

Schools Forum Briefing

From the meeting held on 17 May 2024

This Briefing provides a summary of key discussions and decisions taken by Forum at their most recent meeting. If you want to find more detail, the minutes and papers from all meetings are in the public domain and can be found on the Norfolk Schools website [here](#), along with contact details for Forum representatives.

LFI Update to Schools Forum

Schools Forum was updated on the Local First Inclusion Programme, which is currently 18 months into its current iteration.

Significant funding has been made available through this programme of work (jointly funded between DfE and NCC) with a focus equally on providing early support with the SEN Support cohort and for students with an Education, Health and Care Plan (EHCP) and also continuing to expand specialist provision for those that need it.

The impact of the programme is now at a stage, having been established in this first year, where impact can now be seen and start to be measured. However, key financial elements of the programme have changed, in part due to ongoing pressures for special school referrals and EHCP/Element 3 funding, leading to a need to renegotiate with the Department for Education via their 'enhanced monitoring and support' process.

The published plan for LFI with the DfE was scheduled to complete largely by 2026, aiming that students are in the right place with the correct support and achieving an in-year balanced budget. Collective leadership will be vital over the following 12 months to embed programme's aims and ensure that the LA and schools can 'live within their means' to ensure the increased investment secures long term improvements to SEND & AP in Norfolk.

Plan Refresh

The LFI plan has been refreshed, considering the revised predictions based on a higher-than-expected demand for EHCPs. This refresh does not change the overall strategy but includes new elements of collaboration and partnership working and delivery, as well as updated baseline data around EHCP and exclusions. The plan was submitted to the DfE for approval in April.

The increase in demand also suggested that a longer time period would be required to deliver an in-year balanced budget, with a current forecast deficit of £50m. The LFI programme was not expected to be in balance until 2030/31, with an increasing cumulative deficit. This presents a challenging scenario, lying outside the DfE regulations, however Children's Services are in constructive dialogue with the DfE around this and are supplying further data.

Forum members asked for clarification around the signing-off point from the DfE; it was reported that within the rules of the Safety Valve plan, the only option available to Children's Services was to propose a longer-term programme - rather than the original six-year period of cumulative deficit payoff. Conversations were ongoing, during which time the plan is being delivered as previously agreed. Forum members also asked if Norfolk was unique in this situation; the response was that the county was not in a unique position with other LA's also re-negotiating / part of 'EMS' process.



Members asked if funding would be made available from the wider local authority, and whether there would be pressure on Children's Services to repay the cumulative deficit. It was reported that although funds would continue to be made available in line with the original plan, it was critical that the trajectory be seen to change as a deficit could in the HNB would create other budget pressures for the council overall.

Collaborative model

A new collaborative LFI model will commence in September 2024, dividing Norfolk into fifteen zones for better inclusion partnerships. New partnerships between specialist and mainstream schools aim to utilize expertise for mainstream inclusion of SEN students. This includes an expansion of the dual-registration system, where students can be registered simultaneously with a mainstream and specialist schools, and a revised approach to allocating special school places.

Forum members asked how zones would be compared, in order to avoid any potential imbalances between different zones; it was reported that collaboration between zones was a cornerstone of the model, with oversight across them to ensure consistency as far as possible, and also reduce bureaucracy in accessing services.

Element 3 funding, a core pillar of the LFI programme was also discussed. Between 2018/19 and 2024/25, the Element 3 budget has increased by £30.9m. Additionally, difference in 2023/24 between a budget of £23m and a final outturn of £35.3m has identified significant financial pressures, and negotiations with the DfE are ongoing regarding next steps.

The DfE have agreed a £36m figure for the 2024/25 academic year, however it is important that the system lives within its means, acknowledging significant prior investments. To achieve this, and shape changes to the LFI model to deliver this goal, a workshop was formed with several forum members agreeing to participate to consider the next stages of Element 3 funding.

Forum members raised concerns about Element 3 funding, regarding changes to the proposals, timescales and certainty of funding; it was reported that there would be a two-stage approach introduced in September 2024, and

that whilst short term changes to the structure would be challenging, there was no reduction in the level of funding. The amount available was currently higher than any point previously, and that they would welcome the views of forum members to provide perspectives on the various options available as part of the workshop.

Dedicated Schools Grant Final Outturn and Balances 2023-24

Schools forum heard the report for the Dedicated Schools Grant

There was a net overspend of £43.136m during 2023/24, concentrated within the High Needs block. Other blocks recorded small underspends which offset the net figure. A £2m portion of Safety Valve funding was received in 2023/24, with a further £5.5m contributed by the local authority.

As of 31 March 2024, the cumulative DSG deficit on reserves stood at £81.513m. The Schools block recorded a £161,000 underspend vs. a c.£600m budget. This was due to rate refunds, as rates had to be estimated at the start of the budget setting process. These were slightly overestimated for 2023/24. Rate revaluations and credits received when schools converted to academies also contributed to the underspend.

The Central block recorded a small underspend of £5,000, which was then reallocated to offset the DSG deficit.

The High Needs block overspend of £43.712m was due to the increased allocation in inclusion methods, over a £25m overspend originally anticipated, based on previous safety valve planning.

The Early Years block recorded an underspend of £410,000, which was then reallocated to offset the DSG deficit.

There was an increase in the surplus balance for schools to £218,000.

Forum Members asked if Early Years figures were adjusted across the budget year as data was received. Officers confirmed that the report contained an estimate for July 2024, as it was expected that the DfE would request back £1.7m. It was also acknowledged that it was difficult to predict what would happen during 2024/25, due to various outside pressures and the impact of a General Election.

School Catering Update

Schools Forum heard an update on the progress of the schools catering contract.

After several meetings with schools by an appointed consultation partner, different tender options were being considered. A survey was sent to schools in December 2023, with six school visits following between January and March 2024.

One option considered was a renegotiation of contract with Norse; renegotiation was not seen to be a risk-free option, given that new terms would need to be agreed. Responses to this option were mixed, however the sample size was reported to be small.

A negative response was recorded to schools making their own arrangements, and competitive re-procurement received a split response, meaning there was no democratic mandate to proceed with this option. It was also perceived to be a risky option, with the potential of limited or no bidders for the tender. Forum members thanked the working group for their efforts thus far, and commented that there appeared to be strong bidders and competitive tenders in the market place, and would welcome further investigation.

Schools Forum Forward Work Plan

Items for the July meeting of Schools Forum were noted:

- LFI strategic planning
- Financing Schools scheme
- DSG consultation preparation
- Internal audit update.

It was also suggested by members that a summary of Schools Forum actions across the year would be prudent; this was agreed.