

School Forum Financial Report

The following report contains a detailed breakdown of the financial position of the Local Area for 2018/2019.

The report enables members to note the projected outturn position and the significant factors contributing towards the spend. The report covers the following items;

- Forecast outturn position 2018/2019
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Position and recommendation

Forecast Outturn Position 2018/19

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £2.695m**. The position has risen by £38k since October 2018 Schools Forum.

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 18/19 and revisions reported accordingly

Table 1: Overview of key Budget Elements

Budget Heading	Budget	Actuals to date	Projected Outturn	Over / (Under) Spend
Early Years 2, 3 & 4 yr old payments – PVI's	£4.876m	£2.722m	£4.876m	£0
Early Years - ALFEY	£250k	£176k	£260k	£10
Early Years – Pupil Premium & Disability Access Fund	£129k	£43k	£112k	(£17)
Early Years – 5% retained element	£370k	£188k	£330k	(£40k)
Joint Funded Placements	£550k	£306k	£450k	(£100k)
Recovery of funding from Excluded Pupils	(£150k)	(£53)	(£150k)	(£0)
Independent Special School Fees	£2.720m	£1.509m	£2,600	(£120k)
Other packages for EHCP pupils / recoupment from other authorities	£355k	£305k	£645k	£290k
Medical Tuition Service / Virtual School / Hospital Tuition	£1.152m	£656k	£1.137m	(£15k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£291k	£263k	£291k	£0
EHCP in-year adjustments (see separate paper for details)	£330k	£411k	£477k	£147k
Special Schools / High Needs in-year adjustments (see separate paper for details)	£514k	£764k	£914k	£400k
School Intervention / Commissioning (includes School Improvement Grant)	£209k	£31k	£149k	(£60k)
Required contribution from reserves in 18/19 to set a balanced budget	(£2.2m)	£0	£0	£2.2m

The area of significant volatility is the Higher Needs Block. The demand led pressures are detailed in the report.

Early Years Block Overview

The take up of all statutory offers within Early Years is in line with UK National and statistical neighbours.

2 year old offer	84%	Our DWP List has dropped from 570 families to 530 families. This drop in number, alongside the increase in numbers of 2YO funded children which is always evident in the Autumn term is the cause of this significant increase. 164 of the 446 children currently in receipt of 2 year funding are turning 3 this term and will be 3 year funded on the January 2019 census.
3 and 4 year old 15 hours	100%	The take up of universal entitlement remains high.
3 and 4 year old 30 hours offer	102%	669 codes have been allocated in Torbay. 683 children are currently claiming the extended entitlement. 43 of those children in receipt of the extended entitlement who attend a PVI provider are resident in Devon but attend a Torbay provider.

The take up rates are in line with the anticipated budget allocation for the period. However, Members should treat the position statement with caution as the demand can fluctuate and any adjustment figures from the DfE remains difficult to predict.

The ALFEY budget position continues to be monitored closely by a joint panel of Officers and Providers. The current trajectory is based on anticipated levels of need continuing at the same rate as current demand.

Officers remain mindful of monitoring the early years funding position, to ensure detailed reports can be tabled at forum for the allocation of any surplus funds.

Higher Needs Overview

Torbay continues to have a greater number of children requiring additional support up to and including a special school place than funds available in the Higher Needs Block can meet. The demand pressures in the great majority of cases are driven by schools requesting additional support and/or that children are assessed for an Education, Health and Care Plan (EHCP).

The Higher Needs Group have focussed on a diagnostic approach to identifying high cost areas and potential mechanisms for change. This has now been launched for consultation and the results are being collated.

One of the key drivers for overspend is the EHCP in year adjustments for additional funds above the £6,000 allocated to schools.

Table 2: Element 3 Top Ups

Education, Health & Care Plan Funding for 17/18 & 18/19			
	17/18	18/19	Increase / (Decrease)
Number of pupils with EHCP	373	395	22.00
Number of FTE's with EHCP	353	359	6.00
	£	£	£
Funding below £6k allocated through school formula elements	2,047,279	2,129,835	82,556
Funding above £6k allocated as a top-up per eligible pupil	1,234,164	1,507,657	273,493
EHCP Contingency	200,000	330,000	130,000
In-Year adjustments			
April	25,735	175,869	150,134
May	45,249	18,302	(26,947)
June	13,913	25,258	11,345
July	0	0	0
August	127,405	82,018	(45,387)
September	40,866	69,403	28,537
October	32,141	39,935	7,794
November	6,622	6,622	0
December	27,323	27,323	0
January	14,088	14,088	0
February	13,992	13,992	0
March	4,404	4,404	0
Total - In-Year adjustments	351,738	477,214	
Projected (underspend) / overspend	151,738	147,214	
Notes			
Based on Apr 18 to Oct 18 in-yr adjustments, and the same allocation for the remainder of the financial year as 17/18, it is anticipated the EHCP contingency will overspend by			£147,214

This position has changed by an additional £7,794 since October forum reports.

In addition to this you will also note that there is limited availability and in some schools no availability of commissioned placements at our special schools and alternative provisions.

Special School and other High Needs funding adjustments for 18/19											
	Combe Pafford	Combe Pafford	Mayfield School	Mayfield Chestnut	Mayfield Total	B & B SEMH	B & B AP	B & B Total	Totals	Totals £	
Number of places - January 18	252		198	32	230	56	50	106.00	588.00		
Number of pupils - January 18	249		200	33	233	54	63	117.00	599.00		
Number of places - September 18	252		198	32	230	56	50	106.00	588.00		
Initial Place led funding		2,520,000			2,300,000			1,060,000		5,880,000	
Initial Pupil led funding		779,876			1,914,042			1,300,500		3,994,418	
Initial pupil specific additional funding		46,440			35,905			38,083		120,428	
Other funding - Outreach / exclusions / rent					201,174					201,174	
Total initial funding		3,346,316			4,451,121			2,398,583		10,196,020	
In-Year adjustments											
		Pupils	Funding	Mayfield Pupils	Chestnut Pupils	Funding	SEMH Pupils	AP Pupils	Funding	Pupils	Funding
			£			£			£		£
April		250	5,132	200	36	93,255	54	69	249,100	609	347,487
May		250	2,228	203	38	99,623	54	68	(9,029)	613	92,822
June		248	(13,301)	203	38	(9,757)	53	67	(19,442)	609	(42,500)
July		246	(1,465)	203	38	(4,391)	55	42	(164,468)	584	(170,324)
August		246	0	203	38	0	55	42	0	584	0
September		251	(8,217)	204	30	(45,373)	50	44	(27,825)	579	(81,415)
October		251	(279)	204	29	(5,543)	50	53	44,325	587	38,503
November										0	0
December										0	0
January										0	0
February										0	0
March										0	0
Total In -year pupil / place led adjustments			(15,902)			127,814			72,661		184,573
Enhanced Provision											17,293
Additional pupil top-ups for ASC EP at Preston and Brixham											71,657
EP ASC - The Spires (from 6 to 9 places from Sept 18)											17,500
EP - PCSA (6 places from Sept 18 - 7/12th of £63k)											36,750
Pilot Scheme - Play Torbay (agreed by Schools Forum)											18,978
2% funding increase agreed by Schools Forum			66,926			89,022			47,972		203,920
ASC Outreach - Preston Primary											20,000
In-year pupil specific additional funding			31,588			67,122			94,651		193,361
Total - In-Year adjustments			82,612			283,958			215,284		764,032
Special School contingency budget											400,000
Adjustment from ESFA - Import / Export of HN Pupils between LA's											114,000
Total Funding Available											514,000
Current (underspend) / overspend											250,032

The position has increased by £28,880 since October 2018 School Forum.

Position

The projected out turn position of the Local Area continues to be of a significant concern. The projected out turn position changes based on actual pupil numbers. Officers are not noting a change in the rates of requests for statutory assessments or the number of schools seeking additional Element 3 payments. In addition the rates of exclusions continues to be of concern. For this reason the position remains volatile and likely to increase.

Recommendations

It is requested the Schools Forum

1. Note the financial position
2. Enact the disapplication request to the Secretary of State
3. Continue to work with the Local Authority through the mechanism of the Higher Needs Recovery Group to create a further financial recovery plan.

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