

West Northants Schools Forum: 13 December 2023
Agenda Item 8
High Needs Budgets 2024-25

List of Appendices

Appendix A – Allocated Places for 2024-25

Appendix B - Special School RAS rates 2024-25

Appendix C – Special School Indicative budgets 2024-25

1 Purpose of Report

1.1 This report is to inform West Northamptonshire Council’s (WNC) Schools Forum of the high needs places set for 2024-25, the special school indicative budgets and the RAS rates for 2024-25 and to update on the overall high needs budget setting progress for 2024-25.

1.2 Table 1 shows the relevant responsibilities in relation to in year high needs funding arrangements which is taken from the Education and Skills Funding Agency’s Schools Forum Powers and Responsibilities, published in March 2021.

Table 1

Local Authority	Schools forum	ESFA
Financial issues relating to: <ul style="list-style-type: none"> • arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding • arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding 	Consults Annually	Gives a view and informs the governing bodies of all consultations

2 Specialist Places set for 2024-25

2.1 Place funding (elements 1 and 2) is allocated to:

- all types of special schools, apart from independent special schools

- all types of mainstream school with an SEN unit or RP and/or a sixth form that has pupils with high needs
- all types of college that educate students who have high needs

2.2 The regulations for place numbers and therefore place funding, are that they are allocated annually and provide a set amount of core high needs funding. Once place funding is allocated, it is not associated with or reserved for a specific local authority or individual pupil or student.

2.3 Place funding is not withdrawn if an individual does not occupy a funded place and this system provides all eligible schools and colleges with a guaranteed budget for the year and gives them a degree of financial stability.

2.4 Place number and funding changes for academies are submitted to the ESFA by LAs in early November each year ahead of the following academic year. This then determines the "recoupment" funding that is distributed directly to academies by the ESFA (rather than paying to LAs to devolve to schools).

2.5 WNC allocate places for maintained providers at the same time as completing the academy exercise and the places that have been set for 2024-25 and the financial implications for the WNC financial year (April 2024 to March 2025 are shown in Appendix A.

3 Indicative Special School budgets and the RAS rates for 2024-25

3.1 With the place funding set for the academic year 2024-25 (and 2023-24 previously having been set) approximately half of the special schools budgets are fixed for the 2024-25 financial year.

3.2 The top up funding (element 3) is received by special schools based on a detailed assessment of each pupil's needs, which results in a score from 1 to 10. This is termed locally as the "RAS" score or Resource Allocation Score. We receive detailed listings of each pupil in each of our special schools through a 'RAS Autumn Update' process where special schools submit their workbooks to us. From this return an indicative total top up adjustment for 2023-24, an indicative top up for 2024-25 and an indicative overall budget for 2024-25 has been provided to each special school (see appendix B)

3.3 Special schools are subject to a minimum funding guarantee in the same way that mainstream primary and secondary schools are. For 2024-25 the minimum funding guarantee is 0%. However, the RAS rates are being increased to reflect the required uplift that was in 2023-24 (and given as protection funding) and also a 3% increase to reflect that the MFG given in 2023-24 was based (by Government) on a 2021/22 baseline. Overall therefore the RAS rates for special schools are increasing by 8.15% between 2023-24 and 2024-25. These rates are published in appendix B.

3.4 Unlike place funding the top up (element 3) follows the pupil and is updated to reflect the number of days a pupil was registered in a school. This part of the budget remains indicative as it is subject to pupil changes.

3.5 The forecast indicative increase in budget required for special schools in 2024-25 is £27.77m and increase of £2.3m from the 2023-24 budget of 25.5m. The provisional high needs budget increase is £2.1m.

4 High Needs Budget Setting 2024-25

3.1 For the first time at WNC we are forecasting that the high needs overspend will push the overall dedicated schools grant into a deficit at the end of 2023-24. This will require WNC to complete a DSG deficit recovery plan to the ESFA and work on this has started as soon as this position was realised. We understand that the majority of Council's nationally are facing similar pressures on the High Needs Block funding, and are working with colleagues across the East Midlands, and nationally to research best practice of managing increasing demand without the increase in funding that we require.

3.2 The routine annual work to set the high needs budget for the following year has been carried, out as in other years, but this has identified such an extremely large overspend that instead of publishing our high needs budget in December, we will instead enter a second phase of detailed budget challenge and review work with our high needs budget holders to look at ways to mitigate the budget overspend for 2024-25.

3.3 We will bring the final high needs budget to schools forum on February 14th and it is worth noting that we do still expect this will be a deficit budget for 2024-25 but we will be looking at ways to bring that deficit in to a balanced position over the medium term plan.

5 Financial implications

3.1 The resource and financial implications of the WNC DSG budget are set out in the body of, and appendices to, this report.

4 Legal implications

4.1 There are no legal implications arising from the proposals.

5 Risks

5.1 The main risks in relate to the increasing pressure on the high needs budget with demand outstripping the grant. Work is underway to mitigate this risk from increased demand and increased cost of placements through a programme of work with budget holders. This will include a refreshed medium-term financial plan using the Government DSG recovery plan template.

6 Recommendations for Schools Forum

6.1 That schools forum note the contents of this report

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