

Schools Forum - 30th November 2017

Financial Report

The following report contains a detailed breakdown of the financial position of the local area for 2017/2018. The report enables members to note the outturn position and the significant factors contributing towards spend. The report covers the following items

- Outturn position 17/18
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Reserve funds
- Position and Recommendations

Outturn Position 2017/18

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £1.122m.**

The following table details the areas of both over and under spend. Many of these budgets are demand led and will be monitored during 17/18 and revisions reported accordingly.

Budget Heading	Budget	Projected Spend	Over / (Under) Spend
Early Years 2, 3 & 4 yr olds	£6.m	£6.22m	£220k
Early Years - ALFEY	£220k	£250k	£30k
Joint Funded Placements	£500k	£481k	(£19k)
Recovery of funding from Excluded Pupils	£0	(£100k)	(£100k)
Independent Special School Fees	£2.1m	£2.35m	£250k
Other packages for statemented pupils / recoupment from other authorities	£148k	£296k	£148k
School contingencies (Rates, planned pupil growth etc)	£307k	£250k	(£57k)
Statementing / EHCP in-year adjustments (see separate paper for detail)	£200k	£312k	£112k
Special Schools / High Needs in-year adjustments	£244k	£844k	£600k
School Intervention / Commissioning	£324k	£262k	(£62k)

The two areas of significant volatility are within the Early Years Block and Higher Needs Block. The demand led pressures in these areas are detailed below

Early Years Overview

The local authority is required to ensure that eligible 2 year olds receive 15 hours per week and 3 and 4 year olds receive 30 hours per week of nursery provision. This is a national offer based on nationally determined eligibility criteria. Over the past two years the local authority has had to fund a greater number of children than the DfE have funded. In 17/18 the DfE initially funded 300 children for the 30 hours offer. Since the previous forum it has been noted in additional guidance that the 300 children is based on a full year allocation of 570 hours. However the scheme commencement in September 2017 results in this equating to 521 children receiving funding over the two terms within this financial year.

The recent forecasting information given by both schools and providers indicates that we are forecast to provide spaces for approximately 750 children in the spring term. The Local Authority currently has 820 eligible codes assigned for take up in the spring term.

These approximate figures indicates that there is potential for 230 children to receive that we are not funded for. However an adjustment will be made from the January 2018 census and forum will receive an estimate of the adjustment at this time.

The universal 3 and 4 year old grant is currently projected to provide spaces for an additional 90 children on average of the year.

The figures for 2 years old are in line with the allocated budget and the local authority has just received the next Department for Working Pensions eligibility list and an update will be provided against the January census return.

Based on the current information held the budget pressure remains at **£250k**.

Higher Needs Overview

Alongside the Early Years pressure, Torbay also has a greater number of children requiring additional support up to and including a special school place than the funds available in the higher needs block can meet. This demand pressure is in the great majority driven by schools requesting additional support and/or that children are assessed for an education health and care plan (EHCP). At present the projected budget pressure on the higher needs block is **£991k**. This position provided in October 2017 was **£950k**.

In addition to these placement factors there continues to be an increase in the request for additional funds above the £6,000 allocated to schools. The following table indicates the position to date.

Statementing / Education, Health & Care Plan Funding for 16/17 & 17/18			
	16/17	17/18	Increase / (Decrease)
Number of pupils with a statement	362	373	11.00
Number of FTE's with a statement	334	353	19.00
	£	£	£
Funding below £6k allocated through school formula elements	1,914,223	2,047,279	133,056
Funding above £6k allocated as a top-up per eligible pupil	926,146	1,234,164	308,018
Statementing / EHCP Contingency	238,400	200,000	(38,400)
In-Year adjustments			
April	110,476	25,735	(84,741)
May	23,628	45,249	21,621
June	19,756	13,913	(5,843)
July	8,445	0	(8,445)
August	114,700	127,405	12,705
September	63,804	40,866	(22,938)
October	34,132	32,141	(1,991)
November	(4,951)	(4,951)	0
December	19,419	19,419	0
January	(11,636)	(11,636)	0
February	22,423	22,423	0
March	1,663	1,663	0
Total - In-Year adjustments	401,859	312,227	
Projected (underspend) / overspend	163,459	112,227	
Notes			
Based on April 17 to Oct 17 in-yr adjustments and the same allocation for the remainder of the financial year as 16/17, it is anticipated the statementing / EHCP contingency will overspend by			£112,227

Reserve Funds

The reserve funds remains unchanged from the October 2017 forum. The following table demonstrates how the reserve fund has been used and the uncommitted reserves that remain available to forum for consideration.

DSG reserve				
				Balance
				Over / (Under)
				£
Balance remaining as at end of financial year 15/16				(1,289,211)
Expenditure during 16/17				
Schools Safeguarding Social Worker (Year 3) - Mayfield School				50,000
Business Support for TESS - Mayfield School				15,000
Additional TESS funding - agreed at Schools Forum				40,000
Inspiring Equality in Education (Homophobia) - agreed at 10/3/16 Schools Forum				6,173
Improving outcomes - D Pritchard				12,206
CAMHS School Support Service				167,939
16/17 DSG overspend				834,603
Total 16/17 Expenditure				1,125,921
Balance remaining as at end of financial year 16/17				(163,290)
Vacancy saving for Head of Vulnerable Pupils (Apr - Aug 17)				(28,300)
Social care contribution towards TESS 17/18				(50,000)
Social care contribution towards TESS 18/19				(50,000)
Contribution from Troubled Families Grant - agreed by DCS				(200,000)
Total funding available in DSG reserve				(491,590)
Funding still to be allocated against the balance				
Transitional funding to enable Early Years funding rate to remain at £4 per hr for 17/18				153,900
CAMHS funding still to allocate in 17/18 (Apr - Aug 17 only)				73,000
TESS in 17/18 Financial Year				41,753
TESS in 18/19 (Apr - Aug only)				72,483
Autism until 31/12/17				66,890
Challenging Behaviour in 17/18 Financial Year				0
Challenging Behaviour in 18/19 Financial Year				54,663
Challenging Behaviour in 19/20 Financial Year (Summer Term only)				31,738
Total Funding still to be allocated against current remaining balance				494,427
Total Over / (Under) spend				2,837
Note:				
Unspent balance for Challenging Behaviour held by Watcombe Primary at 31/8/17				(65,943)
Unspent balance for TESS held by Mayfield School at end of 16/17 Financial Year				(122,415)

Position

In October 2017, School Forum took the decision to vire the permitted cap of 0.5% from the 18/19 Schools Block budget allocation. Applying the virement of approximately £364k, this leaves a currently known DSG pressure of **£758k**.

Recommendations

It is requested that Schools Forum ;

1. Note the financial position and work with the Local Authority in the establishment of a Financial Recovery Plan.

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