

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	28th April 2023
2.	Title:	Update on High Needs Block (HNB) Operational Guidance 2023/24
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF REPORT

- 1.1 This report builds upon previous reports to Schools Forum setting out the main update to the 2023/24 High Needs Operational Guidance and proposes recommendations to ensure compliance and financial sustainability. The latest guidance can be accessed through the link below

[High needs funding: 2023 to 2024 operational guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/high-needs-funding-2023-to-2024-operational-guide)

2. RECOMMENDATION(S)

- 2.1 That Schools Forum note the update to the 2023/2024 High Needs Operational Guidance
- 2.2 That Schools Forum note the guidance update and 2023-2024 funding allocations.

3. BACKGROUND INFORMATION & CONTEXT

- 3.1 Nationally there has been concerns about the level of funding within the High Needs Block, local authority financial recovery plans and compliance with HNB operational guidance.
- 3.2 Requirement for specialist school provision for pupils with special educational needs and difficulties (SEND) has increased, creating further pressure on the system nationally. Within Rotherham, the number of children and young people that are receiving additional support via an Education, Health and Care (EHC) Plan has more than doubled since 2014 increasing from 1,101 on 31 December 2014 to 2,856 on 30 November 2022.
- 3.3 Due to the number of EHC plans this has led to financial pressures on the High Needs Block (HNB) in Rotherham and to address the cost pressures the local authority implemented a four year plan DSG Management Plan last year, covering the period 2022/23 to 2025/26.

- 3.4 The High Needs Block in Rotherham is £54.2m and is used to fund pupils who require specialist education. There is a sustained national increase in the number of young people with complex learning difficulties and disabilities.
- 3.5 The Autumn 2022 spending review announced an additional £400 million of high needs funding(£2m to Rotherham), for 2023 to 2024, on top of their high needs national funding formula allocations.
- 3.6 The ESFA have also published the conditions of grant requiring local authorities to pass on proportionate funding to special schools and alternative provision settings, equivalent to the average funding increase that mainstream schools will receive through the MSAG

4 CHANGES TO HIGH NEEDS OPERATIONAL GUIDANCE FOR 2023/24

4.1 This section sets out the main changes to the 2023 to 2024 high needs funding system, although the NFF and underpinning operational processes and principles remain largely unchanged from 2022 to 2023. The ESFA have clarified certain aspects of this guidance, particularly relating to the sections below, which includes an update since the August 2022 publication

4.2 March 2023 updates:

- update on the [Special Educational Needs and Disabilities \(SEND\) and Alternative Provision \(AP\) Improvement Plan](#)
- link to the [School and Early Years Finance \(England\) Regulations 2023](#)
- 16 to 19 national funding rate
- 2022 to 2023 (academic year) in-year growth criteria (element 1 and element 2) for post-16 education
- additional information and guidance references about high needs place and DSG deductions for new special and AP free schools

4.3 January 2023 updates:

- the calculation of additional funding following the Autumn Statement 2022:
- clarifying information about the calculations to be used for allocating the additional funding for maintained and academy hospital schools
- link to the published data for PRUs and AP academies that should be used for the calculation

Local authorities must allocate 3.4% per place, based on the place funding of £10,000 per place plus the average top up funding for mainstream and academy schools and PRU's. For maintained and academy hospital schools the 3.4% increase should be applied to the amount they were funded per place in the 2022-2023 financial year.

4.4 December 2022 changes:

- additional funding for 2023 to 2024 – how an additional £400 million, made available following the Autumn Statement 2022, is being allocated to local authorities and schools, and guidance on the [additional condition of grant](#) attached to that funding, including supporting information in [annex 2](#). For 2023-2024 the special schools minimum funding guarantee (MFG) will be 3% over 2 years, based on a like for like comparison with a special schools overall budget in 2021 to 2022.

4.5 August 2022 changes:

- new contextual information about:
 - [local SEND responsibilities and accountability](#)
 - [annual 2023 to 2024 funding overview](#)
 - [the SEND and alternative provision green paper](#)
- [special schools: minimum funding guarantee \(MFG\)](#) – for 2023 to 2024 this will be 3% over 2 years, based on a like-for-like comparison with a special school's overall budget in 2021 to 2022. This takes into account the additional high needs funding that local authorities are receiving in 2022 to 2023 and 2023 to 2024, some of which is intended to help with the additional costs that schools

are facing. Updated guidance and supporting information on the change and process for a local authority's disapplication request can be found in [annex 1: special schools minimum funding guarantee](#)

- [notional SEN budget guidance](#), published separately and referenced in the [mainstream schools, academies and free schools](#) section
- [annex 3: responsibility for children and young people who move between local authorities](#) - further clarification with reference to belonging regulations

5. RECOMMENDATIONS

5.1 That Schools Forum note the changes to the 2023/2024 High Needs Operational Guidance.

5.2 That Schools Forum note the guidance update on information regarding extended periods of absences.

6. NAMES & CONTACT DETAILS

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