
SUBJECT: 2024-25 High Needs Block Funding and Cluster Model Progress
DATE: 10th July 2024
RECIPIENT: Schools' Forum

SUMMARY:

The Schools Forum is asked to note:

1. High Needs Block budget pressures
2. Progress on the mainstream cluster funding programme

High Needs Block update

The High Needs Block deficit reduced by £2.996M in financial year 23/24. The net DSG deficit at the start of this financial year is £7.105M the statutory override means this will have to be picked up by the General Fund at the end of Mar 2026.

The statutory override may be extended by the new Government given that current anecdotal estimations are that a significant number of Local Authorities would struggle financially if their general fund had to pick up the accumulated deficit.

The 2024/25 High Needs Block budget stands at £38,788,330.

We are currently estimating a contribution of c£1m to the deficit from the budget this financial year. There may be further demands on those funds however including the provision of additional funds into the mainstream cluster funding project enabling schools to deliver targeted early interventions prior to the need for EHCP assessments, thereby improving outcomes for children at an earlier stage. The current funding allocation for the cluster programme is too low as this has been impacted by the higher than anticipated numbers of EHCPs in January.

The increase in EHCPs in January 2024 to 2506 from the January 2023 number of 2184 represents an increase of 13%. Nationally EHCP numbers have risen by 11%. Going forward this will be a high risk to the future performance of the High Needs Block if initiatives to mitigate this, such as the cluster funding programme, are unsuccessful. Whilst we are investing in additional resourced units in mainstream schools we will still potentially need further special school places in the future.

The Minimum Funding Guarantee for special schools this year is 0-0.5%. This has been the cause of some concern to our special schools, many of whom are also impacted by the teacher pay rises not applying to teaching assistants supporting children with SEND. As a result we are in the process of negotiating an increase but with the caveat that the banding system will be reviewed from September.

The current banding system is not fit for purpose and does not reflect neighbouring Local Authorities' approaches. Southampton had commenced the process of banding review in collaboration with special schools but this was suspended when the SENDAP Improvement Plan was published which explained that a national funding

formula would be developed. Given that there is no obvious progress with the national formula we are going ahead with completing that piece of work in the autumn and spring terms 24/25.

For reference Hampshire commenced their new banding from April this year.

The Dingley's Specialist Early Years provision comes to the end of the contract period at the end of this financial year. The provision is working well to support our younger SEND children and their families and it is likely this will remain in the budget for future years.

Mainstream Cluster Funding programme

In March 2024 we began the wider coproduction period for the proposed Special Education Needs and Disability (SEND) Mainstream Funding Cluster Model moving Higher Needs SEND funding to a Cluster Model for Mainstream School settings within the area.

This is a model of Higher Needs SEND funding that has been adopted by several local authorities.

Following recent contribution to the coproduction period we are proposing a new timeline. This would include an extended coproduction period, to allow for all stakeholders to continue to contribute towards this process. It would also include a term where the Cluster model is trialled. During this period the Cluster model will run but without funding attached.

We feel this trial period would have the following benefits: -

- This would allow for professionals who would be part of the process to receive training on the Cluster Model from the Locality Leads and other professionals supporting the meeting.
- It would allow colleagues to access some of the benefits of the approach, including the peer solution focused discussions and input from the Locality Leads and supportive professionals on difficult cases.
- It would allow for colleagues to trial the referral system. This could also lead to further training on this approach or refinement for process. This would also support the Cluster to consider the criteria of cases to be discussed
- It would allow colleagues in attendance of Cluster meetings to become familiar with the logistics of the meetings, such as accessing the venue, timings etc.
- It will start to develop the relationships with the colleagues in the Cluster meetings.
- Further coproduction opportunities

The trial term would support with understanding whether stakeholders in the city would like to proceed with this proposed approach.

In addition the team have responded to Heads' concerns around SENCo capacity and are undertaking a review of this across the city to inform the planning.

There are still live conversations about the formation of the clusters themselves and the pros and cons of using existing cluster groupings or moving to a more geographical model.

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Central School Services Block – Statutory and Regulatory Duties Responsibilities held for all schools

Statutory and regulatory duties:

- Director of children's services and personal staff for director (Sch 2, 15a)
- Planning for the education service as a whole (Sch 2, 15b)
- Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)
- Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c)
- Formulation and review of local authority schools funding formula (Sch 2, 15d)
- Internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)
- Consultation costs relating to non-staffing issues (Sch 2, 19)
- Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)
- Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)
- Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)

Education welfare

- Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)
- School attendance (Sch 2, 16)
- Responsibilities regarding the employment of children (Sch 2, 18)

Asset management

- Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)
- General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)

Other ongoing duties

- Licenses negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require school's forum approval
- Admissions (Sch 2, 9)
- Places in independent schools for non-SEN pupils (Sch 2, 10)
- Remission of boarding fees at maintained schools and academies (Sch 2, 11)
- Servicing of school's forums (Sch 2, 12)
- Back-pay for equal pay claims (Sch 2, 13)
- Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (Sch 2, 23)

Historic commitments

- Capital expenditure funded from revenue (Sch 2, 1)
- Prudential borrowing costs (Sch 2, 2(a))
- Termination of employment costs (Sch 2, 2(b))
- Contribution to combined budgets (Sch 2, 2(c))

Responsibilities held for maintained schools only

Statutory and regulatory duties

- Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 58)
- Budgeting and accounting functions relating to maintained schools (Sch 2, 74)
- Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 59)

- Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 60)
- Internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 61)
- Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 62)
- Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 63)
- Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 64)
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 77)
- HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 65); determination of conditions of service for non-teaching staff (Sch 2, 66); appointment or dismissal of employee functions (Sch 2, 66)
- Consultation costs relating to staffing (Sch 2, 68)
- Compliance with duties under Health and Safety at Work Act (Sch 2, 69)
- Provision of information to or at the request of the Crown relating to schools (Sch 2, 70)
- School companies (Sch 2, 71)
- Functions under the Equality Act 2010 (Sch 2, 72)
- Establish and maintaining computer systems, including data storage (Sch 2, 73)
- Appointment of governors and payment of governor expenses (Sch 2, 74)

Education welfare

- Inspection of attendance registers (Sch 2, 80)

Asset management

- General landlord duties for all maintained schools (Sch 2, 78a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:
 - appropriate facilities for pupils and staff (including medical and accommodation)
 - the ability to sustain appropriate loads
 - reasonable weather resistance
 - safe escape routes
 - appropriate acoustic levels
 - lighting, heating and ventilation which meets the required standards
 - adequate water supplies and drainage
 - playing fields of the appropriate standards

- General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)
- Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Central support services

- Clothing grants (Sch 2, 54)
- Provision of tuition in music, or on other music-related activities (Sch 2, 55)
- Visual, creative and performing arts (Sch 2, 56)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 57)

Premature retirement and redundancy

- Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 79)

Monitoring national curriculum assessment

- Monitoring of National Curriculum assessments (Sch 2, 76)