

Report to: Schools Management Forum

From: Caroline Cannon: Strategic Lead for Inclusion and Specialist Support Service

Date: 24th February 2021

Title: High Needs Block Financial Year 2021/22

1.0 Purpose

- 1.1 This report will set out the Council's plan for spending the High Needs Block allocation for the next financial year, April 2021 to March 2022.
- 1.2 Schools Management Forum does not vote to approve this budget, however, is asked to note the content of the report and to offer feedback.

2.0 Background

- 2.1 High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant, and School and Early Years Finance Regulations. High needs funding is also provided directly to some institutions by the Education and Skills Funding Agency (ESFA).
- 2.2 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, enabling both local authorities and institutions to meet their statutory duties under **the Children and Families Act 2014**. High needs funding is also intended to support good quality Alternative Provision for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream or special schools. The high needs funding block provides local authorities with resources for place funding and top-up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with institutions (including funding devolved to institutions).
- 2.3 In recent years, the High Needs Block of the DSG has been under significant pressure, and has carried deficits since financial years 17/18. As a consequence, the Local Authority requested a 1% disapplication of the Dedicated Schools Grant to prevent further deficits in financial year 19/20. This was approved, and has helped to manage the budget however the budget is still under significant pressure as we move into 21/22 with some real concerns regarding the impact of COVID on children and young people with SEND and those who are vulnerable.
- 2.4 The Local Authority is managing a Budget Recovery Plan to ensure deficit recovery and prevent further disapplication of dedicated schools grant in the next or future financial years. However as a result of COVID and additional pressures in 20/21 the assumed savings identified for the Recovery Plan has not been realised for the financial year 20/21.

2.5.1 The Department for Education has been seeking feedback on the High needs Budget and has seen across the country that many Local Authorities have had real difficulties in remaining within the High Needs allocation due to the increasing demands of children and young people with SEND. The Department for Education launched a consultation document on 10th Feb 2021 inviting local authorities in England, schools and colleges, other interested organisations and individuals to respond to specific proposals for a small number of changes to the national funding formula that they will use to allocate high needs funding to local authorities in the 2022-23 financial year. They are also seeking views on some of the longer term changes to the formula that could be considered in future. (See attached Appendix 1 DfE High Needs Consultation Document)

3.0 Allocation

3.1 The provisional High Needs Block for Financial Year 21/22 is **£29,557,079** with recoupment income and Early Years Transfer the total budget available will be **£23,557,079**

3.2 Placement Costs

3.2.1 The DfE deducts place funding for Academies and Post 16 Institutions. Based on the Place Change Return this recoupment will be as follows:

Type	Number of Places	Total Cost £
Mainstream academies (special educational needs (SEN) units and resources provision)	342	2,312,000
Special Academies – pre 16 SEN Places	85	850,000
Special Free Schools – pre 16 SEN places	75	750,000
Alternative provision (AP) academies and free schools	96	960,000
Further Education (FE) and independent learning providers (ILP)	188	1,128,000
TOTAL Recoupment 2021-22		6,000,000

3.2.2 The Local Authority has commissioned the following places at maintained schools or directly with an academy or free school outside of the ESFA agreements

Institution type	Number of Places	Total Cost
Pre 16 Special Schools (maintained)	439.2	£4,392,000
Pre 16 Resource Base (maintained)	16	£96,000
Pre 16 Special Schools additional A/FS	16	0
Hospital Teaching	59	£1,062,000
TOTAL		£5,550,000

The total placement costs for 21/22 in these categories is **£11,550,000**.

3.2.3 The Local Authority expects to commission up to 50 places in independent schools at a cost of **£2,500,000**.

3.2.4 Supported Internship demand is growing for young people in Post 16 education. We expect to commission at least 30 SI places from September 2020, at a cost of **£180,000**.

4.0 Special Educational Needs

4.1 Spending in this area covers children and young people aged 0-25 years. All spend in this area is to support settings to deliver education for children and young people with an Education Health and care Plan (EHCP) or a SEN Support Plan.

4.2 For context, there are approximately 1200 children and young people with an EHCP in Middlesbrough. All children and young people in Special Schools and 60% in resource bases currently have an EHCP. 40% of children in resource provision are funded via SEN Support. Approximately 750 children and young people in mainstream settings are funded via matrix payments.

4.3 Top Up funding is allocated to Special Schools using a banding mechanism. These are as follows:

Element 3 Top-Up Funding is in addition to place-led funding and is allocated in accordance with the Descriptors of Need. Proposals to change funding bands must be supported by the appropriate evidence and cost implications		Funding Bands for 2018-2019		Reduction of 1.4999% per financial year for each of the next three financial years	
		Proposed Value (£)	Weighting	Proposed Value (£)	Weighting
REVISED DESCRIPTORS OF NEED WITH EFFECT FROM APRIL 2019					
1	Differentiated curriculum with teaching in small groups. Regular focussed teaching each week. Regular supervision throughout the day, use of time out and other such approaches. Direct delivery of specific interventions, supported by specialist outside agencies, to address the needs in the pupils' Statement and / or their IEP	£3,200	1 1.00	£3,152	1 1.00
2	Use of specialist teaching materials and approaches to address the challenging behaviour of pupils with a range of underlying SEN. Differentiated curriculum with teaching in small groups. Regular supervision throughout the day, use of time out and other such approaches in order to provide opportunities for intensive teaching, self organisational skills, opportunities to promote self esteem and positive relationships. Use of specialist programmes devised by a range of specialist support services and disciplines.	£6,300	1 1.97	£6,206	1 1.97
3	Differentiated curriculum with teaching in small groups delivered with support, advice and training from specialist staff from health / mental health and / or education and/or alternative / augmented communication, and / or individual or small group therapeutic input. Direct teaching of specific skills and individual specialist teaching approaches to address the needs in the pupils' statement and / or IEP. Regular supervisions throughout the day, use of time out and other such approaches.	£10,100	1 3.16	£9,949	1 3.16
4	Complex needs set out in the education, health and care plan. May also require a wide range of specialist equipment. Increased levels adult support will be required on a daily basis for every day needs and / or personal care.	£12,800	1 4.00	£12,608	1 4.00
5	Complex education, health and care plan in place that requires all enhancements listed above. May also require a wide range of specialist equipment. Would be reliant on adult input for the whole of each school day needs and / or personal care. May require significant additional support relating to vocational education provision and to maintain a highly differentiated and modified curriculum. Access to therapies and highly specialised resources which may include staffing or environment.	£15,000	1 4.69	£14,775	1 4.69
6	Complex and profound learning needs. An Education, Health and Care Plan will be in place that requires all enhancements listed above. May also require a wide range of specialist equipment. Would be wholly or mainly reliant on adult input for every day needs and / or personal care. Individual requirements may significantly exceed some of the above, pupils may have high level health/ medical packages which provides joint contributions from NHS, end of life care, doubly incontinent and can do nothing for themselves. Safety requirements which although not life threatening may have significant impact on access to education and high staff demand/supervision to maintain safety. An alternative timetable may be in place for an individual. For some pupils, they may demonstrate challenging, aggressive behaviour towards staff or peers and may need an individual timetable with high level of staffing. additional therapies may also be required.	£25,000	1 7.81	£24,625	1 7.81
7	WOULD ONLY APPLY IN VERY EXCEPTIONAL CASES. Very complex and profound learning needs that would be set out in EHCP. May also require a wide range of specialist equipment. Would be wholly or mainly reliant on adult input for every day needs and / or personal care. Individual requirements may significantly exceed some of the above, pupils may have high level health/ medical packages which may be entitled to joint contributions from NHS, May be doubly incontinent and can do nothing for themselves. Safety requirements which although not life threatening may have significant impact on access to education and high staff demand/supervision to maintain safety. An alternative timetable may be in place for an individual. For some pupils, they may demonstrate challenging, aggressive behaviour towards staff or peers and may need an individual timetable with high level of staffing. additional therapies may also be required. There will be Health and Safety issues that, if not addressed immediately, an uncontrolled life threatening situation could develop. would require 1:1 health support for the whole day to manage potentially life threatening conditions or end of life care. Pupils may require frequent positioning and high level supervision to alert staff to immediate changes in presentation. Some children may demonstrate safeguarding issues for themselves.	£30,000	1 9.38	£29,550	1 9.38

4.4 Spend on Special School top ups has increased in 20/21 and this is for a number of reasons which include increasing complexities of our children and young people, additional places being offered to support more children and young people to remain within the local area. Spend on Special School top-ups is estimated to be **£5,500,000 in 2021/2022.**

- 4.5 Top-up funding for children and young people attending resource provision is calculated using a weighted banding system according to primary need.

RESOURCE PROVISION BANDINGS									
NEED	WEIGHTING	0	1	2	3	4	5	6	7
HLN	1.0000	£0	£0	£500					
ASD	2.5000	£0	£0	£1,250	£1,875	£3,750	£4,000	£8,000	
SL	2.5000			£1,250	£1,875	£3,750	£4,000	£8,000	
SCLN	2.5000			£1,250	£1,875	£3,750	£4,000	£8,000	
PM	4.5000			£2,250	£3,375	£6,750	£7,200	£14,400	
HI	5.7500			£2,875	£4,313	£8,625	£9,200	£18,400	
VI	5.7500			£2,875	£4,313	£8,625	£9,200	£18,400	
MSI	5.7500			£2,875	£4,313	£8,625	£9,200	£18,400	

- 4.6 The total budget for Resource Provision top up for 2021/222 is **£1,200,000**. This provision is currently being reviewed to ensure the appropriate provision which is required across Middlesbrough is in place due to the changing needs of the children and young people with SEND.
- 4.7 For children in mainstream pre-16 settings (from reception year), children and young people's needs are assessed via a matrix against a costed provision map. The matrix awards points that turn in to a financial value. Schools can claim via the matrix where they can evidence that they spend more than their SEN notional budget (i.e. £6,000) on a package of support for a learner. Each point claimed is worth £77.58. **This system will be reviewed in 2021 to ensure that the model meets the requirements of both Pre and Post 16.**
- 4.8 The budget for Pre 16 Matrix payments for 21/22 is **£1,250,000**.
- 4.9 Post 16 institutions also claim matrix points in the same way as mainstream pre 16 settings. The budget set for 21/22 is **£387,000**.
- 4.10 In total, the budget for top-up payments in 21/22 needs to be **£8.3 million**.

5.0 Alternative Provision

- 5.1 The High Needs Block part funds alternative education for children and young people who are permanently excluded or at risk of exclusion. This is delivered via several arrangements.

5.2 The AP Academy placements are included in the place funding figures, (£960k). Additional AP costs are;

Provision	Description	Cost
AP Academy Top Up	£8k per place additional top up funding	£768,000
Alt Ed Team	Inclusion Model	£133,200
Learning Centre	Assessment places for Secondary	£138,300
External Provision	Additional AP	£600,000
Holmwood assessment	Assessment places for primary children	£180,000
Total		£1,819,500

6.0 Specialist Support Services

6.1 The High Needs Block also funds Specialist Support Services delivered by the Local Authority. These are:

6.1.1 The Specialist Teaching and Resource Service (STARS), which provides equipment and teaching for children and young people aged 0-25 with a hearing or visual impairment.

6.1.2 The Early Years Specialist Support Service (EYSS) which provides nursery places, portage and inclusion services for children with Special Needs aged 0-4 years. This is part funded with £353,700 from the Early Years Block with additional funding from High Needs Block at **£312,200**.

6.1.3 There is also an Early Years Inclusion and Development Fund of £200,000 (part funded from Early Years Block £150k and High Needs Block **£50k**) to support SEN children in nursery provision which is allocated by EYSS Service.

6.1.4 The Psychology Service is part-funded by the High Needs Block to deliver non-statutory assessment and advice.

6.1.5 The Ethnic Minorities and Traveller Service (EMAT) is part-funded to support Vulnerable Learners

6.1.6 Virtual Schools are funded to support Looked After Children (LAC) in their Education.

6.1.7 Some Advisor time is funded from the Achievement Team.

6.1.8 A small contribution is made to the Speech and Language Service.

6.1.9 Small contributions are made to Admissions, Community Learning and SENDIASS

6.2.0 See the table below for 21/22 costs for Specialist Services

Service	Funding
Inclusion, Assessment and Review	£596,300
STARS	£187,400
EYSS	£312,200
Early Years Inclusion and Support Fund * total allocation £200K (£150k EY & £50k HN)	£50,000
Psychology	£214,300
EMAT	£51,000
Virtual Schools	£308,300
Achievement	£40,000
Speech and Language	£49,600
Total	£1,809,100

7.0 Other costs from High Needs Block

7.1

Description	Cost
High Needs Development Fund	£808,000
Out of Area placements	£600,000
Bespoke provision	£540,000
Management and Admin	£260,400
DSG Overheads	£692,800
Total	£2,901,200

7.2 The high needs block now includes Teachers' Pay Grant (TPG) and Teachers' Pension Employer Contribution Grants (TPECG), including the supplementary fund, which had previously been a separate grant to special schools and AP provision. This increased the high needs block by £492,800 and will be paid to providers as a separate payment.

8.0 Summary

8.1 The total High Needs Block (provisional at the time of this report) is £23,657,722. The Local Authority expect to recoup costs for Alternative Provision, Hospital Teaching and SEN training that will total £490,000. This brings the total budget to **£23,167,722**.

8.2 Total Spend against this budget with the recommended allocations in this report is projected to be £23,167,722. This will create an expected underspend of **£389,400**.

	£	£
HNB Allocation pre recoupment from DfE 21/22	29,557,079	
Less Recoupment	-6,000,000	
HNB Allocation after recoupment 21/22		23,557,079
Allocated budget	23,167,722	
Variance (-underspend/+overspend)		-389,357

8.3 All underspends will be used to offset the existing deficit. Further savings may be made in-year with the implementation of strategies to reduce AP use and review of Independent School Placements. In addition, there is a strategy to maximise health income via contributions to education for children and young people who meet Continuing Care criteria.

9.0 Recommendations

9.1 School Management Forum to note the content of this report

9.2 School Management Forum to submit any questions pertaining to the 21/22 HNF Budget at the February 2021 meeting for a response at the next meeting.

Additional Papers

Appendix 1 DfE High Needs Consultation Document