

**Sefton Schools Forum Report**

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| Date of Meeting: | 15 January 2024 |
| **Title of Report:** | **High Needs 2023/24 revised forecast**  |
| Presenting Officer: | Kevin McBlain |
| Reason for Submission to Forum: | 4) ITEM FOR INFORMATION |
| Executive Summary: | To outline the position regards the High Needs DBV review and financial forecasts to 2027/28; along with indicative funding outlook for 2024/25 |
| Budget/Risk Implications: | High Needs budgets are under extreme pressure and always at risk of overspending. High Needs is in a cumulative deficit position at the end of 2022/23 of £18.7m and likely to increase in 2023/24 to over £34m. |
| Recommendations: | Schools Forum are asked to:* Note the current year’s forecast statement for 2023/24 as reported in Appendix 1.
* Note the next allocation for the Spring Term 2024 of the Schools Block funding being used in support of schools with significant High Needs budget pressures and allocated initially to schools with a SEN population exceeding 3% of their school pupil numbers (Appendix 2).
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| Appendices(to be attached) | * Appendix 1 – Report and statement of key overspending areas of High Needs in 2023/24 as at November 2024.
* Appendix 2 – Analysis of the Spring Term 2024 allocation of funding to schools experiencing severe budget pressures against their High Needs spending
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| Background Papers (available on request) |  |
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SCHOOLS’ FORUM POWERS & RESPONSIBILITIES

1 ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)

2 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)

3 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)

4 ITEMS FOR INFORMATION (No formal view of the Forum is sought)

**1.0 Background**

1.1 Since the last report to Schools Forum on High Needs, the LA has now started to receive tranches of DBV support funding from the DfE as part of the £1m towards developing changes across High Needs through new processes that should help to begin mitigating some of our High Needs rising costs. An internal recruitment is underway to second internal staff with experience, to develop and roll out the graduated approach to assessing and funding High Needs and training across schools as part of the DBV plans, which will involve several area of High Needs support, including Inclusion staff; Early Years and Education Psychologists and some of the funding will be used to cover backfilling of posts to enable this facility. This funding must be spent within 18 months.

1.2 As a follow on to the work of Newton Europe in forecasting, the Finance team have been asked to update the latest forecasts and future forecasts of High Needs numbers / costs and likely changes in demand, and this is underway to give more realistic information in support of likely future actions. However, it is recognised that a suitable more streamlined monitoring platform will be required going forward, to measure our success, or otherwise, in achieving the planned mitigations as set out in the programme and must be flexible enough to allow adjustments to be made over time for changes to the funding and spending as we move forward. It must also combine costs with numbers of SEN children receiving support across every category of funding. This will be critical the action planning.

**2.0 Current High Needs spending forecast 2023/24 as at November 2024**

2.0 The current High Needs statement is showing a forecast overspending of **£16.468m** which already widely exceeds the original DBV forecast by £11m and mitigating changes are only expected to start making a difference from 2024/25.

2.1 **A separate report on the current High Needs position is shown Appendix 1 to this report along with an analysis of the main areas of overspending budget pressures.**

**3.0 Funding Outlook for High Needs in 2024/25**

3.1 High Needs funding has increased nationally by £440m in 2024/25 or by 4.3%. This represents less than half the funding provided in 2023/24 (£970m) and 2022/23 (£1bn). This translates into significantly less funding for Sefton’s High Needs next year, and the funding model for the DBV Programme is only allowing for a 3% funding increase pa in its assumptions.

3.2 Through the National Formula Funding for High Needs in 2024/25, every LA should see an increase of at least 3% to 5% per head based on its 2-18 population, with many LA s receiving more. Sefton have gained around 5% funding, but this includes the integration of the Supplementary Grant funding awarded in 2023/24 by the Government towards cost pressures.

3.3 In December 2023, the Government announced its DSG funding allocations, and as predicted, Sefton’s increase after ESFA deductions for ISS and NMSS and Import/Export of pupils will be just **£2.329m** after integration of the supplementary grant funding for budget pressures given in 2023/24 is rolled into the 2024/25 High Needs baseline. This is much smaller than the increases in recent years, which have exceeded £4m! This increase does not include any likely Schools Block contribution in 2024/25, which would need to be agreed and would add a further **£1.046m** based on the schools’ indicative funding figures, nor does it include extra funding given as a separate grant to Special Schools and AP towards the September 2023 Teachers Pay Award.

3.4 Given the high levels of demand and spending on High Needs at 2023/24 levels, such a small funding increase will scarcely touch the sides in helping to match expenditure and so we are right to expect large increases to the HN deficit going forward based on current spending levels, unless there is a reduction in demand for High Needs provision and EHCPs, which is unlikely; and/or more internal provision is created and opened to keep costs down from sending more pupils out of Borough; and/or until new processes and funding regimes are developed through the development of a graduated approach.

**4.0 Allocation of the 2023/24 Schools Block contribution funding to schools with high needs budget pressures based on 3% population criteria – Autumn Term**

4.1 Following the last Forum meeting in July, and announcement of the Summer Term funding from the Schools Block High Needs funding calculations based on 3% population criteria, we would now publish the Spring Term allocations applying updated numbers for the Term. (See Appendix 2 for the analysis).

4.2 At this stage, the LA has still been unable to obtain the data it needs to decide on the award of some of this funding to those schools who have contributed from their school budgets towards Group teaching work with their SEN children. This will need to be reviewed with a possible change to the criteria using Group funding as the basis, so for now, we will just continue to allocate funds based on those schools with numbers of SEN children in receipt of funding exceeding 3% of the school population and pay termly on updated figures, and we will report back with any further developments.

**5.0 Recommendations**

* Note the current year’s forecast statement for 2023/24 in Appendix 1.
* Note the next allocation for the Spring Term 2024 of the Schools Block funding being used in support of schools with significant High Needs budget pressures and allocated initially to schools with a SEN population exceeding 3% of their school pupil numbers in Appendix 2.