

AGENDA ITEM 5

**REPORT TO
SCHOOLS
FORUM**

**21st JANUARY
2022**

SCHOOLS BUDGET MONITORING REPORT 2021/22

SUMMARY

1. This paper provides members of the Forum with the current projected outturn position on the Schools Budget based on information to the **end of December 2021**.

The DSG is a ring-fenced grant that is paid to Local Authorities specifically to be used in support of the schools budget. For 2021/22 Stockton's total DSG is £191.79m. £157.409m of the grant has been allocated to the Individual Schools Budget (ISB) which is delegated to schools, academies and Private, Voluntary and Independent (PVI) and includes funding from the Schools Block and Early Years Block. The majority of the remaining £34.39m is SEN funding for children and young people in schools and other forms of education plus some retained funding for centrally held functions relating the Central Schools Block, Early Years and High Needs.

RECOMMENDATION

2. That the Schools Forum note the current financial position on the schools budget.

School Budget

3. The cumulative DSG overspend b/fwd. from 2020/21 is £6.052m and although this year's budget was set anticipating an in-year saving of £1.287m, it is currently estimated that there will be an in-year deficit of £91k.
4. In the budgetary control report presented to the Forum in October we estimated a saving of £0.349k therefore there is a negative movement of £0.440m between the two periods.
5. A summary of the variances by funding block is provided in the table below.

Funding Block	Budget £m	Forecast Expenditure £m	Forecast Variance £m
Schools	£145.778	£145.759	(£0.019)
High Needs	£31.391	£31.501	£0.110
Early Years	£13.684	£13.684	0
Central Services	£0.939	£0.939	0
Total	£191.792	£191.883	£0.091

6. As a result of this variance, the anticipated cumulative deficit is expected to increase to £6.143m by the end of the financial year.
7. **Appendix 1** shows the revised budget against the projected outturn for 2021/22 on the Schools Budget as at 31st December, in the prescribed DfE Section 251 reporting format. The reasons for significant variances between planned and projected spend are: -
- a. Line 1.1.1 Contingencies – (£19k) anticipated unused contingency for the correction of errors in the funding formula funding (This is a de-delegated budget).
 - b. Line 1.2.1 Top-up funding maintained schools – (£126k) contingency savings expected against the initial estimate for the cost of placements in other LA maintained schools.
 - c. Line 1.2.2 Top-up funding – academies, free schools and colleges - £693k overspend expected made up of:
 - Increased demand for HN specialist equipment in Special Academies £20k overspend.
 - Increase in top-ups to Special Academies £157k (place numbers and banding increases).
 - Additional costs of post-16 provision £250k based on expected additional numbers/cost of post-16 SEND pupils.
 - Mitigations relating to increased Health Contributions £200k and savings on moving pupils from previous ARPS £80k not likely to materialise.
 - (£14k) contingency savings expected against the initial estimate of the cost of placements in other LA academies.
 - d. *Line 1.2.3 Top-up and other funding – non-maintained and independent providers* - Anticipated £788k overspend as a result of additional Agency placement costs in year (There has been no significant further movement since quarter 2).
 - e. *Line 1.2.5 Additional resources required to support the SEN review in year.*
 - f. *Estimated Dedicated Schools Grant for 2021-22 – Adjustments to ESFA funding for imports and exports has resulted in a net £108k*

increase in the High Needs funding block (18 places @ £6k per place).

8. As you are aware the main reason for the deficit on the DSG relates to expenditure associated with High Needs. The Schools Budget for 2021-22, as presented to Schools Forum on 19th January 2021, also included a number of strategies in the current HN Deficit Recovery Plan specifically intended to reduce the deficit in 2021-22. The position on High Needs and the DSG Deficit Recovery Plan is presented as part of today's agenda.
9. Any surplus or deficit on the Schools Budget supported by Dedicated Schools Grant (DSG) is carried forward to the following financial year.

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