

Appendix C – High Needs Block Outturn Further Analysis

Background

Initial forecast for the 2021/22 financial year indicated a deficit of £2.5m on the High Needs Block.

Final outturn for the year saw this increase to £4.3m, a movement of £1.8m.

Analysis has been undertaken of movements to identify any unforeseen trends and / or potential gaps in data that can be improved when planning for future years.

Approach to Budget Setting

At the time of budget setting and producing the initial forecast for the year, the following were taken into account:

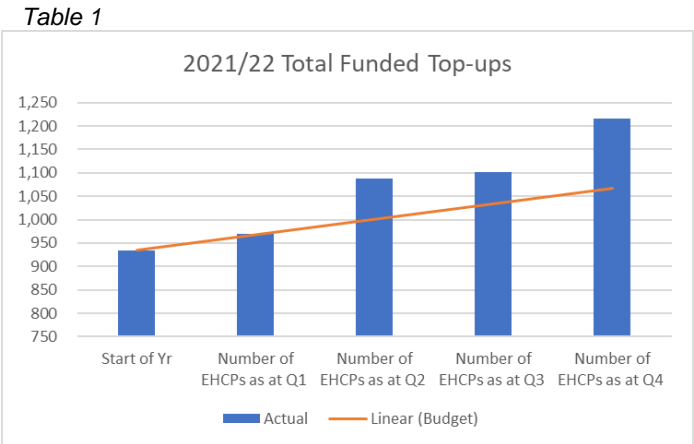
- Costed information on EHCPs / top-ups in place at that time
- High level assumptions on increased activity for the 2021/22 academic year (Sep2021)

At the time of producing the 2021/22 budget, limited information was available on phased transfers and expected changes associated with the new academic year. This was recognised as a key area of improvement to inform future financial planning.

Changes in activity included in the forecast were costed at average rates for the type of setting. So for example, a 15% increase in activity for Wokingham Mainstream schools was included, costed as a proportionate spread to the average funded hours of the existing cohort.

Activity Analysis

The graphs below shows the assumption on number of funded top-ups within the HNB included within the budget, set against the actual experience during the year.



Budget setting assumptions were set on a 14% increase in total funded EHCPs over the course of the year, however the increase actually experienced was almost 30%.

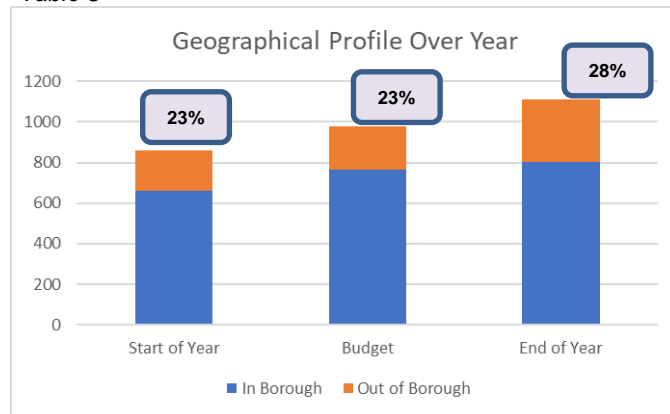
Increases over individual setting types varied, however for most the actual increase experienced was significantly above the 14%, showing a general increase in number of children and young people over a full range of needs.

Table 2

Setting Category	Increase over Year
Mainstream	28%
Resource Bases	15%
Special Schools	21%
Post 16 FE Colleges	39%

When considering the same information across those educated in borough to those out of borough however this shows an increase in the proportion of total funded top-ups that were out of borough.

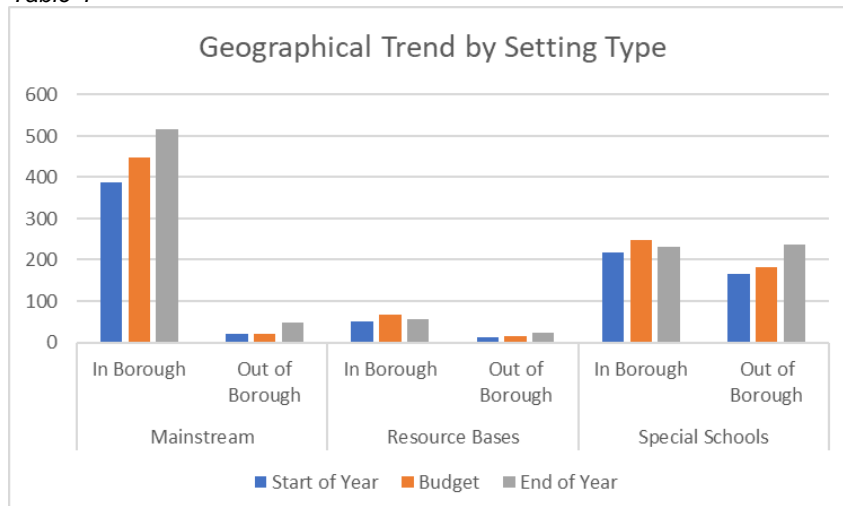
Table 3



* figures above exclude FE colleges as all out of borough

Reviewing the same information per setting type it can be seen that activity over all categories, for both in borough and out of borough, increased over the course of the year.

Table 4



The biggest swing in geographical split was seen for special schools, with out of borough placements increasing from 43% at the start of the financial year to over 50% at the end of the year. This reflects the fact that Wokingham special schools were full and out of borough placements were required to meet need as the overall number of EHCPs rose sharply.

The only category where the budget assumption was higher than actual was for in borough resource bases. This reflected the assumption at the time of budget setting of how empty places would reduce as part of the resource base review.

Cost Analysis

The base of budget setting / forecasting is taken from the cost profile of funded EHCPs at that time. Detailed information is held on individual pupils, which is used for both forecasting / reporting and to generate payments out to schools. During 2021/22 Schools Forum has been provided with activity analysis that has tracked the range of unit costs for each setting type over the course of the year.

A review of unit cost information has shown that while changes in year were experienced on individual pupils changing bandings for example, no significant variations exist between the unit cost profile assumed at the time of budget setting, and that seen over the course of the financial year.

Inflation on Independent & Non-Maintained Placements

Inflationary requests from independent and non-maintained providers are considered as part of contractual arrangements in place. Requests are reviewed based on cost analysis providers must submit, with uplifts capped in line with the South West SEND Framework that WBC is part of.

The contractual inflation impact for Independent and Non-Maintained Special Schools was £20k for the 2021/22 academic year, which represents around 0.2% of total spend.

Summary

The financial impact of meeting the needs for Wokingham pupils with an EHCPs changed significantly over the course of the 2021/22 financial year, with final outturn increasing by £1.8m over that anticipated at the start of the financial year.

Analysis of both activity and unit cost has shown that the key driver of the change was from the increase in the number of funded EHCPs. While a 14% increase in numbers was assumed at the time of budget setting, the actual increase for the year was around 30%.

Background Reports

2021/22 HNB Budget Setting Report – [link to be included](#)

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