

Financial Report School Forum 11th March 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

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.

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £2.041m**. This is a reduced deficit position of **£559k** from the previous Forum 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	£5.638m	£5.277m	£5.538m	(£100k)
Estimated budget clawback from ESFA for changes in Early Years pupil numbers between Jan 20 (9/12ths funding) & Jan 21 (3/12ths funding)				£100k
Early Years – ALFEY	£265k	£262k	£282k	£17k
Early Years – Pupil Premium & Disability Access Fund	£130k	£70k	£83k	(£47k)
Early Years – 5% retained element	£364k	£293k	£339k	(£25k)
Reclaim from ESFA of Early Years pupil no. adjustments between Jan 19 and Jan 20 higher than anticipated.				£45k
Joint Funded Placements	£600k	£559k	£588k	(£12k)
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£386k)	(£129k)	(£180k)	£206k
Independent Special School Fees	£2.685m	£2.730m	£2.819m	£134k
Other packages for EHCP pupils and SEND personal budgets	£1.125m	£1.016m	£1.350m	£225k
Payments to / recoupment from other authorities for Special School places	(£230k)	(£200k)	(£230k)	£0k

Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.404m	£1.198m	£1.338m	(£66k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£261k	£169k	£169k	(£92k)
EHCP in-year adjustments (see separate paper for details)	£350k	£270k	£276k	(£74k)
Special Schools / High Needs in-year adjustments (see separate paper for details)	£600k	£619k	£650k	£50k
School Intervention / Commissioning (includes School Improvement Grant)	£142k	£68k	£85k	(£57k)
Business Support	£190k	£144k	£161k	(£29k)
Other – including Admissions, EAL / Travellers, Advisory Teachers				(£70k)
Delay in opening of St Michael's Primary, no ESFA recoupment of funds in 20/21.				(£217k)
Contribution from LA Covid grants towards salary costs of employees funded by DSG				(£195k)
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
Total – Forecast Outturn Position 20/21				£2.041m

Since the previous Forum we have applied the contribution of the LA Covid Grant to the budget, which has supported the overall deficit position by £195k.

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

Early Years Block

The Early Years spring headcount has been processed. School Forum will receive a detailed presentation on the demand and funding process for the Early Years block as part of the agenda.

The presentation will also cover the management of over and underspends within this block.

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. However there is now greater clarity on some of the budgets that have impacted on the out turn position. This has resulted in a reduction of circa £364k compared to the outturn position in January 2021.

This improved position can be attributed to the following aspects:-

- Demand patterns not being within the normal rates during the pandemic.
- Officers not including demand reductions, as this has been hard to predict during this period.
- Not being able to get clear dispute resolutions with neighbouring authorities.
- Not all commissioned packages have cost as much as the original amount raised on FIMS due to the variance in provision/requirements over the year.

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	(11,583)	(21,372)
February	5,291	5,291	0
March	591	591	0
Total - In-Year adjustments	317,523	275,518	
Projected (underspend) / overspend	(182,477)	(74,482)	
Notes			
Based on Apr 20 to Jan 21 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			(74,482)

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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