



Schools Funding Forum 17th September 2020 **ITEM 6**

Subject Heading:

**High Needs Funding Year End Forecast
2020-21**

Report Author:

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Manager**

Eligibility to vote:

All members

SUMMARY

This report provides a year end forecast of expenditure against the high needs budget for 2020-21.

RECOMMENDATIONS

That the Schools Funding Forum notes the year forecast of expenditure for financial year 2020-21

REPORT DETAIL

In broad terms, the forecast for year end 2020-21 can be estimated using 2019-20 levels of expenditure, an estimate for the continuing increase in the number and level of support funded through EHC plans and the known funding that is available.

Expenditure

£m	
4.6	overspend against 2019-20 funding
1.1	starting deficit cfwd from 19-20
1.0	forecast growth in 202-21
<u>6.7</u>	

Income

£m	
-3.5	increase in HN Block for 20-21 above 19-20 funding
<u>-0.5</u>	transfer from schools block
<u>-4.0</u>	
<u>2.7</u>	projected overspend

Within the above calculation there is an assumption that, aside from the £1m estimated increase, the level of expenditure in 2020-21 will remain the same as in 2019-20. This is unlikely to be case as expenditure on high needs provision can vary significantly between years. The main areas of expenditure are attached at Appendix A.

In financial year 2019-20, the overspend of £4.6m was offset by a £1.3m DSG underspend carried forward from the 2018-19 financial year and £2.2m of underspends in other areas of the Dedicated Schools Budget (DSG) in financial year 2019-20. There remains a deficit carried forward into financial year 2020-21 of £1.13m.

The DfE has introduced a requirement for LAs to submit a deficit recovery plan and will be providing a template for LAs to use to construct a recovery plan. The plan should detail the steps authorities plan to take to bring their deficits back into balance within a three-year timeframe.

The LA will keep all areas of DSG spending under review to identify potential savings to meet the forecast overspend in the high needs block.