

SCHOOLS FORUM

Meeting date: 20th June 2019

From: Daniel Barton
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HIGH NEEDS BLOCK RECOVERY PLAN 2019-20 – 2021-22

1.0 EXECUTIVE SUMMARY

- 1.1 *This paper provides an update on progress towards the High Needs Block recovery plan from 2019-20 to 2021-22 following confirmation of the High Needs (HN) Block allocation for 2019-20.*
- 1.2 *The Department for Education (DfE) requires a report from all local authorities with a cumulative Dedicated Schools Grant (DSG) deficit of 1% or more as at 31st March 2019 setting out its plans to bring the DSG reserves back in balance within a maximum of three years. As the outturn position was a cumulative deficit of 1.08% against the total DSG allocations for 2018-19 Cumbria will be required to submit a report to the DfE by 30th June 2019.*
- 1.3 *The main pressure on the DSG reserves relates to the HN Block deficit which increased by £0.693m from £4.840m as at 1st April 2018 to £5.533m as at 31st March 2019. Although a balanced HN Block budget has been set for 2019-20 there continues to be specific budget pressures relating to growth in demand for EHCPs and lack of in-house capacity for specialist placements resulting in pupils being placed in expensive external independent settings.*
- 1.4 *As agreed at the Schools Forum meeting held on 16th January 2019, the additional HN funding allocated by the DfE to Cumbria in recognition of the HN budget pressures faced by local authorities of £0.969m in both 2018-19 and 2019-20 together with the transfer of funding from the Schools Block of £0.555m in 2019-20 totalling £2.493m is to be used for investment to save initiatives to address the forecast budget gap and rising demand on SEND services.*
- 1.5 *To date the savings identified total £3.937m over the three year period 2019-20 to 2021-22. The DfE require local authorities to bring their deficits back into balance within a three year timeframe. The current HN Recovery plan projects that additional savings required to achieve this to be £17.603m.*

- 1.6 *A number of invest to save initiatives are being developed including further expansion of special school places, a new Resourced Provision hub model, school-based Alternative Provision and 14-16 Alternative Provision curriculum offer in local colleges. Once the saving benefits of these initiatives can be quantified they will be built into the HN Recovery Plan.*
- 1.7 *Further measures will be required to meet the DfE's requirement to bring in-year spending in line with in-year resources within three years at most. These could include: the ending of Targeted SEN funding saving £0.993m per year from 2020-21 and transferring 0.5% or up to 0.75% from the Schools Block into HN Block estimated at £1.427m or £2.141m respectively in 2020-21 and 2021-22.*
- 1.8 *The High Needs working group of the Schools Forum considered the contents of this paper and the additional further options to address the budget pressures at its meeting held on 7th June. The group requested further details about the implications of a School Transfer on individual school budgets for the Schools Forum consideration. Worked examples are included at Appendix 4.*
- 1.9 *The Schools Forum is asked to consider the proposals for addressing the High Needs deficit ahead of the report being submitted to the DfE by 30th June.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 *The utilisation of the HN block within the Dedicated Schools Grant is supportive of the Council Plan outcome that 'People in Cumbria are healthy and safe'.*

3.0 RECOMMENDATION

- 3.1 *The Schools Forum is recommended to:*

- note the contents of this paper;*
- note the forecast projected deficit balance on the HN Block for the period 2019-20 to 2021-22;*
- note the measures taken to date by the local authority to address the budget gap and meet the rising demand for SEND services.*
- note the invest to save initiatives being developed;*
- support the proposal to transfer funding from the Schools Block to the High Needs block and consider the removal of the Targeted SEN funding and work with the Local Authority to develop additional measures that will be needed to contain in-year expenditure within in-year resources by 2021-22 as required by DfE and recommend a proposed course of action.*

4.0 BACKGROUND

- 4.1 In July 2018 the DfE launched a consultation on the new arrangements for reporting deficits on the DSG. The DfE conditions of grant for 2019-20 state that:

"Where a local authority has an overall deficit on the DSG of 1% or more at the end of 2018-19 financial year, it must by 30th June 2019 submit a recovery plan to the DfE setting out how it plans to bring the overall DSG account into balance within a maximum of three years. In exceptional cases the authority may propose to leave some of the accumulated deficit outstanding, where it is not practicable to do otherwise. The recovery plan should be discussed and, if possible, agreed with Schools Forum and will require Chief Finance Officer sign off prior to submission to the DfE."

- 4.2 The DfE have confirmed that the recovery plan must be discussed with Schools Forum, however, its approval of the plan is not a requirement.
- 4.3 As reported to the Schools Forum within the paper 'DSG Earmarked Reserves 2018-19', the outturn report shows that the HN deficit has increased by £0.693m from £4.840m as at 1st April 2018 to £5.533m as at 31st March 2019.
- 4.4 The DSG outturn report to Cabinet shows that the overall deficit on the DSG balances to be £3.841m, as follows:

	Central DSG	HN Block	Total
DSG Balances as at 01 April 2018	(£1.287m)	£4.840m	£3.553m
Forecast over/ (under) spends on DSG in 2018-19	(£0.405m)	£0.693m	£0.288m
DSG Balances as at 31 March 2019	(£1.692m)	£5.533m	£3.841m

- 4.5 It should be noted that these balances do not include individual school balances as these reserves are reported separately. The DSG gross budget for 2018-19 is £354.390m and the cumulative deficit as at 31st March 2019 equates to 1.08% therefore a recovery plan report must be submitted to the DfE outlining how the deficit will be recovered by 30th June 2019.

High Needs Block Funding 2019-20

- 4.6 The table below compares the HN Block budget allocation for 2019-20 and 2018-19:

			Final	
		2019-20	2018-19	Movement
		£	£	£
DfE High Needs Block		43,193,643	42,749,845	443,798
Less direct funding of high needs places		(3,836,639)	(3,958,127)	121,488
Total		39,357,004	38,791,718	565,286
Transfers between Blocks:				
Transfer in from Schools Block		554,999		554,999
Transfer in from Central Services Block			30,095	(30,095)
Total Transfers		554,999	30,095	524,904
Funding Available for the High Needs Block		39,912,003	38,821,813	1,090,190

- 4.7 As agreed by the Schools Forum at its meeting on 16th January 2019, £0.555m (0.19%) of funding has been transferred from the Schools Block to the HN Block as a one-off transfer in 2019-20. The funding allocations also include additional HN funding of £0.969m in both 2018-19 and 2019-20 announced by the DfE in December 2018 to manage down the HN budget pressures.

High Needs Block Budget 2019-20

- 4.8 The following table shows how the funding has been allocated and also shows a comparison against the 2018-19 budget:

			Final	
	% Budget	2019-20	2018-19	Movement
High Needs Budgets:				
High Needs Top Up	21.00%	8,383,473	6,576,771	1,806,702
Central fund for schools with more than 2% of pupils with EHCPs	2.49%	993,000	990,000	3,000
Independent Placements including Out of County and Education Otherwise	12.86%	5,131,179	5,131,179	0
Hospital Education/Equipment/Audiology/BVI/Specialist Advisory	0.38%	150,704	150,704	0
Staffing (SEND Team, VSE Team and Access and Inclusion Team)	7.12%	2,839,987	2,553,515	286,472
Residential Provision	7.66%	3,057,681	3,057,681	0
Special Schools (including post-16 places from Aug 19 now included in DSG)	20.33%	8,113,086	7,268,882	844,204
Invest to Save Initiatives	3.82%	1,523,811	968,812	554,999
PRUs	10.46%	4,175,000	4,175,000	0
Resourced Provision	2.10%	839,667	948,500	(108,833)
Post-16 Budget (Colleges, FE)	9.38%	3,742,885	3,742,885	0
Mobility and Independence - Visually Impaired Children	0.05%	20,000	30,000	(10,000)
Alternative Provision Costs (devolved to PRUs)	2.29%	915,000	915,000	0
				0
Special Schools and PRUs Share of de-delegated budgets:				0
Contingencies	0.02%	6,259	7,604	(1,345)
Insurance	0.02%	6,529	7,949	(1,420)
Staff Costs	0.02%	9,286	11,282	(1,996)
Library and Museum Services	0.01%	4,457	5,416	(958)
				-
Total	100.00%	39,912,003	36,541,179	3,370,824
Transfer to Reserves		-	0	2,280,634 (2,280,634)

4.9 A balanced budget has been set for 2019-20 with no planned transfer to reserves. The changes are as follows:

- Increase of £1.807m for HN Top-Ups in schools reflecting the increase in the number of pupils with EHCPs;
- Increase of £0.003m for Targeted SEN funding for schools with more than 2% of pupils with EHCPs reflects the increase in eligibility;
- Increase of £0.286m for staffing (SEND Team, Virtual School and Equalities Team, and Access and Inclusion Team) and reflects the ending of the SEN Reform Grant of £0.218m and pay inflation;
- Increase of £0.844m for Special School budgets and reflects the increase in EHCP top-ups and temporary expansion of places to meet demand;
- Increase of £0.555m for Invest to Save Initiatives relating the transfer of funding from Schools Block to HN Block;
- Decrease of £0.109m for Resourced Provision which reflects phased the removal of funded unoccupied places ahead of proposed changes to the current allocation of this funding;
- Decrease of £0.010m for Mobility and Independence which reflects the actual value of contract for 2019-20;
- Decrease of £0.006m for De-delegated budgets and reflects the transfer of James Rennie School to academy status.

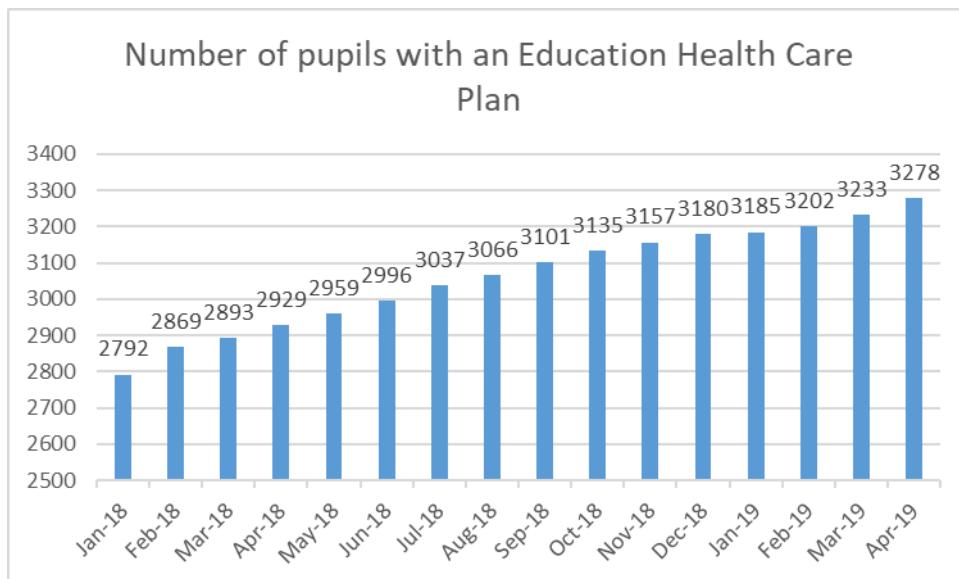
4.10 Although a balanced budget has been set for 2019-20 there continues to be a significant gap between HN resources available and actual forecast expenditure despite additional HN funding of £0.969m in both 2018-19 and 2019-20 financial years and a transfer of £0.555m from Schools Block into HN block in 2019-20. The table below demonstrates that the majority of budget is allocated directly back to schools for individual pupils and pupils in external placements which leaves limited resources to implement invest to save initiatives.

Split of HN budget:

	% Budget	£
Allocated directly to schools	66.3%	26,476,906
Centrally employed staff	7.1%	2,839,987
External providers	22.2%	8,874,064
Central spend	0.5%	197,235
Invest to Save Initiatives	3.8%	1,523,811
	100.0%	39,912,003

- 4.11 The main reasons for the HN budget pressures relate to growth in demand for SEND services and HN funding allocations which have not kept in line with this increased demand as the following data demonstrates:

- The number of pupils with EHCPs has increased by 17% since January 2018 as the below chart demonstrates and it is not yet known when these numbers will start to level out:



- The number of requests for EHCP assessments in 2018 was 547 which was 210 more than the previous year. The number of requests for assessment have increased year on year from 2011 to 2018, particularly from September 2014 when EHCPs were introduced.
- The refusal rate for assessments during 2018 was 12.2% compared to the previous year which was at 25.8% and has reduced as expected based on the new threshold.

- 4.12 These pressures can be explained as follows:

- The SEND Code of Practice has significantly raised expectations of parents of pupils with SEND;
- School budget pressures impacting on the ability to provide for pupils with SEND;

- Increase in request for specialist provision leading to schools becoming full and parental preference supported by tribunal;
- Broader accountability framework on Progress 8 and the move away from vocational curriculum offer does not incentivise mainstream schools to be inclusive and subsequent rising pressure on alternative provision places.
- The extension of statutory duty to support young people with SEND from ages 2 – 19 to 0 – 25 which is not fully recognised in the HN funding formula;
- The HN national funding formula used to allocate funding at local authority level does not reflect the growth in demand and increased complexity of pupils with SEND as 50% of the formula is based on historic ‘planned’ spend. With the requirement to set a balanced budget each year the funding therefore does not adequately reflect the actual funding required to meet the LA’s statutory duties for pupils with SEND. In addition, the basic per pupil unit funding only allocates £4,000 per pupil in a special school or independent setting whereas the local authority is statutorily required to fund special school places at £10,000 and the average cost of an independent place is between £47,000 and £50,000 per annum.

High Needs Recovery Plan Pressures 2019-20 onwards

4.13 Appendix 1 shows the forecast pressure on the HN budget for the period 2019-20 to 2021-2022 summarised as follows:

	2019-20	2020-21	2021-22
	£	£	£
Projected deficit balance brought forward	5.533m	11.249m	18.662m
Projected in-year budget pressure before savings applied	5.716m	7.413m	8.411m
Projected deficit balance carried forward	11.249m	18.662m	27.073m
Projected cumulative savings identified to date	(1.658m)	(2.467m)	(3.937m)
Revised projected deficit balance carried forward	9.591m	16.195m	23.136m

4.14 The forecast has been based on current known pupils with EHCPs in schools and independent specialist providers, accounting for pupils due to leave education and factoring in growth in numbers based on current trends. This shows the position before savings have been factored in and projects that the in-year pressure on HN budget for 2019-20 will be £5.716m if the budget pressures are not addressed.

4.15 The savings identified to date are summarised below:

	2019-20	2020-21	2021-22	Total
	£	£	£	£
Forecast savings:				
Reduction in Resourced Provision unoccupied places	(0.212m)	(0.350m)	(0.350m)	(0.912m)
Removal of Resourced Provision places funding from Maintained Nursery Schools	(0.070m)	(0.120m)	(0.120m)	(0.310m)
Sub Total	(0.282m)	(0.470m)	(0.470m)	(1.222m)
Invest to Save Initiatives:				
Temporary expansion of special school places	(1.323m)	(1.323m)	(1.323m)	(3.970m)
Bespoke EHCP package – mainstream school	(0.056m)	(0.023m)	(0.000m)	(0.079m)
Bespoke EHCP package – Pupil Referral Unit	(0.086m)	(0.086m)	(0.086m)	(0.258m)
Bespoke EHCP package – Special School	(0.024m)	(0.024m)	(0.010m)	(0.058m)
Early Intervention – Sandgate School	0.113m	0.115m	0.118m	0.346m
Alternative Provision Programme North & South	(0.000m)	1.002m	0.301m	1.303m
Sub Total	(1.376m)	(0.339m)	(1.000m)	(2.715m)
Total projected savings	(1.658m)	(0.809m)	(1.470m)	(3.937m)

Forecast Savings

- Reduction in the number of funded unoccupied places in school based Resourced Provision units from September 2019. This follows a review of the number of commissioned places which has resulted in a reduction of 26 pre-16 and 14 post-16 places saving £0.212m in 2019-20. It is anticipated that £0.350m will be saved from 2020-21 onwards subject to the completion of the RP review and new RP hub model with a proposed start date of September 2020 and the number of places commissioned in future years.
- Removal of Resourced Provision places in Maintained Nursery Schools from September 2019 saving £0.070m in 2019-20 and £0.120m from 2020-21 onwards. As previously reported at the Schools Forum meeting held on 16th January 2019 these schools will be able to access the Early Years Block SEN Inclusion Fund for supporting pupils with lower level and emerging SEN in addition to top-up funding for pupils with EHCPs in line with all Early Years providers.

Invest to Save Initiatives

4.16 The Invest to Save Initiatives budget totals £1.524m for 2019-20. Savings of £1.376m as detailed in the table above are projected to be achieved as follows:

- (£1.323m) net saving relating to the temporary expansion of Special school places to increase capacity to meet demand for specialist placements ahead of a permanent planned increase in PAN. Mayfield School places have been increased from 130 to 150 following their move into the new Whitehaven Campus and Sandgate School places have been increased from 80 to 87. The original HN Recovery plan approved by Cabinet in November 2016 also included expansion of Sandside Lodge places from 8 to 12 from September 2018. By expanding capacity this has enabled savings against the independent day places budget as the cost of providing a specialist place in a Special school is significantly cheaper than using an external independent provider.
- (£0.166m) net saving relating to a bespoke EHCP packages in both a mainstream and special school and 3 bespoke packages in a PRU for pupils who would otherwise be educated in an external independent placement.
- £0.113m net cost relating to an early intervention outreach proposal to be piloted at Sandgate School. The project involves the special school working with primary schools supporting pupils with Social/Emotional/Mental Health needs. The future years saving assumptions have been modelled on outreach support for year 3 pupils with a worst case scenario of two pupils being diverted from a trajectory into the independent sector per year, the savings of which will not be realised until they reach year 7. On this basis the savings

in-year are not realised until year 2024-25 and return on overall investment does not appear until 2027-28, however, if successful could be rolled out to other special schools.

- 4.17 The savings achieved to date through these measures across both 2018-19 and 2019-20 are summarised at Appendix 2. The total budget allocated to Invest to Save Initiatives is £2.492m which comprises the additional £0.969m received in 2018-19 and a further £0.969m in 2019-20 together with £0.555m transferred into HN block from Schools Block as agreed by Schools Forum it is meeting on 16th January 2019. Total expenditure against this budget across the two years to date is £1.093m and total savings achieved are £1.839m comprising of £0.333m in 2018-19 and £1.376m in 2019-20. It should be noted that the underspend at the end of 2018-19 has been carried forward in the DSG reserves to be allocated in 2019-20.

Alternative Provision Settings

- 4.18 Also included in the savings section is the longer term investment of HN Block funding for two new Alternative Provision settings in the North and South of the county with an anticipated start date of September 2020. As previously approved by Cabinet this investment will increase capacity and provide 50 AP places and 30 special additional places for children with social, emotional and mental health needs. It is expected that when the settings are fully up and running that there would be a small net revenue saving. Savings are achieved through a reduced number of pupils being placed in expensive external independent provision. It is also expected that the new settings will have a positive impact on the Council's transport and social care budgets.

Further Invest to Save Initiatives not yet quantified

- 4.19 There are a number of further invest to save initiatives being developed for which the financial implications and savings cannot at this stage be quantified. Once the financial modelling is available a decision will be taken on which ones to progress and savings that can be achieved will be factored into the HN Recovery Plan. The initiatives being progressed include:

- Further expansion of Sandgate School from 80 to 120 places to meet demand and reduce the number of high cost external placements.
- New model for Resourced Provision – currently out to consultation where it is proposed to centrally employ all the specialist teachers and support staff associated with Resourced Provision who would be attached to schools with RP units on a needs basis with a potential effective date of September 2020. The expected outcome will be reduced number of funded unoccupied places and provide new flexibility to meet demand on a needs basis.
- School-Based Alternative Provision – a school-led approach to build availability of Alternative Provision across the county. Expressions of interest have been received from a number of primary and secondary schools. It is anticipated that this measure will reduce the number of

pupil exclusions and therefore reduce the number of pupils going forward being educated in expensive external independent settings.

- 14-16 College Offer – brokerage of an alternative provision curriculum offer from local colleges. As above it is expected that this measure will reduce the number of pupil exclusions and therefore reduce the number of external independent placements going forward.
- 4.20 The school-based Alternative Provision and 14-16 College offer initiatives will require an element of cost sharing between schools and the local authority in order to demonstrate a financial saving against the HN Block as well as having the benefit of improving learning outcomes.
- 4.21 It should be noted that spend to save initiatives aimed at reducing the number of pupils in independent specialist provision will reduce the number of new pupils directed by the Council to these provisions, however, will not have an immediate cost saving impact on those pupils currently being educated in these settings. These costs are therefore committed until these pupils leave education and therefore it is not possible to balance the DSG budget in the short term as the impact of these savings is longer term.
- 4.22 From the financial year 2021-22 the DfE expect local authorities to balance its overall DSG account. Although further initiatives to address the rising demand and increase in-house capacity have not yet been factored into the plan and it also is expected that at some point the trend of rising numbers of pupils with EHCPs will level out, the HN Recovery Plan work to date based on known information available forecasts that there will continue to be a significant budget gap and that in the short to medium term expenditure against the HN block will continue to increase. The budget gap for the period 2019-20 to 2021-22 is predicted to be £17.603m as follows:

	2019-20	2020-21	2021-22	Total
	£	£	£	£
Projected HN Block in-year pressure	4.058m	6.604m	6.941m	17.603m

- 4.23 Further work is therefore required to address the budget gap to mitigate the projected overspend and additional options need to be identified and explored in order to, as a minimum, manage spend in-year within in-year resources by 2021-22 in line with DfE guidance. The financial position of the Council is such that there are no general reserves available to offset the HN Block pressure and urgent action needs to be taken to address the budget gap whilst ensuring that the Council meets its statutory duties to assess and provide support for children and young people with SEND. Proposed additional options for consideration by the HN Working Group are as follows:

- Removal or phasing out of the targeted SEN – potential saving of £0.993m per year. This additional funding introduced in 2015-16 for school with more than 2% of pupils with EHCPs is non-statutory and could be ended after 2019-20. Currently 102 schools are in receipt of this additional funding with the maximum allocation of an individual

school being £54,000. The implications of ending this funding is that it penalises only those schools who are being the most inclusive.

- Transfer of 0.5% of funding from Schools Block to HN Block in 2020-21 with the approval of the Schools Forum following consultation with schools. Estimated saving of £1.427m in year.
- Transfer of 0.75% of funding from Schools Block to HN Block in 2020-21 requiring the approval of the Secretary of State following consultation with schools and Schools Forum. Estimated saving of £2.141m in year.

4.24 The impact on the HN Block in-year pressure of ending the targeted SEN funding and transferring 0.5% from the School would be as follows:

	2019-20	2020-21	2021-22	Total
	£	£	£	£
Projected HN Block in-year pressure	4.058m	6.604m	6.941m	17.603m
Ending of Targeted SEN		(0.993m)	(0.993)	(1.986m)
0.5% transfer in from Schools Block		(1.427m)	(1.427m)	(2.854m)
Revised Projected HN Block in-year pressure	4.058m	4.184m	4.521m	12.763m

Alternatively, the impact on the HN Block in-year pressure of ending the targeted SEN funding and transferring 0.75% from the School would be as follows:

	2019-20	2020-21	2021-22	Total
	£	£	£	£
Projected HN Block in-year pressure	4.058m	6.604m	6.941m	17.603m
Ending of Targeted SEN		(0.993m)	(0.993)	(1.986m)
0.75% transfer in from Schools Block		(2.141m)	(2.141m)	(4.282m)
Revised Projected HN Block in-year pressure	4.058m	3.470m	3.807m	11.335m

4.25 The impact on individual school budgets shares of a 0.5% or 0.75% transfer has been modelled against the 2019-20 allocations for illustrative purposes and can be found at Appendix 3. It should be noted that the Schools Forum approved a proposal to transfer £0.555m (0.19%) in 2019-20 and therefore the impact of transferring 0.5% and 0.75% compared to the actual 2019-20 allocations is an increase £0.873m and £1.586 respectively. The most equitable method of applying the transfer would be to reduce the Age Weighted Pupil Unit (AWPU) whilst maintaining the same ratios as follows:

	Current	Ratio	Proposed AWPU if 0.5% Transfer	Proposed AWPU if 0.75% Transfer
Primary	£2,746.99	1	£2,727.72	£2,718.08
Key Stage 3	£3,862.65	1.41	£3,835.55	£3,822.00
Key Stage 4	£4,385.81	1.60	£4,355.04	£4,339.66

- 4.26 The implications of this mean that the optional funding floor projection of 1% against 2017-18 baselines could not be applied, however, a Minimum Funding Guarantee of 0% and a cap on gains against 2018-19 baselines of 1.783% (for a 0.5% transfer) and 0.51% (for a 0.75% transfer) could be applied. Under both models 266 schools would see a reduction in funding.
- 4.27 Worked examples of the impact on individual school budgets are illustrated in Appendix 4. This shows that although there is a reduction in AWPU values for some schools there is no change to their funding levels under each scenario, some schools would see a reduction in funding of the same level under a 0.5% or 0.75% transfer whilst for other school they would see an increased reduction under a 0.75% compared to a 0.5% transfer. This is because of the impact of the Minimum Funding Level, Minimum Funding Guarantee and Gains Cap funding factors.
- 4.28 It should be noted that these figures are illustrative only and use the 2019-20 schools block allocation and pupil numbers and data so that a like for like comparison can be made against the current year's school budget shares. Actual 2020-21 budget shares are subject to the DSG settlement and changes in pupil numbers and data.
- 4.29 The measures outlined above will not fully address the projected overspend. The Schools Forum are asked to support the proposal to transfer from the Schools Block and consider the removal of targeted SEN funding and also to work together with the local authority to identify additional proposals to reduce expenditure.

5.0 OPTIONS

- 5.1 The Schools Forum is recommended to note the contents of this paper, the current HN recovery plan from 2019-20 to 2020-21 and the budget gap on the HN Block of £17.603m. It is asked to support a proposed transfer from the Schools Block and the removal of the Targeted SEN funding to address the deficit and work with the local authority to identify further proposals in order for a balanced budget to be achieved by 2021-22.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 Based on the projections for 2019-20 to 2021-22 found at Appendix 1 there is significant budget pressure against the HN Block budget with projected

expenditure exceeding the HN funding available in the 3 year period by £17.603m.

- 6.2 The DSG central reserve closed the 2018-19 financial year with a deficit of £3.841m. In July 2018 the DfE announced that they intend to require a report from any local authority that has a DSG deficit of 1% or more as at 31st March 2019. The report, which will need to be discussed with the Schools Forum, will need to set out the authority's plans for bringing the DSG reserves back into a balanced position by 2021-22 for submission to the DfE by 30th June 2019.

7.0 CONCLUSION

- 7.1 The Schools Forum is asked to note this report which sets out the HN Recovery plan and projected budget gap of £17.603m and consider and support further options to reduce expenditure in order for a balanced in-year budget position by 2021-22 ahead of the recovery plan being submitted to the DfE by 30th June 2019.

Dan Barton
Assistant Director, Education & Skills

11th June 2019

Accompanying Documents:

Appendix 1 – High Needs Recovery Plan 2019-20 to 2021-22

Appendix 2 – Invest to Save Initiatives 2018-19 – 2019-20

Appendix 3 – Illustrative Impact of Schools Block Transfers of 0.5% and 0.75%

Appendix 4 – Worked Examples of Illustrative Impact of Schools Block Transfers of 0.5% and 0.75%

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