

Report to Hartlepool Schools' Forum 23 March 2022
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Item 5: High Needs Supplementary Grant Distribution 2022/23

1. Introduction

- 1.1 Schools' Forum established a working party to consider options for distributing the high needs supplementary grant.
- 1.2 The purpose of the report is to present the working party's preferred option for distribution of the high needs supplementary grant in 2022/23.

2. Background

- 2.1 Following the autumn spending review, DfE announced a schools supplementary grant in 2022/23. For Hartlepool, the grant amounts to £2.2m. The grant is to cover the increased employer national insurance costs arising from the health and social care levy, along with other cost pressures, such as the significant price uplifts for gas and electricity. DfE will look to mainstream the schools supplementary grant into the School's National Funding Formula from 2023/24.
- 2.2 DfE also announced a high needs supplementary grant for 2022/23. For Hartlepool, the grant amounts to £0.6m. The grant is intended to cover increased provision costs that providers will seek to pass on because of their own cost pressures, including the health and social care levy. The guidance specifically mentions the need for a review of special school funding. The grant is also provided in anticipation of additional education costs at post-16 for pupils with SEND.
- 2.3 DfE have prescribed an allocation method for distribution of the schools supplementary grant and local authorities are expected to pass on the allocation to schools using this method.
- 2.4 Unlike the schools supplementary grant, DfE have not prescribed how the grant should be allocated but have asked local authorities to discuss cost pressures with their special schools to establish a method of distribution for the high needs supplementary grant.

3. Working Party Discussions

- 3.1 The Working Party held two meetings. The first was chaired by the Chair of Schools' Forum and the second by the Head Teacher of the Federation of Lynnfield and Golden Flatts as the Chair nor Vice Chair of Forum were able to attend owing to the short notice of the meeting. The Working Party included Special School Head Teachers, the Horizon School Head Teacher and a Head Teacher representing the ARPs. The group was supported by the Assistant Director for Joint Commissioning and Assistant Director for Education, along with HBC Finance Colleagues.
- 3.2 The Working Party asked for four models to be populated by HBC Finance. Two of the four models were quickly removed from consideration on the grounds of affordability and equity.

- 3.3 Of the remaining two options, after a lengthy discussion, the Working Party unanimously selected the option which aligned most closely with the distribution of the schools supplementary grant.
- 3.4 The cost of the preferred option is estimated at £0.252m in 2022/23. The remaining funding is required to fund potential price increases for independent provision, along with additional tuition time expected at post-16.
- 3.5 The high needs supplementary grant would be distributed to special schools, Horizon school and each ARP. Please note that ARPs already receive an allocation per pupil from the schools supplementary grant (other than Springwell School) so the ARP allocation from the high needs supplementary grant is reduced accordingly to avoid double funding.

4. Working Party Preferred Proposal

- 4.1 The schools supplementary grant is allocated using a lump sum of £3,680, a rate per pupil (£97 primary, £137 KS3 and £155 KS4), and a rate per FSM6 pupil (£85 primary and £124 secondary).
- 4.2 The preferred proposal for the high needs block supplementary grant replicates the schools block allocation above, with two amendments.
- 4.3 The first amendment is to reflect the difference in the funding rationale for educating pupils with SEND – the amount of place funding and top-up does not differentiate between primary and secondary. In recognition of this, the rate per pupil and rate per FSM6 pupil was amended to use the average rate across primary and secondary (£130 per pupil and £105 per FSM6 pupil).
- 4.4 The second amendment is to reflect the significant difference in staffing ratios when educating pupils with SEND. DfE have already reflected this previously within the Teacher's Pension Grant weighting for special schools and alternative provision when rates per pupil were set. The per pupil rate for special schools was £485 compared to £196 for other schools. This gave a weighting of 2.47.
- 4.5 Rather than create a new, local formula for a staff ratio weighting, the Working Party agreed that use of a pre-existing weighting from DfE would be preferable. Therefore, a multiplier of 2.47 was used in the proposal.
- 4.6 Therefore, the preferred allocation method from the high needs supplementary grant is:
- a. Number of pupils multiplied by the average per pupil rate of £130
 - b. Number of eligible FMS6 pupils multiplied by the average FSM6 rate of £105
 - c. Lump sum of £3,680
 - d. (a + b + c) multiplied by 2.47
- 4.7 The cost of the preferred proposal explained above is estimated to use £0.252m of the £0.616m supplementary grant. The remaining £0.364m is considered reasonable to provide for other cost increases from independent providers and additional post-16 tuition, although such estimates are extremely difficult to predict.
- 4.8 HBC Finance have confirmed that the preferred proposal provides sufficient grant to cover estimated cost pressures to special schools and Horizon school and that the

level of grant compared to expected cost is in line with the schools supplementary grant allocations.

- 4.9 Forum is asked to note that supplementary grant allocations for both the schools block and high needs block will be updated to reflect the confirmed January 2022 census so remain subject to change.

5. Recommendations

- 5.1 Forum is asked to consider and approve the preferred proposal from the Working Party for distribution of the high needs supplementary grant to special schools, Horizon School and ARPs.