

<b>REPORT TO:</b>	Schools Forum
<b>DATE:</b>	26th February 2025
<b>REPORTING OFFICER:</b>	Operational Director – Finance
<b>PORTFOLIO:</b>	Children, Young People & Families
<b>SUBJECT:</b>	DSG High Needs Block 2025-26
<b>WARD(S)</b>	Borough wide

## 1.0 PURPOSE OF THE REPORT

To update Schools Forum on the relevant Dedicated Schools Grant (DSG) allocation for High Needs, and to seek views on how the Local Authority intends to use this funding across the range of high needs activities for financial year 2025-26, including for schools. Halton schools' High Needs elements will be notified alongside mainstream and pre-school budget elements on or before 28<sup>th</sup> February 2025, in accordance with the national guidance.

## 2.0 RECOMMENDATION

That the contents of this report are noted.

## 3.0 SUPPORTING INFORMATION

### 3.1 Dedicated Schools Grant (DSG) settlement

The 2025-26 DSG settlement was announced on 18<sup>th</sup> December 2024 allocating Halton a total of £168.551m, which is broken down as £117.833m for the Schools Block, £0.765m for the Central Schools Services Block, £29.267m for the High Needs Block, and £20.686m for the Early Years Block.

### 3.2 High Needs Block

The High Needs Block allocation has been announced as £29.267m, before Academy and Further Education (FE) recoupment, but including the deduction in respect of net exports of SEND children being educated in other areas.

Academy and FE recoupment will be £3.806m for the per place funding element deductions, as identified by the DfE published allocations. No intra-block transfer additions have been applied this year (for the first time, Schools Block faced a small shortfall). For 2025-26 Halton therefore has £25.461m for distribution to specialist providers, and to contribute to supporting the ongoing cost pressures being faced by the High Needs block.

This allocation represents at the high level an increase of 8% in annual funding, within which both inflationary pressures and increases in demand, must be accommodated.

Schools' Forum is requested to note the funding rates to be applied to the High Needs block allocations on the basis of 'place plus' (top-up) funding for specialist provision including Mainstream SEND Units.

### **Mainstream Schools with Resource Units - Funding 2025-26**

Mainstream units (resource bases) are funded on a 'place plus' basis where the Place funding element is set at £6,000 per occupied place and £11,000 for unoccupied places. The occupied rate is less, as it is expected that the children being supported in the special units will also be on roll at the school, and therefore also included in the main school formula funding allocation (so-called *notional* funding). The actual amount of funding each child will attract through the mainstream funding formula will vary with individual characteristics, but it is reasonable to assume that at least some of the additional factors will be triggered (Free school meal entitlement, postcode deprivation, low attainment), above and beyond the basic per pupil amount, meaning that each will generate at least the £5,000 difference.

The 'plus' element is the top-up funding provided for occupied places, and is subject to Forum approval. LA recommendations are as per the table below:

School / Academy	Unit	2024-25 rounded	2025-26 rounded	2025-26 Uplift
<b>Primary</b>		<b>£</b>	<b>£</b>	<b>%</b>
Weston Point	EBD	5,537	5,648	2%
Halton Lodge	SEMH	12,475	12,725	2%
The Brow*	KS 1 Assessment	3,282	3,348	2%
The Brow*	KS2 SPL	0	7,272	
Woodside	EBD	4,478	4,568	2%
Woodside	KS1 SEMH	7,129	7,272	2%
Beechwood	SEMH	7,129	7,272	2%
Kingsway Academy (Simms Cross)	KS1/2 ASD	4,956	5,055	2%
Kingsway Academy	KS1/2 ASD	7,129	7,272	2%
Oakfield	KS 1 Assessment	4,491	4,430	2%
Oakfield	KS2 SPL		7,272	
Oakfield	KS1 SLCN	7,129	7,272	2%
Oakfield	KS2 SLCN	7,129	7,272	2%
Palace Fields	SPL		7,272	
The Grange	KS1/2 ASD	6,374	6,501	2%
Astmoor	KS1 SEMH	7,129	7,272	2%
Astmoor	KS2 SEMH	7,129	7,272	2%
St Basil's*	EYFS Assessment	7,129	7,272	2%
St Basil's	EY/KS 1 Assessment	7,129	7,272	2%
Victoria Road	KS1 SEMH	7,129	7,272	2%
Victoria Road	KS2 SEMH	7,129	7,272	2%
Westfield	KS1 SLCN	7,129	7,272	2%
Westfield	KS2 SLCN	7,129	7,272	2%

### **Secondary**

The Grange	KS3/4 ASD	10,283	10,489	2%
Sts. Peter & Paul	KS3/4 ASD	8,942	9,121	2%
Sts. Peter & Paul*	KS3 ASD (Oratory)	9,592	9,784	2%
Sts. Peter & Paul**	KS4 ASD	9,592	9,784	2%

\* expected operational during 2025/26

\*\*expected operational during 2026/27

### **Special Schools and Pupil Referral Unit (PRU)**

Special Schools and PRUs are funded on a place plus basis where the Place funding element is set at £11,000 per place, whether occupied or unoccupied (as there is no mainstream funding element to differentiate). For Special Schools the *plus* element is the top-up funding provided for occupied places only and is based on a Banding system which recognises the severity of SEND and associated support requirements, in accordance with the individual pupils' Education Health and Care Plans (EHCP). The top-up banding values vary per school, recognising the differing running costs at each.

The PRU top up value is intended to contribute to all running costs, including vocational courses for pupils. Where schools and academies commission any places directly with the PRU, then they are responsible for funding the top-up element.

#### **Plus (top-up) Funding per Special School and PRU:**

School	Banding	2024-25	2025-26	2025-26 Uplift
		£	£	%
Ashley	Level 1	8,267	8,432	2%
	Level 2	11,020	11,240	2%
	Level 3	16,554	16,885	2%
Chesnut Lodge	Level 1	11,023	11,243	2%
	Level 2	13,210	13,474	2%
	Level 3	16,641	16,974	2%
Brookfields	Level 1	6,737	6,872	2%
	Level 2	10,179	10,383	2%
	Level 3	17,142	17,485	2%
Cavendish	Level 1	8,435	8,604	2%
	Level 2	11,063	11,284	2%
	Level 3	16,483	16,813	2%
The Bridge - PRU	Level 1	16,822	17,158	2%

For transparency, all Special Schools and the PRU will be provided with confirmation of their 2025-26 budget allocations with an individual notification highlighting all funding factors, values, termly payment profile, and ESFA recoupment where applicable.

### **Further Education (FE) Element 3 Top-Up Funding**

The High Needs DSG statutory guidance stipulates that the Local Authority must treat FE establishments fairly and consistently when making arrangements to fund young

people with high needs.

As with other top-up elements, Halton proposes to apply a 2% uplift to FE element 3 funding with effect from April 2025.

**Schools' Forum is therefore requested to support the uplift for 2025-26 as outlined above.**

These allocations, and consequent budgetary totals, are illustrated in more detail in **Appendix A**, attached.

#### **4.0 POLICY IMPLICATIONS**

High Needs pressures will impact on the Delivering Best Value programme.

#### **5.0 FINANCIAL IMPLICATIONS**

5.1 The financial aspects outlined throughout this paper have been developed in accordance with statutory financial regulations, and operational guidance relevant to the Dedicated Schools Grant (DSG) requirements.

5.2 The proposals included within this paper are intended to be funded from within the available DSG High Needs block allocation provided for 2025/26. As we have seen, this is a planned uplift figure from 2024/25. Recognition of this, and appreciation of schools' inflationary costs, is the rationale for applying a 2% percentage increase to all top-up rates, as well as addressing the anomalous situation with several resource base provisions currently receiving only place-based funding.

5.3 Projected costs for all anticipated demands on High Needs funding, as shown in **Appendix A**, total to a gross estimate of £38.737m, a substantial amount in excess of gross High Needs allocation of £29.267m. Significant expansions in numbers and specifications of resource bases, increasing numbers and costs of out-of-borough provision, increases in numbers and value of EHCP (Education & Health Care Plan) assessments are all contributory factors in generating an initial forecast shortfall of £9.47m.

5.4 Maintaining all top-up figures at 2024/25 levels i.e. not applying a 2% uplift, would reduce the initial shortfall by £241k, from £9,470,512 to £9,229,682, and not now applying top-ups to those bases not currently in receipt would reduce it by a further £223K. Clearly such strategies would need to form part of a far greater package of measures to have any real significance.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence**

To ensure that in Halton children and young people are safeguarded, healthy and happy, and receive their entitlement of high quality services that are sensitive to need, inclusive and accessible to all.

##### **6.2 Building a Strong, Sustainable Local Economy**

To create an economically prosperous Borough that encourages investment, entrepreneurship, enterprise and business growth, and improves the education, skills and employment prospects of our residents and workforce so they can share in all the opportunities Halton affords.

### **6.3 Supporting Children, Young People and Families**

It is essential that sufficient funding is available to support all children and young people, irrespective of their level of need.

### **6.4 Tackling Inequality and Helping Those Who Are Most in Need**

High Needs budgets are key to improving outcomes for those children in greatest need.

### **6.5 Working Towards a Greener Future**

None

### **6.6 Valuing and Appreciating Halton and Our Community**

None

## **7.0 RISK ANALYSIS**

Failure to comply with the statutory financial regulations and operational guidance relevant to Dedicated Schools Grant (DSG) requirements could result in formal intervention by the Department for Education (DfE).

## **8.0 EQUALITY AND DIVERSITY ISSUES**

The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

## **9.0 CLIMATE CHANGE IMPLICATIONS**

None.

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

- 10.1 Background papers and further information, including the statutory guidance that has informed this report, can be obtained via Gov.uk

For any enquiries contact [Naheem.Shafiq@halton.gov.uk](mailto:Naheem.Shafiq@halton.gov.uk).

## Appendix A High Needs Commitments 2025-26

			<b>2025/26 GROSS BUDGET</b>
<b>Resource Units</b>	<i>Primary</i>		
	Weston Point (A)	EBD	£93,184
	Halton Lodge (A)	SEMH	£112,350
	The Brow (M) 1	KS1 Assessment	£126,526
	The Brow (M) 2	KS2 SPL	£228,105
	Woodside (M) 1	EBD	£95,112
	Woodside (M) 2	KS1 SEMH	£92,904
	Beechwood (M)	SEMH	£106,176
	Kingsway (A) 1	KS1/2 ASD	£265,320
	Kingsway (A) 2	KS1/2 ASD	£157,357
	Oakfield (M) 1	KS1 Assessment	£74,067
	Oakfield (M) 2	KS2 SPL	£159,264
	Oakfield (M) 3	KS1 SLCN	£106,176
	Oakfield (M) 4	KS2 SLCN	£113,567
	Palace Fields (A)	SPL	£132,720
	The Grange (A)	KS1/2 ASD	£312,525
	Astmoor (M) (1)	KS1 SEMH	£106,176
	Astmoor (M) (2)	KS2 SEMH	£106,176
	St Basil's (M) 1	EYFS Assessment	£123,186
	St Basil's (M) 2	EY/KS1 Assessment	£113,951
	Victoria Road (M) 1	KS1 SEMH	£116,031
	Victoria Road (M) 2	KS2 SEMH	£109,937
	Westfield (M) 1	KS1 SLCN	£125,886
	Westfield (M) 2	KS2 SLCN	£111,679
	<i>Secondary</i>		
	The Grange (A)	KS3/4 ASD	£263,824
	Sts Peter & Paul (M) 1	KS3/4 ASD	£60,484
	Sts Peter & Paul (M) 2	KS3 (Oratory) ASD	£134,909
	Sts Peter & Paul (M) 3	KS4 ASD (Sept 26)	£0
<b>£3,547,592</b>			

<b>Special Schools</b>	Ashley (M)	L1	£1,554,560
		L2	£444,800
		L3	£752,895
	Chesnut Lodge (M)	L1	£311,402
		L2	£318,162
		L3	£1,700,440
	Chesnut Lodge (M)	Exceptional	£0
	Brookfields (A)	L1	£160,848
		L2	£1,389,895
		L3	£1,623,645
	Cavendish (A)	L1	£450,892
		L2	£1,158,768
		L3	£890,016
	Cavendish (A)	Exceptional	£51,000
Raise (F)		£954,360	
Ashley	Individual Pupils	£29,570	
Chesnut Lodge	Individual Pupils	£68,419	
Brookfields	Individual Pupils	£25,523	
Cavendish	Individual Pupils	£109,235	
			<b>£11,994,430</b>

<b>Pupil Referral Units</b>	The Bridge	L1	£2,787,642
	The Bridge	Exceptional	£48,348

<b>EHCP Top-Ups</b>	Primary (Maintained)		£2,413,075
	Secondary (Maintained)		£152,992
	Primary (Academy)		£1,015,200
	Secondary (Academy)		£1,310,438

<b>Other</b>	Out of Borough Placements		£9,227,983
	Post-16 Further Education Colleges		£3,893,744
	Therapy		£20,400
	SEN Support Services		£2,280,293
	Support for Inclusion		£45,492

<b>TOTAL EXPECTED HIGH NEEDS COMMITMENTS 2025/26</b>			<b>£38,737,629</b>
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