



CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY COMMITTEE:
5 NOVEMBER 2024

PROPOSED TRANSFER OF FUNDING FROM THE SCHOOLS BLOCK TO
THE HIGH NEEDS BLOCK OF THE DEDICATED SCHOOLS GRANT

REPORT OF THE DIRECTOR OF CHILDREN AND FAMILY SERVICES

Purpose of the Report

1. This report sets out a proposal to seek a transfer of 0.5% (c. £2.6m) of funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant; the funding to be used for the establishment of a Special Educational Needs (SEN) Investment Fund to deliver targeted actions in order to reduce the increase in the number of Education, Health and Care Plan (EHCPs) and reduce the annual overspend.

Policy Framework and Previous Decisions

2. The decision on a transfer of funding is vested under legislation to the Schools Forum following consultation with mainstream schools and academies. Local authorities are able to seek approval from the Secretary of State should the Schools Forum not approve the proposal or where the local authority is seeking a transfer in excess of 0.5%.
3. The Schools Forum received a report on 18 June 2024 which set out the intention to seek a 0.5% transfer of funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2025/26, the reasons for the proposal and the approach to be taken. A further report was presented on 17 September 2024 confirming the approach and setting out a consultation on the establishment of a SEN Investment Fund from the transfer.
4. The Schools Forum will meet on 4 November 2024 to consider the proposal and the outcome of that meeting will be reported to the Committee.

Background

5. The background to the proposal is fully set out in the report to Schools Forum attached as Appendix A, and the views submitted through the consultation with schools are shown at Appendix B and Appendix C.

Consultation

6. Consultation with all Leicestershire maintained schools and academies was undertaken between 17 September and 20 October 2024. This was undertaken through a consultation hosted on the Have Your Say section of the Leicestershire County Council website with schools alerted to it through Headteacher and Governor Newsletters.
7. There were 70 responses to the consultation questionnaire, 6 of which were discounted as second responses from the same schools, thus giving 64 responses counted, representing 23.3% of maintained schools and academies. A significant number of responses were identical, suggesting that a stock response was submitted, i.e. on behalf of a school or Trust.
8. In addition, a total of 15 email responses were received including one from the Schools Forum. Of those, 14 were duplicative responses from schools within the same MAT and as each schools also submitted a formal consultation response these have been discounted in the analysis.
9. The response to the proposals within the consultation can be summarised:

- a. **To what extent do you agree or disagree with our proposal to create a SEND Investment fund to enable investment in targeted actions to improve pupil outcomes?** 83% of responses strongly disagreed with the proposal, 15% either strongly agreed or agreed. The key points in the responses were the local authority's ability to administer a fund effectively and the financial impact of a 0.5% transfer.

Whilst the responses present a view of the consultation proposals as a whole they largely refer to not supporting a transfer, the LA's capacity and ability to deliver and school level affordability. These are important factors for consideration they do not provide a Leicestershire school opinion on the specific proposal to establish a SEND Investment Fund.

- b. **To what extent do you agree or disagree that Social, Emotional and Mental Health (SEMH) should be the initial focus of a SEND Investment Fund?** 65% of responses strongly disagree with the proposal with 21% either strongly agreed or agreed. The individual responses largely gave disagreement with a funding transfer as the reason for the responses together with comments on how a fund would operate and some comments agreeing that SEMH was a pressing need.
- c. **Do you have any comments on how a SEND Investment Fund should be delivered and governed?** This was purposely an open question to gauge schools view to inform the development of a fund and fully engage with schools on its development and operation given previous attempts to co-produce this have not proved successful. Responses again largely focused on disagreement with the proposed 0.5% funding transfer with many submitting the exact same text
- d. **To what extent do you agree or disagree with our proposal for an annual funding transfer of 0.5% to Establish a SEND Investment Fund?** 86% of responses strongly disagreed with 9% either strongly or tending to agree. Comments refer to the uneven impact at schools with schools with higher SEN needs contributing more to the transfer. Many responses use the exact same text.

Proposals/Options

9. Having considered the feedback from schools, and in setting out the responses to it, and the financial position of the local authority a transfer of funding will be pursued with the Schools Forum. Members will receive a verbal update setting out the decision made by Schools Forum and the proposed next steps for the local authority.

Resource Implications

10. The proposals present a redistribution on funding within the SEND system and not a reduction of funding within it. The detailed financial implications for both the local authority and its schools in the report to Schools Forum attached as Appendix A.

Timetable for Decisions

11. Should the Schools Forum not approve a transfer of funding it is intended that a report will be presented to the Cabinet on 22 November 2024 to seek agreement on the way forward, including the option of seeking a decision on the transfer from the Secretary of State.

Background Papers

Schools Forum 18 June 2024 – Resetting the SEN Finance System

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=7734&Ver=4>

Schools Forum 17 September 2024 – SEN Investment Fund and Schools Block Transfer

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=7957&Ver=4>

Schools Forum 17 September 2024 – School Financial Standing

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=7957&Ver=4>

Schools Forum 21 November 2023 – 2023/24 Notional SEN Review

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=7631&Ver=4>

Department for Education - SEND and Alternative Provision Improvement Plan

<https://www.gov.uk/government/publications/send-and-alternative-provision-improvement-plan>

National Audit Office – Support for children and young people with special educational needs

<https://www.nao.org.uk/reports/support-for-children-and-young-people-with-special-educational-needs/>

Department for Education – Delivering Better Value in SEND Phase1 Insight Summary

https://cdn.prod.website-files.com/63b6e5debb4b0114060dc226/66421eaae18cb50ccc378780_66421a046d5569ec0ad11674_DBV%20-%20Phase%201%20Insights%20Summary_Website%20v1.0_Final.pdf

ISOS Report for the Local Government Association - Have we reached a 'tipping point'? Trends in spending for children and young people with SEND in England

<https://www.local.gov.uk/have-we-reached-tipping-point-trends-spending-children-and-young-people-send-england>

Circulation under the Local Issues Alert Procedure

12. None.

Equality Implications

13. The High Needs Block Development Plan seeks to ensure equality and equity of opportunity for all Leicestershire children and young people irrespective of their need or locality. There are no equality implications arising from this report.

Human Rights Implications

14. There are no human rights implications arising from this report.

Appendices

Appendix A – Report to the Schools Forum, 4 November 2024

Appendix B – Full Consultation Feedback

Appendix C – Emailed Responses to consultation

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