

Name of meeting: Cabinet
Date: 18th January 2022
Title of report: Report seeking approval for Kirklees' School Funding arrangements for financial year 2022-23

Purpose of the Report

- To set out the Kirklees schools funding arrangements for 2022-23 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 (De-delegated funds are a **deduction from a school's budget share** and are held centrally to fund relevant services. De-delegation can only apply to maintained primary and secondary school budgets for mainstream maintained schools)
- To request that the Cabinet approve the outline details of the Kirklees school funding formula for 2022-23 for submission to the Education & Skills Funding Agency (ESFA) by their deadline of 21st January 2022.

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 10 January 2022
Is it also signed off by the Service Director for Finance?	Eamonn Croston 10 January 2022
Is it also signed off by the Service Director – Legal, Governance & Commissioning Support?	Julie Muscroft 10 January 2022
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 2022-23. 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

2.1 Background

Dedicated Schools Grant

2.1.1 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 some DSG funding to pay for some of the statutory and regulatory duties they have for all pupils educated within the borough.

2.1.2 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.

Schools Forum and Council responsibilities for DSG

2.1.3 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 2012 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.

2.1.4 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's executive 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 several central budget arrangements.

2.1.5 The maintained primary and secondary school 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.

Formal submissions to the Education & Skills Funding Agency

2.1.6 Any exceptions requests seeking permission to make minor variations to the operation of the schools funding formula were made before the ESFA deadline of 19th November 2021 (see Section 2.3 below for more details).

2.1.7 The structure of the local 2022-23 schools funding arrangements and factor values used are required to be submitted to the ESFA by 21st January 2022, based upon a pupil dataset provided by the ESFA which is derived largely from October 2021 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. The submission of the funding figures to the ESFA by 21st January must be regarded as an indicative return until political sign-off is achieved. If amendments are required a second submission would have to be made.

Schools revenue funding issues for 2022-23 discussed with Schools Forum and constituent groups

2.1.8 These included the following: -

- The changes made to the National Funding Formula for schools for 2022-23
- An exception application to the Education & Skills Funding Agency to make variations to how the formula operates at one Kirklees school
- 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 2.2 to 2.9 below, with the Forum's recommendations to Cabinet shown at section 3 below.

2.2 MOVEMENT TOWARDS A NATIONAL FUNDING FORMULA IN THE 'SOFT' NFF YEARS OF 2018-19 TO 2022-23

2.2.1 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 to 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 over the 2020-21 period, and now for at least a further year, 2022/23, pending the outcome of the recent Government consultation on the NFF, Fair school funding for all: completing our reforms to the National Funding Formula Government consultation launched date 8th July 2021 with final responses by 30th September 2021.

2.2.2 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.

2.2.3 Instead, minimum cash floor increases have applied in the last four funding years to ensure that all schools receive at least some level of increase in funding per pupil over that period. By 2021-22 this protection led to Kirklees Council receiving a Schools Block funding settlement which was higher (£5.4m) than the figure determined by the pure application of the NFF calculation. For 2022-23 NFF factor values increase by an average of 3% in comparison to 2021-22 and this should see the overall amount of cash protection for local schools reduce again.

2.2.4 Prior to the start of 2018-19 schools were consulted on how, whether and to what extent to move to the National Funding Formula factors and values. It was decided to 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.

2.2.5 Having taken the decision to adopt the National Funding Formula factors and values from 2018-19, the Council will once again largely use the declared NFF factor values in distributing budget shares to school for funding year 2022-23. Please see Appendix A for a comparison of how the funding factors and values have changed over the five-year starting point of 2018-19.

2.3 EXCEPTIONS APPLICATIONS MADE TO THE EDUCATION & SKILLS FUNDING AGENCY:

Adjustment to one School's Minimum Funding Guarantee baseline to address an historic element of overfunding

- 2.3.1 A 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 in September 2012.
- 2.3.2 This was before the ESFA introduced a mechanism to transition to a single school lump sum payment in cases of a school amalgamation. The timing 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 407 pupils in 2021
- 2.3.3 The Schools Forum requested at the close of financial year 2018-19 that further investigation of Ashbrow School's funding level be undertaken, given the school's exceptional level of accumulated cash reserves. As a result of that investigation and subsequent discussions with the head teacher and chair of governors of the school, disapplication requests were submitted for 2019-20, 2020-21 and 2021-22 seeking permission to amend the school's funding baseline.
- 2.3.4 To give the school time to adjust its expenditure plans it was proposed to adjust the baseline to produce a funding outcome which removes one quarter (approx. £64,000) of the identified element of overfunding over each year of a four-year phasing period. The disapplication request for 2022-23 seeks permission to make another reduction to the school's funding as the fourth step of four 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 has yet to indicate a decision on this disapplication request].

2.4 DE-DELEGATION ARRANGEMENTS FOR MAINSTREAM MAINTAINED SCHOOLS (see Appendix C)

- 2.4.1 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 representatives to the Forum formally decide on de-delegation issues on behalf of their phase.

2.4.2 The de-delegated budget arrangements proposed for 2022-23 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].

2.4.3 De-delegation arrangements for 2022-23 for the primary sector were agreed with the maintained primary and secondary school representatives to Schools Forum at their meeting on 7th January 2022. [Please refer to Appendix C below for details of the 2022-23 de-delegation deductions].

DEDICATED SCHOOLS GRANT (DSG) FUNDING SETTLEMENT 2022-23

2.5 DSG Schools Block

2.5.1 The 2022-23 per pupil units of funding (PUF) for the DSG Schools Block settlement are £4,686 per primary pupil and £6,016 per secondary pupil. These rates represent a 2.45% and 2.72% increase respectively on 2021-22. The ESFA requires that at least 80% of this funding block is allocated via pupil-led factors.

2.5.2 The confirmed Schools Block allocation for Kirklees for 2022-23 has increased by £6.1m (£326.14m in 2020-21 to £332.24m for 2022-23) as below:

Kirklees Council - Dedicated schools grant (DSG) 2022/2023					
Total Primary Schools	Total secondary schools	Total Premises factor	Growth funding	Total schools block	Total schools block (After NNDR deduction)
£173,926,690	£154,440,660	£5,475,101	£1,442,334	£335,284,785	£332,237,913

2.5.3 The Schools Block funding factors to be used in the 2022-23 funding allocation to schools will largely be those prescribed by the National Funding Formula (see Appendix A below for a list of these funding factors and values).

2.5.4 In addition to the above the ESFA have also announced an indicative supplementary grant of £12 million split between Schools Block £9.6 million and High Needs £2.4 million. The schools block supplementary grant is expected to go towards supporting the delivery of the Governments pledge to raise new teacher starting salaries to £30,000 and the additional funding allocated in 2022/23 includes funding compensation for public sector employer costs (including schools) for Health and Social care levy uplift from April 2022.

2.5.5 On the 19th November 2021 School forum agreed a Schools Block Transfer of £1.6 million High Needs to support a range of investment measures as part of the broader Kirklees SEND transformation agenda.

2.6 HIGH NEEDS BLOCK FUNDING 2022-23

2.6.1 The settlement for 2022-23 totals £53.85m before deductions as shown in the table below:

Kirklees Council High Needs DSG Block Allocation

16th December 2021

Total high needs block before deductions	Mainstream Academies Pre-16 special educational needs places funded at £6,000	Special Academies Pre-16 special educational needs places	Special Academies Post-16 special educational needs places	Special Academies Pre-16 alternative provision places	Alternative provision academies and free schools Further education (FE) and independent learning provider(ILP) places	Total high needs block after deductions
53,849,152	624,000	1,630,000	240,000	1,060,000	3,282,000	47,013,152

Total high needs block <u>after deductions</u>	Supplementary Allocation	Total high needs block including Supplementary Allocation <u>after deductions</u>
47,013,152	2,408,307	49,421,459

Total high needs block <u>before deductions</u>	Supplementary Allocation	Total high needs block including Supplementary Allocation <u>before deductions</u>
53,849,152	2,408,307	56,257,459

2.6.2 Ongoing revisions to the national budget for the High Needs National Funding Formula have resulted in Kirklees being allocated £53.85 million for High Needs in 2022-23 (**before deductions**) – a £5.03 million increase on 2021-22 (£48.82 million allocated December 2020) equivalent to a 9.3% increase. Including the supplementary grant this allocation this increases to £56.26million or an increase, assuming no ‘pro-rata’ deductions, of 15.2%.

2.6.3 The uncapped level of Kirklees’ revised high needs NFF outcome is £62.01 million.

2.6.4 As reported extensively in previous Council budget reports, the Council is carrying a significant DSG deficit on its balance sheet. At year end 2020/21 it was £25.1million and it is expected to increase to at least £35 million by the end of financial year 2021/22. This is not a sustainable position for the Council and is an issue that is covered in more detail in the Council's annual budget report for 2022/23 and future years, to be considered at Cabinet on 1 February 2022 and Budget Council on 16 February 2022.

2.6.5 Schools Forum on 19th November 2021 agreed a funding transfer of 0.5% (the maximum allowable for a decision by Schools Forum) of £1.6million from the Schools Block to the High Needs block for 2022/23. The intention is that the funding will support a range of investment measures as part of the broader Kirklees SEND transformation agenda.

2.6.6 The Council has now entered a Safety Valve intervention programme, support for Local Authorities with Large DSG Deficits. The process will look at how Kirklees control the DSG deficit and reach an in year balance (as a minimum) on your DSG, and how quickly.

How Kirklees will contribute to the reduction of the historic deficit, in addition to reaching an in-year balance.

How Kirklees will ensure that the plan is deliverable and will be managed as it is implemented.

A clear explanation of the financial support the authority needs from the DfE to eliminate the historic deficit over the period of the agreement. This could include, if necessary, a request for some funding to help implement the proposal, as well as funding to eliminate the deficit directly, although we would not expect this to constitute a significant element of the total financial support requested.

the timetable for these discussions to be as follows: -

- November/December 2021 – introduction meeting to take place between DfE and Kirklees, in which we will introduce you to the Safety Valve programme and ask that your authority presents to the team the reasons for your deficit and existing plans for reducing this.
- January/February 2022 – detailed discussions to take place between DfE and Kirklees, in which Kirklees's plans to bring its high needs budget back into in-year balance and tackle the deficit will be explored and challenged. The DfE negotiation team (consisting of ex-CFO financial advisers, DfE SEND advisers and colleagues from the department) will be able to provide feedback as proposals are developed. An initial proposal must be submitted to the DfE team by close of play on 10th February. The DfE team will review this and provide feedback to your authority before the end of November.
- February 2022 – revised proposals from Kirklees to be submitted by 24th February. We will hold a final meeting with your authority and confirm whether your proposals are sufficient for us to recommend to Ministers, and an indication of the likely support from the DfE.

- February/March 2022 – DfE to put recommendations regarding agreements to Ministers, with the intention of returning to authorities by mid-March 2022. No agreement will be final until we have received Ministerial confirmation.
- As indicated above, agreements will need to be signed off rapidly in time for a first tranche of additional grant to be paid at the end of March.

2.7 EARLY YEARS BLOCK FUNDING 2022-23

- 2.7.1 The Government have announced that additional funding is being invested in the early years entitlements worth £160 million in 2022-23, £180 million in 2023-24 and £170 million in 2024-25, compared to the current financial year. Nationally from 2022-23 there will be £20 million extra in 2023-24 and £10 million extra in 2024-25 which reflects changes in the population of two, three-and four-year olds over the next three years. The government says the increase reflects cost pressures such as the minimum wage increase and inflation.
- 2.7.2 The Early Years' National Funding Formula values have increased in comparison to 2021-22 – the hourly funding rate for 3- & 4-year-olds has risen from £4.44 to £4.61 and the hourly funding rate for disadvantaged 2-year-olds has also increased from £5.36 to £5.57. Within the 2022-23 Early Years Block allocation there are some variations associated with changes to overall numbers of children.
- 2.7.2 The hourly funding rates in 2022-23 for all local authorities will increase by £0.21 an hour for the two-year-old entitlement and, for the vast majority of areas, by £0.17 an hour for the three-and four-year-old entitlements. Although this adds further investment to early years, Kirklees along with approximately one third of other local authorities will still receive the lowest funding base rates for two, three-and four-year olds from April 2022. Details of the consultation process and timeline regarding the funding formula can be found in Appendix D.
- 2.7.3 Funding for the universal (base) 15 hours free nursery offer, looks at this stage to be stable with total numbers of children very similar to this time last year but the number of disadvantaged 2-year-olds has reduced by just over 100 part-time equivalent pupils in comparison to year. However, the funding for the extended 15 hours entitlement for children of eligible working families has again increased, this time by around 231 pte children. The total allocation of the Early Years block for 2022-23 is £28.31 million (in 2021-22 the allocation was £29.31 million).

Early Years Funding: 3–4-year-olds:

- 2.7.4 All 3 and 4 year olds are eligible to 570 hours each year of free early learning, usually taken as 15 hours each week during school term time, up to starting in school reception. This is a universal entitlement for all children.
- 2.7.5 An additional 15 hours, referred to as the extended entitlement, is available to eligible working families with 3 and 4 year olds.
- 2.7.6 The Early Years National Funding Formula hourly rate for Kirklees in 2022-23 is £4.61. It is proposed that the increase will be used to maximise the base rate passed on to providers taking account of any changes to the deprivation rate (see below).

Supplements and additional factors

- 2.7.7 The funding rate for the Early Years Pupil Premium will increase from £0.53 to £0.60 per hour per eligible child, and the Disability Access Fund from £615 to £800 per eligible child per year. The supplementary funding hourly rate for maintained nursery schools will also increase by 3.5% equivalent to the three-and four-year-old funding rate increase.
- 2.7.8 Nationally there have been no changes to the permitted supplements therefore no changes are being proposed to the Kirklees supplements other than consideration to increasing the deprivation funding rates. The reasons for reviewing deprivation funding rates are twofold, firstly the transition to using the 2019 deprivation indices in the local funding formula means many providers will receive less deprivation funding. Secondly, there is evidence that the pandemic has had a greater impact on families living in the most deprived areas. Three options have been modelled for the provider consultation, 1) no increase, 2) 50% increase, 3) 100% increase. The impact of each model is illustrated in the table 2 below.

Table 2 Early Years Provider Modelling Options

	Number of providers receiving less deprivation funding	Number of providers receiving more deprivation funding	Number of providers with no change to deprivation funding	Value of largest decrease	Value of largest increase
Model 1	133	154	24	-£4,000	+£1,500
Model 2	37	270	4	-£1,500	+£2,900
Model 3	23	288	0	-£600	+£5,000

435 providers are registered to deliver the free entitlements, out of which 311 providers have received deprivation funding in the current year.

Early Years funding for disadvantaged 2-year-olds

- 2.7.9 Eligible 2-year-olds are entitled to 570 hours each year of free early learning, usually taken as 15 hours each week during school term time.
- 2.7.10 The Early Years National Funding Formula hourly rate for Kirklees in 2022-23 is £5.57. It is proposed that the increase will be used to maximise the base rate passed on to providers.

2.8 Central School Services Block

- 2.8.1 Kirklees has been allocated £35.07 for every 4 to 16 year-old pupil attending schools and academies in the borough (an increase from the £33.02 rate received in 2021-22). A sum of £136,320 has then been added to reflect historic annual pension commitments charged to the DSG. Kirklees has applied to the ESFA to once again have this sum protected at the 2021-22 rate of £170,400, as our commitments are higher than the previously protected sum. This has yet to be approved by the ESFA.
- 2.8.2 A breakdown of budget provision supported by the CSSB can be found at Appendix 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.
- 2.8.3 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. The allocation for 2022/2023 is shown in below:

Kirklees Council Central school services block (CSSB) 2022/2023			
CSSB Unit of funding	Number of pupils	Historic commitments	Total central school services block
£35.47	62,786.50	£136,320	£2,363,358

- 2.8.4 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.
- 2.8.5 The Pupil Growth Fund meets pre-opening costs for any 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 additional costs concerned from its own resources. [From 2019-20 the Forum agreed to discontinue the operation of a Falling Rolls Fund].

- 2.8.6 Central budget provision can also be retained within the Early Years funding block up to a maximum of 5% of the annual Early Years block total. Kirklees' level of retention is significantly below this at 2.6%. Most of the amount retained funds the Free Early Education Funding and Childcare Sufficiency Team, the Early Years Outcomes Team and provides a contribution to the SEN Support Team. These teams ensure statutory functions are met which include administration of the free entitlement funding to early years providers, ensure there are sufficient, high quality early years and childcare providers and offer support to providers for children with SEN.
- 2.8.7 It is not proposed to change the central retention amount within the Early Years Block budget for 2022-23 however consultation with the early years sector regarding the funding formula is currently taking place, recommendations are scheduled for consideration at the Schools Forum meeting on 4th February 2022.
- 2.8.8 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 7th January 2022. Central retention within the Early Years Block budget for 2022-23 will be the subject of consultation with all providers over the next few weeks and is scheduled for consideration at the Forum meeting on 4th February 2022. [Please refer to Appendix B below for details of the retained budgets].

3 RECOMMENDATIONS FOR THE 2022-23 DSG SCHOOLS FUNDING FORMULA FROM KIRKLEES SCHOOLS FORUM

- i) To note the ESFA-approved exceptions application.
- ii) 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.
- iii) To support the decisions, in principle, relating to central budgets and de-delegated budgets for 2022-23 and acknowledge the systematic monitoring of the expenditure and impact by Schools Forum.
- iv) To approve, in principle, the final details of the Kirklees' school funding formula for 2022-23 submitted to the Education & Skills Funding Agency by the 21st January 2022 deadline.

4 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 directs additional funds to support children in their first three years in the school system who have English as a second language.

- **Climate Change and Air Quality**

There are no direct implications for climate change and air quality.

- **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 (e.g., Legal/Financial or Human Resources) Consultees and their opinions**

The schools system is funded by the Council's annual Dedicated Schools Grant funding allocation under section 14 of the Education Act 2002 and is managed in accordance with the Schools and Early years Finance (England) Regulations 2012 which, amongst other things, requires the Council to consult the Schools Forum on certain matters when determining the school funding formula for 2022-23 and the terms and conditions of the ring-fenced grant. The council must consider the outcome and take into account the responses from the consultation before making any decision.

In carrying out its functions the council must comply with its Public Sector Equality Duty under section 149 Equality Act 2010 before exercising any decision on a particular policy or strategy namely it must have due regard to the need to eliminate unlawful discrimination, harassment, victimisation; advance equality of opportunity between persons who share protected characteristics and those who do not, and foster good relations between those who share protected characteristics and those who do not.

5 Consultees and their opinions

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.

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 2022-23.

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.

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

6 Next steps and timelines

Schools Forum will continue to help shape schools funding arrangements at their meeting on 7th January 2022, prior to the deadline for submission of the school funding allocations for 2022-23 to the ESFA on 21st January 2022.

Based on the ESFA funding timeline, it is expected that the local authority will inform maintained schools of their 2022-23 budget shares by 28th February 2022. The ESFA will inform academies of their budget allocations for the academic year 2022/23 by the 31st March 2022.

7 Officer recommendations and reasons

Members are asked to approve the following in accordance with the arrangements as set out in this report that have been consulted upon with School Forum for the funding of Local Schools and Academies for the funding year 2022-23:

1. Approve Schools Forum recommendations following 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 2022-23 and the fifth year of a 'soft' National Funding Formula approach.
2. Note the exceptions application made to the ESFA and subsequently approved.
3. Approve the submission of the schools funding formula to the ESFA for 2022-23.

4. Approve proposals for central budgets and de-delegated budgets 2022/23 as set out in this report and the accompanying Appendices.

8 Cabinet portfolio holder's recommendations

To note the changes to schools funding arrangements for 2022-23, the fifth year of 'soft' application of the National Funding Formula, leading up to the full introduction of the National Funding Formula for Schools from April 2024 subject to ongoing response to consultation.

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.

9 Contact officer:

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10 Background papers and history of decisions

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 2022-23

[Pre-16 schools funding: local authority guidance for 2022 to 2023 - GOV.UK](#)

2. Early Years Funding 2022-23

[Early years funding: 2022 to 2023 - GOV.UK \(www.gov.uk\)](#)

[Kirklees Early Years Funding Formula Proposals 2022-23](#)

3. High Needs funding 2022-23

[High needs funding arrangements: 2022 to 2023 - GOV.UK](#)

4. A link to the Cabinet report on the Kirklees Schools funding formula for the previous year, 2021-22 is provided below.

[Agenda for Cabinet on Tuesday 26th January 2021, 3.00pm Kirklees Council](#)

11 Service Directors responsible

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Appendix A: How the National Funding Formula factor values have changed since their adoption in 2018-19

Funding factor	NFF values per pupil 18-19	NFF values per pupil 19-20	NFF values per pupil 20-21	NFF values per pupil 21-22	NFF values per pupil 22-23
Primary basic per pupil	£2,747	£2,747	£2,857	£3,123	£3,217
Key Stage 3 per pupil	£3,863	£3,863	£4,018	£4,404	£4,536
Key Stage 4 per pupil	£4,386	£4,386	£4,561	£4,963	£5,112
Primary Free School Meals Ever 6	£540	£540	£560	£575	£590
Sec'y Free School Meals Ever 6	£785	£785	£815	£840	£865
Primary current FSM	£440	£440	£450	£460	£470
Secondary current FSM	£440	£440	£450	£460	£470
Prim IDACI Band F	£200	£200	£210	£215	£220
Prim IDACI Band E	£240	£240	£250	£260	£270
Prim IDACI Band D	£360	£360	£375	£410	£420
Prim IDACI Band C	£390	£390	£405	£445	£460
Prim IDACI Band B	£420	£420	£435	£475	£490
Prim IDACI Band A	£575	£575	£600	£620	£640
Sec'y IDACI Band F	£290	£290	£300	£310	£320
Sec'y IDACI Band E	£390	£390	£405	£415	£425
Sec'y IDACI Band D	£515	£515	£535	£580	£595
Sec'y IDACI Band C	£560	£560	£580	£630	£650
Sec'y IDACI Band B	£600	£600	£625	£680	£700
Sec'y IDACI Band A	£810	£810	£840	£865	£890
Primary Pupil Mobility			£875	£900	£925
Sec'y Pupil Mobility			£1,250	£1,290	£1,330
Primary English as an Additional Language	£515	£515	£535	£550	£565
Sec'y English as an Additional Language	£1,385	£1,385	£1,440	£1,485	£1,530
Primary low prior attainment	£1,050	£1,022	£1,065	£1,095	£1,130
Secondary low prior attainment	£1,550	£1,550	£1,610	£1,660	£1,710
Minimum per pupil check Primary	£3,300	£3,500	£3,750	£4,180	£4,265
Minimum per pupil check Secondary	£4,600	£4,800	£5,000	£5,415	£5,525
School Lump Sum *	£110,000	£110,000	£114,400	£117,800	£121,300

*In previous funding years Kirklees' locally set lump sum amount has been set slightly higher than the NFF value (£123,282 in 2018-19, £120,814 in both 2019-20 and 2020-21). This was the only way available to allocate the cash protection funds remaining after the required funding floor increases had been satisfied. 2021-22 and 2022-23 sees the lump-sum being allocated at NFF value.

**Appendix B: DEDICATED SCHOOLS GRANT: CENTRAL BUDGET
RETENTION 2022-23 [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	600,000	The Schools Block allocation includes an element of funding towards the cost of future pupil growth within the system. For 2022-23, 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, e.g., 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. The amounts have been kept at the same level at 2021-22.
TOTAL	£1,200,000	

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	136,320	Application to ESFA to protect at £170,400. No confirmation yet.
Former Teachers Pay & Pension Grant funding in respect of centrally employed teachers	36,300	
National Copyright Licence charge	347,783	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	978,455	
TOTAL	£2,363,358	

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 proposed Early Years Block retention is 2.6%, well within the 5% level permitted by the government.

Consultation arrangements on the 2022-23 Early Years funding formula are outlined in Appendix D.

Appendix C: DE-DELEGATION 2022-23 [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 2021-22. The pattern of de-delegation for the primary sector shown in the above table was agreed by the maintained school representatives to the Schools Forum on 7th January 2022.

Appendix 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 2022-23	Consultation by email with schools	w/c 6 th December 2021	21 st January 2022
	Schools Forum	7 th January 2021	
	Schools Funding paper to Cabinet	21 st January 2022	
Early years block	Online survey	16th December 2021 to 13th January 2022	25 th February 2022
	Virtual briefing sessions	5 th and 6 th January 2022	
	Early Years and Childcare Reference group	18 th January 2022	
	Schools Forum	4 th February 2022	