

**Report to Hartlepool Schools' Forum 2 February 2022  
From Danielle Swainston (Assistant Director – Joint Commissioning)**

**Item 6 : High Needs Block Budget Update 2022/23**

**1. Introduction**

- 1.1 The purpose of the report is to outline updated high needs block funding for 2022/23 and the associated budget requirement.
- 1.2 ESFA published updated high needs funding information on 16 December 2021.

**2. Background**

- 2.1 Updated High Needs Block funding allocations for 2022/23 were published on 16 December 2021.
- 2.2 Hartlepool has benefited from an 11% (£1.489m) increase in 2022/23 (12% in 2021/22). This is the third successive year of significantly increased funding.
- 2.3 In addition to the 11% increase in core high needs block funding, a further allocation of £0.616m for Hartlepool has been announced following the autumn spending review. This further amount is to help cover the costs of the health and social care levy, along with any colleges and other providers offering extra hours of study to students with high needs.
- 2.4 Head Teachers are assisting officers in the process of establishing a three-year Medium Term Financial Strategy (MTFS) for provision for pupils with Special Education Needs and Disabilities (SEND).

**3. Updated 2022/23 Funding**

- 3.1 The updated High Needs Block allocation for 2022/23 is shown in the following table. The amount to be recouped from academies is an internal estimate based on the place changes requested for academic year 2022-23.

<b>High Needs Block</b>	<b>2022/23 Funding £m</b>
DSG High Needs Block Allocation (before funding of academies)	16.128
Additional funding (autumn spending review)	0.616
Recoupment for academy funding	(2.224)
<b>Total High Needs Funding 2022/23</b>	<b>14.520</b>

- 3.2 The High Needs Block funding is subject to change in July each year via revised recoupment funding relating to academy places and also via the annual import / export adjustment. These changes are notified in July each year.

**4. 2022/23 Budget Requirement**

- 4.1 The planned high needs budget for 2022/23 is shown in the table below:

High Needs Block Budget Requirement 2022/23		£m
Place Funding - Maintained		1.610
Independent School Fees		3.555
Out of Authority Top-ups		0.495
Alternative Provision (including Horizon School)		0.753
Top-ups and Support		5.850
Post-16 Top-ups		1.040
High Needs Services		0.467
Provision for MTFS proposals		0.750
<b>Total Budget</b>		<b>14.520</b>

- 4.2 The planned budget at paragraph 4.1 includes two budget changes recommended by Schools' Forum at their meeting of 21 September 2021 and approved by Children's Services Committee on 18 January 2022.
- 4.3 These budget changes are:
- Continuation of the increased SEND top-up ranges implemented in 2021/22, along with a further year's inflation at 2.75%;
  - Continuation of the backdated annual increases of 3% to special school's MFG for a further year, along with an additional year's increase at 3% for 2022/23.
- 4.4 The budget for these changes has been set at £0.182m and £0.241m respectively.
- 4.5 Although there is a high level of confidence regarding the affordability of these budget changes, this position may not be sustainable in future years. For that reason, these changes have been implemented for 2022/23 only and will be reviewed as part of the current work on the MTFS.
- 4.6 As outlined at paragraph 2.3 of this report, the additional funding of £0.616m has been provided to "help cover the costs of the health and social care levy, along with any colleges and other providers offering extra hours of study to students with high needs". Government have not yet issued details on how they expect the additional funding to be allocated.
- 4.7 The planned budget at paragraph 4.1 includes an allocation of the £0.616m against a number of budget areas to reflect potential additional costs from providers, including special schools. These budget estimates may need to be amended during the year when government issue more specific details on allocation rules.
- 4.8 After funding estimated growth in demand and cost of high needs provision, along with the budget changes outlined at paragraph 4.3, a residual amount of £0.750m is set aside as a provision for MTFS proposals.

## 5. Recommendations

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