



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Children, Young People and Education Executive Member for Finance and Governance
LEAD OFFICERS:	Strategic Director of Finance & Resources
DATE:	Thursday, 13 April 2023

PORTFOLIO/S AFFECTED:	Finance and Governance
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WARD/S AFFECTED:	(All Wards);
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KEY DECISION:	Y
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SUBJECT: EB High Needs and Early Years DSG for 2023-24

1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to seek the Executive Board's approval to the allocation of the High Needs Block funding and the Early Years Block funding provisions paid to the Council as part of the Dedicated Schools Grant for 2023/24.

2. RECOMMENDATIONS

2.1 That the Executive Board:

- a) note the Council's High Needs Block funding for 2023/24 as shown at **Appendix A**;
- b) endorse the budget allocations for the High Needs Block as set out at **Appendix B**.
- c) note the Council's Early Years Block funding for 2023/24 as shown at **Appendix C**.
- d) endorse the budget allocations for the Early Years Block as set out at **Appendix C**.

3. BACKGROUND

3.1 Dedicated Schools Grant (DSG) is paid to the Council in support of the Local Authority's Schools Budgets. It comprises four blocks (Schools Block, High Needs Block, Early Years Block and Central School Services Block). It is the responsibility of the Council, in conjunction with their local Schools Forum, for determining the split of the funding between their own expenditure and the Individual Schools' Budgets.

3.2 For 2023/24, DSG totals £195.129m and is shown, by block and in comparison to 2022/23, in the table below:-

Table 3: Dedicated Schools Grant 2023/24

	2022/23 £000	2023/24 £000	Change £000
Schools Block	142,241	148,763	6,522
Central Services Block	1,944	1,770	(174)
High Needs Block	29,442	32,609	3,167
Early Years Block	11,376	11,987	611
Total	185,003	195,129	10,126

3.3 In accordance with Schools Forum Regulations, the allocation of the Schools Block, Central Services Block and the Early Years Block Central Spend is a matter for the Schools Forum to decide. The allocation of the High Needs Block and all other allocations of the Early Years Block is a matter for the Council to decide (although it is good practice to inform the Schools Forum of the proposed allocations).

4. RATIONALE

- 4.1 High Needs Block funding is provided to the Council to enable it to meet its statutory duties under the Children and Families Act 2014.
- 4.2 The development and implementation of the budget for the High Needs Block underpins the provision of education for pupils and students with special educational needs or disabilities (SEND), from early years to age 25 and alternative provision for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream schools.
- 4.3 Those elements of the Early Years Block that are a matter for the Council to consider support....

5. KEY ISSUES & RISKS

Overall Funding Allocation 2023/24

- 5.1 Details of the High Needs Block funding for 2023/24 were provided to the Council as part of the Government's announcement on the Dedicated Schools Grant for 2023/24 in December 2022. The High Needs Block funding allocation is calculated using the High Needs National Funding Formula (NFF) which comprises a range of factors – a basic entitlement, population and a historic spend factor (uplifted annually) reflecting past spending.
- 5.2 The calculation of the Council's High Needs Block funding allocation for 2023/24 is provided at Appendix A (with a comparison to the funding received in 2022/23). The Executive Board will note that the Council's funding allocation for 2023/24 will be £32.810m (compared to £29.442m in 2022/23), an increase of £3.368m (or 11.4%) when compared to the previous year. This is primarily a result of the following matters:-
- a 9% increase in the number of pupil places when compared to 2022/23;

- a national increase in the High Needs Funding in 2023/24 of £570m (or 6.3%) compared to the amounts allocated in 2022/23. For the Council, this is largely reflected in an increase of £2.781m in the Historical Spending (and the range of proxy factors); and
- mainstream additional grant funding of £1.296m (see 5.4 below).

High Needs Block – Proposed Budget Allocation 2023/24

- 5.3 As shown at Appendix A, in 2022/23 it was agreed by the Schools Forum that 0.5% of the Schools Block would not be transferred to the High Needs Block. This is permissible under current operational guidance for DSG. In view of the continuing pressures on special education, the Schools Forum agreed to the transfer of 0.13% of the Schools Block to balance the pressure of the High Needs Block which equates to £0.200m in 2023/24. However the growing pressures on the schools budget meant that we were not in a position for 2023/24 to transfer the full 0.5% which would have been £0.744m.
- 5.4 The mainstream additional grant funding of £1.296m is the Council's share of an additional £400m High Needs grant funding provided to Councils on top of the DSG High Needs allocation for 2023/24. It was announced by the Government at Spending Review 2022 last Autumn. Although no specific guidance has been shared at this point, it is understood through relevant channels that, this amount is to cover wider cost pressures in special schools and alternative provision'.
- 5.5 The allocation of the High Needs Block funding for 2023/24 builds upon the agreed budget for the current financial year. Details of the proposed budget are set out at Appendix B. For the financial year ending 31st March 2024, Blackburn with Darwen Borough (BwD) council received an increase in their Dedicated Schools Grant allocations for High Needs of £3.368m.
- £0.515m of the increased allocation is to be used internally within the Council to support the "in-house" SEND provision. This covers the Send Support services available to the schools, to help identify and provide a service to support those schools with children Educational Health Care Plans (EHCPs). By providing this support internally, it helps support the Borough's schools to educate a large amount of our children in the mainstream school setting making the school offer a more inclusive option for the children of BwD;
 - £2.853m of the increase in funding is to be allocated across the various School provisions within BwD and Out of Borough. This accounts for financial support by the way of place- and 'top up' funding to schools to maintain the current level of EHCPs along with allocating new EHCPs for due to the identification of increase of needs for some of our Children. Budget has been provided for an additional 30 Special School places across the Borough (on top of the additional 20 in 2022/23), to help ease the reliance on Out of Borough Special Schools, as those places can cost approx. three times an average Special School place. This would also keep those children in Borough, without the need to travel far to school. Top up rates have increased by 4% for all pupils with an EHCP this covers both mainstream and special places. Also a mainstream additional grant based on 3.4% of the overall individual special schools and alternative provision for 2022/23 has been passed on to those schools in 2023/24.
- 5.6 The Executive Board is asked to endorse the budget allocations for the High Needs Block as set out at Appendix B. In doing so, the Executive Board should note that details of the funding allocations and budgets for the High Needs Block for 2023/24 were considered by the Schools Forum at its meeting in March 2023.

Early Years Block – Proposed Budget Allocation 2023/24

- 5.7 Details of the Early Years Block funding were provided to the Council as part of the Government's announcement on the Dedicated Schools Grant for 2023/24 in December 2022. The Early Years Block is the only allocation of the DSG that fluctuates based on actual numbers of hours on the Early Years Census. Following the final submission of the Early Years Census in Spring 2023, the allocation for 2023/24 will be revised in July 2023 and the DfE will notify the Council of the change in funding.
- 5.8 The Council must pass through at least 95% of the grant to the providers, with the rest classed as centrally retained funding. The centrally retained funding is used to support the administration of the grant and the Council can retain this with the approval of Schools Forum. The centrally retained funding of £0.737m for 2023/24 was approved by Schools Forum at the meeting in March 2023.
- 5.9 For 2022/23, the Early Years allocations have been adjusted for actual hours claimed from the providers and therefore the revised grant allocation was £11.376m. The original allocation announced in December 2021 was £10.887m as shown in Appendix C.
- 5.10 The allocation of the Early Years Block funding for 2023/24 builds upon the agreed budget for the current financial year. Details of the proposed budget are set out at Appendix C. For the financial year ending 31st March 2024, the Council received an increase in their Dedicated Schools Grant allocations for Early Years of £0.611m based on allocations for 2022/23 announced in July 2022. An explanation of the main changes in provided below:-
- £0.189m increase is in relation to the additional 10p per hour on the base rate for 3 and 4 year olds. This is based on the allocation of 570 hours per year for eligible pupils.
 - £0.019m increase is in relation to the additional 6p per hour on the base rate for 2 year olds. This is based on the allocation of 570 hours per year for eligible pupils.
 - £0.395m of the increase allocation relates to the increase in the maintained nursery supplement grant. This grant is to support the level of funding applied to maintained nursery schools (MNS) before the introduction of the Early Years National Funding Formula (EYNFF). Prior to the announcements of the grant for 2023/24 the Department for Education (DfE) consulted with stakeholders on the best way to allocate this funding, as all LA's across the country were paying different rates for this funding. It was decided that they would introduce a minimum amount per hour as £3.80 for 2023/24. As BwD rate was only £0.88 prior to 2023/24, we have seen this significant increase in the funding. This grant is required to be passed over fully to the Maintained Nursery Schools.
- 5.11 The Executive Board is asked to endorse budget allocations for the Early Years Block as set out at Appendix C. In doing so, the Executive Board should note that details of the funding allocations and budgets for the Early Years Block for 2023/24 were considered by the Schools Forum at its meeting in March 2023.

6. POLICY IMPLICATIONS

- 6.1 There are no policy implications arising directly from this report.

7. FINANCIAL IMPLICATIONS

7.1 The financial implications are as given in the report.

8. LEGAL IMPLICATIONS

8.1 There are no legal implications arising directly from the contents of this report.

9. RESOURCE IMPLICATIONS

9.1 There are no other resources implications arising from the contents of this report.

10. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

11. CONSULTATIONS

11.1 None arising from the contents of this report.

12. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

13. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION: 1

CONTACT OFFICER:	Ailsa Smith, Kirsty Thompson
DATE:	April 2023
BACKGROUND PAPER:	<p>Appendices</p> <p>Appendix A – Calculation of the High Needs Block Funding Allocation for 2023/24</p> <p>Appendix B – Budget Allocations for the High Needs Block for 2023/24</p> <p>Appendix C – Early Years Block Allocations and Proposed Budget for 2023/24</p>