

TITLE Requested Transfer of 1% DSG Schools Block to the High Needs Block in 2024/25.

FOR CONSIDERATION BY Schools Forum on October 2023

WARD None Specific

DIRECTOR Helen Watson

OUTCOME / BENEFITS TO THE COMMUNITY

This report forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

RECOMMENDATION

Schools Forum is asked for the following:

1. To note the outcome of the stage 1 schools' survey entitled 'Right Spaces, Right Places'
2. To note the outcome of the stage 2 schools' survey gathering views on the recommendation to support the request of the 1% transfer of DSG Schools Block budget to the High Needs Block in 2024/25;
3. To consider the analysis of the feedback from schools as to the rationale for their decision, and a range of further evidence to support this;
4. To reach a decision as to whether to support the recommended transfer.

SUMMARY OF REPORT

The report presents the outcome of the schools' consultation regarding the request of the 1% transfer of DSG Schools Block budget to the High Needs Block in 2024/25.

This work builds on an earlier stage 1 consultation in June / July entitled '*Right Spaces, Right Places*' that gathered Wokingham school views of the strategic priorities regarding Special Educational Needs and Disabilities (SEND) and proposed spending on SEND provision and support. The detailed findings of this consultation are attached as **Appendix 1**, which demonstrated unanimous school support for the strategic priorities identified by the Council and a high level of support for the proposed financial priorities (81% of schools supported the identified priorities for investment).

This was followed by stage 2 consultation gathering views on the recommendation to support the request of the 1% transfer, which ran between 18/09/23 and 2/10/23.

Responses were received from the following proportions of maintained and academy settings:

	Total	Maintained	Academies	Not stated
Number of WBC Settings	70	31	39	
Number Responded	37	17	18	2
Response Rate	53%	55%	46%	

The survey focused on whether schools were in support of the requested transfer and asked for clarification as to the reasons for votes against the transfer.

The results of this survey are as follows:

Question 1	Yes	No	Blank	Result
Do you support the proposal to transfer 1% of School Block funding (approx. £1.4m) to the High Needs Block for 2024-25 to support the programme in delivering financial sustainability for SEND in Wokingham Borough?	11	25	1	No - 68%

The most common reason identified for rejecting related to financial concerns (76% of schools who gave a reason); either a general concern about other school's budgets or specific concerns regarding individual school's financial position. Of these, many stated that the transfer would result in reductions in support for pupils with SEND.

The report goes on to identify a number of additional key factors for Schools Forum to take into account in making the decision and the significant implications of rejecting this request. Schools Forum may wish to consider additional measures to address these financial pressures on some schools as this could unblock resistance to the otherwise agreed consensus around the need to invest.

In light of these additional key factors the report concludes by recommending an approval of the transfer request despite the findings of the survey.

11th October 2023

01. Purpose of the Report

To present the case for the transfer of 1% of budget from the Schools Block to the High Needs Block in 2024/25 and to present schools' views of this proposal based on a recent survey.

02. Recommendation

Schools Forum is asked for the following:

1. To note the outcome of the stage 1 schools survey from June / July 2023 entitled 'Right Spaces, Right Places'
2. To note the outcome of the stage 2 schools survey gathering views on the recommendation to support the request of the 1% transfer of DSG Schools Block budget to the High Needs Block in 2024/25;
3. To consider the analysis of voting and the feedback from schools as to the rationale for their decision;
4. To consider a range of other pertinent factors in relation to the 1% transfer request;
5. To reach a decision as to whether to support the recommended transfer.

03. Background

Wokingham Borough Council (WBC) has negotiated and agreed a 'Safety Valve' agreement with the DfE. A requirement of the agreement is that WBC reaches a positive in-year balance on its Dedicated Schools Grant (DSG) account by the end of 2028/29. In order to deliver this WBC has agreed to implement a Deficit Management Plan that sets out a range of measures and interventions.

There are three sources of funding required to deliver this management plan:

- i. The local authority has created a new **DSG Equalisation Fund** - funded by an additional **1% Council Tax Levy** - to provide a total of circa £28m across the duration of the programme. This funding will clear the remaining cumulative deficit of C£20m as well as contribute to the investment in service improvement measures required.
- ii. **Safety Valve funding from the DfE** is to 'pay off' the cumulative deficit balance at the end of the programme – for Wokingham, this equates to £20.1m. There is no 'new' money being provided by the DfE to deliver Safety Valve to invest in additional services as part of the management plan. Whilst it is recognised that the only way to deliver a balanced High Needs Block is through investing in service improvement, *this money must be found within local resources*.
- iii. The local authority is requesting the **transfer of 1% of the DSG Schools Block** budget annually for the remaining 5-year duration of the programme; this will provide approximately £1.4m in 2024/25 ultimately amounting to a total of £7.1m of High Needs Block budget across the duration of the programme (2024-29). ***This element of the funding will be consulted on with Schools Forum annually, will***

contribute directly to the required investment in service improvement and will not contribute towards the deficit directly.

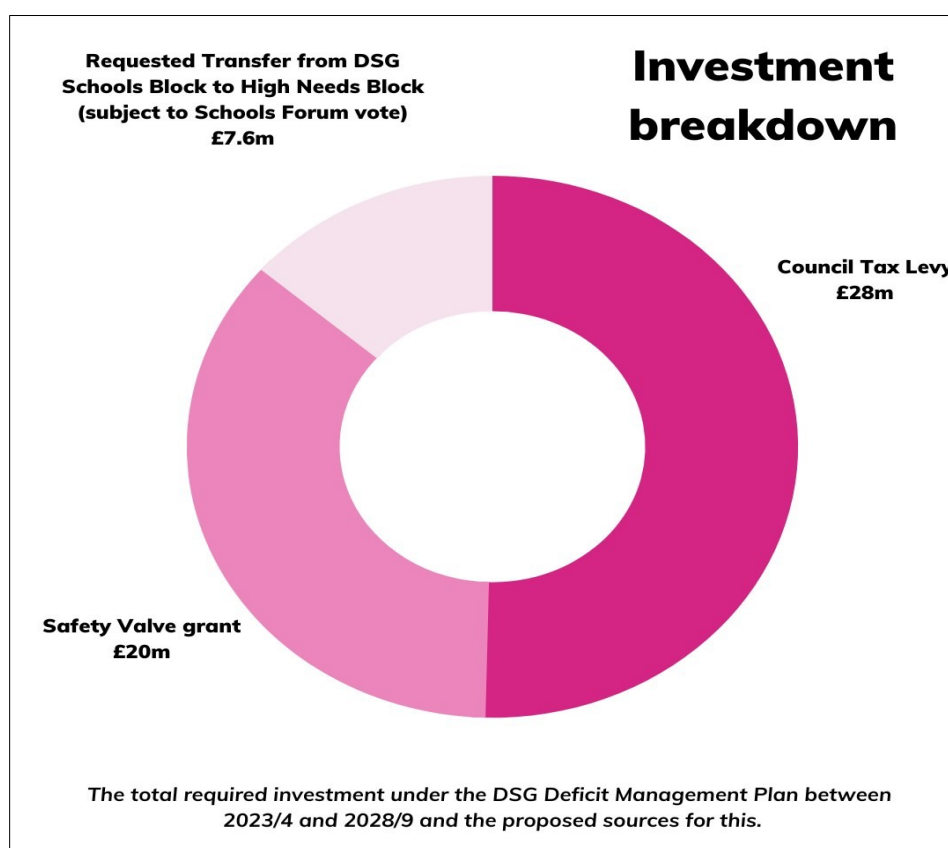


Figure 1 – WBC Safety Valve Programme - Financial Overview 2023-29

The cost elements of the plan come to a total proposed investment in the local education sector of more than £14.5 million over the 6 years of the programme (subject to Schools Forum’s decision on the transfer). **Schools Forum are being asked to contribute to specific areas of this programme of work that will be of most direct benefit to schools, and which schools have confirmed are their top priorities for investment.**

03.i Additional and New Investment in SEND Services

The key priority areas that schools have identified and that the 1% Schools Block transfer will support are as follows:

- New SEND Support Service & enhanced Specialist Outreach to improve timely access to specialist advice, training and support:
 - Currently recruiting to the Area SENCO position who will lead the new service
 - Investment in additional specialist outreach services from Addington and Foundry College available from September 2023
 - Investing in new speech and language outreach service led by Highwood Primary and jointly funded by Health – launching in October 2023
 - Additional funding for specialist outreach is being invested back into local schools to support peer to peer support and sharing of local expertise and best practice
- The Council’s own investment is also supporting development of increased range of specialist provision, which will alleviate pressure on those mainstream schools who are currently accommodating pupils requiring specialist placements:

- Oak Tree Special School opened September 2023
- Addington expansion at Farley Hill will open after October half term 2023
- Development of new mainstream based SEND provision
- Two new Special Free Schools under development – to open 2026
- Implementing an improved range of early intervention measures in the early years as part of our wider Early Years Strategy – *this will help to address pressure on schools who are reporting increasing number of pupils arriving in reception who are not ‘school-ready’*
- Design and implementation of more robust processes for the commissioning of Independent and Non-Maintained Special School places and high-quality Alternative Provision – *this will help to control spending and quality concerns voiced by many schools.*
- Robustly ensuring consistency of the ‘ordinarily available’ offer across every school – *ensuring equity and consistency as to what every school provide at SEN Support level.*
- Additional investment in the SEND Team – *this will help to improve timeliness and communications.*
- In 2023 re-commissioned S< and OT services with additional investment to increase capacity.

04. REPORT

04.i Stage 1 Schools Survey - ‘Right Spaces, Right Places’

Between 30 June 2023 - 28 July 2023 Wokingham Council ran a survey for schools gathering views on strategic priorities for improvement of the local SEND system to inform development of Wokingham’s new SEND Strategy.

The survey was responded to by a total of 17 schools – 25% of all local schools – made up of 14 primary (25.5% of all primary schools) two secondaries (20% of all secondary schools) and one special school (33% of all special schools). 16 of the 17 respondents confirmed they were headteachers.

100% of respondents confirmed that the identified strategy priorities are relevant and 81% of schools supported the identified priorities for investment. A number of additional priorities were also identified including additional focus on the mental health needs of pupils, which have increased dramatically since the pandemic, highlighting pressures in the early years around the number of pupils arriving in reception with high levels of need and the challenges schools are facing in recruiting staff to carry out roles supporting pupils with SEND. *These issues will be responded to in the next phase of delivery as the programme continues to evolve based on feedback from schools and data regarding impact.*

Broadly speaking the survey confirmed a high level of school support for the current programme of SEND improvement measures whilst also emphasising the urgent pressure to address the identified gaps in provision and support.

04.ii Stage 2 School s Survey - Requested transfer of 1% DSG Schools Block budget to the High Needs Block in 2024/25

The stage 1 consultation above was followed by stage 2 consultation, which ran between 18/09/23 and 2/10/23, and gathered responses from the following proportions of maintained and academy settings:

	Total	Maintained	Academies	Not stated
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The survey focused on whether schools were in support of the requested transfer and asked for clarification as to the reasons for votes against the transfer.

The results of this survey are as follows:

Question 1	Yes	No	Blank	Result
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04.III ANALYSIS OF THE FEEDBACK FROM SCHOOLS AS TO THE RATIONALE FOR THEIR DECISION

Of the schools who voted against the transfer 17 gave reason as to why, which have been categorised into themes set out below. Some schools gave 2-3 reasons, and these are all included in the analysis below, so the numbers include double counting:

RATIONALE GIVEN FOR REJECTION	Instanc es	As a % of all 17 responses
Financial reasons – affordability and impact on school’s own SEND pupils (6 of these respondents confirmed they were in support of the proposals but couldn’t afford to contribute)	13	76.5%
Lack of confidence that schools will benefit quickly enough from the support services being proposed	7	41.2%
Raised concerns about why some schools are asked to contribute more than others	2	11.8%
There are better ways of finding efficiencies or raising the money	1	5.9%

8 schools (23%) who voted against the transfer gave no explanation of their rationale.

04.iv OTHER FACTORS TO CONSIDER IN RELATION TO THE REQUESTED TRANSFER

The single largest reason identified for rejecting the requested transfer (76.5% of all responses given) related to financial concerns about the impact this would have on individual school budgets, threatening to tip some into deficit or worsen the position of a number of schools already in deficit ...however:

- Every school will benefit from increase in funding in 2024/25 such that ***even if the 1% transfer were approved all of Wokingham's schools will be receiving a net increase in funding next year.***
- Wokingham's maintained school balances at the end of the 2022/23 financial year were just under £6.46m and the equivalent figure for Wokingham's academy school balances for 2020/21 (the last publicly available data) shows a total balance of £10.15m, so ***there are resources available within the education system locally.***
- All Safety Valve agreements agreed by the DfE include a contribution from the Schools Block budget. If this is not agreed in Wokingham this would make the area an exception to the general position.
- It is considered likely by WBC Officers that if this request is rejected by Wokingham's Schools Forum, this could lead to the DfE refusing to approve the next Safety Valve funding release of £1.72m due at the end of the 2023/24 financial year.
- Ultimately further refusals for the Schools Block transfer could lead to Wokingham being expelled from the Safety Valve programme with the resulting loss of up to £10.3m outstanding funding to ensure a financially sustainable education system in the borough.
- The loss of this funding could trigger the need for WBC to be forced to issue a Section 114 notice, which is a public acknowledgement that, in the view of the chief financial officer (CFO), the authority's is forecasting a deficit budget; in the worst-case-scenario Commissioners could be sent in to impose change on the local system. We must avoid that outcome by addressing our own problems.
- There is recognition that some schools are under significant financial pressure and for whom this represents a challenging request, but ultimately if the Council has to resolve the financial position with no DfE financial support it is likely to mean cuts to a range of services, which will impact and children and schools.
- In July Schools Forum had asked Officers to appraise options for apportioning a lower share of the 1% transfer to smaller schools. After investigating these options it proved technically almost impossible to target the costs appropriately; existing protections including minimum pupil funding guarantees meant that any methodology had unforeseen and detrimental impacts on some of the schools in need of protection and it was concluded that such an approach could not work.

04.v POTENTIAL MITIGATION FOR SCHOOL'S IN FINANCIAL DIFFICULTIES

- Measures to support schools in financial hardship could be introduced but this would need a high level of support from the majority of schools to be palatable; this is not something the Local Authority can address alone but is something Schools Forum may wish to consider.
- If we were able to address the financial concerns of the schools who highlighted affordability, this could have meant that a majority of schools were in support.

05. CONCLUSION AND RECOMMENDATION

Given the fact that there is a high level of support from the majority of schools for the proposed improvement measures alongside the detrimental effect of failing to fund these

measures we are asking Schools Forum to approve the 1% transfer as a commitment to the joint working required to reach a balanced High Needs Block budget by 2029.

06. APPENDICES

06.i APPENDIX 1 - Stage 1 Schools SEND Survey Outcome Summary - ‘Right Spaces, Right Places’

06.ii APPENDIX 2 - Stage 2 Schools SEND Survey Outcome Summary - ‘Support for 1% Transfer’

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