

## Report for Schools Forum

<b>Service Area:</b>	Schools Finance
<b>Presented By:</b>	John Bartlett
<b>Report:</b>	High Needs Safety Valve Block Transfer 2026/2027
<b>Date:</b>	10 <sup>th</sup> October 2025
<b>Purpose Of Report:</b>	To consult Schools Forum on the proposed £3.6 million Safety Valve Block Transfer for the 2026/27 financial year
<b>Is a Decision Required?</b>	Yes, to support the proposal or not
<b>Decision Context</b>	LAs are required to consult Schools Forum ahead of submitting a disapplication request to the Secretary of State

## Kirklees Schools Forum

10<sup>th</sup> October 2025

### High Needs Safety Valve Block Transfer 2026/2027

#### 1. Summary

- 1.1 The Schools block to High needs block transfer was introduced as part of the wider Safety Valve agreement that was introduced in the 2022/2023 financial year. The initial agreement was for 6 years with the Schools block contributing the following amounts as part of the annual ESFA budget process to the High Needs block within the overall Dedicated Schools Grant (DSG):

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
<b>Block Transfer (Annual Requirement)</b>	£0.0 million	£1.6 million	£2.1 million	£2.6 million	£2.6 million	£2.6 million	<b>£11.5 million</b>

- 1.2 In March 2024, as part of the ongoing performance and review of the Safety Valve agreement, the ESFA have re-negotiated and agreed revised support for Kirklees Council. The ESFA have extended the agreement to nine years but maintained the overall contribution level of £33.5 million. [Kirklees safety valve agreement \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 1.3 One of the key changes for the continuation of the Safety Valve agreement is the level of contribution that is proposed for the Schools block over the extended period, which increases from £11.5 million to £24.3 million. The table below shows the revised commitment:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Total
<b>Block Transfer (Annual Requirement)</b>	£0.0 million	£1.6 million	£2.1 million	£2.6 million	£3.6 million	<b>£24.3 million</b>				

- 1.4 There is a requirement to consult Schools Forum before a Local Authority submits a disapplication request. The deadline for Local Authorities to submit a disapplication request is 17<sup>th</sup> November 2025. This is likely to be before we receive the final school funding allocations for 2026/2027.

#### 2. Impact of revised Safety Valve Agreement

- 2.1 Schools Forum have consistently reviewed and challenged the block transfers, approving the first block transfer of £1.6 million (2022/2023) in November 2021 and subsequently approving £2.1 million (2023/2024) in September 2022, £2.6 million (2024/2025) in October 2023 and £3.6 million (2025/2026) in October 24.
- 2.2 In line with the revised (March 2024) Safety valve agreement, the contribution for 2026/2027 is £3.6 million.

- 2.3 The problem that Schools forum face is that there are limited areas of discretion when setting the overall budget, in this case for 2026/2027. The DfE set clear guidelines for how the funding is allocated and to amend funding patterns outside the stated levels would be subject to further challenge through a disapplication request. This would run alongside the existing block transfer disapplication request as the overall level of funding transferred would be approximately 1.0% (0.5% is the level delegated to Schools forum to agree without ministerial approval) and there is no guarantee that this would be approved.

### 3. 2026/2027 Block Transfer Assumptions

- 3.1 In advance of the published draft DSG funding allocation for 2026/2027 that is scheduled to be issued in Autumn 2025, the options considered can only be made based on existing funding guidance in operation for the 2025/2026 process.

- 3.2 The Authority Pro Forma Tool (APT) for 2025/2026, that in this case aims to represent the potential impact in 2026/2027, the following variables were set to achieve both the demands set by the DfE and balance overall DSG resources:

<ul style="list-style-type: none"> <li>Average Weighted Pupil Unit (Basic Entitlement)</li> <li>Low Prior Attainment</li> <li>Mobility</li> <li>Split Sites</li> </ul>	}	All set at National Funding Formula (NFF) levels.
<ul style="list-style-type: none"> <li>Free School Meals (FSM)</li> <li>Income Deprivation affecting children index (IDACI)</li> <li>English as an Additional Language (EAL)</li> <li>Premises lump sum</li> <li>Sparsity</li> </ul>	}	Set at minimum allowable NFF levels.

- 3.3 In addition to the above variables, Minimum Funding Guarantee (MFG) was set at 0% which was within the tolerances of +0.0% and +0.5% per pupil.
- 3.4 All the above components delivered a balanced, validated and ultimately verified DSG budget for 2025/2026 that allowed for the **£3.6 million** block transfer.
- 3.5 DfE state that Local Authorities must continue to move their local formula factor values at least 10% closer to the National Funding Formula (NFF) values, unless already aligned.

### 4. Recommendation

- 4.1 The initial 2026/2027 school funding allocations will not be available formally until late in Autumn 2025, which is not conducive to the approval process. However, the Safety Valve agreement remains in place and the deadline for submission of the associated annual disapplication request remains 17<sup>th</sup> November 2025. **It is recommended that Schools Forum support the proposed £3.6m transfer from the Schools Block to the High Needs Block for 2026/2027.**

Schools Senior Finance Officer

Appendix 1

## Impact of £3.6m Block Transfer per sector

	£3.6 million block transfer
Largest impact on a Secondary School in 25/26	£85,290
Largest impact on a Primary School in 25/26	£34,880