

Schools Forum – 14th July 2022

Schools Budget 2021/22: Final Outturn

Recommendations

1. That the Schools Forum note the 2021/22 Schools Budget financial outturn.

Report of the County Treasurer

Outturn on Schools' Budgets 2021/22.

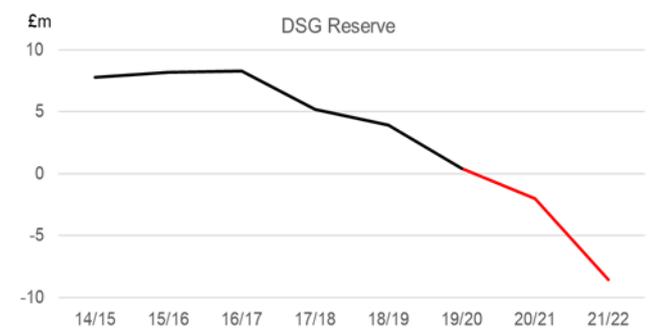
1. The outturn position for 2021/22 was a £6.4m variance (2.2%) overspend on planned expenditure across all services. A summary of balances is shown below including the effect on DSG reserves.

2021/22 Schools Budget Final Outturn				
	Budget	Final Outturn	Variation (under) / over	% variance
	£m	£m	£m	
Planned Expenditure:				
Individual Schools	160.6	160.6	0.0	0.0%
High Needs, excluding place funding included above	69.1	77.3	8.2	11.9%
Early Years	50.5	50.7	0.2	0.4%
Central and De-Delegated Items	11.3	9.3	(2.0)	-17.6%
Total (A)	291.5	297.9	6.4	2.2%
Funding for 2021/22 budget:				
	Budget	Final Outturn	Variation (under) / over	
	£m	£m	£m	
2021/22 DSG settlement	(291.5)	(291.3)	0.2	
ESFA Post 16 funding	(26.6)	(26.6)	0.0	
Total (B)	(318.1)	(317.9)	0.2	
Overall variance on 2021/22 Budget (A + B)			£m	
			6.6	

DSG Reserve (Surplus) / Deficit	
	£m
Opening DSG reserve 1 April 2021	2.0
Use of reserve	6.6
DSG reserve at 31 March 2022	8.6

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 £8.2m (11.8%). The pressure areas in the service were top up budgets which overspent by £3.7m (mainstream £1.6m, special schools £2.1m) and expenditure on independent special schools which overspent by £5.8m. This was offset by an underspend on Pupil Referral Unit top ups of c £1m and other SEN support services/Government grant of £0.3m. Numbers accessing the high needs service - and the complexity of need - have continued to rise, particularly in relation to top up and independent settings.
4. The Early Years budget was overspent by c £0.2m (0.4%); this includes the redistribution of unspent 2020/21 contingency of £0.2m.
5. The Central and de-delegated items have underspent by £2m (17.6% of the budget). This is mainly because of surplus growth fund allocation which Schools Forum – at its meeting in November 2021 – agreed should continue to be used for the DSG deficit recovery plan.
6. As a result of the on-going overspend in the HNB, over the last few years the DSG reserve has been fully depleted. There is no longer a buffer to fund this on-going pressure. At the end of 2020/21, the DSG reserve had gone into deficit (overdrawn) by c £2m. At the end of the financial year 2021/22 the DSG reserve deficit is £8.6m, an increase of 6.6m.



School Balances

7. As of 31st March 2022, maintained schools held reserves of £24.3m; an increase of £1.8m from the position on 31st March 2021. There continues to be a number of approved licenced deficits (12 schools, with a value of £1.5m), a similar amount to the previous financial year. The funding of these is met from school balances until such time as the school repays the deficit.
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.

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