

DARLINGTON SCHOOLS FORUM

14th March 2024

ITEM NO 5

BUDGET SETTING HIGH NEEDS BLOCK 2024/25

Purpose of Report

1. To update Forum regarding the proposed 2024/25 High Needs Block budget.

Forum Decision required

Forum is asked to:

- a) Note the report
- b) Discuss and agree the proposed DSG High Needs budget for 2024/25

Background

2. Schools Forum was notified at the January 2024 meeting that the Dedicated Schools Grant (DSG) allocation for the high needs block was £20,834,831 prior to initial recoupment of £4,648,000 for place funding, which is taken at source by the ESFA. The place change requests effective from September have been allowed for in the budget setting report (**appendix 2**), increasing the recoupment figure to £4,877,834. These figures will be adjusted by the ESFA in due course but for transparency, indicative figures have been included.
3. The funding equates to an increase (prior to recoupment) of £677,640, a 3.4% uplift in overall funding. After additional recoupment of £342,500, the block has received a net increase of £335,141. (**shown in table 2, appendix 2**)

High Needs Budget

4. The proposed budget was reviewed at the High Needs Block Sub-group meeting on the 15th of March and is in line with the Debt Recovery plan. We are entering our second year of the Safety Valve programme and although we are projecting a surplus in the 2023/24 budget, after allowance for the place change requests, profiled growth in EHCPs and inflationary pressures within the independent sector, the 2024/25 budget is extremely tight. It would be prudent to support the high needs block with a transfer from the school block reserve, we carried forward £296,026 into 2023/24 and have an anticipated additional reserve of £50,000 to add to the reserve at the end of this year, increasing the reserve to £346,026. A transfer of £150,000 will support the increase in Early Years EHCPs and SEN Inclusion funding for early years settings.
5. As agreed in 2023/24 the budgets have been classified into the same categories as the plan i.e. Resource Based and SEN, Special Schools, Mainstream, MNSS or Independent, Post 16 & FE, Hospital and Alternative Provision (AP) and other.
6. The budget plan (appendix 2) shows the funding split by category, so that we are able to view the share of the allocation and monitor against these. There are two tables included in **appendix 2**,

showing the split of the gross budget prior to recoupment and the net budget after recoupment across the categories.

7. The main areas of note:

- a) The place funding recoupment is subject to change after the import/export exercise and any further adjustments for place change requests.
- b) Growth has been built into the plan to take account of the additional EHCP's levels particularly in mainstream and MNSS provision at 8% which is in line with the Safety Valve monitoring position. Additional top ups have been included for the increased place numbers in Beaumont Hill Academy and the Resource Bases.
- c) Post 16 independent provision saw an expected decrease in placements in 2023/24 as extended placements, post covid came to a natural end, this reduction is factored into budget plans.
- d) The hold position for the Travellers Service and Low Incidence Needs service are included in the budget in line with the previously agreed School Forum position. All the Outreach services and SCOS service have been built in based on the current models.
- e) The Vulnerable Pupil Panel funding has been split to show the 6th Day Provision separately. This is an area pressure and further work will be carried out with the High Needs Sub-Group to look at options in this area. The budget has been set in line with the 2023/24 expenditure levels.
- f) The inclusion support and 14-16 projects have been removed from the 2024/25 plan due to on-going pressures within the block.
- g) The PFI premises factor for Beaumont Hill Academy has been adjusted to allow for inflationary increases and to ease the affordability gap.
- h) The majority of the high needs block budget is demand led and there is a significant risk that demand will outstrip the funding envelope. Therefore, the block will need close monitoring in order to realise an in-year balance.

Recommendations

8. That Forum agrees the high needs budget for 2024/25
9. That Forum notes the ongoing and increasing pressures due to demand within the high needs budget and that the budget proposal is linked to the Safety Valve plan and written statement of action.
10. That the Forum notes a transfer of £150,000 from the reserve to the High Needs Block.

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