

# Norfolk Schools Forum

Date: **Friday 20 September 2024**  
Time: **9am**  
Venue: **Cranworth Room, County Hall, Martineau Lane,  
Norwich, NR1 2UA**

<b>Membership</b>	<b>Organisation</b>	<b>Representing</b>
Martin White (Chair)	Nebula Federation	Maintained Primary Governors
Adrian Ball	Diocese of Ely Multi Academy Trust	Academies
Helen Bates	Roman Catholic Church Diocese	Church Representative
Stephen Beeson	Norwich Diocesan Board of Education	Church Representative
Martin Colbourne	City College Norwich	16-19 Representative
Steven Dewing	Sapienta Education Trust	Academies
Lacey Douglass	Freelance Early Years Advisor	Early Years Representative
Mike Grimble	Avenue Junior School	Maintained Primary Governors
Bob Groome	National Education Union	Joint Consultative Committee
Glyn Hambling	Unity Education Trust	Alternative Provision Academies
Carole Jacques	Earlham Nursery School	Nursery Schools Representative
Joanne Philpott	Ormiston Academy Trust	Academies
Sarah Porter	Unity Schools Partnership	Academies
Rachel Quick	The Wherry School	Special School Academy
Sarah Shirras	The Hive Federation	Maintained Primary Schools
Matthew Smith	Sheringham Woodfields School	Maintained Special Schools
Daniel Thrower	Wensum Academy Trust	Academies
Joanna Tuttle	Aylsham High School	Maintained Secondary Schools
Vicky Warnes	National Education Union	Joint Consultative Committee
Vacancy		Academies
Vacancy		Academies

## **Officers:**

Michael Bateman	Assistant Director – SEND, Strategic Improvement and Early Effectiveness
Martin Brock	Accountant (Schools, Special Educational Needs and Early Years)
John Crowley	Assistant Director of Learning and Achievement
Dawn Filtness	Finance Business Partner (Children’s Services)
Samantha Fletcher	Assistant Director – Education, Infrastructure and Partnerships
Nicki Rider	Assistant Director – SEN and Alternative Provision Strategy and Sufficiency
Sara Tough	Executive Director of Children’s Services
Andy Tovell	Assistant Director of Inclusion and Opportunity
James Wilson	Director of Sufficiency Planning and Education Strategy

**For further details and general enquiries about this Agenda  
please contact the Committee Officer:**

Laine Tisdall on 01603 222 053  
or email [committees@norfolk.gov.uk](mailto:committees@norfolk.gov.uk)

# Agenda

1. **Apologies for absence**
2. **Minutes** **Page 4**  
To approve the minutes of the meeting held on the 10 July 2024
3. **Welcome from the Chair and Matters Arising**  
*0905 to 0915*
  - **Summary of Schools Forum Actions 2023/24**
4. **Strategic Planning (including Local First Inclusion)** **Page 14**  
*0915 to 0945 (Information and Discussion)*
5. **Provisional DSG Allocations for 2025/26 and Autumn DSG Consultation** **Page 22**  
*0945 to 1130 (including a coffee break) (Decision)*
  - 5a: Provisional DSG Allocations update (*verbal update*)
  - 5b: DSG Consultation Overview
  - 5c: HNB related matters for engagement and consultation, including Schools Block to High Needs Block transfer
  - 5d: Other Mainstream Schools' Formula elements for Consultation
    - Proposal for application of National Funding Formula principles, factors and values for Norfolk schools
    - Review of move to adjusting the NFF values to ensure affordability of the model rather than historical approach of capping
    - Shared Parental Leave (maintained only)
    - Scheme for Financing Schools changes (maintained only)
    - Internal Audit offer (maintained only)
6. **Norfolk Audit Services – School Audits Update** **Page 67**  
*1130 to 1145 (Information and Discussion)*
7. **Falling Rolls Funding** **Page 70**  
*1145 to 1200 (Information and Discussion)*
8. **Early Years Funding 2025/26** **Page 73**  
*1200 to 1215 (Decision)*
9. **Forward Work Plan** **Page 78**  
*1215 to 1220 (Information and Discussion)*

**10. Any Other Business**  
*1220 to 1230*

**11. Date of Next Meeting**

**Tom McCabe**  
**Chief Executive**  
County Hall  
Martineau Lane  
Norwich  
NR1 2DH

Date Agenda Published: 13 September 2024



If you need this document in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or (textphone) 18001 0344 800 8020 and we will do our best to help.

# Norfolk Schools Forum

Minutes of the Meeting held on Wednesday 10 July 2024 at 9am, Cranworth Room, County Hall,

## Present

Martin White (Chair)  
Adrian Ball  
Stephen Beeson  
Steven Dewing  
Lacey Douglass  
Mike Grimble  
Bob Groome  
Glyn Hambling  
Carole Jacques  
Clare Jones  
Joanne Philpott  
Sarah Porter  
Rachel Quick  
Sarah Shirras  
Matthew Smith  
Daniel Thrower  
Joanna Tuttle  
Vicky Warnes

## Organisation

Nebula Federation  
Diocese of Ely Multi Academy Trust  
Norwich Diocesan Board of Education  
Sapientia Education Trust  
Freelance Early Years Advisor  
Avenue Junior School  
National Education Union  
Unity Education Trust  
Earlham Nursery School  
Broad Horizons Education Trust  
City of Norwich School  
The Heart Education Trust  
The Wherry School  
St. Williams Primary School  
Sheringham Woodfields School  
Wensum Academy Trust  
Aylsham High School  
National Education Union

## Representing

Maintained Primary Governors  
Academies  
Church Representative  
Academies  
Early Years Representative  
Maintained Primary Governors  
Joint Consultative Committee  
Alternative Provision  
Nursery Schools  
Academies  
Academies  
Academies  
Special School Academy  
Maintained Primary Schools  
Maintained Special Schools  
Academies  
Maintained Secondary Schools  
Joint Consultative Committee

## Also Present:

Michael Bateman  
Martin Brock  
Steve Bush (via Teams)

Assistant Director – SEND Strategic Improvement and Partnerships  
Accountant (Schools, Special Educational Needs and Early Years)  
Director of Children and Young People’s Services, Cambridgeshire  
Community Services NHS Trust

John Crowley  
Samantha Fletcher  
Jane Hayman  
Sarah Jones  
Jonathan Nice  
Nicki Rider  
Laine Tisdall  
James Wilson

Assistant Director – Education, Intelligence and Effectiveness  
Assistant Director – Education Infrastructure and Partnerships  
Assistant Director – Sufficiency, Planning and Education Strategy  
Director of Commissioning, Partnerships and Resources  
Senior Adviser – Teaching and Learning  
Assistant Director – SEN and Alternative Provision Strategy and Sufficiency  
Committee Officer, Democratic Services  
Director for Sufficiency Planning and Education Strategy

## 1. Apologies and substitutions

- 1.1 Apologies were received from Martin Colbourne and Helen Bates.
- 1.2 Stephen Beeson and Matthew Smith were formerly welcomed onto the Schools Forum, replacing Hayley Porter-Aslet and Annette Maconochie respectively.

## 2. Minutes

- 2.1 The minutes of the meeting held on the 17 May 2024 were approved as an accurate record of proceedings.

### 3. Matters Arising

- 3.1 Paper copies of the Declaration of Interests form were passed amongst the Schools Forum. Officers confirmed that nil returns could be returned if Forum Members did not have any interests to declare.
- 3.2 Officers provided an update on Shared Parental Leave, which was currently not reimbursed through the de-delegated block. A work group involving Forum Members had recently been set up to consider Shared Parental Leave, with the potential options discussed. It was agreed that going forward, it would be sought to de-delegate an additional amount into the budget for maintained schools. A report was scheduled for the November meeting of the Schools Forum. Costs for 2025/26 were estimated at £110,000 per year, equating to £3.65 per pupil for maintained schools, based on current pupil numbers. The £110,000 figure took into account both salary costs for Shared Parental Leave and cover the statutory element of the scheme. Updated estimated costs would be made available in November 2024.
- 3.3 With regard to historic costs of Shared Parental Leave, there was currently no budget in place to reimburse these. Concerns had been raised by some headteachers regarding unexpected financial pressures on their budgets. It was acknowledged there was a miscommunication which had led representatives to the conclusion they might be reimbursed for historic costs. Officers had been in contact to rectify the miscommunication. If the local authority were to look at reimbursing historic costs, it was estimated that £74,000 would be required to cover this. The conclusion was that SPL would not be reimbursed retrospectively.
- 3.4 Summary of Schools Forum actions 2023/24 – Officers confirmed the summary was currently being prepared, to be published alongside the Schools Forum Briefing forthwith. The Chair requested to view the summary, which officers agreed to.
- 3.5 The Chair welcomed Steve Bush from Cambridgeshire Community Services NHS Trust, who was attending the meeting virtually through Microsoft Teams. A presentation on the Children and Young People’s System Collaborative was shown concurrently to the Forum, with the following key points highlighted:
- The Children and Young People’s System Collaborative was set up as a working group to broaden and deepen partnership working across the whole system, with the aim being to accelerate progress towards achieving better outcomes for children. At present the System Collaborative was endorsed by five partners across the East of England.
  - At present, the System Collaborative was currently planning and developing an integrated whole system approach towards meeting the needs of children and young people between the ages of 0 to 25 (CYP 0-25). Particular attention was drawn towards meeting emotional wellbeing and mental health needs, SEND requirements, and understanding needs around neurodiversity. A creative and holistic approach was to be taken to best utilise resources across all partners towards redesigning the support model in Norfolk. Structural, operational and cultural changes were required to achieve the best outcomes for children.
  - There were five guiding principles within the System Collaborative, firstly a focus on early intervention and prevention to reduce the burden on specialist and acute support.
  - There would be a renewed focus on “place”, to offer bolstered day-to-day support in local communities, rather than relying on specialist institutions.
  - The System Collaborative aimed to take a holistic approach to children’s needs, with the aim being to join up casework across the service and offer a single personalised assessment/plan for each case.
  - Ultimately, it was hoped there would be a shift away from the current clinical model which focused on diagnosis, towards a new model rooted in early intervention and community-led initiatives.

- There was also an opportunity to review resources across the partnership to improve efficiency and produce more effective results.
- All community services and stakeholders related to the identified areas of need for CYP 0-25, plus alternatives to admission/edge of care services, came within the scope of the System Collaborative. At present, Tier 4 mental health inpatient services, acute hospital inpatient services, services in Waveney were currently out of scope.
- The “building blocks” of future designs were shown to the Schools Forum, including a zone-based early prevention and help system. In addition, there would be a transition towards integrated intervention teams, providing joined-up services and help across the region covered by the System Collaborative.
- Officers stressed that it was critical that Norfolk engaged with its partners to ensure the success of the scheme, highlighting that other local authorities across the UK were conducting similar work.
- “Just One Number”, which was a new service offering a single point of access to mental health services for CYP 0-25. Other recent developments were showcased to the Schools Forum.
- A number of key issues surrounding neurodiversity needs were shown to the Schools Forum, illustrating the challenges towards achieving better outcomes. Accessing the right support at the right time was a struggle for many families. Graduated systems as adopted by Portsmouth, Bedfordshire and Luton were shown to be best practice towards meeting neurodiverse needs alongside diagnosis. Officers stressed that a tentative approach was being taken at present, with ideas being considered and scrutinised to see if they would be the best approach for Norfolk.
- It was hoped there would be a shift away from a diagnosis-led process to one that was more needs-based, with early intervention key to its success. A philosophical change was required across the partnership to deliver a needs-led approach, as opposed to the current service-led approach.
- Six proposed elements/next steps for the System Collaborative were shown to the Schools Forum, with it being stressed that none of them were finalised at present. The first idea was to develop multidisciplinary teams who would provide advice and help within schools and the community. Another proposal was to co-produce a mapping needs tool, utilising experience from other local authorities. Other proposed ideas included designing packages of support to match categories of need, integrating the mapping needs tool with online and telephone support, design training for supporting adults, and a reorganisation of specialist services to effectively “wrap” around schools and communities.

### 3.6 The following points were raised and discussed:

- The Chair queried the timescale for implementation. Officers stated there were no deadlines in place, as the Systems Collaborative was currently a work in progress. It was expected that managers would receive the report in the next couple of weeks for official sign-off. go to higher-ups in next few weeks. Following a further phase of co-production, it was expected to be implemented in 2025.
- A Forum Member questioned as to whether the inclusion zone would overlap with school and community teams, or whether it would be zoned differently. Officers confirmed both elements would be included within the same zone, with hope expressed that with time the zone would form the basis of an education partnership. The vision was to ensure that a number of teams were operating on the same footprint, which would enable support to be accessed much easier in the community, rather than a central referral.
- The Chair commented that geography was an important point to consider when taking into account practice from other local authorities, as Norfolk was a much larger area than Portsmouth, with different needs and demand.

- A Forum Member stated that the System Collaborative was designed to reduce anxiety across the board and that it would be important to share the finalised plan with all organisations to build confidence in it.
- The Chair queried as to where the System Collaborative sat within the overall LFI budget. Officers stated that there was no new spending required, as it was being funded through a reshaping of existing resources.
- A Forum Member expressed concern regarding the provision of tailored advice, stating that the volume of EHCPs over the last 18 months had created a generic set of statements, effectively creating a tick-box exercise. Officers acknowledged this was an issue which was being monitored. The Chair commented that the wording of EHCPs had been referenced in the Element 3 funding working group, as there was a noticeable impact.
- A Forum Member queried whether the local authority was working with the right people to get occupational therapists into place, along with working with experts from the University of East Anglia and Anglia Ruskin to build the right infrastructure to support System Collaborative
- The Chair thanked Steve Bush for attending the meeting and expressed hopes that there would be further positive developments on the System Collaborative at future Schools Forum meetings.

#### **4. Local First Inclusion Strategic Planning**

4.1 Forum Members received the annexed report (4).

4.2 Officers introduced the report, which provided an update on the Enhanced Monitoring and Support (EMS) process involving Local First Inclusion (LFI). Following a submission to the Department for Education (DfE) on the 23 April 2024, further information was submitted to them on the 7 June 2024.

4.3 Officers provided an update regarding LFI. A presentation was shown concurrently to the Schools Forum, the slides of which could be found on the Schools Forum website. The following key elements were highlighted:

- There was a renewed focus regarding Norfolk living within its means in LFI. The DfE advised officers in November 2023 that Norfolk was now within the EMS process. This was anticipated to have taken approximately a few months to complete the process, running parallel with the LA's own LFI stocktake; however it was still ongoing in part due to the need to respond to further DfE requests for information and in part due to the general election period.
- A number of new projects and initiatives were in the pipeline starting from the new academic year, including a new SEND and inclusion "front door" programme, special school outreach and satellites, and a new special school allocation process.
- Year 2 of LFI commenced in April 2024. Largely due to the ongoing negotiations with the DfE, payments were currently paused for the safety valve scheme. When the revised plan was agreed the payments would resume and also be retrospectively adjusted.
- The School 2 School programme was highlighted to the Schools Forum. A new offer was due to begin a pilot online in autumn 2024, running alongside the current School 2 School programme, in order to support how inclusion was currently evolving in Norfolk. An increase in referrals was anticipated from late 2024 to early 2025, with officers planning to bring referrals in-house to ensure support remained available. The team would be able to triage cases and provide the right amount of support. It was confirmed that the programme was fully funded.

- Specialist Outreach support was one of the possibilities that the evolution of the School 2 School programme could enable, providing another level of support.
- There had been an 11% increase in EHCPs in June 2024, compared to a 4% increase the previous month.
- Compared to May 2023, there was an 17% increase in special school referrals during May 2024.
- Since May 2024, there had been a net increase of 29 children on roll in a special school or within alternative provision, with the highest increase being seen in independent settings. Officers stressed there was a continued need to get on top of the EHCP issue.
- Ten years had now passed since the SEND reforms in 2014. During this period, the number of special schools in Norfolk had increased from 11 to 18. In addition, the number of SRBs had increased from 21 to 50, while there were now 16 alternative provision centres today when none existed in 2014. There was a need to communicate that Norfolk was delivering on its plans to increase provision in the SEND sector.
- Officers stated that contact from DfE officials was expected w/c 15th July, following the general election period, and this would provide the steer given regarding the timeline for the next stage of safety valve discussions and submission of a further revised plan.

#### 4.4 The following points were raised and discussed:

- The Chair queried if specialist outreach took into account cases where children were referred to a Specialist Resource Base (SRB) but did not get a place due their needs being too complex, meaning they ended up back in mainstream. Officers stated there was an aspiration to link with school where the child was to stay, with the local authority injecting support and knowledge to ensure it was a more sustainable transition with a positive outcome. It was acknowledged that places in SRBs were finite and the onus was on officers to target expertise at the most complex cases while ensuring it was ongoing and sustainable.
- The Chair requested that the local authority provided information around the number of spaces in SRBs presently. Officers agreed to investigate this.
- The Chair asked if specialist outreach was fully funded. Officers confirmed the programme was funded through the High Needs block. Conversations would need to take place if it was agreed to expand the programme.
- A Forum Member expressed concern that decisions on SRB places currently fell on the shoulders of schools, which was proving increasingly difficult given the complexity of some cases. It was confirmed that admissions to SRB was a joint process between schools and the LA.
- The Chair queried the timescale of getting EHCP support in place within schools, given that early targeting in schools was prudent towards reducing the numbers of EHCPs. Officers stated that the specialist outreach programme would be iterative from September 2024, due to staffing pressures. As no new funding was available, the team would need to be restructured to ensure that there was sufficient resource to staff the new model. A full rollout was expected from the October 2024 half term onwards.
- A Forum Member requested clear guidance as to what schools and settings could expect from the new specialist outreach teams, given experience of varying offers from existing teams, e.g. school & community teams. Officers confirmed fresh guidance would be produced to ensure consistency across Norfolk. School and community teams were invited to a “reset day” in September 2024, to look at the impact data so far. Feedback was welcomed but had to be considered carefully to ensure that a situation did not arise where guidance was released and then revised almost immediately following new data.



- A Forum Member stated consistency among teams was paramount for the new model to succeed. There was a need to gauge feedback from schools before September, with ideas on how to receive such data briefly pondered by Forum Members and officers.
- A Forum Member expressed concern regarding the restructure and reset, as it was previously advised that the programme was up and running in November 2023. Officers clarified that a review of the school and community teams after 12 months was good practice. The team around the school model was a separate item, with school and community teams part of it.
- A Forum Member expressed concern that there was a growing disconnect between the perception of the school and community teams and their actual impact and visibility within schools. Further reassurance in this area was required from the local authority to clarify matters. Officers acknowledged that this could be revisited, perhaps offering more workshops to ensure everyone was on the same level. The Chair stated it was correct to consider all areas of the LFI, but that an impact assessment could be required to see how it was meeting the principles agreed by the Schools Forum.
- A Forum Member asked if special schools would still receive support under the School 2 School, given their own pressures relating to management of resources. Officers confirmed there were no constituent changes to the funding.
- A Forum Member commented that the way Norfolk communicated with schools was increasingly important when it came to the LFI and various new processes. It was felt that a point had been reached where there was a transition from strategy and to a concrete plan in place. Impact statements were now required from key pieces of work to see how effective it was.

4.5 Officers provided an update on Element 3 funding, with the following key elements highlighted:

- There were four main changes scheduled from September 2024 onwards. The remaining annual allocations would be deployed to all schools to ensure certainty regarding the level of funding available. The allocations would be based on the bandings for awards agreed up to January 2024. In addition, the overall allocation per school would be adjusted to stay within the £35m budget, while funding for Enhanced SEND Provision (ESPs) would be ringfenced to avoid any disruption.
- Norfolk County Council confirmed there was a maximum funding envelope of £35m for 2024/25, approximately £11m more than the budget in the original safety valve plan. It was expected that funding for 2025/26 would be somewhat lower.
- Various options were being considered through the joint LA / school workshops to determine options for the future of the model, as this would form a key part of the annual DSG consultation process during Autumn 2024.

4.6 The following points were raised and discussed:

- A Forum Member asked if revised guidance about complex needs funding would be shared with schools. Officers confirmed this would be made available.
- A Forum Member expressed grave concern regarding how changes to Element 3 funding were communicated to schools by the LA, in particular that MAT CEO's did not receive the first communication directly and that headteachers received it first. It was acknowledged that this had been an error regarding the use of only one, rather than two, distribution lists. This was corrected for the follow up communication.

4.9 The Norfolk Schools Forum **RESOLVED** the following:

1. To **COMMENT, SUPPORT** and **CHALLENGE** regarding the next steps plans for the Local First Inclusion programme, in particular, with a commitment to ensure strategic leadership to jointly achieve the revised and explicit aims of the LFI programme.
2. To **REVIEW** the feedback from the Element 3 sub-group work undertaken with other school leaders, including providing comment, support and challenge regarding in relation to medium to longer term options for Element 3 funding and outline plans for the DSG consultation process in the autumn term.

## 5. Scheme for Financing Schools (Changes) 2024/25

5.1 Forum Members received the annexed report (5).

5.2 Officers introduced the report, which summarised the current areas of proposed change to the Financing Schools Scheme, in preparation for a consultation in Autumn 2024.

5.3 Officers introduced key elements of the report to the Schools Forum:

- There were three areas being proposed for consultation. The first of these related to the introduction of International Financial Reporting Standard 16 (IFRS16), which was included within recent national guidance towards borrowing by schools. As this was not a direct revision, Norfolk was now obliged to consult with schools before it could be implemented. IFRS16 removed the distinction between financial and operational leases, effective from the 1 April 2024. All leases would now be considered financial leases for accounting purposes, therefore reclassifying them as borrowing. The local scheme guidance required a rewrite to take into account these updates.
- The second section going out for consultation related to the use of business credit cards by schools, bringing Norfolk into line with national guidance. At present, schools in Norfolk were allowed to use credit cards in some circumstances. The local authority reserved the right to restrict the use of such cards in maintained schools. The change in guidance would see schools encouraged to use purchase cards going forward, as this would assist towards VAT compliance. A change to the wording was therefore required to support the use of purchase cards and to dissuade the use of business credit cards, as their current use attracted interest charges.
- The final amendment was in regard to bank account restrictions for maintained schools. The Co-operative Bank was to be removed from the list of approved banks, as it did not meet the minimum criteria set by the local authority regarding credit ratings.

5.4 The following point was raised and discussed:

- The Chair commented that the general consensus from the Schools Forum was to proceed with the consultation, with a debate to take place once this had been concluded.

5.5 The Norfolk Schools Forum **RESOLVED** the following:

1. To **BEGIN** consideration of the issues and the Scheme for Financing Schools 2024/25.
2. To **PROVIDE** comments to the Local Authority to support and enable the preparation of consultation materials in order to support the decision making of Local Authority maintained Members.

## 6. Future Building Maintenance for Maintained Schools

6.1 Forum Members received the annexed report (6).

6.2 Officers introduced the report, which summarised the current Building Maintenance Partnership (BMP5) scheme for building maintenance in schools, including risks of rising costs and future sustainability of the scheme due to academisation. A potential alternative was offered; the charging of maintained mainstream schools' budgets, which could be considered as part of the autumn DSG consultation with schools.

6.3 The following point was raised and discussed:

- A Forum Member declared an "other" interest regarding this item, as he was currently appointed to the BMP board. The change to the financial arrangements was time critical as it was a new five-year commitment beginning from February 2025. The Chair expressed concern that the board appeared not to have been involved at the beginning of the process. Officers confirmed a meeting would be arranged.

6.4 The Norfolk Schools Forum **RESOLVED** to **BEGIN** consideration of the issue, providing comments to the Local Authority to support and enable the preparation of consultation materials to support the decision making of Local Authority maintained Members regarding future arrangements

## 7. DSG Consultation Preparation 2025/26

7.1 Forum Members received the annexed report (7).

7.2 Officers introduced the report, which set out the proposed arrangements for the Dedicated Schools Grant (DSG) Consultation with mainstream schools (often referred to as 'Fair Funding Consultation'), including proposed dates, key items to be included in the consultation documents, and current LA expectations regarding Early Years and Special Schools consultation.

7.3 The following points were raised and discussed:

- A Forum Member commented that the special schools he represented felt satisfied with the work conducted by the local authority regarding band funding, as it was clear and transparent. However, concern was expressed that underlining costs such as support staff were not within the scope of the consultation, which would mean special schools were effectively signing off a reduction in income for the following academic year. Officers provided context and reassurance regarding special school funding, as this had been reviewed over the past couple of years in a variety of ways. The current proposal acknowledged that pay awards for support staff had disproportionately affected special schools. The challenge facing local authorities was that while grants had been made available for teacher pay awards, there was no additional money within the education budget for support staff. It was acknowledged that this needed to be re-examined. Due to the current LFI position and Element 3 funding, it was felt that this could not be reviewed in 2024, but that a review could be held the following year. Officers reaffirmed they would work closely with special schools.
- A Forum Member expressed concern that some of the proposed areas within the consultation were linked to LFI decisions, as the consultation was aimed to be specific.
- Forum Members stated that a hybrid approach to consultation sessions was the preferable option for the Schools Forum. Officers agreed with this decision and would arrange timings.

- A Forum Member stated that real transparency was required towards what the High Needs and LFI Block was currently being spent on.

7.4 The Norfolk Schools Forum **RESOLVED** to **DISCUSS** and **COMMENT** on the following:

1. The key elements identified to be consulted upon, based upon the current information available to the LA, including identification of any additional elements.
2. How information was provided to achieve the greatest engagement, including how consultation sessions were currently structured.
3. The preference of online consultation sessions, face-to-face consultation sessions, or a mixture of both.

## 8. Additional Schools Block Costs

8.1 Forum Members received the annexed report (8).

8.2 Officers introduced the report, which was produced due to corrections to two schools' budget being required from the Schools Block DSG. Formal approval was required from the Norfolk Schools Forum to approve submission of disapplication requests to the DfE, which would enable retrospective corrections to be made in due course.

8.3 Officers highlighted the following key elements from the report.

- Brisley CE Primary Academy was one of the affected schools. The issue arose following their merger with Weasenham CE Primary Academy. Due to an oversight, the merger was treated as a school closure, therefore meaning they were not fully funded for the 2024-25 academic year.
- Sprowston Community Academy was the other affected establishment. Following discussions with the local authority, its Published Admission Number (PAN) had increased in September 2023 following expansion works. However, the growth in PAN was not taken into account during the budget setting process, affecting the budgets for both the 2023-24 and 2024-25 academic years.
- Officers had held discussions with the DfE regarding both schools. To rectify the issues, there was a requirement to submit disapplication requests to the DfE. These were extraordinary documents, therefore requiring formal approval from the Schools Forum.
- The timeline of the corrections was still being investigated.

8.4 The following points were raised and discussed:

- The Chair requested clarification regarding Schools Block funding. An officer confirmed the Schools Block had already been allocated, but there was a pressing need to make the two corrections as not enough money was allocated to Brisley and Sprowston.. Assuming the applications were accepted in the current financial year, this would result in an overspend on the Schools Block, as new money was required to be allocated to the affected establishments. Future discussions with the safety valve team at the DfE were required towards managing the overspend.
- The Chair queried a £60,000 difference between the local authority's calculations and those provided by Brisley. Officers stated that Brisley had provided draft calculations, which had been analysed by the team. The discrepancy was due to Brisley assuming they would receive two allocations of sparsity, which was not the case.

- A Forum Member asked if there was a possibility the same issues could arise in the next academic year. Officers confirmed that internal processes were being reviewed as a result of the discrepancies.
- A Forum Member queried how the schools would be affected if the additional funding was allocated immediately. An officer stated that outcomes were being discussed with the DfE safety valve team. The DSG deficit in Norfolk had to be taken into account when considering the requests. The local authority was working closely with Sprowston with regard to rectifying cashflow in either academic year. With regard to Brisley, there were two options possible from the DfE, which would shortly be presented to the school.
- A Forum Member requested clarification regarding the options available to Sprowston. Officers confirmed that the desired option was to submit a disapplication request.
- The Schools Forum took a vote on whether to approve the submissions. With 15 votes for, 0 votes against and 2 abstentions, the proposal was **CARRIED**.

8.5 The Norfolk Schools Forum **RESOLVED** to **APPROVE** the submission of disapplication requests to the DfE in respect of retrospective budget adjustments for Brisley CE Primary Academy (2024-25) and Sprowston Community Academy (2023-24 and 2024-25).

## 9. Norfolk Schools Forum Forward Work Plan

9.1 Officers introduced the current forward work plan to the Forum.

9.2 The following items were scheduled for the September 2024 meeting of the Schools Forum.

- Strategic Planning (inc. Local First Inclusion)
- Provisional DSG Allocations for 2025/26 and Fair Funding Consultation for Mainstream Schools' Formula
- Early Years Funding Consultation
- Annual Audit Report (Norfolk Audit Service)

9.4 The Norfolk Schools Forum **RESOLVED** to **NOTE** the forward work plan.

## 10. Any Other Business

10.1 The Corporate Finance Team at Norfolk County Council requested that schools uploaded all invoices for Barclaycard forthwith, as the 2023-24 academic year was about to conclude. Late submissions in previous years had caused issues with BACS returns.

10.2 Forum Members proposed a vote of thanks to Clare Jones, as this was her final meeting as a member of the Schools Forum.

10.3 A date and location for the September 2024 meeting of the Schools Forum was currently under consideration between officers and Democratic Services at Norfolk County Council.

**The meeting closed at 12:18**

**Martin White, Chair  
Norfolk Schools Forum**



**If you need this document in large print, audio, Braille, alternative format or in a different language please contact Customer Services on 0344 800 8020 and we will do our best to help.**

# Schools Forum

Item No. 4

<b>Report title:</b>	<b>Strategic Planning (including Local First Inclusion)</b>
<b>Date of meeting:</b>	<b>20 September 2024</b>

## **Executive summary**

This update report on Local First Inclusion is relatively brief on this occasion due the separate paper to Schools Forum on the DSG Consultation Process containing four aspects relating to SEND.

This paper on LFI, therefore, provides an update on the revised shape and governance of the LFI programme, along with information regarding the comprehensive report to NCC Cabinet earlier this month and a brief update in relation to the ongoing discussions with the DfE.

However, we do want to convey to Schools Forum that 'post stock-take' we now want to engage all partners in the SEND system with a renewed sense of joint endeavour to address the historic and current challenges facing us. We continue to strive to improve outcomes for children and young people alongside the need to ensure stability within the finances available to us.

We will need to do this during a time when there is uncertainty about the direction of travel from the new government and a collective acknowledgment of the issues set out in the Local Government Association (LGA) / County Council's Network (CCN) joint report, via ISOS Partnership, for example the unsustainable rise in referrals for EHCP and specialist provision. Our local improvement plans for SEND & AP align to the ambition for a new framework as set out in the ISOS report and we will continue to offer the Norfolk experience and Norfolk solutions to tackle these national challenges.

### **Schools Forum are asked to:**

- Consider the updated information on the LFI programme, in terms of the revised shape and governance, and provide any comment or feedback the LA can utilise to support the advancement and success of LFI.
- Consider the additional updates provided and provide any comment or feedback to the LA to enhance the ongoing work of the LFI programme.

## 1. Context and Background

The Local First Inclusion (LFI) programme update reports to the previous two meetings, May and July 2024, set out the context of discussions with the DfE as part of the EMS (enhanced monitoring and support) process and how these related to our 'stock-take' across the LFI programme.

The Local Authority (LA) used those reports to set out progress across the programme alongside new projects and initiatives. A significant focus of these previous reports related to Element 3 funding in mainstream schools and, in particular, the interim changes required for 2024/25 and, following workshops with school leaders in the second half-summer term, planning for the medium-to-longer term changes for Element 3 funding from April or September 2025.

Element 3 funding, as a key feature of High Needs Block funding within mainstream schools, is one of the four proposed SEND aspects of the autumn DSG consultation, with further information relating to the proposed considerations covered in the separate DSG paper elsewhere on this agenda.

## 2. Reporting to NCC's Cabinet (September 2024)

A comprehensive report was considered by NCC's Cabinet on 2 September that included a significant focus on Element 3 funding, within a broader LFI update. A copy of that report can be accessed via this link: [NCC Cabinet Sep 2024, Item 9](#), with the LFI report from page 69 onwards and the Element 3 funding changes set out in both Appendix 3 (page 115) and the Equality Impact Assessment Annex B (page 126).

As can be seen from that report there were seven Recommendations and two of these related directly to agreeing the budget for Element 3 funding for the financial year 2024/25:

- Agree an increased, maximum, budget of £35m for Element 3 'top-up' funding for mainstream schools for the 2024/25 financial year (compared to the £30m budget agreed January 2024 as part of the DSG Budget by Cabinet due to the level of demand from Norfolk schools, which itself was an increase from the c. £23m in the Safety Valve plan), enabling increased resources to be invested to support the prevention of escalation to specialist provision
- Agree the principles of the process and methodology for allocation of funding to schools as part of an interim solution for Autumn and Spring terms 2024/25, delegating authority to the Executive Director of Children's Services to finalise the allocations to each school within the expanded £35m budget

For ease of reference, we have provided some extracts from the Cabinet report here to illustrate some of the key information that was provided for context and/or updates.

Following on from the Cabinet approval of the recommendations, members of NCC's Scrutiny Committee have 'called-in' the decision to be considered at their meeting on

the 18 September. A verbal update will be provided to Schools Forum regarding the outcome of the Scrutiny Committee meeting as part of this item.

## 2.1. Latest SEND data

The table below sets out the rise in both the SEN Support and the EHCP cohorts nationally and in Norfolk, with a combined cohort now in Norfolk of almost 29,000 age 0-25.

	2019	2020	2021	2022	2023	2024
<b>EHCP No.</b>	6,689	7,753	8,671	8,735	10,736	11,078
<b>%</b>	3.2	3.3	3.8	4.1	4.7	5.6
<b>New EHCP issued</b>	655	1,253	1,032	1,093	2335	1007 (to June)
<b>National EHCP %</b>	3.1	3.3	3.7	4.0	4.3	4.8
<b>SEN Support No.</b>	15,081	15,993	16,138	16,898	17,412	17,806
<b>%</b>	12.4	13.1	13.1	13.6	13.9	14.3
<b>National SEN Support %</b>	11.9	12.1	12.2	12.6	13.0	13.6

## 2.2. Summary of capital developments

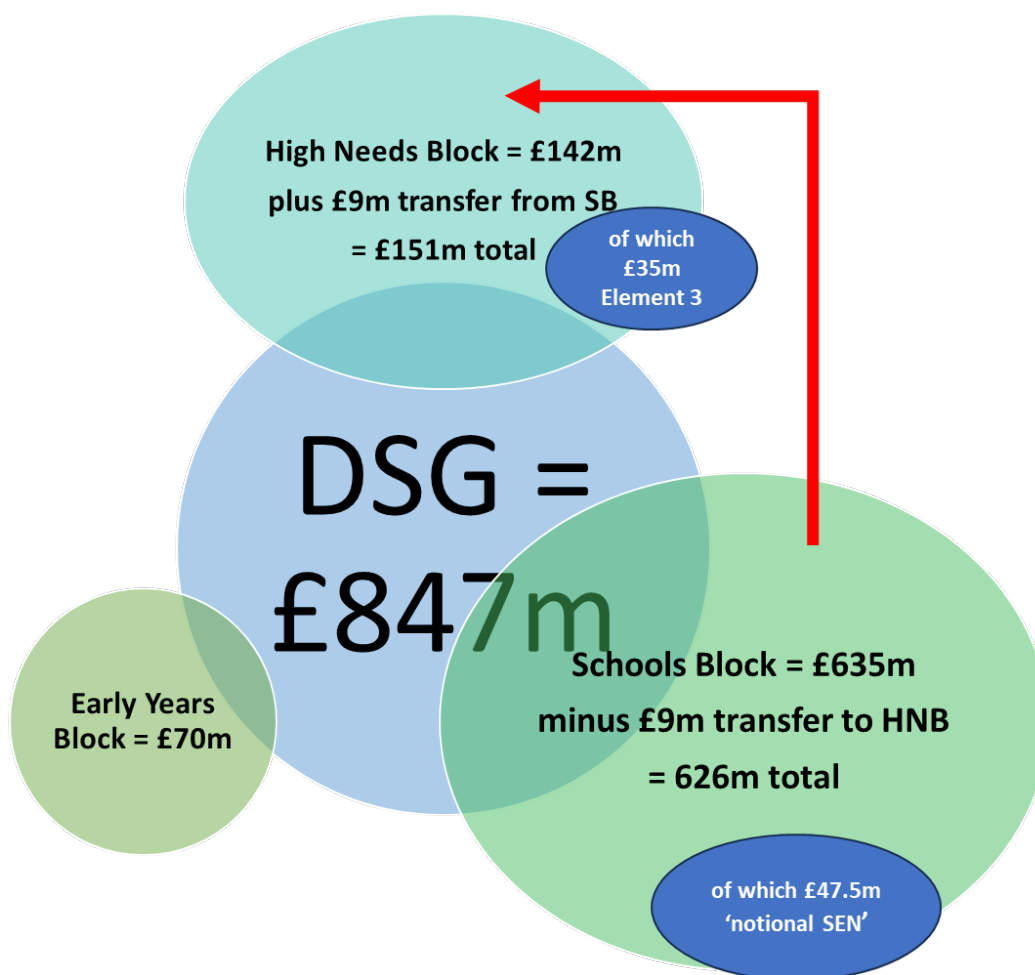
The following table provides a summary of the capital developments in Norfolk since the £120m capital investment was committed by the LA in 2018.

The LA is currently refreshing our SEND & AP sufficiency plan to ensure that it takes account of the latest information locally and nationally. Year-on-year, our approach to SEND & AP sufficiency planning continues to evolve and is increasingly sophisticated with a combination of historic and trend data alongside comparison with statistical neighbour LAs and best practice for mainstream inclusion to ensure we maintain the right mix of places, outreach and support services.



Type of provision	pre-2014 SEND reforms	2019 to 2025 NCC £120m capital investment	2023 to 2027 DfE safety-valve capital investment	Additional capacity through combination of NCC and DfE grant & targeted capital bids	post-2027 Final combined position
<b>Specialist Resource Bases</b>	21 'Learning Support Bases' (234 funded places)	<u>2019 to 2023</u> 10 SRBs built and operational (180 funded places)  <u>2023 to 2025</u> 19 SRBs being developed (332 funded places)	n/a	50 bases (746 funded places)	50 bases (746 funded places)
<b>Alternative Provision</b>	0	<u>2023 to 2025</u> 16 centres being developed (424 funded places)	n/a	16 centres (424 funded places)	16 centres (424 funded places)
<b>Special – state funded</b>	11 schools (1,169 funded places)	<u>2019 to 2022</u> 2 special schools built and operational (200 funded places)	<u>2023 to 2027</u> 2 special schools scheduled to open 2027 (270 funded places)	2 special schools (200 funded places) via Free School programme  1 special school via targeted capital DfE grant bid (170 funded places)  Additional class bases across existing special school estate (c. 400 places)	18 schools (2,423 funded places)

### 2.3. Summary of overall DSG

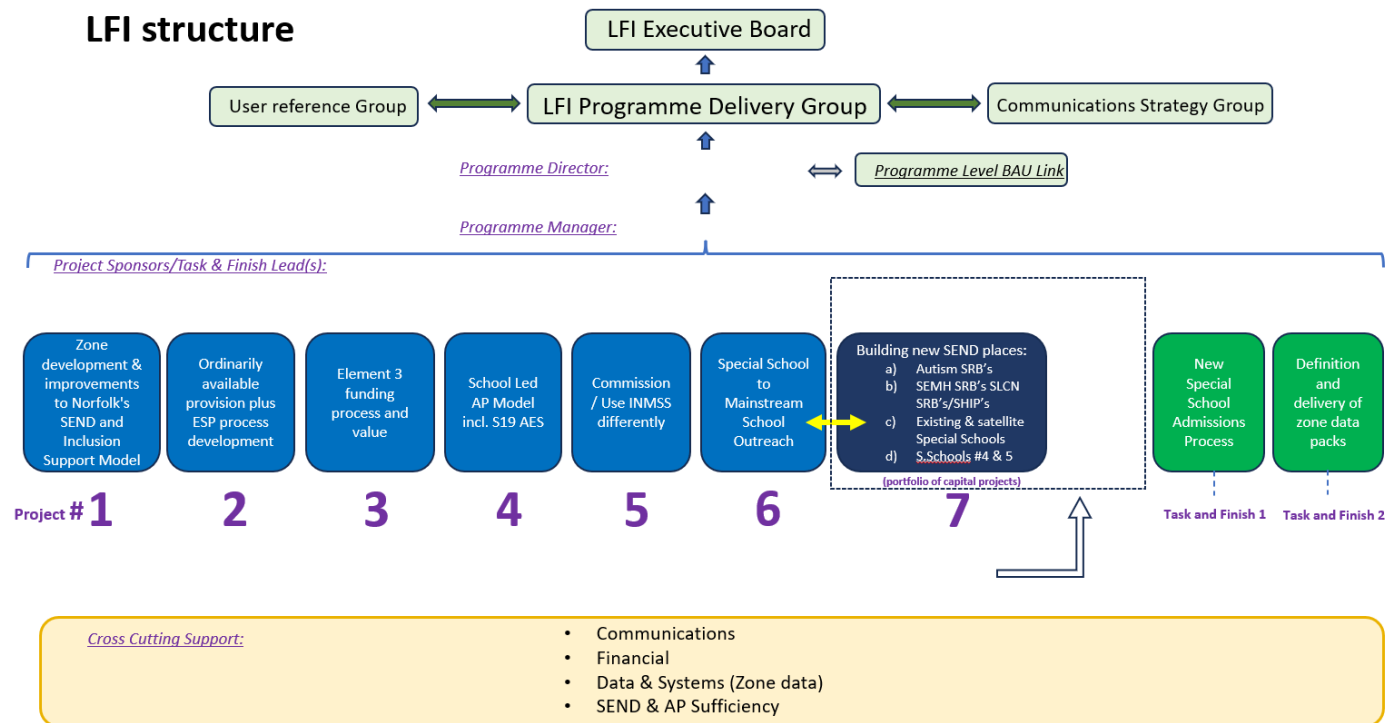


### 3. LFI Programme Developments

The LA and LFI Executive Board, have confirmed the revised 'shape' of the LFI programme (diagram below sets out the new projects and task and finish work) and have established revised governance arrangements.

Starting from this new academic year, an independent Chair has been appointed for the LFI Executive Board (Mark Vickers, CEO Olive Academies) and a new cycle of reporting has been established:

- Executive Board - bi-annual
- Programme Delivery Group - monthly
- Communications Group – monthly
- \*Reference Group (jointly commissioned by Children's Services and Schools Forum) - half termly



\*The reference group has developed from the working group / workshops held in the summer term for Element 3 funding (initial meeting 4 October 12-4.30pm, County Hall) and will be based on co-production / workshop model of working across the whole LFI programme<sup>1</sup>. For example, in the first meeting of the group this half-term we intend to provide an opportunity to explore these aspects of the LFI programme,

- SEND & Inclusion Front Door, including School & Community Teams
- Zone working, including data packs
- Capital delivery update, including SRB occupancy information
- Element 3 funding

And our intention is to agree a Forward Plan for the academic year ahead to ensure that we can consider all parts of the LFI programme and to return to previous items to enable a consistent feedback loop, sharing the experience of schools receiving new services and provision alongside data from the LA on changes in referral activity and to also reflect changes that may start to occur at a national level.

The insight from school leaders will directly feed into the planning across LFI and will influence the work of the other LFI groups/boards.

<sup>1</sup> Note for School Forum members involved to date: invitations and information on focus for workshop will be sent ahead of Schools Forum to the full distribution list

This approach, via co-production, in the LFI Reference Group illustrates our commitment, 'post stock-take', to re-engage with key partners in the SEND system with a renewed sense of joint endeavour to address the challenges facing us.

We need to convey the prime reason for the Local First Inclusion programme continuing to strive to improve outcomes for children and young people whilst acknowledging the reality of needing to ensure stability within the finances available to us and 'living within our means'.

We will need to be even more explicit in the need to reduce unnecessary referrals for EHCP and specialist provision by ensuring that we use the new resources available to meet needs earlier and, where possible, to prevent escalation of needs. All cash and services available for SEND & AP will be used more efficiently, both within the LA and within Trusts/schools, if the focus is on mainstream inclusion and increasingly via SEN Support.

We acknowledge that the next stage changes we are proposing in the DSG Consultation process and in the next phase of the LFI programme are occurring when there is uncertainty about the direction of travel from the new government. However, we believe that our local plans for SEND strategic improvement do align to the solutions set out in the LGA/CCN ISOS report and we will continue to offer the Norfolk experience and Norfolk solutions to tackle these national challenges.

#### **4. Update on DfE meetings and submission of revised model**

In previous reports to Schools Forum, the LA have explained the ongoing status of EMS (enhanced monitoring and support) process and the need to continue to meet with the DfE on a revised model for the 'safety valve' plan, with a focus on returning the High Needs Block to an in-year balanced budget and resolving the cumulative deficit.

Dialogue with the DfE continues, but negotiations have not yet reached a conclusion. As previously advised, the LA have provided two submissions to the DfE within this EMS process (23 April and 7 June) and the current timeline for submission of a further submission has now moved on from summer holiday period and into this autumn term.

In addition to the impact of the general election and the change in Government, this has, in part, been due to an acknowledgement within the DfE that we needed to complete NCC governance process, i.e. Cabinet.

During this time, it has also been acknowledged by the new Government that they will be considering information provided to them via a number of sources regarding SEND & AP nationally, including the LGA/CCN report via ISOS Partnership referenced in the NCC Cabinet report this September.

Therefore, it does need to be acknowledged that the DSG Consultation is likely to be undertaken with a level of uncertainty regarding the overall DSG and, specifically, the

High Needs Block future projections, and our ability to set out multi-year information within our proposals is impacted upon.

This level of uncertainty regarding budget detail is expected to continue during the autumn term as the LA expect that discussions with the DfE will need to be undertaken in parallel with the DSG Consultation process. This uncertainty will be combined with the general uncertainty regarding all DSG funding for 2025/26 due to the lack of provisional DSG allocations from the DfE following the election (covered elsewhere on the agenda).

## 5. Recommendation


### Schools Forum are asked to:

- Consider the updated information on the LFI programme, in terms of the revised shape and governance, and provide any comment or feedback the LA can utilise to support the advancement and success of LFI.
- Consider the additional updates provided and provide any comment or feedback to the LA to enhance the ongoing work of the LFI programme.

## Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

**Officer Name:** Michael Bateman    **Tel No:** 01603 307572    **Email address:** [michael.bateman@norfolk.gov.uk](mailto:michael.bateman@norfolk.gov.uk)

 <p><b>IN TRAN</b> communication for all</p>	<p>If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.</p>
-----------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

# Schools Forum

Item No. 5

<b>Report title:</b>	<b>Provisional DSG Allocations for 2025/26 and Autumn DSG Consultation</b>
<b>Date of meeting:</b>	<b>20 September 2024</b>

## Executive summary

### Executive summary

This paper covers the range of issues that the LA intend to include within the DSG consultation this Autumn.

This consultation is anticipated to be the most extensive that the LA has undertaken for a significant period of time and is seeking to significantly increase the level of engagement with the sector achieved in recent years.

With this in mind, the consultation is planned to be a combination of technical questions along with engagement regarding the system transformation needed, with open-ended questions to enable schools to be actively involved.

### Schools Forum are asked to:

- Consider and comment on the proposed content of the Local Authority's consultation with schools, including
  - LFI engagement
  - 2025-26 mainstream schools' funding formula (dependent upon provisional DSG allocations from DfE)
  - Review of methodology for ensuring affordability of the mainstream schools funding model
  - Notional SEN
  - Norfolk's approach to special school outreach and Element 3
  - Potential transfers of Schools Block funding to the High Needs Block
  - the broader engagement opportunity
- Provide suggestions regarding how the funding formula part of the consultation is carried out if the DfE have not provided the provisional DSG allocations in a timely way
- Consider and comment on the proposed content of the Local Authority's consultation with maintained schools (maintained representatives only), including
  - Introduction of de-delegation / buy-back for Shared Parental Leave
  - Review of maternity holiday reimbursement
  - Building Maintenance

- |                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Changes to Scheme for Financing Schools</li><li>• Charging of maintained schools' budgets for internal audits</li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **1. Context**

Given the continued high level of pressure in the Norfolk system and further increased spending in the High Needs Block, this year's DSG consultation is more important than ever. Our aspiration is that the design of the Norfolk system is informed by the views of those across the education landscape both in terms of financial arrangement but also the system of services, pathways and ways of working which are critical to achieving the best outcomes for children we can within the resources available.

Therefore, the intention is that the consultation this year includes both technical consultation elements alongside serving as an engagement opportunity for the sector in relation to the LFI programme, and the SEND system in Norfolk as a whole.

We plan to provide a comprehensive pack of information to accompany the consultation questions, and this will provide education leaders with an overview of the programme, a description of some of the key new elements such as access arrangements and zone partnerships, the modelling and proposed profiling of spend and hopefully a strategic understanding of what we are hoping to achieve through the work.

This paper is intended to set out the overall scope and structure of the proposed consultation in terms of content, engagement approach and sequence of recommendations / decision making.

The consultation itself will also include a technical and regulatory summary of the DSG consultation process for reference, as it has done so in previous years.

## **2. Summary of Proposed Areas for Consultation**

The proposed areas for technical consultation areas are:

- Proposal for application of National Funding Formula principles, factors and values for Norfolk schools
- Review of move to adjusting the NFF values to ensure affordability of the model rather than historical approach of capping
- Notional SEN
- Special School outreach
- Element 3 funding
- 1.5% transfer between Schools Block and High Needs Block
- Shared Parental Leave (maintained only)
- Maternity Leave – Holiday Pay Element (maintained only)
- Scheme for Financing Schools changes (maintained only)

- Internal Audit offer (maintained only)

In addition, we plan to seek feedback from education leaders on some broader engagement questions.

### 3. Technical Consultation

Many of the areas for technical consultation impact directly upon each other but the consultation will attempt to separate out the elements to allow each to be considered.

#### 3.1. Proposal for application of National Funding Formula principles, factors and values for Norfolk schools

At present, the DfE have not provided provisional DSG allocations, which would normally be provided in July. Normally, the LA would provide details of these provisional allocations as part of the autumn consultation, along with technical papers that illustrate the potential implications of any changes in the funding formula for individual schools.

The previous Government has, over a number of years, confirmed its intentions to move towards a direct National Funding Formula (NFF), whereby funding would be allocated directly to schools based on a single formula, i.e. resulting in the removal of local aspects and / or adjustments within final allocations to schools. At this time, the LA has not received any information from the new Government to say that there is any intention to either continue with, or to move away from, this principle.

For Schools Forum's reference purposes, an overview of the 2024/25 DSG allocations is provided in appendix A, along with confirmation of the 2024-25 formula factors and values (both the NFF unit rates and Norfolk's unit rates).

The LA are considering how to enable effective consultation with schools if the DfE have still not provided the provisional DSG allocation at the time of publication, including consideration of consulting only upon principles (i.e. without technical papers).

An alternative option could be to delay the publication of the consultation until the provisional allocations are received. However, consideration will need to be given to ensuring that the consultation is live for a sufficient period of time, along with sufficient time to analyse the responses to the consultation, as well as convening Schools Forum within a timescale suitable to meet the DfE's requirements for block transfer requests.

**ACTION: Members are invited to provide views as to how the consultation is undertaken if provisional DSG allocations in a timely manner for the proposed consultation timeline.**



### **3.2. Review of methodology for ensuring affordability of the mainstream schools funding model**

In November 2023, Schools Forum voted to remove the previous hard cap on gains in the local funding formula for 2024-25, instead reducing the National Funding Formula factor values, within the DfE's allowable range, to enable allocations to schools to balance within the DSG funding envelope from DfE following a 1.5% Schools Block to High Needs Block transfer approved by the Secretary of State in line with Norfolk's LFI Programme.

The main reason for the removal of the cap was to correct the unintended consequences for small rural schools that were being allocated significantly increased sparsity sums through the National Funding Formula, but which, in effect, were not then receiving that funding through the local formula due to the previously agreed cap on gains. As a result, small rural schools were bearing an unfair share of the impact of the Schools Block to High Needs Block transfer required for the LFI programme, as the cap on gains had been required in order to ensure affordability of the local funding formula. By removing the cap, and instead reducing factor values, the block transfer was then shared evenly across all mainstream schools through the formula, allowing more funding to be passed to small rural schools in line with the DfE's intentions of the National Funding Formula (and supported by the LA).

The LA proposes engagement within the consultation as to whether adjusting the NFF factor values within allowable ranges becomes the new 'normal' for Norfolk (presuming that any move towards a direct NFF by the new Government allows), or whether a cap on future gains should be reintroduced now that the immediate issue relating to small schools newly eligible for sparsity funding has been resolved.

There are different viewpoints regarding both methodologies of ensuring affordability of the funding model and these would be outlined within the consultation documentation. However, without provisional DSG allocations, it is not possible for the LA to provide technical illustrations of what either option could mean in practice for individual schools. Therefore, it may be that the consultation would need to be based upon principles only.

Appendix B provides further information that would form part of the consultation documentation.

**ACTION: Members are asked to consider, and provide a view, regarding the options proposed for consultation.**

### **3.3. Notional SEN**

The LA first set out the need to consider changes to Notional SEN funding, to Schools Forum, during the autumn of 2022 and this led to inclusion in the Fair Funding consultation of 2023 and the change to the notional budget share from April 2024.

The discussion during 2022/23 with Schools Forum and ultimately all schools ensured that a constant reminder was provided that this did not change actual budget allocations, but was an identified amount within a maintained school's delegated budget

share or an academy's general annual grant. Instead, it is intended to inform school's spending decisions and is neither a target nor a constraint on a school's duty to use its 'best endeavours' to secure special provision for its pupils with SEND. Therefore, adjusting the notional budget share in Norfolk may change the expectations of the level of funding that schools would ordinarily provide before access to other funding (e.g. Element 3) where a school was not already spending more than the notional allocation on SEND.

The duty on Local Authorities is to decide, following discussions and consultation with schools and Schools Forum, what size the Notional SEN budget should be and to ensure that this is kept under review. The need to consider increasing the Norfolk budget share for Notional SEN funding was prompted by the publication of national guidance and was also linked to Norfolk being part of the DfE 'Safety Valve' programme, with the accompanying need to demonstrate that all reasonable steps were taken to align to national expectations. This was particularly relevant in Norfolk due to the low rate of notional SEN funding, at 6.6% in FY2023/24 compared to the national average at that time of 11.5%.

NCC have set out previously to the Schools Forum that Norfolk's percentage allocation is relatively low compared to the national picture and following consultation with schools, for 2024-25, it was decided to begin to move towards the national average over time. Norfolk increased the level of notional SEN in its mainstream funding formula by 1% (of the total Schools Block) for 2024-25, increasing it from 6.61% to 7.61%, compared to the national average of 11.5% published by the DfE based on 2023-24 LA formulae data.

There is, for 2025-26 financial year, a need for further review and discussion of whether Norfolk's Notional SEN budget should be brought closer to the last known national average % and, if so, how and when this should be implemented.

The LA is of the view that a move to continue to increase the Notional SEN funding further towards the national average in 2025-26 should be considered and assessed.

Therefore, the LA intends to propose increasing Notional SEN for 2025/26 within the autumn DSG consultation with schools, that will then allow Schools Forum and the LA to consider their views as to the size and methodology of Notional SEN allocations for the next financial year, and beyond.

The expectation within the 2023/24 DSG consultation was that Norfolk would move to c.11.5% in 'equal instalments' during the financial years 2025/26 and 2026/27, subject to any updated information around Notional SEN from the DfE. However, due to the need to address the ongoing pressure within the High Needs Block and the ongoing discussions with the DfE for a revised Safety Valve plan, the LA believe it necessary to consider setting out two options in the DSG Consultation this year:

- An option to increase the current Notional SEN by a further (1.5% in 2025-26 i.e. increasing from 7.61% of Schools Block formula to 9.11%) as we move towards the national average over the next couple of years.
- An option to move to the last known national average of 11.5% in 2025-26.

Part of the purpose of the consultation and engagement would be to raise awareness again of the difference between Norfolk's level of Notional SEN funding and the national position, whilst demonstrate the impact on schools' Notional SEN allocations based on different options for percentages of formula funding.

It is the LAs intention to issue a technical paper as part of the consultation will provide an estimate of the impact of the different options at individual school level, either based on 2024-25 DSG allocations/school budgets or, if possible, based on indicative 2025-26 allocations if the DfE publish indicative funding levels ahead of the launch of the LA's autumn consultation.

For illustrative purposes, based on the current level of formula funding for 2024-25, an increase to 9.11% (1.5% of Schools Block formula added) for 2025-26 to the Notional SEN formula in Norfolk would increase total Notional SEN funding from £47.5m to £56.9m (an increase of c. £9.4m). As a comparison against the last known national average proportion of formula funding, 11.5%, the total would need to be in the region of £71.8m Notional SEN based on current DSG levels (which will likely be higher for 2025-26 due to DSG inflation but this has not yet been confirmed).

Additionally, the consultation survey is also proposed to consider if changes within the formula would also be appropriate at this time given that Norfolk's Notional SEN formula currently still uses a low percentage of the Low Prior Attainment data for allocation compared to the DfE recommendation.

Schools will be asked for views on whether Norfolk should adopt the DfE recommended approach and the rationale for response.

Appendix C provides further information that would form part of the consultation documentation.

**ACTION: Members are asked to consider, and provide a view, regarding the options proposed for consultation.**

#### **4. Special School Outreach**

The LA have been reviewing the model of 'S2S' special school outreach that has been in operation successfully for a number of years and benefitted from subsidy via the High Needs Block.

The review has been part of the LFI 'stock-take' to ensure that all current services can support the aims of LFI, for greater mainstream inclusion and reduction in unnecessary referrals for EHCP, and to complement the ongoing planning for services to be

increasingly focused on working within the School & Community Zones and in the context of 'team around the school'.

The model will provide early years, primary and secondary schools proactive relationship-based support including, but not limited to, mentoring, model teaching, specialist pedagogy, and training. Support will be in enabling environments, groups and practice to meet young people's needs.

The new model is in development and will build aspects of the existing Specialist Partner function provided by various state funded special schools to Specialist Resource Bases to offer more sustained support across a broader remit, e.g. providing support in establishing an ESP (Enhance Specialist Provision), developing an additional needs assessment, or considering curriculum approach in a class or school.

We hope to trial aspects of the model in advance, but it will replace S2S fully in Summer 2025. It will be accessed through the LA, in dialogue with SEND Advisors as part of the multidisciplinary offer supporting the Team Around the Schools within our Zone Partnership model.

Engagement is being planned to model how this approach could work for special and mainstream schools to work together to develop best practice and confidence around inclusion, but the scale of the support available to mainstream schools is yet to be fully determined.

The current amount of funding allocated to S2S in its current form is c. £0.2m. This covers the on costed salary of 2-3 FTE senior SEND teachers.

With schools accessing support for extended periods of time for ongoing advice and support, the costs for the model will be higher, but it is expected that the impact for the pupils and settings will be greater and more sustained. The LA envisage that this revised opportunity would result in a significant increase in both the volume and frequency requests for support with advice for young people with complex needs and ESPs across the system. This would see a potentially greater capacity service available to schools and early years settings at a time of high demand.

Therefore, for the model to operate successfully, including reach into a sufficient number of settings, there would need to be an increase in the amount allocated within the High Needs Block to fund this provision. If the amount of funding was to remain c.£0.2m then this reach both in terms of volume and intensity could not be delivered.

The LA intend to seek feedback from across the sector (i.e. early years, post 16, special schools and mainstream schools) in relation to this revised model, including consideration of how the expanded resource required is funded.

**ACTION: Members are asked to consider, and provide a view, regarding the options proposed for consultation.**

### **Element 3 Funding**

The LA are aware that acknowledgement is needed through the DSG Consultation that Element 3 funding will generate the majority of interest and scrutiny of all the proposed changes, and that schools and trusts may respond in relation to other elements of the consultation with concerns and feelings about Element 3 in the forefront of their minds. It is also understandable that schools may be influenced in their consideration of the medium/longer term changes by the ongoing concerns about the interim changes in this financial year. However, as a system, we do need to attempt to separate out the interim and longer-term changes.

The focus of this part of the proposed consultation will be in relation to medium-to-longer term Element 3 funding in the context of the overall High Needs Block funding invested in the mainstream sector.

The contents of the engagement will include confirmation that it is the LA's intention that regardless of the final, multi-year, budget envelope for Element 3 funding, there will continue to be very substantial investment in this part of the offer to mainstream schools. Further, that this investment is complemented by the ongoing move to 'free at the point of delivery' services alongside the benefit to mainstream schools of the expanded Specialist Resource Bases, Specialist Hubs of Inclusive Practice, and the future AP model.

The model for Element 3 consultation is a product of the collective thinking that occurred within the latter summer term E3 workshops, where the LA and school leaders built on the principles and detail of the interim E3 changes to determine the foundations for a future funding model. In summary this was to achieve a model that combined the benefits of a 'needs led' and 'money follows the child' approach, alongside the certainty and stability that formula funding via proxy indicators can achieve. Therefore, features of the model are likely to be a combination of the following:

- continuation of bridging funding for Year R and Year 7 cohorts
- continuation of Enhanced Specialist Provisions (ESPs)
- continuing to enable access to the increased Element 3 funding budget for SEN Support cohort, with an explicit aim to reduce unnecessary referrals for EHCP where children and young people can have their needs more effectively met through early support and preventing escalation of need
- utilising INDES information to determine access to C&YP specific funding allocations – via revised bandings and with a focus on 'top-up' funding levels, aligned to C&YP with the most complex needs in mainstream schools and likely having needs that are significant and enduring
- determining the most appropriate and relevant proxy indicators to drive a funding formula aspect of the model
- determining the most appropriate weighting of the agreed proxy indicators – designed to incentivise inclusion and not create unintended consequences

- acceptance that any change to funding models, in particular those with funding formula features, can lead to a perception (or reality) of ‘winners and losers’ during the transition stage. Therefore, a need to consider changes over a multi-year timeline and relationship to minimum funding guarantee.

In addition, as a system, we need to determine the best implementation date for Element 3 funding changes, between April or September 2025. A change in September 2025 would align with the start of the new academic year and would allow greater time to identify the finer details of such an approach, but it should be noted that a September change would most likely result in a continuation of the interim arrangements for summer term 2025.

Through the consultation, the LA proposes to ask responders to

1. Consider the proposed features of the model and provide comment regarding the potential relevant weighting and importance
2. Consider the potential proxy indicators, and associated weighting, for the formula aspect of the model

**ACTION: Members are asked to consider, and provide a view, regarding the options proposed for consultation.**

#### **4.1. 1.5% Transfer from Schools Block to High Needs Block**

The DSG Schools Block is ring-fenced in line with the DSG conditions of grant, but local authorities can transfer up to and including 0.5% of their Schools Block funding into another block, for example the High Needs Block, with the approval of their Schools Forum. Without Schools Forum agreement, or where they wish to transfer more than 0.5% of their Schools Block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.

The existing safety-valve agreement with the DfE (and associated Local First Inclusion programme) is based on the assumption of year-on-year transfer of 1.5% between the Schools Block and the High Needs Block until in-year balance is achieved and is sustainable, and the resolution of the cumulative HNB deficit.

However, even with a Safety Valve agreement, there is a requirement within the overall DSG funding regulations to set out any transfer between the blocks as part of the annual DSG Consultation process, and for the outcome of that consultation, including a vote at Schools Forum, to be conveyed to the Secretary of State. It is the Secretary of State that agrees Safety Valve agreements and also the Secretary of State that determines if a transfer between the Schools Block and High Needs Block, above 0.5% can occur (or below 0.5% if the relevant Schools Forum is not in agreement). Additionally, the outcome of the consultation and any decision by the Secretary of State is reported to NCC’s Cabinet to inform their decision making.

In recent years, responses to the consultation have provided a range of views from schools regarding the level of understanding within the system for the need for transfer and the level of support, or otherwise, for the transfer. The views have also sometimes differed where they have been provided based upon an individual school or trust viewpoint vs system wide consideration. However, during that period of time, the votes of the Schools Forum have demonstrated an appreciation of the strategic intent and planning regarding Local First Inclusion and the need for the transfer and this support has been conveyed to NCC Cabinet and Secretary of State enabling decision making on a partnership basis.

That said, the LA is fully aware that securing support of schools, and Schools Forum, for ongoing transfer will be more challenging in the current context. It is acknowledged, nationally and locally, that school budgets are under increasing pressures and the ultimate benefits of the Local First Inclusion programme are not yet flowing into the day-to-day experience of schools.

The LA proposed engagement within the consultation will seek to set out the facts that the level of cash funding, free at the point of delivery services, and access to specialist provision, has never been at a higher level for mainstream schools in Norfolk. This investment has been intended to support increased inclusivity within mainstream schools and to mitigate the demand for specialist, more costly, placements. The LA continue to be committed and determined to work collaboratively with the school system on sustainable improvements to SEND & AP whilst 'living within our means'. It is key that consideration by schools of the proposed block transfer is considered within this context, given the transferred funds are less than the increased investment since the start of the LFI programme, and the high number of children and young people in Norfolk who are outside of the mainstream system when compared to good performing statistical neighbours.

The options that the LA is likely to consult on for DSG block transfers in 2025-26 are:

- A transfer of 1.5% from Schools Block to High Needs Block.
- A transfer of 0.5% from Schools Block to High Needs Block.
- No transfer from Schools Block to High Needs Block

The consultation will be clear that any block transfer less than 1.5% will reduce the resource envelope available to support the mainstream sector with inclusion.

In previous years, the LA have provided technical papers to illustrate the potential impact of each option by school. The LA will seek to provide such papers if provisional DSG allocations from the DfE at the time of publication. Otherwise, schools will need to be asked to consider the principles only.

The LA proposes to ask schools to

3. Detail the specific implications of each option upon your school/trust.

4. Rank your order of preferences (a) for your school/trust and (b) for the system as a whole from the 3 options.
5. If these differ, please advise why.

**ACTION: Members are asked to consider, and provide a view, regarding the options proposed for consultation.**

## **5. Broader Engagement**

At this point in time, the LA think that it is really important to take the opportunity to undertake some broader engagement with Norfolk's school leaders related to enabling high levels of inclusion within mainstream schools.

The LA are aware that a lot of conversation does take place with some school leaders as part of a variety of groups or particular engagement activities, but Norfolk is a large County and there are many leaders where the annual DSG consultation is the one regular opportunity for formal engagement.

With this in mind, the LA are aiming to identify some open questions to enable schools and trusts to feedback in a way that the Schools Forum, LFI Executive Board and the LA to gain a rich understanding of views and experiences of schools from across Norfolk.

The specific questions to be asked are being developed, but initial drafts are shared here to enable Members to provide views on the questions prior to them being finalised.

- What makes the biggest difference to the ability of schools and setting to be inclusive of children with significant needs – what should we do or provide more of?
- What are the biggest barriers to inclusion within the current system?
- What specific gaps in services or provision would you highlight for the programme to address?
- What specific changes to ways of working or pathways would you suggest?
- Do you have any views on the proposed model for spending of the High Needs Block over the coming period and the prioritisation of investment?

**ACTION: Members are invited to provide views on the proposed engagement questions**

## **6. Maintained Schools Consultation Only**

This section provides summary information relating to the maintained schools only elements of the consultation, with further information provided in appendices as indicated.

### **6.1. Shared Parental Leave (maintained only)**



It has previously been raised at Schools Forum concerns regarding the impact of Shared Parental Leave on schools' budgets and the findings of a time-limited working group were fed back to the Schools Forum meeting in July, when it was agreed that consultation would be undertaken regarding the option of de-delegating funds as part of the autumn DSG consultation.

Appendix D provides background, technical notes and details of the proposal for consultation.

**ACTION: Maintained Members are asked to consider, and provide a view, regarding the options proposed for consultation.**

## **6.2. Maternity holiday reimbursement (maintained only)**

It has been identified that consideration is required as to whether the de-delegated maternity budget should cover the holiday pay for term time support staff.

Appendix E provides background, current situation and details of the proposal for consultation.

**ACTION: Maintained Members are asked to consider, and provide a view, regarding both the inclusion of this element within the consultation, and the options proposed for consultation.**

**ACTION: Maintained Members are asked to consider, and provide a view, regarding both the inclusion of this element within the consultation, and the options proposed for consultation.**

## **6.3. Building Maintenance (maintained only)**

At Schools Forum in July, it was shared that there was consideration of a proposal for building maintenance costs to be charged directly to mainstream maintained schools budget due to concerns regarding the sustainability of the current approach.

Following further consideration and engagement with relevant parties, it can be confirmed that this is not a proposal that will form part of the DSG consultation.

Further information is available in Appendix F.

## **6.4. Scheme for Financing Schools changes (maintained only)**

In July 2024, Schools Forum considered the LA's proposal to consult upon changes to the scheme during the DSG Autumn consultation. This included consulting upon the following sections:

- **2.1 Borrowing by Schools (update to national guidance)**

In the national guidance the following sections have been updated for 2024/25:

- Section 5.8: Borrowing by schools – the DfE have updated guidance on borrowing to reflect the introduction of International Financial Reporting Standard 16 (IFRS16) and the Secretary of State providing blanket consent to certain categories of finance lease
- Section 5.8: Borrowing by schools, first paragraph - the introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools and, in effect, all leases will be classified as finance leases for accounting purposes

It is proposed to update the local scheme wording in section **3.6 Borrowing by Schools** to include these national guidance updates reflecting current accounting practices for leases.

- **2.2 Borrowing by Schools (local updates)**

The local authority proposes to change the wording of the local scheme in respect of the use of credit/purchasing cards to ensure VAT compliance at local authority level in sections **3.6 Borrowing by Schools** and **17 Use of Business Credit Cards** - Annex J of the scheme.

- **2.3 Restrictions on accounts (local updates)**

The local authority proposes to update the list of banks shown in the local scheme that schools are permitted to use, removing Co-operative bank from the list due to them not meeting the LA's minimum credit rating requirements for treasury investments, in section **3.5.1 Restrictions on accounts**.

In addition, the LA advised that further review of the scheme would be undertaken to seek to identify any other sections that required updating. As a result, additional changes relating to school balances and deficits are proposed to be consulted upon:

- **2.4 School Balances (local update – added since July Schools Forum meeting)**

The local authority proposes to update the balances section of the scheme to include wording which reflects the current operation of the balances mechanism, but which have not previously been updated (late changes), within section **4.2 Restrictions on carrying forward surplus balances**.

- **2.5 Deficits (local update – added since July Schools Forum meeting)**

The local authority proposes to update the deficits section of the scheme within sections **4.41 - 4.9**.

Appendix G provides further information regarding the requirement for a scheme, when it should be updated, the relevant consultation requirements and the proposed wording to be consulted upon (for reference purposes).

Review work continues and any further proposed amendments will be brought back in advance of future consultations.

### **6.5. Internal Audit offer (maintained only)**

Some school leaders have historically raised concerns that not all schools were engaging with the advised audit frequency, and the lack of certainty regarding demand means that it is difficult for NCC to commit sufficient resource capacity.

As part of the 2024/25 DSG consultation, there was proposal in relation to ceasing trading internal audits for maintained schools and moving to an alternative model where funding was de-delegated, and all maintained schools were audited on a cyclical basis.

This was not supported, but the LA remained aware that there is a need to consider how to ensure that there is consistency of audit assurance across all maintained schools to meet its duties as a County Council, within tight system resources, as well as enabling schools to seek more comprehensive assurance where that is desired by individual Governing Boards.

Utilising the feedback provided and considering the specific requirements of the LA versus that of Governors, a new proposal has been developed which the LA intends to consult upon with maintained schools as part of the autumn DSG consultation.

Appendix H provides background and details of the proposal for consultation for reference purposes.

## **7. Consultation**

The LA intends to carry out a consultation from 1 – 24 October to inform discussion at Schools Forum in November 2024, with notice given to schools via an MI sheet via e-courier. Whilst, for many elements, the primary audience of the consultation would be mainstream schools, the whole sector will be invited to partake given the elements related to the high needs block and the overall LFI programme.

The purpose of the consultation has been laid out throughout this report and associated appendices.

The LA will then review the outcome of the consultation responses and prepare relevant inputs for Schools Forum Members ahead of the November meeting, where recommendations and decisions will be sought, as appropriate for the individual elements.

Throughout the consultation period, a series of face to face and on-line engagement sessions are planned to ensure stakeholders are fully informed about the consultation options and encourage as many as possible to respond to the consultation.

1st October 10:30-12:30 - GY Library

2nd October 14:00-16:00 - teams

7th October 14:00-16:00 - County Hall, Old Canteen

17th October 16:00-18:00 - West Norfolk – Venue TBC

22nd October 10:30-12:30 - teams

23rd October 16:00-18:00 - teams

The events are all listed here: [Schools, Colleges and Settings Key Events Calendar - Norfolk Schools and Learning Providers - Norfolk County Council](#).

## **8. Recommendation**

### **Schools Forum are asked to:**

- Consider and comment on the proposed content of the Local Authority's consultation with schools, including
  - LFI engagement
  - 2025-26 mainstream schools' funding formula (dependent upon provisional DSG allocations from DfE)
  - Review of methodology for ensuring affordability of the mainstream schools funding model
  - Notional SEN
  - Norfolk's approach to special school outreach and Element 3
  - Potential transfers of Schools Block funding to the High Needs Block
  - the broader engagement opportunity
- Provide suggestions regarding how the funding formula part of the consultation is carried out if the DfE have not provided the provisional DSG allocations in a timely way
- Consider and comment on the proposed content of the Local Authority's consultation with maintained schools (maintained representatives only), including
  - Introduction of de-delegation / buy-back for Shared Parental Leave
  - Review of maternity holiday reimbursement
  - Changes to Scheme for Financing Schools
  - Charging of maintained schools' budgets for internal audits

## Officer Contact

If you have any questions about matters contained in this paper, please get in touch with:

<b>Officer Name:</b>	<b>Tel No:</b>	<b>Email address:</b>
Michael Bateman	01603 307572	<a href="mailto:michael.bateman@norfolk.gov.uk">michael.bateman@norfolk.gov.uk</a>
Dawn Filtness	01603 228834	<a href="mailto:dawn.filtness@norfolk.gov.uk">dawn.filtness@norfolk.gov.uk</a>
Martin Brock	01603 223800	<a href="mailto:martin.brock@norfolk.gov.uk">martin.brock@norfolk.gov.uk</a>



If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

## Appendix A: DSG and Schools Block Formula Overview

### DSG Blocks

No information has yet been received from Government regarding the level of Dedicated Schools Grant funding for 2025/26.

For reference purposes, Norfolk's current 2024/25 DSG allocations, as at the DfE's July 2024 update, for the four funding blocks that make up the overall DSG are as follows:

	£(m)
Schools Block (exc. growth/falling rolls)	635.437
High Needs Block	142.333
Central School Services Block	4.231
Early Years Block	70.239
<b>Current 24/25 DSG Allocation</b>	<b>852.239</b>

The LA expects to receive information from the DfE soon demonstrating indicative DSG allocations for 2025-26.

### Factors/Values

Norfolk's current funding factors compared to National Funding Formula in 2024/25:

Funding Factor	2024-25 Formula £ NFF unit rates	2024-25 Formula £ Norfolk unit rates
<b>Age Weighted Pupil Unit</b>		
Primary	3,562	3,503.49
Key Stage 3	5,022	4,939.50
Key Stage 4	5,661	5,568.01
<b>Minimum Per Pupil Funding</b>		
Primary	4,610	4,610
Secondary	5,995	5,995
<b>Additional Needs Funding</b>		
Primary FSM	490	481.95
Secondary FSM	490	481.95
Primary FSM6	820	806.53
Secondary FSM6	1,200	1180.29
Primary IDACI A	680	668.83
Primary IDACI B	515	506.54
Primary IDACI C	485	477.03
Primary IDACI D	445	437.69
Primary IDACI E	285	280.32
Primary IDACI F	235	231.14
Secondary IDACI A	945	929.48
Secondary IDACI B	740	727.84

Secondary IDACI C	690	678.67
Secondary IDACI D	630	619.65
Secondary IDACI E	450	442.61
Secondary IDACI F	340	334.41
<b>Low Prior Attainment</b>		
Primary LPA	1,170	1,150.78
Secondary LPA	1,775	1,745.84
<b>EAL</b>		
Primary EAL	590	580.31
Secondary EAL	1,585	1,558.96
<b>Mobility</b>		
Primary Mobility	960	944.23
Secondary Mobility	1,380	1,357.33
<b>Lump Sum</b>		
Primary Lump Sum	134,400	132,192.24
Secondary Lump Sum	134,400	132,192.24
<b>Sparsity</b>		
Primary Sparsity	57,100	56,162.03
Secondary Sparsity	83,000	81,636.58
<b>Split Sites (NEW)</b>		
Basic Eligibility	53,700	52,817.88
Distance Funding	26,900	26,458.12

## Allowable Range

The DfE usually publish an allowable range of funding factor values for each authority each year, based on the National Funding Formula, intended to bring all LA's formulae for allocation to schools closer to the National Funding Formula values funded through DSG. This has not yet been published for 2025-26. As a guide, Norfolk's allowable factors for the year 2024-25 are as follows<sup>1</sup>:

<b>Factor</b>	<b>2024-25 NFF £</b>	<b>2024-25 (APT) minimum</b>	<b>2024-25 (APT) maximum</b>
Primary basic entitlement	£3,562.00	£3,472.95	£3,651.05
KS3 basic entitlement	£5,022.00	£4,896.45	£5,147.55
KS4 basic entitlement	£5,661.00	£5,519.48	£5,802.53
Primary FSM	£490.00	£477.75	£502.25
Secondary FSM	£490.00	£477.75	£502.25
Primary FSM6	£820.00	£799.50	£840.50
Secondary FSM6	£1,200.00	£1,170.00	£1,230.00

<sup>1</sup> Source:

[https://assets.publishing.service.gov.uk/media/652323da244f8e00138e71e8/Allowable\\_factor\\_value\\_ranges\\_2024\\_to\\_2025\\_FINAL.ods](https://assets.publishing.service.gov.uk/media/652323da244f8e00138e71e8/Allowable_factor_value_ranges_2024_to_2025_FINAL.ods)

Primary IDACI F	£235.00	£229.13	£240.88
Primary IDACI E	£285.00	£277.88	£292.13
Primary IDACI D	£445.00	£433.88	£456.13
Primary IDACI C	£485.00	£472.88	£497.13
Primary IDACI B	£515.00	£502.13	£527.88
Primary IDACI A	£680.00	£663.00	£697.00
Secondary IDACI F	£340.00	£331.50	£348.50
Secondary IDACI E	£450.00	£438.75	£461.25
Secondary IDACI D	£630.00	£614.25	£645.75
Secondary IDACI C	£690.00	£672.75	£707.25
Secondary IDACI B	£740.00	£721.50	£758.50
Secondary IDACI A	£945.00	£921.38	£968.63
Primary EAL	£590.00	£575.25	£604.75
Secondary EAL	£1,585.00	£1,545.38	£1,624.63
Primary LPA	£1,170.00	£1,140.75	£1,199.25
Secondary LPA	£1,775.00	£1,730.63	£1,819.38
Primary mobility	£960.00	£936.00	£984.00
Secondary mobility	£1,380.00	£1,345.50	£1,414.50
Primary lump sum	£134,400.00	£131,040.00	£137,760.00
Secondary lump sum	£134,400.00	£131,040.00	£137,760.00
Primary sparsity	£57,100.00	£55,672.50	£58,527.50
Secondary sparsity	£83,000.00	£80,925.00	£85,075.00
Middle-school sparsity	£83,000.00	£9,290.00	£85,075.00
All-through sparsity	£83,000.00	£9,290.00	£85,075.00
Split sites basic eligibility funding	£53,700.00	£52,357.50	£55,042.50
Split sites distance funding	£26,900.00	£26,227.50	£27,572.50



## **Appendix B: Methodology for ensuring affordability of the mainstream schools funding model**

Any consideration as part of the autumn DSG consultation for 2025/26 is not intended to reverse the previous decision made by Schools Forum, which was also strongly supported by the LA.

Instead, it would be to consider whether it is best for Norfolk's schools as a whole that adjusting the NFF factor values within allowable ranges becomes the new 'normal' for Norfolk (presuming that any move towards a direct NFF by the new Government allows), or whether a cap on future gains should be reintroduced now that the immediate issue relating to small schools newly eligible for sparsity funding has been resolved. Those schools that were previously being adversely affected will now have had their funding baselines updated in respect of NFF sparsity funding and this should protect them going forward.

The effect of any re-introduction of a cap cannot be modelled without knowing the indicative 2025-26 DSG funding envelope. The LA hopes to be able to produce a technical paper demonstrating options for the launch of the consultation, though that is dependent on provision of information from the DfE.

One benefit of re-introducing a cap may be that Norfolk is able to revert to mirroring National Funding Formula factor values exactly, as had been the case prior to removal of the cap, with a cap being utilised once again to ensure affordability. This would bring Norfolk back to being in line with NFF values published by the DfE. Evaluation of how well this could work is dependent on the indicative DSG allocation, any new NFF factor rates, and any changes in funding rules for 2025-26.

It should be noted that the operation of any cap calculation is complex, as it interacts with other elements of the formula such as Minimum Per Pupil Levels.

However, one possible consequence of re-introducing a cap could be that if a school that has previously not qualified for sparsity (so doesn't have any in its 2024-25 funding baseline) then becomes eligible for sparsity in 2025-26, it could be severely capped.

Due to the operation of the MFG/Cap calculation, the new year's (i.e. 2025-26) sparsity funding is deducted from the old year's baseline, as well as the new year, to reach a comparison of per-pupil funding between years (rates and lump sum are also excluded). This is intended to protect schools against significant changes in sparsity, but the effect is that the prior year baseline (which already has no sparsity in it) is then reduced further by the new sparsity amount. This causes a large gain between years that is then capped by the calculation despite the exclusion of sparsity funding from the 2025-26 side of the comparison.

This issue was previously identified as a primary reason for removing a cap, including preventing similar future issues.

## **Proposal for consultation**

The LA is like to propose two options for consultation:

Option 1:

- Continuing the principle implemented for 2024/25 of adjusting the National Funding Formula factor values within the DfE's allowable range in order to ensure affordability of the model.

Option 2:

- Re-introducing a cap on future gains within the formula in order to ensure affordability of the formula whilst also moving back towards NFF factor values.

## **Appendix C: Notional SEN**

### **1. Context**

In August 2023, the DfE issued operational guidance on the Notional SEN budget for mainstream schools for the 2024-25 financial year. At the time of writing that guidance has not yet been updated by the DfE but had originally stated that Local Authorities (LAs) are expected to keep under review the size of their Notional SEN budget (also known as Element 2 SEND funding) following consultation with schools and Schools Forum.

The DfE provided national data on Notional SEN based on data from LA's 2023-24 formulae, with 75% of authorities allocating between 5% and 15% of their Schools Block funding as Notional SEN at that time. Across all authorities the average was 11.5%. In Norfolk, the percentage allocation of Notional SEN had been 6.61% at that time, but following discussion at Schools Forum and consultation with schools was increased to 7.61% for 2024-25, as part of an incremental move towards the national average over time.

### **2. Notional Element 2 SEN Funding**

Mainstream schools and academies are notified each year of their Notional SEN allocation via the budget share document. Notional SEN is used towards the costs of fulfilling schools' duty to use their 'best endeavours' to secure special educational provision for their pupils with SEND.

Using funds from the Schools Block of the Dedicated Schools Grant (DSG), LAs are responsible for calculating the amount of this notional budget using their local mainstream schools funding formula factors.

The Notional SEN budget is not a budget that is separate from a school's overall budget share. It is an identified amount within a maintained school's delegated budget share or an academy's general annual grant. It is intended to inform school's spending decisions and is neither a target nor a constraint on a school's duty to use its 'best endeavours' to secure special provision for its pupils with SEND.

Mainstream schools are expected to:

- meet the costs of special educational provision for pupils identified as having special educational needs within the definition of 'SEN Support' (i.e., those pupils with SEND but who do not have an Education Health and Care Plan) in accordance with the SEND Code of Practice (Children & Families Act 2014); and
- contribute towards the costs of special educational provision for pupils with high needs (some of whom have education, health and care (EHC) plans), up to the high needs cost threshold set by the regulations (currently £6,000 per pupil per annum). This cost threshold is calculated by reference to the additional costs of provision, above the costs of the basic provision for all pupils in the school. High

needs top-up funding is provided above this threshold on a per-pupil basis by the LA that commissions or agrees the placement.

It is important to note that the Notional SEN budget is not intended to provide £6,000 for every pupil with SEND, as most pupils' support will cost less than that, if anything directly at all. It should be taken into consideration that no additional provision may be required if inclusive learning environments, curriculum and high-quality teaching are in place. Nor is the Notional SEN budget intended to provide a specific amount per pupil for those with lower additional support costs, even though the LA may make reasonable assumptions about what those costs might be for the purpose of ensuring that their schools' Notional SEN budget calculation is realistic.

There is currently no national approach to the calculation of schools' Notional budget for pupils with SEND through the National Funding Formula. At the time of writing, no updated information for schools' 2025-26 funding has been received from the DfE.

Most LAs calculate their schools' Notional SEN budget using a combination of funding from the basic entitlement factor, the deprivation factors, and the low prior attainment factors in the local funding formula. Depending on how the local formula is constructed and the overall weighting of the different formula factors, the DfE have previously stated that they expect the calculation of the Notional SEN budget to include<sup>2</sup>:

- a small part of the basic entitlement funding;
- a larger part of deprivation funding, reflecting the higher prevalence of lower-level SEN amongst disadvantaged pupils, and
- the majority or whole of the low prior attainment factor funding, as this is the best proxy we currently have for pupils with low-cost, high incidence SEND.

Other elements of the funding formula may also be used; for example, a proportion of the lump sum could reflect any fixed costs of making SEND provision that would apply to all local schools or diseconomies of scale relevant to small schools (Norfolk currently takes this approach as part of its Notional SEN methodology).

### **3. Why is it important?**

It has always been important to achieve consistency across the county for SEND funding and for access to specialist services, and formula funding, locally and nationally, is the mechanism that aims to achieve this in an objective way. However, in addition to the obvious reasons that consistency should be an aim, there are pragmatic reasons that relate to the allocation of additional funding. We need to be certain, for example with the allocation of Element 3 funding, that schools have access to support where this is necessary to ensure the inclusion of children and young people whilst also ensuring

---

<sup>2</sup> Para 13, [The Notional SEN budget for mainstream schools: operational guide 2024 to 2025 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/121212/2024-25-mainstream-sen-budgeting-guidance.pdf) ([www.gov.uk](https://www.gov.uk))

that the High Needs Block is not used incorrectly, where individual school budgets can and should be the source of funding.

Our approach to Element 3 funding has evolved through our work with schools and is linked to the concept of Notional SEN funding within national DSG guidance and the SEND Code of Practice. Therefore, with the previous publication of operational guidance for Notional SEN funding in mainstream schools from the DfE, it is right that we continue to reflect further on Norfolk’s below national average level beyond the additional 1% that was added for the 2024-25 financial year.

There is an expectation that LAs that are part of the DfE ‘Safety Valve’ programme should be actively assessing all national guidance to support local plans. Therefore, a continued move further towards the national average in 2025/26 would reflect this requirement whilst also acknowledging the positive impact schools should increasingly experience in the coming months and years from the LFI programme.

#### 4. Norfolk’s Notional SEN Budget

Norfolk’s current Notional SEN budget is £47.5m, representing 7.61% of Schools Block funding within the funding formula.

Norfolk uses basic entitlement funding, IDACI deprivation data, low prior attainment and part of schools’ lump sums to calculate Notional SEN funding.

The table below summaries Norfolk’s 2024-25 Notional SEN budget:

<b>Factor</b>	<b>Total Value of Notional SEN 2024-25</b>
Total BPPE	£7,414,096
Primary IDACI	£5,532,207
Secondary IDACI	£6,141,216
Primary LPA	£12,889,332
Secondary LPA	£12,323,087
Total Lump Sum	£3,235,785
<b>Total Notional SEN 2024/25</b>	<b>£47,535,723</b>
<b>Total Funding for Schools Block Formula</b>	<b>£624,648,132</b>
<b>Notional SEN as a % of SB funding</b>	<b>7.61%</b>

The proportion of factors currently used to calculate Notional SEN in Norfolk are as follows:

<b>Factor</b>	<b>Factor Unit Values</b>	<b>Notional SEN within factor</b>	<b>% of factor relating to Notional SEN</b>
BPPE (Primary)	£3,503.49	£68.68	1.96%

BPPE (KS3)	£4,939.50	£68.68	1.39%
BPPE (KS4)	£5,568.01	£68.68	1.23%
IDACI Pri band F	£231.14	£225.57	97.59%
IDACI Pri band E	£280.32	£270.69	96.56%
IDACI Pri band D	£437.69	£294.84	67.36%
IDACI Pri band C	£477.03	£294.84	61.81%
IDACI Pri band B	£506.54	£294.84	58.21%
IDACI Pri band A	£668.83	£294.84	44.08%
IDACI Sec band F	£334.41	£327.07	97.80%
IDACI Sec band E	£442.61	£439.86	99.38%
IDACI Sec band D	£619.65	£450.14	72.64%
IDACI Sec band C	£678.67	£450.14	66.33%
IDACI Sec band B	£727.84	£450.14	61.85%
IDACI Sec band A	£929.48	£450.14	48.43%
Primary LPA	£1,150.78	£690.47	60.00%
Secondary LPA	£1,745.84	£1,056.23	60.50%
Pri Lump Sum	£132,192.24	£8,097.90	6.13%
Sec Lump Sum	£132,192.24	£8,097.90	6.13%

Norfolk's current arrangements are based on the historic way that School Specific Allocations were made to mainstream schools prior to the 2013 Funding Reform, with the principles for calculation aligned in the best way possible into the National Funding Formula factors.

Inflation to the Notional SEN budget over the years has not kept pace with the national average, with Norfolk's percentage (7.61%) still lagging significantly behind the 2023-24 average nationally of 11.5%.

Review of Notional SEN calculations for 2025-26 should be mindful of previous indications of intentions for the National Funding Formula to become a more direct formula in future years (though an update on this principle is awaited from the new Government).

## 5. National Averages (from 2023-24 LA formulae)

Last year, the DfE provided data regarding Notional SEN allocations in a summarized analysis of local funding formulae submitted by all LAs for 2023-24. Section 19 of that

analysis provided an overview of both the percentage of funding allocated to Notional SEN as well as the formula factors used to allocate it<sup>3</sup>.

Some 115 (75%) local authorities were allocating between 5% and 15% of Schools Block funding as Notional SEN.

The overall percentage of formula allocation which designated as the Notional SEN budget across all local authorities in 2023-24 was 11.5%, which was a slight increase from 11.3% in 2022-23. The median Notional SEN allocation was 11%. However, there was a wide variation across local authorities.

At the time of writing, the DfE have not yet provided any update based on LA's 2024-25 formulae.

The table below shows the percentage of funding that was being allocated to Notional SEN nationally in 2023-24 (number of authorities shown in each percentage band):

<b>Percentage</b>	<b>2023-24</b>
0%	0
0% to 5%	9
5% to 7.5%	21
7.5% to 10%	34
10% to 12.5%	39
12.5% to 15%	21
15% to 17.5%	19
17.5% to 20%	6
Above 20%	4

Formula factors used to allocate Notional SEN nationally were as follows in 2023-24 (number of authorities shown using each):

<b>Factor</b>	<b>2023-24</b>
Basic entitlement	122
Deprivation	153
English as an additional language	43
Looked-after children	0
Prior attainment	148

<sup>3</sup> [Schools block funding formulae 2023 to 2024: Analysis of local authorities' schools block funding formulae - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115442/schools_block_funding_formulae_2023_to_2024_analysis_of_local_authorities_schools_block_funding_formulae_-_gov.uk)

Mobility	33
Lump sum	31
Sparsity	6
MPPF	15
MFG	10

Deprivation was the factor most commonly contributing to Notional SEN with all 153 local authorities using it in their 2023-24 formulae.

The majority of local authorities were also assigning a percentage of their basic entitlement and prior attainment funding into Notional SEN.

The previous DfE guidance stated that they expected the majority or whole of the low prior attainment factor funding to be used within the Notional SEN calculation, seeing this as being the best proxy currently available given the correlation with pupils with low-cost, high-incidence SEND.

However, there is potential for unintended consequences by moving locally to this approach at the same time that we propose increasing further the amount of Notional SEN. Essentially there is a risk that schools that have high social deprivation indicators and low prior attainment will need to demonstrate using a greater proportion of the overall school budget prior to accessing Element 3 funding and other inclusion support services. This was the reasoning previously, in 2024-25, for implementing an incremental percentage change to a) ensure further Local First Inclusion improvements are embedded and b) reduce the risk of unintended consequences.



## **Appendix D: Shared Parental Leave (maintained only)**

### **Previous Consideration**

Shared Parental Leave (SPL) is not currently reimbursed from the de-delegated Maternity budget. This has become an issue as school employees have realised that they can maximise their leave and pay by taking SPL during school holidays. In turn, this has caused a significant financial impact on some schools' budgets.

The implications of SPL costs being reimbursed from the maternity budget (from April 2025) were considered by a working group and their findings were reported back to the last Schools Forum meeting (July 2024). Schools Forum agreed for this to go out to consultation.

If SPL is agreed for mainstream schools, the same offer would be extended on an equivalent buyback basis for nursery and special schools.

### **Technical Notes**

There are two costs associated with SPL:

- the statutory SPL cost for the period when they are on Shared Parental leave
- and, the salary cost for the period that they return to work including school holidays.

Current systems have been designed to comply with SPL legislation, where the employee is marked as "absent" during periods of SPL only. As a result, the 'salary costs' between the periods of SPL cannot be identified as specific elements for reimbursement.

As a work-around, if SPL is de-delegated for both statutory SPL and salary costs covering periods of return during school holidays, the basis for reimbursement would be to use the initial start and final end dates for the entire duration of absence as an override.

However, it should be noted that there would be minor discrepancies depending on when the employees SPL started and finished to enable this system to be workable. For example, if the initial start date is prior to the 19<sup>th</sup> of the month then the costs for that full month would be charged to the de-delegated budget with no pro-rating.

If only the statutory SPL was agreed to be covered, then this could instead be charged accurately to schools' budgets and then reimbursed from the de-delegated budget for each instance.

### **Proposal for consultation**

The LA propose three options for consultation:

Option 1:

- De-delegate Shared Parental Leave costs for 2025-26, for statutory costs only.
- The delegation costs for the 2025-26 period have been estimated as £6,000 for statutory SPL (offset by 92% statutory recoveries).
- If this cost was reimbursed it would be a total additional de-delegated cost of £6,000 which would work out at £0.20 per pupil (based on current pupil numbers). This figure considers:
  - an estimated increase in the statutory payment value of 6.7%,
  - an estimated pay award of 6.5%, and
  - a 21.9% take up in SPL year on year as recorded by the Department for Business and Trade.

Option 2:

- De-delegate Shared Parental Leave costs for 2025-26, for statutory SPL costs **and** the associated salary costs covering periods of school holidays.
- The delegation costs for the 2025-26 period have been estimated as £6,000 for statutory SPL (offset by 92% statutory recoveries) and £104,000 for salary costs including on-costs.
- If both costs were reimbursed it would be a total additional de-delegated cost of £110,000 which would work out at £3.65 per pupil (based on current pupil numbers). This figure considers:
  - an estimated increase in the statutory payment value of 6.7%,
  - an estimated pay award of 6.5%, and
  - a 21.9% take up in SPL year on year as recorded by the Department for Business and Trade.

Option 3:

- Remain with the status quo that Shared Parental Leave costs are not de-delegated, and each school needs to cover these costs themselves where they arise.

## **Appendix E: Maternity Leave – Holiday Pay Element (maintained only)**

### **Current situation**

Maternity Leave is currently reimbursed from the de-delegated Maternity budget. A review has been undertaken of maternity costs and the reimbursements credited to schools' budgets from the de-delegated fund.

The maternity costs reimbursed include statutory and occupational pay and Keeping In Touch (KIT) days for the period of maternity leave. Also reimbursed as a historical legacy is holiday pay for term time support staff. Due to the way holiday pay is set up on the system, an average % rate of reimbursement can only be applied which causes some minor discrepancies in the amounts reimbursed, sometimes to the detriment of the school.

A rate of 14.5% is applied, which is an average and fair sample of the term time support staff group. Within that group you have several variables including, but not limited to, hours worked, length of service and grade.

Holiday pay is not part of maternity pay and all our systems have been built to align to contracts/ policy/ legislation, therefore, it is questionable whether the cost of holiday pay for term time support staff should be reimbursed from the maternity budget. It is estimated that the cost of reimbursement is a de-delegated cost of c. £101k.

For context, it should be noted that in the current year an overspend of £80k is currently forecast for the de-delegated fund. Therefore:

- whilst removing the holiday pay costs element from reimbursements made from the de-delegated maternity budget (option 1 below) would reduce the required level of de-delegation by an estimated £101k, this would be mostly offset by the need to reset the overall level of de-delegation to take account of the increase (non-holiday related) pressure seen in 2024-25, i.e. an estimated reduction of c. £20k year-on-year.
- if the holiday pay costs element is retained as part of reimbursements (option 2 below), then the level of de-delegation requested in November is likely to increase for 2025-26 by at least £80k compared to 2024-25.

### **Proposal for consultation**

The LA propose two options for consultation:

Option 1:

- Holiday pay by its nature is not maternity pay, and therefore term time support staff holiday pay should not be part of the maternity de-delegated budget reimbursement. The holiday pay costs during the maternity leave period should be paid directly by the school.

Option 2:

- Term time support staffs holiday pay should be part of the maternity delegated budget reimbursement at an average rate of 14.5%. This is a contribution from the maternity budget towards covering the holiday pay costs whilst the employee is on maternity leave.

## **Appendix F: Update Regarding Building Maintenance (maintained schools only)**

At the July Schools Forum meeting, a paper was shared that set out the proposed 'BMP5' building maintenance scheme and the risks of a) rising costs and b) the future sustainability of the scheme due to academisation.

The paper included consideration of the potential option for consultation of the charging of mainstream maintained schools' budgets directly from April 2025. Such an arrangement would require approval of the mainstream maintained Members of Schools Forum.

If a change to the financial arrangements of the BMP scheme was to be made, then it is time critical for the 2025-26 financial year due to the scheme requiring new, five-year commitments from the beginning from February 2025.

Due to the timing of meetings, the possibility of exploring such an option was raised at Schools Forum prior to the board having the opportunity to fully consider it. This was reflected through feedback from the Chair of Forum expressing concern that the board had not been involved in the consideration of the proposal at that point in time. A meeting was due to subsequently take place.

Following on from the July Schools Forum meeting, both the board have met and there has been a meeting of the Capital Priorities Group (CPG).

The outcome of the considerations have been that a consultation to directly charge mainstream schools budget will not be progressed, and that the LA, as it has always done, will promote and support sign up for the next BMP scheme.

This note is provided to update Members only. There is no proposal from the LA to consult regarding Building Maintenance as part of the autumn DSG consultation.

## Appendix G: Scheme for Financing Schools Changes (maintained only)

### 1. Background

Local authorities are required to publish Schemes for Financing Schools setting out the financial relationship between them and the schools they maintain.

Guidance is provided to authorities listing the items that must, should or may be included, and is issued under the School Standards and Framework Act 1998.

The local scheme is updated in the following circumstances:

- **Directed revisions** – the Secretary of State may require the revision of part or any scheme. These revisions must be included in the local scheme using the text of the directed revisions;
- **Local revisions** – for changes other than directed revisions, local authorities must consult with all maintained schools in their area and receive approval of Schools Forum members representing maintained schools.

For reference purposes, the current scheme is available on the Norfolk Schools website:

<https://www.schools.norfolk.gov.uk/school-finance/scheme-for-financing-schools>

### 2. Consultation Requirements

The Government's statutory guidance [Schemes for financing local authority maintained schools 2024 to 2025 – GOV.UK \(www.gov.uk\)](#) states that, other than for directed revisions, local authorities must consult all maintained schools in their area and receive approval of the members of their Schools Forum representing maintained schools.

Therefore, the LA will consult with Norfolk's maintained schools on proposed changes alongside the autumn DSG consultation with all schools. This is to enable the LA to bring the local scheme into line with national guidance for 2024/25 (late changes – DfE guidance was not issued in time to allow the updates to IFRS16 for the start of the current year), to update wording to reflect current operation of the school balances form in the current year (late change), and to update other local elements from April 2025.

#### 2.1. Consultation questions

In the consultation, schools will be asked whether they agree or disagree with each of the proposed changes, with the opportunity for comments, and also asked a wider question for feedback on other areas of the scheme that they think would benefit from review.

## **2.2. Final decision**

The outcomes of the consultation with maintained schools will be reported back for the maintained Members of Schools Forum to agree (or otherwise) and these revisions will then be updated in Norfolk's Scheme for Financing Schools. An updated version of the document will then be uploaded onto the Norfolk Schools Website.

## **3. Proposed Amendments for Consultation (for reference purposes)**

The proposed wording below is the current draft for consultation in the Autumn for reference purposes, in section order:

### **Updates to section in local scheme - 3.5.1 Restrictions on accounts**

#### **Current wording:**

"Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies which are consistent with those specified in the authority's Treasury Management policy:

Santander UK  
Bank of Scotland  
Barclays Bank  
Co-operative Bank  
HSBC Bank  
Lloyds/TSB  
National Westminster  
Royal Bank of Scotland"

#### **Proposed wording (removing 'Co-operative Bank' from the list):**

"Accounts may only be held for the purpose of receiving budget share payments, at the following banks or building societies which are consistent with those specified in the authority's Treasury Management policy:

Santander UK  
Bank of Scotland  
Barclays Bank  
HSBC Bank  
Lloyds/TSB  
National Westminster  
Royal Bank of Scotland"

### **Updates to section in local scheme – 3.6 Borrowing by Schools**

**Current wording:**

“Governing Bodies may borrow money only in exceptional circumstances and with the written permission of the Secretary of State.

No overdrafts are allowed and schools are only permitted to use business credit cards in line with Section 17 of the authority’s Financial Regulations as set out in Annex K. However, the authority encourages the use of procurement cards by schools as these can be a useful means of facilitating electronic purchase and can enable schools to benefit from significant discounts.

The restriction on Governing Bodies does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing Bodies do not act as agents of the Authority when repaying loans.

Schools may use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving.”

**Proposed wording (updates for leases and procurement/credit cards):**

“Governing Bodies may borrow money (including the use of finance leases) only in exceptional circumstances and with the written permission of the Secretary of State.

Under the Education Act 2002, and IFRS16 (International Finance Reporting Standard) all leases will be classed as finance leases for accounting purposes and, therefore, as borrowing, and will require the Secretary of State for Education’s consent.

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#). Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. However, from time to time, the Secretary of State may introduce limited schemes to meet broader policy objectives.

No overdrafts are allowed, and schools are not permitted to use interest bearing credit cards. However, the authority encourages the use of procurement cards by schools in line with Section 17 of the authority’s Financial Regulations as set out in Annex J as these can be a useful means of facilitating electronic purchase and can enable schools to benefit from significant discounts.

The restriction on Governing Bodies does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts.



These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing.

Governing Bodies do not act as agents of the Authority when repaying loans.

Schools may use any scheme that the Secretary of State has said is available to schools without specific approval.

This provision does not apply to loan schemes run by the local authority.”

### **Updates to Annex J in local scheme – 17 Use of Business Credit Cards**

**Proposed change of heading from “17 Use of Business Credit Cards” to “17 Use of Purchasing/Credit Cards”.**

#### **Current wording:**

“17.1 The use of credit cards must be approved by the Governing Body.

17.2 Cards can only be obtained from the school’s approved bankers and the credit card limit must not exceed £3,000.

17.3 All applications for staff use must be approved by the Headteacher and use by the Headteacher approved by the Chair of Governors or Chair of the Finance Committee. All approved users must complete a certificate stating that they understand the rules for usage.

17.4 Cards will normally be securely stored in the finance office with a register recording its use. It must not be used to obtain cash or for personal transactions. Users will be responsible for obtaining an appropriate VAT invoice. The account will be paid in full at the end of each period and a termly report made of the use of cards.

17.5 The school will notify Children’s Services Finance immediately of any loss or irregularity.”

#### **Proposed wording:**

“17.1 The use of credit cards is not permitted by the local authority.

17.2 The use of purchasing cards is encouraged. No interest charges should be incurred by the school, with balances fully cleared on a monthly basis.

17.3 All applications for staff use must be approved by the Headteacher and use by the Headteacher approved by the Chair of Governors or Chair of the Finance Committee. All approved users must complete a certificate stating that they understand the rules for usage. Schools choosing to use the NCC purchasing card must follow the corporate guidance.

17.4 Cards will normally be securely stored in the finance office with a register recording its use. It must not be used to obtain cash or for personal transactions. Users will be responsible for obtaining an appropriate VAT invoice. The account will be paid in full at the end of each period and a termly report made of the use of cards.

17.5 The school will notify Children's Services Finance immediately of any loss or irregularity."

### **Updates to section in local scheme – 4.2 (d) part of Restrictions on carrying forward surplus balances**

#### **Current wording:**

"the legitimate purposes that balances may be held for are:-

- Surpluses derived from sources other than the budget share e.g. contributions from parents for school trips where expenditure will not be incurred until the following year or surpluses arising from providing community facilities
- As there will be no general contingency limit, a level of redistribution will be introduced if the school cannot provide sufficient evidence to justify its surplus. The Local Authority will reserve the right where schools have consistently built up significant excessive uncommitted balances to redistribute if deemed appropriate.
- Voluntary Aided schools are allowed to hold revenue monies to fund governors' liabilities towards DfE grant aided capital works. Evidence of the cost and timing of the project will be required to support this.
- Surpluses derived from Pupil Premium funding - this would mean that, for the purposes of calculating the contingency sum of 8% of the final budget share, the Pupil Premium would be excluded, but would be shown as a separate category in its' own right.
- The amount of Pupil Premium allowed to be carried forward should not exceed the sum received in that financial year.
- The Analysis of Surplus Revenue Balances form would be pre-populated, after the year-end closure of accounts, with the maximum sum allowed under this category for each school.

Any balances falling outside these categories will be returned to the Authority for redistribution to schools. The actual balances each school has at the end of 2023/24 and subsequent financial years will be analysed and any surplus over and above monies falling into one of the legitimate categories above will be redistributed in the following financial year."

### **Proposed wording:**

“the legitimate purposes that balances may be held for are:-

- Surpluses derived from sources other than the budget share e.g. contributions from parents for school trips where expenditure will not be incurred until the following year.
- As there will be no general contingency limit, a level of redistribution will be introduced if the school cannot provide sufficient evidence to justify its surplus. The Local Authority will reserve the right where schools have consistently built up significant excessive uncommitted balances to redistribute if deemed appropriate.
- Voluntary Aided schools are allowed to hold revenue monies to fund governors’ liabilities towards DfE grant aided capital works. Evidence of the cost and timing of the project will be required to support this.
- Surpluses derived from Pupil Premium funding - this would mean that, for the purposes of calculating the contingency sum, the Pupil Premium would be excluded, but would be shown as a separate category in its’ own right.
  - The amount of Pupil Premium allowed to be carried forward should not exceed the sum received in that financial year.
  - The brought forward sum for Pupil Premium will be pre-populated on the form.
- Surpluses derived from PE Sports Premium funding - this would mean that, for the purposes of calculating the contingency sum, the PE Sports Premium would be excluded, but would be shown as a separate category in its’ own right.
  - The amount of PE Sports Premium allowed to be carried forward should not exceed the sum received in that financial year.
  - The brought forward sum for PE Sports Premium will be pre-populated on the form.
- As an exceptional circumstance, schools may use this category if an individual allocation amounting to more than 1% of the final budget share was allocated after the 1st February.
- Surpluses derived from community facility activities e.g. nursery that have been coded to I17 and E31/E32”

### **Updates to section in local scheme – 4.4.1 Reporting on deficit balances**

#### **Current wording:**

“Reporting on deficit balances In order to allow the Authority to monitor balances in hand and overspending, Governing Bodies are required to provide explanations to the Authority by the end of June following the financial year in cases where the total balances in hand or overspending exceeds: • £25,000, or • 5% of the school’s previous year budget share whichever is the larger.”

**Proposed wording:**

Remove altogether, not required, covered elsewhere in scheme.

**Updates to section in local scheme – 4.5 and 4.5.1 Planning for deficit balances**

**Current wording:**

**4.5 Planning for deficit budgets** “Schools may only plan for a deficit budget in accordance with the terms of para 4.9 below.”

**4.5.1 Planning for deficit budgets** “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 2021.”

**Proposed wording (4.51 combined into 4.5 and updated):**

**4.5 Planning for deficit budgets**

“Schools may only plan for a deficit budget in accordance with the terms of para 4.9 below.

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 2025.”

**Updates to section in local scheme – 4.8 Balances of closing and amalgamating schools**

**Current wording:**

“When a school closes any balance (whether surplus or deficit) shall revert to the Authority; a balance cannot be transferred, even to a successor or replacement school to the closing school, except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010. However, there are separate provisions in the Authority’s formula to allow successor or replacement schools to be given additional funding equivalent to the surplus balances of closed schools. Deficit balances may be deducted from additional funding that would otherwise be given to the new school, but may not be recovered by reducing the new school’s main budget share.”

**Proposed wording:**

“Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share, including any surplus carried over from previous funding periods, of the closing school for the funding period in which it closes.”

**Updates to section in local scheme – 4.9e part of Licensed deficits**

**Current wording:**

“primary schools, under this scheme, may plan to have a maximum of £100,000 or 10% of their annual budget share as a deficit, whichever is the lesser. Any planned deficit must last for no more than 3 years without recovery. ii). secondary schools, under this scheme, may plan to have a maximum of £250,000 deficit at any time. Any planned deficit must last for no more than 3 years without recovery.”

**Proposed wording:**

“primary schools, under this scheme, may plan to have a maximum of £100,000 or 10% of their annual budget share as a deficit, whichever is the lesser. Any planned deficit must last for no more than 3 years without recovery. ii). secondary schools, under this scheme, may plan to have a maximum of £250,000 deficit at any time. Any planned deficit must last for no more than 3 years without recovery. Exceptional circumstances may be granted but will need to be agreed by the Finance Business Partner (Children’s Services)”

**Updates to section in local scheme – 4.9g part of Licensed deficits**

**Current wording:**

“deficit arrangements for any school must be agreed by the Director of Children’s Services.”

**Proposed wording:**

“The Executive Director of Children’s Services and the Director of Strategic Finance will have the role in agreeing any arrangements for individual schools, which will be under the guidance of the Finance Business Partner (Children’s Services).”

## Appendix H: Internal Audit offer (maintained only)

### 1. Background

- 1.1. Schools are advised to have an internal financial audit at least once every 5 years. This requirement has been part of their RAG rating since April 2023 when RAG requirements were reviewed by a team put together of Education Finance staff along with representative from the three major stakeholders of schools, finance staff, headteachers and governors. The RAG is a tool the Education Finance team use to measure the financial risk for each Local Authority school. There are a number of categories that are reviewed covering all areas of the financial management against a 4-phase rating system, which is reviewed all together to come up with an overall rating for the school.
- 1.2. Norfolk Audit Services (NAS), as the County Council's internal auditors, provide this audit service. Schools do have the option to procure the service elsewhere but there is not currently a specification or framework in place to ensure consistent quality and coverage for such services to be provided by external providers.
- 1.3. Maintained schools and relevant Schools Forum Members were previously consulted on the audit approach and the potential to top slice the DSG to fund this work. Feedback then indicated that was not a preferred option. We now intend to ask whether schools agree with the principle of LA retaining funding for the purpose of minimum risk-based assurance.

### 2. Proposed consultation on Changes to the Audit Requirements

#### Summary of audit coverage

- 2.1. Since Sept 2019 (5 Years) 139 schools have had a financial audit completed by NAS: on average that is 28 schools per year. There are currently around 36 schools who have not been audited in the last 5 years and don't have their next audit booked in. A high proportion of schools have had audit coverage, which therefore supports a strong assurance and opinion on overall internal controls and risk management.
- 2.2. The current cost to a school for a full audit is £1,400 and in summary this is based on the average cost of providing the service in the previous year plus inflation. The service includes a two-day visit to the school with verbal feedback given at the end of the two days and a written report that follows. Overall, each audit takes around 5 days (from planning to final report). The scope of the audits has not significantly changed over time and is subjective in nature based on the Scheme for Financing Schools and the associated Finance Procedure Manual, rather than **risk based**.  
[Access Risk Based Auditing information at cipfa.org](https://www.cipfa.org)

- 2.3. Many of the recommendations identified in our audits are identified year on year at the different schools we visit. Common control and risk issues may therefore persist across the county.
- 2.4. In addition to the financial audits at least one thematic audit has been conducted each year with the results of the audits fed back to schools via MI sheets. In recent years, these have included topics such as cyber security, payroll and payments to individuals.

### **Why do we complete financial audits**

- 2.5. Audit work provides assurance to stakeholders (such as the Headteacher, Governors and the County Council) that there is a sound system of internal control operating at the school. Ultimately, this is to fulfil the requirements of the Accounts and Audit regulations and supports an opinion to be given by the Chief Internal Auditor on whether there is a sound system of internal control for the County Council as a whole. This also gives assurance to the Section 151 Officer for any submission required to be completed in relation to schools such as from the Department for Education (and Education Skills and Funding Agency).
- 2.6. Such audits are only part of the overall assurance framework at schools.
- 2.7. Quite a number of maintained schools are in deficit currently and the Council bears the risk of having to cover the cost of those deficits, either borne out of circumstantial challenges or poor management. The audit approach will consider that risk and link with the Education Finance Team (where they are providing support) to consider the risk levels.
- 2.8. The Council and schools have a duty to ensure **best value**. The Government published **Statutory Best Value Guidance**. Best value for the provision of assurance is achieved through a risk assessed approach (risk-based auditing) to the scope and frequency of the audit coverage and focus.

[Access Best value standards and intervention: a statutory guide for best value authorities - GOV.UK \(www.gov.uk\)](#)

---

There is an option for schools to seek assurance and fulfil that requirement through procuring it externally. Advice on the standards and competencies required can be provided to schools. It would not be practical to centralise such procurement of audit services.

### **Proposal for consulting on the future school's audit work – minimum risk based (MRB)**

- 2.9. With budget pressures it is appropriate to evaluate whether best value is achieved with the current level of coverage and its scope. Our proposal is to ensure that, on a **risk assessed basis**, the minimum (but acceptable) level of coverage is achieved for the Local Authority's Section 151 Officer, while also minimising the cost to schools.

2.10. Going forward; it is proposed that, in order to meet the requirements for assurance, whilst ensuring best value, the following work will be undertaken concurrently with the consultation with schools leading to a final report in November:

- the 'minimum' risk-based assurance requirements for schools are agreed with key stakeholders.
- **lean and agile auditing** approaches are considered and adopted, to achieve those minimum risk-based assurance requirements.  
Lean and agile techniques provide tools and techniques to eliminate waste, maximise impact and increase value adding activities – key for many internal audit functions. They also point us towards ways to audit in a progressive way. At the same time, we must remain compliant with IIA standards; so, learn practical ways to be lean and agile whilst having a robust, IIA compliant, audit approach.
- arrangements and potential providers for any services required, above the agreed minimum risk-based assurance requirements, are explored
- an estimated annual cost for the charge to schools to meet the costs of the minimum risk-based assurance requirements, to be updated following analysis work. Initial estimates of costs for inclusion in the consultation documentation are provided below.

2.11. Schools are currently recharged for the on audits at a cost per audit visit. For illustration purposes, the cost to provide audits for all schools over the five-year cycle is estimated at approximately £60,000 per year. With approximately 30,000 pupils in LA maintained schools the cost per pupil could therefore be around £2 each for the audit services.

2.12. The current audit coverage costs approximately £30,000, so around £1.00 per pupil.

2.13. It is estimated that with an MRB approach the cost per pupil might be reduced first to around £0.83 per pupil (c. £25k), then to around £0.67 per pupil (c. £20k) in subsequent years. The only option for all maintained schools to share the costs would be on a per-pupil basis, resulting in costs varying per school depending upon their size.

2.14. Elements to be considered for this minimum risk based (MRB) assurance requirement could include:

- Reduced number of schools audited each year following the current full audit service programme (e.g. 10 schools a year or an extension to the current 5-year cycle requirement)
- Themed audits on a risk assessed basis (e.g. one themed audit each alternate term). Themed audits could be 'refreshed' to consider the right size of sample to provide advice to all schools and schools representatives invited to contribute to the identification of themes



- Change to the audit approach with emphasis on a lean and agile approach to assess the governance arrangements rather than transactional testing. (e.g shorter half day audits to get this assurance).
- Increase in the use of data analytics, with minimal visits to schools on a risk assessed basis, and use of STAR transactional data and questionnaire returns provided by schools.  
[Access Data analytics as an audit tool – advantages and some experiences - IIA.No](#)
- Guidance and information for any additional assurance schools might procure externally.

## Impact of the proposal (Outputs and outcomes)

### 2.15. Outputs:

- Risk based assurance to stakeholders (such as the Headteacher, Governors and the County Council) that there is a sound system of internal control operating at the school, through on the spot audit work
- A risk-based opinion to be given by the Chief Internal Auditor on whether there is a sound system of internal control for the County Council as a whole, including LA maintained schools
- Risk based assurance to the Section 151 Officer for any submission required to be completed in relation to Schools such as from the Department for Education (and Education Skills and Funding Agency).

### 2.16. Outcomes:

- Application and demonstration of:
  - **best value** duties
  - best practice **risk-based** auditing
  - overall cost reduction for schools
- Changes in approach by NAS will impact the requirements of the RAG which may need to be updated although the use of third parties to maintain the service could also be considered. The impact on other audit related services such as those provided by Education Finance will also need to be considered.

## Financial Implications

- 2.17. The LA is seeking to reduce the cost and burden of schools audits for schools at a time financial challenge through the adoption of minimum risk based (best value) approaches and more focussed audits.

## Proposal for consultation

The LA propose two options for consultation:

Option 1:

- Implementation of a minimum risk-based assurance approach for maintained schools with the associated de-delegation of funds to enable this model and to ensure that there is appropriate assurance activity across all schools for a minimal cost burden.

Option 2:

- Continuation with the status quo

# Schools Forum

Item No. 6

<b>Report title:</b>	<b>Norfolk Audit Services – School Audits Update</b>
<b>Date of meeting:</b>	<b>20 September 2024</b>

## **Executive summary**

This report is to update the Schools Forum on the traded school audits and thematic audits that have been carried out by Norfolk Audit Services.

### **Schools Forum are asked to:**

- **To consider and comment on the key messages arising from that work**

## **1. Background**

- 1.1. Schools are advised to have an internal financial audit at least once every 5 years. This requirement has been part of their RAG rating since April 2023 when RAG requirements were reviewed by a team put together of Education Finance staff along with representative from the three major stakeholders of schools, finance staff, headteachers and governors. The RAG is a tool the Education Finance team use to measure the financial risk for each Local Authority School. There are a number of categories that are reviewed covering all areas of the financial management against a 4-phase rating system, which is reviewed all together to come up with an overall rating for the school.
- 1.2. Audit work provides assurance to stakeholders (such as the Headteacher, Governors and the County Council) that there is a sound system of internal control operating at the school. Ultimately, this is to fulfil the requirements of the Accounts and Audit regulations and supports an opinion to be given by the Chief Internal Auditor on whether there is a sound system of internal control for the County Council as a whole. This also gives assurance to the Section 151 Officer for any submission required to be completed in relation to Schools such as from the Department for Education (and Education Skills and Funding Agency).
- 1.3. Norfolk Audit Services (NAS), as the County Council's internal auditors, provide this audit service. Schools do have the option to procure the service elsewhere, but there is not currently a specification or framework in place to ensure consistent quality and coverage for such services to be provided by external providers.

## 2. Update on Audit work

### Summary of audit coverage

- 2.1. Since Sept 2019 (5 Years) 139 schools have had a financial audit completed by NAS: on average that is 28 schools per year. There are currently around 36 schools who have not been audited in the last 5 years and don't have their next audit booked in. A high proportion of schools have had audit coverage, which therefore supports a strong assurance and opinion on overall internal controls and risk management from a County Council perspective.
- 2.2. The current cost to a school for a full audit is £1,400 and, in summary, this is based on the average cost of providing the service in the previous year plus inflation. The service includes a two-day visit to the school with verbal feedback given at the end of the two days and a written report that follows. Overall, each audit takes around 5 days (from planning to final report). The scope of the audits has not significantly changed over time and is subjective in nature based on the Scheme for Financing Schools and the associated Finance Procedure Manual.

### Key messages

- 2.3. Overall, it is considered that, across all schools, there are internal controls, risk management and governance.
- 2.4. We report by exception. Traded audits in 2023/24 have resulted in recommendations around the following matters, which are regularly made in reports (included in over 25% of traded audit reports): -

#### Payments

- Not raising purchase orders for all goods and services in line with the Schools' Finance Policy
- Not checking the employment status for tax purposes on individuals engaged by the school to carry out work
- Not obtaining Governor approval for payments in line with the limits stated within the Schools' Finance Policy
- Not obtaining three written quotes in line with the limits stated within the Schools' Finance Policy
- Staff should not be reimbursed by BACS or cheque for expenditure and these reimbursements are not always authorised prior to purchases being made.

#### Assets

- Not having a full asset register in place or keeping this up to date in line with the Finance Procedure Manual
- Not completing the annual independent check of the assets on the asset register or getting this certified in line with the Finance Procedure Manual
- Not security marking items of high value or those deemed to be attractive and portable in line with the Finance Procedure Manual

2.5. We have not identified any significant increases in the types of recommendations being identified in comparison to previous years. However, many of the recommendations identified above are identified year on year at the different schools we visit. Common Control and risk issues may therefore persist across the County.

2.6. In addition to the financial audits at least one thematic audit has been conducted each year with the results of the audits fed back to schools via MI sheets. In recent years, these have included topics such as cyber security, payroll and payments to individuals.

### **Officer Contact**

If you have any questions about matters contained within this paper, please get in touch with:

**Officer name:** Adrian Thompson, Assistant Director of Finance (Audit)  
**Telephone no.:** 01603 303395  
**Email:** [Adrian.thompson@norfolk.gov.uk](mailto:Adrian.thompson@norfolk.gov.uk)



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

# Schools Forum

Item No. 7

<b>Report title:</b>	<b>Falling Rolls Funding</b>
<b>Date of meeting:</b>	<b>20 September 2024</b>

## Executive summary

DfE Guidance for Growth and Falling Roll funds was updated in October 2023. It stated for the first time in 2024-25 that allocations would be based on both Growth and Falling Rolls.

The Falling Rolls fund was discussed at Schools Forum last November to consider supporting vulnerable schools in line with the significant demographic decline which is beginning to impact the primary phase in certain areas of the County. At that time, no Falling Rolls fund was agreed but the LA and Schools Forum agreed to keep it under review annually.

A decision will be required at November 2024's Schools Forum meeting to agree whether a fund is in place for Norfolk for 2025-26 and, if so, the value of the fund, criteria and methodology for funding allocation to ensure the funds available can be fairly distributed.

This paper sets out the LA's intention to form a time-limited Falling Rolls working group ahead of the November Schools Forum meeting to discuss and make recommendations for 2025-26.

### Schools Forum are asked to:

- Agree to establish a time-limited working group of Members and Officers to consider whether a Falling Rolls fund should be established for Norfolk and, if so, to develop proposed criteria and methodology for allocation of the funds in line with government guidance.
- Agree that the outcomes of the working group's work will be reported back to November 2024 Schools Forum meeting
- Identify Members to represent Schools Forum for this working group

## 1. Context

In July 2023 Schools Forum agreed to consider the introduction of a Falling Rolls fund to support schools as the Local Authority area experiences a demographic decline.

The funding, if agreed, could support schools that may be vulnerable where there is significant decline in pupil numbers, protecting places where the Local Authority expects demand to be retained or growth to return in the future.

At November 2023 Schools Forum, LA Officers presented a paper which set out how the DfE were funding Falling Rolls as a new factor within the DSG from 2024-25, and the criteria that must be met in any fund proposed by the LA to Schools Forum.

Norfolk County Council's place planning team had reviewed the available SCAP data and concluded at the time that no schools would meet the mandatory requirement of places being required again within 3 to 5 years, to enable falling rolls funds to be allocated.

On that basis, the LA did not recommend that Norfolk's 2024-25 funding formula should have a Falling Rolls fund, but that it would be reviewed annually by the LA and Schools Forum.

## **2. National Funding**

For 2025-26, it is expected that the Local Authority will receive funding for Falling Rolls as part of the DSG based on changes between the October 2023 and October 2024 census data. The DfE uses Medium Super Output Areas (MSOA) to determine which geographical areas may qualify for funding, assessed against the ONS based population data.

In 2024-25, LAs received £140,000 per MSOA area which had seen a 10% or greater reduction in the number of pupils between the October census dates. The DfE have not confirmed the formula or amounts to be allocated as part of DSG for 2025-26 at this time.

The DfE have previously issued a Growth and Falling Rolls' calculator tool to LAs to enable estimation of the level of funding which could be expected, although it did not prove to be very accurate for 2024-25.

We will not have a confirmed allocation until December when the final DSG allocations are published. In 2024-25, as an example, Norfolk received only one MSOA allocation, totalling £140k.

## **3. Decisions Required for Norfolk**

The Local Authority has discretion when and how to implement the funding for Falling Rolls, but with a mandatory requirement that SCAP data shows school places will be required in the next 3-5 years.

An LA is not required to implement a Falling Rolls fund and any funds not utilised would be allocated via the funding formula to all mainstream schools.

Criteria for allocating funding should contain clear trigger points to qualification, and a clear formula for calculating any allocations.

The guidance states that the Schools Forum should agree both the value of the fund and the criteria for allocation and the LA should consult School Forum before expenditure is incurred.

As with the Growth fund, the Falling Rolls fund is within the DSG School's Block.

For 2024-25, the DfE provided some examples of compliant criteria (still to be confirmed for 2025-26):

- 2024 SCAP shows that school places will be required in the subsequent 3 to 5 years (this is a mandatory requirement)
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number.

## Schools Forum

- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.
- the school will need to make redundancies to contain spending within its formula budget.

Methodologies for distributing funding could include:

- a rate per vacant place, up to a specified maximum number of places (place value likely to be based on basic per pupil funding)
- a lump sum payment with clear parameters for calculation (for example, the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

## 4. Proposal

In line with the outcome of Schools Forum November 2024, an annual review is required ahead of the 2025-26 funding formula decisions.

To support this review, it is proposed that a time-limited working group of Schools Forum Members and LA representatives is established to consider whether it is appropriate for Norfolk to establish a Falling Rolls fund for 2025-26 and, if so, to develop criteria and methodology, in line with Government guidance, for allocation funds.

The LA is very aware of the demands upon SF Members' time and so would wish to minimise the commitment of any representative. It is expected that commitment would be two to three 1-hour meetings over the next 6 weeks.

## 5. Schools Forum are asked to:

- Agree to establish a time-limited working group of Members and Officers to consider whether a Falling Rolls fund should be established for Norfolk and, if so, to develop proposed criteria and methodology for allocation of the funds in line with government guidance.
- Agree that the outcomes of the working group's work will be reported back to November 2024 Schools Forum meeting
- Identify Members to represent Schools Forum for this working group

## 6. Background Papers

DfE guidance:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2024-to-2025/growth-and-falling-rolls-fund-guidance-2024-to-2025>

Schools Forum November 2023, Item 5 (page 13):

[https://www.schools.norfolk.gov.uk/media/13555/2023-11-22-Item-5-Schools-Block-Consultation-Part-B/pdf/2n2023-11-22-schools-block-consultation-part-b\\_1.pdf?m=1701425050997](https://www.schools.norfolk.gov.uk/media/13555/2023-11-22-Item-5-Schools-Block-Consultation-Part-B/pdf/2n2023-11-22-schools-block-consultation-part-b_1.pdf?m=1701425050997)



# Schools Forum

Item No. 8

<b>Report title:</b>	<b>Early Years Funding 2025-26</b>
<b>Date of meeting:</b>	<b>20 September 2024</b>

## Executive summary

At this point in time, the Department for Education has not indicated that there will be any changes to Early Years funding nationally for 2025-26.

As a result, the Local Authority is not proposing to make any changes to the early years DSG funding formula for 2025-26 and, therefore, is not required to consult with early years providers this year.

However, the Local Authority continues, and will continue, to engage with the Early Years Consultative Group on a regular basis.

The current formula, including for all of the new entitlements, will continue into the 2025-26 financial year.

### Schools Forum are asked to:

- **Provide support for and, if appropriate, comment on the Local Authority's preferred approach that**
  - **changes are not proposed to the current Norfolk's early years DSG funding formula for the 2025-26 financial year**
  - **and, Early Years providers are not consulted on the funding formula this Autumn, but ongoing engagement through the Early Years Consultative Group should continue.**

## 1. Background

The Local Authority (LA) has received confirmation that the government will continue the existing and expected early years entitlement expansion, and so we do not expect any fundamental change to DSG funding arrangements.

The LA must determine its funding formula before the beginning of the new financial year. With no changes expected from Government for 2025-26 or being proposed by the LA for the current formula, the LA is not required to consult with providers for the 2025-26 financial year.

The LA has consulted with providers in recent years to improve the local funding formula, resulting in changes including a reduction to the level of contingency, increased funding for Special Educational Needs Inclusion Fund (SENIF) and maximising base rate funding by removing non-statutory supplements.

## 2. Current Norfolk Early Years Funding Formula

Principles of current Norfolk's EY funding formula:

- 4% of 9 months to 4-year-old funding retained as a contribution towards the cost of central services for early years, exceeding the minimum required pass-through of 95% of funding to providers
- 3% of 9 months to 4-year-old funding retained for SEN Inclusion Fund allocations for additional support to providers
- 0.25% of EY Block of 9 months to 4-year-old funding retained as a contingency
- Supplements – mandatory deprivation supplement only, based on IDACI
- Hourly base rate set as high as possible after the deduction of the items above
- Maintained Nursery Supplement – allocated to maintained nursery schools in full based on initial allocation from DfE
- EY Pupil Premium and Disability Access Fund allocated to providers in accordance with DfE requirements/criteria

Norfolk's current formula, based on the March 2024 DSG EY Block allocation, is as follows:

	<b>Rate/hour</b> £	<b>Budgeted 24-25</b> <b>(Mar'24 EY</b> <b>Block DSG</b> <b>allocation)</b> £
<b>9months to 2-Year-Old (Working Parents):</b>		
Base Rate	£9.69/hr	8,127,646
Deprivation (IDACI)	£0.21/hr	36,377
<b>2-Year-Old (Working Parents):</b>		
Base Rate	£7.09/hr	9,931,656
Deprivation (IDACI)	£0.21/hr	60,752
<b>2-Year-Old (Disadvantaged):</b>		
Base Rate	£7.09/hr	5,325,019
Deprivation (IDACI)	£0.21/hr	32,573
<b>3 &amp; 4-Year-Old (Universal and Additional hours):</b>		
Base Rate	£5.03/hr	41,670,231
Deprivation (IDACI)	£0.21/hr	359,286
<b>Maintained Nursery Supplement:</b>		
Maintained Nursery Lump Sums		445,200
<b>SEN Inclusion Fund:</b>		

SEN (9 months to 4-year-olds) based on 3% of each funding stream (as at Dec'23)		2,082,162
<b>Contingency:</b>		
0.25% of 9 months to 4-year-old DSG allocation agreed, plus balance of formula (i.e. where a further 1p/hr could not be allocated to providers in the base rate)		355,849
<b>Centrally Retained Funding:</b>		
4% of 9 months to 4-year-old DSG allocation (as at Dec'23)		2,776,216
<b>Early Years Pupil Premium</b>	£0.68/hr	952,091
<b>Disability Access Fund</b>		534,170
<b>TOTAL DSG EARLY YEARS BLOCK</b>		<b>72,689,228</b>

### 3. Pass-Through Rate

For 2024-25, LAs were required to pass-through at least 95% of the funding of the following factors (separately) to providers:

- 9-months-old children up to 2-year-olds of working parents
- 2-year-old children of working parents
- 2-year-old children from disadvantaged families
- 3 and 4-year-olds (universal and additional hours)

Up to 5% could be retained by the LA towards central services.

Norfolk's pass-through rate for 24-25 as per the DfE's calculation is 96% (i.e. exceeding the minimum requirement of 95% pass-through of the 9 months to 4-year-old DSG funding).

The 4% of centrally funding retained funding (£2.776m) is used towards the overall central costs of supporting early years as follows (2024-25 figures):

<b>NCC Early Years Service &amp; Finance</b>	<b>Centrally Retained EY Block DSG</b>	<b>LA Budget Contribution to Service</b>
Early Years Staff Costs	£1.938m	
Early Years Finance Staff Costs	£0.205m	
Contribution to Portage	£0.161m	
Training Programme and Projects		£0.200m
Funding Panel	£0.110m	£0.120m
Contribution to external contracts, including Speech and Language and S2S	£0.362m	
<b>TOTAL</b>	<b>£2.776m</b>	<b>£0.320m</b>

The LA are anticipating seeking Schools Forum approval for the centrally retained DSG EY Block funding to continue in line with 2024/25 at a future meeting.

#### 4. Early Years Consultative Groups (Provider and Childminders)

Members of the Early Years Consultative Group were contacted in June to give their opinions on whether the current formula principles should continue to be applied.

Appendix A details the current members of the Consultative Group for reference purposes.

#### 5. 2025-26 Formula

The LA is not proposing any changes to the principles of the early years funding formula for 2025-26 financial year. Therefore, no consultation is required under the appropriate regulations and DfE guidance.

The LA intend to apply the current principles to the new DSG allocation, when published, which includes setting as high a base rate as possible for early years providers from the allocations received. Any increase in base rate received from the DfE will be passed to providers to the maximum extent possible after allowances have been made for centrally retained early years provision, SEN Inclusion Fund, and contingency.

The LA intend to seek Schools Forum approval for the centrally retained DSG EY Block funding at a future meeting. This is currently expected to be in January, when we expect to have received the final EY Block DSG allocations from the DfE.

#### Schools Forum are asked to:

- **Provide support for and, if appropriate, comment on the Local Authority's preferred approach that**
  - **changes are not proposed to the current Norfolk's early years DSG funding formula for the 2025-26 financial year**
  - **and, Early Years providers are not consulted on the funding formula this Autumn, but ongoing engagement through the Early Years Consultative Group should continue.**

#### Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

<b>Officer Name:</b>	<b>Tel No:</b>	<b>Email address:</b>
Martin Brock	01603 223800	martin.brock@norfolk.gov.uk
John Crowley	01603 222557	john.crowley@norfolk.gov.uk



If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

## Appendix A: Members of Early Years Consultative Group

Name	Role	Organisation
Lacey Douglas (chair)	Independent EY Adviser	
Alison Hughes	Primary Director	Inspiration Trust
Kim Walters King	Senior Lead	Martham Academy
Cassandra Williams	Head Teacher	Lakenham Primary School
Louise Clement McCloud	Head Teacher	Little Drakes
Claire Hooker	Head Teacher	Emneth Nursery School
Claire Henry	Owner	So Schools Out
Lesley Doy	Manager	Chapel Break OSC CIC
Carol Vincent	Nursery Manager	Spring Thorpe Hamlet
Victoria Furness	Owner	Forest School for Life
Suzie Squirrel-Hughes	Owner	Little Squirrels
Jayne Rayner	Manager	Alburgh & Denton Pre-school
Jane Pears	Manager	St. Helens Pre-school
Lynne Armitage	Committee Trustee	Ducklings Pre-school
Nina Hopson	Owner	East Dereham Day Nursery
Charlie Wilson-Boast	Manager	Seedlings Day Nursery
Susie Pull	Manager	Glebe House
Claire Gravett	Nursery Class	Fakenham Infant School
Yvonne Hamilton	Manager	Chestnut Nursery @NRP
Katie Stephens	Manager	Fakenham Daycare

## I – Information &amp; Discussion D- Decision

	Autumn Term			Spring Term			Summer Term	
<b>20/9/24</b> (Friday) 09:00 – 12:00	<b>September (Cranworth Room CH)</b>  Strategic Planning (inc. Local First Inclusion)  Provisional DSG Allocations for 2025/26 and Autumn DSG Consultation, including for Mainstream Schools' Formula  Early Years Funding Consultation  Annual Audit Report (Norfolk Audit Service)	I  D  D  I	<b>31/01/25</b> (Friday) 09:00 – 12:00	<b>January (Cranworth Room CH)</b>  Election of Chair/Vice Chair  Review Membership  Strategic Planning (inc. Local First Inclusion)  Proposed DSG Budget including central costs  Pupil variations 2025/26  Next year's plan	D  D  I  D  I  I	<b>09/05/25</b> (Friday) 09:00 – 12:00	<b>May (Cranworth Room CH)</b>  Strategic Planning (inc. Local First Inclusion)  Dedicated Schools Grant 2024/25 Outturn  Annual Audit Report (Norfolk Audit Service)	I  I  I
<b>19/11/24</b> (Tuesday) 09:00 – 13:00	<b>November (Cranworth Room CH)</b>  Strategic Planning (inc. Local First Inclusion)  Early Years Block 2025/26 Funding Formula Update (inc. consultation outcomes)  Schools Block (inc. consultation outcomes and Schools Block transfer)  De-delegation/Central Schools Services Block	I  D  D  D	<b>26/03/25</b> (Wednesday) 09:00 – 12:00	<b>March (Cranworth Room CH)</b>  Strategic Planning (inc. Local First Inclusion)  Final pupil variations (only if changed from January)	I  I	<b>02/07/25</b> (Wednesday) 09:00 – 12:00	<b>July (Cranworth Room CH)</b>  Strategic Planning (inc. Local First Inclusion)  Updates on Scheme for Financing Schools (Financial Regulations)  Dedicated Schools Grant Consultation Preparation	I  D  I