

LANCASHIRE SCHOOLS FORUM

Date of meeting 16 March 2023

Item No 12

Title: Recommendations of the High Needs Block Working Group

Appendix A refers

Executive Summary

On 2 March 2023, the High Needs Block Working Group considered a number of reports/topics, including:

- High Needs Block Budget 2023/24
- High Needs Supplementary Grant 2023/24
- Inclusion Hub Funding 2023/24
- High Needs Block Monitoring Forecast 2022/23 (**Appendix A Attached**)
- SEND Strategy Update
- Inclusion Fund Update
- Clawback

Recommendations

The Forum is asked to;

- a) Note the report from the High Needs Block Working Group held on 2 March 2023;**
- b) Ratify the Working Group's recommendations.**

Background

On 2 March 2023, the High Needs Block Working Group considered a number of reports. A summary of the information presented, and the Working Group's recommendations are provided below:

1. High Needs Block Budget 2023/24

There were decisions and recommendations about the 2023/24 Schools Budget made at the Schools Forum on 12 January 2023.

Forum members unanimously supported the High Needs Block proposals for 2023/24, including:

- Agreeing on an increase in commissioned places.
- The historic commitments element transferred to the High Needs Block (from CSSB) to continue for;
 - 200K to Emotional Health and Wellbeing commissioned service
 - 150K to for the Multi-Agency safeguarding Hub (MASH).
- Increasing the Weighted Pupil Numbers (WPN) rate across all school and FE settings by 3% with additional £626 (of WPN element of High Needs Block Supplementary Grant from 2022/23) to £5,330;
 - For Specific Factors Special School and PRU School Specific factors uplifted by 2% as in 2022/23
- The distribution of additional high needs funding at 3.4% to all Special Schools and PRUS.
 - Pass over the grant as per Department of Education guidance at 3.4%, but also include the WPN HNB element for Primary and Secondary schools, as well as the FE Colleges, following a similar process as last year but with additional consideration for Early Years settings for pupils with EHCP plans. Based on 2022/23 figures this would be circa £2.2 million (further modelling needed with 2023/24 figures) which still leaves potentially circa £2.5 million which will be discussed with relevant working groups to decide on how most effectively utilise this funding throughout the year.
- Inclusion Engagement Team cost of £294,042 in 2023/24 (for following 2 years with yearly review)

On 19 January 2023, the County Council's Cabinet formally approved the Schools Budget for 2023/24.

Indicative Pupil Premium Grant (PPG) statements have historically been issued alongside School Budgets each February. Final PPG allocations are then notified to schools later in the financial year, once data has been confirmed by the DfE.

For 2023/24, the DfE are calculating the PPG allocations on the basis of October school census data, rather than the January school census. This means that actual PPG information will be available much sooner, and the DfE have indicated that 2023/24 allocations should be notified to the LA in March 2023.

The LA did not therefore include an indicative PPG statement with the budget notifications. Once we receive the confirmed 2023/24 PPG allocations from DfE, LA will inform schools.

The topic of planning for this allocation has been brought up by a member. Previously, the LA provided indicative statements that were a year behind. However, the LA will provide actual statements as soon as allocations are confirmed by the Department for Education. In meantime, schools can plan with local knowledge for their 2023/24 budgets.

A member has requested a table with the Banding and related WPN figures, which will be circulated once it is available.

The Working Group;

a) Noted the report;

b) Expressed views on the information provided.

2. High Needs Supplementary Grant 2023/24

At the Schools Forum on 12 January 2023, information was provided about the Mainstream Schools Supplementary Grant.

The Government has announced £1.451bn nationally for 2023/24 in the form of 'Mainstream Schools Additional Grant'. The authority share is, indicatively, £31m and the grant will be allocated to mainstream schools and academies. School level allocations are expected from the DfE in spring 2023.

Within the additional £2bn for 2023/24, an extra £400m was announced nationally for High Needs. The authority will receive an additional £8m of High Needs additional DSG funding included within the published DSG allocations Part of this additional High Needs funding must be used to allocate an additional 3.4% to special and AP schools and academies, as per the 2023/24 DSG conditions of grant.

High needs supplementary allocations will be finalised in 2023/24 and will match the payment terms for mainstream schools determined by the DfE, for example being paid as a one-off payment or by instalments.

Lancashire Schools Supplementary Grant allocations for 2023/24 are set out below:

Mainstream Schools Additional Grant allocation	£31m
High Needs Supplementary Grant allocation	£8m
Total Supplementary Grant allocation	£39m

Following discussions with Forum, it was agreed that the High Needs Supplementary Grant would be calculated in two parts:

A payment to all Special Schools and PRU's as per the DfE guidance and conditions of grant. Details of the allocations for Special's and PRU's have been shared in your budget letter which was published via the portal week commencing 20 February.

A further allocation of a WPN element of additional high needs funding for Primary and Secondary schools, as well as the FE Colleges, will follow a similar process as last year but

with additional consideration for Early Years settings for pupils with EHCP plans. This is currently estimated at £493 and will be multiplied by the total WPN on the May 2022 SEN data. Based on 2022/23 figures this would be circa £2.2 million.

This still leaves potentially circa £2.5 million yet to be allocated and views are required on how most effectively this funding can be utilised through the financial year.

It was discussed in great detail how potential funding could be allocated and used in sectors or if it should be kept in reserves to potentially assist High Needs Block in the future.

A number of members have suggested that they should utilize the funding this year to benefit children who are currently enrolled in school. The discussion focused on the lack of support for children without ECHP plans, the process, the transition period for these children and IEST involvement. It is especially important to identify SEN at an early stage in the educational process since the number of students with SEN is increasing.

As the discussion was lengthy but important, it was suggested that a Task and Finish Group be formed to make a decision regarding how the funding will be utilized. Members have agreed that the decision can be made by the Chairs of the working groups with the support of the finance officers and members of the Inclusion Team. As such, members are encouraged to contact their Chair if they have any ideas to share prior to the meeting or to directly contact School Forum. The meeting was scheduled for 23 March 2023. The item will be placed on the agenda for full forum asking for agreement that the decision is made by the chairs at the planned task and finish group after full forum. This is to ensure the funding can be allocated in the 2023/24 budget.

The Working Group;

- a) **Noted the report;**
- b) **Supported Task and Finish Group to decide regarding remaining funding for HN supplementary grant.**

3. Inclusion Hub Funding 2023/24

Following a consultation with schools in the autumn term 2022, the Forum again voted to de-delegate funding for primary inclusion hubs in 2023/24. The de-delegation cost was held at the 2022/23 rate of £11.00 per pupil for maintained primary schools and generates circa £1m for inclusion hub activities in Lancashire.

The distribution methodology has used pupil numbers and a deprivation factor to calculate the allocations for each district. For 2023/24, it is proposed to continue this methodology and the table below provides information on the allocations calculated for each district from April 2023:

District	NOR (90%) £	Deprivation (10%) £	Total £
01	96,400	11,451	107,851
02	69,807	7,505	77,312
04	43,845	3,796	47,641
06	126,624	15,320	141,944
07	77,774	7,104	84,878

08	78,257	8,289	86,546
09	90,421	7,802	98,223
11	104,571	11,347	115,918
12	75,295	10,857	86,152
13	80,086	10,785	90,871
14	56,919	5,743	62,662
	899,999	99,999	999,998

District allocations are very similar to those for 2022/23, with 3 districts receiving marginally higher allocations and 8 slightly lower allocations. The largest change for a single district is a circa £2.8k increase in funding.

Further updates will be presented to the Forum in due course about the operation of the hubs, and the Forum will need to make formal decisions in October 2023 about de-delegation options for 2024/25.

The officer in attendance explained that the methodology is derived from NOR and from district deprivation rates.

The Working Group

- a) **Noted the report.**
- b) **Expressed views on the information provided.**

4. High Needs Block Monitoring Forecast 2022/23

Due to the cost and demand led pressures on the High Needs Block budget, arrangements were introduced from 2018/19 to provide the Forum with termly budget HNB monitoring.

Autumn term 2022/23 data is now available, and the monitoring and analysis is was presented to the group, and it can view as Appendix A.

The HNB budget is currently forecasting a circa £6m underspend at 31 March 2023. The monitoring is an estimate of the full year forecast, based on expenditure that has occurred in the 2022 autumn term.

There remains significant ongoing financial pressure facing this block despite the current monitoring position, as the demand and costs continue to rise. It is anticipated that the final outturn position will come in significantly higher than the current forecast based on historic trends.

Despite the current underspend forecast, Matthew Dexter has explained that future years forecast a deficit in HNB. Previous years, other local authorities have kept their supplementary grants in reserve in order to be in a better financial position in the future.

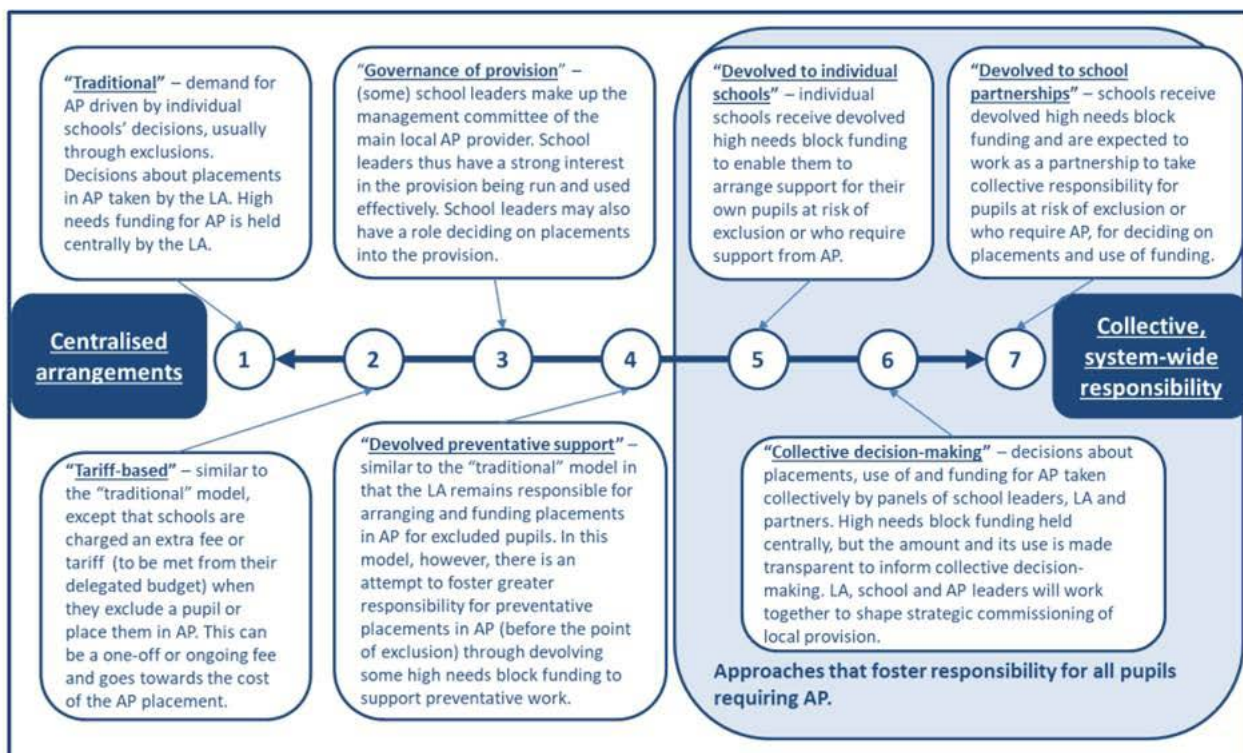
The Working Group;

- a) **Noted the report;**
- b) **Expressed views about the autumn term 2022/23 High Needs Block Monitoring.**

5. SEND Strategy Update

Sally Richardson stated that there is an increase in the demand for EHCP and that the data shows 900 more than last years and last year's being at 8,600K. This demand is felt across all counties and not just in Lancashire, with children being identified with more complex needs. The out of county cost have doubled but the number of pupils has not significantly increased. The demand for places has increased in ASD and SCLN. The SEND sufficiency strategy is being refreshed.

Further information was shared during the meeting as seen below;



Sally has agreed with members that the AP Strategy needs a refresher. She will be working further on this and will shared once available.

The Working Group;

- a) Noted the information;
- b) Supported to review AP Strategy.

6. Inclusion Fund Update

Unfortunately, Kirsty Lister was not available to attend the meeting due to underseen circumstances. However, we are currently awaiting accurate figures which should be available at the next meeting.

The Working Group;

- a) Noted the information.

7. Clawback

This report provided the group with decision made by latest meeting held by Chairs on 10 February 2023. The group was presented with the minutes of the meeting. The meeting was held to consider a clawback suspension due to request received. However, clawback was not suspended because it will apply for the entire year and some schools have accumulated balances over the past few years as clawback was suspended due to COVID.

It is important to note that the final outturn position against schools delegated budgets at 31 March 2022 was an underspend of £5.173m. This meant that school balances had increased by £5.173m in 2021/22, to a total of £95.325m.

As a result of recent meetings surrounding clawback, it was noted that there was no deadline or a clear indication of the steps that need to be taken in order to review the request. During this meeting, it was discussed how schools and the authority would benefit from a deadline and guidance on what is expected to be submitted as part of the request. School Forum will be asked to review additional information below to be added to clawback policy 2023/24;

"Applying for Clawback Exemption

To apply for clawback, please email schoolsforum@lancashire.gov.uk

The deadline for requests to be reviewed is 31 October.

The schools should provide details following details;

- School Number and Name
- What is the planned project including dates for start and completion of the project
- Details of the quote (Evidence provided)
- Amount you are requesting to be exempt from clawback for one year
- Clarity and justification for the project
- Estimated reserves at 31 March

Depending on the school type the request will be reviewed by appropriate working groups.

The team will be working on a template that will be available electronically, to improve this process."

The Working Group;

- a) **Noted the information;**
- b) **Supported Chairs decision to not suspend the clawback;**
- c) **Supported changes for a clawback policy in 2023/24.**

The Forum is asked to ratify working group recommendations.

2022/23 High Needs Funding Block Monitoring as at Autumn 2022

	BUDGET	YEAR TO DATE	FORECAST	
	Current Budget	Actual	Full Year Forecast	Full Year Variance to Current Budget Under(-) Over (+)
Expenditure	£	£	£	£
<u>Mainstream Schools</u>				
Core Uplift Funding	1,234,145	1,098,344	1,449,035	214,890
Additional Support Uplift Funding	182,617	262,902	344,382	161,765
Top-up Funding	13,308,043	12,843,443	17,269,452	3,961,409
SERF Place Funding	775,148	452,857	679,970	-95,178
Additional HNB Funding	0	560,661	747,548	747,548
	15,499,953	15,218,207	20,490,387	4,990,434
<u>Special Schools</u>				
Place Funding	30,053,333	22,378,333	30,053,333	0
Additional Place Funding	1,500,000	1,780,000	2,277,500	777,500
Top-up Funding	22,154,078	18,002,069	24,161,509	2,007,430
School Specific Funding	15,604,159	11,698,926	15,633,546	29,387
Additional HNB Funding	0	861,523	1,148,697	1,148,697
	69,311,571	54,720,851	73,274,585	3,963,015
<u>Alternative Provision</u>				
Place Funding	6,720,000	5,040,000	6,720,000	0
Additional Place Funding	0	189,000	214,000	214,000
Top-up Funding	3,718,784	3,655,035	4,748,340	1,029,556
Additional HNB Funding	0	68,875	91,833	91,833
	10,438,784	8,952,910	11,774,173	1,335,389
<u>Further Education - Post 16</u>				
Additional Place Funding	0	0	0	0
Top-up Funding	3,361,950	2,847,146	3,844,448	482,498
Independent Specialist Providers	7,638,050	1,820,295	7,638,050	0
	11,000,000	4,667,441	11,482,498	482,498
<u>Commissioned Services</u>				
PFI - Special, Nursery	3,150,054	969,985	3,150,054	0
Early Intervention	350,000	125,903	307,000	-43,000
Commissioned Alternative Provision services	1,200,000	274,116	950,000	-250,000
Hospital Provision	1,300,000	359,183	871,382	-428,618
Independent Hospital Provision	0	0	0	0
Education in Residential Homes	0	0	0	0
Out County - Specialist provision places	20,500,000	8,242,845	23,048,612	2,548,612
Out County - Mainstream / academies places	2,500,000	464,446	2,011,040	-488,960
Inclusion Service Specialised Equipment	500,000	113,761	805,000	305,000
Inclusion Service Inclusion Projects	1,250,000	785	3,138	-1,246,862
Inclusion Service Teachers & Support	4,000,000	4,897	3,209,477	-790,523
Multi Agency Development	75,000	75,000	75,000	0
Support for Vulnerable Pupils - SI	1,000,000	396,085	881,983	-118,017
Overheads	598,200	598,200	598,200	0
	36,423,254	11,625,205	35,910,886	-512,368
<u>Other</u>				
High Needs Growth	17,142,970	0	0	-17,142,970
HNB Additional Supplementary Grant Payment	0	2,603,225	6,247,743	6,247,743
Exclusions	-400,000			
	16,742,970	2,603,225	6,247,743	-10,895,227
Total Expenditure	159,416,532	97,787,839	159,180,272	-636,260
Income				
<u>DSG</u>				
Provisional High Needs Block Funding as at 19.12.2020	166,907,915	69,544,965	166,748,915	-159,000
HNB Additional Supplementary Grant Payment	0	6,247,743	6,247,743	6,247,743
DfE High Needs Place Adjustments	-567,500	-236,458	-457,501	109,999
DfE High Needs deduction for direct funding of places	-8,604,000	-3,585,000	-8,604,000	0
Transfer from ISB to High Needs	1,680,117	1,680,117	1,680,117	0
	159,416,532	73,651,366	165,615,274	6,198,742
Total Income	159,416,532	73,651,366	165,615,274	6,198,742
Net Surplus	0	24,136,473	-6,435,002	-6,835,002