

# SCHOOLS FORUM

## AGENDA

**Monday 18 November 2024 at 2pm (Extraordinary Meeting)**


**via videoconferencing**

**Membership:** Tony Eginton (Chair), Phil Haigh (Chair of Sub-Groups), Shabana Aslam, Kate Needs, Kris O’Sullivan, Mel Penney, Carly Rissen, John Buckingham, Jo Palmer, Dan Cowling, Jenny Rigby, Harshinder Buttar, John Garner, Nicola Edwards, Nicola Kelly, Helen Manwaring, Liam McGillicuddy, Ben Spinks, Sudhi Pathak, Paul Chambers, Elaine Caffary, Naazish Haq, Jonathan Jacob.

**Shadow Reps/Observers:** Debbie Gilder, Louise Crook, Nicky Bulpett, Graham Wells, Bryony Smith, Pearl Greenwald.

**Officers:** Andrew Good, Danny Doherty, Bharti Bhoja, Abi Preston, Michael Hawkins, Julie Kelly, Philip Ryan, Kate Boulter(Clerk)

	<b>Item</b>	<b>Approx. time</b>	<b>Lead</b>	<b>Update</b>
1	Welcome, apologies & opening comments	14.00 – 14.05	<b>Chair</b>	Oral
2	To consult Schools Forum on the proposed Schools Block transfer to High Needs block for 2025/26	14.05 – 14.35	<b>Chair</b>	Report

	<b>London Borough of Hillingdon Schools Forum Extraordinary meeting 18<sup>th</sup> November 2024</b>
<b>Title</b>	School Block Transfer to High Needs Block for 2025/26
<b>Agenda Item</b>	1
<b>Report by</b>	Andrew Good
<b>Appendices</b>	n/a
<b>Recommendation(s)</b>	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Consultation <input type="checkbox"/> Decision

## 1. Purpose:

To vote on 2.5% schools block transfer to high needs block for 2025/26

## 2. Context:

The Dedicated Schools Grant (DSG) is the main funding grant for Schools and Academies in England and Wales. It is made up of four blocks as follows:

- School Block
- High Needs Block
- Early Years Block
- Central Services School Block

The grant is subject to complex and detailed regulations which specify how this money should be utilised and reported upon and where transfers between blocks are possible. In the case of Schools Block to the High Needs Block (HNB), transfers above 0.5% are subject to an approval process which requires School Forum consultation first then a disapplication submission to the Secretary of State for approval. This process is called a Disapplication and must be submitted to the Department for Education (DfE) on or before 18th November 2024.

*'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.'*

[High needs funding: 2024 to 2025 operational guide](#)

The London Borough of Hillingdon (LBH), like a large number of local authorities in England, is incurring extreme pressure on their High Needs Block expenditure as a combined result of a

number of factors including rising numbers of children with Special Educational Needs and Disabilities and rising costs within the independent sector and low levels of HNB funding increases over a number of years. As a result of these pressures, and a growing cumulative deficit, LBH entered into a Safety Valve agreement with the DfE to bring the overspends under control over a five year period. Part of this recovery plan has been the assumption that block transfers from the School Block to the High Needs Block would be undertaken for a number of years. In 2024/25, a transfer was approved of 0.75% which equated to £2.1m.

The DfE suspended the funding agreement in early 2024, as a result of the historic deficit. The Council has been working with the DfE since this to try to move forward the funding agreement and reinstate payments. In order to do this, the Council has to look at all possible ways to lower the deficit and close the gap earlier.

The high needs block funds all elements of provision within an EHCP above the notional funding. Progress has been made to operate more efficiently whilst meeting children’s assessed needs but the pressure on the high needs block is beyond a Council responsibility. It is impacted by many other factors, such as the level of inclusivity our schools offer.

### Proposed Disapplication for 2025/26

LBH is proposing to submit a disapplication request of 2.5% to the Secretary of State which will transfer circa £7.024m from the School Block to the High Needs Block. Should this not be accepted, the Council will request consideration for a 1.5% transfer, equating to a £4.215m transfer.

The table below outlines the projected expenditure should no action be taken, the impact of the savings currently enacted by Hillingdon as part of the Safety Valve and why the block transfer is required. It does not represent a deficit carry forward position and is an extract only.

<b>Indicative Impact of the 2.5% School Block Transfer on Safety Valve Position</b>				
Description	2024/25	2025/26	2026/27	2027/28
Projected Total Expenditure	85,916	92,922	97,076	101,185
Savings enacted by Hillingdon	-10,317	-20,448	-27,568	-31,965
Block Transfer	-2,107	-7,024	-7,024	-7,024
<b>Revised Reduction Total</b>	<b>-12,424</b>	<b>-27,472</b>	<b>-34,592</b>	<b>-38,989</b>

Note 1: This table illustrates the forecast expenditure and the impact of actions and savings.

Note 2: The above table does not show any future Safety Valve Contributions or the £16m contribution from LBH

<b>Current Forecast Cumulative Deficit incl. proposed SB Transfer</b>	<b>68,800</b>	<b>68,829</b>	<b>69,431</b>	<b>66,649</b>
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A more comprehensive briefing on the Safety Valve will be made to School Forum at a later date.

The funding will be used to support key aspects of our Safety Valve plan, particularly:

- supporting the internal expansion of SEN capacity to reduce our reliance on independent schools;

- support the provision of SEN capacity with our existing mainstream provision;
- support the continuing increased costs of independent provision whilst we transition to a more LBH centred approach.

This increase will clearly impact the level of individual school budgets in 2025/26, and this is estimated to be in the region of £50k for an average Primary School at 2.5% transfer. The previous impact of the 0.75% transfer was circa £15k, therefore, the increase to 2.5% is likely to lead to an average increase of £35k per primary school. It should be stressed that this average impact is highly indicative as no APT has yet been issued by the DfE so modelling at a school level can only be broad brush in nature. It is also expected to reduce the overall levels of school balances (currently c.£11m) although the overall impact cannot reliably be modelled. LBH will continue to constructively support schools who find themselves struggling to set a balanced budget.

It should also be noted that the existing statutory override which allows LAs to keep any cumulative DSG deficits off the Council's balance sheet comes to an end in March 2026. This is set out in The Local Authorities Capital Finance and Accounting (England) Regulations.

### **Consultation with schools**

It is proposed to issue a consultation with mainstream schools between the November and December meeting to enable views to be sought on the proposed level of block transfer from schools block to the high needs block.

Questions:

- Do you support the transfer of 2.5% of schools block to the high needs block? Yes/No
- If you have answered no, what percentage transfer would you support? \_\_\_\_\_
- If you do not agree with the transfer of funds, do you have any further suggestions to enable the high needs deficit to reduce and enable the area to meet its duties within the allocated budget envelope?

A survey has been created to enable all schools to respond to this schools block transfer, which maintained schools and academies should respond to. The survey has a 'section 2' which has the other de-delegation requests for maintained schools only to respond to following requests submitted to Schools Forum for 16<sup>th</sup> October 2024 meeting. The survey can be accessed using the following link:

[Schools Block Transfer and De-delegation Survey](#)

### **3. Recommendations:**

Schools Forum agree to the consultation questions which will be shared with schools following the meeting.