 2022/23 financial year mainstream primary-phase funding formula, as proposed in our consultation. £0.495m funds 102 additional reception year pupils. A breakdown of the 102 pupils across primary schools and academies was presented within our consultation, and again to the Schools Forum on 8 December (alongside information relating to the last 3 years). The application of the Reception Uplift factor is proposed at this time for 2022/23 only, funded only by brought forward balance. Following this proposal, £0.422m of the £0.917m Primary £GUF headroom balance remains unallocated. This £0.422m balance is proposed to be retained, with the view that it could be allocated to continue the Reception Uplift factor for a further year in 2023/24 (if permitted by the regulations), or it could be allocated in 2023/24 for another purpose in support of the primary phase funding formula.
- f) £0.252m is proposed to be allocated into the 2022/23 Schools Block planned budget in order to afford the mainstream primary and secondary funding formula, as we proposed in our consultation, now using the October 2021 Census dataset. Please see paragraph 7 for further discussion on the allocation of the £0.252m and on the financial position of the Schools Block in 2022/23 following the use of the October 2021 Census dataset.
- g) It is proposed that the remaining value of £2.210m be fully retained as a resilience reserve. £2.210m is 0.5% of the Schools Block. In proposing the retention of this balance, Forum Members are asked to note, in particular, that NNDR (business rates) are scheduled for re-evaluation at April 2023. This re-evaluation may significantly increase the cost of NNDR that is met by the Schools Block and, as we expect to receive NNDR funding for 2023/24 based on 2022/23 costs, we may need specifically to use a proportion of the £2.210m brought forward balance to manage the impact of this re-evaluation until Schools Block funding catches up, seeking to avoid having to otherwise reduce the formula funding allocations received by schools and academies.

## 6. [Early Years Single Funding Formula and Pro-Forma 2022/23 \(RECOMMENDATION\)](#)

Please refer to:

- Document NP (EYSFF consultation proposals, presented to the Schools Forum on 8 December)
- Document OB Appendix 5 (Early Years Pro-forma, which summarises the proposed setting base rates, the mean Deprivation & SEND rates and maintained nursery school supplement funding).
- Document OB Appendices 2a, 2b and 2c (indicative provider funding rate modelling 2022/23).

6.1 The Schools Forum is asked to support the Authority to establish the **2022/23 Early Years Block planned budget** by giving its formal feedback on the Early Years Single Funding Formula (EYSFF) the Authority proposes to be used to fund all early years providers for their delivery of the 2, 3 & 4-year-old entitlements. The Authority's proposals were set out in detail in Document NP and its Appendix 1 (EYSFF Technical Statement) presented to the Schools Forum on 8 December. The Forum is asked to give its formal feedback to this meeting, due to the 8 December meeting being inquorate.

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

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

6.3 In providing feedback now the Forum is asked to note that, due to the timing of the DfE's announcements on Early Years Block funding arrangements, consultation on our 2022/23 EYSFF has not yet been completed. Our consultation will run until 24 January 2022. Final proposals, incorporating any adjustments made in response to consultation feedback, will be presented to Executive on 15 February and then, subject to the Executive's resolution, to Council on 17 February for final decision. The Forum's next scheduled meeting is not until 9 March, so this means that final decisions will be taken before the Forum has had sight of any consultation feedback and any amendments from this. The Authority will send an email to Forum Members as soon as possible after 24 January to inform them whether the final proposed EYSFF, to be presented to the Executive / Council, has changed from what was proposed in Document NP.

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

- a) Local authorities are not permitted to alter their EYSFF arrangements in year without DfE approval.

- b) Deprivation and SEND rates for individual providers will be confirmed once January 2022 postcode data is used to update the Index of Multiple Deprivation 3 year rolling averages. The figures shown in Document OB Appendices 2a, 2b and 2c, and in Document OB Appendix 5, are indicative for this reason. Funding rates are also indicative because they are subject to the outcomes of the consultation.
- c) A series of estimates have been made in the 2022/23 Early Years Block calculations relating to both income and to the cost of the entitlements (the number of hours to be delivered across the coming year). By necessity, this approach requires end of year reconciliation and may require carry-over of either an under or an over spend into 2023/24.
- d) In previous years, we have established our EYSFF rates of funding incorporating the benefit that comes from our DSG Early Years Block being funded for a greater number of 3&4-year-old entitlement hours than providers actually deliver across the 3 terms. As explained in paragraph 2.2, we have removed this benefit from our calculations.
- e) There is no specific unallocated contingency fund held within the 2022/23 Early Years Block planned budget.
- f) As shown in the Pro-Forma (Document OB Appendix 5), our Early Years Block planned budget complies with the DfE's statutory restrictions for the funding of 3&4-year-old hours delivery concerning a) the minimum 95% pass-through and b) the maximum 10% spend on supplements. Our planned budget also complies with the DfE's expectation that the specific Maintained Nursery School Supplement is allocated to protect maintained nursery school funding at pre-national reform (2016/17) rates.

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

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

7.1 The Schools Forum is asked to support the Authority to establish the **2022/23 Schools Block planned budget** by recommending the formula approach that the Authority proposed in our consultation, and that was reported back to the Schools Forum on 8 December 2021 (Document NQ), is used to calculate core formula funding allocations for mainstream primary and secondary maintained schools and academies for the 2022/23 financial year. This approach includes the following significant elements:

- a) No transfer of budget from the Schools Block to the High Needs Block.
- b) Continue to fully mirror the DfE's National Funding Formula (NFF) at factor level.
- c) Apply the 'Reception Uplift' factor for the primary phase, on a one off exceptional basis for 2022/23 only, with the cost of this factor funded from the primary-phase specific element of the Schools Block brought forward balance.
- d) Set the Minimum Funding Guarantee (MFG) at positive 2.0%. Within the calculation of the MFG, we continue to exclude premises factors (business rates, split sites and PFI) in the baselines for both 2021/22 and 2022/23 so that we can continue to closely mirror the way the MFG is calculated within the National Funding Formula.
- e) Continue to use our existing local formula approach for the funding of split sites, as this is not yet covered by the National Funding Formula.
- f) Continue to pass through the specific BSF DSG affordability gap values using our current method, continuing the adjustment to ensure that the amounts passed on to academies by the ESFA on an academic year basis are equivalent to the amounts that the Authority requires academies to pay back on a financial year basis. Please see 7.2 below.
- g) Continue to fund NNDR (business rates) at actual cost, with the cost currently estimated within the planned budget.

- h) 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.
- i) Retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block – Growth Fund, Falling Rolls Fund, De-delegated Funds.

7.2 The Schools Forum is asked to agree (to recommend) the value of the **DSG's total contribution to the Building Schools for the Future (BSF) Affordability Gap** for 2022/23, which is £7.761m; split £6.936m Schools Block and £0.825m High Needs Block. These figures incorporate a 3.17% increase on 2021/22 for the RPIX. This represents a net increase (allowing for adjustments relating to the apportionment for academies) of £0.349m in cash budget terms on the 2021/22 cost. This contribution will be split between relevant schools and academies on the same % basis as in 2021/22 (based on the school's unitary charge value). For Secondary schools and academies, this contribution is expressed as a formula factor. For Special schools and academies, this contribution is managed as a central item within the High Needs Block.

7.3 As shown in Document NY, the proposed Schools Block planned budget exceeds the 2022/23 DSG Schools Block settlement by £0.747m. £0.495m of this over spend is explained by the application of the Reception Uplift factor, which is deliberately funded using the Primary phase £GUF balance brought forward. **This leaves a total remaining over spend of £0.252m.** The £0.252m is made up of:

- £0.185m over spend in the primary phase formula (this figure is shown in section X of Document NY).
- £0.348m over spend in the secondary phase formula (this figure is shown in section X of Document NY).
- £0.098m over spend in cross phase premises factors (the difference between our DSG funding for premises factors and our proposed spend on premises factors).
- £0.379m under spend in cross phase Growth Fund (the difference between our DSG funding for growth and our estimated proposed spend on growth from the 2022/23 planned budget – before we use balances brought forward).

We have previously alerted the Schools Forum, and we explained in our autumn consultation, that we were concerned that our proposal to continue to fully mirror the DfE's National Funding Formula in 2022/23, with a 2.0% Minimum Funding Guarantee, would not be affordable when we run our proposed formula using the updated October 2021 Census dataset. We explained how there is an annual lag in pupil circumstances data, between school-level and DSG-level funding, and that we expected, in particular, to see a significant increase in Free School Meals %s in schools and academies, recorded in the October 2021 Census, that we would be required to fund but might not be able to afford. We set out in our consultation how we might approach this situation was it to be present. We explained options that ranged from using balances brought forward (where the value of over spend was relatively small in the context of the size of the Schools Block) to pro-rata reducing all formula factors to bring the cost of the formula back in line with our available DSG Schools Block funding.

Document OB Appendix 1d presents a summary of the changes in costs by formula factor when the October 2021 Census dataset is used. This summary evidences that the October 2021 Census dataset has quite significantly altered (and increased in total) the cost of our funding formula in 2022/23. Our cost has increased by £0.947m. This will be additional funding that is allocated to mainstream primary and secondary schools and academies in response to the changes in the pupil circumstances data that have been recorded for pupils on roll in October 2021.

Whilst we are a little concerned that the value of the on-going Schools Block over spend would be greater was it not for the £0.379m saving in Growth Fund monies, which will only be temporary, and whilst we are clear that this position needs close monitoring as we move into proposals for the 2023/24 financial year (because, all things being equal, over spending in 2022/23 will reduce the new headroom that we have available from 2023/24's settlement and may mean that we may not be able to afford to fully mirror the National Funding Formula in 2023/24), we are of the view that the most sensible, defensible and reasonable approach to take now is to use a small proportion of the Schools Block brought forward balance to implement our proposals, without alteration. This will support maximising the funds that are allocated now to schools and academies. This is what the Authority proposes. Please see paragraph 5.6 (f) for the allocation of £0.252m of balances brought forward. The Schools Forum is asked to support this approach. Members are asked to note that the £0.252m is taken from the general Schools Block brought forward balance i.e. the specific Primary phase £GUF balance is unaffected.

7.4 The Schools Forum is asked to give its final **approval to the Pro-Forma for the 2022/23 financial year**, using the draft pro-forma at Document OB Appendix 4 as a guide.

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

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

- a) The cost of NNDR (business rates) shown in the Pro-forma is still based on 2021/22 financial year figures. This is in line with the DfE's new process, which is being introduced at April 2022, for recording and paying business rates directly to billing authorities. However, the business rates cost to be met by the 2022/23 Schools Block is not expected to be significantly different from the cost met in 2021/22. This is because the rates multiplier is unchanged. The Authority's initial cost estimate will be subject to changes during the year (with a final reconciliation of actual costs taking place early in 2023). This reconciliation process may be a cause of either over or under spend on the business rates figures that are currently costed within the 2022/23 Schools Block planned budget. For reference, a main driver of reduction in business rates cost during the year is the transfer of maintained schools to academy, as the cost of rates generally reduces by 80% following conversion.
- b) In moving to using the National Funding Formula at local individual primary and secondary school level, the Schools Forum wished to more closely monitor the actual spending of the Schools Block by phase against the funding received within the Schools Block by phase i.e. phase ring-fencing within the Schools Block. An updated calculation of the position for 2022/23 is shown in section X of Document NY. Forum Members are reminded that premises-related costs and Growth Fund and Falling Rolls Fund costs are funded on a cross-phase basis so are not included in this calculation.
- c) There is no unallocated contingency fund held within the 2022/23 Schools Block planned budget.
- d) On the basis of the modelling presented to this meeting, the formula funding landscape in Bradford in 2022/23 is as follows:
  - Primary phase: 67 out of 156 schools (43%), including academies, are funded on the Minimum Funding Guarantee. 34 schools (22%), including academies, are funded at the £4,265 minimum per pupil level. All other schools and academies are funded above £4,265 per pupil.
  - Secondary phase: 5 out of 31 schools (16%), including academies, are funded on the Minimum Funding Guarantee. 2 schools (6%), including academies, are funded at the £5,525 minimum per pupil level. All other schools and 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. All of these academies are funded above their composite minimum per pupil funding levels.
  - In total, 73 out of 191 schools and academies (38%) are funded on the Minimum Funding Guarantee. This is reduced from 109 (57%) in 2021/22. In total, 36 out of 191 schools and academies (19%) are funded on the minimum per pupil funding levels. This is reduced from 43 (23%) in 2021/22.