

DARLINGTON SCHOOLS FORUM
8th March 2022

ITEM NO 3

BUDGET UPDATE 2021/22

Purpose of Report

1. To update Forum regarding the 2021/22 budget position.

Background

2. Schools Forum was notified at the January 2021 meeting of a Dedicated Schools Grant budget (DSG) allocation of £99,273,794 and a budget was agreed accordingly, there have been no changes to this since the last forum.
3. As mentioned in the last forum there has been a clawback in the early years funding of £117,903 for 2020/21 and this has been funded from the early years reserve. There may be a further clawback in June/July time when the January census information is completed for 2021/22 relating to this financial year.

Budget Position – Appendix 1

Schools Block

4. The in-year schools block is estimated to be underspent by £121,916 at the end of the financial year. This is mainly due to growth funding that has not been recouped of £46,347 but also includes an underspend from in-year growth, based on the summer and Autumn 2021 payments amounting to £75,479. This is a better position from the January statement of £31,230 as there are no further eligible payments to be made.

Central Schools Block

5. The in-year central schools block is estimated to be underspent by £19,160 at the end of the financial year and has not moved since the January report.
6. The admissions appeals budget is expected to be underspent by £12,160 based on spend to date as any further appeals are unlikely. The majority of the other budgets within the central block are projected to be on budget at the year-end as these are not demand led. However, the PFI budget may have a small variance at the year end. There are some adjustments to utilities going through at the moment and these may alter the position, therefore in this report the PFI is shown to budget.

High Needs Block

7. The High Needs block is currently projected to be overspent by approximately £503,289 in year, this is before adding to any brought forward deficit. This is an overall projected reduction of approximately £54,528 on the figure reported in January. As Forum members will recall, the January projections were reported with some caution as the services are demand led and subject to change. There are also still some estimations within the high needs budget projections including the spring term top up payments and delayed invoicing from some out of borough placements
8. The main movements within high needs budgets are as follows,
 - a. Post 16 placements are projected to be overspent by £672,074 which is a better position from the last statement of £102,295. This projection is however subject to change as some of autumn term payments have not been paid at the time of writing. As forum will remember we have provisionally allocated some covid funding in this budget line but this is not confirmed.
 - b. Mainstream school top ups are estimated to be overspent by £185,251 based on Spring term payments with an allowance included for amendments. This is an increase of £129,162 from the last report.
 - c. Budgets for the new SEN units have been projected to underspend, although this has reduced slightly as pupils are taking up their places.
 - d. The projected top up payments have reduced overall by £91,500, mainly relating to the PRU.
 - e. We have seen increased costs in other demand led services, specialist equipment of £19,964 and other SEN/alternative provision of £50,632 for increased pupil numbers

Early Years

9. The early years block is projected to be underspent by £203,562 which is a movement from the last report of £102,987. The 2-year-old payments for schools are due to be paid for the spring term once the census information has been received. With an allowance for adjustments we are projecting this to be slightly over budget by £5,721. The 3&4 year-old payments for Schools are in the process of being calculated for the Spring Term and the figures are therefore subject to change, we are reporting an underspend in this area of £191,688. There have been additional payments for Disability Access Fund, and this is now projected to overspend slightly in year.

Reserves

10. Reserves are the budget positions brought forward from 2020/21 plus/less any transfer of DSG movements. At the start of 2020/21 £5,424,569 of deficit on the DSG was brought forward, following adjustments, the reserve figure now stands at £5,322,645 of deficit.

Overall

11. Overall, the in-year budget for 2021/22 is currently projected to be overspent by £158,651 which is a slightly higher than the last report by £17,229. As outlined above the pressures are within high needs, which are demand led and therefore subject to further movement.
12. The overall estimated budget position for 2021/22 is a deficit of £5,639,947 once the brought forward deficit from 2020/21 has been included.

Recommendations

13. That Forum notes the current budget position.
14. That Forum notes the ongoing pressures within high needs budgets.

**Emma Clennell
Finance Manager
Operations Group**