

Report to Hartlepool Schools' Forum 13 June 2023
From Danielle Swainston (Assistant Director – Joint Commissioning)

Item 6 High Needs Block Review – Special Schools Funding

1. Introduction

- 1.1 The purpose of the report is to present the proposal for the funding of Hartlepool's special schools to be effective from September 2023.

2. Background

- 2.1 A report was presented to Schools Forum in February 2023 setting out the proposals for High Needs Block funding following the review. As part of the HNB review, special schools asked for greater certainty and stability around their budget funding. Peter Gray (consultant) proposed a move to an average cost per pupil as the basis for top-up payments and this proposal was considered in further detail within the Task and Finish Group. It was agreed at meeting of Schools Forum in February 2023 that further work was needed to develop the special schools funding model based on the pathways within the schools which are based on needs.
- 2.2 Schools' Forum agreed in principle to a cost model basis for special school top-up rates. A cost model arrangement has already been implemented for Horizon School.
- 2.3 Subsequently Children's Services Committee agreed the High Needs Block proposals in March 2023 and it was agreed to return to committee for approval of special school costs in June/ July.

3. Proposed Top up rates

- 3.1 Finance officers within the local authority and Springwell and Catcote have worked together to develop top up rates for each pathway based on the needs of the children on different pathways.
- 3.2 The proposed top up rates for Springwell AY 2023/2024 based on the three needs based pathways are set out as follows:

Team	Top-up Proposed	Pupils AY 2023/24	Proposed Cost
Africa	£29,725	23	£683,675
South America	£20,273	27	£547,371
Asia	£9,672	42	£406,224
TOTAL		92	£1,637,270

- 3.3 The proposed top up rates for Catcote Academy for AY 2023/24 (pre 16 only) based on three pathways are as follows:

Team	Top-up Proposed	Pupils AY 2023/24	Proposed Cost
Yellow	£28,947	22	£636,834
Blue	£17,278	34	£587,452
Red	£11,323	96	£1,087,008
TOTAL		152	£2,311,294

- 3.4 Additional income such as government grants (teachers' pay and pension, 3.4%, supplementary grant and pupil premium), along with other relevant income that contributes towards costs has reduced the top-up amounts (i.e. special schools are not being double funded).
- 3.5 Place funding at £10,000 per place will continue to be paid direct by ESFA to each school on the basis of the latest place numbers – 134 Catcote and 88 Springwell. As both special schools are above number, place numbers will be increased in the ESFA Place Change Notification process (PCN) in November 2023. The increase would be effective from the following academic year starting September 2024.
- 3.6 Once place numbers are increased, the proposed top-up amounts will reduce as the net cost of each team will be less once special schools receive £10,000 per place for the additional places. However, although top-up payments would reduce, the amount of place funding deducted (recouped) by ESFA will increase so the change is cost neutral to the High Needs Block budget.
- 3.7 The proposed costs presented in the tables above compare with the following amounts paid to special schools in the financial year 2022/23. These figures include place funding as well as top-up amounts.

School	FY 2022/23 Funding	AY 2023/24 Proposed Funding	Increase %
Catcote Academy	£2,943,233	£3,651,294	24%
Springwell Academy	£2,069,378	£2,517,270	22%
TOTAL	£5,012,611	£6,168,564	

4. Other considerations

- 4.1 The budget available in 2023/24 to fund special school top-ups is £3.762m.
- 4.2 The budget for financial year 2023/24 will need to fund the April to August interim request of £1.354m along with 7 months pro-rata of the new cost model basis

(£2.303m). This gives a total budget requirement of £3.657m against the budget available of £3.762m.

- 4.3 New commissioning agreements will need to be put in place to commission based on places needed on each pathway to ensure that the funding model meets the needs of the children in Hartlepool.

5. Recommendations

- 5.1 For members of schools forum to approve the new funding model for special schools in Hartlepool.