



2025 Dedicated School Grant (DSG) Consultation & Survey

James Wilson

Director

Sufficiency, Planning and Education Strategy



2025 Dedicated School Grant annual consultation

This year we want the annual process of consultation with school leaders for the arrangements for the Dedicated School Grant (DSG) for next financial year to build on the new approach to engagement that we started last year.

Previously the annual DSG consultation has largely focused on technical changes to funding allocations and mechanisms, and this remains an important element. This year, we want to take the opportunity to provide information on the overall strategic context, to provide the opportunity to hear from you about the overall strategy as well as the detailed resource options, and to cover the specific technical funding changes within this overall strategic context.

Your response and engagement is hugely important. We all need to work together on the financial and other challenges facing us.

- We need to work in partnership with education leaders to shape how we deploy our collective resources in Norfolk to best meet the needs of children
- We want education leaders to have clarity around all the issues at play and to have their voices heard in the strategic decisions
- In relation to children with SEND and the High Needs Block, we are delivering a major programme of change (Local First Inclusion) which aims to radically re-shape how we meet needs and therefore where resources go

We want this programme to belong to the whole education system and we know it will only succeed if it's shaped by education leaders.

Therefore, we are seeking your views on this programme as whole, in addition to consulting on specific technical financial aspects

Reply at: <https://www.schools.norfolk.gov.uk/dsgconsultation> from 1st October 2024

2025 DSG Consultation Survey and engagement, as part of a discussion on inclusion across the county



All Schools

- **National Funding Formula**
 - 2025-26 mainstream schools' funding formula principles
 - Methodology for affordability within mainstream schools funding formula
- **Broader Engagement**
 - Including Special School Outreach offer
- **Notional SEN Allocations**
- **Element 3 'Top-Up' Funding**
- **Proposed 1.5% Schools Block to High Needs Block Transfer**

Maintained Schools only

- **Shared Parental Leave de-delegation**
- **Maternity Leave – Holiday Pay Element de-delegation**
- **Scheme for Financing Schools changes**
- **Internal audit offer (possible de-delegations)**



- Face to face and on-line briefing and engagement sessions are being held throughout the consultation
- Intended to help support you to understand the scale of change happening in Norfolk, how you can be a part of it and to respond effectively to the consultation.
- These sessions also provide an opportunity to gather feedback from education leaders as part of the broader listening exercise we want to undertake in relation to the SEN system in Norfolk
- As well as attending one of these sessions, we would encourage all to access the detailed consultation document at [Norfolk DSG Consultation 2025-26](#) and the consultation survey can also be found at this link
- Additionally, as the consultation period goes on, we will publish responses to questions that arise during any of the consultation events alongside the consultation materials at the same link

Date	Time	Venue	Link
1 October	10:30-12:30	Gorleston Library	Google Maps link – click to book
2 October	14:00-16:00	Online via Teams	Link to join
7 October	14:00-16:00	County Hall, Old Canteen	Google Maps link – click to book
17 October	16:00-18:00	Online via Teams	link to join
22 October	10:30-12:30	Online via Teams	link to join
23 October	16:00-18:00	King's Lynn Academy	Google Maps link – click to book

DfE Announcements

- The new government has signalled that it plans to introduce new legislation for the education system and an education bill is planned during this parliament
- We know from the Secretary of State that changes will include those for SEND & Alternative Provision, and we do anticipate these could be significant due to her response to the LGA/CCN commissioned independent report on SEND & AP by the ISOS Partnership in July this year ([July 2024 report](#))
- However, changes will not materialise in the short-term and we must continue to make plans on what we know alongside our best forecasts of what could change in the future
- We do not yet know about the future of the 'Safety Valve' programme and how the programme for SEND will evolve under the new Government
- On a very practical point, directly relevant to this years' annual DSG Consultation process, we do know that the DfE have not yet published the provisional DSG allocations for 2025-26. This information has been available to the LA in July in previous years and is critical in enabling us to provide schools with the 'technical papers' that we always produce as part of the DSG Consultation. Therefore, we are consulting on principles at this stage and will provide provision budget information at a later date.

A challenging time for school and local authority finances

Last year, the LA stated that the squeeze on public sector finance was continuing and, at the time of publication of this year's DSG Consultation, we have a direction of travel set out by the Chancellor, Rachel Reeves, at the Labour Party Conference in late September. Based upon this information, we have to plan for the next financial year based on the assumptions that the current 'squeeze' will continue, and we anticipate further details within Budget Speech on 30 October this year.

The LA need to be able to have discussions at the November and January Schools Forum meetings, and we hope that these are informed by detailed information from the Government to support financial planning at those points in time. In the meantime, it is important for us to consult with the schools' sector, to be able to have this feedback to combine with the information from central Government once received.

It would be fair to say that our messages and statements in last year's DSG Consultation remain true, i.e.

- That the challenge for individual schools, settings, multi-academy trusts and the local authority is to balance our collective moral imperative to improve the life chances of all Norfolk children and young people whilst meeting the, often competing, range of statutory duties placed upon us
- That the best way to meet this challenge is to work together in a clear, honest and open way
- And that this year the DSG funding proposals are a combination of technical changes, required to ensure that the Norfolk scheme aligns to the national funding formula, alongside proposals that use our financial drivers to maximise the benefits of the Norfolk DSG pound

A challenging time for school and local authority finances...continued

In Norfolk, we are continuing to witness an ever-growing rise in requests for Education Health and Care Plan and there has also been a further increase in schools identifying children with SEND at SEN Support. The total number of children and young people in Norfolk at either SEN Support or with an EHCP is now 28,884.

- The LA are also continuing to see year on year increases in requests for special school places

These factors contribute to Norfolk being a statistical outlier across all of these measures and the Safety Valve plan agreed with the DfE requires all of these to stabilise and then reverse. As a system, we need to start seeing a change in these trajectories to enable investment in earlier support to continue.

- The LA acknowledge that, for schools, the ongoing pressures from staffing increases, inflation on energy, etc. and the costs of inclusion continue to provide a very challenging environment; but the cost of non-inclusion is too great for Norfolk to manage.
- More than ever, we, as a system, need to work together on the solutions, because it is now increasingly the case that the unsustainable rise in costs within the High Needs Block could create the conditions for the Council's finances overall to be at risk

Our collective ambition is to ensure that all children and young people in Norfolk can FLOURISH

Continuing our investment in earlier help and support for children with SEN

Our Local First Inclusion programme and the Norfolk Area SEND & AP Strategy are continuing and set out our ambition to create a 'system' in Norfolk where needs are met effectively and early and, where possible, reduce escalation of need and strive to limit the need to seek placement within specialist provision apart from a small proportion of children and young people who would not thrive without such placements.

Our Local First Inclusion programme has delivered much of what we promised in the first year of implementation, including

- ✓ delivered new specialist provision and are developing more
- ✓ the new School & Community Teams are fully established and have worked with over 2,500 families
- ✓ the new SEND & Inclusion / Front Door phone-line is up and running
- ✓ working with school leaders to trial the development of Zone working

But we must also acknowledge that there have been challenges; record high referral rates for EHCPs & requests for specialist placements.

We undertook a full 'stock-take' of the LFI programme earlier this year and concluded that we need some additional projects and some changes in emphasis within the delivery of those projects. Fundamentally, we concluded that the original plan remained the right one.

We are also continuing to talk to Government about the 'safety valve' agreement with the DfE and are hopefully they will want to reform the system substantially. However, regardless of the outcome of those discussions with the DfE we must continue to implement the programme of change in Norfolk...

...we know there is more to do but we are laying the foundations for the focus on mainstream inclusion alongside sufficient specialist provision that we need

Continuing our investment in earlier help and support for children with SEN... continued

So, the High Needs Block is projected to continue to invest in mainstream inclusion whilst also delivery more specialist provision to ensure we have sufficient capacity and can all 'live within our means'.

In this year's DSG Consultation, the LA have

- set out the engagement questions to understand what the biggest barriers to inclusion and how could they be addressed
- considered options for an enhanced model of outreach from special schools to mainstream schools
- outlined the ongoing changes to Notional SEN Funding
- considered the key features for a model from 2025 for Element 3 'top-up' funding that will sustain us for the medium-to-longer-term and move on from the interim changes made for 2024-25,
- revisited the need to seek a 1.5% transfer from the Schools Block to the High Needs Block.

These consultation materials, and the related consultation engagement events, provide are intended to support leaders to we explore the 'technical' proposals and implications of these alongside a broader strategic conversation about how to create the best conditions for sustainable change to ensure that Norfolk has an inclusive education system that delivers improvements for children and young people that we can be collectively proud of.



Local First Inclusion

Norfolk's 'safety valve' plan with the DfE

...a reminder of our original plan, our ongoing discussions with the DfE and the new projects and initiatives we have planned....



Local First Inclusion

Norfolk's Plan...Aims and Objectives

Aim:

- Local First Inclusion - system approach
- Improving and expanding the landscape of SEND provision across Norfolk
- Achieving a balanced in-year budget for the High Needs Block by 2027/2028

Objectives:

- Tackling current, and reducing future, demand
- Re-shaping the landscape of provision – shifting left away from high cost/Independent non-maintained
- Redirecting pupil flow from high-cost/low quality independent specialist to state-funded special, resource-base and mainstream
- Intervening earlier, more holistically to prevent escalation of need
- Improving confidence in mainstream provision to meet need
- Increasing accountability and incentivising mainstream inclusion
- Increasing local, maintained specialist provision/ alternative provision within the mainstream
- Driving down costs through improved focus on commissioning and contract management

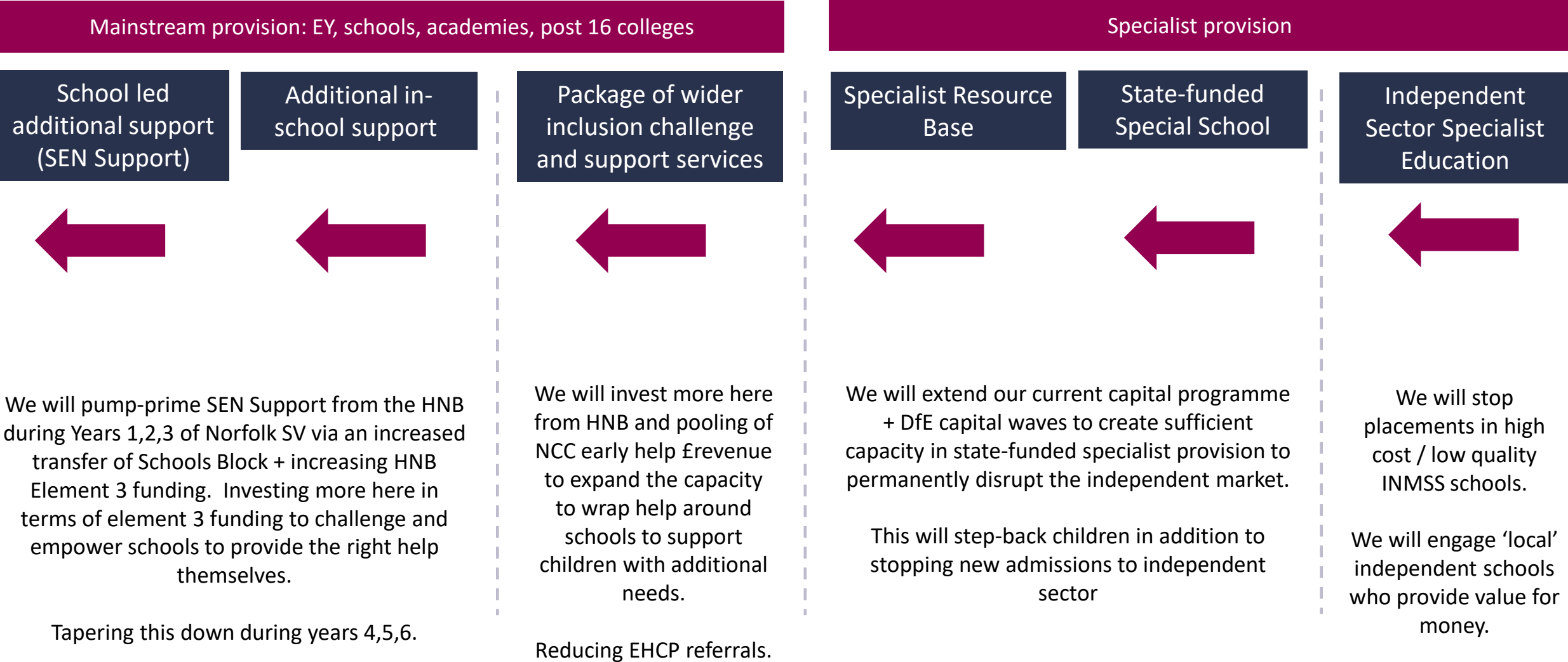
These are the original aims and objectives that we set out in April 2023.

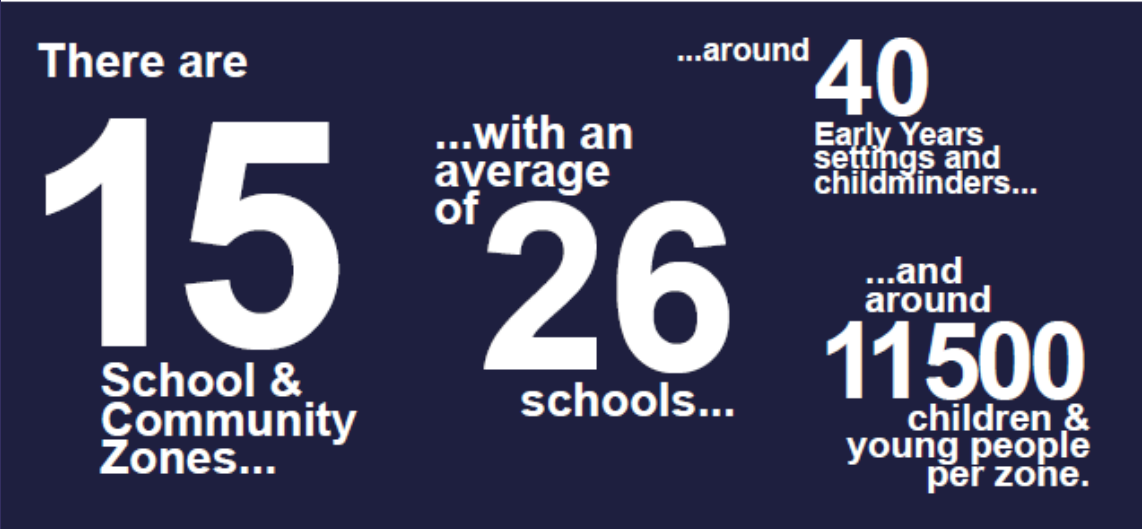
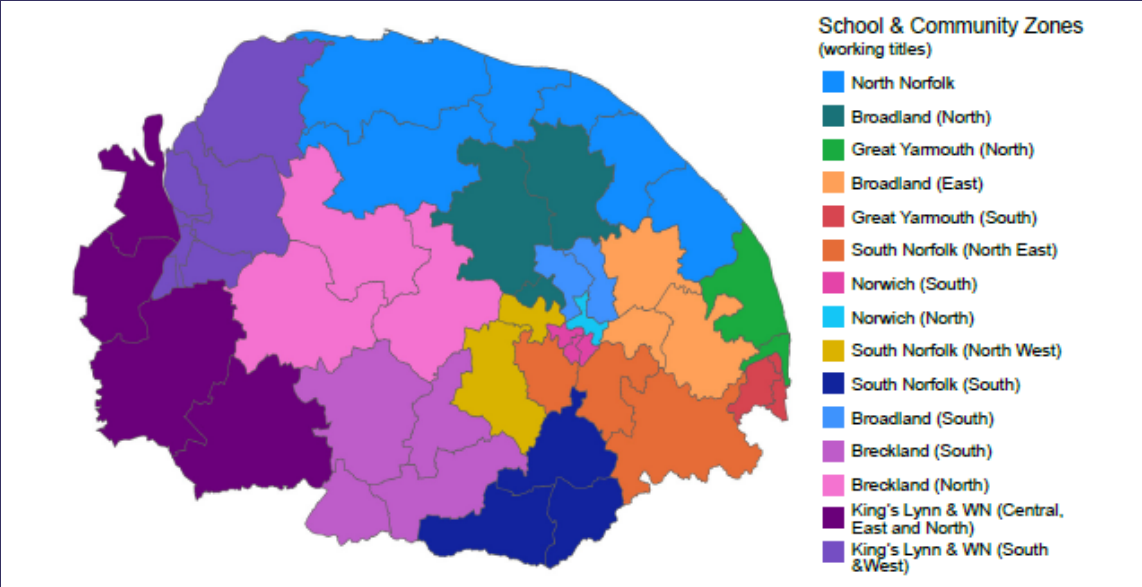
The overall plan and message remains :

- ✓ **we need to provide the conditions for greater mainstream inclusion**
- ✓ **ensure we have sufficient specialist provision.**
- ✓ **collectively to 'live within our means'**

Shifting our demand pattern – “shift left”

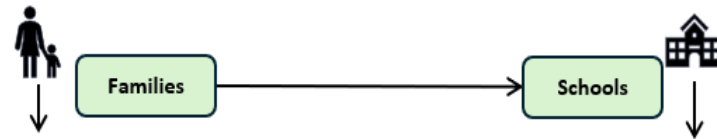
Last year we explained that the single biggest factor in our current and historic budget pressure for the HNB is our over-reliance on high-cost independent sector specialist provision and the need to increase our state-funded provision to replace the majority of it. This remains a key part of our plan but from a budget p.o.v we also need to acknowledge that the mainstream SEN funding is now comparable to our spend on specialist provision.



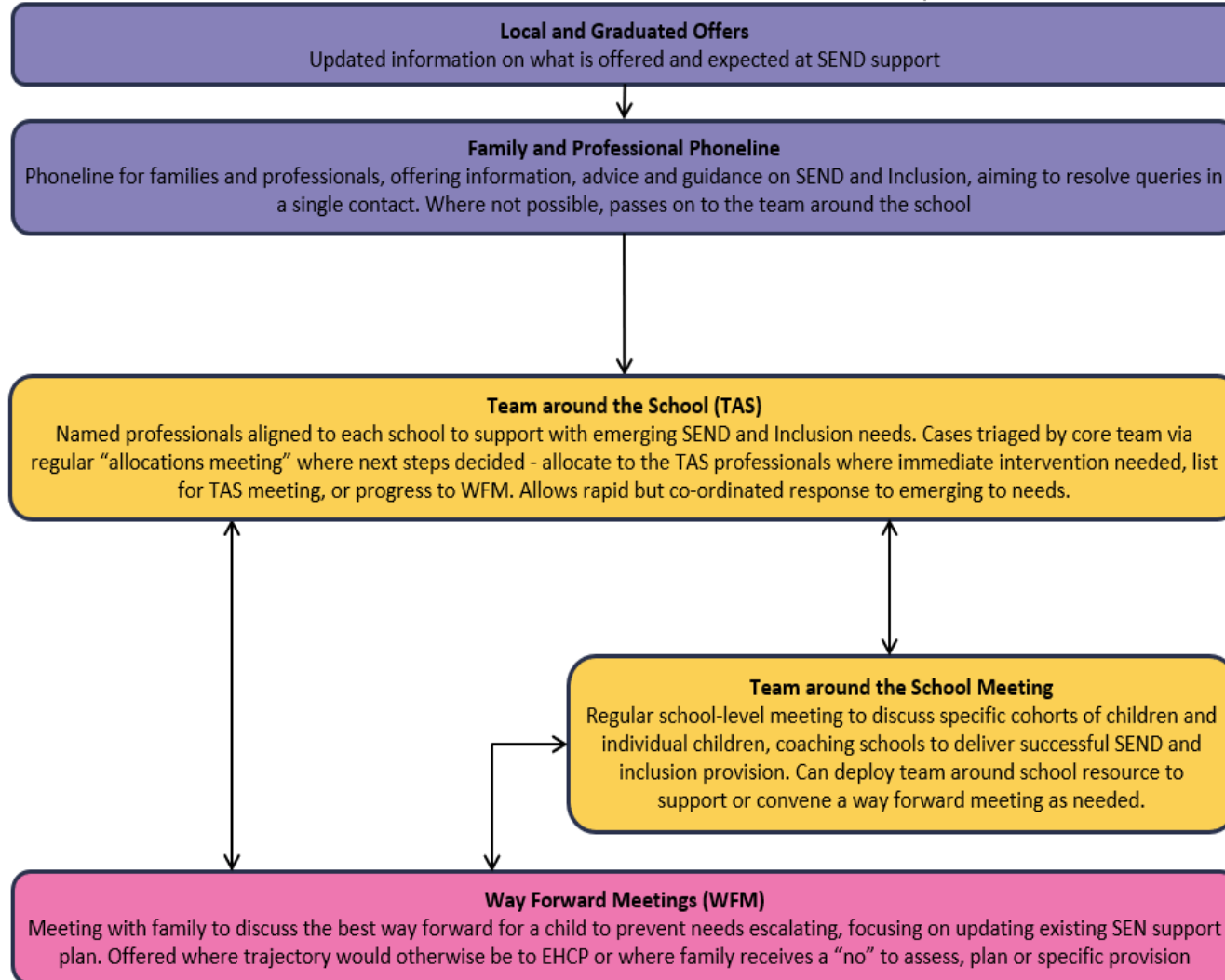


Building upon core consultations, utilising the zone approach to develop local joined-up ‘Team Around the School’ mechanisms.

These facilitates early conversations based on need including S&L with commissioned SaLT provider, SEMH with Mental Health in Schools Teams, and Early Help services.



A new model of Collaboration



Informed by data and intelligence from other elements of the model and inclusion indicators

Zone Inclusion Partnership

- Termly meeting with headteachers by zone to review zone inclusion dashboard data, consider ways to collaborate and share best practice. Facilitate challenge on performance and allocate resources. Supported by a range of LA/partner professionals.
- Termly moderation panel of IPSEF and INDES, undertaken jointly with SENDCos and SEND Advisors in a zone

Strategic meetings
Meeting with each trust (or equivalent) using data to champion inclusive practice and challenge where further cultural development is required.

Way forward : New function to respond to child level situations such as EHC applications where INDES framework suggests needs can be met at SEND Support and using a 'Team Around' approach to support and challenge schools SEN plans. Also, an additional mechanism to instil increased confidence where 'No' decisions are made regarding EHC assessment

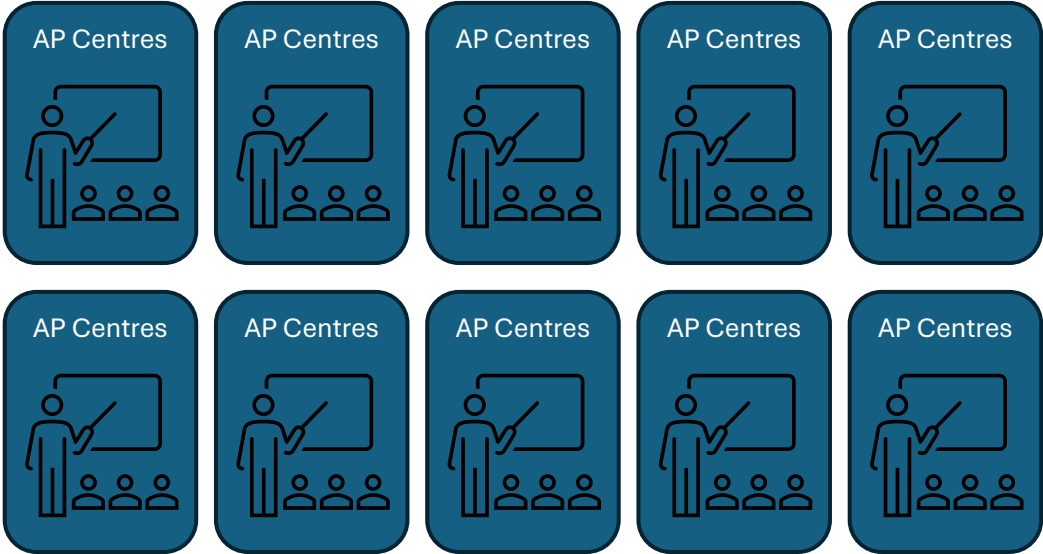
Norfolk Alternative Provision Landscape

Tier 1 – Outreach and Intervention
(Y5 – Y11)

Tier 2 – Time-limited Placements
(Y7-9)

Tier 3 – Transitional Placements
(Y9-11)

- Universal Training Offer
- Targeted Outreach Offer
(Based on Secondary ‘at risk’ Indicators)
KS2 and KS3
- Managed Moved and Transition Team



50 Registered AP Placements
each year

Local Pupil Planning Meetings – LA Facilitated and chaired (Inclusion Advisers)
Collective decision-making principles around available resource for pupils at risk of exclusions within a shared Framework of Norfolk Expectations

Framework for Reciprocal Expectations and Norfolk Inclusion Agreement

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Broader Engagement on Inclusion in Norfolk

The LA think that it is really important to take the opportunity to undertake some broader engagement with Norfolk's school leaders related to enabling high levels of inclusion within mainstream schools.

The LA are aware that a lot of conversation does take place with some school leaders as part of a variety of groups or particular engagement activities, but Norfolk is a large County and there are many leaders where the annual DSG consultation is the one regular opportunity for formal engagement.

With this in mind, the LA want to explore some open questions to enable schools and trusts to feedback in a way that the Schools Forum, the LFI Executive Board and the LA can gain a richer understanding of views and experiences of schools from across the county.

MESSAGE TO SCHOOLS AHEAD OF THE START OF TERM FROM THE SECRETARY OF STATE



I know there are massive challenges. High workloads, climbing vacancy rates, the strain on care, severe financial constraints, and growing problems with securing the right support for children with SEND, top a long list. But there are deeper issues at play, not least the widespread child poverty that is holding back our young people and piling pressure on you in the classroom. The persistence of these problems leads to an erosion of hope. For too many, the unwritten social contract between government and families - that the next generation will do better than the last – is broken.



JULY 2024

TOWARDS AN EFFECTIVE AND FINANCIALLY SUSTAINABLE APPROACH TO SEND IN ENGLAND

AN INDEPENDENT REPORT BY ISOS PARTNERSHIP COMMISSIONED BY THE COUNTY COUNCILS NETWORK & LOCAL GOVERNMENT ASSOCIATION

isos
partnership

CCN
COUNTY COUNCILS NETWORK

Local
Government
Association



The Secretary of State responding to the report commented that '...
"We have a broken system in desperate need of long-term renewal. I won't make false promises, change won't feel as quick as parents – or I - would like. I will make sure our approach is fully planned and delivered in concert with parents, schools, councils, and everyone who works with children."

[Link to July 2024 report](#)


flourish

 **SEND**
NORFOLK

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Broader Engagement on Inclusion in Norfolk

The online survey provide an opportunity answer each of these questions:

- What makes the biggest difference to the ability of schools and setting to be inclusive of children with significant needs – what should we do or provide more of ?
- What are the biggest barriers to inclusion within the current system ?
- What specific gaps in services or provision would you highlight for the programme to address ?
- What specific changes to ways of working or pathways would you suggest ?
- Do you have any views on the proposed model for spending of the High Needs Block over the coming period and the prioritisation of investment ?

2025 DSG Consultation Survey and engagement, as part of a discussion on inclusion across the county

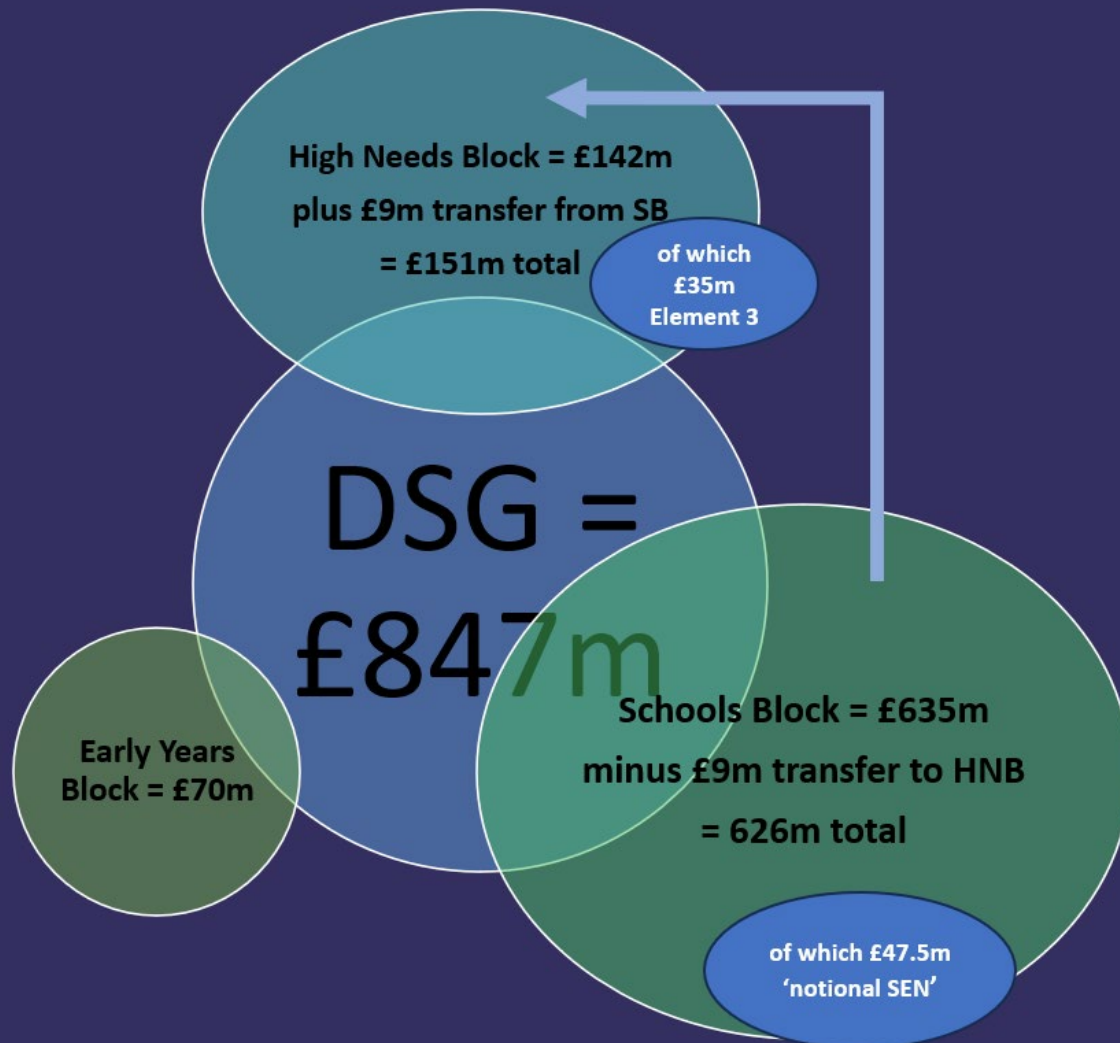


All Schools

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2025/26 DSG CONSULTATION: The relationship between the blocks in the DSG



The Dedicated School Grant (DSG) is the total grant from DfE to all LAs. It includes 3 Blocks:

- Early Years Block – passported to EY providers
- Schools Block – passported to mainstream schools
- High Needs Block – managed by the LA for all SEND education related spend, e.g. special schools, element 3 mainstream ‘top-up’ funding, commissioning speech therapy

There are two links between SB and HNB

1. The annual transfer of up to 1.5% from SB to HNB as part of DfE Safety Valve plan
2. The requirement for schools to demonstrate use of ‘Notional SEN’ from their delegated budget before accessing HNB Element 3 ‘top-up funding’

Norfolk's mainstream schools funding formula:

- Norfolk has been aligned with the National Funding Formula (NFF) factors and values for since the 2019/20 financial year in preparation for the DfE's long, promised move to a direct funding formula for mainstream schools
- Norfolk's formula includes the mandatory aspect of the Minimum Funding Guarantee (MFG), and for previous years this has been set at the highest permissible level. It is assumed that this continues to protect schools who might otherwise lose funding through providing a minimum increase that a school would receive in per-pupil funding.
- For 2024/25, Norfolk's formula utilised adjustments to the NFF values to ensure affordability, whilst still remaining within the DfE's definition of 'mirroring' the NFF Norfolk's formula. This replaced the approach of utilising a hard cap on gains, which had been in place for c. 10 years. The adjustment is needed where schools are due to gain year-on-year but there is insufficient funding in the overall Schools Block to enable schools to see the full gain.
- Historically, this was particularly important as we moved from the historic local factors and values to the NFF factors and values. Currently, it is necessary due to the Schools Block to High Needs Block transfers
- The move to adjusting NFF values for 2024/25 was agreed following the introduction of a revised sparsity funding factor that 1 in 6 schools were not receiving gains in relation to due to the gains cap.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Methodology for affordability within mainstream schools funding formula

It is presumed that the National Funding Formula principles, factors and values will be applied for Norfolk schools in 2025/26, ensuring that Norfolk is 'mirroring' the NFF values.

There are two options being consulted upon in relation to ensuring affordability of the funding formula for Norfolk:

Consultation survey questions:

Option 1: Adjust the NFF factor values within allowable ranges for the 2025/26 funding formula for Norfolk schools to ensure affordability, as per the 2024/25 approach.

Option 2: Reintroduce a hard cap on gains for the 2025/26 funding formula for Norfolk schools to ensure affordability whilst also affording schools to be protected by the Minimum Funding Guarantee (MFG)

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Special School Outreach offer 1

Following previous feedback, the LA has undertaken a review of the current 'S2S' model, including engaging with special school heads via Norfolk Association of Special School Heads (NASSH).

There is a desire to have a wider 'reach', with the opportunity to work with teachers and school leaders rather than individual children, to support them to enable children who's needs can be met in mainstream schools to remain in mainstream schools.

It has identified that the time available for each intervention is very short, and schools would benefit from increased intensity of support, and over a longer period of time, that supports relationship-based working between the special school leader and mainstream setting.

Revised model has been developed aimed at providing proactive, relationship-based support including, but not limited to, mentoring, model teaching, specialist pedagogy, and training. Support will be in enabling environments, groups and practice to meet young people's needs rather than one-to-one support with individual children.

It would be accessed through the LA, in dialogue with SEND Advisors, as part of the multidisciplinary offer supporting the Team Around the School within our Zone Partnership model.

Successful outcomes would be enabling more children to be included in mainstream settings, reducing escalation of need and a reduction in referrals for EHCPs where needs can be met without a plan.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Special School Outreach offer 2

To offer support for extended periods of time for ongoing advice and support would incur additional costs to increase capacity

- either to additional cost would need to be funded through the High Needs Block, which would mean that funding was not available in the system either as direct funding for mainstream schools (i.e. Element 3 ‘top-up’ funding) or other service provision for mainstream settings.
- or, alternatively, the contribution from mainstream schools could be reinstated and, potentially, increased to partially cover the costs of those schools in receipt of the direct benefit.

Consultation survey questions:

- **Would expanding the scope and reach of specialist outreach support from special schools be an effective prioritisation of investment from the High Needs Block?**
- **If this investment was to take place, do you have any views on the proposed model?**
- **Would you prefer to see schools receive a charge at the point of use to contribute to this service (or other similar services that offer provision for mainstream settings), or for the High Needs Block to fully cover the costs of the service, which would likely mean a reduction in other high needs funding for mainstream provision?**

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Notional SEN Allocations 1

As a reminder, the Notional SEN budget is not a budget that is separate from a school's overall budget share. It is an identified amount within a maintained school's delegated budget share or an academy's general annual grant. It is intended to inform school's spending decisions and is neither a target nor a constraint on a school's duty to use its 'best endeavours' to secure special provision for its pupils with SEND.

In the consultation last year, we set out that the DfE had issued updated operational guidance for Notional SEN to LAs and this required a proactive consideration of the proportion of funding within the Schools Block and individual school budgets. The outcome of that consultation process last year was a decision by the LA to move to the national average for Notional SEN (last year Norfolk's proportion was 6.6%, the national average was 11.5% and we moved this year to 7.6%).

The duty on Local Authorities is to decide, following discussions and consultation with schools and Schools Forum, what size the Notional SEN budget should be and the methodology for allocations, as well as to ensure that this is kept under review.

The LA has been informed by the DfE that they would expect Norfolk to progress to ensure that, as a 'safety valve' local authority, all possible steps were being taken to adopt national guidance, including the level of Notional SEN

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Notional SEN Allocations 2

Last year we signalled that we would move incrementally to the national average, from our low rate of 6.6% to the national average of 11.5%, and suggested increases of 1.5% for 2025/26 and 2% for 2026/27

For 2025/26, the LA are consulting with schools on the original plan, i.e. for incremental movement towards the national average, which would see an increase of 1.5% to 9.11% of the Schools Block formula, or to move to the last known national average from April 2025, which would see an increase of 3.89% to 11.5% of the Schools Block formula

For illustrative purposes, based on the current level of formula funding for 2024-25:

- an increase of 1.5% to 9.11% for 2025-26 would increase total Notional SEN funding from £47.5m to £56.9m (an increase of c. £9.4m).
- an increase to the last known national average proportion of formula funding, 11.5%, would increase total Notional SEN funding to c. £72m

Consultation survey questions:

- Norfolk should continue to move towards the national average incrementally, with an increase of 1.5% for 2025-26, increasing from 7.61% to 9.11% of Schools Block, as we move towards the last known national average of 11.5%**
- Norfolk should move to the last known national average of 11.5% in 2025/26**

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Notional SEN Allocations 3

Additionally, the LA are consulting as to whether the methodology for Notional SEN allocations in Norfolk should be aligned to the DfE recommended approach for 2025/26

Consultation survey questions:

- a. Norfolk should retain the current methodology for the calculation of Notional SEN allocation
- b. Norfolk should align the calculation of Notional SEN allocation to the DfE recommended approach, i.e. the methodology should be based on:
 - a small part of the basic entitlement funding;
 - a larger part of deprivation funding, reflecting the higher prevalence of lower-level SEN amongst disadvantaged pupils, and
 - the majority or whole of the low prior attainment factor funding, as this is the best proxy we currently have for pupils with low-cost, high incidence SEND

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Element 3 ‘Top-Up’ Funding 1

In June this year, the LA set out the need to make interim changes to Element 3 funding for mainstream schools (for the period autumn/spring 2024/25) and we also set out that we would use the annual DSG consultation process to set out plans for the medium-to-longer term with a fully revised model being implemented from either April or September 2025.

An increased budget was agreed for 2024/25 of £35m (compared to the budget set in January 2024) but this did result in some schools receiving less funding than they had anticipated. The changes were required due to a significant increase in the demand for funding seen during the latter part of 2023/24.

The LA acknowledges the difficulties that some schools experienced due to the interim decision and, in particular, the timing of that communication in the second half of the summer term. We appreciate the many school leaders who worked proactively with the LA during the period May to July this year to help us with both the interim change, and also to start the process of considering the principles to underpin options for the revised model.

As a direct result of that positive joint working between school leaders and the LA we have now established a Local First Inclusion Reference Group in conjunction with Norfolk’s Schools Forum, which will meet half-termly and work in partnership on all aspects of the LFI programme.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Element 3 ‘Top-Up’ Funding 2

The changes that we outline in this section of the consultation form a key part of our LFI programme and our ambition to invest in mainstream inclusion.

This cash funding part of the LA to mainstream school offer for SEND should be considered alongside other funding and free at the point of delivery services that exist; the investment has been possible due to the LFI transformation programme and the Safety Valve agreement, but it is important that the system in Norfolk sees the green shots of change in terms of demand for specialist provision to enable this to be sustainable in the longer term

The range of provision available to mainstream schools is positioned within the context of the development of ‘Team Around the School’ working and Zone Partnerships.

We want to engage with school leaders on the proposed changes to Element 3 funding to ensure that we can provide a model, starting next year, that is likely to be sustained throughout the duration of the LFI programme and beyond.

The intention is to achieve a model that combines the benefits of a ‘needs led’ and ‘money follows the child’ approach, alongside the certainty and stability that formula funding via proxy indicators can achieve.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Element 3 ‘Top-Up’ Funding 3

Therefore, features of the model are likely to be a combination of the following:

- continuation of Enhanced Specialist Provisions (ESPs)
- continuing to enable access to the increased Element 3 funding budget for SEN Support cohort, with an explicit aim to reduce unnecessary referrals for EHCP where children and young people can have their needs more effectively met through early support and preventing escalation of need
- utilising INDES information to determine access to C&YP specific funding allocations – via revised bandings and with a focus on ‘top-up’ funding levels, aligned to C&YP with the most complex needs in mainstream schools and likely having needs that are significant and enduring
- determining the most appropriate and relevant proxy indicators to drive a funding formula aspect of the model
- determining the most appropriate weighting of the agreed proxy indicators – designed to incentivise inclusion and not create unintended consequences
- acceptance that any change to funding models, in particular those with funding formula features, can lead to a perception (or reality) of ‘winners and losers’ during the transition stage. Therefore, a need to consider changes over a multiyear timeline and relationship to minimum funding guarantee.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Element 3 ‘Top-Up’ Funding 4

As with any funding approach, there will be both benefits and dis-benefits to a model based on a combination of a formula approach utilising proxy indicators and a ‘needs led’ element using INDES (Individual Needs Descriptors in Education Settings) and bandings for those with the very highest needs.

Equally, there would be both benefits and dis-benefits of a whole formulaic or wholly needs-led system, and the combined approach is envisaged to try and balance these out.

The LA agrees with the outcome of the previous workshops that a combined model that contains features of both approaches is most likely to achieve fairness and county-wide consistency of approach, as well as supporting the aim of meeting more need earlier and effectively at SEN Support, consequentially reducing the escalation of need and demand for specialist provision.

However, there are likely to be differences of opinion regarding relating to which proxy indicators to use and relative weightings for a formula, along with views regarding the proportion of funding, or level of need expected to be met, from formulaic funding or from child-level funding for a ‘blended’ approach.

The consultation considers both the principles of combined model of formulaic and individual child allocations, the options for the indicators for a formula and consideration as to when the model should be introduced.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Element 3 ‘Top-Up’ Funding 5

Consultation survey questions:

1. The principles of the model are a combination of formulaic funding and individual child allocations for those with the very highest needs.
 - a. What are the key benefits and disbenefits of this new approach to allocation
 - b. Do you think a greater proportion of the funding should be allocated on a formula basis or an individual child basis?
 - c. What level of need within the INDES framework should be the focus of the child level allocations?
2. The potential proxy indicators are provided
 - a. Would you support using the National Funding Formula or Notional SEN Allocations for the distribution of this funding?
 - b. If neither, please rank the three indicators that you would want to see used in a formula in order of priority
3. Would you prefer the new model to be introduced from April or September 2025, and please provide any rationale for this preference

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Proposed 1.5% Schools Block to High Needs Block transfer 1

The DSG Schools Block is ring-fenced in line with the DSG conditions of grant, but local authorities can transfer up to and including 0.5% of their Schools Block funding into another block, for example the High Needs Block, with the approval of their Schools Forum.

Without Schools Forum agreement, or where they wish to transfer more than 0.5% of their Schools Block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.

The existing Safety Valve agreement with the DfE (and associated Local First Inclusion programme) is based on the assumption of year-on-year transfer of 1.5% between the Schools Block and the High Needs Block until in-year balance is achieved and is sustainable, and the resolution of the cumulative HNB deficit. However, even with a Safety Valve agreement, there is a requirement within the overall DSG funding regulations to set out any transfer between the blocks as part of the annual DSG Consultation process, and for the outcome of that consultation, including a vote at Schools Forum, to be conveyed to the Secretary of State. It is the Secretary of State that agrees Safety Valve agreements and also the Secretary of State that determines if a transfer between the Schools Block and High Needs Block, above 0.5% can occur (or below 0.5% if the relevant Schools Forum is not in agreement).

Additionally, the outcome of the consultation and any decision by the Secretary of State is reported to NCC's Cabinet to inform their decision making

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Proposed 1.5% Schools Block to High Needs Block transfer 2

We are confident that all colleagues within Norfolk mainstream schools are aware of the reasons why a transfer between the Schools Block and High Needs Block has occurred in recent years and that, even though it is an expectation / requirement of the DfE Safety Valve agreement, that we are required to return to this subject each year as part of the annual DSG consultation process.

However, we also want to acknowledge that we appreciate that as each year progresses and overall school budget pressures continue this issue remains a challenging one for us to consider collectively. We also need to acknowledge that this year more than ever due to the issues regarding the interim Element 3 funding changes earlier this year, and ongoing, that school leaders may find the issue of a further transfer even more difficult to understand/support than in previous years.

However, as the LA we do need to set out the case for this transfer each year and we remain of the view that it is necessary this year and for more to come to ensure that we reflect the ongoing increase in the number of children needing support from the High Needs Block and including those children that need to be funded who have left mainstream school either because of transfer to specialist provision or as a result of permanent exclusion or other reasons for school placement breakdown. The LA have a duty to provide support for all children in special schools, those who have been excluded, those with medical needs and those who are in EOTAS (education other than at school).

Also, both the LA and the DfE have sought and agreed the transfers previously to ensure that we can sustain additional investment for mainstream schools to support inclusion; this is required to ensure C&YP have more effective support earlier but also to ensure that the High Needs Block can return to an in-year balanced budget and we all are able to 'live within our means'.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Proposed 1.5% Schools Block to High Needs Block transfer 3

As with most other sections of the consultation, we are unable to provide technical papers illustrating to schools the potential impact of any block transfer due to the provisional DSG allocations still being awaited from the DfE. Therefore, this part of the consultation is just seeking responses based upon principles.

Consultation survey questions:

The options that the LA consulting on for Schools Block to High Needs Block transfers in 2025-26 are:

- **A transfer of 1.5% from Schools Block to High Needs Block.**
- **A transfer of 0.5% from Schools Block to High Needs Block.**
- **No transfer from Schools Block to High Needs Block**

Responders are asked to

- 1. Detail the specific implications of each option upon your school/trust.**
- 2. Rank your order of preferences for the 3 options:**
 - a) for your school/trust, and**
 - b) for the system as a whole**

If these differ, please advise why.

Maintained Schools only

- **Shared Parental Leave de-delegation**
- **Maternity Leave – Holiday Pay Element de-delegation**
- **Scheme for Financing Schools changes**
- **Internal audit offer (possible de-delegations)**

In addition to the information provided as part of this consultation document, a specific sessions are available on teams for maintained schools:

- Internal Audit Offer: **16 October at 14:30–15:30**
- Shared Parental Leave and Maternity Leave Holiday Pay Element De-Delegations: **15 October 16:00–17:00**

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Shared Parental Leave De-delegation (maintained only)

There has been a significant increase in the number of employees taking Shared Parental Leave (SPL).

SPL is a way of sharing the entitlement to maternity leave and pay between parents, with the arrangements that it can be taken in blocks, with return to work during school holidays, meaning they can maximise their leave and pay.

At present, the statutory SPL cost for the period when the employee is on SPL and the salary cost for the period when the employee returns to work during school holidays is not reimbursed from the de-delegated maternity budget; only maternity pay is reimbursed. For those schools impacted by this, it is a significant unexpected cost.

Consultation survey questions:

Option 1: De-delegate **statutory SPL costs** of £6,000 **only** from April 2025 for the 2025-26 period at a cost of **£0.20** per pupil.

Option 2: De-delegate **statutory SPL costs** of £6,000 **and associated salary costs** covering periods of school holidays of £104,000 from April 2025 for the 2025-26 period at a cost of **£3.65** per pupil.

Option 3: Remain with the status quo that SPL costs are not de-delegated, and each school needs to cover these costs **themselves where they arise**.

If SPL is agreed for mainstream schools, the same offer would be extended on an equivalent buyback basis for nursery and special schools.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Maternity Leave – Holiday Pay De-delegation (maintained only)

A review has been undertaken of maternity costs and the reimbursements credited to schools' budgets from the de-delegated fund.

Maternity Leave is currently reimbursed from the de-delegated Maternity budget. Included in that reimbursement is statutory maternity pay, occupational maternity pay and Keeping In Touch (KIT) days. Also reimbursed as a historical legacy is holiday pay for term time support staff.

Holiday pay is not part of maternity pay and the LA systems have been built to align to maternity contracts/ policy/ legislation

If holiday pay is not included, then the de-delegation funds required for maternity pay would be significantly reduced for 2025-26. If holiday pay is included, then a small increase in de-delegation funds.

Consultation survey questions:

Option 1: Term time support staff holiday pay should not be part of the maternity de-delegated budget reimbursement. The holiday pay costs during the maternity leave period should be paid directly by the school.

Option 2: Term time support staff holiday pay should be part of the maternity de-delegated budget and be reimbursed at an average rate of 14.5%.

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Scheme for Financing Schools changes (maintained only)

Local authorities are required to publish Schemes for Financing Schools setting out the financial relationship between them and the schools they maintain. Guidance is provided to authorities listing the items that must, should or may be included, and is issued under the School Standards and Framework Act 1998.

The local scheme is updated in the following circumstances:

- **Directed revisions** – the Secretary of State may require the revision of part or any scheme. These revisions must be included in the local scheme using the text of the directed revisions;
- **Local revisions** – for changes other than directed revisions, local authorities must consult with all maintained schools in their area and receive approval of Schools Forum members representing maintained schools.

A review of Norfolk's scheme has been undertaken and consultation is required in relation to proposed changes covering the following areas of the scheme:

- **Borrowing by Schools (update to national guidance)**
- **Borrowing by Schools (local updates)**
- **Restrictions on accounts (local updates)**
- **School Balances (local update)**
- **Deficits (local update)**

2025/26 DEDICATED SCHOOL GRANT (DSG) CONSULTATION – Internal Audit Offer (maintained only)

Some school leaders have historically raised concerns that not all schools were engaging with the advised audit frequency, and the lack of certainty regarding demand means that it is difficult for NCC to commit sufficient resource capacity.

The LA is consulting with maintained schools on this alternative approach for internal audits which would result in a top-slicing of budgets for maintained mainstream schools, with an equivalent offer made to maintained nursery and special schools.

The LA is seeking to reduce the cost and burden of school audits for schools through the adoption of minimum risk based (best value) approaches and more focused audits. The only option for all maintained schools to share the costs, through top slicing of budget shares, would be on a per-pupil basis, resulting in costs varying per school depending upon their size. The frequency and scope of school internal audits would vary significantly between schools under this proposal.

Consultation survey questions:

Option 1: Implementation of a minimum risk-based assurance approach for maintained schools with the associated charges to all maintained schools' budgets to enable this model and to ensure that there is appropriate assurance activity across all schools for a minimal cost burden.

Option 2: Continuation with the status quo providing traded audits as part of the RAG requirement and thematic audits.

In addition to the information provided as part of this consultation document, a session will be held on the **16 October at 14:30–15:30** to provide further details on this proposal. This was requested by Members of Norfolk's Schools Forum. To join the meeting please use the following link: [link to join](#)

**THE 2025/26 DEDICATED SCHOOL GRANT CONSULTATION TAKES PLACE BETWEEN:
1ST October to 24th October 2024**

YOUR RESPONSE IS IMPORTANT

Reply at: <https://www.schools.norfolk.gov.uk/dsgconsultation> from 1st October 2024

If you cannot attend these meeting dates but would like to be part of an engagement session please contact us via: budgetshare@norfolk.gov.uk

