

ROTHERHAM SCHOOLS' FORUM

Date and Time:- Friday 28 March 2025 at 8.30 a.m.

Venue:- Rockingham Professional Development Centre,
Roughwood Road, Rotherham. S61 4HY

The items which will be discussed are described on the agenda below and there are reports attached which give more details.

AGENDA

1. Welcome and Introductions

Welcome by the Chair and introductions by all Forum Members present.

2. Apologies for Absence

To receive apologies from any Forum Member who are unable to attend the meeting.

3. Declarations of Interest

To invite Forum Members to declare any interests they may have on agenda items to be considered at this meeting, to confirm the nature of those interests and whether they intend to leave the meeting for the consideration of the item.

4. Minutes of the Previous Meeting (Pages 5 - 12)

Recommendation:- To receive and approve the minutes of the previous meeting held on 30th January 2025

5. Matters Arising from Previous Minutes

To consider and report on any matters arising from the previous minutes:-

6. Membership and Constitution of the Rotherham Schools Forum (Standing Item)

To consider any updates or amendments to the membership of the Schools Forum following a review of membership arrangements.

Based on the School Sector Breakdown to include:-

- John Barnett, Primary School Headteacher (Maintained) (filling a vacancy).
- Kate Blythe, Primary School Headteacher (Maintained) (filling a

vacancy).

- Paul Higginbottom, Primary Academy Representative (filling a vacancy).
- Carol Brookes as Substitute for Lisa McCall (Secondary Academy Representative)

and remove:-

- Phil Davies, Secondary Academy Representative
- David Sutton, Academy Governor Representative

Recommendation:

To consider and approve the amendments/updates to the membership of the Rotherham Schools Forum.

7. Dedicated School Grant (DSG) and Schools Budgets 2024-25 Latest Position (Pages 13 - 18)

Head of Finance (CYPS) and Principal Finance Officer (CYPS) to report.

Recommendations:

1. That Schools Forum note the latest published DSG funding for schools for the 2024/25 financial year.
2. That Schools Forum note the financial positions of Rotherham's maintained schools and the identified financial risks against the schools DSG budgets for the year.

8. High Needs Budget and Funding Arrangements 2024/25 (Pages 19 - 29)

Head of Finance (CYPS) and Principal Finance Officer (CYPS) to report.

Recommendations:

1. That Schools Forum note the High Needs funding settlement for 2025/26.
2. That Schools Forum note the proposed funding requirements for 2025/26, particularly in relation to the number of commissioned specialist places and the payment of top up funding to mainstream, special schools /academies, and other providers and settings.

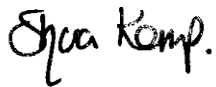
9. Schools Forum Forward Plan (Pages 31 - 32)

To consider the attached Forward Plan of agenda items and receive any updates.

10. Any Other Business

To receive any other items of urgent business.

**The next meeting of the Rotherham Schools Forum will
be held on Friday 13 June 2025
commencing at 8.30 a.m.
in Rockingham Professional Development Centre.**



**SHARON KEMP OBE,
Chief Executive.**

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**ROTHERHAM SCHOOLS' FORUM
THURSDAY 30 JANUARY 2025**

Mark Windle – Badsley Primary (Primary Maintained) (in the Chair)
Chris Eccles – Oakwood (Academy)
David Horrigan – Maltby Learning Trust (Primary Academy)
Lee Morritt – Aspire
Colin Price – NEU Representative
Steve Scott – Happy Kids (PVI Nursery)
Sharon Stones – Head of Arnold Nursery and Children's Centre
Nevine Towers - Head of Business and Operations (Primary Academy)
Nathan Williams – Roughwood Primary (Primary Academy)

Joshua Amahwe – Head of Finance, CYPS
Mark Cummins, SEND Project Lead, CYPS
Niall Devlin – Assistant Director, Education and Inclusion
Louise Keith – Principal Finance Officer, CYPS
Paula Williams – Service Manager – Education and Inclusion
Pam Ward – Head of Service, Education, CYPS
Angela Kemp – Secretary to the Rotherham Schools Forum

Apologies were received from:-

Councillor Victoria Cusworth – Cabinet Member for CYPS
Lisa McCall – Wales High School
Lynsey Hadfield - Executive Head, Arnold Nursery
Mark Ryan – RNN Group
Lewis Moat – GMB Representative
Karen Smith - Nexus MAT (Special Academy)
Cary-Anne Sykes – Head of Service (SEND)
Sarah Whitby – Head of Service – Access to Education

44. WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to today's meeting and introductions were made.

The Chair proceeded to share the very sad news that Steve Rhodes, former Chair of the Rotherham Schools Forum had passed away. The Forum paid tribute to Steve's service and the Forums' thoughts were with Steve's family members and the school community at Winterhill School.

45. DECLARATIONS OF INTEREST

No declarations of interest were made.

46. MINUTES OF THE PREVIOUS MEETING**Resolved:**

That the minutes of the meeting held on 13 December 2024 were agreed and approved as a correct record of the proceedings.

47. MATTERS ARISING FROM PREVIOUS MINUTES

Further to Minute No. 36 of the previous meeting held on 13th December, 2024, additional feedback was provided by the Assistant Director of Education and Inclusion following the second Schools Forum Governance Review meeting held on 17th January 2025.

Feedback covered the following:-

- Proposed changes to the Terms of Reference to be incorporated into a working draft that would be reshared with Members of the Review Group for re-review/comment.
- New Forum members would be pursued to fill vacant positions.
- A Self-Assessment would be undertaken annually at the end of each academic year.
- Local Schools Forum Guide would be produced to raise the profile of the Forum and support induction of new members.
- Ideas for improving communication and take up of consultation.
- New Forward Plan / Work Programme items.

Resolved:

That the Schools Forum notes the update provided.

48. MEMBERSHIP AND CONSTITUTION OF THE ROTHERHAM SCHOOLS FORUM (STANDING ITEM)

Consideration was given to the membership and constitution of the Schools' Forum and the suggested changes put forward for approval.

Resolved:

- 1. That the reconfiguration of the Nursery School Head and substitute from Sharon Stones to Lynsey Hadfield (Head) and from Lynsey Hadfield to Sharon Stones (substitute) be agreed.**
- 2. That the appointment of Sascha Schofield as a Special School Governor Representative for a term of 3 years be agreed.**

49. DEDICATED SCHOOL GRANT (DSG) AND SCHOOLS BUDGETS 2024-25 UPDATE

The Principal Finance Officer presented a report on the latest position of the schools' budget for 2024/25 and commented on the following:

- The latest confirmed DSG funding allocation position which remained unchanged from the last reported position to Forum on 13th December 2024.
- The de-delegated budgets position which remained on track to spend to budget, with the exception of the Schools in Financial Difficulty (SIFD) which had a small over-commitment forecast for the year.
- The increase to the Central Schools Services Block allocation to cover additional costs relating to copyright licenses.
- The latest forecasted position for the High Needs Block and the factors that were attributable to the variance.
- The latest forecasted position for the Early Years Block and the factors that were attributable to the cost pressure.
- The 24 local authority maintained delegated schools budget position, including balances and factors attributable for this.
- The latest position of those schools operating with licensed deficits which continued to be closely monitored.

Resolved:

1. **That the Schools Forum notes the latest published DSG funding for schools for the 2024/25 financial year.**
2. **That the Forum notes the financial positions of Rotherham's maintained schools and the identified risks against the schools DSG budgets for the year.**

50. SCHOOLS FUNDING SETTLEMENT 2025/26

The Principal Finance Officer provided details concerning the schools funding settlement for Rotherham, during 2025/26.

The total amount of Dedicated Schools Grant (DSG) funding amounted to £367.331 million, an increase of £32.9 million with funding to be allocated, as follows:

- Schools Block funding = £260.995 million
- Central Schools Services Block funding = £1.794 million

- Early Years Block funding = £42.202 million
- High Needs Block funding = £62.340 million

Attention was drawn to the rationale for the various increases in funding with particular attention drawn to changes to the way pay and pension costs would be funded, the national costs pressures associated with Special Educational Needs and Disabilities (SEND) and the substantial rise in the numbers of children and young people in Rotherham who received support via an Education, Health and Care Plan (EHCP), the expansion of early years entitlements to children aged two years and under two years together with the ongoing statutory responsibilities in relation to schools, as well as grants to help meet the costs of universal free school meals for infants.

Further details in relation to Pupil Premium, PE and Sport provision improvements and National Insurance Contribution allocations were expected to be confirmed in due course.

Forum Members shared concern regarding the difficulties associated with planning budgets for next year and the significant pressures within the system due to falling pupil rolls.

Resolved:

That Members of the Schools Forum note the content of the report.

51. DEDICATED SCHOOLS GRANT (DSG) SCHOOLS BLOCK FUNDING 2025/26

The Principal Finance Officer detailed the proposed budget for the Schools Block, with particular reference to the following:

- The determinants and values for the various funding factors in the Schools Block.
- The changes made to the school's 2025/26 National Funding Formula (NFF) in relation to rolling in the Teachers Pay Additional Grant (TPAG) Teachers Pay Employer Contribution Grant (TPECG) and Core School Budget Grant (CSBG).
- The changes introduced to split sites funding, noting only one school would be impacted.
- The implemented changes to increase alignment between the local schools funding formula and the national formula during 2025/26 which reflected the outcome of the consultation with schools and the DfE changes to the NFF.
- The proposal to transfer 0.5% of funding to the High Needs Block as agreed by the Schools Forum at its previous meeting which was

now awaiting DfE approval.

- Proposals for the de-delegation of funding back to the Local Authority for Contingency (Schools in Financial Difficulty SIFD), Trade Union and School Improvement.
- Discussions that had taken place with Local Authority Maintained Head Teachers regarding the approach to de- delegation and the associated funding amounts.

A formal vote was required to be taken by maintained school representatives for Primary and Secondary within the Schools Group, on the de-delegation proposals contained in the report. The representative who was eligible to vote, did so in favour of the proposals.

Resolved:

- 1. That the Schools Forum notes the Schools Block DSG allocation for 2025/26 and the implemented changes to the local schools funding formula as outlined in paragraphs 7 to 18 of this report.**
- 2. That the Schools Forum notes that the proposed 2025/26 schools funding formula incorporates a funding transfer of 0.5% to the high needs block (as approved by the Forum on 13th December 2024).**
- 3. That the Schools Forum approves the funding for maintained primary & secondary schools outlined in paragraph 22 to be de-delegated and retained by the Council to fund schools related expenditure.**

52. EARLY YEARS BLOCK BUDGET REPORT 2025/26

The Head of Finance (CYPS) outlined the proposed funding arrangements for Rotherham's Early Years Block for 2025/26 and referred to the following:

- Rotherham's provisional settlement for the 2025/26 early years block of £42.2m which represented an increase of £11.3m compared to the 2024/25 allocation and was attributable to the full year impact of the new and extended entitlements.
- The hourly funding rates for providers.
- The structure of Rotherham's local Early Years Funding Formula for 3 and 4 year olds and 2 and under 2's, which remained unchanged.

- The levels of funding subject to 'pass-through' requirements for providers.
- The changes proposed to how the SEN Inclusion Fund (SENIF) would be funded in 2025/26 for Tier 2 and the associated impact and the continuing discussions taking place to determine a clear view for Tier 3 in the future.

The next steps would include concluding the consultation exercise with providers regarding the annual changes to the local formula and the proposed SENIF changes, and to inform early years settings and providers of their indicative funding rates by the end of February.

Discussion arose on the continuing cost pressures within the early years sector associated with pay increases and other inflationary costs and a Forum Member shared concerns regarding the reality of what the pass-through rates would be for providers.

Resolved:

1. That the Schools Forum note the provisional DSG funding settlement for the early years block for 2025/26;
2. That the Schools Forum note the proposed arrangements for allocating the early years funding to providers for 3 & 4 year olds, 2 year olds and under 2's, via Rotherham's funding formula.
3. That the Schools Forum note the proposed Inclusion Support Grant funding and provider allocation.

53. CENTRAL SERVICES SCHOOLS BLOCK (CSSB) BUDGET REPORT 2025/26

The Head of Finance (CYPS) outlined the proposed distribution of funding for the Central Schools Services Block (CSSB) particularly concerning ongoing responsibilities. Ongoing commitments were detailed as follows:

- Copyright Licences. It was noted that this annual budget allocation was pre-determined by the DfE and the amount for 2025-26 had not yet been confirmed therefore a £21k estimated increase has been included based on the additional funding level provided by DfE for increased costs.
- Teachers Pay / Pension costs (allocation pre-determined by the DfE)
- School Admissions
- Schools Forum running costs

- SACRE
- School Improvement – Safeguarding. It was noted that an additional £41k commitment for School Improvement (Safeguarding) had been proposed for 2025-26 to ensure future arrangements were sustainable.
- Retained Duties (formerly ESG)

Reference was then made to the £81k funding gap resulting from the proposed allocations together with the actions proposed to manage and mitigate the funding gap.

A vote on whether the Schools Forum agreed with the proposed funding arrangements for these activities during 2025/26 was undertaken. Following the vote involving eligible members, the funding proposals were unanimously supported.

Resolved:

- 1. That the Schools Forum approve the proposed 2025/26 budget allocation as outlined in the table in paragraph 18 of the report.**
- 2. That the Schools Forum note the actions to address the net funding gap identified in paragraph 24 of the report.**

54. APPOINTMENT OF VICE-CHAIR

Nominations were sought by the Chair for the position of Vice-Chair of Rotherham Schools Forum for the next two years.

Mrs. L. Hadfield was proposed by Mr. C. Eccles and seconded by Mr. L. Morrill and duly appointed to the position of Vice-Chair of Rotherham Schools' Forum.

Resolved:

That Mrs. L. Hadfield be appointed Vice-Chair of the Rotherham Schools Forum for the next two years (2024/25 and 2025/26 academic years).

55. SCHOOLS FORUM FORWARD PLAN

The Chair explained that following discussion at the Schools Forum Review Meeting on 17th January 2025 several items had been proposed for inclusion on the Forward Plan and added by the Clerk.

Forum Members reviewed the Forward Plan circulated with the agenda pack and confirmed no additions or amendments were required.

Resolved:

That the Forward Plan be noted.

56. ANY OTHER BUSINESS

There were no other urgent business items raised.

57. DATES AND TIMES OF FUTURE MEETINGS

Resolved:-

- 1. That the next meeting of the Schools' Forum takes place on Friday, 28th March, 2025 at 8.30 a.m. at Rockingham PDC.**
- 2. That the dates proposed for future meetings as listed on the agenda were agreed.**

The Chair of the Forum concluded business and thanked everyone for their attendance and contributions.

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| REPORT FOR SCHOOLS FORUM |
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|-----------|-------------------------|-----------------------------------------------------------------------------------|
| 1. | Date of Meeting: | 28th March 2025 |
| 2. | Title: | Dedicated School Grant (DSG) and Schools Budgets 2024-25 – Latest Position |
| 3. | Directorate: | Finance and Customer Services |

1. PURPOSE OF REPORT

- 1.1 To provide an update on the school's budget for 2024/25 and to outline the main funding changes announced by the DfE since the last School Forum in January 2025.
- 1.2 To provide an update on 2025-26 school budgets and additional funding announced by the DfE.

2. RECOMMENDATION(S)

- 2.1 **It is recommended that the Schools Forum note the latest published DSG funding for schools for the 2024/25 financial year.**
- 2.2 **That the Schools Forum note financial positions of Rotherham's maintained schools and the identified financial risks against the schools DSG budgets for the year.**

3. BACKGROUND INFORMATION & CONTEXT

- 3.1 Following the DfE notification of Rotherham's DSG funding in December 2023, a report was presented to Schools Forum outlining the overall funding envelope across all four of the DSG funding blocks (£333.5m in total, £243.7m in Schools Block funding). This informed the budget setting process for the 2024-25 financial year.
- 3.2 Individual school budget shares were issued in February 2024 in accordance with the statutory deadline; with a requirement for schools to submit approved detailed 3-year budgets to the Authority by the 17th of May 2024 and revised budgets by the 17th October 2024.
- 3.3 Overall DSG allocations are amended by ESFA and changes communicated to Schools Forum through this report.

4. LATEST DEDICATED SCHOOLS GRANT 2024-25

- 4.1 The latest confirmed DSG funding allocation for Rotherham for 2024-25 is £108.8m, which includes a total of £30.5m in Schools Block funding. This position remains unchanged since last reported to Forum in January 2025.

| 2024-25 DSG Funding Blocks | Nov 2024 Allocation | Latest Jan Position (£m) | Change (£m) |
|----------------------------|---------------------|--------------------------|-------------|
| Schools Block | 30.45 | 30.45 | - |
| Central Block | 1.59 | 1.59 | - |
| Early Years Block | 30.91 | 30.91 | - |
| High Needs Block | 45.86 | 45.86 | - |
| Total DSG | 108.81 | 108.81 | - |

5. UPDATE ON CENTRALLY RETAINED DSG BUDGETS

- 5.1 These relate to budgets for schools' expenditure that are retained and where it is cost effective to be managed by the council. It comprises elements of the schools' block, early years, and the high needs DSG blocks. The table below summarises the latest forecast position across all the centrally retained DSG budgets.

| Centrally Retained DSG Budget Position | Budget 2024-25 (£m) | Jan 25 Position (£m) | Forecast Variance (£m) |
|----------------------------------------|---------------------|----------------------|------------------------|
| Schools Block | 0.35 | 0.36 | 0.01 |
| Central Block | 1.59 | 1.58 | 0.00 |
| Early Years Block | 30.91 | 31.45 | 0.55 |
| High Needs Block | 47.07 | 50.84 | 3.76 |
| Total DSG | 79.92 | 84.23 | 4.32 |

The following is an explanation of the key variances:

- **Schools Block** – the actual delegated budget for 2024-25 currently stands at £29.25m, after adjusting for the school block funding transfer of 0.5% to the high needs budget. Of this amount, **£349k** was de-delegated from the schools block and managed centrally and covers the following: growth fund; schools in financial difficulty; etc.

Overall, the de-delegated budgets are on track to spend to budget, with the exception of the Schools in Financial Difficulty (SIFD), where a minor over-commitment of £10k is currently forecast for the year.

- **Central Schools Services Block** – the DSG allocation for the CSSB is £1.59m for the year and is used to support ongoing commitments such as SACRE, Teachers Pensions costs, Schools forum admin costs, Schools Admissions and Copyright Licensing. There has been an increase of £20k to the allocation for the central block to cover the additional costs of the copyright licenses.
- **High Needs Block** – A cost pressure of £3.76m is currently forecast for the High Needs block and mainly relates to SEND. This is an increase of £13k compared to the last reported position and mainly relates to an increase in EHCP pupils. The overall deficit is mainly due to the following; inflationary costs; increase in EHCP pupils in mainstream schools and specialist provision; and continuing placements in out of authority independent settings. Work is ongoing through the SEND sufficiency programme to create more local places and provision aimed at reducing out of authority specialist placements.
- **Early Years Block** – a cost pressure of £0.55m is currently anticipated across the early years block, and mainly relates to Inclusion Support Grant payments to providers for the year – which would be funded through the use of carry forward DSG reserve balances.

6. UPDATE ON DELEGATED SCHOOLS BUDGETS 2024-25

6.1 The total net balances as reported by 24 LA maintained primary, secondary and special schools and nurseries in their December revised budget submissions are shown below.

| | 2023-24 | | 2024-25 | |
|-----------|--------------|------------------------------|-----------------------------|--------------|
| | Outturn | Previous Budget Return (Dec) | Latest Budget Outturn (Feb) | Variance |
| Nursery | 0.44 | 0.544 | 0.664 | 0.120 |
| Primary | 1.466 | 0.944 | 0.827 | -0.117 |
| Secondary | 0.556 | 0.095 | 0.138 | 0.043 |
| | 2.462 | 1.583 | 1.629 | 0.046 |

6.2 Main highlights from the above:

- When compared to the December monitoring position, the February position shows a net increase of £46k across all LA maintained nursery, primary and secondary schools. This is made up of positive changes of

£120k in nursery budgets and £43k in secondary, partially offset by a negative shift of £117k in primary school budgets. The reduction in primary school budget balances is largely driven by the conversion of two schools on 1st February 2025.

- The February budget monitoring submissions indicate a decrease in net surplus of £764k compared to the 2023/24 outturn position. This is reflective of the increased financial pressures faced by schools as well as the academy conversions in year.
- The latest position includes a total of 3 schools with deficit balances. In the original budget submission in May 2024, these 3 schools submitted a deficit budget and are now operating under a licensed deficit with budget recovery plans in place to return to a balanced position within an agreed timeframe.
- Between the May and December budget submissions one additional school was projecting a deficit by the end of the year but is now estimating a balanced position again.

| Schools with deficit | Prev Dec position | Latest Feb position | Comments |
|---------------------------|-------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Aston Fence J&I | -£0.015 | -£0.030 | Unforeseen staffing costs. |
| Brinsworth Manor Infants | -£0.008 | -£0.009 | Significant changes in staffing during academisation. |
| Wales Primary | -£0.031 | -£0.046 | Significant damage caused by adverse weather mostly covered by insurance. |
| Rawmarsh Ryecroft Infants | -£0.015 | £0.014 | Now estimating a balanced position at year end – concerns regarding pupil numbers have stabilised and additional income has resulted in estimated balanced position. |

- The three schools that submitted a deficit budget have had licensed deficits approved by the LA. Two of these schools will receive funding through the Schools in Financial Difficulty (DSG) fund in 2024/25.

7. UPDATE ON SCHOOL BUDGET SETTING 2025-26

- 7.1 The DfE approved the 2025/26 local schools funding formula for Rotherham on 18th February 2025.
- 7.2 Maintained schools in Rotherham received letters on 28th February 2025 detailing their individual budget allocations for 2025-26.

- 7.3 In accordance with the Scheme for Financing Schools, maintained schools are required to submit a balanced or in surplus budget plan covering the three-year period 2025-26 to 2027-28 to the Council by Friday 16th May 2025.
- 7.4 Schools that are unable to submit a balanced or in surplus position are encouraged to engage early with the Council to allow sufficient time for apply for and obtain approval to operate under a licensed deficit.

8. NATIONAL INSURANCE CONTRIBUTIONS SUPPORT PACKAGE

- 8.1 The ESFA have announced details of the National Insurance Contributions (NICs) grant for the 2025-26 financial year. The funding provided through this grant will be to support settings with NICs costs relating to both teachers and support staff affected by the by the increase to employers NICs.
- 8.2 The NICs grant will provide funding to mainstream schools (5-16 year olds), Special education resource provision units (SURPs), Early Years settings and Centrally Employed Teachers (CETs) and support staff for local authorities.
- 8.3 For 2026-27 the funding for mainstream primary and secondary schools will be incorporated into the schools national funding formula (NFF).
- 8.4 The NICs grant base funding rates for mainstream schools in 2025/26 are:
- a basic per-pupil rate of £78 for primary pupils, including pupils in reception
 - a basic per-pupil rate of £68 for key stage 3 pupils
 - a basic per-pupil rate of £77 for key stage 4 pupils
 - a lump sum of £2400
 - a FSM6 per-pupil rate of £75 per eligible primary pupil
 - a FSM6 per-pupil rate of £60 per eligible secondary pupil
- 8.5 For the Early Years NICs grant there will be a separate national base rate per PTE for each age group as follows:
- £58 for 3 to 4-year-olds
 - £81 for 2-year-olds
 - £106 for under 2s
- 8.6 The National Insurance Contributions (NICs) grant calculator tool for mainstream schools can be found at: [National Insurance contributions \(NICs\) grant and early years National Insurance contributions \(EY NICs\) grant for 2025 to 2026 - GOV.UK](#)
- ## **9. CORE SCHOOLS BUDGET GRANT (CSBG0 2025-26 FOR SPECIAL SCHOOLS, SPECIAL POST-16 INSTITUTIONS AND ALTERNATIVE PROVISION**
- 9.1 For 2025-26, the continuation of the 2024 to 2025 teachers' pay additional grant (TPAG), the 2024 to 2025 teachers' pension employer contribution grant

(TPECG) and the 2024 to 2025 core schools budget grant (CSBG), will be combined into a single CSBG for special schools and alternative provision (AP) schools and will also include funding to support high needs providers with increases to their NICs from April 2025.

10. PUPIL PREMIUM GRANT

10.1 The ESFA has announced pupil premium grant funding rates for 2026. These are as follows:

| Funding Criteria | Per pupil amount (primary) 2024/25 | Per pupil amount (primary) 2025/26 | Per pupil amount (secondary) 2024/25 | Per pupil amount (secondary) 2025/26 |
|------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| FSM6 | £1,480 | £1,515 | £1,050 | £1,075 |
| Post LAC | £2,570 | £2,630 | £2,570 | £2,630 |
| LAC | £2,570 | £2,630 | £2,570 | £2,630 |
| Service Children | £340 | £350 | £340 | £350 |

10.2 The provisional 2025-26 Pupil Premium Grant allocation for Rotherham is estimated at £18m, representing an increase of £57k from 2024-25.

| Qualifying Pupils | Eligible Pupils | 2024-25 allocation | 2025-26 allocation |
|-------------------|-----------------|--------------------|--------------------|
| FSM6 | 12,157 | £15.847m | £15.854m |
| LAC/Post LAC | 800 | £2.056m | £2.104m |
| Service Children | 189 | £0.064m | £0.066m |
| Total | | £17.967 | £18.024m |

11. NAMES & CONTACT DETAILS

Louise Keith
Principal Finance Officer (Schools Finance)
Tel: 01709 822786
email louise.keith@rotherham.gov.uk

Joshua Amahwe
Head of Finance CYPS
Tel:(01709) 254508
email joshua.amahwe@rotherham.gov.uk

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| REPORT FOR SCHOOLS FORUM |
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|-----------|-------------------------|-----------------------------------------------------------|
| 1. | Date of meeting: | 28th March 2025 |
| 2. | Title: | High Needs Budget and Funding Arrangements 2024/25 |
| 3. | Directorate: | Finance and Customer Services |

PURPOSE OF REPORT

- The purpose of this report is to inform the Forum of the funding arrangements of the high needs funding block and the approach to determining the 2025/26 budget.

RECOMMENDATION(S)

- It is recommended that the Schools' Forum:

For Information only

- **Note the high needs funding settlement for 2025/26.**
- **Note the proposed funding requirements for 2025/26, particularly in relation to the number of commissioned specialist places and the payment of top up funding to mainstream, special schools /academies, and other providers and settings.**

BACKGROUND AND CONTEXT

2025/26 High Needs Funding Allocations

- The high needs funding system supports provision for pupils and students with special education needs and disabilities (SEND), from early years to age 25. The high needs funding block provides local authorities with resources for place and top-up funding for institutions, and for high needs services delivered directly by the local authority or under a separate agreement with providers.
- The table below outline the level of high needs funding available for 2025/26 compared to the current year:

| RESOURCES | 2024/25 £'000 | 2025/26 £'000 | Change £'000 |
|--------------------------------|--------------------------|--------------------------|-------------------------|
| Baseline HN DSG funding | 58,226 | 62,340 | 4,114 |
| Adjust for ESFA funded places | -12,370 | -14,262 | -1,892 |
| Funding transfer from schools | 1,218 | 1,341 | 123 |
| Total High Needs Budget | 47,074 | 49,419 | 2,345 |

5. The confirmed high needs block funding for 2025/26 is **£62.340m** (before adjustment for ESFA funded places in academies). This represents an increase of £4.114M compared to the final 2024/25 position. The increase reflects the additional SEND funding allocated through the high needs NFF.
6. The high needs funding allocation for Rotherham is adjusted for high needs places funded directly by the ESFA in academies, non-maintained special schools, and post 16 places. The forecast adjustment amount is **£14.262m** (actual recouped funding will be confirmed in summer 2025).
7. The Schools Block transfer of 0.5% funding (**£1.341m**) from schools to the high needs block as previously agreed by Schools Forum.

High Needs DSG funding framework

8. The government published the revised 2025/26 high needs operational guidance in January 2025. The following sets out the key highlights of the funding system for 2025/26. It should be noted that the underpinning operational processes and principles remain largely unchanged from the previous year:
 - Local authorities' high needs funding continues to be determined using the high needs National Funding Formula (NFF).
 - Local authorities will receive at least 7% increased funding per head of 2 - 18 population (the limit on gains in the NFF is set at 10%, again calculated based on per head of population). Which means every local authority will receive through the NFF 7% per head more than 2024/25.
 - A 0% minimum funding guarantee (MFG) in 2025/26 continues to offer protection for special schools.
 - Local authorities can transfer up to 0.5% of their schools' block funding to the high needs block, with the approval of their Schools Forum. A disapplication request will be required for any transfer greater than 0.5%.
 - Further information about the distribution of additional funding to compensate for the planned increase in National Insurance contributions from April 2025 will be published in May 2025.

Context for setting the 2025-26 high needs budget.

9. The context for budget planning for 2025/26 is one of increasing demand and financial pressures. A forecast outturn of £3.764m above the £47.074m High Needs budget is currently anticipated for 2024/25.
10. The increasing number of pupils with EHCPs requiring specialist support and placements in independent specialist placements (ISPs) continue to exert pressures on the high needs budget. This is in addition to a challenging economic landscape of rising inflation and energy cost.
11. The DSG grant conditions require any local authority with an overall deficit on its DSG reserve account to present a management plan to the DfE for managing their future DSG spend. These plans have increasingly been used by the DfE in discussions with local authorities regarding their high needs budgets and have informed the Safety Valve Agreements put in place with several local authorities to address significant budget deficits.

Safety Valve Programme / DSG management Plan

12. Rotherham Council entered into a Safety Valve agreement with the Secretary of State for Education in March 2022. The safety valve intervention programme targets those local authorities with significant DSG deficits. The Safety Valve Programme requires the Council to set out how it will manage the deficit in the High Needs Block and reach an in-year balance over a specified timescale.
13. Under the signed agreement, the DfE has committed to paying the council **£20.53M** over five years to address the anticipated DSG deficit by 2025/26. This funding will be provided in instalments and is subject to certain conditions and continued satisfactory progress, in delivering the actions / measures set out in the DSG Management Plan as follows.
 1. Reduce use of independent specialist provision outside of the LA by creating appropriate capacity within Rotherham's high needs system, with a focus on ensuring provision is high quality and value for money.
 2. Improve Rotherham's early intervention strategy, including through investment in outreach work.
 3. Ensure appropriate use of provision and avoid escalation of children and young people's needs by, among other things, improving the governance around placement decisions.
 4. Review support services in Rotherham to ensure value for money is achieved.
 5. Increase the outreach offer for Social Emotional and Mental Health needs at Primary and Secondary.
 6. Increase the outreach for specialist SEND.

7. Develop local sufficiency arrangements, including for Rotherham's Looked After Children
8. Drive mainstream schools to adopt inclusive practice to enable more children and young people to remain in mainstream settings where appropriate.
9. Maintain engagement with stakeholders through strong and collaborative governance arrangements, such as ISOS partnership work, Schools Forum High Needs sub-group and secondary head teachers.

High Needs Budget Requirements 2025/26

14. The following table shows the proposed 2025/26 High Needs budget and the number of planned EHCP numbers and SEND places for the year. The total funding requirement is £51.927m – this is more than the available resources of £49.419m resulting in a planned projected deficit of **£2.508m**.

| | 2024/25 Forecast Outturn £m | 2025/26 High Needs Budget £m | Planned Numbers 2024/25 | Planned Numbers 2025/26 |
|----------------------------------|--------------------------------------|---------------------------------------|-------------------------------|-------------------------------|
| Special Schools | 17.931 | 17.625 | 1,300 | 1,265 |
| Resource Provision | 1.220 | 1.381 | 163 | 187 |
| Mainstream Schools | 8.140 | 8.632 | 1,172 | 1,172 |
| Alternative Provision | 3.945 | 3.886 | 180 | 180 |
| Independent Special Schools | 9.369 | 9.483 | 117 | 117 |
| Independent Specialist Provision | 3.647 | 4.242 | 232 | 232 |
| Post 16/FE Colleges | 0.882 | 1.347 | 244 | 282 |
| Other LA Schools | 0.572 | 0.654 | 48 | 48 |
| Other SEND Services/Costs | 5.132 | 4.677 | 7 | 7 |
| Total | 50.838 | 51.927 | 3,463 | 3,490 |

| | | |
|-------------------------------------------|---------------|---------------|
| HNB Allocation (Net of recoupment) | 45.856 | 48.078 |
| Transfer from Schools Block (0.5%) | 1.218 | 1.341 |
| Total HNB Budget | 47.074 | 49.419 |
| Total High Needs Budget Pressure | 3.764 | 2.508 |

15. The 0.5% transfer from Schools block dampens the in-year financial pressures by £1.341m and supports the requirement to meet the Safety Valve assumptions and avoid a significant increase in the DSG deficit in 2025/26. The other factors and risks to the budget plan are the inflationary pressures, delivery of the capital programme to continue to support growth in resource centres, avoid high-cost independent sector placements and the continued growth in EHC plans. The following sections explain the key commitments and the underlying assumptions.

Top Up funding – pre 16 mainstream schools

16. High needs top up funding represents additional funding over and above schools' core funding, to meet the additional education needs of pupils with EHCPs. The funding requirement for 2025/26 has been forecast based on the number of pupils with EHCPs on roll in schools and the existing top up funding amount assigned to each pupil. The forecast has been established from the current monthly payment schedules made to individual schools.
17. The budgeted spend for top of funding includes an increased level of funding for EHCP pupils with complex needs. In addition, enhanced funding (based on 2024/25 levels of spend) has been provided to specific schools to ensure the needs of identified pupils are met within the mainstream school settings thereby preventing transfers to high-cost specialist provision.
18. It should be noted that a new threshold descriptions framework will be introduced in 2025/26. This will ensure that children and families can access the correct level of support to meet needs. Current level of funding has been aligned to the threshold description framework – with no impact on schools in 2025/26. Further work to be undertaken in 2025/26 (in conjunction with school leaders) to review and develop appropriate funding bands to the thresholds.
19. The table below shows the 2025/26 top up funding requirement (for pre 16 mainstream schools) based on current EHCP numbers. The funding variance reflects the full year effect of EHCP plan costs for existing pupils.

| | 2024/25 Forecast Outturn | 2025/26 Proposed Budget | Change |
|-----------------------------|-----------------------------------------|----------------------------------------|---------------|
| No. of EHCP pupils | 1,172 | 1,172 | 0 |
| Proposed budget (£m) | 8.140 | 8.632 | +0.492 |

Specialist Resource Provision (SRP)

20. The approach to funding resource provision in 2025/26 will remain mainly unchanged from the preceding year i.e. 2024/25. Pre-16 places at specialist resource provision are funded at £6,000 per place plus top up funding to cover additional education support. All top up rates have been increased by 2% in 2025/26. NB schools/academies will continue to receive £4,000 per pupil through their core resources towards meeting the needs of EHCP pupils.
21. There are 12 resource provisions in mainstream schools / academies with 187 planned places (increase of 24 from 2024/25) from September 2025 funded from the high needs budget. The table below details the number of planned specialist

places for 2025/26 and forecast funding requirement (net of place funding provided directly by the ESFA):

| Resource Provision planned places: | 2024/25 Forecast Outturn | 2025/26 Proposed Budget | Change |
|-----------------------------------------------|-----------------------------------------|----------------------------------------|---------------|
| Planned places | 163 | 187 | +24 |
| Place funding* (£m) | 0.484 | 0.558 | +0.074 |
| Top up funding (£m) | 0.736 | 0.823 | +0.087 |
| Proposed budget (£m) | 1.220 | 1.381 | +0.161 |

* Excludes place funding provided directly by the ESFA to academies

22. There is a net increase of 24 places for the year compared to the funded position in 2024/25, mainly due to the new resource centres established in mainstream academies in 2024/25, being fully operational in the 2025/26 academic year.
23. It is envisaged that the additional places from Sept 2025 will provide much needed flexibility to help stem the increasing number of placements in high cost independent and non-maintained special schools. A funding requirement of **£0.161m** (comprised of place and top up funding) has been incorporated in the proposed 2025/26 high needs budget to fund the above commitments.

Local Special Schools

24. The funding arrangement for local special schools/academies in Rotherham for 2025/26 remains unchanged from 2024/25. Special academies receive their place funding allocations (£10,000) directly from the ESFA, with top up funding provided by the Council for each RMBC pupil on roll and adjusted based on numbers during the year.
25. The total planned places for 2025/26 are 1,265 based on the agreed High Needs learner return submitted to DfE in November 2024. An average overall funding uplift of 2% has been provided for 2025/26. The funding uplift has been determined based on the DfE Operational Guidance that requires Councils to ensure the following:
- A minimum funding guarantee (MFG) of 0% to be considered for 2025/26.
 - Ensure the base rate includes 3.4% of their total place and top-up funding compared to 2022/23 funding.
26. It should be noted that latest pupil count in special schools exceeds the planned number of places from Sept 2025. However, additional funding will be provided to schools where numbers exceed the planned places. The table below details the number of planned specialist places for 2025/26 and forecast funding requirement:

| | 2024/25 Forecast Outturn | 2025/26 Proposed Budget | Change |
|------------------------------|-----------------------------------------|----------------------------------------|---------------|
| Special school places | | | |
| Pupil numbers/Planned places | 1,300 | 1,265 | -35 |
| Place funding** (£m) | 1.829 | 0.729 | -1.100 |
| Top up funding (£m) | 15.373 | 16.167 | +0.794 |
| Other funding * (£m) | 0.729 | 0.729 | 0 |
| Proposed budget (£m) | 17.931 | 17.625 | +0.306 |

* forecast teachers' pay and pension cost funding

** excludes place funding provided directly by the ESFA to academies. 2024/25 includes Newnan prior to conversion.

Alternative Provision

27. Alternative Provision refers to educational settings for pupils or the provision of education to pupils who cannot be placed in a mainstream school. It relates to educational arrangements outside mainstream schools / settings that cater to the education needs of students with SEND and includes the following:

Pupil Referral Unit (PRU)

28. The Council's provision is delivered by the Aspire Pupil Referral Unit (PRU). The following table details the number of planned PRU places for 2025/26 and forecast funding requirement:

| | 2024/25 Forecast Outturn | 2025/26 Proposed Budget | Change |
|-----------------------------|-----------------------------------------|----------------------------------------|---------------|
| AP PRU places | | | |
| Annual planned places | 139 | 139 | 0 |
| Place funding (£m) | 1,390 | 1,390 | 0 |
| Top up funding (£m) | 1.568 | 1.371 | -0.197 |
| Other funding (£m) | 0.078 | 0.078 | 0 |
| Proposed budget (£m) | 3.036 | 2.839 | -0.197 |

* Reduction in top up funding relates to one off support to manage a deficit position in 2024/25.

29. The funding for the PRU includes a 2% inflationary uplift which covers the 2025/26 MFG and ensures the 3.4% additional funding requirement in 2022/23 is maintained (same as special schools / academies).

Outreach Services

30. In addition to the PRU, a Primary and Secondary Outreach service is currently delivered by Aspire and this is funded separately through the High Needs

budget. The Outreach service supports young people excluded or at the risk of exclusion from mainstream schools with a tailored package of outreach provision. The funding requirement for 2025/26 is **£0.764m** inclusive of an inflationary increase to cover pay costs.

Other Alternative Provision

- 31. The 2025/26 High Needs budget also includes funding for other forms of Alternative Provision. These include Education other than at school packages (EOTAS), Medical Home Tuition, Exclusions, Elected Home Education. The funding requirement for 2025/26 is **£0.283m**

Other Local Authority schools

- 32. These comprise high needs pupils and learners placed in special schools and academies in other local authorities' areas, for which the council is responsible for paying the top up funding. The funding requirement for 2025/26 (**£0.654M**) is based on the full year cost of current number of Rotherham pupils/learners (48) for the academic year. This is an increase on the 2024/25 spend due to the full year effect of the 48 pupils.

Independent Non-Maintained Special Schools (INMSS)

- 33. SEND pupils with challenging and complex needs that cannot be met locally are placed in independent & non maintained special schools. These consist of independent schools that are funded entirely (place and top up funding) by local authorities for all learners placed, whilst non-maintained special schools receive place funding from the ESFA (£10,000 per place), with local authorities expected to provide top up funding from its high needs block.
- 34. The financial challenges posed by INMSSs are mainly due to the increasing number of young people placed in such specialist settings at significant cost to the LA.

| INMSS | 2024/25 Forecast Outturn | 2025/26 Proposed Budget | Change |
|-----------------------------|---------------------------------|--------------------------------|---------------|
| Forecast learner nos. | 117 | 117 | 0 |
| Proposed budget (£M) | 9,369 | 9.483 | +0.114 |

- 35. The 2025/26 budget has been determined based on the full year cost of the current number of INMSS placements, The budget also assumes a 2.5% inflationary increase on current costs.

Post 16/FE Colleges/Independent Specialist Providers

36. This covers a range of providers including FE/sixth form colleges, specialist independent training providers (ISPs), charity & commercial training companies, etc. Post 16 providers receive place funding directly from the Government (via an adjustment to local authorities DSG funding), whilst top up funding is provided by local authorities for each learner.
37. The funding requirement for Independent Specialist Provision in 2025/26 (£4.242m) has been increased by £0.595m due to full year costs for the existing 232 places and based on the assumption that anticipated leavers and the commissioning of new places locally would stem growth during the year. The budget also assumes a 2.5% inflationary increase on current costs.
38. The budget for mainstream colleges Post 16 provision (£1.347m) has been increased by £0.465m due to the full year effect in 2025/26 of increased growth seen in 2024/25.

| | 2024/25 Forecast Outturn | 2025/26 Proposed Budget | Change |
|-----------------------------|-----------------------------------------|----------------------------------------|---------------|
| Post 16 | | | |
| ISP Annual learner nos. | 232 | 232 | 0 |
| Mainstream Colleges | 244 | 282 | +38 |
| Proposed budget (£M) | 4.529 | 5.589 | +1.060 |

SEN support services & other funding

39. This mainly relates to the SEN support services provided by the Council and funded through contributions from the high needs budget. These services mainly provide support and guidance to schools/academies in relation to pupils with SEND and includes the following:
- Hearing and Visually Impaired teams
 - Virtual head of schools – LAC and vulnerable pupils
 - SEN High-cost equipment
 - Portage
 - Specialist Inclusion Team
 - Exclusions Team
 - AP Strategic Lead
 - Safety Valve delivery team
 - Children in Care residential placements (Education support)

40. The proposed budgets/funding contributions from the HNB for 2025/26 for the above services are **£4.677m**.

Managing the financial risks / accumulated DSG deficit

41. The table below shows the updated projected DSG reserve position (as per the latest DSG Management Plan) compared to the original Safety Valve Agreement position.

| | <u>2021/22</u> <u>£000</u> | <u>2022/23</u> <u>£000</u> | <u>2023/24</u> <u>£000</u> | <u>2024/25</u> <u>£000</u> | <u>2025/26</u> <u>£000</u> |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Original Safety Valve Plan: | | | | | |
| Planned unmitigated deficit | 22,013 | 21,480 | 19,413 | 20,435 | 20,528 |
| Annual Safety Valve Funding | -8,533 | -3,000 | -3,000 | -3,000 | -3,000 |
| Cumulative Safety Valve Funding | -8,533 | -11,533 | -14,533 | -17,533 | -20,533 |
| Planned DSG Position | 13,480 | 9,947 | 4,880 | 2,902 | 0 |
| Latest DSG Reserve Position: | | | | | |
| Opening DSG reserve position | | 12,840 | 5,926 | 978 | 4,024 |
| In year HNB surplus (-)/deficit (+) | | -724 | -2,199 | 3,764 | 2,508 |
| Actual Safety Valve Funding | | -6,000 | -2,730 | -1,270 | -2,000 |
| Use of Other DSG balances | | -190 | -19 | 552 | 0 |
| Closing DSG Reserve position | 12,840 | 5,926 | 978 | 4,024 | 4,532 |
| Variance from Plan | -640 | -4,021 | -3,902 | 1,122 | 4,532 |

42. An accumulated DSG deficit of **£4.532m** is currently forecast at the end of the 2025/26 financial year and is adrift of the comparison target assumption made in the Safety Valve Agreement. It is comprised of the following:
- £4.024m forecast deficit brought forward from 2024/25;
 - £2.508m planned in-year deficit forecast for 2025/26;
 - Offset by £2.000m safety valve payment from DfE.
43. It should be noted that DSG deficits would need to be managed within allocated DSG funds, as LAs are not allowed to cover DSG deficits using their General Fund resources.
44. The Safety Valve Programme (inclusive of the SEND Sufficiency Strategy) is the framework for managing the demand challenges and cost pressures in the high needs block. It details the actions / measures to be implemented in 2025/26 and beyond to achieve the planned deficit.
45. The following risks continue to exert pressure on the delivery of the DSG budget plan and agreed Safety Valve Agreement. These will continue to be closely monitored throughout the year.
- Increasing inflation and provider fee rates.

- Increase in EHCP numbers and pupils in mainstream and special schools (requiring specialist support).
- Increased number of EHCP placements directed following tribunal appeals.
- Increasing numbers of requests for additional / bespoke funding from special schools

NAMES & CONTACT DETAILS

Joshua Amahwe
Head of Finance CYPS
Tel:(01709) 254508
email joshua.amahwe@rotherham.gov.uk

Paul Jackson
Principal Finance Officer CYPS
Tel: (01709) 823697
email paul.jackson@rotherham.gov.uk

Vera Njegic
Principal Finance Officer CYPS
Tel: (01709) 822042
email vera.njegic@rotherham.gov.uk

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Rotherham Schools Forum Forward Plan 2025/2026

| Date of Meeting | Agenda & Reports Publication Date | Issues for Consideration | Lead Officer(s) |
|----------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Friday 27th June 2025 | Thursday 19 th June 2025 | (a) Dedicated Schools Grant / Schools Budget Update 2025/26 (b) SEND Sufficiency Strategy Annual Update (c) Annual Update on Education, Health and Care Plans (EHCPs) | Joshua Amahwe/ Louise Keith Mark Cummins Cary-Anne Sykes |
| Friday 12th September 2025 | Thursday 4 th September 2025 | (a) Dedicated Schools Grant / Schools Budget Update 2025/26 (b) Exclusion and Suspensions Annual Report (c) Reduced Timetables Annual Report (d) Education Safeguarding Annual Progress Report | Joshua Amahwe/ Louise Keith Sarah Whitby Sarah Whitby Pam Ward / Lindsay Wootton-Ashforth |
| Friday 14th November 2025 | Thursday 6 th November 2025 | (a) Dedicated Schools Grant / Schools Budget Update 2025/26) (b) Local Schools Funding Formula Consultation (<i>this matter will require a vote and the meeting must be quorate</i>) (c) Early Years Annual Update | Joshua Amahwe/ Louise Keith Joshua Amahwe/ Louise Keith Aileen Chambers |

| | | | |
|------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Friday 16th January 2026 | Thursday 8 th January 2026 | <p>(a) Dedicated Schools Grant / Schools Budget Update 2025/26</p> <p>(b) Schools Funding Settlement (2026/27)</p> <p>(c) Schools Block Dedicated Budget (2026/27)</p> <p>(d) Early Years Block Dedicated Budget (2026/27)</p> <p>(e) Central School Services Budget Block (2026/27)</p> <p>(f) SEND Sufficiency Strategy Mid Year Update</p> <p><i>(items' c, and e may require a vote and the meeting must be quorate)</i></p> | <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Mark Cummins</p> |
| Friday 27th March 2026 | Thursday 19 th March 2026 | <p>(a) Dedicated School Grant (DSG) and Schools Budgets 2025-26 Outturn</p> <p>(b) High Needs Budget Block (2026/27)</p> | <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Aileen Chambers</p> |