

School Forum High Needs Sub Group Interim Report And High Needs Budget For 2014/15

1. Purpose of the Report

To consider the recommendations of the interim report of the High Needs sub group and to consider the high needs funding block for next year.

2. Recommendation

- 1) The Forum thank the Headteachers for their work on the sub-group so far
- 2) The Forum consider each recommendation in the final report and
 - i) Agree to the merger of the special schools funding rates except for New Woodland's Special School, whose funding rates should be frozen at the 2013/14 level until a fuller investigation is undertaken.
 - ii) Notes the comments on the reaffirmation of the long term high needs pupils strategy and endorses the plan of work for the next year.
 - iii) Agrees to reduce the top-up level of matrix funding by £6,000
 - iv) Agrees to protect schools from the full loss by adding back £4,800
 - v) Agrees that the protection level is provisional and can change when the level of Dedicated School Grant is confirmed.
 - vi) Agrees to the continued reduction in the protection level in future years.

3. Details

- 3.1 The initial stage of the work of the group has now been completed and their interim report is attached in Appendix A to this report.

4 Dedicated Schools Grant - High Needs Block Forecast 2014/15

- 4.1 The level of funding that will be available to the Local Authority next years is difficult to predict.
- 4.2 The DFE expect to announce by 20 December the initial allocations of the high needs block element of the DSG to all local authorities. They will take into account new data they have on numbers and spend in the academic year 2012 to 2013. These allocations will be indicative only.

- 4.3 The DFE will finalise allocations of place-funding for 2014 to 2015 by the end March, based on the data in local authorities submissions, taking into account any representations from institutions.
- 4.4 The total national high needs budget for the financial year 2014 to 2015 has yet to be agreed and the DFE are working on the expectation that resources will continue to be tight and increases in some allocations will need to be balanced by reductions in others.
- 4.5 In 2013/14 Lewisham did receive some additional resources but for this budget it is anticipated the high needs funding block will continue at this year's level (2013/14).

5. High Needs Block

- 5.1 The pupil population continues to grow; between October 2012 and October 2013 there has been growth of 2.54% and a similar level is expected next year, with growth in High Needs pupil numbers expected to be higher at 6.4%
- 8.2 However it is not expected that the high needs block funding will grow in line with pupil growth. There will instead be a bidding process to the DFE. According to the latest documentation, the High Needs Block will be capped and if one authority receives extra funding there will be less for others. Population growth is a factor all across London and at the moment only broad assumptions can be made about movements in the High Needs block. Last year we received growth of £300k.
- 8.3 There will be a financial impact resulting from children entering into high needs provision in excess of this growth allocation. It is estimated that there will be an additional 83 high needs pupils next year (excluding children with statements in mainstream settings). The cost is estimated to be £1.29million.

Planned Budget For 2014/15		£'000
Special Schools - Place Led		6,660
Special Schools - Top Up		9,574
Resource bases		2,316
Independent special schools		5,780
Matrix		
Schools		3,845
In year		200
Academies		1,100
Large Concentrations Of Statements		200
PRU		3,800
Collaborative funding		1,895
Outreach		500
Home Tuition		200
Social workers headroom bid		200
Pupils placed in other local authorities		2,110
Hospital tuition		300

Vulnerable pupils	900
FE colleges and ISPs	2,334
Carry forward	-1,300
Total	40,614

- 8.4 This budget balances with the expected resources. However, this is only achieved by reducing the matrix top-up allocations by £455k. It is within this context that the interim report of the Schools Forum needs to be considered.

Conclusion

- 8.1 The financial constraints that there public sector are operating under are not expected to ease over the next few years. The problems faced by the high needs block is that the growth in expected pupil numbers is higher than the general growth in the pupil population. It is believed nationally that the level of funding will be capped or only a small amount of growth allowed for, but there is likely to be redistribution of resources amongst authorities through the growth bidding process. Last year we saw the budget have a shortfall. The situation has worsened in-year with more children entering the independent sector. It is regrettable that the recommendation is to reduce funding, but unless this is addressed it will result in the DSG going into long term deficit.

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