

School Management Forum

Report of: Dianne Nielsen

Subject: Consultation to Request a Transfer of 0.5% of the DSG Schools Block to the High Needs Block 2024/25

Date: 19th October 2023

1.0 Purpose of the report

- 1.1 The purpose of the paper is to seek the views from maintained schools, academies and free school on the proposal to request a transfer of 0.5% from the schools' block to the high needs block.
- 1.2 School Management Forum have a range of responsibilities relating to the DSG. For example, they must be consulted by their LA on proposals to move up to 0.5% of the schools' block to other funding blocks. The consultation fulfils the Forums responsibilities.
- 1.3 The consultation ends on **Friday 27th October 2023**
- 1.4 The outcome of this consultation will be presented and voted on by members of the School Management Forum on 8th November 2023, where your views will be considered in the overall decision.

2.0 Background

- 2.1 High Needs Funding is provided 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. The Local Authority requested a 1% disapplication of the Dedicated Schools Grant to prevent further deficits in financial year 19/20 and 0.5% transfer in 2022-23 which were agreed by School Management Forum.
- 2.4 The Local Authority is now subject to a DSG Management Plan with the DfE and ESFA to ensure deficit recovery. Please see appendix A, which formed part of the Delivering Better Value in SEND grant application.
- 2.5 In both years the transfers has been used within the high needs service provision, ensuring that children have been placed in the most appropriate placement or received support they need for their education.

3.0 Delivering Better Value in SEND

- 3.1 Due to the ongoing financial pressures in our High Needs budget the DfE invited the Local Authority to participate in the Delivering Better Value in SEND (DBV in SEND) programme. Aiming to support local area partners to improve the delivery of SEND services for children and young people (CYP) while working towards financial sustainability.
- 3.2 The work carried out in the programme found the following: -
- the High Needs Budget (HNB) expenditure had grown by 39% since financial year 19/20
 - MSS accounting for 44% of 2022 expenditure
 - Growth has been driven by demand, with caseloads increasing by 55%,
 - Over 50% of children supported in MSS, start their support at both the transition years.
 - 36% of new starts in INMSS begin in secondary transition.
 - The prevalent primary needs, SEMH and ASD making up 56% of children being supported in MSS and 85% in INMSS
 - Primary new-starts cohort in MSS, ASD and SLCN make up 57% of primary needs.
 - The programme reviewed 33 cases, of which
 - 37% of CYP with an EHCP, needs could have been met without an EHCP.
 - Of the 33 cases 71% CYP had a non-ideal outcome.
 - Of the non-ideal cases, the type of setting in which the child was being supported and the timing of support were the key factors, 92% and 62% of cases respectively.
 - Common themes of why professionals felt that there wasn't an ideal outcome: -
 - No evidence of a graduated response,
 - lack of MDT response; and
 - missed opportunity to utilise existing services were the main common themes for the CYP.
- 3.3 By using a linear projection on demand and unit cost, the expenditure is forecast to grow to £71m by 2028, with Maintained Special Schools/Special Academies (MSS) and Independent and non-Maintained Special Schools (INMSS) accounting for over 72% of the total expenditure.

3.6 Following the findings and engagement with stakeholders a number of key workstreams have been put in place:

- Inclusion workstream –
 - SEND and Inclusion Clinics to provide support and challenge to ensure CYP needs have been identified accurately, placement is meeting need, use of funding is appropriate.
 - Information for families is clear and accessible.
- Transition workstream –
 - Review current placements to ensure CYP are having their needs met, and where possible support CYP to transition back into mainstream.
 - Further strengthen the transition process
- Workforce development workstream –
 - Ensure Graduated Response is fully embedded.
 - Improve understanding of the EHCP process and information required to request and EHCP.
 - Develop a SENDCo handbook.
 - Training programme in place for all staff
 - Implementation of the digital EHCP
 - Support and training for families regarding services and opportunities available locally

4.0 High Needs

4.1 High Needs NFF will see an increase of 4% in 2024-25 compared to 2023-24 allocation of high needs funding. Authorities will receive an increase in funding between 3% and 5% per head of their 2-18 population, as follows: -

- A funding floor set at 3%. Minimum gains in per-head funding a LA can receive compared to 2022-23 will be 3%
- A gains cap of 5%. Limit in per-head gains that an LA can receive compared to 2022-23; and
- Increased funding through the remaining proxy factors.

4.2 In the indicative High Needs funding allocation for 2024-25, Middlesbrough has a funding floor and gains calculation of 3% for 2024-25 resulting in £38.6m provisional high needs funding allocation. The final allocation will be updated with relevant data in the coming months.

5.0 School Budget

5.1 The DfE have confirmed key elements of the schools National Funding Formula (NFF) in 2024/25, please see Appendix B.

- Local authorities will continue to set a Minimum Funding Guarantee in local formulae in 2024-25 between +0.0% and +0.5%
- For each school the baseline core funding has been increased to represent the funding paid through mainstream schools' additional grant (MSAG) in 2023-24, by applying an uplift to basic per pupil funding, FSM6 factors per pupil and an uplift to lump sum. By

adding the MSAG to the NFF, this ensures that the additional grant paid in 2023-24 forms part of schools' core budgets and will continue to be provided.

- 5.2 The Teachers Pay announced in July 2023 will not form part of the NFF and will be paid as a Teachers Pay Additional Grant (TPAG), allocated outside of the NFF in 2024-25. Therefore, will not form part of your GAG statement (academies, issued by ESFA) or School Budget Share (maintained, issued by LA).
- 5.3 Based on the notified indicative DSG funding allocations for 2024-25, the local authority will be proposing a transfer of 0.5% (C £0.700m), which equates to an approximate reduction in basic per pupil factor of £33.77 per pupil. Appendix C shows the impact on individual school budgets. Please note that this is for illustrative purposes only and will not be your schools final allocation, as this is subject to change on the final formula, due to the updated census and growth fund. The final DSG funding allocations will be notified in December.
- 5.4 The Council consider this proposal a fair balance whether the transfer will be minimised to ensure schools receive the maximum possible increase in their budget to reflect on going pressures, whilst the DSG deficit is addressed. As you will see from the attached DSG management plan the impact of the transfer will help to reduce the overall deficit.

6.0 Reason for Transfer

- 6.1 In recent years the DSG deficit has grown due to an increase in demand in special schools, resource bases and permanent exclusions at Secondary phase. There also continues to be an increase in EHCPs.
- 6.2 Middlesbrough has a higher than average number of EHCPs
- 6.2 At the close of 2022/23 financial year the deficit was reported as £6.6m. As you will see in the DSG Management Plan (appendix A), the deficit is expected to grow to £10.2m in 2023-24 and future projections show a similar increase in 2024-25. Even with the work that we have done to date and on the DBV in SEND programme and the plans that are in place to mitigate pressure, demand is expected to continue, resulting in an additional financial pressure on the HNB.

7.0 Recommendation

- 7.1 School Forum is asked to consider and vote on a proposal to transfer 0.5% (c £0.700m) from the schools block to the high needs block in 2024-25 (subject to updated pupil numbers/census and growth fund):-
- All Schools Forum member may vote on this proposal.
 - It is a Schools Forum decision on whether to accept this proposal. In the event that Schools Forum does not agree, the DfE are able to decide if the local authority requests this via a disapplication request submitted November 2023.
- 7.2 Please return the consultation questionnaire by Friday 27th October 2023 to email address dianne_nielsen@middlesbrough.gov.uk. Your feedback will form part of the discussion in School Management Forum.

Consultation Questionnaire

Transfer of funding from the Schools Block to the High Needs Block in 2024-25

Questionnaire

The Local Authority is seeking to transfer 0.5% of the Schools’ Block into the High Needs Block in 2024-25, to assist with high needs pressures as outlined within the attached consultation report.

The Local Authority wishes to implement the new increased NFF rates for 2024-25 as far as possible within the transfer.

The Local Authority is seeking school views on proposals to move funds between the blocks.

In order to get representation of as many schools views as possible regarding the proposed transfer, please could school provide the answers to the following questions.

Please can you return to the Local Authority by **Friday 27th October 2023**.

Please email the below (or answers to the below) to dianne_nielsen@middlesbrough.gov.uk

School Name

- 1. Does your school support a 0.5% transfer from the Schools’ Block to the High Needs Block in 2024-25, to assist with high needs pressures?

YES

NO – if no go to question 2

Reason

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- 2. If your school do not support 0.5% transfer in question 1, do you support a transfer in 2024-25 from the Schools’ Block to the High Needs Block? If so, at what level would your school be willing to support?

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2024-25 National Funding Formula Rates

Factor	NFF 2023-24 £	NFF 2024-25 £	Uplift
PRIMARY			
AWPU – Primary	3,394.00	3,562.00	1.4% plus £119 per pupil *
Minimum per Pupil	4,405.00	4,610.00	1.4% plus £143 per pupil *
FSM	480.00	490.00	1.6%
FSM6	705.00	820.00	1.4% plus £104 per pupil *
IDAC A	670.00	680.00	1.4%
IDAC B	510.00	515.00	1.4%
IDAC C	480.00	485.00	1.4%
IDAC D	440.00	445.00	1.4%
IDAC E	280.00	285.00	1.4%
IDAC F	230.00	235.00	1.4%
EAL	580.00	590.00	1.4%
Mobility	945.00	960.00	1.4%
Prior Attainment	1,155.00	1,170.00	1.4%
Lump Sum	128,000.00	134,400.00	1.4% plus £4,510 *
Sparsity	56,300.00	57,100.00	1.4%
SECONDARY			
AWPU – KS3	4,785.00	5,022.00	1.4% plus £168 per pupil *
AWPU – KS4	5,393.00	5,661.00	1.4% plus £190 per pupil *
Minimum per pupil KS3	5,503.00	5,771.00	1.4% plus £186 per pupil *
Minimum per pupil KS4	6,033.00	6,331.00	1.4% plus £208 per pupil *
FSM	480.00	490.00	1.6%
FSM6	1,030.00	1,200.00	1.4% plus £152 per pupil *
IDAC A	930.00	945.00	1.4%
IDAC B	730.00	740.00	1.4%
IDAC C	680.00	690.00	1.4%
IDAC D	620.00	630.00	1.4%
IDAC E	445.00	450.00	1.4%
IDAC F	335.00	340.00	1.4%
EAL	1,565.00	1,585.00	1.4%
Mobility	1,360.00	1,380.00	1.4%
Prior Attainment	1,750.00	1,775.00	1.4%
Lump Sum	128,000.00	134,400.00	1.4% plus £4,510 *
Sparsity	81,900.00	83,000.00	1.4%

* For each school the baseline core funding has been increased to represent the funding paid through mainstream schools' additional grant (MSAG) in 2023-24, by applying an uplift to basic per pupil funding, FSM6 factors per pupil and an uplift to lump sum.

Example of Individual Schools Allocations

			NOR (from Adjusted Factors column O) From APT 23/24	School budget share estimated without 0.5% reduction (Post De-delegation and Education functions budget after deduction of NFF NNDR allocation)	School budget share after 0.5% reduction (Post De-delegation and Education functions budget after deduction of NFF NNDR allocation)	Reduction in funding (based on 24/25 figures)	Reduction in funding Per pupil
Total			22391	£137,047,574	£136,361,204	-£686,370	-£31
131519	8062000	Abingdon Primary School	483	£2,806,231.15	£2,789,877.88	-£16,353.27	-£33.86
134076	8062002	Whinney Banks Primary School	400	£2,133,340.20	£2,119,797.12	-£13,543.08	-£33.86
111577	8062120	Beech Grove Primary School	400	£2,346,644.98	£2,333,101.90	-£13,543.08	-£33.86
111580	8062124	Newport Primary School	317	£2,034,555.54	£2,023,822.64	-£10,732.89	-£33.86
111585	8062138	Newham Bridge Primary School	295	£1,610,577.03	£1,600,589.01	-£9,988.02	-£33.86
111586	8062139	Acklam Whin Primary School	417	£1,917,520.29	£1,917,520.29	£0.00	£0.00
111587	8062141	Breckon Hill Primary School	568	£3,329,247.05	£3,310,015.88	-£19,231.18	-£33.86
111626	8062326	Berwick Hills Primary School	296	£1,727,974.84	£1,717,952.96	-£10,021.88	-£33.86
111632	8062332	Park End Primary School	513	£3,003,984.38	£2,986,615.38	-£17,369.00	-£33.86
145775	8062003	Linthorpe Community Primary School	627	£3,236,895.65	£3,215,666.87	-£21,228.78	-£33.86
138559	8062005	Brambles Primary Academy	289	£1,747,325.91	£1,737,541.03	-£9,784.88	-£33.86
138560	8062006	Pennyman Primary Academy	361	£2,116,941.35	£2,104,718.72	-£12,222.63	-£33.86
145136	8062007	Hemlington Hall Academy	284	£1,561,951.95	£1,552,336.36	-£9,615.59	-£33.86
145287	8062008	Chandlers Ridge Academy	311	£1,433,710.00	£1,433,710.00	£0.00	£0.00
146770	8062009	Ayresome Primary School	610	£3,756,144.86	£3,735,491.66	-£20,653.20	-£33.86
147765	8062010	Thorntree Academy	241	£1,536,435.99	£1,528,276.28	-£8,159.71	-£33.86
139476	8062102	Caldicotes Primary Academy	204	£1,266,173.35	£1,259,266.38	-£6,906.97	-£33.86
140869	8062111	Kader Academy	415	£1,940,020.08	£1,925,969.13	-£14,050.95	-£33.86
138854	8062143	North Ormesby Primary Academy	262	£1,557,776.89	£1,548,906.17	-£8,870.72	-£33.86
146252	8062167	The Avenue Primary School	386	£1,779,460.00	£1,779,460.00	£0.00	£0.00
146251	8062175	Lingfield Primary School	198	£918,097.38	£912,780.00	-£5,317.38	-£26.86
146262	8062180	Marton Manor Primary School	219	£1,096,400.72	£1,088,985.88	-£7,414.84	-£33.86
140503	8062316	Sunnyside Academy	264	£1,456,859.76	£1,447,921.33	-£8,938.43	-£33.86
140714	8062318	Easterside Academy	303	£1,709,516.42	£1,699,257.54	-£10,258.88	-£33.86
145623	8062325	Archibald Primary School	413	£2,348,641.12	£2,334,657.89	-£13,983.23	-£33.86
144136	8062331	Pallister Park Primary School	540	£3,148,379.05	£3,130,095.89	-£18,283.16	-£33.86
140722	8062347	Green Lane Primary Academy	615	£2,852,902.63	£2,835,150.00	-£17,752.63	-£28.87
140504	8062359	Rose Wood Academy	317	£1,539,622.48	£1,528,889.59	-£10,732.89	-£33.86
140505	8062369	Viewley Hill Academy	241	£1,420,883.02	£1,412,723.31	-£8,159.71	-£33.86
146222	8062370	Captain Cook Primary School	370	£1,705,700.00	£1,705,700.00	£0.00	£0.00
142371	8063337	St Edward's Catholic Primary School	379	£1,747,190.00	£1,747,190.00	£0.00	£0.00
142374	8063340	St Joseph's Catholic Primary School	332	£1,720,656.30	£1,709,415.54	-£11,240.76	-£33.86
142370	8063347	St Clare's RC Primary School	203	£941,175.80	£935,830.00	-£5,345.80	-£26.33
142376	8063348	St Thomas More RC Primary School	179	£1,052,997.08	£1,046,936.55	-£6,060.53	-£33.86
142369	8063362	St Bernadette's Catholic Primary School	198	£916,817.77	£912,780.00	-£4,037.77	-£20.39
142373	8063364	St Gerard's RC Primary School	135	£814,881.57	£810,310.78	-£4,570.79	-£33.86
142344	8063384	Corpus Christi RC Primary School	225	£1,365,315.08	£1,357,697.09	-£7,617.98	-£33.86
142365	8063385	Sacred Heart Primary School	281	£1,600,606.41	£1,591,092.40	-£9,514.01	-£33.86
142367	8063386	St Alphonsus' Catholic Primary School	199	£1,200,019.27	£1,193,281.59	-£6,737.68	-£33.86
142368	8063389	St Augustine's Catholic Primary School	200	£963,740.40	£956,968.86	-£6,771.54	-£33.86
146249	8063390	St Pius X Catholic Primary School, a C	202	£1,198,225.44	£1,191,386.18	-£6,839.26	-£33.86
139823	8064002	Outwood Academy Acklam	1170.5	£8,440,046.67	£8,400,416.23	-£39,630.44	-£33.86
147848	8064003	Outwood Academy Riverside	520	£4,048,644.25	£4,031,038.24	-£17,606.01	-£33.86
138711	8064122	Outwood Academy Ormesby	928	£7,171,339.26	£7,139,919.31	-£31,419.95	-£33.86
145774	8064136	Acklam Grange School	1463	£9,622,318.65	£9,572,784.83	-£49,533.82	-£33.86
142382	8064702	Trinity Catholic College	1187	£8,475,324.39	£8,435,135.30	-£40,189.09	-£33.86
133768	8066905	Unity City Academy	926	£7,599,467.21	£7,568,114.98	-£31,352.23	-£33.86
134223	8066906	The King's Academy	1211.33333	£8,196,415.31	£8,155,402.35	-£41,012.96	-£33.86
130908	8066907	Macmillan Academy	1292.83333	£8,932,479.17	£8,888,706.80	-£43,772.37	-£33.86

* Please note the above is based on 2023-24 APT data set (October 2022 census) and is subject to change, with October 2023 census. This is for illustration purposes only.