



PONTELAND HIGH SCHOOL

Aiming for our students to be happy, feel safe and secure, and achieve exceptionally well

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30 January 2019

Dear Colin and School Forum members

Transfer of funds from Dedicated Schools Grant (DSG) to High Needs Block

Following the most recent School's Forum meeting on 16 January 2019 I feel compelled to write in order to raise a concern in respect of the discussion that took place regarding the decision to transfer 1% of funds from the Dedicated Schools Grant to the High Needs Block.

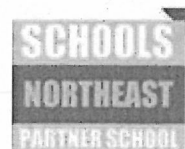
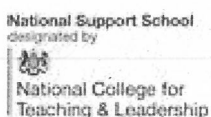
The decision to agree a 1% transfer was taken at a previous School's Forum meeting on 21 November and reflected the dire situation locally with a significant projected over spend within the High Needs budget; this comes despite the fact that 1% had been removed from the DSG the previous year. Given that all schools and academies are facing a very challenging financial future Forum members faced an invidious choice, one that many Local Authorities up and down the country are also wrestling with.

On 17 December 2019, Damian Hinds announced additional government funding for High Needs in a letter to Local Authority Chief Executives; Directors of Children's Services (see attached). This appeared to be in direct response to the national outcry over the escalating issue of funding gaps for High Needs. Within the letter it states:

'I am aware that many LAs have already proposed to move funding between blocks of the DSG in 2019-20, principally from the schools block to the high needs block, in the usual way. Given the announcement today of additional funding for the high needs block, we expect that some LAs may therefore want to review these proposals. If you have submitted requests to the department to do so, you may wish to reduce or remove these requests. We will provide a window early in the New Year for you to do so.' (page 2)

In light of this paragraph it was disappointing to note at the last meeting there was little or no desire to revisit the decision to transfer 1% from the DSG. Suggestions were made from the floor that, in light of the additional funding to Northumberland LA circa. £623,000, it would have been possible to adjust the DSG transfer to approximately 0.7%. This was proposed as being a reasonable response given that the original School Forum decision was taken without knowledge of this additional government funding, which in itself may well have materially changed the decision taken on 21 November.

The discussion at School Forum also lacked clarity about the extent of the current deficit within the High Needs budget but it was clear that it is not in the region of £2.4 million, which is the approximate sum of money that is now being pulled together through the 1% DSG contribution and the additional central





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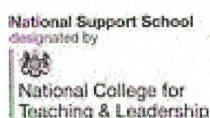
funding. There was however real clarity about the financial challenges faced by many of our schools with proportionally more schools in Northumberland in deficit than our neighbouring authorities. Given these circumstances can I suggest that at the next School Forum meeting members:

1. Receive a detailed account presenting an accurate picture of the High Needs Block deficit
2. Table a discussion on the size of contribution required from the DSG (in light of point. 1 and the additional government funding)
3. Take another vote on the size of DSG contribution, ideally:
 - a. Remains as 1%
 - b. Reduced to 0.7%
4. Offer a recommendation to Cabinet on the basis of the outcome of the vote

I recognise that I may be in the minority with my concerns therefore I would suggest that this letter is shared with all School Forum members to ascertain whether there is a widespread desire to pursue my proposals.

Yours sincerely

Kieran McGrane
Headteacher





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Date: 25 February 2019

Dear Kieran,

Re Transfer of funds from Dedicated Schools Grant to High Needs Block

Thank you for your letter dated 30 January 2019, in which you highlight your disappointment at the failure of the 16 January 2019 Schools Forum meeting to reconsider the decision made in November to transfer 1% from the Schools Block to the High Needs Block. Having received your initial letter, on I am responding on behalf of Schools' Forum, and both your letter and the response will be shared with Schools' Forum members. The response has been agreed with Colin Pearson, in his role as Schools' Forum chair.

While the additional High Needs funding announced on 17 December 2018 was very welcome, the timing of this was less than ideal in order to consider the potential impact on High Needs pressures in both the current year and beyond. Cabinet reports seeking budgetary approval had already been prepared when details of the additional High Needs funding were announced in late December. If the additional High Needs funding of £613,233 had simply been used to reduce the transfer from the Schools Block to the High Needs Block, this would not have reduced the overspend on the High Needs budget.

Given both the carried forward deficit from previous years and the current in-year pressures on the High Needs block, it was decided to apply the funding to reduce the overall High Needs deficit. This was done in order to reduce the potential transfer from the Schools Block to the High Needs Block in 2020/21, which is scheduled to be the final year prior to the 2021-22 implementation of the National Funding formula.

Your letter refers to a lack of clarity in relation to the extent of the current High Needs deficit but February's papers to School Forum detail a forecast £1.9 million High Needs overspend at the end of 2018/19, driven, as previously reported, by the key "demand-led" pressures of SEN Top-Ups, independent special school placements and exclusions.

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After the £1.796 million transfer from the Schools Block to the High Needs Block, there remains a projected deficit of £1.217 million at the end of 2019/20.

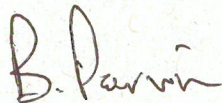
An alternative way of looking at this is, after the recoupment of £3.221 million for the High Needs specialist placements, there is £29.981 million available for High Needs, but the proposed budget for 2019/20 is £31.042 million. This demonstrates an "in-year" shortfall of £1.061 million, before any adjustments in respect of brought forward deficits or transfers from High Needs.

I hope this demonstrates the real extent of the High Needs pressures currently faced by Northumberland and many other local authorities.

It should also be remembered that the vast majority of High Needs funding is actually returned to schools, through funding to support children with Education, Health and Care Plans in both mainstream and special school settings, as well as specialist independent and non-maintained special schools.

The uncertainty over any transition arrangements and the management of any deficits as we move towards 2021/22 and the scheduled introduction of the "Hard" National Funding Formula is not helpful but it is not possible at this stage to reconsider the budget transfer for 2019/20. Your comments in relation to this are noted and it is to be hoped that the level of transfer can be reconsidered ahead of any decisions taken in relation to the 2020/21 DSG.

Your sincerely



Bruce Parvin
Education and Skills Business Manager,
on behalf of Northumberland School's Forum

Cc Colin Pearson, Schools Forum Chair

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