

Title of report: Schools Budget 2022/23

Meeting: Schools Forum

Meeting date: 14 January 2022

Report by:

Strategic Finance Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To agree final budget proposals for recommendation to the cabinet member for children and families for school budgets, central school services and early years within the Dedicated Schools Grant (DSG) for 2022/23. The Budget Working Group (BWG) meets on 7 January 2022 and their proposals will be set out in a supplementary report.

Recommendation(s)

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

1. The final school funding values be agreed, subject to a minimum total funding per pupil of £4,265 for primary schools and £5,525 for secondary schools, including the Minimum Funding Guarantee at 2% as follows:
 - (a) Basic entitlement per pupil Primary £3,217, basic entitlement per secondary pupil Key Stage 3 £4,536 and basic entitlement per secondary pupil Key Stage 4 £5,112
 - (b) Deprivation per free school meal Primary £470 Deprivation per free school meal Secondary £470
 - (c) Deprivation per ever-6 free school meal Primary £590, Deprivation per ever-6 free school meal Secondary £865
 - (d) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI)

- (i) Band A Primary £640 Secondary £890
 - (ii) Band B Primary £490 Secondary £700
 - (iii) Band C Primary £460 Secondary £650
 - (iv) Band D Primary £420 Secondary £595
 - (v) Band E Primary £270 Secondary £425
 - (vi) Band F Primary £220 Secondary £320
 - (vii) Band G Primary £0 Secondary £0
- (e) Low prior attainment per pupil Primary £1,130, per pupil Secondary £1,710
- (f) Lump Sum Primary £121,300, Secondary £121,300
- (g) Looked after Children, primary and secondary All £0
- (h) Primary sparsity, on NFF taper basis, over 2 miles and less than an average year group size of 21.4 pupils Primary £55,000
- (i) Secondary sparsity, on NFF taper basis, over 3 miles and less than an average year group size of 120 pupils Secondary £80,000 using the updated DfE actual road distance measure
- (j) English as additional language (EAL3) per primary pupil Primary £565 English as additional language per secondary pupil Secondary £1,530
- (k) Mobility Primary £925 Mobility Secondary £1,330
- (l) PFI contract Secondary £308,138
- (m) Exceptional premises factor – Eastnor rent Primary £9,332
- (n) Business rates: At the indicative cost of £1,286,112 as determined by the Education and Skills Funding Agency
2. Additional growth funding of £179,240 for 2022/23 be approved for recommendation to the Cabinet member for children and families as follows;
- (a) Growth funding for basic need expansion at Kingstone High School, £134,430 (summer term £55,050, autumn & spring £79,380) for the financial year 2022/23 for an additional 30 planned pupils
 - (b) Growth funding be finalised for basic need expansion at Fairfield High School, £44,810 (summer term £18,350, autumn & spring £26,460) for the financial year 2022/23 for an additional 10 planned pupils
3. Transfer to high needs block to support the SEN protection scheme, £507,224 and to set the school funding cap at £160 x Number on Roll for 2022/23 subject to further consideration of the funding cap at the March meeting of Schools Forum.
4. That prior to submission to the DfE, any minor adjustments to the schools budget up to £5k required to comply with the regulations, be made to the funding allocated to the growth fund to provide a contingency.
5. That Schools Forum approve an inflationary increase for the central support services funding for 2022/23, and advise the Cabinet member for children's and families for information, as follows;

- (a) Statutory retained duties £380k
 - (b) Schools Forum administration costs £19k
 - (c) School admission costs £129k
 - (d) National licences for schools £150k
 - (e) Additional funding for statutory duties for SEN casework team £26k
 - (f) transfer SACRE funding to statutory duties £6k
 - (g) Transfer to the high needs block £75k
6. That Schools Forum accept the Budget Working Group's advice regarding approval of the proposal for additional funding from SACRE to increase expenditure on activities for schools and training.
7. That local authority maintained school members, approve the de-delegation of funding in 2022/23, and advise the Cabinet member for children's and families for information, as follows
- (a) trade union facilities for primary schools only be approved at £2.60 per pupil
 - (b) trade union facilities for secondary schools only be provided for through a Service Level Agreement at £2.60 per pupil
 - (c) school budgeting software licence at £415 per school
 - (d) ethnic minority support at £1.15 per pupil plus £6.80 per Ever-6 Free school meals and £36 per English as an Additional Language three years (EAL3)
 - (e) school meals entitlement assessment at £1.29 per primary pupil and £0.97 per secondary pupil (for local authority schools)
 - (f) behaviour support service (option A) at £4 per pupil to provide £37,500 income and a matched contribution from the high needs budget of £37,500
 - (g) the statutory education services for non-academy schools be charged at £12.25 per pupil
8. The early years funding formula for Herefordshire providers from April 2022 be approved for recommendation to the Cabinet member for children and families as follows; as follows;
- (a) Two year olds: £5.57 per hour
 - (b) Three and four year olds: £4.24 per hour + £0.36 per hour for Early Years Pupil Premium eligible children + a rurality supplement per provider of £54 per week (pro-rata for providers that deliver less than 100 hours per week) paid for 38 weeks per year
 - (c) Early years central expenditure be increased by 3.9% inflation £370,598 for NEF contract payments, Early years consultants and MASH support for early years settings.
9. The Schools Budget be approved for recommendation to the Cabinet member for children and families as follows;
- a. A balanced schools budget be approved for 2022/23; and
 - b. the uncommitted DSG reserves of £432,000 be carried forward to financial year 2023/24 adjusted by any under or overspend in DSG at year end.

Alternative options

1. Given School Forum's approval in October 2017, of the strategy to implement the NFF from 2018/19, it is unlikely there will be any substantial alternatives. There is an alternative option as set out in paragraph 27 and which will be considered in detail by the Budget Working Group (BWG) on 7 January 2022, and any alternative proposals will be published in a by the BWG in a supplementary report to Schools Forum.

Key considerations

2. The BWG will advise on any necessary amendments should changes to the proposed school budget, previously set out in the autumn schools budget consultation, be required. The DSG funding assumptions underlying the proposed budget are set out below.
3. The DSG 2022/23 settlement was announced on 16 December 2021. The recommendations in this report are based on the final DSG settlement of 22,240 pupils as follows;

Schools Block

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 £144.68m. 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 July 2021 and the autumn budget consultation with Herefordshire schools proposed implementing the national formula in full with a Minimum Funding Guarantee of 2% 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 22,252 pupils and a 4% increase in primary and 2.86% secondary unit funding in the October 2021 census. Actual funding and pupil numbers are confirmed by the DfE in the December funding settlement and are set out below. Business rates have been frozen at the 2021/22 levels and in line with the DfE's new national payment process an indicative amount for business rates has been deducted from DSG at source. The growth fund is £5,000 less than expected.
7. Final DSG schools funding allocation

- a. Final allocations for the schools block based on an actual 22,240.5 pupils (primary 13,203 and secondary 9,037.50) as follows:

DSG schools funding allocation	£116,007,000
growth funding	£580,965
Total Schools Block funding	£116,505,481
Less indicative amount deducted for business rates to be paid nationally	£1,286,112
Total Schools Block available for allocation	£115,219,369
National Funding Formula 2022/23 (excl rates)	£114,532,905

Secondary growth funding for Golden Valley	£179,240
Transfer to high needs block support SEN protection scheme	£507,224
Total Allocation	£115,219,369

8. Final school budgets will be discussed with the BWG on 7 January 2022 and the BWG will report separately to Schools Forum with their proposals.

De-delegation

9. De-delegation proposals were set out in the schools autumn consultation paper as follows:
10. De-delegation and Education Management proposals for locally maintained schools by inflation as follows;
- The council is due to extend the contract for the computer licences for the school budgeting software for a further two years until March 2024 and the cost will increase to £415 for 2022-23 from the current cost at £405;
 - Free school meals eligibility checking, primary to increase to £1.29 per pupil (from £1.25) and secondary to increase to £0.97 per pupil (from £0.94)
 - 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 £1.15 from £1.12
 - increase per Ever6 FSM pupil to £6.80 from £6.60
 - change to EAL 3 year factor at £36 per pupil from EAL 1 year factor at £107 per pupil
 - A small reduction to Trade union facilities agreement to £2.60 per primary pupil as the current budget underspends marginally.
 - Education Management to increase to £12.25 per pupil from £12 per pupil for local authority maintained schools.
11. A new proposal from April 2022 for the de-delegation of Behaviour support services as follows;
- A growing proportion of the SEN pupil population have behavioural, social and emotional difficulties. It is now identified as the largest single type of need in Herefordshire schools. The services offered enable schools to manage these difficulties with greater understanding and confidence. The service will be part funded by de-delegation to ensure that this essential service remains viable as it is valued by many of our schools.
- option A: £4 per primary pupil to provide income of £37,500 and a matched contribution from the high needs block of £37,500
 - option B: £5.25 per primary pupil to provide some expansion of the service to meet increasing demand growth income of £50,000 and a matched contribution from the high needs block of £50,000. This option would give 25% more working days than option A to maintained schools

Without a contribution from de-delegation the service will have to be curtailed from September 2022 as the current fully traded model is no longer viable.

12. Through de-delegation the service will provide the following range of services free at the point of use for local authority maintained schools:

1. One day Consultation

Observation of child, Discussion with relevant school staff e.g. teacher and SENCo, Discussion with parent (in person or via telephone), 1-1 session with child, Written report, Review meeting 4-6 weeks later– either online using Teams or 1 hour in-person

2. Individual Intervention

Direct individual work with pupils will be offered as an afternoon slot. This will be broadened to include a meeting with relevant staff to share strategies and create action plans for the pupil. Slots will be agreed one at a time, rather than automatically being offered as a 6-week-block/programme.

3. Intervention Workshops

The Intervention Workshops will be delivered to groups of children based on need in a host school that has a suitable room by area (across North, South, East and West Herefordshire). Teaching assistants (TA's) in that area will be invited to join a local workshop for 1 hour a week with the target child from their school for 6 weeks. In larger/ high need schools several places can be taken by the host school. Having the TA's join the intervention alongside the children allows strategies and programmes to be embedded and generalised in schools, whilst also increasing the knowledge and skills of these staff.

The following are a range of interventions that will be offered (this is not an exhaustive list, merely one that would form the basis of intervention work);

- *Walk Tall – Year 5 and 6 and a modified programme for transition at KS1-KS2*
- *Anger Management, KS2 and High School*
- *Kind Hands – Early Years*
- *Cool Connections with CBT building self-esteem, resilience and wellbeing for teens (High School)*

13. Access to consultation and intervention will be based on pupil need. The service will negotiate access with schools, based on a written criteria and the seriousness of presenting issues. However, the service will also try to spread access as evenly as possible across schools. Option B will give additional capacity for the team to deliver.

14. Maintained schools will need to purchase any additional training they require. Academy schools will continue to purchase all services they require.

Growth Fund

15. Herefordshire's growth fund allocation is confirmed as £0.581m from the national growth fund in 2022/23. DfE have proposed that the growth fund will be nationalised probably from 2024/25 when the "hard" national funding formula is adopted. The criteria for allocating growth funding to schools must be approved in advance for basic need growth from September 2022. 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

16. The growth fund will be used to meet £179,240 of revenue costs in 2022/23 for planned pupil growth in the Golden Valley, agreed as Fairfield 10 pupils and Kingstone 30 pupils over PAN, as follows;

- Fairfield High School FY 2022/23 £44,810

Summer term 10 pupils x £4,404 x 5/12 = £18,350

Autumn & Spring terms 10 pupils x £4,536 x 7/12th = £26,460

- Kingstone High school FY 2022/23 £134,430

Summer term 30 pupils x £4,404 x 5/12th = £55,050

Autumn & Spring terms 30 pupils x £4,536 x 7/12th = £79,380

Central School Services Block

17. In addition to the statutory retained duties, formerly funded by Education Services Grant, the central schools block funds Schools Forum administration costs, school admission costs, national licence costs and the balance is used to support high needs. The table below sets out the proposals for 2022/23.

18. The central block has increased slightly from £755k to £785.5k. In the main small inflationary increases are proposed as follows;

- statutory retained duties formerly funded by Education Services Grant £380k (2021/22 £369k)
- funding allocations will be Schools Forum administration costs £19k (£15k)
- school admission costs £129k (£125k)
- national licence costs £150k (£140k)
- SACRE £6k (£5k)
- SEN Casework £26k (£25k)
- transfer to high needs £75k (£75k)

Early Years

19. The government have announced an inflationary increase in early years funding of 3.82% for three and four year old funding (from £4.44 to £4.61) and a 3.9% increase in two year old funding (from £5.36 to £5.57). As with previous inflationary increases allocated by DfE, it is proposed the funding rate for three and four year olds will increase in line with the inflation for 2022/23.

20. Hence, subject to consultation, the Nursery Education Formula (NEF) for 2022-23 will be;

- Rurality supplement of £54 per week (pro-rata for less than 100 hours per week)
- Base hourly rate of £4.24 for 3 and 4 year olds
- Base hour rate of £5.57 for 2 year olds

- Deprivation supplement of 36p per hour for all Early Years Pupil Premium eligible childcare

21. Early Years central costs will be increased by the same 3.9% as follows;

- | | |
|-----------------------------------|----------|
| a. Nursery Education Funding Team | £38,648 |
| b. Early Years advisory team | £321,559 |
| c. Multi Agency Safeguarding Hub | £10,390 |

High Needs Block

22. Final Dedicated Schools Grant (DSG) allocations for 2022/23 have been published by government and indicate an increase in Herefordshire's high needs allocation of £2.063m i.e. a gross allocation of £22.182m compared with a final allocation of £20.119m in 2021/22.

23. Pressure for increased placements in independent schools are expected to continue to increase in 2022/23. An initial increase of up to £0.75m may be necessary depending on placements approved in the autumn and spring terms.

24. Beacon College, when operational will require appropriate funding and further work will be necessary this term to confirm, restructuring support for the PRU (split site allowance £38k and TLR protection £35k) full year costs of the nurture groups (£100k) and inflation on tariffs D-F and some growth in post-16 places, MFG for special schools (provisionally £100k), growth in hospital places £20k and £10k top-ups and growth in special school and unit places 8 at £200k (place and top-ups).

25. Initial growth proposals, subject to confirmed available funding from DfE, for the high needs budget for 2022/23 are:

- | | |
|--|---------|
| • No growth is proposed for complex needs places | £0m |
| • growth in out-county independent school places | £0.75m |
| • Growth in special school and unit places | £0.2m |
| • Increases in tariffs A-C (2%) D-F(5%) | £0.583m |
| • Full year cost of nurture groups | £0.12m |
| • Additional PRU split site working costs and TLR protection | £0.1m |
| • Additional hospital places and top-up funding | £0.05m |
| • Additional post-16 places | £0.1m |
| • Growth in SEN protection scheme | £0.15m |
| • Beacon College – places and top-up funding - tbc | £0.25m |
| • Re-instate DSG reserves | £0.25m |
|
 | |
| • Total additional high needs expenditure 2021/22 | £2.55m |
|
 | |
| • Confirmed increase in high needs block funding | £2.06m |
|
 | |
| • transfer from schools block re SEN Protection cost | £0.5m |

26. The SEN protection scheme was expanded to include secondary schools in 2020/21 and was supported by a transfer of £0.3m from the schools block in 2021/22. The cost of the scheme continues to grow and a budget increase of £50k is proposed for 2022/23. The scheme is hugely

supported by schools and it is anticipated that a funding transfer to the high needs block of approx. £0.435m will be necessary to fund the SEN protection scheme.

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 £0.5m available funding from the schools block as follows:

- (a) transfer £507,224 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 £160 x Number on Roll for 2022/23. The SEN protection scheme expenditure is currently forecast to spend £532k significantly over the budget at £0.440m per year due to a 10% increase in Education, Health and Care Plans in September 2021 and costs are expected to continue to increase in 2022/23.

The cap in the SEN protection scheme will be set at £160 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. This is the Council's preferred option as it continues to maintain the maximum amount of financial support to the most inclusive mainstream schools thereby helping to reduce the demand for special school places and ultimately avoiding significant costs for out-county independent school places.

- (b) An alternative proposal will be discussed with the Budget Working Group whereby an additional £6 per pupil is allocated to schools and a transfer of £449,648 from the schools block to support the SEN protection scheme. This option will require reductions in the SEN protection scheme through an increase in the cap to £165. For example, the secondary school with the highest payment of £68,790 will receive reduced funding of £61,005. The reduction of 11.3% is typical of the reduction in support to those schools that are the most inclusive. This is not the council's preferred option

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 2020 to 2021 and future years) not been adequate to counter the new cost pressures;*

A transfer of £324k (0.3%) was agreed for 2018/19, a transfer of £215k (0.2%) was agreed for 2019/20, a transfer of £300k (0.3%) was agreed for 2020/21 and a transfer of £300k (0.3%) was agreed for 2021/22 mainly to support the SEN protection scheme.

- *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 £105k 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 2022/23, the high needs budget will be £435k overspent. Herefordshire special schools are full. The new Beacon College Special Academy is planned for 50 places, aged from 16 to 19, with severe

and complex learning difficulties and has been commissioned by the DfE and will open as part of the Barrs Court Academy Trust in September 2021 and 41 places will be commissioned for 2022/23.

- *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 2022 to 2023 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 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.

- *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 has spent £100k 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.

- *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.*

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. COVID 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

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 2021/22 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 2022. The final high needs budget plan will be agreed with Schools Forum in March 2022.

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 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:

35. 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.

36. 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

37. The recommendations, if agreed, aim to set the high needs provision within the available funding whilst if necessary to meet need by permitting expenditure in excess of budget to be drawn down from the forecast DSG balances of £0.4m. Additional DSG high needs funding of £2m has been allocated by DfE for 2022/23 in recognition by government of the cost pressures within the high needs block.
38. 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 £0.43m 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

39. 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.
40. 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

Risk management

41. 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.

Consultation

42. All maintained schools and academies in Herefordshire have been consulted on the final budget proposals for 2022/23. 3 responses were received prior to the 12 November 2021 deadline. This is a poor response rate of 3% 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.
43. The Budget Working Group will be consulted at their meeting on 7 January 2022 and will have a opportunity to make any comments and advice to the forum which will be reported in a supplemental document.
44. In view of the poor response from schools, the deadline for the budget consultation was extended to the end of the autumn term. Despite the extension, as at 28th December, four replies had been received from one secondary school and three primary schools. These can be summarised briefly as general support for the national funding formula, the SEN protection scheme was strongly supported by 3 of the 4 schools. Delegation supported but the inflationary increase for free school meals questioned – it represents inflationary pay increases for the staff providing the service. And a mixed response for de-delegation of the behaviour support service with two schools against and two schools in favour of the £4 per pupil option.

Appendices

Appendix 1 - School Budget Consultation paper Autumn 2021

Appendix 2 – School Budget consultation paper Autumn 2021 – response sheet

Background papers

None identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	Sarah Buffrey, Democratic Services Officer	Date 14/12/2021
Finance	Louise Devlin, Finance Manager	Date 13/12/2021
Legal	Angela Ugbesia	Date 07/12/2021
Communications	Luenne Featherstone, Communications Manager	Date 14/12/2021
Equality Duty	Carol Trachonitis	Date 06/12/2021
Risk	Chris Jones, Directorate Support Hub Manager	Date 14/12/2021

Approved by

Click or tap here to enter text.

Date Click or tap to enter a date.

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
EHCP	Education Health Care Plan
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