

**SCHOOLS FORUM****20<sup>th</sup> January 2020****Report of the Executive Director for Children's Services****High Needs Block budgets 2020-21****1. Purpose of the Report**

To seek the views of the Schools Forum on the high needs settlement for 2020-21 and proposed spending plans.

**2. Information and Analysis**

Details of LAs' 2020-21 high needs allocations were published on 19<sup>th</sup> December 2019. Derbyshire's high needs funding will increase by £9.799m (+14%) from £69.972m to £79.771m, a summary of the allocation is provided in Appendix 1. The increase is slightly greater than the figure in the October announcement and reported to the November Forum, the extra funding being from an increased number of pupils in special school provision.

The increased funding, which is substantial, is largely driven by increased national formula multipliers. The increase for Derbyshire has lifted our funding such that it is no longer reliant on floor protection.

The increase in high needs funding provides scope to address at least some of the pressures currently facing the Authority, schools and providers. An updated 2019-20 expenditure forecast and a first look at 2020-21 potential spend was provided to the last meeting of the Schools Forum in November and is included once again in Appendix 2.

Total planned spend for 2020-21 totals £77.873m which compares with a revised grant of £79.771m. However, the planned spend is before the following items:

Inflation contingency: – it is unclear what impact, if any, an increased national high needs settlement will have on the charges levied by independent and non-maintained providers. It is proposed that an inflation contingency be held to cover any increases over and above the 2% built into the estimates. This will cost an additional £0.261m.

Demographic increase: – on the basis of December 2019 spend it would be prudent to set aside a further £0.800m to cover future increases.

Element 3 top ups: – it seems likely that an ongoing actuarial review of the Authority's Local Government Pension Scheme could result in an increase in the employer's superannuation contribution: the increase would be equivalent to 1% of gross pay. It is therefore proposed to increase the Element 3 top up rates by this percentage for all LA maintained and academy providers at an additional cost of £0.334m.

Early Years SEN Service: – the Early Years budget paper to this meeting proposed funding a greater share of this service from the High needs Block at a cost of £0.336m (which includes an element for inflation).

High Needs Contingency: – depending on the arrangements to support more support for mainstream schools next year an increase in this fund may be required. A working figure of £0.175m has been assumed for the purposes of this report.

The impact of the above pressures is as follows:

Item	£m	£m
Inflation contingency	0.261	
Demographic	0.800	
Element 3 inflation	0.334	
Early Years SEN service	0.336	
Contingency	0.175	
Sub total - additional pressures		1.906
Planned spend per Appendix 2		77.873
Total planned spend 2020-21		79.779
High Needs Grant 2020-21		79.771
Difference		0.008

N.B. the actual grant for 2020-21 will have an import/export adjustment applied to it to reflect the movement of pupils between LAs. Should the adjustment for 2020-21 exceed the 2019-20 figure (£2.2m) this would push the HNB into deficit.

### **3 Overall position/issues to consider**

The 2019-20 high needs overspend against the grant of ~£5m is significant, meeting this shortfall utilises more than half of the additional funding available for 2020-21. With regards to the wider DSG, the accumulated deficit at the end of 2019-20 is expected to be around £3m. Whilst, the Pupil Growth paper to this meeting proposes a contribution of £1.263m it is important that high needs spending is contained within the grant level in order that the planned deficit recovery is not undermined.

The allocation of the high needs block is ultimately a matter for the Council’s Cabinet. However, the views of the Schools Forum on the issues discussed in this paper would be welcomed.

**4. Other Considerations** In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, HR, legal & human rights, environmental, health, property and transport considerations.

**5. Background Papers** Held within Finance.

### **6. Executive Director’s Recommendation**

That the Schools Forum notes the high needs settlement and offers its views on the spending priorities for 2020-21.

**Jane Parfremment**  
**Executive Director for Children’s Services**

**Derbyshire's HNB Grant 2020-21 settlement**

**Appendix 1**

	2020-21	2020-21	2020-21		2019-20	2019-20	2019-20
	Count	Multiplier	Allocation		Count	Multiplier	Allocation
	£	£	£m		£	£	£m
Population aged 2-18	145,998	155.85	22.754		145,415	117.17	17.038
Health & Disability – No. children with bad health	670	4,145.10	2.777		670	3,086.40	2.068
Health & Disability – No. children claiming DLA	5,527	651.95	3.603		5,250	509.71	2.676
Deprivation – Free school meals (current)	16,744	286.30	4.794		13,609	245.33	3.339
Deprivation – IDACI Band F	15,404	45.20	0.696		15,220	34.04	0.518
Deprivation – IDACI Band E	7,618	58.79	0.448		7,604	44.21	0.336
Deprivation – IDACI Band D	8,939	80.24	0.717		8,964	60.30	0.541
Deprivation – IDACI Band C	8,430	85.87	0.724		8,378	64.50	0.540
Deprivation – IDACI Band B	8,182	94.01	0.769		8,172	70.63	0.577
Deprivation – IDACI Band A	766	126.74	0.097		780	95.58	0.075
Low Attainment @ KS2	1,384	2,590.23	3.585		1,426	1,761.36	2.512
Low Attainment @ KS4	1,842	1,904.34	3.508		1,824	1,446.66	2.639
<b>Historic spend</b>	-	-	<b>33.0320</b>		-	-	33.032
<b>Funding floor</b>	-	-	<b>0.000</b>		-	-	0.617
Hospital Education	-	-	0.055		-	-	0.050
Basic entitlement	1,084	4,000.00	4.336		984.5	4,000.00	3.938
Additional high needs allocation 2019-20			0.000				1.600
Total pre import/export adj			81.895				72.096
Import/export adjustment	-354	6,000.00	<b>-2.124</b>		-354	6,000.00	-2.124
Total High Needs Block			<b>79.771</b>				69.972
Increase on 2019-20 (£m)			<b>+9.799</b>				

		<b>2019-20</b>	<b>2020-21</b>
		<b>F'cast exp</b>	<b>Base</b>
		<b>£</b>	<b>£</b>
<b>Places</b>	ER Schools & Academies	1,625,500	1,567,500
	Special Schools	9,006,667	9,314,167
	Pupil Referral Units	2,720,000	2,778,333
	Post 16 places	268,000	244,000
	Derby & Chesterfield Colleges	738,000	768,000
	<b>Sub total Places</b>	<b>14,358,167</b>	<b>14,672,000</b>
<b>Top ups</b>	Early Years SEN Inclusion Fund	160,000	160,000
	Nursery Units/Schools SENTA	190,119	194,126
	Nursery schools – ER SEN	146,789	150,000
	DCC primary schools/academies	8,005,132	8,396,744
	Other LAs' primary schools/ academies	172,406	186,899
	DCC sec. schools/academies	6,484,681	6,636,528
	Other LAs' secondary schools/academies	342,943	366,084
	DCC special schools/academies	11,893,227	12,526,065
	Other LAs' special schools/academies	2,007,555	2,133,824
	Post 16 FE Colleges/Ind. specialist providers	3,439,475	3,808,539
	Pupil Referral Units	1,605,342	1,692,725
	Independent & Non M'tained Special Schools	8,774,397	9,300,000
	Alternative Provision SEN	201,474	200,000
	Ind/NMSS - contribution to care placements	1,500,000	1,500,000
	<b>Sub total Top ups</b>	<b>44,923,540</b>	<b>47,251,534</b>
<b>Services</b>	Access and Inclusion	318,114	125,000
	Support for inclusion	519,000	519,000
	Hospital tuition	30,000	30,000
	Virtual School	933,701	1,028,699
	PRU to provision transport	505,273	505,273
	Contribution to Education Psychology Service	400,000	400,000
	Visually Impaired Support Service	714,861	727,068
	Physical Impaired Support Service	539,497	548,279
	Hearing Impaired Support Service	656,857	665,272
	SEN Equipment fund	250,000	250,000
	Support Service for SEN (SSSEN)	4,624,879	4,736,186
	Early Years SEN service (contribution to)	256,579	256,579
	Behaviour Support Service	958,141	964,871
	Behaviour Support TAs in mainstream schools	318,857	318,857
	Positive Play	203,763	208,657
	Derbyshire Nurture	281,510	309,613
	Integration Pathways Team	3,630,578	3,822,979
	Excluded pupils income	-436,000	-436,000
	<b>Sub total Services</b>	<b>14,705,610</b>	<b>14,980,333</b>
<b>Other</b>	Contribution to SEN transport	80,000	80,000
	School Improvement	114,007	114,000
	Vulnerable Children's fund	200,000	200,000
	High Needs Block Contingency fund	350,000	350,000
	Direct Payments	208,854	225,000
	<b>Other HNB spend</b>	<b>952,861</b>	<b>969,000</b>
	<b>TOTAL</b>	<b>74,940,178</b>	<b>77,872,867</b>