

**DERBYSHIRE COUNTY COUNCIL****CABINET****11 March 2021****Report of the Executive Director for Children's Services****HIGH NEEDS BLOCK FUNDING SETTLEMENT 2021-22  
(YOUNG PEOPLE)****1. Purpose of the Report**

To inform Cabinet of the High Needs Block (HNB) settlement of the Dedicated Schools Grant (DSG) for 2021-22 and seek approval to its allocation.

**2. Information and Analysis****2.1 High Needs Settlement**

Details of local authorities' 2021-22 high needs allocations were published on 17<sup>th</sup> December 2020. Derbyshire's high needs funding will increase by £9.194m (+11.53%) from £79.771m to £88.965m. It should be noted that the 2021-22 allocation incorporates the former Teachers Pay Employers' Contribution Grant (TPECG) specific grant. This grant helped fund the increase in employers' superannuation contributions for teachers which rose from 16.48% to 23.68% of gross pay in September 2019. Adjusting for this technical change, the like for like increase in high needs funding is approximately 10%. A summary of the high needs allocation is provided in Appendix 1.

**2.2 Background**

Despite recent national increases in funding, the high needs blocks of many LAs, including Derbyshire, remain under financial pressure. Locally, the latest 2020-21 spending projection forecasts that Derbyshire's high needs costs are expected to exceed the budget by £4.707m, most of the additional costs being accounted for by increased top up payments to schools and other providers. In recent years the Authority has seen demand for support rise consistently and the costs of responding to these demands are summarised in Table 1 overleaf.

**Table 1 – Spend on top-ups over time**

	F'cast	Actual	Actual	Actual
Sector	2020-21	2019-20	2018-19	2017-18
	£k	£k	£k	£k
Nursery	422	531	243	229
Primary	11,112	9,706	7,371	6,796
Secondary	7,491	6,506	6,191	6,364
Special - Derbyshire schls & academies	13,709	12,370	11,618	11,035
Special - Other LAs/Independent and Non Maintained schools	14,787	12,449	8,953	8,162
Post 16	3,794	3,000	3,369	2,830
Total	51,315	44,562	37,745	35,416

The impact of this increase in spend has been to reduce the Authority's DSG reserves, such that there will be an overall DSG deficit at 31<sup>st</sup> March 2021 of around £1.500m. As the only planned contribution in 2021-22 towards this deficit from the other DSG blocks is £0.725m from the Central School Services Block, it is important that high needs spend is kept within the annual grant, if an increase in the accumulated deficit is to be avoided.

### **2.3 High Needs Places**

There are two types of places, the first is pre and post 16 SEN places in academies and post 16 places in LA maintained mainstream schools and special schools, college places and post 16 Charitable and Commercial Providers (CCPs). These are all funded by the Education and Skills Funding Agency (ESFA) by deducting monies from LAs' gross HNB allocations. The second type covers pre 16 places in LA special schools, Enhanced Resource provision in LA maintained schools and LA Pupil Referral Units.

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 2. The total estimated cost is £15.261m, an increase of £0.585m compared with 2020-21, the majority of the increase being for additional places in maintained special school provision.

### **2.4 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. Given the announcement of a pay freeze in the public sector for most staff, it is proposed that the allocations for 2021-22 continue to be funded at 2020 rates.

Outside of the high needs block, mainstream schools have seen per pupil increases of at least 1.5% in 2021-22 as a result of the Minimum Funding Guarantee. Similarly, the early years report to this Cabinet, if approved, would see increases in the hourly rates for 3 and 4 year old of between 1.08% and 1.22%.

Given the increases for other sectors it is equitable to fund special schools, enhanced resource (ER) schools and support centres for inflation too. Whilst the demographic pressures in top up spend means there is limited scope for an inflationary increase, on balance it is considered essential. The lack of an increase would risk a loss of provision which could result in some children being placed in the independent and non-maintained sectors, potentially increasing overall costs.

Following discussions at the December and January Schools Forums, it is proposed that the top ups for the above maintained sectors be increased as follows:

Special Schools - 1.45% (top ups 59.3% of total funding)  
 Support Centres - 2.23% (top ups 38.5% of total funding)  
 ER Schools - 1.47% (top ups 58.5% of total funding)

The differential percentages reflect the fact that each sector has a mix of place and top up funding. All three sectors would see an inflationary increase of 0.86% in their resources, equivalent to the full year impact of the 2020 teachers' pay award plus an element for prices inflation. Details of the proposed top up rates for 2021-22 are provided in Appendix 3.

The estimated cost of top ups is summarised in Table 2 below.

**Table 2 – Estimated Element 3 top ups 2021-22**

<b>Item</b>	<b>£m</b>
Early years	0.549
Primary schools and academies	11.346
Secondary schools and academies	7.512
Post 16 Colleges and ESPs	4.039
Special schools and academies	17.059
PRUs including SEN	2.396
Other LA, Ind. & Non Maintained Special Schools	11.976
Demographic/prices contingency (balance of grant)	1.492
<b>Total</b>	<b>56.369</b>

The allocations in Table 2 reflect the anticipated costs next year, based on 2020-21 spend adjusted for inflation, together with £1.492m – effectively the balance of the HNB grant – held as a demographic and prices contingency.

## 2.5 High Needs Services and other budgets

In addition to the monies delegated to providers in 2.3 and 2.4 above, funding is held centrally to enable some services to be free to schools and academies at the point of delivery. These central budgets also fund a range of other costs including contingencies, contributions to LA-funded services e.g. education psychology services, contributions to high cost complex placements and some limited transport costs. The estimated allocations for 2021-22 total £17.336m, figures for each service area are set out in Appendix 4. It should be noted that services’ budgets have not been increased for inflation and will be expected to absorb any increase in costs next year from efficiencies and savings for example, savings through staff turnover and reductions in the costs of officer travel.

## 2.6 Summary of allocations

The total allocations in this report are summarised in Table 3 below.

**Table 3 – Summary of allocations**

<b>Budget</b>	<b>£m</b>
Places - Appendix 2	15.261
Top ups – section 2.4.	56.369
Centrally held budgets section 2.5/Appendix 4	17.335
Total proposed budgets	88.965
HNB grant - Appendix 1	88.965
Balance	-

It should be noted that under the DfE’s deficit recovery guidance: “Dedicated schools grant (DSG) management plan template - Guidance for local authorities”, LAs that reported a deficit on their DSG account at 31<sup>st</sup> March 2020 were required to publish a deficit recovery plan by 30<sup>th</sup> June 2020. If a similar approach is adopted by the DfE for 2020-21, the Authority will have to produce its recovery plan by the end of June 2021.

## 2.7 Special Schools De-delegation

Funding in respect of redundancy costs and services previously funded by the Education Services Grant (ESG) have been top-sliced from LA mainstream schools’ budgets. For LA special schools, decisions on whether or not to top-slice resources is a matter for the special school LA-maintained sector representative on the Schools Forum. The proposed top-slice rates for special schools for 2021-22 are set out in Table 4.

**Table 4 – Top-slice charges for Special Schools 2021-22**

<b>Sector/multiplier</b>	<b>Per Pre 16 Place</b>		<b>Total</b>
	<b>Redundancy</b>	<b>Former ESG Services</b>	
2020-21 charge	£28.90	£20.55	£49.45
2021-22 gross charge	£23.80	£34.79	£58.59
Less use of reserves	-	-	(£8.40)
2021-22 net charge	-	-	£50.19

The overall gross charge to schools has been abated by the use of accumulated reserves from previous years' de-delegation arrangements. De-delegation has been operating since 2013 with any underspend against the funds collected being carried forward in a reserve at the end of each year. At 31<sup>st</sup> March 2020 the re-pooled reserve stood at £1.013m and this figure is forecast to increase to around £1.381m by the end of the current financial year.

In order to minimise the increase in charges to schools for 2021-22, it is proposed to release funding from the reserve such that the overall per-place increase is no more than 1.5%. This approach, and the resultant percentage increase, are both in line with the approach adopted for mainstream schools. The proposed approach would utilise only £0.004m of the reserve.

At the meeting of the Schools Forum in October 2020, the special school representative agreed that funding should be top-sliced for the sector for 2021-22. The decision 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 2021-22 in respect of special schools.

### **3. Other Considerations**

In preparing this report, the relevance of the following factors has been considered: - prevention of crime & disorder, equality of opportunity, and environmental, health, social value, human rights, human resources, property and transport considerations.

### **4. Background Papers**

Files held within Children's Services Finance.

### **5. Key Decision**

Yes.

## **6. Call-in**

Is it required that the call-in period be waived in respect of the decisions being proposed within this report? No

## **7. Officer's Recommendations** That Cabinet considers this report and:

- (i) Notes the High Needs Block settlement for 2021-22;
- (ii) Agrees the places to be funded in Appendix 2;
- (iii) Approves the top up budgets in section 2.4 and the associated top up rates in Appendix 3;
- (iv) Approves the centrally held budgets in Appendix 4;
- (v) Agrees to top-slice funding for LA maintained special schools in respect of redundancy costs and former ESG funded services as set out in section 2.7.

**Jane Parfremment**  
**Executive Director for Children's Services**

	2020-21			2021-22		
	Count	Multiplier	Total	Count	Multiplier	Total
	£	£	£m	£	£	£m
Population aged 2-18	145,998	155.85	22.754	148,497	181.74	26.988
Health/Disab. - Children with bad health	670	4,145.10	2.777	670	4,872.38	3.264
Health/Disab. - Children claiming DLA	5,527	651.95	3.603	5,928	713.24	4.228
Deprivation – Current free meals	16,744	286.30	4.794	21,422	268.27	5.747
Deprivation – IDACI Band F*	15,404	45.20	0.696	11,811	55.03	0.650
Deprivation – IDACI Band E	7,618	58.79	0.448	16,028	72.57	1.163
Deprivation – IDACI Band D	8,939	80.24	0.717	5,922	99.13	0.587
Deprivation – IDACI Band C	8,430	85.87	0.724	7,363	105.27	0.775
Deprivation – IDACI Band B	8,182	94.01	0.769	6,940	117.28	0.814
Deprivation – IDACI Band A	766	126.74	0.097	1,674	155.23	0.260
Low Attainment @ Key Stage 2	1,384	2,590.23	3.585	1,323	3,241.14	4.288
Low Attainment @ Key Stage 4	1,842	1,904.34	3.508	1,664	2,380.89	3.962
Historic spend			33.032			33.032
Sub total			77.504			85.758
Memo item - £ per population (2-18)			£524.70			£577.51
Hospital Education			0.055			0.289
Basic entitlement	1,084	4,000.00	4.336	1,145	4,660.00	5.336
Import/export adjustment	-354	6,000.00	-2.124	-403	6,000.00	-2.418
<b>Total High Needs Block</b>			<b>79.771</b>			<b>88.965</b>
<b>Increase (£m)</b>			<b>9.799</b>			<b>9.194</b>
<b>Increase (%)</b>			<b>+14.00</b>			<b>+11.53%</b>

\* IDACI – Income Deprivation Affecting Children Index

High Needs Places 2021-22			Appendix 2						
DfE	School	Type	Places 2020-21		Places 2021-22		Budget		Change
			April	Sept	April	Sept	2020-21	2021-22	0
	<b>ERS</b>								
2025	Springfield Junior School	Academy	8.00	8.00	8.00	11.00	48,000	58,500	10,500
2026	New Whittington Community Primary School	Academy	9.00	9.00	9.00	10.00	54,000	57,500	3,500
2036	Dunston Primary and Nursery Academy	Academy	6.00	6.00	6.00	6.00	36,000	36,000	0
2037	Langley Mill Academy	Academy	6.00	6.00	6.00	8.00	36,000	43,000	7,000
2116	Aldercar Infant School	Academy	8.00	6.00	6.00	4.00	41,000	29,000	-12,000
2356	Elmsleigh Infant & Nursery School	Academy	16.00	16.00	16.00	16.00	96,000	96,000	0
4004	Outwood Academy Newbold	Academy	16.00	16.00	16.00	17.00	96,000	99,500	3,500
4052	The Long Eaton School	Academy	11.00	11.00	11.00	11.00	66,000	66,000	0
5410a	The Pingle Academy(Area)	Academy	29.00	29.00	29.00	29.00	174,000	174,000	0
5410c	The Pingle Academy(Autism)	Academy	15.00	15.00	15.00	15.00	90,000	90,000	0
4013	Hope Valley College(Post 16)	Academy	22.00	18.00	18.00	18.00	116,000	108,000	-8,000
2011	Brampton Primary School	Maintained	14.00	14.00	14.00	14.00	84,000	84,000	0
2013	Chapel-en-le-Frith CofE VC Primary School	Maintained	19.00	19.00	19.00	19.00	114,000	114,000	0
2190	Pilsley Primary School	Maintained	9.00	10.00	10.00	10.00	57,500	60,000	2,500
2268	Whaley Bridge Primary School	Maintained	10.00	8.00	8.00	8.00	53,000	48,000	-5,000
2333	Ashbourne Hilltop Primary and Nursery School	Maintained	5.00	5.00	5.00	4.00	30,000	26,500	-3,500
4019	Chapel-en-le-Frith High School	Maintained	34.00	34.00	34.00	34.00	204,000	204,000	0
4074	William Allitt School	Maintained	1.00	0.00	0.00	0.00	2,500	0	-2,500
4089b	Aldercar High School(HI)	Maintained	10.00	8.00	8.00	8.00	53,000	48,000	-5,000
4089d	Aldercar High School(Phys)	Maintained	1.00	1.00	1.00	1.00	6,000	6,000	0
4173	Tibshelf Community School	Maintained	19.00	18.00	18.00	15.00	110,500	97,500	-13,000
	<b>Total ERS</b>		<b>268.00</b>	<b>257.00</b>	<b>257.00</b>	<b>258.00</b>	<b>1,567,500</b>	<b>1,545,500</b>	<b>-22,000</b>
	<b>Special</b>								
7001	Holbrook School for Autism	Academy	120.00	127.00	127.00	128.00	1,240,833	1,275,833	35,000
7006	Ashgate Croft School	Academy	139.00	139.00	139.00	142.00	1,390,000	1,407,500	17,500
7012	Stubbin Wood School	Academy	135.00	150.00	150.00	165.00	1,437,500	1,587,500	150,000
7014	Bennerley Fields School	Academy	88.00	88.00	88.00	91.00	880,000	897,500	17,500
7017	Peak School	Academy	55.00	60.00	60.00	65.00	579,167	629,167	50,000
7019	Stanton Vale School	Academy	85.00	93.00	93.00	90.00	896,667	912,500	15,833
7000	Holly House Special School	Maintained	43.00	43.00	43.00	43.00	430,000	430,000	0
7005	Brackenfield Special School	Maintained	72.00	82.00	82.00	112.00	778,333	995,000	216,667
7009	Swanwick School and Sports College	Maintained	82.00	82.00	82.00	85.00	820,000	837,500	17,500
7018	Alfreton Park Community Special School	Maintained	85.00	87.00	87.00	90.00	861,667	887,500	25,833
	<b>Total Special</b>		<b>904.00</b>	<b>951.00</b>	<b>951.00</b>	<b>1,011.00</b>	<b>9,314,167</b>	<b>9,860,000</b>	<b>545,833</b>
	<b>Support Centres</b>								
1106	South Derbyshire Support Centre	Academy	16.00	26.00	26.00	26.00	218,333	260,000	41,667
1102	Amber Valley and Erewash Support Centre	Academy	156.00	156.00	156.00	150.00	1,560,000	1,525,000	-35,000
1111	North East Derbyshire Support Centre	Academy	100.00	100.00	100.00	100.00	1,000,000	1,000,000	0
	<b>Total Support Centres</b>		<b>272.00</b>	<b>282.00</b>	<b>282.00</b>	<b>276.00</b>	<b>2,778,333</b>	<b>2,785,000</b>	<b>6,667</b>



High Needs Places 2021-22			Appendix 2						
DfE	School	Type	Places 2020-21		Places 2021-22		Budget		Change
			April	Sept	April	Sept	2020-21	2021-22	0
	Post 16		April	August	April	August			
4000	Swanwick Hall School	Academy	1.00	0.00	0.00	1.00	2,000	4,000	2,000
4004s	Outwood Academy Newbold	Academy	0.00	1.00	1.00	1.00	4,000	6,000	2,000
4009	John Port Spencer Academy	Academy	0.00	0.00	0.00	2.00	0	8,000	8,000
4012	Glossopdale School	Academy	1.00	1.00	1.00	1.00	6,000	6,000	0
4052s	The Long Eaton School	Academy	1.00	1.00	1.00	1.00	6,000	6,000	0
4196	Brookfield Community School	Academy	1.00	1.00	1.00	1.00	6,000	6,000	0
4500	Queen Elizabeth's Grammar School	Academy	0.00	3.00	3.00	3.00	12,000	18,000	6,000
5400	Netherthorpe School	Academy	0.00	1.00	1.00	3.00	4,000	14,000	10,000
5401	The Ecclesbourne School	Academy	0.00	6.00	6.00	4.00	24,000	28,000	4,000
5408	Heanor Gate Science College	Academy	0.00	0.00	0.00	2.00	0	8,000	8,000
5409	Friesland School	Academy	0.00	0.00	0.00	1.00	0	4,000	4,000
5410	The Pingle Academy	Academy	2.00	2.00	2.00	1.00	12,000	8,000	-4,000
5413	St Mary's Catholic High School, A Catholic Vc	Academy	2.00	2.00	2.00	4.00	12,000	20,000	8,000
5416	The Ripley Academy	Academy	0.00	0.00	0.00	1.00	0	4,000	4,000
4089	Aldercar High School	Maintained	25.00	13.00	13.00	9.00	102,000	62,000	-40,000
4174	Highfields School	Maintained	3.00	2.00	2.00	1.00	14,000	8,000	-6,000
4505	Anthony Gell School	Maintained	3.00	2.00	2.00	2.00	14,000	12,000	-2,000
4509	Dronfield Henry Fanshawe School	Maintained	1.00	2.00	2.00	1.00	10,000	8,000	-2,000
4510	Buxton Community School	Maintained	1.00	1.00	1.00	0.00	6,000	2,000	-4,000
5411	Lady Manners School	Maintained	1.00	3.00	3.00	4.00	14,000	22,000	8,000
	<b>Total Post 16</b>		<b>42.00</b>	<b>41.00</b>	<b>41.00</b>	<b>43.00</b>	<b>248,000</b>	<b>254,000</b>	<b>6,000</b>
	<b>FE</b>								
8000	Chesterfield College	FE	67.00	67.00	67.00	67.00	402,000	402,000	0
133811	University of Derby	FE	61.00	61.00	61.00	73.00	366,000	414,000	48,000
	<b>Total FE</b>		<b>128.00</b>	<b>128.00</b>	<b>128.00</b>	<b>140.00</b>	<b>768,000</b>	<b>816,000</b>	<b>48,000</b>
	<b>Total Derbyshire</b>		<b>1,614.00</b>	<b>1,659.00</b>	<b>1,659.00</b>	<b>1,728.00</b>	<b>14,676,000</b>	<b>15,260,500</b>	<b>584,500</b>
	File High Needs Places 21-22.xls								

<b>Special School Profile</b>	<b>Descriptor</b>	<b>2021-22 £</b>	<b>2020-21 £</b>
MSI	Multi-Sensory Impairment	52,474.67	51,726.12
ECB	Extremely Challenging Behaviour	52,474.67	51,726.12
HD	High Dependency	25,729.67	25,362.63
SEMHD	Social Emotional & Mental Health Difficulties	25,729.67	25,362.63
ELD	Extreme Learning Difficulty	18,452.44	18,189.21
SEBD	Severe Emotional & Behavioural Difficulty	17,292.32	17,045.64
ECOM	Extreme Communication Difficulty	16,430.16	16,195.78
COM	Autism/Communication Difficulty	12,009.23	11,837.92
EBD	Emotional & Behavioural Difficulty	11,733.97	11,566.58
SSI	Severe Sight Impairment	6,228.46	6,139.61
PHYS	Severe Physical Impairment	6,228.46	6,139.61
SHI	Severe Hearing Impairment	6,228.46	6,139.61
SLD	Severe Learning Difficulty	6,228.46	6,139.61
OLD	Other Learning Difficulty	1,824.06	1,798.04

Pupil Referral Unit and ER School proposed top ups rates 2021-22

<b>PRU Profile</b>	<b>2021-22 £</b>	<b>2020-21 £</b>
General rate	8,337.00	8,155.00
Alternative Provision	3,388.00	3,314.00
<b>ER School Profile</b>	<b>£</b>	<b>£</b>
A – Area ERS	6,949.67	6,849.26
B – Deaf/Hearing Impaired ERS	8,369.46	8,248.53
C – Autism ERS	9,704.29	9,564.08
D – Physical Impairment ERS	21,035.63	20,731.70

Proposed centrally held HNB budgets 2021-22

Appendix 4

	<b>2021-22 Budget</b>
<b>Budget</b>	<b>£m</b>
Access and inclusion	0.634
Behaviour Support	1.557
Positive Play	0.205
Derbyshire Nurture	0.321
Integrated Pathways	4.039
Excluded Pupils claw-back	(0.436)
Hospital tuition	0.082
Virtual school	1.018
PRU transport (PRU to provision)	0.510
Contribution to education psychology service	0.400
Contribution to early years SEN service	0.624
Specialist SEN services	7.313
Vulnerable Children's Fund/SEN contingency	0.650
Other	0.339
Contribution to SEN transport	0.080
<b>Total</b>	<b>17.336</b>