

## Schools Forum

23 June 2020

### Schools Budget & Balances Outturn 2019/20

#### 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 2019-20 financial year.

#### School Budget

2. Appendix 1 shows the planned spend against the actual outturn for 2019/20 on the Schools Budget. Please note that these figures are all prior to any academy recoupment. Overall, there is a £4.424m deficit which includes a brought forward overspend in high needs budgets of £2.577m from 2018/19 and the 2019-20 in-year planned deficit of £263k. This represents a reduction of £0.066m compared with the projected £4.490m overspend presented to the Schools Forum 21st January 2020. The reasons for significant variances between planned and actual spending for the full year are:-
  - a. *Line 1.0.1 Individual Schools budget* – £349K underspend. This relates to an underspend on Early Years (305k) plus savings on academy recoupment (£44k). Please note however that the 2019/20 Early Years block funding will be adjusted by ESFA in the current year based on the Spring 2020 census.
  - b. *Line 1.2.1 Top-up funding maintained providers* – overspend of £228k. This is mainly £244k additional top-ups to relating to other LA Maintained Special Schools (e.g. Mowbray, Beverley, Kirkleatham, Priory Woods, Springwell) and £39k increased transport costs for excluded pupils at the PRU, offset by savings of £42k contingency for top-ups for SBC maintained schools.
  - c. *Line 1.2.2 Top up funding academies and free schools* – The overspend of £1.08m 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 plus additional Post-16 top-ups to FE colleges and placement costs of excluded pupils.
  - d. *Line 1.2.3 Top-up funding non-maintained and Independent Providers* - The overspend of £0.85m relates mainly to additional Agency placement costs (£0.8m) plus unbudgeted costs of excluded pupils, home tuition and independent assessments and therapy sessions.

- e. *1.4.10 Pupil growth / Infant class sizes* - £0.194m underspend due to lower than anticipated call on growth funding.
3. The in-year net overspend is £1.847m which is made up of the £0.263m planned in-year High Needs deficit plus a further £2.156m High Needs overspend but offset by savings of £0.572m on other DSG areas (including £32k on de-delegated items as outlined below). Therefore the overall cumulative deficit of £4.424m has been carried forward into 2020/21.

### **De-Delegated Items**

4. It was clarified at Schools Forum on 8<sup>th</sup> October 2019 that should there be an underspend on any of the de-delegated services then it would be a Schools Forum decision on how the outstanding funds would be spent (in 2018/19 the remaining funds were transferred to support the High Needs deficit).
5. For the 2019/20 financial year there are a couple of variances relating to de-delegated items which are as follows: -
  - a. *Line 1.1.1 Contingencies* - £22k unused contingency for the correction of errors in the funding formula funding was not required.
  - b. *Line 1.1.9 Staff costs* – supply cover. Re-imburement costs for Trade Union Facility time were lower than expected by £10k.

### **School Balances**

6. Overall maintained school balances now stand at £2.953m. This is a decrease of £0.751m between 2018/19 and 2019/20. Of this, £0.465m relates to Academy conversions, with £0.286m being a reduction in Maintained School balances which are now 6% of budget.
7. 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 is the same number of schools holding excess balances as at the end of 2018/19 and of these 9 schools, all 9 have requested permission to hold these balances.
8. At 31<sup>st</sup> March 2020 only one school was carrying a deficit which was the same number as in the previous year. The Authority has worked with the school and there is a plan in place to address the position.

## **Recommendation**

9. The Schools Forum is asked to note the unused balance on the de-delegated items (as per paragraphs 4 and 5 above) and to decide on how it wishes to utilise these funds.
  
10. The Schools Forum is asked to note the final position for 2019/20 and agree to use the underspends in the other blocks (subject to any decision on the de-delegated items above) against the overspend in the High Needs Block.

David New  
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