

Name of meeting: Cabinet
Date: 14 January 2020
Title of report: Report seeking approval for Kirklees' School Funding arrangements for financial year 2020-21

Purpose of the Report

- To recommend to Kirklees Cabinet the outline of the Kirklees schools funding formula for 2020-21 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 2020-21 to be submitted to the Education & Skills Funding Agency (ESFA) by the set deadline of 21st January 2020.

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?	Yes, the schools funding distribution affects all schools in every ward in Kirklees
Key decision - is it in the Council's Forward Plan (key decisions and private reports)?	Yes Private report/appendix: No
The decision - is it eligible for "call in" by Scrutiny?	Yes
Date signed off by Strategic Director & name	Mel Meggs (Jo-Anne Sanders) – 3 rd January 2020
Is it also signed off by the Service Director for Finance, IT & Transactional Services?	Eamonn Croston – 3 rd January 2020
Is it also signed off by the Service Director – Legal, Governance & Commissioning Support?	Julie Muscroft (John Chapman) 3 rd January 2020
Cabinet member portfolio • Children's Services	Cllr Carole Pattison 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.

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 2020-21. 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 funding, the NFF outcomes are each being phased in over different timescales.

ii) Schools Forum and Council responsibilities for DSG

Every local authority is required to 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 proposals. 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 the 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 28th November 2019 (see Section 2C below for more details).

The structure of the local 2020-21 schools funding arrangements and factor values used are required to be submitted to the ESFA by 21st January 2020, based upon a dataset provided by the ESFA which is derived largely from October 2019 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 2020-21 discussed with Schools Forum and constituent groups are...

- The changes made to the National Funding Formula for schools for 2020-21
- The minimum per pupil funding increase of 1.84% compared to 2019-20 per pupil baselines for individual schools
- 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 have been used to determine DSG Schools Block allocations for local authorities in England since 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. This 'soft' NFF period was subsequently 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 would deliver a lower level of funding than before. Instead,

minimum cash floor increases have applied in the last two funding years to ensure that all schools received at least a 0.5% increase in funding per pupil in both years compared to their 2017-18 per pupil baseline funding level. In 2019-20 this protection led to Kirklees Council receiving a Schools Block funding settlement which was significantly higher (£14.4m) than the figure determined by the pure application of the NFF calculation. For 2020-21 NFF factor values increase by an average of 4% in comparison to 2019-20 and this should see the amount of cash protection for local schools reduce significantly. A brake on this reduction is the requirement to pass on a minimum 1.84% funding increase per pupil in comparison to the 2019-20 per pupil baselines built into the 2020-21 NFF figures.

- iii) Following a period of detailed consultation with schools 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 would help schools to consider what the potential implications of a hard NFF allocation could eventually mean for them. [It should be acknowledged that a growing number of Kirklees schools are now receiving an increase in their funding level from the move to the NFF in comparison to previous allocations and are therefore not in receipt of temporary cash protection].
- iv) Having taken the decision to adopt the National Funding Formula factors and values from 2018-19, the Council will once again use the declared NFF factor values in distributing budget shares to schools for funding year 2020-21. There are some changes to note though -
 - The minimum per pupil funding checks within the formula will increase in 2020-21 to £3,750 (from £3,500 in 2019-20) for primary schools and to £5,000 (from £4,800) for secondary schools and they become a compulsory factor for local authorities to employ. [Kirklees has operated the minimum funding per pupil checks since 2018-19].
 - Funding factor values for 2020-21 will rise by an average of 4% in comparison to 2019-20 values. The only real exception to this is the factor that funds current numbers of children entitled to free school meals. This factor is intended to provide the school with funding to pay their meals provider for the “free” meals allocated during the year so only a basic inflationary rise of £10 (2.27%) has been added to this factor for 2020-21.
 - 2020-21 also sees the introduction of a formula-based Pupil Mobility factor. Pupil mobility, or pupil “churn” as it is sometimes referred to, is measured by the number of children at a school who are recorded as having an admission date other than a normal September start date. The factor acknowledges the additional difficulties and costs associated with significant numbers of children leaving and starting during the year. For a school to start to accumulate pupil mobility funding it must have more than 6% of pupils at the last census point having a start date at the school other than September. Those children above the 6% threshold will each attract £875 if primary-age and £1,250 if secondary-age.

[Please see Annex A for a comparison of how the funding factors and values have changed over the three year period starting from 2018-19]

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

i) Adjustment to remove secondary pupils from Almondbury Community School with effect from 31/8/20

A disapplication request has to be submitted to request permission to make a downwards adjustment to the number on roll figure of any school to be used in the funding formula. The age range of Almondbury Community School is to alter with effect from 1st September 2020 to remove the Secondary provision. A disapplication request has been submitted to request permission to remove any secondary-age pupils from the School's funding allocation beyond 31st August 2020. Work has been undertaken with the parents and pupils affected to track their preferred school of choice for September 2020. The schools that will be admitting the Almondbury pupils will be King James's, Netherhall Learning Campus High School and Newsome High School. These schools' numbers on roll for the funding formula will be increased from September 2020 to reflect the indicated transfers in of pupils from Almondbury Community School.

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 2019/20, the primary provision progressed through into Year 5 for the first time. In 2020-21 additional funding will need to be factored in for pupils reaching Year 6 from September 2020. The standard Minimum Funding Guarantee calculation views the all through school as a secondary provision and would act to protect additional primary 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 28th November 2019 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 has been submitted in connection with the ongoing process of removing an identified element of over-funding at a maintained primary school. Ashbrow School was formed from the technical closure of Ashbrow Junior School and the expansion of the age range of Ashbrow Infant & Nursery School to then admit the displaced pupils of the Junior School. The amalgamation took place at September 2012. This was before the ESFA introduced a mechanism to transition to a single school lump sum payment in cases of a school amalgamation. This has meant that the school's baseline funding 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 pupils in 2019.

The Schools Forum requested last year that further investigation of Ashbrow School's funding level be undertaken, 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 last year seeking permission to amend the School's funding baseline starting from 2019-20. To give the school time to adjust its expenditure plans it was proposed to adjust the baseline to produce a funding outcome which, as a first step, removed in 2019-20 one quarter (approx. £64,000) of the identified element of overfunding. The disapplication request for 2020-21 seeks permission to make a similar reduction to the School's funding as the second step in the process of returning the School's funding to a more customary level.

At the time of writing this report the Education & Skills Funding Agency have yet to indicate a decision on this particular disapplication request.

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. The Schools Block settlement includes a formula-based assessment of growth funding for each local authority. 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 can also support primary schools struggling to meet the requirements of the KS1 class size regulation. Growth Fund support is only ever given where a school cannot afford to meet the costs concerned from its own resources. [The Forum last year agreed to discontinue the operation of a Falling Rolls Fund].
- iii) Central budget provision can also be retained within the **Early Years funding block** up to a maximum of 5% of the Early Years block total. Kirklees' level of retention is well below this at around 2.5%. The majority of the retained amount funds the Free Early Education & Childcare Sufficiency and the Early Years Outcomes teams 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 13th December 2019. Central retention within the Early Years Block budget for 2020-21 will be the subject of consultation with all providers over the next few weeks and is scheduled for consideration at the Forum meeting on 7th February 2020. [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 Schools Forum representatives formally decide on de-delegation issues on behalf of their phase.
- ii) The de-delegated budget arrangements proposed for 2020-21 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 2020-21 for the primary sector were agreed with the maintained primary school representatives to Schools Forum at their meeting on 13th December 2019. The secondary position will be considered at the next Schools Forum meeting on 10th January 2020. [Please refer to Annex C below for details of 2020-21 de-delegation deductions].

F. High Needs Block Funding 2020-21

- i) With the introduction of the new national funding formula for High Needs, Kirklees' original outcome showed a projected funding increase by nearly 22%, equating to an eventual gain of £7m. To this point the increase has been feeding through at a maximum annual gain of 3% (roughly £1m per annum). The pace of the gain in funding has not been helpful given the mounting pressures within Kirklees' High Needs account. If the new High Needs national funding formula provides an objective measure of the local need to spend then the projected funding increase was urgently needed. It should also be noted that approximately half of the High Needs NFF funding method 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) Most local authorities are experiencing significant financial pressure within their High Needs account. The situation has now been acknowledged by the ESFA with a revised higher level of funding resources to be delivered to local authorities via the High Needs NFF in 2020-21. The original trajectory towards a £7m increase has now been overtaken by a settlement for 2020-21 which will deliver a £6.1m increase to Kirklees' High Needs funding block in comparison to 2019-20. The eventual NFF outcome for Kirklees under the High Needs funding formula is now indicated to be a further £5.7m rise beyond the level of funding provided for next financial year. However, this amount has still to be formally confirmed and there is no indication as to how quickly the money would be released.

G. Early Years Block Funding 2020-21

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 for a maximum of three school terms. 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) The hourly rate used in the Early Years National Funding Formula calculation for 2020-21 is £4.38, an increase of £0.08 from the 2019-20 funding rate. It is proposed that this increase is passed through to early years providers in the new funding year.
- 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. The amount allocated to Kirklees from the Early Years Pupil Premium has risen from £287k to £338k and this will be allocated in support of disadvantaged early years children.

Early Years funding for disadvantaged 2 year olds: The hourly rate for disadvantaged two year olds within the Early Years National Funding Formula has also increased by £0.08 to £5.28 for 2020-21. It is also proposed that this increase be passed through to relevant providers.

H. Dedicated Schools Grant funding settlement 2020-21

DSG Schools Block:

- i) The 2020-21 per pupil units of funding (PUF) for the DSG Schools Block settlement are £4,254.53 per primary pupil and £5,433.31 per secondary pupil. These rates include sufficient funding to guarantee that each mainstream school can be funded for at least a 1.84% inflationary increase in funding per pupil compared to their 2019-20 per pupil funding

baselines. The ESFA requires that at least 80% of this funding block is allocated via pupil-led factors. In Kirklees 90.76% of the available total was pupil-led in the 2019-20 funding allocation to schools.

- ii) The confirmed Schools Block allocation for Kirklees for 2020-21 has increased by £8.51m (£295.27m in 2019-20 to £303.78m for 2020-21), due to a combination of increased secondary-age pupil numbers in the system, a minimum 1.84% per pupil cash increase on 2019-20 baselines and the effect of an average 4% increase in National Funding Formula factor values for 2020-21. The Schools Block cash increase in comparison to 2019-20 amounts to 2.88%. Mainstream schools will receive a funding formula increase next year within a range from a minimum of 1.84% to a maximum of around 4.00%. The effect of the rise in the NFF factor values will flow through to those schools currently receiving little to no cash protection in their 2019-20 allocation. For those schools where their 2019-20 budget includes significant cash protection they will benefit from the increase to NFF values but their cash protection level will reduce. The minimum net result for many schools will be the 1.84% increase in per pupil funding.
- iii) The Schools Block funding factors to be used in the 2020-21 funding allocation to schools will largely be those prescribed by the National Funding Formula (see Annex A below for a list of these funding factors and values).

Central School Services Block:

- iv) Kirklees has been allocated £33.14 for every 4 to 16 year old pupil attending schools and academies in the borough (a reduction from the £33.99 rate received in 2019-20). A sum of £136,300 has then been added to reflect historic annual pension commitments charged to the DSG. [This figure represents a 20% reduction on the amount provided for historic commitments in previous years but no saving can actually be made to the annual pension cost in 2020-21. The Department for Education are understood to be willing to listen to arguments in circumstances where they have assumed historic commitment costs will begin to unwind but that is not actually the case). 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 used to be supported by Education Services Grant) the Council has for all local pupils whether educated in maintained schools or academies.

DSG High Needs Block:

- v) Revisions to the national budget for the High Needs National Funding Formula has resulted in Kirklees being allocated £43.17m for High Needs in 2020-21 – a £6.1m increase on 2019-20. Kirklees' gain is around the maximum permissible (17%) and is much needed given the substantial demand pressures on the High Needs account. Although expenditure levels are still expected to run well ahead of even this enhanced funding level for the foreseeable future.
- vi) The unadjusted level of Kirklees' revised high needs NFF outcome is indicated to be £48.8m so, potentially, more funding is waiting in the

wings to help. However, it should be acknowledged that the Treasury has made no firm commitments yet to departmental budgets beyond 2020-21. There is also no detail available as to how long the path to the eventual outcome will take should the funding be confirmed.

DSG Early Years Block:

- vii) The Early Years' National Funding Formula values have increased in comparison to 2019-20 – the hourly funding rate for 3 & 4 year olds has risen from £4.30 to £4.38 and the hourly funding rate for disadvantaged 2 year olds has also increased from £5.20 to £5.28. Within the 2019-20 Early Years Block allocation there are some variations associated with changes to overall numbers of children – funding for the universal (base) 15 hours free nursery offer is affected by a fall of around 150 part-time equivalent (pte) children and funding received for disadvantaged 2 year olds has reduced due to around 60 part-time equivalent pupils fewer than last year. However, the funding for the extended 15 hours entitlement for children of eligible working families has shown another increase by approaching 230 pte children. The total allocation in the Early Years block for 2020-21 is £28.64m (in 2019-20 the allocation was £28.09m).

I. Recommendations for the 2020-21 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 2020-21 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 2020-21 submitted to the Education & Skills Funding Agency by 21st January 2020.

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.

- **Climate change & Air Quality**

N/A

- **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 2020-21.

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 10th January 2020, prior to the deadline for submission of the school funding allocations for 2020-21 to the ESFA on 21st January 2020.

ii) Based on the ESFA funding timeline, it is expected that the local authority will inform maintained schools of their 2020-21 budget shares by 28th February 2020. The ESFA will inform academies of their budget allocations for the academic year 2020/21 by the 31st March 2020.

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 2020-21, the third 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 2020-21 (based upon a guaranteed funding rise of at least 1.84% per pupil in comparison to each school's 2019-20 per pupil baseline) to the Education & Skills Funding Agency.

7. Cabinet portfolio holder's recommendations

- To note the changes to schools funding arrangements for 2020-21, the third 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: How the National Funding Formula factor values have changed since their adoption in 2018-19

Funding factor	NFF values per pupil 2018-19	NFF values per pupil 2019-20	NFF values per pupil 2020-21	Notes
Primary basic per pupil	£2,747	£2,747	£2,857	
Key Stage 3 per pupil	£3,863	£3,863	£4,018	
Key Stage 4 per pupil	£4,386	£4,386	£4,561	
Primary Free School Meals Ever 6	£540	£540	£560	
Sec'y Free School Meals Ever 6	£785	£785	£815	
Primary current FSM	£440	£440	£450	
Secondary current FSM	£440	£440	£450	
Prim IDACI Band F	£200	£200	£210	
Prim IDACI Band E	£240	£240	£250	
Prim IDACI Band D	£360	£360	£375	
Prim IDACI Band C	£390	£390	£405	
Prim IDACI Band B	£420	£420	£435	
Prim IDACI Band A	£575	£575	£600	
Sec'y IDACI Band F	£290	£290	£300	
Sec'y IDACI Band E	£390	£390	£405	
Sec'y IDACI Band D	£515	£515	£535	
Sec'y IDACI Band C	£560	£560	£580	
Sec'y IDACI Band B	£600	£600	£625	
Sec'y IDACI Band A	£810	£810	£840	
Pupil Mobility			£875 Primary £1,250 Sec'y	New formula- based factor
Primary English as an Additional Language	£515	£515	£535	
Secondary English as an Additional Language	£1,385	£1,385	£1,440	
Primary low prior attainment	£1,050	£1,022	£1,065	
Secondary low prior attainment	£1,550	£1,550	£1,610	
Minimum per pupil check Primary	£3,300	£3,500	£3,750	£4,000 in 2020-21
Minimum per pupil check Secondary	£4,600	£4,800	£5,000	
School Lump Sum *	£110,000	£110,000	£114,400	

*In the last two funding years Kirklees' locally-set lump sum amount has had to be set slightly higher than the NFF value (£123,282 in 2018-19 and £120,814 in 2019-20). This was the only way available to allocate the cash protection funds remaining after the required funding floor increases had been satisfied. It is anticipated that similar action may need to be taken in setting the lump sum value for 2020-21.

ANNEX B: DEDICATED SCHOOLS GRANT: CENTRAL BUDGET RETENTION 2020-21 [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 supports schools struggling to meet the KS1 class size regulation. PGF is only allocated where a school cannot address the issue from its own budget resources
Future pupil growth	737,500	The Schools Block allocation includes an element of funding towards the cost of future pupil growth within the system. For 2020-21 this has been calculated from a comparison of the October 2019 and October 2018 pupil census returns to provide a proxy measure of future growth for individual local authorities. This allocation pays for the Pupil Growth Fund provision above. The balance of the growth 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.
TOTAL	£1,337,500	

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	331,100	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	852,100	
TOTAL	£2,218,100	

In comparison to 2019-20, the national copyright licence charge has increased from £323,500 to £331,100 due to the combined effect of rising pupil numbers and price inflation; the former-ESG retained duties element in 2019-20 was £943,300 – the decrease for 2020-21 partly reflects the next phased step towards a lower CSSB level provided by this particular national funding formula but it also includes a 20% reduction in specific funding provided in the settlement in respect of the £170k of pension funding commitments in the above table.

3) Funding retained within the Early Years Block

Budget provision	Proposed £	Notes
Early Learning and Childcare	585,000	Free Early Education, Childcare Sufficiency and Early Years Outcomes Teams – 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
TOTAL	£708,600	

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 2.5%, well within the 5% level permitted by the government.

Consultation about 2020-21 Early Years funding and retention arrangements were held with the Early Years Reference group on 27th November 2019. There are no proposals to change these arrangements. This position will be considered by Schools Forum on 7th February 2020.

ANNEX C: DE-DELEGATION 2020-21 [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.
TOTALS	-£55.60	-£61.45	

The above picture of per pupil de-delegation is unchanged from financial year 2019-20. The pattern of de-delegation for the primary sector shown in the above table was agreed by the maintained primary school representatives to the Schools Forum on 13th December 2019. The secondary schools' position will be considered at the 10th January Schools Forum meeting.

ANNEX D: Meeting Schedule

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

Schedule

Consultation focus	Meetings	Meeting date	ESFA response date
Schools block and Central schools services block Implications of National Funding Formula for the Council and schools from 2020-21	HT briefings	26 th and 27 th November 2019	21 st January 2020
	Consultation by email with schools	w/c 2 nd December 2019	
	Schools Forum	13 th December 2019 and 10 th January 2020	
	Schools Funding paper to Cabinet	14 th January 2020	
Early years block	Early Years Reference group	27 th November 2019	28 th February 2020
	Schools Forum	24 ^h January and 7 th February 2020	

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://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/831848/Schools_operational_guide_2020_to_2021.pdf

2. Early Years

<https://www.gov.uk/government/publications/early-years-funding-2020-2021>

3. High Needs funding 2020-21

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/837971/Operational_guide.pdf

4. A link to the Cabinet report on the Kirklees Schools funding formula for the previous year, 2019-20 is provided below.

<https://democracy.kirklees.gov.uk/documents/s26887/Item%209%20Jan19%20Schools%20Funding%20Cabinet%20Report%20V3.pdf>