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Report title:	Safety Valve & High Needs Budgets 2024-25	
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Safety Valve & High Needs Budgets 2024-25

1. Purpose of the Report

This report provides an update to the Schools Forum on the Safety Valve program, central education expenditure supported by the Dedicated Schools Grant (DSG) high needs block and the review on the High Needs block top up rates.

Schools Forum Actions

The Schools Forum is asked to:

Note and comment on the current position of the Safety Valve programme.

Note and comment on the High Needs block central retentions

Note and comment on the funding arrangements discussed in sections 5 & 6 of this report

3. Safety Valve & DSG Management Plan

3.1 The council has entered into the Safety Valve agreement with the DfE to eliminate the accumulated DSG deficit by 2026-27 with support of £23m Safety Valve funding as set out in the DSG management plan. The DSG deficit was £21.6m at the beginning of 2022-23 and was projected to reach £72.5m by 2026-27 if there weren't any mitigating actions taken. Upon entering into the Agreement the council received an initial grant of £9.2m in 2022-23 to reduce the cumulative deficit.

3.2 The Safety Valve agreement requires the council to achieve the financial targets contained in the agreed DSG Management Plan with formal monitoring against these targets three times a year. If targets are not achieved the DfE has the right to withhold the next instalment of funding. The expectation is the achievement of an in-year balanced position by 2024-25.

3.3 The details of the current management plan have been reported to the recent High Needs Sub Group, but currently we remain broadly on track to achieve an in-year balanced position next year in line with the Safety Valve targets. As per the DfE expectation that the Management Plan is presented in full once per year, the full DfE template is attached in the Appendix B.

3.4 A number of risks remain around the plans going forwards, including growth in EHCP numbers, the continuing of the Schools Block transfer, inflationary pressures, and the delivery of the savings commitments over the coming years.

4. High Needs Block Central Retentions

4.1 The application for Safety Valve funding was supported by a delivery plan to enable a more efficient high needs system. In order to achieve this the council has developed savings proposals to reach an in-year balance on the DSG by 2024-25.

4.2 Part of this plan is to reduce centrally retained expenditure supported by the High Needs Block. The LA is responsible for setting this but needs to consult with the Schools Forum.

4.3 Since 2018-19, the direction of travel has been to reduce centrally retained expenditure in the context of the financial challenges of the DSG and the council has reduced the charge from £5.9m to £2.68m – primarily through reductions in corporate overheads (£1m) and transport (£0.9m) and other non-education provision (£0.8m).

4.4 For 2024-25, it is proposed this budget is held at £2.68m.

5. PRU NNDR Costs

5.1 In 2022 SILS became eligible to be charged for NNDR (rates) costs and in 2023 received the first of these charges.

5.2 In line with the funding practice for mainstream schools, and taking into consideration the fact the funding rates for SILS have not been set with consideration for rates costs, we shall fund the cost of the 2024-25 rates so there is a net nil impact on the schools budget.

6. Teachers Pay Additional Grant – Special Schools and AP Schools

6.1 In July 2023 the DfE announced additional funding to support schools with the September 2023 pay award. The allocations for mainstream schools were made directly by the DfE, but for Special, Hospital and AP schools, it was left to Local Authorities to consult on the method of distribution.

6.2 The LA will be funded on each commissioned place for the academic year 2023/24, at a rate of £315.59 per place.

6.3 The LA consulted with Special, Hospital and AP schools in November with the majority of schools favouring funding based on actual pupil numbers at the October Census.

6.4 As a number of schools have fluctuating pupil numbers, notably both the PRU and Hospital Schools, using actual pupil numbers for those schools would be an unequable solution.

6.5 As a result, the funding will be distributed based on the October census pupils numbers for schools over their commissioned numbers, but based on 2023/24 commissioned places for those whose roll at October was lower than their commissioned numbers.

6.6 As there is not yet full final census data for academy schools, at time of writing we cannot confirm allocations, as the rate for each pupil/place will be determined by the number of pupils in the calculation. Once that data is finalised, anticipated in December, then schools will be informed of their allocations and payments made.

7 Top Up Rate Review 24-25

7.1 It is intended that a top-up rate review for the Maintained and Academy Special Schools is carried out over the course of the next year, with the aim of setting new rates for the 2025-26 financial year.

7.2 Different methodologies will be explored as to the most effective way of carrying this out and we will work with the High Needs Sub group to shape the process. Depending on the methodology chosen for the review, this may impact the timeline as to when the results can be implemented.

7.3 In order for those rates to apply for the 2025-56 financial year, this work will need to be completed in time for a potential disapplication request to the DfE which would typically be due in mid-November. A disapplication request would be required if the top-up review found that any individual schools funding per-pupil should reduce to a level below the MFG rate set by the DfE to allow that rule to be set aside.

8 SENDIF Review

8.1 We are currently reviewing our SENDIF arrangements with a view to ensuring there is effective support in place for early years SEN. Currently the budget is funded via the Early Years block, but consideration will be made for contributions from the High Needs block as part of the wider Safety Valve plans. The current SENDIF arrangement is discuss in more detail in the Early Years paper presented to this forum.

Appendix A – Centrally Retained Budgets

High Needs Block Centrally Retained	Budget 2023-24	Proposed Budget 2024-25
Autism Support Team	367,614	367,614
SEN Inclusion Team	372,423	372,423
Hearing & Visual Impairment	717,496	717,496
SALT	320,000	320,000
Central Recharges	163,586	163,586
SEND Consultants	300,000	300,000
LAC Education	444,237	444,237
TOTAL	2,685,355	2,685,355

Appendix B – DSG Management Plan



DSG Management
Plan 2023 24 - Update