**Consultation on a schools block transfer in 2019/20**

This is a high-level summary of the proposals that we are consulting all schools on. Further detail including the full consultation document and individual school impact data is available at <http://www.nottinghamschools.org.uk/business-management-support/schools-funding/consultations/>.

**What is a schools block transfer?**

Dedicated Schools Grant funding is allocated to the Local Authority in 4 discrete blocks; schools, central services, early years, high needs. The schools block funds schools’ delegated budgets and the pupil growth fund. A schools block transfer involves funding schools at a lower level than they would otherwise have been for that year and transferring the funding withheld to one of the other 3 blocks, in this case high needs.

**Why does the LA need a schools block transfer?**

* Since 2015/16 we have been plugging a gap in the high needs budget relating to costs of provision for permanently excluded pupils to the tune of between £1.5m and £2.8m a year from DSG reserves.
* DSG reserves are running out, the uncommitted balance is now only £3m. We need to keep this intact as far as possible for 2020/21 onwards when a block transfer may cease to be possible under a “hard” national funding formula.
* Efforts to get every City secondary school signed up to a revised devolved AP funding model to bring the budget back onto a sustainable footing have not been successful. As things stand, 7 City secondary schools have not committed to participate. This proposal is designed to mitigate as far as possible the risk to the high needs budget of exclusions in those schools being higher than would have been permitted under the model.
* Once DSG reserve are exhausted and a block transfer ceases to be possible we will have no option but to set a balanced high needs budget. The proposal will help safeguard existing levels of support and provision for our most vulnerable pupils.

**What would this mean for school budgets in 2019/20?**

Proposal A (recommended)

Only secondary schools are affected. Funding per pupil in the secondary phase would be cut by up to 1.5% per pupil in 2019/20. We would seek to reimburse schools signed up to the devolved AP model by up to 35% through additional devolved funding.

Proposal B

Proposal B is required as a fall-back option, in the event we aren’t able to treat primary and secondary schools differently as this will require secretary of state approval. Under proposal B, all mainstream City schools would forego a funding increase of around 0.5% in 2019/20.

Estimates of individual schools impacts under the two proposals are provided in the full consultation document.

**What are schools being asked to do and by when?**

We would like to ask all schools to respond with the answers to the following questions by **19th September 2018**:

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| 1. Do you support the principle of the LA seeking a schools block transfer in 2019/20 for the reasons outlined in **section 3** of the consultation document?
2. Do you agree that it is fair for the LA to seek to limit the impact of this to the secondary phase and therefore support a request to the Secretary of State to enable us to treat primary and secondary schools differently?
3. Do you agree that the LA should seek to differentiate through these proposals between secondary schools that have or have not signed up to the devolved AP funding model?
4. Do you support Proposal A as outlined in **section 4.1**?
5. In the event that we are refused permission by the Secretary of State to treat secondary schools differently to primary schools, would you be prepared to support Proposal B affecting all mainstream schools, as outlined in **section 4.2**?
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We are asking schools to respond with a yes/no to each of the above questions. Schools also have an opportunity to give more detailed feedback and explain the reasons for their responses.

Schools Forum will be required to vote on whether to approve the proposals at their meeting on 9 October 2018 and need to be able to take account of the views of City schools.

**How can schools find out more?**

* Please read the full consultation document at http://www.nottinghamschools.org.uk/business-management-support/schools-funding/consultations/
* Attend a **consultation briefing session at 8.30am on 6th September** at Notts County ground
* E-mail any questions to school.funding@nottinghamcity.gov.uk