

Agenda

Herefordshire schools forum

Date: **Friday 17 January 2020**

Time: **9.30 am**

Place: **The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX**

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

For any further information please contact:

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Agenda for the Meeting of the Herefordshire schools forum

Membership

Chairman	Julie Cohn	Academy Special School Representative
Vice-Chairman	Kathy Weston	Local Authority Maintained Primary School
	Edward Gwillim	16-19 Providers
	Christine Bryan	Academies
	Andy Evans	Academies
	Steven Fisher	Academies
	Paul Jennings	Academies
	Tim Knapp	Academies
	Vacancy	Academies (Primary)
	Vacancy	Academies (Primary)
	Pat Burbidge	Archdiocese of Cardiff
	Sian Lines	Diocese of Hereford
	Rose Lloyd	Early Years
	Ali Jackson	Early Years
	Tracey Kneale	Local Authority Maintained Primary Schools
	Norman Moon	Local Authority Maintained Primary Schools
	Julie Rees	Local Authority Maintained Primary Schools
	Kathy Weston	Local Authority Maintained Primary Schools
	Steve Kendrick	Local Authority Maintained Primary Schools (with Nursery)
	Martin Henton	Local Authority Maintained Secondary Schools
	Vacancy	Local Authority Maintained Special Schools
	Joe Hedges	Primary Governors
	Rachel Rice	Secondary Governors
	Kimberly Harley	PRU management committee
	Paul Deneen	Trade Unions
	Chris Lewandowski	Trade Unions

Agenda

	Pages
1. APOLOGIES FOR ABSENCE To receive apologies for absence.	
2. NAMED SUBSTITUTES (IF ANY) To receive any details of Members nominated to attend the meeting in place of a Member of the Forum.	
3. DECLARATIONS OF INTEREST To receive any declarations of interest by Members in respect of items on the Agenda.	
4. MINUTES To approve and sign the minutes of the meeting held on 25 October 2019.	5 - 8
5. SCHOOLS BUDGET 2020/21 To agree final budget proposals for recommendation to the cabinet member for children and families for school budgets, central school services and early years within the Dedicated Schools Grant (DSG) for 2020/21. The Budget Working Group (BWG) meets on 10th January 2020 and their proposals will be set out in a supplementary report.	9 - 34
6. ANY OTHER BUSINESS To consider any other business to be brought to the attention of the forum.	



Minutes of the meeting of Herefordshire schools forum held at The Council Chamber - The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Friday 25 October 2019 at 9.30 am

Present: Councillor Mrs J Cohn (Academy Special School Representative) (Chairperson)

Mrs S Bailey	LA Maintained Special Schools
Ms C Bryan	Academies
Mr P Burbidge	Archdiocese of Cardiff
Mr A Evans	Mainstream Academies
Mr S Fisher	Academies
Mr J Hedges	Primary Governors
Mr M Henton	LA Maintained Secondary Schools
Mrs S Jenkins	Local Authority Maintained Primary School
Mr T Knapp	Academies
Mrs R Lloyd	Early Years
Ms R Rice	Secondary Governors

In attendance: Councillors Carole Gandy and Felicity Norman

Officers: Chris Baird, Malcolm Green, Les Knight and Ceri Morgan

39. ELECTION OF CHAIRPERSON

The outgoing chair, Mr Andy Evans, opened the meeting and called for nominations for the post of chairperson.

Mrs Julie Cohn was proposed and unanimously supported by members of the forum.

Resolved: that Mrs Julie Cohn be elected chairperson of the Forum for the ensuing year.

Thanks were given to the outgoing chair for his contribution to the forum over the previous two years of his chairmanship.

Mrs Julie Cohn took the chair.

40. ELECTION OF VICE-CHAIRPERSON

It was noted that in the customary rotation of positions among the school phases, it was for the primary phase to nominate a vice-chair for the forum.

Mrs Kathy Weston was proposed and unanimously supported by members of the forum.

Resolved: that Mrs Kathy Weston be elected Vice-Chairperson of the Forum for the ensuing year.

41. APOLOGIES FOR ABSENCE

Apologies were noted from: Paul Deneen, Kimberley Harley, Steve, Kendrick, Tracey Kneale, Chris Lewandowski, Norman Moon, Julie Rees and Kathy Weston.

42. NAMED SUBSTITUTES (IF ANY)

The following substitutes were noted:

Mr Martin Harrisson for Mr Lewandowski
Dr Stephen Baker for Mr Deneen

43. DECLARATIONS OF INTEREST

None.

44. MINUTES

Resolved: that the minutes of the meeting held on 21 June 2019 be approved as a correct record and signed by the chair.

45. ELECTION OF CHAIRPERSON OF THE BUDGET WORKING GROUP

It was noted that in the customary rotation of positions among the school phases, it was for the secondary phase to nominate a chair for the budget working group. The Herefordshire Association of Secondary Heads (HASH) had nominated Mr Paul Jennings. The nomination was unanimously supported by members of the forum.

Resolved: that Mr Paul Jennings be elected as chair of the budget working group for the following year.

46. LOCAL AND NATIONAL SCHOOL FUNDING UPDATE

The SFM introduced the report and highlighted the key points:

- National announcements on school funding had introduced a minimum funding level of £3,750 per primary and £5,000 per secondary pupil for 2020/21;
- In total Herefordshire would see approximately a 3.8% increase per pupil but this would not be shared equally across all schools, those schools considerably lower than the minimum funding values would see a significant increase;
- This increase would not make up the ground lost since 2010 but was encouraging news;
- The draft consultation paper set out a proposal to pass through the funding increases from the government and implement in full the national funding formula, including the new mobility factor;
- The new mobility factor had more appropriate thresholds and would better reflect the situation in Herefordshire;
- Herefordshire had received a £0.3m share of the national growth fund in 2019/20, a similar sum was expected for 2020/21 but would not be confirmed until December;
- The consultation paper set out proposals to share the growth funding between supporting future growth, a slight increase to per pupil values for mainstream schools and supporting and extending the SEN protection scheme;
- The indicative Herefordshire share of the additional funding for high needs was £2m, this was a little more than had been expected and left only a small funding gap of £0.2m to be addressed for 2020/21 based on the projected budget;

- The forum would be asked for recommendations in January 2020 as to how to fund this gap, this could include a modest transfer from the schools block subject to the forum's consent;
- The projected outturn for 2019/20 was an overspend of £1m, this had been taken into account in the proposed budget for 2020/21 along with potential growth in complex needs places of £0.5m;
- The proposals for the high needs budget included increases to tariff funding to replicate the inflationary increase for mainstream schools in the special schools, changes to the tariffs to better reflect medical factors and an investment in initiatives designed to reduce future demand;
- A proposal to extend the SEN protection scheme to include secondary schools was also included in the consultation.

The SFM commented that Herefordshire had done well to avoid going into deficit on its dedicated schools grant and that many other councils were struggling with significant funding gaps. The projected overspend for 2019/20 would reduce reserves to £0.7m so it was important to continue to scrutinise budgets to ensure Herefordshire did not go into deficit.

It was noted that concerns had previously been expressed regarding repeated transfers from the schools block but the importance of the SEN protection scheme was also recognised. The scheme was intended to meet additional costs of schools that had admitted a higher than average number of SEN pupils. It was requested that additional details be included in the consultation paper on the proposals to extend the scheme to include secondary schools.

The SFM reported on a briefing held by the Department for Education at which it was confirmed that there would be a 4% increase to the lump sum and all other factors would increase by 4% except for the free school meals factor, which would be 1.8%. It had been confirmed that there would be an increase in the hourly rate for early years but the figure had not yet been published. The council's intention was to pass on in full any increase received.

In discussion of the report, it was noted that:

- the purpose of the growth fund allocation was to help meet additional revenue costs of schools undergoing an expansion, this would only be for basic need growth and could not support provision of additional school places to meet parental preference;
- the forum would need to agree a set of criteria for use of the growth fund and proposals for this were set out in the consultation paper;
- some discussions had taken place with selected schools about potential future growth but it was unlikely that any expansions would be in place for 2020;
- housing growth would be factored in to pupil number projects as far as possible, broadly speaking growth was expected in Hereford city centre, Ross-on-Wye and Ledbury but this would be over a number of years;
- the revised SEN matrix had been agreed, although the intention had been that the new system would be cost neutral testing showed that it could result in a small increase on costs, it was felt that it was reasonable to proceed with the new matrix;
- responses to the consultation were requested by 2 December, the budget working group would meet on the 6 December to consider responses and final confirmation of allocations was expected around the 18 December;
- members of the forum were asked to encourage all schools to respond to the consultation.

Finally, it was confirmed that the forum would meet on 17 January 2020 to make recommendations on the budget allocation. The final decision on the funding formula would rest with the cabinet member for children and families. Any transfer of funds from the schools block would require the consent of forum members.

It was agreed that subject to the feedback received from the forum, the consultation with schools should proceed after October half term.

47. FEEDBACK FROM WORKSHOP EVENT

The chair summarised the workshop event that had been held in June and felt that the discussion had been fruitful. A follow up letter had been sent to Jesse Norman MP as requested identifying three key priorities for change where it was felt his input could be valuable. A copy of the letter has been shared with all members of the forum and the budget working group.

The three priorities identified were:

- ensuring that pay and pension increases were fully funded in future and that the Teachers Pay Grant and Teachers Pension Grant continue to meet the additional cost of future pay and pension increases in schools;
- ensuring that the national funding formula provides more fairly for the low funded and mostly rural authorities; and
- reform of the apprentice levy for schools.

Mr Norman had expressed a desire to continue a dialogue with the forum. The chair stated that the chair of the budget working group would act as the key point of contact and that members would be advised of any response to the letter.

Thanks were expressed to all those who contributed to the workshop.

48. WORK PROGRAMME 2019/20

The contents of the work programme and dates for future meetings were noted. No additional items were proposed to be added to the programme.

The meeting ended at 10.08 am

Chairperson



Meeting:	Schools Forum
Meeting date:	Friday, 17 January 2020
Title of report:	Schools Budget 2020/21
Report by:	Strategic Finance Manager

Classification

Open

Decision type

Non-key

This is not an executive decision.

Wards affected

(All Wards);

Purpose and summary

To agree final budget proposals for recommendation to the cabinet member for children and families for school budgets, central school services and early years within the Dedicated Schools Grant (DSG) for 2020/21. The Budget Working Group (BWG) meets on 10th January 2020 and their proposals will be set out in a supplementary report.

Recommendation(s)

That: The local implementation of the National Funding Formula (NFF) for 2020/21 as set out in the consultation document and recommendation (a) – (h) as below, be approved for recommendation to the Cabinet member for children and families as follows;

- (a) **The final school funding values be agreed, subject to a minimum total funding per pupil of £3,750 for primary schools and £5,000 for secondary schools, including the Minimum Funding Guarantee at 1.84% and the adoption of the mobility factor, as follows:**

1.	Basic entitlement per pupil	Primary	£2,857
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Further information on the subject of this report is available from
Malcolm Green, email: malcolm.green@herefordshire.gov.uk

2.	Basic entitlement per secondary pupil	Key stage 3	£4,018
3.	Basic entitlement per secondary pupil	Key stage 4	£4,561
4.	Deprivation per free school meal	Primary	£450
5.	Deprivation per free school meal	Secondary	£450
6.	Deprivation per ever-6 free school meal	Primary	£560
7.	Deprivation per ever-6 free school meal	Secondary	£815
8.	Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)		
9.	Band A (3% of pupils)	Primary	£600
10		Secondary	£840
11	Band B (8% of pupils)	Primary	£435
12		Secondary	£625
13	Band C (7% of pupils)	Primary	£405
14		Secondary	£580
15	Band D (8% of pupils)	Primary	£375
16		Secondary	£535
17	Band E (9% of pupils)	Primary	£250
18		Secondary	£405
19	Band F (10% of pupils)	Primary	£210
20		Secondary	£300
21	Band G (55% of pupils)	Primary	£0
22		Secondary	£0
23	Low prior attainment per pupil	Primary	£1,065
24		Secondary	£1,610
25	Lump sum	Primary	£114,400
26		Secondary	£114,400
27	Looked after Children, primary and secondary	All	£0

Further information on the subject of this report is available from
Malcolm Green, email: malcolm.green@herefordshire.gov.uk

28	Primary sparsity, on NFF taper basis , over 2 miles and less than an average year group size of 21.4 pupils	Primary	£26,000
29	Secondary sparsity, on NFF taper basis, over 3 miles and less than an average year group size of 120 pupils	Secondary	£67,600
30	English as additional language per primary pupil	Primary	£535
31	English as additional language per secondary	Secondary	£1,440
32	Mobility	primary	£875
33	Mobility	Secondary	£1,250
32	PFI contract	Secondary	£295,515
33	Business rates	All	£1,285,851
34	Exceptional premises factor – Eastnor rent	Primary	£8,923

(b) The options as supported in the schools' consultation paper be agreed at a cost of £317k, as follows;

- (i) Growth funding be finalised for basic need expansion at Kingstone High School, £117k for an estimated additional 50 pupils in September 2020
- (ii) Transfer to high needs block for primary SEN protection, £100k
- (iii) Transfer to high needs block for secondary SEN protection, £100k

(c) the balance of funding, £303k is allocated as follows

- (i) Additional transfer of £100k to the high needs block to fund additional SEN activities in order to potentially reduce future demand on the high needs budget
- (ii) Additional £20 per pupil for primary and secondary schools at a cost of £203,000

(d) That any minor adjustments to the schools budget up to £5k, in order to comply with DfE submission requirements, be made to the funding allocated to the growth fund as set out in (b)(i) above.

(e) The growth fund policy and criteria for allocating to schools as set out in the schools consultation paper be agreed

(f) That the central services block be allocated as follows

- (i) Statutory retained duties £360k
- (ii) Schools Forum administration costs £12k
- (iii) School admission costs £122k
- (iv) National licences for schools £138.5k

- (v) **Transfer to the high needs block £60.5k**

- (g) **That local authority maintained school members, approve the de-delegation of funding in 2020/2, and advise the Cabinet member for children's and families for information, as follows**
 - (i) **trade union facilities for primary schools only be approved at £2.75 per pupil**
 - (ii) **school budgeting software licence at £400 per school**
 - (iii) **ethnic minority support at £1.12 per pupil plus £6.60 per Ever-6 Free school meals and £107 per English as an Additional Language first year pupil**
 - (iv) **that the statutory education services for non-academy schools be charged at £12.50 per pupil**

- (h) **The early years funding formula for Herefordshire providers from April 2020 be as follows;**
 - (i) **Two year olds: £5.28 per hour**
 - (ii) **Three and four year olds: £3.97 per hour + £0.33 per Early Years Pupil Premium eligible children + a rurality supplement per provider of £51 per week (pro-rata for providers that deliver less than 100 hours per week) paid for 38 weeks per year**
 - (iii) **Early years central expenditure be increased in line with the DfE's inflation allowance of 1.8% to £341k for early consultants and NEF payment costs for 2020/21.**

Alternative options

1. Given School Forum's approval in October 2017, of the strategy to implement the NFF from 2018/19, it is unlikely there will be any substantial alternatives. There may be a number of possible variations which can be considered in detail by the Budget Working Group (BWG) on 10th January 2020, and any alternative proposals will be published in a supplementary report.
2. The Budget Working Group has previously considered the option of distributing the unallocated balance, originally estimated at £212k, to all schools as an alternative to investing in additional SEN activities, for example school nurture groups, to reduce the cost of future demands on the service. The alternative would be to distribute some or all the allocated balance to schools on a per pupil basis. The BWG's views will be set out in the supplementary report to Schools Forum.

Key considerations

3. The BWG will advise on any necessary amendments should changes to the proposed school budget, previously set out in the autumn schools budget consultation, be required. The DSG funding assumptions underlying the proposed budget are set out below.
4. The DSG 2020/21 settlement was announced on 19th December 2019. The recommendations in this report are based on the final DSG settlement of 22,283 pupils as follows;

A) Schools Block

	£'000
13,367 pupils at £4,237.19	56,639
8,916 pupils at £5,150.33	45,920
Add historic fixed costs	1,595
Share of national growth funding	528
Schools Block (NFF)	104,682
Proposed: to schools via National Funding Formula	104,062
Proposed – to growth fund	117
Proposed: to high needs block	200
Unallocated schools block – additional to schools at £20 per pupil	203
Unallocated schools block - to high needs block to develop nurture groups in schools	100

B) High needs block

	£'000
Total high needs national funding formula	17,849
Less Pre-16 special school places	-1,540
Less Post-16 special school places	-450
Less FE and Independent provider places	-660
Total high needs funding 2020/21 to allocate	15,193

C) Early years (initial settlement)

	£'000
Universal funding for 3 and 4 year olds at £4.38 per hour	5,725
Indicative allocation for 30 hours at £4.38 per hour	2,439
Two year old funding at £5.28 per hour	892
Early years pupil premium	79
Disability access fund	34

Further information on the subject of this report is available from
Malcolm Green, email: malcolm.green@herefordshire.gov.uk

Initial early years block 2020/21	9,169
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D) Central school services block

	£'000
22,282 pupils x £31.12	693

5. All DSG funding blocks are now funded on a formula basis. The recommendations in this report are based on an actual gross DSG (i.e. before recoupment but after deduction of academy and post-16 high needs places) of £129.7m. The BWG will consider the proposals in this report and will make additional recommendations as necessary.

Schools Budget

6. The government published the National Funding Formula (NFF) in October 2019 and the autumn budget consultation with Herefordshire schools proposed implementing the national formula in full with a Minimum Funding Guarantee of 1.84% in order to pass through to schools the inflation increase allocated by government

7. Consultation with schools assumed estimated allocations for the schools block based on an estimated 22,355 pupils (primary 13,597 and secondary 8,959) and a 4% increase in primary and secondary unit funding in the October 2019 census, are as follows:

- Estimated DSG schools funding allocation £104.15m
- National Funding Formula 2020/21 £104.13m
- In addition it is proposed that any allocation of the national growth fund is shared as follows:
 - to: high needs support for primary schools: £0.1m
 - to: high needs support for secondary schools £0.1m
 - to: reserve for growth for basic need expansion £0.1m

8. At that time the additional funding available above that required to implement the NFF was estimated to be around £0.3m and the school budget consultation proposed that this should be allocated in three ways as follows:
- a. £0.1m growth funding reserved to fund basic need expansion in schools
 - b. £0.1m be transferred to the high needs block to support the SEN Protection scheme
 - c. £0.1m be transferred to the high needs block to extend the SEN Protection scheme to secondary schools.

9. The consultation responses strongly favoured transferring the £0.1m to support the primary SEN protection scheme. There was strong support for the secondary SEN protection scheme and reserving funding for basic need growth required by the council in 2020/21.

10. The schools block DSG for 2020/21 is confirmed as £104.68m and the implementation of the NFF costs £104.06m. In addition growth for basic need expansion at Kingstone high

school is estimated at £117,000 for September 2020 to March 2021 based on an additional bulge class of 50 pupils over PAN at £4,038 per pupil. Further payments will be due to the school for the period April 2021 to August 2021 from next year's growth fund. The growth funding will be paid monthly to the school. This leaves £303,000 to be allocated. Two options have been discussed with the BWG as follows;

A: distribute to schools at £29 per pupil, recognising that distributing a higher amount may cause problems with the Minimum Funding Guarantee in 2021/22; or alternatively

B: Fund long term early intervention through developing school nurture groups by

- Transfer £100k to the high needs block to help fund additional SEN activities – more details will be developed with the BWG at their meeting on 10 January 2020 and set out in the supplementary report to Schools Forum;
- and increasing funding by £20 per pupil for all schools at a cost of £203k.

De-delegation

11. The BWG considered the outcome of the autumn schools' budget consultation at its meeting on 6th December and accepted the council's proposals for trade union facilities for primary schools at the reduced rate of £2.75 per pupil, support for ethnic minority pupils and school budgeting software. There was no support for de-delegating the trade union facilities for secondary schools.
12. The consultation paper also proposed a £1 reduction per pupil in the charge for statutory education services provided by the council to non-academy schools. The new rate for 2020/21 will be £12.50 per pupil. Academies are required to provide the same services from their general annual grant. The reduction is due to receipt of a grant from DfE for moderation of national curriculum assessments.

Growth fund

13. In 2019/20 Herefordshire received a formulaic share (£0.3m) of the national growth fund and this is expected to continue in future. The criteria for allocating growth funding to schools must be approved in advance in case basic need growth is required from September 2020. The criteria for use of the growth fund are:
 - support growth in pre-16 pupil numbers to meet basic need
 - support additional classes needed to meet the infant class size regulation
 - meet the costs of new schools
14. Local authorities are responsible for funding basic needs growth for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.
15. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

16. The schools forum must also be consulted on the total size of the growth fund for each phase, and should receive regular updates on the use of the funding.

Central School Services Block

17. In addition to the statutory retained duties, formerly funded by Education Services Grant (£360k), the central schools block was used in 2019/20 to fund Schools Forum administration costs (£12k), school admission costs (£132k), national licence costs (£131k) and a transfer to high needs (£56k). It is proposed to reduce the funding allocated to admissions by £10k to £122k given the service underspends each year and to use this to increase the amount transferred to high needs by £4.5k and national licence costs by £7.5k. The £4.5k increase in the central school services block will be allocated to high needs, i.e. a total of £60.5k.

Early Years

18. The government have announced a new rate for Herefordshire of £5.28 per hour from April 2020. Herefordshire will pass on the full increase to providers from the beginning of the summer term 2020 so that providers will receive £5.28 per hour, an increase of 1.5%.
19. The funding rate for three and four year olds will increase by 8p per hour to £4.38 from April 2020. The funding formula paid to providers will increase to
 - Rurality supplement of £51 per week (pro-rata for less than 100 hours per week)
 - Base hourly rate of £3.97
 - Deprivation supplement of 33p per hour for all Early Years Pupil Premium eligible children
20. Providers were consulted during the period 27 November to 18 December, and the feedback is as follows;
 - There have been consultation response emails from 4 settings out of the 156 settings claiming nursery education funding.
 - Of those, one setting agreed to our approach whilst wishing the funding could be more, two have queried the low level of funding generally and would like a higher base-rate and the final one asked for more information about how much funding was retained by the council to pay for central services.
 - There were no alternative suggestions received.

High needs block

21. The schools consultation paper set out an expenditure forecast for the high needs block for 2020/21. Additional grant of £2m was expected from the DfE and the forecast showed a shortfall in the proposed budget of £0.2m. The council proposed to transfer £0.2m from the schools block to support the high needs budget in 2020/21. The alternative is the SEN protection scheme is curtailed for primary schools and is not extended to cover high schools.
22. Herefordshire's share of the additional national high needs funding is confirmed as £15.2m compared with £13.0m in 2019/20, an increase of £2.2m, which is slightly greater than expected. It is forecast that the high needs block faces £1.2m of cost pressures in 2020/21 and up to a further £0.5m for additional pupils with complex high needs who will potentially require out of county placements. Additionally, it is proposed to provide at least an inflation

increase for high needs tariffs for all schools and to revise the high needs tariff matrix to take greater account of medical needs, mostly tariffs D-F and to extend the current primary high needs protection scheme to high schools.

23. Initial proposals, subject to final funding confirmation from the DfE, for the high needs budget for 2020/21 are:

• Existing high needs overspends in 2019/20	£1.0m
• Potential growth in complex needs places	£0.5m
• Growth in post-16 places	£0.05m
• Increases in tariffs A-C (2%) D-F(5%)	£0.25m
• Additional costs from tariff review	£0.2m
• Extend the SEN protection scheme to high schools	£0.1m
• Preventative initiatives to reduce future spend	£0.1m
• Total additional high needs expenditure 2020/21	£2.2m
• Less £0.2m contribution from growth fund - schools block	-£0.2m
• Additional high needs block funding for 2020/21	£2.2m

24. Projections for the complex needs budget for 2020/21 suggest that potentially six additional pupils will require funding at a cost of up to £0.5m and that these costs are likely to continue and increase in 2021/22. The latest forecasts as at December 19th indicate that complex needs costs continue to increase.

25. The SEN protection scheme acts as an “insurance” scheme to ensure that those schools with higher than average numbers of high needs pupils are fairly funded for their threshold costs. The SEN notional budget is part of each school’s delegated budget and is paid from the Schools Block of the DSG. Individual schools can attract a disproportionate number of children with EHC Plans and the school is required by law to admit them. It is therefore not likely that high needs pupils will be distributed proportionately across all schools. Where the number of children with ECHPs is very skewed this can have a significant impact on a school’s budget. The pattern of preference by parents of children with ECHPs can change quickly making financial planning difficult for the schools concerned. This has had an impact on a number of individual primary and secondary schools.

26. There is a long-standing SEN protection scheme for primary schools which has been supported in previous consultations. It will only be possible to continue the current scheme for primary schools and to fund the extension of the SEN protection scheme to secondary schools by transferring £0.2m from the schools block.

27. The existing protection scheme provides a cap on the number of £6,000 high needs thresholds that any school must fund from within its own budget. The cap is currently set at £130 x the number on roll so that additional funding is provided from the high needs block to help schools where their threshold costs are in excess of the cap. The cap can be varied if necessary to reduce costs but this would offer a lower level of financial protection

28. For example, the threshold cap for school with 150 pupils on roll would be £130 x 150 pupils i.e. £19,500. If the school had 4 FTE high needs pupils then the “insurance” payment would be 4 x £6,000 less the cap of £19,500 i.e. a payment of £4,500. If the school had 3

FTE high needs pupils then no payment would be received because 3 x £6,000 is less than the cap.

29. In order for Schools Forum to be fully informed in considering a request from the local authority to transfer funding from the schools block to the high needs block, DfE suggest the evidence presented to the schools forum should include:

- *Details of any previous movements between blocks, what pressures those movements covered, and why those transfers have (together with the increased high needs funding for 2019 to 2020 and future years) not been adequate to counter the new cost pressures;*

A transfer of £324k (0.3%) was agreed for 2018/19 and a transfer of £215k (0.2%) was agreed for 2019/20.

- *A full breakdown of the specific budget pressures that have led to the requirement for a transfer. This should include the changes in demand for special provision over the last three years, and how the local authority has met that demand by commissioning places in all sectors*

Budget pressures on the complex needs budget and out county placement budget are such that a £1m overspend in 2019/20 is forecast. Further provision of £0.5m has been made to provide for the costs arising from known pupils expected to receive placements in 2020/21 or 2021/22. Herefordshire special schools are full. The new Beacon College Special Academy will have places for 50 pupils, aged from 16 to 19, with severe and complex learning difficulties once it opens in April 2021, Beacon College has been commissioned by the DfE and will open as part of the Barrs Court Academy Trust in April 2021 providing 50 Post-16 places.

- *It's particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so that those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided.*

The funding transfer is necessary to avoid a high needs block deficit and to continue funding the high needs protection scheme which is judged as essential by primary schools in particular. Without the block transfer reductions would have to be made to the protection scheme, which the council considers would have a negative impact on inclusion and would further increase spend.

- *A strategic financial plan setting out how the local authority intends to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels.*

The council considers that an appropriate level of funding to meet need is essential from the DfE to ensure a balanced high needs budget in future. A modest transfer will ensure as far as possible that Herefordshire does not incur a deficit.

- *The local authority should demonstrate an assessment and understanding of why the high needs costs will be at a level that exceeds the increased levels of high needs funding that all local authorities will receive in 2020 to 2021, and that can be anticipated in subsequent years, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways.*

Herefordshire does not intend to spend at a level that exceeds high needs block funding allocated by DfE. Modest transfers from the schools block will be proposed when surplus funding is available over and above that required to fully implement the NFF in schools.

- *The schools forum can only give approval for a one-off transfer of funding out of the 2020 to 2021 schools block.*

This is clearly understood and with sufficient funding provided in DSG by DfE such transfers of funding from schools block to high needs would not be necessary.

- *The local authority should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, if this is permitted, and how they are planning ahead to avoid such transfers in the longer term.*

Herefordshire does not intend to spend at a level that exceeds high needs block funding allocated by DfE. Modest transfers from the schools block will be proposed when surplus funding is available over and above that required to fully implement the NFF in schools.

- *As part of the review and planning process, the extent to which collaborative working is being developed as a means of securing suitable high needs placements at a cost that can be afforded.*

Collaborative working with the National Star College, based in Cheltenham, has secured local places at affordable cost. The National Star College is an independent specialist further education college for people with physical disabilities, acquired brain injuries and associated learning difficulties

- *We expect effective partnership between the local authority, those institutions offering special and alternative provision (including mainstream schools), and parents; and between the local authority and neighbouring authorities.*

Herefordshire works closely with its partner schools to effective high needs provision. The avoidance of a deficit to date is a result of this close working relationship with schools and providers.

- *Any contributions from health and social care budgets towards the cost of specialist places.*

Herefordshire council has a section 78 agreement with the local CCG that provides for joint funding of pupils with complex needs on in a ratio of 3:3:1 form

DSG, Social Care and health. Herefordshire's model is in line with national best practice.

- *How any additional high needs funding would be targeted to good and outstanding primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools.*

Herefordshire's SEN protection scheme is already seen by the DfE as good practice for supporting the inclusion of children with SEN in mainstream schools although we make no distinction between any school. The Herefordshire tariff matrix provides for the child's needs to be met in either their local mainstream school or a special school without any financial penalty. It is the child's needs that are funded not the establishment.

- *Examples of schools that illustrate how the local authority would support such inclusive practice are also useful.*

Herefordshire is intending to use the £100k set aside for preventive initiatives to support a number of schools on a nurture group basis to provide further support for children to attend their local school. Nurture groups are founded on evidence-based practices and offer a short-term, inclusive, focused intervention that works in the long term. Nurture groups are classes of between six and 12 children or young people in early years, primary or secondary settings supported by the whole staff group and parents. Each group is run by two members of staff. Children attend nurture groups but remain an active part of their main class group, spend appropriate times within the nurture group according to their need and typically return full time to their own class within two to four terms.

- *Details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula.*

No reduction will be made to the national funding formula for Herefordshire schools as it is the surplus above the NFF entitlement that is intended to be shared between schools and high needs. There is extremely unlikely that funding above the NFF will be retained by schools in the long term.

- *The extent to which schools more generally support the proposal, including details of the outcome of local school consultations, the options or proposals that were subject to consultation, how many schools agreed, disagreed or did not respond.*

The consultation with schools was very supportive of the proposal for a modest transfer from the schools block to high needs in order to fund the SEN protection scheme.

30. Herefordshire will not ask the Secretary of State, for approval to continue with a transfer that the school forum oppose. However Schools Forum will be asked to support the proposals in the consultation paper to reduce expenditure on the SEN protection scheme to ensure that the high needs budget for 2020/21 is a balanced budget in accordance with existing policy of ring fencing the separate DSG blocks.

31. Further detailed work will be undertaken with the Budget Working Group prior to final high needs budget plans being presented to Schools Forum in March 2020, prior to Cabinet member approval of the high needs budget for 2020/21.

Community impact

32. The government's national funding formula determines the allocation of funding to schools and the DSG is essential in helping the council achieve its priority to keep children and young people safe and give them a great start in life. The school funding formula must meet the national requirements of the DfE. Within these national guidelines the funding is targeted to support the achievement of improved outcomes for all Herefordshire pupils in accordance with a carefully considered strategy that is subject to annual consultation with schools and governors.
33. Governing bodies of schools are responsible for decisions to commit expenditure according to meet pupils' individual needs. Funding for Looked after Children is no longer included in the national funding formula and is now fully included in the pupil premium plus grant for Looked after Children. The pupil premium plus is £2,300 per qualifying pupil and will be better targeted to provide help to Looked after Children. Schools are asked to report termly how they have spent the Pupil Premium Plus and what the impact is on learning. In the last 12 months pupil premium has funded 757 'interventions' (across 238 children) and 47% had the expected impact on progress, 5% had less than expected impact on progress (and payments were stopped), 7% had more than expected impact on progress and 41% of interventions have not yet been measured (i.e. still too early to measure)

Equality duty

34. 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.
35. 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. As this is a decision to implement the government's national funding formula for schools, we do not believe that it will have an impact on our equality duty

Resource implications

36. The recommendations, if agreed, aim to meet the high needs provision within the available funding whilst if necessary to meet need permitting expenditure in excess of budget to be drawn down from the forecast DSG balances of £0.7m. Additional DSG high needs funding of £2m has been allocated by DfE for 2020/21 in recognition by government of the cost pressures within the high needs block. Herefordshire will retain the current practice of ring fencing the DSG blocks and allocating spend accordingly, the only exception being to ask schools forum to approve a block transfer to ensure the SEN protection scheme remains fit for purpose. The DSG grant income is noted within the council's Medium Term Financial Strategy but is not included in the council's forward financial planning. DSG is planned jointly with Schools Forum.

Legal implications

37. The Schools Forum Regulations 2012 provides that School Forums generally have a consultative role. However, there are situations in which they have decision-making powers, as detailed in Regulation 10. The Regulations state that the council must consult the Schools Forum annually in connection with amendments to the school funding formula, for which voting is restricted by the exclusion of non- school members except for Private, Voluntary, Independent representatives. Voting on de-delegation and the education functions for maintained schools is restricted to maintained school members only.
38. The decision making powers of Schools Forum are limited, as detailed in the Education and Skills Funding Agency guidance sheet 'School Forum Powers and Responsibilities' published in September 2017
39. For the purposes of this report the schools forum, its decision making power is engaged for items b, c, e, f, g, h in the recommendations. The remaining recommendations are to be considered by the schools forum, the final decision on these points to be made by the Cabinet Member, in line with section 3.3.10 of Part 3 of the Council's constitution.

Risk management

40. The BWG reviews proposals in detail prior to making recommendations to the Schools Forum. This two stage process helps to 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 and Families directorate jointly with Schools Forum.

Consultees

41. All maintained schools and academies in Herefordshire have been consulted on the final budget proposals for 2020/21. 18 responses were received prior to the 2 December 2019 deadline. This is a poor response rate of 21% from the 93 mainstream schools, including academies, and the four special schools. Previously School Forum has taken a low response rate to mean that schools are broadly in favour of the national funding formula and de-delegation proposals given the support of the Budget Working Group.

Table of responses received from 9 primaries, 7 secondary and 2 special schools as follows;

Question number	Question topic	Yes	No
Q1(a)	Implement the national funding formula in 2020/21 and allocate the estimated £0.3m share of the national growth fund jointly to the high needs block for primary and secondary schools and basic need	18	
Q1(b)	Include the new mobility factor for 2020/21	17	1
Q1(c)	Transfer £0.1m from the schools block to fund primary SEN protection scheme in 2020/21	18	
Q1(cii)	Transfer £0.1m from the schools block to fund secondary SEN protection scheme in 2020/21	15	2
Q1(ciii)	Retain £0.1m in the growth fund to meet basic need expansion	17	1
Q1(d)	Do you accept that without support from the schools block growth fund then the SEN protection scheme for schools with higher than average numbers of high needs pupils must be curtailed	12	6
Q2	Use additional high needs funding of £2m as follows;		
Q2(a)	Cover existing overspends in high needs at £1m	18	0
Q2(b)	Growth in complex needs places of £0.5m	18	0
Q2(c)	Growth in post-16 places of £0.05m	16	1
Q2(d)	Increase in tariffs A-C (+2%) and D-F (+5%)	16	2
Q2(e)	Additional costs from tariff review at £0.2m	15	3 – more info
Q2(f)	Extend the SEN protection scheme to secondary schools at £0.1m	15	2
Q2(g)	Preventative initiatives to reduce future spend at £0.1m	13	3 – more info

Further information on the subject of this report is available from
Malcolm Green, email: malcolm.green@herefordshire.gov.uk

Q2(h)	Less a contribution from the growth fund schools block of £0.2m to balance the high needs budget	15	3 – some misunderstanding
Q3(a)	De-delegation – trade union facilities for primary schools at £2.75 per pupil	13	0
Q3(b)	De-delegation – ethnic minority support - primary and secondary schools at £1.12 per pupil, £6.60 per Ever6-FSM and £107 per EAL first year pupil	15	1
Q3(c)	De-delegation – school budgeting software at £400 per school	13	0
Q3(d)	Statutory education services for non-academy schools at £12.50 per pupil	14	0
Q3(e)	De-delegation – trade union facilities agreement for secondary schools – no budgets to be de-delegated in line with previous financial years	9	0
Q4	Do you support an inflation increase for the early years funding formula from April 2020	18	0
Q5	Do you support the criteria set out in the consultation document as the basis for allocating growth funding to qualifying schools	15	2 – fund growth from their own budget

42. The consultation results overwhelmingly support the schools budget proposals as set out in the consultation paper. Many of the “No” replies often were suggesting that more information was necessary. Very few of the NO’s were outright objections to the proposal. The BWG has met twice on 6 December and 10 January to consider the consultation responses and the budget proposals in detail. The BWG’s comments are set out in the supplementary report. All schools will be advised of School Forum’s final budget recommendations.

Appendices

National school funding formula 2020/21 – consultation for Herefordshire schools

Background papers

None identified.

NATIONAL SCHOOL FUNDING FORMULA 2020/21

CONSULTATION FOR HEREFORDSHIRE SCHOOLS

1.0 SUMMARY

- 1.1 This consultation paper sets out the expected financial position for Herefordshire school budgets for 2020/21. The school funding proposal is to continue to fully fund the national funding formula as set by government to ensure schools receive the additional funding as announced in September 2019.
- 1.2 In past years, Herefordshire has adhered to the DfE's funding block allocations as this practice has served Herefordshire well since 2013 when individual blocks were first published by DfE. Herefordshire is one of the few shire counties nationally not to have a high needs deficit. However in view of the continued pressures on the complex needs budget, it is proposed to use some of the growth fund (from within the schools block) to fund the SEN protection scheme, which acts as an insurance scheme to ensure that those schools with higher than average numbers of high needs pupils are fairly funded for their threshold costs. Schools will continue to be funded at the national funding formula and, depending on sufficient funding being available, possibly more.
- 1.3 Nationally, additional high needs funding of £780m has been announced and Herefordshire's indicative allocation is £2.0m extra although this will not be confirmed until mid-December 2019. Further work will be necessary to finalise the high needs budget when the final allocation is known, however at this stage a shortfall of £0.2m is expected.
- 1.4 In order to extend the SEN protection scheme to all high schools, and so not remain solely for primary schools (and to meet the expected shortfall) it is proposed that £0.2m is transferred from the growth fund to the high needs block. Proposals are also included to meet the increasing demand for placements for those pupils with the most complex needs, and this is expected to continue into 2021/22. Cost pressures of £1.5m have been identified in 2020/21, mainly from current overspends of £1.0m and further growth of £0.5m in independent school placements for those pupils with the most complex needs.
- 1.5 Similar to last year Herefordshire is expected to receive at least £0.3m from a formulaic share of national growth funding. Any schools that qualify for basic need growth funding will be identified this term and it is proposed to reserve £0.1m for such growth funding. The remainder, as set out above, will be used to support high needs in schools and if possible to give all schools extra funding via the national funding formula. Schools are being consulted now on how the growth fund should be used so that if basic need growth is identified, the criteria for use of the growth fund is already agreed.
- 1.6 Once again it is emphasised that strong financial planning will continue to be necessary by all schools to maintain financial viability during the coming years. Small primary schools with less than 100 pupils on roll, and schools that are facing potential challenging budgets for the next four years in particular should seek advice from the council if they wish to reduce costs.

- 1.7 It is proposed to reduce the education management deduction by £1 per pupil for local authority maintained school budgets from £13.50 to £12.50 per pupil due to the receipt of grant from DfE to help meet national curriculum monitoring costs. The £12.50 per pupil deduction for education management functions helps fund the council's statutory education services e.g. governor services, strategic HR and school finance, property landlord duties, monitoring national curriculum assessment. It is also proposed to reduce the cost to primary schools of de-delegating the trade union facilities agreement by 15p per pupil from £2.90 to £2.75 to reflect a continued small underspend in the budget.
- 1.8 It is important that all schools respond to the budget consultation so that Schools Forum is fully informed of schools' views.

Consultation key dates:

- You should respond by 12 noon on the 2nd December 2019.
- Schools Forum's Budget Working Group will consider the responses on 6th December 2019 and 10th January 2020,
- The final schools budget will be confirmed by Schools Forum on 17th January 2020 prior to cabinet member decision and submission to the Education and Skills Funding Agency.
- The high needs budget will be considered by the Budget Working Group on 28th February and confirmed by Schools Forum on 13th March 2020 prior to cabinet member decision

2.0 SCHOOLS BLOCK STRATEGY 2020/21

2.1 Estimated allocations for the schools block based on an estimated 22,355 pupils (primary 13,597 and secondary 8,959) and a 4% increase in primary and secondary unit funding in the October 2019 census, are as follows:

- Estimated DSG schools funding allocation £105.5m
- National Funding Formula 2020/21 £105.45m
- In addition it is proposed that any allocation of the national growth fund is shared as follows:
 - to: high needs support for primary schools: £0.1m
 - to: high needs support for secondary schools £0.1m
 - to: reserved for basic need expansion £0.1m

3.0 HIGH NEEDS BLOCK STRATEGY 2020/21

3.1 Herefordshire's share of the additional national high needs funding is expected to be £2.0m. It is forecast that the high needs block faces £1.0m of cost pressures in 2020/21 and up to a further £0.5m for additional pupils with complex high needs who will potentially require out of county placements. Additionally, it is proposed to provide at least an inflation

increase for high needs tariffs for all schools and to revise the high needs tariff matrix to take greater account of medical needs, mostly tariffs D-F and to extend the current primary high needs protection scheme to high schools.

3.2 Initial proposals, subject to final funding confirmation from the DfE, for the high needs budget for 2020/21 are:

• Existing high needs overspends in 2019/20	£1.0m
• Potential growth in complex needs places	£0.5m
• Growth in post-16 places	£0.05m
• Increases in tariffs A-C (2%) D-F(5%)	£0.25m
• Additional costs from tariff review	£0.2m
• Extend the SEN protection scheme to high schools	£0.1m
• Preventative initiatives to reduce future spend	£0.1m
• Total additional high needs expenditure 2020/21	£2.2m
• Less £0.2m contribution from growth fund - schools block	-£0.2m
• Indicative high needs block funding for 2020/21	£2.0m

3.3 Projections for the complex needs budget for 2020/21 suggest that potentially six additional pupils will require funding at a cost of up to £0.5m and that these costs are likely to continue and increase in 2021/22.

3.4 The SEN protection scheme acts as an “insurance” scheme to ensure that those schools with higher than average numbers of high needs pupils are fairly funded for their threshold costs. The SEN notional budget is part of each school’s delegated budget and is paid from the Schools Block of the DSG. Individual schools can attract a disproportionate number of children with EHC Plans and the school is required by law to admit them. It is therefore not likely that high needs pupils will be distributed proportionately across all schools. Where the number of children with ECHPs is very skewed this can have a significant impact on a school’s budget. The pattern of preference by parents of children with ECHPs can change quickly making financial planning difficult for the schools concerned. This has had an impact on a number of individual primary and secondary schools.

3.5 There is a long-standing SEN protection scheme for primary schools which has been supported in previous consultations. It will only be possible to continue the current scheme for primary schools and to fund the extension of the SEN protection scheme to secondary schools by transferring £0.2m from the schools block.

3.6 The existing protection scheme provides a cap on the number of £6,000 high needs thresholds that any school must fund from within its own budget. The cap is currently set at £130 x the number on roll so that additional funding is provided from the high needs block to help schools where their threshold costs are in excess of the cap. The cap can be varied if necessary to reduce costs but this would offer a lower level of financial protection

3.7 For example, the threshold cap for school with 150 pupils on roll would be £130 x 150 pupils i.e. £19,500. If the school had 4 FTE high needs pupils then the “insurance” payment

would be 4 x £6,000 less the cap of £19,500 i.e. a payment of £4,500. If the school had 3 FTE high needs pupils then no payment would be received because 3 x £6,000 is less than the cap.

- 3.6 Further detailed work will be undertaken with the Budget Working Group when high needs funding is confirmed by the DfE in December 2019, and prior to final high needs budget plans being agreed in March 2020.

4.0 EARLY YEARS BLOCK

- 4.1 An inflationary increase of 1.8% in early years funding was implicit in the September school funding announcement and subject to the increase being confirmed in the DSG December funding announcement, it is proposed to increase the hourly rate, deprivation rate and the rurality lump sum to ensure that the early years funding formula rises in line with inflation.

5.0 CENTRAL SCHOOL SERVICES BLOCK

- 5.1 In addition to the statutory retained duties, formerly funded by Education Services Grant (£345k), the central schools block was used in 2019/20 to fund Schools Forum administration costs (£12k), school admission costs (£142k), national licence costs (£133k) and a transfer to high needs (£56k). It is proposed to reduce the funding allocated to admissions by a further £10k given the service underspends each year and to use this to increase the amount transferred to high needs by £5k and national licence costs by £5k.

6.0 NATIONAL FUNDING FORMULA – HEREFORDSHIRE PROPOSALS

- 6.1 Herefordshire will increase most national funding formula values by 4% from the 2019/20 financial year. Please note that the 2019/20 values were £15 per pupil greater than the national funding formula. As in previous years, school budgets can only be fully finalised after the October pupil census and confirmation by the DfE of the financial settlement in December. To aid school budget planning, we are committed to maintaining the formula values as published in this consultation paper and changes will be made only if absolutely necessary.

- 6.2 Herefordshire's school funding proposals for 2020/21 are the national funding formula values as follows:

- a) Basic Entitlement per pupil (2019/20 factor values for comparison):

- i. Primary KS1/2 - £2,857 (£2,747)
- ii. Secondary KS3 - £4,018 (£3,863)
- iii. Secondary KS4 - £4,561 (£4,386)

- b) Low prior attainment (low cost, high incidence special education needs)

- i. Primary funding per pupil - £1,065 (£1,022)
- ii. Secondary funding per pupil - £1,610 (£1,550)

- c) Deprivation per Free Meal pupil
 - i. Primary - £450 (£440)
 - ii. Secondary - £450 (£440)

- d) Deprivation per Ever-6 Free Meal pupil
 - i. Primary - £560 (£540)
 - ii. Secondary - £815 (£785)

- e) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)
 - Band A (3% of pupils) - primary £600 (£575) secondary £840 (£810)
 - Band B (8% of pupils) - primary £435 (£420) secondary £625 (£600)
 - Band C (7% of pupils) - primary £405 (£390) secondary £580 (£560)
 - Band D (8% of pupils) - primary £375 (£360) secondary £535 (£515)
 - Band E (9% of pupils) - primary £250 (£240) secondary £405 (£390)
 - Band F (10% of pupils) - primary £210 (£200) secondary £300 (£290)
 - Band G (55% of pupils) - primary £0 secondary £0

- f) English as Additional Language (EAL) for all eligible pupils
 - i. Primary - £535 (£515)
 - ii. Secondary - £1,440 (£1,385)

- g) Lump sums
 - i. Primary £114,400
 - ii. Secondary £114,400

- h) Sparsity
 - i. Tapered lump sum of £26,000 (£25,000) for qualifying primary schools with an average year group size of 21.4
 - ii. Tapered lump sum of £67,600 (£65,000) for qualifying secondary schools with an average year group size of 120 pupil

- i) Business Rates – no change, funded at cost with an estimated 2.0% CPI inflation increase.

- j) Looked After Children – £0 as funding has been transferred to the pupil premium grant

- k) Mobility – implement new NFF factor pupil values above 6% mobility threshold
 - £875 per primary pupil
 - £1,250 per secondary pupil

- l) Exceptional premises factor – increased by 1.84% inflation to £8,923 (£8,763.50) to meet rent costs for Eastnor Primary School

- m) PFI factor – increased by 3.03% RPI(X) to £295,515 (£286,824) in accordance with the retail prices index used by the DfE in the national formula.
- n) Secondary schools have been guaranteed a minimum of £5,000 per pupil and primary schools a guaranteed minimum of £3,750 by April 2020 and £4,000 from April 2021.

6.3 De-delegation proposals for locally maintained schools - it is proposed that the de-delegation charge for trade union facilities for primary schools is reduced by 15p to £2.75 per pupil. Secondary schools will be asked to re-affirm the current no de-delegation for TU facilities.

6.4 The education management deduction will reduce by £1 to £12.50 per pupil for local authority maintained schools.

7.0 GROWTH FUND PROPOSALS

7.1 In 2019/20 Herefordshire received a formulaic share (£0.3m) of the national growth fund and this is expected to continue in future. The criteria for allocating growth funding to schools must be approved in advance in case basic need growth is required from September 2020. The criteria for use of the growth fund are:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools

7.2 Local authorities are responsible for funding basic needs growth for all schools in their area, for new and existing maintained schools and academies. Local authorities should fund all schools on the same criteria. Where growth occurs in academies that are funded by ESFA on estimates, ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.

7.3 The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need.

7.4 The schools forum must also be consulted on the total size of the growth fund from each phase, and should receive regular updates on the use of the funding.

7.5 A copy of the proposed growth fund criteria are attached as an appendix and schools are invited to comment on the proposals.

8.0 TIMESCALES

8.1 The budget process and expected timeline is:

- Consultation closes 12 noon 2nd December 2019
- Schools Forum meets on 17th January 2020 to consider the recommended funding values to be submitted to the Education Funding Agency
- Budgets issued to locally maintained schools by 28th February 2020
- Education Funding Agency to issue budgets to academies for academic year 2020/21.

9.0 CONSULTATION RESPONSES BY 2ND December 2019

- 9.1 A separate consultation form is attached and must be returned to School.funding@herefordshire.gov.uk by 12 noon on 2nd December 2019 in order that your views can be considered by the Budget Working Group on 6th December 2019 and Schools Forum at their meeting on 17th January 2020.
- 9.2 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.

10.0 FURTHER INFORMATION

- 10.1 If you have any questions regarding the detailed content of this consultation paper or the calculations and comparisons for your school as set out in the appendices, 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, Trinity
Mr P Box, Lord Scudamore
Mr M Maund, Almeley
Mrs H Webb, Colwall

Secondary

Mr P Jennings, Lady Hawkins (Chairman)
Mr S Fisher, Kingstone
Mrs C Bryan, John Kyrle
Mrs N Emmett, Fairfield
Mrs A MacArthur, Wigmore High
Mr S Robertson, Aylestone

- 10.2 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.

Criteria for additional funding for new schools and planned growth in primary and secondary schools.

Draft for consultation with schools census autumn 2019

1.0 GROWTH CRITERIA

- 1.1 Growth funding will be provided to mainstream maintained schools and academies where:
- a) The Council agree that a temporary or permanent increase to a school's PAN is required to meet **basic need population growth** (not simply arising from parental preference or a school's desire to increase capacity). This would normally be to accommodate an additional reception class.
 - b) The Council agree that a temporary increase to a school's PAN is required to accommodate in year admissions across a number of year groups resulting from **basic need expansion increases in an area** (not simply arising from parental preference or a school's desire to increase capacity).
 - c) The Council requests schools to admit significant additional pupils **as a consequence of a school closure**.
 - d) In-year **support to a new school** from the growth fund is required in line with section 3 of the New School Funding Criteria below.
- 1.2 The agreed increase will normally be in the form of an additional class or half class.
- 1.3 Where an additional class is needed in an area but agreement cannot be reached to fund one school, the funding may be split between two or more schools.

2.0 GROWTH FUNDING PAYMENTS

- 2.1 One off funding will be allocated based on 30 pupils (or 15 if a half class) X the age weighted pupil unit (AWPU) X 7/12ths. (note: for an academy a full AY funding is paid subject to the LA being able to reclaim this 5/12ths from the EFA).
- 2.2 This additional funding will be taken into account when subsequently calculating any payments that may be due to a maintained school to ensure no double funding arises.
- 2.3 If a school or academy feels that the funding mentioned above will significantly underfund their additional costs, they will be given an opportunity to bring a request for additional funding to the Schools Forum for consideration. Any such request must be backed with clear demonstrated evidence of the additional funding need.
- 2.4 Where growth funding is payable to academies, the Council will also pay the increase for the remaining 5/12ths of the academic year (April to August). The Council's Dedicated Schools Grant (DSG) will however be reimbursed for this 5/12ths element by the Education Funding Agency (EFA).
- 2.5 Rules on growth funding payments to a new school are covered under section 3 of the New School Funding Criteria overleaf.

3.0 NEW SCHOOL FUNDING CRITERIA

3.1 Start-up costs prior to a school opening

3.1.1 A one off lump sum of £50,000 will be payable to the primary school from the growth fund. A new secondary school will receive a lump sum of £75,000.

3.1.2 This is intended to be used towards costs such as:

- Funding salary costs of the designated head teacher, admin and finance support prior to opening.
- Any temporary accommodation costs while awaiting new build.
- Recruitment and interview related costs.
- Any other incidental costs.

3.1.3 It will up to the school how to use these funds. No further one off funding prior to opening will be payable and any unspent funds can be retained by the school.

3.2 Varying the pupil numbers used in the Authorities Proforma Tool (APT) submission to the DfE

3.2.1 When a new school opens and for a period of 7 years or when a school reaches 90% of its NOR capacity whichever is the sooner, the LA will apply to the EFA to vary the pupil number on roll (NOR) in the APT (the APT NOR is used as the basis for schools' budgets).

3.2.2 The varied NOR will (subject to EFA approval) be used in the APT instead of the previous October census NOR that is used for all other schools.

3.2.3 Funding for a new school in the first instance will be based upon 120 pupils (a minimum four class model).

3.2.4 Varied pupil numbers will be calculated based on a maximum of 30 pupils per class and by keeping Infant and Junior phases as distinct teaching groups e.g. for a new 2FE primary school

3.2.5 Funding will be based upon 120 pupils (a minimum four class model) in the first instance.

Initial assumption:

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Reception Class of up to 30 pupils • KS1 class of up to 30 pupils • KS2 2 classes of up to 30 pupils | } | <p>Infant total – 60 pupils</p>
<p>Junior total – 60 pupils</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------------------------------------------------|

Triggers for additional funding:

As soon as the infant numbers (Reception plus KS1) reach 60 pupils, the LA will fund another 30 Reception places (3 classes). Then

- on reaching 90 the LA will fund another 30 places (4 classes)
- on reaching 120 the LA will fund another 30 places (5 classes)
- on reaching 150 the LA will fund another 30 places, taking them to six infant classes.

AND/OR

As soon as KS2 total pupil numbers reach 60, the LA will fund another 30 places.

- on reaching 90 the LA will fund another 30 places
- on reaching 120 the LA will fund another 30 places
- on reaching 150 the LA will fund another 30 places
- on reaching 180 the LA will fund another 30 places
- on reaching 210 the LA will fund another 30 places, taking them to eight KS2 classes.

3.2.6 Funding will not be clawed back if the actual pupil numbers at year end are lower than the estimated varied number used in the APT.

3.3 Other funding factors

3.3.1 If data is provided by the DfE relating to other funding factors (e.g. prior attainment, deprivation) as a percentage of the actual NOR then these percentages will be applied to the varied NOR to identify appropriate funding for the other factors.

3.3.2 If data is not available the other factor percentages of a similar school will be used, or in the case of there being no similar school the average percentages for the whole sector.

4.0 IN-YEAR SUPPORT TO NEW SCHOOLS FROM THE GROWTH FUND.

4.1 The following will apply for a period of 7 years, or when a school reaches 90% of it's NOR capacity, whichever is the sooner.

a) Funding for new class required

If at any point during the financial year the LA identifies an additional reception class is required above those already used in the varied NOR then the school will receive an additional full year's funding of 30 pupils X the AWPU. This will in effect be a correction to the estimated NOR used in the APT submission.

b) New class not required but in-year October census NOR higher than varied NOR used in APT.

The school's in year October census will be compared to the varied NOR used in the APT plus any additional NOR added for a new class in year.

If the October NOR is higher than this, AWPU funding will be provided for the increase without applying any thresholds. This will ensure that if a school does not qualify for additional class funding it will as a minimum be funded for all its pupils at the mid financial year October census date.