

## Dedicated Schools Grant – 2025-26 High Needs Block

<b>Date: 16 January 2025</b>	<b>Item: 9</b> <b>Type of report: Decision</b>
<b>Report title:</b>	<b>Dedicated Schools Grant – 2025-26 High Needs Block</b>
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### PURPOSE OF THE REPORT

1. This report provides the Schools Forum with the details of the funding of special schools, hospital schools and resource bases and EHCP's for next year, as well as presenting the central High Needs budgets.

### RECOMMENDED ACTION FOR SCHOOLS FORUM

That the Schools Forum

2. Agree that the Special School's funding rate should be set at the levels set out in Table 2 (paragraph 16).
3. Agree that the top-up rate for SILS is maintained at the same level for 2025-26 as set out in paragraph 17.
4. Agree that the top-up for Resource Base and SEN Unit provision is set at the levels set out in Table 3.
5. Agree that the top-up rates for EHCP banded pupil maintained at the levels set out in Table 4.
6. Agree that the top-up rates for Hospital Schools are set at the levels set out in Table 5 and Table 6.
7. Agree to maintain the SENDIF budget contribution of £100k from the High Needs budgets.
8. Agree that the central budgets are set at the levels set out in Table 6.

### BACKGROUND INFORMATION

9. The Dedicated Schools Grant (DSG) allocations for 2025-26 were received on the 19th December 2024. The High Needs block element of this was £80.1m, or £76.9m after deductions for direct funding of high needs places. The funding provided to each Local Authority (LA) is via a formula, although there is an 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 November did and are shown below:

**Table 1: Comparison of High Needs funding formula – 2024/25 to 2025/26**

High Needs NFF Funding Profile	2024-25	2025-26	Change (24/25 to 25/26)
	£000's	£000's	£000's
Basic entitlement factor	4,870	5,158	288
Historic spend factor	24,345	24,345	0
Population factor	20,199	22,612	2,413
FSM factor	5,404	5,977	573
IDACI factor	7,212	7,358	146
Bad health factor	2,636	2,948	312
Disability factor	2,691	2,960	269
KS2 low attainment factor	2,984	3,086	102
KS4 low attainment factor	2,077	2,290	213
Funding floor factor	0	706	706
Historic Teachers Pay and Pension Funding Factor	0	214	214
AP factor	3,727	3,759	32
<i>Provisional Funding before Import/Export adjustment</i>	<i>76,144</i>	<i>82,079</i>	<i>5,935</i>
Import/Export adjustment	-1,501	-1,968	-467
<b>High Needs NFF Provisional Allocation</b>	<b>74,643</b>	<b>80,111</b>	<b>5,829</b>

10. The difference between the figures contained in table 1 and the final allocation are due to updated pupil numbers in the final calculation.
11. The allocation for Southwark shows an increase of £5.8m before deductions for recoupment. This maintains Southwark as the 3<sup>rd</sup> highest funded in Inner London. The average change for Inner London was an increase of 6.49%, with Southwark receiving 6.7%. Nationally, the average increase was higher, at 7.92%.
12. For 2025-26 the DfE have set the Minimum Funding Guarantee (MFG) for Special Schools at a minimum of 0%, so no top-up rates are permitted to reduce without special dispensation from the Secretary of State to disapply the MFG. It is not proposed to request this.

### High Needs Safety Valve

13. As part of the Safety Valve application, one of the key areas of savings identified was maintaining top-up rates without additional inflation each year. Since 2020/21 rates have actually increased in excess of 10% for most specialist settings, with banding rates a little lower at around 6.5% due to additional resources from the DfE, but it remains key to achieving our safety valve targets to maintain the rates where possible at current levels.

14. A top-up rate review is underway for Southwark set rates, and it is intended that the March School Forum will have a significant update around the work being done there.

### **Calculations for Historic Teachers Pay and Pension Grants and Additional Funding**

15. Funding for historic teachers pay awards from September 2018 and 2019 as well as the September 2019 teachers employers contributions increase has previously been rolled into school top up rates and this will continue to be the case for 2025-26.
16. For the previous funding to support a 3.4% funding increase to specialist settings, in 2025-26 there will continue to be a separate payment to Special Schools and PRU's for these costs, from funds now rolled into the High Needs block allocation. As per DfE guidance, there will be no consultation on how this money will be distributed locally, it will instead be allocated based on commissioned place numbers, at the rates used for 2024-25 and subject to a minimum of 40 funded places.

### **Core Schools Budget Grant – Special Schools and AP**

17. The CSBG is a new grant for 2025-26 to support costs from the September 2023 and September 2024 teacher pay increases, the April 2024 increase in Teacher Pension employer contributions and the support staff pay increase from April 2024.
18. The DfE have set aside £480m nationally for this grant, and Local Authorities will be informed of the first of two payments in May 2025.
19. Southwark will receive the allocations for both maintained and academy settings which will be passed on to schools, with the final rate set at £2,484 per place by the DfE, after applying Southwark's weighted uplift.
20. Hospital schools will also see an allocation, separate from the above, which the DfE advise will be a 7.3% increase on 2024-25 funding levels.

### **Special Schools Funding Rates 2025-26**

21. As part of the Safety valve agreement, it is anticipated that top-up rates will continue to be maintained at current levels for Special Schools and it is proposed to continue this for 2025-26 with the exception discussed in the next paragraph.
22. Taking into account individual circumstances of schools financial position, a level of increase has been provided for Cherry Garden during 2024-25 and SPA Bermondsey, to ensure the viability of those provisions and meet the need of the cohorts. Any further consideration for rates will be included as part of the top-up review process, an update on which will be provided at the March schools forum.

**Table 2 – Special School Funding Rates**

Special School	2024-25 Top-Up Rates	2025-26 Top-Up Rates
Beormund	19,819	19,819
Cherry Garden	24,119	24,843
Haymerle	21,196	21,196
Newlands Academy	22,605	22,605
Spa School, Bermondsey	21,450	24,119
Spa School Camberwell	24,119	24,119
Highshore	15,213	15,213
Tuke School	21,955	21,955

**Pupil Referral unit**

- 23. 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 2025-26.
- 24. In addition to the pupil led funding, we will fund the Business Rates (NNDR) bill of the PRU on a pound for pound basis in line with the methodology of mainstream schools so the school is not detrimentally impacted by these costs, as they were not taken into consideration in the setting of the funding levels.

**Resource Base & SEN Unit Funding Rates**

- 25. For resource base & SEN Unit funding rates, these are similarly proposed to remain at the current level, and again will be considered further as part of the top-up rate review.

**Table 3 – Resource Base and SEN Unit rates**

School Provision Type	2025-26 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.

## EHCP Funding Rates

26. Pupils with Education Health and Care Plans (EHCP's) within Southwark maintained settings are allocated a banded level of funding, aligned to the needs & support required for the pupil.
27. As with other rates, these are proposed to be held at current levels pending the top-up rate review.

**Table 4 – EHCP Banded Funding Rates**

EHCP Funding Rates	2024-25 Top-Up Rates	2025-26 Top-Up 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
Nursery Rate	10,205	10,205

28. As in previous years, the nursery 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.

## Hospital schools

29. Hospital schools are funded on the basis of place-led funding. Southwark have two hospital schools and the funding rates for the current year are presented in table 5. The funding formula presented in table one holds a budget which is set directly in relation to the Hospital schools, and so this is being passed on proportionally to those schools.

**Table 5 – Hospital School Rates**

School	2024-25 Rate	Commissioned Places	Rate Increase	2025-26 Rate
Evelina Hospital School	27,652	53	261	27,913
Maudsley and Bethlem Hospital School	35,338	64	277	35,615

30. In addition to the rate above, there is an additional element related to the historic teachers pay and pension costs which will also be paid separately, again based on commissioned numbers.

**Table 6 – Hospital schools historic pay rate**

School	Commissioned Places	Rate	Allocation
Evelina Hospital School	53	1,831	97,043
Maudsley and Bethlem Hospital School	64	1,831	117,184

### SENDIF Funding – HN Block

31. 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, it is proposed to continue the £100,000 funding contribution from the High Needs block to supplement the SEND Inclusion Fund. This allocation will be in addition to the proposed increased contribution from the Early Years Block considered in the Early Years paper on this agenda.

### Education Functions – Special Schools and PRU

32. As agreed at the December Forum and discussed in that paper in greater detail, all maintained schools have agreed the rate for this central retention at £26.27. For mainstream schools this is calculated as part of their school budget shares, but for Special and PRU schools, these charges are set out below.

Maintained Special Schools	Rate	NOR Oct '24	Charge £
Highshore School	26.27	170	4,465.90
Haymerle School	26.27	78	2,049.06
Beormund Primary School	26.27	26	683.02
Tuke School	26.27	99	2,600.73
Cherry Garden School	26.27	88	2,311.76
<b>TOTALS</b>		<b>461</b>	<b>12,110.47</b>

And for the PRU:

Education Functions	Rate	NOR Oct 24	Total
Pupil Referral Unit	26.27	48	1,260.96

### High Needs Central Budgets

33. As part of the initial safety valve application, a review was made of central budgets, with the elements of spend no longer in line with regulation removed

from the central block, and additional council funding provided in place of those reductions to a value of £1.3m.

34. Budgets this year are broadly proposed to be held at current levels as shown in the table below, with a small increase allowed for the Portage contract inflation.

**Table 6 – Centrally Retained budgets**

<b>High Needs Block - Centrally Retained Budgets</b>	<b>2024-25 Budget</b>	<b>2025-26 Proposed Budget</b>	<b>Changes</b>
Central Recharges	163,645	163,645	0
SALT	320,000	320,000	0
Invest to Save DSG	390,000	390,000	0
SEND Consultants	300,000	300,000	0
Autism Support Team	424,000	424,000	0
SEN Inclusion Team	372,000	372,000	0
Hearing And Visual I	737,000	737,000	0
Portage	100,000	110,000	10,000
LAC Education	444,237	444,237	0
<b>Total</b>	<b>3,250,882</b>	<b>3,260,882</b>	<b>10,000</b>