

High Needs Supplementary Funding 2022-23

Date: 15/9/22

Report of: Head of Learning Inclusion

Report to: Director of Children and Families

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

High needs supplementary funding to provide for the costs of the Health and Social Care Levy and wider costs of £4.147m has been allocated to Leeds for 2022 to 2023. The additional funding also takes into account that colleges and other post-school providers offering extra hours of study to 16 to 19 year old students, may require extra high needs top-up funding to support such students with high needs.

It is for each local authority to decide how to allocate the additional funding to those schools, with the same flexibilities as deployed to the rest of the DSG allocation of high needs funding. It is proposed that the supplementary funding is allocated to increase FFI rates, meet additional outside placement costs, invest in transformational work, and reserve some funding to mitigate risks on future DSG deficits

Recommendations

- a) Settings currently receiving FFI top up of £650 per unit will receive an increase to £672 per unit, this will be backdated to April 2022. This £22 unit increase represents a 3.4% increase in the unit rate.
- b) For special school setting, the unit rate will be increased from £684 to £708 (which equates to an increase of 3.51%).

What is this report about?

- 1 High needs supplementary funding to provide for the costs of the Health and Social Care Levy and wider costs of £4.147m has been allocated to Leeds for 2022 to 2023. The additional funding also takes into account that colleges and other post-school providers offering extra hours of study to 16 to 19 year old students, may require extra high needs top-up funding to support such students with high needs.
- 2 It is for each local authority to decide how to allocate the additional funding to those schools, with the same flexibilities as deployed to the rest of the DSG allocation of high needs funding.
- 3 It is proposed that the supplementary funding is allocated to increase FFI rates, meet additional outside placement costs, invest in transformational work, and reserve some funding to mitigate risks on future DSG deficits as detailed below:

Allocation of the Supplementary Grant

	2022/23
	£000s
Increase in Top Up unit rates	1,500
Out of Area and Residential Placements	1,500
16-19 additional hours and flexibilities	200
DSG contingency / reserve	947
Total Allocations	4,147

What impact will this proposal have?

- 1 Following the initial announcement of the supplementary funding in December 2021, early indications were that it was expected this would be passed out to settings to reflect the additional cost as a result of the Health and Social Care levy. However, the ESFA subsequently clarified that the pressure of the levy would equate to less than 1% of the overall high needs budget.
- 2 Settings currently receiving FFI top up of £650 per unit will receive an increase to £672 per unit, this will be backdated to April 2022. This £22 unit increase represents a 3.4% increase in the unit rate. For special school setting, the unit rate will be increased from £684 to £708 (which equates to an increase of 3.51%). These increases are expected to equate to additional total top up payments of up to £1.5m. The FFI unit rate will be reviewed in future years in accordance with the level of high needs funding received.
- 3 Out of Area and Residential Placements are facing growing budget challenges due to increased demand and costs. To address these continued budget pressures it is proposed that £1.5m of the supplementary grant will be allocated to minimise any impact on the overall DSG position. This represents an increase of 12.6% on the initial budget reported to Schools Forum in February 2022.
- 4 The supplementary funding also takes into account that post 16 institutions offering extra hours of study to students with high needs may require additional funding. Institutions and local authorities are required to work together in deciding what constitutes an equivalent of additional

time for a student with high needs, and/or with an EHCP. Work is ongoing on this issue and initial estimates are that this will cost an additional £200k.

- 5 The Covid pandemic has seen major disruption to children and young people's education. There is now a significant rise in requests from schools and settings to support children and young people with communication, learning, and social emotional and mental health issues. Many children are finding a return to school extremely difficult manifesting in high levels of anxiety and acting out behaviours. In addition to this, the recent Schools Bill, the SEND green paper and the newly proposed SEND inspection framework that scrutinises all partners, puts an even greater emphasis on inclusion within mainstream schools and building staff knowledge and skills.
- 6 Alongside the need to increase capacity to meet highly complex special educational needs there is therefore an immediate need to rebalance the system and to roll out and embed the Leeds SEND practice framework to support early identification and best practice in line with the SEND Code of Practice and the graduated approach as identified in Leeds SEND strategy and in line with this national picture. The proposed "SEND early support team" is the vehicle by which we aim to work with schools to boost capacity within this agenda.
- 7 As a result of these issues, the initial high needs budget included £600k to support transformational work across areas of the High Needs budget. In a full year, an additional £400k will be allocated on an Invest to Save basis to further develop and progress actions to deliver savings and efficiencies to give a total budget of £1m. However as recruitment has not yet taken place, it is expected that the initial £600k will be sufficient to cover the costs in 2022/23. In order to ensure funding is available in future years, the additional £400k will be set aside to add to the DSG reserves in 2022/23. The Invest to Save allocation will be subject to a robust challenge process to ensure delivery of savings and efficiencies.
- 8 Taking into consideration the proposed allocations there remains a total unallocated sum of £947k. Although the 2021/22 DSG Outturn position demonstrates a small DSG surplus of £119k there remains a level of uncertainty regarding the future DSG. Therefore to mitigate future DSG pressures it would be prudent to allocate the remaining £947k to a DSG reserve to ensure that we minimise any future DSG deficits.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 9 This funding will directly impact the ability of learning settings to meet the health and wellbeing, and learning needs of some of our most vulnerable learners, supporting to them to continue to provide for inclusion within mainstream settings. It is important that we continue to support all learning settings to meet the additional needs of learners in their local community to avoid unnecessary travel around the city.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

- 10 Schools forum have been consulted and noted their approval of the recommendation. The lead member for Economy, Culture and Education has been consulted.

What are the resource implications?

- 1 It is proposed that the supplementary funding is allocated to increase FFI rates, meet additional outside placement costs, invest in transformational work, and reserve some funding to mitigate risks on future DSG deficits as detailed below:

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What are the key risks and how are they being managed?

- 11 The budget monitoring risk will be managed through a financial health check report to Executive Board and budget monitoring reports to Schools Forum.

What are the legal implications?

- 12 The Local Authority is not required to distribute the funding however considers it important to do so to allow learning settings to continue to meet the needs of their pupils.

Options, timescales and measuring success

What other options were considered?

- 13 The supplementary funding allocation is at the discretion of the local authority, and could have been centrally retained. Given the pressure on school funding available to meet the needs of our most vulnerable children it was not considered appropriate to withhold supplementary funding increases. It was possible to have utilised the whole of the supplementary grant to make higher FFI increases, but given existing and emerging pressures on the high needs block, this was not considered to be a prudent course of action.

How will success be measured?

- 14 Through the effective distribution of funding and management through financial health check reporting

What is the timetable and who will be responsible for implementation?

- 15 The Head of Learning Inclusion is responsible for implementation

Appendices

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Background papers

