

Schools Forum - 8th March 2018

Financial Report

The following report contains a detailed breakdown of the financial position of the local area for 2017/2018. The report enables members to note the outturn position and the significant factors contributing towards the spend. The report covers the following items

- Outturn position 17/18
- Contextual information regarding Early Years Block
- Contextual information regarding Higher Needs Block
- Reserve funds
- DSG allocation for 2018/2019
- Position and recommendations

Outturn Position 2017/2018

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £947,000**. You will be pleased to note that the position although still significant is more positive than the anticipated £1.217m reported to Forum in January 2018.

The following table details the main areas of both over and under spend. Many of these budgets are demand led and each line is being monitored consistently and revisions reported accordingly.

Budget Heading	Budget	Actuals to date	Projected Spend	Over / (Under) Spend
Early Years 2, 3 & 4 yr olds	£6m	£4.534m	£5.82m	(£180k)
Early Years - ALFEY	£220k	£209k	£224k	£4k
Early Years – Pupil Premium & Disability Access Fund	£126k	£53k	£85k	(£41k)
Joint Funded Placements	£500k	£440k	£500k	£0k
Recovery of funding from Excluded Pupils	£0	(£94k)	(£170k)	(£170k)
Independent Special School Fees	£2.1m	£2.180m	£2.4m	£300k
Other packages for statemented / EHCP pupils / recoupment from other authorities	£164k	£128k	£349k	£185k
Medical Tuition Service / Virtual School / Hospital Tuition	£908k	£940k	£999k	£91k
School contingencies (Rates, planned pupil growth etc)	£315k	£219k	£220k	(£95k)
Statementing / EHCP in-year adjustments (see separate paper for detail)	£200k	£333k	£357k	£157k
Special Schools / High Needs in-year adjustments	£244k	£1m	£1.107m	£863k
School Intervention / Commissioning	£324k	£200k	£243k	(£81k)
Other – Early Years Team / Admissions / Portage / Business Support / EAL				(£86k)

The area of significant volatility continues to be within the Higher Needs Block.

Early Years Block Overview

Since the previous forum meeting the local authority has now conducted the official January census and received all providers (including schools) information. This has enabled accurate rather than predicted figures to be used.

The take up of all statutory offers within early years remains high.

2 year old offer	71%
3 and 4 year old 15 hours	100%
3 and 4 year old 30 hours offer	92%

Until the Local Authority is in receipt of the actual claims for the spring term, the position taken by the officers is to apply the formula that all named children on the forecasting information will take up their full entitlement, an example of this is budgeting for a child to receive 30 hours and a parent only taking 24 hours. On receipt of the census information we have now applied the accurate allocations. This has resulted in the Early Years Block having an identified underspend of £180k.

Officers have worked hard to understand any recoupment that may occur from the Department for Education and this is reflected in the figure. However members should treat the final position statement with caution as the adjustment figure is difficult to predict from the DfE.

The anticipated overspend in the Early Years ALFEY budget has also been well managed. In this academic year a new process of allocating ALFEY funds by a panel including officers and providers has been instigated. The full impact of the ALFEY work can be noted in agenda item 6. The work has resulted in the budget being broadly in line with the allocation.

The position demonstrates in the financial year the early years block will come in on budget and the surplus funds can be used to offset some of the early years budget overspend last year. Enabling those reserve funds allocated last year to be used for the overspend this year.

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 pressures 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 Agenda Item 7.

The work of the Higher Needs Recovery Group so far, has focused on a diagnostic approach to identifying high cost areas and potential mechanisms for change.

In addition to these placements 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.

Statementing / Education, Health & Care Plan Funding for 16/17 & 17/18			
	16/17	17/18	Increase / (Decrease)
Number of pupils with a statement	362	373	11.00
Number of FTE's with a statement	334	353	19.00
	£	£	£
Funding below £6k allocated through school formula elements	1,914,223	2,047,279	133,056
Funding above £6k allocated as a top-up per eligible pupil	926,146	1,234,164	308,018
Statementing / EHCP Contingency	238,400	200,000	(38,400)
In-Year adjustments			
April	110,476	25,735	(84,741)
May	23,628	45,249	21,621
June	19,756	13,913	(5,843)
July	8,445	0	(8,445)
August	114,700	127,405	12,705
September	63,804	40,866	(22,938)
October	34,132	32,141	(1,991)
November	(4,951)	6,622	11,573
December	19,419	27,323	7,904
January	(11,636)	14,088	25,724
February	22,423	22,423	0
March	1,663	1,663	0
Total - In-Year adjustments	401,859	357,428	
Projected (underspend) / overspend	163,459	157,428	
Notes			
Based on April 17 to Jan 18 in-yr adjustments and the same allocation for the remainder of the financial year as 16/17, it is anticipated the statementing / EHCP contingency will overspend by			£157,428

Reserve Funds

The reserve funds remains unchanged from the October 2017 forum. The following table demonstrates how the reserve fund has been used and the uncommitted reserves that remain available to forum for consideration.

DSG reserve				
				Balance
				Over / (Under)
				£
Balance remaining as at end of financial year 15/16				(1,289,211)
Expenditure during 16/17				
Schools Safeguarding Social Worker (Year 3) - Mayfield School				50,000
Business Support for TESS - Mayfield School				15,000
Additional TESS funding - agreed at Schools Forum				40,000
Inspiring Equality in Education (Homophobia) - agreed at 10/3/16 Schools Forum				6,173
Improving outcomes - D Pritchard				12,206
CAMHS School Support Service				167,939
16/17 DSG overspend				834,603
Total 16/17 Expenditure				1,125,921
Balance remaining as at end of financial year 16/17				(163,290)
Vacancy saving for Head of Vulnerable Pupils (Apr - Aug 17)				(28,300)
Social care contribution towards TESS 17/18				(50,000)
Social care contribution towards TESS 18/19				(50,000)
Contribution from Troubled Families Grant - agreed by DCS				(200,000)
Total funding available in DSG reserve				(491,590)
Funding still to be allocated against the balance				
Transitional funding to enable Early Years funding rate to remain at £4 per hr for 17/18				153,900
CAMHS funding still to allocate in 17/18 (Apr - Aug 17 only)				73,000
TESS in 17/18 Financial Year				41,753
TESS in 18/19 (Apr - Aug only)				72,483
Autism until 31/12/17				66,890
Challenging Behaviour in 17/18 Financial Year				0
Challenging Behaviour in 18/19 Financial Year				54,663
Challenging Behaviour in 19/20 Financial Year (Summer Term only)				31,738
Total Funding still to be allocated against current remaining balance				494,427
Total Over / (Under) spend				2,837

DSG Allocation 2018/2019

Following the Forums decision in January 2018 to allocate the DSG using the agreed mechanism, all schools have received their notification of budgets.

Local Authority officers have received few enquirers regarding this allocation and it was reported that people appreciated the positive communications that were sent about the Forum decision making.

Special School Allocations were raised at the previous forum. The current allocation being provided to special schools is confirmed below.

SPECIAL SCHOOL FUNDING ALLOCATIONS 18/19

Type of Place	Number of agreed Places	Number of Pupils Jan 18	Funding per Place £	Top-up per pupil above £10k per place £	Total Place Funding £	Total Pupil Funding £	Other Funding £	Total Funding £
Combe Pafford								
Autism	38	54	10,000	4,726	380,000	255,204		635,204
BESD 1	19	21	10,000	5,240	190,000	110,040		300,040
SLD	2	6	10,000	5,127	20,000	30,762		50,762
Hearing	2	2	10,000	5,014	20,000	10,028		30,028
MLD 1	63	47	10,000	507	630,000	23,829		653,829
MLD 2	53	41	10,000	1,291	530,000	52,931		582,931
MLD 3	27	27	10,000	2,337	270,000	63,099		333,099
PD	9	13	10,000	4,726	90,000	61,438		151,438
SpecLD	4	2	10,000	2,281	40,000	4,562		44,562
SLCN	32	35	10,000	4,575	320,000	160,125		480,125
Visual	3	1	10,000	7,858	30,000	7,858		37,858
Additional funding for specific pupils							46,440	46,440
Total	252	249			2,520,000	779,876	46,440	3,346,316
Mayfield & Chestnut								
PMLD	52	49	10,000	12,046	520,000	590,254		1,110,254
BESD1 – Chestnut	32	33	10,000	10,592	320,000	349,536		669,536
SLD	146	151	10,000	6,452	1,460,000	974,252		2,434,252
Additional funding for specific pupils							35,905	35,905
Other funding (see note)							201,174	201,174
Total	230	233			2,300,000	1,914,042	237,079	4,451,121
Note: Other funding is for Mayfield & Chestnut Outreach, Permanent Exclusions and Occombe House Rent.								
Burton & Brunel								
Brunel – SEMH	56	54	10,000	13,000	560,000	702,000		1,262,000
Burton - Alternative Provision	50	63	10,000	9,500	500,000	598,500		1,098,500
Additional funding for specific pupils							38,083	38,083
Total	106	117			1,060,000	1,300,500	38,083	2,398,583
Overall Total	588	599			5,880,000	3,994,418	321,602	10,196,020

Following the request at Forum, Children's Services staff pulled together information to demonstrate the impact of a 1%, 2% or 3% uplift on special school allocations, this was presented to the Finance Officer. Special Schools have since made further representation to the Authority regarding the need for the uplift in funding that is experienced by all schools across Torbay.

The following tables demonstrate the modelling of a percentage allocation.

SPECIAL SCHOOL FUNDING ALLOCATIONS 18/19 (modelled with top up)						
Type of Place	Number of Pupils Jan 18	Top-up per pupil above £10k per place £	Total Pupil Funding £	1% increase in pupil top-up £	2% increase in pupil top-up	3% increase in pupil top-up
Combe Pafford						
Autism	54	4,726	255,204	2,552	5,104	7,656
BESD 1	21	5,240	110,040	1,100	2,201	3,301
SLD	6	5,127	30,762	308	615	923
Hearing	2	5,014	10,028	100	201	301
MLD 1	47	507	23,829	238	477	715
MLD 2	41	1,291	52,931	529	1,059	1,588
MLD 3	27	2,337	63,099	631	1,262	1,893
PD	13	4,726	61,438	614	1,229	1,843
SpecLD	2	2,281	4,562	46	91	137
SLCN	35	4,575	160,125	1,601	3,203	4,804
Visual	1	7,858	7,858	79	157	236
Total	249		779,876	7,799	15,598	23,396
Mayfield & Chestnut						
PMLD	49	12,046	590,254	5,903	11,805	17,708
BESD1 - Chestnut	33	10,592	349,536	3,495	6,991	10,486
SLD	151	6,452	974,252	9,743	19,485	29,228
Total	233		1,914,042	19,140	38,281	57,421
Burton & Brunel						
Brunel - SEMH	54	13,000	702,000	7,020	14,040	21,060
Burton - Alternative Provision	63	9,500	598,500	5,985	11,970	17,955
Total	117		1,300,500	13,005	26,010	39,015
Overall Total	599		3,994,418	39,944	79,888	119,833

School Forum needs to consider the modelling provided and make a decision on special school funding. In making a positive decision, Members would need to commit to recovering this through the Higher Needs Recovery Group and ensure this is part of the recovery plan.

Position

The outturn position of the Local Area continues to be of significant concern. The position although improved in relation to early years, remains volatile based on the higher needs issues.

The provision of £365k provided by the virement of funds from the central block, leaves the School Forum with a current overspend of **£582,000** to recover.

If School Forum make a decision to provide allocation funds to Special Schools based on the modelling above this would be added to the total above.

Recommendation

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 create a financial recovery plan.
2. School Forum to consider the Special School allocation and make a decision regarding any uplift in funding.

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