



Report to: Schools Forum

Date: 18th June 2020

Subject: Use of reserves / underspend 19/20

Report of: Eleni Ioannides – Interim Director Children and Families

Contact officer: John McDonald – Strategic Finance Manager

Summary: To determine the use of underspends from 2019/20

Recommendation(s): For Schools Forum to agree to the proposals or to put forward alternatives

Implications:

*What are the **financial** implications?* Recorded within the report.

*What are the **staffing** implications?* n/a

Risks: n/a

1. Introduction

As reported in May the overall underspend in relation to centrally retained funding (including growth and recoupment adjustments) totals £1.202m. In summary, the underspends were as follows:

- Recoupment adjustments (UTC and 2018/19 recoupment error) - £0.485m – (All Schools)
- Growth Funding - £0.311m (All Schools)
- Contingency - £0.245m (maintained ONLY)
- Miscellaneous central underspends - £0.161m (e.g. Schools Forum, TU duties, NNDR adjustment for Academy Conversion) (All Schools)

As previously agreed, £0.300m, of this underspend in respect of the recoupment adjustment is to be used to support the high needs block in 2020/21.

In addition, from the Growth Funding underspend, a further £0.147m is committed to Academies that were successful in their growth funding applications in 2019/20. As funding is provided on an Academic Year basis, payments are still to be made for the period April to August 2020.

This leaves a total uncommitted balance of £0.755m.

Maintained Schools - £0.245m
All Schools - £0.510m

2. Options –

Maintained Schools

1. To carry forward the £0.245m to be used to support maintained schools in financial difficulty.

All Schools

2. To retain £300k to support the high needs block in 2021/22 in line with the amount allocated in 2020/21
3. To increase the SEND support fund by £210k for 2020/21 (currently £0.150m a year) any underspend to be carried forward. Bids for SEND support have been more than the fund total in previous years

OR

4. To allocate the £0.510m via the funding formula

Forum to agree to one of the options above or put forward alternative options