

Schools Forum

25 June 2019

Schools Budget & Balances 2018/19

Introduction

1. This paper informs the Forum of the outturn position of the Schools Budget and provides an overview of the Maintained School Balances for the 2018-19 financial year.

School Budget

2. Appendix 1 shows the planned spend against the actual outturn for 2017/18 on the Schools Budget. Please note that these figures are all prior to any academy recoupment. Overall, there is a £2.577m deficit which includes a brought forward overspend in high needs budgets of £1.413m from 2017/18. This represents a movement of £0.172m compared with the projected £2.405m overspend presented to the Schools Forum 5th February 2019. The reasons for significant variances between planned and actual spending for the full year are:-
 - a. *Line 1.0.1 Individual Schools budget* – £107K underspend due to lower than anticipated academy recoupment
 - b. *Line 1.2.1 Top-up funding maintained providers* –overspend of £875k. This is mainly due to additional top-ups to SBC maintained schools (£0.33m more than the £0.5m contingency set in the budget) plus £0.54m relating to other LA Maintained Special Schools (e.g. Mowbray, Beverley, Kirkleatham, Priory Woods, Springwell).
 - c. *Line 1.2.2 Top up funding academies and free schools* – The overspend of £1.4m is made up of additional places/top-ups to SBC academies, additional top-ups to other LA academies and free schools and further reductions in DSG HN funding relating to the import/exports (£1.6m) less underspend on Post 16 (£0.195m).
 - d. *Line 1.2.3 Top-up funding Independent Providers* - The overspend of £0.845m relates to unbudgeted costs of excluded pupils, home tuition and independent assessments and therapy sessions (£0.768m) plus additional Agency placement costs (£0.077m).
 - e. *1.2.5 SEN Support Services* - £0.113m overspend resulting from increased costs for the Hearing Impaired and Visually Impaired support arrangement with Middlesbrough Council.

- f. *1.4.10 Pupil growth / Infant class sizes* - £0.315m underspend due to lower than anticipated call on growth funding.
 - g. Line 1.7.1 Dedicated Schools Grant – In December 2018 the DfE announced an additional £125m for LA's in England in both 2018/19 and 2019/20 in recognition of High Needs pressures. The funding allocated to SBC for 2018/19 was £0.453m.
 - h. *Line 1.7.2 Dedicated Schools Grant brought forward from 2017-18*. Actual net overspend b/fwd from 2017/18 was £1.413m compared to the estimate of £1.190m used in setting the 2018/19 budget.
3. The in-year net overspend is £1.163m which is made up of £1.625m on high needs offset by £0.46m on other areas. The overall cumulative deficit of £2.577m has been carried forward into 2019/20.

School Balances

- 4. Overall maintained school balances stand at £3.703m. This is a decrease of £0.306m between 2017/18 and 2018/19 mainly due to Academy conversions. Total maintained school balances have remained at around 6.5% of budget.
- 5. On prima facie evidence there are 8 primary and 1 Secondary schools holding excess surplus balances i.e. with balances above the 8% and 5% thresholds. This compares with 14 schools holding balances above the thresholds at the end of 2017/18. For 2018/19 from the 9 schools with excess surplus balances all 9 of these have requested permission to hold these.
- 6. At 31st March 2019 only one school was carrying a deficit which was the same number as in the previous year.

Recommendation

- 7. The Schools Forum is asked to note the position for 2018/19 and agree to use the underspends in the other blocks against the overspend in the High Needs Block.

David New
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