

Committee:	Schools' Forum
Meeting Date:	21 November 2024
Title:	High Needs Funding
Author:	Gemma Morgan, Head of SEND Funding and Provider Services
Decision making / consultative / information:	Decision Making
Who can vote?	All Schools Forum Members

Decision Making and Information

1. To ask Schools Forum to vote on the continuation of the 0.5% contribution to the High Needs Block Deficit Recovery, from the Schools Block.
2. To share with Schools Forum the latest version of the High Needs Block Deficit Recovery Plan.

Reason for recommendation

3. To share with Schools Forum the current forecast spend for 2024/25 of the High Needs Block budget.
4. To request the continued support from Schools Forum for the contribution to the deficit within the High Needs Block budget.

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 affects the Local Authorities cash-flow position, and although the overspend isn't held against Suffolk County Council (SCC) reserves at the moment, it may be in the future.

Main body of the Report

High Needs Block Budget

6. The pressure on the High Needs Block budget continues to grow and SCC are seeing the request for specialist placement and referrals for support growing every year.

7. The below table shows the current forecast position for the High Needs Block as of quarter two:-

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

Budget 24/25	£88,126,373	£102,758,622
Full year Forecast	£139,153,716	£153,785,965
Variance	-£51,027,343	-£51,027,343

8. The table shows an overspend of just over £51m by the end of this financial year and this will result in the overall deficit being approximately £106m.
9. The forecasted overspend in the High Needs Block budget is due to pressures in the system particularly regarding the costs of placements within independent settings, these are the costliest settings, and the reliance on them continues to grow. Currently, there are 600 children within independent settings compared with 464 last year, this is a 30% increase.
10. The demand on the bespoke budget is high and has grown considerably over the past academic year. The forecast spend for Bespoke provision is now £12m per year, in comparison to £4.3m only 2 years ago. Bespoke provision is used for children and young people who are either waiting for a specialist placement or require short-term intervention to support them with their educational journey.

11. Like many other local authorities, Suffolk is seeing a continuous increase in needs resulting in increased demand which is not being met by the same level of increase in funding from the Department for Education (DfE) Lobbying of government continues and a letter was recently sent to the Secretary of State for Education from Cllr Andrew Reid (SCC Cabinet Member for Education and SEND) asking for the funding inequalities to be addressed.
12. The Designated Schools Grant (DSG) conditions of grant, requires that any Local Authority (LA) with an overall deficit on its DSG account must present a plan to the for managing their future DSG spend.
13. The DfE requests that the plan to be shared with Schools' Forum on a termly basis and the latest version is included within the papers for this meeting.
14. As part of the Deficit Recovery Plan the DfE request information regarding mitigation for the recovery of the deficit. Suffolk's response to this is the following.
 - SEND Capital programme – bringing additional places into the Local Offer and support reducing the reliance on independent placements.
 - Early Intervention – Specialist Education Service working closely with mainstream schools and introducing termly meetings to best support schools with early identification of need and support.
 - Delivering Better Value programme – providing evidence-based interventions (academic, emotional wellbeing and speech and language) for primary and secondary schools, to help young people move closer to working within age related expectations and supporting their well-being and engagement in learning.
 - Contribution of 0.5% of the Schools Block to the recovery. This is the equivalent of approximately £2.7m.
15. In November 2021 Schools Forum agreed to contribute 0.5% of the Schools Block to the deficit recovery and it was agreed that the continuation of this would be voted upon on an annual basis.
16. Schools Forum are asked to vote to continue contributing approximately £2.7m towards the overspend in the DSG High Needs Block.