

DARLINGTON SCHOOLS FORUM
12th March 2024

ITEM NO 4

BUDGET UPDATE 2023/24

Purpose of Report

1. To update Forum regarding the 2023/24 budget position. The report is for information and therefore no decisions are required.

Background

2. Schools Forum was notified at the January 2023 meeting of a Dedicated Schools Grant budget (DSG) allocation of £109,699,424, (after the recoument of non-domestic rates) and a budget was agreed accordingly.

Budget Position – Appendix 1

Schools Block

3. The in-year schools block is estimated to be underspent by £50,000 at the end of the financial year due to unused growth funding. As discussed in the January forum there would be a further recoument to the block due to the academisation of Whinfield Primary School. It is uncertain at this stage whether the academisation will take place before 1st April 2024. In that event there would no longer be the need for a recoument.

Central Schools Block

4. The in-year central schools block is estimated to be underspent by £44,979. This is due a reduction in the costs of school appeals of £2,420, and a projected underspend in the Early Career Teachers budget of £42,559 based on current commitments. We haven't had any Union cover claims year to date and it is likely that this area will also see an underspend in year.

High Needs Block

5. The High Needs block is currently projecting an underspend of £777,808, which is broadly in line with the January report, there have been some movements as below:
 - a. The top up payments for Beaumont Hill are now projected to be overspent by £143,880 due to increased pupil numbers, which is a an additional £45,632 from the January report.
 - b. Whilst there have been variances across each of the individual SEN Units and resource bases, overall, we are showing an overspend of £6,226. All the payments have been made and this is a small variance from the anticipated position shared in the January report.
 - c. The Post 16 provision is now projected to be underspent by approx. £457,000 based on current placements. We have seen a number of placements that were extended due to covid that have come to a natural end, some of which were earlier than anticipated realising a better position of £116,000 from the last report. These significant savings form a part of the safety valve plan. However, we have a number of post 19 tribunal cases where the parents are seeking high-cost ISP provision (including residential settings), after leaving Beaumont Hill Academy at 19, these costs will be incurred from next financial year.
 - d. The independent provision position remains relatively static at an underspend of approx. £255,895. The has been slight delay in the start date of a new placement which has increased the underspend by £11,331. However, the independent provision is facing pressures from

- anticipated inflationary uplifts in the coming financial year 2024/25 as well as a number of children and young people who are looked after by the Local Authority who are being placed into independent residential settings with educational provision attached.
- e. Vulnerable Pupil Panel is expected to overspend in year by £70,391. To date we have seen spend of £135,103, approx. two thirds of which relates to permanent exclusions.
 - f. Mainstream school top ups continue to be overspent which has increased to £286,432 based on Spring term payments. We have seen increased EHCPs for early year settings and these are included in the Primary top up figures. We had projected for prorated growth of 30 places at an average cost, but the EHCP costs have been higher than anticipated by £63,240.
 - g. The PFI is expected to overspend by £125,754 this is due the increase in the affordability gap due to inflationary pressures.

Early Years

6. The early years block is projected to be overspent by £350,486. SEN inclusion has seen some significant pressures due to an increase in referrals for early intervention following the SEN review and equates to £168,096 of the overspend. There are no indications that this is going to slow down and is therefore projected accordingly. The - & 4-year-old Schools nursery budget is projected to overspend by £163,322 and the 2-year-old nursery budget is projected to overspend by £36,564. This is due to an increase in the actual nursery hours provided and will be subject to DSG allocation adjustments in June/July 2024.

Overall DSG in Year Position

7. The in-year budget for 2023/24 is currently projected to be underspent by £522,301. This is worse position of £165,225 from the January report. This is mainly due to the actual nursery hours being provided above the allocated number in the Early Years block. The High Needs block is broadly in line overall with January report. However, there are ongoing challenges that are likely to have a negative impact on next year's budget and the savings plans, including the impact of demand and increasing parental tribunal requests, and the delay to the opening of the Tees Valley Free school which means that more expensive placements may need to be made. As well as increased demand in the Early Years Inclusion funding which is anticipated to continue next year.

Reserves

8. The DSG brought forward deficit into 2023/24 was £5,176,898 across the four blocks. After the clawback from the Early Years block the deficit reserve level increased to £5,503,352. We have received two Safety Valve payments from the DFE totalling £427,334 in year and with the funding from last year, the total payments to date are £2,907,334 towards the high need's deficit.
9. The estimated year end reserve position for 2023/24 is a deficit of £5,025,190, with the brought forward deficit from 2022/23 included, excluding the Safety Valve payments. This is after the remaining PFI reserve is used towards the in-year affordability gap.

Recommendations

10. That Forum notes the current budget position.
11. That Forum notes the current high needs block position and the fluidity of this area for 2024/25
12. That Forum notes the ongoing pressures within the SEN Inclusion service.

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