Herefordshire Council

Decision maker:	**Cabinet member for children and families**
Meeting date:	**Tuesday, 28 January 2020**
Title of report:	**Schools Budget 2020/21**
Report by:	**Strategic Finance Manager**

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose and summary

To approve school forum's recommended budget proposals for school budgets, central school services and early years within the Dedicated Schools Grant (DSG) for 2020/21.

Dedicated Schools Grant funding for the schools block in 2020/21 is £104.7m, which is an increase of £1.9m for primary pupils, £1.9m for secondary pupils and £0.2m in the growth fund. The funding for high needs and early years block are provisional and are both 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 government. The funding above that required to implement the national funding formula is proposed to be distributed to schools at £20 per pupil and £300,000 transferred to the high needs block for 2020/21.

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

Recommendation(s)

That: The local implementation of the National Funding Formula (NFF) for 2020/21 as set out in the consultation document and below, be approved as follows;

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

1.	**Basic entitlement per pupil**	**Primary**	**£2,857**
2.	**Basic entitlement per secondary pupil**	**Key stage 3**	**£4,018**
3.	**Basic entitlement per secondary pupil**	**Key stage 4**	**£4,561**
4.	**Deprivation per free school meal**	**Primary**	**£450**
5.	**Deprivation per free school meal**	**Secondary**	**£450**
6.	**Deprivation per ever-6 free school meal**	**Primary**	**£560**
7.	**Deprivation per ever-6 free school meal**	**Secondary**	**£815**
8.	**Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)**		
9.	**Band A (3% of pupils)**	**Primary**	**£600**
10		**Secondary**	**£840**
11	**Band B (8% of pupils)**	**Primary**	**£435**
12		**Secondary**	**£625**
13	**Band C (7% of pupils)**	**Primary**	**£405**
14		**Secondary**	**£580**
15	**Band D (8% of pupils)**	**Primary**	**£375**
16		**Secondary**	**£535**
17	**Band E (9% of pupils)**	**Primary**	**£250**
18		**Secondary**	**£405**
19	**Band F (10% of pupils)**	**Primary**	**£210**
20		**Secondary**	**£300**
21	**Band G (55% of pupils)**	**Primary**	**£0**

22		**Secondary**	**£0**
23	**Low prior attainment per pupil**	**Primary**	**£1,065**
24		**Secondary**	**£1,610**
25	**Lump sum**	**Primary**	**£114,400**
26		**Secondary**	**£114,400**
27	**Looked after Children, primary and secondary**	**All**	**£0**
28	**Primary sparsity, on NFF taper basis , over 2 miles and less than an average year group size of 21.4 pupils**	**Primary**	**£26,000**
29	**Secondary sparsity, on NFF taper basis, over 3 miles and less than an average year group size of 120 pupils**	**Secondary**	**£67,600**
30	**English as additional language per primary pupil**	**Primary**	**£535**
31	**English as additional language per secondary**	**Secondary**	**£1,440**
32	**Mobility**	**primary**	**£875**
33	**Mobility**	**Secondary**	**£1,250**
32	**PFI contract**	**Secondary**	**£295,515**
33	**Business rates**	**All**	**£1,285,851**
34	**Exceptional premises factor – Eastnor rent**	**Primary**	**£8,923**

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

- **(i) Growth funding be finalised for basic need expansion at Kingstone High School, £117k for an estimated additional 50 pupils in September 2020**
- **(ii) Noting the transfer to the high needs block for primary SEN protection, £100k as agreed by Schools Forum**
- **(iii) Noting the transfer to the high needs block for secondary SEN protection, £100k as agreed by Schools Forum**

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

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

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

(e) Notes the growth fund policy and criteria for allocating to schools as set out in the schools consultation paper as agreed by Schools Forum.

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

- **(i) Statutory retained duties £360k;**
- **(ii) Schools Forum administration costs £12k;**
- **(iii) School admission costs £122k;**
- **(iv) National licences for schools £138.5k;**
- **(v) Transfer to the high needs block £60.5k.**

(g) The early years funding formula for Herefordshire providers from April 2020 be as follows;

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

Alternative options

1. Given School Forum's approval in October 2017, of the strategy to implement the NFF from 2018/19, neither Schools Forum nor the Budget Working Group (BWG) put forward any alternative proposals for the Schools Budget.

Key considerations

2. Neither Schools Forum nor the Budget Working Group have identified any changes to the proposed Schools Budget, as previously set out in the autumn schools budget consultation, and have accepted the council's proposal for use of the additional £0.3m national growth funding announced in the DSG settlement. The DSG funding assumptions underlying the proposed budget are set out below.

3. The final DSG 2020/21 settlement was announced on 19th December 2019. The recommendations in this report are based on the final DSG settlement of 22,283 pupils as follows;

A) Schools Block

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

B) High needs block

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

C) Early years (initial settlement)

	£'000
Universal funding for 3 and 4 year olds at £4.38 per hour	5,725
Indicative allocation for 30 hours at £4.38 per hour	2,439
Two year old funding at £5.28 per hour	892
Early years pupil premium	79
Disability access fund	34
Initial early years block 2020/21	9,169

D) Central school services block

	£'000
22,282 pupils x £31.12	693

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

Schools Budget

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

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

- Estimated DSG schools funding allocation £104.15m
- National Funding Formula 2020/21 £104.13m
- In addition it is proposed that any allocation of the national growth fund is shared as follows:

  - to: high needs support for primary schools: £0.1m
  - to: high needs support for secondary schools £0.1m
  - to: reserve for growth for basic need expansion £0.1m

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

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

9. The schools block DSG for 2020/21 is confirmed as £104.68m and the implementation of the NFF costs £104.06m. In addition growth for basic need expansion at Kingstone high school is estimated at £117,000 for September 2020 to March 2021 based on an additional bulge class of 50 pupils over PAN at £4,038 per pupil. Further payments will be due to the school for the period April 2021 to August 2021 from next year's growth fund. The growth funding will be paid monthly to the school. This leaves £303,000 to be allocated. Two options have been discussed with the BWG as follows;

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

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

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

De-delegation

10. The BWG considered the outcome of the autumn schools' budget consultation at its meeting on 6th December and accepted the council's proposals for trade union facilities for primary schools at the reduced rate of £2.75 per pupil, support for ethnic minority pupils and school budgeting software. There was no support for de-delegating the trade union facilities for secondary schools.

11. The consultation paper also proposed a £1 reduction per pupil in the charge for statutory education services provided by the council to non-academy schools. The new rate for 2020/21 will be £12.50 per pupil. Academies are required to provide the same services from their general annual grant. The reduction is due to receipt of a grant from DfE for moderation of national curriculum assessments.

Growth fund

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

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

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

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

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

Central School Services Block

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

Early Years

17. The government have announced a new rate for Herefordshire of £5.28 per hour from April 2020. Herefordshire will pass on the full increase to providers from the beginning of the summer term 2020 so that providers will receive £5.28 per hour, an increase of 1.5%.
18. The funding rate for three and four year olds will increase by 8p per hour to £4.38 from April 2020. The funding formula paid to providers will increase to

    - Rurality supplement of £51 per week (pro-rata for less than 100 hours per week)
    - Base hourly rate of £3.97
    - Deprivation supplement of 33p per hour for all Early Years Pupil Premium eligible children

19. Providers were consulted during the period 27 November to 18 December, and the feedback is as follows;
    - There have been consultation response emails from 4 settings out of the 156 settings claiming nursery education funding.
    - Of those, one setting agreed to our approach whilst wishing the funding could be more, two have queried the low level of funding generally and would like a higher base-rate and the final one asked for more information about how much funding was retained by the council to pay for central services.
    - There were no alternative suggestions received.

High needs block

20. The schools consultation paper set out an expenditure forecast for the high needs block for 2020/21. Additional grant of £2m was expected from the DfE and the forecast showed a shortfall in the proposed budget of £0.2m. The council proposed to transfer £0.2m from the schools block to support the high needs budget in 2020/21. The alternative is the SEN protection scheme is curtailed for primary schools and is not extended to cover high schools.

21. Herefordshire's share of the additional national high needs funding is confirmed as £15.2m compared with £13.0m in 2019/20, an increase of £2.2m,which is slightly greater than expected. It is forecast that the high needs block faces £1.2m of cost pressures in 2020/21 and up to a further £0.5m for additional pupils with complex high needs who will potentially require out of county placements. Additionally, it is proposed to provide at least an inflation increase for high needs tariffs for all schools and to revise the high needs tariff matrix to take greater account of medical needs, mostly tariffs D-F and to extend the current primary high needs protection scheme to high schools.

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

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

- Total additional high needs expenditure 2020/21 £2.2m

- Less £0.2m contribution from growth fund - schools block -£0.2m

- Additional high needs block funding for 2020/21 £2.2m

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

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

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

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

27. For example, the threshold cap for school with 150 pupils on roll would be £130 x 150 pupils i.e. £19,500. If the school had 4 FTE high needs pupils then the "insurance" payment would be 4 x £6,000 less the cap of £19,500 i.e. a payment of £4,500. If the school had 3 FTE high needs pupils then no payment would be received because 3 x £6,000 is less than the cap.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

  Herefordshire council has a section 78 agreement with the local CCG that provides for joint funding of pupils with complex needs on in a ratio of 3:3:1 from DSG, Social Care and health. Herefordshire's model is in line with national best practice.

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

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

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

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

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

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

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

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

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

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

Community impact

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. In the last 12 months pupil premium has funded 757 ‘interventions’ (across 238 children) and 47% had the expected impact on progress, 5% had less than expected impact on progress (and payments were stopped), 7% had more than expected impact on progress and 41% of interventions have not yet been measured (i.e. still too early to measure)

Equality duty

33. 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.

34. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying ‘due regard’ in our decision making in the design of policies and in the delivery of services. As this is a decision to implement the government’s national funding formula for schools, we do not believe that it will have an impact on our equality duty

Resource implications

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

Legal implications

36. The Schools Forum Regulations 2012 provides that School Forums generally have a consultative role. However, there are situations in which they have decision-making powers, as detailed in Regulation 10. The Regulations state that the council must consult the Schools Forum annually in connection with amendments to the school funding formula, for which voting is restricted by the exclusion of non- school members except for Private, Voluntary, Independent representatives. Voting on de-delegation and the education functions for maintained schools is restricted to maintained school members only.

37. The decision making powers of Schools Forum are limited, as detailed in the Education and Skills Funding Agency guidance sheet ‘School Forum Powers and Responsibilities’ published in September 2017.

38. The above proposals as recommended to the council by schools forum, the final decision on which will be made by the Cabinet Member, in line with section 3.3.10 of Part 3 of the Council’s constitution, are in accordance with the legal requirements.

Risk management

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

Consultees

40. Schools Forum was consulted on 17th January 2020 and their recommendations are set out in this report for cabinet member approval. All maintained schools and academies in Herefordshire have been consulted on the final budget proposals for 2020/21. 18 responses were received prior to the 2 December 2019 deadline. This is a poor response rate of 21% from the 93 mainstream schools, including academies, and the four special schools. Previously School Forum has taken a low response rate to mean that schools are broadly in favour of the national funding formula and de-delegation proposals given the support of the Budget Working Group.

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

Question number	Question topic	Yes	No
Q1(a)	Implement the national funding formula in 2020/21 and allocate the estimated £0.3m share of the national growth fund jointly to the high needs block for primary and secondary schools and basic need	18	
Q1(b)	Include the new mobility factor for 2020/21	17	1
Q1(ci)	Transfer £0.1m from the schools block to fund primary SEN protection scheme in 2020/21	18	
Q1(cii)	Transfer £0.1m from the schools block to fund secondary SEN protection scheme in 2020/21	15	2
Q1(ciii)	Retain £0.1m in the growth fund to meet basic need expansion	17	1

Q1(d)	Do you accept that without support from the schools block growth fund then the SEN protection scheme for schools with higher than average numbers of high needs pupils must be curtailed	12	6
Q2	Use additional high needs funding of £2m as follows;		
Q2(a)	Cover existing overspends in high needs at £1m	18	0
Q2(b)	Growth in complex needs places of £0.5m	18	0
Q2(c)	Growth in post-16 places of £0.05m	16	1
Q2(d)	Increase in tariffs A-C (+2%) and D-F (+5%)	16	2
Q2(e)	Additional costs from tariff review at £0.2m	15	3 – more info
Q2(f)	Extend the SEN protection scheme to secondary schools at £0.1m	15	2
Q2(g)	Preventative initiatives to reduce future spend at £0.1m	13	3 – more info
Q2(h)	Less a contribution from the growth fund schools block of £0.2m to balance the high needs budget	15	3 – some misunderstanding
Q3(a)	De-delegation – trade union facilities for primary schools at £2.75 per pupil	13	0
Q3(b)	De-delegation – ethnic minority support - primary and secondary schools at £1.12 per pupil, £6.60 per Ever6-FSM and £107 per EAL first year pupil	15	1
Q3(c)	De-delegation – school budgeting software at £400 per school	13	0
Q3(d)	Statutory education services for non-academy schools at £12.50 per pupil	14	0
Q3(e)	De-delegation – trade union facilities agreement for secondary schools – no	9	0

	budgets to be de-delegated in line with previous financial years		
Q4	Do you support an inflation increase for the early years funding formula from April 2020	18	0
Q5	Do you support the criteria set out in the consultation document as the basis for allocating growth funding to qualifying schools	15	2 – fund growth from their own budget

41. All schools will be advised of School Forum's final budget recommendations.

42 The BWG met on 10th January 2020 to review the proosals set out in this report. The BWG did not put forward any alternative or additional options. The Budget Working Group supported the council's proposal to transfer an additional £100k from the schools block to support the development of nurture provision across the county with the aim of reducing future demand for specialist social, emotional and mental health (SEMH) places (recommendation c in main report). . There was clear support for the principle of the project and a range of views on the best model of delivery. Final details of the proposed delivery model or models and allocation of funds will be discussed with the Budget Working Group.

Appendices

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

Background papers

None identified.

Glossary

BWG	Budget Working Group
DfE	Department for Education
DSG	Dedicated Schools Grant
ESFA	Education and Skills Funding Agency
NFF	National Funding Formula
PAN	Published Admission Number
SEN	Special Educational Needs

Further information on the subject of this report is available from
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