

Schools Forum

Tuesday 19 March 2024 16:00-17:30 via MS Teams

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Item No	Title of Report	Decision/ Discussion/ Update	Officer(s)	Paper(s)
1.	Welcome and Apologies		Chair	
2.	Membership Updates		Clerk	
3.	Declarations of Interest		Chair	
4.	Minutes of the previous meeting held 11 January 2024 and Matters Arising	Update	Chair	attached
5.	Vice Chair Nominations	Decision	Chair	
6.	2023-24 DSG Forecast Outturn (M11)	Update	Jacob Davies	attached
7.	2023-24 Schools Balance – Q3	Update	Sanjaya Gunatilake	attached
8.	2024-25 Early Years Funding	Update	Jacob Davies	attached
9.	High Needs Block Update	Update	Karen Flanagan	attached
10.	AOB - Use of DSG Reserves			
11.	Date of Next Meeting		Chair	

SCHOOLS FORUM
MINUTES OF THE MEETING HELD ON THURSDAY 11 JANUARY 2024

Membership	Name	Phase	School	HT/Gov	End Date
Maintained	Joel Sager	Primary	Pardes House	HT	12/10/26
Maintained	*Ziz Chater	Primary	Martin Primary	HT	30/11/24
Maintained	*Simon Horne (C)	Secondary	Friern Barnet	HT	19/01/27
Maintained	*Sarah Sands	Primary	Garden Suburb Infants	HT	30/11/24
Maintained	Jade Cheung	Primary	Deansbrook Infant School	Gov	19/01/27
Maintained	*Harvey Freeman	Primary	Hasmonean Primary	Gov	19/01/27
Maintained	Julie Eyres	Primary	Monken Hadley CE Primary	HT	07/07/24
Maintained	*Jackie Menczer	Primary	Menorah Primary	HT	03/02/26
Maintained	Liz Longworth	Primary	Northside	HT	31/12/24
Maintained	*Kim Sanett	Primary	Foulds	HT	19/01/27
Maintained	*David Rosenthal	Primary	Menorah Primary Schools	Gov	19/01/27
Academy	Vacant	Primary		HT	
Academy	Vacant	Secondary		HT	
Academy	*Sian Morris	Primary	The Hyde Prim. Acad.	HT	07/10/24
Academy	*Claire Barnes	Secondary	Ark Pioneer	Gov	31/12/24
Academy	*Aaron Livingston (Sub for Gavin Smith)	Secondary	Wren Academy	HT	30/11/24
Academy	*Matthew Stevens	Secondary	Saracens	HT	30/11/24
Academy	*Robin Archibald	Primary	Broadfields Academy	HT	30/11/24
Academy	*John Bowra	Secondary	Chris's College Finchley	Gov	19/01/27
Academy	Violet Walker	Secondary	QE Girls' School	HT	31/12/24
Special	*Ginny D'Odorico	Special Academy	Windmill Special School	Dp HT	19/01/27
Special	Vacant	Special Maintained		Gov	
EY	*Kelly Brooker	Maintained Nursery	Moss Hall Nursery	HT	07/12/25
EY	Sarah Vipond	PVI	Middx University Nursery		18/01/24
PRU	Joanne Kelly	PRU	PRUs	HT	19/01/27
Post-16	Kate James	Post-16	Barnet & Southgate College	HT	30/05/26
Trade Union	*Keith Nason	Trade Union	National Education Union		18/01/24

Non-Members:

*Cllr Pauline CoakleyWebb, Cabinet Member for Family Friendly Barnet

*Ben Thomas, Strategic Lead, Barnet LA (Local Authority)

*Neil Marlow, Chief Executive and Director of Education and Learning, Barnet Education and Learning Service (BELS)

*Sharon Palma, Head of Finance

*Karen Flanagan, Director of SEND & Inclusion (BELS)

Alison Dawes, Director of School Access, Skills & Corporate Services

*Jacob Davies, Dedicated Schools Grant (DSG) Finance Manager

*Sanjaya Gunatilake, Finance Manager (DSG)

*George Peradigou, Clerk

*Denotes present

1 WELCOME, MEMBERSHIP UPDATES AND APOLOGIES

The Chair welcomed all to the meeting and extended a special welcome to new members.

Membership Updates

The following membership updates were noted:

- Simon Horne, Headteacher of Friern Barnet Secondary School, was re-elected.
- Jade Cheung, Governor of Deansbrook Infant School, was elected and replaced Cllr. Anthony Vourou, for whom thanks were recorded.
- Harvey Freeman, Governor of Hasmonean Primary School, was re-elected.
- Kim Sanett, Headteacher of Foulds Primary School, was elected and replaced Sarah Maltese, for whom thanks were recorded.
- David Rosenthal, Governor of Menorah Primary Girls and Menorah Primary Boys Schools, was elected and replaced Ian Philips, for whom thanks were recorded.

- John Bowra, Governor of Christ's College Finchley, was re-elected.
- Ginny D'Odorico, Headteacher of Windmill Special School, was elected and replaced Ian Kingham, for whom thanks were recorded.
- Joanne Kelly, Headteacher of The Pavilion Study Centre, was re-elected.

Apologies

Apologies for absence were received and accepted on behalf:

- Kate James
- Liz Longworth
- Joel Sager
- Joanne Kelly
- Violet Walker
- Jade Cheung

2 DECLARATIONS OF PECUNIARY INTEREST

No declarations of interest were declared related to the agenda items to be discussed.

3 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 19 October 2023, a copy of which had been circulated prior to the meeting, were confirmed as an accurate record, and approved.

4 MATTERS ARISING FROM THE MINUTES

10. De-Delegation 2024-25

Keith Nason previously enquired as to whether academies could be given the option to subscribe to traded services from September to August, rather than April to March. He expressed that he discussed this with the traded services team and received a satisfactory response.

12. Split Sites, Growth Fund, and Falling Roles Criteria 2024-25

It was previously agreed to check how other boroughs accessed the Falling Rolls Funding. Neil Marlow explained that, whilst efforts were being made to obtain this information, Barnet's data did not show predictions that rolls would increase again within 3-5 years, which was one of the criteria for accessing the funding.

13. High Needs Block Review

Ian Kingham has previously spotted a discrepancy between the figures announced for the National Funding Formula (NFF). Sharon Palma had responded to Mr Kingham outside of the meeting to explain that one of the figures had not accounted for the recoupment that went to academies.

14. Schools in Financial Difficulties Panel

Neil Marlow called for more governors to join the panel. He undertook to promote this via the upcoming Director's Report to Governors.

In response to a query from Cllr CoakleyWebb, Neil Marlow stated that the relevant staff were soon due to meet to discuss schools in deficit and ensure 3-year recovery plans were in place. Sarah Sands added that this was also on the agenda for the next Headteachers' Forum.

All other actions had been resolved prior to the meeting and there were no other matters arising.

5 VICE CHAIR NOMINATIONS

The Chair highlighted that the position of Vice Chair was still vacant. After no nominations were received, the Chair invited members to express an interest outside of the meeting. He undertook to contact some members individually to gauge their willingness.

Action: Chair

As suggested by Neil Marlow, it was agreed that, should no nomination be received, and no Vice Chair in place, in the event of the Chair being absent from a Schools Forum Meeting, another Forum member would Chair the meeting.

6 DEDICATED SCHOOLS GRANT (DSG) FORECAST OUTTURN 2023-24 (M9)

The report updated the Forum on the 2023-24 DSG Forecast Outturn. Jacob Davies outlined the following:

The report gave a snapshot of the DSG outturn at month 9. Members noted that the grant was made up of what the Local Authority (LA) received before passporting it onto schools.

Since the last Schools Forum meeting on 19th October 2023, the DSG allocation for 2023-24 had been revised to reflect additional High Needs funding of £0.500m due to import and export adjustments and, confirmed Early Years 2022-23 funding clawback of £1.129m (originally estimated at £1.5m). The impact of these changes was an overall reduction of £0.629m in the final budget allocation.

The Forum **NOTED** that, at month 9, the reported DSG Forecast Outturn was a £1.823m favourable variance against the budget of £265.806m as set out in Table 1 of the report. The 2023-24 Forecast Outturn was £263.983m as set out in Table 2 of the report.

The Chair commended the Finance Team for managing the DSG efficiently in order to show this potential surplus.

7 BUDGET PROPOSAL 2024-25

Members noted that the report summarised how Barnet was funded for its education functions through the DSG and provided detailed analysis of each of the four blocks that made up the DSG. It also showed how the LA intended to fund its schools through the National Funding Formula for 2024-25.

Sharon Palma explained, for the benefit of new members, that Barnet mirrored the National Funding Formula (NFF) and didn't apply any local formulas within allocations. In response to a query from Sarah Sands about whether not mirroring the NFF was possible, Sharon Palma and Sanjaya Gunatilake explained that, while some flexibility was possible in the past, the DfE had now stipulated that all funding formulas should closely mirror the NFF.

The Forum **NOTED** the 2024-25 DSG budget allocation of £458.6m, an increase of approximately £32m (7.6%), as outlined in Table 1 of the report. This included the Mainstream Schools Additional Grant (MSAG), amounting to £10.8m. When deducting the MSAG grant, the actual increase to Barnet schools was 5%.

The Forum **AGREED** the 2024-25 formula factor rates used in the Education & Skills Funding Agency (ESFA) Authority Proforma Tool submission (National Funding Formula rates) as shown in Appendix 5 of the report.

The Forum **AGREED** the Growth Fund criteria and amount.

The Forum **NOTED** the Early Years funding rates 2024-25.

8 CENTRAL SCHOOLS SERVICES BLOCK (CSSB) 2024-25

The report contained an update of the 2024-25 Central School Services Block (CSSB). Sharon Palma outlined the following:

The Forum noted that the final CSSB for 2024-25 had increased by £0.117m to £2.486m, compared to 2023-24. Where appropriate, the increase in budget had been pro-rated against the 2023-24 budget.

The Chair explained that, while this was not much money in the grand scheme of things, it was essential in funding ongoing responsibilities, such as admissions and appeals, Schools Forum administration, and copyright licensing.

The Schools Forum **APPROVED** the updated figures for the expenditure lines that comprise the final 2024-25 budget for the CSSB, as set out in Table 1 of the report.

9 DE-DELEGATION 2024-25

The report contained an update of the 2024-25 de-delegation. Sharon Palma outlined the following:

The de-delegation rates based on the October 2023 census had been finalised and showed an additional recuperation of approximately £17k. Table 2.4 of the report showed the change per pupil.

In response to a query, Sharon Palma explained that this was only affecting primary schools because it was at primary level that census numbers had fallen.

The report proposed that the Forum consider approving the change in rates in order to retain the cash-value of these funds. Sharon Palma stated that the funds had not been uplifted by the LA.

The Chair highlighted that approval meant that the LA could continue the current level of support to maintained schools.

Members enquired as to what future options would be if trends continued. Ziz Chater asked whether services could be reduced in line with falling rolls, thus, reducing costs. Neil Marlow undertook to investigate this for a further discussion at the October 2024 Schools Forum meeting, along with benchmarking against the de-delegation amounts of other local authorities.

Action: Neil Marlow

The Forum **APPROVED** the updated de-delegation rates for 2024-25.

10 **USE OF DSG RESERVES**

Neil Marlow introduced the report and outlined the following:

While the DSG Reserves seemed high, this was required as a cushion in case the High Needs budget overspent. While this wasn't predicted for the current year, projections showed potentially high overspends over the next two or three years.

The report proposed the use of DSG Reserves the following:

1. Movers in: Expansion of existing criteria. It had been previously agreed to allow access to DSG reserves to support children coming in from the Hong Kong resettlement and asylum seeker hotels. This was then extended to include children arriving from Ukraine, and then further expanded to include those arriving due to conflicts in Israel and Gaza. Schools would otherwise receive no funding for these pupils as they were not part of the October census.

The report proposed expanding the criteria further to allow schools to use £400k of this funding (the amount it was anticipated would remain from the originally agreed amount during the current year) to fund SEND support needed for these children. This support would include completing EHCP assessments and supporting up until EHCPs are obtained.

Neil Marlow emphasised that this was not asking for additional money but just the expansion of the existing criteria.

The Forum **AGREED** to expand the existing criteria to support schools which were being asked to admit movers into the borough with high levels of SEND.

2. Urgent exceptional repairs to school buildings: the proposal was to earmark £200k per year to allow schools to bid for this funding for exceptional repairs by meeting the set criteria, as outlined under point 8.4 of the report.

In response to a query from Ziz Chater and Jackie Menczer, Neil Marlow confirmed that the process for bidding for this funding would be announced to schools and the criteria explained.

The Forum also **AGREED** to the use of DSG Reserves for urgent exceptional repairs according to the criteria outlined within the report.

11 HIGH NEEDS BLOCK (HNB) REVIEW UPDATE

The report contained an update with regard to the High Needs Block. Karen Flanagan outlined the following:

Members were given a recap of proceedings thus far. It was noted that the council had commissioned a review of the HNB spend, the findings of which had been shared at the previous meeting.

One of the recommendations of the review was to explore alternatives to funding exceptional high needs without recourse to an Education, Health and Care Plan (EHCP).

Members **NOTED** the next steps of the review, one of which were to second a project lead into a term time only secondment to lead the task and finish group. The key aspects of the role were outlined in the report. This role had been advertised to schools, but no candidates had come forward yet. Members were asked to promote this within their schools and noted that the post-holder would be paid for their time, meaning the school could back-fill them.

Action: Members

The Chair stated that one of the main benefits he could see in the proposed new system was the flexibility it allowed with the use of funding. He gave the example that, once children with EHCPs no longer necessitated the utilisation of the attached funding, the money from this funding could be used to support other children. This also reduced administrative costs as less applications for EHCPs would need to be processed.

Karen Flanagan confirmed that this cost-avoidance, along with the ability to reach more children from the same funding, would be beneficial. In Camden, where this system was used, this was evidenced by the significant reduction in requests for statutory assessments, as the children's needs were already being met via the more flexible use of EHCP funding.

12 ANY OTHER BUSINESS

Date of Next Meeting

The next meeting was agreed to take place at 4pm on Tuesday 19 March 2024.

There being no further business for discussion, the Chair brought the meeting to a close.

Meeting/Date	Schools Forum 19 th March 2024	Agenda Item No.	5
Report Title	2023-24 Dedicated Schools Grant (DSG) Forecast Outturn		
Decision/ Discussion/ Update	Update		
Officer(s)	Sharon Palma Head of Finance – Children and Families sharon.palma@barnet.gov.uk Jacob Davies DSG Finance Manager jacob.davies@barnet.gov.uk		
Appendices	None		
Summary	This report contains an update of 2023-24 DSG Forecast Outturn as at Month 11 (Feb-24)		
Recommendations	Schools Forum to note 2023-24 Forecast Outturn and Forecast Reserves position.		

1. Summary

- 1.1. At £264.011m, forecast expenditure against the 2023-24 DSG budget is a reported underspend of £1.796m.
- 1.2. The reserves forecast to be carried forward into next year is a surplus of £10.632m, of which £1.416m is earmarked for uses previously agreed to by Schools Forum. (Further details are shown in Section 3 below)

2. 2023-24 DSG Forecast Expenditure

Description	Original Budget	Revised Allocation	Forecast after use of reserves	Full Year Variance
	£'000	£'000	£ '000	£ '000
Schools Block				
- Individual Schools Budget	160,196	160,196	160,196	0
- ESG Retained Funding	700	700	700	0
- Growth fund	1,761	1,761	394	(1,368)
Central School Services Block	2,369	2,369	2,441	72
Sub-total	165,027	165,027	163,731	(1,296)
Early Years Block	32,519	31,390	31,390	0
High Needs Block	68,890	69,390	68,890	(500)
Sub-total	101,409	100,780	100,281	(500)
DSG Income	(266,435)	(265,807)	(264,011)	
DSG Balance	0		0	(1,796)

- 2.1. At M11, the 2023-24 DSG forecast is a reported underspend of £1.796m on business-as-usual activities.
- 2.2. The growth fund is forecast to underspend by £1.368m after agreed funding of £0.394m for Hasmorean High School for Boys against an overall growth fund budget of £1.761m.
- 2.3. The Central Services School Block is a reported overspend of £0.072m due primarily to Copyright Licenses of £0.067m, set by the DfE.
- 2.4. High Needs block is set to underspend by £0.500m due to an increased allocation.
- 2.5. Early Years block is on budget after applied reserves of £1.129m is used to offset against the DfE clawback of £1.129m for prior year allocation adjustments.

3. 2023-24 DSG Reserves Forecast

- 3.1. The forecast at Month 11 is indicating that the DSG reserves balance carried forward will be £10.632m.

DSG reserves	B/Fwd	Use of Reserve	Top Up Reserve	C/Fwd
	£m	£m	£m	£m
DSG Reserve	(9.711)	1.500	(2.421)	(10.632)

- 3.2. The reserve brought forward balance into 2023-24 was £9.711m. The schools' forum had agreed to use up to £1.000m of this reserve to fund the Hong Kong & Afghanistan Refugees joining our schools in Barnet, of which £0.213m was spent in 2022-23 financial year.
- 3.3. A further £0.134m has been used during 2023-24, for the 2022-23 academic year and the remaining balance of £0.653m is planned to be utilised in 2024-25 following completion of the 2023-24 academic year and includes refugees from the conflict in the Middle East.
- 3.4. In addition, a further £1.000m had been agreed by schools' forum and is earmarked for therapies (High Needs). Of this, £0.237m will be used in 2023-24 and the balance is forecast for use in future years.
- 3.5. Reserves of £1.129m has been applied to Early Years to offset against the DfE retrospective allocation adjustment which typically occurs each year.
- 3.6. Based on the current forecast there will be a top up to reserves of £1.796m based on the in-year forecast underspend at M11 and £0.625m for Individual Schools Budget in relation to cash advances.

Meeting/Date	Schools Forum 19 th March 2023	Agenda Item No.	6
Report Title	2023-24 School Balances Q3 for Barnet Maintained Schools.		
Decision/ Discussion/ Update	Update		
Officer(s)	Sharon Palma Head of Finance – Children and Families sharon.palma@barnet.gov.uk Sanjaya Gunatilake Finance Manager (DSG Projects) sanjaya.gunatilake@barnet.gov.uk		
Appendices	Appendix I: Regulations and Guidance Applicable for Schools in Deficit		
Recommendations	Schools Forum to note the contents of this paper		

1. Introduction

- 1.1 This report updates Schools Forum on the latest position of Barnet maintained school balances as at Quarter 3.

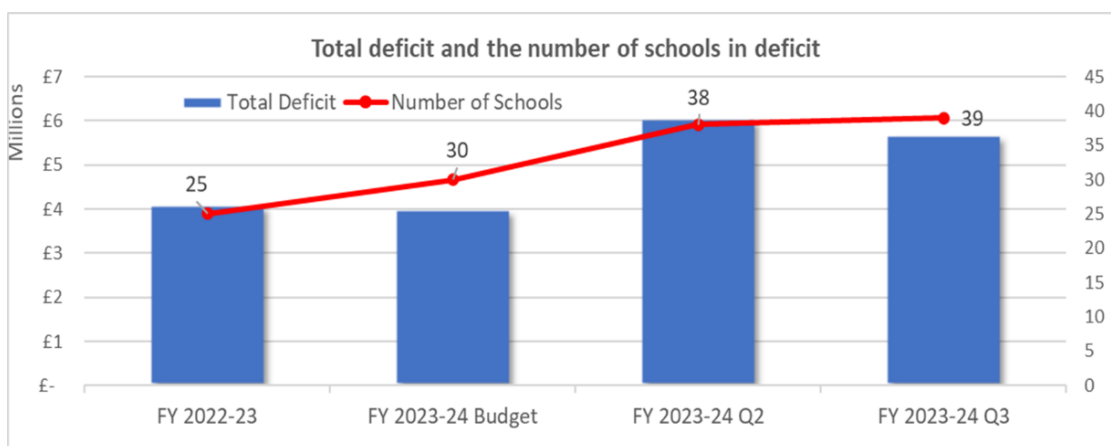
2. Financial Pressure in schools

- 2.1 Barnet schools are facing significant financial pressures in balancing their budgets. Rising staff costs, the cost of maintaining ailing buildings, and the energy crisis are a few of the challenges schools face. While the COVID-19 pandemic has ended, schools are still dealing with the impact left behind. This is apparent from the year-on-year increase in the number of schools in deficit and the depletion of reserves in surplus schools.
- 2.2 The LA has set up a Schools in Financial Difficulty panel to ensure that the borough takes a collective approach to tackling these challenges. The LA has also identified schools that require immediate assistance and has been working closely to ensure that they are not left behind.

3. 2023-24 Quarter 3 (Q3) Schools Budget Monitoring

- 3.1 As at Q3, 82 schools out of 87 maintained schools submitted their budget monitoring returns. Barnet finance guidance require all maintained schools to submit each quarter in a timely fashion completed and up to date budget monitoring returns.

- 3.2 Of the 82 schools, 41 maintained schools (50%) are forecasting a revenue deficit for the current financial year. 38 out of the 41 deficit schools are Primary Schools, 2 are Nursery Schools and 1 PRU. The total forecasted deficit is £5.692 million. Compared to the previous financial year end 2022-23, this is an additional 14 schools to the previously reported number of 27 deficit schools (over 50% increase) and an increase of circa £1.6 million to the total deficit balance.
- 3.3 4 schools that initially projected a surplus in Q2 revised their forecast to a deficit in Q3, and 3 schools that previously forecasted a deficit are now expecting a surplus balance at year end. This results in a net movement of 1 school from surplus to deficit.
- 3.4 However, the forecasted total deficit balances decreased by £0.362 million from Q2 to Q3. The most likely reason being that schools are more cautious in their Q2 forecast whereas at Q3 they are likely to have a better understanding of their financial commitments to year end.



4. **Maintained schools with surplus and deficit balances over three years.**

- 4.1 The table 1 below summarises the number of schools with a surplus or a deficit revenue balance over three years. The financial year 2023-24 figures are from the Q3 budget monitoring reports.
- 4.2 The table below shows that the primary sector shows a significant increase in schools expecting a deficit at the end of the financial year 2023-24. From 28 deficit schools at the end of the financial year 2022-23 to 38 at current forecast. It should be noted that 21 primary schools out of the 38 primary schools reported have less than 95% occupancy level at the school.
- 4.3 This is not unique to Barnet. London local authorities and schools are currently facing a significant fall in demand for school places, which in turn will lead to reduction in schools budgets and standards. There are a number of factors that have led to this which includes the impact of the Covid-19 pandemic, the increase in the cost of living, the UK's exit from the European Union and the lack of affordable housing available in London. This is further exacerbated by the drop-in birth rates.
- 4.4 As a result, Local Authorities are taking decisions to merge, downsize and in some cases to close schools to ensure that the supply of school places remains in line with

the demand. Hackney, Islington, and Lambeth are some of the Local Authorities who have been forced to tackle this challenge head on.

Table 1: Number of maintained schools in surplus and deficit balances over three years

	FY 2021-22		FY 2022-23		FY 2023-24 Q3	
	Surplus	Deficit	Surplus	Deficit	Surplus	Deficit
Nursery		2		2		2
PRU	2		2		1	1
Primary	52	21	48	25	31	38
All-through	1		1		1	
Secondary	6		6		5	
Special	3		3		3	
Total	64	23	60	27	41	41

5. Total of surplus and deficits of maintained school's over three years.

- 5.1 Table below summarises the total surplus and deficits of Barnet maintained schools. At the end of financial year 2021-22, schools reported £11,432 million in reserves (total surplus - £13.719 million and £2.287 million). By third quarter of 2023-24 this total has reduced to £2,393 million.

	FY 2021-22		FY 2022-23		FY 2023-24 Q3	
	Surplus	Deficit	Surplus	Deficit	Surplus	Deficit
	£'000	£'000	£'000	£'000	£'000	£'000
Nursery		(181)		(540)	0	(457)
PRU	719		604		402	(26)
Primary	8,313	(2,107)	7,475	(3,559)	4,456	(5,208)
All-through	1,265		1,222		1,235	0
Secondary	1,769		2,359		1,627	0
Special	1,653		1,193		364	0
Total	13,719	(2,287)	12,853	(4,099)	8,085	(5,692)

6. Q4 / Financial Year End Submissions.

- 6.1 The deadline for maintained schools to produce and submit their year-end returns to Barnet Schools Accountancy team is Friday 26th April 2024.
- 6.2 Schools Forum will be updated on the year end position at the June 2024 meeting.

Appendix I: Regulations and guidance applicable for schools in deficit:

1. Below are references and excerpts from Scheme for Financing Schools that applies to schools in deficit.
2. Sections 4.5 to 4.9 of the Barnet's Scheme for Financing Schools addresses the issues surrounding schools setting deficit budget and licencing budgets. As per the guidance the Governing Body of a school is not allowed to plan and approve a deficit budget for their school in any financial year.
3. In addition, the Schemes for financing Local Authority maintained schools 2023-24 from DfE directs the insertion of the following paragraph:

“Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2023.”

4. Cash advances (extract from the Schemes for financing Local Authority maintained schools 2023-24 from DfE)

“If a local authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the authority's schools budget, taken from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by schools forum.”

Meeting/Date	Schools Forum 19 th March 2024	Agenda Item No.	5
Report Title	2024-25 Early Years Funding		
Decision/ Discussion/ Update	Update		
Officer(s)	Sharon Palma Head of Finance – Children and Families sharon.palma@barnet.gov.uk Jacob Davies DSG Finance Manager jacob.davies@barnet.gov.uk		
Appendices	Appendix I – 2024-25 Early Years Budget		
Summary	This report contains an update on the Early Years funding rates for 2024-25.		
Recommendations	Schools Forum to note the funding rates for existing and new Early Years age groups, following consultation in February 2024.		

1. Context

- 1.1. The extension of funded early years provision for working families of 2-year-olds and subsequently 9-month-old pupils, has led the Department for Education (DfE) to review its rules regarding local authorities' funding arrangements for early years providers.
- 1.2. The DfE consulted on proposed changes between 21 July 2023 and 8 September 2023 and published its response to the consultation on 29 November 2023.
- 1.3. Following this consultation, the Government announced a new National Funding Formula for the existing entitlement for disadvantaged 2-year-olds and for the new working parent entitlements for children aged 9 months up to and including 2 years old.

2. Process

- 2.1. As a consequence of the changes contained in the DfE's consultation response document, Barnet carried out our own consultation (26 January- 9 February 2024).
- 2.2. All providers were consulted on the early years funded entitlements to obtain their views on the proposed changes to local funding arrangements.
- 2.3. In the consultation, we asked providers if they agreed or disagreed with our proposed pass-through rates. The majority of providers agreed with the pass-through rates of

96% working families' and universal entitlements and 100% for our disadvantaged two-year-olds.

3. Early Years Funding Rates 2024-25

3.1. The table below list the hourly rates confirmed and announced to early years providers for the financial year 2024-25.

3.2.

Entitlement	Hourly Rate	Increase, %	Pass Through Rate
3- and 4-year-old working	£6.23	5.00%	96%
2-year-old working parents (from April 24)	£9.21	New	96%
2-year-old disadvantaged	£9.59	2.70%	100%
9 months to 2-year-old working parents (From September 2024)	£12.54	New	96%

3.3. The universal offer for 3- and 4-year-olds, has increased by 5%, and is based on a 96% pass through, following the inclusion of other 3- and 4-year-old funding for deprivation and SEN inclusion.

3.4. The disadvantaged 2-year-old rate has increased by 2.7%, however, this was increased by 35% in September 2023 from £6.92 to £9.34. Also, the Local Authority will be passporting 100% of this fund.

3.5. The new entitlement for 2-year-old with working parents is being implemented with 96% pass through rate, in line with the 3- and 4-year-old rate.

3.6. This will also apply to the new entitlement for 9-month-olds up to 2-year-olds with working parents, which will start in September 2024.

3.7. Overall, for 2024-25, early years block will have an 96.5% pass through rate to setting.

3.8. The centrally held £1.603 million (3.5% of the total allocation) will be used to maintained centrally provided services to raise standards across early years settings, maintain a vulnerable Child Fund, for the running of Children Centres and to support trouble families.

3.9. As in previous years, the funding for the settings will be based on the actual take up.

Appendix 1 – 2024-25 Early Years Budget

Indicative EY Funding Allocation 2024-25	Amount, £	%
Total 3–4-year-old funding		
3–4-Year-old total funding (Inc. MNS Supplementary Fund)	£27,608,121	
3–4-Year-Old IDACI funding:	£450,000	
3–4-Year-Old SEN Inclusion Fund	£600,000	
Sub-total	£28,658,121	63.2%
2-year-old and under 2-year-old funding		
2-year-old children from disadvantaged families	£3,914,745	
2-year-old children of working parents	£6,293,924	
9-months-old children up to 2-year-olds of working parents	£4,342,672	
Sub-total	£14,551,342	32.1%
Early years pupil premium		
3- and 4-year-olds	£178,141	
2-year-olds	£97,625	
Under 2s	£4,880	
Sub-total	£280,646	0.6%
Disability access fund		
3- and 4-year-olds	£164,710	
2-year-olds	£53,690	
Under 2s	£11,830	
Sub-total	£230,230	0.5%
Centrally Retained	£1,603,724	3.5%
2024-25 Early Years Block Funding	£45,324,063	100.0%

Meeting/Date	Schools Forum 19 March 2024	Agenda Item No.	8
Report Title	Update on the financial position of the High Needs Block		
Decision/ Discussion/ Update	Update.		
Author	Karen Flanagan Director of SEND and Inclusion.		
Appendices	None		
Summary	This report summarises the current financial position of the High Needs Block as well as the forecast for next year's budget which is expected to fall into a deficit position.		
Recommendations	The Schools Forum is asked to note the update		

1. Purpose of Report

- 1.1 The purpose of this report is to ensure that the Schools Forum continues to be consulted on financial and wider issues relating to the arrangements for pupils with special educational needs in line with the [Schools Forum Powers and Responsibilities](#).
- 1.2 *“High needs funding supports provision for pupils and students with SEND who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an EHC plan or students who are over the age of 25) and pre-16 pupils in AP who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools.*

High needs funding is provided to local authorities through the high needs block of the DSG, enabling them to meet their statutory duties under the Children and Families Act 2014. [High needs funding: 2024 to 2025 operational guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/744444/high_needs_funding_2024_to_2025_operational_guide_-_gov.uk.pdf)

2. Summary

- 2.1 The High Needs Block budget allocation has until this year increased significantly in recent years. After Academies recoupment¹, the HNB allocation increased from £62,432,782m in 2022/2023 to £69,390,272. The increase in HNB spend at circa 10% broadly matched the increase in HNB spend.
- 2.2 The increase for the year 2024-2025, is significantly less, which after recoupment represents an increase of just 2.99%. This represents a financial increase of £2,077,449 from 2023-2024, for a total HNB allocation of £71,467,721.

Academies recoupment is automatic DSG allocations show the full amount **prior** to academies recoupment. For further information see [DSG: technical note 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/744444/dsg_technical_note_2024_to_2025_-_gov.uk.pdf)

2.3 The increase in the number of EHCPs maintained from January 2023 – January 2024 was 11%.

2.4 There was an in year increase of £500k during 2023-2024 as a result of the import/export adjustment. This meant the total HNB allocation increased from £68,890,106 to £69,390,272.

2.5 At the October Schools' Forum, it was reported there would be a 3.75% increase in Budget for 24/25 but due to the import/export this has been revised to 3.10% before deductions and 2.99% after (Table 1).

Table 1: HNB allocation for last three years.

High Needs Summary	2022-23	2023-24	2024-25	Increase 23-24 to 24-25	Percentage
Total High Needs Block (before deductions)	£ 68,153,116	£ 75,339,273	£ 77,677,721	£ 2,338,448	3.10%
Total High Needs Block deductions	£ 5,720,334	£ 5,949,001	£ 6,210,000	£ 260,999	4.39%
Total High Needs Block (after deductions)	£ 62,432,782	£ 69,390,272	£ 71,467,721	£ 2,077,449	2.99%

3. 2023-2024 expenditure.

Table 2. HNB areas of Spend.

Area	Budget 2023/24	Forecast 2023/24	Comments
Place funding and PRU top-up	9,186,819	9,150,092	
Top-up ARPs	4,668,937	4,743,734	
Top-up Special schools	12,642,775	12,650,721	
Top-up Post 16	4,596,143	4,711,309	Increase is due to a higher number of pupils than budgeted for
Mainstream top-ups	13,998,188	14,986,128	Growth was budgeted for at 6% but actual spend exceeded this by another 7%
Top-up Out of Borough	3,056,617	2,969,000	
Independent sector	11,651,057	12,626,000	Higher spend on independent school places and bespoke packages from EK Outreach and ASEND have led to the overspend

4. Forecast expenditure 2024-2025.

4.1 Table 3 below shows the budget for 2022/23 against the areas of expenditure, with the outturn for each area, the updated budget and forecast for 2023/24 and forecast budget for 2024/2025 which includes the increases 11% EHCP growth.

Table 3: Forecast spend.

Area	Budget 2022/23	Outturn 2022/23	Budget 2023/24	Forecast 2023/24	Predicted 2024/25
Place funding and PRU top-up	8,621,831	8,463,297	9,186,819	9,150,092	9,623,088
Top-up ARPs	4,449,913	4,493,621	4,668,937	4,743,734	5,105,237
Top-up Special schools	11,616,712	11,354,437	12,642,775	12,650,721	14,381,600
Top-up Post 16	4,289,000	4,417,766	4,596,143	4,711,309	4,768,994
Mainstream top-ups	12,295,199	12,428,941	13,998,188	14,986,128	17,943,002
Top-up Out of Borough	3,056,617	2,722,071	3,056,617	2,969,000	2,969,000
Independent sector	11,597,226	10,650,946	11,651,057	12,626,000	12,508,282
Other Hard to Place pupils, Hospital Funding, Autism Strategy,	6,506,283	6,443,586	9,589,736	7,053,121	6,879,590
Total expenditure	62,432,780	60,974,664	69,390,272	68,890,106	74,178,793
Budget	62,432,780	62,432,780	69,390,272	68,890,106	71,467,721
Variance	0	1,458,116	0	0	-2,711,072

4.2 Largest areas of growth

4.2.1 Mainstream top ups

The budget for 23/24 was calculated based on the outturn of 22/23 plus 6% to account for growth and 5% increase for mainstream top ups. The forecast at month10 for 23/24 shows an actual additional spend of 7% against the budget 23/24.

The budget assigned for mainstream top-ups has been increased by £1.74m allowing for 11% growth of school aged (EHCPs), this increase is based on current placements as of March 24.

Table 4. Mainstream top ups.

	22/23 Budget	23/24 Budget	Percentage Change	24/25 Budget	Percentage Change
Maintained Primary	6,000,986	7,023,776	17%	9,266,218	32%
Maintained Secondary	999,732	1,140,327	14%	1,187,950	4%
Maintained Nursery	41,023	94,274	130%	87,894	-7%
Barnet Nursery School	16,790	16,035	-4%	43,065	169%
Academy Secondary	3,814,682	4,085,329	7%	5,027,471	23%
Academy Primary	1,412,881	1,615,353	14%	2,315,283	43%
Academy Nursery	9,105	23,095	154%	15,122	-35%
	12,295,199	13,998,188.12		17,943,002.12	3,944,814.00

4.2.2 Post 16 placements.

The budget for Post 16 has increased by £173k due to an increase in numbers of placements for 16-25 year olds.

Table 5: Post 16 budget increases.

Post 16	22/23	23/24	24/25	Variance
Budget	4,289,000	4,596,143	4,768,994	172,850.31
No of students	315	330	340	10

4.2.3 Independent Sector costs

There has been a 9% increase in independent day placements and a 14% increase in costs versus 22/23. Independent day places have increased every year for the last 5 years.

Table 6: Independent sector costs – day places

Independent Day & Special	Out-turn 21/22	Out-turn 22/23	Forecast 23/24	Percentage Increase
Number of placements	194	208	226	9%
Cost of placements	£5,933,587	£6,140,050	£7,023,000	14%

4.2.4 Bespoke packages for SEND children or young people out of school.

Actual spend on bespoke education packages delivered by Edith Kay Outreach and ASEND for pupils with SEND not yet in a school have significantly increased over the last 5 years from £223k in 19/20 to £1.5m in 23/24.

The increase from 2022/2023 to 2023/2024 has seen a particularly sharp increase up by 91% for ASEND and by 113% for Edith Kay.

Further work is needed to explore the reasons for the increase and consider alternatives. This should be addressed as part of the CPP programme.

Table 7: Specialist tuition packages

Bespoke Packages	19/20	20/21	% +	21/22	% +	22/23	% +	23/24	% +
ASEND	£106,982	£193,655	81%	£215,577	11.3%	£355,021	64.7%	£677,388	90.8%
EK Outreach	£115,679	£152,077	31.5%	£241,231	58.6%	£402,770	67%	£858,337	113.1%

4.2.5 Special School top ups

The cost of special school top ups is expected to increase by £1.7m (table 8) mainly due to an increase in the number of commissioned placements (including continued planned growth at Windmill) and higher top-up bandings agreed via Schools Forum.

Table 8: Special Schools commissioned places and top ups

Special School places	Budget 2022/23	Budget 2023/24	Budget 2024/25	Percentage Increase
Academy	409	424	474	
Maintained	326	313	322	
Total	735	737	796	8%

Special School Top ups	Budget 2022/23	Budget 2023/24	Budget 2024/25	Percentage Increase
Academy	5,057,707	5,452,889	6,678,559	
Maintained	6,559,005	7,189,886	7,703,041	
Total	11,616,712	12,642,775	14,381,600	14%

4.2.6 SENIF

Funding in Barnet is currently paid to settings and registered childminders to support children at the rate of £11.95 per hour of their Early's Year free entitlement (15 or 30).

This compares to Brent's banded amounts of £5 and £8 per hour dependent on level of banding allocated and Redbridge's £7 and £10 per hour. All hours are allocated against either the 15 or 30 hours free entitlement. Hertfordshire has 2 banded amounts, but this is a total amount rather than hourly allocation.

SENIF requests are considered half termly (Autumn, Spring and Summer.) The number of requests agreed has increased by 85% since 2020/2021.

The total annual cost for SENIF has increased from £445,896 to £1,041,841. This is an increase of 134% in total.

The costs to the HNB of the DSG has increased from £45,896 in 2020/21 to £641,841 in 2023/24 **excluding** the final February panel.

The allocation from Early Years block of the DSG has remained at £400k but has included additional contributions. This has included a transfer of £600k in recognition of the significant increased demand on the High Needs Block.

The Increase in demand and cost (see table 9 below) is such that we need to look at allocating SENIF in a different way to make this financially sustainable. It is suggested that a working party is convened to consider options including a move to banded allocations.

Table 9: SENIF costs

Financial Year	No. approved	Total Annual Cost SENIF	High Needs Funding	Early years Funding	% increase on total costs
2020/21	234	445,896	45,896	400,000	
2021/22	334	476,571	100,000	376,571	+ 6.88%
2022/23	364	703,820	303,820	400,000	+ 47.68%
2023/24 to Jan 24*	432	1,041,841	641,841	400,000	+ 48%

*February SENIF panel not included.

5. Future Financial health of the HNB element of the DSG.

5.1 The number of children and young people supported through an EHCP in Barnet increased by 7.7% between 2022 and 2023, and between 2023 and 2024 by 11%. In total the number of EHCPs maintained by Barnet has increased by 122% from 1,731 in 2015 to 3,849 in 2024 (January SEN 2 Census data).

5.2 Table 10 below shows the increase of the number of EHCPs the Council maintains since 2015. Numbers for London and England have also been included for information up to 2023 but have not yet been published for 2024.

Table 10. Growth in number of EHCPs.

2015	2016	2017	2018	2019	2020	2021	2022	2023	% +/-	2024	% +/-
240183	256315	287290	319819	353995	390109	430697	473255	517026	9.24%		
41104	43708	48554	53975	59672	65853	72193	78203	85601	9.45%		
1731	1817	2088	2256	2372	2682	2899	3211	3459	7.72%	3849	11.27%

5.3 The main impact has been an increase in both the costs and increased number of placements across the system and is outlined above in section 4.2 above.

5.4 The predicted deficit of 2024-2025 is in circa £2.7m (table 3, section 4).

5.5 If all things remain the same (*ceteris paribus*) the HNB deficit will continue to increase year on year. Table 11 below shows this increasing to £5m in 2025-2026, £10.6m in 2026-2027, £17m in 2027-2028 and £24m in 2028-2029.

Table 11: Predicted HNB deficit based on the current annual 10% increase in expenditure and a 3% increase in HNB allocation.

High Needs Summary - Illustrative Purpose only				
	2025-26	2026-27	2027-28	2028-29
Total High Needs Block (after deductions)	£ 73,611,752.63	£ 75,820,105.21	£ 78,094,708.37	£ 80,437,549.62
Total Predicted Spend	£ 78,614,493.10	£ 86,475,942.41	£ 95,123,536.65	£ 104,635,890.32
Variance	-£ 5,002,740.47	-£ 10,655,837.20	-£ 17,028,828.29	-£ 24,198,340.70

5.6 The current DSG cumulative reserves are in the region of £8m, based on predicted increase in spend this would be exhausted during 2026-1027.

6. Actions

- 6.1 The Schools Forum is asked to note the information in this report and in particular the predicted deficit of £2.7m for 2024-2025 which will increase year on year if all things remain the same.
- 6.2 The local area of Barnet will need to review spend and take actions where possible, for example by reviewing the way in which we allocate SENIF and further explore how the CPP programme can support our arrangements for pupils with SEND not currently with a named school place (usually movers in).
- 6.3 It is noted there were no volunteers from the school community to lead and develop a suite of options in relation to more flexible funding methods for pupils in mainstream with higher levels of SEND need without recourse to an EHCP. This would be a less bureaucratic approach and would ensure schools and more importantly children and young people with higher levels of SEND needs in mainstream are able to access funding more quickly where their needs have been fully identified than via a statutory assessment process.
- 6.4 We will therefore be recruiting to this post externally and will report back to the Schools Forum in terms of any locally coproduced options for consideration.
- 6.5 We will also be utilising the CPP funding to trial differing approaches including ELSEC funding, an earlier intervention for children with speech and language needs and interrogating data more thoroughly via our Local Area Inclusion Plan (LAIP) to inform commissioning arrangements.