

AGENDA ITEM 6

**REPORT TO
SCHOOLS FORUM**

29 JUNE 2021

Schools Budget & Balances Outturn 2020/21

Summary

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 2020-21 financial year.

Recommendations

2. The Schools Forum is asked to note the unused balance on the de-delegated items (as per paragraphs 6 and 7) and to decide on how it wishes to utilise these funds.
3. The Schools Forum is asked to note the final position for 2020/21 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.

School Budget

4. Appendix 1 shows the planned spend against the actual outturn for 2020/21 on the Schools Budget. Please note that these figures are all prior to any academy recoupment. Overall, there is a **£6.052m deficit** which includes a brought forward overspend of £4.424m from 2019/20. This represents an **increase of £1.628m** across the financial year and £0.421m increase in the final quarter compared with the projected £5.631m overspend presented to the Schools Forum 19th January 2021. The reasons for significant variances between planned and actual spending for the **full year** are:-
 - a. *Line 1.0.1 Individual Schools budget* – £745K underspend. This relates to an underspend on the Early Years Block, although because of DfE changes to the funding methodology for 2020/21, the final DSG early years funding adjustment will not be known until November 2021. However, please note that some of this may be required to support Early Years provision in the summer term 2021 given the current circumstances regarding Covid-19.
 - b. *Line 1.2.1 Top-up funding maintained providers* – £145k overspend. £61k re one terms delay in implementing new staffing structure at the PRU due to Covid-19. £61k additional top-ups to SBC maintained schools. £42k additional transport costs to the PRU. Offset by £15k saving on reduced requirement for SEN equipment.

- c. *Line 1.2.2 Top up funding academies, free schools and Colleges – £1.361m overspend of which the significant items are:*
 - £307k - increase in the number of pupils staying on to Post-16
 - £428k - increase in top-ups to mainstream/special academies
 - £347k - increase in cost/numbers of pupils in out of area schools.
 - £52k - additional 1:1 and transitional support to SBC academies.
 - Savings from planned partnership working between special and mainstream schools for children with complex needs / Physical disability (£0.130m) and improved joint commissioning / continuing care arrangements haven't materialised (£0.1m).
 - d. *Line 1.2.3 Top-up funding non-maintained and Independent Providers - £1.006m overspend of which the significant items are:*
 - £806k additional cost/number of Agency placements.
 - £92.5k initial cost of Valuing SEND for phase 1.
 - £84k exp re Post-16 pupils staying on in high cost Agency placements. Options are currently being discussed for academic year 2021/22).
 - e. *Line 1.2.5 SEN Support Services - £31k saving as estimated charge for HI/VI service from Middlesbrough BC was less than expected.*
 - f. *Line 1.2.6 Hospital education services – £27k saving relating to a delay in implementing the central Home and Hospital Education Service.*
 - g. *Line 1.2.7 Other AP provision – £155k saving on implementation of Pathway Development Centres as agreements are not yet all in place.*
 - h. *Line 1.2.11 Direct Payments – Although a budget of £50k was set for High Needs funding where parents request a Direct Payment there have been no significant requests resulting in a £48k saving.*
 - i. *Line 1.4.10 Pupil growth / Infant class sizes - £16k overspend as Secondary School admission numbers for September 2020 were higher than initially expected.*
5. The in-year net overspend is £1.628m which is made up of the £0.129m planned in-year High Needs deficit plus a further £2.250m High Needs overspend but offset by savings of £0.751m on other DSG areas (including £25k on de-delegated items as outlined below). Therefore the overall cumulative deficit of £6.052m has been carried forward into 2021/22.

De-Delegated Items

6. It was previously clarified at Schools Forum 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. Therefore, it is recommended that these savings are utilised against the DSG deficit.

7. For the 2020/21 financial year there are a couple of variances relating to de-delegated items which are as follows: -
 - a. *Line 1.1.1 Contingencies* - £19k 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 £6k.

School Balances

8. Overall maintained school balances now stand at £5.014m. This is an increase of £2.061m between 2019/20 and 2020/21 and represents 9.8% of the 2020/21 budget.
9. On prima facie evidence there are 14 Primary and 1 Secondary schools holding excess surplus balances i.e. with balances above the 8% and 5% thresholds. This is an increase of 6 in the Primary Sector and the same number in the secondary sector compared to 2019/20, and of these schools, all have requested permission to utilise these balances. These have subsequently been approved by the Authority,
10. At 31st March 2021 no schools were carrying a deficit. This compares to one school at the end of 31st March 2020 with a deficit.

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