

Committee:	Schools' Forum
Meeting Date:	29 th June 2023
Title:	High Needs Funding Update
Author:	Gemma Morgan, Head of SEND Funding and Provider Services
Decision making / consultative / information:	Information
Who can vote?	N/A

Decision Making and Information

1. To share with Schools' Forum the spending of the 2022/23 High Needs Block allocation, and the forecast for 2023/24.
2. To share with Schools' Forum the updated DSG Deficit Recovery Plan. This plan will be shared with Forum on a termly basis.

Reason for recommendation

3. To update Schools' Forum of the end of year position of the High Needs Block for financial year 2022/23.
4. To share with Schools' Forum the forecasted spend of the High Needs Block for financial year 2023/24.
5. To share the latest version of the DSG Deficit Recovery Plan.

Who will be affected by this decision?

6. This situation affects all education providers in Suffolk.

Main body of the Report

High Needs Funding 2022/23

7. At the previous Schools' Forum meeting in March the end of year position was shared using the data from quarter three. Now the financial year has closed the final end of year position can be shared with the group.

8. The table below shows how the High Needs Funding allocation was spent in 2022/23. The end of year position for the overspend is £12.670m:-

Description	2022/23 Forecast	2022/23 End Of Year	Difference
Top-Up payments	£45,166,590	£45,566,900	£400,310
High Needs Places - Academies	£22,751,668	£22,751,668	£0
Independent Schools	£19,100,000	£18,827,354	-£272,646
Additional High Needs Places/TPG	£6,436,806	£7,539,488	£1,102,682
Alternative Provision	£3,221,060	£2,938,283	-£282,777
Bespoke and Targeted Support	£5,288,692	£4,940,374	-£348,653
Personal Budgets - Short Breaks	£2,713,420	£2,638,785	-£74,635
CISS/SES	£2,560,402	£1,925,508	-£634,894
Sensory Services	£2,431,732	£2,811,531	£379,799
Central Support	£2,260,819	£1,776,696	-£484,123
Psychology	£2,276,727	£2,492,770	£216,042
Family Services	£2,860,876	£2,860,876	£0
Reform Developments	£357,581	£2,100	-£355,481
Equipment	£240,000	£186,715	-£53,285
LSA Schemes	£300,710	£273,561	-£27,149
CAMHS	£170,100	£170,000	-£100
Total	£118,621,515	£117,702,611	-£434,572
DSG HNB Funding			
DSG HNB Funding	£96,956,509	£96,956,509	
Core Funding & Reserves			
Core Funding & Reserves	£8,075,572	£8,075,572	
Total Funding	£105,032,081	£105,032,081	
Variance	£13,105,102	£12,670,530	

9. The difference between the Q3 forecast and the end of year position is a reduction in the overspend of £0.435m. There are a number of factors to be aware of which have resulted in the position being lower. One of these being that the number of Independent Placements was slightly less than the forecast, this was because either the places didn't start until later on in the financial year or they started after April 2023. These are real costs that are now ongoing and have been added to the forecast for 23/24.
10. The lower cost for bespoke provision can also be associated with the same reason. The consults for these placements were out and were honored, however, some of the placements didn't start as early as was anticipated.
11. When forecasting the budget for the Independent settings the average cost of each setting is taken into consideration, however, this can differ quite considerably and we have to forecast at an average cost. Therefore, the difference from the forecast and the actual can differ considerable, particularly as places ranging from £50,000 right up to in excess of £90,000.

12. The spend on Alternative Provision was less than anticipated as more funding was recovered through the PEX recoupment process. This funding will follow the child or young person and will therefore be carried over into financial year 2023/24 and paid to the new placement for the individual.
13. The CISS/SES and Sensory Services budgets are now combined as the service is now working under Special Education Services, so the overspend in one area is reduced by the underspend in the other area. The remaining underspend was due to staff vacancies and an over-commitment for the Speech and Language therapy contract.
14. The reform developments is grant funding which wasn't allocated or spent in 2022/23. As this is grant funding this will be carried over for use in financial year 2023/24. This funding is available for development of SEND reforms and has previously been used for enhancing the wider SEND System.

High Needs Funding 2023/24

15. Work has started to forecast the spend for the current financial year (2023/24). It is anticipated that the High Needs Block will continue to be overspent by a further £15.3m by the end of the year.
16. Forecasting has been done based on the trajectory data we have on the previous years spend. However, this has not been appropriate to use for those budgets that have increased exponentially in one year. For example the spend on the bespoke budget has increased by 177% and the independent by 31%. We don't expect to see such considerable rises in future years and have therefore forecast this spend at an increase of 10% for bespoke provision and 17% for independent. We have also ensured commitments for the ongoing costs from the late placements from 2022/23 have been included within this.
17. We have increased budgets in line with spend from the previous year for those budgets outside of top-up, independent places and bespoke. The overspends in the below table demonstrate an increase in need but ensure for the initial forecast all of the overspend are restricted to three areas.
18. We have also seen an increase in the number of requests for short breaks personal budgets, and although the overall budget has been increased, we still anticipate an overspend of at least £100,000 in this budget.

19. The below table shows a break down of how the High Needs Block will be spent in 2023/24:-

Description	2023/24 Budget	2023/24 Forecast Spend	Difference
Top-Up payments	£43,564,096	£51,828,026	£8,263,930
High Needs Places - Academies	£22,751,668	£22,751,668	£0
Independent Schools	£15,000,000	£22,028,004	£7,028,004
Additional High Needs Places/TPG	£4,741,128	£4,741,128	£0
Alternative Provision	£3,180,020	£3,180,020	£0
Bespoke and Targeted Support	£5,622,621	£5,622,621	£0
Personal Budgets - Short Breaks	£2,541,672	£2,649,942	£108,270
Special Education Services	£2,666,800	£2,666,800	£0
Sensory Services	£3,045,083	£3,045,083	£0
Central Support	£1,894,076	£1,894,076	£0
Psychology	£2,422,255	£2,422,255	£0
Family Services	£2,951,462	£2,951,462	£0
Reform Developments	£352,074	£352,074	£0
Equipment	£240,000	£240,000	£0
LSA Schemes	£308,953	£308,953	£0
CAMHS	£170,000	£170,000	£0
Additional High Needs Funding	£1,500,000	£1,500,000	£0
Additional Staffing	£700,000	£700,000	£0
Additional Top-Up	£700,000	£700,000	£0
Total	£114,836,240	£129,752,112	£11,394,501
DSG HNB Funding		£104,592,741	
Core Funding & Reserves		£9,860,603	
Total Funding		£114,453,344	
Variance		£15,298,768	

20. The following table shows the increase in forecast spend compared to the previous financial year and gives a brief explanation for the change:-

Description	2022/23 Spend	2023/24 Forecast Spend	Difference	Comments
Top-Up payments	£45,566,900	£51,828,026	£6,261,126	Mainstream increased by 24% and modelled on actuals and new schools/units
High Needs Places - Academies	£23,236,000	£23,236,000	£0	Final Figure TBC from DfE
Independent Schools	£18,827,354	£22,028,004	£3,200,650	Increased by 17%
Additional High Needs Places/TPG	£7,539,488	£4,741,128	-£2,798,360	Budget moved to correct codes
Alternative Provision	£2,938,283	£3,180,020	£241,737	Increased to meet demand
Bespoke and Targeted Support	£4,940,039	£5,622,621	£682,582	Increased by 10% for Bespoke Provision

Personal Budgets - Short Breaks	£2,638,785	£2,649,942	£11,157	Increased to meet demand
Special Education Services	£1,925,508	£2,666,800	£741,292	Increased to meet demand
Sensory Services	£2,811,531	£3,045,083	£233,552	Increased to meet demand
Central Support	£1,776,696	£1,894,076	£117,380	Reduced due to IMPOWER contract
Psychology	£2,492,769	£2,422,255	-£70,514	Needs increasing to meet demand (from £700k)
Family Services	£2,860,876	£2,951,462	£90,586	Increased to meet demand
Reform Developments	£2,100	£352,074	£349,974	Carry over Grant Funding
Equipment	£186,715	£240,000	£53,285	Budget same as pervious year
LSA Schemes	£273,561	£308,953	£35,392	Budget same as pervious year
CAMHS	£170,000	£170,000	£0	
Additional High Needs Funding		£1,500,000	£1,500,000	3.4% Payments to Special Schools and PRUs
Additional Staffing	£0	£700,000	N/A	Additional Staffing budget
Additional Top-Up	£0	£700,000	£700,000	Possible increase for SEMH provision
Total	£117,702,611	£129,752,112	£11,349,501	
DSG HNB Funding	£96,956,509	£104,592,741		
Core Funding & Reserves	£8,075,572	£9,860,603		
Total Funding	£105,032,081	£114,453,344		
Variance	£12,670,530	£15,298,768		

Dedicated Schools Grant Deficit Recovery Plan

21. At the previous meeting the Deficit Recovery Plan was not shared as we were awaiting the latest template from the DfE. This has now been received and the plan has been updated.

22. The latest version of the DSG Deficit Recovery Plan is available as a separate document for information.