



**Report to:** Schools Forum  
**Date of Meeting(s):** 17<sup>th</sup> January 2019  
**Subject:** School Funding DSG – High Needs Block Update  
**Report of:** James Winterbottom – Director Children and Families  
**Contact Officer:** John McDonald Strategic Finance Manager  
Cath Pealing Service Manager

**Summary:** To update Schools Forum on the High Needs DSG budget for 2019/20 and provide further information on the position and financial plan

**Recommendation(s):** To agree a provisional budget and note the significant financial pressures

**Implications:**

*What are the **financial** implications?* Contained within the report

*What are the **staffing** implications?* TBC

**Risks:** n/a

Please list any appendices:-

## 1. Introduction

- 1.1 In December the Department for Education announced the Dedicated Schools Grant allocations for 2019/2020. The total grant allocation is £26.847m. This is after the deductions of places funded direct by the ESFA (Academies and FE Institutions) £2.982m. This is an increase of £0.980m in relation to formula growth and £0.710m in respect of the additional income announced on 16 December 2018. It also includes an additional amount for Post 16 places which will now be paid direct to the local authority in the high needs block rather than as a separate grant (September 2019).
- 1.2 The report contains a revised financial plan for 2019/20 building in the £0.750m contribution from schools (agreed at the last Forum meeting). A revised projected outturn is also provided based on the latest information from the SEND team in relation to EHC plans.

## 2. Projected Outturn

- 2.1 The position reported in October projected a £1.3m overspend. This is now £1m after the additional £0.710m funding. The increase in expenditure since October relates to independent school fees. We projected an adverse variation of £0.350m in October 2018. This has now been updated with the SEND team and the projection is now £0.744m.

(Table 1)

<b>Analysis by Divison: Assistant Director - Education</b>				
<b>Cost Centre &amp; Description</b>	<b>2018/19 Budget</b>	<b>2018/19 Projected Outturn</b>	<b>Variance</b>	
1 Maintained Special Schools	13,417,310	14,000,000	582,690.38	
2 Post 16 Funding Top Ups	3,126,739	3,200,000	73,261.47	
3 Independent School Provision	1,755,604	2,500,000	744,396.00	
4 EHC plan support in schools	2,331,484	2,854,484	522,999.76	
5 Alternative Provision	962,277	876,277	-	86,000.00
6 Sensory Support Team	791,970	791,970	-	
7 Targeted Educational Support Services	617,682	617,682	-	
8 Other Support Services	861,174	891,174	30,000.00	
9 Resourced Provision	256,925	260,392	3,467.00	
10 Equipment	110,000	70,000	-	40,000.00
11 Disproportionate SEN	150,000	150,000	-	
12 Recharge for Deficit	1,035,032	735,032	-	300,000.00
13 Contribution from Schools	- 500,000	- 500,000	-	
14 Income	-	- 400,000	-	400,000.00
<b>Expenditure</b>	<b>24,916,196</b>	<b>26,047,011</b>	<b>1,130,815</b>	
<b>Income</b>	<b>- 24,257,000</b>	<b>- 24,973,000</b>	<b>- 716,000</b>	
<b>Surplus / Deficit</b>	<b>659,196</b>	<b>1,074,011</b>	<b>414,815</b>	

Our analysis shows that since September there have been 26 additional placements

**(Table 2)**

School	Placements	Sept - Apr cost	FY cost
Wargrave House	2	37,149	78,000
CrookHey Hall (Acorn)	2	35,383	76,000
Waterloo Lodge (Acorn)	4	84,240	132,000
Pontville - (Witherslack Group)	2	71,162	110,000
Westmorland School (Witherslack Group)	3	59,571	180,000
The Brambles - EBSD	3	77,927	117,000
The Parks - EBSD (Part of Inspire)	2	40,000	80,000
Expanse Group	8	118,095	353,000
	<b>26</b>	<b>523,527</b>	<b>1,126,000</b>

### 3. 2019/2020 budget position

3.1 An updated detailed budget position will be available for the next Forum meeting. This is being updated as we are awaiting information on numbers in relation to special schools.

3.2 Although we have received an extra £0.250m from the schools block and £1.6m for growth (£0.9m formula and £0.710m in relation to the additional grant announced in December 2018).

£1m needs to be used to repay the deficit for 2018/19. This leaves £0.85m to fund growth however the full year impact of the increase in numbers on independent provision alone will remove any balances. Once we have updated numbers for special schools and EHC plans for 2019/20 we will need to still make significant savings.

3.3 As discussed at the previous Forum there are significant risks related to increasing demand from;

- EHC plans
- The need for additional alternative provision
- Requests for Special School Provision (Internal and External if need can't be met – as demonstrated above in table

3.3 Special school budgets will be determined not later than 28th February 2019 as per the regulations and notifications not later than 31st March 2019. (Schools and Early Years Finance Regulations). We are currently reviewing what is a complex area and liaising with other LAs who are reviewing their funding methodology also.

#### **4. Conclusions and Recommendations**

- 4.1 We will update Forum on the financial position for 2018/19 at the next meeting alongside the 2019/20 budget. This will hopefully capture the detail around numbers which is unknown at this time and also an update on the wider SEND transformation work streams.
- 4.2 It is critical that the transformation plans and work outlined in the last Forum report begins to gather pace. Savings will still need to be made from a number of areas as well as the wider transformation plans being implemented.