

**Name of meeting:** Cabinet  
**Date:** 29 January 2019  
**Title of report:** Report seeking approval for Kirklees' School Funding arrangements for financial year 2019-20

**Purpose of the Report**

- To recommend to Kirklees Cabinet the outline of the Kirklees schools funding formula for 2019-20 in terms of:
  - a. Specific funding factors to be used and the relative weightings and values of the funding factors.
  - b. Exceptions applications to the Education & Skills Funding Agency (ESFA) and approvals given.
  - c. Central budget provision within the Dedicated Schools Grant Schools Block of funding, the Central School Services Block and the Early Years Block.
  - d. De-delegation arrangements for mainstream maintained schools
- To request that the Cabinet approve the outline details of the Kirklees school funding formula for 2019-20 to be submitted to the Education & Skills Funding Agency (ESFA) by the set deadline of 21<sup>st</sup> January 2019.

<b>Key decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	Yes, the schools funding distribution affects all schools in every ward in Kirklees
<b>Key decision - is it in the <a href="#">Council's Forward Plan (key decisions and private reports)</a>?</b>	Yes Private report/appendix: No
<b>The decision - is it eligible for "call in" by <a href="#">Scrutiny</a>?</b>	Yes
<b>Date signed off by Strategic Director &amp; name</b>	Mel Meggs 21 <sup>st</sup> January 2019
<b>Is it also signed off by the Service Director for Finance, IT &amp; Transactional Services?</b>	Eamonn Croston 21 <sup>st</sup> January 2019
<b>Is it also signed off by the Service Director – Legal, Governance &amp; Commissioning Support?</b>	Julie Muscroft 21 <sup>st</sup> January 2019
<b>Cabinet member <a href="#">portfolio</a></b> • Children's Services	Cllr Masood Ahmed Cllr Viv Kendrick

**Electoral [wards](#) affected:** All Wards

**Ward councillors consulted:** None

**Public or private:** Public

**GDPR:** There is no personal data contained within this report.

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## 1. Summary

This report sets out the arrangements that have been consulted upon for the funding of local schools and academies for the funding year 2019-20. The main elements which require Cabinet approval are: -

- The specific funding factors to be used and the relative weightings and values of the funding factors.
- To note any exceptions applications to the Education & Skills Funding Agency (ESFA) and approvals given.
- Central budget provision within the Dedicated Schools Grant Schools Block of funding, the Central School Services Block and the Early Years Block.
- De-delegation arrangements for mainstream maintained schools

## 2. Information required to take a decision

### A. Background

#### i) Dedicated Schools Grant

Dedicated Schools Grant (DSG) is the funding that is provided to Councils to fund statutory school age education (4-16 year olds). DSG funding is also provided in respect of children and young adults from birth to age 25 having Special Education Needs & Disability (SEND). The DSG also provides funding for free early education and childcare provision for 3 and 4 year-olds and for disadvantaged 2 year olds. Councils are also allocated DSG funds to pay for some of the statutory and regulatory duties they have for all pupils educated within the borough.

All four funding blocks within the Dedicated Schools Grant – Schools, High Needs, Early Years and Central School Services – are now largely determined by National Funding Formula (NFF) calculations. With the exception of Early Years, the NFF outcomes are each being phased in over different timescales

#### ii) Schools Forum and Council responsibilities for DSG

Every local authority must have a Schools Forum to act as the main consultative group on revenue funding issues affecting local schools and related providers. The Schools Forums (England) Regulations determine the role, powers and responsibilities of the Forum. The local authority proposes and decides upon the shape and effect of school funding arrangements on an annual basis but must consult with the Schools Forum about changes to be made. There is also a requirement to consult annually with the Forum on both High Needs and Early Years funding arrangements.

The Schools Forum also has some decision-making powers enshrined by regulation. The local authority makes an annual proposal, ahead of the new financial year, setting out the central expenditures it plans to make from the Schools Block, the Early Years Block and the Central Schools Services Block. (Central expenditure from the High Needs Block is formally a Council decision – the Forum is not required to be consulted but it is good practice to keep them regularly informed of developments). The Forum then decides, through consultation with constituent groups, whether to accept, amend or reject the proposal. Similarly, the local authority makes an annual proposal to the Forum, for the schools it maintains, to de-delegate funding from maintained mainstream primary and secondary schools to operate a number of central budget arrangements. The maintained primary and secondary representatives to Forum

decide on the arrangements that will apply for their phase (having consulted their constituencies). In cases where the LA and the Forum cannot reach an agreement on central retention and de-delegation issues the Secretary of State for Education would adjudicate.

### **iii) Formal submissions to the Education & Skills Funding Agency**

Exceptions requests for permission to make minor variations to the operation of the schools funding formula were made before the ESFA deadline of 30<sup>th</sup> November 2018.

The structure of the local 2019-20 schools funding arrangements and factor values used are required to be submitted to the ESFA by 21<sup>st</sup> January 2019, based upon a dataset provided by the ESFA which is derived largely from October 2018 pupil census information. The return to the ESFA is required to show that political approval has been or will be secured for the funding allocations reported.

### **iv) Schools revenue funding issues for 2019-20 discussed with Schools Forum and constituent groups are...**

- The changes made to the National Funding Formula for schools for 2019-20
- The minimum per pupil funding increase of 1% compared to 17-18 baselines
- Exceptions applications to the Education & Skills Funding Agency to make variations to how the formula operates at three Kirklees schools
- Central budget provision within the Dedicated Schools Grant funding blocks
- De-delegation arrangements for mainstream maintained schools
- High Needs Block funding
- Early Years Block funding

These topics are covered in more detail in sections B to H below, with the Forum's recommendations to Cabinet shown at section I below.

## **B. Movement towards National Funding Formula in the 'soft' NFF years of 2018-19 to 2020-21**

- i) The National Funding Formula for Schools began to influence Dedicated Schools Grant Schools Block funding allocations with effect from financial year 2018-19. The NFF formula factors and common values were used to determine DSG Schools Block allocations for local authorities in England for 2018-19. Financial years 2018-19 and 2019-20 were described by the Education & Skills Funding Agency (ESFA) as 'soft' NFF years – the NFF would calculate the overall allocation to Councils but how that funding was to then be distributed amongst local schools and academies remained a matter for local consultation and decision. [The 'soft' NFF period has subsequently been extended for another year, 2020-21. The 'hard' National Funding Formula, where local decision-making over the funding distribution largely ceases, is currently expected to start in April 2021].
- ii) The government also decided upon a gentle implementation of the redistributive effects of the National Funding Formula calculation. Whilst those local authorities and their schools gaining from the change to the NFF are being allowed to benefit from significant increases to their funding levels, this has not so far been at the expense of those areas of the country where the NFF delivered a lower level of funding than before. Instead, a new cash floor increase was introduced to ensure that no school would receive less than a 0.5% increase in funding per pupil compared to its 2017-18 baseline

funding level. This meant that in 2018-19 Kirklees Council received a Schools Block funding settlement which was significantly higher (£11.8m) than the figure determined by the pure application of the NFF calculation. The Council's 2019-20 Schools Block allocation will also contain a significant amount of protection with the cash floor to be set at a minimum 1% increase per pupil compared to those individual school 2017-18 per pupil baseline amounts.

- iii) Following a period of detailed consultation with schools last year on how, whether and to what extent to move to the National Funding Formula factors and values, it was decided to fully adopt the NFF in Kirklees with effect from 2018-19. Making this move, it was felt, would make transparent the level of any temporary cash protection included within the Budget Share allocation to each school and help schools to consider what the potential implications of a hard NFF allocation could eventually mean for them. [It should be acknowledged that a handful of Kirklees schools receive an increase in their funding level from the move to the NFF in comparison to previous allocations and therefore are not receiving temporary cash protection].
- iv) Having taken the decision to adopt the National Funding Formula factors and values from 2018-19 there will be very little change to the main schools funding formula for 2019-20. The only changes to note are as follows: -
  - The minimum per pupil funding checks within the formula will increase in 2019-20 to £3,500 (from £3,300 in 2018-19) for primary schools and to £4,800 (from £4,600) for secondary schools.
  - A new funding factor, the cash floor, will deliver the minimum 1% increase in funding per pupil (compared to each school's 2017-18 per pupil baseline).
  - The introduction of the cash floor will mean further movement in 2019-20 should be possible towards the NFF lump sum value of £110,000 per school.
  - The Minimum Funding Guarantee mechanism will effectively need to be deployed as a balancing factor in 2019-20, with the percentage set at a level which allocates at the final stage of the formula calculation the remaining balance of available funding.

[Please see Annex A for a comparison of how the funding factors and values have changed over the three year period starting with 2017-18]

### **C. Exceptions applications to the Education & Skills Funding Agency:**

#### **i) Lump sum transitional protection for amalgamated schools:**

Schools Forum agreed an exceptions application to the ESFA to seek permission to allocate a second year of transitional lump sum funding in 2019-20 to a recently-amalgamated primary school. **Honley CE(VC) Junior Infant & Nursery School** came into existence on 1<sup>st</sup> May 2017, bringing together Honley CE(VC) Infant & Nursery School and Honley CE(VC) Junior School. The Infant and Junior Schools would each receive a lump sum amount of £123,282 (the 2018-19 lump sum price) when funded as separate schools but

Honley CE(VC) J I & N, as a single school, only receives the one lump sum value. The funding method automatically provides some transitional support for the lost lump sum in the first funding year following an amalgamation. This adds back 85% of the withdrawn lump sum as follows...

**Previous lump sum total £246,564 x 85% = £209,579 less the continuing lump sum = a transitional allocation of £86,297.**

Transitional lump sum protection is not automatic in the second funding year following an amalgamation, so permission has to be requested to apply a reduced amount. This works from 70% of the previous lump sum total, ie

**Previous lump sum total £246,564 x 70% = £172,595 less the continuing lump sum = a transitional allocation of £49,313.**

**ii) Adjustment to the Minimum Funding Guarantee (MFG) calculation to prevent an anomalous outcome**

The Luck Lane primary provision which is part of the all-through Royds Hall Community School continues to grow by one year group each academic year. In 2018/19, pupils joined the primary provision in Year 4 for the first time. In 2019-20 additional funding will need to be factored in for pupils in Year 5 from September 2019. The standard MFG calculation defines the all through school as a secondary provision and attempts to protect pupils at the higher secondary school funding rate. An exceptions application was submitted to ensure that the effect of the additional primary pupils is taken account of in the calculation at the appropriate primary-age funding rate.

The Education & Skills Funding Agency responded on 2<sup>nd</sup> November 2018 to signal their intention to approve both the above requests.

**iii) Adjustment to the Minimum Funding Guarantee baseline to address an historic element of overfunding**

A third disapplication request was submitted in line with the second window which closed 30<sup>th</sup> November 2018. Ashbrow Primary School was formed from the technical closure of Ashbrow Junior School and the expansion of the age range of Ashbrow Infant & Nursery School to admit the displaced pupils of the Junior School. The amalgamation took place at September 2012. This was before the ESFA introduced the methodology described at C i) above to transition to a single lump sum payment in cases of a school amalgamation. This has meant that the school's baseline funding has effectively continued to include the effect of two lump sum payments ever since and this over-stated position has been made worse by growth in the School's roll number from 261 pupils in 2012 to 403 in 2018.

The Schools Forum requested that further investigation of Ashbrow Primary School's funding level be carried out, given the School's exceptional level of accumulated reserves. As a result of that investigation and subsequent discussions with the head teacher and chair of governors of the school, a disapplication request was submitted seeking permission to amend the School's funding baseline starting from 2019-20. To give the school time to adjust its expenditure plans it is proposed to adjust the baseline to produce a funding outcome which, as a first step, removes in 2019-20 one quarter

(approx. £64k) of the identified element of overfunding. The ESFA's response is awaited.

#### **D. Central budget provision within the Dedicated Schools Grant funding blocks (see Annex B)**

- i) The **Central School Services Block** within the DSG allocates funding to Councils for a range of statutory and regulatory duties relating to all pupils within the authority no matter what type of school they attend. Although this funding comes directly to the Council, Schools Forum has the responsibility for making an annual decision about the budget provision in response to local authority proposals.
- ii) The only retained central funding **within the DSG Schools Block** is related to (pre-16) pupil growth. Local authorities can propose to operate both a **Pupil Growth Fund** and a **Falling Rolls Fund** and can also propose to retain funding to deal with the consequences of pupil growth. 2019-20 will see the introduction of a new formula-based method to include an element of growth funding for local authorities within the DSG Schools Block allocation. The Forum again has an annual decision to make about the operation of these funding elements and the level of funding set aside for them. The Pupil Growth Fund meets pre-opening costs for new schools opened in response to a basic need for places; supports schools experiencing a mid-year growth in pupil numbers that is of sufficient scale to trigger a new class arrangement and the Fund supports primary schools struggling to meet the KS1 class size regulation. Growth Fund support is only given where a school cannot afford to meet the costs from its own resources. The Forum has agreed to the removal of the Falling Rolls Fund with effect from 2019-20 and to return the £50,000 of funding to the general schools allocation budget. The criteria for the operation of a Falling Rolls Fund as set by the ESFA make it very difficult for any school to make a justifiable case for support funding so the budget is better deployed to other purposes.
- iii) Central budget provision can also be retained within the **Early Years funding block** up to a maximum of 5% of the EY block total. Kirklees' level of retention is below this at less than 2.5% of the total. The majority of the retained amount funds the Free Early Education and Childcare Team who ensure that the right funding reaches schools and other providers, contribute to sufficiency place planning and to supporting the attainment of good standards among providers.
- iv) Decisions about central spend within the **High Needs funding block** rest with the local authority. The Schools Forum has no formal role in that process.
- v) The detail of Central School Services Block budgets and growth provision within the Schools funding block were agreed with Schools Forum, at their meeting on 11<sup>th</sup> January 2019. Central retention within the Early Years Block budget for 2019-20 will be the subject of consultation with all providers over the next few weeks and will be considered at the next Forum meeting on 8<sup>th</sup> February. [Please refer to Annex B below for details of the retained budgets].

## **E. De-delegation arrangements for mainstream maintained schools (see Annex C)**

- i) Annual proposals on de-delegation are made by the local authority to maintained primary and secondary schools. The ESFA only permits de-delegation against a number of specified headings. The maintained primary and secondary school Forum representatives formally decide on de-delegation issues on behalf of their phase.
- ii) The de-delegated budget arrangements proposed for 2019-20 are: -
  - Schools contingency
  - Free school meals eligibility checks
  - Maternity, paternity and adoptive leave costs
  - Trade union facilities time \*
  - Public duties
  - International new arrivals service \*
  - School Improvement Commissioning \*

[\* Schools Forum receives additional, regular monitoring reports in prioritised areas].

- iii) De-delegation arrangements for 2019-20 were agreed with the maintained school representatives to Schools Forum at their meeting on 11<sup>th</sup> January 2019. [Please refer to Annex C below for details of 2019-20 de-delegation deductions].

## **F. High Needs Block Funding 2019-20**

- i) With the introduction of the new national funding formula for High Needs, Kirklees' allocation is projected to increase by nearly 22%, equating to an eventual gain of £7m. However, the maximum annual gain Councils can receive is limited to a 3% increase and the situation may be less certain from 2020-21 as a new spending review period commences then. The pace of the increase in funding is not helpful given the mounting pressure within Kirklees' high needs account. If the new High Needs formula provides an objective measure of the local need to spend then that projected funding increase is needed now. It should also be noted that approximately half of the High Needs NFF funding method still uses the historic level of high needs funding to each local authority. A pure High Needs NFF allocation would see Kirklees receive a much larger funding increase.
- ii) All local authorities have recently been required to undertake a strategic review of their local High Needs arrangements. The main aim of the review was to show how the Council will ensure that its SEND provision is suitable to meet changing needs, how any gaps in provision will be addressed and how the Council will allocate resources to deliver provision and ensure sustainability within future high needs funding allocations. A project board has been established to work on delivering the action plan which arose out of the strategic review.

## G. Early Years Block Funding 2019-20

### Early Years Funding: 3-4 year olds:

- i) All 3 and 4 year olds are eligible for 15 hours per week of free early education. This is a universal entitlement for all children. A new entitlement to '30 hours of childcare' was introduced in September 2017. This is an additional 15 hours of free childcare for children that are eligible. The additional 15 hours is available subject to application (to HM Revenue and Customs) to families where both parents are working (or the sole parent is working in a lone parent family), and each parent earns, on average, a weekly minimum equivalent to 16 hours at national minimum wage or national living wage and less than £100,000 per year.
- ii) There have been no changes to the Early Years National Funding Formula for 2019/20. As a result it is proposed that the funding rate of £4.14 remains in place as there are limited options to make any changes.
- iii) **Supplements and additional factors** - there have been no changes to the permitted supplements, therefore it is proposed to continue with just the mandatory deprivation supplement.

**Early Years funding for disadvantaged 2 year olds:** Funding for the most disadvantaged 2 year olds was set in 2017/18 at £5.00 per child per hour. Again, with no change to the Early Years National Funding Formula, the proposal is to retain this rate.

## H. Dedicated Schools Grant funding settlement 2019-20

### DSG Schools Block:

- i) The 2019-20 per pupil units of funding (PUF) for the DSG Schools Block are £4,134 per primary pupil and £5,303 per secondary pupil. These rates include the second 0.5% increase in funding per pupil following on from the first for 2018-19. The ESFA requires that at least 80% of this funding block is allocated via pupil-led factors. In Kirklees in 2018-19 90.49% of the available total was pupil-led.
- ii) The confirmed Schools Block allocation for Kirklees for 2019-20 has increased by £6.9m (£288.37m in 2018-19 to £295.27m for 2019-20), due to a combination of increased pupil numbers in the system, another 0.5% per pupil cash increase on 2017-18 baselines and an increase in the amount of provision for future growth within the allocation.
- iii) The Schools Block funding factors to be used in the 2019-20 funding allocation will largely be those prescribed by the National Funding Formula (see Annex A below). Each school's outcome from this calculation will first be adjusted by a new cash floor funding factor to ensure that the 1% increase in funding per pupil in comparison to



individual school 2017-18 per pupil baselines is passed on. A second adjustment is then possible via the Minimum Funding Guarantee (MFG).

- iv) Minimum funding guarantee - as local authorities work towards the implementation of the National Funding Formula for schools, the ESFA has allowed local authorities scope for flexibility in setting their own MFG percentage within the range minus 1.5% to plus 0.5% per pupil, without further reference to the Secretary of State. Using the new 1% cash floor factor means that the MFG effectively becomes a balancing item, set at whatever percentage is needed to exactly spend up the available funding total.

#### **Central School Services Block:**

- v) Kirklees will be allocated £33.99 for every 4 to 16 year old pupil attending schools and academies in the borough (a reduction from the £34.86 received in 2018-19). A sum of £170,400 will then be added to reflect historic annual pension commitments charged to the DSG. A breakdown of budget provision supported by the CSSB can be found at Annex B below. A significant portion of the CSSB relates to funding for the range of statutory and regulatory duties (which were previously supported by Education Services Grant) the Council has for all local pupils whether educated in maintained schools or academies.

#### **DSG High Needs Block:**

- vi) The continuing roll-out of the National High Needs Funding Formula has resulted in a £1.17m increase to Kirklees Council's allocation for 2019-20. This is part of a projected 22% gain in High Needs Block funding for Kirklees under the new national funding formula starting from 2017-18, although there is a 3% maximum increase cap being applied to annual gains.
- vii) In addition to the latest annual staged increase from the High Needs national formula, the Secretary of State for Education has recently announced additional revenue funding of £250m nationally for local authorities to help offset rising High Needs budget pressures. For Kirklees this adds another £1.04m to our 2019-20 High Needs funding figure – a total increase of £2.21m [£34.78m originally announced for 2018-19 rising to £36.99m for 2019-20]. Kirklees has also received increased funding of £1.04m in the current financial year to help mitigate the situation.

#### **DSG Early Years Block:**

- viii) The Early Years' national funding formula values have not changed since 2017-18. Within the 2019-20 EY Block allocation there are some variations associated with the change in pupil numbers – funding for the universal (base) 15 hours free nursery offer is affected by a fall of around 200 part-time equivalent (pte) children and funding received for disadvantaged 2 year olds has reduced due to around 70 part-time equivalent pupils fewer than last year. However, the funding for the extended 15 hours entitlement for children of eligible working families has increased due to an increase by around 56 pte children. The total

allocation in the Early Years block for 2019-20 is £28.09m (in 2018-19 the allocation was £28.70m).

**I. Recommendations for the 2019-20 DSG schools funding formula from Kirklees Schools Forum**

- a. To note the ESFA-approved exceptions applications.
- b. To note the consultative process undertaken in collaboration with head teachers through the Kirklees Schools Forum to agree the details of the Kirklees funding formula.
- c. To support the decisions, in principle, relating to central budgets and de-delegated budgets for 2019-20 and acknowledge the systematic monitoring of the expenditure and impact by Schools Forum.
- d. To approve, in principle, the final details of the Kirklees' school funding formula for 2019-20 submitted to the Education & Skills Funding Agency by 21<sup>st</sup> January 2019.

**3. Implications for the Council**

• **Working with people**

The Schools Forum continues to support schools working collaboratively to effectively manage resources, particularly focussing on early intervention and prevention, reducing inequalities and overcoming barriers to learning for children in their communities.

• **Working with Partners**

Through Schools Forum the Council works in partnership with local maintained schools, academies and other providers to try to ensure the optimum distribution of dedicated schools grant within Kirklees. The Schools Forum includes representation from the Private, Voluntary and Independent nursery and childcare sector and post-16 provider representation.

• **Place-based working**

The schools funding allocation recognises that the needs of different communities within Kirklees vary widely. The allocation contains additional need funding factors to target support towards children from particularly disadvantaged backgrounds and also directs additional funds to support children in their first three years in the school system who have English as a second language.

• **Improving outcomes for children**

Schools Forum seeks to ensure that the fairest approach to funding across the schools system is in place, particularly at a time when financial pressures for schools are increasing. Maximising resources for teaching and learning, alongside the role that schools play in supporting children and their families and the wider community is crucial in ensuring that children have the best start in life.

- **Other (eg Legal/Financial or Human Resources)**

The schools system is funded by the Council's annual Dedicated Schools Grant funding allocation and is managed in accordance with the Schools Finance (England) regulations and the terms and conditions of the grant.

#### **4. Consultees and their opinions**

i) The Education and Learning Partnership Board sits alongside Schools Forum as a 'sister' consultative group. The two operate together in a complementary approach to work in partnership with our schools and settings. The Forum Chair is a member of the Education and Learning Partnership Board. The work of each body is supportive of a single strategic oversight of the system.

ii) Schools Forum consults with school groups through Kirklees High School Head teachers, Primary Head teacher groups and School briefings. Non-school members from the early years' private, voluntary and independent sectors, trade unions, and the Post 16 sector ensure consultation and feedback from their representative groups. Current discussions are focussed on the decisions required by the ESFA for the funding year 2019-20.

iii) The Early Years Reference group consists of representatives from all sectors of the childcare market. This group consider proposals for the Early Years Funding Formula and monitors spending of the Early Years Block. The views of this group are reported to Schools Forum.

iv) Updates for the Portfolio Holders for Children's Services are provided regularly.

#### **5. Next steps and timelines**

i) Schools Forum will continue to help shape schools funding arrangements at their meeting on 11<sup>th</sup> January 2019, prior to the deadline for submission of the school funding allocations for 2019-20 to the ESFA on 21<sup>st</sup> January 2019.

ii) Based on the ESFA funding timeline, it is expected that the local authority will inform maintained schools of their 2019-20 budget shares by 28<sup>th</sup> February 2019. The ESFA will inform academies of their budget allocations for the academic year 2019/20 by the 31<sup>st</sup> March 2019.

#### **6. Officer recommendations and reasons**

Members are asked to...

- Note the consultative process undertaken in collaboration with head teachers, through Schools Forum, to determine the ongoing local approach to the distribution of DSG Schools Block funding for 2019-20, the second year of a 'soft' National Funding Formula approach.
- Note the exceptions applications made to the ESFA and subsequently approved.
- Approve the submission of the schools funding formula for 2019-20 (based upon a guaranteed funding rise of at least 1% per pupil in comparison to each school's 2017-18 per pupil baseline) to the Education & Skills Funding Agency.

## **7. Cabinet portfolio holder's recommendations**

- To note the changes to schools funding arrangements for 2019-20, the second year of 'soft' application of the National Funding Formula, leading up to the full introduction of the National Funding Formula for Schools from April 2021.
- To note the ongoing local consultation with schools and other providers to ensure an appropriate local response to national funding formula developments.
- To support the officer recommendations above, and to thank Schools Forum members for their work.

## **8. Contact officer:**

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## **9. Background papers and history of decisions** See Annex E below

## **10. Service Directors responsible**

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**ANNEX A: Comparison of Kirklees' 2017-18 funding factors with those used by the National Funding Formula in 2018-19 and 2019-20**

Funding factor	Kirklees 17-18 per pupil	NFF values per pupil 18-19	NFF values 2019-20	Notes
Primary basic per pupil	£2,794	£2,747	£2,747	
Key Stage 3 per pupil	£3,996	£3,863	£3,863	
Key Stage 4 per pupil	£4,933	£4,386	£4,386	
Primary Free School Meals Ever 6	£553	£540	£540	
Sec'y Free School Meals Ever 6	£553	£785	£785	
Primary current FSM	Nil	£440	£440	
Secondary current FSM	Nil	£440	£440	
Prim IDACI Band F	£437	£200	£200	
Prim IDACI Band E	£536	£240	£240	
Prim IDACI Band D	£795	£360	£360	
Prim IDACI Band C	£795	£390	£390	
Prim IDACI Band B	£795	£420	£420	
Prim IDACI Band A	£795	£575	£575	
Sec'y IDACI Band F	£341	£290	£290	
Sec'y IDACI Band E	£821	£390	£390	
Sec'y IDACI Band D	£884	£515	£515	
Sec'y IDACI Band C	£1,011	£560	£560	
Sec'y IDACI Band B	£1,011	£600	£600	
Sec'y IDACI Band A	£1,011	£810	£810	
Looked-after Children	£1,500	Nil	Nil	Now funded as Pupil Premium Plus
Primary English as an Additional Language	£974	£515	£515	Kirklees' method looked at the last census, NFF looks at the last three censuses
Secondary English as an Additional Language	£974	£1,385	£1,385	As per Primary EAL above
Primary low prior attainment	£1,661	£1,050	<b>£1,022</b>	NFF value applies to an increasing number of pupils
Secondary low prior attainment	£1,210	£1,550	£1,550	
Minimum per pupil Primary	Nil	£3,300	<b>£3,500</b>	
Minimum per pupil Secondary	Nil	£4,600	<b>£4,800</b>	
School Lump Sum	£130,000	£123,282	<b>£110,000</b>	

## ANNEX B: DEDICATED SCHOOLS GRANT: CENTRAL BUDGET RETENTION 2019-20 [for mainstream maintained schools and academies]

### 1) Growth funding within the Schools Block

Budget provision	£	Notes
Pupil Growth Fund	600,000	Supports mid-year basic need pupil growth of sufficient scale to trigger a new class arrangement. Also support to schools struggling to meet the KS1 class size regulation. PGF is only allocated where a school cannot fund from own resources
Falling Rolls Fund	Removed	It has been decided to cease to operate a Falling Rolls Fund, returning the £50,000 budget provision to the Schools Block funding formula. The criteria set by the ESFA for use of the fund effectively precluded any allocation of support from the Fund.
Future pupil growth	£698,500	In 2019-20 the Schools Block allocation includes for the first time funding towards the cost of future pupil growth within the system. This has been calculated from a comparison of the October 2018 and October 2017 pupil census returns to provide a proxy measure of future growth for individual local authorities. This element of funding needs to be retained by the LA to support those schools in the system affected by planned changes to address demand for pupil places in the area, eg new schools growing by one year group per annum, schools asked to vary their admission number to take in additional pupils in a 'bulge' class arrangement.
<b>TOTAL</b>	<b>£1,298,500</b>	

### 2) The Central School Services Block

Budget provision	£	Notes
Servicing of Schools Forum	31,000	
Pupil Admissions Service	401,900	
School Organisation & Planning	139,600	
School Reorganisation Support	292,000	
Historic DSG pension commitments	170,400	Fixed historic commitment, the budget cannot be increased
National Copyright Licence charge	323,500	Forum approval is not required
(Former Education Service Grant retained duties) Per pupil allocation to the Council in respect of statutory and regulatory duties for all children in Kirklees	943,300	
<b>TOTAL</b>	<b>£2,301,700</b>	

In comparison to 2018-19, the national copyright licence charge has increased from £311,000 to £323,500 due to the combined effect of rising pupil numbers and price inflation; the former-ESG retained duties element in 2018-19 was £994,800 – the decrease for 2019-20 reflects the next phased step towards a lower CSSB level provided by this particular national funding formula.

### 3) Funding retained within the Early Years Block

Budget provision	Proposed £	Notes
Early Learning and Childcare	585,000	Free Early Education & Childcare Team – funding to providers, free entitlement place sufficiency, supporting standards of delivery
Back office / management costs	71,200	Finance, payroll, HR, Legal, IT etc
Inclusion Support	40,400	Contribution to the Inclusion Officer team
Miscellaneous	12,000	Contribution to admissions, maternity, union duties etc
<b>TOTAL</b>	<b>£708,600</b>	

The introduction of '30 hours free childcare' and the resulting increase in the number of providers eligible to claim funding for the free entitlement (mainly after school-clubs and childminders) has placed unprecedented volume pressures on the teams which support children, families and early learning and childcare providers. Efficiency improvements have helped ensure that these pressures can continue to be met with existing resources. The proposed Early Years Block retention is less than 2.5%, well within the 5% level permitted by the government.

Consultation about 2019-20 Early Years funding and retention arrangements were held with the Early Years Reference group on 28<sup>th</sup> November 2018. There are no proposals to change these arrangements. This position will be considered by Schools Forum on 8<sup>th</sup> February 2019.

## ANNEX C: DE-DELEGATION 2019-20 [Maintained Mainstream Schools only]

Budget	Primary per pupil	Secondary per pupil	Notes
School Contingency	-£13.29	-£16.65	Used to correct funding errors, support schools facing emergencies, pick up costs it would be unfair to ask schools to meet, one-off financial interventions in schools in financial difficulty to help them secure necessary savings.
Free school meals eligibility checks	-£1.03	-£1.29	Customer & Exchequer service checks to identify children eligible to claim free school meals – helps schools maximise their deprivation-related funding
Maternity, paternity and adoptive leave	-£29.32	-£29.32	Central payment of salary costs during these leave periods so the school only pays the replacement costs
Trade union facilities time	-£5.72	£0.00	Pays for the release from schools of local TU officials to manage casework (competence, attendance, disciplinary etc) involving school staff
Public duties	-£0.16	-£0.20	School cover costs re staff on jury service, appearing as witnesses in court proceedings, serving as magistrates, serving as governors at another school etc
International new arrivals	-£1.58	-£1.98	Support to schools dealing with language-related issues of children admitted from different parts of the world
School Improvement Commissioning	-£4.50	-£12.01	Supports improvement interventions in schools – appropriate support to schools for the cost of implementing improvement action plans, brokering school-to-school support by meeting the cost of releasing staff from other schools to work with the school in need of support.
<b>TOTALS</b>	<b>-£55.60</b>	<b>-£61.45</b>	

The above picture of per pupil de-delegation is unchanged from financial year 2018-19, with the exception of the de-delegation charge per pupil to operate a central fund to meet maternity, paternity and adoptive leave costs. The charge per pupil has had to be increased to match the level of expenditure being claimed from the arrangement. The pattern of de-delegation shown in the above table was agreed by the maintained primary and secondary school representatives to the Schools Forum on 11<sup>th</sup> January 2019.



## ANNEX D: Meeting Schedule

### Consultation meetings with Schools Forum, Headteacher groups and Early Years Providers

#### Schedule

Consultation focus	Meetings	Meeting date	ESFA response date
<b>Schools block and Central schools services block</b>  <b>Implications of National Funding Formula for the Council and schools from 2019-20</b>	HT briefings	13 <sup>th</sup> and 28 <sup>th</sup> November 2018	21 <sup>st</sup> January 2019
	Consultation by email with schools	w/c 7 <sup>th</sup> January 2019	
	Schools Forum	11 <sup>th</sup> January 2019	
	Schools Funding paper to Cabinet	29 <sup>th</sup> January 2019	
<b>Early years block</b>	Early Years Reference group	28 <sup>th</sup> November 2018	28 <sup>th</sup> February 2019
	Schools Forum	8 <sup>th</sup> February 2019	

## ANNEX E: KEY REFERENCE DOCUMENTATION

The following key reference documents are available on the GOV.UK website. Other, related documentation is also available on these web links.

1. Schools Funding  
<https://www.gov.uk/government/publications/pre-16-schools-funding-guidance-for-2019-to-2020>
2. Early Years [Link to insert when published](#)
3. [High needs funding arrangements: 2019 to 2020 - GOV.UK](#)

A link to the Cabinet report on the Kirklees Schools funding formula for 2018-19 is provided below. The report is at Item 7

<https://democracy.kirklees.gov.uk/ieListDocuments.aspx?CId=139&MId=5273&Ver=4>