

School Forum 28th November 2019

Financial Report



Introduction

The following report contains a detailed breakdown of the financial position of the Local Area for 2019/2020. The report enables members to note the outturn position and the significant factors contributing towards the spend. The report covers the following items

- Forecast Outturn position 2019/2020
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Position and recommendations

Final Outturn position 2019/2020

Dedicated Schools Grant (DSG) funded activities **overspent by £1.048m**

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 2019/2020 and revisions reported accordingly.

Budget Heading	Budget	Actuals to date	Projected Outturn	Over / (Under) Spend
Early Years 2, 3 & 4 yr old payments – PVI's	£4.653m	£2.588m	£4.653m	£0k
Early Years - ALFEY	£250k	£173k	£270k	£20k
Early Years – Pupil Premium & Disability Access Fund	£130k	£38k	£105k	(£25k)
Early Years – 5% retained element	£372k	£186k	£372k	£0k
Joint Funded Placements	£500k	£354k	£630k	£130k
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£704k)	(£198k)	(£470k)	£234k
Independent Special School Fees	£2.620m	£1.335m	£2.445m	(£175k)
Other packages for EHCP pupils and SEND personal budgets	£718k	£593k	£1.035m	£317k
Payments to / recoupment from other authorities for Special School places	(£129k)	(£4k)	(£260k)	(£131k)
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.267m	£723k	£1.267m	£0k
School contingencies (Rates, planned pupil growth, NQT induction etc)	£532k	£295k	£352k	(£180k)
EHCP in-year adjustments (see separate paper for details)	£500k	£242k	£318k	(£182k)
Special Schools / High Needs in-year adjustments (see separate paper for details)	£484k	£673k	£784k	£300k
School Intervention / Commissioning (includes School Improvement Grant)	£177k	£80k	£177k	£0
Business Support	£163k	£101k	£153k	(£10k)
Required contribution from reserves in 19/20 to set a balanced budget	(£750k)	£0	£0	£750k

It should be noted that the out-turn position has increased by £93k from the previous Forum. The area of significant volatility is the Higher Needs Block due to the demand led pressures.

Early Years Block

The position of the Early Years Block remains unchanged from the previous Forum papers. At this time officers are not making projected end figures as the census information will need to be gathered.

Higher Needs Overview

Torbay continues to have a greater number of children and young people 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/parents requests for additional support and/or that children are assessed for an education, health and care plan (EHCP)

The work of the Higher Needs Recovery group continues to focus on a diagnostic approach to identifying high cost areas and potential mechanisms for change. The actions included in the Recovery Plan are being addressed, implemented and there is some evidence that this is starting to stem the budget position.

In addition to placement costs we continue to monitor the requests for additional funds above the £6,000 allocated to schools. The following tables indicates the position to date.

Education, Health & Care Plan Funding for 18/19 & 19/20			
	18/19	19/20	Increase / (Decrease)
Number of pupils with EHCP	395	444	49.00
Number of FTE's with EHCP	359	401	42.00
	£	£	£
Funding below £6k allocated through school formula elements	2,129,835	2,383,233	253,398
Funding above £6k allocated as a top-up per eligible pupil	1,507,657	1,929,955	422,298
EHCP Contingency	330,000	500,000	170,000
In-Year adjustments			
April	175,869	89,037	(86,832)
May	18,302	(2,510)	(20,812)
June	25,258	21,302	(3,956)
July	34,064	12,688	(21,376)
August	47,954	4,248	(43,706)
September	69,403	84,471	15,068
October	39,935	32,871	(7,064)
November	43,236	43,236	0
December	6,064	6,064	0
January	11,698	11,698	0
February	14,216	14,216	0
March	201	201	0
Total - In-Year adjustments	486,200	317,522	
Projected (underspend) / overspend	156,200	(182,478)	
Notes			
Based on Apr 19 to Oct 19 in-yr adjustments, and the same allocation for the remainder of the financial year as 18/19, it is anticipated the EHCP contingency will underspend by			£182,478

This position has improved since the previous Forum paper by £7k. The special school numbers continue to be reviewed and tracked. The following table demonstrates the position.

Position

The projected out-turn of the Local Area continues to be of significant concern. The position remains volatile and continued actions need to be taken to try and mitigate spend.

The Department for Education issued a letter to the Local Authority and have made a request to support us in developing our DSG deficit recovery plan. A representative from the DfE SEND department and an ESFA local authority funding colleague will attend. The department expect to meet with Local Authority officers and we have request that the meeting is expanded to include a representation group for Schools Forum. The department have suggested the following dates:

22nd – 24th January 2020 or 10th – 14th February 2020

Recommendations

It is requested that Schools Forum:

1. Note the financial position and continue to work with the Local Authority through the mechanism of the Higher Needs Recovery Group to enact the financial recovery plan.
2. Elect a representational group of Forum members to meet with the DfE/EFSA.

Rachael Williams

Assistant Director Education, Learning and Skills