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**Report to: Schools Forum**

**Date 21st January 2021**

**Report of: John Betts, Interim Finance Business Partner (Education & Skills)**

**Title: Proposed High Needs Block 2021-22**

**Status For consultation**

**Purpose**

Local authorities make decisions about the delegation of funds to schools, which for primary and secondary schools is on the basis of a local formula, and on the spending of funds held centrally, most of which is used for making high needs provision, in consultation with their Schools Forums.

Therefore, it is important to note that this paper is for consultation. The use of the High Needs Block is ultimately a matter for the Local Authority although, of course, in practice spend is best utilised when it is collaboration with others stakeholders.

It should also be acknowledged that institutions receive high needs funding in different ways and the High Needs Block covers a wide variety of institutions:

* core funding: the annual allocation an institution receives either directly from the provider local authority (for maintained schools and PRUs, based on the financial year), or from ESFA (for academies, free schools, colleges, independent learning providers (ILPs), non-maintained special schools and special post-16 institutions, based on the academic year)
* top-up funding: the funding required, over and above the core funding, to enable a pupil or student with high needs to participate in education and training (in a variety of institutions)
* funding under a service level agreement: where a service relating to SEND or AP has been commissioned by a local authority and is delivered by an institution, the local authority can pay for that service from its high needs budget

**Proposal**

A summary of the way the Local Authority proposes to utilise the increase in funding it has received in 2021/22 is contained in Annex 1 to this report.

**Commentary**

Some of the spending categories require further clarification:

* A number of special schools face challenging financial circumstances and are in financial difficulty[[1]](#footnote-1). It is not proposed that this is an ongoing budget at this level, but may be required for longer than one year to work with some schools
* Personal budgets for parents / carers of children to support transport directly to and from education institutions is chargeable to the High Needs Block (unlike centrally organised SEND transport)
* As teachers pay and pension grants have been rolled into the overall formulae (for both maintained schools, special schools and other education institutions) funding for this is reflected in an increase of £660 to the £10,000 placement factor

Other aspects (particularly relating to specific projects) can be amplified on at the meeting.

**Scrutiny**

Suggestions have been made (at the Technical Sub Group and elsewhere) that greater scrutiny of the use of the whole of the high needs block could be beneficial in considering how best to utilise resources.

The layout in Annex 1 demonstrates that the vast majority of the increased resources received by the Local Authority for High Needs for 2021/22 is directed to delegated budgets, with the majority of project funding also finding its way to front line institutions (eg outreach and SALT support in special schools; post 16 specialist support for ASD / complex learners). The impact of Covid and various local and national lockdowns have made it difficult to bring forward some projects this year and accurately monitor patterns of spend.

However, it is suggested that:

* the Forum consider the use of the 2020/21 HNB allocations after year end
* Consideration is given to a forecast spending report in November / December 2021 that can inform consultation as part of next year’s budget consultation process
* A report is presented to a subsequent forum meeting that outlines the Authority’s approach towards supporting and challenging schools in financial difficulties

**Conclusions**

Forum members are asked to consider and comment on the 2021/22 budget proposals for the use of the increased resources received for the high needs block

**Annex 1**

Picture of a spreadsheet showing High Needs Block 2021/22 Budget proposal

1. Expenditure on special schools and pupil referral units in financial difficulty – The School and Early Years Finance (England) Regulations 2020, Schedule 2 - Section 36 of Part 5. References this category as being eligible for deduction before considering individual school budgets [↑](#footnote-ref-1)