

SCHOOLS' FORUM

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Report title	High Needs Block Funding 2022 - 2023
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Summary

This report provides an update on the High Needs block (HNB) of the Dedicated Schools Grant (DSG) 2022-2023 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 2022-2023.
2. Approve the allocation of High Needs expenditure for 2022-2023 (Appendix 1).
3. Note the matrix bands for 2022-2023 (Appendix 2).
4. 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.

Schedule of Background Papers

- Dedicated Schools Grant allocation tables: 2022 to 2023 (www.gov.uk)
- High Needs Funding 2022 to 2023: Operational guide – January 2022
- Schools' Forum High Needs Funding Sub-Group Report 2 February 2022

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 2021, the Department for Education announced the provisional High Needs Block Grant Funding for 2022-2023.

2.0 High Needs Block Allocation and Budget requirement 2022-2023

- 2.1 As shown in the table below, the initial 2022-2023 HNB funding allocations show that Wolverhampton City Council will receive £46.16 million after deductions. This includes an additional allocation of £1.86 through the Health and Social Care Levy. This represents an increase of £5.46 million from the 2021-2022 allocation.

	HNB Funding 2021-2022 £m	HNB Funding 2022-2023 £m
Allocation before deductions	46.53	50.34
Deductions (academies etc)	(5.83)	(6.04)
Total Initial DSG Allocation	40.70	44.30
Health and Social Care Levy funding	-	1.86
Total Revised DSG Allocation	40.70	46.16

- 2.2 The current forecast expenditure against the High Needs Block in 2021-2022 is £42.10 million, which will result in an in-year overspend of £1.40 million and a carry forward overspend of £1.73 million. The Council will be required to put together a plan to recover this overspend from future underspends over the medium term. This plan will be in consultation with Schools' Forum.
- 2.3 The table in appendix 1 shows the detailed forecast budget requirement for 2022-2023 based on current data with growth built in where required to account for forecast increases in student numbers. 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.
- 2.4 The forecast expenditure requirement for 2022-2023 is £45.50 million. This would result in an underspend against the overall budget allocation of £0.66 million, meaning the underspend could be used to partially recover the forecast overspend against budget in 2021-2022, and that the overall deficit would have reduced to £1.07 million at the end of 2022-2023.

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 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 2022-2023 are based on the known levels of commissioned places along with planned new capacity to meet demand.

4.0 Matrix (Top Up) Funding

- 4.1 The High Needs Review Group are undertaking a review of the banding matrix as an assessment of individual pupil needs. This is a complex process involving consultation and the aim is to have the new top up funding arrangements in place for financial year 2023-2024. The current matrix band unit rates will remain unchanged from 2021-2022 and are shown as Appendix 2.

5.0 Additional Changes to 2022-2023 High Needs Block Budget

- 5.1 In addition to increasing the place and top-up funding the following changes have been made to the High Needs Block budget for 2022-2023.
- Increases to cover pay awards and increments to Council staff
 - Growth for projected in-year additional placements
 - Predicted increase in EHCPs (and therefore SEN top ups) across the City
 - Increase to Tri-partied funding to partially cover reduction in Central Schools Services Block

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 2022-2023 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**
- Statements more than £6000: Where the number of Low Incidence High Cost (LIHC) pupils is more than 5.0% above the average for that sector.

7.0 Education Functions

- 7.1 At its January 2022 meeting Schools' Forum agreed that the 2022-2023 rate for Education Functions would be £31.45 per pupil. The Local Authority is proposing to increase this to £36.49 to cover the 50% reduction in the School Improvement and Brokering Grant. The Local Authority proposes no change to the previously approved multipliers of 3.75 for PRUs and 4.25 for Special Schools resulting in per place contributions of £136.84 and £155.08 respectively.

High Needs Block Forecast Budget Requirement 2022-2023

Budget Description	Forecast 22-23	Forecast 21-22	Increase / (Decrease)
	£ million	£ million	£ million
Place funding	8.73	8.73	0.00
Top Up Funding – Maintained	12.34	11.02	1.32
Top Up Funding – Academies	5.91	5.28	0.63
Hospital/ Home Funding	0.86	0.86	0.00
Outreach	0.95	0.92	0.03
Additionality	0.70	0.82	(0.12)
Out of City Provision	7.42	6.62	0.80
Alternative Provision – Placements	0.25	0.40	(0.15)
Alternative Provision – Inclusion Grant Funding (ISAP)	0.20	0.00	0.20
High Incidence SEN Funding	0.03	0.02	0.01
SEN Assessment and Development	1.38	1.14	0.24
SEN Sensory	0.64	0.64	0.00
SEN Early Years	1.26	0.98	0.28
PFI – Penn Fields	0.27	0.26	0.01
Additional Nursery & Reception SEND Provision	0.08	0.08	0.00
Post 16 SEN Provision	2.18	1.95	0.23
SEND Management and Commissioning	0.33	0.60	(0.27)
Contribution to SEN LAC Tripartite Funding	1.24	1.10	0.14
Teachers Pay and Pension Funding	0.73	0.69	0.04
OPERATIONAL HIGH NEEDS BLOCK BUDGET	45.50	42.10	3.40
TOTAL INITIAL HIGH NEEDS BLOCK DSG BUDGET	44.30	40.70	3.60
Additional Funding from Health and Social Care Levy	1.86	0.00	1.86
TOTAL REVISED HIGH NEEDS BLOCK DSG BUDGET	46.16	40.70	5.46
Projected Cumulative Overspend Brought Forward	1.73	0.33	
Projected In Year Overspend to Carry Forward	(0.66)	1.40	
PROJECTED CUMULATIVE OVERSPEND TO CARRY FORWARD AT YEAR END	1.07	1.73	

2022-2023 Matrix Band Unit Rates

Special School Matrix Places Top Up

Band	A	A	B	C	D	E
	Speech, Language & Communication Broadmeadow	Speech, Language & Communication Other	Cognition and Learning	SEMH	Sensory	Physical (Including Residential)
2	£12,327	£8,074	£404	£7,004	£8,702	£11,216
3	£15,815	£11,561	£3,078	£12,211	£12,211	£14,604
4	£22,572	£18,320	£9,286	£18,968	£18,968	£18,138

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

Band	A	B	C	D	E
	Speech, Language & Communication	Cognition and Learning	SEMH	Sensory	Physical
2	£2,634	£0	£1,529	£2,834	£1,750
3	£6,104	£0	£3,742	£6,324	£5,120
4	£12,828	£5,834	£5,676	£13,048	£8,637

PRU Places Top Up

Statemented	Orchard	Northern House	Braybrook	Midpoint
Per Place	£13,778	£13,778	£15,323	£13,778