

Financial Report 8th October 2020

Introduction

The following report contains a detailed breakdown of the financial 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 2020/2021
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Position and Recommendations

Forecast Outturn Position 2020/21

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £2.109m**.

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 20/21 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 | £5.604m | £2.610m | £5.604m | £0 |
| Early Years – ALFEY | £265k | £178k | £265k | £0 |
| Early Years – Pupil Premium & Disability Access Fund | £130k | £36k | £110k | (£20k) |
| Early Years – 5% retained element | £364k | £138k | £357k | (£7k) |
| Reclaim from ESFA of Early Years pupil no. adjustments between Jan 19 and Jan 20 higher than anticipated. | | | | £45k |
| Joint Funded Placements | £600k | £383k | £575k | (£25k) |
| Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education | (£386k) | (£29k) | (£120k) | £266k |
| Independent Special School Fees | £2.685m | £904k | £2.585m | (£100k) |
| Other packages for EHCP pupils and SEND personal budgets | £1.077m | £378k | £1.120m | £43k |
| Payments to / recoupment from other authorities for Special School places | (£230k) | (£4k) | (£177k) | £53k |
| Medical Tuition Service / Virtual School / Hospital Tuition / Vulnerable Students Team | £1.404m | £665k | £1.354m | (£50k) |
| School contingencies (Rates, planned pupil growth, NQT induction etc) | £261k | £84k | £216k | (£45k) |
| EHCP in-year adjustments (see separate paper for details) | £350k | £52k | £244k | (£106k) |
| Special Schools / High Needs in-year adjustments (see separate paper for details) | £600k | £528k | £675k | £75k |

| | | | | |
|---|---------|------|-------|---------|
| School Intervention / Commissioning (includes School Improvement Grant) | £142k | £32k | £142k | £0 |
| Business Support | £190k | £84k | £170k | (£20k) |
| Other – including Admissions, EAL / Travellers, Advisory Teachers | | | | (£31k) |
| Delay in opening of St Michael's Primary, no ESFA recoupment of funds in 20/21. | | | | (£217k) |
| High Needs in-year pupil number adjustment– Net import of pupils from other authorities reduced from 103 to 95 pupils | | | | £48k |
| Deficit DSG budget set for 20/21 | (£2.2m) | £0 | £0 | £2.2m |

The two areas of significant volatility are within the Early Years Block and Higher Needs Block.

Early Years Block

The Early Years sector continue to be under significant pressure. Although they have been guaranteed Early Years Entitlement Funding (EY-DSG) they have been impacted significantly on the private income that can be achieved. For many parents there has not been the need or desire to return their children to full time early years provision due to their own change in circumstances.

The announcements from the Department for Education put mitigations in place for the Autumn Term but there are no further decisions that have been taken for the spring and summer terms. The impact of this will not be fully understood until the early years census and headcount information takes place.

The Local Authority are in receipt of the adjustment figure from the previous year. The adjustment figure by the DFE clawed back an additional £45k than had been calculated.

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.

The work to consider the allocation of funds above £6k is starting to have an impact. We are also noting the impact on Covid 19 within the budget as work has been delayed to review and issue plans. The following table provides the most up to date information, but Forum will need to monitor this closely as systems and processes begin to emerge post Covid 19.

| Education, Health & Care Plan Funding for 19/20 & 20/21 | | | |
|--|------------------|------------------|--------------------------|
| | 19/20 | 20/21 | Increase / (Decrease) |
| Number of pupils with EHCP | 444 | 470 | 26.00 |
| Number of FTE's with EHCP | 401 | 429 | 28.00 |
| | £ | £ | £ |
| Funding below £6k allocated through school formula elements | 2,383,233 | 2,554,879 | 171,646 |
| Funding above £6k allocated as a top-up per eligible pupil | 1,929,955 | 2,122,040 | 192,085 |
| EHCP Contingency | 500,000 | 350,000 | (150,000) |
| In-Year adjustments | | | |
| April | 89,037 | 16,946 | (72,091) |
| May | (2,510) | (104) | 2,406 |
| June | 21,302 | (11,737) | (33,039) |
| July | 12,688 | 4,062 | (8,626) |
| August | 4,248 | 42,398 | 38,150 |
| September | 84,471 | 84,471 | 0 |
| October | 32,871 | 32,871 | 0 |
| November | 24,573 | 24,573 | 0 |
| December | 35,172 | 35,172 | 0 |
| January | 9,789 | 9,789 | 0 |
| February | 5,291 | 5,291 | 0 |
| March | 591 | 591 | 0 |
| Total - In-Year adjustments | 317,523 | 244,323 | |
| Projected (underspend) / overspend | (182,477) | (105,677) | |
| Notes | | | |
| Based on Apr 20 to Aug 20 in-yr adjustments, and the same allocation for the remainder of the financial year as 19/20, it is anticipated the EHCP contingency will underspend by | | | (105,677) |

The following table demonstrates the numbers of Special School Commissioned Placements and Adjustments.

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 £3.778m

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.

Rachael Williams
Assistant Director Education, Learning and Skills