

Financial Report School Forum 5th May 2022

Introduction

The following report contains a detailed breakdown of the final outturn position of the Local Area for 2021/2022. The report enables members to note the outturn position and the significant factors contributing toward the spend. The report covers the following items

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

Final Outturn Position 2021/22

Dedicated Schools Grant (DSG) funded activities have **overspent by £3.174m**.

The following table details the main areas of both over and under spend.

Budget Heading	Budget	Final Actuals	Over / (Under) Spend
Early Years 2, 3 & 4 yr old payments – PVI's & Academies	£5.596m	£5.703m	£107k
Estimated budget from ESFA for changes in Early Years numbers between pupil count dates			(£98k)
Early Years – ALFEY	£270k	£285k	£15k
Early Years – Pupil Premium & Disability Access Fund	£128k	£82k	(£46k)
Early Years – 5% retained element	£345k	£306k	(£39k)
Joint Funded Placements	£550k	£527k	(£23k)
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)	(£135k)	£115k
Independent Special School Fees	£3.100m	£3.270m	£170k
Other packages for EHCP pupils and SEND personal budgets	£1.401m	£1.591m	£190k
Payments to / recoupment from other authorities for Special School places	(£260k)	(£223k)	£37k
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.500m	£1.390m	(£110k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£308k	£309k	£1k
EHCP in-year adjustments (see separate paper for details)	£340k	£885k	£545k
Special Schools / High Needs in-year adjustments (see separate paper for details)	£600k	£515k	(£85k)
School Intervention / Commissioning (includes School Improvement Grant)	£145k	£87k	(£58k)
Business Support	£195k	£176k	(£19k)

Other – including Admissions, EAL / Travellers, Advisory Teachers, SEN contracts			(£117k)
Deficit DSG budget set for 21/22	(£2.6m)		£2.6m
Total – Outturn Position 21/22			£3.174m

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 been checked and verified internally and cross-LA. A report has been generated through the DfE Collect system which enables a 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 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	83.68	401.23	178.20
	Total	344.18	1594.93	683.51

Please note that there is no report available from the DfE to provide actual data for the schools funding in Summer 2021 and Autumn 2021, therefore these figures have been calculated from headcount data. There is a small margin for error in processing the information this way.

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	344.18	10.31	£31,491.47
3YO U	1593.18	1594.93	1.75	£4,437.34
3YO ex	659	683.51	24.51	£62,036.23
				£97,965.04

The data shows that the Local Area could expect a positive adjustment of just under £98k. The budget is currently overspent by £107k.

This estimated adjustment figure has been included in the forecast outturn position data.

Overall, provided the adjustment figure is accurate, the EY budget for 2, 3 and 4 year olds is expected to be overspent in the region of £9k.

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 area of concern is the **EHCP in year adjustments**.

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	(1,973)	(1,973)
Total - In-Year adjustments	310,654	884,713	
Total (underspend) / overspend	(39,346)	544,713	

It is proposed that a further analysis of this budget area is brought back to School Forum to understand the profiling of this budget in detail. It is important that we understand if this is a covid impact or a significant onward trend that will need additional consideration, further profiling of expenditure and additional budgetary control measures.

Independent school fees have risen within the financial year. The opening of a new Independent School within the local area has placed new demand on this budget. The placement of a small number of children at this provision has been an additional spend within the year.

Bespoke packages of support for many children to re-enter education during the covid period there has been the requirement to provide additional support through bespoke arrangements. These arrangements have often been difficult to step down. In partnership with schools these arrangements now need to be re-considered ready for full re-entry to mainstream/special education from September 2022. The SEND team are reviewing all bespoke arrangements and will be contacting schools and SENDCO's to co-produce the re-integration plans.

The following table details the special school profile. This spend is in line with the budget.

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 in year overspend of the DSG is £3.174m

The cumulative overspend of the DSG is now £8.999m

Recommendation and Decisions

It is requested that Schools Forum:

1. Note the financial position and continue to work with the Local Authority to address the spending profile.
2. School Forum engage with the Local Authority in the co-production and delivery of the recovery plan for the Safety Valve agreement.

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