

DARLINGTON SCHOOLS FORUM

14th January 2020

ITEM NO 3

BUDGET UPDATE 2019/20

Purpose of Report

1. To update Forum regarding the 2019/20 budget position.

Background

2. School Forum was notified at their October 2019 meeting of a Dedicated Schools Grant (DSG) allocation of £21,292,818.
3. The Education, Skills Funding Agency (ESFA) recouped £678,784 of the DSG to cover the school budget share of St Teresa's RC primary school which converted to become an academy at the end of August, leaving a revised budget of £20,614,694 (after rounding).
4. Appendix 1, shows the revised budget.

Budget Position

Schools Block

5. The in-year Schools block is estimated to be underspent by £106,000 at the end of the financial year. This is a change of £58,000 from the position reported to Forum in October. This change results from lower calls upon the growth fund following the receipt of the October 2019 census data. Any underspend in the schools block will be ring fenced for future use within the school budget share calculation.

Central Block

6. The in-year Central block is estimated to be underspent by £6,626 at the end of the financial year. This projection is an increased underspend of £874 on the position reported at the October meeting. It is now projected that there will be no savings within the union cover budget due to the appointment of a number of trade union reps within Darlington schools, however this increase in spend is projected to be offset by savings within the PFI contract. As in 2018/19, any savings within the PFI budget are to be allocated against future years PFI budgets.

High Needs Block

7. The High Needs block is projected to be overspent by £1.8 million in 2019/20, this is before adding to any brought forward deficit. This is an increase of approximately £490,000 on the figure reported to Forum in October. This projected expenditure is more

in line with the projections that were made within the high needs recovery plan, where it was projected that the high needs block would overspend by £1.7 million in 2019/20. The increase in projected high needs expenditure is described within the following paragraphs, as Forum members will recall the figures presented at the October meeting were done so with caveats as the projections were based upon one terms data at that time and hence were expected to increase as placements changed during the autumn and spring terms.

8. The main changes to the variances reported within high needs budgets are as follows,
 - a. Pupil Referral Unit. This budget is projected to be overspent at the end of the financial year by an additional £40,000 based on the number of pupils placed within the college.
 - b. Pre 16 placements at Beaumont Hill Academy. The projected overspend has decreased by approximately £53,000 based upon current pupils.
 - c. Placements at Independent and Out of Area schools are projected to be overspent by £1.49 million, an increase of £377,000 on that reported in October. This increase has arisen from the additional placements made in the autumn 2019 term.
 - d. Vulnerable Pupil Panel. This budget is projected to be a further £22,000 underspent, based upon calls on the budget to date.
 - e. Mainstream School Top Ups. This budget is projected to be £93,000 overspent at the year end, this is an increase of £76,000 on that previously reported. This increase is based on the current number of children receiving top ups within mainstream schools and an estimate of additional children that may require support during the remainder of the financial year.
 - f. High Needs, Other budget, is projected to be overspent by £62,000, based upon expenditure to date. This budget covers any alternative provision/EOTAS expenditure for pupils not placed in a Darlington or out of area school/college.

Early Years

9. The Early Years block is projected to be underspent by £108,000 at the year end, broken down as follows.
10. As in 2018/19 the SEN inclusion fund is projected to be overspent based on expenditure to date. This budget is projected to be overspent by £40,000 which arises from demand to support children with SEN needs within nursery settings.
11. The 3 & 4 year old budget is projected to be underspent by £113,000 based upon payments made to providers to date. As Forum members will recall the final budget allocation for early years is not known until June following the end of the financial year as the final allocation is updated for the January census. Caution must therefore be made with the projected outturn position as the final allocation may reduce if the January census numbers are lower than the previous January. In the event that this budget is underspent the underspend will be used firstly to offset the pressure upon the SEN inclusion budget, with any remaining surplus to be carried forward into 2020/21 and ring fenced for early years purposes.
12. The 2 year old budget is projected to be underspent by £16,000 based upon payments made to providers to date. As with the 3 & 4 year old budget this is subject to change following final allocations. In the event of underspend in this budget the surplus will be

used to contribute towards the deficit on 2 year old funding brought forward from 2018/19, with any surplus ring fenced for early years purposes.

13. The Disability Access Fund is projected to be underspent by £22,000 based upon payments to providers. Any underspend within this fund will be carried forward into 2020/21 and ring fenced for early years purposes.

Reserves

14. Reserves are the budget positions brought forward from 2018/19 plus/less any transfer of funds into the in-year budget. At the start of 2019/20 £2,902,467 of deficit on the DSG was brought forward, following adjustments, the reserve figure now stands at £2,790,606 of deficit.

Overall

15. Overall the in-year budget for 2019/20 is currently projected to be overspent by £1,589,032, which as outlined above results from continuing high needs pressures.
16. The overall estimated budget position for 2019/20 is a deficit of £4,379,638 once the brought forward deficit from 2018/19 has been included. This overall deficit is made up of £5.04 million of accumulated high needs pressures, which is in line with the projected accumulated deficit of £4.96 million of high needs as included within the high needs recovery plan

Recommendations

17. That Forum notes the current budget position.
18. That Forum notes the ongoing position with regard to high needs budgets.

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