

Wiltshire Council

Schools Forum

27 June 2024

Annual Schools Consultation – Transfer of funding from Schools Block to High Needs Block 2025/26

Purpose of report

1. To brief Schools Forum on the consultation questions, and supporting information, to be sent out to all schools in the autumn of 2024 on the principles and value of any block transfer from schools block to high needs block in the 2025/26 financial year.

Background

2. Whilst the schools block is ring-fenced in line with the DSG conditions of grant, 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. Where a local authority wishes to transfer more than 0.5% of their schools block funding into another block, and/or where agreement has not been reached with Schools Forum, the local authority must submit a disapplication request to the Secretary of State.
3. In Wiltshire a transfer of funding from the schools block to the high needs block has historically been agreed each year, where this has been affordable within the 'cash envelope' for school funding and the NFF has been applied. In 2024/25 a transfer of £2m, or 0.55%, from the schools block to the high needs block was agreed by Schools Forum and confirmed by the Secretary of State following the submission of a disapplication request. This was in line with the proposals in the High Needs Sustainability Plan.
4. The high needs block overspend in Wiltshire has continued to increase since 2018/19 and the cumulative deficit at the end of the 2023/24 financial year is £55.506m prior to any Safety Valve payments from the DfE (£28.706m after accounting for Safety Valve payments made in 2023/24). The deficit is expected to increase by a further £28.3m in the 2024/25 financial year.
5. The deficit is supported by a High Needs Sustainability Plan and a Safety Valve agreement is in place with the DfE. Within that plan the council commits to eliminating the in-year deficit on high needs spend by the end of the 2028/29 financial year. The Safety Valve agreement includes a clear condition on the maximum level of deficit allowable in any financial year and the plan includes proposed investment from the high needs block, the council and a transfer from the schools block.
6. As previously reported to Schools Forum, the High Needs Sustainability Plan prioritises investment in early support for schools and families and includes an

assumption that a transfer of 1% will be made from the schools block into the high needs block for the next 4 financial years, starting from 2025/26. Whilst this is built into the agreed plan it is recognised that this must be the subject of an annual consultation with schools and Schools Forum, and an annual disapplication request to the Secretary of State. It is also recognised that this is in the context of an increasingly difficult financial environment for schools.

Consultation with Schools

7. It is proposed to issue a consultation with mainstream schools in the autumn term to enable views to be sought on the level of block transfer from schools block to the high needs block.
8. In previous years Schools Forum has applied a principle to any block transfer decision that the value of the transfer should not impact on the agreed NFF values for schools. It is expected that a transfer of 1% would impact on NFF levels allocated to schools and therefore the consultation for 2025/26 will need to model the potential impact of this. It is proposed that any adjustment to NFF factors will be modelled against AWPU values.
9. Appendix 1 outlines an initial proposal for the consultation questions for schools.
10. The information to accompany the consultation could include the following, and the views of Schools Forum are sought on anything further that needs to be included.
 - a) Total investment in mainstream inclusion within the plan
 - b) Other support for mainstream schools that would be enabled via the block transfer.
 - c) Impact on overall sustainability plan if the 1% transfer is not agreed.
 - d) Impact on NFF values if a transfer of 1% is agreed.
 - e) Impact on individual schools of the reduced NFF values.

Proposals

11. That Schools Forum confirms the consultation questions and supporting information for all schools around a block transfer from schools block to high needs block in the 2025/26 financial year.

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Appendix 1 –2025/26 Schools Consultation:

Background

- *The high needs block overspend in Wiltshire has continued to increase since 2018/19 and the cumulative deficit at the end of the 2023/24 financial year is £55.506m prior to any Safety Valve payments from the DfE (£28.706m after accounting for Safety Valve payments made in 2023/24). The deficit is expected to increase by a further £28.3m in the 2024/25 financial year.*
- *The deficit is supported by a High Needs Sustainability Plan and a Safety Valve agreement is in place with the DfE. Within that plan the council commits to eliminating the in-year deficit on high needs spend by the end of the 2028/29 financial year. The Safety Valve agreement includes a clear condition on the maximum level of deficit allowable in any financial year and the plan includes investment from the high needs block, the council and a transfer from the schools block.*
- *The High Needs Sustainability Plan prioritises investment in early support for schools and families and includes an assumption that a transfer of 1% will be made from the schools block into the high needs block for the next 4 financial years, starting from 2025/26. Whilst this is built into the agreed plan it is recognised that this must be the subject of an annual consultation with schools and Schools Forum*

The DSG is ringfenced and therefore to manage this overspend, it is suggested an amount is transferred from the Schools Block to the High Needs Block as in the previous 4 years.

The information that accompanies this consultation details the investment included in the High Needs Sustainability Plan to support mainstream schools and potential impact on schools of the proposed block transfer values.

Q1 a) Taking the factors above into account, do you support a transfer of funding from the School Block to the High Needs Block, where it can be afforded within the overall ‘cash envelope’ for schools funding and application of the National Funding Formula?

Yes	
No	

If you have answered “yes” please answer question 1(b)

If you have answered “no” please answer question 1(c)

b) If you support a transfer, please indicate the amount: (amounts to be updated for latest pupil numbers)

Value to Transfer	Avg. £/Pupil	Please select
£2.0m (0.55%)	£31.15	
£2.7m (0.75%)	£42.14	
£3.0m (0.83%)	£46.72	
£3.6m (1.0%)	£56.19	

c) No transfer of funding from the Schools Block to the High Needs Block for 2025/26.

This decision is on the understanding that High Needs funding and support, currently provided to schools, may have to be reduced to help towards balancing the High Needs Block budget?

Confirm NOT to transfer funds	
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d) Would you prefer to see a hybrid of the options above. This would involve a partial transfer from Schools Block to top up the High Needs Block along with a partial reduction in High Needs funding and support provided to schools.

Yes	
No	

2) If you do not agree to the transfer of funds or the reduction of top-up funding levels, do you have any further suggestions to enable the delivery of the proposals in the High Needs Sustainability Plan?
