

Agenda

Herefordshire Schools Forum

Date: **Friday 12 April 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:

Jenny Preece, Democratic Services Officer

Tel: 01432 261699

Email: jennypreece@herefordshire.gov.uk

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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
Local Authority Maintained Primary School
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 19 January 2024.	5 - 10
5. HIGH NEEDS BUDGET 2024/25 To report the recommendations of the Budget Working Group and propose the High Needs Budget for 2024/25.	11 - 32



Minutes of the meeting of Herefordshire Schools Forum held at virtual meeting platform on Friday 19 January 2024 at 9.30 am

Present: Ms A Banner (LA maintained secondary schools) (Chairperson)

Ms B Beverley	PRU - Management Committee
Mr D Brearey	LA Maintained Primary School
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
Mr E Gwillim	16-19 Providers
Mrs S Jenkins	Local Authority Maintained Primary School
Mr T Knapp	Academies
Mr C Lewandowski	Trade Unions
Mrs R Lloyd	Early Years
Ms H Manns	Early Years providers
Ms S Taylor	Academy Special Schools

In attendance:

Officers: Head of Additional Needs, Service Director - Education, Skills and Learning, Strategic Finance Manager and Cllr Ivan Powell - Cabinet Member Children’s and Families.

92. APOLOGIES FOR ABSENCE

Apologies received from forum members: Andy Gosling, Paul Jennings, Steve Kendrick and Andrew Teale,

Apologies received from officers: Roz Pither and Alison Naylor.

93. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

94. DECLARATIONS OF INTEREST

Paul Deneen declared an interest in agenda item 6 as a member of the National Education Union.

Tim Knapp declared an interest in agenda item 5 as the headteacher of Whitecross Hereford High School.

95. MINUTES

Resolved: that the minutes of the meeting held on 20 October 2023 be approved as a correct record.

It was supported by members that the outstanding action to write to MP's with regards to the dissatisfaction with the DfE budget errors and the impact it will have on schools was still relevant. It was suggested by the Chair and approved by members that in addition to this, concerns with the DfE Expansion to the Early Years funding and in particular Herefordshire having been set at the lowest rate nationally for 2YO be included.

96. WHITECROSS PFI CONTRACT - TRIENNIAL REVIEW

The strategic finance manager presented the findings of the triennial review of the Whitecross PFI contract, it was noted that the Council was adding an additional £100k to the annual cost of the contract due to inflationary pressures.

In response to a query the SFM confirmed the contract ends in 2031.

Resolved:

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 was 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**

97. SCHOOLS BUDGET 2024/25

The strategic finance manager (SFM) presented the report and outlined the proposed schools budget based on the confirmed Dedicated Schools Grant allocation from the Department for Education (DfE). A copy of the slides used in the presentation are attached to the minutes of the meeting. The SFM highlighted the report from the Budget Working Group (BWG) was published as a supplement to the agenda papers.

The principal points included:

- The SFM reminded members of the reduction to the Council's allocations of 0.7% from the DfE proposals published in the summer due to the £370m budget error.
- The forum were presented with two choices for the SEN protection scheme; to continue with the 0.05% block transfer or terminate with a Nil transfer.
- Schools continued to express support for the SEN protection scheme which provides additional funding for schools when they have greater than average numbers of pupils with high needs. The budget proposals included a transfer from the schools block to the high needs block to support the continuation of the SEN protection scheme.
- His Majesty's Inspectors (HMI) recommendation was that there is a strong case to continue with the arrangement if possible and some suggestions for improvements were made of which all have been taken on board and the Council will look to pursue.
- Feedback from the (BWG) was that they were supportive of the SEN protection scheme and to retain the 0.05% block transfer to enable its continuation be recommended to the Schools Forum.
- The BWG fully supported the 1.9% rise on existing de-delegation items and Education Management costs.

- The SFM highlighted the only change to the published recommendations was to not proceed with the proposals for delegation to new services; Consortium of local education authority's science providers (CLEAPSS) and the SEMH Inclusion Service (SIS). The consultation highlighted no clear endorsement to which the BWG also concurred.
- The DfE's national early years funding rates were discussed.
- The SFM highlighted Herefordshire, with 45 other LA's for three and four year old funding was at the lowest possible rate whilst the allocation of funding for under two year olds Herefordshire is set at the lowest nationally, the absence of a floor mechanism (comparable with that for three and four year olds) would be raised with the DfE.
- The SFM highlighted, concerns had been raised at the early year's consultation that the under two year olds working families funding is less than providers are currently charging for their two year olds and will have an impact on their businesses and sufficiency in the county.
- The DfE had set a composite rate for two year olds funding for both disadvantaged two year olds and working families of two year olds and the Local Authority is required to disaggregate into separate funding two year old funding rates.
- The nursery education funding (NEF) retention for central spend was discussed.

In response to member's questions it was noted:

1. The SFM confirmed he was only aware of one school who was looking to manage their budget with staff redundancy. Many schools have considerable balances which was hoped would provide a cushion. Funding for schools is tight and he did not foresee that changing within the next three to five years.
Action: the SFM would provide the forum with statistics once HR consultations had concluded in February.
2. The SFM confirmed that special schools are funded separately from the high needs block and were not included in the pupil numbers presented with regards to "56 fewer primary pupils and 89 more secondary".
3. The DfE base their funding on the October census.
4. The SEN protection scheme is paid to mainstream schools who have higher than average numbers of pupils on receiving top up funding and it is paid as a supplement to their national funding formula budget.
5. The SFM confirmed that the £10k base rate for special schools has been unchanged since 2014. After using an inflation calculator based on the Bank of England inflation rates it would have gone up to £13.5K. However it was explained that this rate is set by DfE and the Council are required to use it. It was clarified that using the available money in the high needs block the Council always tries to pay a higher inflation (double) inflation rate to the special school tariffs. It was suggested that this should be included in the letter to MPs.
Action: An item on the inequity in the funding between mainstream and special schools would be included in the agenda for the BWG on 1 March 2024.
6. The Service Director, Education, Skills and Learning gave her full support and thanked colleagues for the issues they had raised, particularly around early years and special school funding.
Action: The forum were still supportive with sending a letter to the MP's to address the budget errors and in addition the base rates for special schools and the under two year olds early years funding.

It was resolved that:

Herefordshire's school funding proposals for 2024/25 to adopt the national funding formula values, recommendations 1 (a) – (n) as below are recommended to the Cabinet Member for Children and Young People.

1a) 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
- iii) 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.

(Voting on this item was restricted to local authority schools, academies and early year's members only)

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 were approved as 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 the proposal for the CLEAPPS be newly delegated at £0.16 per pupil is not progressed.
- (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 is not progressed.

(Voting on this item was restricted to Local authority primary and secondary school members only)

It was noted there was a typographical error at recommendation 7 as published in appendix 3, recommendation F was listed as a second (C).

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 our, 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 (SENI) 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 (
- (f) 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.

(Voting on this item was restricted to local authority Schools, Academies and early year's member's only (recommendations a-d)).

8. The Schools Budget was 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

The meeting ended at 10.25 am

Chairperson



Title of Report: High Needs Budget 2024/25

Meeting: Herefordshire Schools Forum

Meeting date: 12 April 2024

Report by: Schools Finance Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To report the recommendations of the Budget Working Group and propose the High Needs Budget for 2024/25.

Recommendation(s)

That the Forum:

- a) notes the High Needs forecast outturn position for 2023/24;
- b) notes the Dedicated Schools Grant (DSG) allocation for 2024/25 for the Schools, High Needs and Early Years blocks;
- c) considers the recommendations of the Budget Working Group (BWG) held on 11 March 2024; and
- d) recommends a High Needs Budget of £29.7 million for 2024/25 for approval by the Cabinet Member for Children and Young People as set out in Appendix 1, noting the funding gap in 2024/25 of £6.5 million.

Alternative options

1. The Budget Working Group (BWG) has been consulted on the proposed budget plan and options considered are included at Appendix 2. The Children and Families Act (2014) requires

the council to ensure that the needs of pupils are met and the council is required to adhere to the Department for Education (DfE) prescribed arrangements for school and Local Authority as set out in regulations.

Key considerations

2. The council receives funding for schools and designated central services via the Dedicated Schools Grant (DSG). This is a ring-fenced grant and is allocated by the Department for Education in 4 blocks: Schools, Central School Services, High Needs and Early. Allocations are based on the DfE's National Funding Formula (NFF) arrangements.
3. The Budget Working Group (BWG) was established to provide an opportunity for officers and schools/setting to consider the ongoing use of Dedicated Schools Grant funding and make recommendations to the Herefordshire Schools Forum in respect of the 2024/25 High Needs Budget.

High Needs Forecast Outturn 2023/24

4. The DSG is forecast to overspend by £3.7 million in 2023/24. This will increase the council's total DSG deficit of £1.1 million at 31 March 2023 to £4.8 million at 31 March 2024.
5. Key variances from budget include:
 - Complex Needs (£0.4 million)
 - Post-16 Top-ups (£0.5 million)
 - Mainstream Schools Top-ups (net £0.3 million)
 - SEN Protection Scheme (£0.4 million)

Dedicated Schools Grant (DSG) Unusable Reserve

6. The School and Early Years Finance (England) Regulations 2020 stipulate that a deficit on the DSG must be carried forward to be funded from future DSG income unless permission is sought from the Secretary of State for Education to fund the deficit from general resources.
7. The DSG deficit is accounted for as an unusable reserve on the council's Balance Sheet, as permitted via statutory instrument which will remain in place up to March 2026. This enables all local authorities to ring-fence the DSG deficit from the overall financial position in the statutory accounts.
8. Beyond the period of the statutory override, the expectation is that any balance on the DSG Unusable Reserve will transfer back to the council's total Earmarked Reserves. The High Needs deficit will have an impact on the council's overall financial position once the override periods ends and this risk is being managed as part of the council's medium term financial strategy. It should be noted that this issue is a major concern amongst local authorities nationally.

High Needs Funding Allocation 2024/25

9. Government announced the provisional funding allocations for 2024/25 in December 2023, with final allocations published in March 2024. Overall, core schools funding (including funding for mainstream schools and high needs) has increased by £1.8 billion nationally, compared with the prior year.
10. High Needs funding has increased by a further £440 million in 2024/25, representing 4.3% which brings the total High Needs Budget to over £10.5 billion nationally. Whilst High Needs

Block allocations continue to rise, there is an increasing gap between allocated funding and expenditure with the council's cumulative deficit balance forecast at £4.8 million by 31 March 2024 as noted above.

11. The 2024/25 Education and Skills Funding Agency (ESFA) DSG allocations for Herefordshire, are noted in Table 1 below. The High Needs Block allocation for 2024/25 is £23.1 million; whilst this represents an increase of £1.0 million (4.4%) on the 2023/24 allocation, it should be noted that this increase is not sufficient to meet identified pressures in this area.

Table 1: 2024/25 DSG Allocations

	2024/25		2023/24		Change	
	£m	£m	£m	£m	£m	%
Schools Block	129.938		123.213			
Less recoupment	(59.784)		(56.196)			
Less NNDR	(1.314)		(1.292)			
		68.840		65.725	3.115	4.7
High Needs Block	26.820		25.574			
Less recoupment	(3.701)		(3.421)			
		23.119		22.153	0.966	4.4
Early Years Block		16.357		10.075	6.282	62.4
Central School Services Block		0.852		0.810	0.042	5.2
Total DSG Allocation		109.168		98.763	10.405	10.5

Proposed Budget 2024/25

12. A High Needs Budget of £29.7 million is proposed for 2024/25 as detailed below and included at Appendix 1. The proposed budget reflects the forecast overspend position for 2023/24 and includes expected future growth in demand for services, particularly in respect of increases in school top-ups, out of county places and post-16 requirements.
13. The High Needs budget proposed for 2024/25 includes a transfer of £0.7 million from the Schools Block funding, as approved by the Schools Forum, to support increasing costs for the Special Education Needs (SEN) Protection Scheme.
14. The proposed budget will set an in-year deficit of £6.6 million for the High Needs Block. Measures to contain this deficit and manage cost and demand pressures will be reviewed as part of the council's financial and risk management arrangements.
15. The SEN protection scheme acts as an "insurance" scheme to ensure that those schools with higher than average numbers of high needs pupils are fairly funded for their threshold costs and the need for the scheme was positively endorsed by the recent ex-HMI review.
16. The Budget Working Group (BWG) received a presentation on the 11 March 2024 summarising the forecast 2023/24 outturn position and the proposed High Needs Budget for 2024/25. The presentation is set out in Appendix 2.
17. In discussion of the proposed budget, the BWG noted that;
- An overspend of £3.7 million was forecast for 2023/24 as a result of cost pressure in the use of out of county schools, special school and mainstream school top ups.

- Budget proposals were reviewed, with identified cost pressures of £6.6 million in excess of expected funding for 2024/25. It was explained that the budget must be viewed as an interim to be reviewed once the new provision has opened in September 2024.
18. The BWG considered 3 options with regards to the SEN protection scheme and were reminded of the review undertaken by the ex-HMI which confirmed the value of scheme and its priority for funding and that the Schools Forum agreed the transfer of £0.7 million in 2024/25.
 19. The Service Director, Education, Skills and Learning explained that the local authority is working at pace to provide more specialist provision through the resource-based model and it has been really successful, but it takes time. The number of children requiring specialist provision in the county is significantly increasing, particularly notable in the early years although there is an increase across all age ranges. It is the council's wish to continue to support schools and young children. Work would continue to look into other options rather than out of county placements.
 20. The consensus of the BWG was that they have and will continue to support the SEN protection scheme in 2024/25 with the current threshold cap so that schools will receive additional funding for threshold expenditure above £175 x NOR at an estimated cost of £1.15 million which is £0.5 million in excess of the funding transfer from the Schools Block. This will ensure that highly inclusive schools do not have to make budget cuts for SEN funding.
 21. It is essential that the council continues to monitor cost pressures, and the impact of the cumulative deficit balance on the council's overall financial position.

Community impact

22. These services contribute to delivery of the following ambitions in the adopted County Plan for 2020-2024:
Community
 - a. Ensure all children are healthy, safe and inspired to achieve;
 - b. Protect and improve the lives of vulnerable people.
23. These services contribute to delivery of the following ambitions in the adopted County Plan for 2020-2024: keeping children and young people safe, improving children and young people's health and wellbeing and helping all children and young people succeed.

Environmental Impact

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

Equality duty

25. 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.

26. 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. It is a requirement of the Childrens Act (2014) that the needs of children must be and as such all children with high needs are assessed equally through use of a tariff assessment matrix and funding is allocated in accordance with the assessment.

Resource implications

27. The proposed budget will result an in-year deficit of £6.5 million for the High Needs Block. This will increase the cumulative DSG deficit balance to £11.4 million by 31 March 2025. It is essential that the council continues to monitor the performance against budget in 2024/25 to identify and manage emerging cost pressures.

Legal implications

28. The council is required to adhere to the DfE prescribed arrangements for school and Local Authority as set out in regulations. The School and Early Years Finance Regulations (England) Regulations will be updated and laid before Parliament in Spring 2024. These Regulations require the council to determine budget shares for schools maintained by them and amounts to be allocated in respect of Early Years provision in their areas, in accordance with the appropriate formulae which the council must determine.

29. The council must consult its Schools Forum and schools maintained by it about any proposed changes to the funding formulae, in relation to the factors and criteria taken into account, and the methods, principles and rules adopted. The same consultation obligation applies to proposed changes that will affect Early Years providers. The ESFA operational guidance 'Schools revenue funding 2024/25 (Updated August 2023) provides that any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies. Local authorities should communicate proposed formula changes to all bodies affected by the changes.

30. Section 42 of the Children and Families Act 2014 provides that where a council maintains an Education Health Care Plan (EHCP) for a child or young person, the council must secure the specified education provision. The council must comply with this statutory duty.

Risk management

31. The BWG reviews all proposals in detail prior to making recommendations to the Schools Forum. This two stage process helps ensure greater scrutiny of budget proposals and mitigate against any risks that may be identified. Any identified risks will be monitored and managed by the Childrens and Young People Directorate jointly with Schools Forum. Specifically financial risk will be managed throughout the year with the BWG and the council Finance Team.

32. The investment in nurture provision is a longer term preventative measure which attempts to mitigate demand for higher cost provision and keep the high needs costs within the available budget. The use of such preventative measures will be undertaken with the support of the BWG as funding permits.

Consultees

33. All schools have been consulted on the proposals as part of the autumn schools budget consultation. However the high needs budget as presented to Schools Forum on 12 April 2024 varies significantly from that envisaged in the consultation with schools. The SEN protection scheme continues to be strongly supported by schools. A presentation of the budget proposals was given the Budget Working Group on 11 March 2024 and no amendments were suggested.
34. The Budget Working Group was consulted on 11 March 2024 and comments are included in this report at paragraphs 17-20 above.

Appendices

Appendix 1 – High Needs Budget Requirement 2024/25

Appendix 2 – Presentation to Budget Working Group 11 March 2024

Background papers

None identified.

Glossary of terms, abbreviations and acronyms used in this report:

BWG	Budget Working Group (of Schools Forum)
CAMHS	Children and Adolescent Mental Health Service
DSG	Dedicated Schools Grant
DfE	Department for Education
EHCP	Education Health Care Plan
ESFA	Education and Skills Funding Agency
H3	Home and Hospital Teaching Team (Hub, Home, Hospital)
NOR	Number on Roll, typically at a school
PRU	Pupil Referral Unit
SEN	Special Education Needs
SEND	Special Education Needs and Disability
TPG	Teachers Pension Grant

Appendix 1: High Needs Budget Requirement 2024/25

High Needs Block - Area of Spend	2023/24 Budget	2023/24 Forecast	2023/24 Variance to budget	2024/25 Proposed Budget
	£'000	£'000	£'000	£'000
Special School Places - LA Schools only	1,850	1,850	0	1,890
Widemarsh Explorers - full year	235	235	0	208
Autism Bases	510	110	(400)	429
Hampton Dene & Bishops Resource Bases	810	650	(160)	728
Early Years SENDIF Grants	150	350	200	270
Nurture Groups	437	237	(200)	227
Independent Special Schools	3,550	5,800	2,250	6,800
Post 16 Top-up Funding	2,100	2,580	480	2,700
Complex Needs Funding	2,685	2,685	0	2,680
Pupil Referral inc H3 Home, Hospital and Hub	935	845	(90)	1,053
PRU Protected Funding	73	73	0	53
PRU Top-ups	533	595	62	500
SEN Support Services inc 4.2% pay inflation	1,281	1231	(50)	1,460
Mainstream Schools Top-up	3,630	4,318	688	4,515
Special School Top-up	4,033	4,353	320	4,384
Managed Moves	5	0	(5)	5
Teachers' Pension Grant	450	450	0	409
New Autism Bases (from September 2024)	0	0	0	625
Charges & Income/Recoupment	(796)	(596)	200	(383)
SEN Protection Scheme	616	1,016	400	1,150
Total	23,087	26,782	3,695	29,703
DSG High Needs Funding Allocation 2024/25	22,525			23,119
Funding Gap 2024/25	562		3,695	6,584

Appendix 2

DSG 2024-25
Budget Working Group
11 March 2024

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Update on Schools Budget 2024-25

- DfE approval received on 21 Feb and LA maintained schools advised budgets on 28 Feb as per statutory deadlines

High Needs Forecast 2023-24

- **Overspend of around £3.7m**

- Post-16 top-ups £0.5m
- Mainstream top-ups £0.3m
- SEN Protection scheme £0.4m
- Out-county schools £2.25m
- Special school top-ups £0.7m
- School top-ups £0.8m
- EY SEND grants £0.25m
- Less special places -£0.2m
- Less nurture top-ups -£0.2m as incl above
- Less autism units -£0.4m not full from Oct

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High Needs Demand 2024-25

- High Needs pressure increasing everywhere
- New special places re 6th Form (tbc) +12
- 102 new unit places proposed from Sept 24
- Mainstream pupils with top-up funding

March 2022	524 FTE
Feb 2023	599 FTE +14%
Jan 2024	709 FTE +18%

Out-county places and Post-16 all increasing. 18% increase in pupils with top-up funding – just doesn't stack up with a 4.5% funding rise from DfE.

High Needs Budget 2024-25

(Net)High needs block 24-25 £23,254k

(Net) High needs block 23-24 £22,262k

Budget increase £992k = 4.5%

Add Schools Block transfer £650k

Add CSSB transfer increase £78k

Total initial Budget 24-25 £23,983k

Mainstream schools received 1.9% increase per pupil so planned special schools top-ups at 3/8% and mainstream top-ups at 1.9% and adding growth/overspends

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Budget Proposals 2024-25 page 1

These budget proposals are £6.4m overspent in 2024-25 and there is no realistic way of setting a balanced budget. This budget must be viewed as an interim to be reviewed again in September/October when we know the new provision that has opened in September 2024.

All items in italics are intended and not definitive costs.

24

1. Special school places	£1890k
Blackmarston 98	£980k
Westfield 74 +3 H&S	£770k
<i>Additional 12 6th Form places Sept 24</i>	<i>£70k</i>
<i>Additional top-ups to match Sept 24</i>	<i>£70k</i>

Budget Proposals 2024-25 page 2

2. Widemarsh Explorers

£208k

full year effect 12 places, AWPUP + top-ups £208k
+£80k funded vis NFF split site factor

3. Autism resource bases

£429k

4 schools x 8 places +1 extra @£6k fye
33 top-ups at £7k

198k
231k

4. Hampton Dene/Bishops

£728k

48 HD+8 Bishops places @£6k
56 top-ups at £7k

£336k
£392k

5. Early Years SENIF grants

£270k

2023-24 budget £150k + £120k overspend

6. Nurture Groups

£227k

5 schools x 7 places x £5k +£42k EMC +£10k Mangt

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2024-25 Proposals - page 3

7. Independent special schools **£6,800k**

2023-23 budget £3,550k

Overspend £2,250k

Growth £ 1,000k

8. Post-16 places **£2,700k**

Increase in demand for places

22-23 Budget £2,100k

overspend £500k

inflation/growth £100k

9. Complex Needs Funding **£2,680k**

budget set same as council funding

as per S75 agreement with social care & NHS

2024-25 proposals Page 4

10. PRU, H3

66 PRU places/27 H3 places at £11k
incl TPG and MFG **£1,023k**

11. PRU protection

TLR to Aug 24 £15k
Split sites £38k **£53k**

12. PRU top-ups

66x D2 @ £10,218 - £200k income +3.8% **£500k**

13. SEN support services

23-24 Budget £1,282k **£1,406k**
4.2% pay inflation increase £1,282k
growth £60k VI team + £10k guide dogs **£54k**
£70k

New proposals Page 5

14. Mainstream school top-ups £4,515k

23-24 budget £3,631k

overspend £688k

growth at 15% £112k

inflation at 1.9% £84k

15. Special school top-ups £4,384k

23-24 budget £3,903k

overspend £320k

3.8% inflation £161k

16 Managed Moves – keep same £5k

17 Teachers Pension Grant and MFG £ 409k

409 places at £1,000

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New proposals Page 6

18. Recoupment 23-24 Forecast spend **£345k**

19. New Autism resource bases Sept 2024 **£625k**

50 places Base 1 tbc

24 places Base 2 tbc 24 places Base 3 tbc

8 places St Weonards KS2 tbc

Assume half full

53 places x £6k x 73/12 **£185k**

53 top-ups at £10k x 7/12 **£309k**

12 AWPUs at £5k & 41 @£4k as not on census x 7/12 **£131k**

20. Less Transfers in **-£728k**

£650k schools block, £78k CSSB

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SEN Protection Scheme - Budget page 7

- Review by HMI confirmed value of scheme and it's priority for funding
- Schools Forum agreed transfer of £650k to fund in 24-25
- Three options

21.1. pay out above cap at £175x NOR

cost is £1.15m

large primary receives 65K same as 23-24

21.2. pay out above cap at £195x NOR

Cost is £0.9m

large primary receives £58k i.e. £7k or 11% less

21.3. set cap at £220xNOR **to spend £650k**

large primary receives £50k i.e. £15k or 23% less

Do we choose option 1 or 2 or 3?

Our views re SEN Protection scheme

- Herefordshire has slightly higher inclusion than nationally and we want to continue supporting Herefordshire schools – this does delay requests for ECHPs
- If we reduce financial support (by raising the cap on school contributions from the current £175x NOR) it will lead to more funding requests elsewhere in the high needs system and so maybe counter productive
- We are struggling with sufficiency and a lack of local places and although the SEN Protection scheme doesn't affect this directly it does reduce the pressure on the high needs system

Recommendation to Schools Forum

- BWG needs to make a recommendation on the schools budget to Schools Forum