

## High Needs Budget 2023/24

### Report to the Schools Forum 9 March 2023

- 1.1 As noted in the schools budget paper presented to the January 2023 Forum, the allocation to T&W of high needs funding for 2023/24, including additional grant is just under £35m, an increase of £3.4m compared to 2022/23
- 1.2 This is significantly more than the 5% increase that had previously been indicated by the DfE, but is in the context of very substantial inflationary pressures. For example, the pay offer to local government staff for 1 April 2023 is the same cash amount as 2022/23, i.e. a flat increase of £1,925. Such a flat offer is a much bigger percentage increase for staff at lower ends of the pay scale, which encompasses most support staff in schools. Pupils with high needs require, on average, much more support staff time than pupils without such needs.
- 1.3 There is a national minimum increase required for Special schools and PRUs of 3.4% in place and top-up funding (on a per place basis).
- 1.4 Going into 2023/24, actual expenditure in 2022/23 is forecast to be £3.8m higher than 2021/22 and so whilst the 2023/24 funding increase is substantial, it is not necessarily going to enough to cover cost pressures. There have been increases in costs in most parts of the high needs system, particularly in independent placements, for those children and young people with the most complex needs. For these young people in particular, the possibility of funding continuing until the age of 25 places substantial financial pressure on the system. It currently appears unlikely that there will be much if any DSG carry forward from 2022/23 to help in 2023/24 (the carry forward from 2021/22 was £0.3m).
- 1.5 ***Overall, there is a substantial risk that even if the authority avoids a DSG deficit at the end of 2022/23, there will be a deficit at the end of 2023/24.***
- 1.6 From an education and financial perspective, the best long term strategy is to endeavor to make mainstream provision as inclusive as possible. In recent years T&W has introduced a number of initiatives to promote this, for example;
  - the extension of the fairer share fund, supporting mainstream schools with a high numbers of high needs pupils compared to their demographics;
  - inclusion panel funding, enabling early years settings and schools to access funding for individual pupils with high needs but without an Education, Health and Care Plan (EHCP);
  - opening several new high needs units attached to mainstream schools, to extend the provision for pupils with high needs before needing to access a special schools place;
  - providing funding for outreach support from special schools to mainstream schools;
  - providing funding to support inclusion of pupils in secondary schools, to reduce permanent exclusions or PRU referrals.

- 1.7 The next stage in this process was planned to be the introduction of a unified banding model, offering a consistent banding methodology throughout early years, mainstream schools and special schools. However, the DfE is due to announce its plans following the SEND review last year, which described the possibility of a national unified banding system. We intend to wait until there is more clarity on this before we proceed with a local unified banding model.

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