

## Agenda Item



## Report Status

For information / note   
For consultation & views   
For decision

## Report to Haringey Schools Forum – 24<sup>th</sup> February 2022

**Report Title: Dedicated Schools Grant (DSG) – High Needs Block (HNB) Update**

### Authors:

Brian Smith  
Schools Finance Manager  
Email: [Brian.Smith@haringey.gov.uk](mailto:Brian.Smith@haringey.gov.uk)

Mary Jarrett  
Head of Integrated SEND  
Email: [Mary.Jarrett@haringey.gov.uk](mailto:Mary.Jarrett@haringey.gov.uk)

### Report authorised by:

Josephine Lyseight  
Head of Finance  
Email: [Josephine.Lyseight@haringey.gov.uk](mailto:Josephine.Lyseight@haringey.gov.uk)

### Purpose:

To provide a review of the DSG High Needs Block usage and the indicative 2022-23 allocation.

### Recommendations:

1. Schools Forum to note the revised indicative allocations of the 2022-23 High Needs Block (HNB) (section 2)

## 1. Introduction

- 1.1. There has been a significant uplift in the HNB grant from the Education and Skills Funding Agency (ESFA) for 2022-23. The grant after recoupment and deductions has increased by £6.664m from £43.406m in 2021-22 to £50.070m. This is an increase of 15%.
- 1.2. In reviewing the areas of support funded by the HNB there are a few areas that have historically received support that should no longer be funded from this funding

source. Conversely, the council is carrying out an exercise reviewing services that have been funded from core council budgets that are chargeable to the HNB. It is expected that there will be a net nil effect to both the overall funding of the services and to the expenditure allocated to the HNB. This work is ongoing and will be concluded shortly and reported to a future HNB working group meeting and Schools Forum.

## 2. Funding updates for 2022-23

2.1. The following Table A shows the indicative budgets set at the beginning of 2021-22; the revised allocations after in-year funding announcements; and the indicative allocation of the 2022-23 HNB grant.

**Table A: Indicative HNB budget allocations 2021-22 and 2022-23**

	2021-22	2021-22	2022-23		
	Indicative budget set £	Revised budget £	Indicative budget £	Increase £	Notes
<b>High Needs Block Service</b>					
<i>Early Help contribution*</i>	1,230,000	1,230,000	1,230,000		
<i>SEN Transport*</i>	225,000	225,000	225,000		
<i>HNB-DSG Cont Adm &amp; Welfare*</i>	350,000	350,000	350,000		
<i>Parenting -Information Advice &amp; Support*</i>	96,000	96,000	96,000		
<i>* Utilisation to be determined</i>					<i>*£1.901m Utilisation to be determined</i>
HNB Support to Alternative Provisions	1,521,000	1,521,000	1,900,000	379,000	Implementation of IYFAP decisions
HNB Support to Early Years	682,000	682,000	682,000		
HNB Support to Schools (PRU + Hospitals)	908,500	908,500	908,500		
Independent & Voulntary Schools	7,639,219	7,639,219	8,361,000	721,781	Increase in placement numbers & costs
Learning Support Services	1,100,000	1,100,000	1,100,000		
Maintained - Funding	6,180,000	6,180,000	6,635,000	455,000	Increase in funded pupil places
Maintained - Top Ups	21,000,000	21,344,477	24,575,665	3,231,188	Increase in top up costs
SEN contingency	1,300,000	1,300,000	1,300,000		
SEND Team	300,000	300,000	300,000		
Sensory Support	530,000	530,000	530,000		
<i>Late announced additional DSG HNB grant*</i>			1,876,719	1,876,719	<i>*£1.877m Utilisation to be determined</i>
<b>High Needs Block Total</b>	<b>43,061,719</b>	<b>43,406,196</b>	<b>50,069,884</b>	<b>6,663,688</b>	

- 2.2. Most notably, the council is due to receive an increase of around 15% in HNB grant in 2022-23. This is driven by an increase in overall funding from the ESFA and also an increase in funded places and pupil numbers. This increase is very welcomed as the council has seen demand increase by an average of 11% per annum since 2014.
- 2.3. Furthermore, the demand for place and top up funding been far more than the available budgets and the HNB is forecasted to overspend by £6.7m in 2021-22.
- 2.4. Additional funding of almost £380k has been allocated to the Alternative Provision service to fund the cost-of-service provision because of decisions of the In-Year Fair Access Panel (IYFAP).
- 2.5. Demand for places and the cost of placements have seen a year on year increases for several years. Additional budgets have been allocated where possible to better reflect the cost of service provision across all settings for places and top up funding. This totals an additional £4.4m indicative allocation for Independent & Voluntary Schools (£0.7m); maintained place funding (£0.5m); and top up funding (£3.2m). It should be noted that even with this additional money, the demand still outstrips the available budgets.
- 2.6. In January 2022 the ESFA announce a further increase in the HNB of £1.8m over and above the increase announced on 16th December 2021. This money his yet to be allocated. There is a current review of the overall HNB service provision model being carried out by an independent company to look at potential changes to service delivery.

### **3. HNB Forecast outturn position 2021-22**

- 3.1. The HNB continues to overspend in 2021-22 and demand has increased again since Quarter 2. The Quarter 3 forecast in-year overspend has increased by £0.3m from £6.4m to £6.7m
- 3.2. The forecasted accumulated HNB deficit at the end of 2021-22 is now £23.7m.