



Report to Schools Forum

Date: 21st March 2023

Title: Proposed High Needs Budget 2023-24

Author: Liz Williams, Head of Finance – Children’s Services

Recommendations:

To agree the updated budget for the High Needs Block in 2023-24

1. High Needs Block 2023-24

1.1. The allocation for the High Needs Block in 2023-24 is £123.5, an increase of £11.5m compared to 2022-23.

1.2. The funding settlement includes an additional allocation of £5.059m. Local authorities are required to pass on a 3.4% funding increase to maintained special and alternative provision (AP) schools, and special and AP academies (including free schools), based on the number of places being funded in 2022 to 2023. Local authorities must separately identify these allocations for the schools and pay them directly to the school, or in the case of academies and free schools to the academy trust. The payments must be made in full during the financial year 2023 to 2024. This indicates that the payment of additional grant is outside of the banded top up values and is applied both to place and top up funding. The estimated cost of this increase is £1.6m.

2. Proposed Budget

2.1. In determining the high needs block budget for 2023-24 the following pressures and opportunities have been taken into account:

- a) Full year effect of pressures in 2022-23
- b) Projected increases in demand in 2023-24, including planned increases in places arising from the Sufficiency Strategy
- c) Required increase to special school and PRU budgets
- d) Consideration of an inflation uplift to top up values
- e) Increases to contract costs for Integrated Therapies

2.2. All of these pressures have now been reviewed. Contractual commitments have been reflected in the proposed budgets in addition to the required increase to special school and PRU funding (3.4%). The affordability of increases to top up values and inflationary uplifts has also been considered.

2.3. Potential mitigations arising from actions already taken in the DSG Management Plan have been calculated. Assumptions are based on the impact of actions on numbers of EHCPs and the potential mitigation of demand for external placements. These assumptions have been built into the proposed budget and will be monitored through the financial year.

2.4. The estimated cost pressures and mitigations are summarised in the following table.

	£'000	£'000
High Needs Budget 2022-23 (Gross of deductions for Academies and FE Colleges)		112,061
<i>Items for Consideration 2023-24</i>		
Full Year Effect of 2022-23 demand	2,412	
Sufficiency Strategy - Planned increase in Capacity	1,521	
Additional Demand September 2023	5,056	
Fee Increases (external placements)	837	
3.4% increase - Special Schools and PRUs	1,631	
Increased Therapy Costs	1,040	
New commitments - Independent Travel Training and Support for Unaccompanied Asylum Seeking Children	367	
Increase in Top Up Rates/Band values (assumed at 3%)	1,396	
Total Increased Pressures		14,259
Unmitigated Budget Requirement		126,319
Potential Mitigation from DSG Management Plan actions		(2,778)
Total Budget Requirement 2023-24 after mitigations		123,542
High Needs Block 2023-24		(123,542)
Shortfall		(0)

2.5. A detailed breakdown of the proposed budget is provided in Appendix 1 to this report.

3. Risks and Mitigations 2023-24

3.1. The following risks and mitigations will need to be monitored throughout the year:



Risk	Mitigation
Inflationary increases for external placements exceed the budget	<ul style="list-style-type: none"> • Requests are monitored and challenged by the commissioning team and challenged where they cannot be evidenced
Demand for external placements exceeds the estimate used to calculate the budget	<ul style="list-style-type: none"> • Increased numbers of places within Buckinghamshire special schools and ARPs have been budgeted for, increasing capacity to meet need within Buckinghamshire schools • Continued focus on reviewing high cost placements • Rigorous process within SEND Placement Panel to ensure robust placement decision making
Mitigating savings are based on assumptions not yet tested	<ul style="list-style-type: none"> • Monitoring of activity and impact of each mitigation will be monitored and reviewed in year
Demand for EHCPs increases beyond current projections	<ul style="list-style-type: none"> • Demand projections based on trends from previous years and projected population growth etc • Increased capacity within Area Teams from April 2023