



**Subject Heading:**

**High Needs Funding**

**Report Author:**

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**Eligibility to vote:**

**All members**

### SUMMARY

This report provides a year end forecast of expenditure against the high needs budget for 2024-25, Notional SEN breakdown and the progress from the High Needs Task and Finish group.

### RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the year forecast of expenditure for financial year 2024-25
- (ii) notes the thresholds for the EHCP and SEN Support from the Notional SEN budget
- (iii) notes the progress made by the High Needs Task and Finish Group and the requirement for a report to be tabled for Cabinet consideration and approval

## REPORT DETAIL

### 1. High Needs Forecast 2024-25

Appendix A shows the funding available for High Needs related expenditure in 2024-25 and the current forecast of expenditure across the range of provision within Havering.

The forecast for year end 2024-25 has been updated based on the current academic year (2024-25) cohort and with an update on the estimate on the number and level of support funded through EHC plans.

#### Projection

<b>Expenditure</b>	
£m	
60.9	High Needs estimated expenditure 24-25
<u>60.9</u>	

<b>Income</b>	
£m	
-39.9	High Needs funding allocation 24-25
-1.2	transfer from schools block
<u>-41.1</u>	

<b>Balances</b>	
19.8	projected in-year deficit 24-25
6.8	deficit brought forward from 23-24
<u>8.5</u>	deficit brought forward from 22-23
<u>35.1</u>	projected deficit carried forward to 25-26

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

In financial year 2023-24, the overspend of £7.6m was offset by £0.76m of underspends in other areas of the Dedicated Schools Budget (DSG). There remains a deficit carried forward into financial year 2024-25 of £19.8m.

This is the fifth 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 LA that has an overall deficit on its DSG account at the end of the 2023-24 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 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.

## **2. Notional SEN Funding within Delegated Budgets (APT) for EHCP and SEN Support (K code)**

The notional Special Educational Needs (SEN) budget forms part of the overall funding allocated to mainstream schools through the Authority Proforma Tool (APT). It is designed to help schools meet the needs of pupils with SEN, including those with an Education, Health and Care Plan (EHCP) and those identified under SEN Support (K code).

The DfE expectations for support for EHCP and SEN Support children are as follows:

### **2.1 EHCP Funding**

For pupils with an EHCP, schools are expected to contribute up to £6,000 from their delegated budget for additional support required, before top-up funding is provided by the local authority. This £6,000 threshold is derived from the notional SEN allocation within a school's overall budget, which varies depending on school size, needs profile, and local funding formula.

Presently, the "hours" that the £6,000 represents is 9 hours, however the LA is looking at a change of reporting to support schools to be able to deliver the outcomes of the EHCPs.

Havering has the Inclusion Supplement, which is reviewed annually, and should a school Notional SEN allocation be less than the expected level of funding expected for the number of EHCP children, then additional funding is provided to support the school.

### **2.2 SEN Support (K code)**

For pupils under SEN Support (K code), the notional SEN funding is used to address their needs without the requirement for an EHCP, which on average for 2024-25 is £3,635 per pupil.

Schools are expected to use their delegated notional SEN budget to provide the necessary interventions, resources, or support. This is often managed within the school's overall SEN provision, which may vary based on pupil numbers and levels of need.

The Notional SEN budget is identifiable in the funding statements that schools receive from the LA or ESFA.

## **3. High Needs Task and Finish group**

A task and finish group was re-established in Summer 2024 to examine high needs funding for schools for the present and future financial years, to review the current arrangements for a long term sustainable model of support for those children with additional needs in attendance in educational provisions across the borough.

The group are due to meet after the Forum meeting has concluded.

## **4. High Needs Task and Finish Group Funding Proposals Update**

This section of the report provides an update on the ongoing discussions and proposals related to the High Needs funding for mainstream schools, specialist units, and alternative provision.

There has been productive engagement and positive feedback from the High Needs Task and Finish Group, with several key areas identified for further consideration.

### **4.1 Mainstream Schools Top-Up Funding**

The working group has been reviewing the current £17 per hour top-up rate for mainstream schools, applicable for support hours in excess of 9 hours in an Education, Health and Care Plan (EHCP). The group has proposed amending this rate to better reflect the financial and operational needs of schools. Additionally, there has been positive feedback on the proposal to shift from reporting hours to a banding or monetary system. This will assist schools in implementing more effective interventions and provide clarity, preventing any misinterpretation by parents/guardians that allocated hours strictly represent required Teaching Assistant (TA) support.

### **4.2 Specialist Units Funding**

A standardised approach to funding and structuring specialist units has been agreed in principle by the group. This will ensure greater consistency across schools and better alignment with the needs of pupils with more complex requirements.

The group will also be reviewing:

- The Special School Matrix, to ensure the current structure aligns with the needs of pupils and schools.
- Alternative Provision, with a focus on Social Inclusion and Medical Outreach support, to strengthen the targeted assistance provided to schools and pupils.

### **4.3 Financial Implications**

The Local Authority is currently in a deficit of £15.3m in DSG, with projections indicating that this could rise to £35.1m.

Given these significant financial pressures, any proposals that are recommended for adoption will require approval by the Cabinet through a formal report. It is crucial to ensure that all measures provide targeted support and deliver value for money, reflecting the financial constraints faced by the Local Authority and other councils.

Schools Forum members are asked to note the progress made by the High Needs Task and Finish Group and to support the continued development of these proposals. The final recommendations will be presented for approval,

alongside a Cabinet report, ensuring all proposed changes are carefully reviewed in light of the current financial challenges.

The group are due to meet after the Forum meeting has concluded and will feedback at the next Forum meeting due to be held on 28th November 2024.