

High Needs Block Funding Allocation 2023/24

Key Messages

The Forum is asked to **note**:

- The overall arrangements and 2023/24 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 increase the funding per place in special schools is in line with the High Needs Funding 2023/24 Operational Guidance (updated 17 January 2023).
- Sheffield Inclusion Centre and Hospital and Home Education allocation have also increased in line with the guidance.
- The total resource allocation of £36,126k for special schools in 2023/24 is based on February place numbers.
- That we have continued to use the funding formula, introduced last financial year, to distribute an increased sum of money to schools hosting integrated resources.
- That 291 integrated resource places have been funded at a total gross allocation of £4,625k.
- That Base Funding for integrated resources has been increased by 3.4%.
- That a £2.5m provision has been made to fund additional pupils requiring specialist provision during the year.
- There is a continued investment 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 2023/24 should be £4m 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 £4.1m to meet additional costs identified in the autumn statement.
- 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 our Inclusion Strategy. This work is ongoing.

2. Places to be Funded for 2023/24 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 3% (excluding TPG (Teachers' Pay Grant) and TPECG (Teachers' Pay Employer Contribution Grant)). TPG and TPECG will continue to be distributed as part of the top-up funding, however for 2023/24 it will be clearly identified.
- 2.2 For the first time the ESFA has introduced a further funding guarantee over and above the basic MFG (Minimum Funding Guarantee) described above. Schools have received an additional increase of 3.4% in comparison to their funding in 2022/23.
- 2.3 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 with 2 schools having additional provision funded from September in line with our agreement with the ESFA. A provision of £2.5m has been identified to fund additional specialist pre and post-16 provision.

- 2.4 It is recommended that funding for IRs will be distributed using the funding formula approved for last financial year. As the top-up funding is now based on the per pupil funding in the mainstream formula, it has automatically increased. The base funding of £10k has been reviewed for 2023/24 and it is recommended that the base funding increase by 3.4% to £10,340.
- 2.5 Integrated Resources are funded through a combination of funding from the Schools Block and High Needs block. The table below shows the funding block break-down for integrated resources.

	£k
High Needs Block	3,283
School Block	1,342
Total IR budget	4,625

- 2.6 The breakdown of the places in each school is shown in Appendices 1 and 2 (Special and IR Numbers).
- 2.7 The table below shows the total funding being committed for specialist places in special schools, IRs and additional provision.

	2022/2023 £000's	2023/24 £000's	Variance £000's
Special Schools at February	31,950	36,126	4,176
Integrated Resources at February	3,881	4,625	744
Provision for additional places	4,000	2,500	-1,500
	39,831	43,251	3,420

- 2.8 All known growth has already been funded through special schools and integrated funding, therefore we can reduce the in-year growth allocation to £2,5m
- 2.9 We are proposing that the Forum notes the resource allocation of £43.3m for 2023/24.
- 2.10 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 Multi-Agency Support Teams (MAST) early help professionals.

- 2.11 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.
- 2.12 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.

3. Mainstream Top-up

- 3.1 The Forum agreed to implement a locality model of distributing top-up funding in 2016/17. A proposal to progress this is being considered. Our investment in Localities model is expected to be just over £6m in 2023/24

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 2023/24 has been increased in line with guidance supplied by the ESFA for the additional funding in the Autumn Statement.

<u>2023/2024 - 250 pupils</u>	£	£
Funding per place	11,530	2,882,500
£2,500 per place	2,500	625,000
EHCP	150,000	150,000
		3,657,500
Additional Grant		133,976
2023/24 financial year		3,791,476

- 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 The fall in exclusions during Covid hasn't been maintained and the number of exclusions are on the rise again. At the current time, we continue to work with the Management Committee at the Sheffield Inclusion Centre while funding an average of 250 places there.

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 **£3.17k** 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.

	2022/23 £000's	2023/24 £000's
Independent Placements (pre-16)	5,898	7,154
Independent Placements (post-16)	2,835	3,523
Post-16 SEN - colleges and other	2,826	3,015
SEN Transport	8,076	8,079
Vision support	1,118	1,162
Autism	657	682
Hearing Impaired	2,174	2,257
Ed Psychology	1,524	1,591
Home and Hospital	1,029	1,029
Early Years SEN	742	772
Exclusion Prevention	1,825	1,500
SEN Assessment	1,130	1,130
Out of City – Special schools	1,291	1,291
Localities	5,850	6,010
Virtual School	490	511
EHCP top-ups	604	904
Total	38,069	40,610

7. Recommendations

The Schools Forum is asked to **note**:

- The overall arrangements and 2023/24 budget requirements for pupils and students with high needs.
- The 3% Minimum Funding Guarantee (MFG) for special schools against the financial year 2021/22.
- The further 3.4% increase in place funding for special schools and the SIC.
- The £2.5m provision being made for growth in the specialist sector, including additional places in special schools from September, pre and post-16 growth in places.
- The continuation of the £1.5m transfer from the Schools Block to locality funding.
- The increase in funding for the Sheffield Inclusion Centre.
- The increase in spending on Specialist Support Services.