

Date: 18 January 2024	Item 5 Type of report: For decision
Report title:	Dedicated Schools Grant - 2024-25 High Needs Block
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Dedicated Schools Grant - 2024-25 High Needs Block

PURPOSE OF REPORT

1. This report provides the Schools Forum with the details of schools block transfer and the funding of special schools, hospital schools and resource bases and EHCP's for next year. The schools block transfer influences the funding allocations to schools and this is considered in a separate paper on this agenda.

RECOMMENDED ACTIONS FOR SCHOOLS FORUM

2. The Schools Forum is asked to:
 - Agree the schools block transfer of 0.42%, a sum of £1.2m.
 - Agree that the special schools' funding rate should remain at the same level as 2023-24 (Table 2).
 - To note the continuance in 2024-25 of the high needs additional grant to special schools, alternative providers and hospital schools of 3.4%.
 - Agree that the top-up rate for SILS should remain at the same level as 2023-24 (Section 7).
 - Agree that the funding rate for hospital schools for 2024/25 should continue to be aligned to the funding level included in the High Needs block allocation (Section 8).
 - Agree that the funding rates for Resources Bases should remain at the same level as 2023-24 (Table 4).
 - Agree that the funding rates for EHCP's should remain at the same level as 2023-24 (Section 9).
 - Agree the contribution from the High Needs block towards SENDIF of £100k.

BACKGROUND

3. The Local Authority (LA) is required to submit details each year of the mainstream school funding formula to the Education and Skills Funding Agency (ESFA). The funding formula is

based on data provided by the ESFA, although there is some scope to make changes; the funding rates need to be agreed with the Forum.

4. The DSG allocation for 2024-25 was received on 19 December 2023. The High Needs block element was £74.9m (including the high needs additional grant of £2.9m) or £71.8m after deductions for direct funding of high need places. The funding provided to each LA is via a formula, although there is a historic element built into that formula. The allocations in December did not provide a detailed breakdown of the formula, but the draft figures provided earlier in the year did and are shown below.

Table 1: Comparison of High Needs funding formula – 2023/24 to 2024/25

High Needs NFF Funding Profile	2023-24 £000's	2024-25 £000's	Change £000's
Basic entitlement factor	4,616	4,870	254
Historic spend factor	24,345	24,345	0
Population factor	17,931	20,199	2,267
FSM factor	4,970	5,404	434
IDACI factor	6,387	7,212	825
Bad health factor	3,394	2,636	-758
Disability factor	2,461	2,691	230
KS2 low attainment factor	2,863	2,984	121
KS4 low attainment factor	1,799	2,077	278
Funding floor factor	0	0	0
Gains limit factor	-2,247	0	2,247
AP factor	3,625	3,727	102
Provisional Funding before Import/Export adj and Cap	72,390	76,144	3,754
Import/Export adjustment	-1,329	-1,501	-172
Provisional Funding After Import/Export adj before Cap	71,061	74,643	3,582
High Needs NFF Provisional Allocation after Cap	68,814	74,643	5,829
New Grant – High Needs Additional Grant	2,945	0	-2,945
Revised allocation after Cap	71,760	74,643	2,883

5. The difference between the draft figures in Table 1 and the revised allocation is due to pupil numbers.
6. The allocation for Southwark shows an underlying increase of 4.3% before deductions and in-year adjustments.
7. For 2024-25 the DfE has set the MFG as a minimum of 0% for Special Schools.
8. There is provision within the regulations to pay a lower increase than the 0%, in order to do this the local authority would need to apply to the Secretary of State, it is not proposed to do this.

9. Local authorities have been asked to continue to separately identify the high needs additional allocations and pay them directly to schools. The rates for these must be the same as for 2023-24, but may be paid on updated commissioned place numbers, with the exception of AP settings (the PRU) which has a separate methodology outlined in the section 8 of this report.

Special Schools Funding Rates 2024-25

10. The minimum funding guarantee has been set at a level of 0% for 2024-25. In line with the Safety Valve savings proposals, top-up rates will be retained at the 2023-24 level in advance of the planned review of Special School rates for 2025-26. Any further consideration for rates will be included as part of the review process.

Table 2: Special Schools Funding Rates 2024/25

School	2023-24 Top-Up Rate	2024-25 Top-Up Rate
	£	£
Spa Camberwell	24,119	24,119
Highshore	15,213	15,213
Spa Bermondsey	21,450	21,450
Newlands	22,605	22,605
Haymerle	21,196	21,196
Beormund	19,819	19,819
Tuke	21,955	21,955
Cherry Gardens	24,119	24,119

High Needs Additional Grant – Special Schools

11. The additional grant which started in 2023-24 added an additional 3.4% of funding to special schools on both the place-led and top-up funding rates. The figures in table 3 below set out the rates that were set in 2023-24. In line with DfE guidance, these rates are unchanged for 2024-25. Local Authorities may consider updating the payments to schools based on updated commissioned place numbers if they have changed in the 2024-25 academic year.

This funding will continue to be paid separately from the usual top-up funding in 2024-25.

Table 3 – High Needs Additional Funding.

Additional Grant based on amount per place			
	Top-up at 3.4%	Base at 3.4%	Total of additional Grant
Beormund School	£674	£340	£1,014
Cherry Garden	£820	£340	£1,160
Haymerle School	£721	£340	£1,061
Highshore	£517	£340	£857
Tuke School	£746	£340	£1,086
Spa School	£729	£340	£1,069
Newlands Academy	£769	£340	£1,109

Resource Base Funding Rates

12. The resource base funding rates proposed for next year are shown in Table 4.

There are three types of resource bases: Speech and Language; Autism and Hearing Impaired. There is no requirement for a minimum funding guarantee for schools with resource bases in a similar fashion to special schools however in the interests of fairness one has been applied in exactly the same way as for Special School i.e. 0.5%.

Table 4: Resource base funding rates adjustment

School Provision Type	2023-24 Rates	2024-25 Rates
	£	£
Speech & Language	6,698	6,698
Autism 1	15,514	15,514
Autism 2	13,480	13,480
Hearing Impaired	9,456	9,456

Note: There are two rates for Autism since the review of the funding bands. The lower rate is for new children since the completion of the review in 2022 and the higher rate for existing children.

Pupil Referral unit

13. Our Pupil Referral Unit - Southwark Inclusive Learning Service (SILS) - is funded in a similar way to special schools with place-led funding of £10,000 and a top up, currently at £11,630. It is proposed to keep this top-up rate at the same level for 2024-25.

The PRU additional grant will also be passed on in full as per the DfE calculation, which is not based on commissioned places as with Special Schools, but is calculated as 3.4% of eligible funding categories from their 2021-22 financial return.

In addition to the pupil led funding, we will fund the NNDR/Rates bill of the PRU on a pound for pound basis in line with the methodology of mainstream schools so the school is not.

Hospital schools

14. Hospital schools are funded on the basis of place-led funding. Southwark has two hospital schools and the funding rates for the current year are as follows:

School	2023-24 Rate	Commissioned Places	Rate Increase	2024-25 Rate
Evelina Hospital School	25,606	53	845	26,451
Maudsley and Bethlem Hospital School	32,896	64	899	33,795

The funding for hospital schools is separated out within the Block allocations and will be passed on to schools as in previous years. This will be passed onto the hospital schools alongside the new additional grant. The additional grant totals £123,254 which is 3.4% of the 2023/24 funding of £3,624,859.

EHCP Banding rates

15. As with the other settings, we will retain rates at the 2024-25 level.

Table 6: Proposed EHCP funding rates for 2024-25

Band	2023-24 Rates	2024-25 Rates
	£	£
Band A	4,291	4,291
Band B	8,531	8,531
Band C	12,770	12,770
Band D	17,009	17,009

As in previous years, the Early Years funding rate will be aligned to the above band D rate by taking 60% of the funding of £17,009 which is £10,205. The rationale behind the 60% is the number of hours of provision provided for a part time early year child, which is 15 hours over the “normal” 25 hours of a full time pupil. If a special school has early years children they will receive 60% of the schools top up rate.

Teachers Pay Additional Grant (TPAG) – Special Settings

16. The Teachers pay additional grant, introduced to support schools with the September 2023 pay settlement, will continue into 2024-25 before being rolled into the main DSG grant for 2025-26. Allocations to the local authority will be updated in March 2025 to reflect updated commissioned place numbers.

The DfE conditions on the distribution are that the full amount of the grant must be distributed, the method of distribution should be transparent and treat academies and maintained schools the same, and it is expected that Local Authorities will consult on the distribution of this grant.

This year there will be a specific allocation intended for maintained hospital schools which will be considered separately from the allocations for other special settings.

SENDIF Funding – HN Block

17. As discussed in more detail in the Early Years paper on this agenda, Southwark currently benchmark near the bottom with comparable London authorities on SEND Inclusion Funding and so in addition to the commitment from the Early Years budget, we will be adding an additional £100,000 funding from the High Needs block towards the SEND Inclusion Fund. This increase will be in addition to the proposed increased contribution from the Early Years Block considered in the Early Years paper on this agenda.

Additionally, a new budget will be made available for an additional member of staff to support the SENDIF work and ensure best value is obtained from the scheme.