

LEICESTERSHIRE SCHOOLS' FORUM

The Leicestershire Schools' Forum will be held on **Tuesday, 18 June 2024 at 2pm** via **Microsoft Teams**. The primary contact for forum arrangements is as follows:

Antoine Willie (Clerk)

- **Email.** LeicestershireSchoolsForum@leics.gov.uk
- **Tel.** 0116 305 1158

Please see below for the agenda for the meeting.

Agenda

<u>Item</u>	<u>No. of Papers</u>
1. Apologies for Absence/Substitutions.	
2. Minutes of the Meeting held on 13/02/2024 (previously circulated) and Matters Arising.	1
3. Ways of Working.	
Schools' Forum is the collective voice of all Leicestershire schools and early years providers to provide constructive challenge to the local authority on aspects of funding and is a key stakeholder in this and wider educational matters. Members are elected or nominated to represent specific groups and serve on that basis and not as individuals representing individual school issues. Individual school issues are not discussed in Schools' Forum and concerns and queries should be raised with the appropriate Local Authority Officer.	
4. 2023-24 Schools' Budget Outturn.	1
5. TSIL Performance.	1
6. Resetting the SEN Funding System.	1
7. Any Other Business.	
8. Date of Next Meeting.	

The date for the next Leicestershire Schools' Forum is **Tuesday, 17 September 2024** from **2pm – 4pm**.

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**Minutes of the Leicestershire Schools' Forum
via Teams on Tuesday, 13 February, 2024 at 2pm**

Chair / Vice Chair

Martin Towers	Academy Secondary Governor
Suzanne Uprichard	PRU Representative & Maintained Primary Governor

Present

Jane Moore	Director of Children & Family Services
Alison Bradley	Assistant Director for Education, SEND & Commissioning
Deborah Taylor	Lead Member for Children & Family Services
Jenny Lawrence	Finance Business Partner for Schools & High Needs
Rebecca Wakeley	Education Quality & Inclusion Service
Dan Cleary	Academy Secondary Headteacher
Jude Mellor	Academy Secondary Headteacher
Kath Kelly	Academy Secondary Headteacher
Mark Mitchley	Academy Secondary Headteacher
Peter Leatherland	Academy Secondary Headteacher
Ed Petrie	Academy Primary Headteacher
Rosie Browne	Academy Primary Headteacher
Simon Grindrod	Academy Secondary Governor
Alison Ruff	Maintained Primary Headteacher
Jane Dawda	Maintained Primary Headteacher
Jo Beaumont	Maintained Primary Headteacher
Phil Lewin	Maintained Primary Headteacher
Rebecca Jones	Maintained Primary Governor
Rosalind Hopkins	Maintained Special School
Beverley Coltman	PVI Early Years Provider

Apologies

Beth Clements	Interim Head of Service for Education Quality & Inclusion
Felicity Clark	Academy Primary Headteacher
Kelly Dryden	Academy Special Headteacher
Val Moore	Academy Primary Governor
Lauren Charlton	Academy Primary Trustee
Jason Brooks	Maintained Special Headteacher
Robert Martin	Maintained Nursery Governor
Carolyn Lewis	Diocese of Leicester Director
Lisa Craddock	Post-16 Provider
John Pye	RC Representative

1. **Apologies for Absence/Substitutions.**

Apologies provided for Carolyn Lewis, Felicity Clarke, Jason Brooks, Kelly Dryden, and Val Moore. Beth Clements, Lisa Craddock, John Pye, Robert Martin, and Lauren Charlton did not attend.

2. **Minutes of the Meeting held on 21/11/2023 (previously circulated) and Matters Arising.**

Martin Towers discussed the minutes of the last Leicestershire Schools' Forum with forum members, presenting the opportunity to raise any issues or request amendments to the record. Rebecca Jones has noted that she is incorrectly listed as a Headteacher; she is a Primary Maintained Governor representative.

Martin Towers covered the three action points from the last forum:

1. Martin was to circulate a template to forum members that could be used by schools to address matters of concern with the Department for Education (DfE). **This template was not sent. Martin will send this template to forum members following this meeting.**
2. Martin has issued a letter to the DfE addressing the impact that changes to disapplication may have on smaller schools. The letter to the DfE has been included with the agenda, as well as the DfE's response.

Jenny Lawrence has amended the Growth Policy to reflect timescales in which the LA must provide funding to schools, as agreed in the last forum. This has been circulated to forum members.

3. **De-Delegation for School Improvement.**

The report was presented to the forum by Rebecca Wakeley, Senior Education Effectiveness Officer. The report presented the consultation response on the proposal for de-delegation of funding for school improvement functions for Local Authority (LA) maintained schools.

LA maintained headteachers have been consulted on de-delegation through a 4-week consultation period and a survey (see **Appendix A**). (Special schools are not included in de-delegation and so were not included in the survey.) Throughout this period, LCC Education Quality met with school collaborative committees, individual headteachers, and governors to ensure that all parties were well informed.

The survey had positive results. Of the 73 schools impacted by de-delegation, 61 schools engaged with the survey and offered responses. 37 schools (61%) agreed that the core offer from the LA offered good value for money. Of the proposal to offer £18 per pupil, 50 schools (82%) agreed with the proposal; 3 schools (5%) responded that they did not know if the proposal was good; 7 schools (12%) disagreed with the proposal; 1 school (2%) omitted a response. The responses from this survey have indicated support from headteachers for forum to approve the proposed de-delegation.

The comments provided by the headteachers shared a common theme highlighting the financial challenges faced by schools, although this did not change the positive reception to the proposals.

Recommendation: Schools Forum representatives for maintained schools are recommended to approve continued de-delegation for LA school improvement functions for maintained schools in 2024-25 at a rate of £18 per pupil.

Approved: 6 Rejected: 1 Abstained: 0

4. **2024-25 Schools' Budget.**

The report presented the 2024-25 Dedicated Schools' Grant (DSG) settlement for Leicestershire and the 2024-25 School Budget. The report highlighted that 2024-25 will be the second year in a row in which the DfE has not funded Leicestershire sufficiently to allow the National Funding Formula to be fully delivered. The County Council's Cabinet agreed on 9 February 2024 that capping gains on schools is the only viable option to close the affordability gap.

Simon Grindrod has asked if Leicestershire is unique in being underfunded or whether other LAs experience similar funding issues. Simon has also questioned whether there is anything the forum can do to push back against insufficient funding. Jenny Lawrence has reported that other LAs are facing similar affordability gaps and have needed to cap funding. Schools and LAs are not funded on the same census data, which means that funding gaps grow as the levels of additionalities increase.

2023-24 is the first year in which schools have accessed more growth funding than what was budgeted, and funding has been drawn down from the DSG reserve.

Recommendation: Schools Forum approves the retention of the budget to fund future school growth.

Approved: 16 Rejected: 0 Abstained: 0

The LA is funded from the schools' block to perform its statutory duties for all schools, as presented in the report. The DfE has guaranteed that funding will be sufficient to meet historic premature retirement costs.

Recommendation: Schools Forum approve the retention of budgets to meet the prescribed statutory duties of the LA and to meet historic costs.

Approved: 15 Rejected: 0 Abstained: 1

The LA receives funding for central early years expenditure. Centrally retained funding must not exceed 5% of the Early Years DSG, meaning a 95% pass rate to providers which is met for 2024-25.

Jane Dawda has inquired whether the LA gains the difference in any funding lag as the Early Years DSG remains subject to change as indicated on Pg. 27 of the agenda. Jenny Lawrence has noted that the LA will not know the funding for 2025-

26 until July 2025. There isn't a direct match between the Early Years requirements and the funding. However, the LA is statutorily required to fund places for eligible children where parents require that provision. This may result in a surplus or a deficit which is carried by the LA until there is an opportunity to address it.

Recommendation: Schools Forum approve the centrally retained early years funding.

Approved: 16 Rejected: 0 Abstained: 0

The DfE will allow funding to be allocated within the funding formula for 2024-25 but requires all lease agreements by the end of April 2024 to continue that approval for 2025-26. Whilst the LA has been doing this for a long time, the DfE wants greater visibility and decision making from the Schools' Forum.

Recommendation: Schools Forum note the DfE approval for use of the exceptional premises factor in respect of schools that incur rental costs for premises and / or sports facilities and the adjustments made in respect of age range changes.

Approved: 15 Rejected: 0 Abstained: 1

To reduce the affordability gap, Paragraph 31 to 38 of the report has set out viable options. All schools receive a minimum funding guarantee from the National Funding Formula (NFF), regardless of caps and scaling restrictions. Whilst capping and scaling have been required all funding allocated to Leicestershire for the NFF has been provide to schools in the 2024-25 funding formula.

Additional funding cannot be utilised to close the affordability gap due to Leicestershire LA's financial position. In addition, providing more funding to the NFF requires approval from Secretary of Education. The LA can reduce the values of the NFF in conjunction with capping and scaling, amending the Leicestershire Funding Formula to match the NFF, which requires consultation and approval by the County Council's Cabinet. This is not possible given the timeline between the receipt funding allocations and the DfE dataset in which school budgets are constructed. These datasets are constructed in late December and the required submission of schools' budgets in mid-January.

Recommendation: Schools Forum note the actions taken by the local authority in applying Capping and Scaling to the National Funding Formula for the purposes of affordability.

Approved: 13 Rejected: 2 Abstained: 1

The LA has informed the DfE of the number of commissioned places for state funded specialist institutions for 2024-25 academic year. Jenny Lawrence has noted that this prediction is difficult as actual numbers are not known until September of the relevant year. The return represents the minimum number of places to be commissioned. The LA can fund for additional places, if necessary, but the LA must fund for the estimated places at a minimum even if those places are not required. LA negotiates with institutions and in conjunction with SENA and providers to agree places to be commissioned (see **Appendix E**). Historically, the LA has always

funded additional places over and above those on the commissioning return. LA is responsible for funding all institutions in Leicestershire, even if those places are being filled by children from other authorities. The numbers provided to the forum in the report are the LA's minimum financial obligation.

Recommendation: Schools Forum notes the number and average cost of commissioned places for children and young people with High Needs.

The Early Year provider rates for 2024-25 have increased by £0.58 per hour for 3- and 4-year-olds and by £1.68 per hour for 2-year-olds. The rates, as delegated through cabinet and the lead member, will meet provider cost but 5% is retained by the Early Years' service, meaning the rate given to the providers will always be less than calculated.

Recommendation: Schools Forum notes the Early Years Provider payment rates for 2024-25.

The Notional SEN budget is a sub-calculation of the NFF; as a result, it has increased in line with the NFF. The LA's actions to meet Special Educational Needs (SEN) where the notional budget remains insufficient remains the same (as outlined in Paragraphs 72 to 74).

Recommendation: Schools Forum approve the action to be taken in respect of schools where the Special Educational Needs (SEN) notional budget is insufficient to meet the aggregated value of High Needs Funding Element 2.

Approved: 16 Rejected: 0 Abstained: 0

The LA has a mandatory requirement to remove funding from schools following the permanent exclusion of a student. The average per pupil funding is calculated with reference to the 2024-25 funding formula and is taken from the excluding school and given to the admitting school.

Recommendation: Schools Forum note the average per pupil funding to be taken into account for recoupment for excluded pupils and other purposes

5. **Any Other Business.**

Jane Moore presented a report that provides an update on the Transforming SEND and Inclusion in Leicestershire (TSIL) programme. The report details the work taking place so far within programme and references other work being undertaken within the service. There is a disproportionate number of pupils with EHCPs in Leicestershire compared to similar authorities. Spend on placements alone exceed the total funding received through the High Needs Block of the Dedicated Schools Grant.

Through 2023, TSIL moved into the implementation phase of implementing identified changes. The level of service within SENA was not able to meet the levels of demand. The service has undertaken a reset, including restructuring, and has projected the level of provisional growth needed to deal with the level of demand. This has resulted in SENA receiving additional funding, as well as dedicated teams

for assessments, placements, and reviews. The intention is to improve productivity and timelines and the LA is optimistic of the amended model.

Simon Grindrod has asked what measures are being used to monitor improvements through TSIL and what the timescales are for impending changes. Jane Moore noted that team managers are better equipped to use data to manage their teams; as per Paragraph 30, managers can review weekly Key Performance Indicators (KPIs) to ensure strong oversight of performance. Paragraph 26 of the report has detailed additional resources to allow SENA to have more meaningful conversations with parents. **Jane will provide a suite of performance indicators of SEN performance to future forums.**

Rosalind Hopkins has questioned whether there is any early evidence to suggest that the TSIL programme's impact is offering value for money. KPIs mentioned in Paragraph 30 does not offer quantifiable results. Rosalind expressed concern that TSIL is not having the required impact and value for money. Jane Moore noted that that investment is mapped across the totality of the programme and that the LA predicted that the investment would not be recouped in savings during the programme's first year. The LA is still confident that it will achieve outcomes as the paper taken to Cabinet sets out reductions in cost. KPIs may not clearly evidence outcomes and experience within the first year of TSIL but the LA expects these impacts to be forthcoming throughout the programme.

The metrics used will be brought to future forum meetings by Jane Moore as the measures for inclusion and publication to schools would be useful to schools' information.

The Inclusion Practice Toolkit should rely less on anecdotal evidence to determine how it has been received by schools. The forum has recommended that a survey be completed for schools. Jane Moore agreed that more work is needed to gain a more in-depth view of what is working.

Simon Grindrod has questioned what the improvements to service will be to overcome regular problems. Simon has raised concerns regarding continued issues and delays in EHCP funding. EHCP funding is for fixed hourly rates despite the rising cost of provision due to inflation. Simon has also raised concerns regarding the delays in funding for EHCPs caused by the LA rejecting an EHCP application, only to accept the application before it is heard at appeal; the cost of this delay is subsidised by the school.

Jane Moore provided assurances that TSIL is looking at how the LA funds EHCPs to allow schools to fund on needs rather than funding on hours. Whilst in a position where LA is funding on hours, this will remain an issue as the LA has no powers to rectify. This is something the LA is working on with schools to resolve and to relieve pressure.

Jane Moore also provided assurances regarding EHCPs that decisions are made on the information provided and what is believed to be right for the child. When rejections are turned to approvals, this is for the better interest of the child and school to not go through the lengthy process of the tribunal. Whilst the tribunal overrules many EHCP decisions made by the LA, it doesn't change the LA

perspective that an EHCP was not required. However, Simon Grindrod suggested that the change in the LA's decision comes too late, resulting in the school subsidising costs throughout the process.

Regarding the 2024-25 Schools' Budget, Beverley Coltman queried the report which stated that funding rates for 2-year-olds increased by £1.68 but the actual figure shows a £0.60 decrease against 2023-24 rates. This was clarified after the meeting by the following:

The DfE introduced a new funding formula to pay Local Authorities for 2-year-olds in 2024-25, as the funded hours would no longer just be covering disadvantaged children. The new hourly rate for Leicestershire providers is lower than the hourly rate received in 2023-24, which included the one-off Supplementary Grant. For 2024-25, providers will also be able to access Disability Access funding and Early Years Pupil Premium for two years olds which they were unable to before.

6. **Actions.**

1. Martin Towers will circulate a template to forum members that schools can use to address matters of concern with the DfE.
2. Jane Moore will present performance indicators to a future Schools Forum.
3. Jenny Lawrence will check the figures in the 2024-25 Schools' Budget relating to 2-year-olds with the Early Years team and provide clarification to Schools' Forum. This clarification has been appended to these minutes.

7. **Date of Next Meeting.**

The date for the next Leicestershire Schools' Forum is **Tuesday, 18 June 2024** from **2pm – 4pm.**

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SCHOOLS FORUM
2023-24 SCHOOLS BUDGET OUTTURN
18 JUNE 2023

Content Applicable To:		School Phase:	
Maintained Primary and Secondary Schools	X	Pre School	X
Academies	X	Foundation Stage	X
PVI Settings	X	Primary	X
Special Schools / Academies	X	Secondary	X
Local Authority	X	Post sixteen	

Purpose of Report

Content Requires:		By:	
Noting	X	Maintained Primary School Members	
Decision		Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. This report presents the 2023-24 Schools Budget outturn position and confirms the Dedicated Schools Grant (DSG) Reserve.

Recommendations

2. The Schools Forum note the content of this report.

2023-24 Schools' Budget Outturn

3. The 2023-24 Outturn position for the Children and Young People's Department is summarised in the following table. This table presents both the Local Authority and Schools Budget for completeness, but the report presents detail only for the Schools Budget funding blocks.
4. Overall, DSG was overspent by £1.9m (Schools Block underspend £1.6m, Early Years Block underspend £2.1m and High Needs overspend £5.6m). The following table provides an analysis of the overspend.

	Budget £,000	(Under) / Over Spend		Schools Block	Early Years Block	High Needs Block	LA Block
		£,000	%	£,000	£,000	£,000	£,000
C&FS Directorate	1,516	(11)	-1%	(0)	(0)	(1)	(9)
Safeguarding, Improvement & QA	2,762	(81)	-3%				(81)
Children in Care	56,792	9,740	17%				9,740
Field Social Work	16,665	(659)	-4%				(659)
Practice Excellence	574	5	1%				5
C&FS Children & Families Welbeing	10,998	(46)	0%				(46)
Education Sufficiency	1,181	(118)	-10%	(61)			(57)
Education Quality & Inclusion	47,097	(60)	0%		(462)	746	(343)
SEND & Children with Disabilities	103,666	6,886	7%			4,824	2,062
Business Support & Commissioning	11,699	1,273	11%		19	(6)	1,260
CFS Other	(146,297)	(3,214)	2%	(1,554)	(1,735)	91	(17)
Total	106,652	13,717	13%	(1,615)	(2,178)	5,654	11,855

5. The issues behind the performance of each of the DSG Blocks can be summarised as:

Schools Block underspend £1.6m. The School Block includes funding for individual schools which is delegated in full to maintained schools and academies and for the revenue costs associated with opening new, and expanding, mainstream schools. The underspend relates to the latter and the funding will be required to meet the cost of new schools anticipated to open in the future. New schools are now being commissioned on an annual basis and it is expected that expenditure will exceed annual DSG in the medium term. The revenue costs of opening a 210-place new primary school are currently estimated to be £0.57m and £2.5m for a 750-place secondary school. One element of the cost is the replication of the National Funding Formula (NFF) for the period between September and March and until pupil characteristics generate the school budget, costs increase with the additional funding placed nationally in the NFF.

For 2024-25, the Department for Education (DfE) has changed the methodology for allocating growth funding to local authorities and introduced minimum funding allocations for growing schools. This change is not expected to have any significant impact on the cost of commissioning new schools but will increase costs where schools are being expanded to meet the basic need for school places. The future commitments against school growth will be recalculated once additional school places for the 2024-25 academic year are confirmed and will also include any revised expectations on the future opening dates of new schools.

Early Years underspend £2.1m. The budget is based on the number of hours used to calculate the original 2023-24 Early Years DSG income in December 2022. The 2023-24 Early Years DSG income was increased in July 2023 by £1.8m to allow for the Spring Term 2023 census. This includes a prior year adjustment of £0.6m relating to 2022-23. The forecast hours paid to Providers for 2023-24 are £0.9m more than the budget, which

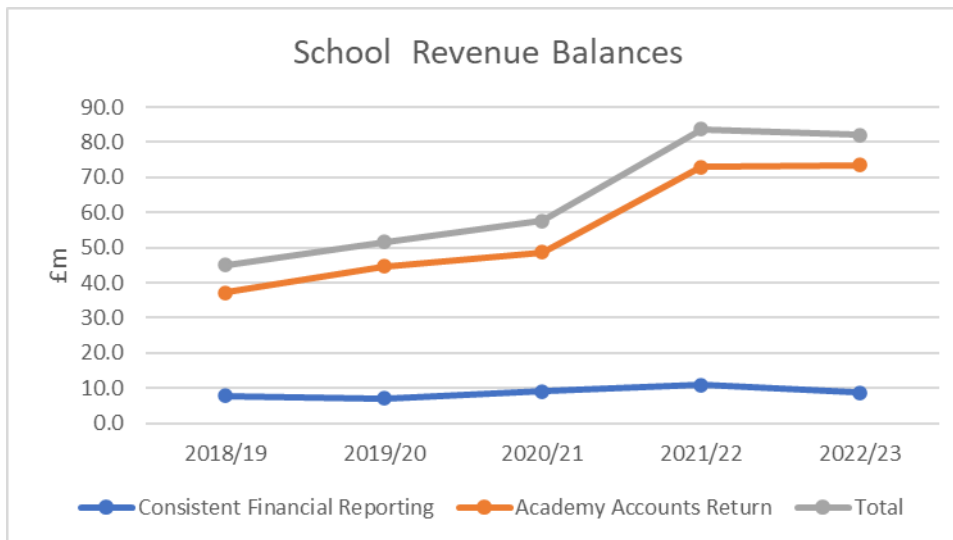
reflects the estimated Spring 2024 payments to providers. There is also a planned underspend of £0.9m as part of the recovery of the 2022-23 Early Years deficit, and centrally managed budgets are forecast to underspend by £0.4m. The deficit as of 31 March 2023 was £5.3m, so this projected £2.1m underspend will reduce this. The plan is to fully recover this deficit over 4 years. The DfE will recalculate the 2023-24 Early Years DSG income in 2024-25, based on the Spring 2024 census data. This is estimated to be an increase in grant of £0.3m.

High Needs overspend £5.6m. A significant number of places in the Communication & Interaction (C&I) units and Social, Emotional and Mental Health needs (SEMH) units created over the last few years remain empty – this particular area reports a £0.6m underspend against budget. Whilst growth in Independent Specialist Provider (ISP) places continues, the rate of this is less than reflected in the original MTFs, so also contributes to the reduced overspend. The reduced overspend relates to a lower than anticipated need for higher cost Independent Special Schools Places and reduced occupancy of SEN Units than budgeted partially offset by an increased use of special school places.

This represents a significantly overall reduced overspend position on the High Needs Block in comparison to previous in-year projections, and this is linked to the TSIL programme focusing significantly on ensuring that all data within the Special Educational Needs and Disabilities (SEND) system is robust to enable effective management of the SEN system. This has focused upon both data on individual pupils and how that data translates into robust financial data through the introduction of effective financial processes. Resolving data quality and establishing more robust data transfer of pupil data from SENA to finance systems has identified a over provision of financial commitments, and an action plan is under development to address the identified issues.

Maintained School Balances

6. It is not possible to formally analyse balances for maintained schools until the return of the Consistent Financial Reporting (CFR) returns submitted to the local authority in mid-June and the subsequent isolation of balances that may be held on behalf of academies where the financial closedown of the former maintained school accounts has yet to be completed. However, the indications are that maintained school balances have decreased by an overall £4m. Balances for academies are published by the DfE from the Academy Accounts Return (AAR).
7. Whilst school balances may be seen as an indicator of financial health, they are a snapshot of a particular point in time and that schools may have plans to utilise them for several things, including dealing with future budget issues, appointment of additional staff where pupil number may be growing, building improvements etc. To get an overall view of the trend in Leicestershire maintained schools and academies balances the published CFR and AAR data has been brought together in the following chart to present a holistic view of the financial position of all Leicestershire schools. Whilst reporting years are different for maintained schools and academies, the data is for a full financial year.



Data for individual schools and MATs by financial year can be accessed through the DfE website: [Gov.uk | Data Sources & Interpretation](https://www.gov.uk/government/data-and-data-sources).

Dedicated Schools Grant Reserve

8. The DSG reserve continues to record a deficit which remains forecast to grow significantly to the end of the four years of the 2024-25 MTFS despite the successful expansion of specialist provision within Leicestershire.
9. The following table sets out the component parts of the DSG reserve, a positive figure denotes a deficit:

	Schools £,000	High Needs £,000	Early Years £,000	CSSB £,000	Total £,000
2022/23 Reserves Brought Forward	-10,505	35,533	5,286	-154	30,160
2023/24 Outturn	-1,615	5,654	-2,178	0	1,861
Balance Carried Forward	-12,120	41,187	3,108	-154	32,021

10. Whilst the reserve is set out showing the balances on each DSG block, the deficit is managed at a local authority level and the DfE monitors financial performance on the total reserve; there is no formal requirement to sub divide into funding blocks. As such, for the DfE's three tier intervention programme the financial position of authorities is assessed on the value of the full reserve i.e., deficit of £32m rather than the higher figure of the High Needs Deficit of £41.2m. Whilst data on the values of the DSG reserve and its components is not readily and easily available for all local authorities, soft information suggests that most local authorities are offsetting high needs deficits with a schools block surplus.

High Needs Issues

11. Nationally, concern over the impact of SEND reform on High Needs expenditure, and the financial difficulties this exposes local authorities to, is growing. Whilst the Government's Green Paper is set to result in systemic changes to the national SEND system, such changes may take several years to deliver, and none appear to address the funding issues.
12. Leicestershire is actively engaged within the DfE's Delivering Better Value (DBV) in SEND programme because of the DSG deficit and has received £1m in grant funding from the DfE to support the transformation of the SEND system. The Transforming SEND in Leicestershire (TSIL) has moved to an implementation and sustainability phase and improvements created during the design stage are being rolled out; this programme and the DBV programme are closely aligned. Discussions have taken place with the DfE regarding the strategic partner and funding. Whilst the cost of the strategic partner cannot be charged to DSG, the investment in TSIL is recognised as a key step in reducing the DSG deficit and as such would be taken into consideration if there was a call on the County Council to contribute to the deficit reduction, as has been the case for authorities with even more serious deficits.
13. Without new interventions the High Needs block deficit is forecast to continue to increase over the MTFS period and is not financially sustainable, the deficit of £111.7m in 2028-29 equates to 20% of the total 2024-25 County Council budget. This creates a significant and unresolved financial risk to the Council. Work is underway to reassess the financial impact on the budget over the coming months and target cost reductions from the service transformation within the TSIL programme are £36.5m by 2028-29.

Resource Implications

14. All resource implications are contained within the body of the report. However, authorities are required to carry forward DSG as an unusable reserve and may only now contribute to DSG with the approval of the Secretary of State. Whilst this is the approach the DfE have encapsulated in legislation up until March 2026 it is not confirmed past this point. The DfE intervention programmes i.e., Safety Valve Agreement for local authorities with the highest deficits and the DBV programme for others have focused on returning local authorities to a balanced budget position by March 2026. The programmes have been in place for some time, and they have a mixed impact, in 2024 some Safety Valve Agreements have been suspended because of failure to deliver the agreed cost reductions and authorities have moved from DBV to Safety Valve. However, the DfE have said that some local authorities have fully delivered against their agreements and exited the programmes.
15. Without the DfE addressing this through additional funding and/or significant system change, local authorities will be required to set aside resources to offset the deficit. At the levels of expected growth, the position is completely unsustainable and puts the Council's finances in a difficult position. As such it is essential that the planned measures to contain ongoing growth are successful and both demand and costs are reduced.

Equal Opportunity Issues

16. There are no equality issues arising directly from this report.

Officer to Contact

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Transforming SEND and Inclusion in Leicestershire













Leicestershire
County Council

TSIL PERFORMANCE

June 2024



Journey of Impact: Key Programme Statistics

 <p>4.5K</p> <p>Inclusive Practice Toolkit views since its launch in August 2023</p>	 <p>17</p> <p>Schools or Trusts have gone through or are currently in the Setting Specific Planning process</p>	 <p>200</p> <p>People from across the local SEND system attended the December all-system events where programme insights were shared</p>	 <p>2x</p> <p>Educational Psychology Advices produced per month compared to February 2023</p>	 <p>1/3</p> <p>Pupils that are referred to specialist decisions are now being supported in mainstream schools instead</p>
 <p>£62m</p> <p>Forecast cumulative deficit until FY27/28 is being brought down accounting for profiled programme benefits</p>	 <p>£21m</p> <p>Is expected to be delivered across the opportunity duration, in the next few FYs, based on operational impacts in FY 23/24</p>	 <p>17</p> <p>Tableau dashboards are being developed, with all interim versions live, offering visibility to support strategic decision-making</p>	 <p>44</p> <p>EY children are now better supported in mainstream settings instead of specialist, in 23/24 compared to baseline projections</p>	 <p>94%</p> <p>Of the surveyed SENA staff agreed that changes in their ways of working will lead to long-term benefits</p>

* Data as of 08/02/2024

We have received positive feedback across the SEND system



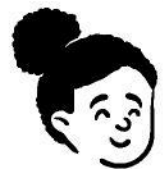
Case Manager

I feel capable and confident in my role for the first time ever.



Child with SEND

I found happiness. I am not afraid anymore.



Hearing Support, STS

I was able to point a parent towards information that wasn't available before through the (Inclusive Practice) toolkit.



Primary SENCo

It's been really empowering being part of the design groups and having a voice in how the system changes.



Primary SENCo

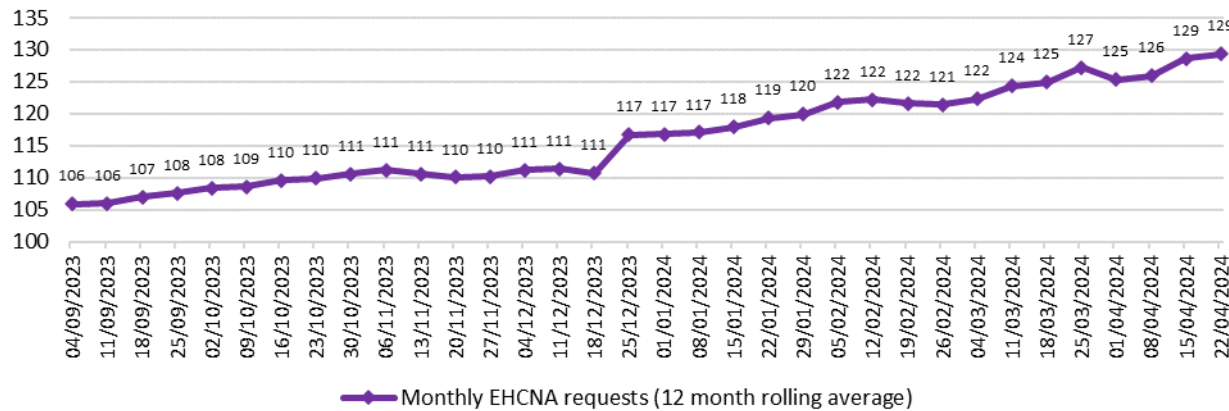
Something I've found super useful already is the split in SENA teams. I've got answers straight away and people are being so helpful. That was both a SENIF application, EHCP application and everything I've asked for.



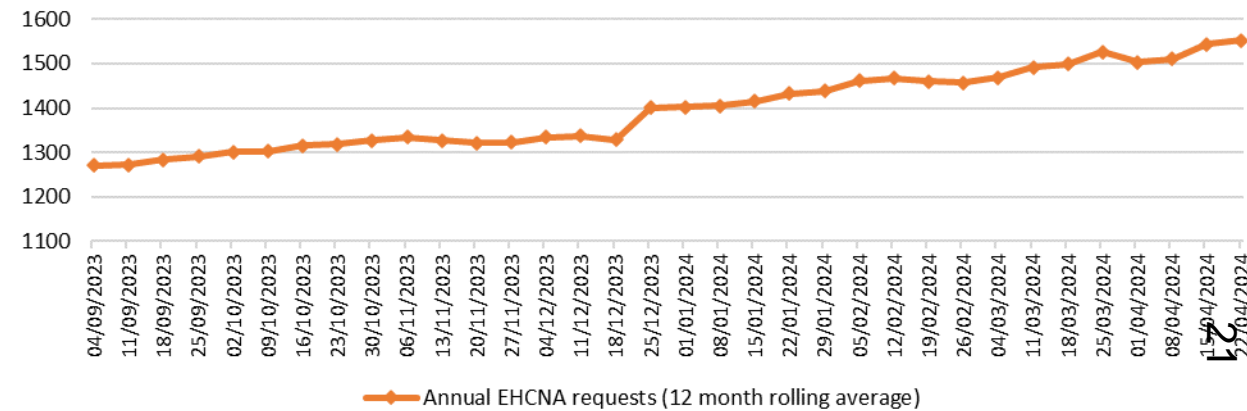
Demand for Education Health & Care Needs Assessments is increasing

Updated 02/05/24

Average EHCNA Requests per month 12 month rolling average

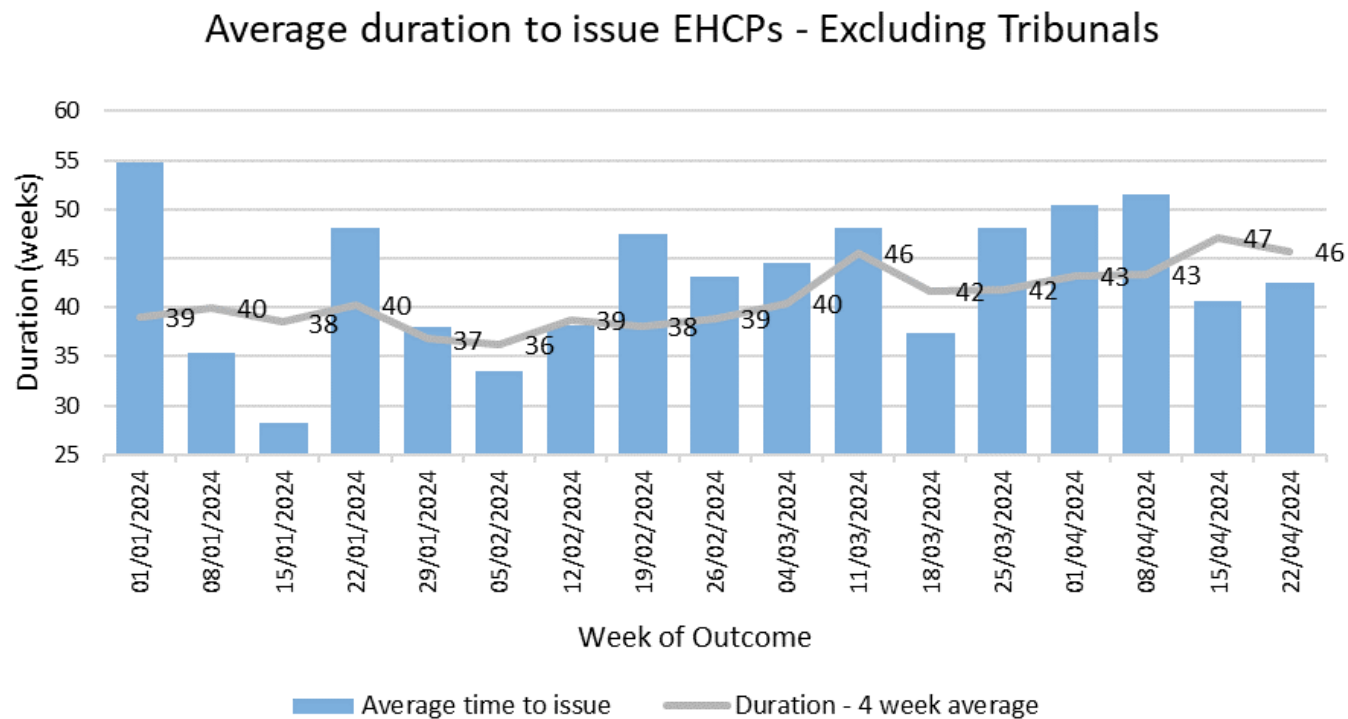


Average Annual EHCNA Requests 12 month rolling average



- Month on month increase in demand of around 20 additional assessments per month since September 2023.
- Average annual number of EHCNA requests increased from 1271 to 1520 over the same time period (+ 22%).
- Nationally, requests for EHCNAs reflect a similar increase (+ 23%) from 2021 to 2022.
- Initial requests have increased each year since EHC plans were introduced.

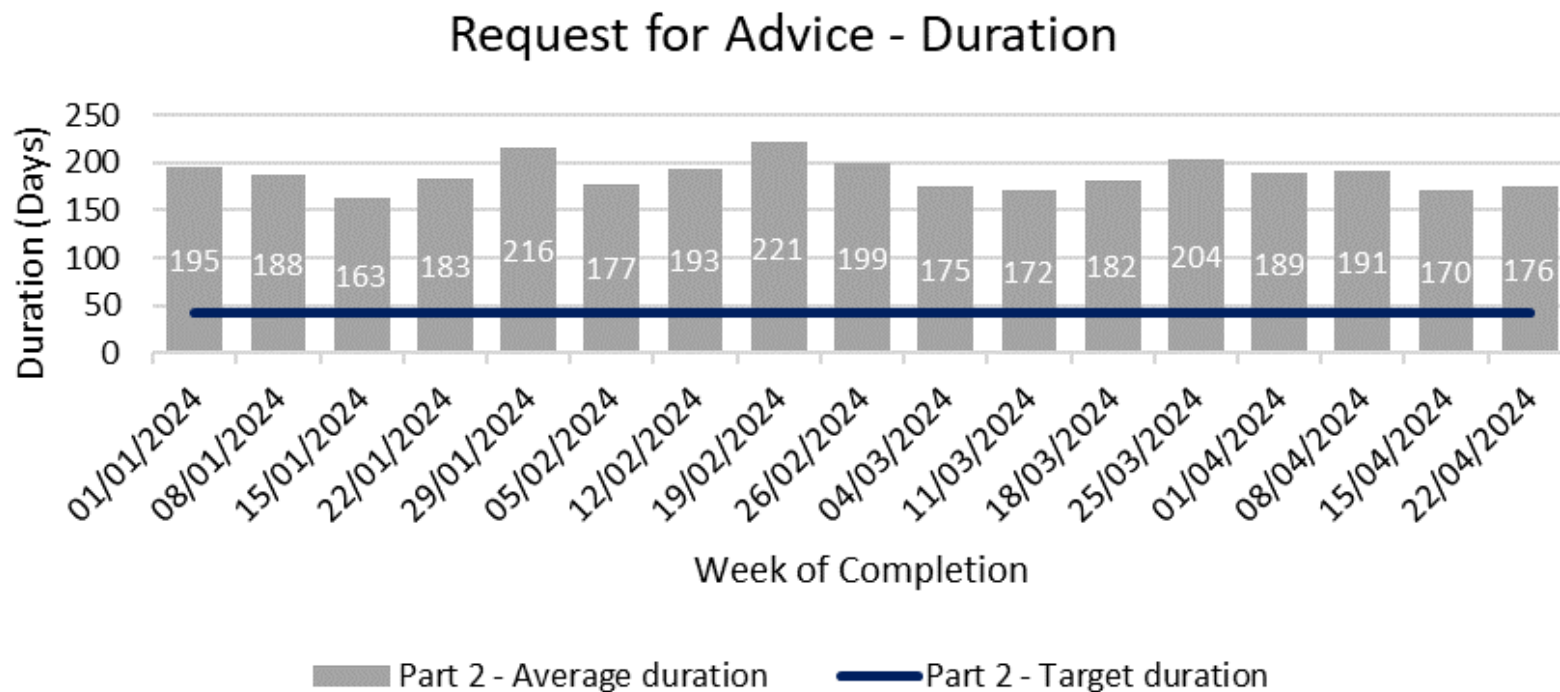
EHCPs Issued - Overall Timeliness



- Average time to complete needs assessments has risen to around the same level as 2022 (baseline 43 weeks).
- Overall timeliness of issuing of EHCPs is well over the target of 20 weeks for completion & significantly out of line with national figures.
- In April, Leicestershire rolling average of 3.8% of EHCNAs completed within 20-weeks (compared to average 55.2% all English LAs).



Request for Educational Psychology (EP) advice – timeliness

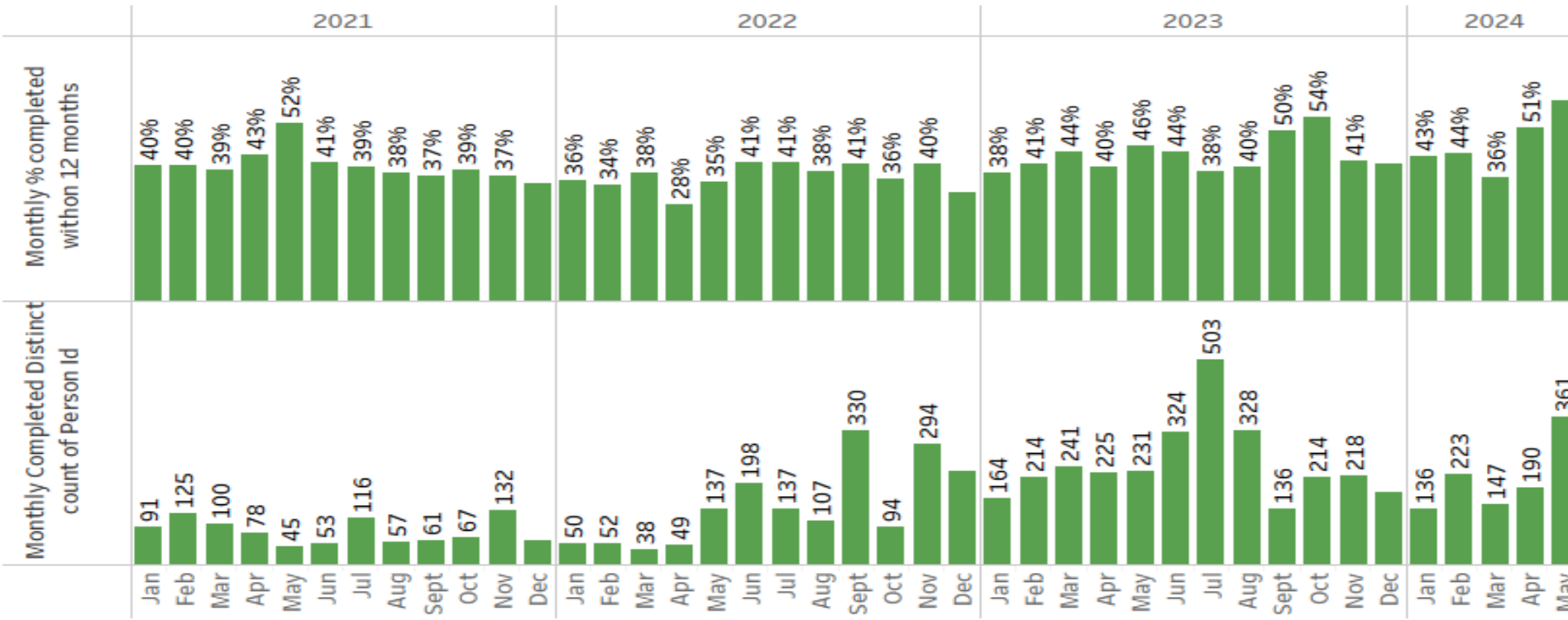


- Timeliness on requests for Educational Psychology (EP) advice continues to track significantly above the target duration.
- Significantly impacting overall timeliness as average time taken to return EP advice is in excess of the 20-week target for the whole EHCNA process (140 days).
- Ongoing EP recruitment alongside recruitment of locum EPs to increase throughput of advice issued is in place.

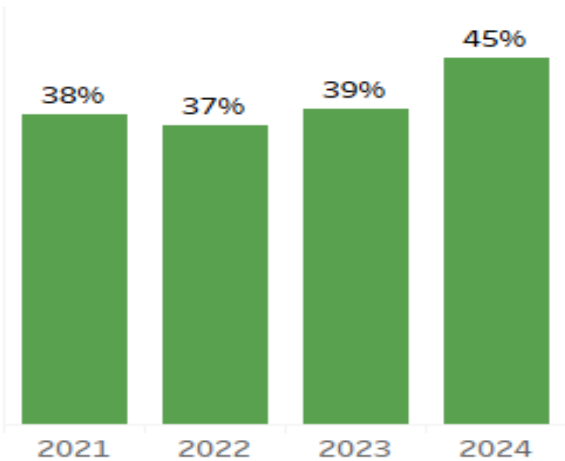
4b Percentage of Annual Reviews completed within the 12-month time scale %

Annual Reviews completed

4b. Percentage of Annual Reviews completed within the 12-month time scale %



2,082
2024



Currently 6618 EHCPs

- At any one time there are a number of children awaiting a specialist placement.
- The majority of these children are in a placement or mainstream but their annual review or EHCP has assessed that they need a different type of placement to meet their needs.
- Continue to open new specialist provisions across the county, including a new special school opening in September 2024

25

Actions taking place to improve timeliness

- The Transforming SEND and Inclusion in Leicestershire (TSIL) programme is now focused on ongoing Continuous Improvement, bringing together a range of initiatives targeting an improvement in timeliness and quality across Education and SEND.
- Work to improve timeliness can be broken down into a number of key actions focused on different parts of the assessment and review process:
 - Recruitment of 5 additional SENA caseworkers who are pivotal in supporting parents to choose a setting able to meet the needs of their child.
 - Structural changes in SENA – dedicated assessment, review and placement teams were established within the SENA service at the end of 2023.
 - Additional locum Educational Psychology staff have been recruited to tackle the increasing number of requests for Educational Psychology advice, a key component in overall time taken to complete an EHCNA assessment.
 - Investigating opportunities to expedite completed reviews through additional capacity in SENA.



SCHOOLS FORUM
Resetting the SEN Finance System
18 June 2024

Content Applicable to:		School Phase:	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies	X	Secondary	X
Local Authority	X	Post sixteen	X
		High Needs	X

Purpose of Report

Content Requires:		By:	
Noting	X	Maintained Primary School Members	X
Decision		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. This report sets out information on the intention of the Local Authority to consider a different approach to the calculation of the Notional SEN Budget for 2025-26. Secondly, to develop an approach to enable a Schools Block Transfer of funding to High Needs for 2025-26, both of which to be co-designed with schools and driven by an approach to ensure that funding is invested in the most effective way to achieve the best possible outcomes for Leicestershire children and young people.

Recommendations

2. That Schools Forum note and comment on the content of this report.
3. That Schools Forum nominate a member to become a representative on a SEN Funding Review Group.

Background

4. Leicestershire has been overspending on the High Needs Dedicated Schools Grant for several years. Whilst the financial position improved from that originally forecast for 2023-24 a deficit of £5.654m was recorded. The cumulative overspend on High Needs is forecast at £58.2m for 2024-25 rising to £103.3m in 2027-28.
5. Leicestershire embarked on the ambitious Transforming Special Needs and Inclusion in Leicestershire (TSIL) programme to influence and reduce future growth in demand and cost as well as develop services and support for children with Special Educational Needs & Disabilities (SEND). The first phase of the programme is almost complete, and

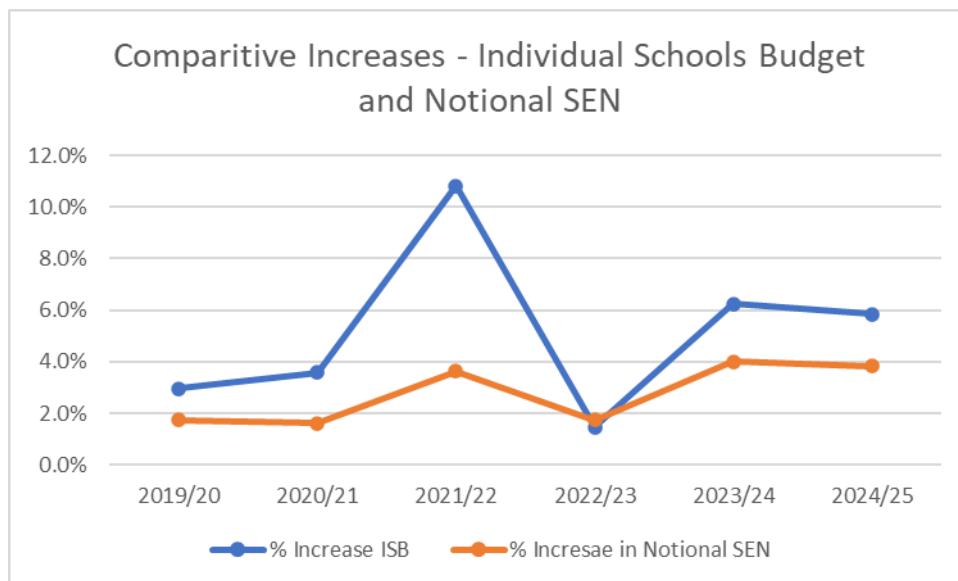
the programme is now moving to sustained and continuous improvement. In the complex SEN environment, the impact of TSIL is positive, and as changes are fully embedded into practice and culture further benefits are forecast for the future. Where benefits can be quantified and tracked these are included within the financial plan, but as the financial position shows these are not sufficient to fully recover the financial position which remains unsustainable.

6. For the Local Authority, the financial position worsens further in March 2026 when a nationally implemented accounts override is expected to cease, and all local authorities will be required to set aside cash reserves to effectively fund the deficit.
7. The SEN system established by the Children's Act 2014 is exceptionally complex, and the relationship between schools and local authorities can be opaque and subject to significant external influences and pressures, which the TSIL programme, in some respects, has sought to address. Further complexities are within the SEN funding system with both schools and local authorities being funded for aspects of the SEN system, with local authorities bearing the significant costs of pupils where mainstream schools may not be able to meet needs.
8. Nationally, many local authorities transfer funding from the School Block to High Needs with the support of their schools and Schools Forum, some of which undertake a transfer annually with some higher than 0.5%, with the permission of the Secretary of State (SoS). Leicestershire has consulted on a transfer on two separate occasions, the latter being for 2023-24 where a Disapplication was sought as School Forum did not approve but was refused by the SoS.
9. Leicestershire is within the Department for Education's (DfE) Delivering Better Value in SEN (DBV) programme as an authority with a high Dedicated Schools Grant (DSG) deficit. Inclusion in the DBV or a Safety Valve Agreement is driven by the level of DSG deficit, which in Leicestershire is £9.7m less than the high needs deficit because of Schools Block funding being held for future school growth. The focus of the programme is to deliver a balanced high needs budget where expenditure can be fully contained within the grant, which is not the case in Leicestershire. Whilst there have never been any published criteria for a Safety Value Agreement it is thought to be c10% of DSG, for 2024-25 it is 7% and is expected to hit 10% during 2026-27.
10. During 2023-24, the DfE, together with CIPFA, have scrutinised Leicestershire's financial plan, including forecasting methodology applied to cost and demand growth, the actions being delivered through TSIL to reduce that growth and to identify actions not currently being undertaken so therefore not part of the plan. The one significant action identified by the DfE not currently within the Leicestershire plan is a Schools Block Transfer. The DfE is keen for Leicestershire to explore this as an option.
11. A review of Notional SEN was presented to Schools Forum in November 2023. Since this point, the DfE have issued 2022-23 expenditure data from maintained schools and academies and the analysis has been updated.
12. The updated Notional SEN can only present a snapshot of a position at a given point of time, taken together with DfE Benchmarking data showing Leicestershire aligning much less of school formula budget to Notional SEN than many other local authorities. Given the DfE's view that Leicestershire should consider a school block transfer it feels timely to review the SEN funding system in its totality. This would enable us to explore if the balance of funding is appropriate and consider whether there are opportunities to use funding differently to invest in local systems to further drive down cost and demand.

Notional SEN

13. A review of Notional SEN was presented to Schools Forum in November 2023 for noting. Since this time, the DfE have published financial data from 2022-23 which has allowed for a closer comparison between budget, SEN position and the overall financial position of schools. Whilst there remains a time lag in the comparative data, i.e., 2022-23 expenditure against 2023-24 budgets, it does bring together a wealth of information to produce a snapshot of the overall position, although a like for like comparison is not possible given the different accounting periods for maintained schools and academies. All data is from DfE sources – Consistent Financial Reporting for maintained schools, Academy Accounts Returns and the data with the database constructed by the DfE from the October 2022 census used for 2023-24 school budgets.
14. The DfE published benchmarking data on Local Authority calculations of the notional SEN budget for 2022-23, no data is currently available for 2023-24. This shows that Leicestershire:
 - is one of 30 (20%) local authorities allocating less than 7.5% of the school budget to notional SEN. The higher the percent allocated to Notional SEN, the higher the expectation of local authorities of the SEN provision they should make from their school budget. The average allocation is 10.8%.
 - uses just three of the 10 National Funding Formula (NFF) factors (basic entitlement, deprivation, English as an additional language, looked after children, prior attainment, mobility, lump sum, sparsity, minimum per pupil funding unit, minimum funding guarantee) attributed to the notional SEN budget across other authorities. The DfE have invested heavily through increased funding allocations for deprivation indicators i.e., free school meals deemed to be a proxy indicator of SEN, yet the basis of the Notional SEN budget remains unchanged.
15. Whilst no action was proposed from the previous November 2023 analysis, in the context of the overall SEN funding system and the potential for an approach to a block transfer it would be appropriate to review both the apportionment of the Notional SEN budget and the expectations of its use within schools.
16. The overall picture of the sufficiency of the Notional SEN budget is not materially changed with a Notional SEN budget of £36.3m and contributions to Element 2 for pupils with EHCPs at £21.7m. The NFF uses factors such as Free School Meals, Deprivation, and low prior attainment as proxy indicators of SEN, but no correlation is apparent between incidence of SEN and Notional SEN budget. Additionally, the data identifies 15.9% of pupils recorded as SEN Support or with an EHCP yet the Notional Budget accounts for just 7.4% of the overall Leicestershire NFF.
17. Analysis has been undertaken to determine any correlation between the growth in the Individual Schools Budget (ISB) and the level of Notional SEN. It can be seen in the following chart that the ISB has risen proportionally more than the Notional SEN Budget. Over the same period, 2018-19 to 2023-24:
 - The overall pupil population has increased by 0.2%.
 - The total number of packages funded for all pupils with SEN has increased by 89%.
 - The number of packages funded for pupils with SEN in mainstream schools has increased by 147%.

- The number of packages funded for pupils in special schools has increased by 47%.
 - The number of packages funded for pupils in Independent Special Schools has increased by 47%.
18. Overall, mainstream schools have received a lower increase in Notional SEN than in core funding yet are supporting significantly higher numbers of pupils receiving Element 3 funding. With 15.9% of pupils on the October 2022 Census recorded as having an EHCP or at SEN Support, this suggests the Notional SEN Budget should be £77.3m, which would be an increase of 113% from the 2023-24 budget of £36.3m, and the balance of funding between schools and the Local Authority, and how it is used, needs to be reset in order to deliver better outcomes for children and young people.



Transfer of Funding from Schools Block to High Needs

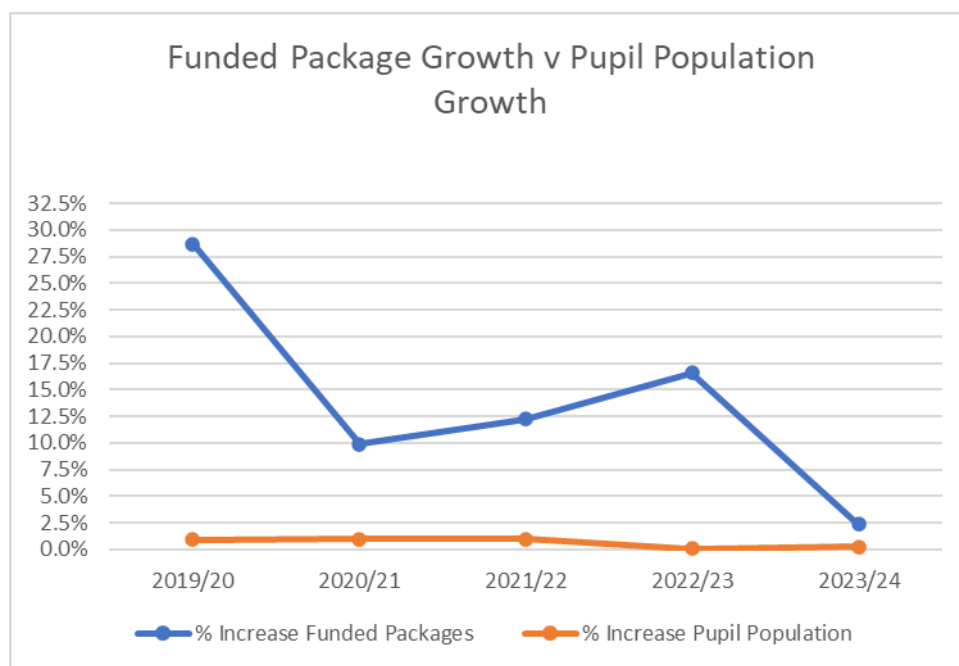
19. Local authorities are currently able to transfer 0.5% of the Schools Block DSG following consultation with schools and with the approval of the Schools Forum. If Schools Forum do not approve or a Local Authority wishes to transfer more than 0.5%, permission is required from the SoS, formally known as a Disapplication.
20. In considering a reset of the SEN funding system, consideration also needs to be given to a Schools Block to High Needs Block Transfer for 2025, and whether a targeted and centralised approach at investments in specific actions or pupil cohorts could have a bigger impact, achieve better outcomes for children and young people, and be a more efficient use of funding. Aligning this to the system reset achieved through the delivery of the TSIL programme and the continuous improvement which is following could deliver a more sustainable system in Leicestershire that fully links funding, responsibilities, and improved outcomes.
21. Leicestershire's participation within the DfE's DBV programme has required the submission of the Council's DSG recovery plan, which is the High Needs Financial Plan previously presented to Schools Forum and is included below for completeness.

	2024/25 £,000	2025/26 £,000	2026/27 £,000	2027/28 £,000
Grant Income	-109,176	-112,430	-115,781	-119,233
Placement Costs	120,579	133,297	147,279	162,705
Other HNB Cost	10,679	11,279	11,279	11,279
Commissioning Cost - New Places	162	37	0	0
Invest to Save Project Costs - TSIL	986	986	986	986
Total Expenditure	132,406	145,599	159,544	174,970
Funding Gap Pre Savings	23,230	33,169	43,763	55,737
TSIL Programme Defined Opportunities	-3,788	-10,976	-19,195	-27,666
Increase in Local Specialist Places	-2,480	-5,995	-9,868	-13,803
Total Savings	-6,268	-16,972	-29,063	-41,469
Annual Revenue Funding Gap	16,963	16,197	14,700	14,268
Cummulative High Needs Deficit Brought Forward	41,187			
Cummulative High Needs Funding Gap	58,150	74,347	89,047	103,315
Surplus (-ve) / Deficit Other DSG Blocks	-9,663	-9,660	-9,160	-6,560
Dedicated Schools Grant Surplus (-ve) / Deficit	48,487	64,687	79,887	96,755
High Needs Spend as % of High Needs DSG	122%	130%	139%	148%
Surplus / Deficit as % of Total DSG	7%	9%	11%	13%

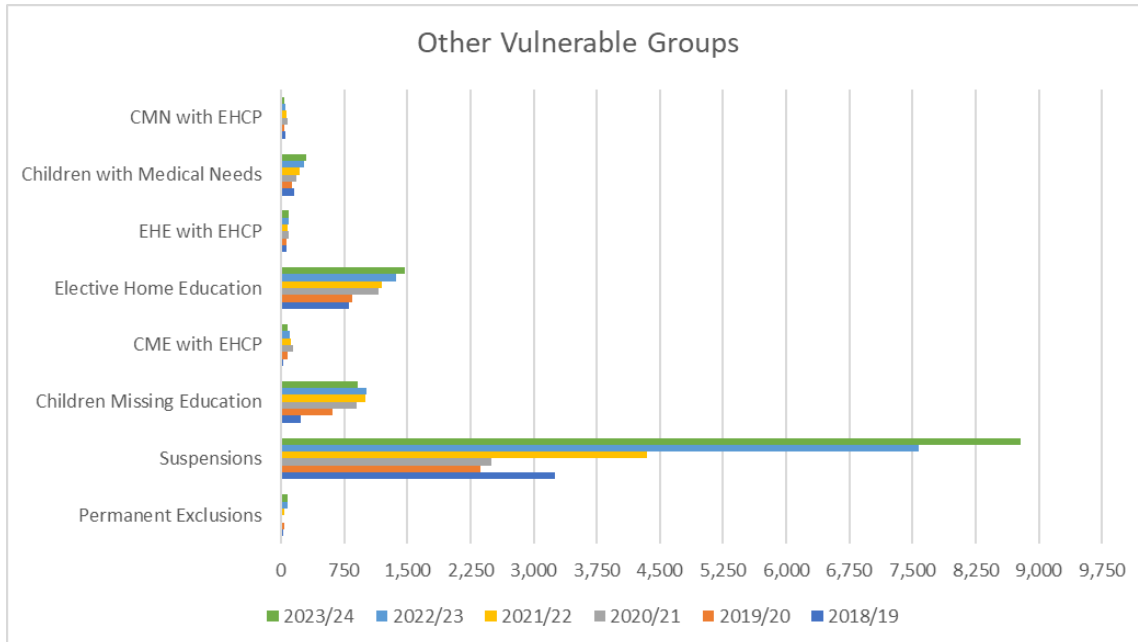
22. The high needs financial plan has been subject to challenge by the DfE through both a SEN advisor and a financial advisor from the public sector accountancy body CIPFA. They have reviewed the assumptions built into the plan on growth and the basis of the savings i.e., the expected reductions in future cost and demand through the TSIL programme and the expansion of lower cost local specialist places. However, the plan does not achieve an in-year balanced budget position which is the aim of the DBV programme.
23. The focus of quarterly meetings with the DBV is on delivery of the financial plan, but also on what further mitigating actions can be delivered to achieve a balanced budget position. The DfE is keen for Leicestershire to consider a transfer of funding from the Schools Block to the High Needs Block.
24. A considerable proportion of local authorities have and continue to undertake such block transfers. In 2022-23, 76 local authorities successfully transferred £97m from the schools to the high needs block. In 2023-24, 67 authorities transferred £101m. Firstly, this suggests that some authorities, through a block transfer and the efficient use of that

funding, have successfully addressed their high needs deficit position. Secondly, it suggests that the financial position is worsening for some authorities given a smaller number of authorities transferred a higher amount. Whilst this is hard to validate given that the DfE have recently stated that some authorities have fully delivered their Safety Valve Agreements, that some authorities have been moved from DBV to Safety Valve concurs with the direction of travel. Whilst there is no stated level of deficit that triggers a Safety Valve Agreement, a review of published agreements suggest that c10% overall DSG deficit and Leicestershire hits that threshold in 2026-27.

25. Leicestershire has invested significantly in SEN provision since 2018-19 with investment of £26.5m to deliver an additional 708 specialist places. In addition, DfE funding has been secured to deliver two further special schools, Bowman in Shepshed and Farley Way in Quorn, which add a further 144 places and has required £2.8m of Leicestershire capital to facilitate the build.
26. Leicestershire has also invested revenue funding to deliver systemic changes in the SEND system through the former High Needs Development Plan and the TSIL programme, which is now being moved to a continuous improvement phase. This has enabled the Local Authority, alongside schools and other stakeholders, to co-produce several system changes including the development of the Best Practice Toolkit, tools to enable effective sufficiency planning, streamlining decision-making, and additional capacity with a focus upon the voice of children and young people and their journey through the SEN system. This leads to the co-production of sustainable improvements and ensuring effective and needs led decisions on the most appropriate provision based on the needs of children and young people that meets parental expectation.
27. However, despite this significant capital and revenue investment, the number of EHCPs continue to grow at a significantly higher rate than the wider pupil population. Whilst system wide change has, and rightly, continued to be based on pupil outcomes, one element of the SEN system that has not been considered is funding and whether a more centralised and targeted approach could deliver a sustainable impact in a cost-effective way that could better meet pupil outcomes and achieve a better financial position.



28. The following chart tracks the numbers of pupils within other vulnerable cohorts that are supported in different places within the education system, such as through services for pupils excluded or at risk of exclusion, elective home education, those with medical needs, and children missing education, all of which can be viewed as indicators of how inclusive the education system may be.



Note: Data is recorded by academic year, so 2023-24 is partial to 05/06/2024.

29. Overall, whilst numbers in some cohorts appear to be minimal the trends in numbers from 2018-19 to June 2024 are significant:
- Permanent exclusions: +148%
 - Suspensions: +170%
 - Children Missing Education: +178%
 - Elective Home Education: +82%
 - Children with Medical Needs: +99%
30. To respond, particularly in respect of the increase in the rising number of permanent exclusions and suspensions resulting in increased caseloads across the Leicestershire Secondary Education Partnerships (SEIPs), additional investment through an increased budget allocation has been made of c£1.5m per annum.
31. To explore options for a more centralised approach to investment in the SEND system, funded through a transfer of funding from the school block to high needs, a group of Headteachers have been drawn together to begin to work through the complexities. The purpose of this group will be:
- to identify areas where pooling resources could have a sustainable beneficial impact upon pupil outcomes.
 - to identify targeted activities that could be undertaken either within groups of pupils, across pupil cohorts, or across schools where impact could be

enhanced through the application of economies of scale in the deployment of skills, other resources, or the deployment of funding.

- to identify barriers to the efficient support of children and young people with SEN in schools and where targeted investment could deliver sustainable improvement in pupil outcomes.
- to consider whether an area-based approach to investment managed, moderating, and evaluated at local level could allow for pupil needs to be met locally and therefore reduce the demand for EHCP assessments. This would free capacity in both schools and the Local Authority that could be further reinvested in provision.
- to consider options to align and maintain the Notional SEN budget to the incidence of SEN within schools within the constraints of the NFF.
- to consider the impact to individual or groups of schools arising from a school's transfer to high needs block.
- to consider how schools should approach the management of the Notional SEN budget and be accountable for its use.

In addition to informing the above, the group will act as a critical friend to the Local Authority in formulating proposals for formal consultation with schools and reporting back to Schools Forum in the autumn, which in turn will inform Local Authority decision making.

32. Schools Forum are asked to nominate a member to join this group.
33. Leicestershire has proposed and consulted with school on two separate occasions on a Schools Block transfer:
 - 2020-21 – consultation was undertaken on a 0.5% transfer. Schools were not supportive, and Schools Forum did not approve. This was proposed at the point the former High Needs Development Plan was being formulated, as such no Disapplication was submitted to the SoS.
 - 2022-23 – consultation was undertaken on a 0.5% transfer. Schools were not supportive, and Schools Forum did not approve. A Disapplication was sought from the SoS who did not approve the transfer. The basis for turning down the request was based on the following: *“We have assessed your management plan and recognise it provides a high-level strategic proposal of how you will reduce your overall deficit. However, the proposals did not adequately demonstrate detail of how the transferred funding would be used to mitigate the pressures within the high needs block or reduce the DSG deficit through future savings.”*
34. It is evident that the DfE are now considering schools to high needs block transfers not just as a financial transaction but another tool in the systemic changes needed within the SEN system. For 2024-25, all disapplications submitted to the DfE, where Schools Forum did not agree a transfer or a transfer more than 0.5%, were agreed where it was clear that the case for a transfer demonstrated reinvestment in provision and had a beneficial impact on outcomes for pupils and schools.
35. In considering any transfer there are two issues that have the potential to create barriers and will need careful consideration:

- National Funding Formula Protections – within the NFF there are two levels of protection 1) the Minimum Per Pupil Funding Level is a guarantee that all schools receive a given amount per pupil and 2) the Minimum Funding Guarantee which limits any budget reduction from change in pupil characteristics. As a result, not all schools would contribute to a transfer.
- Investment – the incidence of SEN is not equal across all schools. Investment would need to be targeted where the impact on future costs and demand would have the most impact. As a result, investments may not be equal across schools, nor equal to an individual school's contribution.

Conclusion

36. There is an extricable link between having clear expectations of the use of the Notional SEN budget alongside High Needs DSG. Both are funding targeted at meeting the needs of children and young people with SEN, and ensuring they have the best possible educational experience, matched to their needs, which maximises their potential.
37. The TSIL programme is having a positive impact on the delivery of SEN services, but further action is required to ensure that Leicestershire has an effective and financially efficient SEN service that meet the needs of schools, children and young people, and the Local Authority that results in improved outcomes and delivers a better financial position. It is timely to consider the finance element of the SEN system.

Resource Implications

38. Resource implications can be expected to be identified for individual or groups of schools throughout the process of considering the approach to a school block transfer and any change to Notional SEN. These will be kept in mind by the working group and through reports to Schools Forum. Strategies to address any such implications will be formulated through the working group as necessary and appropriate to the overall position for Leicestershire schools.

Equal Opportunity Issues

39. As above. Any Disapplication request submitted to the SoS is required to have an Equalities Impact Statement.

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