

<b>Committee:</b>	Schools' Forum
<b>Meeting Date:</b>	3 <sup>rd</sup> October 2024
<b>Title:</b>	High Needs Funding
<b>Author:</b>	Gemma Morgan, Head of SEND Funding and Provider Services
<b>Decision making / consultative / information:</b>	Information
<b>Who can vote?</b>	N/A

### **Decision Making and Information**

1. To share with Schools' Forum an update on the forecast spend for the High Needs Block of the Dedicated Schools Grant (DSG) in 2024/25.
2. To share with Schools Forum an analysis of the summer term moderation for High Needs Top-Up Funding.

### **Reason for recommendation**

3. To update Schools' Forum of the forecasted spend of the High Needs Block for financial year 2024/25.
4. To share the most recent data on High Needs Funding Top-Up moderations data.

### **Who will be affected by this decision?**

5. This situation affects all education providers in Suffolk as well as the wider Suffolk population. The pressure on the High Needs Block effects the Local Authorities cash-flow position, and although the overspend isn't held against SCC reserves at the moment, it may be in the future.

## Main body of the Report

### High Needs Funding 2024/25

6. Since the paper presented in May 2024 there has been an increase in the forecast spend. It is now anticipated that the High Needs Block will be overspent by £51m by the end of the year (£2.5m deficit increase). This will result in an overall DSG Deficit position of approximately £106.5m.

7. The below table shows this updated position:-

Inclusion Budgets	Core Funding	High Needs Block	Full Year Forecast 2024/25
Specialist Education Services and Therapies	£1,652,000	£7,333,474	£8,985,474
Contracted Services, Additional Places and Support	£0	£6,892,335	£6,892,335
Provider Support, Family Support and Management	£5,606,259	£1,837,359	£7,443,618
Top-Up Funding	£0	£68,342,845	£68,342,845
Independent Placements	£0	£41,590,000	£41,590,000
Personal Budgets, Short Breaks and Comms	£3,373,990	£175,091	£3,549,081
Bespoke Packages	£0	£12,000,000	£12,000,000
Educational Psychology	£4,000,000	£375,000	£4,375,000
AP Transport (EOTAS) and Hospital Tuition	£0	£218,000	£218,000
Teacher Pay & Pensions and Set Up Costs	£0	£389,612	£389,612
	<b>£14,632,249</b>	<b>£139,153,716</b>	<b>£153,785,965</b>

Budget 24/25	£14,632,249	£88,126,373	£102,758,622
Full year Forecast	£14,632,249	£139,153,716	£153,785,965
<b>Variance</b>	<b>£0</b>	<b>-£51,027,343</b>	<b>-£51,027,343</b>

8. There has been a considerable increase in the number of children and young people receiving bespoke packages. This has increased by one hundred percent compared to the same period last year, from 364 to 721.

9. Bespoke packages are put in place to support children who are either waiting for a specialist placement or need alternative intervention to support them with their future education and development.

10. There has recently been much more movement in and out of bespoke provision, therefore more children and young people are accessing bespoke provision at various points throughout the year. This pattern of movement means that they are not following a termly intake pattern like other provision.
11. Due to the introduction of the Rolling Select List procurement tool in September 2023, there is much better monitoring of the bespoke providers, with better quality provision with higher levels of scrutiny.
12. Local providers are growing in order to meet the increasing demand, and in some cases there has been growth of placements by nearly 100%. Providers are now much better able to meet the needs of the children and have much more availability and space. The nature of the provision has also changed to offer support for longer periods of time, offering greater stability.
13. Within the last academic year the average cost of placements has gone up from £11,000 to £13,000 per place. This increase alone accounts for an additional cost of £1,442,000 for the 721 children accessing bespoke provision.
14. Overall bespoke provision has a relatively low placement cost, however, the sheer volume is increasing rapidly and is resulting in the forecasting being unstable.
15. Work is underway to look at the bespoke cohort and identify what can be done to reduce our reliance on this type of provision, and if these needs can be addressed by other commissioned provision.
16. The creation of additional places within temporary small groups has also seen an increase in the forecast.
17. Where it is apparent that there is a need for provision in a particular area of Suffolk for a particular area of NEED the Local Authority will look to create temporary small groups. This is provision which is arranged with existing providers who have existing space within their school building.
18. These are arranged temporary as many of the schools only have the classroom space available for 2-3 years, this is usually due to housing growth in the local area.
19. The below places have been created in order to offer more specialist placements within the local offer:-

School	Type (Severe Learning Difficulties)	Additional Places
Langer Primary School	R/KS1/KS2 SLD	12
West Row	R/KS1/KS2 SLD	12
Pipers Vale	R/KS1/KS2 SLD	12
Bramford Lane	R/KS1/KS2 SLD	15
<b>Total Places Created</b>		<b>51</b>
<b>Approximate Cost</b>		<b>£765,000</b>

### High Needs Block Funding

20. At the previous meeting a request was made for the High Needs Block Budget including the Academy payments to be shared with the group.
21. The table below shows the past four years funding from the DfE and our spend, this now includes the funding that goes directly to academies and forms part of the HNB:-

	2020/21	2021/22	2022/23	2023/24
<b>High Needs Block Budget including Academy Payments</b>	£75,829,482	£85,904,747	£96,663,336	£108,299,289
<b>% Increase</b>		13%	13%	12%
<b>High Needs Block Budget after recoupment</b>	£56,526,283	£64,507,578	£73,911,668	£82,762,621
<b>% Increase</b>		14%	15%	12%
<b>High Needs Block Spend</b>	£61,092,583	£71,864,037	£86,038,529	£110,451,602
<b>% Increase</b>		18%	20%	28%

22. As mentioned in previous meetings the high needs funding received by Suffolk is considerably lower than our statistical neighbours. These neighbours receive millions more in funding per year and are still in a similar unstable financial position. For example, one Local Authority has had a multi-million pound bail-out and remains £115m in deficit.
23. At the meeting next month the forum will vote on the continuation of the top-slice of 0.5% from the schools block to continue to support with the deficit recover.

### High Needs Top-Up Funding Summer 2024

24. In Summer term 2024 the moderation team received 1,018 requests for high needs funding, of these requests 954 were agreed through the moderation

process. Of these 595 were new requests and 359 were requests for increases.

25. The table below shows a summary of the band requests over the last 4 years, as you can see there is a considerable increase in the request for band increases compared to previous summer terms:-

	<b>Summer 2021</b>	<b>Summer 2022</b>	<b>Summer 2023</b>	<b>Summer 2024</b>
<b>Moderated New Requests</b>	272	266	382	595
<b>Difference</b>		-6	116	213
<b>% Increase</b>		-2%	44%	56%
<b>Moderated Requested Increases</b>	99	129	182	359
<b>Difference</b>		30	53	177
<b>% Increase</b>		30%	41%	97%

26. This term the Council also received 32 requests for bands to be decreased, the below table gives a summary of the decreases over the last four years:-

	<b>Summer 2021</b>	<b>Summer 2022</b>	<b>Summer 2023</b>	<b>Summer 2024</b>
<b>Decreases</b>	25	28	19	32
<b>Difference</b>		3	-9	13
<b>% Increase</b>		12%	-32%	68%

27. This continued rise in requests for HNF is a reflection of the increased level of needs within our mainstream schools. The LA continue to support mainstream schools by offering HNF to children with and without EHCPs. Historically the split has been 50/50, however, following summer term moderation there is now a split of 64% SEND and 36% with an EHCP.

28. The split of funding between those with and without EHCPs does, however, differ. In mainstream settings 45.5% of the funding is for those with an EHCP and 54.5% is for those receiving SEN support. Approximately £10m is spent on those with an EHCP and £12m on those without.

29. Looking at all funding allocated through the universal Suffolk banding system in all settings in total 73.5% of the funding is spent on those with EHCPs and 26.5% on those without.

30. Trajectory work is currently being undertaken regarding the number of EHCPs expected over the coming 3 year period. If the trends continue there will be just over 17,000 EHCPs in Suffolk by September 2027.

31. This data will be used to support the SEND Sufficiency Planning, as well as

more accurately inform the Deficit Management exercise with the DfE. Further work will be undertaken to understand the demand across the system and look at breaking down the projections into areas of need.

32. An updated version of the Deficit Management Plan is currently being developed and this will be shared with the Schools' Forum at the next meeting.