

Deficit Budget Position

Introduction

The Deficit budget position continues to be a significant cause for concern. The Higher Needs Recovery Group and School Forum have taken action at a local level to try and mitigate and re-direct spend to reduce some of the demands on the system. The impact of some of this work has been difficult to measure due to the Covid situation.

The overall cumulative budget position is £3.778m deficit with an anticipated £2.109m outturn position in 2021.

This could potentially bring the overall position to £5.887m.

Considerations for School Forum

The school forum regulations for 2021/22 enable the school forum to take two actions.

- 1) Transfer 0.5% of Schools Block to Higher Needs with School Forum Approval
- 2) Submit a disapplication request to the Secretary of State for movements above 0.5%

Given the current pressures on school budgets to deliver the additional covid mitigations required, the Local Authority does not propose that we work to deal with the historic deficit within this financial year. Analysis across a range of providers show that an average secondary school is paying an additional £65k per year and an average two form entry primary school is paying an additional £18k per year. This does not fully include all of the cover arrangements needed for staff to adhere to isolation periods when required.

With this knowledge we feel it is imperative that we collectively take action to try and balance the budget for 2021/2022 rather than deal with the historic deficit.

The most appropriate mechanism for dealing with this is to use the upshift in Higher Needs Block funding (minus any agreed allocation to special schools) alongside a 0.5% transfer from the Schools Block.

Based on provisional DSG allocation information the proposed shift of funds would be in the region of £430k.

As stated in previous meetings the historic deficit and debt sits with the School Forum. The School Forum will need to be able to demonstrate that they are taking appropriate action and be able to give a clear rationale. The ESFA have produced a management plan template and additional guidance on how deficit have to be recorded.

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management>

Recommendation and Decision

That School Forum Members seek representation from their colleagues ready to take a recorded decision in the November 2020 meeting.

School Forum Members review the new guidance available and share the expectations with colleagues regarding dealing with the deficit and budget pressures.

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