

## Schools Forum – 15<sup>th</sup> July 2021

### Schools Budget 2020/21: Final Outturn

#### Recommendations

1. That the Schools Forum note the 2020/21 Schools Budget financial outturn.

#### Report of the County Treasurer

#### Outturn on Schools' Budgets 2020/21.

1. The outturn position for 2020/21 was a £2.4m variance (0.7%) overspend on planned expenditure across all services. A summary of balances is shown below including the effect on DSG reserves.

<b>2020/21 Schools Budget Final Outturn</b>				
	Budget	Final Outturn	Variation (under) / over	% variance
	£m	£m	£m	
<b>Planned Expenditure:</b>				
Individual Schools	166.2	166.2	0.0	0.0%
High Needs, excluding place funding included above	85.3	91.2	5.9	4.5%
Early Years	49.6	48.8	(0.8)	-1.6%
Central and De-Delegated Items	14.6	11.8	(2.8)	-19.1%
<b>Total (A)</b>	<b>315.6</b>	<b>318.0</b>	<b>2.3</b>	<b>0.7%</b>
<b>Funding for 2020/21 budget:</b>				
	Budget	Final Outturn	Variation (under) / over	
	£m	£m	£m	
2020/21 DSG settlement	(289.0)	(288.9)	0.1	
ESFA Post 16 funding	(26.6)	(26.6)	0.0	
<b>Total (B)</b>	<b>(315.6)</b>	<b>(315.5)</b>	<b>0.1</b>	
<b>Overall variance on 2020/21 Budget (A + B)</b>			<b>£m</b>	<b>2.4</b>

<b>DSG reserve</b>	
	£m
<b>Opening DSG reserve 1 April 2020</b>	<b>(0.4)</b>
Use of reserve	2.4
<b>DSG reserve at 31 March 2021</b>	<b>2.0</b>

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 £5.9m (4.5%). The pressure areas in the service were top up budgets which overspent by £5.3m (mainly academy top ups), and expenditure on independent schools which overspent by £2.7m, offset by underspends in other areas within the service, most significantly the allocation for the Hubs which underspent by £1.6m and Post 16 which underspent by £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 services that are showing underspends in 2020-21 are:
  - the Early Years' service which has underspent by £0.8m (1.6% of the budget). This includes the redistribution of unspent 2019/20 contingency of £0.6m; and
  - the Central and de-delegated items which have underspent by £2.8m (19.1% of the budget). This is mainly as a result of surplus growth fund allocation which Schools Forum – at its meeting October 2020 – agreed should be used for the DSG deficit recovery plan.
5. 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. At the end of 2020/21 the DSG reserve has gone into deficit (overdrawn) by c £2m:



### School Balances

6. As at 31<sup>st</sup> March 2021 maintained schools held reserves of £22.1m; an increase of £6.6m from the position at 31<sup>st</sup> March 2020. Whilst there continues to be a number of approved licenced deficits (12 schools, with a value of £1.4m), this is also significantly improved from the number at the end of the previous year (14 schools totalling c £2.4m). The funding of these is met from school balances until such time as the school repays the deficit.
7. 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:**

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