

Meeting date: 17th October 2024
Report to: Solihull School Forum



Subject/report title: Schools block transfer 2025-26
Report in name of: Director of Public Health, Education and Inclusion
Report author/lead contact officer: Bern Timings, Head of Commissioning for Learning

Schools affected:

☐ All Schools | ☒ All Primary | ☒ All Secondary

Type of Report For Forum to express view to the Local authority
Forum Voting Whole of Forum
Public/private report: Public

1. Executive Summary

- 1.1 This report sets out the statutory requirements for when a local authority wishes to implement a transfer of funds from the schools block.
- 1.2 The local authority is developing a DSG Management Plan (a statutory requirement) to set out the plan to achieve stability of high needs funding within the annual grant allocation and to deal with the accumulated deficit and seeking a schools block transfer may be a component of this plan.
- 1.3 The report outlines the impact of a 0.5% transfer on school budgets, due to minimum funding guarantee any transfer would not impact school budgets equally.
- 1.4 All figures presented are based on the 2024/25 DSG allocation and are therefore subject to change in line with any subsequent funding announcement.
- 1.5 The announcement of the 2025/26 DSG funding allocation has been significantly delayed due to the general election. On October 3rd the DfE announced the 2025/26 DSG allocation would be published in December 2024.

2. Decision(s) recommended

- 2.1 Schools Forum to note the required steps for the local authority to seek a schools block transfer.
- 2.2 Schools Forum to note the outcome from consultation with all schools in line with national requirements.
- 2.3 Schools Forum to express a view to the local authority about a schools block transfer of 0.5% for 2025/26 and indicate support for options A or B as outlined.

3. Matters for Consideration

- 3.1 The draft DSG Management Plan 2024/25 outlines mitigation measures proposed to address a recurrent and accumulated high needs block deficit.
- 3.2 As part of developing the management plan a transfer of funding from the DSG Schools Block to the High Needs Block for the 2025/26 DSG allocation may be considered.
- 3.3 It is proposed a one-off transfer of 0.5% from the DSG Schools Block to the High Needs Block in undertaken for the 2025/26 DSG allocation.
- 3.4 If approved this would reduce the amount of funding available to schools for 2025/26 and provide additional funding to the High Needs allocation and will reduce the 2025/26 high needs in year deficit by an estimated £1.0m.
- 3.5 Following submission of the 2023/24 DSG Management Plan it was agreed headteacher Task and Finish groups would be established to explore how cost to the DSG High Needs Block could be further mitigated.
- 3.6 Task and Finish groups were established around key areas, including 'developing an effective support service'. The task and finish group have recommended that a revised support service structure is adopted to create a 'SEND Hub' to focus on embedding capacity building in schools, better access to early intervention services and input from specialist staff working within the school system to support pupil assessment and intervention.
- 3.7 The recommendation has been incorporated in consultation option B. Appendix 2 outlines details of the proposed creation of a new SEND early identification and support system for schools and families which makes the best use of services, teams and pathways across the borough.

3.8 Consultation and Options

- 3.8.1 Schools and Governors have been consulted on the option for a block transfer of 0.5%, estimated at £1.0m, from the Schools block to the High Needs block.
- 3.8.2 Consultation ran between 1st and 14th October. Two options were presented, and the responses received are outlined below:

a. "A 0.5% transfer from the DSG Schools Block to the High Needs Block for the

2025/26 DSG allocation to be used solely towards addressing the increasing demand and financial pressure on high needs provision - estimated £1,000,000”

A total of 144 responses were received, 1 for and 143 against

- b. *“A 0.5% transfer from the DSG Schools Block to the High Needs Block for the 2025/26 DSG allocation to be used towards addressing the increasing demand and financial pressure on high needs provision and also to be used to support our shared ambition for an early identification and support system - estimated £1,000,000 total”*

A total of 144 responses were received, 6 for and 138 against

- 3.8.3 In total 46 schools responded out of a possible 80, multiple response submissions were received from several schools.
- 3.8.4 All schools were notified of the consultation on 1st October via the Headlines email bulletin to headteachers and chairs of governing bodies, and a reminder email bulletin sent on 9th October. Details of the proposal were also outlined at Solihull schools’ Strategic Accountability Board (SSSAB), Solihull Heads’ Partnership, and at the Solihull Governors Association.
- 3.8.5 Solihull Parent Carer Voice were also consulted on the proposal and associated options and returned a neutral response outlining the need for a whole system response to the rising costs that enables children and young people, where it is possible and right for the individual, to remain in mainstream schools and schools are supported to ensure that this is possible. The full SPCV response can be found in appendix 2

3.9 Estimated impact of a schools block transfer on individual school budgets

- 3.9.1 Appendix 3 shows the impact of a transfer of 0.5% on individual school budgets.
- 3.9.2 All figures presented are based on the 2024/25 DSG allocation and are therefore subject to change in line with any subsequent funding announcement.
- 3.9.3 The modelling is based on 2024/25 DSG schools block allocation and October 2023 census data. Further details on the methodology used are outlined in appendix 4.
- 3.9.4 On October 3rd the DfE announced the 2025/26 DSG schools block allocation would be published in December 2024 and there will be no substantial changes to the funding formula. No details have been provided on the 2025/26 High needs allocation

4. Requirements to undertake a block movement and disapplication process

- 4.1 Local authorities can transfer up to and including 0.5% of their schools block funding into another block, with the approval of their schools forum.
- 4.2 Without Schools Forum agreement, or where they wish to transfer more than 0.5% of their schools block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.
- 4.3 Appendix 5 summarises the statutory requirements as set out in the DfE School operational guide 2024-25.
- 4.4 The deadline for local authorities to submit a block movement disapplication request is 18 November 2024.
- 4.5 The DfE expects to see evidence of recent schools forum discussion and the schools forum vote. Local authorities should also consult local maintained schools and academies, and the schools forum should take these views into account before making their decision. Schools forum meetings should be arranged so that requests for block movements have been considered prior to the deadline.
- 4.6 The DfE expects to see DSG management plans when authorities are proposing block movement transfers. It is important the local authority provides details of how the transfer from the schools block will decrease the pressure on the high needs block.

5. Implications and Considerations

- 5.1 Impact on schools:
 - 5.1.1 The proposals reduce the amount of funding available to schools via the DSG schools block.
- 5.2 Consultation and Scrutiny:
 - 5.2.1 Consultation was undertaken with schools and SPVC from 1st to 14th October 2024
- 5.3 Financial implications:
 - 5.3.1 Details of the estimated financial impact at individual school level can be found in appendix 3
- 5.4 Legal implications:
 - 5.4.1 Deployment of resources must still ensure responsibilities under the Childrens Act 2014 are properly discharged and must also ensure legal requirements on Councils to effectively manage their finances are met.
- 5.5 Risk implications, including risk appetite:
 - 5.5.1 Risks concerning high needs spending are on the Council Risk Register.

5.6 Equality implications:

5.6.1 An Equalities Assessment will be required as part of the submission for any disapplication request and will be undertaken prior to any submission.

6. List of appendices referred to

6.1 Appendix 1 – Support Service Proposal

6.2 Appendix 2 – Solihull Parent Carer Voice consultation response

6.3 Appendix 3 – Estimated impact of a transfer of 0.5% on individual school budgets

6.4 Appendix 4 – Estimated school level financial impact – methodology

6.5 Appendix 5 - Statutory requirements for a schools block movement

Appendix 1 – Support Service Proposal

The proposal

Create a new early identification and support system for schools and families which makes the best use of services, teams and pathways across the borough.

To include:

- Develop and provide an outreach offer from Solihull's specialist providers: with 6 months of funding to provide those settings with some capacity to work with the system to develop the offer which is required, and then some funding to support the oversight, delivery and develop the offer.
- Develop borough-wide training and resources to build capacity in schools: sharing the learning from current project work (i.e. PINs and ADHD training, DBV training) with all schools to strengthen foundations of whole school support.
- Develop and deliver the balanced system model for speech and language: with 24 months of funding to provide some specialist capacity training and support to schools.

Context

Following submission of the 2023/24 DSG Management Plan it was agreed headteacher Task and Finish groups would be established to explore how cost to the DSG High Needs Block could be further mitigated.

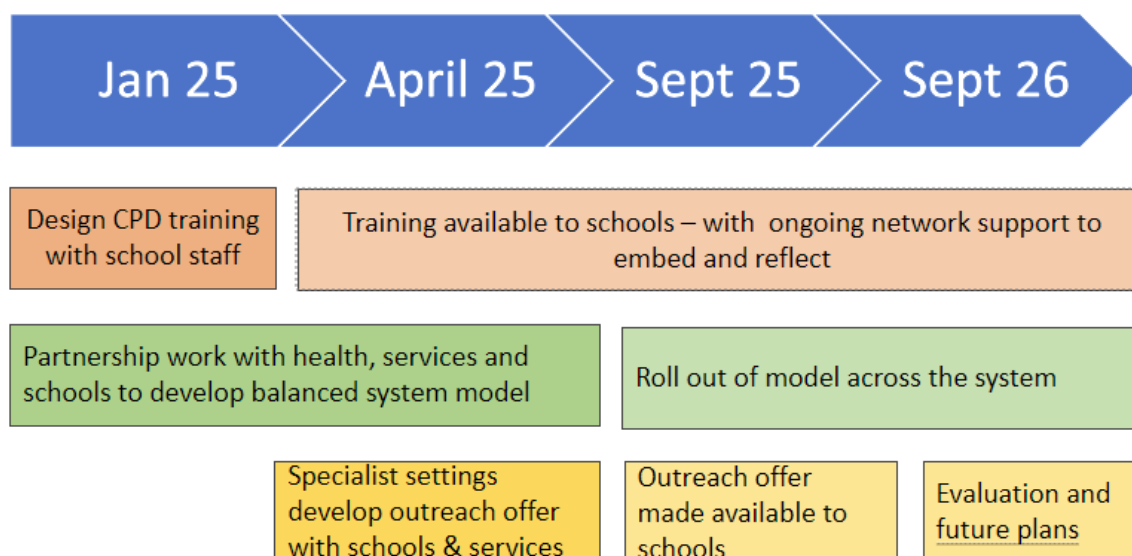
Task and Finish groups were established around key areas, including 'developing an effective support service'.

The task and finish group have recommended that a revised support service structure is adopted to create a 'SEND Hub'. This should focus on embedding capacity building in schools, better access to early intervention services and input from specialist staff working within the school system to support pupil assessment and intervention.

This proposal seeks to address this recommendation. Delivery of which will require a review of the current support funded through the DSG, core Council budgets and by individual schools.

We are consulting with Solihull schools on a proposed block transfer for the 2025/26 Dedicated Schools Grant allocation including an option that would support this proposal.

Timescales



Assumed impact from 2027

- Fewer requests for EHCPs (increase in SEND support)
- Reduction in independent placements
- Reduction in suspensions and exclusions (and more timely return to school)
- Fewer part-time timetables and pupils with persistent absence
- Schools adapting offer to meet needs of all pupils on roll

Future savings to the DSG are associated with more children's needs being well met in mainstream schools where they are receiving the support needed without EHCPs or access to commissioned alternative provision, where this is not necessary

Appendix 2 – Solihull Parent Carer Voice consultation response



Dedicated Schools Block Grant Transfer Consultation.

We are writing in response to the above consultation.

As Solihull Parent Carer Voice, we are well aware of the financial pressures both on the Local Authority and on schools.

We do not feel that we are in the right position to comment as to whether or not the transfer should go ahead. We see the point that the costs to the Local Authority need to be mitigated, however we also know that school's budgets are challenged. We also have difficulties with the way the transfer works in that some schools are not impacted at all, and others are significantly impacted.

We feel that there needs to be a whole system response to the rising costs. We need to enable children and young people where it is possible and right for the individual to remain in mainstream schools, and we need to support the schools to ensure that this is possible.

Our belief is that we need to ensure that schools and the local authority are working together, that we have the right early intervention response to support schools and that schools are doing all they can to support children and young people with special educational needs and disabilities.

Appendix 3 – Estimated school level financial impact

Dedicated Schools Grant block transfer consultation - 2025/26 DSG allocation

Estimated school level financial impact. (updated 9th October)

The figures below show the estimated reduction in individual school budgets based on the proposed 0.5% transfer.

Please note, due to minimum funding guarantee any transfer would not impact school budgets equally. Where schools are already at or close to this level the estimated impact is shown below as £0 on the allocation.

All figures presented are based on the 2024/25 DSG allocation and are therefore subject to change in line with any subsequent funding announcement.

As at 1st October 2024 the 2025/26 DSG funding allocation has not been announced by Central Government.

Summary- 2024-25 funding formula and pupil numbers	2024-25 Final	0.50%
Total transfer '£000	£259,000	£1,003
Primary AWPU	£3,530	£3,506
KS3 AWPU	£4,977	£4,943
KS4 AWPU	£5,610	£5,572
% of full AWPU	98.75%	98.08%

		0.50%
School Name	2024-25 Post MFG Budget	Change to 2024-25 budget
	£000	£000
Blossomfield Infant and Nursery School	1,293	-6
Burman Infant School	889	-4
Cranmore Infant School	879	-4
Haslucks Green School	1,141	-6
Kineton Green Primary School	1,093	-5
Sharmans Cross Junior School	1,969	0
Shirley Heath Junior School	1,982	0
Valley Primary	2,684	-2
Woodlands Infant School	924	-4
Widney Junior School	1,615	-8
Oak Cottage Primary School	988	0
Mill Lodge Primary School	1,142	-5
Marston Green Junior School	1,757	-8
Tidbury Green School	1,983	-10
Coleshill Heath School	2,675	-11
Cheswick Green Primary School	1,203	-6

Peterbrook Primary School	1,836	-9
Olton Primary School	2,894	0
Yorkswood Primary School	2,189	-9
Greswold Primary School	2,964	0
Monkspath Junior and Infant School	2,943	0
Dickens Heath Community Primary School	2,031	0
Meriden Church of England Primary School	915	-4
St Alphege Church of England Infant and Nursery School	955	-5
St Alphege Church of England Junior School	1,296	0
Berkswell Church of England Voluntary Aided Primary School	987	0
George Fentham Endowed School	938	-5
St Mary and St Margaret's Church of England Aided Primary School	1,030	-5
Bishop Wilson Church of England Primary School	2,229	-9
Kingshurst Primary School	2,612	-11
Tudor Grange Primary Academy, St James	1,038	-4
Damson Wood Nursery and Infant School	675	-3
Coppice Academy	1,282	-6
Dorridge Primary School	2,933	0
Streetsbrook Infant and Early Years Academy	873	-4
Tudor Grange Primary Academy Yew Tree	1,024	-5
Balsall Common Primary School	2,855	0
Tudor Grange Primary Academy Hockley Heath	905	-5
Castle Bromwich Junior School	2,310	-11
Castle Bromwich Infant and Nursery School	1,769	-9
Windy Arbor Primary School	2,316	-10
Marston Green Infant Academy	1,355	-6
Ulverley School	1,910	-10
Tudor Grange Primary Academy Langley	2,085	-10
Smith's Wood Primary Academy	2,401	-11
Bentley Heath Church of England Primary School	1,686	0
Knowle Church of England Primary Academy	1,931	0
St Margaret's Church of England Primary School	983	-5
Lady Katherine Leveson Church of England Primary School	812	-4
St Patricks Church of England Primary Academy	1,005	-5
Our Lady of the Wayside Catholic Primary School	1,987	0
St Andrew's Catholic Primary School	994	-5
St Augustine's Catholic Primary School	1,011	0
St George and St Teresa Catholic Primary School	864	-4
Our Lady of Compassion Catholic Primary School	1,421	0
St Anthony's Catholic Primary School	1,148	-5
St Anne's Catholic Primary School	2,152	-10
St John the Baptist Catholic Primary School	1,138	-5
Fordbridge Community Primary School	2,827	-12
Lyndon School	7,902	-39
WMG Academy for Young Engineers (Solihull)	2,111	-10
Tudor Grange Academy Kingshurst	8,389	-40
Langley School	6,813	-37
Tudor Grange Academy, Solihull	8,395	0
Alderbrook School	8,539	-49
Arden	9,161	0

Light Hall School	6,902	-34
Lode Heath School	7,382	-36
Heart of England School	6,551	-38
Smith's Wood Academy	6,739	-28
St Peter's Catholic School	6,650	-38
John Henry Newman Catholic College	8,116	-41
Grace Academy Solihull	6,043	-29
Park Hall Academy	8,094	-40
Total Primary	95,724	-284
Total Secondary	107,787	-459
Total	203,511	-743
24-25 transfer already built in:		-259
Total transfer		-1,002

Appendix 4 - Estimated school level financial impact - methodology.

Dedicated Schools Grant block transfer consultation

2025/26 DSG allocation

Estimated school level financial impact - methodology.

In order to model the estimated school level impact of the proposed 0.5% transfer from the school's block to the high needs block the following methodology has been used.

The proposed movement transfers funding from the DSG Schools Block to the DSG High Needs Block. This is not a direct 'top-slice' of school budgets.

This means that the amount of funding available in the Schools Block is reduced by the proposed 0.5% prior to calculating the estimated school budgets. The remaining funding is then allocated at school level according to the prevailing rules.

These rules include protection factors (MFG and MPPL), and a series of required national factors, and limits on the extent to which LAs can deviate from nationally set values.

The individual estimated school budgets are calculated from the reduced total School Block using the 2024-25 ESFA Authority Proforma Tool (APT), which calculates school budgets and checks the outcome meets school funding regulations.

The difference in the level of financial impact between schools is due to the fact that as part of this calculation schools that receive minimum per pupil level (MPPL) are unaffected by any reduction in AWPU. For these schools as their AWPU reduces, the MPPL increases equally to maintain the minimum funding level.

Only the AWPU value has been reduced as part of this calculation. No other factors, including FSM or Low Prior Attainment have been impacted. Reducing these would have a greater impact on schools with the highest needs.

Schools that are above the minimum per pupil level funding are usually so due to higher levels of FSM, FSM Ever6, Low Prior Attainment and other pupil attributed related funding factors that increases their funding above minimum per pupil level and the impact of any block transfer will be higher.

Schools with lower levels of FSM, FSM Ever6, Low Prior Attainment are more likely to be at or close to the minimum per pupil level and the impact of any block transfer will be less.

The DfE have set the national minimum per pupil funding level and do not permit any LA to reduce the funding for any school below this.

Under this methodology and the associated minimum funding levels a 0.5% block transfer reduces the estimated AWPU by 0.68%, as shown in the table below.

Summary- 2024-25 funding formula and pupil numbers	2024-25 Final	0.50%
Total transfer '£000	£259,000	£1,003
Primary AWPU	£3,530	£3,506
KS3 AWPU	£4,977	£4,943
KS4 AWPU	£5,610	£5,572
% of full AWPU	98.75%	98.08%

It should be noted that the requirements of the Growth Fund to support school expansions reduces the AWPU level by 1.25% in advance of any proposed block transfer, this is built into the existing funding model and is not part of any proposed change.

Appendix 5 - Statutory requirements for a schools block movement

Department for Education guidance on block movements

[Schools operational guide: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/schools-operational-guide-2024-to-2025)

30. Movements between blocks

Local authorities' DSG consists of 4 blocks of funding:

- schools block
- central school services block (CSSB)
- high needs block
- early years block

The schools block is ring-fenced in 2024 to 2025 in line with the DSG conditions of grant, however local authorities can transfer up to and including 0.5% of their schools block funding into another block, with the approval of their schools forum. Without schools forum agreement, or where they wish to transfer more than 0.5% of their schools block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.

If local authorities wish to transfer any funding out of the schools block in 2024 to 2025, the department expects to see evidence of recent schools forum discussion and the schools forum vote. This includes cases where schools forums have already agreed DSG recovery/management plans that assume future year transfers.

Local authorities wishing to make a transfer should also consult local maintained schools and academies, and the schools forum should take these views into account before making their decision. It is important that any consultation sets out the full amount of the proposed transfer, not just the amount of proposed transfers in addition to 0.5% or in addition to previous years' transfers. For example, if a local authority wants to move 1%, the consultation documents must clearly state this. A document showing 0.5% on top of the 0.5% the schools forum can approve is not acceptable.

Most proposals by local authorities to move funding from their schools block arise because of pressures on their high needs budgets. The department therefore expects to see DSG management plans when authorities are proposing block movement transfers. It is important that the local authority provide details of how the transfer from the schools block will decrease the pressure on the high needs block. Local authorities may wish to use the department's [high needs benchmarking tool](#) to compare their patterns of provision and expenditure with similar authorities. [Section 251 data](#) can also be used for comparison. In addition, we have published guidance for local authorities on [sustainability in high needs systems](#). You can read further guidance in the [DSG management plans](#) section.

It is particularly important that mainstream schools are clear about how they contribute to the local SEND offer and how that can affect the need for more specialist provision and the costs that local authorities consequently have to meet from their high needs budgets.

The department also expects schools forum discussions to include appropriate representation from special schools and other specialist providers. The department has made a [DSG management plan template](#) available to assist local authorities in reporting to forums and consulting with schools.

Most local authorities (those without safety valve agreements with the department) must submit disapplication requests to the Secretary of State, using the [disapplication proforma](#) provided by the department, in cases where:

- the local authority wishes to move more than 0.5% of the schools block, regardless of any previously agreed transfer amounts
- the schools forum has turned down a proposal from the local authority to move any amount of funding out of the schools block, but the local authority wishes to proceed with the transfer

Local authorities that have safety valve agreements with the department should make disapplication requests to the safety valve team at safetyvalve.programme@education.gov.uk. Any local authorities that are engaged in safety valve discussions with the department during 2024 to 2025 should make disapplication requests as part of those discussions. Local authorities may wish to discuss with the safety valve team in advance what form those requests should take.

The deadline for local authorities (other than those in the safety valve programme) to submit a block movement disapplication request was 17 November 2023. This deadline enables the department to communicate decisions in time for local authorities to submit the APT and provide maintained schools with their budget shares.

Schools forum meetings should be arranged so that requests for block movements have been considered prior to the disapplication deadline. Incomplete applications may lead to a delay in the block movement consideration which will have an impact on local authorities' ability to set school budgets on time.

The department recognises there may be exceptional situations where local authorities need to amend their request, where circumstances change significantly. For example:

- the demand for high needs provision has changed significantly and unexpectedly
- the final pupil numbers in the October census are significantly different from the expected numbers

In these circumstances, local authorities should submit the amended disapplication request by 12 January 2024 at the latest. The department will include more information on the implications for APT submissions in the 'completing the authority proforma tool guidance' which will be published in the autumn.

In such circumstances, local authorities should also have considered how they will manage the timetable for setting their school budgets so that the notifications to schools of their budget shares, and the parallel department process for notification of academy allocations, are not delayed. The department suggests timetabling schools forum meetings to discuss budgets from October to December, to agree the process should any amendments to disapplication's need to be made. This allows for schools forum to be informed and vote on

proposed changes. Further to this, arrangements for political approval should be timetabled to take account of this later date for amended requests.

When submitting disapplication requests for transfers from the schools block, local authorities (other than those in the safety valve programme) should provide the evidence detailed in the [disapplication proforma](#) provided by the department. This includes:

- a DSG management plan that includes:
 - a forecast position for at least the next 3 years
 - details of predicted growth, sufficiency, and the actions the local authority are taking to mitigate the risk of overspending
 - quantified financial and SEND interventions, with detailed narrative explaining how the figures have been derived
- a breakdown of specific budget pressures justifying a transfer, including changes in demand for special provision over the last 3 years and how the local authority has met that demand by commissioning places in all sectors
- assessment of why the high needs costs are exceeding funding levels and plans to change the pattern of provision where necessary
- assessment of the need to seek schools forum approval for further transfers and consideration of plans to avoid this if possible
- partnership between the local authority, those institutions offering special and AP (including mainstream schools) and parents; and between the local authority and neighbouring authorities
- any contributions coming from the health and social care budgets towards the cost of specialist places
- consideration of how additional high needs funding would be targeted to 'good' and 'outstanding' mainstream schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with SEND in mainstream schools
- details of the effect that any transfer would have on individual schools' budgets funded from the schools block
- information presented to the schools forum, and to all schools through consultation and details of responses to the transfer proposal

The above information should be as presented in published papers considered by the schools forum, alongside the published minutes of relevant schools forum meetings, recording the discussion at the meetings and details of the vote leading to the forum decision.

Each request will be considered on a case-by-case basis; however, the department will look at the following criteria in determining whether the local authority has a strong case:

- strong evidence that a further transfer remains necessary to address significant cost pressures
- specific and detailed plans which demonstrate that the transferred funding would contribute to addressing cost pressures in a sustainable way, such as 'invest to save' options
- strong evidence of a marked and recent transfer of financial responsibility for children with high needs from the schools block to the high needs block, for example through a significant increase in permanent exclusions requiring the local authority to make more AP, or a significant increase in the proportion of children with EHC plans placed in specialist settings rather than mainstream schools
- a strong plan outlining the actions that the local authority will take to ensure a sustainable SEND sector, and how the transfer will impact this work
- a good level of support from local schools and the schools forum for a transfer, including a breakdown of local consultations

Local authorities are required to comply with the duty under [section 149 of the Equality Act 2010](#) when making decisions about disapplication proposals. Section 149 places a duty on local authorities to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations when making decisions and delivering services. The department expects local authorities to have considered, consulted and explained the specific equality impacts their proposals might have in the disapplication request.

If no Equality Impact Assessment has been completed or provided to support the disapplication proforma, the disapplication request will remain on hold until such information has been made available