

Agenda

Herefordshire Schools Forum

Date: **Friday 19 January 2024**

Time: **9.30 am**

Place: **virtual meeting platform**

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

For any further information please contact:

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

Agenda for the meeting of the Herefordshire Schools Forum

Membership

Chairperson Alison Banner

Vice-chairperson Paul Jennings

Beverley Blower

Dan Brearey

Christine Bryan

Alex Davies

Paul Deneen

Nicki Emmett

Richard Foster

Nicki Gilbert

Andy Gosling

Georgie Griffin

Edward Gwillim

Sue Jenkins

Steve Kendrick

Tim Knapp

Chris Lewandowski

Sian Lines

Rose Lloyd

Hayley Manns

Sheila Taylor

Kathy Weston

PRU - Management Committee

LA Maintained Primary School

Academies

Academies (primary)

Trade Unions

Academies

Academies (primary)

LA Special Schools

Secondary Governors

Primary Governors

16-19 Providers

Local Authority Maintained Primary School

Local Authority Maintained Primary School

(with Nursery)

Academies

Trade Unions

Diocese of Hereford

Early Years

Early Years providers

Academy Special Schools

Local Authority Maintained Primary School

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 Friday 20 October 2023.	5 - 8
5. WHITECROSS PFI CONTRACT - TRIENNIAL REVIEW To review the financial position of the Whitecross PFI contract and inform Schools Forum of any necessary action.	9 - 12
6. SCHOOLS BUDGET 2024/25 To approve school forum's recommended budget proposals for school budgets, central school services and early years within the Dedicated Schools Grant (DSG) for 2024/25. Dedicated Schools Grant funding for the schools block in 2024/25 is £129.9m, which is an increase of 1.9% per pupil excluding the consolidation of the £2.65m supplementary grant from 2023-24 at £118 per pupil. The funding for high needs and early years block are provisional as are subject to final adjustments for pupil numbers and commissioned places. The school funding values and formula calculations are in accordance with the national school funding formula as set by the government. The £0.65m is to be transferred to the high needs block for 2024/25 to continue the SEN protection scheme.	13 - 46



Minutes of the meeting of Herefordshire Schools Forum held on a virtual meeting platform on Friday 20 October 2023 at 9.30 am

Present:	Ms A Banner (LA maintained secondary schools) (Chairperson)	
	Mr P Jennings (Academies) (Vice-chairperson)	
	Ms B Blower	PRU - Management Committee
	Ms C Bryan	Academies
	Mr A Davies	Academies (primary)
	Mr P Deneen	Trade Unions
	Ms N Emmett	Academies
	Mr R Foster	Academies (primary)
	Ms N Gilbert	LA Special Schools
	Mrs G Griffin	Primary Governors
	Mrs S Jenkins	Local Authority Maintained Primary School
	Mr P Jennings	Academies
	Mr S Kendrick	Local Authority Maintained Primary School (with Nursery)
	Mr C Lewandowski	Trade Unions
	Mrs R Lloyd	Early Years

In attendance:

Officers: **Service Director, Education, Skills and Learning and Strategic Finance Manager**

83. ELECTION OF CHAIRPERSON

Alison Banner was proposed and unanimously supported by members of the forum.

Resolved: that Alison Banner be elected chairperson of the Forum for the ensuing year.

84. ELECTION OF VICE-CHAIRPERSON

Paul Jennings was proposed and unanimously supported by members of the forum.

Resolved: that Paul Jennings be elected vice-chairperson of the Forum for the ensuing year.

85. APOLOGIES FOR ABSENCE

Apologies were noted from the following forum members: Andy Gosling, Ed Gwillim, Sian Lines and Sheila Taylor.

86. NAMED SUBSTITUTES (IF ANY)

The following substitutes were noted:

Andrew Teale for Sian Lines

87. DECLARATIONS OF INTEREST

There were no declaration of interests.

88. MINUTES

Resolved: the minutes of the meeting held on 14 July 2023 be approved as a correct record.

89. LOCAL AND NATIONAL SCHOOLS FUNDING UPDATE (Pages 5 - 12)

The Strategic Finance Manager explained since preparing the draft consultation paper the DfE had admitted to a national budget error in the planning of school budgets. The DfE have under-counted pupils nationally which without budget reductions would overspend by £370m. The DfE are seeking to recover costs by reducing the per pupil amounts, and hence the amounts passed through to schools.

The following points were highlighted:

- For Herefordshire the DfE had reduced the national funding formula values with a compensating reduction in dedicated schools grant (DSG) of £40 per primary pupil and £61 per secondary pupil.
- Resulting in an approximate reduction of £1m in the LA's DSG and a compensating reduction in funding passed through to schools.
- Fully funding NFF gives surplus of £230k and by capping the gains of schools provides a further £420k, to fund £650k to the SEN Protection scheme.
- The impact of the error could lead to unplanned remodeling of schools' funding formula, later than planned schools forums for sign off, delays in submitting disapplication requests and challenges in submitting Authority Proforma Tool (APTs) on time but there would be no changes to timescales.
- It was agreed at the BWG an assessment on the impact the SEN protection scheme makes to schools would be commissioned in order to support budget decisions in January 2024.
- It was highlighted the forecast spend on the SEN protection scheme for 2023/24 was £775k-£800k whilst the funding available from the schools block is £616k.
- The Council's preferred option for 2024/25 is for Schools Forum in January 2024 to agree the full transfer of 0.5% to high needs and for Schools Forum in March 2024 to agree contribution from high needs budget of at least £100k which would require the SEN protection scheme cap to be set at approximately 185 x NOR depending on the actual contribution agreed from the high needs budget.
- The SEN has been hugely supported by schools in previous years, it has been a fundamental part of the budget planning for the last six years although it is now proving increasingly expensive each year due to the annual growth in Education, Health and Care Plans (EHCPs).

For 2023/ 24 The LA have 7 high schools and 42 primary schools receiving funding:

- max primary is £64,300 for 20.8 pupils (6%)
- max high is £74,000 for 27.7 pupils (5.3%)
-

Without the scheme the financial impact on the most inclusive schools will be significant.

In light of the errors made by the DfE the SFM provided the forum with two options moving forward.

A: To re-write the schools consultation paper with all the revised data, budgets and costs with a real possibility of introducing further errors and delays; or

B: To provide a covering document explaining that the DfE had reduced the DSG income and the NFF values by £0.6m.

Individual school allocations at the new lower level would accompany the consultation and schools could ask for an amended allocation with revised NOR.

In any case all allocations may change when the final DSG is received in December.

The SFM explained that option B was his preference and this was supported by the group.

The chair of the BWG expressed his thanks to the SFM for his hard work and time he had put in to evaluating what the DfE errors meant for Herefordshire. The BWG has always been in support of the SEN protection scheme and the hopes that this could continue was highlighted.

Following a question from a forum member, the SFM explained with any reductions in school budgets means reductions in staff. It was highlighted that 90% of schools funding is spent on staff, so at some point in the future, depending on the extent of school balances, there will likely be staffing reductions in schools as a consequence of the DfE's budget error.

Forum members expressed their frustrations with the DfE and highlighted the impact of these changes are likely to be significant in the education of young people and particularly the most vulnerable across the authority as well as the impact it would have on staff and morale. It was requested and unanimously agreed by the forum that a letter be written to the DfE, and copied to local MP's, expressing the forums dissatisfaction and asking that the DfE adhere to what they had previously published. An invitation would also be sent to MP's inviting them to the next schools forum meeting in January.

Resolved that:

- a) **The initial budget proposals for 2023/24 for schools and high needs, as outlined in the draft consultation paper, be approved for consultation with schools during the autumn term 2023 and;**
- b) **a covering document explaining that the DfE had reduced the DSG income and the NFF values by £1m be included.**

Action: a letter to be sent to MP's with regards to the dissatisfaction with the DfE budget errors and the impact it will have on schools and to invite them to attend the Schools Forum meeting in January.

90. WORK PROGRAMME 2023/24

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

In response to a question raised surrounding the potential rise on VAT to independent schools the SFM suggested that he would expect the DFE to fully fund the cost incurred in the transfer of pupils from independent schools to state schools.

It was noted that consideration for any proposed changes to funding for early year's settings and the longer term impacts should be kept in mind for the future with regards to sufficiency and supporting schools.

91. DATE OF NEXT MEETING

Friday 19 January 2024, 9:30am

The meeting ended at 10.16 am

Chairperson



Title of report: Whitecross PFI contract - triennial review

Meeting: Herefordshire Schools Forum

Meeting date: Friday 19 January 2024

Report by: Strategic Finance Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To review the financial position of the Whitecross PFI contract and inform Schools Forum of any necessary action.

Recommendation(s)

That:

- a) **The council's planned increase of £100,000 for 2024/25 to bring the annual base budget to £1,128,350 per annum is noted**
- b) **The annual contribution be reviewed taking account of the then inflation rate at the next triennial review in Autumn 2026;**
- c) **The report of the next triennial review be received by Schools Forum in January 2027**

Alternative options

1. The most prudent and financially safest approach is to continue with the planned increase to the sinking fund of £100,000 in 2024/25 giving the opportunity to reduce the council's contribution in full in the final year or two of the contract subject to the value of the sinking fund.
2. No alternatives are recommended as not to proceed with the £100,000 increase for April 2024 will lead to a shortfall of £0.8m at the end of the contract assuming RPI(X) inflation continues at 5% for

the remainder of the PFI contract. Clearly there are many alternatives which increase the budget by less than the proposed £100,000 but none are considered as financially prudent as the recommended £100,000

Key considerations

3. The Whitecross PFI contract financial control model has been updated and reviewed based on the current inflation projections published by the Bank of England (BoE). The BoE forecast the Consumer Price Index (CPI) will be 2% from December 2025. The Retail Price Index (RPIX) is usually around one percent higher than CPI and so using 3% for RPIX and expected school budget increases of 1.9% in the financial control model, there is an estimated surplus of £1.1m in the sinking fund at the end of the contract in May 2031.
4. Projecting RPI(X) at its current level of 5% through to the end of the PFI contract forecasts a deficit of £129,500. Both projections require the council to increase the PFI budget by £100,000 from April 2024.
5. Continuing with the budget increase of £100,000 for 2024-25 is essential and given the difficulty in accurately forecasting inflation, the council's contribution should be re-assessed at the next triennial review in January 2027.

Community impact

6. The financial review of the Whitecross PFI contract has no community impact.

Environmental Impact

7. The financial review of the Whitecross PFI contract has no environmental impact.

Equality duty

8. 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.
- d) 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 on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

9. The additional £100,000 budget increase is included in the budget proposals to be presented to Cabinet in February 2024. Beyond the £100,000, no further financial resources have been identified as necessary to fund the Whitecross PFI contract. However this may change at the next triennial review in autumn 2026.

Legal implications

10. There are no direct legal implications arising from this report.

Risk management

11. The greatest risk to the Whitecross PFI contract has always been if inflation increases above the current forecast of 5%. We can protect against this by maximising the value in the sinking fund by increasing the current payments as planned for 2024-25.

Consultees

12. Headteacher, Whitecross school

Appendices

None

Background papers

Whitecross PFI financial control model

Please include a glossary of terms, abbreviations and acronyms used in this report.

OBR The Office for Budget Responsibility (OBR) is a non-departmental public body funded by the UK Treasury, established by the UK government to provide independent economic forecasts and independent analysis of the public finances.

PFI Private Finance Initiative

RPIX Retail Prices Index (excluding mortgage interest) of inflation

CPI Consumer Prices Index of inflation

Sinking Fund A sinking fund is a fund containing money set aside or saved to pay off a debt or bond. A company that issues debt will need to pay that debt off in the future, and the sinking fund helps to soften the hardship of a large outlay of revenue

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 23/11/2023
Finance	N/A	
Legal	Emma-Jane Brewerton	Date 01/12/2023

Communications	Luenne featherstone	Date 22/11/2023
Equality Duty	N/A	
Procurement	Lee Robertson	Date 23/11/2023
Risk	Chris Tindell-Jones	Date 21/11/2023
Approved by	Liz Farr	Date 22/11/2023



Title of report: Schools Budget 2024/25

Decision maker: Service Director - Education, Skills and Learning

School Forum Meeting date: 19 January 2024

Report by: Strategic Finance Manager

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To approve school forum's recommended budget proposals for school budgets, central school services and early years within the Dedicated Schools Grant (DSG) for 2024/25.

Dedicated Schools Grant funding for the schools block in 2024/25 is £129.9m, which is an increase of 1.9% per pupil excluding the consolidation of the £2.65m supplementary grant from 2023-24 at £118 per pupil. The funding for high needs and early years block are provisional as are subject to final adjustments for pupil numbers and commissioned places. The school funding values and formula calculations are in accordance with the national school funding formula as set by the government. The £0.65m is to be transferred to the high needs block for 2024/25 to continue the SEN protection scheme.

Recommendation(s)

That:

Herefordshire's school funding proposals for 2024/25 to adopt the national funding formula values be recommended to the Cabinet Member for Children and Young People as set out in appendix 3.

Alternative options

1. The Schools Forum agreed in October 2017 to the strategy to implement the NFF from 2018/19. However due to national economic pressures the announced DSG funding does not provide sufficient funding to pass through to schools the full National Funding Formula entitlement and a transfer to the high needs block. In addition to the council's preferred option

an alternative has been considered by the Budget Working Group (BWG) on 12 January 2024, as follows:

- Option B: full allocation of NFF with no transfer to high needs block and no gains cap
2. Recommendations will be published by the BWG in a supplementary report to the Schools Forum for consideration on 19 January 2024.

Key considerations

3. The BWG will advise in a supplementary report on the alternatives to the council's preferred option for the School Budget for 2024/25, as set out in the autumn schools budget consultation and amended as necessary to comply with the funding constraints set by DfE in the December DSG funding announcement. The DSG funding assumptions underlying the proposed budget are set out below.
4. This report sets out the expected financial settlement for Herefordshire schools for 2024/25 and proposes to continue to implement the national funding values as set by government. There continues to be many unknowns e.g. inflation, energy prices and funding re pay awards which will make setting a balanced budget difficult for schools this year.
5. The government funding announcement announced in July 2023, as amended by the October "funding error" announcement that reduced the per pupil funding increase from 2.7% to 1.9% to recover £370m which would be overspent due to misstated national pupil numbers, sets out the key items, which are as follows:
6. Funding through the mainstream schools national funding formula (NFF) is increasing by 1.9% per pupil in 2024-25, compared to 2023-24. Taken together with the funding increases seen in 2024-25, this means that funding through the schools NFF will be 7.6% higher per pupil in 2024-25, compared to 2022-23.
7. The schools NFF continues to distribute this fairly, based on the needs of schools and their pupil cohorts. The main features in 2024-25 are:
 - i. Introducing a formulaic approach to allocating split sites funding. This ensures that split sites funding will be provided on a consistent basis across the country.
 - ii. The core factors in the schools NFF (such as the basic entitlement, and the lump sum that all schools attract) will increase by 2.4%.
 - iii. Through the minimum per pupil funding levels, every primary school will receive at least £4,655 per pupil, and every secondary school at least £6,050.
 - iv. The funding floor will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
 - v. Rolling the 2023-24 mainstream schools additional grant (MSAG) into the schools NFF ensuring that this additional funding forms an on-going part of schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.

8. 2023-24 was the first year of transition to the direct schools National Funding Formula (NFF) with the end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through the same national formula without adjustment through local funding formulae. Following a successful first year of transition, the DfE will continue with the same approach to tightening in 2024-25. As in 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2023-24, unless they are already mirroring the NFF.
9. Herefordshire's approach to school funding for 2024/25 will be as follows:
- I. Seek to fund schools at the National Funding Formula values
 - II. To fund schools at the maximum permitted Minimum Funding Guarantee of 0.5%
 - III. To use the school block transfer process to fund the SEN Protection Scheme within the maximum value of £650,000 which Schools Forum can agree without the Secretary of State's permission.
 - IV. To agree a realistic budget for the SEN Protection scheme with Schools Forum in March 2024 within the constraints of the 0.5% block transfer and an appropriate mix of reduced spending and additional funding from the high needs block. This will require some compromises.
 - V. Within the high needs block, fund cost increases in independent schools, manageable increases for top-up tariffs particularly for special schools and in particular to provide the full year funding for the newly established autism resource bases
 - VI. To use the DfE high needs block funding allocation to set a balanced budget for high needs and avoid the DfE deficit escalating. Inevitably this will require some difficult compromises as the DfE funding allocation is unlikely to be sufficient to meet cost pressures.
10. Compared to most local authorities nationally Herefordshire has a small, but growing high needs deficit at £1m. The DfE has provisionally allocated £26.8m for high needs in 2024/25, an increase of approx £1.15m, equivalent to an increase of +4.5%. The initial aim is to set a balanced high needs budget and provide for a comparable 1.9% per pupil increase in top-up tariffs and special school places. Further work on the high needs budget will be undertaken during the autumn and spring terms with the Budget Working Group (BWG).
11. National growth funding, is expected to be £0.5m and £0.1m has been reserved to fund basic need secondary school growth in the Golden Valley planning area (10 places at Fairfield and 30 places at Kingstone as originally agreed in 2021/22). However early indications suggest that not all this year's planned pupil growth has materialised as expected. Advice will be sought from the BWG on an option to fund growth at the NFF minimum rate of £2,657 per academic year for academies rather than the council's current practice of using the Key Stage 3 funding rate of £5,022.
12. From 2024-25 new NFF rules apply such that local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment). 27 Local authorities will have to provide funding that is at least that calculated through using the following formula:

$$\text{Primary Growth Factor value (£1,550)} * \text{Number of Pupils} * \text{ACA}$$

13. Funding for maintained schools is provided to cover the period from September to March before the lagged funding system 'catches up' from the subsequent April through the subsequent year's NFF. Since academies are funded on an academic year basis, they would receive additional funding (at a rate of an additional 5/7 of the allocation) to cover a full year's growth funding before the system 'catches up'.

SCHOOLS BLOCK STRATEGY 2024/25

14. Actual allocations for the schools block based on an estimated 22,492 pupils (primary 13,162 and secondary 9,330) as follows:

Actual DSG schools funding allocation	£129,938,453
Full National Funding Formula 2024/25	£129,814,706
Growth Fund	£117,180
Unallocated funding	£6,567
Funding available from 2.45% gains cap in NFF:	£643,000
To: SEN Protection scheme	£649,692

HIGH NEEDS BLOCK STRATEGY 2024/25

15. Final Dedicated Schools Grant (DSG) allocations for 2024/25 have been published by the government and indicate an increase in Herefordshire's high needs allocation of £1.14m, i.e. a gross allocation of £26.82m compared with a final allocation of £25.683m in 2023/24, although in-year adjustments for FE college placements make comparisons across years difficult.
16. The additional £1.15m is provisionally allocated as follows:
- I. £0.2m out-county independent schools and Complex Needs
 - II. £0.2m inflation on tariffs A - F
 - III. £0.5m full year effect for new autism places from September 2023
 - IV. £0.05m matched funding for behaviour support service
 - V. £0.14m for SEN Protection scheme
 - VI. £0.06m Expansion of VI team to prevent out-county placements at £60,000pa.
17. The SEN protection scheme was expanded to include secondary schools in 2020/21 and was supported by a transfer of £0.6m from the schools block in 2023/24. The cost of the scheme continues to grow each year and the scheme is hugely supported by schools. However the cost of the scheme is at the limit that the Schools Forum can approve without reference to the Secretary of State and expenditure is forecast to grow further in 2024/25. Compromises on expenditure will inevitably be necessary
18. The budget proposals for 2024/25 indicate the National Funding Formula is affordable with a MFG at 0.5% and capping of school gains at 2.45% will provide up to £649,692 for the SEN protection scheme such that significant reductions in spend may not be necessary. It may be possible to add a further £100,000-£150,000 from the high needs block subject to the detailed budget plan which to be considered by the Schools Forum in March.

19. Further detailed work will be undertaken on the high needs budget during February 2024 and will be agreed with the Budget Working Group and the Schools Forum in March 2024.

20. **EARLY YEARS BLOCK**

The current offer is as follows:

In England, all parents and carers of 3 and 4-year-olds are entitled to 15 hours a week childcare support with registered childcare providers. Eligible working parents and carers of children aged 3-4 can also get an additional 15 hours childcare support, bringing their total up to 30 hours a week. Some eligible parents of 2-year-old children may also be entitled to 15 hours childcare support, if they receive some additional forms of government support.

Childcare hours can be used per week for 38 weeks of the year (during school term time). You may be able use your hours for up to 52 weeks if you use fewer than your total hours per week. Check with your childcare provider to find out if this is something they offer.

21. Starting from April 2024, existing childcare support will be expanded in phases. By September 2025, most working families with children under the age of 5 will be entitled to 30 hours of childcare support. The changes are being introduced gradually to make sure that providers can meet the needs of more families. This means that:

- From **April 2024**, eligible working parents of 2-year-olds will be able to access 15 hours childcare support.
- From **September 2024**, 15 hours childcare support will be extended to eligible working parents of children from the age of 9 months to 3-year-olds.
- From **September 2025**, eligible working parents of children under the age of 5 will be entitled to 30 hours of childcare a week.

Like the existing offer, depending on the individual provider, these hours can be used over 38 weeks of the year (during school term time), or up to 52 weeks if you use fewer than your total hours per week. Full details are provided in the early years consultation with settings set out in Appendix 2.

CENTRAL SCHOOL SERVICES BLOCK

22. The central block is expected to increase slightly from £810,000 to £851,810. Small inflationary increases are proposed as follows. In addition to the statutory retained duties formerly funded by Education Services Grant (£390,000), funding allocations will be the Schools Forum administration costs (£20,000), school admission costs (£169,000 including an extra £13,000 to cover the costs of appeals), national licence costs (£157,000), SACRE (£10,000), SEN Casework (£28,000) and a transfer to high needs (£77,810).

SEN Protection Scheme - options

23. Expenditure in 2024-25 is estimated at £825,000 allowing for some growth in EHCPs with the existing scheme cap of £175 x NOR (i.e. payments to schools are only made above this value). There are two base options for the SEN protection scheme for 2024-25, e.g.

Option A: Transfer to high needs block of £649,600, i.e. the maximum permitted 0.05%
Applying a gains cap of 2.45% to the NFF funding allocation to those schools not on the Minimum Funding Guarantee and to increase the SEN protection scheme cap to £195 to ensure expenditure remains within the £650,000 available, This would reduce payments by 15% e.g. a secondary school receiving £74,000 in 2023-24 would receive £63,000 in 2024-25 with similar percentage reductions for other schools.

Option A is the council's preferred option.

Option B: Full allocation of NFF with no transfer to high needs block

This option would require a the virtual closure of the SEN protection scheme and would have a significant impact on the most inclusive schools whilst providing a small budget increase for all schools, for example.

Comparison

Option A: A large primary school: Would receive £64,000 from the SEN protection scheme under option A and a budget reduction of £17,500 providing for a net £46,500 to fund 20 pupils in receipt of top-up funding equivalent to 6% of pupil on roll.

Option B: the school would receive the extra £17,500 in their base budget but lose £64,000 from the SEN protection scheme;

24. An independent report has been commissioned to provide research on the effectiveness of the SEN protection scheme which will provide useful back ground information for Schools Forum and choosing between these options. This report will be discussed by the Budget Working Group on 12 January and will be available for the Schools Forum on 19 January 2024.

De-delegation proposals

25. De-delegation and Education Management proposals for locally maintained schools by a small inflation allowance (1.9%) as follows:
- I. Computer licences for the school budgeting software to increase to £431 from £420;
 - II. Free school meals eligibility checking, primary to increase to £1.33 per pupil (from £1.31) and secondary to increase to £1.01 per pupil (from £0.99)
 - III. Support for underperforming ethnic minority groups and bilingual learners to provide EAL services for initial assessments, YR observations and follow-up advisory and monitoring visits funded by de-delegation costs as follows;
 - a. Increase per pupil amount to £1.19 from £1.17
 - b. increase per Ever6 FSM pupil to £7.06 from £6.93
 - c. change to EAL 3 year factor at £37.19 per pupil from £36.50

- IV. A small increase to Trade union facilities agreement by 5p to £2.70 per primary pupil to reflect expected cost pressures.
- V. Education Management – a small increase to £12.74 from £12.48 for local authority maintained schools.
- VI. School Improvement Services at £6.11 per pupil (small increase from £6) to include
 - a. Headteacher support
 - b. Ofsted/School Improvement support
 - c. General education management advice and support
- VII. Contingencies at £1.02 per pupil (increased from £1) to fund unexpected costs such as pupil census errors, unavoidable redundancies from small school closures and costs from Employment Tribunals.

26. **New de-delegation proposals**

- Behaviour support services – an additional £1 increase on the proposed current £4.15 per pupil for primary schools (with a corresponding SLA at £5.15/pupil for primary academies) and a matched budget increase of £12,500 from HNB subject to review by the BWG in January 2024 – required to fund a modest increase in behaviour support in primary schools to reduce demand/need for nurture groups, resource bases and ultimately out-county places.
- The Health and Safety team in Herefordshire Council is proposing that all maintained schools are signed up to Membership of CLEAPSS (the Consortium of Local Education Authorities for the Provision of Science Services). The most cost effective way of doing this is to deduct the membership fee, currently 16p per pupil between the ages of 5 and 19, from delegated budgets and join the consortium as a Local Authority. Schools can also purchase membership of CLEAPSS directly for between 25-33p per pupil, but the discounted rate can only be given if all maintained schools in the LA agree to the deduction and are signed up through Herefordshire Council. Once the LA is a member of CLEAPSS, other schools in Herefordshire would also be able to sign up to CLEAPSS through the LA at a discounted rate.
- CLEAPSS provides a wide range of resources for Primary and Secondary schools covering Science, D&T and Art lessons. Resources include access to the CLEAPSS telephone and email helpline, model risk assessments, advice on equipment and facilities, Hazards and Recipe sheets, HSE recognised guidance and standards, and accredited CPD. CLEAPSS membership is recommended by both the HSE and the DfE. The majority of Local Authorities in England, Wales and Northern Ireland are already members of CLEAPSS.

Transfers of funding from Schools Block to High Needs

- 27. After fully funding the National Funding Formula for schools, and after allocating growth funding, it is proposed to use the available £0.65m available funding from the schools block as follows:
- 28. transfer £650,000 from the schools block to support the schools SEN protection scheme within the high needs block. This would provide for the continuation of the scheme albeit with a revised funding cap at £195 x Number on Roll for 2024/25. The SEN protection scheme expenditure is currently forecast (with a cap of £175) to spend £775,000 significantly over the

budget at £616,000 per year due to a 10% increase in Education, Health and Care Plans since September 2021 and costs are expected to continue to increase in 2024/25. The cap in the SEN protection scheme will need to increase to at least £195 to ensure expenditure remains within the proposed budget. This will be reviewed at the March meeting of Schools Forum when the high needs budget is set.

- 29 In order for the 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, the DfE suggest the evidence presented to the schools forum should include:
- I. 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 2020 to 2021 and future years) not been adequate to counter the new cost pressures; A transfer of £324,000 (0.3%) was agreed for 2018/19, a transfer of £215,000 (0.2%) was agreed for 2019/20, a transfer of £300,000 (0.3%) was agreed for 2020/21, a transfer of £300,000 (0.3%) was agreed for 2021/22 and a transfer of £517,000 in 2022/23 and £616,000 in 2023/24 to support the SEN protection scheme.
 - II. 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 was incurred in 2019/20. The high needs budget is forecast to overspend by £105,000 in 2021/22 and further provision of £2m has been made to provide for the costs arising from known pupils expected to receive placements in 2022/23. Without a funding transfer to the high needs block in 2023/24, the high needs deficit will continue to increase and the SEN Protection scheme will have to be cut back. Herefordshire special schools are full. The new Beacon College Special Academy has opened with 50 places, aged from 16 to 19, with severe and complex learning difficulties. A further bid for a new free school has been submitted to the DfE for a potential opening in 2025. New autism resource bases have opened from September 2023 to provide more high needs places. However special schools are largely full.
 - III. 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
 - IV. 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. A DSG deficit management plan is on School Forum's agenda. 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 keeps the current deficit as small as possible.
 - V. 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 the 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.

- VI. The schools forum can only give approval for a one-off transfer of funding out of the 2024 to 2025 schools block. This is clearly understood and with sufficient funding provided in DSG by the DfE, such transfers of funding from schools block to high needs would not be necessary.
- VII. 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 the 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.
- VIII. 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.
- IX. 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.
- X. Any contributions from health and social care budgets towards the cost of specialist places. Herefordshire Council has a section 75 agreement with the local CCG that provides for joint funding of pupils with complex needs on in a ratio of 3:3:1 from DSG, Social Care and health. Herefordshire's model is in line with national best practice.
- XI. 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.
- XII. Examples of schools that illustrate how the local authority would support such inclusive practice are also useful. Herefordshire is spending £350,000 pa on introducing 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.

- XIII. 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. It is extremely unlikely that funding above the NFF will be retained by schools in the long term.
- XIV. 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. Previous consultations with schools have been very supportive of proposals for a modest transfer from the schools block to high needs in order to fund the SEN protection scheme. The COVID-19 pandemic has significantly reduced the responses from schools for the 2022/23 budget consultation, although the few replies received continue to be very supportive of the block transfer to support the SEN protection scheme. Herefordshire will not ask the Secretary of State, for approval to continue with a transfer that the school forum oppose. However, the 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 2024/25 is a balanced budget in accordance with existing policy of ring fencing the separate DSG blocks.
30. Further more detailed work will be undertaken on the high needs budget during the spring term, and an updated budget plan will be discussed with the Budget Working Group in March 2024. The final high needs budget plan will be agreed with the Schools Forum in March 2024. A detailed review of the effectiveness of the SEN protection scheme has been commissioned and will be available for the Schools Forum meeting on 19 January 2024.

Community impact

31. 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.
32. 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. During 2019/20 pupil premium 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).

Environmental Impact

33. This is a consultation with the 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

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 it is a legal requirement to implement the government's national funding formula for schools, we do not believe that it will have an impact on our equality duty.
36. The DfE's equality assessment published in September 2017 is that the introduction of the national funding formulae will create a fairer and consistent distribution of funding that is more closely aligned to need and is essential to supporting opportunity for all children, irrespective of their background, ability, need, or where in the country they live. Our funding system will target funds to those pupil groups where the evidence is clear that they need additional support. It does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement. The DfE believe that all pupils will benefit from the clearer and fairer distribution of funding that these reforms will produce.

Resource implications

37. The recommendations, if agreed, aim to set Individual School Budgets and the School Block budgets within the available funding of £129.9m whilst continuing to provide support for school inclusion through the SEN Protection scheme. This requires a transfer of £0.65m from the Schools Block to the High Needs Block for 2024-25. Additional DSG high needs funding of £1.1m has been allocated by the DfE for 2024/25 to meet cost pressures within the high needs block and this will be considered further by the Schools Forum on 15 March 2024, prior to determination by the Cabinet Member for Children and Young People. The Early Years Block and Central School Services Block budgets are set within the DSG allocations announced by the DfE.
38. Herefordshire will retain the current practice of ring fencing the DSG blocks and allocating spend accordingly, the only exception being to ask the Schools Forum to approve a £0.65m

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 the Schools Forum.

Legal implications

39. The Schools Forum Regulations 2012 states that the 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.
40. The decision making powers of the Schools Forum are limited, as detailed in the Education and Skills Funding Agency guidance sheet 'School Forum Powers and Responsibilities' published in March 2020.
41. This budget has been set in accordance with the Schools and Early Years Finance (England) Regulations 2023.

Risk management

42. The Budget Working Group (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 Young People directorate jointly with the Schools Forum.

Consultees

43. All maintained schools and academies in Herefordshire have been consulted on the final budget proposals for 2024/25. 10 responses were received prior to the 28 November 2023 deadline.

The responses were as follows:

1. Funding Strategy (10 replies)

1a) Implement the NFF values: Yes 9

1b) Transfer funds to the High Needs Block: 8 Yes 1 No

1bii) Reverse funds for pupil growth: 8 Yes 1 No

1c) Cap the gains in the NFF to transfer to the SEN Protection Scheme: 8 Yes 1 No

1d) Implement the SEN assessment: 7 Yes 1 No

2. De-delegation (LA schools only) (9 replies)

2a) Increase de-delegation by 1.9% per pupil inflation: 5 Yes 1 No

2b) Increase primary behaviour support by an additonbal £1: Yes 4 No 3 and one secondary school answered Yes

2c) CLEAPSS: Secondary 1 Yes 1 No and Primary 3 Yes and 4 No.

Comments received from Schools have suggested an SLA rather than de-delegation, so that schools can exercise a choice.

Previously the 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.

44. The early years Nursery Education Funding (NEF) consultation was circulated to providers on 20 December 2023 and closed at 5pm on 11 January 2024. In addition to a consultation meeting on 8 January, responses were received from 16 providers indicating support for the proposals with 100% in favour of the SENIF proposal and 80% in support of free in-county training. Specific comments were received from the on-line consultation meeting relating to
- The value of the 2YO deprivation supplement for disadvantaged two year olds
 - The value of the retention of 34YO funding and whether it should be consistent with the 2YO retention so that the credit received for the SENIF funding from the high needs block is spread equally over the whole totality of NEF funding

The above comments will be discussed in detail with the early years NEF funding group with a view to informing the early years consultation for 2025/26.

45. The Budget Working Group will be consulted at their meeting on 12 January 2024 and their report will be submitted separately to the Schools Forum on 19 January 2024.

Appendices

Appendix 1 - School Budget Consultation paper Autumn 2023

Appendix 2 – Early Years NEF consultation for 2024/25

Appendix 3 – Schedule of recommendations for Schools Budget 2024/25

Background papers

DfE announcement of Dedicated Schools Grant on 19 December 2024

DfE provided APT schools budget modeller for 2024-25

DfE National funding formula for schools and high needs 2024-25 published July 2023

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 20/12/2023
Finance	Wendy Picker / Judith Tranmer	Date 03/01/2024
Legal	Pooja Nahar	Date 08/01/2024
Communications	Michala Lee	Date 08/01/2024
Equality Duty	Harriet Yelling	Date 08/01/2024

Procurement	Lee Robertson	Date 05/01/2024
Risk	Chris Tindell-Jones	Date 12/12/2023

Approved by	Darryl Freeman	Date 11/01/2024
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Please include a 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
CCG	Clinical Commissioning Group
NFF	National Funding Formula
CLEAPPS	Advisory service for schools to support with science and technology
EHCP	Education Health Care Plan
NEF	Nursery Education Funding
2YO	Two year olds
34YO	Three and Four year olds
ESFA	Education and Skills Funding Agency
MASH	Multi Agency Safeguarding Hub
MFG	Minimum Funding Guarantee – a funding mechanism by DfE to provide a funding protection mechanism to smooth budget losses over a number of years
PRU	Pupil Referral Unit
H3	Home and Hospital Teaching Team (Hub, Home, Hospital)
SEN	Special Education Needs
SEND	Special Education Needs and Disability
SENIF	Special Education Needs Inclusion Fund (Early Years)

NATIONAL SCHOOL FUNDING FORMULA 2024/25

IMPORTANT UPDATE FOLLOWING DfE SCHOOLS BUDGET ERROR.

The DfE first published the 2024-25 NFF in July 2023. Following the discovery of a technical error made by officials during these initial calculations, an update was made to the schools NFF on 6th October 2023. The DfE technical error was due to incorrect processing of pupil numbers in the NFF calculations and meant that the overall cost of the schools NFF was underestimated and incorrect factor values were published in July.

DfE have under-counted pupils nationally such that without funding reductions there would be an over spend of £370m and to ensure national school expenditure stays within the £59.6bn approved expenditure limit DfE have reduced the NFF factor values. Accordingly Herefordshire's Dedicated Schools Grant will be reduced by £40 per primary pupil and £61 per secondary pupil and is expected to be approximately £1m less after accounting for falling pupil numbers. This reduction in funding has to be passed through to schools through reduced NFF factor values.

The funding increase per pupil will now be 1.9 per cent per pupil, reduced from the proposed 2.7 per cent increase published earlier in the summer.

Schools Forum has agreed that the schools budget consultation should not be re-written but that a note explaining the DfE's budget error be added. The individual school allocations that accompany this consultation are at the new lower NFF level and schools are encouraged to request an amended funding statement if pupil numbers are different to the forecast. In any case all funding allocations are subject to change when the final DSG is received in December.

Please send any queries on school funding or the implications of the DfE budget error to

Malcolm.green@herefordshire.gov.uk

Malcolm Green
School Funding Manager

31 October 2023

NATIONAL SCHOOL FUNDING FORMULA 2024/25

CONSULTATION FOR HEREFORDSHIRE SCHOOLS

1.0 SUMMARY

- 1.1 This consultation paper sets out the expected financial settlement for Herefordshire schools for 2024/25 and proposes to continue to implement the national funding values as set by government. There continues to be many unknowns e.g. inflation, energy prices and funding re pay awards which will make setting a balanced budget difficult for schools this year.
- 1.2 The government funding announcement announced in July 2023 sets out the key items nationally, which are as follows;
- 1.3 Funding through the mainstream schools national funding formula (NFF) is increasing by 2.7% per pupil in 2024-25, compared to 2023-24. Taken together with the funding increases seen in 2023-24, this means that funding through the schools NFF will be 8.5% higher per pupil in 2024-25, compared to 2022-23.
- 1.4 The schools NFF continues to distribute this fairly, based on the needs of schools and their pupil cohorts. The main features in 2024-25 are:
- introducing a formulaic approach to allocating split sites funding. This ensures that split sites funding will be provided on a consistent basis across the country.
 - The core factors in the schools NFF (such as the basic entitlement, and the lump sum that all schools attract) will increase by 2.4%.
 - Through the minimum per pupil funding levels, every primary school will receive at least £4,655 per pupil, and every secondary school at least £6,050.
 - The funding floor will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
 - Rolling the 2023-24 mainstream schools additional grant (MSAG) into the schools NFF ensuring that this additional funding forms an on-going part of schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
- 1.5 2023-24 was the first year of transition to the direct schools NFF – with the end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through the same national formula without adjustment through local funding formulae. Following a successful first year of transition, DfE will continue with the same approach to tightening in 2024-25. As in 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2023-24, unless they are already mirroring the NFF.

1.6 Herefordshire’s approach to school funding for 2024/25 will be as follows;

- Seek to fund schools at the National Funding Formula values
- To fund schools at the maximum permitted Minimum Funding Guarantee of 0.5%
- To use the school block transfer process to fund the SEN Protection Scheme within the maximum value of £653k which Schools Forum can agree without the Secretary of State’s permission.
- To agree a realistic budget for the SEN Protection scheme with Schools Forum in March 2024 within the constraints of the 0.5% block transfer and an appropriate mix of reduced spending and additional funding from the high needs block. This will require some compromises
- Within the high needs block, fund cost increases in independent schools, manageable increases for top-up tariffs particularly for special schools and in particular to provide the full year funding for the newly established autism resource bases
- To use the DfE high needs block funding allocation to set a balanced budget for high needs and avoid the DSG deficit escalating. Inevitably this will require some difficult compromises as the DfE funding allocation is unlikely to be sufficient to meet cost pressures.

1.7 Compared to most local authorities nationally Herefordshire has a small, but growing high needs deficit at £1m. DfE has provisionally allocated £26.8m for high needs in 2024/25, an increase of approx £1.15m, equivalent to an increase of +4.5%. The initial aim is to set a balanced high needs budget and provide for a comparable 2.7% per pupil increase in top-up tariffs and special school places. Further work on the high needs budget will be undertaken during the autumn and spring terms with the Budget Working Group.

1.8 National growth funding, is expected to be £0.5m and £0.2m has been reserved to fund basic need secondary school growth in the Golden Valley planning area (10 places at Fairfield and 30 places at Kingstone as originally agreed in 2021/22). However early indications suggest that not all this year’s planned pupil growth has materialised as expected.

2.0 SCHOOLS BLOCK STRATEGY 2024/25

2.1 Estimated allocations for the schools block based on an estimated 22,430 pupils (primary 13,088 and secondary 9,342) as follows:

Estimated DSG schools funding allocation	£130,126,000
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National Funding Formula 2024/25	£130,126,000
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Available for allocation to SEN Protection scheme:

Funding available from 15% gains cap in NFF:	£353,000
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Additional Growth Funding estimated	£500,000
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To: secondary growth funding for Golden Valley	£200,000
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To: SEN Protection scheme	£300,000
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2.2 Final Dedicated Schools Grant allocations will not be available until mid-December and National Funding Formula allocations will be finalised with the BWG and School Forum in January 2024.

3.0 HIGH NEEDS BLOCK STRATEGY 2024/25

3.1 Provisional Dedicated Schools Grant (DSG) allocations for 2024/25 have been published by government and indicate an increase in Herefordshire's high needs allocation of £1.15m i.e. a gross allocation of £26.832m compared with a final allocation of £25.683m in 2023/24, although in-year adjustments for FE college placements make comparisons across years difficult.

3.2 The additional £1.15m is provisionally allocated as follows;

- £0.2m out-county independent schools and Complex Needs
- £0.2m inflation on tariffs A - F
- £0.5m full year effect for new autism places from September 2023
- £0.05m matched funding for behaviour support service
- £0.15m for SEN Protection scheme
- £0.06m Expansion of VI team to prevent out-county placements at £60kpa.

3.3 The SEN protection scheme was expanded to include secondary schools in 2020/21 and was supported by a transfer of £0.6m from the schools block in 2023/24. The cost of the scheme continues to grow each year and the scheme is hugely supported by schools. However the cost of the scheme is at the limit that Schools Forum can approve without reference to the Secretary of State and expenditure is forecast to grow further in 2024/25. Compromises on expenditure will inevitably be necessary

3.4 The Initial budget for 2024/25 suggests the National Funding Formula is affordable with a MFG at 0.5% and some capping of school gains could provide up to £200k which when taken together with a £150k contribution from the HNB and an expected surplus of £300k from the schools growth fund will provide a budget of around £650k for the SEN protection scheme such that significant reductions in spend may not necessary.

3.5

Further detailed work will be undertaken on the high needs budget during the autumn term, and an initial budget plan will be shared with the Budget Working Group in December 2023. The final high needs budget plan will be agreed with the Budget Working Group and Schools Forum in March 2024.

4.0 EARLY YEARS BLOCK

4.1 No information has been published by DfE for the early years block for 2024/25. Any inflationary increase for early years settings will be dependent on the final DSG settlement when published in December 2023.

5.0 CENTRAL SCHOOL SERVICES BLOCK

5.1 The central block is expected to increase slightly from £810k to £850k. Small inflationary increases are proposed as follows. In addition to the statutory retained duties formerly funded by Education Services Grant (£390k), funding allocations will be Schools Forum administration costs (£20k), school admission costs (£154k including an extra £13k to cover the costs of appeals), national licence costs (£157k), SACRE (£10k), SEN Casework (£28k) and a transfer to high needs (£90k).

6.0 NATIONAL FUNDING FORMULA – HEREFORDSHIRE PROPOSALS

6.1 Herefordshire's school funding proposals for 2024/25 are to adopt the national funding formula values in full as follows:

- a) Basic Entitlement per pupil (2023/24 NFF factor values for comparison):
 - i. Primary KS1/2 - £3,597 (£3,394)
 - ii. Secondary KS3 - £5,072 (£4,785)
 - iii. Secondary KS4 - £5,717 (£5,393)

- b) Low prior attainment (low cost, high incidence special education needs)
 - i. Primary funding per pupil £1,185 (£1,155)
 - ii. Secondary funding per pupil £1,790 (£1,750)

- c) Free School Meals per pupil
 - i. Primary £490 (£480)
 - ii. Secondary £490 (£480)

- d) Deprivation per Ever-6 Free Meal pupil
 - i. Primary £830 (£705)
 - ii. Secondary £1,210 (£1,030)

- e) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)
 - Band A (2.5% LSOAs) primary £685 (£670) secondary £950 (£930)
 - Band B (5%) primary £520 (£510) secondary £750 (£730)
 - Band C (5%) primary £490 (£480) secondary £695 (£680)
 - Band D (5%) primary £450 (£440) secondary £635 (£620)
 - Band E (10%) primary £285 (£280) secondary £455 (£445)
 - Band F (10%) primary £235 (£230) secondary £345 (£335)
 - Band G (62.5%) primary £0 secondary £0

- f) English as Additional Language (EAL3) for all eligible pupils within last three years
 - i. Primary £595 (£580)
 - ii. Secondary £1,605 (£1,565)

- g) Lump sums – Primary and Secondary £135,700 (£128,000)

- g) Sparsity
 - i. Tapered lump sum of £57,700 (£56,300) for qualifying primary schools with an average year group size of 21.4
 - ii. Tapered lump sum of £83,900 (£81,900) for qualifying secondary schools with an average year group size of 120 pupil
- h) Business Rates – no change, funded at cost with a presumed 3% RPI increase. The council will continue to participate in the DfE’s scheme for business rates payments to be paid centrally by the DfE in Whitehall.
- i) Looked After Children – £0 as funding has been transferred to the pupil premium grant
- j) Mobility – Primary per pupil £970 (£945) Secondary per pupil £1,395 (£1,360) above a threshold of 6% pupil turnover
- k) Exceptional premises factor – increased by 2.4% inflation to £9,785 (£9,556) to meet rent costs for Eastnor Primary School subject to DfE approval
- l) PFI factor – increased by 5% to £353,992 (£336,808 to comply with PFI contract which uses the RPI(X) as at February 2024. Forecast RPIX at OECD CPI forecast + 1%.
- m) Minimum per pupil funding level – April 2024
 - (i) Secondary £6,050 per pupil (£5,715)
 - (ii) Primary £4,655 per pupil (£4,405)
- (n) The Minimum funding guarantee (MFG) can be set between 0.0% and 0.5%. Herefordshire will aim to set the MFG at the maximum 0.5%.
- (o) Split site factor – the new autism resource base at Hampton Dene Primary is expected to qualify for £81,400 under the DfE’s new national split site factor.

SEN Protection Scheme

- 6.2 Expenditure in 2024-25 is estimated at £800k allowing for some growth in EHCPs and the existing scheme cap of £175 x NOR i.e. payments only made above this value. There are three realistic options for the SEN protection scheme for 2024-25, e.g.

Option A: Transfer to high needs block of £400k

Reduce the NFF funding allocation to those schools not on the Minimum Funding Guarantee by 0.15%. This would reduce payments by 50% e.g. a large primary receiving £65k in 2023-24 would receive £55k in 2024-25. The advantage of this option is that the £400k comprises of the £250k growth fund surplus and the £150k cost of the MFG, which will reduce in the long-run. Although the implementation of the “Hard” NFF formula by DfE

will see any savings from the reducing MFG reverting to DfE and not Herefordshire schools.

Option B: transfer to high needs of the maximum permitted 0.5% i.e. £653k

This option would require a reduction to the NFF allocation of 0.4% to those schools not on the MFG. The addition of up to a further £150k from the high needs budget might be possible to avoid significant reductions to schools in SEN Protection payments and permit the cap to be set at around £180xNOR. This option provides for continued growth in top-up payments to schools and is consistent with previous decisions by Schools Forum to agree to the maximum transfer to high needs without seeking approval of the Secretary of State. The funding allocated from the high needs budget will be determined by Schools Forum at the March 2024 meeting. This is the council's preferred option.

De-delegation proposals

6.3 De-delegation and Education Management proposals for locally maintained schools by a small inflation allowance (2.4%) as follows;

- computer licences for the school budgeting software to increase to £430 from £420;
- Free school meals eligibility checking, primary to increase to £1.34 per pupil (from £1.31) and secondary to increase to £1.01 per pupil (from £0.99)
- Support for underperforming ethnic minority groups and bilingual learners to provide EAL services for initial assessments, YR observations and follow-up advisory and monitoring visits funded by de-delegation costs as follows;
 - Increase per pupil amount to £1.20 from £1.17
 - increase per Ever6 FSM pupil to £7.09 from £6.93
 - change to EAL 3 year factor at £37.38 per pupil from £36.50
- A small increase to Trade union facilities agreement by 5p to £2.70 per primary pupil to reflect expected cost pressures.
- Education Management – a small increase to £12.80 from £12.50 for local authority maintained schools.
- School Improvement Services at £6.15 per pupil (small increase from £6) to include
 - Headteacher support
 - Ofsted/School Improvement support
 - General education management advice and support
- Contingencies at £1.02 per pupil (increased from £1) to fund unexpected costs such as pupil census errors, unavoidable redundancies from small school closures and costs from Employment Tribunals

6.3 New de-delegation proposals

- Behaviour support services – a £1 increase on the current £4 per pupil for primary schools (with a corresponding SLA at £5/pupil for primary academies) and a matched budget increase of £12,500 from HNB subject to review by the BWG in December 2023 – required to fund a modest increase in behaviour support in primary schools to reduce demand/need for nurture groups, resource bases and ultimately out-county places

- The Health and Safety team in Herefordshire Council is proposing that all maintained schools are signed up to Membership of CLEAPSS (the Consortium of Local Education Authorities for the Provision of Science Services). The most cost effective way of doing this is to deduct the membership fee, currently 16p per pupil between the ages of 5 and 19, from delegated budgets and join the consortium as a Local Authority. Schools can also purchase membership of CLEAPSS directly for between 25-33p per pupil, but the discounted rate can only be given if all maintained schools in the LA agree to the deduction and are signed up through Herefordshire Council. Once the LA is a member of CLEAPSS, other schools in Herefordshire would also be able to sign up to CLEAPSS through the LA at a discounted rate.
- CLEAPSS provides a wide range of resources for Primary and Secondary schools covering Science, D&T and Art lessons. Resources include access to the CLEAPSS telephone and email helpline, model risk assessments, advice on equipment and facilities, Hazards and Recipe sheets, HSE recognised guidance and standards, and accredited CPD. CLEAPSS membership is recommended by both the HSE and DfE. The majority of Local Authorities in England, Wales and Northern Ireland are already members of CLEAPSS.

7.0 TIMESCALES

7.1 The budget process and expected timeline is:

- Consultation commences w/c 23 October after Schools Forum and closes 12 noon Tuesday 28 November 2023.
- Draft National Funding Formula allocations will be issued to schools based on forecast pupil numbers and a MFG at 0.5% with capping and scaling to provide sufficient funding for the SEN Protection scheme of £653k i.e. the maximum permitted schools block transfer to high needs without applying to the Secretary of State.
- Schools Forum meets on 19 January 2024 to consider the recommended funding values to be submitted to the Education Funding Agency by 26 January 2024.
- Final budgets issued to locally maintained schools by 28th February 2024
- Education Funding Agency to issue budgets to academies for academic year 2024/25.

8.0 CONSULTATION RESPONSES BY 28th November 2023

8.1 A separate consultation form is attached and must be returned to School.funding@herefordshire.gov.uk by 12 noon on 28th November 2023 in order that your views can be considered by the Budget Working Group on 1st December 2023 and Schools Forum at their meeting on 19th January 2024.

8.2 Please respond to this consultation as all views are important and do contribute towards the budget decision which aims to achieve the best possible schools budget for Herefordshire within the funding allocated by government.

9.0 FURTHER INFORMATION

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

Primary

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

Secondary

Mr P Jennings, Fairfield (Chairman)
Mrs C Bryan, John Kyrle
Mr S Robertson, Aylestone
Mrs N Emmett, Fairfield

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



Herefordshire Council Consultation on Early Years Funding Arrangements for 2024-2025

Local Authorities must determine their funding formula before the beginning of the financial year. As part of the process Local Authorities are required to consult with Early Years providers on annual changes to their local formula, which are then agreed with our School Forum.

The purpose of this consultation is to seek your views, comments and where applicable, preferred options from key partners and stakeholders regarding arrangements of the Early Years Block Funding for 2024-25 on;

- Early Years Inclusion Funding
- Early Years Central Spend
- Early Years Funding Pass Through

An opportunity for you to discuss the proposals has been arranged up for Monday 8th January at 11:00 with Malcolm Green; Strategic Finance Manager. We will make a recording, which we will share with those who cannot attend [Click here to join the meeting](#)

Timeline for the consultation and implementation of proposals to the Early Years Block

Date	Action
20 th December 2023	Consultation opens: https://www.surveymonkey.com/r/K9MD9YH
8 th January 2024 11:00-11:45	Meeting with Malcolm Green; Strategic Finance Manager Microsoft Teams meeting: Click here to join the meeting
11 th January 2024	Consultation closes
19 th January 2024	Report to Schools Forum
26 th January 2024	Share the Schools Forum outcomes with Early Years providers

Background information

“A high-quality Early Years education is vitally important. Children attend Early Years provision at a crucial developmental point in their lives. The education and care that they receive affects not only future educational attainment but also their future health and happiness.” ([Best start in life part 1: setting the scene - GOV.UK \(www.gov.uk\)](#))

All children in England are entitled to 15 hours of funded nursery education per week, 38 weeks a year from the term after their third birthday until they reach statutory school age. Parents may choose to take this up with a childminder, in a maintained nursery class, a governor run nursery, or in a private, voluntary, or independent sector (PVI) Early Years setting.

Currently the Early Years Block element, within the Dedicated Schools Grant (DSG) funds the universal and extended provision for all 3- and 4-year-old children and the Early Years provision for disadvantaged 2-year-old children.

The Local Authority currently fund the Early Years Inclusion funding (SENIF) through the high needs block. The budget for SENIF is £150,000. Herefordshire's 2022-23 expenditure was £85,000 over budget and for this year is already at £195,000. This increasing spend for SENIF in Early Years simply reflects the wider national SEND overspends in high needs. We predict a £2m overspend by the end of this financial year. Proposals in this consultation are that some of the increased spend on SENIF is financed from the Early Years NEF funding.

The government extended the funded entitlement to nursery childcare from 15 to 30 hours a week for working parents in September 2017. The aim was to reduce the cost of childcare for working families and break down the barriers to work, so that parents who want to return to work or work more hours can do so.

At the spring 2023 budget announcement, the Chancellor set out ambitious childcare reforms to increase availability, reduce costs and increase the number of parents accessing early education.

The budget announced a range of measures to support education and help parents with childcare using a phased implementation including;

- Changes to entitlements, allowing eligible working parents to access 30 hours of funded childcare from a younger age. [Childcare Choices | 30 Hours Childcare, Tax-Free Childcare and More | Help with Costs | GOV.UK](#)
- From **April 2024**, allowing eligible working parents of two-year-olds will be able to access 15 hours of funded childcare.
- From **September 2024**, allowing eligible working parents of children aged 9 months up to 4 years old to access 15 hours of funded childcare.
- From **September 2025**, allowing eligible working parents of children aged 9 months up to 4 years old to access 30 hours funded childcare per week

This staggered approach should give childcare providers time to prepare for the changes, ensuring there are enough providers ready to meet demand.

Wraparound Childcare: The government will invest further to enable schools and local providers to set up wraparound childcare provision so that parents of reception-age children can access childcare in their local area from 8am – 6pm. This could include provision of activities that fall outside of school hours, via things like breakfast clubs and after-school clubs.

Market Reforms: Including more choice for childminders and changes to EYFS requirements to improve flexibility for providers and support the workforce. This includes changes in staff child ratios, qualifications, introducing childminder grants and increasing flexibility on how and where childminders operate. [Early Years foundation stage \(EYFS\) statutory framework - GOV.UK \(www.gov.uk\)](#)

Dedicated Schools Grant (DSG)

The DfE has allocated Local Authorities an additional £288 million for 2024-25 through the dedicated schools grant (DSG). The further funding pledged will be allocated through the dedicated schools grant (DSG) and will provide funding for all existing Early Years funding streams:

- 15 hours entitlement for disadvantaged 2-year-olds
- 15 hours entitlement for 2-year-old children of eligible working parents
- 15 hours universal entitlement for 3 and 4-year-olds
- 15 hours additional entitlement for 3 and 4-year-old children of eligible working parents

- Early Years Pupil Premium (EYPP)
- Disability Access Fund (DAF)

National Funding Formula Guidance

LAs are required to allocate 95% of the funding to providers since 2018/19.

The formula requires using a single base rate for all providers regardless of sector.

Local Authorities are required to have a minimum pass through 95% of funding to providers. The retained percentage funds central Early Years advice and support services. The DfE are continuing to allow a maximum 5% retention rate for 2024-25 and 2025-26. This is likely to reduce to 3% when the full extension of under 2YO and expanded/disadvantaged families 2YO funding with the extension to 30 hours in September 2025.

Nursery Education Funding (NEF) Consultation for 2024-25

Herefordshire currently passes the disadvantaged 2YO NEF funding to settings with no retention. For 3-4YO the pass through rate is 97.3% which funds central Early Years advice and support services. Herefordshire's proposals are to apply the 2.7% retention, which currently only applies to 3-4YO funding, to the U2YO and expanded/disadvantaged 2YO funding from April 2024. This will fund the increased central Early Years services. By setting the retention at 2.7%, Herefordshire will continue to comply with the DfE's regulations.

The 2.7% retention will fund:

0.85% will fund an additional Early Years consultant to help implement the 50% increase in provision required by the extension of NEF to Under 2's and working families. Without additional staffing, the council cannot successfully implement the 50% expansion of NEF provision. It is necessary to retain this in order to implement the extended entitlements. (Note: 0.85% retention is 6p-8p of 2YO NEF funding rates)

The Consultation will gather views on the proposals below:

In order to continue with the current rate of Inclusion Funding for Early Years providers, support the increase in applications and expand this to 9 months and upwards, we will need to retain 1.35% of NEF. This is the council's preferred strategy. This will ensure that you continue to get an excellent service from the Early Years SEND and Portage teams and Inclusion funding. By not taking 1.35%, services will be compromised and the rate of Inclusion funding tariffs **must** be reduced by 50%.

- 1.35% will fund an increase of £150,000 in the SENIF budget and minimise the impact on the high needs deficit. It will also ensure the same range of SEND grants for 2YOs as currently paid to 3-4YOs. The alternative is no retention and providers are required to match fund a reduced SENIF grant from their own budgets. (Note: 1.35% retention is 10p-13p of 2YO NEF funding rates).
- 0.5% to expand a funded free of charge internal training offer to pre-school staff and childminders (Note: 0.5% is 4p-5p of 2YO NEF rates)

The DfE have allocated Herefordshire a one-off implementation grant of £55,000 to smooth the cost of the additional Early Years consultant in 2024-25 (£40,000) and 2025-26 (£15,000) as the new 2YO grants are not due to be fully implemented until financial year 2026/27.

Please see consultation link is below which will close on 11th January:

<https://www.surveymonkey.com/r/K9MD9YH>

Funding rates for 2024-25

3 & 4 year old Nursery Education Funding

The government have announced an increase in funding of 5.19% per hour for 3&4 year olds across the basic rate, rurality and deprivation as follows;

- The current rate: NEF formula of £4.76/hr+40p/hour deprivation+£60/week rurality
- Proposed rate: NEF formula £5 per hour +42p/hour deprivation + £63 per week rurality (or pro-rata if less than 100hrs/week)

2 year old Nursery Education Funding

The government have announced funding of £7.19 per hour for all 2YO funding and it is for the Local Authority to split into a rate for expanded and disadvantaged 2YOs. Herefordshire has done this by applying the same percentage increase for 3-4YO NEF to 2YO funding as set out below.

Current rate of 2YO NEF: £7.19

Proposed rate of 2YO NEF:

- a) Disadvantaged 2YOs: £7.54 less 0.20p for 2.7% retention = £7.34 per hour
- b) Expanded 2YOs: £7.04 less 0.19p for 2.7% retention = £6.85 per hour

9– 23 months Nursery Education Funding

Proposed under 2YO NEF: £9.51 per hour

EYPP for 2-4 year olds:

Current EYPP: 62p per hour

New EYPP: 68p per hour

Other Early Years Funding streams

Disability Access Funding - will rise from £828 to £910 per eligible child

Funding stream	September 2023-April 2024 & Supplementary	Proposed NEF funding rates for April 2024- April 2025
Disadvantaged 2 year old NEF	£7.19	£7.34
2 year old expanded hours	NA	£6.85
9 months-2 years expanded hours	NA	£9.51
Universal and extended 3-4 year old NEF	£4.76 +40p/hour +£60 per week rurality (or pro-rata if less than 100 hours a week)	£5.00 +42p/hour +£63 per week rurality (or pro-rata if less than 100 hours a week)
Early Years Pupil Premium (EYPP)	£0.62/hour	£0.68/hour
(DAF)	£828	£910

Schools Forum

Schools Forum will meet on 19th January 2024 to hear the results of the consultation and agree the Local Authority funding rates for 2024-25. You will have two Early Years representatives attending. If agreed the proposed NEF rates will commence from the beginning of the summer term 2024.

Schools Forum 19 January 2024 – Summary of Recommendations - Appendix 3

Herefordshire's school funding proposals for 2024/25 to adopt the national funding formula values be recommended to the Cabinet Member for Children and Young People as listed below:

- a) subject to a gains cap of 2.45% to ensure affordability, the statutory minimum total funding per pupil for primary and secondary schools and including the Minimum Funding Guarantee at 0.5%
- b) Basic Entitlement per pupil:
 - i. Primary KS1/2 - £3,562
 - ii. Secondary KS3 - £5,022
 - iii. Secondary KS4 - £5,661
- c) Low prior attainment (low cost, high incidence special education needs)
 - i. Primary funding per pupil £1,170
 - ii. Secondary funding per pupil £1,775
- d) Free School Meals per pupil
 - i. Primary £490
 - ii. Secondary £490
- e) Deprivation per Ever-6 Free Meal pupil
 - i. Primary £820
 - ii. Secondary £1,200
- f) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)
 - Band A (2.5% LSOAs) primary £680 secondary £945
 - Band B (5%) primary £515 secondary £740
 - Band C (5%) primary £485 secondary £690
 - Band D (5%) primary £445 secondary £630
 - Band E (10%) primary £285 secondary £450
 - Band F (10%) primary £235 secondary £340
 - Band G (62.5%) primary £0 secondary £0
- g) English as Additional Language (EAL3) for all eligible pupils within last three years
 - i. Primary £590
 - ii. Secondary £1,585
- g) Lump sums – Primary and Secondary £134,400
- h) Sparsity
 - i. Tapered lump sum of £57,100 for qualifying primary schools with an average year group size of 21.4
 - ii. Tapered lump sum of £83,000 for qualifying secondary schools with an average year group size of 120 pupil
 - i) Business Rates – no change, funded at estimated cost of £1,305,765
- l) The council will continue to participate in the DfE's scheme for business rates payments to be paid centrally by the DfE in Whitehall.
- J) Looked After Children – £0 as funding has been transferred to the pupil premium grant.

K) Mobility – Primary per pupil £960, Secondary per pupil £1,380, above a threshold of 6% pupil turnover.

L) Exceptional premises factor – increased by 1.9% inflation and an additional allowance for the lease of additional space to £17,000 (£9,556) to meet rent costs for Eastnor Primary School subject to DfE approval.

M) PFI factor – increased to £354,992 comply with PFI contract which uses the RPI(X) as at February 2024.

N) Split site factor £80,600 – the DfE has confirmed the new autism resource base at Hampton Dene Primary School complies with the DfE’s new national split site factor criteria.

2. Additional growth funding of £117,180 for academic year 2024/25 at the rate of 7/12th of the KS3 pupil factor £5,022 i.e. £2,929.50 per pupil (including the DfE minimum £1,550 per pupil) to comply with the new NFF national criteria for payment of growth funding for agreed basic need follows:

(a) Growth funding for basic need expansion at Kingstone High School, £87,885 for the period September 2024 to March 2025 for an additional 30 planned pupils, to be paid on actual pupil growth if less than 30 pupils.

(b) Growth funding for basic need expansion at Kingstone High School, £13,956.25 for the period April to August 2024 for an additional 30 planned pupils, to be paid on actual pupil growth of 7 pupils and to be recovered from ESFA through reduced recoupment in 2024-25.

(c) Growth funding for basic need expansion at Fairfield High School, £29,295 for the period September 2024 to March 2025 for an additional 10 planned pupils, to be paid on actual pupil growth if less than 10 pupils.

(d) Growth funding for basic need expansion at Fairfield High School, £19,937.50 for the period April 2024 to August 2024 for an additional 10 planned pupils, to be paid on actual pupil growth if less than 10 pupils and to be recovered from ESFA through reduced recoupment in 2024-25.

3. Transfer to high needs block to support the SEN protection scheme, £649,692 to be approved by the Schools Forum and to set the school funding cap at £195 x Number on Roll for 2024/25 allowing £50,000 growth in 2024-25 subject to further consideration of the funding cap at the March meeting of the Schools Forum.

4. That prior to submission to the DfE, any minor adjustments to the schools budget up to £5,000 required to comply with the regulations, be made to the funding allocated to the growth fund to provide a contingency.

5. That the Cabinet Member for Children and Young People be advised for information, that Schools Forum approved an inflationary increase for the central support services funding for 2024/25, and advise the Cabinet member for Children and Young People for information, as follows:

(a) Statutory retained duties £390,000

(b) Schools Forum administration costs £20,000

(c) School admission costs £169,000

(d) National licences for schools £157,000

(e) Additional funding for statutory duties for SEN casework team £28,000

(f) SACRE funding for statutory duties £10,000

(g) Transfer to the high needs block £77,800

6. That, subject to the views of the Budget Working group, the Cabinet Member for Children and Young People be advised for information, that local authority maintained school members, approve an increase of 1.9% in the de-delegation of funding in 2024/25, and advise the Cabinet member for Children and Young People for information, as follows:

- (a) Trade union facilities for primary schools only be approved at £2.70 per pupil
- (b) Trade union facilities for secondary schools only be provided for through a Service Level Agreement at £2.70 per pupil
- (c) School budgeting software licence at £431 per school
- (d) Ethnic minority support at £1.19 per pupil plus £7.06 per Ever-6 Free school meals and £36.68 per English as an Additional Language three years (EAL3)
- (e) School meals entitlement assessment at £1.33 per primary pupil and £1.01 per secondary pupil (for local authority schools)
- (f) Behaviour support service at £4.15 per primary pupil to provide £37,400 income
- (g) School improvement services at £6.11 per pupil
- (h) Contingencies at £1.02 per pupil
- (i) The statutory education services for non-academy schools be charged at £12.74 per pupil
- (j) That CLEAPPS be newly delegated at £0.16 per pupil
- (k) That an additional £1 per added to the primary behaviour support de-delegation to provide additional support judged as essential in reducing the high needs deficit

7. The early years funding formula for Herefordshire providers from April 2024 be increased by the inflationary increase provided by DfE and approved as follows:

- (a) Two year olds – disadvantaged: £7.34 per hour
- (b) Two year olds – working families: £6.85 per hour
- (c) Under two year olds - £9.51 per hour
- (d) Three and four year olds: £5.00 per hour, plus a deprivation supplement of £0.42 per hour for Early Years Pupil Premium eligible children, plus a rurality supplement per provider of £63 per week (pro-rata for providers that deliver less than 100 hours per week) paid for 38 weeks per year.
- (e) That the 2.7% retention be approved for the two and under two year old grants as follows;
 - (i) SEN inclusion fund (SENIF) be increased by £150,000
 - (ii) That early years advisors be increased by £80,000
 - (iii) That Herefordshire council provider training be provided free at the point of delivery at a cost of £50,000
- (c) Early years central expenditure for 3 and 4 Year Old NEF be set at £413,400 for NEF contract payments, Early years consultants and MASH support for early years settings in line with the 5.19% inflationary increase provided by the DfE for 3 and 4 Year old NEF grant .

8. The Schools Budget be approved as follows:

- (a). A balanced schools budget be approved for 2024/25; and
- (b). The unusable reserve for the DSG deficit reserves of £1,004,503 be carried forward to financial year 2024/25 adjusted by any under or overspend in DSG at year end in March 2024.

