

REPORT TO: Schools Forum

DATE: 3rd November 2021

REPORTING OFFICER: Operational Director - Finance

SUBJECT: Schools Block transfer to High Needs Block for 2022-23

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To report to the Schools Forum the proposal to transfer Dedicated Schools Grant from the Schools Block to the High Needs Block for 2022-23.

2.0 RECOMMENDATION: That

- 2.1 The report is noted.
- 2.2 Schools Forum agree to the continuing use of the Exceptional Premises Factor in relation to Ormiston Bolingbroke Academy.
- 2.3 Schools Forum support the outcome of the consultation with schools with regards to the transfer of Schools Block grant to the High Needs Block for 2022-23.

3.0 SUPPORTING INFORMATION

3.1 Background

As reported at the October meeting, we are forecasting a cumulative DSG deficit of £2.1M at the end of March 2022. The key areas that are overspending are top-up funding and out of borough placements. It was decided to put forward a proposal to transfer 1% of the Schools Block of DSG to the High Needs Block for 2022-23. This would enable us to clear some of the deficit balance and fund three Invest to Save proposals.

3.2 Schools Block

The Schools Block for 2022-23 has a provisional increase of £2.7M compared to the allocation for 2021-22 to £101,792,648. No transfer of funds was requested for the 2020-21 and 2021-22 financial years, to allow the full settlement to be passed to mainstream primary and secondary schools and academies in Halton. A 1% transfer as proposed in the consultation would leave an estimated increase of £1.7M in the Schools Block for 2022-23.

- 3.3 Within the Schools Block consultation was reference to the need to submit a further disapplication request to continue the Exceptional Premises factor in relation to the Joint Use agreement between Ormiston Bolingbroke Academy and Brookvale Recreation Centre. The school has agreed to the disapplication request but unfortunately it

was omitted from the report to Schools Forum. We are required to seek approval from Schools Forum for this funding to be continued.

3.4 High Needs Block

The High Needs Block has a provisional increase of £1,317,870 to £19,646,658 after an estimated recoupment of £3,276,000. The forecast outturn for 2021-22 is £19,565,202. At the time of writing, the forecast outturn for the High Needs Block for 2022-23 is just over £19.5M but this is without any inflationary uplifts or increases in placements in resource bases, special schools and out of borough special schools.

3.5 The proposal to transfer 1% of the Schools Block equates to £1,017,926 based on the provisional settlement but this will change once the final settlement is announced in December. The provisional settlement allowed for the National Funding Formula cash values for 2022-23 to be used with the Minimum Funding Guarantee at the maximum of 2% and had a balance of £334k. Therefore, the proposal to transfer 1% to the High Needs Block would include this balance meaning the actual reduction to the NFF cash values would be less than 1%.

3.6 A consultation on the proposal to transfer 1% of DSG from the Schools Block to the High Needs Block was issued on 7th October 2021 with a closing date of 22nd October 2021. This is attached at Appendix A.

3.7 The consultation on the proposed transfer of DSG from the Schools Block to the High Needs Block received 14 responses from 64 schools. Of these six supported the proposal, seven were against the proposal and one gave only a narrative response. The full details of the responses are attached at Appendix B.

3.8 In order for the disapplication request to transfer 1% of Schools Block grant to the High Needs Block to be considered by the Department for Education, we are required to show support from schools via the consultation, Schools Forum and political approval at a local level. The consultation shows that by a majority of one, schools who responded were against the transfer.

4.0 FINANCIAL IMPLICATIONS

4.1 Without the transfer of grant we will be unable to proceed with the three Invest to Save proposals. If we are unable to reduce the number of learners being placed in out of borough provision then other High Needs Block funded budgets will have to be reduced.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 The High Needs Budget continues to be highly pressured due to the number of learners requiring support. The High Needs Review has been considering the changes needed in Halton to ensure that we can continue to appropriately support our children and young people with SEND while reducing costs.

6.2 Increased investment in schools through the National Funding Formula alongside promoting and developing increased inclusion in our schools and settings should reduce the need for additional support or specialist placements.

EQUALITY AND DIVERSITY ISSUES

7.0 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

Appendix B

Transfer to HNB Consultation - 2022-23			
Issued 07-10-21	Deadline 22-10-21		
	Response date	Q1	Comment
Victoria Rd	10/10/2021	Yes	-
St Clements	07/10/2021	Yes	-
Woodside	08/10/2021	-	
Windmill Hill	08/10/2021	Yes	-
St Gerards	09/10/2021	Yes	-
OLPS	20/10/2021	Yes	-
Bridgewater Park	22/10/2021	No	
Palacefields	22/10/2021	No	
Daresbury	22/10/2021	No	
Widnes	21/10/2021	No	
The Grange	20/10/2021	No	-
The Heath	22/10/2021	No	
Wade Deacon	21/10/2021	No	
Brookfields	12/10/2021	Yes	-

Narratives	
School	Comment
Woodside	Neither. I wish to protest that schools and the LA should not be forced into this parsimonious penny pinching where children's futures are at stake.
Bridgewater Park Palacefields Daresbury The Heath	Saying 'NO' does not means we are against the principle of the need for further investment in SEN, but we need to balance the needs of SEN with the funding requirements for all of our pupils, and this proposal could lead to an 80k reduction in our funding in 22/23.
	The impact of 'no' could also be detrimental and push back costs/lack of provision on schools which may also have a considerable cost both to the schools and pupils so it becomes an impossible choice, especially as incorporates an improvement to services.
	The information provided does not appear to show forward projections beyond 22/23 – when will the DSG management plan be available and would we be better placed to agree to the 1% if we could see its impact within this plan? This would give more assurance that this contribution would make a positive difference – even if it did not fully eliminate the issue, and would negate the inference that it is just a short term 'fix'.
Widnes Academy Wade Deacon	As you state schools have previously supported requests from the LA in order to seek to bring budget under control by interim cash support which has resulted in schools including my own not being able to provide the full range of provision and resources we would normally have undertaken. Whilst I appreciate that the simple methodology of a 1% cross clawback is common it does not appreciate the impact this will have on a small schools already restricted budget whilst seeking to support the high level of catch up and covid legacy costs. This will mean staff support reductions for us. To minimum or cap on any contribution is not a reasonable approach.
	Future Years – there appears to be no rationale for supporting this proposal as you state that there is no guarantee that this will not be required for further years. By not applying a consultation that considers the contribution towards additional investment in capacity items 1,2 and 3 only which schools can see would provide capacity into a system this is an omission as the question of deficit should have been treated separately as these are two different matters. To be clear we do not support the consultation in its current format and oppose the transfer of 1%. In order to provide a view on the potential other options much more detail is required and as indicated the existing information provided in the email there are errors in templates that need to be corrected.