

DATE: 16 JULY 2020

**2019-20 PROVISIONAL OUTTURN ON THE SCHOOLS BUDGET AND
INITIAL VIEW ON THE 2021-22 BUDGET
Executive Director - People**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform members of the Schools Forum of the provisional outturn on the 2019-20 Schools Budget, including the allocation of balances and use of Earmarked Reserves. These funds are ring-fenced for the support of schools and pupils.
- 1.2 Whilst there is very limited information currently available for future year budgets, an update is also being presented on a small number of matters.

2 EXECUTIVE SUMMARY

- 2.1 The 2019-20 draft accounts reflect the forecast significant overspending on the High Needs Block (HNB), which is consistent with the experience of many LAs across the county. Whilst this pressure has been recognised by the government with additional funding being provided to all LAs – BFC will receive an 8% increase in funding in 2020-21 – this is still insufficient to fund the increasing pressures.
- 2.2 The reports presents proposed transfers from Earmarked Reserves that improve the year end financing of the HNB over spending. However, there remains an £0.141m net deficit on the unallocated balances in the Schools Budget that will need to be recovered from a future year's Schools Budget.
- 2.3 The coronavirus pandemic has had a significant impact on the plans of the council and Schools Forum to review support services to pupils, to widen choice improve quality and reduce costs. This will most likely result in a number of planned savings not being achieved that will result in a year end over spending in excess of the £1.777m assumed in the initial budget.
- 2.4 The overall balances currently held on the council managed elements of the Schools Budget amount to £2.865m which reduces to £1.827m when balances held by schools are excluded. This is a reduction of £2.783mm from £4.610m available at the end of 2018-19.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 **that the outturn expenditure for 2019-20, subject to audit, shows net spend of £3.404m which represents an over spending of £2.529m before allocation of reserves and balances (paragraph 6.6);**
- 3.2 **that after transfers to and from earmarked reserves, the Schools Budget over spent by £2.446m (paragraph 6.7);**

- 3.3 the main reasons for budget variances (paragraph 6.8);
- 3.4 as at 31 March 2020, the aggregate surplus on balances and Earmarked Reserves within the Schools Budget amounts to £2.865m which reduces to £1.824m when school balances are excluded (paragraph 6.9);
- 3.5 the £0.141m deficit balance held in the Schools Budget General Reserve (paragraph 6.13);

That the Schools Forum AGREES:

- 3.6 the proposed transfers to and from Earmarked Reserves (paragraph 6.12);
- 3.7 to support a request to the Department for Education for a further year of fixed lump sum transitional funding for the recently amalgamated Ascot Heath Primary School (paragraph 6.21).

4 REASONS FOR RECOMMENDATIONS

- 4.1 The recommendations are intended to inform the Schools Forum of financial performance against budget in the 2019-20 financial year including the year end transfers to and from balances and Earmarked Reserves.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not appropriate.

6 SUPPORTING INFORMATION

2019-20 Schools Budget Revenue Expenditure and Funding

- 6.1 Based on recommendations of the Schools Forum, the Executive Member for Children, Young People and Learning approved the initial Schools Budget for 2019-20 with £100.059m of grant funding. This comprised the estimated amount of Dedicated Schools Grant (DSG) income that would be received from the DfE at £93.804m, anticipated income of £1.845m to reflect sixth form and post 16 SEN grant income from the Education and Skills Funding Agency (ESFA), £2.180m from the Pupil Premium grant, £1.314m from the Universal Infant Free School Meal grant, £0.471m from the Primary PE and Sports grant and £0.445m from the Teachers' Pay grant. In addition to grant funding, there is also a budget of £0.131m for other receipts making total income of £100.190m.
- 6.2 Subsequent to this decision, anticipated DSG income has been updated to reflect revised grant notifications from the DfE, including reductions arising from academy schools where the amount due from the BF Funding Formula for Schools is recouped from the council for the ESFA to directly fund relevant schools. After making the following adjustments, the final DSG allocation amounted to £71.783m:
- £22.144m deduction for academy schools.
 - £0.005m increase required from an understatement of the initial budget amount for the Central Services Schools Block (CSSB)

- £0.129m increase to HNB spending power following changes to the original allocation by the ESFA where final data indicated less places provided by providers directly funded by the ESFA compared to the estimate included in the original budget i.e. in respect of other LA schools, academies, other non-maintained specialist providers
- £0.011m decrease to the Early Years Block. This reflects the normal in-year recalculation of funding by the ESFA from the January 2019 census where head count data for BF is lower than estimated when the budget was set. The reduction in head count also triggered lower payments to providers of the free entitlement to early years childcare.

6.3 There are 3 further budget adjustments to report:

- As part of the Schools Block budget setting process, on 17 January 2019, the Forum agreed that £0.254m should be released from the New School Start up / Diseconomies Reserve to meet the additional cost arising from new schools that was not reflected in the DfE funding settlement.
- In addition to the funding from the New School Start-up / Diseconomies Reserve, the council added a further £0.338m to support the financial impact from new schools from its own reserves.
- In accordance with Local Government Accounting code of practice, where schools use their revenue funding for capital related expenditure, both the funding and spend need to be transferred to the capital accounts. The Council was notified by schools that of a total of £0.284m of funding needed to be converted to capital through a transfer from revenue. There is a net nil effect on school budgets from this as both the funding and costs are transferred out of delegated budgets.

6.4 The net effect of the budget changes set out above is that the final net Schools Budget totalled £0.876m, with an income budget of £78.169m, and an overall gross budget of £79.045m.

6.5 In accordance with DfE Funding Regulations, a number of self-balancing budget adjustments have also been made during the year to reflect the transfer of funds from centrally managed budgets to schools where they have met qualifying criteria or original estimates are revised following verified data. The most significant adjustments reflect funding for the free entitlement to early years education and childcare, changes in SEN funding for named pupils i.e. Element 3 top up funding, allocations from the Growth Fund, mainly in respect of increases in pupil numbers and managing the financial impact of Key Stage 1 Class Size Regulations, and support to schools in financial difficulty.

Provisional Outturn Position

6.6 The provisional final accounts for the Schools Budget, as summarised at Annex A, shows a net budget of £0.876m, net spend of £3.404m and therefore an aggregate over spend of £0.529m. This comprises overspendings of £3.682m against approved budget allocations and under spendings of £1.153m. These figures remain subject to change, pending external audit, although no significant movement is anticipated.

6.7 Some expenditure in the Schools Budget is ultimately financed from accumulated balances and earmarked reserves. Annex A sets out the transfers required as part of the accounts closedown process which is explained in more detail in paragraphs 0 to

6.13. Taking account of these financing adjustments, there was a net in-year over spending of £2.446m.

6.8 An explanation of the main changes (+/- £0.025m) from the approved budget plan, after transfers to or from reserves and balances are as follows, many of which are consistent with the update on budget performance that was reported to the Forum in September:

LA Managed Budgets:

Schools Block - £0.381m under spend:

- i. **Pupil behaviour - £0.033m under spend.** The main savings arose from staffing as a result of vacancies
- ii. **Other Schools Block provisions and support services - £0.324m under spend.** There are 2 significant budget variances being reported in this area of the accounts. Firstly, there was a net under spending of £0.248m on the Growth Fund of which there are 3 elements; based on the actual pupil numbers on the October 2019 census, *in-year growth allowance payments* were made for 10 fewer classes at schools experiencing significant increases in pupil numbers, rather than the 11 assumed from the 3 year average actual numbers which was used to calculate the original budget requirement and resulted in an under spending of £0.276m; secondly, top up funding allocations to schools experiencing additional teaching costs as a result of *Key Stage 1 maximum class size regulations* over spent by £0.041m; and thirdly, pre and post opening funding allocations to new schools under spent by £0.010m. The second significant variance relates to the LA Initiatives Fund which is used to fund borough projects, most recently around Pupil Premium pupils and support to the development of SENCOs. There were delays in completing the programme plan which resulted in a £0.027m under spend.

High Needs Block - £3.220m over spend:

Members of the Forum will be aware that budget items iii to vii below represent the most unpredictable and volatile education budgets that the council is responsible for. Placement requirements can change at short notice and new pressures can emerge that can together result in large movements in costs between budget lines.

It is also well known that significant cost pressures are being experienced, which is a national issue, and not just limited to BF, with the number of pupils with a statement or Education Health Care Plan (EHCP)¹ having increased in the last 2 years by 11.9%. The change in BF shows a steeper increase of 17.7%.

Taking account of the increasing use of more expensive placements outside BF schools, typically with a PVI provider, costs are expected to increase by 27.3% over the same 2-year period during which grant from the DfE has increased by 4.8%.

These factors have contributed to the significant overspending now being reported.

- iii. **Delegated Special School Budgets - £0.172m overspend.** As the number of pupils with SEND increase, additional placements were made at Kennel Lane Special School. As the school had used all of the funded placements, an

¹ An EHCP is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person.

additional £0.038m payment was needed to cover the cost of places with £0.134m for additional support need through the normal top-up process.

- iv. Maintained schools and academies - £1.261mm over spend.** This relates to the cost of additional Element 3 top up support i.e. individual support needs above £0.010m where these have been determined by assessment as well as £0.010m payments for any additional places that are needed and have not been pre-purchased. This includes payments to BF and other LA schools.

For support to BF schools this totalled £1.291m, an increase of £0.376m (41%) from 2018-19 and a £0.344m overspend.

For non-BF schools, this totalled £2.143m, an increase of £0.623m (41%) from 2018-19 and a £0.904m overspend.

- v. Non-Maintained Special Schools and Colleges - £0.777m over spend.** The ESFA generally pay the £0.010m place cost at these institutions, with LAs paying individual support needs above this level and which reflects the support arrangements agreed for schools plus £0.010m for any additional places that are needed and have not been pre-purchased.

In terms of the outturn variances, an analysis of the external placements budget shows:

- Budget increase of £0.129m for fewer places deducted in the actual DSG allocation compared to those expected, as per paragraph 6.2 above.
- There was a total of 217.4 FTE placements (was 186.6 in 2018-19). This was 11.4 FTE more than anticipated in the budget. Based on the original estimated average placement cost of £26,744, this resulted in an overspending of £0.305m.
- At £29,320 the average actual cost of placement is £2,576 more than the original estimate. This results in a £0.560m over spending.
- There were a number of other minor variances on related budgets.

- vi. Education out of school - £0.931m overspend.** There were 2 significant budget variances. There was an increase in the number of pupils requiring home tuition that resulted in a £0.405m overspending. There was also an increase in the average cost of support as agency tutors rather than BF contract staff were required to meet the increase in demand. There was also a £0.506m overspending on externally commissioned alternative provision (£0.168m for primary aged pupils, £0.338m for secondary aged). Demand also increased for these provisions.

- vii. Other SEN provisions and support services - £0.079m overspend.** The main change relates to a £0.328m overspending on additional support for pupils with medical needs and those waiting for a school placement. This is partially offset by savings of £0.043m at the Children's Development Centre where there have been some staff vacancies, there was less demand than expected for specialist therapies which together under spent by £0.129m, with staff vacancies in the Traveller Education Service resulting in a £0.033m under spending.

Early Years Block - £0.384m under spend:

- viii. Free entitlement to early years education - £0.384m under spend.** Payments to providers delivering the free entitlement to early education and childcare under spent by £0.316m as the DSG funding calculated is made towards the end of the financial year when head count was reaching a peak. There was also a net under spending of £0.068m on centrally managed expenses, the majority of which related to staffing costs.

Year-end balance:

- ix. Transfer from Earmarked Reserve - £2.446m overspend.** The net aggregate spending overspending on budgets centrally managed in the Schools Budget. This amount is funded through a transfer from the Schools Budget General Reserve.

Annex A sets out the full Schools Budget at a summary level, with the above notes referencing to the appropriate lines with budget variances.

Balances and reserves

- 6.9 As part of the financial planning process, there is the opportunity to establish and maintain reserves and balances. Earmarked Reserves are sums of money which have been set aside for specific purposes and the Schools Forum has agreed a number of Schools Budget reserves should be created. Each year these reserves can have funds added or deducted depending on financial performance and the purposes for which they were created. Balances reflect year end unspent funds and can be held separately as an unring-fenced amount or are transferred to Earmarked Reserves.
- 6.10 Table 1 below provides a summary of movements last year together with current balances on the earmarked reserves of which column 5 shows total available funds at 31 March 2019 of £6.220m, an increase of £0.402m. This reduces to £4.610m when school balances are excluded.

Table 1: Earmarked reserves related to the Schools Budget

| Reserve | Balance B/Forward 01-Apr-19 (1) £ 000 | Movement in year (2) £ 000 | Initial Balance 31-Mar- 2020 (3) £ 000 | Year end Transfers (4) £ 000 | Final Balance 31-Mar- 2020 (5) £ 000 |
|---|--|-------------------------------------|---|---------------------------------------|---|
| School Balances - Earmarked: | | | | | |
| Primary | -2,060 | 0 | -2,060 | 1,011 | -1,049 |
| Secondary | 230 | 0 | 230 | 66 | 296 |
| Special | -318 | 0 | -318 | -6 | -324 |
| Outstanding School loans (a) | 590 | 0 | 590 | -528 | 62 |
| College Hall PRU | -51 | 0 | -51 | 28 | -23 |
| (b) | -1,609 | 0 | -1,609 | 572 | -1,038 |
| Earmarked Reserves | | | | | |
| SEN Resource Provision Reserve | -459 | 0 | -459 | 0 | -459 |
| New school start-up / diseconomies (a) | -1,000 | 254 | -746 | 0 | -746 |
| School Meals Re-Tender Reserve | -40 | 0 | -40 | 0 | -40 |
| School Expansion Rates Reserve (c) | -1,092 | 0 | -1,092 | 728 | -364 |
| SEN Strategy Reserve (d) | -439 | 0 | -439 | 83 | -356 |
| Grants unapplied | -3 | 0 | -3 | 0 | -3 |
| | -3,033 | 254 | -2,779 | 811 | -1,968 |
| Schools Budget General Reserve | | | | | |
| Brought forward balance | -1,577 | 0 | -1,577 | 0 | -1,577 |
| Transfer from School Expansion Rates Reserve (c) | 0 | 0 | 0 | -728 | -728 |
| 2019-20 in-year over spend (e) | 0 | 0 | 0 | 2,446 | 2,446 |
| | -1,577 | 0 | -1,577 | 1,718 | 141 |
| Total reserves | -6,219 | 254 | -5,965 | 3,101 | -2,865 |
| Total reserves excluding school balances | | | | | -1,827 |
| Memorandum item: | | | | | |
| School balances from above | | | | 572 | -1,038 |
| Adjustment for loans to academy schools (i.e. were outstanding at conversion) | | | | 56 | 61 |
| Mainstream school balances | | | | 628 | -1,099 |

6.11 Column 2 from Table 1, movement in year at note (a) relates to the £0.254m transfer from the New School Start up / Diseconomies Reserve that was agreed by the Forum on 17 January 2019 as part of the original budget setting proposals:

6.12 A number of year-end transfers, as set out in column 4 of Table 1 have been processed in accordance with accounts closedown:

Note b: School balances: Statutory Regulations require balances on school budgets to be earmarked to individual schools for use in a future financial year. There was an aggregate £0.628m transfer from balances during the year as schools spent more than their budget allocations for the year. In

addition, academy schools with outstanding loans at the point of their conversion repaid the £0.058m of advances that were due, resulting in a net overall reduction in balances of £0.572m. Academy schools now owe £0.061m on outstanding loans. A separate item on tonight's agenda provides further detail on school balances.

Note c: School Expansion Rates Reserve: the annual review of liabilities reflects the latest in-year school rates revaluations and a recognition that any further revaluations will be backdated no further than to April 2017, the most recent national revaluation date. This indicates that £0.728m can be released into the Schools Budget General Reserve for an alternative use.

Note d: SEN Strategy Reserve: the Forum has previously agreed that this reserve would be used to finance the costs of support agreed at the SEN Hub which amounted to £0.083m.

Note e: Schools Budget General Reserve: the aggregate in-year over spending on centrally managed budgets of £2.446m has been charged here.

Annex B provides a summary of the purpose and policy of each reserve together with recent levels of funds.

- 6.13 Column 5 of Table 1 shows that the accumulated unused balance on the Schools Budget General Reserve totals a deficit of £0.141m. This is the first time that this reserve has been in deficit. Taking account of the other balances on the earmarked reserve, there is a net surplus of £1.824m.
- 6.14 New provisions have been included in the School and Early Years Finance (England) Regulations 2020, requiring local authorities to carry forward overspends of DSG to their schools budget either in the year immediately following or the year after. Under the new legislation any deficit must be funded from future DSG income unless specific permission is granted by the secretary of state not to do so.
- 6.15 The £1.824m carry forward balance identified above includes several earmarked reserves together with a general unallocated balance which has for the first time moved into a deficit position. The budget strategy is to carry the whole of the deficit forward to be dealt with in the Schools Budget for the new financial year.

Future Budget Planning

Overview

- 6.16 Taking account of the coronavirus pandemic, the DfE have not provided the usual late summer update for the following year's budget. The most recent update therefore remains the September 2019 announcement of a 3-year funding settlement for education and school budgets through to 2022-23. Based on recent briefings from DfE officials at regional updates, these are expected to remain in place and represent a £2.6 bn increase for 2020-21, £2.2 bn more for 2021-22, and £2.3 bn more for 2022-23.
- 6.17 For 2020-21, this resulted in an average increase in per pupil funding for BF schools of 6.3% with HNB funding increasing by 8%. Whilst there are many uncertainties and funding pressures, the look forward remains cautiously optimism for 2021-22. The key determining factor will relate to how the government prioritises the money between the different factors in the School National Funding Formula (NFF) and the level of increase allocated to HNB, EY and other budget areas.

2021-22 budget

- 6.18 Whilst there is only limited available information, there are some matters that will need to be considered as part of the 201-22 budget setting process as follows.
- 6.19 Part of the increase in funding for 2021-22 will need to be used to finance the new minimum per pupil funding level for primary schools which will rise from £3,750 to £4,000 (21 BF schools impacted on current data). The rate for secondary schools will remain unchanged at £5,000 (3 BF schools impacted on current data).
- 6.20 2 school amalgamations occurred in September 2019. These generally result in improved management capacity to raise school standards and greater financial viability than compared to smaller Infant and Junior schools. In the short term, DfE Funding Regulations allow for additional funding allocations to be made to schools in the year following an amalgamation to allow for more time to implement change. The Regulations assume the amalgamated school receives a 1-year funding uplift to 85% of the standard lump sum payment that the 2 former schools received. LAs receive funding for these payments on a lagged basis so there is no extra cost.
- 6.21 Governors at Ascot Heath Primary School have raised concerns that cost reductions are occurring at a slower rate than expected and have requested that enhanced funding continues for a second year. The LA is seeking evidence to support this claim which will be presented to the Forum for consideration when available, although this will not impact until the 2021-22 budget. The DfE will need to agree any enhanced payments past the first year on a case by case basis if funding is to be included in the DSG settlement. The expectation of the DfE is that if agreed, the second year will be at no more than 70% uplift to the core lump sum payment all other schools receive. As there is no financial impact on the BF budget for schools, the Forum is recommended to support the request for additional funding.
- 6.22 There is likely to be a budget pressure on business rates which are funded annually in arrears, based on actual costs from the previous year. As well as the potential for the normal inflationary uplift, there can also be site revaluations. With the redevelopment of Brakenhale School site, there is an expectation of additional costs.
- 6.23 There are some concerns relating to the quality and completeness of the data that will be contained on the October 2020 census that will be used to fund school budgets in 2021-22. At this stage it is unclear whether all pupils will have returned to schools after the coronavirus pandemic which would result in understated numbers. Any missing data would have an impact on school funding levels. The DfE are aware of this issue and are considering options to ensure funding is allocated fairly and accurately.
- 6.24 There will be 2 changes to data used in next year's budgets:
1. With national examinations being cancelled there will be no new test results to fund schools for low prior attainment pupils. The expectation is that 2019 data will be used again.
 2. Income Deprivation Affecting Children Index (IDACI)² core data has been updated which will result in funding turbulence between areas and schools
- 6.25 The DfE has confirmed that it recognises the particular problems the NFF creates for small schools and is therefore exploring the possibility of providing additional support. At this stage there is no definition of a small school, how funds would be distributed or

² IDACI measures the probability that a child comes from a low income family from their post code.

how much would be involved. More information is needed before any conclusions can be drawn.

Longer term

- 6.26 The DfE is still aiming for the NFF to be fully replicated in each LAs Funding Formula – BF achieved 99.8% of total funding for all factors in 2020-21 – but there will be no immediate requirement for this as LAs are generally making good progress towards it.
- 6.27 In order to improve efficiency of funding and remove a substantial number of bills for business rates, the DfE is aiming to directly fund business rates, so no cost or funding for schools. This could be in place for 2022-23.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 The relevant legal provisions are contained within the body of the report.

Director of Finance

- 7.2 The financial implications arising from this report are set out in the supporting information. The budget variances were reviewed during the year and where appropriate, have been built into the 2020-21 budget, most notably relating to the increasing pressure on High Needs Budgets. A net deficit budget of £1.777m has been set for the year which will need to be recovered over the medium term.

Equalities Impact Assessment

- 7.3 There are no specific impacts arising from this report.

Strategic Risk Management Issues

- 7.4 There is a risk to the Schools Budget from not having sufficient reserves to manage unforeseen in-year cost pressures. This is mitigated by holding funds in earmarked reserves and other reserves, although these are now diminishing.

8 CONSULTATION

- 8.1 Not applicable.

Background Papers

None

Contact for further information

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**2019-20 PROVISIONAL BUDGET MONITORING STATEMENT FOR THE
SCHOOLS BUDGET AS AT THE END OF JUNE 2020**

| Service Area | Approved Budget | | | Outturn Net Spend | Estimated Variance | | | Transfer to(+)/ from (-) reserves | Final variance | Note |
|--|-----------------|---------------|---------------|----------------------|--------------------|------------------|-----------------|---|-------------------|------|
| | Spend | Income | Net | | Under spending | Over spending | Net variance | | | |
| | £000 | £000 | £000 | | £000 | £000 | £000 | | | |
| Schools Block | | | | | | | | | | |
| <u>Delegated and devolved funding:</u> | | | | | | | | | | |
| Delegated Mainstream School Budgets | 56,023 | 0 | 56,023 | 56,361 | 0 | 0 | 0 | 0 | 0 | |
| School Grant income | 0 | -6,082 | -6,082 | -6,082 | -1 | 0 | -1 | 0 | -1 | |
| Schools Block | 56,023 | -6,082 | 49,941 | 50,279 | -1 | 0 | -1 | 0 | -1 | |
| <u>LA managed items:</u> | | | | | | | | | | |
| Retained de-delegated Budgets: | | | | | | | | | | |
| <i>Behaviour</i> | 253 | -7 | 246 | 208 | -46 | 10 | -36 | 0 | -36 | i |
| <i>Schools in Financial Difficulty</i> | 60 | 0 | 60 | 60 | -9 | 8 | -1 | 0 | -1 | |
| <i>Official Staff Absences</i> | 261 | 0 | 261 | 283 | -33 | 55 | 22 | 0 | 22 | |
| <i>English as an Additional Language</i> | 99 | 0 | 99 | 101 | -13 | 17 | 4 | 0 | 4 | |
| <i>PRC / Licence Fees / FSM checking</i> | 60 | 0 | 60 | 49 | -14 | 2 | -12 | 0 | -12 | |
| Combined Service Budgets: | | | | | | | | | | |
| <i>Education Attainment and School Transport for LAC</i> | 176 | 0 | 176 | 152 | -45 | 21 | -24 | 0 | -24 | |
| <i>Family Intervention Project / Domestic Abuse</i> | 106 | 0 | 106 | 102 | -4 | 0 | -4 | 0 | -4 | |
| <i>CAF Co-ordinator</i> | 42 | 0 | 42 | 41 | -3 | 3 | 0 | 0 | 0 | |
| <i>SEN Contract Management</i> | 33 | 0 | 33 | 25 | -9 | 1 | -8 | 0 | -8 | |
| <i>Education Health / Sport</i> | 48 | 0 | 48 | 47 | -1 | 0 | -1 | 0 | -1 | |
| Statutory and Regulatory Duties | 496 | 0 | 496 | 500 | 0 | 4 | 4 | 0 | 4 | |
| Other Schools Block provisions and support services | 1,233 | 0 | 1,233 | 907 | -325 | 1 | -324 | 0 | -324 | ii |
| LA managed items: | 2,867 | -7 | 2,860 | 2,475 | -502 | 122 | -380 | 0 | -380 | |
| Sub total Schools Block | 58,890 | -6,089 | 52,801 | 52,754 | -503 | 122 | -381 | 0 | -381 | |

**2019-20 PROVISIONAL BUDGET MONITORING STATEMENT FOR THE
SCHOOLS BUDGET AS AT THE END OF JUNE 2020**

| Service Area | Approved Budget | | | Outturn Net Spend | Estimated Variance | | | Transfer to(+)/ from (-) reserves | Final variance | Note |
|---|-----------------|----------------|----------------|----------------------|--------------------|------------------|-----------------|---|-------------------|------|
| | Spend | Income | Net | | Under spending | Over spending | Net variance | | | |
| | £000 | £000 | £000 | | £000 | £000 | £000 | £000 | £000 | |
| High Needs Block | | | | | | | | | | |
| Delegated Special Schools Budgets | 4,070 | 0 | 4,070 | 4,243 | 0 | 172 | 172 | 0 | 172 | iii |
| Post 16 SEN and other grants | 0 | -173 | -173 | -173 | 0 | 0 | 0 | 0 | 0 | |
| Maintained schools and academies | 1,418 | -31 | 1,387 | 2,731 | 52 | 1,292 | 1,344 | -83 | 1,261 | iv |
| Non Maintained Special Schools and Colleges | 5,529 | 0 | 5,529 | 6,306 | -35 | 812 | 777 | 0 | 777 | v |
| Education out of school | 1,347 | -3 | 1,344 | 2,276 | 0 | 931 | 931 | 0 | 931 | vi |
| Other SEN provisions and support services | 1,668 | -68 | 1,600 | 1,678 | -268 | 347 | 79 | 0 | 79 | vii |
| Sub total High Needs Block | 14,032 | -275 | 13,757 | 17,061 | -251 | 3,554 | 3,303 | -83 | 3,220 | |
| Early Years Block | | | | | | | | | | |
| Free entitlement to early years education | 5,540 | -3 | 5,537 | 5,221 | -316 | 0 | -316 | 0 | -316 | viii |
| Other Early Years provisions and support services | 245 | -19 | 226 | 159 | -74 | 6 | -68 | 0 | -68 | viii |
| Sub total Early Years Block | 5,785 | -22 | 5,763 | 5,380 | -390 | 6 | -384 | 0 | -384 | |
| Dedicated Schools Grant | 0 | -71,783 | -71,783 | -71,791 | -9 | 0 | -9 | 0 | -9 | |
| Contribution from BFC | 338 | 0 | 338 | | 0 | 0 | 0 | 0 | 0 | |
| Deficit for the year funded from Reserves: | | | | | | | | | | |
| School Expansion Reserve | | | | | | | | -728 | -728 | ix |
| General Unallocated balance | | | | | | | | -1,718 | -1,718 | ix |
| TOTAL - Schools Budget | 79,045 | -78,169 | 876 | 3,404 | -1,153 | 3,682 | 2,529 | -2,529 | -0 | |

Note on Unallocated Schools Budget balance:

| | |
|---|------------|
| Opening unringfenced balance on Schools Budget | -1,577 |
| 2019-20 forecast in-year net variance | 2,529 |
| Proposed transfer from SEN Strategy Reserve | -83 |
| Proposed transfer from Schools Expansion Rates Reserve | -728 |
| Net deficit on Schools Budget Unallocated Balance at 31 March 2020 | 141 |

See paragraph 6.8 for an explanation to the notes to variances. Note roundings may result in totals not cross checking

Earmarked reserves relating to the Schools Budget

| Reserve | Purpose | Policy | Year-end value |
|--|--|---|--|
| School Balances | These funds are used to support future expenditure within the Schools Budget relating to individual school balances. | Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LA has no practical control over the level of balances. | March 16 £3.407m March 17 £1.746m March 18 £1.363m March 19 £1.610m March 20 £1.038m |
| SEN Resource Units | To set aside in a reserve for building adaptations to allow for the creation of SEN resource units on school sites. | To finance capital expenditure to assist with the development of local, cost effective provisions to support pupils with SEN. | March 16 £0.316m March 17 £0.304m March 18 £0.337m March 19 £0.459m March 20 £0.459m |
| New school start-up / diseconomies | To set aside an earmarked reserve to support the additional costs that will arise from the new school places building programme. | To help finance the diseconomy costs that will arise from new schools that will open with relatively low numbers of pupils as housing developments progress. | March 17 £0.300m March 18 £0.800m March 19 £1.000m March 19 £0.746m |
| School Meals Catering Re-tendering Reserve | To set aside an earmarked reserve for the School Meals Catering Re-tendering exercise | To help finance costs arising from future Schools Meals Catering tendering exercises. | March 16 £0.040m March 17 £0.040m March 18 £0.040m March 19 £0.040m March 20 £0.040m |
| Schools Expansion Rates Reserve | To set aside an earmarked reserve for the rates costs associated with school expansions. | To help finance costs arising from the school expansion programme. | March 16 £0.445m March 17 £0.595m March 18 £0.842m March 19 £1.092m March 20 £0.364m |

| Reserve | Purpose | Policy | Year-end value |
|--------------------------------|---|---|---|
| SEN Strategic Reserve | To set aside funding to contribution to costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children. | To help finance start-up and one-off initiatives arising from the SEN Strategy. | March 18 £0.439m March 19 £0.439m March 20 £0.356m |
| Grants unapplied Reserve | To set aside in a reserve for unspent Schools Budget related grants where there are no restrictions applied to the spending from the grant awarding body. | To facilitate the transfer of unspent grant balances between financial years. | March 16 £0.008m March 17 £0.003m March 18 £0.003m March 19 £0.003m March 20 £0.003m |
| Schools Budget General Reserve | The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget. | This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose than a future years' Schools Budget. | March 16 £1.373m March 17 £1.779m March 18 £1.994m March 19 £1.577m March 20 -£0.141m |