

TITLE	2024/25 High Needs Block Budget
FOR CONSIDERATION BY	Schools Forum on 10 th January 2024
WARD	(None Specific);
LEAD OFFICER	Director of Children's Services - Helen Watson

OUTCOME / BENEFITS TO THE COMMUNITY

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

RECOMMENDATION

Schools Forum is asked to note the progress on the 2024/25 High Needs Block budget setting process.

SUMMARY OF REPORT

To update Schools Forum on the approach to the 2024/25 High Needs Block Budget setting prior to consultation on final budget proposals.

The approach to budget setting is set in the context of the Safety Valve Programme, and informed by the significant work being progressed.

Key factors influencing the budget setting approach:

- Continued increase in the number of children and young people with an EHCP
- Review of inflationary increases on top-up bandings across settings

Members of the High Needs Block Task & Finish Group are as below, with support provided by relevant Council Officers:

- Corrina Gillard – Head Teacher, Emmbrook Infant School
- Debra Briault – Chief Operating Officer, The Circle Trust
- Raj Arava – School Business Manager, Foundry College
- Sara Attra – Head Teacher, Addington School

- Ming Zhang – Assistant Director, SEND and Education
- Jamie Conran – Head of SEND

The group will bring back final recommended budget assumptions for consultation with Schools Forum at the March meeting.

The increase in number of EHCPs remains a widespread system challenge to Local Authorities.

The average cost of provisions is a key challenge for the system, as we hold children in expensive provision whilst new LA provision is brought on-line.

The group will bring back final recommended budget assumptions for consultation with Schools Forum at the March meeting.

**2024/25 High Needs Block Budget
January 2024****.01 Purpose of the Report**

To update Schools Forum on the approach to the 2024/25 High Needs Block Budget setting prior to consultation on final budget proposals.

.02 Recommendation

Schools Forum is asked to note the progress on the 2024/25 High Needs Block budget setting process and the links to the Safety Valve Programme.

.03 Background

As one of four blocks of Dedicated Schools Grant (DSG) funding provided by the Department for Education (DfE), the High Needs Block (HNB) is allocated to Local Authorities through a national formula and is intended to fund support for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. High Needs Funding is also intended to support good quality Alternative Provision (AP) for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream or special schools.

While significant increases in HNB funding has been provided nationally in recent years, in Wokingham, as with many other LAs, the cost and demand of support for vulnerable children and young people has outstripped available resources.

Locally, the cumulative deficit on the HNB as at 31st March 2023 stood at £9.2m, and is projected to increase to £15.3m by the end of the current financial year.

Wokingham continues to work with the DfE, as part of the Safety Valve Programme, on delivery of a management plan which seeks to deliver an in-year balance by 2028/29. Detailed budget setting decisions for the 2024/25 HNB will require to be set in the context of that longer term financial plan.

Currently the cumulative system deficit is protected the statutory override, introduced by the government in 2020, until 2025/26. This means that local authorities' DSG deficits could be separated from their wider accounts.

.04 2024/25 High Needs Block Funding

Nationally, High Needs Block funding is increasing by £440m, or 4.3%, in 2024/25.

The National Funding Formula ensures that every local authority receives an increase of at least 3% per head of population compared to the current financial year.

The budget allocation notified to Wokingham in December is £29.5m, an increase of £1.1m on 2023/24 levels.

.05 Approach to Budget Setting

Budget allocations for the coming financial year are being informed by funding arrangements and commitments associated with the current profile of EHCPs, along with estimations of changes in activity over the coming 12 months. This includes the projections of the number of children and young people with an EHCP as reported through the Safety Valve Update, as well as analysis on current run rates of new and ceased plans, and amendments to plans.

Forum agreed to continue with the High Needs Block Task & Finish Group set up for 2023/24 budget setting for 2024/25. Discussions through this group will take forward the overarching modelling undertaken through Safety Valve, alongside detailed discussions with local settings on the financial challenges of the coming 12 months.

.06 High Needs Block Task & Finish Group

Members of the High Needs Block Task & Finish Group are as below, with support provided by relevant Council Officers:

- Corrina Gillard – Head Teacher, Emmbrook Infant School
- Debra Briault – Chief Operating Officer, The Circle Trust
- Raj Arava – School Business Manager, Foundry College
- Sara Attra – Head Teacher, Addington School

- Ming Zhang – Assistant Director, Education and SEND
- Jamie Conran – Head of SEND

The group will meet in January to discuss in more detail the HNB model and outlook underpinning the DSG Management Plan, and the impact of the Safety Valve Programme.

Inflation remains the key area for further work through the Group, given rising cost pressures on all settings significantly outstrip the resources available in the context of a 6-year balanced budget position.

.07 Transfer from the Schools Block

As agreed at the extraordinary Schools Forum in November, the LA will transfer 0.5% from the Schools Block to the High Needs Block for the 2024/25 financial year. This is 0.5% less than in our original Safety Valve agreement with the DfE. The impact of this will be need to be over delivered in other aspects of the Safety Valve Programme.

.08 Financial Summary

While High Needs Block for 2024/25 is expected to be £1.1m higher than in the current year, significant challenge remains to delivering a balanced budget.

Significant increases in the number of children and young people with an EHCP in Wokingham means that expenditure continues to outstrip available resources, and investment in increasing local provision has struggled to keep up with demand.

Budgets will be set taking account of the current profile of EHCPs and a level of assumed increase in activity as the financial year progresses. Improved data quality and information available through the Safety Valve work provide for further improvements in the robustness of the financial model.

More detailed information will be shared with the High Needs Block Task & Finish Group to progress discussions and bring the draft budget back to Forum for consultation.

Appendix A - High Needs Block Key Activity Update

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