

Report to Hartlepool Schools' Forum 10 June 2022
From Danielle Swainston (Assistant Director – Joint Commissioning)

Item 4 : High Needs Block Final Outturn 2021/22

1. Introduction

- 1.1 The purpose of the report is to confirm the final 2021/22 outturn for high needs services.

2. Background

- 2.1 Financial pressures affecting the provision of services for Special Educational Needs and Disabilities (SEND) have been reported to Schools' Forum at regular intervals during 2021/22, and previous financial years.
- 2.2 The latest projection presented to Schools' Forum estimated a year-end overspend of £0.487m (mid-case).

3. 2021/22 Outturn

- 4.1 The final outturn for 2021/22 is an overspend of **£0.386m**. This is summarised by each area of spend in the table below. The paragraphs that follow explain the main changes in the final outturn from the last update.
- 4.2 Forum Members will recall from earlier reports that the £0.204m represents the import/export funding adjustment that is calculated by ESFA each summer.

	Revised Budget 2021/22	Final Outturn 2021/22	Final Variance 2021/22 Overspend (+) / Underspend (-)
High Needs Outturn 2021/22	£m	£m	£m
LA place funding	1.366	1.366	0.000
Independent school fees	3.081	3.553	0.472
Out of authority top-ups	0.482	0.380	(0.102)
Exclusions (incl Horizon School)	0.753	0.666	(0.087)
Top-up funding and support	5.365	5.395	0.030
Post-16 top-up funding	0.720	1.044	0.324
Support services	0.467	0.467	0.000
Reserves	0.455	0.000	(0.455)
Total Outturn	12.689	12.872	0.182
In year funding adjustment	0.000	0.204	0.204
Final position 2021/22	12.689	12.672	0.386

4.3 Local authority place funding (on budget).

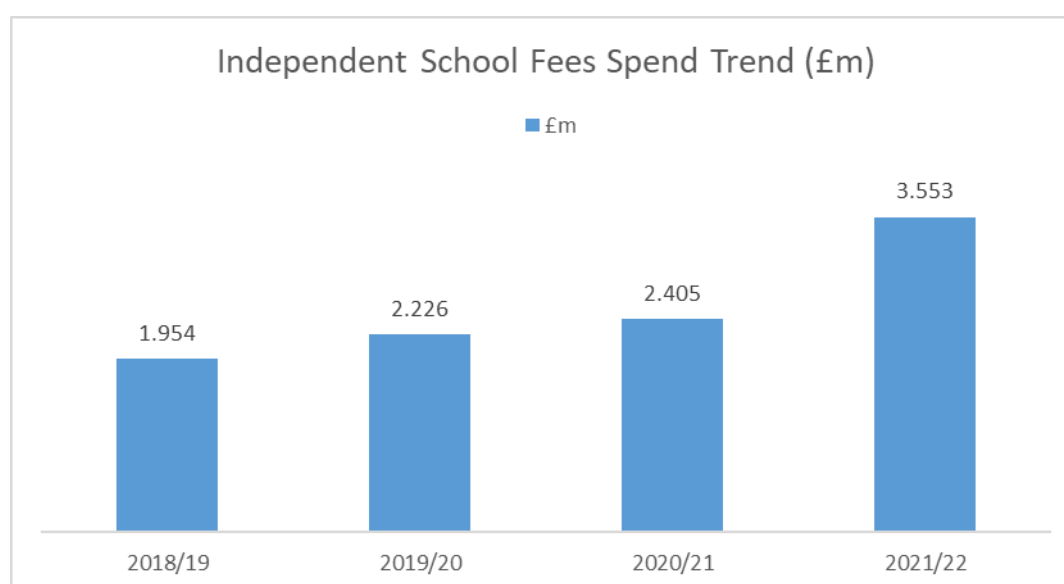
The final outturn was in line with the reported projection.

4.4 Independent school fees (£0.472m underspend)

The final spend on independent school fees improved from the £0.569m overspend projected at the last update. However, the cost of independent provision has risen by £1.148m, or 48% in 2021/22. This compares to expected growth of £0.676m.

A total of 75 pupils were placed for at least part of the year in Independent Provision during 2021/22. This compares to 71 pupils in 2020/21. The highest individual provision cost in 2020/21 was £0.138m compared to £0.162m in 2021/22. There was only one individual place above £0.100m in 2020/21, compared to three in 2021/22. The average cost per placement (including part year provision) was £0.034m in 2020/21, compared to £0.047m in 2021/22.

The chart below illustrates the steady growth in independent school fees from 2018/19 and the sharp growth during 2021/22.



4.5 Out of authority top-ups (£0.102m underspend)

The final outturn was broadly in line with the projected £0.064m underspend. Billing within the spring term confirmed a number of estimated costs for recent placements that had a beneficial impact.

4.6 Exclusions, including Horizon School (£0.087m underspend)

This budget head funds the cost of alternative provision for permanently excluded pupils and receives income from AWPU clawback from schools for those pupils that are permanently excluded. The final outturn was an underspend of £0.015m.

In addition, Horizon School returned a final underspend of £0.072m in 2021/22, reducing the required contribution to fund the school from the High Needs Block.

4.7 Top-up funding and support (£0.030m overspend)

Expenditure increased by £0.090m from the latest reported projection. The change was primarily linked to Individual Pupil Support funding agreed in the final quarter. The volume of funding agreements approved was higher than anticipated. Despite this, the cost of top-up funding and support was limited to £0.030m over budget, or 0.5%.

- 4.8 Post-16 top-up funding (£0.324m overspend)
Forum Members will recall that post-16 commitments for pupils with SEND have become an area of financial pressure in recent years. The final overspend of £0.324m was in line with the previous projection of £0.338m overspend.
- 4.9 Support Services (nil variance)
The contribution from high needs to local authority support services was maintained at budget level, with inflationary increases being absorbed by the local authority.
- 4.10 DSG reserves have been used to fund the final overspend of £0.386m for 2021/22. Following the contribution from reserves, balances earmarked to support the High Needs Block stand at **£0.325m**.
- 4.11 Had spending been in line with budget during 2021/22, there would have been a £0.455m contribution to reserves. This amount was set aside during budget preparation. Therefore, the balance of high needs reserves is actually £0.841m lower than budgeted (budget contribution of £0.455m plus overspend of £0.386m).

5. Recommendations

- 5.1 Forum is recommended to note the contents of the report.