

REPORT TO: Schools Forum
DATE: 16th January 2019
REPORTING OFFICER: Senior Finance Officer
SUBJECT: High Needs Block funding for 2019-20
WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To report to the Schools Forum the High Needs Block funding for 2019-20.

2.0 RECOMMENDATION: That

2.1 The report is noted.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The Dedicated Schools Grant settlement was announced on 17th December giving a total of £16,770,689 for the High Needs Block for 2019-20.

From this figure, £2,906,662 is being recouped by the ESFA for commissioned places in special academies and some independent special schools. This leaves £13,864,027 High Needs Block that will be paid to Halton Borough Council.

3.2 Disapplication request

Following consultation with schools and with Schools Forum agreement, we have submitted a disapplication request to transfer 1% from the Schools Block to the High Needs Block, which would be £869,311. At the time of writing we have not been told if our submission has been accepted or refused.

The disapplication process has been delayed by the announcement of additional High Needs funding on 16th December. We are currently waiting to be advised of how to inform the DfE of our intention to continue with the request to transfer 1% of Schools Block allocation to the High Needs Block.

3.3 Current position

As in previous years, at the time of writing the High Needs block budget have not been calculated and will not be finalised until the March meeting. However, at the moment we have an estimated budget requirement of £14,706,911 (after recoupment).

Therefore we have a funding gap of £842,884.

3.4 Additional High Needs Funding

The DfE announced on 16th December 2018 that an additional £250M would be passed to local authorities over two years (2018-19 and 2019-20) as additional funding for the High Needs Block. It has been allocated based on the ONS projections for the 2 to 18 year old population in each local authority.

For Halton, our allocation is £296,390 for each year, a total of £592,780 over the two years. The additional funding for 2019-20 will reduce the funding gap to £546,494.

To put this into perspective, the overspend on the Independent Special Schools budget for 2018-19 is currently £601,113.

3.5 Funding Gap

The 1% transfer from Schools Block of £869,311 will then give a surplus of £322,817.

As we are expecting a deficit balance in the region of £753,787 we will still have an overall deficit of £430,970.

3.6 DSG Balances

The DfE consulted with local authorities during the Autumn Term about the detailed implementation of new rules regarding the reporting, monitoring and reduction of deficit DSG balances.

Where an LA has a deficit DSG balance of more than 1% of its latest published DSG allocations for 2018-19, gross of recoupmnt, a detailed report plus supporting evidence will be required to be submitted to the DfE setting out the LA's plans to bring the DSG account back into balance, within a maximum of three years. This report must be discussed with Schools Forum prior to submission and needs to be reviewed and signed off by the Chief Finance Officer.

The DfE are aware that DSG deficits are usually caused by high needs pressures and as such the evidence required for the year-end deficit recovery report will already have been prepared for the block movement disapplication request. However, the main causes of overspend will need to be addressed in detail.

4.0 **FINANCIAL IMPLICATIONS**

- 4.1 Further savings and reducing overspends are essential to getting back to a balanced DSG position. Should the 1% transfer of Schools Block funding be refused, the overall deficit position will double to roughly £865,626.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 Without the 1% transfer for 2019-20 and the extra High Needs funding we will have to make further budget reductions over the coming years which will impact on the support we can give to children who need it most. Our DSG deficit will be more difficult to bring back to a balanced position and would take several years (estimated at five) to do so.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.