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## SCHOOLS' FORUM

**Wednesday 19 February – 10am**

**Conference Suite  
Centre for Excellence in Teaching and Learning,  
Brierton Lane**

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### **A G E N D A**

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|----|--|---------------------------|
| 1. | Apologies  | Chair                     |
| 2. | Minutes from Schools' Forum meeting on 28 January 2025 and Matters Arising – to follow | Chair                     |
| 3. | Dedicated Schools Grant – Early Years Block 2025/26 - report for decision              | <i>Rebecca Stephenson</i> |
| 4. | High Needs Block Budget Requirement 2025/26 – report for decision                      | <i>Amanda Whitehead</i>   |
| 5. | Permanently Excluded Pupils (PEXs) (Standing Item)                                     | <i>Emma Rutherford</i>    |

Date and Time of Next Forum Meeting –  
Monday 3 March, 10am at the CETL

## Schools' Forum Meeting

### 28 January 2025

**Attendees:****Members**

Carole Bradley (Chair) (Academy Primary)  
 Chris Connor (Primary)  
 Alison Darby (Primary)  
 John Hardy (Academy Primary)  
 Gillian Hood (Academy Primary)  
 Phil Pritchard (Academy Primary)  
 Caroline Reed (Academy Primary)  
 Linda Richardson (Early Years PVI)  
 Emma Rutherford (Horizon School)  
 Sue Sharpe (Governor)  
 Lee Walker (Academy Primary)  
 Zoe Westley (Academy Special)  
 Leanne Yates (Academy Primary)

**Local Authority Officers**

Stacy Kirtan (SK) (Childrens' Finance)  
 Sandra Shears (SSh) (Childrens' Finance)  
 Fiona Stobbs (FS) (Inclusive Learning and SEND)  
 Jo Stubbs (JS) (Administrator)  
 Jane Watt (JW) (Children's Finance)

Agenda Item	Action
<b>1 Apologies -</b>  Sara Crawshaw (Academy Secondary) Nicola Dunn (Academy Primary) Colette Hogarth (Diocese RC) Mark Tilling (Secondary) Dave Turner (Primary) – Alison Darby as substitute Amanda Whitehead (HBC – Assistant Director (Education)) Vicki Wilson (Diocese C of E)	
<b>2 Minutes of the Last Meeting – 10 December 2024</b>  Minutes approved  <b>Matters Arising</b>  'What would it take' Panel – ER advised that something similar was already in place for children with independent specialist provision as and when needed.  A meeting to discuss principles arising from Year 1 and Year 2 of the Special School Cost Model Arrangement has taken place.	

	The disapplication for £60 per pupil for maintained schools (former ESG funding) had been agreed by the Secretary of State	
<b>3.</b>	<p><b>Update - Indicative Schools Block Budgets 2025/26</b></p> <p>At the previous meeting members had been informed that ESFA had published indicative National Funding Formula (NFF) allocations for 2025/26 based on pupil numbers from the October 2023 census. However final allocations would not be made available until mid-December so the modelling officers could do was limited. At that time members had approved the following in principle:</p> <ul style="list-style-type: none"> <li>• Application of the maximum MFG of 0.0%</li> <li>• Transfer of 0.5% of the Schools Block to the High Needs Block</li> <li>• Implementation of a new growth fund policy with disbursement of £0.105m in year</li> <li>• Application of an appropriate cap to ensure affordability</li> </ul> <p>Indicative figures were released by the ESFA on 17 December 2024 showing a 0.6% increase in funding for Hartlepool schools on 2025/26. However school budget share figures demonstrated a £0.090m decrease on the previous year. A meeting with Head teachers was held on 13 January 2025 to outline the planned ISB for 2025/26. After applying the maximum MFG of 0.0% a cap of 0.38% would be needed to limit ISBs to the funding available. One primary school had failed MPPF guarantee therefore their increase per pupil would be 0.61%.</p> <p><b>Decision</b></p> <ol style="list-style-type: none"> <li>I. That the confirmed ISBs be noted</li> <li>II. That the submission of the Hartlepool ISB information to the DfE by the statutory date of 22 January 2025 be noted</li> </ol>	
<b>4.</b>	<p><b>Growth Fund Policy</b></p> <p>In September 2024 Forum agreed the principles of a new growth fund policy to become effective in 2025/26. During the year any growth in pupils between census points will be compared back to the prior October census and where more than 15 pupils have joined the school they will receive a disbursement from the growth fund in the following financial year. This will be based on the appropriate AWPU for primary or secondary pro-rata for the number of school weeks since the October census.</p> <p>SS commented that this could be potentially discriminatory to smaller schools. The Chair acknowledged this but Forum had discussed this previously and agreed to use the number of additional pupils as a trigger rather than the percentage of additional pupils. However, in response it was agreed that the policy would be kept under review by Finance each year. SSh advised that they had to use the same model for primary and</p>	

	<p>secondary schools. The policy could be reviewed next year if there were still concerns.</p> <p><b>Decision</b></p> <p>That the documented growth fund policy attached to the report be approved.</p>	
<b>5</b>	<p><b>High Needs Block (HNVB) Projected Outturn 2024/25</b></p> <p>JWa updated members on the projected outturn for high needs services for 2024/25. Based on spending to the end of quarter 3 and estimated expenditure this ranged from £3.951m to £4.521m overspend, an increase since the last estimate. Reasons for this were primarily based on anticipated overspends on exclusions and top-up funding and support. There was also an overspend on independent school fees but this was smaller than in previous years linked to the opening of the new free school. There is now a projected £6.064m negative reserve balance against the DSG as at 31 March 2026.</p> <p>CR commented that IPS levels have not always been adjusted in line with support staffing pay awards so savings need to be made elsewhere. Additional costs included training, curriculum creation and maintenance costs for the school building itself.</p> <p>ZW confirmed that her school had taken more children than they were had places for without requesting additional funding however increases in the level of complex needs meant that this was not something they could continue to do. It was also proving difficult to fit all the necessary safety training into the number of available PD days and staff were subsequently having to be released to complete this.</p> <p>Officers confirmed that schools were currently being surveyed to calculate the need for specialist provision in Hartlepool schools. AD confirmed the number of children in her school with SEN had doubled in the last year including some in the lower year groups with complex needs.</p> <p><b>Decision</b></p> <p>That the report be noted</p>	
<b>6</b>	<p><b>High Needs Block Budget Requirement 2025/26</b></p> <p>JWa outlined the draft budget requirements for HNB spending in 2025/26. This report focused on existing provision with a further report due to come to the February meeting which would include the cost of proposals linked to strategic changes and planned costs to deliver education for PEX pupils. The 2 reports would then be brought together to make full budget</p>	

	<p>requirement proposals for onward recommendation to the Children's Services Committee.</p> <p>In November 2024 the ESFA had confirmed the HNB funding for 2025/26 as a total of £21.297m. Once various adjustments had been made, including academy place funding deductions this would leave a net amount of £17.383m. Provisional budget requirements suggested a gap of £4.323m. Details were given of proposed amounts that would be needed by the various budget areas.</p> <p>Members noted that £0.250m was expected to go toward the hearing impaired and visually impaired service delivered by Middlesbrough Borough Council. They queried what services this funding was paying for and whether it would be possible to provide this service in-house. They also questioned the proposed £0.713m on support services and asked for further information on what this covered. JWa confirmed that the detail of support services funding would be brought to the next meeting.</p> <p>ZW raised the need to formulate a strategy to support children with certain needs before children attend school. This included non-verbal, toileting and behaviour management. Parents needed to be supported and encouraged to engage with care providers in terms of parenting duties to ensure these issues were addressed as otherwise budgets would continue to rise.</p> <p>The Chair asked that these concerns were raised with the Director for Children's Services as she would have the capacity to bring a number of agencies together</p> <p><b>Decision</b></p> <ol style="list-style-type: none"> <li>I. That the budget proposals be noted</li> <li>II. That the intended contents of a further report to Forum be noted.</li> </ol>	<p><b>FS</b></p> <p><b>Jwa</b></p> <p><b>ER</b></p>
<b>7</b>	<p><b>Permanently Excluded Pupils (PEXs)</b></p> <p>This is a standing item on the agenda for Schools Forum</p> <p>There are currently 86 students on roll at Horizon/Haven - a reduction of 2 since the previous update in December 2024. ..</p> <p>If current exclusion rates continue it is estimated that there will be 207 on roll in September 2026.</p> <p>The estimated outturn position is currently an overspend of £0.426m. Factors which have contributed to this shortfall include increased staffing costs, building costs such as repairs and rental of additional classrooms, fluctuating costs of alternative provision where pupils cannot be physically taught at Horizon/Haven due to lack of space, transport costs to that alternative provision and the cost of procuring equipment for the increasing numbers of pupils.</p>	

	<p>Owing to the rising number of pupils, it was suggested that alternative accommodation might be sought. While this would require a one-off capital spend and increased revenue costs initially it would eventually result in a saving by reducing the need for costly alternative provision and provide more appropriate education for all PEX children. Feasibility studies were underway. HBC are using grant funding to create a 3 Tier Alternative Provision model to reduce the number of PEX children and resultant pressure on the HNB.</p> <p>FS confirmed that this was a national problem and regional meetings were taking place regularly but so far no solutions had been found. Members queried whether schools should be challenged more before resorting to PEX. ER confirmed that this did happen as PEX would be detrimental to the children's life chances and education but it was ultimately the choice of the headteacher concerned. She also highlighted that some of the children on the Horizon school roll had needs which should have been assessed in primary school.</p> <p>CR acknowledged the need to move to a more suitable building in order to reduce costs long term. She queried whether there were any existing buildings which were empty and might be suitable and suggested that co-locating across separate sites might be a possibility.</p> <p>In terms of the underlying reasons for the increase in PEX ER said 70% of those on roll had existing social care involvement. Some had parents in prison and had been witness to domestic violence, drug use and criminal gang exploitation. FS noted that certain areas of the country have zero PEX despite having a culture of gangs and knife/gun crime.</p> <p>LY referred to having previously offered support to avoid a PEX. ER confirmed that parents were always encouraged to appeal a PEX but most did not want to because the child did not want to return to the school they had been excluded from. Hartlepool has the 3<sup>rd</sup> highest rate of PEX in the local area, with a lower than average rating nationally and in the North East.</p> <p>Officers advised that a Working Group of the Childrens' Services Committee had recently been constituted to look at potential solutions to this issue. The Chair requested regular updates on this.</p> <p><b>Decision</b></p> <p>That the report be noted and the significant pressure on Horizon school acknowledged</p>	
<b>8</b>	<p><b>Update on DfE SEND and AP Change Programme</b></p> <p>In 2022 the DfE had published the findings following a review of the SEND and AP system. 32 local authorities had been asked to test a variety of</p>	

	<p>reforms as part of 9 Change Programme Partnerships across the country. HBC is the lead authority for the North East Partnership including Durham, Gateshead and Stockton Councils. The reforms for phase 1 fit into 4 partnerships: enablers, inclusive teaching, EHCP reforms and standards and commissioning. As a result of feedback from the 9 Partnerships insight guides had been developed by the DfE into specific areas of testing. Details on the finding from the phase 1 reforms were given in the report.</p> <p>As the lead local authority Hartlepool was in receipt of all the funding and its distribution to the other local authorities. Each LA must submit bids for funding and submit a monthly return to the DfE setting out actual and projected spending. Current allocation for the North East Partnership stands at over £1.277m. Part of this funding is to support the ELSEC project for which Hartlepool alone received over £0.503m. Details of the projected ELSEC spend were given showing over £0.025m unallocated. Additionally there was £0.545m remaining for the overall Change Programme which had not been allocated to any the 4 North East authorities. Bids were being developed for this. Hartlepool's bid is to increase capacity in the Inclusion Service.</p> <p>The programme was now moving into Phase 2 with a greater focus on testing reforms relating to inclusion. The 4 areas of focus were partnerships with shared priorities &amp; plans, coherent universal &amp; targeted inclusion offer, support &amp; challenge to drive mainstream inclusion and understand impact &amp; outcomes. It was felt that the continued development of the Hartlepool Inclusion team was key to this and the intent was to bid from the remaining allocation to employ 2 Senior Specialist Teachers for 1 year to support the work over mainstream inclusive provision. It was hoped that an announcement on a potential 1 year extension to the Change Programme would come at the end of January. Should this happen the contracts of the Inclusion Team would also be extended.</p> <p><b>Decision</b></p> <p>That the report be noted</p>	
9	<p>Meeting concluded 12 noon</p> <p><b>Date and time of next Forum meeting – Wednesday 19 February at 10am at the CETL</b></p>	

## OUTSTANDING ACTIONS LOG

Meeting	Description	Owner
15/10/24	"What Would it Take" Panel to be considered and established	ER
15/10/24	Meeting to discuss principles arising from year 1 and 2 of the Special School Cost Model Arrangement  Initial meeting has taken place and a Memo of Understanding has been drafted and circulated. Follow up meeting to be scheduled.	AW / JWa / SSh



## Financial Year 2024/25: Children's Services Committee – Log of Schools' Forum Recommendations and Committee Decisions

Last Updated: 6 December 2024

Committee Date	Report	Recommendation and Decision Details
19/11/24	Dedicated Schools Grant (Former Education Services Grant rate per pupil) – Disapplication Request	<p>The Committee:</p> <ul style="list-style-type: none"> <li>a) Agreed the 2025/26 funding rate at £60 per pupil/place.</li> <li>b) Agreed to submit the disapplication request to the Secretary of State to set the Education Services General Duties rate at £60 per pupil/place for 2025/26.</li> <li>c) Noted this will be the ninth consecutive year the local authority has applied for disapplication and that the previous eight applications have been successful.</li> </ul>
04/02/2025	DEDICATED SCHOOLS GRANT – SCHOOL BUDGET SHARES 2025/26 AND CENTRAL SCHOOL SERVICES BLOCK 2025/26	<p>The Committee:</p> <ul style="list-style-type: none"> <li>a) Noted the contents of this report;</li> <li>b) Noted the agreement by Schools' Forum to centrally retain funding of £0.595m, updated to £0.608m to reflect the increased copyright licence cost;</li> <li>c) Noted the agreement by Schools' Forum to transfer 0.5% of schools block funding (£0.436m) to the High Needs Block;</li> <li>d) Agreed the MFG to be used for 2025/26 and noted the recommendation from Schools' Forum of applying an MFG of 0.0%, alongside an appropriate cap which has been calculated at 0.38%;</li> <li>e) Approved the School Budget Share for 2025/26;</li> </ul>

		f) Noted the agreement by Schools' Forum to transfer the residual funding from the Central School Services Block to the High Needs Block (£0.080m).
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<p style="text-align: center;"><b>Report to Hartlepool Schools' Forum 19 February 2025</b> <b>From Assistant Director (Early Intervention, Performance and Commissioning)</b></p>
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**Item 3: Dedicated Schools Grant – Early Years Block 2025/26**

**1. Introduction**

- 1.1 The purpose of the report is to consult on the 2025/26 Early Years National Funding Formula (EYNFF) and funding of Providers.
- 1.2 This report presents a summary of the consultation responses for consideration by Schools' Forum.
- 1.3 Children's Services Committee will receive the results of all consultation, along with the recommendations from Schools' Forum at their meeting on 18 March 2025.

**2. Background**

- 2.1 The 'Early Years Block' (EYB) is issued to local authorities specifically for the delivery of the early year's offer. Funding and associated entitlements have expanded significantly in 2024/25, with the introduction of 2-year-old entitlements for working parents from 1 April 2024 and new entitlements for children aged from 9 months to 2 years from 1 September 2024. Further changes are being introduced in 2025/26, with both new entitlements extending to 30 hours from 15 hours in September 2025.
- 2.2 2025/26 continues to be a period of significant change, bringing uncertainty to budget planning for the local authority. As such, careful consideration of proposed hourly rates for providers is required, along with an appropriate amount that should be centrally retained to fund the effective management of expanded entitlements by the authority.
- 2.2 Local authorities are required to consult providers on proposed annual changes to local early year's funding formulas, although the final decision rests with the local authority.
- 2.3 Consultation with providers was open between the 27th January and 7th February 2025.
- 2.4 The Council is consulting on proposed hourly rates for the following provisions in 2025/26:
  - 3- to 4-year-old provision;
  - A combined rate for 2-year-old provision – available to both eligible disadvantaged pupils and the new working parent entitlement;
  - 9 months to 2-year-old provision.
- 2.5 The table below provides the provisional early year's funding for Hartlepool in 2025/26. Funding for the new entitlements introduced in 2024/25 is based on May 2024 census information. As take-up is yet to stabilise for the newer entitlements, DfE are continuing to reflect additional census points during 2025/26 and will adjust funding accordingly.

Early Years Block 2025/26	Hourly Rate Funding £	Part Time Equivalents (Estimate)	Indicative Funding £
3 to 4 Year Olds – Universal	5.90	1,280.01	4,304,674
3 to 4 Year Olds – Additional	5.90	497.76	1,673,967
3 to 4 Year Olds – Pupil Premium			219,388
3 to 4 Year Olds – Disability Access Fund			77,854
2 Year Olds – Additional Support	8.28	353.77	1,669,653
2 Year Olds – Working Parents	8.28	421.46	1,989,123
2 Year Olds – Pupil Premium			149,340
2 Year Olds – Disability Access Fund			23,450
Under 2 Year Olds	11.27	459.08	2,949,084
Under 2 Year Olds – Pupil Premium			13,441
Under 2 Year Olds – Disability Access Fund			7,504
<b>Total Indicative Funding 2025/26</b>			<b>13,077,478</b>

- 2.6 At their meeting on 24 September 2024, Forum were asked to support retention of 4% of Early Year's funding in 2025/26, with 96% for pass through to providers. The minimum pass-through rate is 96% from April 2025. In future, DfE are planning to increase the minimum pass-through rate to 97%, although DfE have acknowledged that it would not be feasible to mandate this increase until take up for the new entitlements is embedded.

### **3. Considerations for the Hartlepool Formula**

- 3.1 Local authorities need to consider the following in proposing an hourly rate structure for each provision:
- At least 96% of the funded hourly rate must be passed to providers. This has increased from 95% in previous years;
  - The level of funding needed to effectively administer and manage the expanded early year's offer by the Council. This can be up to 4% of the hourly rate in 2025/26;
  - An appropriate level of contingency in case payments to providers during the year exceed census funding levels. [It must be noted that Hartlepool Borough Council has historically made payments to providers for 2-year-old placements where, owing to census numbers, sufficient funding has not been received to cover payments, resulting in a deficit position];
  - A Special Educational Needs (SEN) Inclusion fund to support individual children with low level and emerging needs;
  - Additional financial support for those children living with a greater level of deprivation.
- 3.3 The local authority can choose whether to introduce a single rate that covers all 2-year-old provision – whether provision relates to existing disadvantaged children or to new 2-year-

olds of working parents or two different rates for the two categories of children. As with 2024/25, a single rate is proposed under the Hartlepool formula to avoid the unnecessary complexity that separate hourly rates would add.

- 3.4 In 2023/24, DfE added funding for Teacher pay and pension increases into the 3- to 4-year-old hourly rate. This was previously a separate grant paid to schools and academies. This amount is currently managed as a supplement in the hourly rate formula for Hartlepool.
- 3.5 Additional funding was provided by DfE in 2024/25 to help support the Teacher's pay award from September 2023, along with employer pension contribution increases. Local Authorities can choose whether to add this new funding to the existing Teacher's Pay Supplement (to benefit those settings with a qualified teacher only), or to add it to the base rate (to benefit all providers of 3–4-year-old provision).

#### **4. Additional Help – 3- to 4-Year-Old Funded Hourly Rate**

- 4.1 For 3–4-year-old provision only, DfE have provided an additional 24p to support providers in funding the teaching staff pay award from September 2024. The additional 24p is included in the total funded hourly rate of £5.90 shown in the table at paragraph 2.5.
- 4.2 The funded hourly rate of £5.90 for 3–4-year-old provision, also includes 2 earlier amounts to support teaching staff pay and pension awards (September 2019 and September 2023). Taking these earlier amounts plus the new 24p from April 2025, there is now a total of 73p included within the overall £5.90 hourly rate relating to teaching staff pay and pension increases.
- 4.3 The first increase to support teaching staff pay and pension awards with effect from September 2019, is currently managed as a separate supplement within the 3–4-year-old hourly rate structure. The supplement is only paid to those settings employing a qualified teacher. Such settings receive the base rate for 3–4-year-old provision plus the historic supplement.
- 4.4 The second increase to support teaching staff pay and pension awards with effect from September 2023 was added to the base rate payable to all providers. The local authority recognised that pay award pressures were not limited to teaching staff and therefore, the addition to the base rate would represent a more equitable approach. This view was supported through consultation with providers, by Schools Forum and by Committee.
- 4.5 In line with the approach taken for the September 2023 increase, the local authority is proposing to add the new September 2024 increase to the base rate instead of increasing the historic supplement that is only payable to settings employing teaching staff.
- 4.6 The local authority is also proposing to remove the historic supplement altogether and transfer this to the base rate. This would mean that the full 73p per hour received from DfE benefits all providers. There would no longer be a separate supplement within the 3–4-year-old hourly rate structure. The proposals outlined in the next section include this assumption.

## 5. Hourly Rate Proposals for 2025/26

5.1 This section includes proposals for hourly rate splits for each type of provision in 2025/26:

- 3- to 4-year-old provision;
- A combined rate for 2-year-old provision – available to both eligible disadvantaged pupils and the new working parent entitlement;
- 9 months to 2-year-old provision.

5.2 Key principles within the proposed hourly rate splits are:

- In order to provide adequate funding to the local authority for administration and management of the extended offer, the Council proposes to retain 4% of hourly rate funding across all types of provision;
- A supplement for deprivation should be included against 3- to 4-year-old provision only, where this remains a mandatory requirement. The authority believes that a higher base rate to all providers as opposed to a small deprivation supplement is preferable;
- A contingency amount should be included across all provisions because of the continuing uncertainty surrounding take up in 2025/26, alongside the expansion of newer provision from 15 hours to 30 hours in September 2025. A higher contingency rate is proposed against the newer entitlements, linked to the levels of uncertainty;
- A SEN Inclusion fund should be set aside across all provisions in order to support increasing numbers of children with low level and emerging need.

5.3 Proposed hourly rate payments for **3- to 4-year-old provision** are shown in the table below. The funded hourly rate for 3- to 4-year-old provision is £5.90. This includes 73p for the Teacher pay and pension funding. Without this extra funding, the DfE hourly rate is £5.17.

3- to 4-Year-Old Provision	Hourly Rate	Percentage	Funding Split (using estimated PTE)
Total funded hourly rate	£5.90	100%	£5,978,641
Retained by local authority	£0.24	4%	£243,199
<b>Proposed split for the 96% pass through to Providers</b>			
Base rate	£5.60	98.9%	£5,674,642
Deprivation Supplement	£0.01	0.2%	£10,133
Teacher Pay / Pension Supplement	£0.00	-	-
Contingency	£0.02	0.4%	£20,267
SEN Inclusion	£0.03	0.5%	£30,400

- 5.4 As outlined in section 4, the local authority proposes to add both the new teachers pay and pension funding of 24p and the historic 24p supplement into the base rate payable to all settings. Added to the DfE rate increase of 2p, this would increase the current base rate from £5.10 to £5.60 for all providers.
- 5.5 The separate supplement relating to teaching staff pay and pension support for September 2019 awards would cease.
- 5.6 Proposed hourly rate payments for a single 2-year-old provision rate are shown in the following table. This mirrors the 3- to 4-year-old hourly rate proposal except for:
- No deprivation supplement – this funding has been allocated to the base rate instead;
  - Increased contingency rate to reflect the continuing uncertainty around take up of the newer working parent entitlement funding, particularly with the increase from 15 to 30 hours from September 2025.

2-Year-Old Provision (disadvantaged and working parent)	Hourly Rate	Percentage	Funding Split (using estimated PTE)
Total funded hourly rate	£8.28	100%	£3,658,776
Retained by local authority	£0.33	4%	£145,821
<b>Proposed split for the 96% pass through to Providers</b>			
Base rate	£7.82	98.4%	£3,455,510
Deprivation	-	-	-
Contingency	£0.10	1.2%	£44,188
SEN Inclusion	£0.03	0.4%	£13,256

- 5.7 Proposed hourly rate payments for the new under 2-year-old provision rate are shown in the following table. Provision will be extended to 30 hours from September 2025. The splits mirror the 2-year-old hourly rate proposal.

Under 2-Year-Old Provision	Hourly Rate	Percentage	Funding Split (using estimated PTE)
Total funded hourly rate	£11.27	100%	£2,949,085
Retained by local authority	£0.44	4%	£117,754
<b>Proposed split for the 96% pass through to Providers</b>			
Base rate	£10.69	98.8%	£2,797,313
Deprivation	-	-	-
Contingency	£0.10	0.9%	£26,168
SEN Inclusion	£0.03	0.3%	£7,850

## 6. **Consultation Responses**

- 6.1 The consultation with providers ended on 4 February 2025. A summary of the responses is provided in the table below. 25 Providers (or 30%) responded to the consultation (21 respondents in 2024).
- 6.2 Consultation with Providers demonstrates overall support to the planned hourly rates, with percentages of providers in agreement ranging from 64% to 92%. The strongest support is for the 96% pass-through rate, with lower support for the planned contingency rates. In response, the local authority will review contingency amounts in 2026 with a view to reducing the amounts as entitlements stabilise.
- 6.3 Alongside consultation, the local authority has carefully considered any impact on 2-year-old additional help provision (formerly called deprivation) from the new 2-year-old working parent entitlement. There is a concern that capacity for “additional help” provision may be at risk because of the strong take up for the new working parent offer. This risk may grow with the expansion of the 2-year-old working parent entitlement to 30 hours from September 2025.
- 6.4 The authority has considered a move away from the existing single rate for 2-year-old provision to incentivise providers in supporting capacity for 2-year-old additional help children. This links to question 6 in the consultation with providers shown in the table below. Doing so would involve an increase in the base rate to providers that would need to be funded from the current contingency amount of 10p per hour. After lengthy consideration, the authority has concluded that retention of the contingency amount should remain the priority in 2025/26 whilst the uncertainty for take up of new entitlements continues. However, the proposal to move away from a single rate for 2-year-old provision from April 2026, alongside the planned reduction in contingency amounts is likely.

Early Years Consultation 2025/26 - Responses	Yes	No	Not Sure	Total	% Agreed
1: A pass-through rate of 96% is proposed. This proposal is expected to provide the budget required to effectively administer and manage the extended offer. Do you agree that 96% should be passed through to providers across all hourly rates in 2025/26?	23	0	2	25	92%
2: Do you agree that the separate supplement for historic teaching staff pay and pensions support should cease and be transferred to the base rate?	20	0	5	25	80%
3: Do you agree that funding for deprivation should be part of the base rate for 2-year-old and under 2-year-old provision instead of setting a separate deprivation supplement? Please note that deprivation remains a mandatory supplement for 3- and 4-year-old provision.	18	2	5	25	72%



Early Years Consultation 2025/26 - Responses	Yes	No	Not Sure	Total	% Agreed
4: Take up for the newer entitlements continue to bring a greater degree of uncertainty to funding levels and payments to providers for the local authority. This is why the Council is proposing to continue to set aside a contingency amount within each hourly rate split, with a larger contingency rate on the newer entitlements. This position would be reviewed before April 2026 when the take up is expected to have stabilised. Do you agree that a contingency should be set aside to help manage the uncertainty?	16	6	3	25	64%
5: A greater level of Special Education Needs and Disabilities (SEND) is emerging within the early year's sector. This highlights the importance of using some of the hourly rate funding for a SEN inclusion fund across all provisions. Do you agree with this approach?	18	5	2	25	72%
6: As in 2024/25, the Council is proposing to operate a single rate across both additional support 2-year-old provision and working parent 2-year-old provision. Do you agree that a single rate should be set?	20	3	2	25	80%

## 7. **Recommendations**

### 7.1 Schools' Forum are asked to:

- Note the contents of the report and the consultation responses included;
- Approve the hourly rate for 3- to 4-year-old provision shown at paragraph 5.3 of this report;
- Approve the hourly rate for 2-year-old provision (single rate) shown at paragraph 5.6 of this report;
- Approve the hourly rate for under 2-year-old provision shown at paragraph 5.7 of this report.

**A vote is required and ALL Schools' Forum members are eligible to vote.**

**Report to Hartlepool Schools' Forum 19 February 2025**  
**From Amanda Whitehead – Assistant Director, Education**

**Item 4: High Needs Block Budget Requirement 2025/26**

**1. Introduction**

- 1.1 The purpose of the report is to build upon the introductory High Needs Block (HNB) budget requirement presented to Forum on 28 January 2025.
- 1.2 The first report focused on the budget requirement for existing provision. The figures presented included both volume changes and inflationary / price changes. The report did not contain costs of proposals linked to strategic changes. Such changes include the local authority's planned response to increase provision, ensure that existing provision remains fit for purpose or plans to improve outcomes for pupils with SEND. These strategic changes are presented in this report.
- 1.3 Planned costs to deliver education for permanently excluded pupils are also included in this report.
- 1.4 The two reports and associated discussions bring together the full budget requirement proposals for the HNB in 2025/26 for onward recommendations to Children's Services Committee.

**2. Background**

- 2.1 Schools' Forum is consulted on the proposed HNB budget requirement each year for onward decision making by Children's Services Committee.
- 2.2 From financial year 2023/24, a HNB budget exceeding the funding available was approved by Children's Services Committee. The budget shortfall for 2023/24 was £2.147m, with an actual shortfall of £2.348m. The budget shortfall for 2024/25 is £2.171m, against a forecast shortfall of £4.475m as at quarter 3.
- 2.3 At 31 March 2024, the overall Dedicated Schools Grant (DSG) deficit stood at £1.589m. This is expected to increase to £6.064m by this financial year end. This deficit is being cash flowed by the council at an approximate cost of £0.300m a year based on current rates of interest.
- 2.4 As the Council is now in a DSG deficit position, DfE required a DSG Management planning covering a 10-year period. The plan has been submitted and approved and DfE require regular updates. The latest update suggests a provisional deficit position of £34.961m by 31 March 2031. The council would not have enough cash reserves to sustain this deficit.

**3. Planned Changes Affecting the HNB Budget Requirement for 2025/26**

- 3.1 The increased risk of high-cost placements has been flagged and, although estimates already presented to Forum on 28 January included budget provision for 2 placements, this has been extended to 4 potential placements following further discussion with SEND colleagues. This increases the budget requirement by £0.200m.

- 3.2 The need for appropriate placement of pupils presenting a high level of challenging behaviour is becoming critical. The authority is proposing to commission 6-8 places at an estimated cost of £30k per place. This would be for those pupils with high incident behaviour at KS3-4. A specification will be drafted, and schools will be asked for expressions of interest. Without the establishment of such a nurture base, the requirement for a high-cost independent school place, or residential care provision at circa £4k per week is the likely alternative. This proposal increases the budget requirement by £0.180m, although potentially avoids cost of up to £1.248m.
- 3.3 A permanent solution for accommodation linked to primary ARP places is a priority for SEN capital funding once allocations are published. Even with sufficient funding, the current temporary accommodation is likely to require extension for a further year at a cost of £0.104m.
- 3.4 Haven School educates up to 12 pupils who find a usual school setting difficult and are likely to be at risk of permanent exclusion otherwise. As Haven pupils remain on their original school roll, funding for Haven pupils flows to their home school. From 2025/26, a charge to the relevant home school is proposed. The charge would be structured as a weekly rate and the level of charge would reflect the average pupil-led funding at primary or secondary phase. For a secondary school, this would be an average charge of £200 per week per pupil. The amount is calculated using the average per-pupil led funding across all secondary schools for 2025/26. Introduction of charges to home schools would reduce the HNB budget requirement by an estimated £0.090m in 2025/26.

#### **4. Planned Changes Affecting the HNB Budget Requirement Beyond 2025/26**

- 4.1 There is a rising need to address gaps in provision linked to meeting the needs of pupils with ASD. Discussions have started with North East Autism Society to understand their potential offering. This work will progress, but a solution is unlikely to be in place until 2026/27.
- 4.2 Forum received a report at their meeting on 28 January 2025 outlining the work completed by the SEND / AP programme. The work to date around the 3-tier AP model, particularly work to limit further permanent exclusions is encouraging. The 3-Tier AP team are funded until March 2026 by the Programme, at an annual cost of £0.303m. Outcomes will continue to be monitored and reported to Schools' Forum. Should the 3-Tier model continue beyond April 2026, a funding solution would need to be agreed.
- 4.3 From discussion and the sharing of best practice with other regional authorities, a proposal for a revised model for day 6 provision is being considered. This would take the form of a unit attached to Horizon School – an expansion of the current Integrate model. The unit would educate permanently excluded pupils from day 6 for a 12 week period. This approach would also give time to assess appropriate education options for each pupil. As this proposal is closely linked to the need for accommodation requirements for Horizon School, a longer lead time is likely. Therefore, no costs for the proposal have been included in the budget requirement for 2025/26.

#### **5. Provision for Permanently Excluded Pupils – Budget Update 2025/26**

- 5.1 There is general acceptance that volumes of permanently excluded pupils are unlikely to return to historic volumes in the short to medium term. The current funding model

of 28 places at Horizon School and 12 places for Haven no longer reflects the volume of pupils being managed by the service. This has now been the position for an extended period.

- 5.2 The need to remodel the service and to ensure appropriate accommodation is clear. Until a solution for a building is in place, it is not feasible to produce revised costs for the service with any certainty, or to move to a cost model arrangement in line with Springwell and Catcote special schools.
- 5.3 In response, the proposed budget requirement for 2025/26 should have regard to the current year projected outturn and the assumptions included in the DSG Management Plan. The current year projected outturn is £1.637m and the assumed budget requirement in the DSG Management Plan is £1.642m.
- 5.4 The proposed budget requirement for 2025/26 takes the £1.637m projected outturn and assumes average pay awards of 3%, with general inflation on non-pay costs of 2.5%. This gives a budget requirement of £1.675m.

## 5. Updated 2025/26 Budget Requirement Baseline

- 5.1 The following table summarises the revised estimated budget requirement for 2025/26, with a comparison to 2024/25.

	£m 2024/25 Budget	£m 2025/26 Proposed	£m 2025/26 Increase (+) / Decrease (-)
Budget Area	£m	£m	£m
Independent Schools	5.141	5.282	0.141
Special Schools	4.674	6.056	1.382
IPS	2.535	3.339	0.804
ARPs	1.936	2.538	0.602
Post-16	1.507	1.548	0.041
Exclusions and AP	1.192	1.675	0.483
Support Services	0.692	0.713	0.021
Out of Area	0.452	0.442	(0.010)
Early Intervention	0.217	0.223	0.006
HI/VI	0.205	0.251	0.046
Nurture Base (new provision)	-	0.180	0.180
Haven Recharges	-	(0.090)	(0.090)
<b>TOTAL</b>	<b>18.551</b>	<b>22.157</b>	<b>3.606</b>

- 5.2 The approved block transfer from School's Block to HNB (£0.436m) and from Central School Services Block (£0.080m) have been added to the funding allocation from DfE for 2025/26. In total, this gives block funding after recoupment of **£17.900m**. Should the budget requirement of £22.157m in the table above be approved, this would result in a funding gap of **£4.257m**.
- 5.3 This funding gap will take the overall DSG deficit to in excess of £10m by the end of 2025/26. The likely cash flow cost to the council will be circa £0.500m per annum based on current rates of interest.

## **6. Recommendations**

### **6.1 Forum is asked to:**

- Note the combined content of the report presented to Forum on 28 January 2025 and this report, forming the overall HNB budget proposal for 2025/26;
- Recommend the total budget proposal of £22.157m outlined in the table at paragraph 5.1 to Children's Services Committee for approval.

**A vote is required and ALL Schools' Forum members are eligible to vote.**