

**AGENDA ITEM 5**

**REPORT TO  
SCHOOLS FORUM**

**27 JUNE 2023**

**Schools Budget & Balances Outturn 2022/23**

**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 2022-23 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 2022/23 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 2022/23 on the Schools Budget. Please note that these figures are all prior to any academy recoupment.

Overall, at the end of March 2023, there is a cumulative **£3.87m deficit** which is a reduction against the brought forward deficit of **£5.48m** from 2021/22. This represents a reduction of **£1.61m** across the financial year and £0.79m reduction in the final quarter compared with the projected £4.66m deficit presented to the Schools Forum 17th January 2023. The reasons for significant variances between planned and actual spending for the **full year** are:-

- a. *Line 1.0.1 Individual Schools budget* – (£36k) underspend relating to the Early Years Block although the final DfE funding adjustment for 2022/23 relating to January 2023 pupil numbers will not be known until July 2023.
- b. *Line 1.2.1 Top-up funding maintained providers* – (£64k) saving. Mainly unallocated High Needs Top-up contingency funding for maintained mainstream schools.
- c. *Line 1.2.2 Top up funding academies, free schools and Colleges* – £76k overspend of which the significant items are:

- £297k additional top-ups/ banding changes and exceptional one-off funding to Special Academies.
  - £38k relating to increased cost and number of out of area school placements.
  - Offset by savings of (£251k) on Post-16 college placements, as the expected increase in placements at colleges has not yet materialised (please also note line 1.2.3 below).
- d. *Line 1.2.3 Top-up funding non-maintained and Independent Providers - £440k overspend of which the significant items are:*
- £229k additional cost/number of pre-16 Agency placements.
  - £112k relating to post-16 pupils staying on in higher cost Agency placements.
  - £113k increased cost and number of out of area placements in independent providers.
- e. *Line 1.2.5 (£30k) saving. Final charge for Middlesbrough STARS (Sensory Teaching, Advisory and Resources Service) for 2021/22 was less than expected.*
- f. *Line 1.2.7 Other AP provision – (£191k) saving. Anticipated take-up of vacant KS1/2 and KS3 Pathway Development Centres did not materialise.*
- g. *Line 1.2.8 Support for Inclusion - £25k overspend. Additional SEND expenditure on a programme of tailored development training and support.*
- h. *Line 1.2.11 Direct Payments – (£50k) saving. Although some Personal Budgets were agreed, there were no requests for funding to be provided as a Direct Payment.*
- i. *Line 1.2.13 Therapies and other health related services – Initial budget set at £181k based on historic expenditure. However, increased demand for support resulted in an overspend of £78k.*
- j. *Line 1.4.10 Pupil growth / Infant class sizes – (£174k) saving as for some school expansions the actual September 2022 admission numbers were not at the levels initially expected.*
- k. *Dedicated Schools Grant for 2022-23 – £31k adjustments to ESFA funding relating to HN Imports/Exports and Academy Recoupment.*
5. The in-year net saving of (£1.61m) is made up of a (£1.7m) planned High Needs saving offset by a £0.3m in-year High Needs overspend plus further savings of (£0.21m) on other DSG areas (including £17k on de-delegated items as outlined below). Therefore the overall cumulative deficit of £3.87m has been carried forward into 2023/24.

### **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 2022/23 financial year there are a couple of variances relating to de-delegated items which are as follows: -
  - a. *Line 1.1.1 Contingencies* – (£9.7k) remaining 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 (£7.4k).

### **School Balances**

8. Overall maintained school balances at 31/03/23 now stand at £3.1m. This is a decrease of £0.72m between 2021/22 and 2022/23 and represents 6.9% of the 2022/23 budget.
9. On prima facie evidence there are 10 Maintained Primary and 0 Maintained Secondary schools holding excess surplus balances at 31/3/23 i.e. with balances above the 8% and 5% thresholds. This is a decrease of 2 in the Primary Sector and 1 in the Secondary sector compared to 2021/22, and of these schools, all have requested permission to utilise these balances. These have subsequently been approved by the Authority.
10. At 31st March 2023 no schools were carrying a deficit balance. This was the same position at 31st March 2022.

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