

Financial Report

The following report contains a detailed breakdown of the financial position of the Local Area for 2019/2020. The report enables members to note the current outturn position and the significant factors contributing towards the spend. The report covers the following items.

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

Forecast Outturn Position 2019/20

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £955k**.

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	£4.653m	£2.257m	£4.653m	£0k
Early Years - ALFEY	£250k	£158k	£270k	£20k
Early Years – Pupil Premium & Disability Access Fund	£130k	£39k	£105k	(£25k)
Early Years – 5% retained element	£372k	£161k	£372k	£0k
Joint Funded Placements	£500k	£317k	£630k	£130k
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£704k)	(£48k)	(£604k)	£100k
Independent Special School Fees	£2.620m	£1.192m	£2.416m	(£204k)
Other packages for EHCP pupils and SEND personal budgets	£718k	£513k	£1.035m	£317k
Payments to / recoupment from other authorities for Special School places	(£129k)	(£17k)	(£198k)	(£69k)
Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team	£1.267m	£579k	£1.267m	£0k
School contingencies (Rates, planned pupil growth, NQT induction etc)	£532k	£131k	£353k	(£179k)
EHCP in-year adjustments (see separate paper for details)	£500k	£209k	£325k	(£175k)
Special Schools / High Needs in-year adjustments (see separate paper for details)	£484k	£642k	£784k	£300k
School Intervention / Commissioning (includes School Improvement Grant)	£177k	£75k	£177k	£0
Business Support	£163k	£86k	£153k	(£10k)
Required contribution from reserves in 19/20 to set a balanced budget	(£750k)	£0	£0	£750k

It should be noted that the activities and actions that have been taken across the Local Area are beginning to have an impact on the growth in the deficit position. The forecast outturn position has been maintained against the predicted position of £964K reported in June 2019. The two areas of significant volatility are within the Early Years Block and Higher Needs Block. The demand led pressures in these areas are detailed below.

Early Years Block

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

	Torbay	South West	National
2 year old	74%	75%	68%
Universal 15 hours	95%	96%	94%
Extended 30 hours	96%	n/a	92%

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

The Early Years ALFEY budget of £250k is forecast to be overspent by approximately £20,000 by the end of the financial year. The panel will be reviewing the application and will try to mitigate against any further increase in the deficit position.

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 full analysis of Higher Needs Costs and placements is included in the Forum Papers for greater scrutiny and discussion.

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, implemented and there is some evidence that this is starting to stem the budget deficit position.

In addition to the placement costs we continue to monitor 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 18/19 & 19/20			
	18/19	19/20	Increase / (Decrease)
Number of pupils with EHCP	395	444	49.00
Number of FTE's with EHCP	359	401	42.00
	£	£	£
Funding below £6k allocated through school formula elements	2,129,835	2,383,233	253,398
Funding above £6k allocated as a top-up per eligible pupil	1,507,657	1,929,955	422,298
EHCP Contingency	330,000	500,000	170,000
In-Year adjustments			
April	175,869	89,037	(86,832)
May	18,302	(2,510)	(20,812)
June	25,258	21,302	(3,956)
July	34,064	12,688	(21,376)
August	47,954	4,248	(43,706)
September	69,403	84,471	15,068
October	39,935	39,935	0
November	43,236	43,236	0
December	6,064	6,064	0
January	11,698	11,698	0
February	14,216	14,216	0
March	201	201	0
Total - In-Year adjustments	486,200	324,586	
Projected (underspend) / overspend	156,200	(175,414)	
Notes			
Based on Apr 19 to Sep 19 in-yr adjustments, and the same allocation for the remainder of the financial year as 18/19, it is anticipated the EHCP contingency will underspend by		£175,414	

This position is improved and it should be noted that the work to review packages and step down bespoke arrangements is having an impact. This is a favourable position that has altered from an anticipated £121K underspend in June 2019.

The special school numbers continue to be reviewed and tracked. The following table demonstrates the position.

Position

The projected 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. However it is important to note that the actions that have been put in place are starting to have an impact on the rate of spend, there has been significant progress made across the Local Area and it is important that this is captured and celebrated to ensure we continue with the cultural shift required.

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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