

# Agenda

## Herefordshire Schools Forum

Date: **Friday 18 October 2024**

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Time: **9.30 am**

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Place: **virtual meeting platform**

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Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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If you would like help to understand this document, or would like it in another format or language, please call Jenny Preece, Democratic Services Officer on 01432 261699 or e-mail [jennypreece@herefordshire.gov.uk](mailto:jennypreece@herefordshire.gov.uk) in advance of the meeting.

# Agenda for the Meeting of the Herefordshire Schools Forum

## Membership

<b>Chairman</b>	Alison Banner	LA maintained secondary schools
<b>Vice-Chairman</b>	Paul Jennings	Academies
	Beverley Blower	PRU - Management Committee
	Dan Brearey	LA Maintained Primary School
	Alex Davies	Academies (primary)
	Paul Deneen	Trade Unions
	Nicki Emmett	Academies
	Richard Foster	Local Authority Maintained Primary School
	Nicki Gilbert	LA Special Schools
	Andy Gosling	Secondary Governors
	Georgie Griffin	Primary Governors
	Edward Gwillim	16-19 Providers
	Sue Jenkins	Local Authority Maintained Primary School
	Paul Jennings	Academies
	Tim Knapp	Academies
	Chris Lewandowski	Trade Unions
	Rose Lloyd	Early Years
	Hayley Manns	Early Years providers
	Gemma Martin	Diocese of Hereford
	Sheila Taylor	Academy Special Schools
	Kathy Weston	Local Authority Maintained Primary School

## Agenda

	Pages
<b>1. ELECTION OF CHAIRPERSON</b> To elect a chairperson for the ensuring year.	
<b>2. ELECTION OF VICE-CHAIRPERSON</b> To elect a vice-chairperson for the ensuing year.	
<b>3. APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
<b>4. NAMED SUBSTITUTES (IF ANY)</b> To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
<b>5. DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
<b>6. MINUTES</b> To approve and sign the minutes of the meeting held on 12 July 2024.	5 - 8
<b>7. NATIONAL SCHOOLS FUNDING FORMULA 2025/26 UPDATE</b> To provide an update to the forum on national school funding issues, including the recommendations of the budget working group (BWG) on the Herefordshire schools' budget 2025/26.	9 - 20
<b>8. HIGH NEEDS FUNDING AND DEDICATED SCHOOLS GRANT (DSG) DEFICIT MANAGEMENT PLAN</b> To report on the pressures facing the High Needs budget and to report on progress delivering the Deficit Management Plan (ESFA tool).	21 - 36
<b>9. WORK PROGRAMME 2024/25</b> To review the work programme for 2024/25 and identify any additional items the forum wishes to consider.	37 - 38
<b>10. DATE OF NEXT MEETING</b> Friday 24 January 2025. 9:30am.	





## Minutes of the meeting of Herefordshire Schools Forum held at virtual meeting platform on Friday 12 July 2024 at 9.30 am

**Present:** Councillor Ms A Banner (LA maintained secondary schools) (Chairperson)  
Mr P Jennings (Academies) (Vice-chairperson)

Ms B Beverley	PRU - Management Committee
Mr A Davies	Academies (primary)
Mr P Deneen	Trade Unions
Ms N Emmett	Academies
Mr R Foster	Local Authority Maintained Primary School
Ms N Gilbert	LA Special Schools
Mr E Gwillim	16-19 Providers
Mr C Lewandowski	Trade Unions
Mrs R Lloyd	Early Year
Ms G Martin	Diocese of Hereford
Mr D Willis	Primary Governors

### In attendance:

**Officers:** Service Director, Education, Skills and Learning, Management Account, Strategic Finance Manager - Financial Planning and Analysis, Service Manager Additional Needs, Head of Additional Needs, Head of Learning and Achievement and Cabinet Member Children and Young People.

*The Vice Chairperson, Mr P Jennings, assumed the Chair for the meeting*

#### 103. APOLOGIES FOR ABSENCE

Apologies were received from, Dan Brearey, Andy Gosling, Georgie Griffin, Sian Lines, Hayley Manns and Sheila Taylor.

Officers  
Rachael Hart, Head of Strategic Finance.

#### 104. NAMED SUBSTITUTES (IF ANY)

David Willis for Georgie Griffin and Gemma Martin for Sian Lines.

#### 105. DECLARATIONS OF INTEREST

There were no declaration of interests.

#### 106. MINUTES

**Resolved:** that the minutes of the meeting held on 12 April 2024 be approved as a correct record.

The chair welcomed the Strategic Finance Manager (SFM) and Management Accountant (MA) to the forum following Malcolm Green's resignation. It was explained that they would both be filling the role Malcolm had undertaken with the

Management Accountant leading on more of the day-to-day issues affecting schools whilst a recruitment to fill that position had been conducted.

The Service Director, Education, Skills and Learning welcomed the SFM and MA to the forum. She offered her sincere thanks to Malcolm Green for the tremendous work he had undertaken for the Local Authority over many years providing great stability and support to all schools, and that he would be really be missed. She explained that in the interim the SFM and MA would be covering Malcolm's work whilst firm plans were established in finding a permanent replacement. An update should be able to be provided in the autumn term.

#### **107. ANNUAL REVIEW OF SCHOOLS FORUM**

The clerk to the Schools Forum presented the report.

It was explained that using the spring 2024 School Census the annual review of membership had been conducted for the forum to ensure the allocation of seats remained proportionate. As the findings suggested at paragraph 9 of the report, there had been a slight change to the number of seats for Maintained Primary Schools having 7 seats currently allocated and the data showing this should be 6. The suggested recommendation was that the forum simply remove a seat from the Maintained Primary Schools decreasing the current membership of the forum to 25. The forum currently had a vacant seat for Maintained Primary Schools and after a drive to fill vacancies last year it was evident that there was not the uptake to fill vacancies.

There had also been changes to the Budget Working Group (BWG), as shown at paragraph 11 of the report however it was felt that the group provided an appropriate spread of membership to represent the various types of school in Herefordshire and to adopt changes would create vacancies that are likely to remain unfilled whilst having to remove current members who regularly attend and contribute to the working group. A number of schools converting to academies are also in the pipeline and therefore it was recommended that the BWG remains the same with another review being undertaken next year.

No comments were received from the forum.

#### **RESOLVED:**

**That:**

- a) The outcome of the annual review of proportionality was noted;**
- b) The allocation of seats for the Herefordshire Schools Forum is reduced to 25 seats, 1 seat being removed from Maintained Primary Schools.**
- c) No changes are made to The Budget Working Group.**

#### **108. DATES OF MEETINGS AND WORK PROGRAMME FOR 2024/25**

The proposed meeting dates and work programme for the forum for 2024/25 were noted. No objections were raised.

Friday, 18 October 2024 9:30am

Friday, 24 January 2025 9:30am

Friday, 14 March 2025 9:30am

Friday, 11 July 2025 9:30am

The Chairperson thanked all those in attendance. Special thanks were given to; Malcolm Green for all his hard work and dedication to the forum and budget working group over many years and that he would be greatly missed. Thanks were also expressed for Steven Kendrick and Christine Bryan who had also left the forum. Steven would be remaining on the budget working group. Members of the forum endorsed the chair's comments.

The meeting ended at 9.46 am

**Chairperson**







# Title of report: National Schools Funding Formula 2025/26 Update

**Meeting: Herefordshire Schools Forum**

**Meeting date: 18 October 2024**

**Report by: Senior Finance Business Partner**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards)

## **Purpose**

To provide an update to the forum on national school funding issues, including the recommendations of the budget working group (BWG) on the Herefordshire schools' budget 2025/26.

## **Recommendation(s)**

**That:**

- a) **Schools Forum to review the budget approach for setting the schools 2025/26 budget to be in line with the approach taken in 2024/25, as outlined in paragraph 4;**
  
- b) **Schools Forum to provide a view on consultation with schools, as outlined in paragraph 5.**

## **Alternative options**

1. Alternative options will be fully considered by the Budget Working Group prior to formulating final budget recommendations for consideration by Schools Forum in January 2025. At this stage only a preliminary view has been sought in order to determine how the budget proposals can be developed further. The high needs budget will require further detailed work following the expected DfE funding announcement in December 2024 and recommendations will be agreed by Schools Forum in March 2025 prior to a formal decision by the Cabinet member for Children's and Families.

## Key considerations

2. In previous years, the Department for Education has announced provisional financial information for the coming financial year in July. Following the change of Government on 4 July, this announcement has been delayed. The Chancellor's budget statement set for 30 October 2024 will outline the Government's financial position and departmental spending levels. It is not anticipated that any national funding formula updates or Dedicated Schools grant allocations for 2025/26 will be announced before the budget.
3. Although the announcement is later than in previous years, it is envisaged that the statutory deadline for budget setting at individual school level will still remain, i.e. January 2025. In the absence of any funding announcement, the Budget Working Group (BWG) at its meeting on 4 October 2024 considered the principle that **Herefordshire's approach to school funding for 2025/26 should be broadly in line with the approach used for 2024/25.**

**Result of BWG consideration:** *the BWG approved the approach of having the 24/25 budget framework in place for 25/26. The BWG commented that the approach used in previous years was well received and effective so it would be prudent to use the same for 25/26.*

4. The approach will follow the following principles therefore:
  - Seek to fund schools at the National Funding Formula values.
  - To fund schools at the maximum permitted Minimum Funding Guarantee (0.5% given in 2024/25)
  - To use the school block transfer process (max 0.5%) towards the SEN Protection Scheme (in line with 2024/25)
  - De-delegations in place as at 2024/25 to remain for 2025/26 (proposed annual increase cannot be given at this stage due to funding announcement delays. *(The BWG asked for a list of de-delegations approved in Jan24 for the 24/25 budget that would be rolled forward for 25/26. This was provided by finance and sent out with the minutes).*)
  - Avoid DSG deficit escalating further – the high needs block strategy is under review in line with DSG Management Plan

5. A key feature of the budget setting process is the annual financial consultation with schools. This takes place each year for the Forum to consider the outcomes early as budget planning develops. The absence of a funding announcement makes consultation difficult. The Budget Working group considered this at their meeting on 4 October 2024.

**Result of BWG consideration:** *some members of the BWG considered that the consultation process shouldn't take place given the poor response from schools in previous years. Others mentioned that it could take place but in an easier format. In previous years it's been a form that has had to be printed out and filled in, whereas a Microsoft online form was recommended. The service agreed to look into this.*

6. Using 24/25, the indicative timescale for setting the schools budgets is as follows:
  - Consultation with schools Oct/Nov24 (if online form/easier format can be produced).
  - Publication of 2025-26 individual school budgets may follow last year's timeline, with provisional budgets issued in early January 2025 and final budgets in March 2025.

- The expectation is that the January provisional budgets will reflect the schools funding settlement for 2025-26 and October 2024 verified census data (subject to this being provided by the DfE no later than mid-December).
- Final budget decisions will then need to be taken by Schools Forum which will in turn produce final allocations for release to schools in March.

## **Community impact**

7. Increasingly schools funding is directed by government and the council can only allocate funding given by government. School governing bodies retain the responsibility to spend the school budget on meeting pupil needs. Schools, colleges and post-16 providers and potentially parents will need to be consulted on any changes to the high needs services.

## **Environmental Impact**

8. This is a consultation with Schools Forum on school funding and will have no direct environmental impacts. School governing bodies and trustees are responsible for deciding on expenditure and they will be encouraged to minimise waste and resource use in line with the Council's Environmental Policy

## **Equality duty**

9. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
10. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows: A public authority must, in the exercise of its functions, have due regard to the need to – (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
11. In relation to school finance, it is the responsibility of individual governing bodies to commit expenditure according to individual pupil need. Changes in high needs provision will require consultation with users, and further advice from legal services will be sought should this be necessary. However, the decisions of the school forum should have regard to this duty and the potential implications of any decisions made.

## **Resource implications**

12. The school's budget is fully funded by Dedicated Schools Grant (DSG). On 3rd October the ESFA published a statement acknowledging the delay in the National Funding Formula (due to change in national government) and mentioned that this information for 25/26 will be made available following the central government budget announcement on 30th October. The ESFA also mentioned that a modelling Authority Planning Tool would not be made available this year, but a final version of the Authority Planning Tool (at school level) would be sent alongside the DSG allocations.

## Risk management

13. As there is no funding announcement, the full risk analysis has not yet been undertaken.

## Consultees

14. No consultation has yet been undertaken with schools, early years providers or service users. The BWG was consulted on 4 October 2024 regarding consultation with schools and Schools Forum will be informed of all comments at the meeting. The BWG will consider the budget proposals further after the budget consultation with schools has been completed (if this happens/online form is made available) and the DfE have announced final DSG allocations in December 2024.

## Appendices

Appendix 1 Budget Working Group presentation 4 October 2024

## Background papers

None identified.

## Report Reviewers Used for appraising this report:

Governance	Jen Preece	Date 10/10/2024
Finance	N/A	Click or tap to enter a date.
Communications	Luenne Featherstone	Date 09/10/2024
Equality Duty	Harriet Yellin	Date 10/10/2024
Procurement	N/A	Click or tap to enter a date.
Risk	N/A	

Approved by	Liz Farr & Rachael Sanders
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**Budget Working Group  
4<sup>th</sup> October 2024 –  
National Funding  
Formula 25/26 update**

# Agenda

## 1. National Schools Funding Formula 2025/26 - Update (Finance)

# Agenda Item 1

## National Schools Funding Formula 2025/26 - Update

### Purpose

- To provide an update to the Schools Forum in respect of the 2025/26 Schools Budget for mainstream schools together with other relevant finance related matters.
- With the change in national government (4<sup>th</sup> July), the normal July release of core financial information has been paused with no meaningful information released to date.

# Risk to budgeting process

- Whilst budget setting data at individual school level is not usually confirmed until the end of December, the general release of funding rates is an important first stage in budget planning.
- Following release of information consultation with schools usually takes place in Oct/Nov.
- All information needs to be completed before the government statutory deadline of January 2025 (which will not change!)



# Budget Working Group considerations:

1. In the absence of funding announcement BWG to consider the following principle:

***Herefordshire's approach to school funding for 2025/26 should be broadly in line with the approach used for 2024/25.***

This means:

- Seek to fund schools at the National Funding Formula values
- To fund schools at the maximum permitted Minimum Funding Guarantee (0.5% given in 2024/25)
- To use the school block transfer process (max 0.5%) towards the SEN Protection Scheme (in line with 2024/25)

# Budget Working Group considerations (continued):

- De-delegations in place as at 2024/25 to remain for 2025/26 (proposed annual increase can not be given at this stage due to funding announcement delays).
- Avoid DSG deficit escalating further – the high needs block strategy is under review in line with DSG Management Plan (see later slides).

# Budget Working Group considerations (continued):

## 2. Consultations with schools (Oct/Nov):

Key feature of the budget setting process is the annual financial consultation with schools. This takes place each year for the Forum to consider the outcomes early in the autumn as budget planning develops.

***But in view of no funding information announcement this will be difficult.***

# Budget timelines (not yet confirmed)

1. Consultation with schools Oct/Nov24? (final view to be taken from BWG).
2. Publication of 2025-26 individual school budgets may follow last year's timeline, with provisional budgets issued in early January 2025 and final budgets in March 2025.
3. The expectation is that the January provisional budgets will reflect the schools funding settlement for 2025-26 and October 2024 verified census data (subject to this being provided by the DfE no later than mid-December).
4. Final budget decisions will then need to be taken by Schools Forum which will in turn produce final allocations for release to schools in March.

**Question – Shall we use 2024/25 Budget Approach?**



# Title of report: High Needs Funding and Dedicated Schools Grant (DSG) Deficit Management Plan

**Meeting: Herefordshire Schools Forum**

**Meeting date: 18 October 2024**

**Report by: Senior Finance Business Partner**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards)

## **Purpose**

To report on the pressures facing the High Needs budget and to report on progress delivering the Deficit Management Plan (ESFA tool).

## **Recommendation(s)**

**That:**

- a) **The High Needs 2023/24 final outturn budget position to be reviewed by Schools Forum**
- b) **The High Needs 2024/25 forecast outturn be reviewed and agree that regular budget monitoring reports are presented to future schools forums**
- c) **Review the mitigation actions used in preparing the deficit management plan and managing the DSG deficit. Schools Forum to highlight & identify any further mitigations that could be taken.**

## **Alternative options**

1. Alternative options for managing the dedicated schools grant (DSG) High Needs overspend and reducing the deficit will be fully considered by the Budget Working Group prior to formulating final budget recommendations for consideration by Schools Forum in March 2025.

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Further information on the subject of this report is available from Clare Bellis-Powley, Senior Finance Business Partner, Tel: 01432 383095 email: [clare.bellis-powley@herefordshire.gov.uk](mailto:clare.bellis-powley@herefordshire.gov.uk)

2. The High Needs budget will require further detailed work following the expected Department for Education (DfE) funding announcement in December 2024 and recommendations will be agreed by Schools Forum in March 2025 prior to a formal decision by the Cabinet member for Children and Young People.

### **Key considerations**

3. The DSG is intended to meet the educational costs of pupils in primary and secondary education, as well as the educational costs of special educational provision for children and young people with Special Educational Needs (SEN) in post-16 provision, including those aged over 19 and up to 25 who have an Education Health Care Plan (EHCP). The DSG cannot be used for purposes other than those specified in the conditions of grant and regulations. High needs funding is one element of this.
4. High needs funding is provided to all local authorities through the High Needs block of the Dedicated Schools Grant (DSG), to enable them to meet their statutory duties under the Children and Families Act 2014. Local authorities then pass it to schools and other providers for individual children, as well as using it to provide specified specialist support services. The DSG is ring-fenced, meaning that authorities cannot allocate this funding for purposes other than education.
5. Members of the forum will be aware from previous reports that Herefordshire slipped into a cumulative DSG deficit position at the end of 2021/22 financial year. The deficit was solely attributed to overspend in recent years in the High Needs block due to the legal requirement in the Children's Act to meet pupil need irrespective of available financial resources. Although the deficit was initially modest, it has risen considerably since 2021/22.

### **High Needs Outturn 2023/24**

6. The High Needs DSG block overspent by £5.1 million 2023/24. This increased the Council's cumulative DSG deficit to **£6.1 million at 31 March 2024**.
7. The key pressures contributing to the overspend in 23/24 were:
  - Out-county schools (£2.3 million)
  - Post-16 top-ups (£0.5 million)
  - Mainstream top-ups (£0.3 million)
  - SEN Protection scheme (£0.4 million)
  - Special school top-ups (£0.7 million)
  - School top-ups (£0.8 million)
  - Early Years Special Educational Needs and Disabilities (SEND) grants (£0.2 million)
  - Complex Needs (£0.3 million)

## High Needs Budget 2024/25

8. On 12 April 2024, the schools forum recommended a High Needs Budget of £29.7 million for 2024/25, for approval by the Cabinet Member for Children and Young People, noting the funding gap in 2024/25 of £6.5million. It was reported that the proposed budget reflected the forecast overspend position for 2023/24 and included expected future growth in demand for services, particularly in respect of increases in school top-ups, out of county places and post-16 requirements.
9. The latest forecast outturn position indicates that the in-year deficit will be higher than when the budget was set, with particular pressure on independent school places. The latest forecast end of year position indicates an overspend of £7.6million. This would take the **cumulative deficit to £13.7 million** as at 31 March 2025.
10. For complex needs, as at August 2024 forecast is in line with budget at £2.7 million full year.

## Dedicated Schools Grant (DSG) Unusable Reserve

11. The DSG deficit is accounted for as an unusable reserve on the council's Balance Sheet, as permitted via statutory instrument, which will remain in place up to March 2026. This enables all local authorities to ring-fence the DSG deficit from the overall financial position in the statutory accounts.
12. Beyond the period of the statutory override, the expectation is that any balance on the DSG Unusable Reserve will transfer back to the council's total Earmarked Reserves. The High Needs deficit will have an impact on the council's overall financial position once the override periods ends and this risk is being managed as part of the council's medium term financial strategy. It should be noted that this issue is a major concern amongst local authorities nationally.
13. The Annual Report 2023/24 of the External Auditor of the Council references the challenges around managing the DSG and states that the deficit, along with the direction of travel, "represents a risk to the financial sustainability of the Council." The auditor made an improvement recommendation that "In order to reduce the forecast DSG deficit, the Council needs to work with schools and other stakeholders and partners to ensure that expenditure is reduced."

## DSG Deficit Management Plan

14. The Schools Forum initially discussed the Council's DSG Deficit Management plan at its meeting on 13 January 2023. At this time the Council's deficit was relatively modest, at £0.3million. The plan outlined the sufficiency work that had taken place and future plans in development.
15. The Council has given updates to forum and the Education and Funding Agency (EFSA) since that time, outlining the developments that have taken place since the original plan was approved. This has included:
  - Detailed Sufficiency study completed Autumn 2023 which sets out a shortfall of 37 special school places annually over the next five years
  - New autism resource bases established September 2023 – 2 primary and 2 secondary places to provide 8 places each total 32
  - New early years and primary age base (Widemarsh Explorers) 15 FTE places – opening from September 2023

- New Special Free School– DfE announced Herefordshire was successful in bidding for a new 80 place special free school March 2024
  - New Autism Base – Additional mainstream autism base opened in Leominster Primary September 2024
16. The <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2024-to-2025> DSG Conditions of Grant 2024/25 requires that any local authority with an overall deficit on its DSG account at the end of the 2023 to 2024 financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend. However, the expectation is that all local authorities will have a plan in place to support effective spending, including those in surplus.
  17. To support local authorities in developing a plan, the ESFA released a DSG Management Plan tool/template in July 2024. It is a very detailed spreadsheet, and draws from information submitted from various returns.
  18. The DSG Management tool identifies the drivers behind the current DSG deficit and forecasts this deficit through to subsequent years, up to 2031. Strategies to mitigate deficit increases and cost pressures (which will increase the deficit) are also included.
  19. Plans that have been put in place so far to mitigate the DSG spend include nurture hubs, autism resource bases, Widemarsh and National Star. These will continue in future years.
  20. Future strategy mitigations which were presented to Budget Working Group on 4 October 2024, and which will be incorporated into the detailed DSG template for presentation to the ESFA over the coming months, are as follows:
    - September 2025 – additional mainstream autism base class to open at Aylestone
    - January 2026 – additional places will be available at Hampton Dene
    - September 2026 – additional mainstream autism base class to open at Aylestone (increasing from Sep25)

In addition, there are future plans to be taken forward and business cases worked up in the following areas:

- New free school timescale likely 2026
- Rebuild of Westfield School
- Ongoing scoping to establish additional special provision at a satellite base for up to 40 children
- Ongoing feasibility work with mainstream schools to develop additional resourced provision
- Pilot of new model of nurture hub delivery to support inclusion in Key Stage 1
- Business case to find new accommodation for HPRS to strengthen three tier alternative provision to avoid exclusions
- Programme for inclusion of neurodiversity in schools to strengthen inclusion in primary schools



- SEMH Intervention Leads providing intensive in-school support to avoid exclusion
  - Review of Section 75 agreement and complex needs spend
21. The detailed DSG Management template is in the process of being completed by service and finance colleagues and a summarised view of actions being taken and impact on the High Needs budget and deficit will be presented to Budget working group and Schools forum as part of the budget discussions in March 2025.
  22. **Result of BWG consideration:** *The Budget working group discussed the question as to further mitigations (other than the ones presented) that could be put in place to reduce the DSG deficit. Nothing further than what is already being done was noted. It was discussed if any further SEN funding was going to be made available by central government – it was noted that during the Labour Party conference this was being looked at.*
  23. **Result of BWG consideration:** *The Budget Working Group also discussed if any further cost savings could be achieved by schools. It was agreed that no further cost savings could be made without impeding quality. It was noted that more funds are needed for strategies & training to support a child. It was also noted by schools that the ‘SEND alternative change procedure’ (which includes training programs) being put in place by the Council was very welcome.*
  24. **Result of BWG consideration:** *The Budget working Group also considered that there was an Internal Audit review/self-assessment of schools coming up to identify areas where financial controls could be strengthened. If areas of weakness are found, then controls would need to be put in place to strengthen procedures. It was discussed if this would be helpful for schools. The feedback from the group was that it has be manageable, targeted and well defined to be helpful. Schools would then be willing to take part.*

## High Needs Budget 2025/26

25. An announcement on High Needs funding is expected in December 2024. Detailed work will be undertaken early in the spring term 2025 and an updated budget proposal will be discussed with the Budget Working Group in March 2025. The final High Needs budget will be agreed at the Schools forum in March 2025 for recommended approval by the Cabinet Member for Children and Young People.
26. In the meantime, the 2024/25 High Needs budget will be closely monitored, and it is recommended that budget monitoring reports are regularly presented to the Schools Forum.

## Community impact

27. Increasingly schools and high needs funding is directed by government and the Council can only allocate funding given by government and in accordance with operational guidance. School governing bodies retain the responsibility to spend the school budget on meeting pupil needs. schools, colleges and post-16 providers and potentially parents will need to be consulted on any changes to the High Needs services.
28. These services contribute to delivery of the ambition in the adopted County Plan for 2024-2028 to support children and young people to thrive, be safe and for families to be supported. The County plan states that the belief is that children and young people are best supported in their family networks and within highly effective schools and flourishing communities.

## **Environmental Impact**

29. This is a consultation with Schools Forum on school and High Needs funding and will have no direct environmental impacts. School governing bodies and trustees are responsible for deciding on expenditure and they will be encouraged to minimise waste and resource use in line with the Council's Environmental Policy

## **Equality duty**

30. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows: A public authority must, in the exercise of its functions, have due regard to the need to –
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
31. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. It is a requirement of the Children's Act (2014) that the needs of children must be met and as such all children with high needs are assessed equitably through use of a tariff assessment matrix and funding is allocated in accordance with the assessment.

## **Resource implications**

32. At this stage there has been no government announcement on schools funding. Should that announcement come forward on 30 October 2024, any financial assessment will be indicative only pending the final DSG announcement by government expected in December 2024.
33. The High Needs DSG is currently projected to have a cumulative DSG deficit of £13.7million by 31 March 2025. The External auditor has highlighted this as a risk to the financial sustainability of the Council.

## **Risk management**

34. The BWG reviews all proposals in detail prior to making recommendations to the Schools Forum. This two-stage process helps ensure greater scrutiny of budget proposals and mitigate against any risks that may be identified. Any identified risks will be monitored and managed by the Children's and Young People Directorate jointly with Schools Forum. Specifically financial risk will be managed throughout the year with the BWG and the council Finance Team.

## Consultees

35. No consultation has yet been undertaken with schools, early years providers or service users. The BWG was consulted on 4 October 2024 and Schools Forum will be informed of all comments at the meeting. The BWG will consider the budget proposals further after the budget consultation with schools has been completed and the DfE have announced final DSG allocations in December 2024.

## Appendices

Appendix 1 Budget Working Group presentation 4 October 2024

## Background papers

Herefordshire Schools Forum 13 January 2023 – Agenda Item 6 DSG Deficit Management Plan  
[DSG: conditions of grant 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118123/DSG_conditions_of_grant_2024_to_2025_-_GOV.UK.pdf)

## Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	Jen Preece	Date 10/10/2024
Finance	N/A	
Communications	Luenne Featherstone	Date 09/10/2024
Equality Duty	Harriet Yellin	Date 10/10/2024
Procurement	N/A	Click or tap to enter a date.
Risk	N/A	Click or tap to enter a date.
Approved by	Liz Farr and Rachael Sanders	Click or tap to enter a date.



**Budget Working Group  
4<sup>th</sup> October 2024 – High  
Needs Position/DSG  
Management Plan**

# Agenda

- 1. High Needs Dedicated Schools Grant (DSG)  
Position Statement/DSG Deficit Management Plan  
(Finance)**

## Agenda Item 1:

# A) High Needs Dedicated Schools Grant (DSG) Position Statement/ DSG Deficit Management Plan

Overspend of £5.1 million at 2023/24 year end

### Key Pressures:

- Out-county schools £2.3m
- Post-16 top-ups £0.5m
- Mainstream top-ups £0.3m
- SEN Protection scheme £0.4m
- Special school top-ups £0.7m
- School top-ups £0.8m
- EY SEND grants £0.2m

# High Needs Budget 2024-25

- Approved Schools Forum 12 April 2024 - acknowledged the High Needs pressures and set a deficit budget of £6.6million
- Pressures on independent school places indicate deficit will be higher.
- Detailed forecasting data is in place.
- **The council's external auditors have highlighted the DSG deficit as a risk to the council's financial sustainability and have recommended close working with schools to manage expenditure.**



# High Needs Deficit

- Cumulative DSG Deficit
  - At end of 2023/24 **£6.1 million**
  - **Based on latest 2024/25 forecasts this could increase to £13.7 million**
- DSG Deficit is an un-useable reserve on the Council's Balance sheet – this enables all local authorities to ring fence DSG Deficits from the overall financial position in the statutory accounts until March 2026
- **The deficit will have an impact on the council's overall financial position once the override periods ends**

## B) DSG Deficit Management Plan:

- The DSG Management tool has been released by the ESFA for completion by all Local Authorities. The Council meet annually with the ESFA to discuss our plan.
- The DSG Management tool identifies the drivers behind the current DSG deficit and forecasts this deficit through to subsequent years (up to 2031). Strategies to mitigate deficit increase and cost pressures (which will increase deficit) are included.
- Strategies that we have put in place so far to mitigate DSG spend, to name a few, are nurture hubs, autism resource bases, Widemarsh, and National Star. These are strategies that will continue in future years.

# DSG Deficit Management Plan (continued):

- Strategies that are built into future planning are the addition of a Herefordshire free special school, repurposing of current premises, both with the aim of reducing independent school places (and hence reducing cost).
- The numbers are still being finalised by finance/the service and a summarised view will be presented to the Budget Work Group/ Schools forum on completion.

# High Needs 2024-25 – considerations

## Some views and actions required from the BWG:

1. What further strategies/ideas can we work together on to manage spend and contain/mitigate the growing deficit?
2. Local Government Auditor's Annual Report 2023/24 mentions:

“In order to reduce the forecast DSG deficit, the Council needs to work with schools and other stakeholders and partners to ensure that expenditure is reduced.”

How are we encouraging cost saving actions from the schools?

3. We have an Internal Audit review/self assessment of schools coming up to identify areas where financial controls could be strengthened – would this be helpful to schools?

**SCHOOLS FORUM WORK PROGRAMME 2024/25**

<b>18 October 2024</b>	
Appointments	To appoint a chairperson and vice-chairperson for the Forum. To appoint a chairperson for the Budget Working Group if required
Local and National Schools Funding Update	To seek the view of the forum on local and national school funding issues, including any recommendations of the budget working group.
Work programme 2024/25	To review the work programme and identify any additional items the forum wishes to consider.
<b>24 January 2025</b>	
Dedicated Schools Grant settlement	To receive a report on the DSG settlement and consider proposed schools budget 2025/26 (subject to DfE national formula).
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
<b>14 March 2025</b>	
High needs budget proposals 2025/26	To consider proposals for the allocation of the high needs funding block for 2025/26 (subject to DfE national formula).
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
<b>11 July 2025</b>	
Local and National Schools Funding Update	To receive any updates on funding arrangements.
Annual review of membership	To review the membership of the Schools Forum to ensure proportionality.
Dates of meetings and Work programme 2025/26	To approve dates for meetings and the work programme for the forum for 2025/26 academic year
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)

