



WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: High Needs Budget Monitoring Q3 2024-25
Meeting date: 11 June 2025
Report of: Isobel Booler, Assistant Director Education & Inclusion

1.0 Executive Summary

- 1.1 This report presents the High Needs (HN) Block deficit position as at 31 December 2024 which is forecast to be £27.456m as at 31 March 2025, an increase of £9.096m compared to the closing deficit at the end of financial year 2023/24 of £18.360m.

2.0 Link to Council Plan Priorities

- 2.1 The utilisation of the HN Block within the Dedicated Schools Grant (DSG) is supportive of the Council Plan priorities that “People in Westmorland and Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities” and the commitment to reduce inequality and “ensure that young people have enough opportunities to access the best education”.

3.0 Recommendation

- 3.1 The Schools Forum is recommended to note the current projection on the HN budget as at 31 December 2024 and asked to consider what options are available to help manage the forecast rising deficit through the High Needs Working Group.

4.0 Rationale and Evidence for the Recommendation

- 4.1 A balanced High Needs budget has been set for 2024/25 with no planned transfer to or from reserves. The initial budget available for the HN Block, after academy recoupment, was £26.932m of which £26.899m was based on the provisional HN Block allocation from central government as confirmed in December 2023 and £0.033m was transferred in from the Schools Block.

Budget Revisions

- 4.2 Since the initial budget was set the HN block allocation has been updated by the DfE to reflect recoupment for HN places and additional funding through the import/export adjustment which reflects the difference between high needs pupils and students living in one local authority and attending school or college in another. The current budget as at Q3 is £26.977m position as shown in the table below:

High Needs Budget	2024/25 £m
High Needs allocation before recoupment for place funding in academies and FE institutions	28.747
Less recoupment for high needs places in academies and FE institutions	(1.848)
Transfer from Schools Block	0.033
Initial Budget	26.932
DfE Recoupment adjustment for HN places AY 2024/25	(0.003)
Total High Needs Budget Q1	26.929
Import/Export Adjustment	0.048
Total High Needs Budget Q3	26.977

Projected Outturn

- 4.3 Performance against the High Needs Block budget is monitored monthly with reports presented to senior management and to Cabinet on a quarterly basis, as well as to each Schools Forum meeting.
- 4.4 The table below presents the projection against the budget as at Q3. This shows that the budget is projected to overspend by £9.096m at 31 March 2025, an increase of £0.748m compared to Q2. The key variances are highlighted in the following paragraphs.

Description	Budget £m	Outturn £m	Variance £m	Previous Qtr Variance £m	Change in Variance £m
Special Schools - High Needs	7.776	8.269	0.493	0.471	0.023
Schools -Resourced Provision	0.388	0.404	0.016	0.000	0.016
Independent & Other Placements	4.812	7.349	2.537	2.970	(0.433)
Central SEN (Equipment, BVI, Audio etc)	0.032	(0.001)	(0.033)	0.039	(0.072)
SEND Residential Placements	1.819	1.327	(0.492)	(0.365)	(0.127)
High Needs - Invest to Save	0.000	0.395	0.395	0.392	0.004
High Needs - Post 16 ISPs	1.034	2.445	1.411	1.820	(0.409)
High Needs - Post 16 FE	0.710	1.007	0.296	0.338	(0.041)
High Needs - Top Up	7.065	10.510	3.445	3.439	0.006
Inclusion Teams	1.212	1.212	0.000	0.000	0.000
PRU Budget	2.083	2.083	0.000	0.000	0.000
Mobility and Independence Contract	0.018	0.009	(0.009)	(0.008)	(0.002)

Description	Budget £m	Outturn £m	Variance £m	Previous Qtr Variance £m	Change in Variance £m
Share of de-delegated (special schools)	0.028	0.028	0.000	0.000	0.000
Total DSG to transfer to DSG HNB reserve	26.977	35.038	8.061	9.096	(1.035)

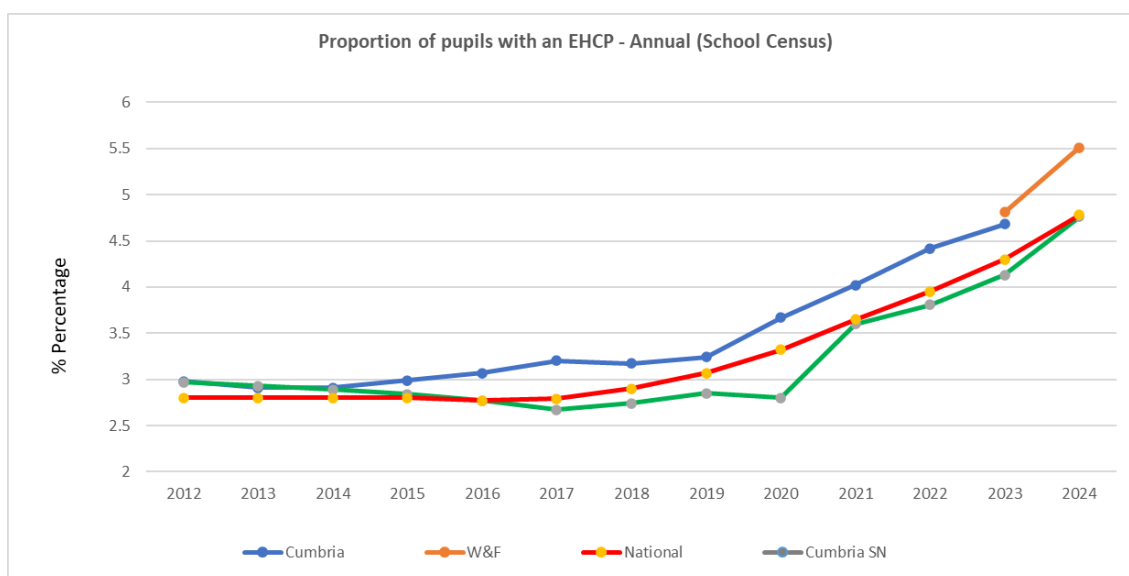
- 4.5 Special Schools £0.471m. The pressure, which is an increase of £0.006m, relates to new and amendments to EHCP top-ups since the start of the year and costs associated with the expansion of special school places.
- 4.6 Independent Specialist Placements (ISPs) & Other Placements £2.970m. The forecast, which is an increase of £0.331m since Q2, is based on current and known new day ISPs coming through the system. The forecast expenditure for day ISPs is predicted to be £6.405m. There are currently 104 pupils in ISP day placements, an increase of 14 placements compared to Q2. There are 18 new ISPs, 5 transfers from other placements and 9 ended placements since Q2. Of the 18 new ISPs 13 have transferred from secondary, 2 from primary schools and 2 from College. Also included within this budget line is forecast EHCP top-ups for children placed in Cumberland schools of £0.530m, children placed in other local authorities of £0.178m and forecast costs associated with children being educated other than at a school (EOTAS) of £0.669m.
- 4.7 Residential placements (£0.365m). The forecast, which is a decrease of (£0.081m) since Q2, is based on current and known new placements. There are currently 17 pupils in residential placements, a reduction of 1 placement compared to Q2.
- 4.8 Post-16 ISPs £1.820m. The forecast, which is an increase of £0.158m compared to Q2 is based on current and known new placements. There are currently 77 placements, an increase of 6 compared to Q2.
- 4.9 The below table summarises the number of pupils in ISPs by provider type:

Number of Children & Young People (CYP) with EHCPs in Independent Special Placements 2024/25

Placement Type	2023/24 Outturn	2024/25 Q1	2024/25 Q2	New	Ended	Placement Changes: In	Placement Changes: Out	Total Change	2024/25 Q3	2024/25 Forecast Spend Q3 £m	2023/24 Outturn £m	Average Annual Cost of Placements 2024/25 £	Average Annual Cost of Placements 2023/24 £
Day	93	88	90	18	-9	5		14	104	6.405	5.679	61,744	61,469
Residential	21	17	18	1			-2	-1	17	1.454	1.703	77,557	73,798
FE Colleges	47	53	71	7			-1	6	77	2.854	1.887	42,795	41,542
Total	161	158	179	26	-9	5	-3	19	198	10.713	9.269	n/a	n/a

- 4.10 Post-16 Further Education £0.338m. The forecast expenditure reflects estimated top-up payments to FE Colleges totalling £0.621m, other FE education providers of £0.388m and EHCP top-up payments to sixth form schools of £0.039m.

- 4.11 High Needs Invest to Save Initiatives £0.392m. The forecast expenditure here relates to the Sandgate School Early Intervention and Greengate Junior School Alternative Provision programmes.
- 4.12 EHCP top-ups for pupils in mainstream schools and Early Years Providers £3.439m. The forecast is based on current EHCP costs and predicted number of new and amended ECHPs in-year.
- 4.13 The remaining balance relates to individually non-material variances totalling a net overspend of £0.031m.
- 4.14 The pressure against the High Needs Block continues to be due to specific budget pressures relating to the growth in demand for Education Health Care Plans (EHCPs) for children and young people with SEN. The number of Children and Young People (CYP) with an ECHP as at December 2024 is 2,410.
- 4.15 The benchmarking chart below shows that Westmorland & Furness' percentage of pupils with EHCPs is higher compared to the national and Cumbria statistical neighbours rates although the rate of increase for Westmorland & Furness is largely matched by the rate of increase both nationally and against our statistical neighbours:



- 4.16 Figures in the above table are as at the January census date for each year.
- 4.17 In 2024/25 local authorities have seen an increase in their High Needs Block funding of at least 3% per head of population compared to their 2023/24 baseline resulting in total funding of £26.977m as at Q3 after deductions for directed funding of high needs places by the ESFA, of which, 28% of the total allocation is still based on historic 2017/18 actual spend.. Westmorland & Furness is ranked the 13th lowest funded authority out of 151. There has been a transfer of £0.033m of funding from the Schools Block to High Needs Block in 2024/25. Cumbria took part in the Department for Education's Delivering Better Value for SEND programme and successfully applied and received

approval for a £1m grant for each new authority to support their improvement plans the impact of which have been incorporated into Westmorland & Furness' DSG management plan which forecasts mitigations totalling £43.866m however despite these mitigations, the DSG deficit is forecast to increase by £37.314m by 2029/30.

5.0 Options

- 5.1 There are no options. The Schools Forum is recommended to note the current projection against the High Needs Block budget and to consider options for managing down the forecast rising deficit through the High Needs Working Group.

6.0 Financial and Other Relevant Implications

- 6.1 Resource and value for money implications are considered throughout this report. No equality/legal/ implications have been identified.

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Westmorland
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Working for **Cumberland Council** and
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