

Supplement to the agenda

Herefordshire Schools Forum

Friday 19 January 2024, 9.30 am

virtual meeting platform

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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**

I) 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 hour, plus a deprivation supplement of £0.42 per hour for Early Years Pupil Premium eligible children, plus a rurality supplement per provider of £63 per week (pro-rata for providers that deliver less than 100 hours per week) paid for 38 weeks per year.**
- (e) That the 2.7% retention be approved for the two and under two year old grants as follows;**
 - (i) SEN inclusion fund (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**

School Forum
19 January 2024
School Funding 24-25

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Background to School Budget report

- Must comply with DfE funding regulations
- DSG published on 19 December 2023
- Schools Block £129.9m
- Reductions in National Funding Factor values by 0.7% due to £350m DfE budget error
- 56 fewer primary pupils and 89 more secondary
- Effectively two choices for SEN protection scheme – continue with 0.05% block transfer or terminate with Nil transfer
- BIG expansion of early years provision with new NEF for working families 2YO and Under 2YOs

Preferred option supported by HMI/BWG

- A: cap school gains to 2.45% to create £649,692 to transfer to high needs at DfE limit of 0.05%

Supported by BWG and HMI –preferred outcome

- **Alternative B:** fully fund NFF with no transfer but to effectively close the SEN protection scheme

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- Evaluation of the SEN protection scheme by HMI Tonwen Empson confirms that schools rely on the SEN protection scheme
- Reaffirms previous decisions to transfer funding to the high needs block to continue the SEN Protection scheme

Outcome of SEN Protection review

- Headteachers were clear that pupils in their schools directly benefit from having the SEN protection funding
 - this funding is crucial in enabling schools to provide for the increasing needs being presented.
 - School leaders strongly welcome the protection funding and say that without it, they would not be able to provide some of the crucial resources currently in place for pupils with SEND.
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- **Consequently, the case is strong to continue with this arrangement if possible.**

Review of SEN Protection Scheme 2

- Improvements suggested are:
 - Schools are increasingly looking at alternative, creative strategies to ensure that pupils achieve strong outcomes and to promote independence.
 - ⇒ • Need to share this good practice
 - Schools to receive a forecast of SEN protection funding early in the financial year
 - Would welcome faster payment of top-up funding following application

De-delegation Proposals

- **existing services** - approval of 1.9% rise on existing de-delegation items and Education Management costs **BWG supported this**
- **Delegation new services**
 - CLEAPPS 16p
 - Secondary 1 yes and 1 No
 - Primary 3 yes and 4 No
 - Primary Behaviour 4 Yes and 3 No
(plus 1 yes from a secondary school)

No clear mandate so will not proceed – ONLY change to the recommendations in the report

DfE Expansion of EY funding

- From **April 2024**, allowing eligible working parents of two-year-olds will be able to access 15 hours of funded childcare.
- From **September 2024**, allowing eligible working parents of children aged 9 months up to 4 years old to access 15 hours of funded childcare.
- From **September 2025**, allowing eligible working parents of children aged 9 months up to 4 years old to access 30 hours funded childcare per week

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DfE EY funding rates 2023/24 & 2024-25

34YO funding per hour

2023-24	2024/25
£5.20	£5.47

Increase for 2024/25 is 5.19% on 2023-24 rate

2YO funding per hour – new composite rate

2023	2023-2024 Supplementary rate	2024/25
£5.63	£7.19	£7.19

Increase for 2023/4 is 0% on 2023-24 rate

We have applied same 5.19% increase as 34YOs to disadvantaged 2YOs to calculate the disadvantage supplement

National comparison 2024/25

34YO funding per hour

Herefordshire and 45 Local authorities on £5.47 which is the lowest possible

Average rate is £5.98 & highest is £9.04 for Camden

We are -9% below average

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2YO funding per hour

Herefordshire lowest nationally on £7.19

Average rate is £8.48 & highest is £11.88 for Westminster

We are -15.2% below average

Worcestershire get £7.44/hr and Gloucestershire £7.60

Shropshire £7.26/hr

National comparison 2024/25

Under 2YO funding per hour

Herefordshire second lowest nationally on £9.77/hr
only Rutland at £9.45/hr is lower

Average rate is £11.55/hr & highest is £16.21/hr for
Westminster

We are -15.4% below average

Worcestershire get £10.11/hr

Gloucestershire £10.33/hr

Shropshire £9.85/hr

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Herefordshire proposals for 2024/25

2YO funding per hour

Disadvantaged 2YOs	£7.34
Working Families 2YOs	£6.85
Under 2YOs	£9.51

34YO funding per hour

From the summer term 2024 our NEF formula will be

£5.00/hr + 42p/hour deprivation + £63 per week rurality

The DfE £5.47 per hour is made up as follows

NEF hour rate	£5.00
£310k rurality lump sum	£0.18
£82k deprivation	£0.06
<u>£393k central spend</u>	<u>£0.23</u>
<u>Total</u>	<u>£5.47</u>

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NEF Retention for central spend

- **Recommend a 2.7% retention to 2YO & Under 2YOs to fund**
 - **£150,000 SENIF (1.35%)**
 - **£80,000 additional Early Years advisory staff (0.85%)**
 - **£50,000 free in-county training (0.5%)**

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- **Consultation -16 replies and on-line meeting**
- **100% in favour of SENIF retention**
- **80% in favour of free in-county training**
- **Additional staff retention is essential to delivering the NEF expansion**
- **NEF group to review 2YO deprivation supplement and phasing down the 34YO retention over time**