

## **ITEM 5**

### Disapplication request

#### **Recommendation**

#### **School's Forum is asked to: -**

Note the successful work done so far in recovering the DSG High Needs Deficits and to seek approval for a disapplication request for 2024/25 financial year to transfer not more than 0.5% of the School's Block or approximately £1.2m) funding to the High Needs Block.

## **1. Introduction**

- 1.1 The purpose of this paper is to update Schools Forum on the progress of DSG Deficit Recovery plan and to formally seek approval to submit a disapplication request to the Secretary of State for the transfer of £1.2m from the School's Block to the High Needs Block to support the overall DSG savings strategy. The Council's recognises the importance of working in collaboration with Schools' Forum in presenting this request. This paper is to provide some context and background behind this proposal and to seek School's Forum approval.
- 1.2 The paper will be organised in these sections:
  - (a) Reasons for a disapplication request.
  - (b) Performance of the DSG Deficit Recovery plan.
  - (c) DfE View on Croydon DSG management plan.
  - (d) Two options for considerations.

## **2. Reasons for the Disapplication Request**

- 2.1 The main source of funding for education-related function comes from the Department for Education (DfE) through the Dedicated Schools Grant (DSG). The grant notification letter includes specific conditions and regulations that the LA needs to follow.
- 2.2 The Dedicated Schools grant is divided into four main blocks. These individual DSG blocks, including the Schools Block, are all 'ring-fenced' with a condition that prevents Local authorities moving funds between blocks.

2.3 Under exceptional circumstances, Local Authorities can apply to the Secretary of State to disapply the DSG grant conditions and regulations specified in the annual DfE Operational Guide. Activating this exception to the rule however requires the approval from School Forum as well as the Secretary of State. One of the key exceptions to the rule is where LA's are allowed to transfer up to and including 0.5% of their School's Block funding into another block.

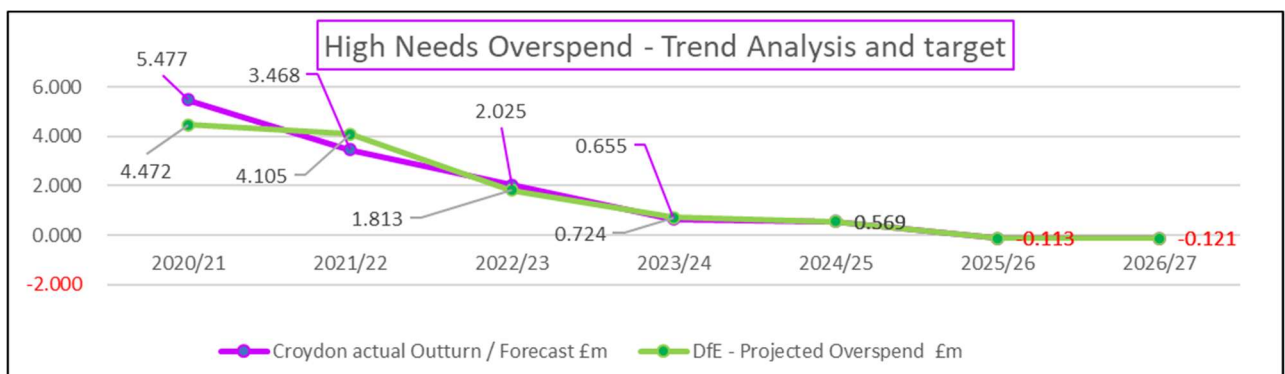
2.4 One of the key 'invest to save' strategies incorporated in the 2024/25 Croydon DSG management plan is the temporal reinstatement of the previous block transfer funding from the School's Block to the High Needs. The main rationale is to support the locality SEND model which has, since implementation, been deemed effective by Schools forum and other external organisations including Ofsted and schools.

### 3. Performance of the DSG Deficit Recovery plan

3.1 The locality SEND support programme which began around September 2020 has rapidly expanded to cover a borough wide area with all mainstream schools now participating. It initially started within six locality area with 570 pupils on the scheme and has, since its implementation, supported over 1,151 children and young people in the borough mainstream schools with an average per pupil funding of £2,744.

3.2 The key cohorts are from Reception pupils in mainstream schools identified as having SEND. As a result of the positive outcome in managing demand and more inclusion recorded, the High Needs Working Group and LA is looking to expand this project to include a section of the early years sector by supporting new nursery children through localities from September 2023. See below a snapshot the overall performance of Croydon DSG management plan.

**Chart 1 - High Needs Overspend – Trend Analysis**



## 4. DfE View on Croydon DSG management plan

4.1 The DfE approved Croydon plan in January 2023. Imbedded in the plan was a 2024/5 disapplication request. The 2024/25 Operational guide reiterates the need for all Safety Valve local authorities including Croydon Council to request an approval from Secretary of State.

4.2 The key steps and requirements expected are as follows:

- (a) Schools to consult through their representatives / working groups on the request;
- (b) The LA is expected to seek Schools Forum approval;
- (c) Submit outcome of the schools Forum voting results to the DfE;
- (d) Date of the vote and copy of the minutes at Forum;
- (e) LA finally expected to complete a disapplication request using a DfE template and submit to DfE;
- (f) The final deadline for the 2024/25 financial year is 17<sup>th</sup> November 2023.

## 5 The two main Options for consideration by Forum:

### 5.1 Option 1: Do Nothing.

#### Pros:

- (a) Individual mainstreams schools budget allocations remain the same as determined by Authority Proforma Tool.

#### Cons:

- (a) The High Needs Block DSG budget will have a shortfall of approximately £1.2m required to fund the inclusion project (funding) payable to mainstream schools including the locality project;
- (b) Potential risks to the overall Deficit Management Plan due to funding shortfall for 2024/25;
- (c) LA will lose over £13.6m agreed cash intervention payable by the DfE.

### 5.2 Options 2. Seek a disapplication Request.

#### Pros:

- (a) The LA will demonstrate to the DfE that it has reached another significant milestone to reach a key target set in the Deficit Management plan and likely to the agreed cash incentive from the DfE;
- (b) The LA will have the funds to support the locality SEND model.

#### Cons:

- (a) Individual mainstream schools will contribute approx. £25\*\* pounds per year per pupil from their 2024/25 schools' budget. Average cost per pupil is around £25 pounds per pupil with 74.5% (82 of 108 schools) within the range from £3,200 to £10,950.

*\*\*This figure is just an approximation based on the DfE Authority Proforma Tool.*

## **6 Conclusion and Recommendations**

- 6.1 Schools Forum is to note the context, background and legal ramification that necessitated the need to seek approval.

**Recommendation:**

**School's Forum is asked to:**

Note the successful work done so far in recovering the DSG High Needs Deficits and to seek approval for a disapplication request for 2024/25 financial year to transfer not more than 0.5% of the School's Block (or approximately £1.2m) funding to the High Needs Block.