

Agenda

Herefordshire schools forum

Date: **Friday 18 March 2022**

Time: **9.30 am**

Place: **Online meeting**

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

Chairperson Kathy Weston

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 the minutes of the meeting held on 14 January 2022.	5 - 18
5. ELECTION OF VICE-CHAIRPERSON To elect a vice-chairperson for the remainder of the academic year following the resignation of the previous vice-chairperson.	
6. HIGH NEEDS BUDGET 2022/23 To make recommendations to the Cabinet Member for Childrens and Families for the £19.7m Dedicated Schools Grant (DSG) high needs budget for 2022/23.	19 - 40



Minutes of the meeting of Herefordshire schools forum held at online meeting on Friday 14 January 2022 at 9.30 am

Present: Mrs K Weston (Local Authority Maintained Primary School) (Chairperson)
Mrs J Cohn (Academy Special School Representative) (Vice-chairperson)

Mr D Bennett	Academies
Ms C Bryan	Academies
Mr A Davies	Academies
Ms N Emmett	Academies
Ms N Gilbert	LA Special Schools
Mr A Gosling	Secondary Governors
Mr E Gwillim	16-19 Providers
Mr P Jennings	Academies
Mr S Kendrick	Local Authority Maintained Primary School (with Nursery)
Mr T Knapp	Academies
Ms T Kneale	Local Authority Maintained Primary School
Mr C Lewandowski	Trade Unions
Ms S Lines	Diocese of Hereford
Mrs R Lloyd	Early Years
Mr N Moon	Local Authority Maintained Primary Schools
Mr P Deneen	Trade Unions

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

33. ELECTION OF CHAIRPERSON

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

Resolved: that Mrs Kathy Weston be elected chairperson of the Forum.

34. ELECTION OF VICE-CHAIRPERSON

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

Resolved: that Mrs Julie Cohn be elected Vice-Chairperson of the Forum.

35. APOLOGIES FOR ABSENCE

Apologies were noted from the following forum members: Georgie Griffin, Martin Henton, Sue Jenkins.

36. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

37. DECLARATIONS OF INTEREST

Mr Lewandowski and Mr Deneen declared an interest in item 7 on the agenda as representatives of trades unions.

38. MINUTES

Resolved: that the minutes of the meeting held on 24 September 2021 be approved as a correct record.

39. SCHOOLS BUDGET 2022/23 (Pages 7 - 14)

The strategic finance manager (SFM) presented the report and outlined the proposed schools budget based on the confirmed Dedicated Schools Grant allocation from the Department for Education (DfE). A copy of the slides used in the presentation are attached to the minutes of the meeting.

Forum members discussed the proposed budget and noted that the £10k per pupil base funding for special schools had not been increased since its inception. It was hoped that the government SEND review would address this in the longer term. Additional funds had been allocated to the high needs block for 2022/23 in the supplementary schools grant and officers would be looking to increase the tariffs in special schools where possible. The details of the high needs budget would be agreed at the forum meeting in March.

The impact of inflation on schools budgets was discussed and factors such as rising energy costs and pay increases noted. These made it hard for schools to budget effectively. It was suggested that the forum should write to the minister to continue to press for further funding increases.

The chair of the Budget Working Group thanked the SFM for his work on the proposals. He highlighted the key points discussed during the working group meeting specifically the strong support for option A on the matter of the transfer to the high needs block and debate on the future of the behaviour support service. The service was valued by schools and it was felt that support should be provided to retain the service in 22/23 but with a review ahead of the decision for 23/24.

The forum heard that early year's providers had been consulted on options to increase the amount of central support available by increasing the percentage of funding retained by the council. These options had been rejected, with 72% of providers supporting the option to increase early year's budgets in line with inflation without any deductions for increased advisor support. The early year's representative commented that she was not surprised at the outcome given the pressures put on settings by covid but it was a difficult choice to make.

It was resolved that:

The local implementation of the National Funding Formula (NFF) for 2022/23 as set out in the consultation document and recommendation 1. (a) – (n) as below, be approved for recommendation to the Cabinet member for children and families as follows;

- 1. The final school funding values be agreed, subject to a minimum total funding per pupil of £4,265 for primary schools and £5,525 for secondary schools, including the Minimum Funding Guarantee at 2% as follows:**
 - (a) Basic entitlement per pupil Primary £3,217, basic entitlement per secondary pupil Key Stage 3 £4,536 and basic entitlement per secondary pupil Key Stage 4 £5,112**

- (b) Deprivation per free school meal Primary £470 Deprivation per free school meal Secondary £470
 - (c) Deprivation per ever-6 free school meal Primary £590, Deprivation per ever-6 free school meal Secondary £865
 - (d) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)
 - (i) Band A Primary £640 Secondary £890
 - (ii) Band B Primary £490 Secondary £700
 - (iii) Band C Primary £460 Secondary £650
 - (iv) Band D Primary £420 Secondary £595
 - (v) Band E Primary £270 Secondary £425
 - (vi) Band F Primary £220 Secondary £320
 - (vii) Band G Primary £0 Secondary £0
 - (e) Low prior attainment per pupil Primary £1,130, per pupil Secondary £1,710
 - (f) Lump Sum Primary £121,300, Secondary £121,300
 - (g) Looked after Children, primary and secondary All £0
 - (h) Primary sparsity, on NFF taper basis, over 2 miles and less than an average year group size of 21.4 pupils Primary £55,000
 - (i) Secondary sparsity, on NFF taper basis, over 3 miles and less than an average year group size of 120 pupils Secondary £80,000 using the updated DfE actual road distance measure
 - (j) English as additional language (EAL3) per primary pupil Primary £565 English as additional language per secondary pupil Secondary £1,530
 - (k) Mobility Primary £925 Mobility Secondary £1,330
 - (l) PFI contract Secondary £308,138
 - (m) Exceptional premises factor – Eastnor rent Primary £9,332
 - (n) Business rates: At the indicative cost of £1,286,112 as determined by the Education and Skills Funding Agency
2. Additional growth funding of £179,240 for 2022/23 be approved for recommendation to the Cabinet member for children and families as follows;
- (a) Growth funding for basic need expansion at Kingstone High School, £134,430 (summer term £55,050, autumn & spring £79,380) for the financial year 2022/23 for an additional 30 planned pupils
 - (b) Growth funding be finalised for basic need expansion at Fairfield High School, £44,810 (summer term £18,350, autumn & spring £26,460) for the financial year 2022/23 for an additional 10 planned pupils
3. Transfer to high needs block to support the SEN protection scheme, £507,224 and to set the school funding cap at £160 x Number on Roll for 2022/23 subject to further consideration of the funding cap at the March meeting of Schools Forum.

4. That prior to submission to the DfE, any minor adjustments to the schools budget up to £5k required to comply with the regulations, be made to the funding allocated to the growth fund to provide a contingency.
5. That Schools Forum approve an inflationary increase for the central support services funding for 2022/23, and advise the Cabinet member for children's and families for information, as follows;
 - (a) Statutory retained duties £380k
 - (b) Schools Forum administration costs £19k
 - (c) School admission costs £129k
 - (d) National licences for schools £150k
 - (e) Additional funding for statutory duties for SEN casework team £26k
 - (f) transfer SACRE funding to statutory duties £6k
 - (g) Transfer to the high needs block £75k
6. That Schools Forum accept the Budget Working Group's advice regarding approval of the proposal for additional funding from SACRE to increase expenditure on activities for schools and training.
7. That local authority maintained school members, approve the de-delegation of funding in 2022/23, and advise the Cabinet member for children's and families for information, as follows
 - (a) trade union facilities for primary schools only be approved at £2.60 per pupil
 - (b) trade union facilities for secondary schools only be provided for through a Service Level Agreement at £2.60 per pupil
 - (c) school budgeting software licence at £415 per school
 - (d) ethnic minority support at £1.15 per pupil plus £6.80 per Ever-6 Free school meals and £36 per English as an Additional Language three years (EAL3)
 - (e) school meals entitlement assessment at £1.29 per primary pupil and £0.97 per secondary pupil (for local authority schools)
 - (f) behaviour support service (option A) at £4 per pupil to provide £37,500 income and a matched contribution from the high needs budget of £37,500
 - (g) the statutory education services for non-academy schools be charged at £12.25 per pupil
8. The early years funding formula for Herefordshire providers from April 2022 be approved for recommendation to the Cabinet member for children and families as follows; as follows;
 - (a) Two year olds: £5.57 per hour
 - (b) Three and four year olds: £4.24 per hour + £0.36 per hour for Early Years Pupil Premium eligible children + a rurality supplement per provider of £54 per week (pro-rata for providers that deliver less than 100 hours per week) paid for 38 weeks per year

- (c) Early years central expenditure be increased by 3.9% inflation £370,598 for NEF contract payments, Early years consultants and MASH support for early years settings.
9. The Schools Budget be approved for recommendation to the Cabinet member for children and families as follows;
- a. A balanced schools budget be approved for 2022/23; and
 - b. the uncommitted DSG reserves of £432,000 be carried forward to financial year 2023/24 adjusted by any under or overspend in DSG at year end.

(Restrictions were applied to voting as follows:

Only representatives of LA maintained schools, academies and early years providers were eligible to vote on recommendations 1 to 6 inclusive and recommendations 8 and 9.

Only representatives of LA maintained schools were eligible to vote on recommendation 7. This was further restricted to LA primary school representatives for part (a) and LA secondary school representatives for part (b).)

The meeting ended at 10.27 am

Chairperson

Schools Forum
School Budget Proposals
2022/23
14 January 2022

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Forum Recommendations

- Fully fund schools at National Funding Formula
- £180k allocated for agreed growth in Golden Valley Kingstone 30 places and Fairfield 10 places
- Transfer to High Needs Block to fund SEN protection scheme as in previous years
- Increase De-delegation and Education Man'gt charge by inflation
- PFI factor increased by 7.2% which is Nov RPI(X)
- BWG advice sought on
 - How much to transfer to HNB re SEN protection scheme
 - De-delegation to support Behaviour Support Team

Supplementary schools grant

- £1.6bn extra for schools in autumn spending review
- £1.2bn to schools in supplementary grant in 22/23
- Based on lump sum of £3,680 and
 - £97 primary pupils
 - £137 per KS3 pupil, £155 per KS4 pupil
 - £85 per FSM6 eligible primary pupil
 - £124 per FMS6 eligible secondary pupil
- Grant will cover social care levy of 1.25% in 22/23
- E.g. 500 NOR secondary school receives £94k
- 100 NOR primary school receives £14k
- £800k extra for HN budget

BWG views on transfer to HNB

- **Option A: transfer £507,224**

This would require reduction in spend of £88k, increasing the cap of what schools must spend to £160 x NOR.

- **Option B: transfer £449,648 and allocate extra £6 per pupil above the NFF**

This would require a cap of at least £165 x NOR and reduce the support for schools by £58k.

BWG agreed with our proposal for option A so we can continue with the current level of support and provide for growth as the scheme is valuable for schools.

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De-delegation

Broadly to continue as in previous years but with a 3% inflationary increase

Proposal for Behaviour Support Service

- Option A: £4 per pupil – continuation of minimum service or
Option B: £5 per pupil – some expansion
- Both options will be matched by equal funding from the high needs block.
- Poor response from schools rate i.e. 2 in favour of £4/pupil and two against any support.
- Without support the service will be curtailed from Sept
- BWG agreed with option A and suggested a review prior to decision for 23/24.

Early Years Formula

Consultation 72% in favour of proposal to increase early years budgets in line with inflation without any deductions for increased advisor support

Current formula 2021/22

34YO is £4.08/hr+£52/week rurality (pro-rata <100hrs) +£0.35/hr deprivation for EYPP pupils

- 2YO is £5.36/hr

Proposals for 3.9% inflation increase

34YO is £4.24/hr+£54/week rurality (pro-rata <100hrs) + £0.36/hr for EYPP pupils

- 2YO is £5.57hr

Recommendations Central Block

All £'000	Recs 22/23	Last Year
ESG Retained	380	369
Forum Admin	19	15
Admissions	129	125
National licences	150	140
SEN Casework	26	25
SACRE**(BWG)	6	5
Transfer to HNB	75	75
Unallocated(Rounding)		1
TOTAL	785	755

High Needs Budget 22/23

- Forecast (as at Nov) is £105k overspend
- SEN Protection scheme also £100k over.
- Small year end surplus still expected – one of few
- Extra £800k funding from supplementary grant
- Matched funding for Behaviour service £37.5k
- ¹⁸• Funding social care levy NI costs for specials/PRU – proposed at £100 per place
- PRU Management Committee - extra £170k pa for PRU to develop external AP programme
- Final HNB budget proposals to BWG on 4 March prior to Schools Forum on 18 March



Title of report: High Needs Budget 2022/23

Meeting: Schools Forum

Meeting date: 18 March 2022

Report by: Strategic Finance Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To make recommendations to the Cabinet Member for Childrens and Families for the £19.7m Dedicated Schools Grant (DSG) high needs budget for 2022/23.

Recommendation(s)

That:

1. A balanced high needs budget for 2022/23 be recommended to the Cabinet Member for Children's and Families as follows;
 - a. Complex needs funding £2,285,745;
 - b. Independent special schools £2,920,000;
 - c. Special school commissioned places £1,743,000;
 - d. Special school top-up funding
 - i. Base funding £3,826,000;
 - ii. inflation at 6% for tariffs D - F £279,560;
 - e. Post-16 top-up funding £1,600,000;

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

- f. Mainstream school top-up funding
 - i. Base funding £2,863,000;
 - ii. inflation at 3% on tariffs A - C £135,890;
- g. Nurture provision for 5 primary and 1 secondary schools including outreach, full year costs £372,100;
- h. Autism and Language Units 56 commissioned places at £6,000 each £336,000
- i. Autism and Language units top-up funding
 - i. base funding £362,432;
 - ii. inflation at 3% £10,873;
- j. Early years top-up funding £150,000;
- k. Pupil Referral Service 50 commissioned places at £500,000;
- l. Pupil Referral Service top-up funding 40 pupils at tariff band D2 £9,338 (less income recovery from schools) net budget £239,555;
- m. Pupil Referral Service – additional 10 outdoor places at £15,643 i.e. £156,434;
- n. H3 Home, Hospital and Hub top-up funding
 - i. Base funding £397,000
 - ii. inflation 3% £4,491;
- o. Pupil Referral Unit additional support for
 - i. Phasing out TLR allowances, three years from September 2021 £35,000;
 - ii. Temporary split site allowance £38,000;
 - iii. Pupil Referral Unit support fund £50,000;
- p. SEN protection scheme for primary and secondary schools with a cap at £158 x NOR (number of roll at Oct 2021) £517,000;
- q. Teachers Pay Grant allocations
 - i. Special schools and PRU 466 places at £660 per place £307,560;
 - ii. Central SEN Support services £52,000;
 - iii. NI 1.25% levy for 466 places at £100 per place £46,600;
- r. High needs contingency/contribution to reserves £62,492;
- s. SEN support services including 3% inflation uplift as marked *
 - i. Additional Needs Management* £209,863;
 - ii. Complex Learning Communications* £114,897;
 - iii. Equalities team – inclusion* £271,855;

- iv. Hearing Impaired Team* £419,725;
 - v. Managed moves £5,000;
 - vi. Business support £73,000;
 - vii. DSG Services* £129,677;
 - viii. Behaviour Support Service – match schools de-delegation £37,500;
- t. Charges and income
- i. Excluded pupils (AWPU)/ Hospital offset by compensating reduction in PRU top-ups £0;
 - ii. Local authority recoupment -£200,000;
 - iii. Transfer from schools block -£507,224;
 - iv. Transfer from Central services block -£75,000.

Alternative options

1. The Budget Working Party has been consulted on different options with the proposed budget plan, for example, higher or lower inflation rates could be applied to top-up tariffs. Any amendments would need to have regard to available funding, relevant regulations and the council's statutory duties in supporting children and young people with high needs. It should be noted that the Budget Working Group considered the proposals set out in this report on 4 March 2022 and were content for the budget proposals.

Key considerations

2. The report sets out the forecast overspend of £0.65m on high needs in 2021/22 due to an overspend of £0.9m on the independent out of county schools budget; the resulting reduction in DSG reserves is from £0.4m to a £0.25m deficit. The Department for Education (DfE) has allocated £18.9m within DSG and a supplementary grant allocation of a further £0.8, in total £19.7m which is a £2.6m increase compared with the final 2021/22 high needs allocation.

3. The high needs budget for 2022/23 ensures that grant income and expenditure are matched and seeks to provide a balanced budget. Avoiding intervention by the DfE will depend on ensuring that the emerging deficit remains within 1% of DSG, i.e. remains below £1.4m, achieving this will depend very much on containing expenditure at or near budget for the out county independent special schools expenditure and mainstream school top-up payments. The Budget Working Group will monitor the financial position closely throughout the year. Additionally much will depend on the recommendations of the imminent DfE SEND review publication due before the end of March 2022.

4. This report proposes a high needs budget for 2022/23 to ensure that the high needs funding allocation is spent as effectively as possible whilst recognising the absolute duty to ensure that pupils needs are met as required by Section 42 of the Children and Families Act 2014. The views of Schools Forum are sought on the proposed budget plan prior to seeking cabinet member approval. The high needs budget for 2022/23 will be set at a net £19.7m after the transfer of £0.582m from the schools block and Central School Services and deductions passported directly to academies and post-16 providers by the Education and Skills Funding Agency

High needs budget

5. The schools consultation paper set out the known high needs cost pressures for the high needs block for 2022/23 and was based on an increase of £2m in the net high needs allocation. Schools Forum agreed a transfer £0.5m from the schools block and £0.75m from the central services block in order to continue sufficient funding for the SEN protection scheme.

6. The consultation with schools in the autumn term included initial proposals for the high needs block based on an expected increase in funding of £1.95m. The actual increase confirmed by DfE is £2.6m, which is £0.65m more than expected and it is proposed to vary the initial budget proposals as follows;

(a). Increased costs (£1.3m)

- additional £0.4m for independent out-county special schools bringing the final allocation for 22/23 to £1.15m to provide for the overspend and 2 additional places
- additional off-site alternative provision for the PRU £0.15m
- special schools and PRU costs if increase in NI by 1.25% proposed £100 per place at £0.05m
- Overspend and growth in mainstream school top-ups £0.7m
- Contain SEN protection costs at the funding transfer value of £0.517m e.g. revised cap at £158 x NOR so nil cost increase.

(b). Cost reductions (-£0.65m)

- Increase of 10 special school places (not 20 as originally proposed) -£0.1m
- Delete contingency -£0.1m
- Delete special schools MFG – not required as tariffs increased for 21/22 -£0.1m
- Reductions in underspending budgets -£0.15m
- Full cost of SEN protection scheme met from increased schools block transfer -£0.2m

Full details of each budget line are set out in the appendix and specified in the recommendations.

7. The PRU management committee have requested that due to building constraints an increase in outdoor provision for pupils to be educated offsite. In addition it has been agreed that the PRU will be responsible to income recovery from schools and keep the income, expected to be at least £160,000 pa, with a compensating saving in the excluded pupils budget. This is more efficient as the PRU has all the administrative records to be able to raise timely charges to schools.

8. Costs continue to increase for the SEN protection scheme and Schools Forum agreed an increased transfer from the Schools Block of £507,224. Expenditure in 2021/22 is forecast as

- The current scheme cap is 150 x NOR and expenditure forecast at £545k
- With a cap of 155 x NOR expenditure is forecast at £500k.
- With a cap of 158 x NOR expenditure is forecast at £480k
- With a cap of 160 x NOR expenditure is forecast at £456k

Additional growth in the scheme costs is expected in 2022/23 and it is likely that an increase to a cap of 158 x NOR expenditure will contain expenditure within the transferred funds from the schools block. It would be surprising if recommendations were not made within the SEND review

about how local authorities can best support inclusion in mainstream schools and a review of Herefordshire's methodology for 2023/24 may be necessary. As such an interim adjustment and setting the scheme cap at 158 x NOR would seem prudent.

9. 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. High Needs Matrix

10. The Budget Working Group (BWG) received a presentation on the 4 March 2022 summarising the current budget position, the proposed high needs budget for 2022/23 and the final proposals for the high needs matrix. The presentation is set out in Appendix 1.

11. Key points highlighted included:

- Overspend of £0.65m forecast for high needs 2021/22 arising from overspends of £0.9m on independent out county schools and £0.7m on mainstream high needs top-ups
- The overspend will result in a DSG deficit of approx. £0.25m at year end
- Significant budget increases proposed for out-county independent schools (£1.15m) and high needs top-ups for mainstream schools (£0.7m)
- Inflation allocations of 3% for tariffs A-C and 6% for tariffs D-F
- The DfE SEND review is expected to be published prior to Easter and can be discussed with the BWG at the next meeting on 17 June.

12. In discussion of the presentation and proposed budget, the BWG noted that;

- The post pandemic impact on pupils' social development has had a massive impact in schools, the BWG particularly highlighted delayed speech and language development, lack of socialisation skills e.g. sharing and co-operation with other pupils. Headteachers also highlighted increased social, emotional and mental health needs throughout the full age range from early years to secondary.
- BWG welcomed the early proposals to establish a secondary autism hub by an existing school to fill an identified gap in local provision, that in the medium term would help reduce the out-county spend.
- The high needs deficit was reflective of national trends and Herefordshire had done well to remain in surplus until now.

13. The BWG supported the proposals set out in the draft paper to schools forum with the above comments and were content for the budget proposals to be considered at the next meeting of the schools forum on 18 March.

Community impact

14. The recommendations will provide a high needs budget for 2022/23 that continues to meet the needs of pupils within the DSG funding allocated to the council.

15. These services contribute to delivery of the following ambitions in the adopted County Plan for 2020-2024:

Community

- a. Ensure all children are healthy, safe and inspired to achieve;
- b. Protect and improve the lives of vulnerable people.

16. These services also support the pledges set out in the Children and Young Peoples Plan 2019-2024 in:

- c. Keeping children and young people safe;
- d. Improving children and young people's health and wellbeing;
- e. Helping ALL children and young people succeed.

Environmental Impact

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

Equality duty

18. 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.

19. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relations to any of the nine "protected characteristics" (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes, for example the provision of nurture provision to meet pupil needs.

Resource implications

20. The recommended high needs budget for 2022/23 has been constructed so that income and expenditure are balanced. The forecast overspend of £0.65m in 2021/22 will reduce DSG balances from a surplus of £0.4m to a deficit of £0.25m which is within the 1% limit above which DfE intervention is necessary.

21. High needs budgets for future years will depend on the DSG funding allocated by the DfE.

Legal implications

22. This is a key decision which can be taken by the Cabinet Member under the provisions set out in section 3.3.15 (i) of section 3 of the council's constitution. Schools Forum is consulted in an advisory capacity.

23. The council must consult the schools forum annually regarding a number of schools budget functions including the following:-

- Amendments to the school funding formula
- Arrangements for the education of pupils with SEN, in particular the places to be commissioned by the council and schools and the arrangements for top-up funding
- Arrangements for the use of PRUs and places to be commissioned by the council and schools and arrangements for paying the top-up funding
- Administrative arrangements for the allocation of central government grants paid to schools via the council. It is also good practice for the council to inform schools forum of proposals for central spend on the high needs block provision.

24. The council has statutory duties to deliver provision for children and young people with high needs which includes special educational needs and disabilities from early years to age 25.

25. The DSG is a ring fenced grant from the DfE, the majority of which is used to fund individual school budgets in maintained schools, academies and free schools. This includes the provision for pupils with high needs in both special and maintained schools

26. Changes to the high needs funding provision could leave the council open to legal challenge, through ombudsman complaint, appeal to the Special Education Needs and Disability Tribunal, or Judicial Review if children, young people or their families feel that specialist provision is not being met. The risk of Judicial Review is reduced due to the increase in tariffs.

27. Section 42 Children and Families Act 2014 provides that where a council maintains an EHC plan for a child or young person, the council must secure the specified education provision. Therefore the council must comply with this statutory duty.

Risk management

28. The BWG reviews all proposals in detail prior to making recommendations to the Schools Forum. This two stage process helps ensure greater scrutiny of budget proposals and mitigate against any risks that may be identified. Any identified risks will be monitored and managed by the Children and Families directorate jointly with Schools Forum. Specifically financial risk will be managed throughout the year with the BWG.

29. The government has changed the conditions of grant for the Dedicated Schools Grant so that the council would be required to seek permission from the Secretary of State should it wish to fund a DSG deficit from the council's general funds. Effectively this change in regulations transfers responsibility for DSG deficits to the Department for Education (DfE) and absolves the council of any contribution. Further information on the new deficit recovery process is expected from the DfE in due course, possibly included as part of the forthcoming SEND review report. Although local

authorities will continue to have to seek approval for DSG recovery plans from the DfE, it is not at all clear how a deficit might be recovered if it is not from increased high needs block grant from DfE.

30. The investment in nurture provision is a longer term preventative measure which attempts to mitigate demand for higher cost provision and keep the high needs costs within the available budget. The use of such preventative measures was supported by the BWG and also by schools as set out in Q2 (g) in the responses below.

Consultees

31. All schools have been consulted on the proposals as part of the autumn schools budget consultation and the responses were reported to Schools Forum in January 2022. The deadline for the budget consultation was extended to the end of the autumn term and despite the extension, as at 28th December, four replies had been received from one secondary school and three primary schools. These can be summarised briefly as two schools supporting the initial high needs budget proposals, one school supporting additional special school places but not out-county independent special school placements commenting that local provision is to be preferred. The SEN protection scheme was strongly supported by 3 of the 4 schools. A comments was received suggesting that the number of places for the new Beacon College should be finalised, which following agreement of 46 places with the DfE in November has been done. A presentation of the budget proposals was given the Herefordshire school leaders webinar on 10 January.

32. The Budget Working Group were consulted on 4 March 2022 and their comments are included in paragraphs 11-13 above.

Appendices

Appendix 1 High Needs Budget presentation to Budget Working Group 4 March 2022

Background papers

None identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	Sarah Buffrey, Democratic Services Officer	Date 11/02/2022
Finance	Louise Devlin	Date 07/02/2022
Legal	Ruth Whittingham	Date 09/02/2022
Communications	Luenne featherstone	Date 08/02/2022
Equality Duty	Carol Trachonitis	Date 04/02/2022

Risk	Click or tap here to enter text.	Date Click or tap to enter a date.

Approved by	Ceri Morgan	Date 10/03/2022
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Glossary of terms, abbreviations and acronyms used in this report.

BWG Budget Working Group (of Schools Forum)

CAMHS Children and Adolescent Mental Health Service

DSG Dedicated Schools Grant DfE Department for Education

EHCP Education Health Care Plan

ESFA Education and Skills Funding Agency

NOR Number on Roll, typically at a school

PRU Pupil Referral Unit H3 Home and Hospital Teaching Team (Hub, Home, Hospital)

SEN Special Education Needs

SEND Special Education Needs and Disability

High Needs Budget
2022-23
Budget Working Group
4 March 2022

High Needs Block 2021/22

- Forecast overspend of around £0.65m due to overspends on mainstream top-ups of £471k and independent out county places of £933k
- Overspend will reduce available DSG balances from £0.4m to deficit of £0.25m
- HNB budget is balanced for 2022/23 and covers the overspend with a bit of further growth built in.
- Additional £0.8m allocated to high needs in the DSG supplementary grant

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Recap - HNB Consultation in Autumn 2021

- Growth in out-county school places £0.75m
- Growth in special school and units £0.2m
- Full year cost of nurture groups £0.1m
- Increases in tariffs A-C and D-F £0.585m
- 31 • PRU split site and TLR 3 year protection £0.1m
- More hospital places at £5k £0.05m
- Additional post-16 places £0.1m
- Growth in SEN protection scheme £0.05m
- Beacon College £0.25m
- Re-instate DSG reserves £0.2m

Proposed adjustments January 2022

Cost increases +£1.3m

- Independent special schools additional £0.4m
- Off-site PRU provision 10 places £0.15m
- ³²• Special/PRU NI levy at £100/place £0.05m
- Growth+overspend in mainstream top-ups £0.7m
- SEN protection at cap of £158 x NOR £0.517m

Proposed adjustments January 2022

Cost reductions -£0.65m

- Reduce special school places by 10 -£0.1m
- Delete contingency -£0.1m
- ³³• Delete special schools MFG not needed -£0.1m
- Reductions in underspending budgets -£0.15m
- cost of SEN protection scheme from increased schools block transfer -£0.2m

High Needs Block available DSG 2022/22

- High Needs DSG grant 22/23 £22.181m
- Plus supplementary grant £0.806m
- Less deducted at source by DfE
 - 90 pre-16 places Brookfield -£1.650m
 - 75 pre-16 places Barrs Court -£0.75m
 - 18 post-16 special school places -£0.180m
 - 46 post-16 special free school places -£0.460m
 - 165 FE places and Independents -£0.990m
 - 2 Post-16 place -£0.012m
- Total Deductions -£3.292m
- High Needs Block Grant (net) £19.695m

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Proposed HN Budget 2022/23 increase

• Complex Needs	£2,285,745	+0k
• Independent schools	£2,920,000	+1,150k
• Spl schl top-ups	£3,826,000	+201k
• Post-16 top-ups	£1,600,000	+0k
• HNB contingency	£62,573	+62k
• Special school places	£1,743,000	+100k
• school top-ups	£2,863,000	+700k
• Nurture groups	£372,100	+108k
• Protection scheme all schools	£517,000	+32k
• Hospital & home teaching	£401,400	+4k

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High Needs Budget 2022/22

increase

• Unit top-ups	£373,305	+11k
• PRU support fund	£50,000	-50k
• Early years top-ups	£150,000	-25k
• Unit places	£336,000	+0k
• PRU top-ups (offset by income)	£239,555	-153k
• PRU places	£500,000	-62k
• PRU Outdoor AP	£156,434	+156k
• TPG+NI levy(466 placesx£100)	£406,160	+46k
• Inflation on tariffs 3%/6%	£415,450	+415k
• PRU split sites/TLR Protection	£73,000	+73k

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SEN Support Services Budget 2022/23

• Additional Needs Mangt	£209,863	+infl
• Complex/Learning Comms	£114,897	+infl
• Equalities team - inclusion	£271,855	+infl
• Behaviour Support Team	£37,500	+37.5k
• Hearing Impaired team	£419,725	+infl
• Managed Moves	£5,000	+0k
• Business Support	£73,000	+0k
• DSG SEN Services	£129,677	+infl

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Charges and Income 2022/23

• Excluded pupils/Hospital	£0	-176k
• Other LA recoupment	£200,000	+0k
• Transfer from Schools Block	£507,224	+75k
• Transfer from Central Block	£75,000	+0k

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Note: PRU now charging for recovery of AWPUP for P/EX pupils and the one-off PRU charge of £7,500

So income reduced and offset by savings in PRU top-ups

Important work streams 2022/23

- DfE SEND review is expected this term and is likely to have significant implications – need to consider in details when the DfE report is available
- Continue to keep under review the PRU and the ³⁹ impact of trading and the new outdoor AP provision
- Implement nurture provision and review success and future impact
- Establish new secondary autism unit to reduce out county costs

Next Steps

- 18th March – Schools Forum
- 31st March – Cabinet Member approval
- DfE SEND review – fundamental change to the current high needs arrangements is expected and promised publication date this term.

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