



SCHOOLS FORUM

2020/21 SCHOOLS BUDGET OUTTURN

17 JUNE 2021

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools	x	Pre School	x
Academies	x	Foundation Stage	x
PVI Settings	x	Primary	x
Special Schools / Academies	x	Secondary	x
Local Authority	x	Post 16	
		High Needs	x

Purpose of Report

Content Requires;		By;	
Noting	X	Maintained Primary School Members	
Decision		Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	x

1. This report presents the 2020/21 Schools Budget outturn position and confirms the Dedicated Schools Grant (DSG) Reserve.

Recommendations

2. That Schools Forum note the content of this report

2020/21 Schools Budget Outturn

3. The 2020/21 Outturn position for the Children and Young People's Department is summarised in the following table. This table presents both the Local Authority and Schools Budget for completeness but the report presents detail only for the Schools Budget funding blocks.

4. Overall the Schools Budget (Schools, Early Years and High Needs) overspent by £7.139m. The following table provides an analysis of the overspend and also presents the position on the LA budget for completeness;

	Budget £,000	(Under) / Over Spend		Schools Block	Early Years Block	High Needs Block	LA Block
		£,000	%	£,000	£,000	£,000	£,000
C&FS Directorate	1,410	(55)	-4%	(1)	(2)	(6)	(46)
Safeguarding, Improvement & QA	2,218	6	0%	0	0	0	6
Children in Care	41,351	2,055	5%	0	0	0	2,055
Field Social Work	13,600	2,048	15%	0	0	0	2,048
Practice Excellence	344	41	12%	0	0	0	41
C&FS Children & Families Wellbeing	9,236	19	0%	0	0	0	19
Education Sufficiency	637	98	15%	21	0	0	77
Education Quality & inclusion	41,462	(26)	0%	0	513	(291)	(248)
SEND & Children with Disabilities	75,623	10,229	14%	0	0	10,636	(407)
Business Supp & Commissioning	10,314	124	1%	0	3	(2)	123
C&FS Other	(113,399)	(3,654)	3%	(3,159)	(624)	50	79
Total	82,797	10,883	13%	-3,139	-109	10,387	3,745

5. The major variances within the Schools Budget are detailed below;

Service Area		
Early Years Block		
Free Entitlement to Early Education	(109)	This is the only Dedicated Schools Grant (DSG) area where the grant flexes with demand, however the pupil count dates for grant purposes and those for the payment of early years providers differ. A final adjustment on the level of DSG will be made in the 2021/22 financial year
High Needs Block		
Special Educational Needs and Children with Disabilities	10,634	The overspend relates to the continued increase in the demand and cost of specialist placements. The SEND Capital Programme is developing new resource bases with the aim of reducing the reliance on expensive independent sector places. During 2019/20 a number of these bases welcomed their first cohort of students, with more places filled during the 2020/21 academic year. The increase in demand however has resulted in these places being filled with new demand as opposed to having the desired impact on existing numbers. Due to set-up costs the full effect of the programme

		<p>won't be seen until future years. Additionally, the numbers of pupils in mainstream settings that receive top-up funding is rising rapidly. The number of Independent school places which had remained static for most of the year increased over the final few months of the year. Unexpected growth has also been seen in post 16 students.</p> <p>This is an increase of 3.7% from the anticipated overspend of £10.011m reflected in the High Needs Block Development Plan.</p>
<u>Schools Block</u>	(2,923)	Funding for basic need growth in schools, unused in 2020/21 but required in future years

6. It is not possible to present detailed data on the level of school balances until the return of the Consistent Financial Reporting returns due to the local authority in mid-June and the subsequent isolation of balances that may be held on behalf of academies where the financial closedown of the former maintained school accounts has yet to be completed. However, the indications are that maintained school balances have increased by an overall £1.7m.
7. Whilst school balances may be seen as an indicator of financial health, given the number of schools that have converted to academy status it is not possible to gain and financial overview of all Leicestershire schools.

Dedicated Schools Grant Reserve

8. The DSG reserve recorded a deficit at the end of 2019/20 for the first time and it is expected this will continue to increase despite the successful delivery of the High Needs Development Plan. The reserve is earmarked and can only be used to support defined expenditure falling to DSG as set out within the Schools and Early Years Finance Regulations.
9. From 2019/20 the DSG reserve has been managed in line with the DSG blocks that create it in order to respond to the two key challenges for the Local Authority, namely funding new school growth and the delivery of the High Needs Development Plan. Additionally funding may be required to support the remaining age range changes in the County and any maintained school deficits reverting to the local authority on sponsored academy conversion.
10. The following table sets out the component parts of the DSG reserve, a positive figure denotes a deficit.

	Schools Block £,000	Central Schools £,000	Early Years £,000	High Needs £,000	Total £,000
Brought Forward	-3,168	-21	177	7,063	4,051
2020/21	-3,138	19	-109	10,386	7,158
	-6,306	-2	68	17,449	11,209

High Needs Issues

11. There is growing national and local concern regarding the sustainability of the current SEND system. Despite the significant investment in additional school places in Leicestershire which is limiting the increase in costs, any savings being made by process and practice changes these are being negated by demand increases.
12. The long awaited SEND Review has yet to be published by the DfE, it is anticipated that this will be accompanied by proposals to reform High Needs funding, it is recognised nationally that funding alone cannot resolve the current problems.
13. Whilst high needs deficits are the significant problem in overall DSG deficits there are many authorities, as in Leicestershire, that have balances on the other blocks of DSG most notably on the school block through underspends on growth funding. There is no readily available national data on the extent of DSG deficits as a percentage of funding although recent research by F40 suggests that they could be as much as 100% of grant.
14. The DfE recently announced Dedicated Schools Grant 'Safety Valve' Agreements with five local authorities with funding of £100m. The agreements set out expectations to deliver action plans to reduce high needs expenditure. Subject to the achievement of agreed milestones funding will be released and if the plans are successful effectively provides funding to irradicate historic DSG deficits. There is no information on the criteria used to identify these five authorities for support but from information available they all have DSG deficits in excess of 10%, there is also no information on whether such funding will be allocated to other authorities in future years. The position in Leicestershire is a DSG deficit of 2% rising to 3% at the end of 2021/22.
15. A further report on today's agenda sets out the local authorities position in respect of a school block transfer for 2022/23.

Resource Implications

16. All resource implications are contained within the body of the report.

Equal Opportunity Issues

17. There are no equality issues arising directly from this report.

Officer to Contact

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