

Financial Report Schools Forum 29th January 2021

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 £2.600m**. This is an increased deficit position of £105k from November 2020.

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	£5.638m	£4.334m	£5.638m	£0
Early Years – ALFEY	£265k	£191k	£265k	£0
Early Years – Pupil Premium & Disability Access Fund	£130k	£49k	£100k	(£30k)
Early Years – 5% retained element	£364k	£224k	£345k	(£19k)
Reclaim from ESFA of Early Years pupil no. adjustments between Jan 19 and Jan 20 higher than anticipated.				£45k
Joint Funded Placements	£600k	£524k	£575k	(£25k)
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£386k)	(£112k)	(£140k)	£246k
Independent Special School Fees	£2.685m	£1.977m	£2.919m	£234k
Other packages for EHCP pupils and SEND personal budgets	£1.125m	£783k	£1.455m	£329k
Payments to / recoupment from other authorities for Special School places	(£230k)	(£10k)	(£191k)	£39k
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.404m	£993k	£1.330m	(£74k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£261k	£154k	£162k	(£99k)
EHCP in-year adjustments (see separate paper for details)	£350k	£281k	£297k	(£53k)
Special Schools / High Needs in-year adjustments (see separate paper for details)	£600k	£610k	£675k	£75k

School Intervention / Commissioning (includes School Improvement Grant)	£142k	£57k	£103k	(£39k)
Business Support	£190k	£126k	£161k	(£29k)
Other – including Admissions, EAL / Travellers, Advisory Teachers				(£31k)
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 spring headcount is currently being processed. This is a critical census return to understand the current situation within the third lockdown. Clarity on the mechanism for the census return was issued late by the Department for Education. This caused significant anxiety and uncertainty to all parties within the early years education system. Having received this clarity our current understanding is that this will not negatively impact on the funds that would have been received as we are able to count children that are not in attendance. We will await the spring headcount collation to understand the impact on the budget position and commit to working with the sector to ensure the maximum amounts of funds are passed through directly.

We continue to make representation on the lost income from parental fees and the lack of grants to support additional cleaning and PPE.

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:-

Bespoke packages

It continues to be necessary to maintain some bespoke packages as a result of children and young people not managing the return to school in September 2020. Due to the on-going situation some students continue to have serious anxiety issues regarding a return to school, and it has been necessary to maintain the bespoke packages longer than at first anticipated. Each of these packages continue to be reviewed on a half termly basis.

It has also been necessary to put in place 3 bespoke packages for students who have been permanently excluded from 2 mainstream schools and 1 special school.

Another student has required a bespoke package due to needs no longer able to be met at Chestnut.

Independent Special School

A student who 'transferred into Torbay' had an agreed place at the School for Inspiring Talent. There was no suitable provision for this student within Torbay, at such short notice. Therefore it has been necessary to maintain the placement, which is in the region of £55,000.

Also a Torbay CLA child placed out of area has needed an independent special school placement due to a mainstream school placement breaking down. This LA has hardly any maintained special school provisions therefore we had no alternative but to agree to a placement which will cost in excess of £50,000 per year.

These 2 unanticipated placements have increased the independent school budget by a further £118,000.

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	50,539	25,966
December	35,172	16,915	(18,257)
January	9,789	9,789	0
February	5,291	5,291	0
March	591	591	0
Total - In-Year adjustments	317,523	296,890	
Projected (underspend) / overspend	(182,477)	(53,110)	
Notes			
Based on Apr 20 to Dec 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			(53,110)

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.

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