



Report to: Schools Forum

Date of Meeting(s): 7th March 2019

Subject: School Funding DSG – High Needs Block Update

Report of: James Winterbottom – Director Children and Families

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Summary: To update Schools Forum on the High Needs DSG budget for 2019/20

Recommendation(s): To 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 in relation to the High Needs Block. The total grant allocation is £27.297m. This is after the deductions of places funded direct by the ESFA (Academies and FE Institutions) £2.982m. This is an increase of £1.164m in relation to formula growth and £0.710m in respect of the additional grant announced on 16 December 2018. It also includes an 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). The grant receivable from April – August 2019 is £0.450m and included in the figure to show the total funding available.
- 1.2 The budget builds on information provided at previous Forum meetings. Special school numbers have now been provided which were not previously available. The revised projected outturn for 2018/19 was reported at the last meeting and is expected to be still approximately £1.1m.

2. 2019/2020 budget position

- 2.1 The budget has now been updated and is shown in the table below;

Analysis by Divison: Assistant Director - Education				
Cost Centre & Description	2018/19 Projected Outturn	2019/20 Budget Projections	Variance	Comments
Maintained Special Schools	14,000,000	15,840,854	1,840,854	Based on latest estimates
Post 16 Funding Top Ups	3,200,000	3,000,000	- 200,000	Commissioning Savings
EHC plan support in schools	2,854,484	2,900,000	45,516	Based on current numbers only
Independent School Provision	2,500,000	2,100,000	- 400,000	Reduction of placement numbers/commissioning savings
Other Support Services	891,174	795,027	- 96,147	Inflationary increases but 20% saving target set
Alternative Provision	876,277	1,112,350	236,073	Increased numbers at Three Towers and External Provision
Sensory Support Team	791,970	840,463	48,493	Inflationary increases but 20% saving target set
Targeted Educational Support	617,682	670,905	53,223	Inflationary increases but 20% saving target set
Resourced Provision	260,392	192,925	- 67,467	Reduction of funding for unfilled places
Disproportionate SEN	150,000	150,000	-	
Equipment	70,000	70,000	-	
Recharge for Deficit	735,032	800,000	64,968	
Contributions/Income	- 900,000	- 1,175,000	- 275,000	
Expenditure	26,047,011	27,297,524		
Grant Income	- 24,973,000	- 27,297,524		
Surplus / Deficit	1,074,011	- 0		

Budget Pressures 2019/20

- Special School Places – (An average place is £20k not including transport costs)

April 2018/Sept 2018 – 713 / 757

April 2019/Sept 2019 – 746 / 807

- Independent School numbers (Cost of placements vary but typically twice as much as an internal placement)

Spring 2018 - 59

Spring 2019 - 79

- Alternative Provision (additional places required)

September 2018 – 174

September 2019 – 188

- EHC plans (maintained schools)

September 2018 – 615

September 2019 – 655

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

- EHC plans – the % growth over the last 3 years (17/18 – 9%, 18/19 – 13% and 19/20 7%). An estimated 10% increase would cost a further £0.3m)
- Requests for Special School Provision (Internal and External if need can't be met) – current projections shows a further 15 places are required in 2020/21. This would cost a potential £0.3m based on the information finance have received at this time.

3. Conclusions and Recommendations

3.1 It is critical that the transformation plans and work outlined in the last Forum report begin to gather pace and the task and finish groups start to produce clear action plans and decisions. Savings will still need to be made from a number of areas as well as the wider transformation plans being implemented. These have been factored into the budgets as per the information previously submitted to Forum on proposals for savings. This includes finding efficiencies within support services, outreach and resourced provision.

3.2 Initial recommendations will be drawn from the task and finish groups on the 21st March. Further refinements will be made and a strategy will be developed

for July 2019. In parallel a financial strategy will be developed alongside this work.

- 3.3 It is important to note that the rate for requests for special school and alternative provision will continue to deplete any savings made in other areas. It is essential that we intensify the support to keep children in mainstream schools or we will continue to experience a growing expenditure in independent placements.