

DARLINGTON SCHOOLS FORUM

10th March 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 January 2020 meeting of a Dedicated Schools Grant (DSG) allocation of £20,614,694, the budget has not changed.
3. School Forum was notified of a projected deficit of £4,379,638 on the DSG at the end of 2019/20, including the previous brought forward deficit.

Budget Position

Schools Block

4. The in-year Schools block is estimated to be underspent by £102,000 at the end of the financial year. This is a small decrease in underspend of £4,000 on the position previously reported, which arises from updated growth projections.

Central Block

5. The in-year Central block is estimated to be underspent by £28,000 at the end of the financial year. This projection is an increase in underspend of £21,000 on the position reported at the January meeting. The additional underspend is projected within the PFI scheme following the receipt of an insurance rebate. Forum agreed at their January 2020 meeting to use any PFI underspend to contribute towards the cost of the PFI scheme in 2020/21, following the change in the historic block funding.

High Needs Block

6. The High Needs block is projected to be overspent by £1.75 million in 2019/20, this is before adding to any brought forward deficit. This is a decrease of approximately £60,000 on the figure reported to Forum in January.
7. The main changes in projected high needs expenditure are described as follows,
 - a. Pupil Referral Unit. The projected overspend has increased by £50,000 based upon the numbers of children within the college continuing to be in excess of the commissioned 40 places. The final budget position will be dependent on the actual number of pupils in the spring term.
 - b. Placements at Independent and Out of Area schools are projected to be overspent by £1.4 million, a decrease of £68,000 on the position reported in January. This decrease has arisen from changes in placements since the autumn 2019 term. The projection is subject to change dependent on any changes or additional placements during the remainder of the spring term.

- c. Vulnerable Pupil Panel. This budget is projected to be a further £30,000 underspent, based upon calls on the budget to date.
8. The expenditure upon placements at Independent and Out of Area schools is projected to be £3.3 million during the 2019/20 financial year. This expenditure has supported 105 children (in part year or full year) across the financial year. At the time of writing there are currently 87 pupils in placements supported through this budget. Of the 87 pupils, 36 placements are in maintained/academy special school settings and 51 pupils are placed within independent/charitable specialist placement providers.

Early Years

9. The Early Years block is projected to be underspent by £114,000 at the year end, a small increase of £6,000 on that previously reported.
10. At the time of writing the early years census information for the spring term had not been received, hence the final budget position is subject to change dependent on both the number of places occupied and the final early years grant allocation for 2019/20.

Reserves

11. 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

12. Overall the in-year budget for 2019/20 is currently projected to be overspent by £1,504,294, which as outlined above results from continuing high needs pressures.
13. The overall estimated budget position for 2019/20 is a deficit of £4,294,900 once the brought forward deficit from 2018/19 has been included. This overall deficit is made up of £4.98 million of accumulated high needs pressures, which is in line with the projected accumulated deficit of £4.96 million in high needs, as included within the high needs recovery plan
14. School Forum will be presented with the final expenditure position for 2019/20 at their May 2020 meeting.

Recommendations

15. That Forum notes the current budget position.
16. That Forum notes the ongoing position with regard to high needs budgets.

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