

## Schools Forum - 18<sup>th</sup> January 2018

### 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
- DSG allocation for 2018/2019
- Position and Recommendations

#### Outturn Position 2017/18

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £1.271m.**

The following table details the main 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	£6m	£6.22m	£220k
Early Years – ALFEY	£220k	£250k	£30k
Joint Funded Placements	£500k	£500k	£0k
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	£164k	£349k	£185k
Medical Tuition Service / Virtual School / Hospital Tuition	£908k	£984k	£76k
School contingencies (Rates, planned pupil growth etc)	£307k	£224k	(£83k)
Statementing / EHCP in-year adjustments (see separate paper for detail)	£200k	£332k	£132k
Special Schools / High Needs in-year adjustments	£244k	£913k	£669k
School Intervention / Commissioning	£324k	£216k	(£108k)

The two areas of significant volatility continue to be within the Early Years Block and Higher Needs Block.

#### Early Years Overview

The position remain consistent with the previous report provided to School Forum. The Early Years Census date, 18<sup>th</sup> January 2018, will provide us with the overall numbers of pupils on role at the calculation date. Any additional pressures identified as part of this return will be reported to Forum. Indicative forecasts provided by both schools and childcare have been used to calculate the £220k budget pressure, this is £30k less than previously reported as we have secured funds for some children that have been provided 30 hours placements in the first term that will not feature on the January 2018 census.

The budget position should be treated with caution until the census return has been received and adjustments confirmed by the Department for Education.

The Local Authority continues to represent the challenges that are being experienced within Torbay and neighbouring authorities to the Department for Education. The most recent meeting resulted in a representation from Local Authorities to move to a termly census. Forum should note that not all Local Authorities were supportive of this, as in areas where take up is lower than allocated funds, the funds are not recouped at an equivalent value. The Head of Education and Early Years Business Manager are attending the Department for Education meeting on the 1<sup>st</sup> March 2018 to discuss the practicalities of a termly census return and the impact of not implementing this model.

## 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 **£1.136m**.

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.

<b>Statementing / Education, Health &amp; Care Plan Funding for 16/17 &amp; 17/18</b>			
	<b>16/17</b>	<b>17/18</b>	<b>Increase / (Decrease)</b>
Number of pupils with a statement	362	373	11.00
Number of FTE's with a statement	334	353	19.00
	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>In-Year adjustments</b>			
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)	6,622	11,573
December	19,419	27,323	7,904
January	(11,636)	(11,636)	0
February	22,423	22,423	0
March	1,663	1,663	0
<b>Total - In-Year adjustments</b>	<b>401,859</b>	<b>331,704</b>	
<b>Projected (underspend) / overspend</b>	<b>163,459</b>	<b>131,704</b>	
<b>Notes</b>			
Based on April 17 to Dec 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		<b>£131,704</b>	

Analysis of the demand for Education, Health and Care Plans demonstrates that the volumes of requests continue to grow. From September to December 2017 the team have dealt with 80 requests. Although a percentage of requests will not result in a plan, it is anticipated from previous transfer rates that approximately 75% of requests will lead to a plan. These new plans do not feature in the budget statements.

The SEN team have also undertaken work to cease plans where pupils and parents/carers are no longer engaged in the package of support being provided. A small number of plans are now being taken through the legal process to remove the plan.

The Social Emotional and Mental Health Provision provided by Brunel and Burton continues to be operating at maximum capacity. The Local Authority has controlled the number of placements at Burton by refusing any assessments placements until re-integration can take place for ready pupils, this model is helping to ensure that an assessment place is only used for the agreed 12 week period.

However where a permanent exclusion has taken place the Local Authority, under its statutory duty to provide sixth day provision, has needed to commission numbers above the 50 places budgeted. Initial work has been undertaken with Secondary Headteachers to agree a first permanent exclusion protocol. This has been agreed by all schools and would result in pupils being quickly moved into an alternative mainstream school by day six.

## 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)
			£
<b>Balance remaining as at end of financial year 15/16</b>			<b>(1,289,211)</b>
<b>Expenditure during 16/17</b>			
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
<b>Total 16/17 Expenditure</b>			<b>1,125,921</b>
<b>Balance remaining as at end of financial year 16/17</b>			<b>(163,290)</b>
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)
<b>Total funding available in DSG reserve</b>			<b>(491,590)</b>
<b>Funding still to be allocated against the balance</b>			
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
<b>Total Funding still to be allocated against current remaining balance</b>			<b>494,427</b>
<b>Total Over / (Under) spend</b>			<b>2,837</b>
<b>Note:</b>			
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)

## DSG Allocation Comparison 2017 – 2018 to 2018 -2019

The following table demonstrates the breakdown of the DSG allocation for 2018/19 compared to 2017/2018. The notes attached should be considered as not all information is currently available to the local area.

Comparison of initial DSG funding between 17/18 and 18/19 before academy recoupment				
	17/18	18/19	Increase /	
	DSG	DSG	(Decrease)	
	as at 20/12/16	as at 20/12/17		
	from EFA	from EFA		
Funding type	£	£	£	Note
Schools Block	71,463,330	73,843,330	2,380,000	1
Central Schools Block		1,310,985	1,310,985	2
Early Years - 3 & 4 Yr Olds	4,529,613	4,699,302	169,689	3
Early Years - 3 & 4 Yr Olds (Increase to 30 hrs)	745,758	1,325,500	579,742	3
Early Years - 2 Yr Olds	1,279,548	1,255,474	(24,074)	3
Early Years Pupil Premium	83,761	90,661	6,900	3
Early Years - Disability Access Fund	30,750	37,515	6,765	3
High Needs Block	17,155,000	17,116,539	(38,461)	
<b>Total Initial DSG</b>	<b>95,287,760</b>	<b>99,679,306</b>	<b>4,391,546</b>	
<b>Note</b>				
1. The Schools Block allocation for 17/18 was based on 16,676 pupils and the 18/19 is based on 16,963 pupils.				
2. This formed part of the Schools Block in 17/18, but has been split out in 18/19.				
3. The Early Years allocations for 18/19 will be updated in-year by the EFA once the Jan 18 & Jan 19 numbers are known, these allocations are currently based on Jan 17 numbers.				

As a historically underfunded Local Area the additional investment of £2,380,000 (noting an element of pupil growth) demonstrates a substantial gain and move towards a more equitable funding position.

Work has been conducted to determine the mechanism used to distribute the funds. The results of the work are included in the National Fair Funding Report.

### Position

The outturn position of the Local Area continues to be of significant concern. The position although generally maintained from the previous forum, remains volatile and subject to confirmation of final numbers on census day.

At present there remains no solutions to address the £1.271 projected overspend and this will continue to be a budget pressure within DSG and has to remain a focus for School Forum to address.

### Recommendations

It is requested that Schools Forum;

1. Note the financial position and continue to work with the Local Authority of the financial recovery plan for Higher Needs.

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