

Schools Forum – 15th October 2020

Schools Budget 2019/20: Final Outturn

Recommendations

1. That the Schools Forum note the 2019/20 Schools Budget financial outturn.

Report of the County Treasurer

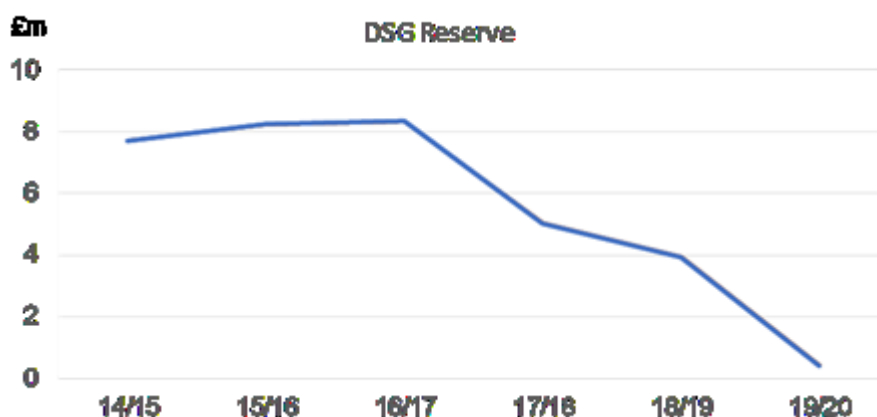
Outturn on Schools' Budgets 2019/20.

1. The outturn position for 2019/20 was a £3.5m variance (1.12%) overspend on planned expenditure across all services. A summary of balances is shown below including the effect on DSG reserves.

2019/20 Schools Budget Final Outturn				
	Budget	Final Outturn	Variation (under) / over	% variance
	£m	£m	£m	
Planned Expenditure:				
Individual Schools	176.1	176.1	0.0	0.0%
High Needs, excluding place funding included above	77.0	80.6	3.6	4.5%
Early Years	48.9	48.8	(0.1)	-0.1%
Central and De-Delegated Items	12.8	13.1	0.3	2.6%
Total (A)	314.8	318.6	3.8	1.2%
Funding for 2019/20 budget:				
	Budget	Final Outturn	Variation (under) / over	
	£m	£m	£m	
2019/20 DSG settlement	603.5	603.2	(0.3)	
ESFA Post 16 funding	(26.6)	(26.6)	0.0	
Total (B)	576.9	576.6	(0.3)	
Overall variance on 2019/20 Budget (A + B)			£m	
			3.5	

DSG reserve	
	£m
Opening DSG reserve 1 April 2019	3.9
Use of reserve	3.5
DSG reserve at 31 March 2020	0.4

2. The Individual Schools Budget (ISB) is break even. This outturn relates to budgets allocated to individual schools through the funding formula. Any under or overspends are contributed to each individual school's balances.
3. The High Needs service has overspent by £3.6m (4.5%). The pressure areas in the service were top up budgets which overspent by £4.5m (mainly academy top ups), and expenditure on independent schools which overspent by £2.6m, offset by underspends in other areas within the service, most significantly Post 16 which underspent by £1m. The overspend was also offset by £2.4m additional funding received through the 0.5% schools transfer approved by the Secretary of State for 2019/20. Numbers accessing the high needs service have continued to rise, particularly in relation to top up and independent settings as well as prices in independent settings.
4. The Early Years' service has underspent by £0.138m (-0.3%). This includes the repayment of unspent 2018/19 contingency of £.676m.
5. Central and de-delegated items have overspent by £0.371m (2.9%). This has arisen mainly as a result of an increase in insurance costs offset with an underspend on the growth fund, and redundancies.
6. As a result of the on-going overspend in the HNB, over the last few years the DSG reserve has been fully depleted and can no longer be used as a buffer to fund this on-going pressure which are now showing a balance at the end of March 2020 of £0.4m.



7. As at 31st March 2020 maintained schools held reserves of £15.5m. There continue to be a number of approved licenced deficits (14 schools, with a value of £2.4m). The funding of these is met from school balances until such time as the school repays the deficit. With balances decreasing for example due to academisation, the growth in number and in value of licenced deficits is of concern.
8. Where a school is giving cause for concern and has significant revenue balances, then a conversation is held between the school and the local authority as to how balances are being used to improve outcomes for learners.

Report author:

Author's Name: Anthony Humphreys
Strategic Finance Business Partner