

2023-24 SCHOOLS FUNDING ARRANGEMENTS – TRANSFER TO THE HIGH NEEDS BLOCK

Report of the Director of Finance & Public Value and Interim Director of Children and Young People’s Futures

RECOMMENDATIONS

It is recommended that DEF:

- a) Reconsider based on the DfE request and specifically approve to transfer 0.5% between blocks for 2023-24 through a one-off transfer of the growth fund surplus and make recommendation to Cabinet.
All to Vote
- b) If the above transfer is not approved, ensure that the reasons for this decision are fully captured in DEF’s minutes and includes a discussion of the statements in “2. Reasons for Transfer”

1. Background

- 1.1. At its meeting of 23rd November the Devon Education Forum (Schools Forum) refused to allow the transfer of 0.5% funding to the High Needs Block. Following this decision the County Council made a disapplication to the Secretary of State for Education to overrule this decision and allow the transfer in order to support children with Special Educational Needs.
- 1.2. Following this disapplication, and at the request of the DfE, officers from the County Council met with the DfE and the DfE has asked that, following the announcement of the Mainstream Schools Additional Grant (MSAG) funding for schools (where the indicative allocation shows an additional £17 million (3.4%) for Devon mainstream schools), Schools Forum reconsider its decision.
- 1.3. The DfE has stated that it does not expect the Schools Forum to rely on the outcomes of the Consultations on Schools Funding arrangements for 2023-24 to make this decision, because the MSAG puts schools in a much better financial position than at the consultation.
- 1.4. The DfE also stated that it is not expecting a new consultation to be held due to time restrictions.
- 1.5. If the Schools Forum does not agree the transfer, the DfE expects the reasons for this to be minuted. The minutes should include (but not be limited to) a view on each statement made under section 2 - Reasons for the transfer below.

2. Reasons for the transfer

- 2.1. For 2023-24, the block transfer is set at up to 0.5% of the Schools Block into another block, with Schools Forum approval. (DEF 22/12, Minute 69) Devon proposed a transfer from the schools' allocations through the schools national funding formula of 0.5% (£2.48 million) to the High Needs Block to support the demands of the High Needs Block and in particular the work on cost prevention and reduction.
- 2.2. We continue to suggest that for 2023-24 only that this transfer takes place by using the Growth Fund surplus. The surplus has accumulated over several years and provides an opportunity to retain maximum funding to individual schools within the School Budget Share for 2023-24. Individual schools budgets will not be impacted on as a result of this transfer taking place.
- 2.3. Without this transfer the initiatives agreed in conjunction with schools, particularly the proposals to maintain the Team Around the School and develop Specialist Support (Therapists) will be put in jeopardy as focus will remain on reducing the numbers of EHCPs.
- 2.4. Transferring the surplus to individual schools is not an option, as this would move schools further away from the NFF and put at risk not only our ability to make the changes necessary to bring us back to a sustainable system, but also risk the funding and support Devon is trying to access through the Safety Valve Intervention initiative.
- 2.5. The Schools Forum has a High Needs sub group, in part because there is a recognition that the authority and schools have to work together to address the High Needs overspend. This can only be successful if it is done in partnership and part of that is funding the work.
- 2.6. Devon is still an outlier in terms of the amount of EHCP requests the authority receives and while this is not the only reason the High Needs Block is overspent, the cumulative effect over many years has resulted in a significant pressure.
- 2.7. It is proposed that the 0.5% (£2.48 million) transfer between blocks will take place for 2023-24 through a one-off transfer using the growth fund surplus as this does not impact on individual school budgets whilst ensuring continued efforts are made to bring the overall position back within the funding envelope.

3. Recommendations

It is recommended that DEF:

- 3.1. Reconsider based on the DfE request and specifically approve to transfer 0.5% between blocks for 2023-24 through a one-off transfer of the growth fund surplus and make recommendation to Cabinet.
All to Vote
- 3.2. If the above transfer is not approved, ensure that the reasons for this decision are fully captured in the minutes and includes a discussion of the statements in "2. Reasons for Transfer"

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