

Schools Forum

16th January 2020

High Needs DSG Budget Allocations 2020/21

This report relates to both maintained and academy schools and is for information

Recommendation

The Schools Forum is recommended to:

1. Note and comment on the proposals for allocating the High Needs DSG budget for 2020/21.

1. Introduction

- 1.1. The ESFA published the 2020/21 provisional DSG allocations on 19th December 2019. The allocation for High Needs is £68.073m. This represents a £5.147m increase on the 2019/20 figure.

2. High Needs Block Funding

- 2.1. High Needs Block funding is based on SEND pupil numbers at October 2019 in mainstream schools, special schools and resource provisions in maintained schools and academies, as well as SEND pupil numbers at January 2019 in independent provision. The funding is made up as follows:
 1. Basic entitlement factor funding at £4,000 per pupil, adjusted for area costs.
 2. Historic spend factor. This amount has increased by a cash-flat level of 8% and accounts for 89% of the total High Needs allocation.
 3. The remaining amount of overall funding is distributed to local authorities using the following proxy indicators:
 - 2-18 year old population
 - Deprivation
 - health and disability

- low attainment.
4. The formula then applies the protection of a funding floor to all elements except the basic entitlement factor.
 5. Hospital education funding is added.
 6. Import/export adjustments are made.
 7. Additional funding for Special Free Schools
- 2.2. The ESFA will update the High Needs Block allocation in June 2020 for “import / export” adjustments, i.e. to reflect the transfer of pupils with SEND into and out of the County. The ESFA will also adjust the proportion of funding allocated to academies through the year following any conversion of maintained schools.

3. High Needs Block Allocations

- 3.1. The local authority is required to consult Schools Forum on the allocation of High Needs Block funding. However, the final decision rests with the local authority and forms part of the annual budget setting process.
- 3.2. Of the total allocation of £68.073m the ESFA will allocate £12.770m direct to academies for high needs places. The funding available to the local authority to manage is therefore £55.303m
- 3.3. The Education Service is now in the second year of the DSG savings plan as recommended through the DSG Review in October 2018. £1.500m in relation to SEN Inclusion. Of this £0.800m has been delivered in 2019/20 with the remaining £0.700m expected to be achieved in 2020/21. Therefore, the proposed budget allocation assumes these savings.
- 3.4. The DSG Review also recommended a savings target for the Area Behaviour Partnerships of £1.008m, with £0.625m in 2019/20 and £0.383m in 2020/21. The current forecasts indicate that the service is not expected to realise the 2019/20 savings due to greater complex needs in Warwickshire. Therefore, the proposed budget allocation does not assume these savings.
- 3.5. The provisional budgets for 2020/21 in Table 1 below reflect 2019/20 forecasts at quarter 3 plus known changes for next year. However, work is ongoing to assess future demand, and these are therefore subject to change before the final budget is brought to Schools Forum in March.

- 3.6. The ESFA have not yet disclosed the outcome of the November 2019 Specific Grant and Ring-fenced status consultation, which if enacted would prevent Local Authorities from using its own resources to fund High Needs overspends. If the terms and conditions changed this could require the DSG to repay the 2019/20 overspend. The High Needs overspend at Quarter 3 is £5.414m.
- 3.7. The 2020/21 High Needs shortfall is currently expected to be £6.398m; but if the Local Authority cannot fund the 2019/20 overspend, the 2020/21 High Needs shortfall increases to £11.812m. These figures do not take into account any movement out of the Schools Block into the High Needs Block (ie the 0.5% transfer).
- 3.8. To adhere to the statutory requirement to set a balanced budget, the final budget allocations to be reported to Schools Forum in March 2020 will need to present the 2020/21 High Needs shortfall as a savings requirement. As highlighted in the 2019/20 Monitoring report, the Local Authority is currently exceeding the 1% threshold which will result in a requirement for the Service to produce a DSG Deficit Recovery plan. The pressure identified in 2020/21 would need to be addressed in this process.

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Table 1: High Needs Block	Latest Budget 2019/20	Adjustment	Provisional Budget 2020/21
	£m	£m	£m
SEN – Place Funding for Maintained Mainstream, Special and Resourced Provision	5.116	0.401	5.517
SEN Top up - Mainstream Schools & Academies	6.217	1.625	7.842
SEN Top up - WCC Special Schools & Academies	13.89	1.200	15.090
SEN Top up - Independent & OLA Special Schools	14.082	0.920	15.002
Tier 4 Hospital Education	0.18	0.000	0.180
Resourced Provision - SEN Support	1.701	0.676	2.377
SEND Speech & Language	0.191	0.000	0.191
Post 16 Funding	4.726	3.640	8.366
SEND Commissions	0.067	0.000	0.067
Integrated Disability Service (Teaching & Learning)	1.416	0.000	1.416
Warwickshire Flexible Learning Team	0.457	0.000	0.457
Area Behaviour Partnerships (Secondary & Primary Exclusions)	2.132	0.625	2.757
Contribution to Early Intervention Behaviour Panels	0.063	0.000	0.063
STS Links & Exclusions (Primary MOU for learners at risk of exclusion, LINK Centres, transition support/ EHC at risk of exclusion secondary.)	1.371	0.000	1.371
Early Years SEN Inclusion Grant	0.277	0.000	0.277
Central Establishment Charges	1.428	0.000	1.428
2nd year of HN DSG savings plan - To be allocated across the above budgets.	0	-0.700	-0.700
TBC: Repayment of 2019/20 HN overspend	0	0	0.000
High Needs Shortfall: Including 2019/20 repayment	-2.759	-3.639	-6.398
High Needs Allocations	50.555	4.748	55.303
TBC: Repayment of 2019/20 HN overspend	0	5.414	5.414
High Needs Shortfall: Including 2019/20 repayment	-2.759	-9.053	-11.812
High Needs Allocations	50.555	4.748	55.303