

Bristol Schools Forum
Schools Block 2020/21

Date of meeting:	15 th January 2020
Time of meeting:	5:00 pm
Venue:	City Hall

1. Purpose of report

- 1.1 To inform and seek agreement of the Schools Forum on the application of the funding formula for mainstream schools and academies for 2020/21, prior to final decision by Cabinet and submission of the Authority Proforma Tool (APT) to the Education and Skills Funding Agency.

2. Recommendations

Schools Forum is invited to:

- 2.1 Indicate which of the proposed formula models for the 2020/21 mainstream funding formula is preferred
- 2.2 Endorse the preferred proposed arrangements for the 2020/21 mainstream funding formula, including the amount set aside for the Growth Fund
- 2.3 Provide feedback, as appropriate, to Cabinet and Council, for their consideration in making final decisions on the Schools Budget for 2020/21.

3. Funding available

- 3.1 The DSG overview paper elsewhere on this agenda explains the overall strategy for schools finance for 2020/21. This indicates that the funding for Schools Block in 2020/21 is proposed to be £273.9m.
- 3.2 Schools Forum has previously indicated willingness for the transfer of 0.5% of the Schools Block to the High Needs, and expressed a preference for the Minimum Funding Guarantee (MFG) to be set at +0.5%.
- 3.3 A majority of schools responding to the formula consultation have also indicated their agreement to the transfer of 0.5% of Schools Block to the High Needs Block, and for the MFG to be set at +0.5%.
- 3.4 In addition Schools Forum needs to approve the top-slice of Schools Block to create the Growth Fund for 2020/21. Known current commitments in 2020/21 are estimated to be approximately £1.6m, so the LA is recommending a Growth Fund allocation of £2.0m, to meet this expected cost and to allow for any new commitments which may arise as the primary age bulge continues to move into secondary phases.

3.5 **Table 1** sets out how it is proposed that this funding be calculated and applied.

Table 1: Proposed Schools Block Budget 2020/21

Funding	£'000	Cost	£'000
Pupil led DSG funding	£261.6	Transfer of 0.5% to HNB	£1.4m
Premises led DSG funding	£9.6m	Growth Fund	£2.0m
Protection funding	£0.0m	Balance remaining for Mainstream Schools formula	£270.5m
Growth funding	£2.6m		
DSG Schools Block Total Allocation	£273.9m	Schools Block Total	£273.9m

3.6 The component elements of the calculation have been refreshed, now that the October 2019 census information has become available. Each of the components is explained below.

3.7 **Pupil led DSG funding £261.6m.** This is the sum allocated to the LA based on the number of pupils recorded in the October 2019 census. Primary age pupils attract unit funding of £4,276.40 and secondary age pupils attract unit funding of £5,578.84. The allocation to Bristol is based on a recorded 36,150.50 primary age pupils and 19,180.67 secondary age pupils.

3.8 **Premises led funding £9.6m.** This is the element of the Schools Block DSG that recognises costs not defined by NFF values, and is derived from the 2019/20 NFF baseline.

3.9 **Protections funding £0.0m.** This element is additional funding awarded to LAs in order to be able to meet minimum funding thresholds. Bristol receives nothing from this factor as the funding received through the pupil and premises led allocations is sufficient to exceed the minimum funding levels.

3.10 **Growth Funding £2.6m.** This element of the DSG Schools Block settlement is calculated by the ESFA based on the observed differences between the October 2018 and October 2019 school censuses. Growth is measured at the level of middle layer super output areas (MSOAs). This allocation is intended to meet the cost of both the growth fund and the additional cost of those pupils in growing schools not yet present in the school census, but can be insufficient as it is based on the historic change and not the anticipated change it is required to fund.

- 3.11 **Schools Block Total £273.9m.** This is the sum of the proposed allocations above.
- 3.12 **Transfer 0.5% of Schools Block to High Needs Block £1.4m** Schools Forum approved the transfer of 0.5% of the Schools Block to the High Needs Block at its meeting in November 2019. 0.5% is the maximum the DfE allows to be agreed locally.
- 3.13 **Growth Fund allocation £2.0m** This funding is the top-slice of the Schools Block taken in order to fund growth expansions in existing schools for the following academic year, separate to the growth commitment in “new and growing” schools” which is funded within the formula mechanism. The commitment for 2020/21 is estimated at £1.6m, leaving £0.4m for new commitments that may arise during the admissions round.
- 3.14 **Balance remaining for Mainstream Schools formula £270.5m.** This is the remainder of the Schools Block allocation available for the mainstream funding formula.
- 3.15 **Schools Block Total £273.9m.** This is the total of the elements above.

4. Growth Fund

- 4.1 The growth funding into the Schools Block is £2.6m, and this intended to support both the “new and growing” schools funded via the APT and create a growth fund to support existing schools that have been expanded..
- 4.2 Officers have estimated the requirement in “new and growing schools” to be for 180 pupils, and this cost is built into the school funding formula.
- 4.3 Officers have also looked at the existing commitments on the Growth Fund and projected these forward for a potential cost in 2020/21. This commitment is anticipated to be in the region of £1.6m.
- 4.4 In addition to the existing known commitments it is possible further expansion may be needed, as the primary age bulge continues to move into secondary schooling. The allowance of £0.4m above the anticipated commitment will provide for approximately 120 additional secondary age pupils for the period September 2020-March 2021 (7/12ths of the financial year).

5. Funding formula

- 5.1 Schools Forum agreed the principles for the operation of the mainstream formula at its meeting in November 2019, including:

- Appropriate allocations are made for rates
 - A Minimum Funding Guarantee of +0.5%
 - No capping
 - The Additional Educational Needs (AEN) factor values to be a function of the available funding
 - An appropriate allocation is set for the Growth Fund
 - The level of de-delegation for maintained primary and secondary schools.
- 5.2 Three options for the Schools Block formula have been modelled within the above constraints:
- Using the 2019-20 formula unit values as the starting point
 - Using the NFF unit values as the starting point, including the NFF lump sum value
 - Using the NFF unit values as the starting point, but keeping the lump sum at £125,000
- 5.3 A majority of schools that responded to the consultation preferred the NFF as the starting point (24, as opposed to 9 preferring the 2019/20 formula, and six schools expressing no preference).
- 5.4 Officers have presented the option to hold the lump sum at £125,000 as it is proportionately more beneficial for smaller schools.
- 5.5 The first option, using the 2019-20 formula unit values as the starting point, directs the most money via the formula factors rather than via the minimum funding guarantees, whilst the second option requires the greatest proportion of the available funding to support minimum funding.
- 5.6 Option 1 favours the most primary schools, but is the least option for most secondary schools, whilst option 2 favours the vast majority of secondary schools but is the worst option for most primary schools. Option 3 is more of a middle ground, being neither the most favourable or the least beneficial option for the majority of schools.
- 5.7 Nineteen schools receive the same level of funding from all three of the proposals.
- 5.8 The range between the best option and the least option for individual school budgets is 3%, with the best allocation being 100% and the least being 97% of the most beneficial allocation.
- 5.9 The detail of the unit values, the allocations against factors and individual school budget shares of each presented model are shown in the appendices.
- Appendix A shows the formula unit values
 - Appendix B shows the distribution of the funding across the relevant factors
 - Appendix C shows the school budget shares as modelled

- Appendix D indicates which model benefits each school the most, on a RAG indicator, along with the difference between the greatest and least budget shares awarded.

6. Future funding arrangements

- 6.1 Whilst two years ago the DfE intended that the hard National Funding Formula should be introduced by 2020/21, this has not happened. There has been a further reduction in local discretion though with the mandatory minimum funding levels, enforced positive MFG and reduced scope to transfer funding between blocks.
- 6.2 Information on future arrangements will be shared with Schools Forum as and when this becomes available.