

AGENDA ITEM 5

REPORT TO SCHOOLS FORUM

28 JUNE 2022

Schools Budget & Balances Outturn 2021/22

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 2021-22 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 2021/22 and that the underspend (subject to any decision on the de-delegated items above) will be used against the significant cumulative deficit in the Dedicated Schools Grant.

School Budget

4. **Appendix 1** shows the planned spend against the actual outturn for 2021/22 on the Schools Budget. Please note that these figures are all prior to any academy recoupment. Overall, there is a **£5.48m deficit** which includes a brought forward overspend of **£6.05m** from 2020/21. This represents a reduction of **£0.57m** across the financial year and £0.662m reduction in the final quarter compared with the projected £6.14m overspend presented to the Schools Forum 21st January 2022. The reasons for significant variances between planned and actual spending for the **full year** are:-
 - a. *Line 1.0.1 Individual Schools budget* – (£312k) underspend. This mainly relates to an underspend on the Early Years Block, with (£108k) of this being the final DfE funding adjustment for 2020/21 (notified by DfE in November 2021 and resulting from actual take-up being higher than anticipated). The final DfE funding adjustment for 2021/22 will not be known until July 2022.
 - b. *Line 1.2.1 Top-up funding maintained providers* – £12k overspend. Previously anticipated contingency fund savings of £126k regarding placements in other LA maintained schools did not materialise. However, increased demand for HN specialist equipment resulted in an £11k overspend relating to SBC maintained schools.
 - c. *Line 1.2.2 Top up funding academies, free schools and Colleges* – £802k overspend of which the significant items are:

- Increased demand for HN specialist equipment in Special Academies £39k.
 - £455k additional top-ups, one-off funding and additional placement costs to Special Academies
 - £84k additional one-off costs to mainstream academies.
 - (£29k) savings on transport costs to the PRU.
 - Additional costs of post-16 provision £106k resulting from increased numbers and /cost of this provision.
 - Mitigations relating to increased Health Contributions £200k and savings on moving pupils from previous ARPs £80k were not achieved.
 - Offset by savings of (£140k) on out of area academy placements (contingency budget not required).
- d. *Line 1.2.3 Top-up funding non-maintained and Independent Providers - £235k overspend of which the significant items are:*
- £301k additional cost/number of pre-16 Agency placements.
 - Lower than expected number of pupils staying on post-16 in Non Maintained and Independent Special Schools (£76k saving).
- e. *Line 1.2.5 Additional resources required to support the SEN review in year £150k. Also, increased cost of Middlesbrough HI/VI service £8k.*
- f. *Line 1.2.7 Other AP provision – (£40k) saving on implementation of Pathway Development Centres as all agreements are not yet in place.*
- g. *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 (£47k) saving.*
- h. *Line 1.2.13 Therapies and other health related services – Initial budget set at £160k based on historic expenditure. However, actual cost resulted in an overspend of £35k.*
- i. *Dedicated Schools Grant for 2021-22 – Adjustment to ESFA funding for HN Imports/Exports resulted in a net £108k increase in the High Needs funding block (18 places @ £6k per place).*
5. The in-year net saving is (£571k) which is made up of (£1.287m) planned in-year High Needs saving offset by a £1.047m in-year High Needs overspend but also offset by savings of (£0.331k) on other DSG areas (including £23k on de-delegated items as outlined below). Therefore the overall cumulative deficit of £5.480m has been carried forward into 2022/23.

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 2021/22 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 (£4k).

School Balances

8. Overall maintained school balances now stand at £4.382m. This is a decrease of £0.631m between 2020/21 and 2021/22 and represents 8.95% of the 2021/22 budget.
9. On prima facie evidence there are 12 Primary and 1 Secondary schools holding excess surplus balances i.e. with balances above the 8% and 5% thresholds. This is an decrease of 2 in the Primary Sector and the same number in the secondary sector compared to 2020/21, and of these schools, all have requested permission to utilise these balances. These have subsequently been approved by the Authority,
10. At 31st March 2022 no schools were carrying a deficit balance. This was the same position at 31st March 2021.

Contact Officer: Andy Bryson, Chief Accountant
Tel No: 01642 528850