**CONSULTATION & INFORMATION ON MAINSTREAM PRIMARY & SECONDARY FORMULA FUNDING 2020/21 FINANCIAL YEAR**

**1. Introduction**

* 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) schools and academies in Bradford for the 2020/21 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 Falling Rolls Fund.

1.2 This document also asks for feedback on the continuation for the 2020/21 financial year of funds de-delegated from maintained primary and secondary schools. Please be aware however, that due to the timescale necessary for confirmation, the Schools Forum has already decided to continue de-delegation in 2020/21 from maintained primary schools for the purposes of subscribing to Fischer Family Trust.

1.3 The deadline for responses to this consultation is **Friday 29 November 2019**. An analysis of responses received will be discussed at the Schools Forum meeting on 4 December. Please address all questions and responses to Andrew Redding 01274 432678 andrew.redding@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 funding arrangements for 2020/21, will be published on Bradford Schools Online. These consultations will be signposted from our latest news and updates page [here](https://bso.bradford.gov.uk/Schools/CMSPage.aspx?mid=1780).

**2. Background**

2.1 The message “DO NOT PANIC” has been communicated in our consultations in recent years. This remains an important message. The Minimum Funding Guarantee (MFG) continues to protect schools and academies against sharp reductions in any single year in per pupil funding due to technical formula or October Census data changes. The level of MFG provided is one of the key decisions that must be made for 2020/21.

2.2 However, we are currently in a period of change, the most significant being the movement towards a ‘hard’ National Funding Formula (NFF) for the calculation of primary and secondary mainstream budget shares. Further complexity has also emerged recently through the introduction of separate additional grants, for teacher pay and pensions costs, which run alongside core formula funding.

2.3 The DfE announced back in July 2018 that local authorities retain operational responsibility for determining primary and secondary mainstream funding formulae for 2020/21. In his statement to Parliament, on 3 September 2019, the Secretary of State “re-affirmed” the DfE’s intention “as soon as possible” to move to a ‘hard’ National Funding Formula, whereby individual budget shares for primary and secondary schools and academies will be calculated on a formula set by central government not by local authorities. However, the Secretary of State has not yet set out a timescale for this change. So, although clearly on the horizon, the implementation date for the ‘hard’ NFF is uncertain.

2.4 What this hard NFF will look like when it does come is also a little uncertain. We would expect it to be similar to the NFF currently constructed, though the DfE has stated that elements of this formula are under review. The DfE has also very clearly stated previously that the future direction of NFF, how much money it allocates and how the protections currently within it continue or release (including the Minimum Funding Guarantee), will be influenced by the outcomes of spending reviews. A further multi-year spending review is expected in 2020.

2.5 We would also draw the attention of schools to the update of the Income Deprivation Affecting Children Index (IDACI), which has taken place this year and which will be used from 2021/22 to calculate the school IDACI deprivation formula allocations. IDACI information is updated every 5 years (rather than annually) and previously some schools have seen significant movement in their funding allocations when the IDACI measure has been updated. The DfE has indicated that it will wish to review the IDACI NFF in 2021/22 to absorb this update.

2.6 The exact and final position in 2020/21 of the main longstanding pre-16 additional grants – Pupil Premium Grant, Primary PE & Sports Premium, Universal Infant Free School Meals and Year 7 Catch Up – is still to be announced. The position of these grants and any uplift in values for inflation was not covered in the statements made to Parliament on 3, 4 and 9 of September. Announcements on these grants, when they come, will be signposted on Bradford Schools Online.

2.7 The Chancellor confirmed on 4 September that the existing grant supporting the increase at September 2019 in the employer’s contribution to teacher pensions will continue in 2020/21, 2021/22 and 2022/23, with rates of funding to be announced. The DfE further confirmed in a statement to Parliament on 9 September, with rates of funding to be announced “in due course”, that the Teacher Pay Grant will continue in 2020/21. Both the Teacher Pensions and Pay Grants will be allocated separately from core formula funding in 2020/21.

2.8 Please note that these statements however, did not say anything to confirm or otherwise the continuation of the Teacher Pay Grant after 2020/21. Going forward, with the exception of the Pensions Grant, the extent to which all these grants continue or cease after 2020/21 is to be decided, as is whether they remain separate or are merged into formula funding.

2.9 We set out in our [autumn 2017 consultation](https://bso.bradford.gov.uk/Schools/CMSPage.aspx?mid=212) *(this is a useful reference document)* the changes we proposed to make to Bradford’s mainstream primary and secondary funding formula in 2018/19 in preparation for the establishment of the ‘hard’ NFF. These changes built on those we made in 2017/18, which were influenced by our analysis of the proposals the DfE set out in its December 2016 consultation.

To briefly summarise what we did in the 2018/19 financial year:

1. We replaced our local formula with the DfE’s NFF, using this as closely as the Regulations and affordability allowed to calculate individual formula allocations for both primary and secondary phases. We were one of 41 authorities nationally that did this. Within this, we adopted a principle for the clearer ‘earmarking’ of primary-phase and secondary-phase funding within the Schools Block i.e. we sought to spend primary Schools Block resource on the primary phase and secondary on the secondary phase.
2. We retained unchanged our existing local approaches in areas of formula funding that NFF does not yet cover. These are:
	* Pupil Mobility.
	* Business rates (actual cost).
	* Split sites.
	* PFI (Building Schools for the Future).
	* Growth Funding.
	* The definition of Notional SEND.
	* The SEND Funding Floor (where we protected each school’s 2018/19 allocation at 2017/18 cash levels, funded by the High Needs Block).
3. We set a Minimum Funding Guarantee (protecting individual schools) at positive 0.4% per pupil. This meant that all schools, regardless of NFF impact, received a minimum 0.4% per pupil formula funding increase.
4. We set a Ceiling (capping gains for individual schools) at positive 3.0% per pupil.
5. We established the DfE’s new optional minimum levels of per pupil funding (MFL) at their full values of £3,500 (primary) and £4,800 (secondary). We matched fairly closely the NFF methodology for the calculation of this funding, so far as the Regulations permitted, but we did not exclude split sites or pupil mobility funding from the calculation of the minimum levels.
6. We did not transfer any monies from the Schools Block to the High Needs Block.

In the current 2019/20 financial year:

1. We continued to closely mirror NFF and adopted the ‘directed’ changes in the prior attainment primary variable adjustment and in the MFL factor.
2. We retained unchanged our existing local approaches in areas of formula funding that NFF does not yet cover (please see the list above).
3. We transferred budget of £2m (0.48%) from Schools Block to the High Needs Block in support of high needs sufficiency delivery.
4. As a result of this transfer, we set a Minimum Funding Guarantee (protecting individual schools) at 0% per pupil, meaning that a school funded on the MFG with the same pupil numbers recorded in October 2018 as in October 2017 has received the same core formula funding in 2019/20 as they received in 2018/19.
5. In line with this cash flat MFG, all formula funding variables (except for the prior attainment primary phase variable that was adjusted by the DfE) were kept at 2018/19 values.
6. We did not implement the optional factor, which would have provided for a minimum of a 1% increase on published 2017/18 NFF per pupil baselines for each school.
7. We fully removed the Ceiling, removing any capping of year on year gains for individual schools.
8. We established a new Falling Rolls Fund for our primary phase.

2.10. The combination of our transfers from the Schools Block to the High Needs Block, and our implementation of the DfE’s NFF to calculate individual school budget shares, has created the following formula funding landscape in Bradford in 2019/20:

* Primary phase: 144 out of 156 schools (92%), including academies, were funded on the Minimum Funding Guarantee (at 0%) at a total value of £7.47m. 16 schools were funded at the £3,500 minimum level, receiving £0.80m in total via this factor. All other schools were funded above £3,500 per pupil.
* Secondary phase: 17 out of 31 schools (55%), including academies, were funded on the Minimum Funding Guarantee (at 0%) at a total value of £1.99m. 3 schools were funded at the £4,800 minimum level, receiving £0.67m in total via this factor. All other schools were funded above £4,800 per pupil.
* All through schools: 3 out of the 4 academies (75%) were funded on the Minimum Funding Guarantee (at 0%) at a total value of £0.37m. All of these academies were funded above the £4,042 minimum level.

From these summary statistics, it is quite easy to see how important decisions regarding the Minimum Funding Guarantee, in particular, will be to the values of budget shares received by our schools and academies in 2020/21.

2.11 There were a couple of issues that were created by our movement to NFF that we identified need closer attention. These were:

* The knock on implications for our Notional SEND calculation, where our movement to NFF, because of the increased weighting this gives low prior attainment, has meant that the values of notional SEND budget for all schools substantially increased in 2018/19. Following further analysis and benchmarking work, we agreed to continue to use our existing methodology for the definition of notional SEND budgets in 2019/20.
* The knock on implications for our SEND Funding Floor, where our movement to NFF, because of the increased weighting this gives Additional Educational Needs (AEN), has meant that most schools would not receive SEND Floor funding. We agreed to protect allocations in 2018/19, by guaranteeing that all schools would receive at least the same cash allocation as they did in 2017/18. We agreed to continue this arrangement in 2019/20, whilst identifying that we need to find a better way of calculating additional mainstream SEND funding support now that we have moved to National Funding Formula.

The DfE’s Call for Evidence on the financial arrangements for SEND and alternative provision, conducted in summer 2019, and the DfE’s announcement at the beginning of September of a larger SEND system review, are now important factors in our consideration of our notional SEND and SEND Funding Floor arrangements going forward. For example, the DfE’s Call for Evidence asked specific questions about whether the Regulations should be more prescriptive about how local authorities define notional SEND budgets and provide for minimum levels of SEND funding in mainstream schools. Our separate consultation on our high needs funding model discusses proposals related to SEND funding in more detail. Generally, we are minded not to propose any amendments to our existing notional SEND and SEND Floor arrangements in 2020/21 and until the outcomes of the DfE’s reviews are known. We do not feel that it is productive to potentially implement new arrangements in these two important areas for these to be immediately overridden by new Finance Regulations. As our high needs funding consultation also sets out, we propose some changes to the banding model used for funding EHCPs, which will have knock on implications for the SEND Floor in particular. We think it is sensible to have a new model agreed and in place before seeking then to develop and adopt any new Floor mechanism.

**3. Formula Funding Proposals for 2020/21**

3.1 There are **5 key decisions** we need to take on Bradford’s 2020/21 mainstream primary and secondary funding formula arrangements. These are very similar to the decisions that were needed for 2019/20.

3.2 A significant development in the National Funding Formula for 2020/21 is the uplift of the minimum levels of per pupil funding for individual schools and academies, from £3,500 to £3,750 for the primary phase and from £4,800 to £5,000 for the secondary phase. Where a school’s ‘normal’ formula funding result \* is lower than their respective phase minimum, the school’s funding must be increase up to it. The DfE has stated that the primary-phase minimum will increase further to £4,000 for 2021/22. The DfE is currently conducting a consultation, which proposes to require all authorities to adopt these new minimums in their local formulae and the DfE has told authorities to plan on this basis. As such, although the impact of the new £3,750 / £5,000 minimums on Bradford’s schools and academies is shown in this document, whether to adopt them is not presented as a matter for local decision.

*\* this is the total of core pre 16 formula funding excluding premises factors (PFI, split sites and business rates) divided by funded pupil numbers.*

3.3 The 5 decision we need to take are:

1. Whether we transfer budget from the Schools Block to the High Needs Block in support of high needs sufficiency delivery and, if we do, the value of this transfer in 2020/21.
2. Whether we continue to closely mirror the DfE’s National Funding Formula, and its per factor £values, as far as financial affordability allows, including whether we continue funding pupil mobility using the DfE’s new pupil mobility factor, which has been introduced into the NFF for 2020/21.
3. Whether we continue unchanged our existing local approaches to the factors not yet covered by the NFF.
4. The value of Minimum Funding Guarantee we provide. The Government permits this to be set between positive 0.5% and positive 1.84%.
5. Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block:
	1. Growth Fund.
	2. Falling Rolls Fund (primary phase).
	3. Funds de-delegated from maintained primary and secondary schools.

3.4 Running alongside these 5 decisions, it should be noted:

* In bringing pupil mobility into the National Funding Formula, the DfE has also amended the mandatory calculation of the £3,750 and £5,000 per pupil funding minimums to include this factor. Previously, funding allocated through the pupil mobility factor was excluded from these minimums.
* The 2019/20 Regulations permitted authorities to employ an optional 1% floor factor, which would guarantee all schools and academies a minimum 1% per pupil increase on 2017/18 NFF baselines. We did not use this factor. The DfE has now adjusted its methodology in 2020/21 so that a separate floor factor is not required nor permitted in addition to the Minimum Funding Guarantee set at 1.84%.
* In 2019/20, we fully removed the Ceiling, removing any capping of year on year gains for individual schools, and we do not intend to revisit this decision.
* As discussed in paragraph 2.11, we are minded not to propose any amendments to our existing notional SEND and SEND Floor arrangements in 2020/21 and until the outcomes of the DfE’s reviews are known. This means that we would continue to protect SEND Floor allocations in 2020/21, by guaranteeing that all schools would receive at least the same cash allocation as they did in 2017/18.
* The basic construct of the national high needs funding system – a notional value of £4,000 for element 1 and £6,000 for element 2 – remains in place and unchanged from 2019/20 arrangements. The DfE’s call for evidence has not yet had an impact on the main reference points and thresholds of this system.
* We do plan to propose changes to the banding model used for funding EHCPs in mainstream schools, which will be set out in more detail in our separate consultation on high needs funding arrangements for 2020/21.
* The first allocations from the newly established Falling Rolls Fund for the primary phase are expected to be presented to the Schools Forum in March 2020. These allocations will be against the £250,000 fund established for the 2019/20 financial year.
* The Schools Forum has recently considered a report on the financial pressures associated with Building Schools for the Future (PFI). The role of the Dedicated Schools Grant in the funding of BSF is proposed to remain unchanged in 2020/21. However, this is a matter that the Schools Forum wishes to continue to monitor and review alongside how the NFF mechanisms develop in this area.
* We have previously advised maintained schools to plan for an overall cash flat funding settlement in 2020/21 (no increase in per pupil funding to support the cost of pay awards and inflation). Both schools and academies should now recognise that, although the 2020/21 settlement overall is better than cash flat, it is likely that additional costs will come alongside this. For example, the overall cost of the increase in teacher pay at September 2020 may be greater than the originally estimated 2%, especially where the DfE now recommends a substantial increase in the minimum teacher starting salary. Schools must ensure that growth in costs, above that which has previously been budget for, are met before they consider allocating any per pupil funding increase to other or new activities.

* Schools must continue to closely monitor announcements on the position of other grant funding in 2020/21. These announcements will be signposted through Bradford Schools Online.

3.5 Against the 5 decisions then, the Authority proposes the following. Within these proposals, in certain places, we refer to ‘subject to final affordability’. The modelling using the existing October 2018 Census dataset indicates that the proposals set out below are affordable. However, the cost of formula funding in 2020/21 will change once the October 2019 Census dataset is used e.g. FSM%s go up and down, prior attainment scores change. We cannot predict with total accuracy what the change in cost will be and the cost won’t be confirmed until the dataset is released by the DfE in December. Therefore, in this consultation, we must place caveats in certain places.

**Decision 1** - Whether we transfer budget from the Schools Block to the High Needs Block in 2020/21

3.6 This is the first question 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 Minimum Funding Guarantee we can afford to propose.

3.7 With the agreement of the Schools Forum, the Local Authority transferred a sum of £2.0m (0.48%) of Schools Block budget to the High Needs Block in 2019/20. The case for this transfer was set out in our consultation document published in autumn 2018. This was rooted in the current position in Bradford where the need for spending on provision for high needs children and young people is growing at a faster rate than our High Needs Block NFF allocation. As a result of this transfer, in 2019/20, we retained the values of formula variables cash flat on 2018/19, and set the Minimum Funding Guarantee at 0%, rather than uplifting the values of formula variables by / setting the Minimum Funding Guarantee at 0.5%.

3.8 The DfE has now taken some important steps, at a national DSG level, towards recognising that there is a very significant High Needs Block funding problem. The Secretary of State announced at the beginning of September that an additional £780m will be allocated in 2020/21 in support of high needs provision. It was further announced that local authorities would receive a minimum 8% per pupil (based on 2-18 population forecasts) increase in High Needs Block funding in 2020/21, but that the settlement would actually permit authorities to receive up to a 17% per pupil increase. It was confirmed on 11 October that Bradford’s High Needs Block allocation will substantially increase, indicatively from £69.66m to £81.17m in 2020/21, an increase of £11.51m or 16.5% in cash terms (and 17% in per pupil terms). Although no announcements have yet been made about the position of high needs funding after 2020/21 and therefore, there is still some concern about affordability going forward, this settlement puts Bradford’s High Needs Block for next year in a fundamentally much stronger position.

3.9 **As a result, the Local Authority does not propose to transfer Schools Block funding to the High Needs Block in 2020/21.** This means that the full Schools Block settlement will be retained within this Block to be spent on primary and secondary formula funding and the other identified devolved funds (e.g. Growth Fund).

**Decision 2** – Whether we continue to closely mirror the DfE’s 2020/21 National Funding Formula

3.10 The table below shows the DfE’s NFF factors in 2020/21, as these are applied to Bradford (so adjusted for area costs), compared against those used for 2019/20. Please be aware that the Area Cost Adjustment for 2020/21 is still to be confirmed and this may very slightly alter the final values of the 2020/21 NFF for Bradford from what is shown in the table below. The key changes are:

* The minimum levels of funding per pupil have been increased from £3,500 to £3,750 (primary) and from £4,800 to £5,000 (secondary).
* The values of the NFF pupil-led factors have been uplifted in line with the DfE’s settlement – by a nominal 4.00% for all factors except for the FSM factors, which have been increased by a nominal 1.84%. The final factor values have then been adjusted after this uplift so that the overall weightings (proportions of spend by factor) previously established within the national formula are maintained.
* The lump sum is uplifted by 4% from £110,000 to £114,400.
* A new NFF Pupil Mobility factor has been added with new values, which are lower than those in our current local formula.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Factor** | **NFF £ 2020/21** | **NFF £ 2019/20** |  **£Diff** | **% Diff** |
| Primary – Base £APP | £2,857.46 | £2,747.44 | + £110.02 |  + 4.00% |
| Secondary – Key Stage 3 Base £APP | £4,018.64 | £3,863.62 | + £155.02 | + 4.00% |
| Secondary – Key Stage 4 Base £APP | £4,561.73 | £4,386.70 | + £175.02 | + 4.00% |
| Lump Sum – Primary & Secondary | £114,418 | £110,017 | + £4,401 | + 4.00% |
| Primary - Deprivation – FSM Ever 6 | £560.09 | £540.09 | + £20.00 | + 3.70% |
| Primary - Deprivation – Flat FSM | £450.07 | £440.07 | + £10.00 | + 2.27% |
| Secondary - Deprivation – FSM Ever 6 | £815.13 | £785.13 | + £30.00 | + 3.82% |
| Secondary - Deprivation – Flat FSM | £450.07 | £440.07 | + £10.00 | + 2.27% |
| Primary - Deprivation – IDACI F | £210.03 | £200.03 | + £10.00 | + 5.00% |
| Primary - Deprivation – IDACI E | £250.04 | £240.04 | + £10.00 | + 4.17% |
| Primary - Deprivation – IDACI D | £375.06 | £360.06 | + £15.00 | + 4.17% |
| Primary - Deprivation – IDACI C | £405.06 | £390.06 | + £15.00 | + 3.85% |
| Primary - Deprivation – IDACI B | £435.07 | £420.07 | + £15.00 | + 3.57% |
| Primary - Deprivation – IDACI A | £600.10 | £575.09 | + £15.00 | + 4.35% |
| Secondary - Deprivation – IDACI F | £300.05 | £290.05 | + £10.00 | + 3.45% |
| Secondary - Deprivation – IDACI E | £405.06 | £390.06 | + £15.00 | + 3.85% |
| Secondary - Deprivation – IDACI D | £535.09 | £515.08 | + £20.00 | + 3.88% |
| Secondary - Deprivation – IDACI C | £580.09 | £560.09 | + £20.00 | + 3.57% |
| Secondary - Deprivation – IDACI B | £625.10 | £600.10 | + £25.00 | + 4.17% |
| Secondary - Deprivation – IDACI A | £840.13 | £810.13 | + £30.00 | + 3.70% |
| Primary - English as an Additional Language (3) | £535.09 | £515.08 | + £20.01 | + 3.88% |
| Secondary - English as an Additional Language (3) | £1,440.23 | £1,385.22 | + £55.02 | + 3.97% |
| Primary – Low Prior Attainment  | £1,065.17 | £1,022.16 | + £43.01 | + 4.21% |
| Secondary – Low Prior Attainment  | £1610.26 | £1,550.25 | + £60.01 | + 3.87% |
| Primary – Minimum £APP  | £3,750 | £3,500 | + £250 | + 7.14% |
| Secondary – Minimum £APP  | £5,000 | £4,800 | + £200 | + 4.17% |
| Primary - Pupil Mobility | £875.14 | £1,608.19 | - £733.05 | - 45.60% |
| Secondary – Pupil Mobility | £1,250.20 | £1,915.87 | - £665.67 | - 34.75% |

3.11 So, the NFF in 2020/21 retains the same dynamic as in the last two years, including its focus on Additional Educational Needs (AEN), low prior attainment within AEN, and the lower value of lump sum, which is one of the most significant factors in terms of impact on the primary phase.

3.12 The Authority’s original case put forward for 2018/19 for moving to fully replicate the DfE’s NFF in our calculation of individual primary and secondary formula allocations was strongly supported by schools. The continuation of close mirroring in 2019/20 was also supported. Therefore, we believe schools will continue to support the principle that, in this period prior to the establishment of the ‘hard’ NFF, our local formula funding arrangements should move in line with the DfE’s NFF as this uplifts and incrementally develops.

3.13 For 2020/21, we propose therefore, that

* **Subject to final affordability, we will amend our local formula to mirror the ‘NFF 2020/21’ values for existing factors shown in the table above.** If we are not able to fully afford these % increases, because of the cost of data change recorded in the October 2019 census, we will reduce the values of the factors on a pro-rata basis.
* **We will continue to include funding for pupil mobility within our formula with this being calculated using the DfE’s new NFF factor**. We propose to move to fully use the new NFF value of £1,250.20 for the secondary phase pupil mobility factor in 2020/21. However, in transition to the full implementation of the new formula, we propose as an initial step in 2020/21 to use a value of £1,286.55 for the primary phase pupil mobility factor, which is 80% of our current value and sits in between our current value and the new NFF value. We would expect then to move closer to the new NFF factor value of £875.14 for the primary phase in 2021/22.

3.14 **We do not propose to alter our core NFF-based primary and secondary funding formula in 2020/21 other than for these two amendments and for the mandatory increases in the per pupil minimums explained in paragraph 3.2.** The indicative impact of these amendments is shown in Appendix 1. Please also refer to the explanation of the modelling in paragraph 4.

3.15 To explain further the change in the pupil mobility factor.

* Pupil mobility is an optional factor. Where this is used, local authorities must use the methodology prescribed by the DfE. This methodology has changed for 2020/21.
* Currently for 2019/20 the prescribed methodology is as follows (quoting the DfE’s operational guidance): “This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils). There is a 10% threshold, and funding is allocated based on the proportion above the threshold (for example, a school with 12% mobility will attract pupil mobility funding for 2% of pupils).” The source of information is the October Census (start dates recorded by schools on their systems). In this regard, there has always been vulnerability in this data and the Authority has been required to correct obvious errors for individual schools and academies e.g. where maintained schools have converted to academy and have given all pupils a new start date as the conversion date or where schools and academies have incorrectly entered multiple start dates on their systems.
* The DfE’s new NFF-led factor for 2020/21 works as follows (quoting the DfE’s operational guidance): “Rather than relying on a single census, this new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census. To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.” The DfE’s new methodology, in tracking UPNs rather than relying on start dates, is a much more robust measure of true mobility, avoiding the risk of erroneous data that comes from inaccurate recording.
* Pupil mobility is a cost issue for a number of our schools and academies and we have previously agreed that allocating funding to recognise this ‘adds value’ to our overall formula funding approach. We therefore, propose to continue to include this factor in our local formula in 2020/21 and on this basis, we will be required to use the new methodology. The inclusion of this factor also aligns with our overall approach of continuing to closely mirror the NFF as this incrementally develops.
* The impact of the methodology change for individual schools and academies, based on census information up to October 2018, is illustrated in Appendix 1. Schools and academies are reminded that the Minimum Funding Guarantee protects against any losses in this factor insofar as all schools and academies are guaranteed a minimum value of per pupil increase in 2020/21. Schools and academies are also reminded that actual 2020/21 allocations will be based on the dataset provided by the DfE in December, which will incorporate the latest available census data.

**Question 1 - Do you agree that, subject to final affordability, our local formula in 2020/21 should mirror the DfE’s 2020/21 NFF and that this formula should be used to calculate primary and secondary school and academy formula funding allocations? If not, please explain the reasons why not.**

**Question 2 – Do you agree that our formula in 2020/21 should continue to include funding for Pupil Mobility, which will be calculated using the DfE’s new NFF factor? If not, please explain the reasons why not.**

**Decision 3** – Whether we continue unchanged our existing local approaches to the factors not yet covered by the NFF

3.16 **Business rates** will continue to be funded at actual cost and this is not a matter under consultation.

3.17 **We propose to continue in 2020/21 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 within the split site formula in line with the NFF, subject to final affordability.

3.18 **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. The DfE is currently looking how PFI funding can be brought into the NFF but there is no timescale for this yet.

3.19 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 and until the outcomes of the DfE’s reviews are known. Please see Appendix 2.

3.20 Also as explained in the introduction, **we propose to continue to protect SEND Floor allocations for primary and secondary schools and academies at 2017/18 levels.** We are minded not to propose any amendments and until the outcomes of the DfE’s reviews are known. Please see Appendix 2.

**Question 3a - Do you agree with the proposal to continue to use our existing formula for the allocation of split sites funding? 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? 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? If not, please explain the reasons why not.**

**Question 3d - Do you agree with the proposal to continue to protect SEND Funding Floor allocations at 2017/18 cash values? If not, please explain the reasons why not**

**Decision 4** – The value of Minimum Funding Guarantee (MFG) we provide

3.21 The Government permits the MFG to be set between positive 0.5% and positive 1.84%. 1.84% is the DfE’s measure of inflation in 2020/21 (the forecasted GDP deflator). 1.84% would mean, for example, that a school that is funded on the MFG and has the same total pupil numbers recorded in October 2019 as in October 2018 would receive in 2020/21 its 2019/20 core formula funding cash value plus 1.84%.

**3.22 Subject to final affordability, we propose to the set the Minimum Funding Guarantee (MFG) in 2020/201 at the maximum level of positive 1.84%.** The impact of this is shown, illustratively, at individual school and academy level in Appendix 1. Where we cannot afford 1.84% in addition to the full mirroring of the NFF (decision 2), due to the cost of data change from the October 2019 Census, we will discuss with the Schools Forum how to provide for the right balance of uplift between schools on and of the MFG and how to deliver the maximum value of MFG possible.

*3.23 Please be aware however, that the Schools Forum on 16 October agreed with a proposal made by the Local Authority to approach the ESFA with a request to alter the calculation of the Minimum Funding Guarantee in 2020/21, by adjusting the 2019/20 baselines to add back in the contribution each school made to the £2m transfer to the High Needs Block. This will have the effect of increasing the Minimum Funding Guarantee from 1.84% to 2.30% for schools and academies that are funded by the MFG in 2020/21, when 2020/21 allocations are compared against 2019/20 actuals. The delivery of this amendment, and a higher MFG level, is subject both to ESFA approval (as it is outside the normal Regulations) as well as final affordability. The impact of this is not shown in Appendix 1. We are unlikely to know whether the ESFA approves this amendment before December.*

**Question 4 - Do you agree with the proposal, subject to final affordability, to set the Minimum Funding Guarantee at the maximum 1.84% in 2020/21? If not, please explain the reasons why not.**

**Decision 5 –** Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block

3.23 The DfE’s National Funding Formula does not yet include a methodology, which prescribes how Growth Funding should be allocated at individual school or academy level. Local authorities in 2020/21 therefore, retain the responsibility for determining arrangements locally, albeit within tight Regulations. Local authority compliance with these Regulations is checked annually by the ESFA. **Our proposed Growth Fund arrangements and criteria are set out in the documents embedded under paragraph 6. These are unchanged from current arrangements.**

3.24 We established this year a new Falling Rolls Fund for our primary phase. The first allocations from this are expected to be presented to the Schools Forum in March 2020. **Our proposed Falling Rolls Fund arrangements and criteria are set out in the document embedded under paragraph 7. These are unchanged from current arrangements.**

3.25 This document also asks for feedback on the continuation for the 2020/21 financial year of funds de-delegated from maintained primary and secondary schools. **Our proposed de-delegated fund arrangements and criteria are set out in paragraph 5 and Appendix 3. These are unchanged from current arrangements.**

**Question 5 - Do you agree with the proposed criteria and methodology for the allocation of the Growth Fund to schools and academies in 2020/21? If not, please explain the reasons why not.**

**Question 6 - Do you agree with the proposed criteria and methodology for the allocation of the Falling Rolls Fund to primary-phase schools and academies in 2020/21? If not, please explain the reasons why not.**

**Question 7 – Should sums continue or cease to be de-delegated from maintained school budgets in 2020/21 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 decisions that are required to be taken for 2020/21 are relatively simple, and are related more to the values of formula factors than changes in the factors themselves, the modelling attached with this document is also relatively simply. **Appendix 1a** is a single sheet model, which shows the actual formula funding position of each primary and secondary school and academy for the current 2019/20 financial year compared against the illustrative position for 2020/21 incorporating the Authority’s proposals. **Appendix 1b** is a ready reckoner, which provides a by factor breakdown of the totals (columns 2 and 8) for each school and academy. To clarify:

* All modelling for academies uses the Authority’s calculated financial year figures not the academic year GAG allocations calculated by the EFSA (which the Authority does not see).
* The totals in Appendix 1a for both 2019/20 (column 2) and 2020/21 (column 8) are the core-formula funding allocations excluding business rates, split sites and PFI. The totals also exclude High Needs funding, Growth Funding, Early Years funding, Post 16 funding and all other additional grants (PPG, UIFSM, Teacher Pay Grant, Teacher Pensions Grant etc).
* The 2020/21 illustrative allocations (columns 8 to 12) are calculated using an estimate of pupil numbers that will be recorded in the October 2019 Census (column 7) i.e. the cash differences between 2019/20 and 2020/21 allocations include the impact of the estimated growth or reduction in pupil numbers between October 2018 and October 2019.
* The 2020/21 illustrative allocation for Pupil Mobility (column 12) is calculated on the data provided by the DfE according to its new methodology, which is still to be updated for the censuses taken in 2019.
* Apart from pupil numbers and Pupil Mobility, all other data used to calculate the 2020/21 illustrative allocations e.g. FSM%, IDACI scores, prior attainment %s, is the same as that used to calculate 2019/20 actual allocations, sourced from the October 2018 Census. Actual 2020/21 allocations will be calculated on updated data sourced from the October 2019 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 specific impact of the change in the Pupil Mobility factor (column 13). This is the clean impact before any losses are protected by the Minimum Funding Guarantee. This modelling highlights the rationale for the proposal to move in transition, rather than in a single step, to the full use of the NFF variable value in the primary phase.
* The range of % uplifts that may be received by schools and academies next year in total cash and per pupil terms (columns 15 and 18), incorporating changes in pupil numbers between October 2019 and October 2018. However, to aid understanding, column 19 gives the % change in per pupil funding when the 2020/21 allocations are calculated using the same pupil numbers as used for 2019/20.
* How proposals, combined with the estimated changes in pupil numbers at October 2019, affect the cash values of formula funding allocations by school and academy in 2020/21 (column 14).
* The schools and academies funded in 2019/20 on the existing £3,500 (primary) and £4,800 (secondary) minimums (column 5) and those that benefit through the increase in these minimums to £3,750 + 7.1% (primary) and £5,000 + 4.2% (secondary), including the schools and academies that are funded on these minimums for the first time in 2020/21 (column 11). Columns 3 and 9 show the total per pupil funding values for 2019/20 and 2020/21 respectively to enable schools to see how their values relate to the existing and uplifted 2020/21 minimums.
* The primary schools and academies that will potentially benefit from the further increase in the minimum per pupil funding value from £3,750 to £4,000 in 2021/22. Column 9 illustratively shows the per pupil funding value in 2020/21. If this is lower than £4,000 then the school or academy will see its per pupil funding increase to at least £4,000 in 2021/22. Multiplying the difference between £4,000 and the figure in column 9 by the pupil numbers in column 7 will give an indication of the cash value of this increase. Please treat this with caution however, and be aware that the actual benefit of this increase in 2021/22 will need to be re-calculated once 2020/21 final allocations are confirmed. We estimate on current data that 49 (a third) primary schools and academies will see an uplift in funding to £4,000 in 2021/22.
* The schools and academies funded in 2019/20 on the Minimum Funding Guarantee (MFG) that may remain on the MFG in 2020/21 to receive the proposed minimum 1.84% per pupil increase. Schools and academies that are funded on the MFG in 2019/20 have a positive figure in column 4. Schools and academies that may remain on the MFG in 2020/21 also have a positive figure in column 10. If the figure in column 4 is zero then the school is not on the MFG in 2019/20. If the figure in column 10 is zero then the school is modelled to be off the MFG in 2020/21.
* The schools and academies funded in 2019/20 on the Minimum Funding Guarantee (MFG) that may come off the MFG in 2020/21 because of the size of uplift (+4% in National Funding Formula values), meaning that they may receive an increase above 1.84% per pupil in 2020/21, depending on their data recorded in October 2019, but lower than 4% (because the value of MFG protection previously allocated is deducted from the school’s total gain). If the figure in column 4 is positive and the figure in column 10 is zero then the school is modelled to come off the MFG in 2020/21 as a result of the funding uplift.
* The schools and academies that are not currently funded on either the Minimum Funding Guarantee or the per pupil minimums i.e. they are funded purely on the National Funding Formula, and may remain so in 2020/21, depending on their data recorded in October 2019. These schools and academies have zeros in all of columns 4, 5 10, and 11. These schools and academies may receive an uplift more in line with the overall +4% National Funding Formula uplift (reduced slightly from 4% in total % terms because the FSM factors are only increasing by 1.84%). However, they are also more directly affected by data change and their 2020/21 positions could change significantly where the data recorded in the October 2019 Census is significantly different from October 2018.

4.3 We would like to re-iterate that schools and academies must recognise that, although the 2020/21 settlement overall is better than previously estimated, it is likely that additional costs will come alongside this. Schools must ensure that growth in costs, above that which has previously been budget for, are met before they consider allocating any per pupil funding increase to other or new activities.

4.4 On the basis of the illustrative modelling in Appendix 1, the formula funding landscape in Bradford in 2020/21 is as follows:

* Primary phase: 97 out of 156 schools (62%), including academies, are funded on the Minimum Funding Guarantee (at 1.84%). 22 schools are funded at the £3,750 minimum level. All other schools are funded above £3,750 per pupil.
* Secondary phase: 7 out of 31 schools (23%), including academies, are funded on the Minimum Funding Guarantee (at 1.84%). 3 schools are funded at the £5,000 minimum level. All other schools are funded above £5,000 per pupil.
* All through schools: 1 out of the 4 academies (25%) is funded on the Minimum Funding Guarantee (at 1.84%). All of these academies are funded above the composite minimum level.

4.5 If you would like to discuss the modelling in more detail, or discuss the data on which allocations are calculated, please contact Andrew Redding.

**5. 2020/21 Schools Block De-Delegated Funds**

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

5.4 The Schools Forum will further discuss the position of de-delegated funds for 2020/21 over the autumn term. This document asks for your feedback so this can be considered as part of these discussions. This consultation asks for your views only on whether funds should continue to be de-delegated. Please be aware that the values of these funds, where they continue, will be considered further. We would generally expect the values of funds to match anticipated cost pressures and to take account of the impact of maintained schools converting to academy status.

5.5 Please be aware that due to the timescale necessary for confirmation, the Schools Forum has already decided to continue de-delegation in 2020/21 from maintained primary schools for the purposes of subscribing to Fischer Family Trust.

5.6 Maintained schools are reminded that:

* Schools Forum members representing maintained secondary schools agreed for the 2017/18 DSG round to the cessation of de-delegation for the Maternity / Paternity ‘insurance’ scheme, Fischer Family Trust, Exceptional Circumstances and School Staff Public Duties and Suspensions from the secondary phase. 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 the cessation of de-delegation for behaviour support services at 1 September 2018. Maintained schools now have the choice to buy into these services directly.

5.7 The following ‘de-delegated’ funds are held in the current 2019/20 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).

Further information on these funds, including values held in 2019/20 and the criteria by which they are allocated, is given in Appendix 3.

5.8 We do not propose amendment in 2020/21 to the criteria for the allocation of de-delegated funds.

5.9 If funding is not de-delegated for the purposes listed in 5.7 above, then the funding will remain within maintained school budgets for schools to provide for the cost of services from their own resources, including purchasing services 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 making final recommendations, the Schools Forum will consider specific responses to this consultation along with the overall most effective approach for maintained schools across the District. Please contact your Schools Forum representatives if you have any specific comments on these funds.

5.10 The Schools Forum considered on [14 March 2018](https://bradford.moderngov.co.uk/ieListMeetings.aspx?CId=160&Year=0) (and again in December 2018) 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.

5.11 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. The maternity / paternity scheme will remain in place for 2020/21, subject to agreement through this consultation. However, the continuation of this from April 2021 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.

**6. Schools Block Growth Fund**

6.1 We operate a Growth Fund within the Schools Block, which supports both maintained schools and academies expanding for basic-needs purposes at the request of the Local Authority to manage more effectively the financial pressures brought by places 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 or academy level. Local authorities in 2020/21 therefore, retain the responsibility for determining arrangements locally, albeit within tight Regulations. Local authority compliance with these Regulations is checked annually by the ESFA.

6.3 Our proposed Growth Fund arrangements and criteria are set out in the documents embedded below. These are unchanged from current arrangements. Please note that the values highlighted in red within the documents will be updated for 2020/21 values once finalised.





6.4 For reference, the value of the Schools Block Growth Fund in 2019/20, broken down between phases and types, is shown in the table below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Primary** | **Secondary** | **Total** |
| Existing Known Expansions  | £263,937 | £217,650 | £481,587 |
| Existing Bulge Classes  | £233,171 | £0 | £233,171 |
| New Expansions | £200,000 | £645,000 | £845,000 |
| Pre-Opening Costs | £0 | £0 | £0 |
| Diseconomies of Scale | £10,417 | £500,000 | £510,417 |
| **Total Value 2019/20** | **£707,525** | **£1,362,650** | **£2,070,175** |

We will confirm the value of the Schools Block Growth Fund for 2020/21 as part of the DSG setting process, which will be concluded with the Schools Forum in January 2020.

**7. Falling Rolls Fund 2020/21 (Primary Phase)**

7.1 The issue of under-subscription and / or falling rolls was initially raised with the Schools Forum in September 2018. A small number of maintained primary schools asked whether / what additional support can be provided to help them manage low pupil numbers to protect school standards. Schools have typically asked for support a) in helping to control the predictability of admission numbers (via PAN arrangements) and b) in helping to manage the financial impact of unpredictable and / or uneven pupil numbers.

7.2 Following our autumn 2018 consultation, the Schools Forum established for 2019/20 a new Falling Rolls Fund for the primary phase. The first allocations from this fund are expected to be presented to the Schools Forum in March 2020 (at the end of the 2019/20 financial year).

7.3 We expect to continue to operate this Fund in 2020/21 using the established criteria, which are presented in the embedded document below. This will continue for the primary-phase only.



**8. Consultation Responses**

8.1 Please use the responses form in Appendix 4 to submit your views on the proposals outlined in the consultation. There is space on this form for you to comment on any aspect of the proposals. If you wish to discuss these proposals in more detail, or have any specific questions, please contact Andrew Redding, using the contact details shown in paragraph 1.

8.2 Please ensure that your response is submitted by the deadline of **Friday 29 November 2019.** Any responses received after this deadline date may not be included in the overall analysis presented to the Schools Forum.

**9. Next Steps**

9.1 Following consideration of the responses to this consultation and the recommendation of the Schools Forum, the structures of the primary and secondary funding formulae to be used to calculate budgets in 2020/21, and the criteria for the allocation of Schools Block DSG contingency funds and growth funds, will be set by the Council’s Executive.

9.2 Discussions on the overall DSG funding position for 2020/21 will take place in the Schools Forum between now and January 2020. You are recommended to keep in touch with these discussions by visiting the Schools Forum webpage on the Council’s Minute’s site [here](https://bradford.moderngov.co.uk/ieListMeetings.aspx?CId=160&Year=0).

9.3 It is anticipated that the Schools Forum will make its final recommendations on 2020/21 arrangements on Wednesday 8 January 2020.

**10. 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

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 Council’s primary & secondary school and academy funding model.

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

Local authorities are required to define for each primary and secondary school the value of formula funding that is ‘notionally’ allocated for SEND (for meeting the first £6,000 of needs for pupils with EHCPs and the needs of pupils without EHCPs). Our calculation has built up over time. How Bradford currently defines notional SEND (the %s of funding in each factor that make up this budget) is shown in the table below.

|  |  |  |
| --- | --- | --- |
| **Formula Factor** | **% Primary** | **% Secondary** |
| 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% of a school’s allocation under the Early Years Single Funding Formula, for schools and academies that have nursery provision, is also defined to be available for supporting SEND in early years.

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

The SEND Floor provides a ‘top up’ where the SEND formula does not allocate a minimum level of funding, after the cost of EHCPs has been removed. This is re-calculated on a monthly basis for changes in EHCP positions. SEND formula funding is defined as the notional SEND in the table above but does not include the 5.5% (primary) / 4.5% (secondary) of the Base £APP element. The floor tops up funding to these minimums:

* For Primary schools and academies: £19,931 or £69.10 per pupil (whichever is greater).
* For Secondary schools and academies £75,337 or £69.10 per pupil (whichever is greater).

The values of SEND Floor allocations for individual primary and secondary schools and academies are currently protected at 2017/18 cash levels i.e. schools and academies in 2019/20 received at least the value of allocation they have received in 2017/18.

**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:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **Primary Lump** | **Primary APP** | **Secondary Lump** | **Secondary APP** |
| *Essential* | £8,514.75 | 0.00 | £9,782.62 | 0 |
| *A* | 0 | £107.73 | 0 | £113.67 |
| *B* | £18,426.01 | £9.15 | £20,558.87 | £12.78 |

* Split sites funding is paid to all schools and academies that meet the above criteria.
* Federated schools are not eligible for split sites funding.
* Where 2 schools have amalgamated and the new school is operating across a split site, the school will not be eligible for split sites funding whilst it is in receipt of the additional lump sum (in the year immediately after amalgamation).
* Funding is only applicable for Reception to Year 11 mainstream provision.
* We would not expect split sites funding to apply to co-located or offsite behaviour centres.

**PFI (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 / 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.

**Other Technical Matters**

The following aspects of the current mainstream primary and secondary formula funding framework remain in place in 2020/21:

* DSG sourced formula funding allocations for primary (reception to year 6) and secondary (pre 16) will be calculated on the October (2019) Census.
* Unlike formula funding, the Pupil Premium Grant will continue to be allocated on January (2020) Census pupil numbers.
* 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, low prior attainment, English as an additional language, pupil mobility and looked after children factors. We allocated 91.8% of the delegated schools block funding via the pupil-led factors in 2019/20, and the modelling included in this consultation indicates that we continue at least at this % in 2020/21.
* The Minimum Funding Guarantee (MFG) continues to be the only protection mechanism available for individual primary and secondary school and academy allocations.
* The existing framework for the funding of High Needs pupils continues. A High Needs pupil is still defined, for financial purposes, as one whose education costs more than £10,000 per year. The first elements of funding for High Needs pupils continue to be already delegated within budget shares. A top up is then allocated separately, on a monthly basis, for the cost of additional support above the £6,000 threshold. This is set out in more detail on our consultation on high needs funding.
* Allocations for academies and free schools will 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 each year to calculate individual allocations.

**Appendix 3: Purposes of Schools Block De-Delegated Funds Retained in 2020/21**

1. **FSM Eligibility Assessments:**

This fund covers the work the Local Authority’s Benefits Team does in relation to Free School Meals 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 2020/21, schools will either need to undertake FSM assessment themselves or purchase services. The Local Authority offers a traded service to academies.

1. **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. Government funding for the FFT was withdrawn at March 2012. As a consequence, the FFT restructured their pricing and data access policies. The purchasing of the data through the Local Authority offers 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 2020/21, maintained primary schools will need to purchase their own licences to access FFT data, on an individual basis or as a cluster of schools. Please be aware that due to the timescale necessary for confirmation, the Schools Forum has already decided to continue de-delegation in 2020/21 from maintained primary schools for the purposes of subscribing to Fischer Family Trust.

1. **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 discussed the delegation of this pot to schools on a number of occasions over the last ten years or so, and has always concluded that the protection this centrally managed fund offers, especially to smaller schools, against the disproportionate and unpredictable nature of maternity / costs is vital.

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

If this de-delegated fund is not held in 2020/21, maintained primary schools will not be reimbursed for the salary cost of staff on maternity / paternity leave and would have to make alternative arrangements to manage this cost, 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. The maternity / paternity scheme will remain in place for 2020/21, subject to agreement through this consultation. However, the continuation of this from April 2021 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.

1. **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 - NUT, NASUWT, 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:

* NUT has 2.1 FTE lay officials (10.5 days per week)
* NASUWT has 1.8 FTE lay officials (9 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 2020/21, 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 2020/21, 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 considered on [14 March 2018](https://bradford.moderngov.co.uk/ieListMeetings.aspx?CId=160&Year=0) (and again in December 2018) 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.

1. **School Staff Public Duties and Suspensions Fund:**

This fund has historically acted, on a similar basis to maternity / paternity payments, 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 2020/21, maintained primary schools will not be reimbursed for the salary cost of staff and would have to make alternative arrangements to manage this cost.

1. **School Re-Organisation Costs:**

This fund serves 2 purposes and the proposed criteria for allocating funding in 2020/21 are unchanged from 2019/20:

* 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.
* 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.

If this de-delegated fund is not held in 2020/21, 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.

1. **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 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 for 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 is the most common reason for schools requesting exceptional funding. The criteria for allocating funding in such circumstances in 2020/21 are unchanged from 2019/20 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.

**2019/20 Schools Block De-Delegated Funds: Values**

The table below shows the total values that were de-delegated from individual school budgets in the current financial year (before reductions have been made following the conversion of maintained schools to academy status during the year).

|  |  |  |  |
| --- | --- | --- | --- |
| **Fund** | **Primary** **£** | **Secondary £** | **Total Value £** |
| FSM Eligibility Assessments | £42,281 | £14,376 | **£56,658** |
| Fischer Family Trust – School Licences  | £21,499 | n/a | **£21,499** |
| School Maternity / Paternity ‘insurance’  | £774,017 | n/a | **£774,017** |
| Trade Union Facilities Time | £128,818 | £39,249 | **£168,067** |
| Trade Union Health and Safety Rep Time | £19,685 | £5,998 | **£25,682** |
| School Staff Public Duties & Suspensions Fund  | £26,283 | n/a  | **£26,283** |
| School Re-Organisation Costs – Safeguarded salaries | £24,115 | £3,071 | **£27,186** |
| School Re-Organisation Costs – Deficit Budgets | £110,600 | n/a | **£110,600** |
| Exceptional Costs & SIFD | £73,600 | n/a | **£73,600** |
| **Totals** | **£1,220,898** | **£62,694** | **£1,283,591** |

These total values were de-delegated from 2019/20 individual maintained school budgets on a flat amount per pupil basis, with the exception of FSM Eligibility Assessments, which has been de-delegated on an amount per Ever 6 FSM formula pupil, as follows:

|  |  |  |
| --- | --- | --- |
| **Fund** | **Primary £app** | **Secondary £app** |
| FSM Eligibility Assessments (per FSM) | £5.80 | £5.14 |
| Fischer Family Trust – School Licences  | £0.76 | n/a |
| School Maternity / Paternity ‘insurance’  | £27.41 | n/a |
| Trade Union Facilities Time | £4.56 | £4.56 |
| Trade Union Health and Safety Rep Time | £0.70 | £0.70 |
| School Staff Public Duties & Suspensions Fund  | £0.93 | n/a |
| School Re-Organisation Costs – Safeguarded salaries | £0.85 | £0.36 |
| School Re-Organisation Costs – Deficit Budgets | £3.92 | n/a |
| Exceptional Costs & SIFD | £2.61 | n/a |
| **Total Per Pupil** | **£41.74** | **£5.62** |
| **Total Per FSM (Ever 6)** | **£5.80** | **£5.14** |

Each maintained school has contributed from its 2019/20 delegated budget share the amount 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 & INFORMATION ON PRIMARY & SECONDARY FUNDING FORMULAE 2020/21 FINANCIAL YEAR**

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

Please choose your phase below:

PRIMARY [ ]  SECONDARY [ ]

**THE DEADLINE FOR RESPONSES TO THIS CONSULTATION IS FRIDAY 29 NOVEMBER 2019**

Please send completed questionnaire responses to:

School Funding Team (FAO Andrew Redding)

City of Bradford Metropolitan District Council

Britannia House (1st Floor)

Hall Ings

Bradford

BD1 1HX

Tel: 01274 432678

Fax: 01274 435054

Email: andrew.redding@bradford.gov.uk

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

**Question 1 - Do you agree that, subject to final affordability, our local formula in 2020/21 should mirror the DfE’s 2020/21 NFF and that this formula should be used to calculate primary and secondary school and academy 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 our formula in 2020/21 should continue to include funding for Pupil Mobility, which will be calculated using the DfE’s new NFF factor? 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? 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? 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? 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 3d - Do you agree with the proposal to continue to protect SEND Funding Floor allocations at 2017/18 cash values? 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 1.84% in 2020/21? 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 agree with the proposed criteria and methodology for the allocation of the Growth Fund to schools and academies in 2020/21? 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 6 - Do you agree with the proposed criteria and methodology for the allocation of the Falling Rolls Fund to primary-phase schools and academies in 2020/21? 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 – Should sums continue or cease to be de-delegated from maintained school budgets in 2020/21 for the purposes listed? Please explain the reasons why if you believe that these should cease or change.**

 ***YES - de-delegate NO***

 **FSM Eligibility Assessments** **[ ]** **[ ]**

 **School Maternity / Paternity ‘insurance’** **[ ]** **[ ]**

 **Trade Union Facilities Time** **[ ]** **[ ]**

 **Trade Union Health and Safety Rep Time** **[ ]** **[ ]**

 **School Staff Public Duties and Suspensions Fund** **[ ]** **[ ]**

 **School Re-Organisation Costs [ ]  [ ]**

 **Exceptional Costs & Schools in Financial Difficulty [ ]  [ ]**

*(please note that subscription to Fischer Family Trust is not listed as the decision has already been made by the Schools Forum)*

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 Andrew Redding by Friday 29 November 2019:***

* *E-mail:* **andrew.redding@bradford.gov.uk**
* *Fax:* **01274 435054**
* *Post:* **School Funding Team (FAO Andrew Redding)**

**City of Bradford Metropolitan District Council**

**Britannia House (1st Floor)**

**Hall Ings**

**Bradford**

**BD1 1HX**