

Schools Funding Forum 20th September 2018 ITEM 6

Subject Heading:

High Needs Funding 2018-19

Report Author:

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Eligibility to vote:

All members

SUMMARY

This report summarises the forecast expenditure for 2018-19 from Havering's allocation from the DSG (Dedicated Schools Grant) High Needs Block.

RECOMMENDATIONS

That the Schools Funding Forum notes the forecast position on High Needs expenditure for financial year 2018-19.

REPORT DETAIL

Funding in support of high need provision is funded to local authorities through the High Needs Block of the Dedicated Schools Budget (DSG). This allocation is made for all provision for Havering pupils but an amount is then recouped for provision through special academies, non maintained special schools, 6th form colleges and AP academies.

Havering's funding allocation and expenditure in the last four years and the forecast for 2018-19 is shown in the table below.

	2014-15 £m	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m
Initial allocation	18.874	18.981	19.485	22.698	23.273
Recoupment	(0.716)	(1.075)	(2.581)	(3.581)	(3.429)
DSG transfers	0	0	1,400	0	1.079
Available funding	18.158	17.906	18.304	19.117	20.923
Spend	(17.910)	(18.728)	(18.225)	(19.413)	(22.923)
Spend vs Budget	0.248	(0.822)	0.079	(0.296)	(2.000)

In 2016-17 Havering increased its High Needs funding by £1.4m from transfers from other funding blocks which was built into the base allocation and in 2018-19 a one off £800k was allocated from the DSG underspend from previous years. A further £279k has been allocated to High Needs in 2018-19 from the DSG underspend carried forward from 2017-18.

The forecast expenditure as at September 2018 is for an overspend of £2m against a high needs block DSG allocation of £23.2m. Appendix A provides a further breakdown.

Havering's allocation of high needs funding is under pressure each year not only from increasing numbers and complexity of need but also from the number of high cost placements in out of borough provision. In addition, some areas within the high needs budget are under-resourced, across both mainstream and special schools.

The insufficiency of funding to local authorities through the DSG High Needs Block is a national issue. An increasing number of local authorities are reporting year end overspends of their High Needs funding. 22 county councils and the majority of London boroughs have projected overspends in 2018-19. The attempts of some local authorities to take remedial action have been the subject of judicial review.

The Local Authority is producing a report for wider circulation to set out how it allocates its High Needs funding and to demonstrate how increasing demand will put at risk the ability to contain expenditure within future years' allocations of funding.