

DARLINGTON SCHOOLS FORUM

9th March 2021

ITEM NO 3

BUDGET UPDATE 2020/21

Purpose of Report

1. To update Forum regarding the 2020/21 budget position.

Background

2. Schools Forum was notified at their January 2020 meeting of a revised Dedicated Schools Grant budget (DSG) allocation of £19,412,641. No changes have been made to the budget since the January meeting.
3. The revised budget is detailed at appendix 1.

Budget Position

Schools Block

4. The in-year schools block is estimated to be underspent by £81,372 this is unchanged from the last reported position.

Central Schools Block

5. The in-year central schools block is estimated to be underspent by £40,445 at the end of the financial year, an increase in underspend of £17,600, from the previous report.
6. The increased underspend results from additional cost savings within the PFI contract.

High Needs Block

7. The High Needs block is currently projected to be overspent by approximately £823,000 in-year during 2020/21, this is before adding to any brought forward deficit. This is an increase in projected overspend of approximately £28,000 on the figure reported in January.
8. There remains estimations within the high needs budget projections, as the actual spend in many of the budgets is demand led and hence are subject to change dependent on changes during the remainder of the spring term. Those budgets shaded within appendix 1 are demand led and hence are subject to further change.
9. The high needs budget change is explained by a small number of placement changes within independent, out of area and alternative provision placements. These have however been offset by reductions within projected costs for top ups due to banding changes and lower than expected new placements during the spring term. As COVID has impacted upon school opening during the spring term some expected placements may

have not taken place and there could be a further reduction in projected costs, should the remainder of the term be further impacted by COVID.

Early Years

10. The early years block is projected to be underspent by approximately £100,000 at the year end. This is the same projection as at the January meeting. At the time of writing the January census information has not been received and hence further projections of expenditure have not been possible.
11. As outlined in agenda item 2a, it is expected that the final outturn position for 2020/21 will not produce an underspend as the final early years DSG allocation is expected to be significantly reduced.

Reserves

12. Reserves are the budget positions brought forward from 2019/20 plus/less any transfer of DSG movements. No changes have been made to the reserves since the last Forum report and therefore the balance remains at £4,794,408 of deficit.

Overall

13. Overall, the in-year budget for 2020/21 is currently projected to be overspent by £600,855 which is a change of £11,046 on the projection in January.
14. The overall estimated budget position for 2020/21 is a deficit of £5,395,263 once the brought forward deficit from 2019/20 has been included.

Recommendations

15. That Forum notes the current budget position.
16. That Forum notes the ongoing pressures within high needs budgets.

**Brett Nielsen
Finance Manager,
Resources Department**