

# Title of report: Schools Budget 2024/25

**Meeting: Herefordshire Schools Forum**

**Meeting date: Friday 19 January 2024**

**Report by: Schools Finance Manager**

## **Supplementary information from the Budget Working Group**

1. The report to the Schools Forum on the Schools Budget 2024/25 includes details of the final DSG settlement as published by government on 19 December 2023 and recommendations on allocations from the council. It does not include any comment from the Budget Working Group (BWG) referring only to the submission of this supplementary report from the Group.
2. The BWG met on 12 January 2024 and considered the proposals set out in the report to the forum. Due to the final DSG settlement being insufficient without capping gains at 2.45% to fully fund the National Funding Formula (NFF) factors for 2024/25, two options were put before the BWG as set out in the alternative options of the original report:
  - a) Cap the gains within the NFF to 2.45% and approve £0.649m transfer to fund the SEN protection scheme at a similar level to 2023/24. This is the council's preferred option and is set out in detail in the recommendations in the original report;
  - b) fully fund the NFF with no gains cap and close the SEN protection scheme.

## **3. Review of the SEN protection scheme**

An independent review has been undertaken by an HMI and was reported to BWG as follows; presentation was provided by the Schools Finance Manager (SFM), the following points were highlighted;

- Twelve schools had taken part in the review and the summary from the HMI was that there was strong support for the continuation of the SEN protection scheme which mirrors previous discussions and responses from schools.
- Feedback received from Head teachers was that they strongly welcomed the protection funding and that without it they would not be able to provide crucial resources for pupils with SEND.
- The HMI's recommendation was that there is a strong case to continue with the arrangement if possible and made some suggestions for improvements such as providing schools with a forecast of the SEN protection funding early in the financial year, providing faster payments of top-up funding following application and that good practices should be identified and shared from those schools who are looking at alternative, creative strategies to ensure that pupils achieve strong outcomes and to promote independence.
- The BWG were presented with two choices for the SEN protection scheme; to continue with the 0.05% block transfer or terminate with a Nil transfer.

**The Budget Working Group expressed their continued support for the SEN protection scheme and to retain the 0.05% block transfer to enable its continuation be recommended to the Schools Forum.**

#### 4 De-delegation

The BWG were informed that there had been a very low response rate to the budget consultation (12 in total).

- There had been a general endorsement to approve 1.9% increase to existing de-delegation items and Education Management costs.
- There had been a very mixed response to the proposals to allocate 16p per pupil to join the Consortium of local education authority's science providers (CLEAPSS) and an increase of £1 per pupil to support the SEMH Inclusion Service (SIS).
- The SFM highlighted that a decision was required to be taken by the schools forum at the meeting of 19th of January 2024 and it had to be reported to the DfE by the 22nd of January and therefore the consultation could not be extended.
- As the consultation had received such mixed views and no clear endorsement given, it was in the SFM's view that the BWG did not proceed with the proposals as intended. The final decision would be for schools forum to make which only LA schools can take part on voting on that recommendation.

With regards to the low response in terms of the consultations meaning the BWG are unable to make real informed decisions it was suggested that if a consultation does not meet a particular percentage than a proposal does not proceed in the hope that it would encourage better response rates.

**The BWG were supportive of the view not to proceed with the proposals for the CLEAPSS and SEMH(SIS) additional £1 per pupil and recommends to Schools Forum only the 1.9% increase to existing de-delegation items and Education Management costs.**

#### 5. DfE Expansion of Early Years funding

Following a presentation the following points were highlighted.

- The council currently passes 97.3% through to 3 and 4 year olds (3/4YO) which includes the credit for the high needs funding that is provided from the high needs block. There is no retention for disadvantaged 2YO from the Nursery Education Funding (NEF) but effectively there is a four percent retention on 3/4YO offset by the 1.3% credit for the high needs block which nets down to 2.7%.
- Herefordshire's proposals are to apply the same 2.7% retention, as applied to 3/4YO funding, to the under 2's and expanded/disadvantaged 2YO funding from April 2024. This will fund the increased central Early Years services and by setting the retention at 2.7%, Herefordshire will continue to comply with the DfE's regulations when the pass through rate is expected to be reduced from September 2025.
- The DfE's national early years funding rates were discussed, the Schools Finance Manager highlighted his disappointment that Herefordshire with 45 other LA's for 3/4YO funding was at the lowest possible rate of £5.47/hr and for under 2YO funding the second overall lowest County nationally at £9.77/hr. Concern was highlighted with the allocation of funding for 2YO with Herefordshire set at the lowest nationally at £7.19/hr. The absence of floor mechanism (comparable with that for 3/4YO funding) for 2YO funding would be raised with the DfE.
- DfE has set a composite rate for 2YO funding for both disadvantaged 2YO and working families of 2YO and the LA is required to disaggregate into separate funding 2YO funding rates.

- Following the early years consultation, 16 replies had been received from early years providers to which 100% were in favour of the £150,000 allocation to the SENIF from centralised funding and 80% were supportive of a £50,000 allocation for free in-county training with only 20% preferring to pay for it directly which was felt to be an good endorsement of the proposals.
- Following an online consultation with early years providers, it was agreed that the NEF funding group would consider the relativity of the deprivation supplement between disadvantaged 2YO and 2YO with working families rates be looked at and to consider proposals to phase in the 2.7 retention rate to 34YO so that the credit for the high needs block contribution is phased across over the whole early years sector.
- The Early Years Lead Improvement Advisor (EYLIA) was pleased with the level of attendance and discussion at the Consultation on Early Years funding arrangements for 2024-2025 that took place on Monday 8 January 2024 and with the important messages raised particularly re the serious concerns around the two-year-old funding rates. The 2YO working families funding proposed by Herefordshire is less than providers are currently charging for their two-year-olds and will have an impact on their businesses and sufficiency in the county. To gather more detail on the concerns raised by providers, a survey will be undertaken next week to better understand the actual impact on providers.
- The EYLIA confirmed a “NEF working group” has been established and would focus on these issues at the meeting scheduled for 25<sup>th</sup> January.

**The Budget Working Group were in agreement with the early years proposals put forward.**

### **Recommendation**

**The recommendations set out in the original report to the forum are supported apart from the extension of de-delegation to the CLEAPSS and SEMH(SIS) – additional behaviour services at an extra £1 per pupil – which BWG considers should not proceed in view of the lack of overwhelming support from schools.**