

Hillingdon Schools Forum
2023-24 High Need Block Budget Consultation

Date of meeting:	22 nd March 2023
Time of meeting:	1.00 pm
Venue:	Teams
Officer presenting the report:	Coral Miller

1. Introduction

This purpose of this paper is to consult and report to the Schools Forum on the allocated 2023-24 High Needs Block Budget and the proposed use of the funding.

2. Recommendation

Schools Forum are asked to note the report and comment as required.

3. High Needs Block

Background (extracted from the High Needs Block 23-24 Operational Guidance)

High Needs funding supports provision for pupils and students with SEND who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an EHC plan or students who are over the age of 25) and pre-16 pupils in AP who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools.

High Needs funding is provided to Local Authorities through the High Needs Block of the DSG, enabling them to meet their statutory duties under the [Children and Families Act 2014](#).

The financial allocations from the High Needs funding Block provide Local Authorities with resources for place funding and top-up funding for schools and colleges, funding for high needs services delivered directly by the Local Authority, or under a separate funding agreement with a school or college (including funding devolved to schools and colleges), as permitted by regulations. Local Authorities must spend that funding in line with the associated [DSG: conditions of grant](#) and [Schools and Early Years Finance \(England\) Regulations](#).

High Needs funding is also provided directly to some schools and colleges by ESFA, and the respective conditions of grant and funding agreements apply.

For more information on the High Needs Block please see the link below:

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2023-to-2024/high-needs-funding-2023-to-2024-operational-guide#annex-2>

4. Proposed use of the 2324 High Needs Block

The indicative High Needs Block budget as at 16th December 2022 is shown below:

	2022/23	2023/24	Increase	% increase
High Needs	56,152	62,084	5,932	10.6

The full indicative High Needs Block allocation is shown in Appendix A.

Please see Table 1 below for a breakdown of the proposed 23/24 Budget, the budget is based on 2022/23 budget with an inflationary uplift, please note the LA will set a balanced budget:

2324 High need block budget		
High Needs Income	High Needs Block Funding	-£62,084
Transfer from the Schools Block 0.5%	Agreed by the Secretary of State	-£1,337
		-£63,421
High Needs	High Needs Block Academy Recoupment	£9,936
High Needs	Maintained ISB	£5,241
High Needs	Top-up funding	£27,186
High Needs	Early Support Funding	£2,913
High Needs	Independent placement provision (pre-16)	£13,343
High Needs	Independent placement provision (post-16)	£1,607
High Needs	Contributions from Health & Social Care	-£1,383
High Needs	FE college top up funding	£2,988
High Needs	Hospital Tuition	£80
High Needs	Alternative Provision	£1,168
High Needs	SEN Therapies	£430
High Needs	4% Threshold Mechanism	£204
High Needs	Non-statemented pupils - exceptional funding	£107
High Needs	Tuition - SEN out of school	£214
High Needs	SEN Support Services	£1,436
High Needs	High Needs Overheads	£231
High Needs Block Total Expenditure		£65,701
High Needs Block Total		£2,280

4.1 A full breakdown of the planned place numbers for 2023/24 for information and could be subject to change, this includes the Academies planned places which will be funded from the Local Authority's High Needs Block and paid directly from the ESFA. The Academy planned places is as per the November 2022 return is not currently reflected yet in the allocation, hence the High needs block is subject to change:

PLANNED PLACE NUMBERS 2023/24 (could be subject to change)

School	Sector Type	Status	Planned Place numbers Sep 22-Mar 23	Planned Places LA Funded	Planned Places EFA Funded	2324 Adjustmt - Planned	Planned SRP as per Nov 22 return	Planned Places Funded - 2324
Cherry Lane	Primary - SRP	Maintained	10	66,000	0		10	100,000
Coteford Infant	Primary - SRP	Maintained	10	84,000	0		10	100,000
Coteford Junior	Primary - SRP	Academy	13	0	82,000	-6	7	70,000
Deanesfield	Primary - SRP	Maintained	8	48,000	0		8	80,000
Glebe	Primary - SRP	Maintained	11	78,000	0		11	110,000
Grangewood	Primay - Special	Academy	131	0	1,305,833		0	1,310,000
Harlington	Secondary - SRP	Maintained	7	54,000	0		7	70,000
Hayes Park	Primary - SRP	Maintained	13	78,000	0		13	130,000
Hedgewood	Primay - Special	Maintained	190	1,900,000	0		0	1,900,000
Lake Farm	Primary - SRP	Academy	12	0	80,000	1	13	130,000
Meadow	Secondary - Special	Maintained	250	2,500,000	0		0	2,500,000
Moorcroft	Secondary - Special	Academy	148	0	1,363,333		0	1,480,000
Northwood	Secondary - SRP	Academy	10	0	72,000		10	100,000
Oak Wood	Secondary - SRP	Maintained	12	72,000	0		12	120,000
Pentland Field	All Age - Special	Free	150	0	1,500,000	12	0	1,620,000
Pinkwell	Primary - SRP	Academy	10	0	68,000		10	100,000
St Martin's	Primary - SRP	Academy	15	17,500	78,000		12	150,000
THE PRIDE ACADEMY	FREE SCHOOL -	Free	61			15		760,000
Vyners	Secondary - SRP	Academy	16	0	116,000		16	160,000
Willows	Primay - Special	Academy	60	0	600,000		0	600,000
Young Peoples Academy	Secondary - Special	Academy	83	0	755,000		0	830,000
NEW								
RUISLIP HIGH SCHOOL	Secondary - SRP	Academy						0
Charville Primary Academ	Primary - SRP	Academy				8	5	46,667
Wood End Park Primary A	Primary - SRP	Academy				24	14	140,000
GRAND TOTAL			1,220				148	12,606,667
				4,897,500	6,020,167			
Pupil Referral Unit								
The Skills Hub	Alternative Provision	Academy	73	0	730,000	47	120	1,200,000

4% Threshold

4.2 The Local Authority would like to move the 3.5% threshold which recognises those schools that have a disproportionate number of pupils with SEN to 4% in 2023/24 distributes an additional £6k funding for each pupil with an Education and Care plan (EHCP) over the 4%.

- 4.3 The threshold was set several years ago and when the mechanism was introduced the number of pupils with a Statement of SEN in mainstream schools was on average 2% of the total school population.
- 4.4 This will mean that children above the 4% will attract the additional £6k, not all SEN children.

5. Special Schools funding update, Extract from the High need block 2324 guidance: 16. Annex 1: special schools minimum funding guarantee

The minimum funding guarantee (MFG) protection for maintained special schools and special academies in 2023 to 2024 is set by a condition of grant that applies to local authorities' DSG. A 3% MFG has been set for special schools in 2023 to 2024. Recognising that some local authorities have already passed on additional funding for pressures in 2022 to 2023, instead of making a year-on-year calculation, the comparison will be with schools' 2021 to 2022 funding baselines.

This means those special schools already receiving an appropriate increase in 2022 to 2023 may not require a further increase to reach the MFG level. We would nevertheless expect local authorities to respond appropriately to schools' cost pressures in 2022 to 2023 and 2023 to 2024 to secure the provision required for the pupils they place there, taking account of any risks to the schools' financial viability.

In 2023 to 2024, as in previous years, the MFG for special schools and academies will apply to their combined place and top-up funding on a per pupil basis, assuming the number and type of places remains the same.

In 2023 to 2024, the MFG must be calculated based on a comparison of the combined place and top-up funding per pupil in the 2021 to 2022 and 2023 to 2024 financial years. The top-up funding must be set at a rate to ensure a school's total budget is 3% higher per pupil than in 2021 to 2022.

The 3% MFG, using the 2021 to 2022 baseline, is set at a level to achieve broad equivalence with the MFG for mainstream schools over the same period (considering the schools supplementary grant funding that mainstream schools receive in 2022 to 2023). We expect this level of MFG to be affordable for local authorities, given the 21% increase in high needs funding at a national level between 2021 to 2022 and 2023 to 2024 and that many local authorities have already increased top up funding rates in 2022 to 2023, in light of the additional funding allocated for that year to meet cost pressures. Where there are extenuating circumstances, the process to request disapplication of the MFG will remain in place, with details set out below.

The MFG calculation must assume that all pupils in the school are placed by the provider local authority and that all top-up rates received by the school are those set by the provider local authority.

High needs funding that the school receives in place of the TPG, the TPECG, and the pensions supplementary fund, should be excluded from the MFG calculation. Similarly, the additional funding for 2023 to 2024 that local authorities are required to pass directly to maintained special

schools and special academies, as explained in [additional funding for 2023 to 2024](#) and [annex 2](#) of this guide, should also be excluded from the MFG calculation. That funding increase for 2023 to 2024 should be additional to the required MFG 3% increase over two years.

When calculating protection, local authorities should make sure that they are comparing like for like. Adjustments should be made for changes in the nature of the provision. For example, if previous top-up funding rates included an element for a commissioned service which is no longer provided by the school, the value of that element can be discounted when calculating the MFG protected level.

Once the MFG assessment confirms 2023 to 2024 top-up funding rates received by the school are in line with the guarantee, they can then be applied to reflect the actual number and type of places at the school. There may be reasons why a local authority is not planning on passing an increase up to, or beyond the level of the MFG on to its special schools in 2023 to 2024. For example, a local authority may have increased its top-up funding rates by a significant percentage in 2021 to 2022 and considers that is sufficient to make cost increases over the current 2-year period manageable for the schools, given the level of reserves they have accumulated. Alternatively, a local authority might be working with all its schools to re-balance the top-up funding that is allocated between mainstream and special schools, to enable the former to meet a wider range of needs or have undertaken a benchmarking exercise and aligned top-up funding levels for its schools to ensure similar provision for pupils with similar levels of need are funded on a consistent basis.

Where a local reorganisation or review of funding levels takes place and there are changes to bandings, the 2021 to 2022 pupils and their categories of need should be attributed as far as possible to the new bandings for 2023 to 2024 to assess whether any school receives less than the MFG.

Breaches of the MFG should only be in exceptional circumstances. In all circumstances where the MFG is proposed to be breached and the local authority intends to fund one or more schools below the guaranteed level, the local authority must formally request that the relevant condition of grant is disapplied using the disapplication proforma accompanied by supporting information. Local authorities are expected to produce a worked MFG calculation prior to considering a disapplication request – see example tables in the MFG modelling section below.

[Disapplication requests](#) from local authorities seeking exceptions to the MFG rule will be considered on a case-by-case basis and that each request will apply for one year only. No prior year approvals will be carried forward. Local authorities submitting repeat requests covering the same schools should ensure the disapplication request is comprehensive, as if a new request was being presented, comprising the necessary up to date supporting information and financial modelling, in line with this guidance.

Where a local authority wishes to adjust the top-up funding across several schools, for example, following a review of its top-up funding rates and as a result some schools gain funding and others face a reduction, a disapplication will be required, although the request will only be relevant to those schools whose funding would fall below the guaranteed level.

Consequently, local authorities should not, through this process, seek endorsement of the entirety of a new top-up funding scheme that they are intending to implement across some or all their special schools.

Please note that the Special schools budget has yet to be set based on the updated Minimum Funding Guarantee (MFG) based on 21-22 budget per pupil.

Annex 2: Extract from the DFE High needs block guidance - Maintained special schools and special academies and free schools

Local authorities must allocate 3.4% per place, based on the place funding of £10,000 per place plus the average top-up funding they pay for a pupil placement in financial year 2022 to 2023, using the total number of places being funded in academic year 2022 to 2023. If a revised number of places has been agreed with the school for the academic year 2023 to 2024, through the place change process where applicable, the local authority may use that number to calculate seven twelfths of the allocation (for the period September 2023 to March 2024)

For example, a special academy is funded for 200 places in academic year 2022 to 2023. It therefore receives place funding at £10,000 per place for those places. 150 of those places are occupied by pupils placed by the provider local authority that previously maintained the school, 100 of which attract that authority's top-up funding rate of £9,000 per pupil, and 50 of which attract a higher rate of £15,000 per pupil. The local authority therefore pays an average top-up funding rate of £11,000 per pupil $((100 \times £9,000) + (50 \times £15,000) / 150)$. In the calculation, the top-up funding paid by other authorities using the remaining places is not taken into account.

Key Dates

Action

End February 2023

ESFA issues **details of high needs places in AP free schools.**

March/April 2023

Update DSG allocations for recoupment and high needs deductions for academies as at 1 March 2023. ESFA issues detailed recoupment guidance.

June 2023

Update import and export adjustment for cross border **high need places in high needs national funding formula using January 2022 census and R06 ILR 2022 to 2023 data.**

July 2023

Update for in-year recoupment and high needs deductions. Early years block update.

November 2023

Update for in-year recoupment and high needs deductions.

March 2024

Final update for in-year recoupment and high needs deductions.

Appendix A

As per the 16th December 2022 High needs Allocation									
Dedicated schools grant: 2023 to 2024 provisional high needs block allocations	Total high needs elements in the funding floor and gains calculation (£s)	Basic entitlement factor (area cost adjusted) unit of funding (£s)	Number of pupils in special schools and academies	Import/export adjustment (based on January 2022 school census and February R06 2021 to 22 individualis	Additional Funding for Special Free Schools (£s)	Hospital education, alternative provision teachers pay/pension and supplementary funding factor (£s)	High needs national funding formula for historical spend, proxy factors, and funding floor allocation (£s)	Additional high needs allocation (£s)	Total high needs block before deductions (£s)
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
									= [A] + ([B] * [C]) + [D] + [E] + [F] + [H]
312 Hillingdon	52,972,368	5,200.81	1,067.00	924,000	12,000	194,096	52,972,368	2,432,145	62,083,874
22-23									
312 Hillingdon	47,548,491	5,195	1,062	924,000	12,000	189,325	47,548,491	1,961,173	56,151,644
Variance	5,423,877	6	5	0	0	4,771	5,423,877	470,972	5,932,230