

## Report to Bury Schools' Forum – January 2020

### The National Funding Formulae for Schools and High Needs 2020 to 2021

#### Department for Education (DfE) Policy

#### Background

A great education is fundamental to the success of children, their families and our communities, as well as the success of our country. We want young people to have access to a world-class education system which will give them the best possible opportunities, whatever direction they choose to take.

The increase in funding that we announced at the end of August will help to make this a reality. Funding for schools and high needs will rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23, compared to 2019-20. This includes £780 million extra for high needs in 2020-21, to support children with special educational needs and disabilities.

This delivers on the Prime Minister's pledge to increase school funding by £4.6 billion above inflation by 2022-23. On top of this, we will provide £1.5 billion per year to fund additional pension costs for teachers. Overall, this will bring the schools budget to £52.2 billion in 2022-23. In 2020-21 alone, school funding will increase by 5% compared to 2019-20, while high needs funding will increase by 12%. This substantial investment will give schools the resources they need to raise standards even further, and to equip pupils with the skills and knowledge they need to succeed, no matter what their background or where they live.

This additional funding will also deliver on the Prime Minister's pledge to level up school funding. We are providing enough funding for every school to see their per pupil funding protected at least in line with inflation, whilst at the same time giving the biggest increases to those schools with the lowest funding. From next year, every secondary school will receive a minimum of £5,000 per pupil, with every primary school getting £3,750 - putting primary schools on the path to receiving at least £4,000 per pupil the following year.

The National Funding Formula for schools has made the funding system fairer, directing money based on the actual needs of schools and pupils rather than accidents of geography or history. In 2020-21, we will continue to implement the formula to address historic underfunding and move to a system where funding is based on need. To support this, we will remove the cap on schools' gains, so that underfunded schools attract all of the gains they are due.

Finally, we have confirmed the government's intention to move to a 'hard' National Funding Formula for schools as soon as possible, where every school's budget will be set on the basis of a single, national formula.

Making this transition will ensure that the funding system is fair and transparent for every school in the country, with similar schools receiving similar funding, no matter where they are located. We recognise that this will represent a significant change and we will work closely with local authorities, schools and others to make this transition as smooth as possible.

As a first step towards hardening the formula, from 2020-21 we will make it compulsory for local authorities to use the national minimum per pupil funding levels in their own funding formulae.

This document sets out the main changes to and overall design of the National Funding Formula in 2020-21. For a more detailed overview of the National Funding Formula as a whole, and changes that were made in 2019-20, please see the 2018-19 policy document and the 2019-20 policy document.

## Minimum per pupil funding levels

The additional money we have invested in schools means that we are able to significantly increase the minimum per pupil levels of funding. The minimum per pupil levels in 2020-21 will be set at £5,000 for secondary schools and £3,750 for primary schools – putting primary schools on the path to receiving at least £4,000 per pupil the following year. This is in line with the Prime Minister’s pledge to level up the lowest funded schools.

The minimum levels recognise that there are pupils requiring additional support in every school in the country, including in the lowest funded schools. The increase to the minimum levels will help to ensure that every child in the country – regardless of which school they attend, or where they grew up – can receive a superb education.

The minimum levels for all schools are calculated using a weighted average of the rates for primary, KS3 and KS4, which reflects the number of year groups a school has in each key stage. This ensures consistency for all schools, including those with non-standard year group structures. We will apply the following calculation:

$$\begin{aligned} & \text{(No. of primary year groups} \times \text{£3,750)} + \text{(No. of KS3 year groups} \times \text{£4,800)} + \\ & \text{(No. of KS4 year groups} \times \text{£5,300)} \\ & \text{Divided by} \\ & \text{Total number of year groups} \end{aligned}$$

This ensures per pupil funding of at least £3,750 for each primary school, and £5,000 for each secondary school, with standard structures of 7/5 year groups respectively. For middle schools, all-through schools and other schools with a non-standard year group structure this will produce a specific minimum per pupil value that relates to the number of year groups in each phase. For new and growing schools, the minimum will be calculated based on the number of year groups they will have in 2020-21, as recorded in the APT.

We intend to make the minimum per pupil funding levels a mandatory factor in local formulae in 2020-21, and we have launched a consultation on how best to implement this in local funding formulae. The consultation closes on 22 October 2019 and the government response will be published in November 2019. Making this factor mandatory will mean that the minimum levels that are provided for in the NFF are delivered locally, at the values used in the school NFF, reassuring school leaders and parents that every school will receive at least this level of funding.

**Update: DfE consultation response issued 19 December 2019 confirms the Minimum Funding Levels are now mandatory as per above.**

## Funding factor values

The additional money we have invested in schools for 2020-21 means that we can increase all of the key factors in the NFF by 4%. This means that schools which are already attracting their National Funding Formula allocations will attract a significant increase in both cash and real terms. The free school meals factor will be increased by 1.84% in line with inflation as the factor value is based on an estimate of the actual cost of providing school meals. Premises funding will continue to be allocated at local authority level on the basis of actual spend in the 2019 to 2020 APT, with the PFI factor increased in line with the RPIX measure of inflation (3.03%).<sup>2</sup>

## Moving towards a hard national funding formula

Since its introduction in 2018-19, the NFF has replaced an unfair, out-dated and opaque funding system with one that distributes funding based on schools' and pupils' needs and characteristics. This is directing resources where they are needed most, improving transparency and predictability for schools, and addressing historic disparities between areas.

Currently, local authorities retain flexibility over how they distribute the funding they receive through the NFF locally, in consultation with schools. This has allowed them to manage the transition towards the NFF, towards which we have seen significant progress in its first two years. The majority of local authorities have chosen to move towards the NFF locally, with 81 authorities this year moving every one of the factor values in their own local formulae closer to the national formula since its introduction. 121 authorities chose to use the factor for minimum per pupil funding levels this year.

We will build on this progress by implementing a 'hard' NFF as soon as possible, whereby schools receive what they attract through the national formula, rather than through different local authority funding formulae. This will complete our reforms to make the funding system fair, consistent and transparent for every school in the country.

We will work closely with local authorities, schools and other stakeholders in order to make this transition, carefully considering the issues that remain to be resolved under a hard formula, such as where funding relies on local intelligence or is tied to local duties.

Further detail on how we plan to go about this will be announced in due course, but we are of course mindful not to introduce significant change without adequate lead-in times.

In 2020-21, local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area. As noted above, as a first step towards hardening the formula, in 2020-21 the government will make the use of the national minimum per pupil funding levels compulsory.

## Lump Sum

The Primary sector Lump Sum has been protected through the transition to NFF. To avoid financial turbulence it is proposed to allow a one year transition in 2020/21 and move to the actual NFF Lump Sum in 2021/21. This will see the Primary Lump Sum reduce from £125,000 (19/20) to £120,000 (20/20) and then £115,000 (2021/22)

## Other changes to local formulae

We have made some other changes to how local authorities can set their local formulae this year, in addition to making the minimum per pupil funding levels mandatory.

Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2020-21 must be between +0.5% and +1.84%. This allows them to mirror the real terms protection in the NFF, which is the Government's expectation.

Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. A disapplication will be required for transfers above 0.5%, or for any amount without schools forum approval; this now applies to any transfers over 0.5%, even if the minister agreed the same amount in the past two years.

## Mobility

### Mobility funding from 2020-21

The mobility factor is intended to support schools in which a high proportion of pupils first join on a non-standard date. In 2020-21, we are introducing a formulaic approach to allocating mobility funding in the NFF, using a new and more robust methodology to determine pupil mobility than that used previously in LAs' local formulae.

In 2019-20 we allocated £21 million of mobility funding to local authorities based on what they spent on mobility the year before. For the past two years, we have funded the factor on a historic basis due to the unreliability of the previous data. This means that only the 63 local authorities that chose to use the factor in 2018-19 were eligible for mobility funding in 2019-20.

We have stated previously that we did not consider this approach to be consistent, as schools with high mobility in local authorities that do not use the factor were not attracting additional funding. After discussion with local authorities, we committed to introducing a new formulaic approach in 2020-21.

The new mobility factor is fairer because it will ensure that we are treating all schools with high mobility consistently and fairly, using a methodology that eliminates the need for local authorities to manually adjust the data before using it in local formulae. Funding mobility on a formulaic basis is also consistent with our intention to move to a hard NFF.

### New methodology

Our new methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years rather than relying on a single census. If the first census when the pupil was in the school was a spring or summer census, they are classified as a mobile pupil. This excludes reception pupils who start in January. For the purposes of the factor, we are not counting as mobile pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census. This is because the first census these pupils will be captured in is the autumn census. This new methodology offers a significant improvement over the previous approach.

## Allocating funding for mobility

For each local authority, the mobility factor will allocate funding for schools whose proportion of mobile pupils in each phase is above a threshold of 6%. As the new methodology eliminates pupils incorrectly identified as mobile in the old system, the number of pupils identified as mobile, in the authorities currently using the factor, is considerably lower. Because of this, and to minimise disruption, we have opted to lower the threshold from its previous value of 10%, with the intention of capturing a similar cohort size and a similar number of schools overall in the 63 local authorities that were already using the factor.

All mobile pupils above that threshold will be allocated a per pupil amount at a rate of: £875 for each primary mobile pupil above the threshold; and £1,250 for each secondary mobile pupil above the threshold.

We have set the rates based on the principle of broadly maintaining the overall levels of mobility funding by phase for local authorities that currently use the factor (£21 million overall in 2019-20), and increasing the funding through the factor in order to extend it to all local authorities.

Moving to a new methodology will inevitably result in some change at local authority and school level. From 2020-21 we are now including mobility funding in our calculation of the funding floor. This ensures that no school will see a fall in their NFF allocation as a result of the new mobility factor.

Mobility will continue to be an optional factor for local authorities to use in their local formulae. We will supply local authorities with mobility data calculated according to the new method in the APT.

## Growth funding

Growth funding is within local authorities' schools block NFF allocations.

The growth fund can only be used only to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria, discussed below. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

The growth fund **must not be used to support:** o schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency

- **general growth due to popularity; this is managed through lagged funding**

The growth fund may not be the most appropriate source of funding for growing schools and we expect local authorities to use varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula.

Local authorities will not need to submit a disapplication request for an increase to numbers where this is due to a change to the admission limit or a local reorganisation.

Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

ESFA will check the criteria for compliance with the 2018 (No. 2) Regulations. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase.

Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis. Compliant criteria would generally contain some of the features set out below:

- support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- support where a school has temporarily increased its pupil admission numbers (PAN), by a minimum number of pupils, in agreement with the authority
- support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
- pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need

Methodologies for distributing funding could include:

- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)
- a per-pupil rate (usually based on AWP, and reflecting the proportion of the year which is not funded within the school's budget share)
- a per-pupil rate, with a maximum ceiling

Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

Local authorities should report any unspent growth funding remaining at the year-end to the schools forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.

## Falling rolls fund

Local authorities may set aside schools block funding to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years. The schools forum should agree both the value of the fund and the criteria for allocation, and the local authority should regularly update the schools forum on the use of the funding. As with the growth fund, the falling rolls fund is also within the NFF schools block.

Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

Compliant criteria would generally contain some of the features set out below:

- support is available only for schools judged good or outstanding at their last Ofsted inspection (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on AWPU)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

Funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls.

For Growth and falling Rolls it is proposed to allocate the balance of Schools' Block funding after all components have been updated and Schools' Forum recommendations actioned.

**R1. Schools' Forum to recommend the allocation of Growth and Falling Rolls funds to be applied to 2020/21 using the balance of Schools Block available.**

**R2. Schools' Forum to recommend a detailed review of criteria and funding rates to be considered by their Funding Review Group and agreed by BAPH/BASH.**

## Bury - Dedicated Schools Grant (DSG) – Provisional Allocations

Based on October 2019 pupil data

### Schools Block

Year	Primary Unit of Funding (PUF)	Secondary Unit of Funding (SUF)	Provisional Funding Allocation
2019/20	£3,938.00	£4,961.47	£122,103,396
2020/21	£4,133.56	£5,283.69	£129,633,596
Variance	£195.56	£322.22	£7,530,200
<b>Updated 2020/21</b>	<b>£4,133.56</b>	<b>£5,283.69</b>	<b>£129,939,963</b>
<b>Update Variance</b>	<b>£195.56</b>	<b>£322.22</b>	<b>£7,836,567</b>
	<b>£0</b>	<b>£0</b>	<b>+ £306,367</b>

### High Needs Block

Year	Provisional Funding Allocation	Revised Provisional Funding Allocation	Variance – Updated 2020/21
2019/20	£30,541,550	£30,541,550	£0
2020/21	£33,091,421	<b>£33,208,891</b>	<b>+ £117,470</b>
<b>Variance</b>	£2,549,871	<b>£2,667,341</b>	

### Central School Services Block

Year	Provisional Funding Allocation	Revised Provisional Funding Allocation	Variance – Updated 2020/21
2019/20	£771,830	£771,830	£0
2020/21	£775,632	<b>£773,555</b>	<b>- £2,077</b>
<b>Variance</b>	£3,802	<b>£1,725</b>	

### Early Years Block

Year	Provisional Funding Allocation	Revised Provisional Funding Allocation	Variance – Updated 2020/21
2019/20	£13,531,744	£13,531,744	£0
2020/21	£13,800,000	<b>13,781,789</b>	<b>- £18,211</b>
<b>Variance</b>	£268,256	<b>£250,045</b>	

### Total DSG – Bury

Year	Provisional Funding Allocation	Revised Provisional Funding Allocation	Variance – Updated 2020/21
2019/20	£167,220,105	£167,220,105	£0
2020/21	£177,300,649	<b>£177,704,198</b>	<b>+ £403,549</b>
<b>Variance</b>	£10,080,544	<b>£10,484,093</b>	

## Bury – School Formula Review for 2020/21

Schools' Forum are required to recommend the unit values to be applied to the formula allocation methodology for 2020/21. In line with the previous consultation outcomes the formula unit values are shown below including Area Cost Adjustment inflation:

Factor	Sub-level	2018/19	2019/20	2020/21	2020/21	2020/21
Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary	2,970	2,858	2,747	2,857	2,873
	Key Stage 3	3,860	3,860	3,860	4,018	4,040
	Key Stage 4	4,380	4,380	4,386	4,561	4,586
<b>Deprivation</b>		<b>Amount per pupil (£)</b>				
Free School Meals - Ever 6	Primary FSM	250	395	540	560	563
	Secondary FSM	785	785	785	815	819
Free School Meals	Primary FSM	190	315	440	450	452
	Secondary FSM	440	440	440	450	452
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	200	200	200	210	211
	IDACI E	281	260	240	250	251
	IDACI D	387	373	360	375	377
	IDACI C	531	460	390	405	407
	IDACI B	675	547	420	435	437
	IDACI A	861	718	575	600	603
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	290	290	290	300	302
	IDACI E	390	390	390	405	407
	IDACI D	515	515	515	535	538
	IDACI C	560	560	560	580	583
	IDACI B	600	600	600	625	628
	IDACI A	810	810	810	840	845
<b>Additional Education Needs Factors</b>		<b>Amount per pupil (£)</b>				
Looked After Children (LAC)	n/a	0	0	0	0	0
	n/a	0	0	0	0	0
Low cost, high incidence SEN	Low Attainment Primary <73	429	726	1,022	1,065	1,071
	Secondary pupils not achieving (KS2 level 4 English and Maths)	1,550	1,550	1,550	1,610	1,619
English as an Additional Language (EAL)	EAL 3 Years Primary	214	365	515	535	541
	EAL 3 Years Secondary	1,385	1,385	1,385	1,440	1,448
Mobility	Primary or Secondary pupils starting school outside normal entry	500	500	500	875	880
		0	0	0	1,250	1,257
<b>School-Led Factors</b>		<b>Amount per School (£)</b>				
Lump Sum	Primary	125,000	125,000	110,000	114,400	120,000
	Secondary	110,000	110,000	110,000	114,400	114,400

**R3. Schools' Forum to recommend the 2020/21 formula unit values as per the table above in accordance to the National Funding Formula (NFF).**

## De-Delegated Items 2020/21

### De-Delegated Items 2020/21 – Updated for October 2019 Census and Academy Conversions

2020/21 (for Recommendation)	Schools of Concern / Contingencies		FSM Benefits checking		Trade Union Facilities Time		EAL (CLAS)		Behaviour support services		Total Primary	Total Secondary
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary		
		£70,824	£53,130	£9,812	£6,795	£47,216	£35,420	£243,627	£0.00	£0.00	£0.00	£371,480
	<b>£123,954</b>		<b>£16,607</b>		<b>£82,636</b>		<b>£243,627</b>		<b>£0</b>		<b>£466,825</b>	
Unit Values	£6.00	£6.00	£5.00	£5.00	£4.00	£4.00	£214.00	£0.00	£0.00	£0.00		

**NB: Total are lower than 2019/20 due to an increased number of Academy conversions – Academies are not subject to De-Delegation and buy-back if they choose**

2019/20 (for information)	Schools of Concern / Contingencies		FSM Benefits checking		Trade Union Facilities Time		EAL (CLAS)		Behaviour support services		Total Primary	Total Secondary
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary		
		£78,480	£56,688	£8,937	£6,840	£52,320	£37,792	£260,533	£0.00	£0.00	£0.00	£400,270
	<b>£135,168</b>		<b>£15,777</b>		<b>£90,112</b>		<b>£260,533</b>		<b>£0</b>		<b>£501,590</b>	
Unit Values	£6.00	£6.00	£5.00	£5.00	£4.00	£4.00	£214.00	£0.00	£0.00	£0.00		

2018/19 (for information)	Schools of Concern / Contingencies		FSM Benefits checking		Trade Union Facilities Time		EAL (CLAS)		Behaviour support services		Total Primary	Total Secondary
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary		
		£85,578	£62,214	£10,948	£8,065	£55,052	£41,476	£326,107	£0	£0	£0	£474,685
	<b>£144,792</b>		<b>£19,013</b>		<b>£96,528</b>		<b>£326,107</b>		<b>£0</b>		<b>£586,440</b>	
Unit Values	£6.00	£6.00	£5.00	£5.00	£4.00	£4.00	£214.00	£0.00	£0.00	£0.00		

2017/18 (for information)	Schools of Concern / Contingencies		FSM Benefits checking		Trade Union Facilities Time		EAL (CLAS)		Behaviour support services		Total Primary	Total Secondary
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary		
		£148,030	£110,020	£10,770	£8,066	£59,212	£44,008	£107,383	£58,349	£74,015	£115,521	£339,410
	<b>£258,050</b>		<b>£18,836</b>		<b>£103,220</b>		<b>£165,732</b>		<b>£189,536</b>		<b>£735,374</b>	
Unit Values	£10.00	£10.00	£5.00	£5.00	£4.00	£4.00	£65.00	£270.00	£5.00	£10.50		

As can be seen in the De-Delegation table, there has been an ongoing reduction in the de-delegated items in respect to a greater number of academies for whom de-delegation is not applicable and specifically for Contingencies and Behaviour Support which was intentional in order to provide schools with greater levels of delegated funding that is not subject to de-delegation or in other words 'Top-slicing'!

This directly contributes to schools having greater autonomy so that they can choose how their funding is spent – for Behaviour Support this is linked to the Inclusion priority and expectations that schools use the funding retained in their own delegated budgets to support pupils in school.

Given the greater number of Academy conversions and the consequential reduction in the amount generated through De-Delegation, Schools' Forum are asked to note that there is no intention to increase the unit values to recover any variance from the Maintained Schools. Where Academies choose to continue to want to benefit from the services provided, that are financially contributed to via the de-delegated budgets, they will be offered the opportunity to buy into the relevant area and will be invoiced accordingly. Obviously if Academies choose not to continue to contribute to the services affected there is a reduction to the service budgets which needs to be managed effectively.

The introduction of the 'Hard' National Funding Formula will see de-delegation removed, however the DfE are still uncertain exactly how they are going to apply this and will consult in due course. De-delegation therefore remains in the meantime for Schools' Forum to consider.

One specific area to note is in respect to English as an Additional Language (EAL) and the corresponding de-delegated budget that contributes to Bury's Curriculum Language Access Service (CLAS). Following previous consultation the Secondary sector voted not to de-delegate this item from 2018/19 and Secondary schools requiring support from the service have entered into a buy-back arrangement. Primary schools opted to continue to de-delegate and top-slice all Maintained Primary school budgets to contribute to the CLAS service and support. NB: Not all schools directly benefit from CLAS as some schools do not have sufficient numbers of EAL pupils on roll, however CLAS does provide a whole range of support, information and guidance to any school that requires their input at any time.

The National Funding Formula implementation has seen a greater emphasis on the amount of funding schools receive under the EAL factor. Schools' Forum considered the Primary sector de-delegated amount for 2019/20 opting to remain at the 2018/19 level with a view to review the situation again for 2020/21.

As per the consideration for 2019/20 the options remain as follows:

**R4. Schools' Forum to recommend whether to continue to de-delegated in respect to CLAS and if so at what unit value**

**1. Continue de-delegation from the Maintained Primary sector at the same unit value as 2018/19 and 2019/20 at: £214 = £243,627**

- Sustained direct contribution to the CLAS service
- Schools retain any increase funding in their delegated budgets
- Sustained contribution from High Needs Block = No impact on High Needs deficit recovery

**2. Continue de-delegation from the Maintained Primary sector as per the increased 2020/21 unit value at: £541 = £615,899**

- Increased direct contribution to the CLAS service
- Decreased contribution from High Needs Block = Positive contribution to the High Needs deficit recovery
- All Maintained Primary will see significant increase in de-delegated deduction from their budget allocation, whether they directly benefit from CLAS or not.
- De-delegated increase may see some schools see overall reduced levels in funding.

**3. Cease de-delegation from the Primary sector, thus ensuring schools retain maximum delegated funding and they can enter into buy-back traded arrangements if required with the CLAS service (as Academies and Maintained Secondary schools may do).**

- No direct contribution to the CLAS service = Risk if schools do not buy-back
- Potential adverse impact on the High Needs deficit recovery = potential greater High Needs contribution in order to sustain CLAS service, service reorganisation will be required.

**R5. There are no plans to review any of the other de-delegated items at this stage and Schools' Forum are requested to recommend the unit values identified on the table at page 10 for;**

- Schools Causing Concern @ £6 per pupil
- Free School Meals benefit checking (includes Universal Credit) @ £5 per pupil
- Trade Union Facilities Time @ £4 per pupil

## Central School Service Block (CSSB)

Introduced in 2018/19 to be used for former Education Services Grant (ESG) functions such as Education Welfare, Ongoing Responsibilities such as Admissions and Historical Commitments which for Bury is the Safeguarding in Schools Officer.

The CSSB DSG allocation has been derived from the former ESG funding allocation plus budgets previously identified under the Central Spend area of the DSG. There are no material changes to note on the CSSB, the table below indicates the breakdown of areas covered under this block.

<b>Central Schools Services Block (CSSB)</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Section 251 – Central Provision</b>			
1.4.1 Combined Budgets Historical Commitment – Safeguarding in Schools Officer	£51,000	£51,000	£41,000
1.4.2 Admissions	£196,000	£196,000	£172,000
1.4.3 Schools’ Forum	£17,000	£17,000	£17,000
1.4.8 Independent Fees – Non SEN	£0	£0	£0
1.4.14 National Copyright Licences (Mandatory DSG topslice)	£136,000	£140,000	£144,000
<b>Section 251 - Former ESG Services</b>			
1.5.1 Education Welfare	£350,000	£350,000	£325,000
1.5.2 Asset Management	£100,000	£100,000	£75,000
1.5.3 Statutory / Regulatory	£0	£0	£0
<b>Total Central School Services Block (CSSB)</b>	<b>£850,000</b>	<b>£854,000</b>	<b>£774,000</b>
<b>Allocation of CSSB</b>	<b>£755,000</b>	<b>£772,000</b>	<b>£774,000</b>

In order to ensure the CSSB is balanced to the allocation provided the 2020/21 figures have been updated to reflect lean service review savings as part of the proposals included to address overall CYP departmental savings requirements.

The LA will continue to request additional funding through the CSSB required to support service provision for all schools.

**R6. Schools’ Forum are requested to recommend the CSSB as outlined above.**

## Early Years Block – For Information

The Early Years Block and provisional funding does not get announced until December however there are not any expected changes to be made to this Block, other than the recent funding announcement which has indicated an inflationary increase only at this stage.

Based on inflation at 1.5% for 2 year olds and 1.86% for 3/4 year olds the hourly rates used in determining the Early Years Block are as follows:

- **2 year old hourly rate**                      **£5.38** (previously £5.30)
- **3 & 4 year old hourly rate**              **£4.38** (previously £4.30)

The Maintained Nursery School (MNS) protection has now been confirmed for 2020/21 and will ensure the financial sustainability for Bury's Maintained Nursery School (Hoyle) for at least another financial year. The future funding for all Maintained Nursery Schools nationally remains subject to DfE review and Schools' Forum will be updated on any changes, whether positive or negative, to the future years' funding allocation in due course.

The continued maximisation of take up of 2, 3 and 4 year old places will continue along with encouraging parents and providers to take advantage of the 30 hours entitlement where eligibility criteria is met.

So far the Local Authority has successfully achieved the statutory 'pass-through' requirement whereby at least 93% of the funding was provided direct to Early Years providers (Maintained, Academies and Private settings) in 2017/18 and over 95% was successfully applied direct to providers in 2018/19 and 2019/20.

There is no national increase to the pass-through requirement for 2020/21.

In order to ensure providers receive the maximum gain possible within the increased Early Years funding provided for 2020/21 the Local Authority will not increase the retained element in line with the inflationary increase and will ensure the full gain is allocated directly through the Early Years Single Funding Formula (EYSFF) to all early years providers.

Taking into account the retained element the hourly rates to be applied to all providers are as follows:

- **2 year old hourly rate**                      **£5.28** (previously £5.20)
  - **3 & 4 year old hourly rate (Avg)**        **£4.18** (previously £4.10)
- The 3 & 4 year old rate is provided through a standard Base Rate + Deprivation*

The balance retained is used to provide in year funding for Early Years headcount changes together with contributing to the cost of administering the EYSFF and all eligibility checks.

**R7. Schools' Forum are requested to recommend the hourly rates as outlined above for Early Years funding.**

Update prepared by:

Steven Goodwin – Head of Strategic Business & Finance – CYP  
7 January 2020

Schools' Forum – Schools and High Needs Funding - Summary of Recommendations				Agree	
Page		Option	Narrative	Yes	No
5-7	<b>R1.</b>		Schools' Forum to recommend the allocation of Growth and Falling Rolls funds to be applied to 2020/21 using the balance of Schools Block available.		
	<b>R2.</b>		Schools' Forum to recommend a detailed review of criteria and funding rates to be considered by their Funding Review Group and agreed at BAPH/BASH		
9	<b>R3.</b>		Schools' Forum to recommend the 2020/21 formula unit values as per the table above in accordance to the National Funding Formula (NFF) <b>including Area Cost Adjustment (ACA) uplift.</b>		
10-11	<b>R4.</b>		Schools' Forum to recommend whether to continue to de-delegate in respect to CLAS and if so at what unit value		
		1.	Continue de-delegation from the Maintained Primary sector at the same unit value as 2019/20		
		2.	Continue de-delegation from the Maintained Primary sector as per the increased NFF unit value and amount shown in the table on Page 10		
		3.	Cease de-delegation from the Primary sector, thus ensuring schools retain maximum delegated funding and they can enter into buy-back traded arrangements if required with the CLAS service (as Academies and Maintained Secondary schools may already do).		
12	<b>R5.</b>		There are no plans to review any of the other de-delegated items at this stage and Schools' Forum are requested to recommend the unit values identified on the table at page 10 for;		
		1	Schools Causing Concern @ £6 per pupil		
		2	Free School Meals benefit checking (includes Universal Credit) @ £5 per pupil		
		3	Trade Union Facilities Time @ £4 per pupil		
13	<b>R6.</b>		Schools' Forum are requested to recommend the CSSB as outlined above.		
14	<b>R7.</b>		Schools' Forum are requested to recommend the hourly rates applicable to Early Years funding.		

### Balancing the Schools' Block of the Dedicated Schools Grant

Heading	2020/21	2019/20	Variance
Schools Block	£129,939,963	£122,103,396	£7,836,567
Delegated budgets to Schools & Academies	£129,602,288	£122,103,396	£7,498,892
Balance to Growth / Falling Rolls Funds	£337,675	£0	£337,675

### Summary Impact on Schools and Academies

Primary		Gain / Static	Lose	Max Gain	Max Loss
	Pupil Numbers	27	37	28	-44
	Delegated Budget	58	6	£195,590	-£51,185

Primary	Delegated Budget	2020/21	2019/20	Variance	% Variance
		£69,276,593	£66,282,600	£2,993,993	4.52%

Secondary		Gain / Static	Lose	Max Gain	Max Loss
	Pupil Numbers	8	5	91	-75
	Delegated Budget	12	1	£880,825	-£5,892

Secondary	Delegated Budget	2020/21	2019/20	Variance	% Variance
		£60,325,695	£55,820,797	£4,504,899	8.07%