

The Dedicated Schools Grant and High Needs Block



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The Dedicated Schools Grant and High Needs Block

- Cannot go through school funding formula. It is very complicated and I used to be an A Level Maths Teacher.
- Funding framework for maintained and non-maintained schools.
- Key definitions
- Outline of permissible and non-permissible expenditure under the dedicated schools grant.

Background

- SS.14 to 15 of the Education Act 2002 empowers the Secretary of State (in England) and the Welsh Minister (in Wales) to fund education.
- S.16 allows funding to be subject to conditions.

Type of School	M or NM	Notes
Community	Maintained	
Foundation	Maintained	
Voluntary Aided	Maintained	
Voluntary Controlled	Maintained	
Academy	Non-maintained	
Free Schools	Non-maintained	Technically an academy

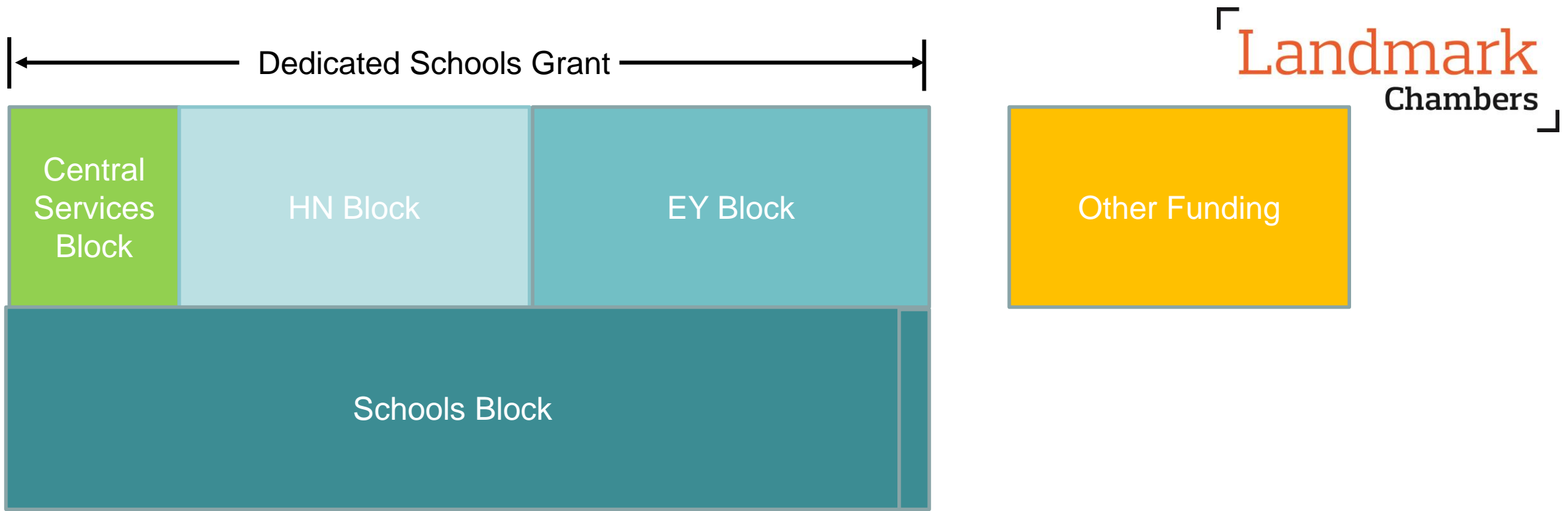
Schools funded by Local Authorities

Maintained schools

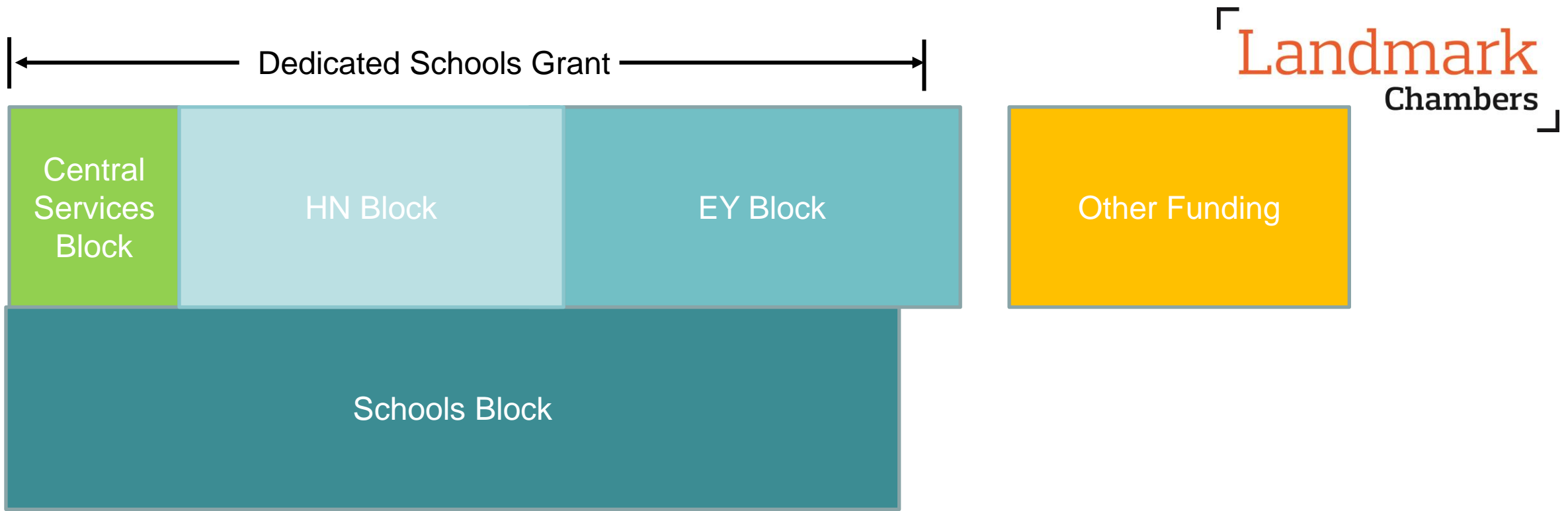
- Local authorities are funded by a Dedicated School Grant under s.14 of the 2002 Act.
- S.45 of the School Standards and Framework Act 1998 provides that every school maintained by a local authority shall have a budget share allocated to it.
- S.45A splits expenditure into non-schools education budget and schools education budget ('the schools budget').
- The Dedicated School Grant is to fund the 'Schools Budget'
- The School and Early Years (England) Regulations 2021 ('the Regulations') provides comprehensive and (very technical) rules on how this may and may not be spend.
- Under the Regulations, the Schools Budget is further split into
 - Central expenditure
 - Individual school's budget

Conditions of funding

- Dedicated Schools Grant conditions for 2021 to 2022 were published on 17 December 2020. The main conditions are:
 - Compliance with the Regulations. These come into force on 11 February 2021 and apply to the financial year beginning 1 April 2021.
 - Various auditing and accounting conditions
 - Specific rules for transferring funding between funding blocks.
 - When spending money on duties covered by Schedule 2 of the Regulations, they must treat all schools regardless of type equally.
- As we shall see this results in the Dedicated Schools Grant being allocated to four blocks:
 - The Schools Block
 - The High Needs Block
 - The Central School Services Block
 - Early Years Block
- Transfers between blocks are highly limited, are limited to 0.5% and require the consent of the school forum (or the Secretary of State, if the Schools forum's consent is not forthcoming). Anecdotally, it appears a considerable number of school's forums allocate 0.5% of the Schools Block to The High Needs Block



Before Transfer



After Transfer

Non-Schools education budget

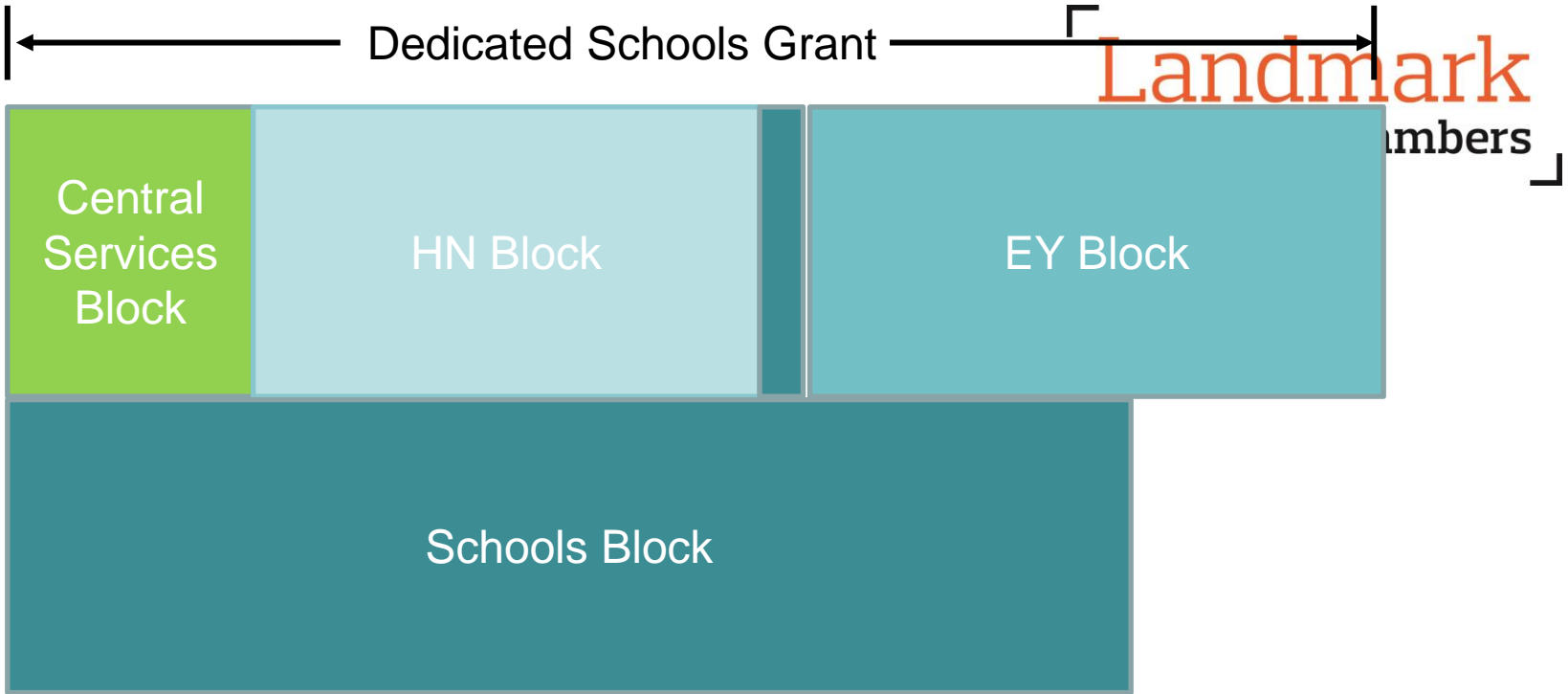
- *Defined very tightly under Schedule 1 of the Regulations*
- *OUTSIDE the Dedicated Schools Grant*
- Schools causing concern
- Access to education
 - Enforcing Attendance
 - School transport
 - Exclusion processes
- Supporting School Governors
- Legal services
- Educational Psychologists

- Non Schools education budget
- Schools Budget (Central Expenditure)
- Schools Budget (Individual Schools Budget)

Other Funding



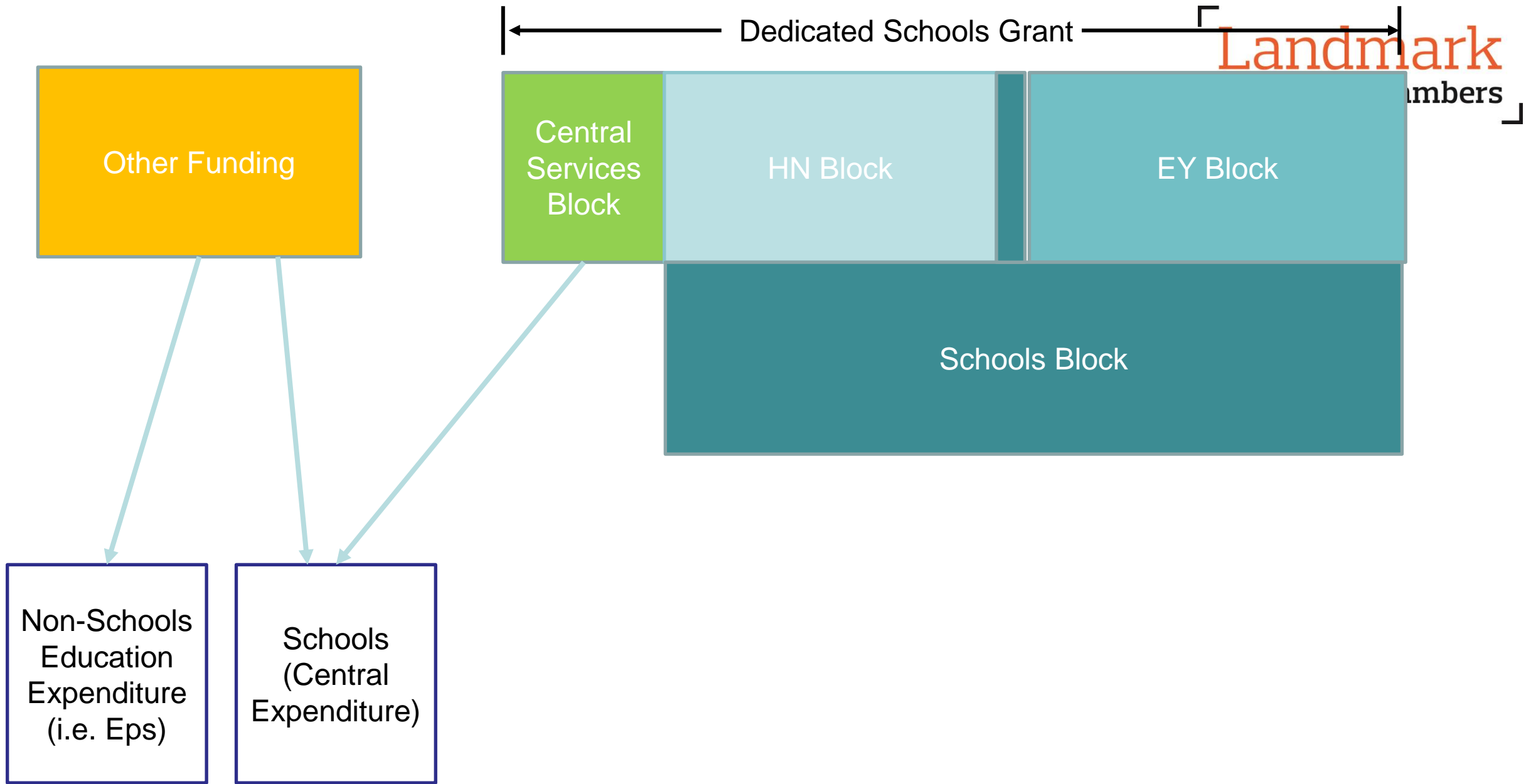
Non-Schools
Education
Expenditure
(i.e. Eps)



Schools budget (Central Expenditure)

- Tightly controlled under regulation 8 of the Regulations and Schedule 2. Requires the consent of the School Forum or the Secretary of State.
- LAs must decide by 28 February 2021 what deductions they will make under Schedule 2.
- Example expenditure includes:
 - Strategic Management
 - Auditing
 - Asset management
 - High Needs* (but see later)
 - Monitoring Attendance

- Non Schools education budget
- Schools Budget (Central Expenditure)
- Schools Budget (Individual Schools Budget)

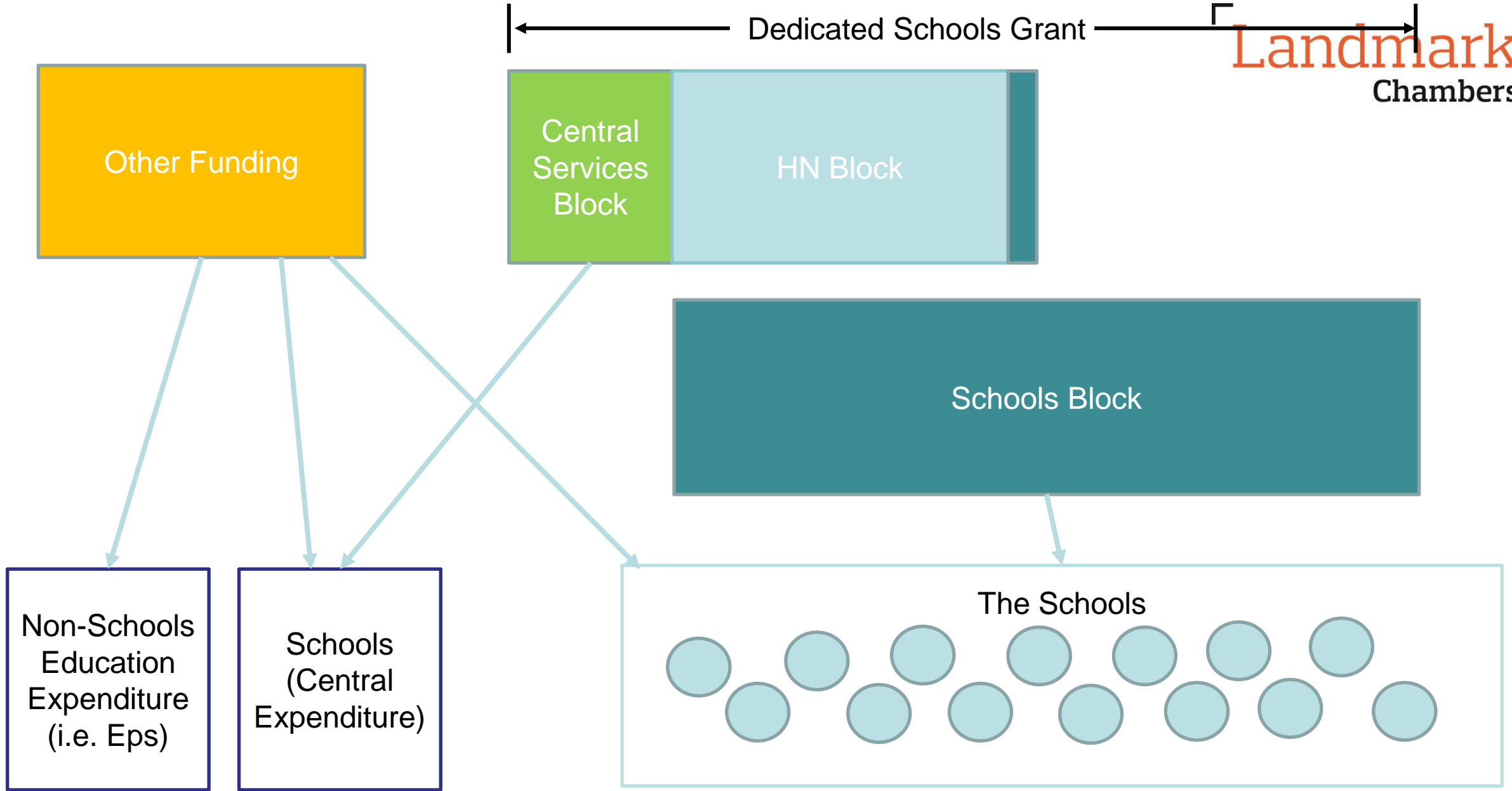


Schools budget (Individual Schools Budget)

- The amount remaining from the School's Budget which has not been spent on the Central Expenditure.
- The distribution is done according to a formula under regulation 10 which will inevitably be very complicated. However, the formula is limited to a discrete number of factors under Part 3 and schedule 3, including:
 - Pupil numbers
 - Pupils' prior attainment
 - Social deprivation
 - PFI costs
 - Lump sum per school (up to £175k)
 - First £6,000 of SEN

- Non Schools education budget
- Schools Budget (Central Expenditure)
- Schools Budget (Individual Schools Budget)

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Providing education for pupils with High Needs

- High Needs is not just pupils with an EHCP.
 - Pupils receiving Alternative Provision
 - Pupils attending a Pupil Referral Unit
 - Pupils receiving hospital education
- However, it is designed to ensure LAs meet their obligations under the Children and Families Act 2014
- Pressures have increased on High Needs Funding:
 - Population growth
 - More children with complex needs or born prematurely survive childhood.
 - More schools are using Alternative Provision as an alternative to exclusion
 - Increases in poverty, parental expectation and diagnoses (e.g. autism).

Spending on High Needs

	Schools Budget (Individual Schools Budget)	Schools Budget (Central Services)
Pupil with SEN not attending Special unit or resourced provision	First £6,000	Any top-up funding
Pupil with SEN attending Special Unit or Resourced Provision*	First £6,000 for occupied space £10,000 for unoccupied space	Any top-up funding
Targeted funding for schools with a disproportionate exposure to SEN pupils	Allocated amount. However, see guidance on limitations	
Special Schools and PRUs*	First £10,000	Any top-up funding
Section 19 Education Act 1996 (i.e. alternative provision)		Fee
Hospital Education not provided in borough		Fee
Non-maintained independent schools (i.e. placements)		Fee

*Special Schools, PRUs, Special Unit and Resourced Provision must have an additional £6k/10k per pupil allocated to them as part of the local funding formula.

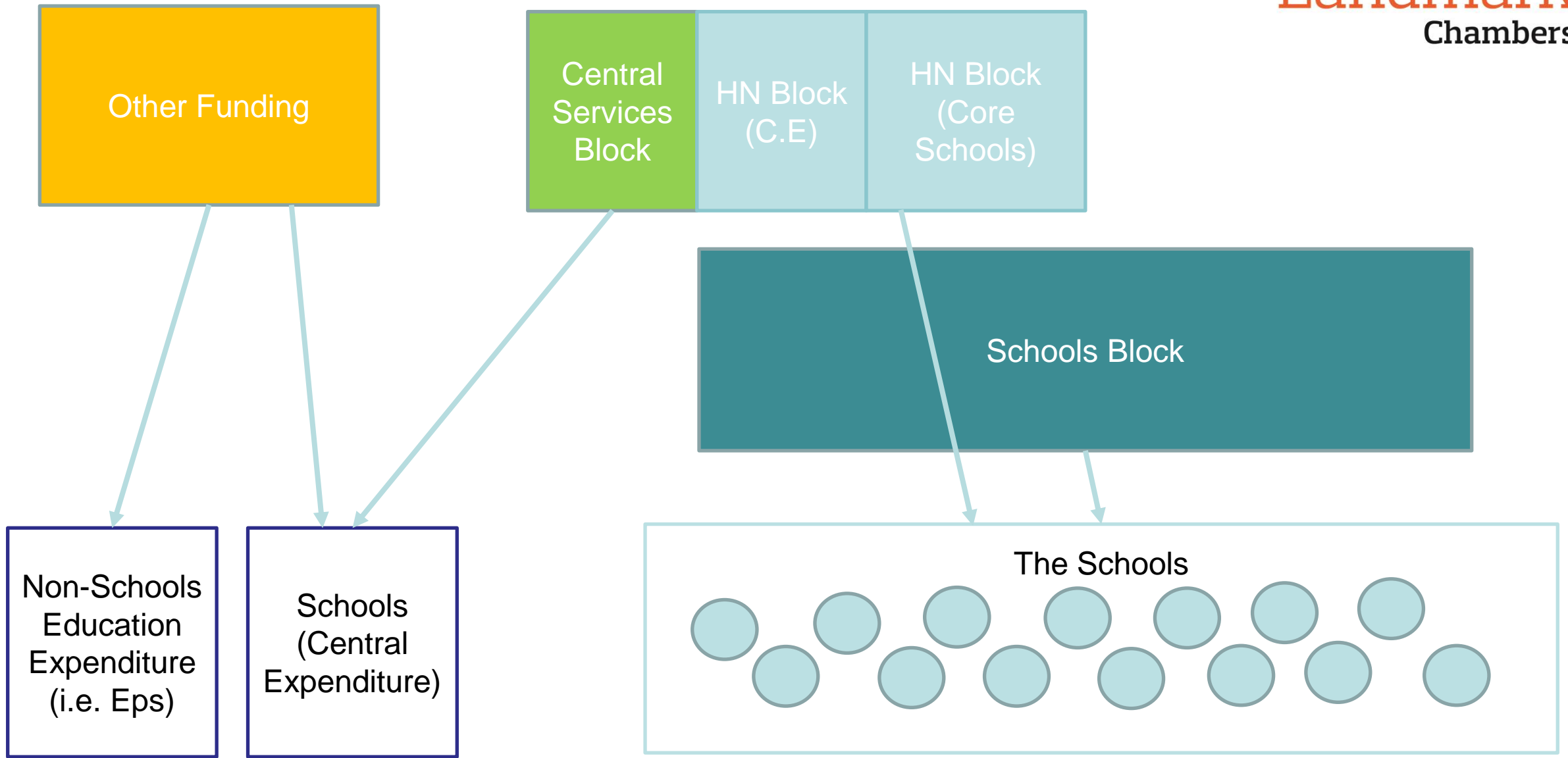
Spending High Needs Funding (Individual Schools Budget) Part 1

- Like the other aspects of the DSG, this funding is split between the Schools Budget (Central Expenditure) and the Schools Budget (Individual Schools Budget)
- Schools Budget (Individual Schools Budget):
 - Under Regulation 11(3), when LAs are determining a maintained schools budget they must assume that the first £6,000 of additional costs of educating a child with S.E.N. will be born by the school.
 - In assessing the individual school's budget, an additional £6,000 ('a floor') must be allocated for places at maintained schools with provision reserved for those with S.E.N. (Part 3, Regulation 14(2)(a)). If those places are unoccupied, the school must receive £10,000. They get more for an empty place since the occupied place receives the standard per capita funding.

Spending High Needs Funding (Individual Schools Budget) Part 2

- Schools Budget (Individual Schools Budget) (continued):
 - Targeted funding: Paragraphs 89 to 91 of the High Needs Funding Operation Guide states that
 - *Local authorities can provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their pupils with SEND and/or high needs cannot be reflected adequately in the funding they receive through the local funding formula. They should define the circumstances in which additional funding will be provided from their high needs budget. [...] In all cases the distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of pupils with SEND or high needs or their characteristics.*
 - This appears to be a means of redistributing the individual schools budget amongst maintained schools if there is credible evidence of a particular challenge.

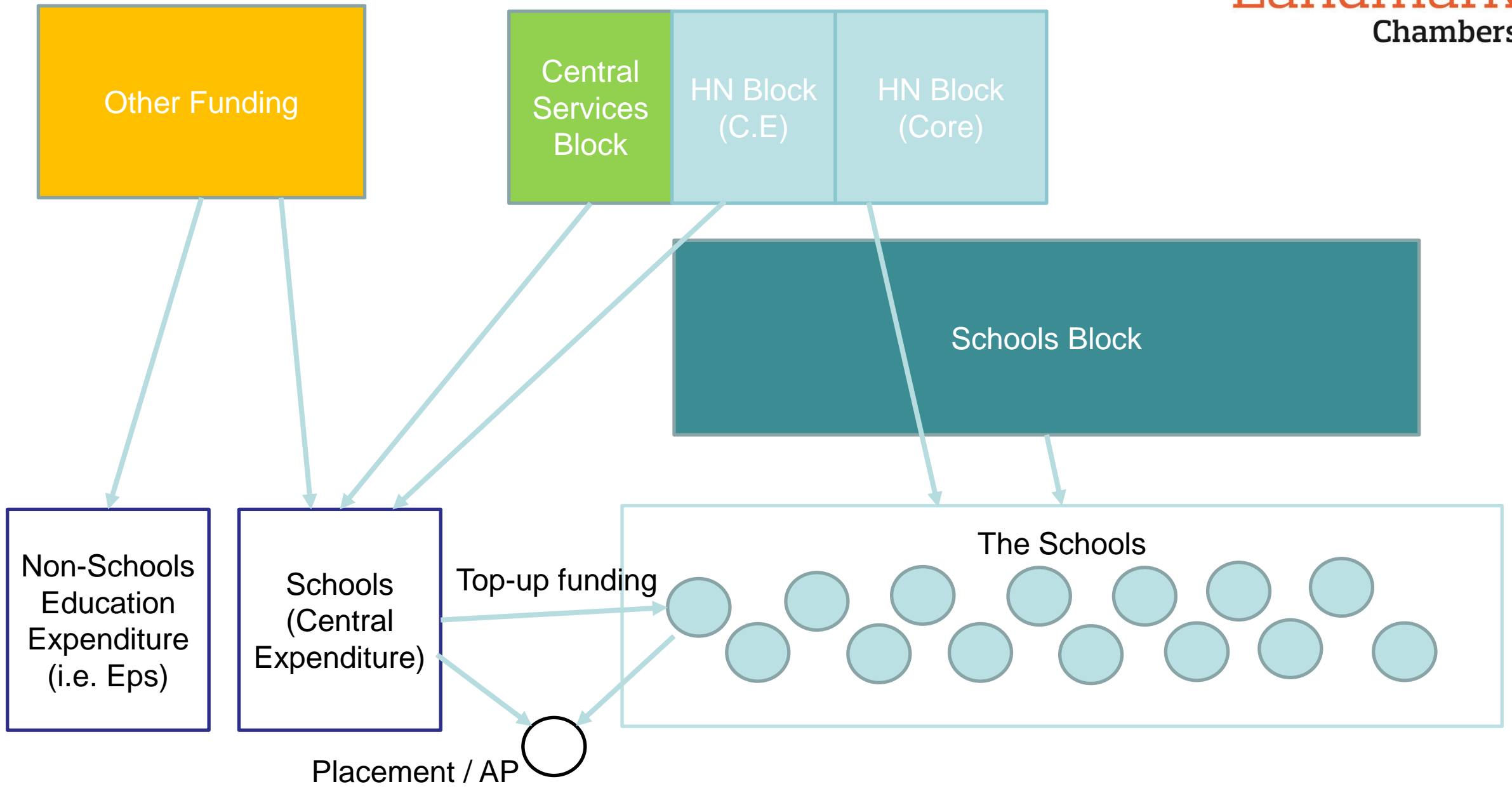
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Spending High Needs Funding (Central Expenditure) Part 1

- Like all DSG, this funding is split between the Schools Budget (Central Expenditure) and the Schools Budget (Individual Schools Budget)
- Schools Budget (Central Expenditure):
 - Top-up funding (on top of any amount ‘it is reasonable for the school’ to pay for). Therefore, there is a little bit of discretion about whether a school has to pay for the first £6,000 (i.e. could be £5,000 or £7,000 if school received targeted funding for example).
 - Placements at Special Schools (on top of the £10,000 per pupil each special school)
 - Support services for pupils with EHCP.
 - Alternative provision (technically provision under s.19 of the Education Act 1996).
 - A named school under section I of a EHCP which is not maintained.
 - Special medical support which is not provided by the NHS

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Agreeing how top up funding should be allocated

- Must be fair and transparent (often LAs use banding and applications to central funds). Cannot discriminate between pupils at maintained schools and non-maintained schools (i.e. academies).
- Ultimately, it is a decision of the Local Authority how to spend top-up funding. Can be spent on pupils without an EHCP.
- Where a pupil has an EHCP, the LA must fund any specified needs in an EHCP. However, paragraph 69 of the Operation Guide notes 'Even where provision is specified in an EHC plan, there is no statutory requirement that a local authority has to pay top-up funding at a particular rate requested by a school or institution.'
- Paragraph 83 of the Operation Guide states that top-up funding cannot be used for:
 - Overheads to be paid even if there were no High Needs pupils including the salary of the SENCO.
 - Educational Psychologists assessments
 - Costs of legal actions

Thank you for listening

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