

High Needs Block Funding Allocation

Key Messages

The Forum is asked to note:

- The overall arrangements and 2022/23 budget requirements for pupils and students with high needs.
- The increase in demand for provision for young people with special education needs and disabilities.
- The decision made to increase the funding per place in special schools, by £994 per place (a 5% average increase for special schools). Sheffield Inclusion Centre and Hospital and Home Education have also increased by 5% per place in comparison to the 2021/22 level.
- It should be noted that there hasn't been an additional Schools Supplementary Grant for specialist provision, in the same way as mainstream schools and this increase includes an increased allocation through the High Needs Block.
- That the Teachers' Pay and Pension Grants, in line with mainstream funding, continues to be included in the base funding for high needs settings.
- The total resource allocation of £31,950k for special schools in 2022/23 is based on February place numbers.
- A new funding formula, to distribute an increased sum of money to schools hosting integrated resources.
- That 254 integrated resource places have been funded at a total gross allocation of £3,883k.
- That a £4m provision has been made to fund additional pupils requiring specialist provision during the year.
- There is a planned increase in the localities budget of £1.5m transferred from the Schools Block.
- The planned expenditure on Specialist Support Services.

1. High Needs Pupils and Students

- 1.1 In line with the Special Educational Needs and Disabilities (SEND) reforms introduced in September 2014, the high needs funding system is designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities from their early years up to age 25.
- 1.2 High needs funding is intended to support the most appropriate provision for each individual, taking account of parental and student choices, providing appropriate provision in a range of settings and avoiding perverse incentives. It is also intended to fund good quality alternative provision for pupils who cannot receive their education in school.

- 1.3 There continues to be a growing increase in demand for special school places and children with SEND. The funding provided by the Education and Skills Funding Agency (ESFA) to support these activities over the years has not kept pace with the increase in demand. The High Needs National Funding Formula (HNNFF) developed by ESFA suggests that based on the current demographics and profile of Sheffield pupils, our High Needs Block in 2022/23 should be £3.3m higher than our actual allocation. While the long-term outlook is that our income on high needs should increase, the challenge remains that we have very significant pressures now with spending exceeding available resources.
- 1.4 In addition to our formula allocation for high needs, Sheffield has been allocated an additional £3.29m to meet additional costs including the funding in respect of the Health and Social Care Levy, energy increases and other cost pressures.
- 1.5 Pupils and students supported by high needs funding include:
- Pupils aged from birth to 19 with high levels of SEND in schools, academies or other settings.
 - Those aged 19-25 with SEND in further education who have an EHC Plan.
 - School-aged pupils placed in alternative provision such as a Pupil Referral Unit (PRU).
- 1.6 Extensive work has been undertaken to review the current provision in the city, identifying gaps in provision and contributing to the revised proposed Inclusion Strategy. This work is ongoing.

2. Places to be Funded for 2022/23 in Special Schools and Integrated Resources (IRs)

- 2.1 It is recommended that the funding for special schools is increased against 2021/22 levels by an average of 5% (£994 per place). Unlike mainstream schools, the funding for the Health and Social Care Levy, isn't a separate funding grant, and in line with ESFA guidance, is being distributed as part of the top-up funding.
- 2.2 The number of places in special schools has followed the trend in the previous years and continued to rise in-year. For this February meeting of the Schools Forum, we are issuing budgets for the current numbers of pupils in our special schools and IRs. A provision of £4m has been identified to fund additional specialist pre and post-16 provision. Some provision is funded from April, while the majority of the funding is for provision from September 2022.

- 2.3 It is recommended that funding for IRs will be distributed using a new funding formula. The proposals will increase funding to all schools hosting an IR. The details of these proposals can be found in Paper 3.
- 2.4 The breakdown of the places in each school is shown in Appendices 1 and 2 (Special and IR Numbers).
- 2.5 The table below shows the total funding being committed for specialist places in special schools, IRs and additional provision.

	2021/22 £000's	2022/23 £000's	Variance £000's
Special Schools at February	27,469	31,950	4,480
Integrated Resources at February	2,977	3,883	906
Provision for additional places	3,000	4,000	1,000
	33,446	39,833	6,387

- 2.6 We are proposing that the Forum notes the resource allocation of £39.8m for 2022/23.
- 2.7 As was the case last year, in addition to the commissioned placements, there are further pupils whose parents have indicated a preference for a special school placement. We will be working with special schools, mainstream schools and parents/carers over the coming months to prepare these pupils through supported and tailored transition planning and facilitating joint planning between current and new schools using our MAST early help professionals.
- 2.8 We will also continue to develop and provide outreach and emotional wellbeing services. Our moderated decision-making on placements – through the EHC Placement Panel – has ensured that all decisions to name mainstream schools are compatible with provision and that schools and academies should be providing for pupils with a range of SEN. The SEND Code of Practice operates on a presumption for mainstream education, and our Inclusion Strategy aims to develop capacity, skills and competence in mainstream settings in line with national policy and the statutory guidance.
- 2.9 The increase in demand for special education provision has been underpinned by a combination of key factors including population growth matched to increasing complexity. We are continuing to progress a strategic review of provision and a business case to enable delivery of better support for pupils, drive shared accountability and effective demand management.

We are working on the following key areas of work which will influence the future demand requirements.

3. Mainstream Top-up

The Forum agreed to implement a locality model of distributing top-up funding in 2016/17. A proposal to progress this is being considered. We are increasing our investment in the locality model by £1.5m to £5.9m – further details can be found in Paper 8a.

4. Funding for the Sheffield Inclusion Centre (SIC)

- 4.1 The Sheffield Inclusion Centre (SIC) has a delegated budget and has its own management committee. The budget for 2022/23 has been increased in line with special schools by 5% from £3.03m in 2021/22 to £3.18m in 2022/23.

Number of Commissioned Places 250 Places from April 2022	Rate per place	Total Allocation £'000
Base Budget (including inflation, Teachers' Pay and Pension)	£11,530	£2,883
Top-up for pupils at the start of the year 120 children x £2,500	£2,500	£300
Total base budget		£3,183

- 4.2 In addition to the above base budget, SIC is also eligible for pupil premium funding and pupil-led funding for all in-year exclusion from excluding schools.
- 4.3 A top-up provision of £325k has been made to provide additional funding of £2,500 for pupil in excess of 120 that may be excluded at PRU following review by primary/secondary inclusion panels. A further top-up provision of £150k has also been created for children with EHCP plans. Funding allocation from £325k and £150k for PRU will be subject to in-year exclusions and therefore this funding has not been added to the base budget.
- 4.4 The base budget at SIC for individual placements has been increased by 5% to support additional cost pressures (including social care levy, energy etc) and no change is suggested for the number of commissioned places at the start of the next financial year (250 places).
- 4.5 The average number of pupils attending the SIC last year has been in the region of 170-180 pupils. This is currently lower than the number of commissioned funded places and requires a review to confirm our future needs. Lower than expected numbers could be result of a variety of factors including implementation of our inclusion strategy, Covid impact, lower attendance at schools, improved support through PIP/SIPs.

- 4.6 It would be premature to make a judgment to reduce our commissioned places based on this variance without carrying out an in-depth analysis of future demand. The latest information received from the PRU is indicating that the number of exclusions are on the rise again.
- 4.7 Given the above, we intend to enter into discussions with the management committee to review the number of commissioned places and a paper will be shared with the Forum in June this year to agree the commissioned places for 2023/24. This approach should also allow sufficient notice to management committee to make any structural changes, if required.

5. Funding for 16 - 24-Year-Old Students

- 5.1 The funding source for these students remains a combination of the ESFA and the Local Authority.
- 5.2 With the exception of maintained schools, the ESFA will pay all place-led funding directly to providers, with the remaining funding transferred into the Dedicated Schools Grant (DSG). The place-led funding (calculated using the post-16 national funding formula plus £6,000) for all institutions will be paid directly by the ESFA as part of the post-16 formula.
- 5.3 For maintained schools it will form part of the post-16 allocations made to local authorities for their schools. The High Needs Block of the DSG is intended to cover top-up funding for all 16 - 24-year-old high needs student placements commissioned by local authorities in maintained schools, academies, non-maintained special schools, colleges of further education and independent specialist providers (ISPs).
- 5.4 An allocation of £2.3m from the High Needs Block has been made for Post-16 provision delivered through Longley Park, Sheffield College and Sheaf.

6. Specialist Support Services

- 6.1 The following specialist support services, including those for pupils with sensory impairments, or tuition for pupils not able to attend school for medical or other reasons is also funded from the High Needs Block/Early Years Block. Also included are the costs of independent and out-of-city places.

	2021/22 £000's	2022/23 £000's
Independent Placements (pre 16)	4,289	4,289
Independent Placements (post 16)	2,599	2,599
Post 16 SEN - colleges and other	2,417	2,417
SEN Transport	5,565	8,076
Vision support	1,060	1,118
Autism	383	657
Hearing Impaired	1,982	2,174
Ed Psychology	1,152	1,524
Home and Hospital	857	1,159
Early Years SEN	672	763
SEN Assessment	413	1,130
Out of City – Special schools	1,077	1,077
Localities	4,350	5850
EHCP top-ups	304	604
Total	27,120	33,437

7. Recommendations

The Schools Forum is asked to note:

- The overall arrangements and 2022/23 budget requirements for pupils and students with high needs, including the resource allocation of £39.8m for 2022/23.
- The 5% increase in place funding for special schools and the SIC.
- The £4m provision being made for growth in the specialist sector, including additional places in special schools from September, pre and post-16 growth in places
- That an additional budget provision has been made of £1.5m for mainstream top-up funding in 2022/23.
- The increase in funding for the Sheffield Inclusion Centre.
- The increase in spending on Specialist Support Services.