

To: **Schools Forum**
5 December 2024

High Needs Block budget planning
Executive Director: People

1 Introduction

- 1.1 The purpose of this report is to present an outline of the budget planning currently being undertaken in respect of the High Needs Block (HNB) for the duration of the Safety Valve programme through to 2029-30.

2 Supporting Information

- 2.1 The December Schools Forum meeting usually receives initial budget planning information for the HNB budget the forthcoming financial year. As with the financial settlement for mainstream school budgets, the Department for Education (DfE) has yet to release sufficient detailed information to undertake meaningful planning on projected income for local authorities (LA).
- 2.2 The high-level information published to date indicates that almost £1 billion will be added to the overall high need budget where “the increase to high needs funding is over 9% compared to the 2024 to 2025 baseline”. The HNB national funding formula includes funding protection mechanism that ensures that each LA will receive an increase funding of between 7% and 10% per head of their 2 to 18 population.
- 2.3 DfE has also confirmed that £480 million of the increase has been set aside to continue funding of the Core Schools Budget Grant – allocated to contribute to the cost of the September 2024 Teachers’ pay award and other pay awards – that was paid in 2024-25 as a separate grant, and £145m for in-year adjustments and allocations outside the HNB National Funding Formula. This indicates that around a third of the funding increase will be available for new costs, with LAs therefore likely to receive between circa 2.3% and 3.0% increases to cover 2025-26 cost changes.
- 2.4 In addition, the previous meeting of the Schools Forum received an update report on provisional budget monitoring information for 2024-25 financial year, based on 30 September financial information. This reported that the Schools Budget is forecast to overspend by £9.155m, which is £2.672m higher than the amount forecast when the budget requirement was agreed.
- 2.5 Within this forecast, the High Needs Block is projecting a £9.418m overspending, £2.935m above the original budget forecast. In addition, a number of budget risks have been identified where a variance is expected, but more work is required to quantify the financial impact and therefore a tentative estimate is provided at this stage. These are categorised as Emerging Issues and amount to estimated further spend of £0.862m. When these are included, the potential in-year deficit amounts to £10.280m.
- 2.6 It is well known that along with a number of other LAs, the prime cause of increasing deficit in the Schools Budget is financial performance in the HNB. Latest forecasts from a survey from Association of Local Authority Treasurers Society (ALATS), reveals that the nationwide SEND deficit currently exceeds £3 billion across English councils and is projected to rise to £8 billion in 2026-27.

2.7 In respect of spend in Bracknell Forest, national data¹ for 2023-24 budget statements ranks Bracknell Forest as the second highest spending LA on HNB functions out of 150 when expressed as an amount per pupil. Areas with the highest ranked spending are:

- 1) Top-up and other funding – non-maintained and independent providers (3rd)
- 2) Other alternative provision services (19th)
- 3) Top-up funding – maintained schools (24th)

Annex 1 highlights the key budgets and associated 2023-24 planned spend, split between General Fund services fully funded from councils resources and High Needs Block services which are funded from the Dedicated Schools Grant.

2.8 The scale of change in forecast spending in 2024-25 and the potential impact this may have on achieving the financial targets in the Safety Valve means that the council is having to reconsider the medium-term financial plan and is not therefore in a position to present initial budget proposals to the Schools Forum. This work will continue in the coming months with further updates to be presented to the Forum in January and March when final budget proposals will need to be presented.

2.9 Initial areas where the council will focus attention on are:

- 1) Ensuring each block of the Dedicated Schools Grant is funding the appropriate services
- 2) Specialist support services
- 3) Development of additional in-borough places for SEND
- 4) Review of Special Schools Banding Levels
- 5) Post 16 pathways

2.10 The previous Forum meeting requested a discussion on how best to inform parents about the EHCP process. This is detailed here [Education, health and care needs assessment | Bracknell Forest Council](#)

3 Equalities Impact Assessment

3.1 Not required.

4 Strategic Risk Management Issues

4.1 The level of the deficit on the Dedicated Schools Grant due to rising costs in recent years of SEND services represents the most serious financial threat the Council faces. Participation in the Safety Valve programme provides the impetus to address this through the identification of mitigations that both bring spend in line with budget and maintain a focus on educational outcomes, while offering the opportunity to secure both revenue and capital grant funding from the DfE that is not available to authorities outside Safety Valve. Development of a balanced medium-term budget is a high priority.

¹ Section 251 of the Apprentices, Skills, Children and Learning Act 2009 requires Local authorities submit statements of planned and actual expenditure on education and children's social care. The Department for Education uses the data for publishing statistics, constructing benchmarking tables, answering parliamentary questions and responding to other data requests

5 Climate Change and Ecological Impacts

5.1 No impact.

Background Papers

None

Contact for further information

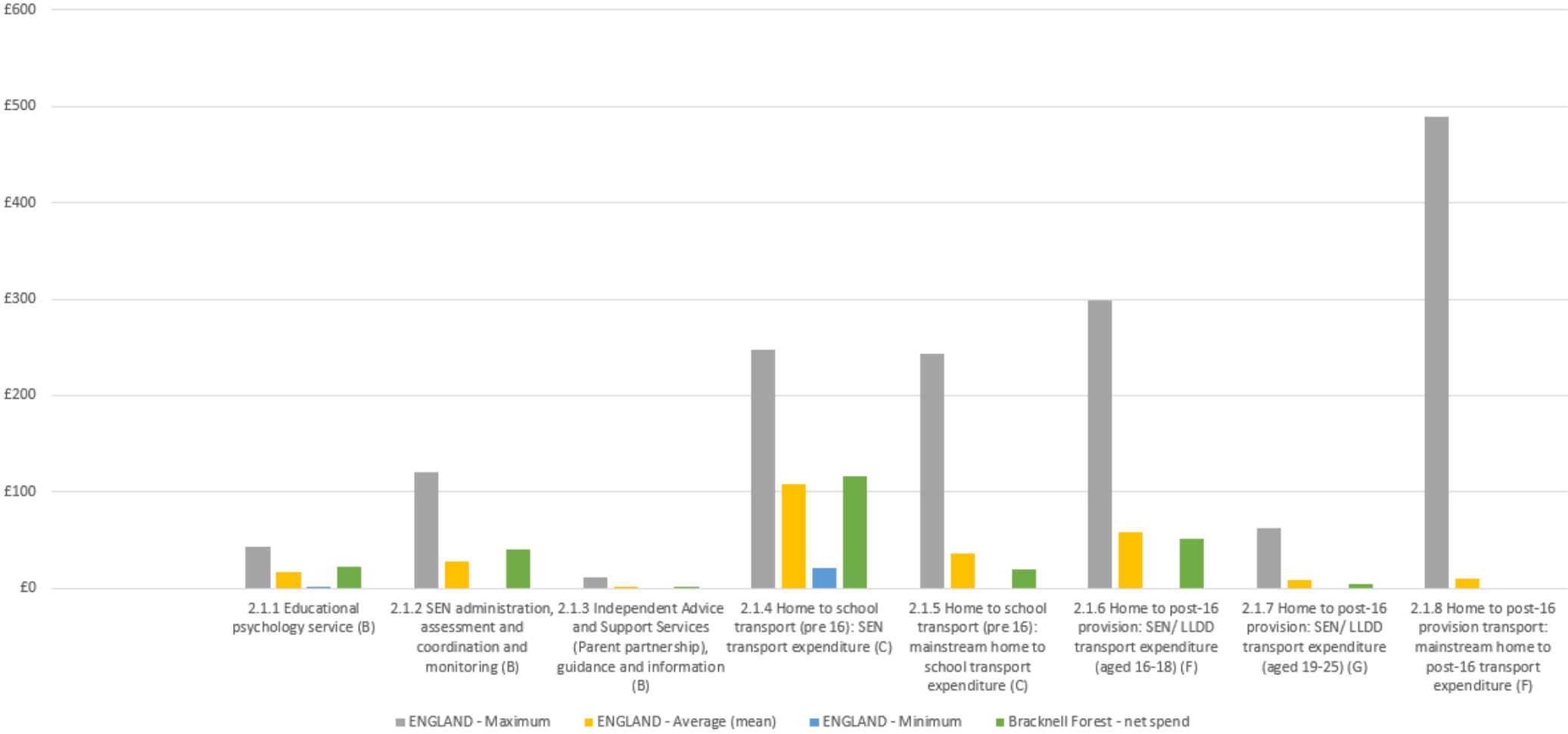
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Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(126\) 051224/Update on 2025-26 High Needs Block Budget.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(126)051224/Update%20on%202025-26%20High%20Needs%20Block%20Budget.docx)

General Fund SEND Related Budgets Per Pupil (2023/24)



Budget Per Pupil - HNB Services (2023/24)

