



High Needs Block Finance Report

Report to:	Schools Forum
Date of Meeting(s):	10 December 2024
Report of:	Colette Dutton: Director Children and Families
Contact Officer:	Mark Rotheram – Strategic Finance Manager Kirsten Reid – Group Finance Manager
Summary:	To provide the latest financial projections for 2024/25 and to detail the 25/26 Provisional Allocation
Recommendation(s):	To note the information in respect of the current financial projections for 2024/25 in the context of the 2025/26 Provisional Allocation.
Implications: What are the financial implications? What are the staffing implications?	Contained within the report. There are no currently identified staffing implications as a result of this report.
Risks	Contained within the report.

Please list any appendices:

Appendix 1 HNB Forecast for 2024/25 at November 2024

Appendix 2 High Needs National Funding Formula 2025/26

1. Introduction

- 1.1 The purpose of this report is to provide an update on the 2024/25 financial projections to inform the ongoing actions in relation to recovery of the High Needs deficit and detail the 25/26 provisional allocation.

2. Funding 2024 -2025

- 2.1 The table below shows the different funding allocations over the financial year. The latest change in funding follows an adjustment to the total import/export adjustment based on the January 2024 schools census. The increase in funding is reflected in the forecast at November 2024. See the attached appendix 1 for detailed analysis.

Date of high needs allocation	HNB allocated	HNB after deductions
19 December 2023	£53,561,077	£50,161,077
25 March 2024	£53,561,077	£50,190,410
22 July 2024	£53,420,077	£50,072,743
19 November 2024	£53,480,077	£50,132,743

- 2.2 As per Appendix 1 the revised forecast as at the end of November 2024 estimates that the 24/25 year-end spend on the High Needs Block will be 61,801,469. This will result in an in-year deficit of £11.669m resulting in the overall High Needs Deficit increasing to £17.254m as at the 31/03/25.
- 2.3 Proposals to reduce the high needs deficit were brought to schools forum on the 17/10/2024 and have been discussed with representatives of the ESFA/DfE on the 29/10/2024. Further meetings will be held to report on progress.

3. Funding 2025-2026

- 3.1 On 28 November 2024 information was released concerning the High Needs block allocations for 2025-26. The allocation is prepared under a new funding methodology under the National Funding Formula, details of which are in appendix 2 to this report. This is a step-by-step calculation which now includes funding for new factors in the high needs formula, but which are already incorporated in the schools block formula e.g. free school meals measures, IDACI, and low attainment. The provisional HNB NFF 2025-26 allocation for

Wigan Council is £58,007,481 after export and import adjustments but prior to deductions.

- 3.2 As such the provisional 25/26 allocation represents an increase of £4.527m (8.47%) on our latest 24/25 allocation prior to deductions, as detailed above. Given the projected 24/25 deficit and potential cost and demand pressures in 25/26 then the increased allocation will still not be sufficient to cover the costs expected during the year. This emphasizes the need to undertake further work on the draft proposals previously presented to Schools Forum, recognising that any agreed measures will take time to reverse the accumulated deficit currently in place.
- 3.3 The key pressures on the high needs block remain independent school provision, mainstream top-ups, increase in special school places, post 16 provision and transport. Specific details on these pressures are detailed in Appendix 1 of the report.

4 Recommendations

- 4.1 The Schools Block Funding Formula report which is also on the agenda requests Schools Forum to consider a range of options in relation to transferring funding from the Schools Block to the High Needs Block. The ability to transfer up to 0.5% is made without the need for disapplication and can assist LA's in balancing budgets especially given the pressures on high needs funding.
- 4.2 Schools forum are requested to
- a) note the information relating to the funding for next year and the current in-year projections.
 - b) support the request to transfer funds from the schools block to the high needs block.
 - c) continue meetings of the Schools Forum High Needs sub-group at regular intervals and report on recovery plans.