

**Schools Funding Forum 20<sup>th</sup> October 2022****ITEM 4****Subject Heading:****High Needs Funding Year End Forecast  
2022-23****Report Author:****Nick Carter – Principal Finance Officer  
(Schools)****Eligibility to vote:****All members****SUMMARY**

This report provides a year end forecast of expenditure against the high needs budget for 2022-23.

**RECOMMENDATIONS**

That the Schools Funding Forum

- (i) notes the year forecast of expenditure for financial year 2022-23
- (ii) agrees to the re-establishment of a High Needs funding task and finish group

**REPORT DETAIL**

Appendix A shows the funding available for High Needs related expenditure in 2022-23 and the current forecast of expenditure across the range of provision within Havering.

The forecast for year end 2022-23 has been updated based on the current academic year (2022-23) cohort and with an update on the estimate on the number and level of support funded through EHC plans.

## Projection

### Expenditure

£m	
36.7	High Needs estimated expenditure 22-23
<u>36.7</u>	

### Income

£m	
-33.2	High Needs funding allocation 22-23
-1.0	transfer from schools block
<u>-34.2</u>	

### Balances

2.5	projected in-year deficit 22-23
4.7	deficit brought forward from 21-22
<u>7.2</u>	projected deficit carried forward to 23-24

Further details on the projected spend is shown at Appendix A.

In financial year 2021-22, the overspend of £5.0m was offset by £0.3m of underspends in other areas of the Dedicated Schools Budget (DSG). There remains a deficit carried forward into financial year 2022-23 of £4.7m.

This is the third year that the combined total of all year end balances of activities funded by the DSG has been in deficit. This is due to DSG underspends in other areas being insufficient to cover the overspend in the High Needs Block.

Any local authority that has an overall deficit on its DSG account at the end of the 2021-22 financial year, or whose DSG surplus has substantially reduced during the year, is required to complete the Dedicated School Grant Management Plan or to have an equivalent framework.

The DfE have setup a Delivering Better Value (DBV) in SEND Programme, which commenced in financial year 2022-23, and Havering are in the second tranche. Some preliminary meetings have taken place and updates will be given at future Forum meetings. The DfE prioritised the programme based on the size of the LAs DSG deficit.

The LA will continue to keep all areas of DSG spending under review to identify potential savings to meet the forecast overspend in the high needs block.

## **High Needs funding task and finish group**

A task and finish group was established in autumn 2021 to examine high needs funding rates for schools for the 2022-23 financial year. The LA are of the view that, with the agreement of the Forum, the group should be re-established to examine funding rates for 2023-24.