

**Consultation:**  
**Proposal to transfer Schools Block funding to High Needs in 2024/25**

**Purpose of Consultation**

The purpose of this consultation is to seek your views on our proposal to move 0.5% schools block funding to high needs block in 2024-2025, to support the ongoing challenges within the HNB in managing the deficit position of Derby's dedicated schools' budget (DSG). The indicative amount would be £1,198,250, (0.5% of the schools' block), the final amount would be confirmed once the final allocations are released.

**Background**

Derby's provisional allocations for 2024-25 are as followed:

- School block - £239.65m
- High Needs Block - £58.437m

Schools block funds mainstream schools, including mainstream academies.

The high needs block main services that are funded are;

- Special schools place funding and element 3
- Out of area school including both independent and other Local Authority Schools
- Maintained school with enhanced resource units
- Alternative provision including both PRU and AP
- Element 3 funding for Derby mainstream Schools
- Post 16 high needs provision

Funds can only be moved from the schools block to high needs if there is a Schools Forum vote supporting this. On December 5<sup>th</sup> 2023 Derby's school forum voted in favour of the transfer on the principle that once the final allocation is known the transfer is affordable and if all schools, funded through the school's block element, are asked for their views.

Furthermore, any transfer from the schools block to the high needs block is not 'baselined' it's for that year agreed only, any subsequent year's transfers must be approved in the years requested.

**Financial Context**

The high need funding allocation over the last five years with a provision allocation for 2024-2025 for Derby, are as followed.

- 2019-2020 £36.020m
- 2020-2021 £40.513m

- 2021-2022 £45.369m
- 2022-2023 £51.062m
- 2023-2024 £56.628m
- 2024-2025 £58.437m (provisional allocation)

The increase in the allocation for 2024/25 is a 3.19% this significantly lower than in previous years where the increases were circa 11%. However the demand for support continues to grow.

The DSG reserves at the end of each financial year (FY) are reported in the local authority's published accounts and reported to the Schools Forum. The DSG reserves that have been reported from 2017-2018 are as follows (deficit in brackets):

- End of FY 2017-2018 £6.994m
- End of FY 2018-2019 £2.836m
- End of FY 2019-2020 £2.582m
- End of FY 2020-2021 £4.211m
- End of FY 2021-2022 (£0.768m)
- End of FY2022-2023 (£4.443m)

#### Impact of a 0.5% transfer

Transfer of 0.5% would have the following impact upon a school's budget:

Transfer	Total Transferred	£ Per pupil	Illustrative Impact* pm school with:			
			200 pupils	400 pupils	600 pupils	1200 pupils
0.5%	£1,198,250	£29.63	£5,925.04	£11,850.08	£17,775.11	£35,550.23

Despite the increase in high needs funding in recent years, over the last three years the DSG reserves has declined whilst the trajectory is to further increase the deficit. The Block transfer would support the growing demand whilst enabling schools and the local authority to work together to secure solutions that will meet the needs of pupils within a sustainable system.

#### Consultation Questions

Do you support the transfer of 0.5% of the schools block to the high needs block in 2024/25?

Yes  No

Do you have any comments you wish to make?

Thank you for responding to this consultation. Please send your responses to School Finance Team, [SchoolFinanceTeam@derby.gov.uk](mailto:SchoolFinanceTeam@derby.gov.uk) by 5pm Wednesday 10<sup>th</sup> January.

A summary of responses will be reported to the Schools Forum taking place at 9.30 am on Tues 30th January 2024. School Forums are public meetings, so you are welcome to attend as an observer should you wish.