

SCHOOLS FORUM
5th December 2024



Report sponsor: Sharon Buckby, Service Director – Learning Inclusion and Skills and Alison Parkin, Director of Financial Services & Section 151 Officer
Report author: Janice Hadfield, Head of Finance

ITEM

Proposed Schools Block Transfer 2025-2026

SUMMARY

- 1.1 The purpose of this report is to set out the proposal to transfer up to 0.5% the school's block of the Dedicated Schools Grant to the High Needs Block in 2025-2026, subject to the affordability.
- 1.2 Prior to 2018/19 local authorities had full flexibility to transfer funding between blocks, this has largely been from Schools to High Needs. Under the 2018/19 school funding reform, which saw the introduction of the National Funding Formula (NFF) for schools and High Needs, the Department for Education (DfE) limited the ability to transfer funding from the Schools Block to High Needs. Since 2018-19 local authorities are able to transfer up to 0.5% of the gross Schools Block to High Needs following consultation with schools and the approval of the Schools Forum. Should the Schools Forum not approve a transfer approval can be sought from the Secretary of State. A transfer of greater than 0.5% of the gross Schools Block can only be made with the approval of the Secretary of State. There are no restrictions on transfers between other blocks. Approval for a transfer is only for the year it is enacted; further approvals are required annually.

RECOMMENDATIONS

- 2.1 To note the calculation is based on indicative allocations of the 2025/2026 Dedicated Schools Grant as detailed in this report. The actual transfer amount will be known once the 2025/2026 allocations are released.
- 2.2 To approve up to 0.5% of the School Block, (estimated £1.277m) transfer to the High Needs Block, based on the indicative allocation, the actual transfer will be based on the final allocation amount announced after the spending review, and subject to the affordability, and informal consultation with all Derby City schools.

SUPPORTING INFORMATION

- 3.1 The Dedicated Schools Grant (DSG) for Derby is split into four blocks: Schools Block, Early Years Block, High Needs Block and a Central School Services Block.

In absence of the 25-26 block announcements the figures below represent the 24-25 allocation.

- Schools Block £245.966m
- Central School Services Block £2.555m
- High Needs Block £58.851m
- Early Years £30.912m

Based on the Autumn statement budget announcement on 30th October 2024 for the school block, the increase for Derby could be circa 3.8% which would mean a 0.5% transfer from the school block to be circa £1.277m

- 3.2 The transfer of up to 0.5% will be assessed for its impact on both the NFF and minimum funding levels. Based on the indicative funding allocations the maximum transfer would equate to circa £31 per pupil, based on October 23 numbers on roll.
- 3.3 The transfer from the School Block will further ease the pressures reported within the High Needs Block.

The 2024/25 forecasted cumulative DSG deficit is circa £19m against a HN budget of £58.8m. The number of Children with Education, Health and Care plans (EHCPs) continues to increase, with the average cost of a plan also increasing. Therefore, in addition to the plans within the DSG deficit management plan, it is recommended that there is a transfer of 0.5% from the Schools Block to the HNG to mitigate the growing demand. This equates to a transfer of estimated £1.277m.

The school block transfer would recognise an essential contribution from Schools and Academies towards helping with the overall cost pressures being faced by the High Needs Block, supporting all children and young people aged 0-25. Such recognition would support the ongoing demand by schools and parents for financial support as determined in the child's EHCP plans.

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Background papers:
List of appendices: