

Notice of Schools Forum



Date: Monday, 25 September 2023 at 10.00 am

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL / Via MS Teams

Membership:

Chairman:

Geoff Cherrill

Vice Chairman:

Patrick Earnshaw

Russell Arnold
Mark Avoth
Kate Carter
Jon Chapple
Lauren Dean
Ben Doyle
Linda Duly

Phillip Gavin
Brigid Hincks
Sue Johnson
Marie Lane
Nadine Lapskas
Dorian Lewis
Jacqueline Page

Jeremy Payne
Sean Preston
Dave Simpson
Sian Thomas
VACANCY

All Members of the Schools Forum are summoned to attend this remote meeting to consider the items of business set out on the agenda below.

The press and public are welcome to attend this remote meeting and should email any request to do so to the meeting contact below, and a meeting invite will be sent.

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5560>

If you would like any further information on the items to be considered at the meeting please contact: Claire Johnston on 01202 096660 or email democratic.services@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpCouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

18 September 2023

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(susan.zeiss@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. **Apologies for Absence**

To receive any apologies for absence.

2. **Declarations of Interest**

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance. Declarations received will be reported at the meeting.

3. **Election of Chair**

To elect a Chair of the Schools Forum until the reconstitution of the Forum is agreed or until the first meeting of the next academic year, whichever is sooner.

4. **Election of Vice-Chair**

To elect a Vice-Chair of the Schools Forum until the reconstitution of the Forum is agreed or until the first meeting of the next academic year, whichever is sooner.

5. **Minutes of the Previous Meeting**

To confirm the minutes of the previous meeting, held on 26 June 2023 as a correct record.

5 - 10

6. **DSG July Settlement 2024-25**

The report contains the DfE July DSG announcements for the schools, high needs, and central school services blocks.

It also contains the latest position for the DSG accumulated deficit and the details of the DfE Safety Valve Intervention programme that the council has been invited to join.

11 - 22

7. **High Needs Update**

In January 2022, Schools Forum agreed that the surplus schools block funding should be transferred to the high needs and early years budgets. The surplus was estimated at £180,000 though the final outturn figure was £360k.

BCP Council plans to set up a Dingley's Promise centre within the nursery space at the Kinson and West Howe Family Hub.

Dingley's Promise is an established, experienced organisation with a strong, positive track record for supporting early years children with SEND with Ofsted registered centres operating in Berkshire, Hampshire, Reading, Woking, and Gloucester.

23 - 26

8. **Transfer from Schools Block**

Each year since 2019, BCP Council spends more on SEND provision than

27 - 32

is available from the high needs block allocation, to deliver the services required by statute. This expenditure is not allowed to be covered by Council Tax under the relevant legislation. BCP Council's cumulative high needs block deficit has grown to £35.8m at the end of March 2023. This pressure has arisen from a number of factors driven by the 2014 SEND reforms. The 2023-24 in-year budgeted high needs funding shortfall due to the growing demand is £27.1m, meaning that by March 2024 the deficit will have grown to £62.9m.

The DSG Management Plan will be used to submit a proposal to the DfE for the Safety Valve Programme. This plan sets out the Council's strategy for reforming its high needs system, enabling it to function sustainably and in the best interests of children and young people in the BCP area.

9. Schedule for Reconstitution of Schools Forum

To Follow

10. Forward Plan

33 - 34

To consider and note the Forward Plan

11. Dates of Future Meetings

The Forum is asked to note the proposed dates for the 2023/24 and 2024/25 academic years:

20 November 2023

15 January 2024

24 June 2024

23 September 2024

18 November 2024

13 January 2025

23 June 2025

12. Any Other Business

To consider any other business, which, in the opinion of the Chairman, is of sufficient urgency to warrant consideration.

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
SCHOOLS FORUM

Minutes of the Meeting held on 26 June 2023 at 10.00 am

Present:-

Geoff Cherrill – Chairman

Present: Mark Avoth, Kate Carter, Ben Doyle, Phillip Gavin, Brigid Hincks,
Sue Johnson, Marie Lane, Nadine Lapskas, Dorian Lewis,
Sian Thomas, Angela Booth and Gordon Staines

Officers present: Cathi Hadley - Director of Children's Services
Nicola Webb - Assistant Chief Finance Officer
Tanya Smith - Head of School Place Planning, Admissions and Capital
Steve Ellis - Management Accountant Children's Services
Helen Becker - SEND Service Manager

1. Apologies for Absence

The Chairman welcomed everyone to the meeting.

Apologies were received from:
Cllr Richard Burton
Jacqueline Page
Linda Duly
Sarah Rempel

2. Declarations of Interest

None

3. Minutes of the Previous Meeting

Minutes of the meeting held on 16 January 2023 were approved as a correct record.

4. Exceptional Funding Proposal

The SEND Service Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these minutes in the minute Book. The report provided information on the review of the methodology for Exceptional Circumstances which had not been updated since LGR and was no longer 'exceptional' with 20% of schools qualifying for support in the financial year 22-23.

There had been a lot of feedback from schools around what a notional £6000 budget looked like, how it should be used. The Forum was asked for

feedback on what would be appropriate. It was proposed that a working group be established to bring a revised methodology to the Forum in September.

The forum discussed the report and proposal, the points raised in discussion included:

- Clarification of the notional budget and that this wasn't based on the number of pupils with SEND from the school census. It was confirmed that identifying children as needing school support did not generate any additional funding for the school.
- Whether the methodology provided an incentive to overidentify SEND. Children did not receive any additional funding but there was a greater amount of responsibility when identified.
- That 20 percent of schools had already reached the threshold but there were probably many more schools who were currently under this threshold but who were waiting for a number of outstanding assessments who would have reached 3 percent if these were completed within a statutory timeframe.
- The Forum needed to liaise better with SEND Improvement Board as there were a number of issues coming through the Board and it was important that a working group liaises effectively.
- That the data was already very old and January Census data would shift some of the data and if the working group was going to be effective it needed to have up to date data.
- It was important that the results from the working party be reported back to members of the forum prior to the final report being produced in order to allow time for it to be considered and allow for an opportunity to liaise with others.
- Anyone participating in the working group also needed to be well informed on the issues and implications.
- The timeframes for the proposed group and the impact this would have on the methodology. It was noted that it was hoped to bring a paper to the forum in September with the new funding methodology to begin from the start of the new academic year.
- The effect on post-16 and if this was taken into account as the percentage of EHCPs going into post 16 was significantly lower.
- Concern that there were difficult conversations going on because there were many schools with extremely tight budgets and that support needed to be in place as soon as possible. It was also noted that the purchasing power of £6000 had been significantly reduced.

RESOLVED that Schools Forum acknowledges that BCP has committed to reviewing the methodology of the funding from September 2023 and proposes to set up a working group to bring a revised methodology to school's forum for consideration in September.

Voting: Nem con

5. DSG Outturn Report 2022-23

The Accountant for Education presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The report considers the end of year position for the DSG budget 2022-23 at a net in-year deficit of £15.5 million. This is against a budgeted deficit of £16.7 million.

The £1.2 million underspend relates to high needs expenditure. Whilst there are some signs that trends in high-cost placements have slowed and mainstream schools taking more EHCPs, the delays in assessments have impacted with the number of plans funded 158 FTE less than budgeted.

The accumulated deficit had grown as a result from £20.3 million to £35.8 million at March 2023, with this required to be carried forward and recovered from future DSG allocations.

RESOLVED that the current DSG financial position be noted.

Voting: Nem Con

6. Dingley's Promise

This item was withdrawn from the agenda after publication.

7. Role of the Schools Forum

The Chairman introduced this item, and the Forum considered a presentation which was shared with all Forum members and a copy of which appears as Appendix C to these minutes in the minute book. The Forum was advised that there was a need to consider the wider role of the Schools Forum and how it functioned. It was noted that the discussions would need to take place outside of the meeting. The format and timing of information provided to the Forum needed to be evaluated to ensure that the information could be digested by Forum members.

It was acknowledged that there was a need to make sure reports were received in plenty of time and that the right officers were present at Forum meetings. The Review of the Forum should address any attendance and membership issues.

The Chair suggested that it would be a good idea for the forum to complete a self-assessment checklist to begin the new year as it was not something the Forum had done before. It was also suggested that the link between the Forum and the SEND Improvement Board should be strengthened, and that the Forum membership should be renewed.

An Early Years Representative commented that the Schools Forum provided a useful conduit for early years to link into the system but that it was important that people be able to attend the Forum meetings and this often meant incurring a cost for early years for supply cover.

It was suggested that it did not feel that the Forum always received the full range of options in terms of budget being proposed.

The Director for Children's Services acknowledged that BCP officers needed to be held accountable and that the overall management of the Forum needed to be looked at along with the governance issues. It was suggested it would be good for officers to set out the work in performance plans behind the scenes.

Comments were also raised regarding the opportunity for a pre-meeting ahead of the Forum meeting and the training needs of members of the Forum.

RESOLVED: That a review of the BCP Schools Forum be undertaken.

It was agreed that the Chair would work with the Head of Service for School Planning and Admissions and would then follow up with members to reach agreement prior to the September meeting of the Forum. Feedback would then be provided at the September meeting.

Voting: Nem Con

8. Forward Work Plan

The Work Plan was noted.

9. Exclusion of the Public and Press

It was confirmed that there were no non-public issues to discuss on this occasion.

10. Dates of Future Meetings

The date for the next meeting was noted.

There was some discussion regarding how meetings were conducted, whether through in person, remotely or hybrid. It was noted that in-person may be difficult for some but options around this could be considered.

11. Any Other Business

There was none raised on this occasion.

The meeting ended at 11.10 am

CHAIRMAN

This page is intentionally left blank

SCHOOLS FORUM



Report subject	DSG July Settlement 2024-25
Meeting date	25 September 2023
Status	Public Report
Executive summary	<p>The report contains the DfE July DSG announcements for the schools, high needs, and central school services blocks.</p> <p>It also contains the latest position for the DSG accumulated deficit and the details of the DfE Safety Valve Intervention programme that the council has been invited to join.</p>
Recommendations	<p>It is RECOMMENDED that Schools Forum:</p> <p>Note the contents of the report</p>
Reason for recommendations	The schools forum is not yet required to make any decisions for the 2024-25 DSG budgets but needs to be made aware of the latest funding announcements and other developments.
Portfolio Holder(s):	<p>Cllr. Mike Cox, Finance</p> <p>Cllr. Richard Burton, Children and Young People</p>
Corporate Director	<p>Ian O'Donnell, Corporate Directors for Resources</p> <p>Cathi Hadley, Director of Children's Services</p>
Report Authors	Nicola Webb, Assistant Chief Finance Officer
Wards	Council-wide
Classification	For Information

Background

1. The DfE announced DSG funding values for 2024-25 in July 2023 for the schools national funding formula (NFF), high needs, and central services blocks. Announcements have not yet been made for the growth fund within the schools block. The early years block has been subject to separate funding announcements to reflect the change to the childcare entitlements from April 2024.

2. DSG funding announced compared with the forecast for 2023-24 is included in Table 1 below:

Table 1: DSG Settlement 2024-25 (based on October 2022 census pupils)

Funding Blocks	2023/24 £	2024/25 £	Change	
			£	%
National Funding Formula (NFF)	256,060,560	262,549,458	6,488,898	2.5%
Premises Funding (includes business rates)	1,705,267	1,833,328	128,061	7.5%
Growth Fund (not yet announced for 24/25)	1,796,155	1,796,155	0	0.0%
Total Schools Block	259,561,982	266,178,941	6,616,959	2.5%
High needs	59,216,498	60,857,640	1,641,142	2.8%
Central school services - historic commitments	291,000	232,800	-58,200	(20.0%)
Central school services - ongoing functions	1,732,695	1,786,892	54,197	3.1%
Total	320,802,174	329,056,273	8,254,098	2.6%

3. The growth funding will be announced and finalised in the December 2023 Settlement. New for 2024-25 is that local authorities must use the NFF requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level.
4. The additional funding for the teachers' pay award was also announced in July. The Teachers Pay Additional Grant (TPAG) is to provide funding outside the DSG for both 2023-24 and 2024-25 for mainstream, special and alternative provision schools.

Schools Block NFF

5. Schools block allocations are calculated based on updated NFF values for 2024-25 applied to data from the October 2022 school census to determine the primary and secondary units of funding. These units of funding are final for 2024-25 and will be applied to the October 2023 census pupil numbers for allocations notified in December.
6. Nationally, funding for mainstream schools through the schools NFF is increasing by 2.7% per pupil compared with 2023-24. The BCP increase is 2.5%.
7. The funding factors used in the 2024-25 schools national formula remain the same as in recent years. The main updates are as follows:
 - a. Introduction of a formulaic approach to supporting schools with split sites (funding is within school block premises allocations). Local authorities must use the new national formulaic approach, replacing the current local methodology and this will impact on a small number of BCP schools.

- b. The core factors in the schools NFF (such as the basic entitlement, and the lump sum that all schools attract) has increased by 2.4%. The free school meals factor has increased by 1.6%.
 - c. Minimum per pupil funding levels (MPPFL) for primary pupils is £4,655 per pupil, and secondary £6,050.
 - d. The funding floor, the NFF equivalent of the minimum funding guarantee (MFG) in the local formula, has ensured that every school attracts at least 0.5% more pupil-led funding per pupil compared with its 2023-24 NFF allocation.
- 8. As indicated last year the separate mainstream school additional grant (MSAG) for 2023-24 has been rolled into the schools NFF ensuring that this additional funding forms an on-going part of schools' core budgets. The MSAG has been rolled into the NFF by:
 - a. adding the amount schools receive through the grant into their baselines.
 - b. adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF.
 - c. uplifting the minimum per pupil values by the supplementary grant's basic per-pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants.
 - d. The rolling in of these grants into the schools' NFF allocations will affect the core budgets that maintained schools will receive from April 2024, and that academies will receive from September 2024. To avoid an unfair gap in the support provided to academies, these schools will continue to receive separate grant payments up until the end of August 2024.
- 9. Updated school data from the October 2023 census will not be reflected in the NFF primary and secondary units of funding until 2025-26 but the school level budget allocations for 2024-25 will use the updated school data supplied by the DfE in December.
- 10. Local authorities are to continue to determine final allocations for all local mainstream schools in 2024-25 but are required to move towards the NFF. As last year, in implementing the tightening criteria to move towards the NFF, local factor values in 2023-24 within 2.5% of the respective NFF values are deemed to be mirroring the NFF. The BCP formula currently uses the NFF values so is deemed to be mirroring for all factors. In 2024-25 factor values can be set anywhere within +/- 2.5% of the 2024-25 NFF values. Each local authority has been given individual data according to this rule for each funding factor based on their current formula. This provides the range of permitted unit values in the formula for each factor so the DfE can ensure movement towards the NFF.
- 11. Local authorities are not permitted to seek to disapply the tightening requirements. Instead, local authorities have other options for managing any affordability constraints. All local authorities can make use of the 2.5% threshold for mirroring the NFF by setting their factor values 2.5% below the NFF. Other options include, applying a cap or scaling back overall gains for individual schools. If affordability constraints remain after these options have been exhausted, local authorities can also submit disapplication requests to the DfE to adjust the MPPFL as set out above and the MFG.
- 12. The regulations require the MFG to be set between 0% and 0.5%.

13. Local authorities continue to be able to transfer up to 0.5% of their schools block allocations to other blocks of the DSG, with schools forum approval. This for BCP is £1.3m.
14. The above requirements can be set aside if a case is made with the express approval of the Secretary State and this is particularly relevant to those authorities taking part in the DfE Safety Valve Intervention programme (see section below).

Central School Services Block (CSSB)

15. The BCP funding rate for the CSSB is according to the national formula with the previously programmed reduction as part of the transition to the national formula ending for BCP last year. Final allocations will be updated in December with pupil numbers from the October 2023 school census.
16. The funding for historic commitments has been reduced by the usual 20% at this stage in the allocations but as in previous years, the DfE will provide an opportunity for the case to be made that funding should be restored to previous levels. This has been successful in previous years as the commitments cannot be reduced for prudential borrowing costs for expanded SEND provision in a Bournemouth school (£175k) and early retirements costs inherited from Dorset on 1 April 2019 (£16k).

High Needs Block

17. High needs funding has increased by only 2.8%. All local authorities will receive at least a 3% increase per head of their 2 to 18 population on their main NFF allocation, compared with 2023-24. Adjustments will be made in December 2023 for other NFF elements to reflect the autumn place return, and again in summer 2024 to reflect the cross border flow of pupils (import/export adjustment) identified from the January 2024 census. In the announced allocations the data for these other elements remains as for 2023-24 with funding values also unchanged.

DSG Deficit Management

18. The 2023-24 budgeted high needs funding shortfall due to the growing demand from pupils with high needs is £27.1m.
19. The accumulated deficit was projected in February 2023 to increase by £27.1m over 2023-24. If this budget is realised, by March 2024 the deficit will have grown to £62.9m as shown in the table below:

Table 2: Summary budgeted DSG Deficit by March 2024

Dedicated Schools Grant	£m
Accumulated deficit 1 April 2023	35.8
Budgeted high needs funding shortfall 2023/24	27.1
Projected accumulated deficit 31 March 2024	62.9

20. It is likely, however, that the 2023-24 funding shortfall will be lower than £27.1m due to the current delay in the assessment of education health and care plans (EHCPs) with the backlog meaning pupils are remaining in mainstream provision longer than budgeted. The delay is due to rising caseload, staff shortages and delays in education psychologist assessments.

21. If the plans in place to clear the backlog of assessments are successful, then without sustained actions to reduce the budget requirement, the trajectory of the deficit will resume as previously forecast.

DfE Delivering Better Value in SEND (DBV) Programme

22. The council has taken part in the DBV programme over the last year. This programme targeted local authorities with less severe but either substantial or growing deficits, helping them to reform their high needs systems, to provide effective and sustainable SEND services that will achieve better outcomes for children and young people.
23. This programme does not include funding to eliminate historic deficits and the consultants working with us have been unable to establish how an in-year balance of the high needs block can be achieved. In reflecting the latest trend for higher EHCP growth than had been assumed in the council's previous forecast, the consultants calculated that the deficit was projected to grow even faster without a significant change in approach. Even with the system improvements recommended by the consultants little impact on the deficit was shown over the medium term as shown in Table 3 below.

Table 3: Accumulating deficit on the Dedicated Schools Grant

	Balance Actual 31/3/22 £m	Balance Estimate 31/3/23 £m	Balance Estimate 31/3/24 £m	Balance Estimate 31/3/25 £m	Balance Estimate 31/3/26 £m	Balance Estimate 31/3/27 £m
Dedicated Schools Grant (1)	(20.3)	(35.8)	(62.9)	(106.6)	(159.8)	(224.0)
Dedicated Schools Grant (2)	(20.3)	(35.8)	(62.9)	(105.9)	(157.8)	(218.7)

Line (1) represents how the DSG deficit would grow based on the current pattern of provision and growth, with no new actions beyond those already planned.

Line (2) assumes savings can be delivered with a high confidence level from the activities identified through the DBV programme. The timescale to deliver most savings is beyond the medium term. By March 2028 (a year beyond the above plan) cumulative savings over the 5 years with the assumptions in the above table are projected at £14.5m. The best-case scenario identified (not assumed for line 2) are cumulative savings over 5 years of £32 million. Savings are from reducing EHCP growth, greater proportion of placements in mainstream schools, new places being created in special schools and with better utilisation to reduce use of higher cost independent schools.

24. The estimate to March 2024 was based on internal work in preparing the budgets as funding was known for that period. The figures beyond March 2024 are based on the work of the DBV consultants.

DfE Safety Valve (SV) Intervention Programme

25. Given the size of the projected growing deficit, on 18 July 2023 the council was invited, following a letter from the Chief Executive to the DfE, to participate in the Safety Valve (SV) intervention programme. This programme will replace and build on the work already completed through the DBV programme.
26. The aim of the new programme is to agree a package of reform to improve the performance of the local high needs system and ensure it delivers in a sustainable way, for the benefit of children and young people, whilst seeking to bring the DSG deficit under control.

27. The DfE already has agreements with 34 local authorities (23%) with the programme expanded currently to a further 5 for 2023-24.
28. The SV programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the Department, to rapidly place them on an effective and sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability, including reaching an in-year balance as quickly as possible, whilst also providing improved support for children and young people, then the department will enter into an agreement with the authority, subject to Ministerial approval.
29. If an agreement is reached, local authorities are held to account for the delivery of their plans via quarterly reporting to the Department. Providing the DfE is confident that adequate progress is being made, authorities will receive incremental funding to support the elimination of their historic deficits, spread out over the lifetime of the agreement, generally five financial years. For those agreements signed nationally to-date, it is not yet known how successful the deficit recovery plans have been in making progress towards achieving a balanced high needs budget in the timescales expected.

Timelines and Process

30. The council will be working towards submitting a proposal to the department setting out:
 - a. How the deficit will be controlled to reach in-year balance (as a minimum) and how quickly using the DfE DSG management plan template. This plan will indicate any planned school block transfer requests. These will be handled through the Safety Valve programme rather than the usual process, with the DfE making the final decision.
 - b. How the council will contribute to the reduction of the historic deficit through use of DSG surpluses, in addition to reaching an in-year balance. As set out above achieving a DSG surplus in the medium term will be extremely challenging without a significant contribution from the schools block.
 - c. How the council will ensure that the plan is deliverable, how it will be managed as it is implemented, and how this plan will improve support for children and young people with SEND. This includes agreeing who will be responsible for the ongoing monitoring of progress towards the agreement.
 - d. A clear explanation of the financial support BCP needs from the DfE to eliminate the historic deficit over the period of the agreement. This could include, if necessary, a request for funding to help implement the proposal, as well as funding to eliminate the deficit directly, although it is not expected this to constitute a significant element of the total financial support requested.
31. The council's initial proposal consisting of a DSG management plan and accompanying narrative is required by 15 December for the DfE to review. This must clearly meet the four criteria listed above. Feedback is to be provided by early January.
32. There will then be the opportunity to make any final amendments before submitting a final proposal by 12 January and if approved by Secretary of State, the DfE we will enter into an agreement.
33. There will be an opportunity to request additional capital funding through the SV programme in cases where investment in local infrastructure will result in the availability of more appropriate provision with significant revenue savings.

- 34. The usual funding consultation with schools will take place over the autumn to consider the amount of any transfer to include in the deficit management plan and how the NFF allocations for schools could be adjusted to realise proposed amounts.
- 35. The High Needs Performance Board will monitor progress in completing the actions required to finalise an agreement with the DfE.
- 36. All need to recognise that on-going trends for an increase in education, health, and care plans (EHCPs) and rising costs of provision is making balancing the in-year position very challenging.

Summary of options and financial implications

- 37. The financial implications of the NFF July and other announcements from the DfE for school funding are included within the body of the report. A consultation process with schools later in the autumn will describe options and their financial implications.

Summary of legal implications

- 38. The schools funding framework is set out in the [The School and Early Years Finance \(England\) Regulations](#). Schools must be consulted on the funding formula to be adopted by the council to fund mainstream schools and expenditure to be charged to the high needs block. Schools Forum has decision-making powers for budgets within the central school services block. There are arrangements within the Regulations that enable the DfE to set aside specific requirements with approval from the Secretary of State.

Summary of human resources implications

- 39. There are no staffing implication arising from this information report.

Summary of sustainability impact

- 40. There are no sustainability issues arising from school funding changes.

Summary of public health implications

- 41. There are no public health issues arising.

Summary of equality implications

- 42. This is an information report with no equality implications. In terms of the NFF, the DfE has undertaken and published a full impact assessment of changes to the NFF, when relevant.

Summary of risk assessment

- 43. The funding shortfall for pupils with high needs within the Dedicated Schools Grant remains a significant risk for the council. It must be addressed as the statutory override preventing the council from including the accumulated deficit in its general fund balances is set to end on 31 March 2026.

Background Papers

The 2024-25 policy document is available at:

<https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs>

The 2024-25 allocations and technical notes are available at:

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2024-to-2025>

The 2024-25 school-level provisional allocations have also been published in an online tool:

<https://skillsfunding.service.gov.uk/national-funding-formula>

Teachers' pay additional grant is available at:

<https://www.gov.uk/government/publications/teachers-pay-additional-grant-2023-to-2024>

Appendix

Safety Valve Letter from the DfE



Department
for Education

Date: 18/07/2023

By email: graham.farrant@bcpcouncil.gov.uk

Cc: cathi.hadley@bcpcouncil.gov.uk adam.richens@bcpcouncil.gov.uk

Dear Graham Farrant,

**‘SAFETY VALVE’ INTERVENTION PROGRAMME 2023-24 FOR LOCAL
AUTHORITIES WITH HIGH DSG DEFICITS**

I am writing to invite your authority to take part in the Safety Valve intervention programme with the DfE this year. The aim of the programme is to agree a package of reform to improve the performance of your high needs system and ensuring it is delivered in a sustainable way, for the benefit of children and young people, whilst bringing your dedicated schools grant (DSG) deficit under control. This will build on the work already completed through the Delivering Better Value in SEND (DBV) programme.

Context

We are aware that, over recent years, pressures on high needs budgets have contributed to many local authorities accruing deficits on their Dedicated Schools Grant (DSG). The right response to tackling this is a multi-faceted approach which looks to the heart of the issues, building on the significant increases in high needs revenue and capital funding that have been provided nationally; targeted intervention for the local authorities who have struggled the most; and future change arising from the special educational needs and disabilities (SEND) and Alternative Provision (AP) Improvement Plan.

We began the Safety Valve intervention programme in 2020-21 and continued with further authorities in 2021-22 and 2022-23, targeting the local authorities with the highest DSG deficits. We have now signed 34 agreements in total, which can be viewed [here](#). We are expanding the programme to 5 further local authorities in 2023-24.

The programme requires local authorities to develop substantial plans for reform to their high needs systems, with support and challenge from the department, to rapidly place them on an effective and sustainable footing. If the authorities can demonstrate sufficiently that their DSG management plans create lasting sustainability, including reaching an in-year balance as quickly as possible, and will provide improved support for children and young people, then the department will enter into an agreement with the authority, subject to Ministerial approval.

If an agreement is reached, local authorities are held to account for the delivery of their plans via quarterly reporting to the Department. So long as we

are confident that adequate progress is being made, authorities will receive incremental funding to eliminate their historic deficits, spread out over the lifetime of the agreement (generally five financial years).

Participation

We are expanding the programme in 2023-24 to work with 5 additional local authorities. BCP has been selected as one of the local authorities to take part in the programme in 2023-24 on account of the size of your 2022-23 DSG deficit, so I am writing to invite your participation and set out the next steps.

We are aware that your authority has taken part in the DBV programme. Your transition into the Safety Valve programme will mean that your engagement with DBV ceases, although your authority will continue to have your check in meeting if scheduled in July. The work your authority has completed through DBV will form the basis of your Safety Valve engagement, and advisers will work with you on further developing a DSG management plan. We strongly encourage you to continue to develop your DSG management plan over the summer, in preparation for your participation in the Safety Valve programme.

Timelines and Process

During this process, your authority should be working towards submitting a proposal to the department setting out:

1. How you will control your deficit and reach an in-year balance (as a minimum) on your DSG, and how quickly. We request that this be set out in the DfE DSG management plan template, which can be viewed [here](#). Your DSG management plan should also indicate any planned block transfer requests, which will be handled through the Safety Valve programme where required.
2. How BCP will contribute to the reduction of the historic deficit through use of DSG surpluses, in addition to reaching an in-year balance.
3. How BCP will ensure that the plan is deliverable, how it will be managed as it is implemented, and how this plan will improve support for children and young people with SEND. This includes agreeing who will be responsible for the ongoing monitoring of progress towards the agreement, which is discussed below.
4. A clear explanation of the financial support BCP needs from the DfE to eliminate the historic deficit over the period of the agreement. This could include, if necessary, a request for some funding to help implement the proposal, as well as funding to eliminate the deficit directly, although we would not expect this to constitute a significant element of the total financial support requested.

The process will run as follows. We will invite you to an initial meeting by early October to discuss your current situation and plans with our Chief adviser

Tony McArdle, SEND adviser, financial advisers and DfE colleagues. We will ask you to give a short presentation on your existing DSG management plan and areas of focus, which we encourage you to develop as far as possible in advance of this meeting. This will enable the advisers to support you most effectively. This meeting should be attended by your Chief Executive, Director of Children's Services and Chief Finance Officer (section 151 officer) as a minimum.

Thereafter, we will ask you to work on your DSG management plan and proposals for reform over a period of 3 months, which we will discuss and challenge in regular meetings. This process will require significant time commitment from your officials.

- You will be required to submit an initial proposal consisting of a DSG management plan and accompanying narrative by **15 December** for review. This must clearly meet the four criteria listed above. The team will review this and provide feedback to you by early January.
- You will have an opportunity to make any final amendments before submitting your final proposal on **12 January**. The team will hold a final meeting with you and confirm whether your final proposal is sufficient for a recommendation to be made to the Secretary of State advising an agreement.
- If the proposal is approved by Secretary of State, we will enter into an agreement.

We will publish all agreements made in 2023-24 in **March 2024**. You will need to factor into the above timetable political clearance of the proposal within your authority, which we will be happy to discuss further with you.

Discussions regarding any potential DSG block transfers also form part of the Safety Valve process, rather than separate submission of a block movement request to the ESFA. The same applies to other disapplication requests that are directly relevant to the agreement. The Safety Valve team will explain this process clearly in the introductory meeting with your authority.

There will be an opportunity to request additional capital funding through the Safety Valve programme, in cases where investment in local infrastructure will result in the availability of more appropriate provision and therefore significant revenue savings. Further information and a detailed commission will be sent to your authority in the autumn.

Next steps

On receipt of this invitation, we are requesting, **no later than 7 August 2023**, that you confirm your authority's intention to participate in the Safety Valve intervention programme to the above timetable. As you do so, please provide times and dates that your leadership team can accommodate a 1.5hr meeting in the last week of September or first two weeks of October. Please prioritise this meeting as far as possible, given the tight timescales.

Subsequently, by 31 August, we request that you:

1. Submit your **latest** DSG management plan.
2. Submit your SEND strategy and any other relevant data. This should include any relevant work generated through the DBV programme.

If you have any queries, please do get in touch with the Safety Valve team at Safetyvalve.programme@education.gov.uk.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'TG' or similar, written in a cursive style.

Tom Goldman - Deputy Director, Funding Policy Unit

SCHOOLS FORUM



Report subject	High Needs Update
Meeting date	25 September 2023
Status	Public Report
Executive summary	<p>In January 2022, Schools Forum agreed that the surplus schools block funding should be transferred to the high needs and early years budgets. The surplus was estimated at £180,000 though the final outturn figure was £360k.</p> <p>BCP Council plans to set up a Dingley's Promise centre within the nursery space at the Kinson and West Howe Family Hub. Dingley's Promise is an established, experienced organisation with a strong, positive track record for supporting early years children with SEND with Ofsted registered centres operating in Berkshire, Hampshire, Reading, Woking, and Gloucester.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Schools Forum note the recent activity undertaken using high needs block funding.</p>
Reason for recommendations	Update to Schools Forum
Portfolio Holder(s):	Cllr Richard Burton, Portfolio Holder for Children and Young People
Corporate Director	Cathi Hadley, Corporate Director of Children's Services
Report Authors	Sarah Rempel, Director of Education & Skills
Wards	Council-wide
Classification	For Update

Early Years

1. There has been a sharp increase in the number of children across the early years age range requiring additional support, including an increase in the number of requests for Education, Health Care Needs Assessments (EHCNA). The Early Years Area SENCO Team currently hold a caseload of around 800 children, of which, 128 are awaiting an EHCNA.
2. There is concern regarding the rising number of children with more complex SEND needs and families are unable to find a place within a mainstream early years setting which impacts significantly on early education and readiness for school.
3. This increase in complex needs has put a strain on existing capacity in the sector and there is limited availability of appropriate early years places for children with SEND. In the last sufficiency survey, 87% of providers advised that they have no spaces available for children with higher levels of SEND due to staffing shortages and inadequate funding.

Proposal for Support

4. A new proactive approach is required with priority given to high quality inclusive practice, early intervention, and prevention. Addressing children's needs at an early stage will help to reduce the need for EHCPs and more specialised educational provision. Following a review of best practice models, a decision has been made to set up a Dingley's Promise Centre in the BCP area with a target opening date of February 2024.
5. Dingley's Promise, operating as a limited company with registered charity status, is an established, experienced organisation with a strong, positive track record for supporting early years children with SEND with Ofsted registered centres operating in Berkshire, Hampshire, Reading, Woking, and Gloucester.
6. BCP Council plans to set up the centre within the nursery space at the Kinson and West Howe Family Hub. This will enable close working arrangements between the centre and multi-agency teams working in the Hub and the local community.
7. The centre will be registered with Ofsted and will accommodate 25-30 children at any one time, depending on their needs. On average, each child will be offered 15 hours provision a week, funded through Early Education Entitlement funding. Some children will require shorter periods of intervention meaning that more children can attend the centre. It is hoped that the centre will offer support for up to 50 children with the greatest need across a year.

Access to the Centre

8. Places will be offered at the unit through a multi-agency referral process linked to specific criteria, created specifically for the BCP area. Criteria will include:

children unable to access a mainstream nursery place; those receiving Portage support; and children with more complex needs open to the Early Years Area SENCO Team. Provision will be shared with mainstream settings wherever possible. The Entry/Exit Pathway (EEP) is key to the model and ensures that children move on to mainstream as soon as it is the right time for them. The Early Years Area SENCO Team will manage the referral process and monitor impact of the centre through agreed KPIs. Staff at the nursery will be employees of Dingley's Promise.

Expected Impact

9. Recent Dingley's Promise outcome reports from other local authorities have demonstrated:
 - an increase in children with SEND transitioning to mainstream provision from 35% to 70%.
 - 92% of parents feeding back that they are more positive about their child's future.
 - 87% of parents feeling less isolated as result of the service.
10. In the BCP area, expected outcomes are hoped to be:
 - a reduced number of requests for ECHNAs in the early years.
 - an increased number of transitions to mainstream nurseries and reception classes.
 - an increased number of children settled and thriving, one term after transition to mainstream settings.
 - an increased number of mainstream providers meeting the needs of children with more complex needs.

Financial Implications

11. The total revenue cost to the council to establish and operate a Dingley's Promise unit is £180,000. This includes costs of a qualified staff team, management cover, equipment, and resources. BCP Council will cover building costs.
12. Schools Forum agreed on 16 January 2023, that the surplus schools block funding should be transferred to the high needs and early years budgets. The surplus was estimated at £180,000 though the final outturn figure was £360k. Half of the surplus remains unallocated and will be used to fund the project for one year.
13. Assuming an annual cost of £180,000 to the high needs block and working on the basis that 8 out of 50 pupils (**see table 1**) using the service go on to avoid a specialist placement, savings would be up to £50,000 per pupil annually, the year after they move on. Payback on the initial investment should occur by year 2 with the potential for £3.9 million savings by year 5. It is hoped, however, that the centre is even more impactful than this. If 15 pupils were successfully retained in a mainstream setting each year, this could deliver up to £8.1 million savings over the 5-year period:

Table 1	Year 1	Year 2	Year 3	Year 4	Year 5
Funding above EY free Entitlement (£000s)	180	180	180	180	180
Pupils avoiding specialist placement*	8	16	24	32	40
(Annual saving) (£000s)		(480)	(960)	(1,440)	(1,920)
Annual net Cost (Saving) (£000s)	180	(300)	(780)	(1,260)	(1,740)
Cumulative net Cost (Saving) (£000s)	180	(120)	(900)	(2,160)	(3,900)

*Cumulative as new cohort impacted each year

14. If year 1 proves to be successful, and data and impact shows a reduction in requests for ECHNAs and demand for specialist places, it is recommended that the centre continues with ongoing costs taken from the high needs block as a spend to save initiative. Further updates will be brought to Schools Forum throughout the academic year.

End

SCHOOLS FORUM



Report subject	Transfer from Schools Block
Meeting date	25 September 2023
Status	Public Report
Executive summary	<p>Each year since 2019, BCP Council spends more on SEND provision than is available from the high needs block allocation, to deliver the services required by statute. This expenditure is not allowed to be covered by Council Tax under the relevant legislation. BCP Council's cumulative high needs block deficit has grown to £35.8m at the end of March 2023. This pressure has arisen from a number of factors driven by the 2014 SEND reforms. The 2023-24 in-year budgeted high needs funding shortfall due to the growing demand is £27.1m, meaning that by March 2024 the deficit will have grown to £62.9m.</p> <p>The DSG Management Plan will be used to submit a proposal to the DfE for the Safety Valve Programme. This plan sets out the Council's strategy for reforming its high needs system, enabling it to function sustainably and in the best interests of children and young people in the BCP area.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Schools Forum consider the options for a transfer from the schools block to fund the in-year deficit.</p>
Reason for recommendations	In order to control the high needs deficit, reach an in-year balance and contribute to the reduction of the historic deficit through use of DSG surpluses, a significant transfer from the schools block, above the maximum permitted by schools forum, would be required.
Portfolio Holder(s):	Cllr Richard Burton, Portfolio Holder for Children and Young People
Corporate Director	Cathi Hadley, Corporate Director of Children's Services
Report Authors	Sarah Rempel, Director of Education & Skills
Wards	Council-wide
Classification	For Recommendation

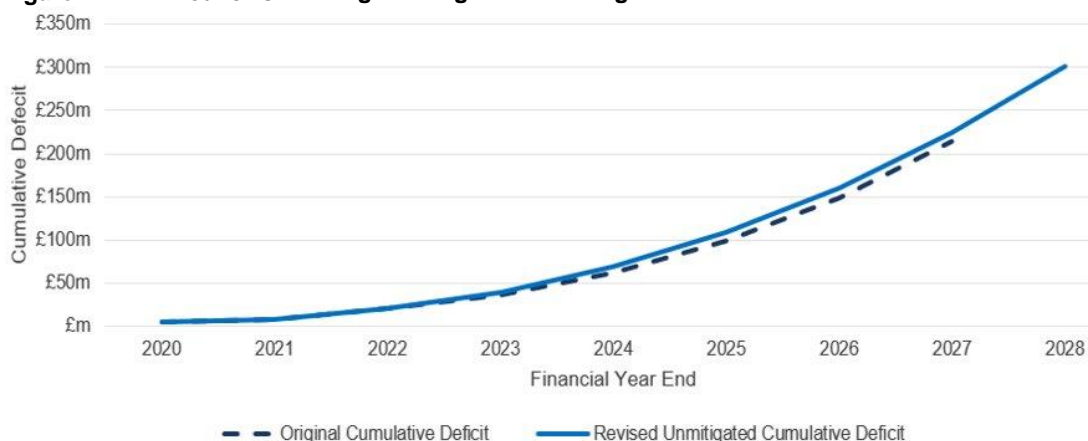
Background

1. Each year since 2019, BCP Council spends more on SEND provision than is available from the High Needs Block allocation, to deliver the services required by statute. This expenditure is not allowed to be covered by Council Tax under the relevant legislation.
2. BCP Council's cumulative high needs block deficit has grown from £3.6m in April 2019 to £35.8m at the end of March 2023. This pressure has arisen from a number of factors driven by the 2014 SEND reforms.
3. The 2023-24 in-year budgeted high needs funding shortfall due to the growing demand from pupils with high needs is £27.1m. If this budget is realised, by March 2024 the deficit will have grown to £62.9m.
4. The service costs are primarily driven by:
 - a) the number of children that are eligible for this budget
 - b) the complexity of a child's needs
 - c) the type of provision identified as suitable for each child
 - d) high exclusion rates
5. BCP Council currently maintains 3615 EHCPs and the number continues to increase. The average costs are:
 - a. Approx. average cost of EHCP top up in local mainstream school = £6,000
 - b. Approx. average cost of local special school = £17,000
 - c. Approx. average cost of independent special school = £50,000

Delivering Better Value

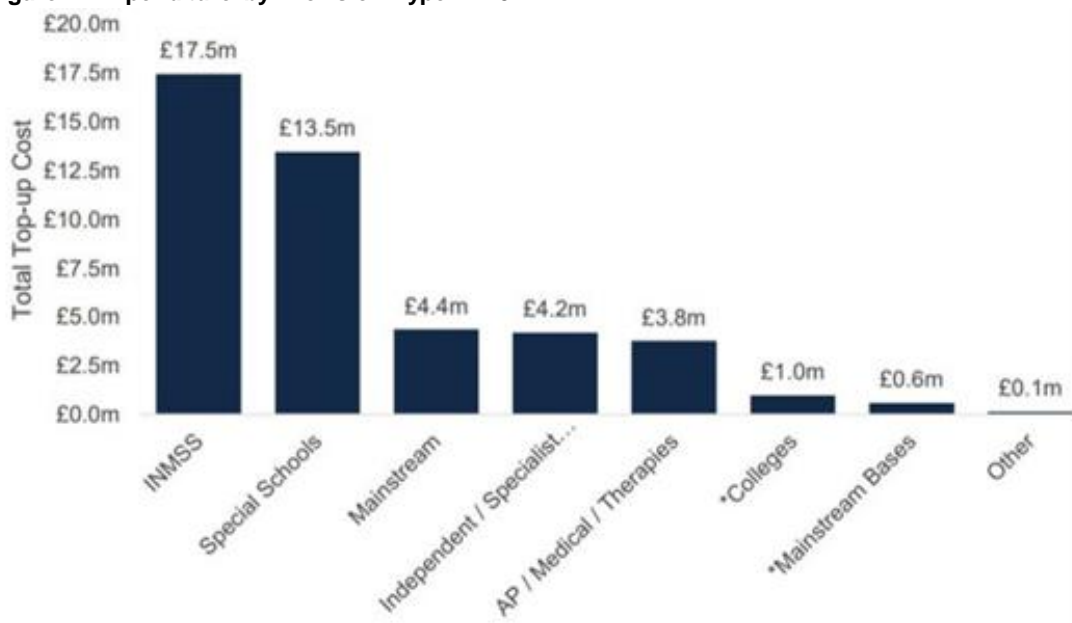
6. BCP Council was invited to join the DfE's Delivering Better Value (DBV) Programme in August 2022. Detailed diagnostics were run by Newton Europe, in collaboration with the Chartered Institute of Public Finance and Accountancy (CIPFA), to project the size of the high needs block deficit over future years, with no mitigations in place. **Figure 1** below shows the unmitigated projections:

Figure 1: BCP Council's Unmitigated High Needs Budget Cumulative Deficit



7. The diagnostics found that the un-mitigated cumulative deficit was affected the most by spend on INMSS placements and the growing demand for EHCPs.
8. **Figure 2** shows that expenditure on INMSS placements represents the largest spend costing £17.5m for 362 EHCPs in 2022, representing 38.7% of total EHCP expenditure and equaling around £47,500 per EHCP:

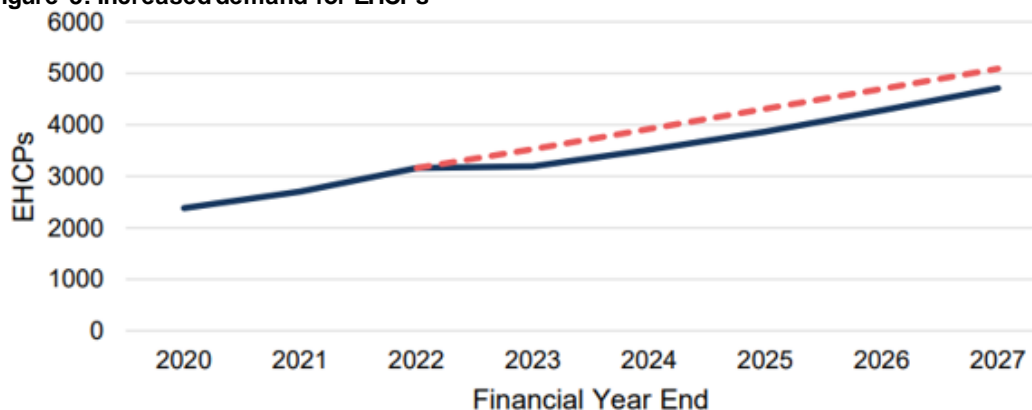
Figure 2: Expenditure by Provision Type in 2022



9. In 2022, the BCP area has a higher rate of children and young people with EHCPs in INMSS settings compared with statistical neighbours and has twice the national average EHCPs in INMSS settings.
10. INMSS settings accounted for 11% of BCP Council's EHCPs but 40% of the costs. Expenditure in special schools represented the second largest spend, costing £13.5m for 867 EHCPs, however, they accommodated 2.4 times as many EHCPs than INMSS settings did.

11. The diagnostics also identified that a key factor for the increase in spend related to growth in numbers of children with an EHCP. The projected number of EHCPs, as assured by the DBV process, is shown in **figure 3**. This indicates potentially just over 5,000 EHCPs by 2027:

Figure 3: Increased demand for EHCPs



12. The DBV process is designed to ensure LAs can identify sustainable changes that will drive high quality outcomes for children and young people, whilst reducing the growth of the high needs block deficit. The bid that was developed, was an evidence-based plan of work focussed on practical solutions which will help secure sustainable change and improvement in SEND across the local area. Activities were designed to reduce spend and/or cost avoidance in INMSS and special schools, and to support more children in mainstream provision including on SEN Support.
13. BCP Council currently shows as having fewer EHCPs than statistical neighbours, however, with a project in place to accelerate the timeliness of issuing EHCPs, the rate in BCP is expected to increase rapidly.

Figure 4: Comparison with other LAs

	% of population (0-25) with an EHCP				Rate per 10,000			
	January 2020	January 2021	January 2022	January 2023	January 2020	January 2021	January 2022	January 2023
BCP	2.1%	2.2%	2.6%	2.8%	212	228	266	283
England	2.2%	2.5%	2.7%	3.0%	227	251	275	301
South West	2.3%	2.6%	2.8%	3.2%	233	261	287	315
Stat. Neighbours	2.6%	2.9%	3.2%	3.5%	267	290	321	347

14. The four DBV workstreams are:
- Reducing growth in Education Health & Care Plans:** More students supported on SEN Support, fewer supported through EHCPs
 - Supporting Mainstream Schools to Support Children and Young People with Higher Needs:** More students supported in mainstream settings, reducing demand on specialist settings
 - Planning Capacity in Special Schools:** More students supported in Special Schools instead of INMSS settings

- d) **Improve Outcomes, Control Costs:** Dynamic ECHP Support, supporting reviews of children in mainstream schools.

15. In March 2023, BCP Council was successful in a bid for £1m funding and have since undertaken a monitoring meeting with the DfE to track progress.

Safety Valve

16. In August 2023, BCP Council were invited to join the DfE's Safety Valve Programme. Safety Valve agreements hold local authorities to account for delivery of reforms to their high needs systems, so that they can function sustainably and therefore in the best interests of the children and young people they serve. These local authorities will be expected to reach an in-year balance on their DSG as quickly as possible, and over time eliminate their deficits.

17. Local authorities with Safety Valve agreements are asked to focus on one mission statement: to develop plans to reform their high needs systems as quickly as possible to provide a good service within their available funding. In addition, there are two principal goals which are critical for a local authority's ability to reach a sustainable position:

- appropriately managing demand EHCPs, including assessment processes that are fit for purpose
- use of appropriate and cost-effective provision - this includes ensuring mainstream schools are equipped and encouraged to meet needs where possible, whilst maintaining high standards for all pupils and reducing exclusions.

18. The DfE believe there is no evidential basis for the indefinite increase in the requirement for EHCPs, and they would broadly expect a stabilisation in numbers in an effective local authority. Local authorities have a responsibility to meet children and young people's needs in a cost-effective way to ensure the longevity of the available support.

DSG Management Plan

19. BCP Council's draft DSG Management Plan narrative is attached in **appendix 1**. The plan sets out the Council's strategy for reforming its high needs system, enabling it to function sustainably and in the best interests of children and young people in the BCP area.

Transfer From Schools Block

20. The DSG Management Plan will be used to submit a proposal to the DfE for the Safety Valve Programme. When the plan is finalised, it will show how the deficit will be controlled to reach an in-year balance and how the Council will contribute to the reduction of the historic deficit through use of DSG surpluses.

21. In order to do both of these things a significant transfer from the schools block, above the maximum permitted by schools forum, would be required. BCP Council will be initially requesting that the DfE approve a 10% contribution from mainstream schools funding for 2024-25, with this reduced by any level of

contribution that the DfE is able to provide. A significant contribution will be required from each source each year until the actions to contain the budget requirement to the level of funding are successful. The 10% is based on a total schools block funding of £266,178,941.

Options Appraisal

22. As an illustration of options, Schools Forum could be asked to consider the options for transfer from schools block as set out in **figure 5** below:

Figure 5: Amounts released at different rates

Rate	Amount released
0.50%	£1,330,895
1.00%	£2,661,789
1.50%	£3,992,684
2.00%	£5,323,579
5.00%	£13,308,947
10.00%	£26,617,894

Total Schools Block	£266,178,941
---------------------	--------------

23. A consultation will take place with schools in October to establish how the NFF could be adjusted to release funding to transfer to high needs.

Recommendation

24. It is recommended that:
- Schools Forum note that the council will be working with the DfE over the remainder of 2023-24 to restore the DSG to a balanced position over the medium term and that this will require a transfer from schools block to high needs to be made each year.

Appendices

Appendix 1 – Draft DSG Management Plan

Bournemouth, Christchurch and Poole Schools Forum

Forward Plan

September 2023

- DSG July Settlement 2024-25
- High Needs Block Update
- Transfer from Schools Block
- Schedule for the Reconstitution of the Schools Forum
- Forward Plan

November 2023

- Reconstitution of the Schools Forum
- Quarter 2 DSG Budget monitoring 2024-25
- Draft High Needs Budget 2024-25
- School Funding Consultation 2024-25
- Early Years Funding 2024-25
- High Needs Block Update
- Forward Plan

January 2024

- DSG Settlement and Budget 2024-25 (including Q3 23-24 monitoring)
- Maintained school services – de-delegation and central retention
- School Funding 2024-25
- Early Years Formula 2024-25
- High Needs Budget
- Looked After Children Pupil Premium Arrangements 2024-25
- Forward Plan Refresh

June 2024

- DSG Outturn 2023-24
- High Needs Block Update
- Forward Plan

This page is intentionally left blank