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To: The Chair and Members of County Council

# SUPPLEMENT

Dear Member

## COUNTY COUNCIL – 13 FEBRUARY AGENDA ITEM NO 8 – ADDENDUM

Further to the agenda for County Council please find attached an Addendum to Agenda Item No 8 - Draft Revenue Budget 2020/21 and Medium Term Financial Plan (2020-2025) and Draft Capital Programme (2020-2025).

Yours sincerely

*Jackie Currie*

**JACKIE CURRIE**  
Professional Lead – Democratic Services

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## Council – 13<sup>th</sup> February 2020

### Addendum to the Budget Report – Agenda Item 8

To be appended to Section 5 (page 35) 'Update since Cabinet – 30<sup>th</sup> January 2020'

- 5.2 On Friday 31<sup>st</sup> January 2020, the Department for Education (DfE) published the outcome of consultation on clarifying the ring-fenced status of the specific grant for schools, the Dedicated Schools Grant (DSG). Consultation had been undertaken between 11 October 2019 and 15 November 2019 seeking views on the treatment of deficits on the DSG and in particular, deficits in relation to the high needs element of the DSG.
- 5.3 The High Needs element supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. The provision includes: places for pupils with special educational needs in mainstream schools, special schools, Pupil Referral Units, and independent day and residential providers; top up funding to institutions for pupils with an Education Health Care Plan (EHCP); central services relating to SEND and Alternative Provision.
- 5.4 In its response, the DfE stated
- “The effect of these provisions is that LAs will not be permitted to fund any part of the deficit from sources other than DSG (and any specific grants whose conditions allow them to be applied to the schools budget) without the authorisation of the Secretary of State.*
- If a LA wished to use other sources, it must apply to the Secretary of State for authorisation to disregard the new arrangements. We would not wish to place barriers in the way of LAs that have used other sources to supplement the DSG for particular reasons such as PFI costs; or of LAs who want voluntarily to use small annual sums in support of their high needs budgets.”*
- 5.5 Changes are expected to be made by amendment to the School and Early Years Finance Regulations 2020 and will come into force during February 2020. In law, the Council must comply with regulations.
- 5.6 The Budget Proposal sets out revenue support in respect of schools buildings maintenance and property investment, explained in para 6.15 (f) and para 7.22 (a) and (f). This is in addition to the DSG funding for schools maintenance and specific capital grants for schools.

- 5.7 The Council, therefore, intends to request the approval of the Secretary of State should that be deemed to be required in line with regulations when they come into force.
- 5.8 In relation to the projected deficit on the DSG reserve as set out on page 116 (Appendix A – MTFP 2020-2025) the regulations will set out how this will be met from future DSG income. The DfE has committed to work with Local Authorities to help them manage recovery of the deficit position on high needs.
- 5.9 The Director of Finance will provide an update to Cabinet on the matter through the quarterly budget monitoring report and the provisional year-end financial results report.

Julie Crellin – Director of Finance (s151 Officer)

Iolanda Puzio – Chief Legal Officer (Monitoring Officer)

12<sup>th</sup> February 2020