**APPENDIX 1**

**Update on the current High Needs Forecast 2023/24**

The most recent forecast for High Needs as at November 2023 suggests an overspending of **£16.468m** which could increase further depending on final placements and agreements being reached throughout the rest of the financial year. This forecast outturn will exceed last year's overspend of £6.1m by over £10m.

The latest forecasts include the following changes adding to the cost pressures on High Needs in 2023/24 compared against 2022/23 outturn:

* Continuing expansion of SEN Group teaching agreements across Early Years, Primary and Secondary schools
* The rollover of agreed 1:1 funding agreements across all year groups and settings into 2023/24 plus any additional/new transitional agreements as of August 2023.
* The full year costs of renting 3 mobile classrooms and a lease agreement for St Teresa’s site as part of the expansion of new in-house places.
* The Planned increase in Resource Unit places across Early Years, Primary and Secondary, as part of the plans for extra in-house provision. (At various stages in 23/24) with some delays.
* Hourly rate uplifts for 1:1 TA support for all current SEN Support agreements across Primary and Secondary funding wef 1 April 2023, to bring hourly rates up to current pay levels, as part of the rightsizing of funding to settings, reflective of current costs.
* Hourly Rate uplift for Early Years SEN funding support including maintained schools and PVI settings.
* Price uplifts across a number of the Independent and Non-maintained Special Schools reflective of price inflation
* Special Schools uplift for pay and prices and ongoing supplementary funding targeted to Special and AP schools to meet cost pressures, Plus pupil place growth for Newfield special school.
* Ongoing pressures from increasing numbers of pupils being placed in Independent and non-maintained special schools out of Borough. Numbers have not been contained or reduced in 2023/24.
* Significant expenditure on short term external 1:1 tutor and therapy support for SEND pupils not attending school.

The above list does not include other High Needs budget areas under continuing pressure including the full year effects of spending decisions/agreements/placements in resourced and independent places established since September 2022, for which there is now a full year cost effect in 2023/24.

**HIGH NEEDS DSG BUDGET STATEMENT SUMMARY AS AT NOVEMBER 2023**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service Area** | **Full Year Budget****2023/24** | **Actual Exp. to Date (Agresso)** | **Forecast to** **Year End** | **Forecast****Out-turn** | **Variance****to Budget** |
| Early Years |  517,400  |  396,932  |  739,492  |   1,136,425 | 619,025 |
| Primary |  7,445,050  |  949,216  |  12,191,460  |  13,140,676  |  5,695,626  |
| Secondary |  3,079,200  |  2,880,593  |  1,935,771  |  4,816,365  |  1,737,165  |
| Special |  23,626,400  |  10,236,739  |  20,667,524  |  30,904,263  |  7,277,863  |
| Support Services including Referral Units |  5,565,500  |  1,745,511  |  4,321,572  |  6,067,083  |  501,583  |
| Post 16 provision (16-18) |  3,628,750  |  2,044,807  |  1,627,212  |  3,672,019  |  43,269  |
| Post 16 provision (19-24) |  750,000  |  -109,834  |  1,453,838  |  1,344,004  |  594,004  |
| Contribution to LEA budgets: Learning & Support |  735,250  |  -  |  735,250  |  735,250  |  -  |
| **TOTAL** | **45,347,550** | **18,143,964** | **43,672,120** | **61,816,085** | **16,468,535** |

Based on this latest in year deficit forecast, High Needs DSG balances would increase to an accumulative deficit position of **£35.135** by the end of 2023/24.

Forecasts for High Needs remain dynamic, as placements are settled, and new EHCP’s reach agreement. Below is a table highlighting the key areas of variance across the main High Needs spending areas for 2023/24 as of November 2023.

|  |  |
| --- | --- |
| **High Needs Expenditure areas** | **Forecast 2023/24****+ Deficit/ (-) Underspend as at Nov 2023** |
| Early Years Top Ups – *Includes group funding agreements and new resource provision from Sep 23* | 0.546 |
| Early Year PVI settings Top Up | 0.083 |
| Primary School Top Ups – *Includes group funding allocations* | 4.154 |
| Primary Resourced Unit Place funding & Top Ups | 1.542 |
| Secondary School Place & Top Ups – *Includes resourced unit funding* | 1.753 |
| Special provision - *Non-Maintained Special Day Schools/ Out of Borough* | 4.837 |
| Maintained Special School Places and Top Ups | 1.722 |
| Special provision – *non-maintained residential Schools* | 0.193 |
| Post 16 placements | 0.848 |
| Other - Mobile classrooms | 0.134 |
|  - St Teresa’s lease arrangement | 0.070 |
| Support Services | 0.318 |
| Other net variations | 0.268 |
|  |  |
| **Total 2023/24 Forecast overspend as of Nov 23** | **£16.468m** |
|  |  |

**High Needs Funding agreements**

SEN have put a temporary hold on any new group funding agreements or extensions of current arrangements while they carry out a quality assurance exercise across the schools.

The placement of pupils within Independent Day schools and the associated funding for these arrangements continues to put pressure on the high needs budget. The number of pupils continues to grow month on month with November figures currently reporting 246 pupils within these settings.

**New High Needs Places/In-House provision – updated position**

The initial starting position for 2023/24 included 28 additional maintained special school places at Newfield, which would be available from Sep 23, but the full expansion to 28 extra places has since been delayed. Finance previously forecast these places to be available in full by Feb 2024. The current forecast assumes these places will not be available before April 2024.

The forecast also removes the additional 8 places anticipated at Waterloo Primary from Jan 2024, these now remain unavailable till April 2024.

Any changes to the scheduled building works across the special schools and resource units will always have an impact on the forecast position, and any additional costs due to the delays will be built into the forecast as and when they arise.

**Funding allocations from the Schools Block funding given to High Needs in 2023/24**

Following approval by Schools Forum to allocate the 0.5% schools block, payments have since been made to all Academy schools for the Summer 23 and Autumn 23 terms. Based on the current number of 1:1 within all schools, finance forecast to distribute £844,000 across the 3 terms.

Further work is required to allocate the balance of this funding in support of those schools who have made an ‘identifiable’ contribution from their own budgets towards their SEN teaching Group working agreements.

The current forecast assumes the £981,265 schools block will not be exceeded. Once finance and SEN have carried out the necessary work, a more accurate forecast will be available and any further pressure on the High Needs budget identified.

**(SEE Appendix 2 to this report for the Spring Term 2024 funding allocations)**