

SCHOOLS' FORUM

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Report title	Dedicated Schools Grant – High Needs Block 2024-2025
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Summary

This report provides an update on the High Needs block (HNB) of the Dedicated Schools Grant (DSG) 2024-2025 and seeks approval to allocate the funding in accordance with the guidance issued by the Education and Skills Funding Agency.

Decisions

Members of Schools' Forum are asked to:

1. Note the anticipated settlement for 2024-2025.
2. Note the forecast overspend for the High Needs Budget for 2023-2024 (Appendix 1)
3. Approve the allocation of High Needs expenditure for 2024-2025 (Appendix 2)
4. Note the matrix bands for 2024-2025 (Appendix 3).
5. Approve a total per place contribution for maintained PRUs and Special Schools to support the delivery of local authority retained education functions previously funded by Education Services Grant and the school improvement contribution.

Schedule of Background Papers

- [Dedicated Schools Grant allocation tables: 2024 to 2025 \(www.gov.uk\)](https://www.gov.uk)
- [High Needs Funding 2024 to 2025: Operational guide – January 2024](#)
- Schools' Forum High Needs Funding Sub-Group – Quarter 2 Update

1.0 Background

- 1.1 The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, in line with statutory duties under the Children and Families Act 2014.
- 1.2 In December 2023, the Department for Education announced the provisional High Needs Block Grant Funding for 2024-2025.

2.0 High Needs Block Allocation and Budget requirement 2024-2025

- 2.1 As shown in the table below, the initial 2024-2025 HNB funding allocations show that City of Wolverhampton Council will receive a total HNB allocation of £50.3 million. This represents an increase of 4% from the 2023-2024 allocation of £48.4 million.

	HNB Funding 2024-2025 £m	HNB Funding 2023-2024 £m
Allocation before deductions	60.0	58.0
Deductions (Non-maintained school place funding)	(9.7)	(9.6)
Total Initial allocation for CWC budgets	50.3	48.4

- 2.2 The table in Appendix 1 details the 2023-2024 HNB forecast. The current forecast expenditure against the High Needs Block in 2023-2024 is £49.4 million, which will result in an in-year overspend of £1.0 million, which includes the £80,000 shortfall bought forward from 2022-2023.
- 2.3 The budget pressure in 2023-2024 is mainly due to an increase of £1.0 million in cost and demand for In-city independent placements, and an overspend of £700,000 due to increased demand for additionality payments to settings. These increases are partially offset by a forecast underspend against Top-up placements. The 2023-2024 budget for Top-up placements included an uplift of 12% for demand increase and the actual in-year growth has been in the region of 9%.
- 2.4 The table in Appendix 2 shows the detailed forecast budget requirement for 2024-2025 based on current forecasts with growth built in where required to account for forecast increases in student numbers (place funding, top ups and independent placements) and cost increases. There is naturally some risk around this and the forecasts will be monitored closely with Schools' Forum being updated of any significant changes to forecasts.
- 2.5 The forecast expenditure requirement for 2024-2025 is £53.0 million against a grant allocation of £50.3 million. The total forecast budget deficit in 2024-2025 is therefore £2.6 million and this includes the assumed overspend of £1.0 million carried forward from 2023-2024. This is also after an increase in Council funding to cover SEN admin staff of £1.0 million.
- 2.6 The 2024-2025 budget includes assumptions of 9% increase in demand for top-ups and independent placements, as well as assumed increases of 4% on the cost of internal placements and 3% for Council staff pay award. If the actual increases are greater than these assumptions then it could result in a budget pressure.

3.0 Place Funding

- 3.1 The place funding for Pupil Referral Units and Special Schools remains unchanged at £10,000 per agreed pupil place funding, plus top ups based on pupils assessed needs.
- 3.2 High Needs Units within mainstream schools continue to be funded at £10,000 per unoccupied place and £6,000 plus the Age-Weighted Pupil Unit (AWPU) calculated in the local funding formula per agreed place that is occupied, plus top up funding where occupied.
- 3.3 Pupils in mainstream education do not attract specific place funding through the High Needs Block but will continue to receive top up payments from the Local Authority for each occupied place, based on pupil's assessed needs.
- 3.4 Place funding budgets for 2024-2025 are based on the current commissioned places for the academic years 2023-2024 and 2024-2025.

4.0 Matrix (Top Up) Funding

- 4.1 This report does not propose to increase all mainstream and resource matrix base bands for 2024-2025. Base bands for 2023-2024 were increased by 9% and all Special School and PRU bands by 5.6%, plus a further 3.4% additional allocation. Due to the limitations of the increase in budget allocation by 4% and the pressures indicated above the funding rates for 2024-2025 are to remain unchanged.

5.0 Additional Information for 2024-2025 High Needs Block Budget

- 5.1 In 2024-2025 the Council will continue to receive a separate TPAG (Teachers Pay Additional Grant) which was received for the period September 2023 to March 2024 to help eligible special and AP schools with the costs of the 2023 teachers' pay increase.
- 5.2 There will be an additional grant for 2024-2025 to reflect the additional costs of the increase of 5 percentage points, to 28.6%, to the employer contribution rates to the teachers' pensions scheme from April 2024. A similar approach to the 2024-2025 TPAG distribution will be applied. Details of the allocation and distribution will be communicated as soon as it is made available.
- 5.3 The above grants are separate from the historic Teachers Pay and Pension Funding which will continue as previous years.
- 5.4 The budget for an additional allocation to maintained special schools and pupil referral units, special and alternative provision (AP) academies (including free schools), and maintained and academy hospital schools equal to 3.4% will continue in 2024-2025. For maintained special schools and special academies and free schools the allocation will be the same amount per place as in 2023-2024, using the total number of places being funded in academic year 2023-2024. For Pupil Referral Units an amount equivalent to the amount the schools were allocated in 2023-2024. This grant payment is directed by the latest ESFA guidance as part of the additional High Needs Block funding for 2024-2025. This will be paid as a separate grant to settings where applicable.

6.0 Settings with High incidence of SEN

6.1 As in previous years, the Local Authority will retain funding to support schools that have a higher than average number of pupils with SEND. It is proposed that the criteria for support used previously be maintained for the 2024-2025 allocation.

6.2 In order for a school to be eligible for support from this fund they will need to satisfy **two** criteria.

Low Prior Attainment: The percentage of pupils attracting LPA within the school is more than 10% below the average for that sector

Or

Deprivation: The percentage of pupils attracting Deprivation within the school is more than 10% below the average for that sector

And

Education, Health and Care Plans (EHCPs) more than £6000: Where the numbers of Low Incidence High Cost (LIHC) pupils is more than 5.0% above the average for that sector.

7.0 Education Functions

7.1 The Education functions and school improvement charge for special schools and PRUs agreed by Schools' Forum in February 2023 was £37.75 per pupil. This included the £32.71 for education functions and £5.04 as a contribution to cover 50% of lost school improvement grant to the Council. At its January 2024 meeting, Schools' Forum agreed that the 2023-2024 rate for Education Functions would increase by 3% to £33.69 per pupil to cover assumed pay award for 2024-2025. The Local Authority is proposing to increase the school improvement element by 3% to £5.19, meaning that the overall charge per pupil to maintained special schools and PRUs would be £38.88 and the relevant multiplier. The Local Authority proposes no change to the previously approved multipliers of 3.75 for PRUs and 4.25 for Special Schools.

High Needs Block Forecast Budget Overspend 2023-2024

Budget Lines	Budget 23-24 £million	Forecast 23-24 £million	Increase / (Decrease) £million
High Needs Place Funding	6.42	6.42	0.00
High Needs Top Up	22.48	21.46	(1.02)
Additional Grant to Special and PRU	1.00	0.91	(0.09)
High Needs Funding - Hospital Education	0.51	0.51	0.00
High Needs Funding - Home Education	0.39	0.39	0.00
Outreach	1.02	1.04	0.02
Additionality	0.70	1.40	0.70
Special Education Provision "Out of City"	5.36	5.47	0.11
Special Education Provision "Personal Funding"	0.68	0.45	(0.24)
Special Education Provision "In City"	1.64	2.73	1.09
Education Inclusion and Attendance Service	0.04	0.04	0.00
High Incidence SEN	0.03	0.00	(0.03)
SEN Support Services	1.38	1.35	(0.03)
SEN Sensory Inclusion	0.66	0.65	(0.01)
SEN Early Years Team	1.07	1.07	0.00
Specialist Learning Support	0.12	0.13	0.01
PFI - Penn Fields	0.27	0.27	0.00
Additional Nursery & Reception SEND Provision	0.08	0.22	0.14
Special Education Provision "Post 16 In City"	0.89	1.25	0.36
Special Education Provision "Post 16 Out of City"	1.18	1.37	0.18
SEN Commissioning Team	0.49	0.49	0.00
Alternative Provision (Placements/Inclusion grant	0.66	0.41	(0.25)
SEN LAC Tripartite Funding	0.35	0.48	0.13
Additional Grant to Schools	0.90	0.86	(0.04)
Dedicated Schools Grant (DSG)	0.08	0.08	0.00
Total	48.42	49.45	1.03

High Needs Block Forecast Budget Requirement 2024-2025

Budget Lines	Budget 23-24 £million	Forecast 24-25 £million	Increase / (Decrease) £million
High Needs Place Funding	6.42	6.24	(0.19)
High Needs Top Up Maintained Schools	22.48	23.40	0.92
Additional Grant to Special and PRU	1.00	0.91	(0.09)
High Needs Funding - Hospital Education	0.51	0.51	0.00
High Needs Funding - Home Education	0.39	0.39	0.00
Outreach	1.02	1.06	0.04
Additionality	0.70	1.40	0.70
Special Education Provision "Out of City"	5.36	6.18	0.82
Special Education Provision "Personal Funding"	0.68	0.50	(0.18)
Special Education Provision "In City"	1.64	3.09	1.44
Education Inclusion and Attendance Service	0.04	0.16	0.13
High Incidence SEN	0.03	0.03	0.00
SEN Support Services	1.38	0.38	(1.00)
SEN Sensory Inclusion	0.66	0.67	0.02
SEN Early Years Team	1.07	1.09	0.03
Specialist Learning Support	0.12	0.14	0.02
PFI - Penn Fields	0.27	0.28	0.01
Additional Nursery & Reception SEND Provision	0.08	0.24	0.16
Special Education Provision "Post 16 In City"	0.89	1.42	0.52
Special Education Provision "Post 16 Out of City"	1.18	1.55	0.36
SEN Commissioning Team	0.49	0.50	0.02
Alternative Provision (Placements/Inclusion grant	0.66	0.41	(0.25)
SEN LAC Tripartite Funding	0.35	0.50	0.15
Additional Grant to Schools	0.90	0.89	(0.01)
Dedicated Schools Grant (DSG)	0.08	1.03	0.95
Funding Increase for 2024-2025			(1.95)
Total	48.42	52.97	2.61

The Funding to be received for 2024-2025 is £50.3 million. This was a funding increase of £1.95 million which is reflected above. After allowing for the 2024-2025 funding allocation of £50.3 million we are forecasting an overall over spend at the end of 2024- 2025 of £2.61million.

2024-2025 Matrix Band Unit Rates

Special School Matrix Places Top Up

	A	A	B	C	D	E
Band	Speech, Language & Communication Broadmeadow	Speech, Language & Communication Other	Cognition and Learning	SEMH	Sensory	Physical (Including Residential)
2	£13,472	£8,825	£441	£7,655	£9,511	£12,259
3	£17,285	£12,636	£3,363	£10,085	£13,346	£15,961
4	£24,670	£20,023	£10,149	£12,212	£20,731	£19,824

Resource Base Matrix Places Top Up (Pro-rated for Part time places in Early Years)

	A	B	C	D	E
Band	Speech, Language & Communication	Cognition and Learning	SEMH	Sensory	Physical
2	£2,971	£0	£1,724	£3,197	£1,974
3	£6,887	£0	£4,222	£7,135	£5,776
4	£14,472	£6,583	£6,403	£14,719	£9,744

PRU Places Top Up

Statemented	Orchard	Evergreen	Braybrook	Midpoint
Per Place	£15,059	£15,059	£16,747	£15,059

Mainstream Top ups

	A	B	C	D	E
Band	Speech, Language and Communication Other	Cognition and Learning	SEMH	Sensory	Physical (Including Residential)
2	£4,202	£4,202	£4,202	£4,202	£4,202
3	£8,406	£8,406	£8,406	£8,406	£8,406
4	£14,625	£14,625	£14,625	£14,625	£14,625