

Public Document Pack

North Yorkshire County Council Children and Young People's Service - Executive Members & Corporate Director Meetings -

Tuesday, 7 November 2023 / 1.00 pm

A G E N D A

1 **Apologies for Absence**

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Items for Executive Member decision

- 3 Proposal to close Fountains Earth, Lofthouse Church of England (Pages
Endowed VC Primary School, Harrogate – School Closure Proposal 3 - 14)
(Pages 3 - 14)

To seek Executive Member approval to consult on a proposal that the Council should close Fountains Earth, Lofthouse Church of England Endowed (Voluntary Controlled) Primary School from 31 March 2024.

- 4 2024/25 Funding Transfer – Schools Block Dedicated Schools Grant (Pages
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26)

To approve the submission of a disapplication request by North Yorkshire Council to the Department for Education (DfE), for consideration by the Secretary of State, for a 0.5% funding transfer from the 2024/25 Schools Block of the Dedicated Schools Grant (DSG) to the High Needs Block DSG.

Items for Corporate Director decision

None for this meeting

Any Other Business

- 5 DfE Expansion of Childcare programme 0-11

- 6 Date of future formal meetings

Circulation:

Executive Members

Janet Sanderson
Annabel Wilkinson

Officer attendees

Stuart Carlton
Howard Emmett
M Sadler
Cowley
Crawford
Mel Hutchinson

Presenting Officers

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NORTH YORKSHIRE COUNCIL

CHILDREN AND YOUNG PEOPLE'S SERVICE

CORPORATE DIRECTOR MEETING WITH EXECUTIVE MEMBERS

7 November 2023

Fountains Earth, Lofthouse, Church of England Endowed (Voluntary Controlled) Primary School

1.0 PURPOSE OF REPORT

- 1.1 To seek Executive Member approval to consult on a proposal that the Council should close Fountains Earth, Lofthouse Church of England Endowed (Voluntary Controlled) Primary School from 31 March 2024.

2.0 BACKGROUND AND SUMMARY

- 2.1 At a recent meeting of the Governing Board of the Upper Nidderdale Primary Federation (representing the three schools of; Fountains Earth, Lofthouse CE Endowed VC Primary School, St Cuthbert's CE VC Primary School, Pateley Bridge and Glasshouses Community Primary School) it was resolved, with no pupils on roll, to take the heavy and sad decision, to ask North Yorkshire Council to consult on closure proposals for Fountains Earth, Lofthouse CE Endowed Primary VC School.
- 2.2 St Cuthbert's Primary School and Fountains Earth Primary School formerly entered into federation in May 2017, following a collaboration between the two schools that had been in place since 2014. Glasshouses Community Primary School collaborated with and supported the Federation of St Cuthbert's Primary School and Fountains Earth Primary School in April 2021. Following the collaboration, a new federation comprising the three schools Glasshouses Community Primary School, St Cuthbert's Primary School and Fountains Earth Primary School was established in January 2022 under the name of Upper Nidderdale Primary Federation. An Executive Headteacher model is in place, and this is common under federation arrangements. The Governing Board and leadership have worked to maximise opportunities presented by the federation arrangements, including bringing pupils together to share activities and learning opportunities such as regular shared curriculum days during 'Federation Friday'.
- 2.3 Fountains Earth, CE Endowed Primary School, is located in the small rural village of Lofthouse in Nidderdale, an Area of Outstanding Natural Beauty (AONB). The school is defined by the government as a rural school that serves rural hamlets with isolated dwellings. The Department for Education expects all decision makers to adopt a presumption against the closure of rural schools. However, in their statutory guidance they make it clear that this does not mean that a rural school will never close, but that the case for closure should be strong and clearly in the best interests of educational provision in the area.
- 2.4 In June 2022 the federated Governing Board approached the Local Authority to seek consultation on the proposed closure of Fountains Earth. There were 11 pupils on the school roll at this time and the available information showed no sign of any significant growth in the roll. This consultation request was subsequently withdrawn by the Federation Governing Board in July 2022 as it had been suggested locally that the school roll was going to grow in the near future.

- 2.5 The Governing Board subsequently undertook a detailed exercise with the community in Autumn 2022 to understand more fully the future potential pupil numbers at the school. The exercise showed some minor change to the future forecast numbers originally held by the Council. Parents, carers and the wider community were informed of the outcome in January 2023. The revised forecast numbers communicated at the time were as follows 23/24 – 11 pupils; 24/25 – 13; 25/26 – 13; 26/27 – 15; 27/28 – 18. Importantly those predictions assumed that none of the existing pupils would leave Fountains Earth, other than to transfer to secondary school at the end of Year 6.
- 2.6 All of the school's pupils transferred to other schools before the start of the current academic year and there were no new starters in the Reception year group in September 2023. Therefore, the main factor prompting the Governing Board's request for consultation at this time, is there are currently no pupils on roll at Fountains Earth Primary School. Further information on changes in pupil numbers over time is contained in section 3 of this report.
- 2.7 The school has in recent times experienced recruitment and retention difficulties associated both with the particular location of the school and the challenge of securing suitably skilled staff to deal with the differentiation required by whole school teaching in a single class structure. These issues are discussed in more detail in section 3 of this report.
- 2.8 Finance is also a key concern. The pupil numbers for the October 2023 census form the basis of a schools' funding for the 2024/25 financial year. The Department for Education (DfE) have confirmed that where a school has no pupils in the October census, they will not allocate any funding for that school in the schools' block element of the Dedicated School Grant (DSG) funding that a local authority receives to fund schools and academies located within the local authority area.
- 2.9 In the event of the school remaining open, the local authority would need to determine whether the school should continue to be funded through the school funding formula. If this were agreed, the school would receive the formula lump sum funding (2024/25 indicative value £134,400) and the school rates funding (£2,645). Any 2024/25 formula funding allocation for Fountains Earth, Lofthouse would need to be funded from the DSG funding allocations provided for other schools and academies within North Yorkshire.

3.0 FOUNTAINS EARTH LOFTHOUSE CE ENDOWED VC PRIMARY

Pupil numbers

- 3.1 Fountains Earth is a small rural 4-11 CE VC Primary School and currently has no children on roll. The School has operated with 34 pupils or less for the last 15 years. Since the 2017/18 academic year, there has been a downward trend with pupil numbers falling from 21 in 2019/20 to 15 pupils recorded in the October 2022 school census, and 10 pupils recorded in the May 2023 census:

2016/17 – 19 pupils
2017/18 – 29
2018/19 – 25
2019/20 – 21
2020/21 – 15
2021/22 – 12
2022/23 – 15 (October 2022 Census)

2022/23 – 10 (May 2023 Census)
 2023/24 – 0 (October 2023 census)

- 3.2 The school has a Published Admission Number (PAN) of 6 pupils per year group. The school has capacity to accommodate up to 50 pupils if all spaces are in use, and therefore has the potential to contribute 50 places in the local area.
- 3.3 The school catchment area has a primary age cohort of children which reduced from 27 children in 2017 (the earliest records held by the Council) to 16 children in October 2022. This cohort figure is based on children living in the catchment area and attending a North Yorkshire area school at that time, be that LA maintained or academy. The second data set in the table below shows how many of those ‘in-area’ children were attending the school at that time. This shows the number of ‘in-area’ children at the school halved from 20 to 10 between October 2017 and October 2022.

	Primary school age children living in catchment and attending a NY School	Of those how many were attending Fountains Earth Primary School
October 2017 Census	27	20
October 2018 Census	23	20
October 2019 Census	17	16
October 2020 Census	13	11
October 2021 Census	17	8
October 2022 Census	16	10

Finance

- 3.4 Pupil numbers determine the funding for a school budget. The DfE have confirmed that in the exceptional situation where a school has no pupils, no funding would be provided to the local authority for that school through the DfE Dedicated Schools Grant (DSG) schools block funding; this is the grant funding used to fund school delegated budgets. North Yorkshire Council will not receive a school funding allocation for Fountains Earth Primary in the 2024/25 financial year as no pupils will be recorded on the DfE October 2023 school census. In the event of the school remaining open, the local authority would need to determine whether the school should continue to be funded through the school funding formula. If this were agreed, the school would receive the formula lump sum funding (2024/25 indicative value £134,400) and the school rates funding (£2,645). Any 2024/25 formula funding allocation for Fountains Earth, Lofthouse CE Primary would need to be funded from the DSG funding allocations provided for other schools and academies within North Yorkshire.
- 3.5 The Upper Nidderdale Primary Federation operate an amalgamated budget for the three schools within the Federation. The 2023/24 Start Budget for the Upper Nidderdale Primary Federation indicated the following revenue budget position: 2023/24 in year position £22.95k deficit, 2023/24 accumulated balance £69.44k surplus, 2024/25 in year position £76.49k deficit, 2024/25 accumulated balance £7.05k deficit, 2025/26 in year position £104.81k deficit, 2025/26 accumulated balance £111.86k deficit.
- 3.6 If the school closure were to go ahead, the individual school budgets would need to be separated out from the current amalgamated Federation budget. Work is currently

being undertaken with the Federation leadership on forecasting the financial position for the individual schools within the Federation to the end of the current financial year. In order to protect, as far as possible, the financial position of a school that is subject to a closure proposal, the local authority implements additional financial controls in respect of requiring local authority approval of significant expenditure items, staffing changes and budget monitoring. In the instance of an amalgamated federation budget, the local authority additional financial controls would apply to the overall federation.

- 3.7 In the event of Fountains Earth closing on the 31 March 2024, any legacy costs associated with the operation of the school incurred in the 2023/24 financial year would need to continue to be charged to the Fountains Earth school budget. Any final deficit on the school budget, after all costs have been accounted for, would need to be met from local authority funds.

Staffing

- 3.8 Over the last five years it has not been possible to recruit a permanent Teacher, which has been attributed to the remote location and the challenges of recruiting a high level of experience and skill required to teach a wide range of ages and abilities and with such small pupil numbers on roll in a single class structure from reception pupils to year 6. Staff retention has also proved difficult with a high turnover of staff over the last five years resulting in use of agency staff which comes with increased staffing costs. The school is just over six miles from Pateley Bridge at the top end of Nidderdale which, by virtue of the local road, can be a slow journey as part of a longer commute for staff. The Governors report that feedback from recruitment agencies is that many teachers with the necessary skills and experience do not choose to apply to work at Fountains Earth; alternatively they request additional money because of the remote location, and that feedback from temporary supply staff and former permanent staff is that the outlying location of the school is a material consideration in their decision to seek employment elsewhere.
- 3.9 Supply staff only need to give a day's notice, and this leaves Fountains Earth, and the other schools in the Federation vulnerable to disruption and it adversely affects the consistency and quality of education provision at the school. Recruitment of the right people is a time-consuming activity which has required a substantial amount of the federation's Senior Leadership Team resource over the past few years. Staff across the federation support each other, but this can lead to a disproportionate use of resource across the federation compared to the total of pupils on roll across the three schools.

School Leadership

- 3.10 There is a Leadership Team across the three schools within the federation which is led by an Executive Headteacher. Subject leaders were appointed to work across the collaboration of three schools in April 2021.

Standards and Curriculum

- 3.11 The most recent full graded Ofsted inspection for Fountains Earth was in April 2017. At that time there were 22 pupils on roll. Ofsted judged the school, to be 'Good'. A short monitoring (section 8 inspection) took place in June 2022 when there were 11 pupils on roll. The report stated that the school continued to be a 'Good' school.

- 3.12 As numbers fall, it is increasingly difficult to provide the remaining pupils with access to the full range of experiences and the quality of education they require. At present. If any pupils were to apply to join Fountains Earth, Lofthouse there is no real prospect of them being able to get a full and balanced school experience in the absence of any peers.
- 3.13 St Cuthbert's was last inspected in October 2022 (Ofsted section 5 inspection) and found to be 'Good'. St Cuthbert's was last inspected under SIAMS in November 2021 and found to be 'Good'. Glasshouses Community School was last inspected by Ofsted in March 2022, and the outcome was that the school continues to be a 'Good' school.

4.0 PRIMARY SCHOOL PLACES IN THE LOCAL AREA

- 4.1 There are currently no pupils on roll at Fountains Earth, Lofthouse so there will be no immediate requirement to assist parents with seeking alternative places in the event of closure. However, it is important to ensure that there are sufficient school places in the local area. In October 2022 there were 16 pupils living in Fountain's Earth discrete catchment area and attending a North Yorkshire school. Of the 15 pupils attending the school at the time of the October 2022 census, 10 pupils were from the Fountain's Earth, Lofthouse catchment area and three were from the St Cuthbert's area. Two pupils were attending from the catchment areas of Harrogate Town schools.
- 4.2 There are two primary schools within an eight mile radius of Fountains Earth, Lofthouse, **Appendix 1**. There are a number of other primary schools located on the periphery of this radius and across the area there are surplus places available **Appendix 2**.
- 4.3 The nearest school to Fountains Earth, Lofthouse, Primary School is St Cuthbert's CE VC Primary School, Pateley Bridge. The next nearest school is Glasshouses Community School. The conclusion is that St Cuthbert's, as the nearest alternative school and also a CE school, would be the appropriate choice to adopt the existing Fountains Earth catchment area as an addition to its existing area in the event of a closure. The Diocese is aware of the current circumstances of Fountains Earth school and is supportive of the proposed consultation regarding both the closure and the catchment area change **Appendix 3**.
- 4.4 There is currently capacity in all year groups at St Cuthbert's as the nearest alternative school and at Glasshouses Community School (apart from Year 3) which is the next nearest school. There is also capacity available at schools which are further away. Places are available at Summerbridge Primary School, Kirby Malzeard CE School and Grewelthorpe CE Primary although not in all year groups. Masham CE School has places available in all year groups. These schools were all judged 'Good' in their last Ofsted inspection.
- 4.5 **Appendix 4** provides projected numbers based on forecast birth rates, with potential additional pupils from outstanding housing permissions and proposed housing allocations in the Harrogate District Local Plan, prepared and adopted by the former Harrogate Borough Council.

5.0 IMPACT ON THE FEDERATION

5.1 The Upper Nidderdale Primary Federation of schools have operated an Executive Headteacher arrangement with leadership costs apportioned between each school, as is typical of federations. The potential closure of Fountains Earth, Lofthouse would result in a two schools federation of St Cuthbert’s and Glasshouses Primary Schools with the existing three school federation being dissolved. Governors are aware that the other two schools are likely to face an increased proportion of leadership and other shared costs. A new instrument of governance would be required to reflect the change to the federation should closure take place in March 2024.

6.0 SCHOOL SITE AND BUILDINGS

6.1 The ownership of the school site is currently being verified and the outcome will be reported publicly during the consultation process, if approved. Decisions about the future of school sites following a closure are separate to the closure decision itself, and would follow at a later date.

7.0 CONSULTATION PROCESS AND TIMESCALE

7.1 Should a decision be made to initiate a consultation on the proposed closure of Fountains Earth, Lofthouse Endowed Primary School, a period of six term-time weeks (non-statutory) is recommended good practice but a slightly reduced consultation of five weeks will be implemented to enable the process to conclude by the end of March 2024. A draft timetable is set out below.

7.2 A separate staff consultation process, including a meeting for staff and their professional associations and unions, would run in parallel with the consultation on the closure proposal.

7.3 The final decision on closure would be taken by the Executive (or by the Executive Member for Schools if there are no objections during the representation period).

7.4 Suggested key dates are shown below:

Approval to Consult by Executive Members	7 November 2023
Consultation opens (5 weeks during term time)	17 November 2023 to 22 December 2023
Public meeting	29 November 2023
Consultation closes	22 December 2023
Council’s Executive considers consultation response	23 January 2024
Executive decision to publish statutory notices	23 January 2024
Publication of statutory notices	1 February 2024
Representation period starts (4 weeks)	1 February 2024
Representation period ends	29 February 2024
Final decision by Council’s Executive	19 March 2024
Proposed school closure date	31 March 2024

8.0 RECOMMENDATIONS

- 8.1 That the Executive Member for Education, Learning and Skills provide approval to consult on proposals that:
- Fountains Earth, Lofthouse, Church of England Endowed Primary School should close on 31 March 2024
 - In the event of closure, St Cuthbert’s Church of England (Voluntary Controlled) Primary School, Pateley Bridge should become the catchment school for the existing area served by Fountains Earth, Lofthouse, Church of England Endowed Primary School

Stuart Carlton
CORPORATE DIRECTOR – CHILDREN AND YOUNG PEOPLE’S SERVICE.

Report prepared by Sue Turley, Strategic Planning Officer

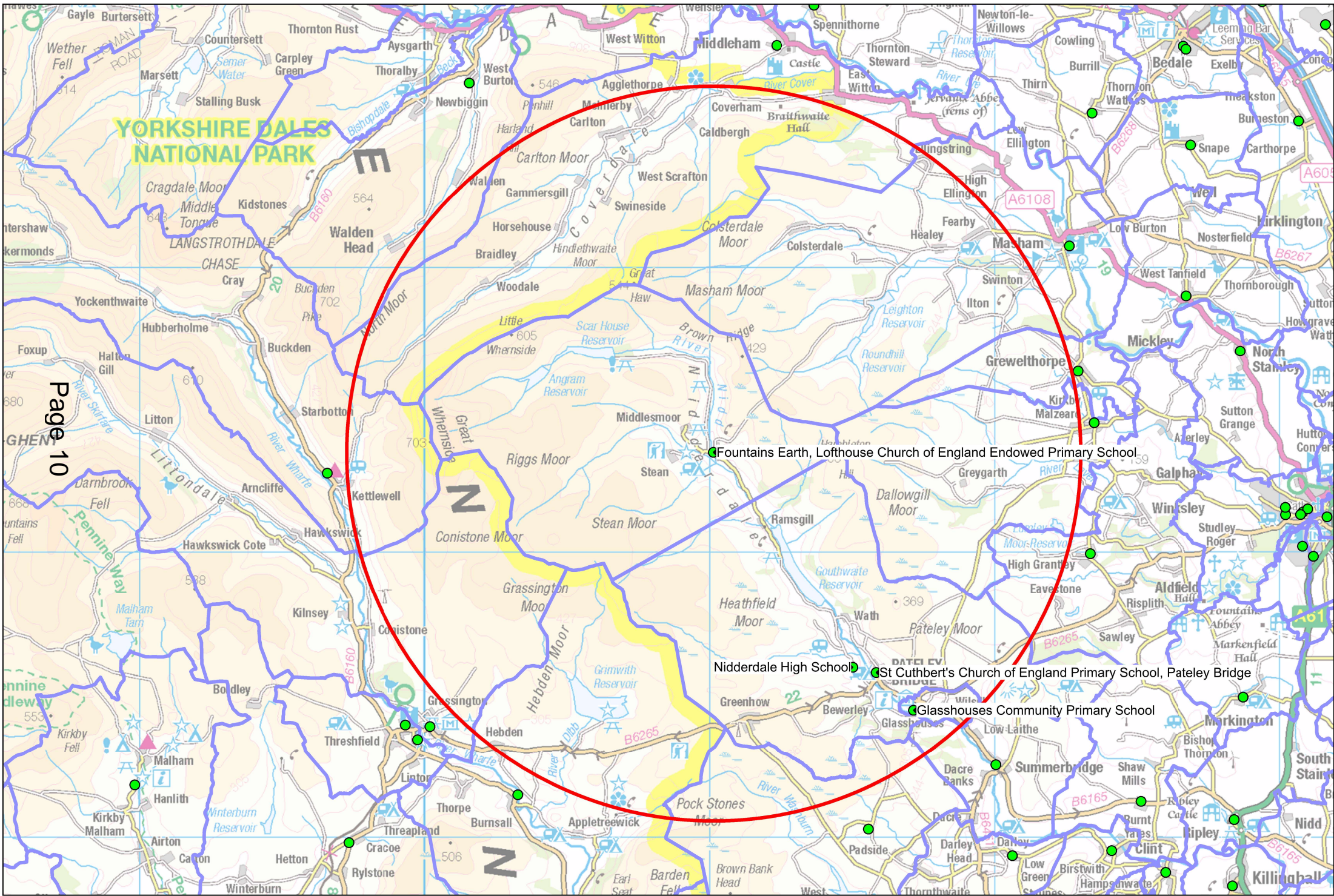
Action AgreedExecutive Member
Date:

Action RequestedCorporate Director
Date:

List of Appendices:

- Appendix 1 - Map of the local area
- Appendix 2 - Indicative Table of Places Available in Local Schools
- Appendix 3 - Map showing Current School Catchment areas and Local Schools as well as potential future catchment proposals
- Appendix 4 - Local Schools Capacity and Forecast

Schools within an 8 mile radius of Fountains Earth, Lofthouse CE Endowed Primary School

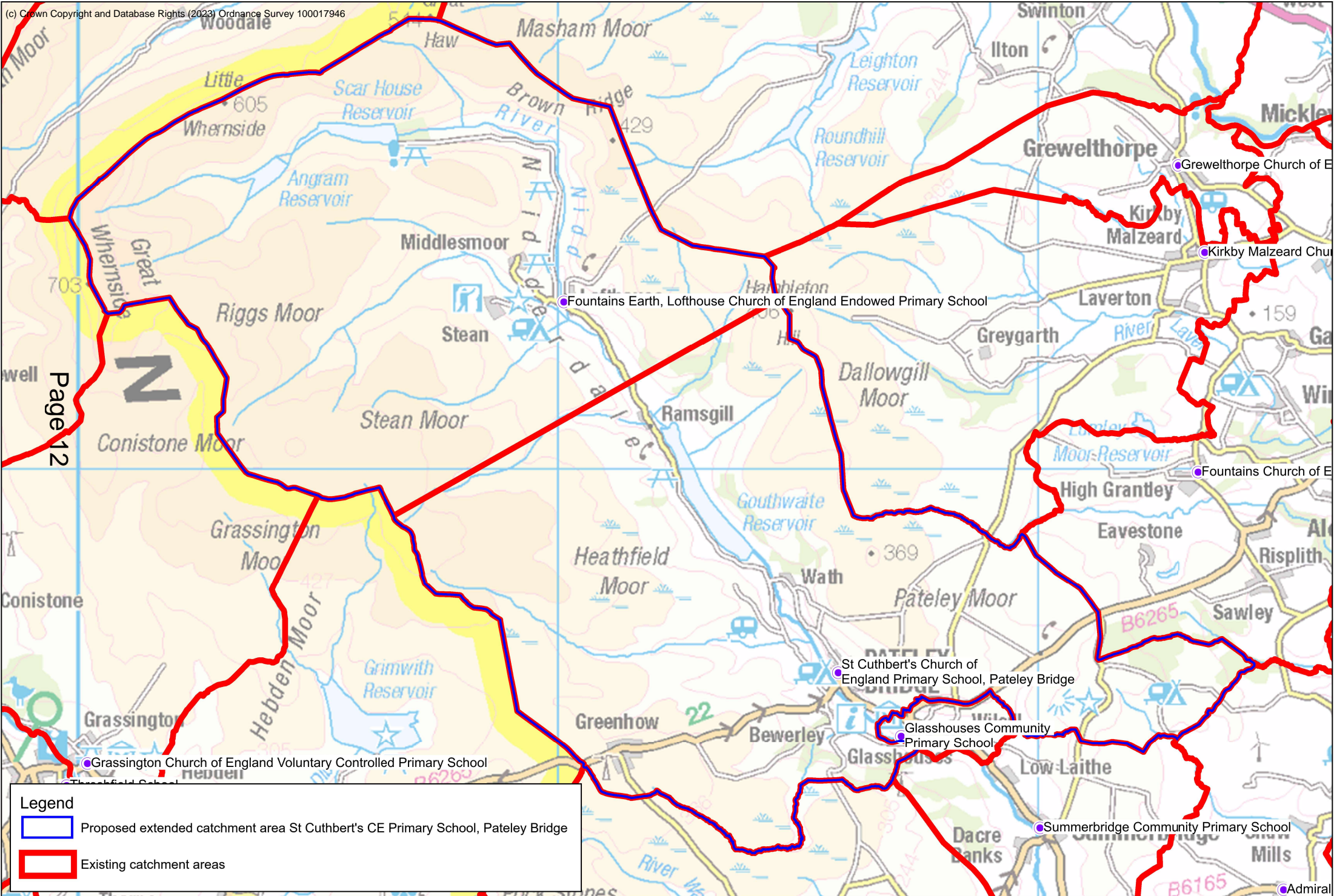


Appendix 2: Indicative table of primary school places available in local schools September 2023



Primary School	Distance by road from Fountains Earth Lofthouse (miles)	Reception	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total on roll
Fountains Earth, Lofthouse CE VC	N/A	Places	Places	Places	Places	Places	Places	Places	0
St Cuthbert's CE VC	6.5	Places	Places	Places	Places	Places	Places	Places	48
Glasshouses Community School	8.1	Places	Places	Places	PAN	Places	Places	Places	51
Summerbridge School	10	Places	Places	Places	Places	PAN	PAN	PAN	73
Kirkby Malzeard CE VC	9.7	Places	PAN	Places	PAN	Places	PAN	Places	89
Grewelthorpe CE	11	Places	PAN	PAN	Places	Places	PAN	PAN	76
Masham CE VA	11 via Fearby Road	Places	Places	Places	Places	Places	Places	Places	73

Proposal to close Fountains Earth Lofthouse CE Endowed Primary School - current catchment area and proposed extended catchment area for St Cuthbert's CE Primary School, Pateley Bridge

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Legend

-  Proposed extended catchment area St Cuthbert's CE Primary School, Pateley Bridge
-  Existing catchment areas

Appendix 4: Pupil number projections, including future demand from housing developments

	St Cuthbert's CE VC	Glasshouses Community	Kirby Malzeard CE VC	Summerbridge Primary	Grewelthorpe CE	Masham CE VA
	Federated with Fountains Earth, Lofthouse and Glasshouses	Federated with Fountains Earth, Lofthouse and St Cuthbert's		Yorkshire Collaborative Academy Trust	Leeds Diocesan Learning Trust	
Distance from Fountains Earth Lofthouse by road (miles)	6.5	8.1	9.7	10	11	11 (shortest route by Fearby Road)
Last Ofsted inspection	Good October 2022	Good March 2022	Good March 2018	Good February 2022	Good March 2022	Good July 2019
Net Capacity (total places at the school)	119	70	105	81	70	116
Current pupil roll 23/24	48	51	89	73	76	73
Current capacity -/+						
Pupil roll 2024/25	52	49	95	69	74	68
Pupil roll 2025/26	48	47	94	62	70	65
Pupil roll 2026/27	52	46	99	58	70	63
Pupil roll 2027/28	50	38	97	58	71	59
Pupil roll 2028/29	48	36	96	59	63	58
Pupils from outstanding permissions by 2025/26	2	8	13	8	2	21
Potential pupils from future housing – Local Plan (over 15 yrs)				6		0

*Based on 1 primary-aged pupil from every 4 houses

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NORTH YORKSHIRE COUNCIL

CYPS EXECUTIVE MEMBERS

7 NOVEMBER 2023

2024/25 FUNDING TRANSFER – SCHOOLS BLOCK DEDICATED SCHOOLS GRANT

1.0 PURPOSE OF THE REPORT

- 1.1 This report asks CYPS Executive Members to approve the submission of a disapplication request by North Yorkshire Council to the Department for Education (DfE), for consideration by the Secretary of State, for a 0.5% funding transfer from the 2024/25 Schools Block of the Dedicated Schools Grant (DSG) to the High Needs Block DSG. The disapplication request will be required to be enacted with the DfE in the event of the North Yorkshire Schools Forum not supporting the local authority proposed funding transfer at its meeting on 23 November 2023.

2.0 BACKGROUND

- 2.1 The DfE school funding regulations and DSG grant conditions allow local authorities to transfer up to and including 0.5% of their Schools Block DSG funding allocation to another block with the approval of the schools' forum. Where schools' forum approval is not provided or where the local authority wishes to transfer more than 0.5% of the schools' block to another block(s), the local authority is required to submit a disapplication request to the Secretary of State.
- 2.2 The High Needs Block DSG provisional funding allocation for 2024/25 amounts to £81.69m for North Yorkshire; an indicative increase of £3.83m compared to the 2023/24 financial year. Whilst the increase in High Needs funding is welcome, the funding increase needs to be considered against the position of continued financial pressures on the High Needs budget, with an estimated cumulative budget deficit of c£13m by 31 March 2024. The deficit position is forecast to continue to escalate for future financial years if the present demand trend for high needs support continues. The in-year deficit on the High Needs Block for 2024/25 is estimated to be £7.6m based on assumptions on the continued trend for an increase in the number of children and young people assessed as requiring a funded Education, Health and Care Plan (EHCP), inflationary pressures, the mix of placements across different types of education provision, and the likely increase in High Needs Block funding notified by the Department for Education.
- 2.3 In 2020-21, the DfE introduced the 'safety valve' intervention programme for those local authorities with the very highest percentage Dedicated Schools Grant (DSG) deficits, to support these authorities to address the financial deficits. This support included providing the authorities with additional funding over time to contribute to their historic deficits, contingent on delivery of the reforms. The DfE expanded the 'safety valve' intervention programme to other local authorities during 2021/22 and it was extended further in 2022/23, with the programme being reshaped as "Delivering Better Value (DBV) in SEND Support Programme". The programme continues to target those local authorities with the most substantial DSG deficits, on an iterative basis. North Yorkshire has been identified as one of 55 local authorities to receive intervention through the DBV programme. The programme will see North Yorkshire receive support, in the form of project management and change

management capacity to develop a three-year transformational programme, with the DfE providing grants directly to North Yorkshire to enable the local authority to implement and embed reforms, with ongoing support and challenge by DfE officials.

- 2.4 Given the significance of the levels of concern, at both local authority level and national DfE level, in relation to the High Needs budget deficit position within North Yorkshire, the local authority considers the transfer of 0.5% from the Schools Block DSG to the High Needs Budget for the 2024/25 financial year to be an appropriate part of the overall financial recovery plan strategy for the High Needs Budget.
- 2.5 Based on the revised 2024/25 school funding information provided by the DfE on 6 October 2023, the transfer of 0.5% of the 2024/25 Schools Block funding is estimated to be £2.18m. The transfer represents less than 30% of the currently estimated in-year High Needs Block deficit for 2024/25 of £7.6m.
- 2.6 The views of schools and academies within North Yorkshire on the proposed 0.5% funding transfer from the 2024/25 Schools Block DSG to the High Needs Block are currently being sought through the North Yorkshire 2024/25 School Funding Consultation. The Consultation closes on 8 November 2023. North Yorkshire Schools Forum members will consider the consultation responses at their meeting on 23 November 2023 and will provide a decision as to whether the funding transfer request is supported or not.
- 2.7 The DfE deadline for the submission of 2024/25 DSG block transfer disapplication requests is 17 November 2023. Unfortunately, the Schools Forum decision will not be available at this point. Subject to CYPS Executive Members approving the disapplication request, the DfE have confirmed that a disapplication request can be submitted in advance of the Schools Forum decision. In the event of the Schools Forum supporting the block transfer request, the DfE will be asked by the local authority to disregard the disapplication request. In the event of the Schools Forum not supporting the disapplication request, the local authority will notify the DfE of the position and will request that the disapplication request is progressed for consideration by the Secretary of State.
- 2.9 In the event of the disapplication request being required to be actioned, it is anticipated that the DfE will provide a decision on the request by mid-January 2024.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The cumulative deficit on the North Yorkshire Council High Needs budget as at 31 March 2024 is estimated to be £13m. The in-year position on the High Needs budget for the 2024/25 financial year is currently estimated to be £7.6m, resulting in an accumulated forecast £20.6m deficit by 31 March 2025.
- 3.2 Any accumulated overspend on the High Needs budget will be required to be repaid from future High Needs Block funding allocations. In 2020, the government introduced a statutory override for a period of three years (up to end of March 2023) that meant that local authority's DSG deficits could be separated from their wider accounts. The government agreed an extension of the DSG statutory override for a further three years (up to end of March 2026) to provide time to work with local authorities to implement sustainable change, underpinned by (i) wider reform through the publication of the Department for Education's (DfE) SEND and AP Improvement Plan in early 2023, and (ii) Safety Valve and Delivering Better Value in SEND intervention programmes. The Statutory Instrument (SI): Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations

2022 came into force in December 2022. It should also be noted that a consultation has been launched on the 2024/25 Code of Practice on Local Authority Financial Reporting in the United Kingdom¹. CIPFA and CIPFA/LASAAC are of the view that significant steps should be taken by local authorities to anticipate the end to the regulations on DSG and General Fund balances ringfencing. Planning for the end of the regulations should feature in any medium-term financial plans. CIPFA and CIPFA/LASAAC are also of the view that section 151 officers would need to consider the resource implications and risks to their position regarding the use of the DSG adjustment account in their reports on the robustness of estimates under Section 25 of the Local Government Act 2003. In practical terms, this may well increase the pressure on local authorities to ensure that action plans/ spending reductions that address potential high needs deficits are put in place.

- 3.3 The North Yorkshire Council Budget / MTFs makes provision for the projected high needs overspend. It does this by ensuring that there is sufficient funding to pay for the statutory services which the council has a duty to deliver and any deficit on DSG is set to be earmarked on the balance sheet at the year-end. The Budget / MTFs also provides for an equal and opposite provision to offset the projected deficit. In this way the Council is able to offset any deficit but, should the DfE provide the appropriate level of additional funds, then the Council can re-claim the offsetting provision and reduce its level of projected funding gap. The Council is therefore not currently funding the DSG deficit but is funding provision for the possibility that it may need to in the future in line with good and prudent financial practice. The proposed funding transfer from the Schools Block DSG to the High Needs Block for the 2024/25 financial year would reduce the amount of Council budget provision required for this purpose.

4.0 LEGAL IMPLICATIONS

The proposal is in accordance with the Dedicated Schools Grant statutory conditions of grant.

5.0 EQUALITIES IMPLICATIONS

- 5.1 An equality impact assessment form is attached in Appendix 1.

6.0 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 6.1 No climate change or environmental implications have been identified, through the completion of a Climate Change Impact Assessment (Initial Screening Form), with the proposal.

7.0 RECOMMENDATIONS

- 7.1 CYPs Executive Members are asked to:
- i. To note the current forecast deficit position on the High Needs budget within North Yorkshire of a cumulative deficit as at 31 March 2024 of c£13m; an in-year deficit position for the 2024/25 financial year of £7.6m, resulting in an accumulated forecast £20.6m deficit by 31 March 2025.

¹ <https://www.cipfa.org/policy-and-guidance/consultations/20242025-code-of-practice>

- ii. To approve the initial submission of the local authority disapplication request to the DfE, for consideration by the Secretary of State, to transfer 0.5% funding from the 2024/25 Schools Block DSG to the High Needs Block. The initial submission of the disapplication request is required in advance of the Schools Forum decision on the funding transfer request, which will be made at the meeting of the Forum on 23 November 2023, in order to comply with the DfE deadline of 17 November 2023 for disapplication request submissions.

STUART CARLTON

Corporate Director – Children and Young People’s Service

Report Prepared by: Howard Emmett, Assistant Director - Resources

Equality impact assessment (EIA) form: evidencing paying due regard to protected characteristics

(form updated June 2023)

2024/25 FUNDING TRANSFER – SCHOOLS BLOCK DEDICATED SCHOOLS GRANT

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যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

Equality Impact Assessments (EIAs) are public documents. EIAs accompanying reports going to County Councillors for decisions are published with the committee papers on our website and are available in hard copy at the relevant meeting. To help people find completed EIAs, we also publish them in our website's Equality and Diversity section. This will help people to see for themselves how we have paid due regard in order to meet statutory requirements.

Name of Directorate and Service Area	Central Services - Resources
Lead Officer and contact details	Howard Emmett – Assistant Director – Resources howard.emmett@northyorks.gov.uk
Names and roles of other people involved in carrying out the EIA	Sally Dunn – Head of Finance – Schools, Early Years & High Needs sally.dunn@northyorks.gov.uk
How will you pay due regard? for example, working group, individual officer	The proposal will be subject to a school wide consultation process from 22 nd September 2023 ending 8 November 2023 and this EIA will be updated during and following the consultation responses. The item will be discussed at the North Yorkshire School Forum meetings on 21 st September 2023 and 23 rd November 2023.
When did the due regard process start?	Over recent years, there has been continued and increasing pressure on the High Needs

	<p>budget within North Yorkshire. The current forecast budget position is a cumulative deficit as at 31 March 2024 of c£13m; an in-year deficit position for the 2024/25 financial year of £7.6m, resulting in an accumulated forecast £20.6m deficit by 31 March 2025. This deficit position is forecast to continue to escalate for future financial years if the present demand trend for high needs support continues.</p> <p>North Yorkshire has been identified as one of 55 local authorities, with High Needs budget deficits, to receive intervention through the DfE Delivering Better Value (DBV) programme. The programme will see North Yorkshire receive support to address the High Needs budget deficit, in the form of project management and change management capacity to develop a three-year transformational programme, with the DfE providing grants directly to North Yorkshire to enable the local authority to implement and embed reforms, with ongoing support and challenge by DfE officials.</p> <p>Given the significance of the levels of concern, at both local authority level and national DfE level, in relation to the High Needs budget deficit position within North Yorkshire, the local authority considers the transfer of 0.5% from the Schools Block Dedicated Schools Grant (DSG) to the High Needs Budget for the 2024/25 financial year to be an appropriate part of the overall financial recovery plan strategy for the High Needs Budget.</p>
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Section 1. Please describe briefly what this EIA is about. (for example, are you starting a new service, changing how you do something, stopping doing something?)

The EIA considers the need to change how the Council’s DSG is used for the 2024/25 financial year in respect of the funding blocks for High Needs and Schools.

The DfE school funding regulations and DSG grant conditions allow local authorities to transfer up to and including 0.5% of their Schools Block DSG funding allocation to another block with the approval of the schools’ forum. Where schools’ forum approval is not provided or where the local authority wishes to transfer more than 0.5% of the schools’ block to another block(s), the local authority is required to submit a disapplication request to the Secretary of State.

Given the continued, increasing demand for High Needs Services for children & young people (0-25) and the resulting financial pressures in North Yorkshire, the Council considers the transfer of 0.5% from the Schools Block DSG to the High Needs Budget for the 2024/25 financial year to be an appropriate part of the overall financial recovery plan strategy for the High Needs Budget.

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Section 2. Why is this being proposed? What are the aims? What does the authority hope to achieve by it? (for example, to save money, meet increased demand, do things in a better way.)

The deficit on the High Needs Block DSG for NYC is forecast to be £13m at the end of the 2023/24 financial year. This position is forecast to deteriorate further for the 2024/25 financial year by a further £7.6m based on assumptions on the continued trend for an increase in the number of children and young people assessed as requiring a funded EHCP, inflationary pressures, the mix of placements across different types of education provision, and the likely increase in High Needs Block DSG funding for 2024/25 notified by the DfE.

Based on the revised 2024/25 school funding information provided by the DfE on 6 October 2023, the transfer of 0.5% of the 2024/25 Schools Block funding is estimated to be £2.18m. The transfer represents less than 30% of the currently estimated in-year High Needs Block deficit for 2024/25.

It is recognised that the proposed 0.5% funding transfer from the Schools Block to the High Needs budget for the 2024/25 financial year presents a cost pressure to school budgets. However, given the significance of the levels of concern, at both local authority level and national DfE level, in relation to the High Needs budget deficit position within North Yorkshire, the local authority feels that this option to be an appropriate part of the overall financial recovery plan strategy for the High Needs budget.

Section 3. What will change? What will be different for customers and/or staff?

The impact of the proposal, subject to support and agreement from the required stakeholders, will be to reduce the overall quantum of funding remaining in the Schools Block and allow for a corresponding increase in the overall funding available in the High Needs Block. The funding will remain ring-fenced to the overall Dedicated Schools Grant.

The level of deficit on the Council's DSG high needs budget will be partially mitigated by a transfer of funding from the Schools Block DSG and the High Needs budget. The transfer is reflective of the shared budget responsibility within the high needs system for the provision of support for pupils with SEN. However, it is recognised that any funding transfer will result in an additional cost pressure on school budgets.

The shift of funding from one block to another will have impacts on children and young people including those with protected characteristics (e.g. targeting of resources for children with SEND) in both the donor and recipient blocks. The Council's SEND Strategy sets out these details in terms of ensuring a continuum of SEND education across the County for children and young people aged 0-25.

From an individual school perspective, the benefits of this shift will be dependent upon the cohort and characteristics of the children in the schools. Each school will make a contribution to the transfer of funds but certain schools may benefit more than others in terms of their funding requirements from the High Needs Block.

The impact on individual schools may also vary in relation to the operation of the school national funding formula and the associated funding protection and affordability mechanisms.

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Section 4. Involvement and consultation (What involvement and consultation has been done regarding the proposal and what are the results? What consultation will be needed and how will it be done?)

The North Yorkshire Schools Forum was updated on the 2024/25 school funding arrangements and notified at its meeting the 21 September 2023 of the local authority intention to consult with schools and academies on the transfer of 0.5% funding from the Schools Block DSG to the High Needs Block.

The 2024/25 school funding consultation is currently being undertaken with schools and academies between 22 September 2023 and 8 November 2023. The consultation deadline has been extended from the 27 October 2023 in response to the DfE announcement on 6 October 2023 of updated 2024/25 school funding information.

The responses and results from the consultation exercise will be presented at the Schools Forum on 23 November 2023. This EIA will be updated accordingly in response to the consultation and Schools Forum feedback.

Section 5. What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result.

The specific proposal in the EIA is cost neutral as all costs will be contained within the ring-fence of the 2024/25 Schools and High Needs Block DSG. The proposed funding transfer from the Schools Block DSG to the High Needs Block for the 2024/25 financial year would reduce the amount of Council budget provision that is provided, in line good and prudent financial practice, to off-set the projected High Needs budget deficit.

Section 6. How will this proposal affect people with protected characteristics?	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
Age	✓			The proposal to move funds from the Schools Block to High Needs Block within the Dedicated Schools Grant (DSG) will mean that the funding quantum will continue to be for the benefit of children and young people. No other age bands will be affected. The proposal will be applied to both primary and secondary schools. It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic.
Disability		✓		13.2% (primary) and 11.6% (secondary) of the school population is at SEN Support and 2.3% (primary) and 2.5% (secondary) of the school population have Education Health and Care Plans (EHCPs). By transferring funding from the Schools Block in 2024/25, interim funding

				will ensure appropriate needs are met and children with these characteristics are less disadvantaged receiving the universal, targeted or specialist educational support they need.
Sex	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic.
Race	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Gender reassignment	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Sexual orientation	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Religion or belief	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Pregnancy or maternity	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Marriage or civil partnership	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic

Section 7. How will this proposal affect people who...	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
...live in a rural area?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
...have a low income?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
...are carers (unpaid family or friend)?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
..... are from the Armed Forces Community	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic

Section 8. Geographic impact – Please detail where the impact will be (please tick all that apply)	
North Yorkshire wide	✓
Craven district	
Hambleton district	

Section 8. Geographic impact – Please detail where the impact will be (please tick all that apply)	
Harrogate district	
Richmondshire district	
Ryedale district	
Scarborough district	
Selby district	
If you have ticked one or more districts, will specific town(s)/village(s) be particularly impacted? If so, please specify below.	

<p>Section 9. Will the proposal affect anyone more because of a combination of protected characteristics? (for example, older women or young gay men) State what you think the effect may be and why, providing evidence from engagement, consultation and/or service user data or demographic information etc.</p> <p>None identified</p>
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Section 10. Next steps to address the anticipated impact. Select one of the following options and explain why this has been chosen. (Remember: we have an anticipatory duty to make reasonable adjustments so that disabled people can access services and work for us)	Tick option chosen
1. No adverse impact - no major change is needed to the proposal. There is no potential for discrimination or adverse impact identified.	✓
2. Adverse impact - adjust the proposal - The EIA identifies potential problems or missed opportunities. We will change our proposal to reduce or remove these adverse impacts, or we will achieve our aim in another way which will not make things worse for people.	
3. Adverse impact - continue the proposal - The EIA identifies potential problems or missed opportunities. We cannot change our proposal to reduce or remove these adverse impacts, nor can we achieve our aim in another way which will not make things worse for people. (There must be compelling reasons for continuing with proposals which will have the most adverse impacts. Get advice from Legal Services)	
4. Actual or potential unlawful discrimination - stop and remove the proposal – The EIA identifies actual or potential unlawful discrimination. It must be stopped.	
Explanation of why the option has been chosen (include any advice given by Legal Services.)	

No significant adverse impacts have been identified from the EIA affecting one or more protected characteristic. Whilst it is acknowledged that the proposed 0.5% funding transfer from the Schools Block DSG to the High Needs budget for the 2024/25 financial year presents a cost pressure to school budgets, the funding reduction will be implemented proportionately across all primary and secondary schools. It is considered that the impact will be across all mainstream schools within North Yorkshire and no greater adverse impact will be experienced by anyone with a protected characteristic.

The 2024/25 school funding consultation will conclude on the 8 November 2023. This EIA will be updated accordingly in response to the consultation and Schools Forum feedback.

Section 11. If the proposal is to be implemented how will you find out how it is really affecting people? (How will you monitor and review the changes?)

The school financial governance processes operating within the LA monitor the position of school budgets and the associated impact on the operations of schools.

The high needs budget is monitored on a monthly basis, with quarterly formal reporting. There is also regular reporting of the DSG financial position to the Schools Forum and the High Needs Sub-Group.

North Yorkshire Council is participating in the DfE Delivering Better Value programme. Work under this programme involves in-depth analysis of the operation of the High Needs system, processes and support provision within the local authority.

Section 12. Action plan. List any actions you need to take which have been identified in this EIA, including post implementation review to find out how the outcomes have been achieved in practice and what impacts there have actually been on people with protected characteristics.

Action	Lead	By when	Progress	Monitoring arrangements
1. To undertake a formal consultation with schools	Howard Emmett – Asst. Director	8 November 2023		
2. To report outcomes to School Forum	Howard Emmett – Asst. Director	23 November 2023		

Section 13. Summary Summarise the findings of your EIA, including impacts, recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The Equality Impact Assessment has assessed the impact of the proposal to transfer 0.5% funding from the Schools Block DSG to the High Needs budget for the 2024/25 financial year. The key actions are

- To consultation all schools and academies in North Yorkshire on this proposal through the LA 2024/25 school funding consultation.

- To report findings, conclusions and recommendations to the School Forum
- To submit a disapplication request to the DfE, for consideration by the Secretary of State, in the event of the North Yorkshire Schools Forum not supporting the LA funding transfer proposal

At this stage of the EIA there is no evidence to suggest that the proposal made will significantly disadvantage one or more protected characteristics

Section 14. Sign off section

This full EIA was completed by:

Name: Sally Dunn

Job title: Head of Finance – Schools, Early Years & High Needs

Directorate: Central Services - Resources

Signature: *Sally Dunn*

Completion date: 18/10/2023

Authorised by relevant Assistant Director (signature):

Date: