



Schools Forum

Report title: Dedicated Schools Grant 2024/25, High Needs Block

Report 4 of 4

Date: 18 January 2024

Key decision: No

Item no: 8

Outline and recommendations

This is the 4th report relating to the DSG financial settlement for 2024/25.

Schools Forum to note the overall funding position for 2024/25 which shows a modest increase in funding of circa £2.4m (from £76.8m to £79.2m) this represents an increase of approximately 3%.

Schools Forum to further note that the pressure on the High Needs Block on average has been circa £4m to £5m – however that has been against a backdrop of significant higher levels of High Needs Funding. The settlement for 2024/25, is therefore likely to add further pressure to the HNB.

Schools Forum to further note that Lewisham council is continuing to progress with its local mitigation plan placement and sufficiency plan, which is now potentially also being supplemented by the Delivering Better Value (DBV), DfE initiative, should the recently submitted grant application be successful.

Schools Forum is asked to consider this report alongside the agreement of the 2nd report which discusses the submission of the APT tool and the potential transfer of max 0.5% to the High Needs Block.

Timeline of engagement and decision-making

This report is for information only and sets context for the associated reports. Any appropriate engagement or decision making will form part of the detailed reports specific to that funding block.

1. Purpose of Report

- 1.1. This report provides schools forum with the detail relating to the High Needs Block settlement for 2024/25.
- 1.2. The report will also contextualise the demand position which suggest that for 2024/25, the High Needs Block will continue to face pressure,

2. High Needs Block 2024/25

- 2.1. Report one on the DSG settlement confirmed that the High Needs Value for 2024/25 will be £79.2m compared with an equivalent £76.8m in 2023/24. This is a modest increase in funding of approximately 3% £2.4m.
- 2.2. Of this increase, approximately £430k relates to a net increase of number of pupils in special schools (76 pupils), interestingly the funding rate is lower by £10, per pupil.
- 2.3. In 2023/24, the DfE provided increase in funding to support the funding uplift payable to special schools. This has now been rolled into the floor and gains figure which is why it appears large - but is not new funding.
- 2.4. Whilst any increase in funding is welcomed, recognising that inflation including staffing costs are greater than 3%, this is in effect a real term cut in spending power and is likely to place additional pressure on an area that is already overspending.
- 2.5. Table 1 below shows further detail recognising for example an increase in funding of £416k noting an increase of 76 pupils i.e. circa £5.6k per pupil.

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High Needs Block Table 1

	Total high needs elements in the funding floor and gains calculation (£s)	Basic entitlement factor (area cost adjusted) unit of funding (£s)	Number of pupils in special schools and academies	Import/export adjustment (based on January 2023 school census and February R06 2022 to 23 individualised learner record) (£s)	Additional Funding for Special Free Schools (£s)	Hospital education, alternative provision teachers pay/pension and supplementary funding factor (£s)	Total high needs block before deductions (£s)
2024/25	74,949,467	5,646	1,210	-2,973,000	12,000	404,894	79,224,900
2023/24	69,790,261	5,656	1,134	-2,973,000	18,000	397,906	76,851,702
Net Movement	5,159,206	-10	76	0	-6,000	6,988	2,373,198

3.0%

	Price	Volume	£	%
Pupil led	-12559.8	£429,088	£416,529	0.5%
Floors Ceilings			£1,956,669	2.5%
Net movement			£2,373,198	3.1%

2.6. In addition to the DSG funding totals above, Special Schools (and Hospital Schools) will continue to receive in 2024 to 2025 a separate TPAG which they will have received for the period September 2023 to March 2024.

- The funding rate for 2024 to 2025 financial year is £446 per place.

2.7. There will be an additional grant for 2024 to 2025 to reflect the additional costs of the increase of 5 percentage points, to 28.6%, to the employer contribution rates to the teachers' pensions scheme from April 2024. Further details will be announced in due course.

2.8. These separate grants should not be confused with the [historic teachers' pay and pensions](#) funding which local authorities are also required to pass on to special and AP schools on a per place basis.

2.9. The DSG conditions of grant place a similar MFG guarantee of 0% to 0.5%. At present there is no expectation of change to the high needs banding structure in place, therefore MFG is unlikely to apply. However this will be tested as part of the final allocations to schools.

3. Continuing Pressure on the High Needs Block

3.1. As previously reported to Schools Forum and discussed with the wider forum working group, like the case with most Local Authorities, Lewisham continues to face pressure on its High Needs Block. This is despite significant work undertaken within the mitigation plan. The feedback from Newton, Cipfa and DFE towards the actions taken to date by Lewisham was very positive and recognised that without those actions the deficit would have been significantly larger.

3.2. The position on the High Needs Block at present notes an £11m brought forward balance with a projected potential increase of £3m in the current financial year. The £3m figure is after allowing for additional contributions from the Schools Block and EY block as agreed with Schools Forum. The

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expected deficit at the end of this year is expected to be circa £14m cumulative.

3.3. The following tables show a comparative position between December 2022 and December 2023 with a net increase of 250 Education Health Care Plans (EHCP), over a 12 month period. The data also notes that of the increase more pupils are being placed within Lewisham.

3.4. The data also notes that the key primary needs are Autistic Spectrum Disorder (ASD), Social, Emotional and Mental health (SEMH), Speech, Language and Communication Needs (SLCN); the average cost for each being:

- ASD £17.5k
- SEMH £24k
- SLCN £14,5k.

Whilst caution is always required in the use of average data, this clearly shows that the cost per pupil is higher than the funding receivable i.e. taking a simple calculation – if increase in EHCP remains say at 250, £3m divided by 250 = £12k. Even taking a crude average of £18k per pupil, that would lead to 250 x £6k = suggesting a minimum additional overspend of between £1.5m to £2m. Thus noting 2023/24 overspend (before any subsidy of £5m, plus additional overspend of circa £1.5m = circa £6m to £7m).

Table 2

All EHCPs

	Dec-22	Dec-23	Movement from Dec 2022
Total number of EHCPs	3316	3566	250
Total EHCP as % of predicted 0-25 GLA population (2022)	3.5%	3.77%	0.3%
Total number of new EHCPs	38	24	-14
New EHCPs as % of total EHCPs	1.1%	0.7%	-0.5%
% of new EHCPs issued within 20 weeks	13.20%	50.00%	37%

	Dec-22	Dec-23	Movement from Dec 2022	
Age Breakdown	Under 5s	91	38	-53
	Primary	1113	1279	166
	Secondary	1208	1288	80
	Post-secondary	904	961	57
	Grand Total	3316	3566	250

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		Dec-22	Dec-23	Movement from Dec 2022
Placements - Borough	Lewisham provisions	2222	2404	182
	Out-of-borough provisions	1069	1106	37
	No current placement (NEET, out of school, awaiting placement with alternative provision in place)	25	56	31
	Lewisham provision - Total Cost	£31,378,170	£33,889,502	£2,511,331
	Out-of-borough provision - Total Cost	£24,873,170	£27,860,150	£2,986,979

		Dec-22	Dec-23	Movement from Dec 2022
Primary Need	ADHD	80	57	-23
	ASD	1200	1281	81
	HI	43	37	-6
	MLD	134	121	-13
	MSI	13	12	-1
	Other	101	134	33
	PD	90	85	-5
	PMLD	34	30	-4
	SLD	211	205	-6
	SEMH	337	389	52
	SpLD	119	137	18
	SLCN	935	1059	124
	VI	19	19	0
	Not Stated	0	0	0
	Grand Total	3316	3566	250

		Dec-22	Dec-23	Movement from Dec 2022
Primary Need - Average Cost	ADHD	£17,123	£13,275	-£3,848
	ASD	£17,649	£17,566	-£83
	HI	£16,972	£29,721	£12,749
	MLD	£17,352	£15,990	-£1,362
	MSI	£21,813	£22,464	£651
	Other	£21,502	£20,871	-£631
	PD	£19,091	£19,363	£272
	PMLD	£31,032	£34,198	£3,166
	SLD	£24,771	£26,561	£1,790
	SEMH	£22,786	£24,671	£1,884
	SpLD	£15,523	£15,666	£143
	SLCN	£14,343	£14,563	£220
	VI	£15,951	£16,524	£573

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	Not Stated	£0	£0	£0
	Average over all	£17,824	£18,169	£15,525

4. Financial implications

- 4.1. This report is for information and does not require any approvals from Schools Forum. The report however does recognise and note the continuing pressure on the High Needs Block against an extremely modest funding settlement.
- 4.2. The report further notes that whilst good progress has been made and continues to be made, the pressure on the High Needs Block is expected to present challenges.
- 4.3. Based on data provided this suggests that for 2025/26 the overspend is likely to continue to increase. Clearly, there could be potential level of cost reduction arising from the mitigations but in general it seems that the cumulative overspend will continue to increase. The forecast for 2023/24 is a cumulative circa £14.

5. Legal implications

- 5.1. There are no legal implications arising from this report. The report is for information only and provides detail of the DSG High Needs Settlement with local context on the pressure.

6. Equalities implications

- 6.1 There are no direct EI implications arising from this report. The report is providing an update of the funding settlement. There is an expectation that DfE has undertaken any appropriate equalities impact assessment (EIA) when establishing the funding allocations for each LA.

7. Climate change and environmental implications

- 7.1. There are no climate change and environmental implications of this report.

8. Crime and disorder implications

- 8.1. There are no crime and disorder implications of this report.

9. Health and wellbeing implications

- 9.1. There are no direct health and wellbeing implications

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10. Report authors and contact

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