

Financial Report School Forum 19th November 2020

Introduction

The following report contains a detailed breakdown of the projected position of the Local Area for 2020/2021. The report enables members to note the outturn position and the significant factors contributing toward the spend. The report covers the following items

- Forecast outturn position 2020/2021
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Position and Recommendations

Forecast Outturn Position 2020/21

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £2.495m**. This is an additional pressure of £386k since the previous meeting.

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 20/21 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 & Academies	£5.604m	£3.327m	£5.604m	£0
Early Years – ALFEY	£265k	£180k	£265k	£0
Early Years – Pupil Premium & Disability Access Fund	£130k	£38k	£100k	(£30k)
Early Years – 5% retained element	£364k	£162k	£347k	(£17k)
Reclaim from ESFA of Early Years pupil no. adjustments between Jan 19 and Jan 20 higher than anticipated.				£45k
Joint Funded Placements	£600k	£414k	£575k	(£25k)
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£386k)	(£37k)	(£140k)	£246k
Independent Special School Fees	£2.685m	£1.200m	£2.803m	£118k
Other packages for EHCP pupils and SEND personal budgets	£1.121m	£580k	£1.400m	£279k
Payments to / recoupment from other authorities for Special School places	(£230k)	(£4k)	(£126k)	£104k
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.404m	£770k	£1.354m	(£50k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£261k	£155k	£162k	(£99k)
EHCP in-year adjustments (see separate paper for details)	£350k	£214k	£289k	(£61k)
Special Schools / High Needs in-year adjustments (see separate paper for details)	£600k	£534k	£675k	£75k
School Intervention / Commissioning (includes School Improvement Grant)	£142k	£40k	£100k	(£42k)

Business Support	£190k	£98k	£160k	(£30k)
Other – including Admissions, EAL / Travellers, Advisory Teachers				(£49k)
Delay in opening of St Michael’s Primary, no ESFA recoupment of funds in 20/21.				(£217k)
High Needs in-year pupil number adjustment– Net import of pupils from other authorities reduced from 103 to 95 pupils				£48k
Deficit DSG budget set for 20/21	(£2.2m)	£0	£0	£2.2m

The two areas of significant volatility are within the Early Years Block and Higher Needs Block.

Early Years Block

The Early Years autumn headcount is currently being processed. This information will give us the latest position on uptake in the early years and projections of numbers moving forward. Intelligence held within the sector indicates that many families are not taking up all entitlements and the sector is at risk of not being able to gain business through the parental fees for paid hours.

At present the early years providers remain open, however we are raising concerns with the Department for Education about the long term viability of the sector if there are repeated lockdowns or an introduction of a tiered system. The sector has also not received any Covid 19 grants to support additional costs. The DfE announcements on funding post January 2021 have not been finalised and as a result we are not in a position to advise on the impact of funding for this sector moving forward.

The Local Authority remains committed to reviewing the funding provided to the Early years sector, but need greater certainty on central funding to enable this to progress.

Higher Needs Block

Torbay continues to have 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. Although the normal pressures on additional requests for support remains, there are additional challenges that have been brought about by the pandemic.

The additional costs can be summarised into the following points:-

Pre 16

Bespoke packages as a result of children and young people not managing the return to school in September 2020. All of these packages have been created to either bridge a return to mainstream education or provide an alternative delivery method during the pandemic. The process of signing of a package is a rigorous three step approval process with all packages being agreed by disputed by the Assistant Director of Education.

We have reunified a young person back to Torbay having previously being out of area. The cost of this education package on reunification is an addition £27k.

A new family to Torbay had previously secured a specialist placement in Devon, As they were already settled and attending the cost of £53k was transferred to the local area.

A failed placement at an enhanced resource base within our local area, has led to an expensive bespoke package at the cost of £47k

To meet increasing demand of a challenging SEMH cohort that can cause significant risks to both pupils and adults additional support has been required for 13 student at Brunel Academy.

Post 16

Within post 16 learning a large number of young people's destinations changed as a result of Covid 19. Young people that were due to move to employment often no longer had this opportunity. For the SEND cohort this has resulted in an additional 22 students being enrolled against the predicted numbers which were agreed with the EFSA in November 2019. The young people securing the next step is a positive outcome, however this level of additional demand could not have been predicted when completing paperwork in 2019. An additional £212k since last reported.

An additional cost of £65k has also been added as a result of a Tribunal order. We have been requested to provide a significant out of area placement for a young person with specific needs.

For some young people at Eat that Frog they were unable to complete their final modules and exams. To enable these young people to complete their courses we have agreed to additional time within these placements.

Reporting table on EHCP Allocation above £6k

Education, Health & Care Plan Funding for 19/20 & 20/21			
	19/20	20/21	Increase / (Decrease)
Number of pupils with EHCP	444	470	26.00
Number of FTE's with EHCP	401	429	28.00
	£	£	£
Funding below £6k allocated through school formula elements	2,383,233	2,554,879	171,646
Funding above £6k allocated as a top-up per eligible pupil	1,929,955	2,122,040	192,085
EHCP Contingency	500,000	350,000	(150,000)
In-Year adjustments			
April	89,037	16,946	(72,091)
May	(2,510)	(104)	2,406
June	21,302	(11,737)	(33,039)
July	12,688	4,062	(8,626)
August	4,248	42,398	38,150
September	84,471	89,367	4,896
October	32,871	72,833	39,962
November	24,573	24,573	0
December	35,172	35,172	0
January	9,789	9,789	0
February	5,291	5,291	0
March	591	591	0
Total - In-Year adjustments	317,523	289,181	
Projected (underspend) / overspend	(182,477)	(60,819)	
Notes	Based on Apr 20 to Oct 20 in-yr adjustments, and the same allocation for the remainder of the financial year as 19/20, it is anticipated the EHCP contingency will underspend by		
			(60,819)

The following table demonstrates the numbers of Special School Commissioned Placements and Adjustments.:

Position

The final outturn position 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 cumulative overspend of the DSG is now £3.778m.

Recommendation and Decisions

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. Request Officers and the Cabinet Member for Children to make representation on the additional demands within the Higher Needs Block on behalf of the School Forum.

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