

North Northamptonshire Schools Forum: 18th January 2024

Agenda Item 8

High Needs Block Update 2023-24 and Proposed High Needs Block Budget 2024-25

1 Background

- 1.1 The purpose of this report is to update School's Forum on the forecast outturn position for the High Needs Block element of the Dedicated Schools Grant for 2023 - 24, and the proposed draft budget for the HNB 2024-25.

2 High Needs Block Forecasted Outturn 2023-24

- 2.1 The North Northamptonshire HNB allocation for 2023 – 24 is £57.919m. This is before recoupment of funding for academies and free schools of £11.152m. Adjusting for this leaves the total HNB resources of £46.768m that will be received by the LA through the DSG. Monitoring undertaken throughout the year and whilst setting the budget for 2024-25, shows a budget pressure on HNB of £9.019m as at Period 8.

Table A below shows spend against budget.

Service	2023-24 Budget	2023-24 Forecast Spend	Variance
Total SENIF Plus	£250,000	£280,804	£30,804
Total Mainstream Top Up	£7,301,174	£9,760,174	£2,459,000
Total Mainstream Units	£2,809,355	£3,082,416	£273,061
Total Special Schools	£28,469,296	£30,326,800	£1,857,504
Total Out of Area	£1,934,048	£2,063,027	£128,979
Total Independent	£9,999,990	£13,229,346	£3,229,356
Total Alternative Provision	£2,650,000	£4,837,612	£2,187,612
Post 16 Top Up	£1,953,207	£1,700,000	£(253,207)
AP Free Schools	£190,000	£190,000	£0
Hospital Education Services	£100,000	£0	£(100,000)
Support Services	£2,194,080	£2,194,080	£0
ESFA July 23 DSG Adjustment	£74,000		£(74,000)
Total High Needs Block	£57,925,150	£67,664,259	£9,739,109
DSG Reserves B/F			£(720,000)
Total High Needs Deficit at Period 8			£9,019,109

- 2.2 As a result of the pressure in the HNB, it is clear that DSG Grant will end the 2023-24 financial year with a deficit. As a result, the DFE will require a detailed DSG Management Plan to be developed for their approval.

3 High Needs Block 2024-25

3.1 The DFE announced the 2024-25 DSG Funding Settlement on 19th December 2023. **Table B** illustrates the composition of High Needs Block DSG Funding, comparing it to the allocation for 2023-24.

Table B – Composition of High Needs Block Funding

High Needs Block	2023-24 DSG Allocation	2024-25 DSG Settlement	Change	% Change
Total high needs elements in the funding floor and gains calculation	£50,530,962	£55,556,821	£5,025,859	9.95%
Basic entitlement factor (area cost adjusted) unit of funding	£4,684	£4,684	-£0	0.00%
Number of pupils in special schools and academies	1313.00	1403.00	90.00	6.85%
Basic entitlement factor (area cost adjusted)	£6,150,250	£6,571,568	£421,318	6.85%
Import/export adjustment (based on January 2023 school census and February R06 2022 to 23 individualised learner record)	-£1,650,000	-£1,650,000	£0	0.00%
Additional Funding for Special Free Schools	£546,986	£480,995	-£65,991	-12.06%
Hospital education, alternative provision teachers pay/pension and supplementary funding factor	£20,900	£20,900	£0	0.00%
Additional high needs allocation	£2,320,052	£0	-£2,320,052	-100.00%
Total High Needs Block before deductions	£57,919,150	£60,980,284	£3,061,134	5.29%

3.2 The total increase in HNB funding from 2023-24 to 2024-25 is £3.061m prior to recoupment this is an increase of 5.29%.

3.3 The main changes to the HNB Funding for 2024-25 are:

- special schools, PRUs, and AP's will continue to receive a separate allocation, mirroring the 3.4% additional funding from 2023-24.
- MFG to be set between 0% to 0.5% for Special Schools.
- Additional High Needs allocation has been rolled into the High Needs Block.

3.4 **Table C** below shows the Draft budget for HNB for 2024-25 compared against the forecasted outturn for 2023-24.

	2023/24 Budget	2023/24 Forecast Spend	Variance	Total DRAFT 2024/25 Budget
Total SENIF Plus	£250,000	£280,804	£30,804	£286,038
Total Mainstream Top Up	£7,301,174	£9,760,174	£2,459,000	£10,247,263
Total Mainstream Units	£2,809,355	£3,082,416	£273,061	£3,596,687
Total Special Schools	£28,469,296	£30,326,800	£1,857,504	£31,735,481
Total Out of Area	£1,934,048	£2,063,027	£128,979	£1,760,513
Total Independent	£9,999,990	£13,229,346	£3,229,356	£13,717,536
Total Alternative Provision	£2,650,000	£4,837,612	£2,187,612	£4,379,333
Post 16 Top up	£1,953,207	£1,700,000	£(253,207)	£1,775,000
AP Free Schools	£190,000	£190,000	£0	£140,000
Hospital Education Services	£100,000	£0	£(100,000)	£0
Support Services	£2,194,080	£2,194,080	£0	£2,194,080
Notional SEN Formula Top Up	£0		£0	£50,000
SALT Contribution			£0	£240,000
ESFA July 23 DSG Adjustment	£74,000		£(74,000)	£0
TOTAL HIGH NEEDS BLOCK AT P8	£ 57,925,150	£ 67,664,259	£ 9,739,109	£ 70,121,931
ESFA November 23 DSG Adjustment		£(6,000)	£6,000	
TOTAL HIGH NEEDS BLOCK	£ 57,919,150	£ 67,664,259	£ 9,745,109	£ 70,121,931

HNB Allocation 24-25				£60,980,284
Transfer From Schools Block 0.5%				£1,436,386
Total HNB Funding 2024-25				£62,416,670
2024-25 Budgeted Deficit				£ 7,705,261
Forecasted Deficit Brought Forward at Period 8				£9,739,109
ESFA November 23 DSG Adjustment				£6,000
DSG Reserves B/F				£(720,000)
Cumulative Deficit				£ 16,724,370

- 3.5 The 2024-25 High Needs Block Budget remains under strain, and is projecting an overspend of £7.705m, this is after taking into account a transfer from the school's block amounting to £1.436m. The projected cumulative deficit is forecasted to be £16.724m.
- 3.6 Work is ongoing with services and the ESFA to help mitigate this spend and these mitigations will be brought to the March 2024 School Forum meeting as part of the DSG Management Plan.

4 Recommendations for Schools Forum

4.1 School Forum is asked to note the High Needs forecasted Outturn for 2023-24 and the draft budget for 2024-25.

5 Financial implications

5.1 The financial implications are set out in this report. The forecasted cumulative deficit position is an overspend of £16.724m at the end of 2024-25.

6. Legal Implications

6.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2023. It is important to ensure decisions are made within the regulations set. North Northamptonshire is required to submit a DSG Management Plan as a requirement of DSG Term and Conditions of Grant.

7 Risks

7.1 This is an information paper to update school forum on the High Needs Block. It is Important school Forum Members understand the pressures and risks within the High Needs Block.

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