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**DSG SETTLEMENT: 2014/15 HIGH NEEDS BLOCK**

*Report of the Director of Education and Early Intervention*

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**1. Purpose**

- 1.1 To inform the Forum of the final High Needs block element of Dedicated Schools Grant for 2014/15.

**2. Recommendations**

- 2.1 The Forum is asked to note the final High Needs block allocation.

**3. Background**

- 3.1 The High Needs block allocation for 2014/15 announced in December was only an indicative figure. This allocation has now been finalised by the DfE following consideration of the High Needs places returns that all authorities were required to submit just before Christmas.

**4. Hertfordshire's Final High Needs Block for 2014/15**

- 4.1 The calculation of the final High Needs block allocation is shown in the table below, followed by further information about each item:

<b>Derivation of final High Needs block</b>	paragraph	£m
Indicative figure announced in December 2013		94.966
Reduction in respect of hospital education	4.2	(0.956)
Reduction in post 16 colleges allocation	4.3	(0.358)
Increase in respect of place changes	4.4	0.240
Additional high needs block	4.5	0.856
Final 2014/15 High Needs block		94.748

- 4.2 Hospital education is funded through the DSG on the basis of actual spend. The DfE has changed the definition of hospital education for DSG

purposes, which means Hertfordshire can no longer claim for the Education Support Team for Medical Absence (ESTMA). This reduction was anticipated and taken into account in the setting of the 2014/15 Schools Budget.

- 4.3 The reduction in the allocation in respect of colleges high needs relates to a reduction of 31 students between the DfE baseline data, based on 2012/13 numbers, and the 2013/14 data. There is some concern that the DfE baseline, which included students with more than £5,500 additional support, is not on a basis which is totally compatible with the 2013/14 data, which identifies students with £6,000 additional support. However, this is the data available nationally, which has been used in the High Needs block calculation.
- 4.4 The additional funds in respect of place changes result mainly from the net effect of changes to the place numbers for Education Support Centres (ESCs) and Primary Support Bases (PSBs). With ESCs this variation was between the place numbers originally submitted to the DfE for 2013/14 of 20 places per ESC and the 2014/15 place numbers of 40 places per ESC. (The 2013/14 place numbers were revised to 40 places per ESC prior to the finalisation of the 2013/14 budget shares.) PSB provision is being developed as an outreach service and thus the 2013/14 per place funding is being converted to commissioned service funding in 2014/15.

Neither the ESC nor the PSB place number variation results in a change in the overall cost of provision because the funding impact of the variation in place numbers has been offset by a counterbalancing change in the amount of commissioned service funding paid to ESCs and PSBs. However, due to the technicalities of the places return, there has been a small increase in DSG.

- 4.5 Finally, some additional resource has been added into the High Needs block nationally and Hertfordshire has received a share of this, pro rata to its population of 2 to 19 year olds.

## **5. Conclusion**

Overall the final 2014/15 High Needs block of DSG is £739k more than earlier estimated, mainly due to additional resource included by the DfE in the final allocations (section 4.5 above).

The usual deductions will be made to the final High Needs DSG block in respect of high needs places in academies and post 16 high needs places in special schools.