

Supplement to the agenda for

Herefordshire schools forum

Friday 7 October 2022

9.30 am

online meeting

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Minutes of the meeting of Herefordshire schools forum held at online meeting on Friday 15 July 2022 at 9.30 am

Present: Mrs K Weston (Local Authority Maintained Primary School) (Chairperson)

Mr D Bennett	Academies
Ms C Bryan	Academies
Mr P Deneen	Trade Unions
Ms N Emmett	Academies
Mr R Foster	Academies (primary)
Ms N Gilbert	LA Special Schools
Mrs G Griffin	Primary Governors
Mrs S Jenkins	Local Authority Maintained Primary School
Mr P Jennings	Academies
Ms T Kneale	Local Authority Maintained Primary School
Mr C Lewandowski	Trade Unions
Mrs R Lloyd	Early Years

In attendance: Mr P Grant, DfE

Officers: Strategic Finance Manager, Head of Additional Needs, Childrens Wellbeing and Service Director - Education, Skills and Learning

46. APOLOGIES FOR ABSENCE

Apologies were received from the following members of the forum: Alison Banner, Alex Davies, Andy Gosling, Ed Gwillm, Tim Knapp and Steve Kendrick.

Apologies were also noted from the cabinet member, children and families.

47. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

48. DECLARATIONS OF INTEREST

There were no declarations of interest.

49. MINUTES

Resolved: It was resolved that the minutes of the meeting held on 18 March 2022 be approved as an accurate record.

50. UPDATE ON NATIONAL SCHOOLS FUNDING ISSUES

The Strategic Finance Manager (SFM) gave a presentation on national funding issues and proposals for the direct national funding formula.

Forum members discussed the proposals and put questions to the SFM, Service Director, Education Skills and Learning and the Head of Additional Needs (HAN). It was noted that:

- The local authority would continue to have a role, particularly in relation to local authority maintained schools, but it was too early to judge the impact of the shift to a direct funding formula on services provided and therefore on service level agreements;
- Rising energy costs for schools were a concern and the SFM would liaise with the f40 group to see if the results of the recent survey by the DfE could be obtained and shared; (**Action: MG**)
- The local authority would continue to monitor school budgets for local authority maintained schools and give early warning of the need to revise spending but this would be more difficult with schools using the DfE calculator tool rather than having the Herefordshire Council 5 year budget planner;
- The stated intention from the DfE was for all schools to become academies by 2030;
- Forum members valued and appreciated the work of the SFM and others in keeping budgets under control and stretching scarce resources as far as possible, it was important that the DfE took account of the rurality of Herefordshire in its approach to school funding and that the national system was fair and equitable;
- Clear and early information on teachers and support staff pay was needed, in the past announcements had been too late to allow schools to plan properly.

The service director updated the forum on plans for a local authority brokered Multi Academy Trust (MAT). This was at a very early stage but the expression of interest submitted to the DfE had been positively received. Further discussions would take place in the autumn.

The service director notified the forum that the DfE had launched a proposal for a new free special school and that the local authority had expressed an interest. A second opportunity, for a free alternative provision school, was expected to launch in the autumn and the local authority was likely to express an interest for this too. It was stressed that no commitments had been entered into at this point and that full consultation would take place. The timescales for a response to the initial launch had been tight and it was felt that the local authority should keep the option open to make a bid for a new free school.

Forum members understood the need for additional special school places and recognised the opportunity this presented. Any bid would need to demonstrate the types of need that the county currently struggled to meet and consider the best location for provision. However it was noted that this would not help to address the condition of existing special schools or alleviate funding pressures and that the SEND review proposals did not include any comment on uprating the £10,000 per place funding for special schools, which had not been increased since 2014.

The forum was also advised that:

- The DfE was looking to improve attendance as figures had yet to return to pre-covid levels, Herefordshire did not currently have any attendance officers to support schools but funding had been secured to recruit to two or possibly three posts in the 22/23 academic year;
- The school improvement grant to the local authority was ceasing but Herefordshire had plans in place to continue to provide school improvement support;
- The f40 group had held a briefing for MPs in Westminster to promote the need for fair funding for all schools and the MP for North Herefordshire had attended, another session would be arranged for later this year or early next year.

Forum members noted the updates provided and thanked officers for their input. Further detailed information on proposals for the 23/24 budget would be presented in the autumn term.

51. REPORT ON ACTIVITY OF THE BUDGET WORKING GROUP

The SFM gave an update on the work of the Budget Working Group. The meeting on 17 June had considered the outline proposal for a deficit management plan as the dedicated schools grant was now in a small deficit.

The main cause of the overspend in 2021/22 financial year related to cost pressures in the high needs block, particularly in regard to out of county placements. The HAN commented that the cost of out of county placements now formed in excess of 10% of the total high needs budget. Work was underway to increase provision to alleviate some of these pressures but delivery would take time.

The chair of the working group noted the huge efforts made to prevent overspends in the DSG and that Herefordshire was one of the last local authorities to reach this point. The group would continue to work hard with officers to address the overspend and manage the deficit.

The forum noted that further work would take place and be reported on in the autumn term.

52. ANNUAL REVIEW OF SCHOOLS FORUM MEMBERSHIP

Forum members received the outcome of the annual review of membership. It was noted that:

- the forum was required to review membership on a regular basis to ensure that representation by schools members broadly reflects the proportion of pupils in academies and local authority maintained schools;
- analysis of the 2022 January School Census showed no significant change in proportionality and as a result no changes were proposed to the allocation of seats on the forum or the working group; and
- any further academy conversions would be monitored and if they impacted on the proportionality this would be brought back to the forum.

It was resolved that:

the outcome of the annual review of proportionality be noted and no changes made to allocations of seats on Herefordshire Schools Forum or the Budget Working Group.

53. DATES OF FUTURE MEETINGS

The dates of meetings for the 2022/23 academic year were noted as:

7 October 2022 – this was a week earlier than the originally proposed date

13 January 2023

17 March 2023

14 July 2023

The draft work programme was noted as containing the standard regular items.

The meeting ended at 11.00 am

Chairperson

NATIONAL SCHOOL FUNDING FORMULA 2023/24

CONSULTATION FOR HEREFORDSHIRE SCHOOLS

DRAFT FOR SCHOOL FORUM 07 OCTOBER 2022

1.0 SUMMARY

- 1.1 This consultation paper sets out the expected financial position for Herefordshire school budgets for 2023/24 and proposes to continue to implement the national funding values as set by government. There are many unknowns e.g. inflation, energy prices and pay awards which will make setting a balanced budget difficult for schools this year.
- 1.2 The government funding announcement announced on 19 July 2022 sets out the key items nationally are as follows;
- Confirms the provisional funding allocations for 2023-24 through the schools, high needs and central school services national funding formulae (NFF). Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £1.5bn in 2023-24 compared to the previous year, on top of the £4bn increase in 2022-23.
 - High needs funding is increasing by a further £570m, or 6.3%, in 2023-24 – following the £2.6 billion increase over the last three years. This brings the total high needs budget to over £9.7bn. All local authorities will receive at least a 5% increase per head of their 2-18 population, compared to their 2022-23 allocations, with some authorities seeing gains of up to 7%.
 - The Government remains committed to ensuring a financially sustainable system where resources are effectively targeted to need. The consultation on the SEND and Alternative Provision Green Paper closed on 22 July, and the Government will confirm the next steps in implementing the reform programme later this year.
 - Funding for mainstream schools through the schools NFF is increasing by 1.9% per pupil compared to 2022-23. Taken together with the funding increases seen in 2022-23, this means that funding through the schools NFF will be 7.9% higher per pupil in 2023-24, compared to 2021-22.
 - The NFF will distribute this funding based on schools' and pupils' needs and characteristics. The main features in 2023-24 are:
 - The core factors in the schools NFF (such as basic per-pupil funding, and the lump sum that all schools attract) will increase by 2.4%.
 - Funding for disadvantaged pupils will see greater increases – with funding for two deprivation factors in the NFF increasing by a greater amount than other factors. These two factors (relating to pupils who have been eligible for free school meals at any point over the last six years, and the IDACI factor which

relates to relative deprivation between local areas) will increase by 4.3% compared to their 2022-23 values.

- The funding floor will ensure that every school attracts at least 0.5% more pupil-led funding per pupil compared to its 2022-23 NFF allocation.
- The minimum per pupil funding levels (MPPLs) will increase by 0.5% compared to 2022-23. This will mean that, next year, every primary school will receive at least £4,405 per pupil, and every secondary school at least £5,715.
- The 2022-23 schools supplementary grant has been rolled into the schools NFF. Adding the grant funding to the NFF ensures that this additional funding forms part of schools' core budgets and will continue to be provided.
- The DfE's Schools Operational Guide for 2023-24 requires Local authorities to set an MFG between +0% and +0.5% per pupil. Any local authorities wanting to set an MFG outside of these parameters must apply for exceptional permission from the DfE.

1.3 Herefordshire's approach to school funding for 2023/24 will be as follows;

- Look to fund schools at the National Funding Formula values
- To fund schools at the maximum permitted Minimum Funding Guarantee of 0.5% and to use the school block transfer process to fund the SEN Protection Scheme at the maximum value of £615k (i.e. 0.5% block transfer)
- This will be achieved by consulting schools on using the expected surplus growth funding of £350k and using capping and scaling of school gains to fund the SEN Protection scheme at the maximum value of £615k.
- Within the high needs block, fund increases in independent schools, add an inflation rise to top-up tariffs particularly for special schools, secure PRU funding and provide for more autism places.
- Seek to set a balanced budget for high needs to avoid the DSG deficit escalating.

1.4 Compared to most local authorities nationally Herefordshire has a very small high needs deficit at £0.275m and has been provisionally allocated an increase of approx £1.57m, equivalent to an increase of +6.8% in high needs funding for 2023/24. The initial aim is to set a balanced budget and to use this extra funding for additional high needs cost pressures of £0.5m in independent school placements, inflationary increase for top-up tariffs and increases in special school places. Further work on the high needs budget will be undertaken during the autumn term with the Budget Working Group.

1.5 National growth funding, is expected to be less in future and has been reserved to support basic need growth in the Golden Valley, i.e. £0.2m to fund basic need secondary school growth in the Golden Valley planning area (10 places at Fairfield and 30 places at Kingstone as originally agreed in 2021/22);

2.0 SCHOOLS BLOCK STRATEGY 2023/24

2.1 Estimated allocations for the schools block based on an estimated 22,424 pupils (primary 13,204 and secondary 9,220) as follows:

Estimated DSG schools funding allocation	£122,360,000
National Funding Formula 2023/24	£122,086,000
Available for allocation to SEN Protection scheme:	£274,000
Additional Growth Funding estimated	£550,000
to: secondary growth funding for Golden Valley	£200,000
to: SEN Protection scheme	£350,000

- 2.2 Final Dedicated Schools Grant allocations will not be available until mid-December and National Funding Formula allocations will be finalised with the BWG and School Forum in January 2023.

3.0 HIGH NEEDS BLOCK STRATEGY 2023/24

- 3.1 Provisional Dedicated Schools Grant (DSG) allocations for 2023/24 have been published by government and indicate an increase in Herefordshire's high needs allocation of £1.57m i.e. a gross allocation of £24.559m compared with a final allocation of £22.988m in 2022/23. In year adjustments for FE college placements make comparisons across years difficult.
- 3.2 The additional £1.57m is provisionally allocated as follows;
- £0.5m out-county independent schools
 - £0.6m inflation on tariffs A - C (2%) D-F (+5%)
 - £0.2m autism places from September 2023
 - £0.2m PRU site leads and increase in tariffs
 - £0.05m increase in behaviour based tariffs re Brookfield
 - £0.03m Early Years high needs tariffs increases re parity with schools.
- 3.3 The SEN protection scheme was expanded to include secondary schools in 2020/21 and was supported by a transfer of £0.5m from the schools block in 2022/23. The cost of the scheme continues to grow each year and the scheme is hugely supported by schools. Current expenditure in 2022/23 is forecast at £619k but expected to grow further in 2023/24.
- 3.4 The Initial budget for 2023/24 suggests the National Funding Formula is affordable with a MFG at 0.5% and capping and scaling of school gains will provide a surplus of £275k which when taken together with the expected surplus of £350k from the schools growth fund will support the maximum transfer of £615k to the high needs block. This will permit the funding of the SEN protection scheme at the maximum 0.5% transfer value of £615k subject to Schools Forum approval in January.
- 3.5 Further detailed work will be undertaken on the high needs budget during the autumn term, and an initial budget plan will be shared with the Budget Working Group in December 2022. The final high needs budget plan will be agreed with the Budget Working Group and Schools Forum in March 2023.

4.0 EARLY YEARS BLOCK

- 4.1 No information has been published by DfE for the early years block for 2023/24. Any inflationary increase for early years settings will be dependent on the final DSG settlement when published in December 2022.

5.0 CENTRAL SCHOOL SERVICES BLOCK

- 5.1 The central block is expected to increase slightly from £785k to £802k. Small inflationary increases are proposed as follows. In addition to the statutory retained duties formerly funded by Education Services Grant (£387k), funding allocations will be Schools Forum administration costs (£19.4k), school admission costs (£130.6k plus an extra £5k for in-year transfers), national licence costs (£153k), SACRE (£6k), SEN Casework (£26k) and a transfer to high needs (£75k).

6.0 NATIONAL FUNDING FORMULA – HEREFORDSHIRE PROPOSALS

- 6.1 Herefordshire's school funding proposals for 2023/24 are to adopt the national funding formula values in full as follows:

- a) Basic Entitlement per pupil (2022/23 factor values for comparison):
 - i. Primary KS1/2 - £3394 (£3,217)
 - ii. Secondary KS3 - £4,785 (£4,536)
 - iii. Secondary KS4 - £5,393 (£5,112)
- b) Low prior attainment (low cost, high incidence special education needs)
 - i. Primary funding per pupil £1,155 (£1,130)
 - ii. Secondary funding per pupil £1,750 (£1,710)
- c) Free School Meals per pupil
 - i. Primary £480 (£470)
 - ii. Secondary £480 (£470)
- d) Deprivation per Ever-6 Free Meal pupil
 - i. Primary £705 (£590)
 - ii. Secondary £1,030 (£865)
- e) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI) - updated values published by government in September 2019
 - Band A (2.5% LSOAs) primary £670 (£640) secondary £890 (£890)
 - Band B (5%) primary £510 (£490) secondary £930 (£700)
 - Band C (5%) primary £480 (£460) secondary £730 (£650)
 - Band D (5%) primary £440 (£420) secondary £680 (£595)
 - Band E (10%) primary £280 (£270) secondary £620 (£425)
 - Band F (10%) primary £230 (£220) secondary £335 (£320)
 - Band G (62.5%) primary £0 secondary £0

- f) English as Additional Language (EAL3) for all eligible pupils within last three years
 - i. Primary £580 (£565)
 - ii. Secondary £1,565 (£1,530)
- g) Lump sums – Primary and Secondary £128,000 (£121,300)
- g) Sparsity
 - i. Tapered lump sum of £56,300 (£55,000) for qualifying primary schools with an average year group size of 21.4
 - ii. Tapered lump sum of £81,900 (£80,000) for qualifying secondary schools with an average year group size of 120 pupil
- h) Business Rates – no change, funded at cost with a presumed 3% RPI increase. It is expected that the council will participate in the DfE's scheme for business rates payments to be paid centrally by the DfE in Whitehall.
- i) Looked After Children – £0 as funding has been transferred to the pupil premium grant
- j) Mobility – Primary per pupil £945 (£925) Secondary per pupil £1,360 (£1,330) above a threshold of 6% pupil turnover
- k) Exceptional premises factor – increased by 2.4% inflation to £9,556 (£9,332) to meet rent costs for Eastnor Primary School subject to DfE approval
- l) PFI factor – increased by 5% to £336,808 (£320,703 to comply with PFI contract which uses the RPI(X) as at February 2023. Forecast RPIX at OECD CPI forecast + 1%.
- m) Minimum per pupil funding level – April 2023
 - (i) Secondary £5,715 per pupil (£5,525)
 - (ii) Primary £4,440 per pupil (£4,265)
 - (iii) The Minimum funding guarantee (MFG) can be set between 0.0% and 0.5%. Herefordshire will aim to set the MFG at the maximum 0.5% and using the capping and scaling provisions seek to provide a further £275k to ensure that the SEN Protection scheme is funded at the maximum 0.5% of the schools block i.e. £615k. (Option B in the response form)

6.2 De-delegation and Education Management proposals for locally maintained schools by a small inflation allowance (1.9%) as follows;

- computer licences for the school budgeting software to increase to £420 from £415;
- Free school meals eligibility checking, primary to increase to £1.31 per pupil (from £1.29) and secondary to increase to £0.99 per pupil (from £0.97)
- Support for underperforming ethnic minority groups and bilingual learners to provide EAL services for initial assessments, YR observations and follow-up advisory and monitoring visits funded by de-delegation costs as follows;

- Increase per pupil amount to £1.17 from £1.15
 - increase per Ever6 FSM pupil to £6.93 from £6.80
 - change to EAL 3 year factor at £36.50 per pupil from £36
- A small increase to Trade union facilities agreement by 5p to £2.65 per primary pupil to reflect expected cost pressures.
- Education Management – a small increase to £12.50 from £12.25 for local authority maintained schools.
- Behaviour support services – to continue with £4 per pupil for primary schools subject to review by the BWG in December 2022.
- School Improvement Services at £12 per pupil to include
 - Headteacher support
 - Ofsted/School Improvement support
 - General education management advice and support
- Contingencies at £3 per pupil to fund unexpected costs such as pupil census errors, unavoidable redundancies from small school closures and costs from Employment Tribunals.

7.0 TIMESCALES

7.1 The budget process and expected timeline is:

- Consultation commences w/c 14th October after Schools Forum and closes 12 noon Friday 11th November 2022.
- Draft National Funding Formula allocations will be issued to schools based on forecast pupil numbers and a MFG at 0.5% with capping and scaling to provide sufficient funding for the SEN Protection scheme of £615k i.e. the maximum schools block transfer to high needs.
- Schools Forum meets on 13th January 2023 to consider the recommended funding values to be submitted to the Education Funding Agency by 20 January 2023.
- Final budgets issued to locally maintained schools by 28th February 2023
- Education Funding Agency to issue budgets to academies for academic year 2023/24.

8.0 CONSULTATION RESPONSES BY 11th November 2022

- 8.1 A separate consultation form is attached and must be returned to School.funding@herefordshire.gov.uk by 12 noon on 11th November 2022 in order that your views can be considered by the Budget Working Group on 2nd December 2022 and Schools Forum at their meeting on 13th January 2023.
- 8.2 Please respond to this consultation as all views are important and do contribute towards the budget decision which aims to achieve the best possible schools budget for Herefordshire within the funding allocated by government.

9.0 FURTHER INFORMATION

- 9.1 If you have any questions regarding the detailed content of this consultation paper or the draft allocation for your school (distributed separately), please contact either Malcolm Green, Schools Finance Manager (malcolm.green@herefordshire.gov.uk) or any member of the Budget Working Group as follows;

Primary

Mr S Kendrick, Ashfield Park
Mrs K Weston, Our Lady's
Mr R Foster, Lugwardine
Mr M Maund, Almeley

Secondary

Mr P Jennings, Lady Hawkins (Chairman)
Mr D Bennett, Kingstone
Mrs C Bryan, John Kyrle
Mrs N Emmett, Fairfield
Mr S Robertson, Aylestone

- 9.2 Others contributing to the development of these budget proposals included Mrs S Williams, Barrs Court representing special schools and Mrs R Lloyd, representing early years.

SCHOOLS FORUM WORK PROGRAMME 2022/23

7th October 2022	
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 2022/23	To review the work programme and identify any additional items the forum wishes to consider.
13th January 2023	
Dedicated Schools Grant settlement	To receive a report on the DSG settlement and consider proposed schools budget 2023/24 (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)
17th March 2023	
High needs budget proposals 2023/24	To consider proposals for the allocation of the high needs funding block for 2023/24 (subject to DfE national formula).
Dates of Meetings	To agree dates of Schools Forum meetings for 2023/24
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)
14th July 2023	
National Funding Formula Update	To receive any updates on funding arrangements.
Annual review of membership	To review the membership of the Schools Forum to ensure proportionality.
Work programme 2023/24	To approve the work programme for the forum for 2023/24 municipal year
Budget Working Group	To receive a report on the activities of the Budget Working Group not covered elsewhere on the agenda. (recurring item)

