**Report to Hartlepool Schools’ Forum 07 May 2019**

**From Sally Robinson – Director, Children’s and Joint Commissioning Services**

**Item 9: High Needs Projected Outturn 2018/19**

1. **Introduction**
   1. The purpose of the report is to confirm the final 2018/19 outturn for high needs services.
2. **Background**
   1. There has been a historical financial pressure against high needs spending since 2015/16. The authority, supported by Schools’ Forum, implemented a recovery plan to bring spend in line with available funding. The most significant change was the migration to new funding ranges attached to level of need with effect from April 2018.

* 1. Schools’ Forum agreed to transfer £0.550m from the Schools Block to the High Needs Block in 2018/19 to further support the projected funding shortfall.
  2. A planned use of DSG reserves of £0.085m in 2018/19 was also approved.

1. **2018/19 Additional Funding**

3.1 Forum members will recall that the government announced £0.209m additional funding to support financial pressures on high needs spending for both 2018/19 and 2019/20 financial years. This announcement was made in December 2018. The government invested a national total of £125m that was allocated on the basis of the Mid-year 2 to 18 year old population 2018 ONS Data (18,975 for Hartlepool).

**4. 2018/19 Expenditure**

4.1 The final outturn for 2018/19 is an underspend of £0.125m (1.4% of the total budget). The paragraphs that follow explain the main changes in the final outturn from the last update.

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| --- | --- | --- | --- |
| High Needs Outturn 2018/19 | Revised Budget 2018/19  £m | Final Outturn 2018/19  £m | Final  Variance 2018/19  £m |
| LA place funding | 1.333 | 1.378 | 0.045 |
| Independent school fees | 2.175 | 1.954 | (0.221) |
| Out of authority top-ups | 0.295 | 0.393 | 0.098 |
| Top-up funding and support | 3.969 | 4.205 | 0.236 |
| Post-16 top-up funding | 0.750 | 0.722 | (0.028) |
| Support services | 0.467 | 0.467 | - |
| Planned Use of Reserves | (0.085) | 0 | 0.085 |
| Total Outturn  (before funding changes) | 8.904 | 9.119 | 0.215 |
| Additional funding | 0.340 |  |  |
| Final position 2018/19 | 9.244 | 9.119 | (0.125) |

4.2 Local authority place funding (£0.045m overspend)Place funding spend increased by £0.030m at the year-end to reflect a commitment to fund additional spaces at the maintained special school from the earlier date of 01/09/18 (previous forecasts were based on an effective date of 01/01/19).

4.3 Independent school fees (£0.221m underspend)

The final spend for independent school places is £0.256m less than the latest projection. The reduced spend relates to placements which either did not commence as planned or the start date was delayed.

4.4 Out of authority top-ups (£0.098m overspend)

The final spend totals £0.393m, an increase of £0.022m since the latest projection reported to Forum. The increase related to fees for 1 child who entered out of area provision.

4.5 Top-up funding and support (£0.236m overspend)

The final position on top-up funding and support is £0.019m lower than anticipated within the latest forecast reported to Forum.

4.6 Post-16 top-up funding (£0.028m underspend)

As reported previously, in-year spending is difficult to predict owing to the learning choices available to individual learners. However, a projected underspend was reported consistently during 2018/19 and the final position is an underspend of £0.028m.

4.7 Support Services (nil variance)

The contribution from high needs to local authority support services has been maintained at budget level, with inflationary increases being absorbed by the local authority.

4.8 Taking the additional funding into account, the final outturn position on high needs spending in 2018/19 is an underspend of **£0.125m**. This position is without taking any contribution from DSG reserves.

4.9 The £0.085m planned to be used from DSG reserves (approved by Schools’ Forum) in 2018/19 remains in DSG reserves. The underspend of £0.125m has been added to the this reserve balance.

**5. 2019/20 High Needs Budget**

5.1 The estimated 2019/20 budget requirement is £9.745m, reflecting full year costs for provisions which commenced in 2018/19. Spending against budget plans will continue to be monitored closely during 2019/20, with regular updates provided to Schools’ Forum.

**6.** **Recommendations**

6.1 Forum is recommended to note the contents of the report.