

Bristol Schools Forum
Schools Block 2021/22

Date of meeting:	13 January 2021
Time of meeting:	5:00 pm
Venue:	Zoom

1. Purpose of report

- 1.1 To inform and seek agreement of the Schools Forum on the final application of the funding formula for mainstream schools and academies for 2021/22, 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 Approve the proposed arrangements for the 2021/22 mainstream funding formula, including the amount set aside for the Growth Fund
- 2.2 Provide feedback, as appropriate, to Cabinet and Council, for their consideration in making final decisions on the Schools Budget for 2021/22.

3. Funding available

- 3.1 The DSG overview paper elsewhere on this agenda explains the overall strategy for schools finance for 2021/22. This indicates that the allocated funding for Schools Block in 2021/22 is £297.3m.
- 3.2 At the meeting held November 2020, Schools Forum agreed to the transfer of 0.5% of the remaining Schools Block, after deduction of the protected sums allocated to the replacement of the Teachers Pay Grant and Teachers Pensions Employer Contributions Grant, to the High Needs Block, and expressed approval for the Minimum Funding Guarantee (MFG) to be set at +0.5%.
- 3.3 In addition Schools Forum approved a £2.0m top-slice of Schools Block to create the Growth Fund for 2021/22.
- 3.4 **Table 1** sets out how it is proposed that this funding be calculated and applied.

Table 1: Proposed Schools Block Budget 2021/22

Funding	£'000	Cost	£'000
Pupil led DSG funding	£285.2	Transfer of 0.5% to HNB	£1.4m
Premises led DSG funding	£9.8m	Growth Fund	£2.0m
Growth funding	£2.3m	Balance remaining for Mainstream Schools formula	£293.8m
DSG Schools Block Total Allocation	£297.3m	Schools Block Total	£297.3m

- 3.5 The component elements of the calculation have been refreshed, upon release of the October 2020 census data. Each of the components is explained below.
- 3.6 **Pupil led DSG funding £285.2m.** This is the sum allocated to the LA based on the number of pupils recorded in the October 2020 census. Primary age pupils attract unit funding of £4,616.37 which is up from 2020-21's £4,276.40, whilst secondary age pupils attract unit funding of £6,000.90, up from £5,578.84. The allocation to Bristol is based on a recorded 35,867.5 primary age pupils, down from last year's 36,150.50. Secondary is based upon 19,938.0 pupils, up from last year's 19,180.67.
- 3.7 **Premises led funding £9.8m.** This is the element of the Schools Block DSG that recognises costs not defined by NFF values, and is derived from the 2020/21 NFF baseline.
- 3.8 **Growth Funding £2.3m.** This element of the DSG Schools Block settlement is calculated by the ESFA based on the observed differences between the October 2019 and October 2020 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.
- 3.9 **Schools Block Total £297.3m.** This is the sum of the proposed allocations above.
- 3.10 **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 2020. 0.5% is the maximum the DfE allows to be agreed locally.
- 3.11 **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 2021/22 is estimated at £1.6m, leaving £0.4m for new commitments that may arise during the admissions round.

- 3.12 **Balance remaining for Mainstream Schools formula £293.8m.** This is the remainder of the Schools Block allocation available for the mainstream funding formula, including the funding proportion ring-fenced to replace the teachers pay and pension contributions grants.
- 3.13 **Teacher Pay and Teacher Pensions Employer Contributions Grant funding**
The funding formerly provided to mainstream schools via the Teachers Pay Grant (TPG) and Teacher Pensions Employer Contributions Grants (TPECG) has been incorporated into the Schools Block of the DSG.
- 3.14 For 2021/22, the ESFA has inflated the 2020/21 Post MFG Budget of all mainstream schools subject to the funding formula by an amount representing the funding schools receive through the TPG, the TPECG and supplementary fund in respect of their reception to year 11 pupils.
- 3.15 This has the effect of raising each school’s baseline funding levels, which the 21/22 formula must provide against. The ESFA is ensuring schools receive more funding via the formula by imposing higher Minimum Per Pupil Funding levels and a positive MFG with no capping.
- 3.16 The uplift in each schools 2020/21 baseline, due to protected grants funding and as calculated by the ESFA is shown as part of the data presented in Appendix C.
- 3.17 **Schools Block Total £297.3m.** This is the total of the elements above.

4. Growth Fund

- 4.1 The growth funding into the Schools Block is £2.3m, 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 131 pupils, and this cost is built into the school funding formula.
- 4.3 Officers have also considered the existing commitments on the Growth Fund and projected these forward for a potential cost in 2021/22. This commitment is estimated to be approximately £1.5m.
- 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, and existing growth in secondary moves from KS3 to KS4. The remaining £0.5m over the estimated commitment will allow for additional as yet

unknown growth commitments to be supported 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 2020, including:
- Appropriate allocations are made for rates
 - A Minimum Funding Guarantee of +0.5%
 - The Additional Educational Needs (AEN) factor values to be a function of the available funding
 - The lump sum is preserved at £125,000 for both Primary and Secondary
 - An allocation of £2.0m is set for the Growth Fund
 - The level of de-delegation for maintained primary and secondary schools.
- 5.2 The Schools Block formula presented has been modelled within the above constraints, using the 2021/22 NFF unit values as the starting point.
- 5.3 The basic entitlement uses the AWPU rates from the NFF, these have been uplifted for 2021/22 by ESFA to reflect the increase in DSG funding and also to distribute the teachers pay and pension grant funding. The total funding distributed by these factors is £204.455m (70% of the pre-MFG total). The per-pupil rates for 2021/22 are as follows:
- Primary £3,123
 - KS3 (years 7-9) £4,404
 - KS4 (years 10-11) £4,963
- 5.4 The £125,000 lump sum for all settings distributes £16.0m (5% of the pre-MFG total).
- 5.5 After applying the above items we had funding available and have used this to increase all AEN factors by 8% above NFF rates following the decisions taken at previous forum meetings. This means that £58.673m (20% of pre-MFG total) is distributed through these factors.
- 5.6 The Minimum per Pupil funding levels were made a mandatory item in 2020/21 and remain mandatory in the formula, the rates have been increased this year to £4,480 for primaries and £5,415 for secondaries, with the increase reflecting the need to distribute the teachers pay and pension funding. 32 primary schools and 2 secondary schools will receive an uplift to meet this minimum per-pupil funding costing £41m (1% of pre-MFG funding). This is an increase from 2020/21 where the minimum per-pupil funding cost £2.0m.
- 5.7 After all the above factors MFG (Minimum Funding Guarantee) is applied, this increases the funding to 23 schools costing £0.8m, which is a slight reduction from the £1m in 2020/21.

- 5.8 Overall, only 16 out of 128 schools will receive less funding in 2020/21, when taking into account the teachers pay and pension funding a total of 33 schools will receive less total funding. In all cases this reduction in funding is being driven by a reduction in pupil numbers.
- 5.9 Forum should note that the formula is subject to final approval from ESFA so figures in the report and appendices are still indicative at this stage.
- 5.10 The detail of the unit values, the allocations against factors and individual school budget shares 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 and changes from 2020/21.

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. Local discretion remains the same as in 2020/21 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.