

Wiltshire Council

Schools Funding Working Group
5th October 2020

Schools Forum
15th October 2020

High Needs Funding 2021-22

Purpose of report

1. To outline and update Schools Forum regarding the content of the Department for Education's (DfE) operational guidance on High needs funding for the 2021-22 year.
2. The updated operational guidance can be found here:

[Operational Guidance- HNB](#)

Background

3. Each year the DfE issue updated operational guidance regarding High needs revenue funding. As part of the Operational Guidance, the key changes between funding for the 2020-21 year and the 2021-22 year are outlined. The operational guidance clarified certain aspects of the existing guidance and provided more information on the responsibility for children and young people who move between authorities, including looked after children.
4. Any updates to the funding rates are usually announced between October and December. For the 2021-22 year, the DfE announced at the end of July 2020, the key funding changes to the National Funding Formula. This provides Schools Forum and schools with a greater lead-in period for making strategic decisions.
5. Schools Forum will recall that £700million was pledged for High Needs nationally in 2020-21.

DSG Funding Proposed for 2021-22

6. The DfE have announced the indicative DSG Block allocations, based upon October 2019 census data which formed the basis of the 2020-21 allocations.
7. The table below sets out the indicative DSG funding for the High Needs block.

	High Needs
2020-21	£51,987,188
2021-22	£57,528,558
Uplift	£5,541,370
% Uplift	10.66%

8. The High Needs funding for 2021-22 is increasing by £730m nationally, an overall uplift of 10%, with all local authorities seeing an increase between a minimum 8% and maximum increase of 12% in recognition of the funding challenges faced within the High Needs Block. This increase is most welcome and will move us towards setting a balanced high needs budget for 2021-22.

Additional Funding

9. The guidance includes information on additional funding available from the department. This has been followed up with the DfE and they have confirmed that they have a limited budget available to support those local authorities with the largest proportional deficits. Wiltshire has been assessed as being 66th on the list and for this year, the top six local authorities are receiving support.

Key Funding Changes in 2021-2022 – High Needs Block

Teachers' pay and Pensions funding

10. This is included in the increase above – meaning the basic entitlement factor (based on the number of pupils in special schools) will rise from £4,000 to £4,660. An increase for alternative provision is added through an additional factor in the formula. Pensions supplementary fund allocations will be published later in the year and the allocation updated accordingly.
11. An additional DSG Condition of Grant for 21-22 is that this increase must be passed onto relevant schools or providers.

DSG Management Plans

12. This is a new requirement – that any authority with an overall deficit on its DSG reserve at the end of the 2019-20 financial year must present a plan to the Department for managing this future DSG spend.
13. This moves away from the previous expectation from the DfE around a balanced position within three years and the DfE have helpfully clarified that the DSG deficit does not have to be repaid in full within two financial years. This means the DSG deficit will be cash flowed by the local authority on an ongoing basis.
14. The strong partnership and shared ownership approach that the local authority and Schools Forum have taken to address the causal issues; demand outstripping funding, refreshing of the Inclusion & SEN strategy and the High Needs Working Group remain fundamental to the success of any programme of recovery and the transformational funding from the local authority, combined with a commitment to transfer from schools and other blocks to support high needs pupils remains key to our success.
15. The DfE have designed a management plan template, found at Appendix 1 (excel document.) The template has been designed to help local authorities develop evidence-based and strategic plans covering the provision available for children and young people with special education needs and disabilities.
16. The department encourages all local authorities to use the template as a planning tool. It is a complex spreadsheet however; it will I think be a useful to bring together this complex area. The DfE view it as an on-going live document including being presented at schools forum meetings and any high needs sub-groups at least on a termly basis. It is likely, that this will then replace or be updated alongside the current recovery planning reporting.
17. The link to the management plan can be found below.

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management-plan>

18. The completed plan will be shared at the December Schools Forum and regularly thereafter.

Communications with the DfE

19. Finance officers had a positive preliminary meeting with the DfE to understand the approach the DfE is taking to supporting local authorities. We shared the causal factors, explored funding, examined best practice and described our inclusion and expansion of local provision plans.

I am pleased to welcome Gemma Donnelly to our meeting today. Gemma is Head of the Local Authority Stakeholder Engagement team at the Education and Skills Funding Agency.

Proposal

20. Schools Forum to note the content of the report.

Report Author:
Marie Taylor,
Head of Finance; Children & Education
Tel: 01225 712539
e-mail: marie.taylor@wiltshire.gov.uk