

West Northants Schools Forum: 13 December 2022
Agenda Item 6
High Needs Budgets 2023-24

List of Appendices

- Appendix A – Special School Indicative Budgets (to follow)
- Appendix B – High Needs Places
- Appendix C – SEND Improvement Work

Related Agenda Items

Agenda item 4 – 2022-23 DSG Monitoring

1 Purpose of Report

- 1.1 This report is to inform West Northamptonshire Council’s (WNC) Schools Forum of the High Needs Block (HNB) budgets, and to present the indicative special schools budgets and high needs places for 2023-24.
- 1.2 Table 1 shows the relevant responsibilities which is taken from the Education and Skills Funding Agency’s Schools Forum Powers and Responsibilities, published in March 2021.
- 1.3 There are no votes required in relation to this agenda item.

Table 1

	Local Authority	Schools forum	ESFA
Central spend on: <ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State 	Decides	None, but good practice to inform forum	None

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 • arrangements for early years provision • administration arrangements for the allocation of central government grants 	Consults annually	Gives a view and informs the governing bodies of all consultations	None
--	-------------------	--	------

2 Provisional Funding Settlement

2.1 The Secretary of State for Education announced provisional funding allocations for 2023-24 calculated through the schools, high needs and central school services national funding formulae (NFF) on 19 July 2022.

2.2 The table below shows the provisional allocation for WNC from the July announcement adjusted for estimated changes to the import / export adjustment which is based on a combination of census and ILR (individual learner record) data. The final allocations are expected to be published at the end of December 2022 close to the expected date of the provisional local government finance settlement.

	High Needs Block £m
2022/23	60.9
Provisional 2023/24	63.7
Increase /(decrease)	2.8
% Increase / (decrease)	4.6%

2.3 The provisional increase in the High Needs Block represents the authority's share of the £570 million national increase for 2023-24. WNC's High Needs Block is increasing by £2.8 million from 2022-23 – 4.6% from 2022-23.

2.4 The Autumn Statement included an announcement that the core budgets through the National Funding Formula in England will receive an additional £2.3 billion of funding

in 2023-24 and £2.3 billion in 2024-25. The methodology for the distribution of the additional funding announced in the Autumn Statement is expected in the final settlement.

- 2.5 Nationally, there is an inherent pressure within the High Needs Block relating to the growth in the demand for young people with special educational needs and disabilities (SEND). It is nearly a decade since reforms were introduced to better support children and young people with special educational needs and disabilities (SEND) and the allocation of funding available to support pupils with high needs has become a national issue.
- 2.6 The current year level of overspend within WNC is forecast at £2.0m but is not currently at a level that requires a recovery plan to be submitted to the ESFA, however the council cannot let cumulative, structural deficits continue.
- 2.7 The pressures which have resulted in the HNB overspend are expected to continue into future years and this presents risks around affordability of provision for pupils with high needs. Therefore, a range of actions are being proposed or taken as part of the SEND improvement programme to address the predicted financial pressures.
- 2.8 The table on the next page shows the proposed allocation of the HNB for 2023-24.

	2022-23 Gross Budget £000	2023-24 Gross Budget £000	Difference £000
SEN Units and Resource Provision Top Ups	3,220	3,995	775
Special Schools	23,918	24,272	354
Post 16 Top Ups	4,140	5,260	1,121
High Needs Out County	14,316	15,187	870
Provision For Pupils With SEN	6,693	8,395	1,701
Hospital & Outreach	1,700	1,785	85
Alternative Provision	4,466	3,518	-948
Educational Entitlement Team	179	188	9
Transport contribution (shown in Schools block in monitoring)	59	59	0
Virtual School	243	255	12
Specialist Support Service (schools block funding)	1,026	969	-57
Sensory Impairment Provision (schools block funding)	1,074	1,128	54
Education Health Care team	679	713	34
IASS - NPPS (Northamptonshire Parent Partnership Service)	11	11	1
Prior year deficit repayment	1,500	0	-1,500
High Needs Projects		120	120
Total High Needs Expenditure Budgets	63,224	65,854	2,630

Schools Block transfer Funding 0.5%	-1,559	-1,635	-76
Schools block additional transfer above 0.5% (Ministerial disapplication)	-541	-565	-24
High Needs Block Funding	-61,124	-63,654	-2,530
Total Funding	-63,224	-65,854	-2,630

2.9 The next table summarises the movement at summary level in budgets from 2022-23 to 2023-24. The funding is based on the provisional settlement i.e. before the Autumn Statement increases, and assumes the LAs preferred position on the top slicing above 0.5% as per 2022-23 budgets. If schools forum do not vote for the LA preferred option, or if the ministerial disapplication is not granted, this will result in over half a million less funding for demand, demographic growth and inflationary pressures in the HNB.

2.10 Any additional funding in the December final settlement for 2023-24 will be utilised in the following ways:

- to recover the forecast deficit balance at 31st March 2023
- to fund any continuing increasing demand and price for EHCPs

Reason for change	£000
<u>Growth</u>	
Full year effect of current year demand pressures	3,002
Estimated demographic growth based on prior year trends	2,697
Inflation	161
Creation of High Needs project fund	120
Reversal of prior year growth for budgeted deficit repayment	-1,500
Total growth	4,480
<u>Savings and efficiencies</u>	
Estimated impact of SEND capital programme (reduced demographic growth requirement)	-1,116
Commissioning savings to be identified	-736
Total savings and efficiencies	-1,850
<u>Funding</u>	
Total increased funding	-2,630
Total savings, efficiencies and funding	-4,480

3 Special Schools Budgets

- 3.1 The individual special school budgets for 2023-24 are provided in appendix A to this agenda item. There are no changes for 2023-24 to the RAS rates as they were updated by 5% in 2022-23.
- 3.2 Special school budgets have a minimum funding guarantee (MFG) set by Government of 3% increase over 2 years from 2021-22 to 2023-24. WNC will provide protection to this level basing the calculation on per pupil averages (the calculation will be based on west pupils' top up plus £10k place funding).
- 3.3 Special school budgets are made from two parts, the fixed place funding (set in the November submission to the ESFA for academies) and through the schools forum published places in the December 2022 meeting. Those places are based on the numbers of pupils in the special schools at October 2022 and any known growth planned for those schools.
- 3.4 The second part of the funding is a per pupil amount referred to as the "top up". This is not fixed and follows the pupil calculated on a daily basis and is dependent on that pupils RAS score (resources allocation system). The RAS score information in the

budgets is indicative and based on the Autumn RAS returns from special schools. Special schools have the best knowledge of how their pupil population is changing through the year and are advised to let us know of any significant changes to the indicative top up funding provided in these budgets as soon as possible so that monthly transfer amounts can be amended appropriately.

4 High Needs Places

4.1 In November 2022 WNC submitted academy place changes to the DfE for the following year. These places are discussed with the academy providers and at the same time, maintained schools places are arranged. The setting of academy places means that part of their funding for 2023-24 is fixed and recouped from WNC DSG and paid directly to academies by the ESFA. Additional places can be paid from local DSG if additional places are opened at those schools. Appendix B lists the places set for 2023-24. From the places that are known to be needed from September 2023, the increase in places is 5.9%.

5 Financial implications

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

6 Legal implications

6.1 There are no legal implications arising from the proposals.

7 Risks

7.1 The budget is built on known assumptions and pressures identified so far. Whilst areas of risk have been identified, the continuing effect of covid, complexity, volatility and energy are all unquantified pressures that will be monitored throughout the year and reported back on a quarterly basis.

8 Recommendations for Schools Forum

8.1 That Schools Forum notes the high needs budgets for the financial year 2023-24.

Report Author:

Officer name: Emily Cooledge / Beth Baines

Officer title: Strategic Finance Business Partner / Senior Finance Business Partner

Email address: emily.cooledge@westnorthants.gov.uk / beth.baines@westnorthants.gov.uk