

FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

10 MARCH 2022

**Joint Report of the Executive Director for Children's Services and
Executive Director of Corporate Services and Transformation**

**High Needs Block Funding Settlement 2022-23
(Education)**

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 Yes, this is a key decision that will determine the budgets of schools, academies, colleges, other SEN providers and core LA services that serve all divisions and communities within Derbyshire.

3. Purpose

3.1 To inform Cabinet of the High Needs Block settlement of the Dedicated Schools Grant (DSG) and to seek approval to its allocation for 2022-23.

4. Information and Analysis

4.1 Settlement and context – Key Points

The High Needs Block settlement for 2022-23 was published on 16th December 2021, summary details are set out in Appendix 2. Derbyshire's allocation is set to increase by £11.638m next year, equivalent to 13.12% of the 2021-22 figure. The announcement was better than the indicative sum signalled back in July 2021, with all LAs' allocations being increased by a further 4.12% resulting in an additional £3.839m for Derbyshire. The DfE have stated that "*this extra funding recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated, including the Health and Social Care*".

Two other points to note. First, the DfE have indicated that the ~13% increase in funding for 2022-23 is unprecedented and that, whilst further growth is planned

for 2023-24 and 2024-25, future years' increases will be more modest. The DfE have advised LAs engaged in the deficit recovery process to assume a 5% increase for 2023-24 and 3% per annum beyond that.

The corollary to the above is that the increases beyond 2023-24 are unlikely to have sufficient headroom over and above inflation, to make a significant contribution to our accumulated DSG deficit or resolve any overspend resulting from decisions in 2022-23. It is therefore essential that the allocations for next year are affordable and provide sufficient scope to contain demographic pressures within the grant.

The second local point is that the latest provisional monitoring, based on expenditure to the end of December 2021, shows a forecast HNB overspend for 2021-22 of £4.787m.

4.2 Proposed allocations - Places

Work has been ongoing for several weeks with providers to establish the number of places required. As a result of this work the places which the LA has agreed to fund from the HNB next year are shown in Appendix 3. The total estimated cost is £15.879m, an increase of £0.618m (4.0%) compared with 2021-22, the majority of the increase being for additional places in LA maintained and academy special school provision.

4.3 Proposed allocations – Top up funding [also known as Element 3]

These sums, which are over and above the place values, are paid to providers for children and students for which the LA is the responsible body i.e. the “home” Authority. Top up rates vary depending on the type of institution and the individual child's needs being met. Mainstream schools receive top up funding for children supported either by an Education Health and Care Plan (EHCP) or Graduated Response for an Individual Pupil (GRIP) arrangement with most of the allocations funding extra support staff time. The proposed top up budgets and the comparison with previous years are summarised in Table 1 below.

Table 1 – Proposed Element 3 budgets 2022-23 & previous years' actual/forecasts

	Actual	Actual	Actual	Budget	F'cast	Budget
	2018-19	2019-20	2020-21	2021-22	2021-22	2022-23
Sector	£m	£m	£m	£m	£m	£m
Early Years	0.434	0.531	0.590	0.549	0.780	0.804
Primary	7.657	9.706	11.442	11.132	13.137	13.254
Secondary	6.585	6.506	7.591	7.512	8.031	8.428
Special - Derbyshire	11.583	12.350	13.863	14.601	15.193	16.406
Special - Other LAs	1.656	1.567	1.825	2.391	2.290	2.665
Independent/Non maintained	6.144	6.797	9.473	8.100	12.256	14.637
Section 75 pooled budget	2.027	2.367	2.335	2.376	2.376	2.026
Contrib'n to social care places	0.850	1.500	1.500	1.500	1.500	0.660
Post 16	3.369	3.000	3.670	4.039	3.802	4.004
Pupil Referral Units	1.710	1.991	2.224	2.396	2.507	2.877
Contingency	0.000	0.000	0.000	1.492	0.000	2.193
TOTAL	42.015	46.315	54.513	56.088	61.872	67.954

The figures in Table 1 reflect the full year impact of the current year's increases in top ups together with the anticipated further increases during 2022-23, including the impact of the additional special school places commissioned. The totals also assume an increase in the Element 3 pupil profiles for special schools and academies, Pupil Referral Units (PRUs) and Enhanced Resources (ER) Schools. This has only been possible as a result of the further increase in high needs block funding announced by the government. The totals in Table 1 include the following profile increases:

Provision	Core uplift	Ratio*	Uplift to profile
Special Schools	3.0%	1.67	5.02%
PRUs	3.0%	2.35	7.06%
ER Schools	3.0%	1.68	5.03%

* Reflects ratio of top ups to top ups plus places

The revised Element 3 rates for special schools, PRUs and ER schools are provided in Appendix 4. The budget for top ups in mainstream schools resulting from EHCPs and GRIPs allows for a 2% increase in rates. Finally, Table 1 includes a contingency of £2.193m which is available to meet overspends against individual budget lines. Given the trend of recent increases in top up expenditures, this contingency is relatively modest.

4.4 Proposed allocations – Centrally Held Budgets

Services' budgets are included at Appendix 5 and the 2022-23 figures include provision for inflation and an allocation to cover the Health and Social Care Levy. The proposed spend has been reduced by £0.818m, the reduction relies on further analysis being undertaken to determine whether any places supported by the LA's HNB funded services are dual funded i.e. funded by the high needs block and where a school already holds the pupil's formula funds. Where this occurs, consultations will be held to determine whether this continued dual funding is feasible going forward.

4.5 Summary

The implications of the assumptions in section 4 are summarised in Table 2 below. The allocations would fully utilise the 2022-23 High Need Block grant.

Table 2 – Summary of Proposed High Needs allocations 2022-23

Budget head	2021-22 base budget £000	Places £000	Inflation £000	Demographic pressure £000	Savings £000	2022-23 provisional base £000
Places	15,261	618	0	0	0	15,879
Top ups	56,088	0	1,955	9,910	0	67,953
Services/other	17,616	0	173	-509	-818	16,462
Total	88,965	618	2,128	9,401	-818	100,294

4.6 De-delegation of funds

Approval was given at the October 2021 and January 2022 Schools Forum meetings to top-slice funds from special schools' budgets for 2022-23 for former ESG-funded services, redundancy costs and, for the first time, replacement funds to cover the reduction in the School Improvement Monitoring and Brokering Grant (SIMBG) from April 2022.

The proposed rates per pre-16 place for 2022-23 are set out in Table 3 below.

Table 3 – Proposed special school top-sliced resources 2022-23

Per place rate:	2022-23	2021-22	Change
Redundancy	13.60	23.80	(10.20)
Former ESG services	39.12	34.79	4.33
Former SIMBG	14.42	-	14.42
Total	67.14	58.59	8.55
Less use of reserves	(7.21)	(8.40)	1.19
Net charge	59.93	50.19	9.74

The decision on whether or not to accept responsibility for costs funded from top-sliced resources is a matter for Cabinet. It is recommended that Cabinet agrees to the Forum's request for 2022-23 in respect of special schools.

5. Consultation

5.1 The proposals were shared with the Schools Forum in January 2022.

6. Alternative Options Considered

None.

7. Implications

Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 Schools Funding settlement announcement 16th December 2021

9. Appendices

9.1 Appendix 1 - Implications.

9.2 Appendix 2 - High Needs Block settlement 2022-23

9.3 Appendix 3 - High Needs Places 2022-23

9.4 Appendix 4 – Special school, PRU and ER pupil profile rates 2022-23

9.5 Appendix 5 – Centrally held budgets

10. Recommendation(s)

That Cabinet:

- a) Notes the high needs settlement for 2022-23;
- b) Notes the prospective percentage increases for 2023-24 and beyond;
- c) Approves the places commissioned in Appendix 3;
- d) Approves the increases to top ups as set out in section 4.2 and the special school, PRU and ER Element 3 profiles in Appendix 4;
- e) Approves the central high needs budgets in Appendix 5; and
- f) Agrees to accept the Forum's request to de-delegate funds for the functions listed in section 4.6.

11. Reasons for Recommendation(s)

- 11.1 To ensure the Authority meets its statutory obligations in supporting children requiring SEND support.

12. Is it necessary to waive the call in period?

- 12.1 No.

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Implications

Financial

1.1 As set out in the report.

Legal

2.1 The proposed allocations are in line with DfE's High Needs Operational Guidance at:

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2022-to-2023/high-needs-funding-2022-to-2023-operational-guidance>

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 The proposals will support the Council's objective to work creatively together to inspire and empower children, young people and their families and communities to be the best they can be: safe, healthy, happy, learning and working.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None

High Needs Block Settlement 2022-23

Appendix 2

	2021-22				2022-23		
	Count	Multiplier	Total		Count	Multiplier	Total
	£	£	£m		£	£	£m
Population aged 2-18	148,497	181.74	26.988	149,240	203.48	30.367	
Health/Dis. - Children bad health	670	4,872.38	3.264	670	5,487.59	3.677	
Health/Dis. - Children DLA	5,928	713.24	4.228	6,335	756.166	4.790	
Deprivation - Current free meals	21,422	268.27	5.747	25,984	254.582	6.615	
Deprivation - IDACI Band F	11,811	55.03	0.650	11,800	61.406	0.725	
Deprivation - IDACI Band E	16,028	72.57	1.163	16,202	81.057	1.313	
Deprivation - IDACI Band D	5,922	99.13	0.587	5,943	110.854	0.659	
Deprivation - IDACI Band C	7,363	105.27	0.775	7,422	117.629	0.873	
Deprivation - IDACI Band B	6,940	117.28	0.814	6,988	130.748	0.914	
Deprivation - IDACI Band A	1,674	155.23	0.260	1,683	172.555	0.290	
Low Attainment @ KS2	1,323	3,241.14	4.288	1,260	3,896.15	4.909	
Low Attainment @ KS4	1,664	2,380.89	3.962	1,556	2,755.36	4.287	
Historic spend			33.032			33.499	
Funding floor			0.000			0.163	
Sub total			85.758			93.082	
Memo item: £ per pop'n aged 2-18			£577.51			£623.70	
Hospital Education			0.289			0.294	
Basic entitlement	1,145	4,660.00	5.336	1,246	4,660.00	5.806	
Import/export adjustment	-454.5	6,000.00	-2.727	-454.5	6,000.00	-2.727	
Sub total			88.656			96.455	
2022-23 additional allocation (+4.12%)			0.000			3.839	
High Needs Block total			88.656			100.294	
Increase (£m)						+11.638	
Increase (%)						+13.12%	

High Needs Places 2022-23

Appendix 3

DfE	School	Places 2022-23		2022-23	Places 2021-22		2021-22	Budget		Change
		April	Sept	FTE	April	Sept	FTE	2022-23	2021-22	
	Enhanced Resource Schools (ERS)							£	£	£
2025	Springfield Junior School	11.00	14.00	12.75	8.00	11.00	9.75	76,500	58,500	18,000
2026	New Whittington Primary School	10.00	8.00	8.83	9.00	10.00	9.58	53,000	57,500	-4,500
2036	Dunston Primary & Nursery Academy	6.00	6.00	6.00	6.00	6.00	6.00	36,000	36,000	0
2037	Langley Mill Academy	8.00	9.00	8.58	6.00	8.00	7.17	51,500	43,000	8,500
2116	Aldercar Infant School	4.00	3.00	3.42	6.00	4.00	4.83	20,500	29,000	-8,500
2356	Elmsleigh Infant & Nursery School	16.00	16.00	16.00	16.00	16.00	16.00	96,000	96,000	0
4004	Outwood Academy Newbold	17.00	16.00	16.42	16.00	17.00	16.58	98,500	99,500	-1,000
4052	The Long Eaton School	11.00	11.00	11.00	11.00	11.00	11.00	66,000	66,000	0
5410a	The Pingle Academy(Area)	29.00	33.00	31.33	29.00	29.00	29.00	188,000	174,000	14,000
5410c	The Pingle Academy(Autism)	15.00	15.00	15.00	15.00	15.00	15.00	90,000	90,000	0
4013	Hope Valley College(Post 16)	18.00	18.00	18.00	18.00	18.00	18.00	108,000	108,000	0
2011	Brampton Primary School	14.00	14.00	14.00	14.00	14.00	14.00	84,000	84,000	0
2013	Chapel-en-le-Frith CofE VC Primary	19.00	19.00	19.00	19.00	19.00	19.00	114,000	114,000	0
2190	Pilsley Primary School	10.00	10.00	10.00	10.00	10.00	10.00	60,000	60,000	0
2268	Whaley Bridge Primary School	8.00	8.00	8.00	8.00	8.00	8.00	48,000	48,000	0
2333	Ashbourne Hilltop Prim & Nursery	4.00	3.00	3.42	5.00	4.00	4.42	20,500	26,500	-6,000
4019	Chapel-en-le-Frith High School	34.00	35.00	34.58	34.00	34.00	34.00	207,500	204,000	3,500
4074	William Allitt School	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
4089b	Aldercar High School(HI)	8.00	6.00	6.83	8.00	8.00	8.00	41,000	48,000	-7,000
4089d	Aldercar High School(Phys)	1.00	0.00	0.42	1.00	1.00	1.00	2,500	6,000	-3,500
4173	Tibshelf Community School	15.00	15.00	15.00	18.00	15.00	16.25	90,000	97,500	-7,500
	Sub total - ERS	258.00	259.00	258.58	257.00	258.00	257.58	1,551,500	1,545,500	6,000

		Places 2022-23		2022-23	Places 2021-22		2021-22	Budget		
		April	Sept	FTE	April	Sept	FTE	2022-23	2021-22	Change
	Special Schools							£	£	£
7001	Holbrook School for Autism	128.00	132.00	130.33	127.00	128.00	127.58	1,303,333	1,275,833	27,500
7006	Ashgate Croft School	142.00	142.00	142.00	139.00	142.00	140.75	1,420,000	1,407,500	12,500
7012	Stubbin Wood School	165.00	180.00	173.75	150.00	165.00	158.75	1,737,500	1,587,500	150,000
7014	Bennerley Fields School	91.00	91.00	91.00	88.00	91.00	89.75	910,000	897,500	12,500
7017	Peak School	65.00	73.00	69.67	60.00	65.00	62.92	696,667	629,167	67,500
7019	Stanton Vale School	90.00	85.00	87.08	93.00	90.00	91.25	870,833	912,500	-41,667
7000	Holly House Special School	43.00	43.00	43.00	43.00	43.00	43.00	430,000	430,000	0
7005	Brackenfield Special School	112.00	134.00	124.83	82.00	112.00	99.50	1,248,333	995,000	253,333
7009	Swanwick School & Sports College	85.00	85.00	85.00	82.00	85.00	83.75	850,000	837,500	12,500
7018	Alfreton Park Comm. Special Sch	90.00	115.00	104.58	87.00	90.00	88.75	1,045,833	887,500	158,333
	Sub total - Special Schools	1,011.00	1,080.00	1,051.25	951.00	1,011.00	986.00	10,512,500	9,860,000	652,500
	Support Centres									
1106	South Derbyshire Support Centre	26.00	26.00	26.00	26.00	26.00	26.00	260,000	260,000	0
1102	A Valley & E'wash Support Centre	150.00	135.00	141.25	156.00	150.00	152.50	1,412,500	1,525,000	-112,500
1111	North East Derbys Support Centre	100.00	100.00	100.00	100.00	100.00	100.00	1,000,000	1,000,000	0
	Sub total Support Centres	276.00	261.00	267.25	282.00	276.00	278.50	2,672,500	2,785,000	-112,500

		Places 2022-23		2022-23	Places 2021-22		2021-22	Budget		
		April	August	FTE	April	August	FTE	2022-23	2021-22	Change
	FE Colleges							£	£	£
	South Derbyshire Support Centre	67.00	67.00	67.00	67.00	67.00	67.00	402,000	402,000	0
	A Valley & Erewash Support Centre	73.00	73.00	73.00	61.00	73.00	69.00	438,000	414,000	24,000
	Sub total - FE Colleges	140.00	140.00	140.00	128.00	140.00	136.00	840,000	816,000	24,000

		Places 2022-23			2022-23	Places 2021-22		2021-22	Budget		
		April	August	FTE	April	August	FTE	2022-23	2021-22	Change	
	Post 16							£	£	£	
4000	Swanwick Hall School	1.00	1.00	1.00	0.00	1.00	0.67	6,000	4,000	2,000	
4004s	Outwood Academy Newbold	1.00	1.00	1.00	1.00	1.00	1.00	6,000	6,000	0	
4006	David Nieper Academy	0.00	1.00	0.67	0.00	0.00	0.00	4,000	0	4,000	
4009	John Port Spencer Academy	2.00	2.00	2.00	0.00	2.00	1.33	12,000	8,000	4,000	
4012	Glossopdale School	1.00	1.00	1.00	1.00	1.00	1.00	6,000	6,000	0	
4052s	The Long Eaton School	1.00	1.00	1.00	1.00	1.00	1.00	6,000	6,000	0	
4013s	Hope Valley College	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	
4174	Highfields	1.00	1.00	1.00	2.00	1.00	1.33	6,000	8,000	-2,000	
4196	Brookfield Community School	1.00	2.00	1.67	1.00	1.00	1.00	10,000	6,000	4,000	
4500	Queen Elizabeth's Grammar	3.00	2.00	2.33	3.00	3.00	3.00	14,000	18,000	-4,000	
5400	Netherthorpe School	3.00	3.00	3.00	1.00	3.00	2.33	18,000	14,000	4,000	
5401	The Ecclesbourne School	4.00	3.00	3.33	6.00	4.00	4.67	20,000	28,000	-8,000	
5408	Heanor Gate Science College	2.00	1.00	1.33	0.00	2.00	1.33	8,000	8,000	0	
5409	Friesland School	1.00	1.00	1.00	0.00	1.00	0.67	6,000	4,000	2,000	
5410	The Pingle Academy	1.00	1.00	1.00	2.00	1.00	1.33	6,000	8,000	-2,000	
5413	St Mary's Catholic Academy	4.00	5.00	4.67	2.00	4.00	3.33	28,000	20,000	8,000	
5416	The Ripley Academy	1.00	1.00	1.00	0.00	1.00	0.67	6,000	4,000	2,000	
4089	Aldercar High School	9.00	20.00	16.33	13.00	9.00	10.33	98,000	62,000	36,000	
4505	Anthony Gell School	2.00	3.00	2.67	2.00	2.00	2.00	16,000	12,000	4,000	
4509	Dronfield Henry Fanshawe	1.00	1.00	1.00	2.00	1.00	1.33	6,000	8,000	-2,000	
4510	Buxton Community School	0.00	1.00	0.67	1.00	0.00	0.33	4,000	2,000	2,000	
5404	Belper School & 6th Form	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	
5411	Lady Manners School	4.00	2.00	2.67	3.00	4.00	3.67	16,000	22,000	-6,000	
	Sub total - Post 16	43.00	54.00	50.33	41.00	43.00	42.33	302,000	254,000	48,000	
	TOTAL PLACES	1,728.00	1,794.00	1,767.42	1,659.00	1,728.00	1,700.42	15,878,500	15,260,500	618,000	

Special School proposed top ups rates 2022-23**Appendix 4**

Special School Profile	Descriptor	2022-23 £	2021-22 £
MSI	Multi-Sensory Impairment	55,109.00	52,474.67
ECB	Extremely Challenging Behaviour	55,109.00	52,474.67
HD	High Dependency	27,021.00	25,729.67
SEMHD	Social Emotional & Mental Health Difficulties	27,021.00	25,729.67
ELD	Extreme Learning Difficulty	19,379.00	18,452.44
SEBD	Severe Emotional & Behavioural Difficulty	18,160.00	17,292.32
ECOM	Extreme Communication Difficulty	17,255.00	16,430.16
COM	Autism/Communication Difficulty	12,612.00	12,009.23
EBD	Emotional & Behavioural Difficulty	12,323.00	11,733.97
SSI	Severe Sight Impairment	6,541.00	6,228.46
PHYS	Severe Physical Impairment	6,541.00	6,228.46
SHI	Severe Hearing Impairment	6,541.00	6,228.46
SLD	Severe Learning Difficulty	6,541.00	6,228.46
OLD	Other Learning Difficulty	1,916.00	1,824.06

Pupil Referral Unit and ER School proposed top ups rates 2022-23

PRU Profile	2022-23 £	2021-22 £
General rate	8,926.00	8,337.00
Alternative Provision	3,627.00	3,388.00
ER School Profile	£	£
A – Area ERS	7,299.00	6,949.67
B – Deaf/Hearing Impaired ERS	8,790.00	8,369.46
C – Autism ERS	10,192.00	9,704.29
D – Physical Impairment ERS	22,094.00	21,035.63

Budget Head	Budget 2021-22	Inflation	Demographic pressure	Savings	Budget 2022-23
	£000s	£000s	£000s	£000s	£000s
Access and Inclusion	115	0	0	0	115
Support for inclusion	519	0	0	0	519
Hospital tuition	82	0	28	0	110
Virtual School	1,018	19	3	0	1,040
PRU to provision transport	510	0	-410	0	100
Contrib'n to Education Psychology Service	400	0	0	0	400
Visually Impaired Support Service	669	8	13	0	690
Physical Impaired Support Service	557	6	-27	0	536
Hearing Impaired Support Service	570	6	24	0	600
SEN Equipment fund	250	0	0	0	250
Specialist Services overheads	197	0	0	0	197
Support Service for SEN (SSSEN)	4,982	52	0	0	5,034
Early Years SEN service (contribution to)	624	0	124	0	748
Behaviour Support Service	1,150	18	0	0	1,168
Behaviour Support/IPT overheads	374	0	0	0	374
Behaviour Support (TAPS)	319	0	5	0	324
Positive Play	205	4	-33	0	176
Derbyshire Nurture	321	5	-43	0	283
Integration Pathways Team	3,753	47	-243	-818	2,739
Excluded pupils income	-436	0	0	0	-436
Contribution to SEN transport	80	0	0	0	80
School Improvement	114	0	0	0	114
Vulnerable Children's fund	150	0	50	0	200
High Needs Mainstream Contingency fund	500	0	0	0	500
Direct Payments	225	0	0	0	225
Community Care posts	88	0	0	0	88
School based SLAs	280	8	0	0	288
Total central budgets	17,616	173	-509	-818	16,462