

CUMBERLAND COUNCIL SCHOOLS FORUM

Report Title: High Needs Budget Monitoring Q1

Meeting date: 18 September 2023

Report of: Dan Barton, Assistant Director, SEND, Education & Inclusion

1.0 Executive Summary

1.1 This report presents the High Needs (HN) Block deficit position as at 1 June 2023 which is forecast to be £17.975m as at 31 March 2024, an increase of £1.380m compared to the closing deficit at the end of financial year 2022/23 of £16.595m.

2.0 Link to Council Plan Priorities

2.1 The utilisation of the HN Block within the Dedicated Schools Grant (DSG) is supportive of the Council Plan “to improve the health and wellbeing of its residents” and the priority to “address inequalities and enable its residents to access opportunities that will empower them to achieve their goals.”

3.0 Recommendation

3.1 The Schools Forum are recommended to note the current projection on the HN budget as at 1 June 2023.

4.0 Rationale & Evidence for the Recommendation

Background

4.1 A balanced High Needs budget has been set for 2023/24 with no planned transfer to or from reserves. The initial budget available for the HN Block was £35.881m based on the provisional HN Block allocation from central government as confirmed in December 2022. There were no transfers from the Schools Block.

Budget Revisions

4.2 Since the initial budget was set the HN block allocation has been updated to reflect adjusted recouplement for HN places as shown in the table below:

	2023/24
	£m
High Needs allocation before recoupment for place funding in academies and FE institutions	38.757
Less recoupment for high needs places in academies and FE institutions	(2.876)
Initial Budget	35.881
DfE Recoupment adjustment for HN places AY 2023/24	(0.277)
Total High Needs Budget Q1	35.604

Projected Outturn

- 4.3 Performance against the High Needs Block budget is monitored monthly with reports presented to senior management and to Executive on a quarterly basis, as well as to each Schools Forum meeting.
- 4.4 The table below presents the projection against the budget as at Q1. This shows that the budget is projected to overspend by £1.380m at 31 March 2024:

Description	Budget	Forecast	Variance
	£m	£m	£m
Special Schools - High Needs	9.945	10.302	0.357
Schools -Resourced Provision	0.351	0.367	0.016
Independent & Other Placements	4.640	4.181	(0.459)
Central SEN (Equipment, BVI, Audio etc)	0.043	0.033	(0.010)
SEND Residential Placements	1.975	1.503	(0.472)
High Needs - Invest to Save	0.000	0.209	0.209
High Needs - Post 16 ISPs	0.907	0.642	(0.265)
High Needs - Post 16 FE	0.939	0.570	(0.368)
High Needs - Top Up	9.783	12.157	2.374
Virtual School (CLA Inclusion)	0.205	0.205	0.000
Inclusion Teams	1.625	1.625	0.000
PRU Budgets	5.150	5.150	0.000
Mobility and Independence Contract	0.012	0.012	0.000
Share of de-delegated (special schools)	0.029	0.029	0.000
Total DSG to transfer to DSG HNB reserve	35.604	36.984	1.380

- 4.5 The key Variances are:

- Special Schools £0.357m. The pressure mainly relates to new and amendments to EHCP top-ups since the start of the year of £0.308m and the remaining balance relates to pre-existing budget pressures of £0.049m.
- Independent Specialist Placements (ISPs) & Other Placements (£0.459m). The forecast is based on current and known new day ISPs coming through the system. The forecast expenditure for day ISPs is predicted to be £2.792m. The overall number of ISPs has reduced by 2 from 52 to 50 as at Q1 and the average full year cost of a day ISP is £54,767 as at Q1. There have been 3 new placements and 4 ended placements and one transfer to a residential placement since March 2023. Also included within this budget line is forecast EHCP top-ups for children placed in Westmorland & Furness schools of £0.590m,

children placed in other local authorities of £0.255m and forecast costs associated with children being educated other than at a school (EOTAS) of £0.544m.

- Residential placements (£0.472m). The forecast is based on current and known new placements. The overall number of residential placements as at Q1 is 19. Since March 2023 there have been 3 new placements and one transfer to an independent day placement. The average full year cost of a residential placement is £80,414 as at Q1.
- Post-16 ISPs (£0.265m). The forecast is based on current and known new placements. The overall number of Post-16 ISPs at Q1 is 21. There has been one new and one ended placement since March 2023. The average cost of a post-16 ISP is £34,314 as at Q1.

The below table summarises the number of pupils in ISPs by provider type:

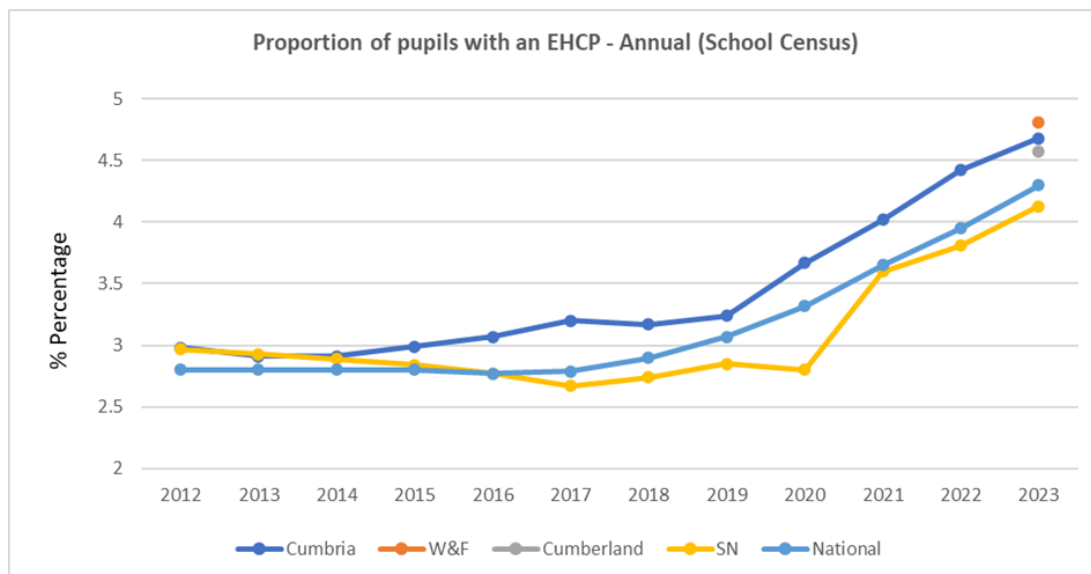
Number of Children and Young People with EHCPs in Independent Special Placements 2023/24

Placement Type	Number of Children							2023/24 Forecast Spend £m	Average Annual Cost of Placements	
	2022/23 Outturn	New	Ended	Placement Changes		Total Change	2023/24 Q1		2023/24	2022/23
				In	Out					
ISP - Day	52	3	-4		-1	-2	50	2.792	54,767	55,758
ISP - Residential	15	3		1		4	19	1.503	80,414	81,345
ISP - FE Colleges	21	1	-1			0	21	0.642	34,314	34,673
Total	88	7	-5	1	-1	2	90	4.937		

- Post-16 Further Education (FE) Colleges (£0.368m). The forecast here includes estimated top-up payments to FE Colleges of £0.546m, other FE education providers of £0.012m and top-ups in mainstream post-16 schools of £0.012m.
- High Needs Invest to Save Initiatives £0.209m. The forecast expenditure here relates to the Early Intervention Programme which was rolled out to Mayfield and James Rennie in academic year 2022/23. The forecast includes a re-charge for the leadership provided by Sandgate School in Westmorland & Furness for the two Hub schools of £0.031m.
- EHCP top-ups for pupils in mainstream schools and Early Years Providers £2.374m. The forecast is based on current EHCP costs and predicted number of new and amended ECHPs in-year. Since the start of the year there have been amendments to existing EHCPs of £0.148m, payments to PVIs of £0.273m, and new and forecasted new EHCPs based on known children coming through the system totalling £1.797m. The forecast also includes the additional net cost of restoring the notional SEN to £6,000 after removing the Targeted SEN funding with effect from September 2021 of £0.199m and pre-existing budget pressures of £0.043m.
- The remaining balance relates to individually non-material variances totalling a net overspend of £0.004m.

4.6 The pressure against the High Needs Block continues to be due to specific budget pressures relating to the growth in demand for Education Health Care Plans (EHCPs) for children and young people with SEN. The number of children with EHCPs as at Q1 is 2,567. This figure provisional pending the completion of the disaggregation of cases between the two new authorities.

4.7 The benchmarking chart below shows that Cumberland’s percentage of pupils with EHCPs is higher compared to the national and Cumbria statistical neighbours rates although the rate of increase for Cumbria overall is largely matched by the rate of increase both nationally and against the Cumbria statistical neighbours:



4.8 In 2023/24 local authorities have seen an increase in their High Needs Block funding of at least 5% per head of population and additional High Needs funding to reflect likely cost increases for local authorities and schools of £1.585m resulting in total funding of £35.604m as at Q1. However, 29% of the total allocation is still based on historic 2017/18 actual spend. There has been no transfer of funding from the Schools Block to High Needs Block in 2023/24. Cumbria took part in the Department for Education’s Delivering Better Value for SEND programme and successfully applied and received approval for a £1m grant for each new authority to support their improvement plans the impact of which will be incorporated into Cumberland’s DSG management plan in due course.

5.0 Options

5.1 The Schools Forum is recommended to note the current projection against the High Needs Block budget.

6.0 Financial & Other Relevant Implications

6.1 Financial implications are considered throughout this report.

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