

Report to Hartlepool Schools' Forum 13 June 2023
From Danielle Swainston (Assistant Director – Joint Commissioning)

Item 5 : High Needs Block Final Outturn 2022/23

1. Introduction

- 1.1 The purpose of the report is to confirm the final 2022/23 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 2022/23, and previous financial years.
- 2.2 The latest projection presented to Schools' Forum estimated a year-end overspend of £0.906m (mid-case).

3. 2022/23 Outturn

- 3.1 The final outturn for 2022/23 is an overspend of **£0.752m**. 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.

	Revised Budget 2022/23	Final Outturn 2022/23	Final Variance 2022/23 Overspend (+) / Underspend (-)
High Needs Outturn 2022/23	£m	£m	£m
LA place funding	0.882	0.882	0.000
Independent school fees	4.188	4.539	0.350
Out of authority top-ups	0.495	0.427	(0.068)
Exclusions (incl Horizon School)	0.753	0.816	0.063
Top-up funding and support	6.119	6.598	0.480
Post-16 top-up funding	1.040	0.967	(0.073)
Support services	0.467	0.467	0.000
Total Outturn	13.944	14.696	0.752

3.2 Local authority place funding (on budget).

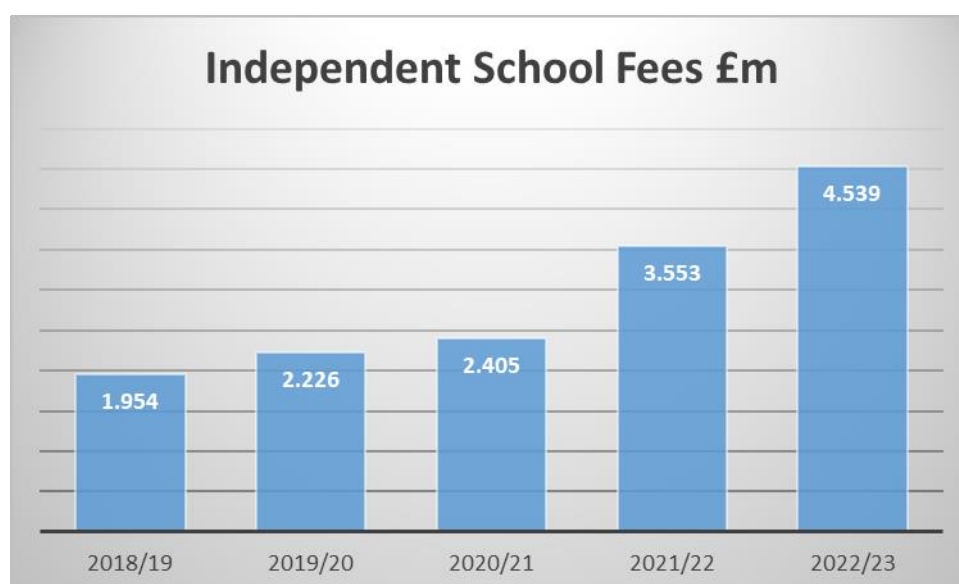
The final outturn was in line with the reported projection.

3.3 Independent school fees (£0.350m overspend)

The final spend on independent school fees improved by £0.115m from the overspend projected at the last update. The main change related to one costly residential placement where it was agreed that a greater level of cost should be funded by social care than originally expected. However, the cost of independent provision has risen by £0.986m, or 28% in 2022/23.

A total of 91 pupils were placed for at least part of the year in Independent Provision during 2022/23. This compares to 75 pupils in 2021/22. The highest individual provision cost in 2021/22 was £0.138m compared to £0.162m in 2022/23. There were three individual placements costing above £0.100m in 2021/22, compared to five in 2022/23.

The chart below illustrates the steady growth in independent school fees from 2018/19 and the sharp growth during 2021/22 and 2022/23.



3.4 Out of authority top-ups (£0.68m underspend)

The final outturn was in line with the projected mid-case underspend.

3.5 Exclusions, including Horizon School (£0.063m overspend)

This budget head funds the top-up payments for Horizon and Haven pupils, along with the cost of alternative provision for permanently excluded pupils outside of Hartlepool schools. This budget receives income from AWPU clawback from schools for those pupils that are permanently excluded (where funding remains available).

School fees for alternative provision overspent by £0.079m – 31 pupils were placed in alternative provision for at least part of the year in 2022/23. This compares to 15 pupils in 2021/22. This overspend was partially offset by AWPU clawback income above the budgeted level.

As agreed by Schools' Forum, the year-end underspend for Horizon was retained by the school in 2022/23.

- 3.6 Top-up funding and support (£0.480m overspend)
Expenditure increased by £0.071m 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 slightly higher than anticipated.
- 3.7 Post-16 top-up funding (£0.073m underspend)
Forum Members will recall that post-16 commitments for pupils with SEND have become an area of financial pressure in recent years. For that reason, Forum approved budget growth of £0.320m in 2022/23. The final spend was £0.073m below the revised budget.
- 3.8 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.
- 3.9 DSG reserves have been used to fund the final overspend of £0.752m for 2022/23. Following the contribution from reserves, overall DSG balances stand at £0.734m.
- 3.10 Forum will recall that the approved High Needs Budget for 2023/24 exceeds the DSG available by £2.146m. Therefore, it is expected that overall DSG reserves will reach a deficit position during this financial year.

4. Recommendations

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