



Report to: Schools Forum

Date: 13th May 2021

Subject: Use of reserves / underspend 2020/21

Report of: Colette Dutton – Director Children and Families

Contact officer: John McDonald – Strategic Finance Manager
Anthony Meehan – Group Finance Manager

Summary: To determine the use of underspends from 2020/21

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

1.1 As reported in the 2020/21 out-turn the overall underspend in relation to centrally retained funding (including growth and recoupment adjustments) totals £1.783m. In summary, the underspends were as follows:

- Recoupment adjustment - £0.553m
- Growth Funding - £1.010m
- Contingency - £0.160m
- Miscellaneous central underspends - £0.059m (e.g. Schools Forum, TU duties, Grants to be paid in 21/22)

The above values include £0.023m in grants due to schools which are to be paid in 2021/22.

This leaves a total uncommitted balance of £1.760m.

Maintained Schools - £0.160m

All Schools - £1.600m

1.2 The purpose of this report is to set out options for the use of this underspend.

2. Options

Maintained Schools:

2.1 To carry forward the **£0.160m** to be used to support maintained schools in financial difficulty.

All Schools:

Growth:

2.2 To retain **£0.500m** as a contingency to support growth in future years. A more detailed piece of work is to be undertaken with the LA admissions team to understand funding requirements to support the growth in the secondary sector. Our growth funding for 2021/22 reduced by £0.284m.

Falling Rolls:

2.3 It is proposed that we retain **£0.250m** as a contingency to support schools with financial pressures arising specifically from falling rolls.

High Needs:

2.3 To use **£0.500m** to contribute to the High Needs block in 2022/23 and reduce schools block contribution accordingly. In 2021/22 a £0.450m contribution was made from school block and £0.300m from DSG reserves (total of £0.750m).

- 2.4 To use **£0.250m** to support with in-year pressures on the High Needs block (i.e. cost pressures arising as a result of COVID and further disproportionate SEN applications).

Early Years:

- 2.5 Propose to use **£0.100m** to support ongoing financial pressures in our Maintained Nursery schools.

3. Recommendations

- 3.1 Members are asked to agree the options outlined above or to propose alternative options for the use of 2020/21 centrally retained underspend.