**Report to Hartlepool Schools’ Forum 05 February 2020**

**From Amanda Whitehead – Assistant Director Education**

**Item 6: High Needs Block Budget Update 2020/21**

1. **Introduction**
   1. ESFA published updated Dedicated Schools Grant (DSG) allocations on 19 December 2019, including high needs block funding amounts.
   2. A response from the Secretary of State to the authority’s disapplication request for transfer of £0.550m from the schools block to the high needs block was received on 15 January 2020.
   3. This report confirms the latest high needs block allocation for 2020/21, along with an update on the block transfer position in order to confirm the level of available high needs funding in 2020/21.
2. **Background**
   1. Schools’ Forum received an indicative high needs block funding allocation of £11.003m for 2020/21 at their meeting on 25 October 2019 based on the indicative allocations published by ESFA in October 2019. The ESFA funding updates released in December 2019 increased the 2020/21 indicative allocation by £0.152m.
   2. The Secretary of State response to the authority’s disapplication request rejects a transfer of £0.550m but proposes an amendment to limit the transfer to 0.5% which equates to £0.329m, a reduction of £0.221m. This amendment is suggested on the basis that Schools’ Forum agreed to support the transfer of the greater amount of £0.550m if agreed under the disapplication process.
   3. The Secretary of State’s response is included at appendix A to this report.
3. **Revised High Needs Block Funding 2020/21**
   1. The table below outlines the change in funding resulting from both the updated December 2019 allocation and the disapplication request outcome from the Secretary of State.

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| --- | --- | --- | --- |
| **Funding Stream** | **Forum 25 Oct**  **£m** | **Change**  **£m** | **Revised Funding**  **£m** |
| DSG High Needs Block Allocation (after recoupment) | 10.704 | 0.152 | 10.856 |
| Transfer from Schools Block | 0.550 | (0.221) | 0.329 |
| **Total High Needs Funding 2020/21** | **11.254** | **(0.069)** | **11.185** |

* 1. The additional funding of £0.152m relates to increased pupil numbers as at October 2019 for both Springwell and Catcote and also pupils in independent schools as at January 2019.
  2. The 2020/21 high needs block allocation stated in the table above remains subject to change during 2020/21 once ESFA publish the import / export adjustment during June / July 2020.
  3. The data supporting the import / export adjustment relies on January 2020 census data yet to be published. An internal estimate has been calculated based on known placements of Hartlepool children being educated outside Hartlepool (exports) and non-Hartlepool children being educated in the town (imports). The forecast suggests a minor positive adjustment of £0.024m. However, this amount will not be confirmed until June / July 2020.
  4. Schools’ Forum reviewed the anticipated budget requirement for high needs spending in 2020/21 at their meeting on 25 October 2019. The budget requirement remains at an estimated **£11.381m**.
  5. The estimated budget requirement compared to the updated funding available of £11.185m gives an anticipated funding pressure of **£0.196m** for 2020/21.
  6. The funding pressure of £0.196m is predicated on the worse-case spending scenario for 2019/20 considered by Schools’ Forum on 25 October 2019 of £1.466m.

**4.** **Recommendations**

4.1 Forum is asked to:

1. Note the contents of the report, including the projected funding pressure for 2020/21;
2. Ratify the proposed amendment from the Secretary of State to transfer 0.5% (or £0.329m) of the schools block to the high needs block in 2020/21.

**Please note: All Forum Members are eligible to vote on this proposal**