

Financial Report School Forum 10th March 2022

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 2021/2022
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Position and Recommendations

Forecast Outturn Position 2021/22

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £3.234m**.

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 21/22 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	£5.596m	£5.043m	£5.705m	£109k
Estimated budget from ESFA for changes in Early Years pupil numbers between pupil count dates				(£80k)
Early Years – ALFEY	£270k	£274k	£285k	£15k
Early Years – Pupil Premium & Disability Access Fund	£128k	£56k	£79k	(£49k)
Early Years – 5% retained element	£345k	£283k	£306k	(£39k)
Joint Funded Placements	£550k	£497k	£530k	(£20k)
Reclaim from ESFA of Early Years pupil number variations between 20/21 and 21/22 lower than anticipated.				(£11k)
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£250k)	(£116k)	(£140k)	£110k
Independent Special School Fees	£3.100m	£3.148m	£3.313m	£213k
Other packages for EHCP pupils and SEND personal budgets	£1.401m	£1.249m	£1.596m	£195k
Payments to / recoupment from other authorities for Special School places	(£260k)	(£145k)	(£230k)	£30k
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.503m	£1.338m	£1.383m	(£120k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£308k	£308k	£309k	£1k
EHCP in-year adjustments (see separate paper for details)	£340k	£887k	£887k	£547k

Special Schools / High Needs in-year adjustments (see separate paper for details)	£600k	£503k	£505k	(£95k)
School Intervention / Commissioning (includes School Improvement Grant)	£145k	£90k	£91k	(£54k)
Business Support	£195k	£175k	£180k	(£15k)
Other – including Admissions, EAL / Travellers, Advisory Teachers, SEN contracts				(£103k)
Deficit DSG budget set for 21/22	(£2.6m)			£2.6m
Total – Forecast Outturn Position 21/22				£3.234m

The area of significant volatility remains the Higher Needs Block.

Early Years Block

The Early Years census is in the process of being administered. The data has not yet been completely checked and verified internally and there is still a significant amount of cross-LA checking which needs to take place before the following indications can be formalised.

However, a report has been generated through the DfE Collect system which enables an initial forecast adjustment and outturn for the Early Years budget.

As a result of the pandemic, the ESFA made some changes to the methodology to calculating the final budget for the financial year 2021-22 and the adjustment received in July each year. The funding for this financial year has been based on actuals, with actual headcount attendance data being provided to the ESFA for the summer term and autumn term 2021. The final budget is therefore calculated as follows:

Five-twelfths of the May 2021 count PTE numbers (to cover Apr 2021 to Aug 2021)

Four-twelfths of the October 2021 count PTE numbers (to cover Sept 2021 to Dec 2021)

Three-twelfths of the January 2022 census PTE numbers (to cover Jan 2022 to Mar 2022)

The table below demonstrates this and provides the final PTE figures for the year using the extraordinary submissions for summer and autumn 2021 and the initial census report figures for January 2022:

		2YO	3YO Uni	3YO ext
May-21	5/12	137.50	774.70	322.66
Oct-21	4/12	123.00	419.00	182.66
Jan-22	3/12	83.56	394.79	177.72
	Total	344.06	1588.49	683.03

The figures above have been used to calculate an estimated budget adjustment, received in July 2022. The table below demonstrates this and the financial impact:

	Current budget PTE	Actual PTE	Adjustment to PTE	Adjustment £
2YO	333.87	344.06	10.19	£31,140.13
3YO U	1593.18	1588.49	-4.69	-£11,873.67
3YO ex	659	683.03	24.03	£60,821.45
				£80,087.91

The data shows that the Local Area could expect a positive adjustment of just over £80k.

This estimated adjustment figure has been included in the forecast outturn position data. Overall, the EY budget for 2, 3 and 4 year olds is expected to be overspent by £29k.

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 has been some changes within the blocks reported at the previous forum.

The most significant changes are within

Independent Special School Fees with a decrease of £55k from the previous report

This is as a result of an Independent Special School Placement ceasing.

Other packages for ECHP and SEND personal budgets with a decrease of £76k from the previous report

Following the final terms commitments being confirmed and some provisions that had been projected forward no longer being required the budget has reduced.

School Contingencies with an increase of £42K from the previous report (to a balanced budget position on this cost line)

The budget has now been spent in line with the commitments that were set out by school forum for rates, planned pupil growth and ECF inductions.

Reporting table on EHCP Allocation above £6k

The other area of growth can be noted in the comparator report below.

Education, Health & Care Plan Funding for 20/21 & 21/22			
	20/21	21/22	Increase / (Decrease)
Number of pupils with EHCP	470	463	(7.00)
Number of FTE's with EHCP	429	407	(22.00)
	£	£	£
Funding below £6k allocated through school formula elements	2,554,879	2,426,210	(128,669)
Funding above £6k allocated as a top-up per eligible pupil	2,122,040	2,206,696	84,656
EHCP Contingency	350,000	340,000	(10,000)
In-Year adjustments			
April	16,946	214,516	197,570
May	(104)	92,973	93,077
June	(11,737)	76,491	88,228
July	4,062	52,297	48,235
August	42,398	32,649	(9,749)
September	115,109	281,701	166,592
October	72,833	43,591	(29,242)
November	50,539	43,590	(6,949)
December	16,915	30,737	13,822
January	(11,583)	(4,276)	7,307
February	15,276	22,417	7,141
March	0	0	0
Total - In-Year adjustments	310,654	886,686	
Projected (underspend) / overspend	(39,346)	546,686	
Notes			
Based on April 21 - Feb 22 in-year adjustments, and the same allocation for the remainder of the financial year as 20/21, it is anticipated the EHCP contingency will overspend by			546,686

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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 £5.825m

The projected cumulative outturn position at the end of 2021/2022 would be £9.059m

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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