

<b>TITLE</b>	<b>2020/21 Revenue Monitoring Report</b>
<b>FOR CONSIDERATION BY</b>	Schools Forum on 9 December 2020
<b>WARD</b>	None Specific;
<b>LEAD OFFICER</b>	Director, Children's Services - Carol Cammiss

## **OUTCOME / BENEFITS TO THE COMMUNITY**

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

## **RECOMMENDATION**

Schools Forum is asked to note the contents of this report and the forecast position for the 2020/21 financial year

## **SUMMARY OF REPORT**

This report provides Schools Forum with an update on the 2020/21 Dedicated Schools Grant (DSG) forecast, as at the 31<sup>st</sup> October 2020.

An in-year deficit of £2.9m is projected, with the budget pressure continuing to be within the High Needs Block. Taken with the brought forward deficit of £3.36m, a forecast cumulative deficit of £6.26m is now projected to 31<sup>st</sup> March 2021.

This represents a movement of £289k on that reported previously to Schools Forum, with the main movements due to increased numbers and costs across:

- EHCPs in mainstream schools
- Out of Borough Maintained
- Post-16

# 2020/21 Revenue Monitoring Report

## 01. Purpose of the Report

This report provides Schools Forum with an update on the Dedicated Schools Grant (DSG) revenue budget forecast for the 2020/21 financial year, as at the 31<sup>st</sup> October 2020.

## 02. Recommendation

Schools Forum is asked to note the contents of this report, and the forecast position for the 2020/21 financial year, as at the 31<sup>st</sup> October 2020.

## 03. Background

This report forms part of the regular updates to Schools Forum on the anticipated outturn for the Dedicated Schools Grant (DSG), with explanation for significant variances.

At the October 2020 Schools Forum meeting a forecast deficit of £2.6m was reported for the 2020/21 financial year, due to pressure within the High Needs Block. Taken with the brought forward deficit from 2019/20 of £3.36m, the cumulative deficit as at 31<sup>st</sup> March 2021 was projected to be £5.96m.

## 04. DSG Forecast as at 31<sup>st</sup> October

As at 31<sup>st</sup> October, the DSG forecast for the 2020/21 financial year now reports an in-year deficit of £2.9m. Against the £2.6m previously reported, this represents an adverse movement of £289k.

## 05. Main Areas of Movement

### Schools Block - £112k

This reflects a correction to the presentation of figures previously reported in respect of the de-delegated impact of academisations.

### High Needs Block - £177k

This movement is largely driven by an ongoing increase in EHCPs, and further updates for the 2020/21 academic year. In particular, this reflects increases on the following:

- EHCPs in mainstream schools
- Out of Borough Maintained
- Post-16

## 06. Covid Impact on School Budgets

As previously reported to Schools Forum, the impact on individual school budgets of covid-19 was a concern for a number of schools, both in terms of loss of income and additional costs involved in safe operation.

Following submission of September Budget Monitoring returns by maintained schools, the Schools Finance Team have been reviewing against original budget plans, working with schools where increased financial risks have been identified.

In addition to those schools already forecasting a deficit for this year, a further 3 schools have now fallen into that category, with an average overspend of £27k.

This however remains only part of the picture, as the majority of schools have seen a forecast reduction on school balances compared to when budgets plans were set for this year. The impact of this ranges from £132k to £1k, with an average reduction of £43k. A number of schools have also taken additional actions to seek to limit the financial impact that they might not reasonably have been required to do without covid-19.

Work remains ongoing to ensure schools have factored in all relevant income into forecasts, supporting further review where needed to inform sound forward planning.

## 07. Finance Summary

The attached appendices provide further detail across each of the four DSG blocks.

Appendix A – Summary of 2020/21 School Revenue Monitoring

Appendix B – Detailed breakdown of 2020/21 Revenue Monitoring

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