**Report to Hartlepool Schools’ Forum 10 June 2021**

**From Danielle Swainston (Assistant Director – Joint Commissioning)**

**Item 4 : High Needs Block Final Outturn 2020/21**

1. **Introduction**
   1. The purpose of the report is to confirm the final 2020/21 outturn for high needs services.
2. **Background**
   1. Financial pressures affecting the provision of services for Special Educational Needs and Disabilities (SEND) have been reported to Schools’ Forum at regular intervals during 2020/21, and previous financial years.
   2. Under disapplication, the authority transferred £0.329m from the Schools Block to the High Needs Block in 2020/21 to support a projected funding shortfall.
   3. The latest projection presented to Schools’ Forum estimated a year-end underspend of £0.224m (mid-case).

**3. 2020/21 Outturn**

4.1 The final outturn for 2020/21 is an underspend of **£0.848m,** exceeding the best-case outturn projection reported at quarter 3 of a £0.385m underspend. This is summarised by each area of spend in the table below. The paragraphs that follow explain the main changes in the final outturn from the last update.

|  |  |  |  |
| --- | --- | --- | --- |
| High Needs Outturn 2020/21 | Revised Budget 2020/21  £m | Final Outturn 2020/21  £m | Final  Variance 2020/21  Overspend (+) / Underspend (-)  £m |
| LA place funding | 1.366 | 1.366 | 0.000 |
| Independent school fees | 2.755 | 2.405 | (0.350) |
| Out of authority top-ups | 0.442 | 0.309 | (0.133) |
| Exclusions (incl Horizon School) | 0.717 | 0.662 | (0.055) |
| SEMH Free School | 0.063 | 0.000 | (0.063) |
| Top-up funding and support | 4.656 | 4.250 | (0.406) |
| Post-16 top-up funding | 0.720 | 0.903 | 0.183 |
| Support services | 0.467 | 0.467 | 0.000 |
| Total Outturn | 11.186 | 10.362 | (0.824) |
| In year adjustment | 0.000 | (0.023) | (0.023) |
| Final position 2020/21 | 11.186 | 10.339 | (0.847) |

4.1 Local authority place funding (on budget).The final outturn was in line with the reported projection.

4.2 Independent school fees (£0.350m underspend)

The final outturn position was a significant improvement from the previously reported best case underspend projection of £0.034m. The key reasons for the improved position are:

* The projection at quarter 3 included an estimate of £0.140m for potential new provision starts or price increases during the final quarter – only £0.060m of costs materialised;
* Backdated provision end dates for 2 post-16 pupils were confirmed during quarter 4. The end dates resulted in a saving of £0.124m against the latest projections;
* A small number of children were planned to start at independent provision in early January but could not be placed until mid-March. This resulted in a saving of £0.077m against the latest projections;
* A number of prices from providers were confirmed in the final quarter and were lower than originally anticipated for planning purposes. This resulted in a saving of £0.082m against the latest projections.

4.3 Out of authority top-ups (£0.133m underspend)

The final outturn improved from the previously reported best case underspend projection of £0.060m. The improvement was largely linked to final charges up to provision end dates that were not confirmed until year-end. The final charges were lower overall than anticipated during the year.

4.4 Exclusions, including Horizon School (£0.055m underspend)

This budget head funds the cost of alternative provision for permanently excluded pupils and receives income from AWPU clawback from schools for those pupils that are permanently excluded. The final outturn was an improved position from the projected best case overspend of £0.018m. As Horizon School returned a final underspend of £0.090m in 2020/21, the required contribution to fund the school from the High Needs Block was reduced by this amount.

4.5 SEMH Free School (£0.063m underspend)

The final outturn was in line with the reported projection.

4.6 Top-up funding and support (£0.406m underspend)

The final underspend improved from the latest reported best case underspend projection of £0.313m. The 2020/21 service level agreement with Middlesbrough Council for HI / VI support was confirmed at £0.015m less than expected at the year-end. Clawback of place funding for ARP places as at 31 March resulted in income of £0.026m back to the High Needs Block.

4.7 Post-16 top-up funding (£0.183m overspend)

At quarter 3, projected overspending ranged from £0.089m best case to £0.144m worse case. The final position shows an overspend of £0.183m. Remaining element 3 payments linked to 19-25 year old top-ups were not finalised until quarter 4.

4.8 Support Services (nil variance)

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

4.9 The final underspend of £0.848m for 2020/21 has been transferred to Dedicated Schools Grant (DSG) reserves. Following the transfer, reserve balances earmarked to support the High Needs Block stand at £0.721m.

**5.** **Recommendations**

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