

School Forum 27th June 2019 Financial Report

Introduction

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 outturn position and the significant factors contributing towards the spend. The report covers the following items

- Final Outturn position 2018/2019
- Forecast Outturn position 2019/2020
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Position and recommendations

Final Outturn position 2018/2019

Dedicated Schools Grant (DSG) funded activities **overspent by £2.165m.**

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

Budget Heading	Budget	Outturn Actuals	Over / (Under) Spend
Early Years 2, 3 & 4 yr old payments – PVI's	£4.912m	£4.580m	(£332k)
Estimated budget clawback from ESFA for changes in Early Years pupil numbers between Jan 18 (5/12ths funding) & Jan 19 (7/12ths funding)			£165k
Early Years – ALFEY	£250k	£266k	£16k
Early Years – Pupil Premium & Disability Access Fund	£129k	£91k	(£38k)
Early Years – 5% retained element, plus grant	£411k	£344k	(£67k)
Joint Funded Placements	£550k	£476k	(£74k)
Recovery of funding from schools for Excluded Pupils	(£150k)	(£105k)	£45k
Recovery of funding from schools for MTS	£0k	(£29k)	(£29k)
Independent Special School Fees	£2.720m	£2.455m	(£265k)
Other packages for EHCP pupils / recoupment from other authorities	£355k	£655k	£300k
Medical Tuition Service / Virtual School / Hospital Tuition	£1.152m	£1.150m	(£2k)
School contingencies (Rates, planned pupil growth, NQT induction etc)	£291k	£294k	£3k
EHCP in-year adjustments (see separate paper for details)	£330k	£486k	£156k
Special Schools / High Needs in-year adjustments (see separate paper for details)	£514k	£937k	£423k
School Intervention / Commissioning (includes School Improvement Grant)	£209k	£147k	(£62k)
Other areas – Admissions / SEN contracts / SACRE / EAL / Travellers Ed. / Business Support			(£6k)
Additional High Needs Funding allocated by ESFA in Dec 18	£268k	£0	(£268k)
Required contribution from reserves in 18/19 to set a balanced budget	(£2.2m)	£0	£2.2m

This is an improved position than reported in March 2019.
The overall position of the Dedicated Schools Grant taking previous deficits into account at the end of 2018/2019 is an overspend of £2.655m.

Forecast Outturn Position 2019/20

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £964k**.

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 19/20 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	£5.027m	£1.007m	£5.027m	£0k
Early Years - ALFEY	£250k	£107k	£290k	£40k
Early Years – Pupil Premium & Disability Access Fund	£136k	£6k	£111k	(£25k)
Early Years – 5% retained element	£372k	£49k	£372k	£0k
Joint Funded Placements	£500k	£163k	£500k	£0k
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£704k)	(£0k)	(£654k)	£50k
Independent Special School Fees	£2.620m	£660k	£2.520m	(£100k)
Other packages for EHCP pupils and SEND personal budgets	£718k	£225k	£968k	£250k
Payments to / recoupment from other authorities for Special School places	(£129k)	(£23k)	(£189k)	(£60k)
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.237m	£208k	£1.237m	£0k
School contingencies (Rates, planned pupil growth, NQT induction etc)	£532k	£108k	£412k	(£120k)
EHCP in-year adjustments (see separate paper for details)	£500k	£18k	£379k	(£121k)
Special Schools / High Needs in-year adjustments (see separate paper for details)	£400k	£101k	£700k	£300k
School Intervention / Commissioning (includes School Improvement Grant)	£177k	£29k	£177k	£0k
Business Support	£163k	£28k	£163k	£0k
Required contribution from reserves in 19/20 to set a balanced budget	(£750k)	£0	£0	£750k

The significant area of volatility is within the Higher Needs Block. There are also pressures within the Early Years Block that are demand led and the picture remains volatile until key census collections. The demand led pressures of both areas are detailed below,

Early Years Block

There continues to be a high take up of all early years' offers.

	Torbay	National
2 year old	70%	72%
Universal 15 hours	99%	94%
Extended 30 hours	105%	90%

At this early stage officers are not making projected end figures as the census information will need to be gathered.

The calculations using 2019 census data and the existing 2018 census continue to indicate that there will be a negative adjustment in the summer 2019. The school forum will be informed of the adjustment figure at the next meeting.

Higher Needs Overview

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. This demand pressure is in the great majority driven by schools requesting additional support and/or that children are assessed for an education health and care plan (EHCP). The work of the Higher Needs Recovery Group continues to focus on a diagnostic approach to identifying high cost areas and potential mechanisms for change. The actions included in the recovery plan are being addressed and implemented.

In addition to the placement costs there continues to be an increase in the request for additional funds above the £6,000 allocated to schools. The following table indicates the position to date.

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	43,236	36,614
December	27,323	6,064	(21,259)
January	14,088	11,698	(2,390)
February	13,992	14,216	224
March	4,404	201	(4,203)
Total - In-Year adjustments	351,738	486,200	
Overspend	151,738	156,200	

The following table demonstrates the rise in Special Schools and High Needs Adjustments, against the baseline figures.

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 to mitigate spend.

The 2019/2020 position is based on known information and current demand within the system. Additional requests and bespoke arrangements will add to the over spend.

Recommendations

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.

Rachael Williams
Assistant Director Education, Learning and Skills