

**Schools Forum**  
**16<sup>th</sup> November 2023**  
**Schools Block Funding 2024-25**

This report relates to mainstream academies and maintained schools and voting on this item is limited to schools members, academies members and PVI representatives.

## **Recommendations**

Schools Forum members are asked to agree:

- a) The transfer of 0.5% of Schools Block funding to the High Needs Block for 2024-25

If the Schools Forum do not agree this recommendation, then the Schools Forum members are asked to consider the following:

- b) The transfer of 0.25% of funding from the School Block to the High Needs Block in 2024-25 or an amount between 0% and 0.5%.

### **1. Purpose**

- 1.1 Within the Dedicated Schools Grant, the ESFA allow for Schools Forum to move up to 0.5% between the blocks. This proposal is to move 0.5% from the Schools Block to the High Needs Block (at a value of approximately £2.255m) to address part of the financial pressures within the High Needs Block resulting from the forecast High Needs Block overspend in 2024-25. It should be noted that High Needs Block and SEND financial pressures are a national issue, with Local Authorities lobbying that there is insufficient funding from Central Government.
- 1.2 A consultation has taken place with schools between Friday 15th September 2023 and Monday 6th November 2023.
- 1.3 The full consultation document is attached as Appendix A.
- 1.4 The Local Authority may make a disapplication to the Secretary of State to move 0.5% of funding, should Schools Forum not agree the move. The deadline for submitting this disapplication this year is 17th November 2023. If the Schools Forum do not agree to a transfer, please note that the Council are considering the submission of a disapplication due to the wider financial implications on the Local Authority.

1.5 It should also be noted that these proposals will only impact the 2024-25 schools budget allocations, and not future years.

## **2. Background**

2.1 When the National Funding Formula (NFF) was introduced in 2018-19 the Local Authority with Schools Forum agreement indicated that they wanted to replicate the 'hard' NFF as quickly as possible, subject to affordability. This was achieved in 2020-21 for the first time due to an increase in grant.

2.2 Following consultation, Schools Forum agreed to move 0.5% of the Schools Block to High Needs Block for 2022-23.

2.3 Modelling for the consultation for 2024-25 (dated September 2023) was based on the indicative Schools Block allocation provided by the DfE before recent retraction by the DfE. The modelling in this report is based on the revised indicative Schools Block allocation provided by the DfE and is still subject to change. The current modelling is based on the October 2022 census data. Final budgets will be updated for the October 2023 census, this is usually published mid to end December 2023.

2.4 The monetary value of the 0.5% transfer is calculated by taking the total schools block funding for DSG, then adding the premises funding and growth funding. It is estimated that this will equate to approximately £2.255 million.

2.5 The Schools Forum is aware that the Local Authority has established a SEND and Inclusion Change Programme to address the financial pressures in the High Needs Block and has provided regular updates on the progress of the programme. Achievements set out in the consultation document include:

- a) The overspend of the High Needs Block has significantly reduced against the original forecast.
- b) More children and young people with SEND are being supported in mainstream settings.
- c) The number of children attending specialist resourced provision is increasing.
- d) More children are supported in state-funded specialist settings, including the opening of a new special school.
- e) The percentage of children and young people attending independent specialist provision (ISP) has reduced.
- f) The number of EHC plans in pre-school years is increasing.
- g) A new method for calculating top-up funding for children with EHC plans has been agreed and is being rolled-out.

2.6 Schools Forum is asked to note that the total level of school balances (reserves) at 31st March 2023 for maintained was £18.3m and 31st August 2022 for academies was £42m.

- 2.7 The modelled proposals have a direct impact on the indicative school budgets. The latest data at Appendix C suggests that 185 of 231 schools would be impacted and the impacting range will be from £1,032 to £68,817 and **0.22% and 0.75%** change to the initial indicative budget. **Schools which trigger the Minimum Funding Guarantee are protected so that there is no change to their individual school budget.**

### 3. Consultation Outcomes

- 3.1 Section 6.1 of the High Needs Funding 2023-24 Operational Guide states:  
*Transfers between blocks can be made from the high needs and the central school services blocks. Movement from the early years block can be made in compliance with the early years pass through rate conditions, details of which can be found in the [early years entitlements: local authority funding of providers operational guide](#). The schools forum must be consulted on all transfers between blocks. The schools block is ringfenced which means that this block must be spent for the purposes specified in the conditions of grant. Local authorities retain the ability to transfer up to 0.5% of funding out of the schools block, with the agreement of the schools forum.*

*Formal permission from the Secretary of State (a disapplication of the DSG conditions of grant) will be required for transfers out of the schools block above 0.5%, or any amount without schools forum approval. This applies to any transfers even if approval has been given in previous years. Local authorities should consult with local maintained schools and academies. The schools forum should take these views into account before making their decision.*

- 3.2 Consultation was undertaken with all Warwickshire schools and academies from the primary and secondary phases.
- 3.3 A total of 38 academies and maintained schools responded to the consultation by the 5:00pm deadline on Monday 6<sup>th</sup> November 2023. This consisted of 30 primary schools and 8 secondary schools. Responses from federations or multi academy trusts have been disaggregated to reflect the number of schools within the federation or MAT (e.g. A MAT responding on behalf of 4 schools is counted as 4 responses).
- 3.4 The consultation posed three questions, each with a follow up question asking for any 'no' response.

- 3.5 In response to question 1: **Do you agree that the Local Authority should propose to the Schools Forum a transfer of up to 0.50% from the Schools Block to the High Needs Block to support the High Needs budget in 2024-25, if sufficient funding is available without affecting the ‘hard’ NFF allocations to schools?**

	Responses	%
<b>Yes 0.5%</b>	<b>15</b>	<b>39</b>
Yes 0.25%	3	8
No	20	53
<b>Total</b>	<b>38</b>	<b>100</b>

- 3.6 In response to question 3: **Do you agree that the Local Authority should propose to the Schools Forum a transfer of up to 0.50% from the Schools Block to the High Needs Block to support the High Needs budget in 2024-25, even if this will affect (i.e. reduce) the ‘hard’ NFF allocations to schools?**

	Responses	%
<b>Yes 0.5%</b>	<b>10</b>	<b>26</b>
Yes 0.25%	7	18
No	21	55
<b>Total</b>	<b>38</b>	<b>100</b>

- 3.7 In response to question 5: **Do you think that a transfer of a different % should be proposed to the Schools Forum?**

	Responses	%
Yes	7	18%
<b>No</b>	<b>31</b>	<b>82%</b>
<b>Total</b>	<b>38</b>	<b>100%</b>

- 3.8 All reasons for ‘Yes’ or ‘No’ answers to all three questions are attached in Appendix B.

#### 4.0. Voting

- 4.1 Vote 1 – Agreement of transfer of 0.5% of the Schools Block DSG to the High Needs Block DSG
- 4.2 Vote 2 – Agreement of transfer of 0.25% of the Schools Block DSG to the High Needs Block DSG
- 4.3 Vote 3 – Agreement of a transfer of an alternative value of up to 0.5% to be specified.