
SCHOOLS' FORUM

Wednesday 1 March 2023 – 2pm

CETL

A G E N D A

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|----|---|--------------------|
| 1. | Apologies | Chair |
| 2. | Minutes from Schools' Forum meeting on 15 th February 2023 and Matters Arising | Chair |
| 3. | High Needs Block 2023/24 (D) | Danielle Swainston |
| 4. | Any Other Business | |

Date and Time of Next Forum Meeting – TBC

Schools' Forum Meeting

15 February 2023

Attendees:

Members

Martyn Gordon (MG) (Horizon School)
 Lisa Grieg (LG) (Academy – Special)
 John Hardy (JH) (Academy – Primary)
 Marcus Newng (NM) (Academy – Primary)
 Phil Pritchard (PP) (Academy – Primary)
 Toni Ray (TR) (Early Years)
 Linda Richardson (LR) (Early Years)
 Chris Seymour (CS) (Secondary)
 Sue Sharpe (SS) (Maintained Primary)
 Hayley Swinhoe (HS) (Diocese C of E)
 Mark Tilling (MT Chair) (Maintained Secondary)
 David Turner (DT) (Maintained Primary)
 Lee Walker (LW) (Academy – Primary)
 Zoe Westley (ZW) (Academy – Special)
 Leanne Yates (LY) (Maintained Primary)

Also Present:

Alison Darby (AD) (Maintained Primary) – non-voting, in attendance as an observer

Local Authority Officers

Jacqui Braithwaite (JB) – Integrated Services for Learning Manager

Sandra Shears (SSh) - Children's Finance

Danielle Swainston (DS) – Assistant Director Joint Commissioning

Jo Stubbs (JS) – Administrator

Penny Thompson (PT) – Head of Housing, Hardship and Welfare Services

Jane Watt (JW) - Children's Finance

Amanda Whitehead (AW) - Assistant Director Education

Agenda Item	Action
<p>1 Apologies -</p> <p>Apologies were submitted by the following and accepted by Forum:</p> <p>Carole Bradley (Academy – Primary) – Marcus Newing in attendance as substitute Tracey Gibson (Secondary) – Chris Seymour in attendance as substitute Jo Heaton (Diocese C of E) – Hayley Swinhoe in attendance as substitute Chris Simmons (Academy Governors)</p> <p>Apologies were submitted by the following but not received in advance of the meeting</p> <p>Joanne Wilson (Academy – Primary)</p>	

2	<p>Minutes of the Last Meeting – 6 December 2022 – and Matters Arising</p> <p>Minutes approved.</p> <p>Outstanding Actions Log</p> <p>DS advised that options around Horizon school funding were covered in the High Needs Block Review report</p> <p>SSh advised that annual declaration of interest forms were pending</p> <p>SSh confirmed that the Dedicated Schools Grant (Former Education Services Grant rate per pupil) disapplication request had been approved by the Secretary of State.</p>	
3	<p>High Needs Block Review</p> <p>In March 2021 Schools Forum had agreed to review the High Needs Block (HNB) in a number of areas – with a specific emphasis on funding arrangements. Peter Gray, a SEND consultant, had subsequently undertaken a review and a Task and Finish Group had met on a number of occasions to work through the findings and possible solutions. The report set out the key points and local context. It showed that Hartlepool had a higher than average HNB than other unitary authorities while being lower than demographically similar areas, Hartlepool’s HNB had been in deficit during 2018-2020 requiring a Schools block transfer and leading to significant additional government funding and there was a need for a more ‘managed’ approach. The Chair noted that Forum’s role was to make recommendations on the proposals detailed which would then be formally approved by the Children’s Services Committee.</p> <p>ZW commented on the apparent lack of willingness to be creative around these issues. She noted that the high needs issues while being driven by the secondary school sector was impacting across Hartlepool and needed to be addressed before even more children with high needs come through from the primary sector. Large numbers of children were being transported out of town to access alternative provision at great cost and something needed to be done to address this. CS agreed, saying there needed to be a strategic plan to identify needs at primary level and address them before the children concerned moved on to the secondary sector where improvements might be more difficult. SS agreed with these comments, saying there needed to be more collaboration between primary and secondary schools in terms of effective strategies while LR noted the increase in children in Early Years setting showing high needs and the need to address these issues as soon as possible. JH also noted the need for the health services to become more involved, stressing the long wait times for a diagnosis and the impact all these issues were having on school staff.</p>	

Horizon School Funding Model

DS and MG gave a brief overview of the current situation facing the Horizon school in terms of the number of young people currently accessing the service and the reintegration service it offers. JB confirmed that work was ongoing to prepare and publish a dashboard that would include the number of permanent exclusions per school in as transparent a way as possible to enable identification of any potential issues. SSh confirmed that the details around costs contained within the report took into account any clawback funding resulting from young people being permanently excluded. In terms of the proposed reduction of inreach places MG commented that while he was fully supportive of the inreach programme and it was effective the existing numbers of permanently excluded young people currently meant that they did not have the capacity to offer an inreach service at this time. MT asked about fair access and current numbers around this. In terms of reintegration, MG commented that Y10 and Y11 children tended to remain at the Horizon school until the end of their schooling as to reintegrate them was not felt appropriate. Every effort was made to ensure that children who were reintegrated into mainstream education were not permanently excluded for a second time and if this was felt to be a possibility, reintegration would be halted.

MT queried whether 12 Haven places was sufficient. MG explained that Haven places had been reviewed and 12 places were found to be sufficient. JB stressed the urgency of this review, noting that currently 18 permanently excluded children did not have a place in alternative provision which the additional proposed places would not completely address.

LY highlighted that there should be a review step for any Horizon pupils needing to be placed in alternative provision. DS confirmed this would be part of the emergency panel that is being established.

Members recommended the following:

- To increase the number of commissioned places at Horizon by 6 – a total of 28
- To continue to commission 12 places at Haven
- To introduce the funding model as detailed in the report
- To reduce or increase the number of inreach places, converting them to or from PEX depending on the requirements at the time

Inclusions Strategy

As part of the review Peter Gray had suggested that budgets for Individual Pupil Support be devolved to clusters. The advantage of this was to ensure a consistent approach across schools receiving additional funding, allow for more solution focused approaches with schools working together with 1 pot

of funding and enable school staff to support each other to increase SEND expertise across the system. It was also suggested a part of the review discussions that a solution focused forum be set up comprising representatives from schools and the local authority in order to review any children whose needs were not being met locally and look for a Hartlepool based solution.

JH felt it was fundamental that the review of existing school practice against expectations of “ordinarily available” should still take place and that it should be independent. DS acknowledged these comments. Forum were in favour of the principle of clusters but felt that the detail needed further consideration.

Members recommended the following:

- To develop and implement the devolving of IPS funding to clusters (the detail of clusters and cluster leads and the potential funding of an Education Psychologist to be given further consideration, with regard to the timeline for implementation)
- To establish a solution focused forum to review any children whose needs cannot be met in Hartlepool due to a lack of provision (DS to email members regards this)
- To develop Hartlepool “ordinarily available” document to support the allocation of additional funding

Sue Sharpe in the Chair

Top Up Ranges

Members recommended that the 2023/24 top-up ranges be uplifted by 4%.

Special Schools – Increase Capacity

Members recommended the following:

- To explore opportunities to bid for a specialist free school
- To review place numbers at special schools for the 2024/25 commissioning year and understand the impact on HNB funding as any additional places at academies are recouped with no additional funding via the HNB formula

Mark Tilling in the Chair

Special Schools – Review of Minimum Funding Guarantee (MFG) / Funding Model

DS advised that while it was proposed that the existing MFG arrangement be removed more work would need to be done on the detail of the revised funding model. This would be brought to the next Forum meeting on 1st March. Members were happy to approve the dispatch of papers approximately 2 days before the Forum as opposed to the standard 5 school days, given the proximity of the half term holiday.

Members recommended the implementation of a revised funding model for special schools based on per pathway top-up prices and the removal of the existing MFG arrangement. More detailed information including costings to be brought to the next Forum meeting.

Speech and Language Provision

Deferred for consideration in 2024/25.

Additionally Resourced Provision (ARP)

LY referred to the unfairness of the system in terms of ARP funding remaining static at £10K per place while AWPU funding had increased over time. It was suggested that clawback of AWPU funding cease for ARP places.

Members recommended the following:

- 2023/24 top-up ranges be uplifted by 4%
- To establish an ARP and Resource Panel to ensure that provision is being allocated consistently across SEND provision
- To establish an additional primary ARP of 25 places based on trajectories of newly identified children, payable at £6K per place (total place funding £150k) with top up payments estimated at £100k
- To extend the existing secondary ARP places by 22 from January 2024
- To cease clawback of AWPU funding for ARPs

Capacity of SEND Team

Members recommended that 2 additional Band 11 SEND officers be recruited at a cost of £89k.

Early Years

Members acknowledged the increasing concern over high needs being displayed in early years settings. It was felt necessary to establish an Early Years support offer on a permanent basis. LR highlighted the advantage of

early years providers having a dedicated support contact. This was available historically but is not currently in place. Members recommended the establishment of an early years support/portage offer with a focus on early intervention – specific detail of roles to be finalised at a later date. Approval was up to the value of £116k as opposed to specific posts at this stage.

Summary of Recommendations

- a. To increase the number of commissioned places at Horizon to 28 (including 10 inreach places)
- b. To continue to commission 12 places at Haven
- c. To introduce the Haven funding model of £10k place funding and £1.6K top-up
- d. To introduce the Horizon funding model of £10K place funding and £14K top-up
- e. To convert PEX places to in-reach places should the number of PEX places reduce in 2024/25 and explore whether inreach is appropriate for KS2 support
- f. To develop and implement the devolving of IPS funding to four clusters
- g. Establish 4 SEND cluster leads to work with the local authority
- h. To establish a solution focused forum to review children whose needs could not be met in Hartlepool due to a lack of provision
- i. To develop a Hartlepool “ordinarily available” document to support the allocation of additional funding (previous IPS now cluster funding)
- j. To apply an annual uplift to top up ranges based on the Council’s Commissioning Team indicators
- k. To apply a 4% uplift to top up ranges for 2023/24 at an estimated cost of £90K
- l. To explore opportunities to bid for a specialist free school
- m. To move away from an existing MFG arrangement for Special Schools funding to a per pathway price to be discussed at Forum meeting of 1 March 2023
- n. To uplift ARP top-up ranges for 2023/24 by 4% at an estimated cost of £30K

	<ul style="list-style-type: none"> o. To establish an ARP and Resource Panel to ensure that provision is being allocated consistently across SEND provision p. To establish additional ARP (Primary) for high needs for 25 additional children q. To extend ARP (Secondary) from January 2024 r. To cease clawback of AWPU relating to ARP places from April 2023 s. To recruit 2 additional SEND officers at a cost of £89K t. To establish an Early Years support/portage offer at a proposed estimated cost of £116k. <p>DS acknowledged that these proposals would involve more funding investment than was currently available which was clearly a concern. It was appreciated that investment was necessary to effect change and achieve balance in the system. The Council's Director of Resources and Development was fully supportive of the proposals, with the expectation that spending would be brought in line with available funding within 3 years. DS stressed that achieving this position would rely on buy in from all schools. DT commented that not all schools were part of the discussion at the meeting and suggested that all heads should hear the same message and understand the vital need for support and change.</p>	
<p>4</p>	<p>SEMH School Funding</p> <p>DS reminded Forum that the High Needs Review Group had asked for a set of proposals for using the SEMH funding to support the High Needs Block review. Previously a Central Services Schools Block was created and it was agreed that any money not committed to a capital project from previous years approvals would be earmarked for SEMH projects. Currently there is £743k remaining and during the HNB review a request was made to use this to support the proposals detailed in the review. This would entail funding being allocated to support the implementation of IPS clusters, the funding of an Educational Psychologist post and additional funding to provide early support for children with additional needs. The need for a detailed timeline around developing clusters and implementing changes was highlighted.</p> <p>Members felt that the allocation of additional funding to provide early support for children with additional needs required extra consideration in terms of the timeline, once agreed.</p> <p>Decision</p> <ul style="list-style-type: none"> a. That the principle of using SEMH funding as requested in the report be supported 	

	<p>b. That £37,477 of the SEMH funding be allocated to support implementation of cluster working over a 1 year period</p> <p>c. Asked that a detailed timeline on this be brought back to a future meeting of the Schools Forum, at which point funding could be agreed</p>	
<p>5</p>	<p>High Needs Block Projected Outturn</p> <p>DS updated members on the projected outturn for high needs services for 2022/23. Based on spending to the end of December 2022 and estimated expenditure this ranged from £739k to £1,129k overspend. Reasons for this were primarily based on anticipated overspends on independent school fees, exclusions and post-16 top-up funding.</p> <p>Decision</p> <p>That the report be noted</p>	
<p>6</p>	<p>Dedicated Schools Grant – Early Years Block 2023/24</p> <p>Note – this item was considered prior to item 3 but is placed at item 6 on these minutes for the avoidance of confusion</p> <p>Members had previously approved the central spend element of the Early Years funding for 2023/24. Consultation had subsequently taken place on the Early Years National Funding Formula (EYNFF) for 2023/24 and funding of Providers. This EYNFF set the hourly funding rates that each local authority was paid to deliver the universal and additional entitlements for 3 and 4 year olds, along with entitlements for 2 year olds. Since 2019 school settings had received a separate government grant to help fund the costs of teacher pay and pension contribution increases. This grant had been mainstreamed into the funded hourly rate for 3 to 4 year old provision from April 2023. Outturn projections for 3 to 4 year old provision ranged from £89k overspend to £211k underspend while projections for 2 year old provision were £28k overspend to £78k underspend. It was estimated that the total funding block for Early Years in 2023/24 would be £6,908,228. This included an increase in both provisions specifically 29p per hourly rate for 3 to 4 year old provision and 6p per hourly rate for 2 year old provision.</p> <p>The following changes were proposed:</p> <p>Three to Four year old provision</p> <p>Apply the increase of 5p per hour with 4p of the increase being applied to the base rate and 1p to centrally retained budgets</p> <p>Create a new supplement for payment of the 24p TPG/TPECG to relevant settings</p>	

Remove the 2p contingency and transfer the 2p to the base rate

Two year old provision

Increase the hourly rate by 8p per hour, including the 6p government increase

Consultation with providers had taken place between 10th and 17th January and had shown the following:

All respondents wished to implement the proposed changes to 3 to 4 year old provision as detailed above

45% of respondents wished to see the 2p of the 2 year old funding increase be passed on to providers – despite the risk that this may need to be reduced in future

54% of respondents wished to see the 6pm government increase for 2 year old funding passed on to providers

The chair noted that any recommendations would be forwarded to Children’s Services Committee for final consideration and approval

LR shared the great concern over sustainability of providers at the current time. She also highlighted the existing early years reserve balance and asked how much financial saving holding back the 16p per hour on 2 year old provision amounted to. JW confirmed this was circa £40k per annum. SSh clarified that DfE class all DSG reserves as one amount, although we report reserves in separate blocks for internal purposes.

LR proposed an alternative recommendation to no longer withhold the 16p per hour and to apply this increase, along with the 6p increase from government to the 2 year old hourly rate.

There was general support from Members around early years settings and their ongoing sustainability. Forum acknowledged the importance of early intervention, particularly linked to earlier discussions and proposals around the HNB review.

Discussion around the eligibility for the new TPG / TPECG supplement took place. TR explained that she was a qualified teacher and this had placed financial pressure on her setting, along with other PVIs. TR proposed that the new supplement should be payable to all settings with a qualified teacher, including PVIs. There was agreement to this principle.

Further discussion took place on whether to withhold some of the supplement hourly rate as there was uncertainty with this being year 1 of implementation. JH suggested that early years settings were in need of the funding now and that it was not appropriate to hold back funding just because of the uncertainty. Therefore, option 3 was proposed – to extend

	<p>the supplement to all settings with a qualified teacher and do not set aside a contingency.</p> <p>Recommendation</p> <p>That the report and consultation responses be noted</p> <p>That the TPG/TPECG supplement be extended to all settings with a qualified teacher with no contingency set aside – MT abstained from this decision</p> <p>That the base hourly rate for the 3 and 4 year old provision be increased to £4,56 and the overall hourly rate assigned as shown in paragraph 5.1 of the report. . – MT abstained</p> <p>That the hourly rate for 2 year old provision be increased to £5.63 – CS abstained.</p>	
7	<p>Schools Block Budgets Update 2023/24</p> <p>Members were given updated information on the 2023/24 Schools Block funding issued by the Education and Skills Funding Agency (ESFA) in December 2022. At their last meeting Forum members had voted to apply the maximum possible MFG with an appropriate cap which estimates had suggested would be in the region of 3.1%. Schools Forum had also agreed to the transfer of £139k from the Central School Services Block to the Schools Block.</p> <p>The updated Hartlepool schools block allocation showed a 5.49% increase in funding for 2023/24 based on October 2022 census numbers. This formula calculation requires a cap of 3.29%, an improvement on the estimate of 3.1%. Redacted details of individual school block funding were appended to the report.</p> <p>Central School Services Block funding of £711k had been confirmed, of which £572k has been allocated as per the table in paragraph 4.2, with £139k being transferred to the schools block.</p> <p>Schools had received a separate supplementary grant in 2022/23 to fund cost pressures and this was now mainstreamed within the NFF for 2023/24. ESFA had also announced an additional Maintained Schools Grant. However this was not included in the report as it sits outside the Schools Block.</p> <p>Decision</p> <p>That the updated schools block funding for 2023/24 be noted</p>	
8	<p>Closure Process 2022/23</p>	

	<p>Members were advised that under the Accounts and Audit Regulations 2015 local authorities were required to produce their statutory accounts by 31st May each year. In order to facilitate this it was necessary that individual schools make their systems available for local authority finance staff to complete preliminary close visits during the first week in April which is during the school Easter break. This could be done in person or remotely but would necessitate as member of school staff being available for approximately 1 hour between 3rd and 6th April. Local authority finance staff would contact school administrators to organise visits and minimise disruption.</p> <p>Members noted that this would necessitate a relevant member of staff being available during the Easter leave period.</p> <p>Decision</p> <p>That the report be noted</p> <p>That head teachers of maintained schools are aware of the requirement for adequate school cover to support the closure of accounts over Easter 2023.</p>	
<p>9</p>	<p>Any Other Business</p> <p>MT updated members on the work of the Schools Capital Sub-Group. He advised members of the need for tree surveys to be conducted at schools in order to avoid future incidents and the associated liability. SSh indicated that officers were looking to commission external support in this area but urged anyone with specific concerns to contact HBC immediately. Post meeting note: the HBC contact is Scott Watson (scott.watson@hartlepool.gov.uk)</p> <p>MT referred to upcoming School Exclusion Appeals training and asked anyone interested in taking part to contact JS for details.</p> <p>SS requested that a Task and Finish Group be set up to look at the remit of the Growth Fund and eligibility to access it. The numbers of children joining schools as in-year transfers without funding attached to them had led to great pressures on budgets and it was hoped that the growth fund could be used to support this in the future. AD and DT both volunteered to take part, SS would contact other heads for nominations for a Chair. It was noted that members of this Task and Finish group would not need to be head teacher.</p> <p>Meeting end 4.40pm</p>	
<p>14</p>	<p>Date and Time of Next Forum Meeting – 1st March 2pm at the CETL</p>	

Report to Hartlepool Schools' Forum 1 March 2023
From Danielle Swainston (Assistant Director – Joint Commissioning)

Item 3: High Needs Block 2023/24

1. Introduction

- 1.1 The purpose of the report is to agree the proposed High Needs Block budget requirement for 2023/24 for onward decision by Children's Services Committee.
- 1.2 The proposals encompass the recommendations agreed by School's Forum at their meeting of 15 February 2023 in response to the High Needs Block Review report.

2. Background

- 2.1 Schools' Forum are consulted on the proposed High Needs Block budget requirement each year for onward decision making by Children's Services Committee.

3. High Needs Block 2023/24

- 3.1 The following table presents the high needs block allocation for 2023/24 published by the Education and Skills Funding Agency (ESFA) on 16 December 2022.

High Needs Block	2023/24 Funding £m
DSG High Needs Block Allocation (before academy place funding is deducted)	18.661
Recoupment for academy funding	(3.330)
Net High Needs Funding 2023/24	15.331

- 3.2 The table below shows the proposed High Needs Block budget requirement for 2023/24.

High Needs Block Budget Requirement 2023/24	£m
Place Funding - Academies	3.330
Place Funding – Maintained	0.805
Independent School Fees	4.248
Out of Authority Top-ups	0.448
Alternative Provision (including Horizon School)	0.932
Top-ups and Support	8.156
Post-16 Top-ups	2.108
High Needs Services	0.500
HNB Review – SEND Team Capacity	0.089
HNB Review – Early Year's Portage Offer	0.116
Borrowing Costs	0.075
Total Budget Requirement	20.807

- 3.3 The draft report to Children's Services Committee is attached as Appendix A to this report. The draft report includes all of the budget recommendations from the meeting of Schools' Forum on 15 February 2023, along with other general growth necessary in setting realistic budgets for 2023/24.

- 3.4 The budget requirement proposed for 2023/24 exceeds the High Needs Block funding allocation by **£2.146m**. The changes proposed within the High Needs Block review seek to bring back spending in line with available funding within a three-year period. Reaching this balanced position requires a whole system change to ensure that mainstream schools consistently offer “ordinarily available” provision for pupils with SEND, thereby reducing the need for specialist support and ultimately avoiding the use of costly independent school provision where feasible.

4. Special School Funding Proposals

- 4.1 Forum Members are aware that during the HNB review, proposals were considered that moved to a top-up price per pathway or team as an alternative to the current MFG arrangement. Both Catcote Academy and Springwell Academy organise their pupils in three pathways that reflect pupil needs. A number of models were produced and costed to understand options available. Further work is needed to agree an effective model for each school. It is proposed that implementation of the new funding methodology is planned for September 2023 in line with academy financial years. An interim solution to cover the period April 2023 to August 2023 will be presented to Schools’ Forum at a future meeting.
- 4.2 At their meeting of 15 February 2023, Schools’ Forum agreed to recommend in principle that special schools should move away from the existing MFG arrangement and that a funding methodology based on top-up prices per pathway be implemented.
- 4.3 Although a final cost is not yet agreed, the planned spend for 2023/24 includes an estimate of special school top-ups based on the range of models produced to date. The proposed final cost model will be presented to Schools’ Forum at a future meeting.

5. Recommendations

- 5.1 Forum is asked to review the proposed High Needs Block budget requirement for 2023/24 contained in the draft report at Appendix A and to recommend the budget requirement to Children’s Services Committee for approval at their planned meeting on 14 March 2023.

Please note: All Forum Members are eligible to vote on this recommendation.

CHILDREN'S SERVICES COMMITTEE REPORT

14 March 2023



Report of: Director of Children's and Joint Commissioning

Subject: DEDICATED SCHOOLS GRANT –
HIGH NEEDS BLOCK 2023/24

1. TYPE OF DECISION/APPLICABLE CATEGORY

- 1.1 This report is for key decisions - test (i) and (ii) applies.
- 1.2 The forward plan reference is **CJCS 132/33**.

2. PURPOSE OF REPORT

- 2.1 The purpose of the report is to inform Members of the funding allocation for the High Needs Block in 2023/24 and to seek approval for the 2023/24 budget. The High Needs Block forms part of the Dedicated Schools Grant (DSG).

3. BACKGROUND

- 3.1 Updated High Needs Block funding allocations for 2023/24 were published on 16 December 2022. As with other areas of the DSG, funding for the High Needs Block is via a National Funding Formula (NFF).
- 3.2 Hartlepool has benefited from an 11% (£1.882m) increase in 2023/24 (11% in 2022/23). National increases ranged from 8% to 13%, with an average increase of 10%.
- 3.3 The 11% increase includes £0.760m Additional Grant that is subject to separate grant conditions and is to fund a mandatory payment of a 3.4% funding increase (compared to 2022/23) to special schools and Pupil Referral Units.
- 3.4 There has been increasing pressure on high needs funding in order to meet the needs of children in Hartlepool with additional needs. Previously, owing to these pressures, £0.500m was transferred from the Schools Block to the High Needs Block to support the budget requirement. In more recent years, this transfer has not taken place as the authority has received increased allocations from

government and used HNB reserves. Despite the funding increases from government, high needs spending for 2022/23 is projecting an overspend, with latest projections predicting a £0.906m overspend in 2022/23.

- 3.5 Schools’ Forum established a High Needs Task and Finish Group and agreed the scope of a High Needs Review at their meeting of 25 March 2021. To assist with the review, the local authority engaged Peter Gray, a specialist SEND consultant.
- 3.6 On 15 February 2023, School’s Forum met to consider the final outcome of the review and to consider a number of proposals to improve the current position.
- 3.7 The budget requirement proposed for 2023/24 exceeds the High Needs Block funding allocation by **£2.146m**. The changes proposed within the High Needs Block are required to meet current demand. However, it was agreed by Schools Forum that a plan was required to bring back spending in line with available funding within a three-year period. Reaching this balanced position requires a whole system change to ensure that mainstream schools consistently offer “ordinarily available” provision for pupils with SEND, thereby reducing the need for specialist support and ultimately avoiding the use of costly independent school provision where feasible.

4 HIGH NEEDS BLOCK FUNDING 2023/24

- 4.1 The High Needs Block allocation for 2023/24 is shown in the following table. Education and Skills Funding Agency (ESFA) recoup, or deduct, place funding for academies and pass the funding on direct to Trusts.

High Needs Block	2023/24 Funding £m
DSG High Needs Block Allocation (before academy place funding is deducted)	18.661
Recoupment for academy funding	(3.330)
Net High Needs Funding 2023/24	15.331

- 4.2 Members are asked to note that final allocations remain subject to change, from changes known as import/export adjustments, during 2023/24 depending on volumes of pupils accessing provision outside of their home authority. These updates take place in June 2023.

5. HIGH NEEDS BLOCK PLANNED SPEND 2023/24

- 5.1 The planned high needs budget for 2023/24 is shown in the table below. As outlined in paragraph 3.7, the budget requirement proposed for 2023/24 exceeds the High Needs Block funding allocation by **£2.146m**.

High Needs Block Budget Requirement 2023/24		£m
Place Funding - Academies		3.330
Place Funding – Maintained		0.805
Independent School Fees		4.248
Out of Authority Top-ups		0.448
Alternative Provision (including Horizon School)		0.932
Top-ups and Support		8.156
Post-16 Top-ups		2.108
High Needs Services		0.500
HNB Review – SEND Team Capacity		0.089
HNB Review – Early Year's Portage Offer		0.116
Borrowing Costs		0.075
Total Budget Requirement		20.807

5.2 Each budget area is outlined in more detail in the paragraphs that follow. A number of budget proposals arising from the High Needs Block review were considered by Schools' Forum at their meeting on 15 February 2023. The report from that meeting is attached to this report as Appendix A and can be referred to for greater detail. The minutes from the Schools' Forum meeting are attached as Appendix B.

5.3 Place Funding – Academies

5.3.1 ESFA deduct place funding for academy Additionally Resourced Provision (ARP) places and special school places from our starting High Needs Block allocation. Provision of places in academies is shown in the table below. Place funding is prescribed by ESFA at £10k per place, or £6k where the school already receives per pupil funding via the Schools Block NFF.

Provision	Places	Funding per Place £'000	Place funding Recouped 2023/24 £'000
Eskdale Primary ARP	10	10	100
Rossmere Primary ARP	6	10	60
Manor Secondary ARP	20	6	120
Catcote Special Pre-16	134	10	1,340
Catcote Special Post-16	46	10	460
Hartlepool College of FE	60	6	360
Springwell Special and ARP	88	10	880
Pre-16 Alternative Provision	1	10	10
Total academy recoupment	365		3,330

5.4 Place Funding – Maintained

5.4.1 Funding of places within maintained schools sits within the High Needs budget after recoupment (£15.331m for 2023/24). Provision of places in maintained schools is shown in the table below.

Provision	Places	Funding per Place £'000	Place funding (maintained) 2023/24 £'000
Kingsley Primary ARP	25	6	150
Grange Primary ARP	21	6	126
St Helen’s Primary ARP	10	6	60
High Tunstall Secondary ARP (ASD)	20	6	120
High Tunstall Secondary ARP (MLD)	24	6	144
Total place funding - maintained			600

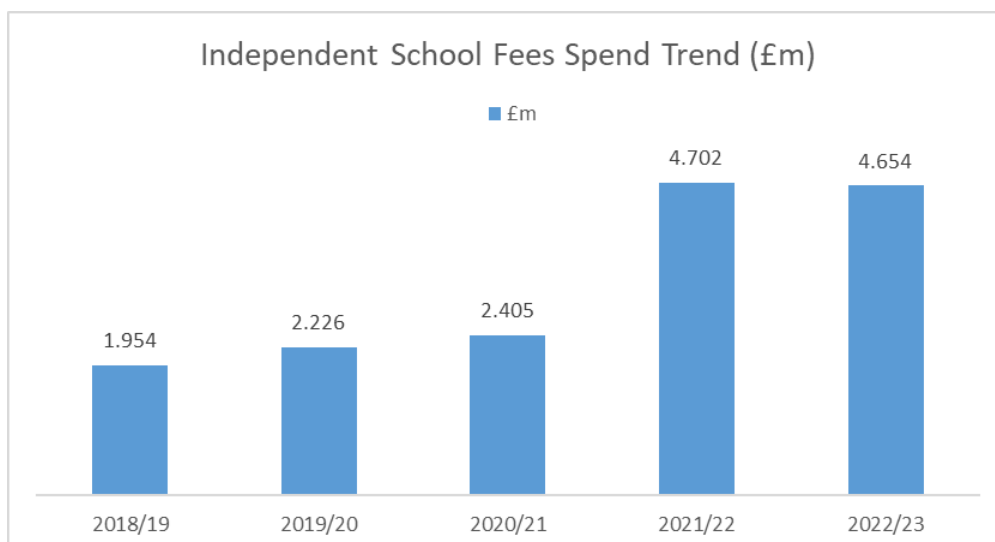
5.4.2 Schools’ Forum considered proposals to increase the number of ARP places in maintained schools for 2023/24 (see section 13 in Appendix A). Forum recommended the following proposals affecting this budget area:

- Establish additional ARP (Primary High Need) places based on trajectories of newly identified children of which 25 children are already attending Kingsley Primary School. Place funding will be payable at £6k per place (costing £0.150m). Places are payable at £6k where the school is in receipt of NFF per pupil funding via the schools block.
- Extend existing secondary ARP places at High Tunstall College by 22 places operational from 1 January 2024 (at a cost of £0.055m).

5.4.3 The £0.600m shown in the table at paragraph 5.4.1 above, along with the two recommendations from School’s Forum equate to a spend proposal of **£0.805m** for 2023/24.

5.5 Independent School Fees

5.5.1 Where it is not possible to place pupils with SEND within Hartlepool provision and where there are no places available in Out of Authority schools, a place is sought within an independent school. Independent provision is costly and the demand for provision has increased over recent years as shown in the graph below.



- 5.5.2 There are currently 73 pupils placed in independent schools at an average cost of £66k per annum. At their meeting of 15 February 2023, Schools' Forum agreed to establish a solution focused forum to review any potential placement for a child where the initial assessment suggests that needs cannot be met in a Hartlepool school. This new forum will be critical in bringing challenge to the current process and finding innovative ways to accommodate pupils in the town and thereby avoiding placements in independent schools. This strategy is needed to reduce the significant cost of independent school fees over the next three years in order to bring high needs spending back into line with available funding.
- 5.5.3 Independent school placements are expected to reduce by £1.635m in 2023/24 as pupils transfer to post-16, or choose to end their education at year 12. Growth in new placements is anticipated at a cost of circa £0.800m as there are likely to be a number of places that are not able to be accommodated in Hartlepool owing to capacity.
- 5.5.4 The planned spend for 2023/24 is based on 59 placements at an estimated average annual cost of £72k per placement. This provides a budget requirement of **£4.248m**.

5.6 Out of Authority Top-Ups

- 5.6.1 An Out of Authority placement may be sought where a child is unable to be placed in Hartlepool provision. Out of Authority placements are with either maintained schools or academies within the North East. Out of Authority placements are less expensive than independent school fees. However, demand is usually high and new placements are therefore uncommon. Most of the growth in Out of Authority provision is linked to when a family moves into Hartlepool and a child is already placed in an Out of Authority school. In these instances, the provision is usually continued at the existing school but funded from the Hartlepool high needs block.
- 5.6.2 There are currently 29 pupils placed out of Hartlepool at these type of provisions at an average cost of £15k per annum. The spend proposal for 2023/24 is based on 28 placements at an estimated average annual cost of £16k per placement. This provides a budget requirement of **£0.448m**.

5.7 Alternative Provision (including Horizon School)

- 5.7.1 Horizon School (Hartlepool's Pupil Referral Unit) currently offers 12 places for permanently excluded pupils, along with a further 10 inreach places (two places for each of the five secondary schools). Inreach places are used to work with pupils at risk of permanent exclusion with the aim of retaining the pupil successfully in their home school.
- 5.7.2 There has been a rise in the number of permanent exclusions, prompting the need to consider increasing capacity at Horizon School. The table below shows the trend of permanent exclusions over recent academic years and this academic year to date.

Academic Year	Numbers of PEX
Sept 2017 – July 2018	14
Sept 2018 – July 2019	32
Sept 2019 – July 2020	13
Sept 2020 – July 2021	5
Sept 2021 – July 2022	19
Sept 2022 – Feb 2023	20

- 5.7.3 At their meeting on 18 November 2022, Schools' Forum agreed to fund increased capacity at Horizon School using a cost model basis in 2022/23. Agreement was given to funding of up to £0.120m pro rata.
- 5.7.4 A longer term funding model for Horizon School has been completed as part of the HNB review. The total operating cost requirement for Horizon School for 2023/24 has been calculated to determine an appropriate top-up per place. At their meeting of 15 February 2023, School's Forum recommended to increase the number of commissioned places at Horizon School by 6 places – a total of 28 places. Schools' Forum also recommended the introduction of a new funding model for Horizon School based on £10k place funding and £14k top-up, costing a total of £0.672m (this consists of 10 inreach and 18 PEX places).
- 5.7.5 ESFA announced an Additional Grant on 16 December 2022 (included in the HNB allocation shown in the table at paragraph 4.1) that would provide funding based on a 3.4% increase of total Pupil Referral Unit funding in 2022/23. For Horizon School, the grant amounts to £24k. This is a mandatory condition of grant that must be paid under the regulations. This funding is in addition to the place funding and top-up funding proposed at paragraph 5.7.4. However, the income is included in the cost model that determines the recommended £14k top-up per place.
- 5.7.6 Haven School offers 12 places to pupils who are unable to attend their usual school environment for a variety of social, emotional, mental and health reasons. Analysis of the provision shows that 12 places remains sufficient to meet this need across the town.
- 5.7.7 A longer term funding model for Haven has been completed as part of the HNB review. The total operating cost requirement for Haven for 2023/24 has been calculated to determine an appropriate top-up per place. At their meeting of 15 February 2023, School's Forum recommended to continue to commission 12 places at Haven. Schools' Forum also recommended the introduction of a new funding model for Haven based on £10k place funding and £1.6k top-up, costing a total of £0.139m.
- 5.7.8 In addition, the costs of placing permanently excluded pupils at alternative provision where their needs cannot be managed at Horizon School, or where capacity is not available is funded from this budget heading. It is proposed that the alternative provision budget remains at the same level in 2023/24 – a total cost of £0.043m.

5.7.9 Should the recommendations of Schools’ Forum relating to Horizon School and Haven be approved (please refer to section 7 Appendix A), the planned spend for 2023/24 amounts to **£0.932m**.

5.8 Top-Ups and Support – Individual Pupil Support

5.8.1 The local authority commissioned NDTi to carry out “A review of inclusion in mainstream education for children and young people with special educational needs and disabilities (SEND)”.

5.8.2 As a result of this work, one of the areas identified in the recommendations was the need to review the Individual Pupil Support (IPS) model of funding. Subsequently, Peter Gray (SEND consultant who was commissioned to carry out the review) suggested the devolving of budgets to school clusters.

5.8.3 This has been discussed at length in the HNB review sessions. The advantages of this approach are:

- enables moderation across schools to ensure that there is a consistent approach to schools receiving additional funding (report indicated schools did not feel this was currently happening);
- allows for more solution focused approaches with schools working together with one pot of funding to enable children’s needs to be met better locally;
- school staff to support each other to increase SEND expertise across the system.

5.8.4 IPS payments are based on a set of top-up ranges through pupil assessment. The planned spend for IPS in 2023/24 is based on existing commitments in 2022/23 plus a proposed uplift of 4% to the top-up ranges.

5.8.5 The existing and proposed new top-up ranges are shown in the table below. Schools’ Forum recommended the 4% uplift at their meeting of 15 February 2023. Further details can be found at sections 8 and 9 of the report at Appendix A).

Top-up Range	Current	Proposed
4i	£3,340	£3,470
4ii	£4,470	£4,650
5i	£6,680	£6,950
5ii	£11,150	£11,600
6i	£15,620	£16,250
6ii	£21,170	£22,020

5.8.6 If the proposal is approved, the 4% uplift will result in a total budget requirement of **£2.304m**.

5.9 Top-Ups and Support – Additionally Resourced Provision (ARPs)

5.9.1 This budget funds top-up payments relating to pupils placed in ARPs – these payments cover both academies and maintained schools. The places in each

ARP are shown in the two tables at section 5.4 above. A further 25 primary ARP places and 22 secondary ARP places are also proposed at paragraph 5.4.2.

- 5.9.2 ARP top-up payments use the same ranges and prices as IPS. Therefore, it is proposed that ARP top-ups are also uplifted by 4% and that the top-up rates shown in paragraph 5.8.5 are implemented from April 2023.
- 5.9.3 Where ARP places are paid at £6k the school also receives funding through the schools block NFF for the particular pupil. There is currently a process in place to clawback any NFF funding from the school where the £6k plus NFF funding exceeds £10k (the total place funding amount). School's Forum have proposed that the clawback process is ceased from April 2023. Ending the clawback would cost a total of £0.150m per annum.
- 5.9.4 If the proposal is approved, the 4% uplift and ceasing of the NFF clawback from schools will result in a total budget requirement of **£1.009m**.
- 5.10 Top-Ups and Support – Special Schools
- 5.10.1 The local authority commissioned a review of top up ranges during 2017/18, by an independent SEND consultant, with changes being implemented in 2018/19. The implementation significantly reduced the top-up payments to special schools and to ensure ongoing sustainability, both Catcote Academy and Springwell Academy were provided with a Minimum Funding Guarantee (MFG). The MFG is a fixed annual amount and does not reflect the changing needs and level of need for pupils placed within each special school. As part of the HNB review, special schools asked for a different funding methodology which would provide a greater level of stability in budget planning and would reflect the profile of needs being met.
- 5.10.2 During the HNB review, proposals were considered that moved to a top-up price per pathway or team as an alternative to the current MFG arrangement. Both Catcote Academy and Springwell Academy organise their pupils in three pathways that reflect pupil needs. A number of models were produced and costed to understand options available. Further work is needed to agree an effective model for each school. It is proposed that implementation of the new funding methodology is planned for September 2023 in line with academy financial years. An interim solution will be considered by Schools' Forum for April 2023 to August 2023 until implementation. This will be presented to a future Children's Services Committee before implementation.
- 5.10.3 At their meeting of 15 February 2023, Schools' Forum agreed to recommend in principle that special schools should move away from the existing MFG arrangement and that a funding methodology based on top-up prices per pathway be implemented.

5.10.4 Although a final cost is not yet agreed, the planned spend for 2023/24 includes an estimate of special school top-ups based on the range of models produced to date. The proposed final cost model will be presented to a future Committee.

5.10.5 ESFA announced an Additional Grant on 16 December 2022 (included in the HNB allocation shown in the table at paragraph 4.1) that would provide funding based on a 3.4% increase of total special school funding in 2022/23. The grant amounts to £0.190m for special schools. This is a mandatory condition of grant that must be paid under the regulations.

5.11 Top-Ups and Support – Hearing and Visually Impaired

A service level agreement is in place with Middlesbrough Borough Council for support to hearing and visually impaired pupils. The expected cost of provision in 2023/24 is **£0.205m**.

5.12 Top-Ups and Support – Small Steps

The Small Steps Team within the Council’s Education Psychology Service provides support to younger pupils with SEND. The Team plays a key role in early intervention. An increase of 7% is proposed to the service in 2023/24 to reflect the cost of the NJC pay award. The expected cost in 2023/24 is **£0.178m**.

5.13 Top-Ups and Support – Total Planned Spend

The total planned spend across Top-Ups and Support, encompassing paragraph 5.8 to 5.13 of this report, amounts to **£8.156m** as shown in the table at paragraph 5.1.

5.14 Post-16 Top-Ups

This budget area funds the cost of educating pupils with SEND who choose to continue their education after age 16. The costs for a number of post-16 pupils will transfer from the independent school fees budget in 2023/24. The planned spend in 2023/24, including these transfers is **£2.108m**.

5.15 High Needs Services

5.15.1 This budget area includes the local authority costs for providing support and management of high needs services. An uplift of 7% is proposed in 2023/24 in line with the NJC pay award.

5.15.2 At their meeting on 15 February 2023, Schools’ Forum received information on the growth of Education and Health Care Plan (EHCP) volumes as shown in the table below.

2018	2019	2020	2021	2022
585	610	689	740	805

- 5.15.3 The number of SEND officers supporting this process has stayed static since 2018. This is now affecting the timeliness of undertaking EHCP assessments (SEND Code of Practice sets out a 20 weeks requirement) and the timeliness of reviews is very poor. The current capacity within the SEND team cannot continue with the front facing model, therefore, in order to improve the process, there needs to be added capacity within the team. Schools' Forum approved the creation of 2 new SEND officer posts (band 11) to increase capacity within the team at a cost of £0.089m.
- 5.15.4 In addition, over the last year there has been anecdotal evidence that the needs of early year's pupils are increasing. One view is that this is owing to children in their earliest years not having the interaction they would normally have owing to COVID. It is thought that this could lead to potential developmental delay. However, information from all partners is indicating it is more complicated than just a lack of opportunities. Information captured from the pilot Early Years Panel indicates that this is an area that needs systemic focus (please refer to section 15 of Appendix A for further details).
- 5.15.5 Schools' Forum, therefore, recommended the creation of an early year's offer with a focus on early intervention. The estimated cost of the offer is £0.116m.
- 5.15.6 Should the SEND Team capacity and early year's portage offer be approved, this gives a total budget requirement for high needs services of **£0.705m**.

6. RISK AND FINANCIAL IMPLICATIONS

- 6.1 At a national level for 2023/24, additional government funding of £970m has been provided towards HNB pressures, a 10.6% increase. However, at an individual authority level, demands on the service are exceeding the financial resources allocated.
- 6.2 Against this background, government have extended the "statutory override" regulations to 2025/26 which means authorities do not have to charge these deficits to their General Fund budget. This means that where authorities have a HNB deficit, this is carried on the balance sheet as a negative reserve and does not affect the Council's own reserves available to fund local priorities and commitments.
- 6.3 The government has not indicated what they do from 2025/26, although it seems inconceivable that they will require authorities to write off HNB deficits against General Fund reserves as this would either require authorities to stop using their own reserves as planned, including stopping capital schemes, or for those authorities with low reserves is likely to trigger section 151 notices.
- 6.4 Alongside these arrangements, the government operate a "safety value" system and a "delivering better value programme" whereby the Department for Education (DfE) provide "support and challenge" to authorities with significant HNB deficits. This support requires authorities to draw up a financial recovery plan to address the recurring deficit within three years. It is our understanding

that two thirds of authorities have triggered the criteria for one of these arrangements.

6.5 Up until 2022/23, the Council has successfully managed HNB costs within the available annual grant allocation and HNB reserves. This has been achieved despite a significant increase in demands on this service, including the impacts arising from COVID-19. As detailed early in the report, demands on the service in 2023/24 are forecast to exceed the grant allocation of £18.6m by £2.2m – a deficit of 11.8%. The Schools Forum has agreed that an action plan will be developed during 2023/24 to address this deficit over three years.

6.6 Based on experience from other authorities the Council will not trigger EFA intervention until the deficit is 25% of the annual grant – which for Hartlepool equates to £4.6m. On this basis, the delivery of an action plan during 2023/24 will be critical.

7. LEGAL CONSIDERATIONS

7.1 The local authority is required to set an annual budget for its High Needs Block.

8. CONSULTATION

8.1 All schools have been consulted on budget proposals for the High Needs Block for 2023/24 via Schools' Forum. Progress with the High Needs Block Review was a standing agenda item for each Forum meeting during 2022. Schools' Forum considered the outcomes of the review and associated proposals for change at their meeting on 15 February 2023.

8.2 Five Task and Finish Group meetings were held during September to December 2022 and a range of Head Teachers and SENDCO's were represented.

9. CHILD AND FAMILY POVERTY CONSIDERATIONS

9.1 There are no specific child and family poverty considerations.

10. EQUALITY AND DIVERSITY CONSIDERATIONS

10.1 There are no specific equality and diversity considerations.

11. STAFF CONSIDERATIONS

11.1 There are no specific considerations.

12. ASSET MANAGEMENT CONSIDERATIONS

12.1 There are no asset management considerations.

13. CONCLUSIONS

- 13.1 Planned high needs spending in 2023/24 is shown at paragraph 5.1 of this report.
- 13.2 The budget requirement for 2023/24 exceeds available funding by £2.146m. A plan will be developed during 2023 to agree a strategy for bringing high needs spending back in line with available funding.

14. RECOMMENDATIONS

- 14.1 It is recommended that Members:
- a) note the contents of the report;
 - b) approve the proposed new 25 place primary ARP from 1 April 2023 and the extension of 22 secondary ARP places with effect from 1 January 2024 at a cost of £0.205m (paragraph 5.4.2);
 - c) note the agreement from School's Forum to establish a solution focused forum, bringing challenge to the current process in order to reduce the significant cost of independent school fees (paragraph 5.5.2);
 - d) approve an increase of 6 places at Horizon School and the introduction of a new top-up rate of £14k for Horizon School and £1.6k for Haven at a total cost of £0.120m (section 5.7);
 - e) agree the proposed uplift of 4% to top-up ranges for IPS and ARPs and cease the clawback process at a total cost of £0.270m (section 5.8 and 5.9);
 - f) note that once further work is complete and a cost model established for both special academies, a proposal will be presented to Members at a future Committee (paragraph 5.10.2);
 - g) approve the creation of 2 SEND Officer posts to increase capacity at a cost of £0.089m (paragraph 5.15.3);
 - h) approve the creation of an early year's offer with a focus on early intervention at a cost of £0.116m (paragraph 5.15.5);
 - i) approve the overall budget requirement of £20.807m shown at paragraph 5.1 of the report, noting that the budget allocation is £18.661m;
 - j) note that Schools Forum have committed to draw up a plan which will look to address the deficit over a three-year period.

15. REASONS FOR RECOMMENDATIONS

- 15.1 To ensure that that we can meet the educational needs of children with Special Education Needs and Disabilities in Hartlepool.
- 15.2 To ensure the local authority establishes an appropriate budget for High Needs in 2023/24 that meets expected demand.

16. BACKGROUND PAPERS

- 16.1 Schools' Forum report of 15 February 2023 – High Needs Block Review.

17. CONTACT OFFICERS

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Sign Off:-

Director of Resources and Development



Chief Solicitor



**Report to Hartlepool Schools' Forum 15 February 2023
From Danielle Swainston (Assistant Director – Joint Commissioning)**

Item 3: High Needs Block Review

1. Introduction

- 1.1 The purpose of the report is to present the outcomes from the High Needs Block (HNB) review along with a set of proposals for change.

2. Background

- 2.1 High needs funding is provided to local authorities through the HNB of the Dedicated Schools Grant (DSG), enabling them to meet their statutory duties under the Children and Families Act 2014.

- 2.2 There has been increasing pressure on this funding to meet the needs of children in Hartlepool with additional needs. Previously, owing to these pressures, £0.5m was transferred from the Schools Block to the High Needs Block to support the budget requirement. In more recent years, this transfer has not taken place as the authority has received increased allocations from government.

- 2.3 Schools' Forum agreed at their meeting of 25 March 2021 that a review needed to be undertaken with the following scope:

- Horizon School funding model;
- Inclusions Strategy;
- Top up ranges;
- Special Schools – increase capacity;
- Special Schools – review of Minimum Funding Guarantee/ funding model;
- Speech and Language Provision;
- Additionally Resourced Provision;
- Capacity of SEND team; and
- Early Years.

- 2.4 Schools' Forum asked Peter Gray (SEND consultant who undertakes work with other authorities and DfE) to undertake a review. Subsequently, a High Needs Task and Finish Group met on a number of occasions to work through the findings and possible solutions. This report pulls together all those discussions.

3. National Context

- 3.1 Key points relating to the national context include:

- Significant pressures on High Needs Budgets;
- Large number of local authorities are experiencing deficits/overspends in 2017/18;
- Significant injection of new funding from 2018/19;

APPENDIX B

- Some local authorities are now in surplus, although there is a continuing growth in spend;
- Concerns about 2023/24 and beyond when increases revert to inflation;
- A lot of focus on strengthening local specialist provision (reducing reliance on high cost placements in the Independent sector);
- Evidence suggest that this is not enough – needs stronger/more consistent mainstream offer as bedrock on which to build;
- Need to ensure specialist provision is focused on most complex/significant needs

3.2 Recent national research (LA case study research – effective management of HNB) indicates that possible reasons for growth in spend included:

- Growth in numbers of children with complex/significant needs;
- Changes in diagnostic practice;
- Impact of social media;
- Loss of parental confidence in mainstream settings;
- School accountability pressures making some schools less inclusive;
- Increased demand for special school placements;
- Increased need for higher cost placements (INMSS) where local provision is full.

3.3 Key lessons from this research (success in reducing spend) included:

- Importance of relationships and securing a ‘common agenda’: meeting needs in a way that is equitable and financially sustainable;
- Importance of having a clear strategy for improvement with capacity to implement/‘see through’ and monitor/evaluate;
- Willingness/capacity to be creative, with a problem-solving approach;
- Commitment to meeting needs wherever possible locally and in mainstream schools/settings to help remove barriers to community access.

4. Local Context

4.1 The table below shows the number of children and young people (0-25) being supported by EHC plans trend over last four years (as per SEND 2 return).

2018	2019	2020	2021	2022
585	610	689	740	805

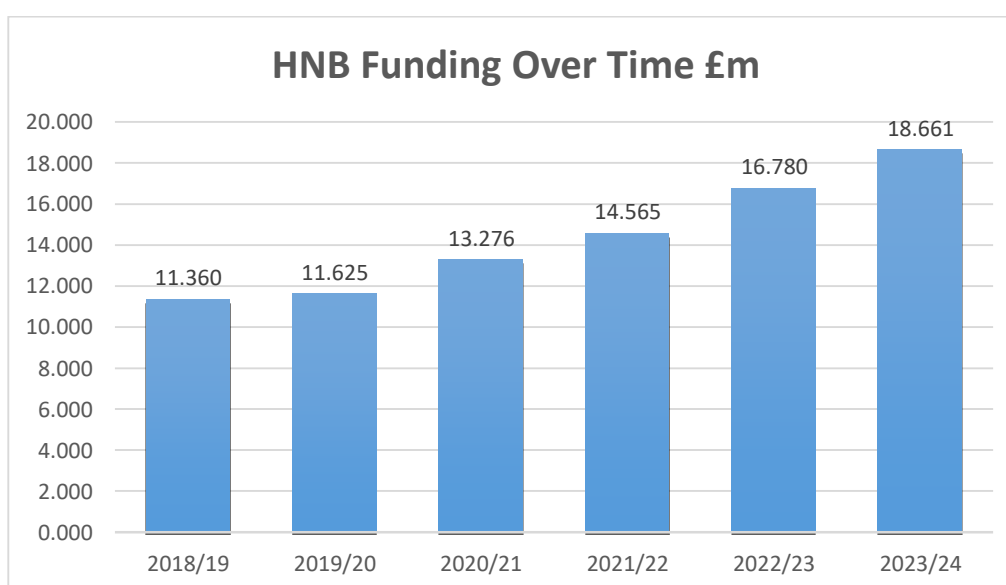
4.2 There is a significant increase in the number of children accessing independent provision with a total of 80 children across the year groups and primary needs in the following table.

	ASD	SEMH	MLD	HI/VI	PD	PMLD
Year 6	2	3				
Year 7	2	4			1	
Year 8	1	9				
Year 9	1	15				1
Year 10	1	5				
Year 11	1	19			1	
Year 12	3	7				
Year 13		1				
Year 14	1	2				
	12	65	0	0	2	1

5. History of Funding

5.1 The table below provides the historic funding for the HNB from DfE, along with block transfers from the DSG Schools Block.

FY	DfE £m	Block Transfer £m	Total £m
2018/19	10.810	0.550	11.360
2019/20	11.004	0.621	11.625
2020/21	12.946	0.329	13.276
2021/22	14.565	0.000	14.565
2022/23	16.780	0.000	16.780
2023/24	18.661	0.000	18.661



5.2 The table below presents historic spending by category of provision, along with the latest outturn estimate for the current financial year.

Reporting Category	2018/19 FINAL £m	2019/20 FINAL £m	2020/21 FINAL £m	2021/22 FINAL £m	2022/23 ESTIMATE £m
LA Place Funding	1.441	1.426	1.366	1.317	0.882
Ind School Fees	2.582	2.226	2.405	3.553	4.684
OoA Top-ups	0.347	0.314	0.309	0.380	0.415
Top-ups & Support	4.302	4.374	4.250	5.404	6.516
Exclusions (including PRU)	0.297	0.455	0.662	0.706	0.766
Post-16 Top-ups	0.627	0.821	0.903	1.044	1.044
Support Services	0.467	0.467	0.467	0.467	0.467
Borrowing Costs	0.000	0.000	0.000	0.000	0.075
TOTAL	10.062	10.083	10.361	12.871	14.849

Overspend / (Underspend)	0.317	0.506	(0.848)	0.386	0.906
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- 5.3 Peter Gray (consultant who works with local authorities and DfE to review use of HNB and strategies to reduce spend) undertook a review and provided the following commentary for Hartlepool’s use of HNB funding:
- Higher than average HNB for unitaries but lower than some that are demographically similar (Middlesbrough; Blackpool);
 - In deficit in 2018/19 and 2019/2020 (need for Schools Block transfer);
 - Significant extra funding since 2020 then from national government;
 - Continuing growth in spend;
 - Just about breaking even;
 - Concern about impact of continuing growth when increase in income starts to ‘flatten’ (2023/24 and beyond);
 - Need for a more ‘managed’ approach.

6. Proposals

- 6.1 There have been lengthy discussions about the increased “demand” for specialist provision. Many views were expressed about the benefits of further developing this type of provision versus the need to strengthen the mainstream offer for children with SEND. Many feel that if you “build” specialist provision that places will be filled quickly. It is important that we have this in the forefront of our minds when deciding on the best way forward and ensure that there is the right balance in the system.
- 6.2 This is also being discussed at a national level and there seems to be an agreement that HNB strategies/ plans need to have elements of both (the recent evaluation of local authorities and HNB indicate that those managing their HNB well address both of these issues).
- 6.3 The following review proposals therefore focus on all elements.

7. Horizon School Funding Model

- 7.1 Schools’ Forum agreed the current funding model for Horizon School at their meeting 22 October 2020. The model is based on a total of 34 places – 12 places for Horizon School, 12 places for Haven and a further 10 inreach places (2 places for each of the 5 secondary schools). Funding per place is based on £10k place funding plus a further £10k top-up.
- 7.2 The agreement covered 2 financial years starting April 2021 and ending March 2023.
- 7.3 Schools’ Forum received a report at their meeting on 18 November 2022 highlighting the rising number of permanent exclusions (PEX) and the need to increase place numbers for Horizon School.
- 7.4 The table below shows the history of exclusions by academic year.

AY	Numbers of PEX
Sept 2017 – July 2018	14
Sept 2018 – July 2019	32
Sept 2019 – July 2020	13
Sept 2020 – July 2021	5
Sept 2021 – July 2022	19
Sept 2022 – Feb 2023	20

- 7.5 Schools' Forum agreed to fund increased capacity at Horizon School using a cost model basis in 2022/23. Agreement was given to funding of up to £0.120m pro rata.
- 7.6 A longer term model for funding of Horizon has been completed as part of the HNB review. The total operating cost requirement for Horizon for 2023/24 has been calculated to determine an appropriate top-up per place. Operating costs have been assigned to either Horizon (including inreach places) or Haven to allow a separate top-up amount.

Proposal

- *To increase the number of commissioned places at Horizon by 6 places – a total of 28 places*
- *To continue to commission 12 places at Haven*
- *To introduce the following funding model:*
 - *Haven 12 places – £10k place funding and £1.6k top-up – a total of £0.139m*
 - *Horizon 28 places – £10k place funding and £14k top-up – a total of £0.672m (this consists of 10 inreach and 18 PEX places)*
- *If numbers of PEX reduces for the year 2024/25, the type of places will be reviewed and PEX places will be converted to inreach places and explored to see if appropriate to extend to KS2 support*
- *If PEX continue to increase and the PEX places cannot be met within the allocation of 18 the inreach places will be reduced*

8. Inclusions Strategy

- 8.1 The local authority commissioned NDTi to carry out “A review of inclusion in mainstream education for children and young people with special educational needs and disabilities (SEND)”.
- 8.2 As a result of this work, one of the areas identified in the recommendations was the need to review the Individual Pupil Support (IPS) model of funding. Subsequently, Peter Gray (SEND consultant) was commissioned to carry out a review. He suggested the devolving of budgets to clusters.
- 8.3 This has been discussed at length in the HNB review sessions. The advantages of this approach is:
- enables moderation across schools to ensure that there is a consistent approach to schools receiving additional funding (report indicated schools did not feel this was currently happening);
 - allows for more solution focused approaches with schools working together with one pot of funding to enable children's needs to be met better locally;
 - school staff to support each other to increase SEND expertise across the system.
- 8.4 Within the discussions for this approach it was also agreed to establish a solution focused forum made up of schools and local authority officers. The purpose is to review any children whose needs cannot be met locally (from the initial assessment) to look for a solution to educate in Hartlepool.

Proposal

- To develop and implement the devolving of IPS funding to clusters
 - Devolve to four clusters (acknowledging this is best fit and not perfect)
 - Establish four SEND cluster leads to work with local authority to develop model, implement model and manage funding and requests across the cluster (to be funded for two years part time via SEMH funding (separate paper on agenda)
 - Fund 0.5 FTE Education Psychologist to support across clusters via SEMH funding (separate paper on agenda)
- To establish a solution focused forum to review any children that needs cannot be met in Hartlepool due to a lack of provision
- Develop Hartlepool “ordinarily available” document to support the allocation of additional funding (previous IPS now cluster funding)

9. Top Up Ranges

- 9.1 Following review, there appears no evidence that top up ranges are less within Hartlepool than other areas – some lower, some higher but those that are higher have a greater HNB overspend and are in a deficit reserves position.
- 9.2 For the budget year starting 2021/22, Schools’ Forum agreed an increase back to April 2019 and subsequently introduced an annual uplift process for 2022/23.
- 9.3 An annual uplift is considered a reasonable approach. The uplift would be linked to the Council’s own commissioning process based on basket of indicators.

Proposal

- Uplift 2023/2024 top-up ranges by 4% at an estimated cost of £0.090m

10. Special Schools – Increase Capacity

- 10.1 Children and Families Act 2014/ SEND COP sets out a presumption in law that all children be provided with a mainstream education as long as that is in line with parental wishes. Therefore the focus on our SEND development across Hartlepool must be about strengthening our mainstream offer which includes ordinarily available.
- 10.2 However we know that some children need specialist provision due to the level of their needs and the tracking of children attending schools by the commissioning team has allowed us to understand projections for children potentially needing specialist provision. (Note: this is based on individual schools identifying needs without any moderation. Moderation needs to take place within and across the clusters to ensure that there is a consistent approach.)
- 10.3 There has been ongoing work to increase capacity across the system:
- Additional five places at Grange Primary ARP;
 - Starting to implement Primary ASD ARP at St Helen’s – early development however looking at approx. 6 places initially;
 - Increased capacity at Catcote to 200 places;

- Post 16 ASD 6th Form (Catcote) being developed to ensure that more capacity freed up at main school site on Catcote Road (phased approach);
- Pilot MLD ARP at HT – 24 places (currently 17 with being full from Sept 2023). Review recently carried out which shows positive outcomes for these children. Working with school to increase to 45 as permanent to allow for KS3 children to move through to KS4 and new children admitted in KS3;
- Springwell – capital build for more PMLD children. Not increased place numbers but have increased space to support more PMLD children (based on changing needs of children and more complexity);
- Free School – delays in construction mean that the new proposed opening will be 2024. This will hopefully support the current cohort of children and young people needing SEMH specialist provision and significantly reduce the need for children needing to attend independent out of area provision. Agreed with Spark of Genius to identify children that would have gone to free school Sept 2023 – approx. 8-12 will attend Stockton Spark of Genius (SoG) provision and then will transfer to Free school when ready if appropriate.

10.4 ASD is now an area that is of concern with an increasing number of children needing more specialist provision. We have commissioned extra places at Grange (increased number of places) and commissioned new provision at St Helen's for primary. However we are now projecting an increased need for primary specialist provision and Springwell are over capacity. It is increasingly difficult to place children in Hartlepool when there is only one primary special school. Therefore there is a need to explore whether there is a requirement for another primary special school.

Proposal:

- *Explore opportunities to bid for specialist free school – potentially a through school from early years to KS4. Potential for multi academy trust to bid in partnership with local authority.*
- *Review place numbers at special schools for the 2024/25 commissioning year (Nov 2023 ESFA deadline) and understand impact on HNB funding as any additional places at academies are recouped with no additional funding via the HNB formula*

11. Special Schools – Review of Minimum Funding Guarantee (MFG) / Funding Model

- 11.1 As part of the HNB review, special schools asked for greater certainty and stability around their budget funding. Peter Gray 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.
- 11.2 Both Catcote and Springwell special schools manage pupils in 3 Pathways or Teams dependent on level of need and support. Option 1 starts with an average cost per pupil in each pathway / team being calculated for both Catcote and Springwell. This option encompasses the current Minimum Funding Guarantee and any top-ups payable where the school is above number. A 4% uplift has been applied to the proposed pathway / team costs in line with the uplifts proposed for IPS and ARPs elsewhere in this report.

- 11.3 A further option has been presented by Springwell School. This option 2 continues to be based on Teams but has been calculated on the basis of estimated operating cost per Team (provided by the school) as opposed to current payments in option 1 described at paragraph 11.2. Option 2 is a higher cost option and would increase the implementation cost by £0.393m.
- 11.4 Both options would move away from the existing MFG arrangement and would also mean that top-up funding for special schools is no longer based on the same top-up ranges used in Individual Pupil Support and ARPs.

Proposal:

- *Implement a revised funding model for special schools based on per pathway top-up prices;*
- *Remove the existing MFG arrangement;*
- *Cost of option 1 proposal is estimated at £0.118m;*
- *Cost of option 2 proposal is estimated at £0.511m.*

12. Speech and Language Provision

- 12.1 Owing to the complexity of this review there has not been enough time to explore this fully therefore we propose to review this in 2024/25 in partnership with health colleagues.

13. Additionally Resourced Provision (ARP)

- 13.1 The table below shows current provision.

Primary

Kingsley Primary	ASD	25 places
Grange Primary	ASD/Physical/ medical	21 places
St Helen's Primary	ASD	Phased approach to development – worked on a cost model until agreement re: places
Rossmere Primary	SEMH	6 places short term placements stay on roll at home school
Springwell Primary (Special)	SEMH	4 places short term placements on roll at home school

Secondary

Manor Secondary	ASD	20 places
High Tunstall Secondary	ASD/ Physical/ medical	20 places
High Tunstall Secondary	MLD	24 places

* Trialled a secondary SEMH ARP in 2021/2022 – was not effective and did not continue after the initial year

- 13.2 ARPs are funded with £10k place funding and top up. In 2017/18, DfE aligned place funding across the system at £10k. Maintained schools with ARPs receive £6k per occupied place, with the remaining £4k received via per pupil funding within individual school budgets (as ARP pupils are on school rolls for census). Vacant places within ARPS are paid at £10k place funding. To maintain the £10k per place across the system, a clawback is in place where an ARP receives more than £10k per ARP pupil. The clawback resets the place funded amount to a consistent £10k across the system.

Proposal:

- *Uplift 2023/2024 top-up ranges by 4% at an estimated cost of £0.030m*
- *To establish an ARP and resource panel to ensure that provision is being allocated consistently across SEND provision.*
- *Establish additional ARP (Primary High Need) needs based on trajectories of newly identified children 25 children already attending Kingsley Primary School. Place funding will be payable at £6k per place (£0.150m) and top-up payments are estimated at £0.100m.*
- *Extend existing secondary ARP places by 22 places operational from 1 January 2024*

14. Capacity of SEND Team

- 14.1 The numbers of Education, Health and Care Plans has significantly increased over the last four years. However the number of SEND officers supporting this process has stayed static since 2018.

2018	2019	2020	2021	2022
585	610	689	740	805

- 14.2 This is now affecting the timeliness of undertaking EHC assessments (SEND COP sets out 20 weeks requirement) and the timeliness of reviews is very poor. This is not good for children and parents and needs to improve.
- 14.3 Other local authorities have taken the decision to change processes and their SEND officers do not undertake front facing meetings and use portals to manage all information. There is no legal requirement for local authorities to undertake these meetings. However a session with schools took place recently to understand if processes were appropriate and whether there are efficiencies that can reduce workload and schools said they wanted the current model to continue.
- 14.4 The current capacity within the SEND team cannot continue with the front facing model therefore in order to sustain there needs to be added capacity within the team.

Proposal

- *Increase the capacity of the SEND team recruiting two additional SEND officers (Band 11) at a cost of £0.089m.*

15. Early Years

- 15.1 Over the last year there has been anecdotal evidence that the needs at early years are increasing. One view is that this is owing to children in their earliest years not being subjected to the interaction that would be normal owing to COVID. It is thought that this would lead to potential developmental delay. However information from all partners are indicating it is more complicated than just a lack of opportunities.
- 15.2 The following information has been captured from the pilot Early Years Panel which indicates that this is an area that needs systemic focus:
- Since September 2022 there have been 43 Education, Health and Care Needs Assessments initiated. Of those 43 there were 16 for Nursery and Reception Aged Children (37%). This compares to a figure of 8 out of 41 (19.5%) for the same period last year. Almost double the requests for statutory assessment in the EYFS age group.
 - An Early Years panel has been established to trial an early intervention approach to enable need to be identified early. However it has become evident that need is at a high level. For the period March 22 – January 23 there have been 50 referrals to the Early Years Panel with the following primary needs:
 - 60% Speech Language Communication and Interaction Needs
 - 10% medical / physical needs
 - 6% Social and Emotional Needs (presenting through behaviour)
 - 4% General Learning / Delay
 - 20% unknown
 - 36% of the children that came to panel now have Early Years EP/Small Steps involvement. Despite ever increasing creativity in Small Steps Service delivery to maximise the resource there is now always a waiting list for Small Steps involvement.
 - Of the children with Social Communication needs most are non-verbal and highly sensory. Narrative evidence from both schools and settings is that a high level of adult support is required to keep these young children safe (putting small objects in mouth etc). Reports from the Early Years EP and Small Steps is that this level of need requires a totally different curriculum based on engagement profiles not just a differentiated curriculum.
 - Increasingly the Early Years Panel hear of parents wanting specialist provision from the off (possibly reflected in the doubling of Early Years statutory assessments). We hear of schools expressing difficulties in meeting needs which obviously puts parents off and reduces confidence in the SEN System from the beginning. Panel members pick this up with schools and challenge accordingly.
- 15.3 The above information is a concern. It is clear that we need to understand the needs of these children. There is a significant risk that if we don't understand these needs that there will be a presumption they need specialist provision. The cost of this (if not appropriate) will have to be sustained for potentially 12/13 years and not be right for the child.

Proposals

Establish an early years support/ portage offer with a focus on early intervention with potential resource as set out below:

- *Additional small steps worker*
- *Assistant Psychologist*
- *School EYs specialist teachers (seconded from schools or employed by schools)*
- *Estimated costs would include 1.0 FTE at band 9 (£0.036m), 1.0 FTE Assistant Education Psychologist (£0.040m) and £0.040m for specialist teacher support. Total cost estimate of £0.116m*

16. Funding & Conclusions

- 16.1 The current pressure on the HNB is significant and the costs set out above will add to the immediate pressure thus increasing the overspend. However all the information gathered for this review shows that if we don't make some substantial changes the funding from HNB will never be sustainable and we will need to seek to transfer funding from the Schools Block.
- 16.2 We will therefore see:
- An increasing number of children needing specialist provision;
 - An increasing number of children needing independent provision at high cost;
 - Children's needs not being met appropriately as provision is not available;
 - Parents continuing to believe that EHC assessment is the only route to their children's needs being met.
- 16.3 Current independent provision costs between £60k - £80k therefore in order to ensure that the HNB is sustainable (additional funding from government is expected to reduce to only inflationary uplifts – not at the level we have seen for the last two years) we will need to reduce the number of independent placements by at least 10. There are currently 80 placements therefore this would be a 12.5% reduction.
- 16.4 Even a 12.5% reduction in Independent School Fees would not bring spend back in line with budget as savings would be between £20k-£40k per placement. At the top end of this estimate that would only produce saving of £400k against an in year overspend of between £1.687m and £2.080m.
- 16.5 Therefore it is suggested that the following proposals are approved based on the assumption that the proposals will in the longer term enable the HNB to be sustainable within the funding envelope provided by the Government.
- 16.6 It is intended that the proposals set out in this paper will support the following:
- Establishment of solution focused forum – will reduce the need for independent out of area places as schools will work together to develop packages of support
 - IPS devolved funding – will enable schools to be more creative to look at cohort groups instead of individuals, will allow for more collaborative working, potentially jointly commissioning services that can support groups of schools, early support prevents need for a statutory response (EHC)

- Increase in capacity in special schools – reduce the need for high cost out of area provision
- Increase Additionally Resourced Provision – reduce the need for specialist provision
- Early Years support team – will enable settings to be supported with increasing needs so we understand and can meet their needs early, reduce the need for specialist provision if needs are met.

16.7 Therefore it is felt that the only way to meet the needs of our children with SEND in the future is to invest additional funding to stop further high costs. If all the proposals within the review are accepted, alongside other areas of general budget growth, the HNB budget gap for 2023/24 is projected to be £1.687m (or £2.080m if option 2 approved for special schools – para 11.3).

16.8 DSG reserves currently have a balance of £1.230m. Although DSG reserves are historically earmarked to individual blocks (e.g. high needs block) for internal reporting purposes, ESFA consider DSG reserves as one overall balance in terms of accounting and reporting of deficits.

16.9 Therefore, current reserve balances earmarked to support the High Needs Block stand at £0.325m. Should the mid-case projection included in the outturn report materialise, there would be a deficit reserve of £0.581m. However, overall DSG reserves would remain positive (Early Years and Growth Fund) at £0.649m.

16.10 However, if the proposals in this report were approved the estimated balance on the DSG reserves at 31.03.2024 would be £1.038m in deficit or £1.431m in deficit, depending on the recommendations approved.

16.11 The regulations at present provide a statutory override which allows local authorities to report a DSG reserve in deficit. This override will stop in 2024/25 as by then, ESFA expect HNB spending will be equal to budget provided.

16.12 There is currently an DfE initiative where LA's with a deficit are invited to join a Safety Valve Programme. From information from a neighbouring authority our trigger point (at which we are strongly encouraged to join the programme) may be as low as a £4.6m cumulative deficit.

16.12 Clearly, approving these proposals has to be on the understanding that ALL schools adopt the approach of ensuring Hartlepool children can access Hartlepool education and reduce the number of children who have to be educated out of authority, be it in other local authority schools or in an independent schools.

17. **Recommendations**

17.1 Horizon funding model

17.1a Increase the number of commissioned places at Horizon to 28 (includes 10 inreach places)

17.1b Continue to commission 12 places at Haven

17.1c Introduce the following funding model:

- Haven – £10k place funding and £1.6k top-up
- Horizon – £10k place funding and £14k top-up

17.1d If numbers of PEX reduces for the year 2024/25 the type of places will be reviewed and PEX places will be converted to inreach places and explored to see if appropriate to extend to KS2 support.

17.2 Inclusions/ IPS

17.2a To develop and implement the devolving of IPS funding to four clusters (acknowledging this is best fit and not perfect).

17.2b Establish four SEND cluster leads to work with the local authority to develop model, implement model and manage funding and requests across the cluster (to be funded for two years via SEMH funding (separate on Agenda).

17.2c To establish a solution focused forum to review any children that needs cannot be met in Hartlepool due to a lack of provision.

17.2d Develop Hartlepool “ordinarily available” document to support the allocation of additional funding (previous IPS now cluster funding).

17.3 Top up ranges

17.3a Apply an annual uplift based on Council’s Commissioning Team indicators.

17.3b Apply a 4% uplift for 2023/24 at an estimated cost of £0.090m

17.4 Capacity of special schools

17.4a Explore opportunities to bid for 9 specialist free school – potentially through school from early years to KS4. Potential for multi academy trust to bid in partnership with local authority.

17.5 Special schools funding model

17.5a Move away from existing MFG arrangement to a per pathway price at an estimated cost of £0.118m.

17.6 Additionally resourced provision (ARPs)

17.6a Uplift 2023/24 top-up ranges by 4% at an estimated cost of £0.030m;

17.6b To establish an ARP and resource panel to ensure that provision is being allocated consistently across SEND provision.

17.6c Explore additional ARP (Primary) for communication and interaction needs (based on trajectories of newly identified children) which would be for 25 additional children

17.6d Extend ARP (Secondary) from January 2024

17.7 Capacity of the SEND team

17.7a Increase the capacity of the SEND team recruiting two additional SEND officers at a cost of £0.089m

17.8 Early Years

17.8a Establish an early years support/ portage offer with potential resource as set out below:

- Additional small steps worker
- Assistant Psychologist
- School EYs specialist teachers (seconded from schools or employed by schools)

APPENDIX B

- Cost of proposal estimated at £0.116m

All recommendations with a 2023/24 cost attached are listed in the following table. The total cost of proposals amounts to £0.904m or £1.297m depending on the proposals contained at paragraph 17.5a relating to special schools.

Ref	Description	£m	£m
17.1c	Horizon School – commission 28 places at £10k place funding and £14k top-up. Haven – commission 12 places at £10k place funding and £1.6k top-up Existing cost is £0.680m and proposal cost is £0.811m	0.131	
17.3b	IPS top-up ranges - Apply a 4% uplift for 2023/24	0.090	
17.5a	Special schools – move away from existing MFG arrangement to a per pathway price (option 1 or option 2)	0.118	0.511
17.6a	ARPs – Apply a 4% uplift to top-up ranges for 2023/24	0.030	
17.6c	Explore additional ARP (Primary) for communication and interaction needs (based on trajectories of newly identified children) which would be for 25 additional children	0.250	
17.6d	Extend ARP (Secondary) from January 2024	0.080	
17.7a	Increase the capacity of the SEND team recruiting two additional SEND officers	0.089	
17.8a	Establish an early years support/ portage offer	0.116	
	TOTAL (with either option 1 or option 2 para 17.5a)	0.904	1.297