



## **1. HNB Funding Position**

- 1.1. The context and background has been set out in reports to previous meetings of the Schools Forum. The national position has been one of pressure on funding from the High Needs Block (HNB) that has seen some Local Authorities in significant deficit positions. From 2020/21 the Government has put substantial additional funding into HNB and Camden returned to an in year surplus and has rebuilt reserves. This placed Camden in the fortunate position of being one of a small number of Local Authorities that are no longer in deficit position.
- 1.2. In July 2022 the DfE published an initial indication of the 2023/24 Dedicated Schools Grant (DSG) figures. The minimum increase in HNB baseline was reduced from 8% to 5%. Even so, this represented an increase of around £3m on the then published HNB estimate for 2022/23. There has, however, now been additional funding announced for 2023/24 reflecting economic conditions. The official position is that future increases will be more modest as the additional funding and the programmes mentioned above resolve deficits across the country. However, recent guidance for local authorities states *“In 2019, NAO concluded “The main reason why local authorities have overspent their high needs budgets is that more pupils are attending special schools.”* The prudent position, however, is to assume that HNB allocations will not continue to rise at the rate they have been in recent years.

## **2. 2022/23 Monitoring**

- 2.1 The finalisation of adjustments to Camden’s 2022/23 HNB allocation now see this stand at £47,683,948 an increase of almost £350,000 on the figure reported to Schools Forum in November 2022. This adjustment relates to the “import/export adjustment” which is derived from school and college census returns and amended through local authority representations. As shown in table 1 below this revised allocation represents an increase of almost £6m on the £41.7m received for 2021/22.

<b>Table 1: High Needs Block Outturn from 2020/21 with 2023/24 budget:</b>				
	2020/21	2021/22	2022/23 projection	2023/24 budget
Camden Early Years (incl PVIs)	229,139	248,756	647,000	716,800
Camden mainstream	7,652,592	7,961,996	9,501,000	10,966,130
Camden additionally resourced provision	1,540,495	1,631,166	1,945,000	2,260,500
Camden special	9,270,303	9,883,194	10,302,993	11,033,890
total Camden SEN	18,692,529	19,725,112	22,395,993	24,977,320
Camden PRU	2,961,165	3,059,136	3,377,687	3,550,840
Camden hospital schools	2,850,852	3,339,621	3,731,216	4,027,520
other LA maintained (mainstream & special)	2,542,350	2,768,445	3,100,000	3,360,400
independent & non-maintained special schools	2,889,003	3,491,264	3,540,000	3,866,800
independent mainstream schools	214,838	315,523	282,000	305,690
total non Camden schools	5,646,190	6,575,232	6,922,000	7,532,890
Further Education	2,837,520	3,167,165	3,196,000	3,655,520
other support (therapy/individual tuition/equipment)	655,351	789,788	943,709	1,075,000
Transformation support to Camden schools		176,255	360,352	385,000
outreach services	275,963	275,963	475,963	536,000
central services	1,625,545	1,697,237	1,689,510	1,814,000
<b>Total HNB spend</b>	<b>35,545,115</b>	<b>38,805,510</b>	<b>43,092,430</b>	<b>47,554,090</b>
High Needs Block funding received	-37,543,927	-41,721,841	-47,683,948	-52,568,000
DSG Reserve (- addition/+ withdrawal)	-1,998,812	-2,916,331	-4,591,518	-5,013,910

1.5 Projected HNB spend for 2022/23 has also increased since that presented to the Schools Forum in November 2022 from £42,610,071 to £43,092,430. This reflects updated monitoring. It includes a provision for increased funding for outreach services provided by Robson House (see below).

### 3. 2023/24 HNB Funding

3.1 As detailed in the report of the Head of Education Commissioning and School Organisation elsewhere on this agenda, following the Chancellor's Autumn statement additional funding for 2023/24 was announced in December 2022 that "recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original high needs block allocations were calculated." The additional allocation for Camden's HNB is £2,058,092 and brings Camden's updated estimate HNB receivable for 2023/24 to £52,568,485. This figure is an estimate as there are some factors of the HNB that are based on pupil counts that are yet to be calculated and for the import/export adjustment referred to above for 2022/23.

3.2 The guidance on the additional £2m also states: “*These allocations are on top of the DSG high needs block allocations calculated under the national funding formula, but are subject to the same DSG conditions of grant and an additional condition of grant.*” The additional condition of grant is that authorities “*Local Authorities must allocate 3.4% per place*” for:

- maintained special schools, special academies and free schools,
- pupil referral units (PRUs), Alternative Provision (AP) academies and free schools, and;
- maintained and academy hospital schools.

3.3 Whilst no mention is made of HNB funding to mainstream schools and additionally resourced provision in mainstream schools, in the interest of equity, Camden will ensure similar increases are applied across all schools.

#### **4. Proposals for increased spend 2023/24**

4.1 Camden’s priorities have been restated in the Camden Local Area SEND Strategy for 2022- 2027 that was published recently. Our priorities remain firmly rooted in early prevention, getting the right support at the right time and in strengthening the mainstream offer in line with our commitment to inclusive local education for all children and young people with SEND to improve their outcomes and Preparation for Adulthood (PfA). This focus on vulnerable groups is also a clear driver within Camden’s Education Strategy.

To this end we are proposing:

##### **i) Increase funding for Camden Special Schools and PRUs £904k**

As above, the guidance stipulates that the additional funding must be used to increase total funding including the place element, by 3.4%. The place funding therefore increases nationally from £10,000 to £10,340 from April 2023.

The model specified by DfE for hospital schools (see below) was in the July 2022 announcement a 5% increase in funding to which the additional allocation added a further 3.4%. Adopting this model of an 8.4% increase to Camden’s special schools and PRUs would increase Camden HNB expenditure by an estimated £900k but schools with placements from other boroughs would benefit further from increased top-up rates.

This proposal would increase the top-up rate by an average 7.45% (for instance Swiss Cottage from £24,400 to £26,950). With the increase in the place funding from £10,000 to £10,340 the total increase is the 8.4%. The rates for each school/PRU are shown in table 3.

	top-up rate 22/23	place funding 22/23	Total funding per filled place	places	Pupils (Oct22)			Proposed Top-up rate 2023/24	place funding 23/24	Total funding per filled place	increase in top-up		increase in total funding
					Camden	other	total				net	gross	
<b>special schools</b>													
Swiss Cottage	£24,400	£10,000	£34,400	260	231	30	261	£26,950	£10,340	£37,290	10.45%	6.36%	8.40%
Frank Barnes	£24,420	£10,000	£34,420	35	2	35	37	£26,971	£10,340	£37,311	10.45%	7.41%	8.40%
CCfL special	£29,000	£10,000	£39,000	35	31	5	36	£31,936	£10,340	£42,276	10.12%	7.53%	8.40%
<b>PRUs</b> top-up paid as an annual sum rather than following pupils													
Robson House (PLSS)	£35,715	£10,000	£45,715	20	16		16	£39,215	£10,340	£49,555	9.80%	7.66%	8.40%
CCfL PRU	£23,814	£10,000	£33,814	65	18		18	£26,314	£10,340	£36,654	10.50%	7.39%	8.40%

One point to note is that practice in Camden has been that PRU funding is paid as a lump sum regardless of number of pupils on roll. As shown in table 2 the position in CCfL is now over place numbers in its special school but under within the PRU. It has been agreed to address this with an adjustment in the split of place numbers from 35 special and 65 PRU to 40 and 60 respectively. This would reduce the PRU lump sum paid to the school but increase funding overall from the higher special school top-up rate as long as places are filled. It is also prudent to show we are taking action to address the number of empty PRU places and the pressure on special school places. A further change that has been agreed for CCfL is the move from mixed PRU and special school provision across the 2 sites split between KS3 and KS4 to Agincourt becoming the PRU and Harmond site the special school.

Schools Forum should note the guidance also clarifies that “*These additional funding allocations do not count towards the requirement for local authorities to pay extra high needs funding equivalent to the historic teachers’ pay grant and teachers’ pension employer contribution grant.*” These amounts which are currently paid separately to the 3 special schools, the 2 PRUs and the 2 hospital schools will therefore continue.

## ii) Increase funding for Hospital schools £296k

This report is showing hospital schools separately from special schools and PRUs as although the additional 3.4% increase applies equally the basic funding is directly determined by the DfE and both schools had already received a 5% increase in the original July 2022 allocations.

The hospital schools will receive an overall increase in funding of 8.4% alongside the frozen historic teachers’ pay grant and teachers’ pension employer contribution grant. The figures are as follows:

	2022/23			2023/24		
	budget	tpp grant	Total	budget	tpp grant	Total
Children's Hospital School at Gt Ormond Street & UCH	£2,881,108	£168,795	£3,049,903	£3,123,121	£168,795	£3,291,916
Royal Free Hospital Children's School	£646,379	£34,934	£681,313	£700,675	£34,934	£735,609
	£3,527,487	£203,729	£3,731,216	£3,823,796	£203,729	£4,027,525

**iii) Increased funding to Early Years by a further £70k.**

Additional funding has been put into supporting SEN in early years in 2022/23 both through an increased HNB contribution to the Camden Local Inclusion Fund (CLIF) and additional advisory support to early years settings. These ensure better transitions to primary school with a focus on keeping pupils in mainstream schools.

Early Years have seen a significant increase in numbers of children requiring CLIF since lockdown, despite falling numbers of children overall. This is being monitored closely.

In the summer of 2022 over 40 children in receipt of CLIF were allocated an Exceptional Needs Grant (ENG) from the start of their reception year to ensure a smooth transition. These children would otherwise have had EHC plans and it is therefore recognised that the HNB contribution to CLIF should be increased. In allocating ENG we can monitor whether with support these children settle into primary school to a point that high needs funding is no longer required or whether longer term support is necessary.

**iv) Increase funding to Camden Mainstream schools by £1.5m**

Radical changes were made in 2022/23 with the increase in the devolved funding that is allocated to mainstream schools, the introduction of proportionality payments, the harmonisation of the band rates across all mainstream pupils and the increase of band funding. Alongside this clusters have been piloted as an evolution of the ENG system.

As the DfE guidance for the additional HNB funding, costs have risen faster than was foreseen. The pay award to NJC staff for 2022/23 was a flat rate of £2355 which represented an increase of around 9.8% for Learning Support Assistants (LSAs) paid on Scale 3 contracts.

The proposed increase in band funding is shown in table 4 below.

Note: Band funding is predominantly expressed against how many hours LSA it will fund (ie 1 = 25 & 2 = 32.5). Bands however should be for a combined package of interventions not necessarily 1:1 LSA – but small groups and teacher support as well. In percentage terms it is the LSAs pay that has gone up significantly.

**Table 4 Mainstream bands for 2023/24:**

Current Band 1	Proposed Band 1	Increase of	Total new SEND funding per pupil	Current Band 2	Proposed Band 2	Increase of	Total new SEND funding per pupil
£8,400	£10,220	<b>£1,820</b>	£21,220	£14,220	£16,590	<b>£2,370</b>	£27,590

On current numbers at bands 1 and 2 across both EHC plans and ENG, this would cost the HNB an additional £1,210,950 per annum.

**v) Additionally Resourced Provision (ARP) in mainstream schools £315k**

These proposals are designed so that ARP top up rates match the average increase for special schools and address the rising costs. The proposed increase is set out in table 6 below. Two alternate rates are shown for autism ARPs where the enhanced rate introduced in 2022/23 that built in resourcing for some additional support staffing rather than requesting individual 1:1s, has only been signed up to by the secondary school.

		top-up rate 22/23	Proposed Top-up rate 2023/24	percentage increase		
				net	gross	
Primary Autism	with enhanced 1:1 support	£17,515	£19,270	10.02%	7.46%	Kentish Town, Netley, Primrose Hill
Primary Autism	core SLA	£15,045	£16,615	10.44%	7.46%	Kentish Town, Netley, Primrose Hill
Secondary Autism	with enhanced 1:1 support	£20,100	£22,045	9.68%	7.45%	Acland Burghley
Physical Disability		£12,000	£13,340	11.17%	7.44%	Kentish Town, Regent High
Language		£6,800	£7,755	14.04%	7.46%	Torriano

This budget also allows for the planned opening of a second secondary autism ARP at Haverstock Schools from September 2023.

**vi) Increased funding for external provision £1.2m**

This section refers to out borough, independent and college placements as well as individual tuition and therapy budgets. The additional condition of grant for a 3.4% increase in special school funding rates will apply to all other local authorities but wider than that, all settings will be responding to the wider economic situation of inflation and pay awards. This will impact on HNB budgets as requests for fee increases are received. Each of these will be considered on their own merits but at this stage budgets have been uplifted by 8.4% as a provision.

Negotiations with the NCL Integrated Care Board on the contribution to speech therapy are ongoing and at this stage only an inflationary increase has been included.

**vii) increase outreach services to support all schools £400k**

The HNB funding available represents an opportunity to enhance provision across Camden. This is set out in the priorities of the Camden Local Area SEND Strategy for 2022- 2027

Discussions are underway with the Primary Learning Support Service (PLSS)/Camden Language & Communication Service (CLCS) run by Robson House around additional funding required to maintain this valuable service.

Discussions have also been held with CCfL regarding the Keystage 4 pathways programme CCfL. It has been agreed that the HNB will underwrite 32 places on this programme in 2023/24 to provide stability and certainty for this service. If all 32 places are filled by schools this will not cost the HNB anything. This initiative will be monitored and reviewed if necessary in future years.

The cluster model has always included a proposal for devolved funding for clusters to allocate to training/CPD and development projects. As the pilot has been rolled out these proposals have been fleshed out. The current handbook states each cluster has £15k for CPD and £5k for projects. For 2023/24 it is proposed that these are rolled into one flexible pot of £25k per cluster, to cover a combination of projects and CPD over which the cluster makes decisions on what they spend it on. Little has been spent in 2022/23 and we are proposing that these amounts are reflected against 2023/24 allocations so as not to disadvantage clusters that have not yet started or considered this funding.

A central provision for training will be maintained for 2023/24. In 2022/23 this has funded the Autism Educational Trust training programme across all schools. This is an ongoing programme into 2023/24. It has also funded a one off project for the academic year 2022/23 with MENCAP working with Swiss Cottage school to develop employment pathways.

**viii) Continued support of Rhyl satellite.**

As agreed at February 2022 Schools Forum meeting, continued support of the primary PRU satellite at Rhyl was extended on a 50/50 basis with schools funding for 2 years until end of financial year 2023/2024. This funding will no longer be shown as a contribution from reserves but as part of PRU revenue funding from the HNB. The cost of the PRU satellite was £183.3k in 2021/22 so was around £92k to both the HNB and SB. The latest projection from Robson House is for a similar figure for 2022/23

**Summary table**

These proposals for 2023/24 are summarised in the final column of table 1 above. Despite the increased spend to over £47.5m it still produces a £5m contribution to reserves

**5. Finance Comments of the Executive Director Corporate Services**

Finance comments have been built in throughout this report.

**6. Legal Comments of the Borough Solicitor**

The Borough Solicitor has been consulted and has no comments to add to this report.

**7. Environmental Implications**

There are no environmental implications.

**REPORT ENDS**