

CABINET – 15 SEPTEMBER 2020

SEND High Needs Funding

Report by Deputy Director for Education

RECOMMENDATION

1. **The Cabinet is RECOMMENDED to:**
 - (a) **Note a one-off increase in top-up funding for Early Years settings for 2020/21 funded through the High Needs Block (HNB) of the Dedicated Schools Grant (DSG). The increase will only be available in the year 2020-2021 and top-up funding is then likely to revert to previous levels**
 - (b) **Note a one-off increase in top-up funding for mainstream Primary schools for 2020/21 funded through the High Needs Block of the Dedicated Schools Grant. The increase will only be available in the year 2020-2021 and top-up funding is then likely to revert to previous levels**
 - (c) **Approve a one-off increase in top-up funding for mainstream Secondary schools for 2020/21 funded through the High Needs Block of the Dedicated Schools Grant in those cases where the formulaic approach is insufficient for schools to meet the needs of the child. This is a change to the current funding formula. This decision would not reduce the amount of top-up funding a Secondary school currently receives. The increase will only be available in the year 2020-2021 and top-up funding is then likely to revert to previous levels.**

Executive Summary

2. Top-up funding is the funding required over and above the core or place funding the setting or school receives to enable a pupil or student with high needs to participate in education and learning. It is funded from the High Needs Block of the Dedicated Schools Grant and is a fixed budget, which is currently overspent.
3. This paper outlines the current method of SEND High Needs top-up funding within Early Years settings and mainstream Primary and Secondary schools in Oxfordshire, how a one-off transfer of Dedicated Schools Grant to be used for an increase in top-up funding for 2020/21 would help support schools to better meet the needs of pupils and students but highlights that there would be an ongoing impact to the High Needs Block budget overspend from 2021/22 onwards if it were to be maintained.

Background

4. Early Years settings

- In November 2019, School Forum agreed the recommendation from Oxfordshire County Council (OCC) to transfer one-off funding of £370,000 for three and four year old providers from the 2018-19 Early Years Block DSG underspend.
- The use of Dedicated Schools Grant reserves for this purpose was passed in the council's budget for the academic year 2020/21 only.
- There will be an ongoing impact to the High Needs Block budget overspend from 2021/22 onwards if it were maintained.

5. Mainstream Primary and Secondary schools

- In January 2020, after the National Funding Formula unit rates had been implemented in full for all schools, Schools Forum agreed the OCC recommendation to move the balance of the unallocated funding to the High Needs Block to allocate directly to Special Educational Needs & Disabilities (SEND) budgets in schools to specifically support High Needs students. £1,300,000 was moved from the Schools Block of the Dedicated Schools Grant to the High Needs Block of the Dedicated Schools Grant to support a one-off, one-year only SEND top-up funding increase for mainstream Primary and Secondary schools.
- This funding move was approved by Cabinet through a delegated decision in January 2020 and will apply for the academic year 2020/21 only.
- There will be an ongoing impact to the High Needs Block budget from 2021/22 onwards if it were maintained.

6. How top-up funding currently works

Top-up funding to schools and settings is paid from the High Needs Block of the Dedicated Schools Grant. The way this is calculated differs between Primary and Secondary schools:

- Top-up funding for Education, Health and Care plans in Early Years settings is currently calculated on a set hourly rate. This is based on the number of hours that each child requires in order to support the provision detailed within their Education, Health and Care plan. Early Years settings and nursery classes do not have delegated funding so all funding detailed in the Education, Health and Care plan is provided to the setting from the High Needs Block. When a child leaves the setting, the funding ceases and moves with the child.
- Top-up funding for Education, Health and Care plans in mainstream Primary schools is calculated on an hourly rate based on the number of additional hours required to meet the provision specified in a child's Education, Health and Care plan. Schools provide the first £6,000 of support (15 hours) from their delegated funding, with top up funded from the High Needs Block. Funding levels need to be reviewed as they do not cover the costs the schools face. When a child leaves the school, the funding ceases and moves with the child.

- Top-up funding for Secondary schools is formulaic. It does not increase if more children with an Education, Health and Care plan are placed at a school. Headteachers may have to appoint staff to support children with an insufficient element of funding in their budget to meet costs.

Proposal

7. Officers will work with schools over the next twelve months to develop an equitable way of funding Early Years settings and mainstream Primary and Secondary schools within the financial parameters of the council's High Needs Block budget. This will involve a Financial Recovery Plan to reduce the overspend as well as looking to funding settings and schools equitably in order to meet children and young people's needs.

Financial and Staff Implications

8. The one-off transfer of the unallocated £370,000 from the Early Years Block of the Dedicated Schools Grant to the High Needs Block will support a one-off funding increase to Early Years settings for 2020/21 only.
 - Additional pressure will fall on the High Needs Block budget from 2021/22 onwards for Early Years settings if the increase is to be maintained.
9. The one-off transfer of the unallocated £1,300,000 from the Schools Block of the Dedicated Schools Grant to the High Needs Block will support a one-off funding increase to mainstream Primary and Secondary schools for 2020/21 only.
 - Additional pressure will fall on the High Needs Block budget from 2021/22 onwards for mainstream Primary and Secondary schools if the increase is to be maintained.

DSG Deficit

10. The cumulative deficit on the dedicated schools grant stands at £11m as at 31st March 2020. This has been driven by expenditure on High Needs exceeding the available grant.
11. The estimated in-year forecast deficit for High Needs is £11m. The cumulative deficit at March 2021 is expected to be £22m.
12. With no change in strategy and continuing growth in demand for support from High Needs, the in-year deficit was expected to be £15m for 2021-22. In July 2020, the DfE provisionally announced additional High Needs DSG of £7.5m, which will reduce the in-year deficit but will result in a cumulative deficit of £29.5m by March 2022.

13. If the proposed one-off funding increases are to continue, the £1.67m cost will be added to the forecast deficit in future years. However, the Council strategy is to support learners closer to home, so if the additional funding results in fewer children/young people moving to more costly placements, the investment will begin to payback.
14. The Dedicated Schools Grant deficit (driven by the High Needs deficit) must be met from within DSG, there can be no contribution from the General Fund.
15. Under the Dedicated Schools Grant Conditions of grant for 2020-21, any local authority with a Dedicated Schools Grant deficit of any size should have a plan for managing its Dedicated Schools Grant account going forward, and must keep its school forum regularly updated about its plan, including high needs pressures and potential savings. It must also respond to enquiries from the Department for Education about the plan.
16. There is no deadline by which to submit a plan, but Officers are reviewing all expenditure to arrive at options to reduce the deficit.

Equalities Implications

17. There are no Equalities Implications in this report

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Background papers: n/a

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