

**REPORT TO:** Schools Forum

**DATE:** 20<sup>th</sup> March 2019

**REPORTING OFFICER:** Senior Finance Officer

**SUBJECT:** High Needs Block funding for 2019-20

**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

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

## **2.0 RECOMMENDATION: That**

- 2.1 The report is noted.
- 2.2 The centrally retained budgets are agreed.

## **3.0 SUPPORTING INFORMATION**

### **3.1 Grant settlement**

The Dedicated Schools Grant settlement was announced on 17<sup>th</sup> 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**

The disapplication request to transfer 1% from the Schools Block to the High Needs Block, which would be £869,311, was approved by the Secretary of State. The letter approving the request was dated 25<sup>th</sup> January but not received by us until 4<sup>th</sup> February. The letter concluded "We believe that you have provided a reasonable plan and are reacting to early signs of pressure in the high needs block to ensure that you have a sustainable model going forward."

### **3.3 Current position**

With the 2018-19 forecast deficit at £755k, we would have a surplus budget of £53,829 for 2019-20. When the 2018-19 outturn is finalised next month we will know for certain what the funding gap is. It is not felt we should take decisions on further reductions until the actual outturn position is known.

### 3.4 Resource Base Funding

Work has been completed on the Resource Base funding for 2019-20, including the introduction of two new SEMH Bases. As in previous years, per place funding is set at £6,000 per filled place and £10,000 for the remainder.

Appendix A details the top-up rates, which have not changed from their 2018-19 level, and indicative budgets.

### 3.5 Special Schools & PRU

Special Schools and the Pupil Referral Unit are funded at £10,000 per place plus top-up for each student on a real-time basis. For the PRU a single top-up value of £15,000 was set for 2018-19 and will be kept at this level for 2019-20. For the special schools, they each have funding at Levels 1 to 3, plus the possibility of a Bespoke package where necessary. For 2019-20 these top-up levels will remain at their 2018-19 value.

The special schools and PRU budget has been set at an indicative level of £6,357,422. This excludes the per place funding for the special academies.

		2019-20
Ashley	Level 1	£7,003.60
Ashley	Level 2	£9,579.29
Ashley	Level 3	£14,755.12
Chesnut Lodge	Level 1	£9,516.89
Chesnut Lodge	Level 2	£11,562.51
Chesnut Lodge	Level 3	£14,771.26
Brookfield	Level 1	£5,572.47
Brookfield	Level 2	£8,792.60
Brookfield	Level 3	£15,304.42
Cavendish	Level 1	£7,171.19
Cavendish	Level 2	£9,629.17
Cavendish	Level 3	£14,698.76
The Bridge PRU		£15,000.00

### 3.6 Centrally retained budgets

As in previous years, we wish to retain the following to provide support to schools. The centrally retained budget for 2018-19 is shown for comparison.

	2019-20	2018-19
Staffing	£1,313,800	£1,262,190
Supplies & Services	£102,820	£115,730
Independent Special Schools	£2,412,450	£2,412,420

Inter Authority Recoupment	£175,000	£175,000
Post 16 Provision	£969,000	£769,000
Specialist Equipment	£20,000	£20,000
Top-up funding contingency	£1,000,000	£1,000,000
SEND Commissioner	£50,770	£50,770
SEMH Team	£255,870	£318,740
<b>Total</b>	<b>£6,362,580</b>	<b>£6,061,020</b>

Staffing costs have increased by £51,600 due to inflationary uplifts etc. The SEMH Team costs have increased by £62,870 for the full financial year. The Post 16 Provision budget has been corrected to £969,000 while the Supplies and Services budgets have been reduced by £12,910.

### 3.7 Top-up Funding

Due to exceptional circumstances, calculations determining the top-up values for 2019-20 have not yet been finalised. The overall budget is will remain at £1,000,000. Details will be tabled at the meeting.

## 4.0 **FINANCIAL IMPLICATIONS**

- 4.1 Even though we should have a small funding surplus for 2019-20, further savings and reducing overspends are essential to getting back to a balancing the High Needs budgets with the in-year High Needs grant allocation. This is particularly so for the out of borough placements which continue to overspend.

We have a forecast surplus of £53,829 but this is after additional funds of £972,257 have been transferred to the High Needs Block from the Schools Block and Central Schools Services Block. We are unlikely to be able to replicate this in future years, so the High Needs funding gap of £162,977 needs to be addressed.

## 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 Further savings will be required to bring expenditure in line with budget allocations for the year.

**7.0 EQUALITY AND DIVERSITY ISSUES**

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