

DARLINGTON SCHOOLS FORUM

8th March 2023

ITEM NO 3

BUDGET UPDATE 2022/23

Purpose of Report

1. To update Forum regarding the 2022/23 budget position.

Background

2. Schools Forum was notified at the January 2022 meeting of a Dedicated Schools Grant budget (DSG) allocation of £102,894,024 and a budget was agreed accordingly.
3. There has been an Early Years adjustment relating to 2021/22 of £125,527 additional funding and this has been reflected in the budget report and Early Years block.

Budget Position – Appendix 1

Schools Block

4. The in-year schools block is estimated to be underspent by £116,491. This is mainly made due to an underspend from in-year growth of £100,000 as there haven't been any eligible payments this financial year.

Central Schools Block

5. The in-year central schools block is estimated to be underspent by £82,000 at the end of the financial year, after the agreed moved to reserve of (£109,297), to cover the costs of ongoing central commitments within future years budget setting.
6. The Early Career Teachers funding is expected to underspend by at least £68,099 due to lower usage, however this is demand led and may move prior to year-end. Most of the other budgets within the central block are projected to be on target at the year-end as they are not demand led. The Union cover is projected to underspend by £5,542, three claims have been received this financial year and there are no indications that there are any more to come through.

High Needs Block

7. The High Needs block is currently projected to be overspent by approximately £143,573 in-year, this is before adding to any brought forward deficit and has moved slightly from the January report increasing by £39,000.

8. There are still 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 inflationary uplifts, and delays in invoicing. These projections should therefore be treated with caution.
9. The main projected movements within the high needs budgets, from the January report are as follows:
 - a. The Top up funding for Beaumont Hill Special School is projected to be slightly overspent with a movement from the January report of £25,080. This is due to an increase in pupil numbers.
 - b. The specialist equipment is demand led and we are not seeing the expected overspend in this area, the projection has therefore been adjusted to an online position for this report.
 - c. As mentioned in the January report, there were 35 plans at the phase 3 stage and some of these outcomes have increased the projected overspend by £28,918.
 - d. All other areas are projected in line with the January report, although there are a number of inflationary requests from providers and these are in negotiations with the Commissioning Team.

Early Years

10. The early years block is projected to be underspent by £237,932, this is an increased underspend from the January report of £125,785 and is due to a reduction in the hours provided.
11. The 2-year-old in advance payments for the spring term have been made for the PVI's, the projection is allowing for further adjustments to come through as well as the mainstream school payments that will be made following the census. We are projecting an underspend of £80,775 in this area.
12. The 3 & 4-year-old payments for the PVIs have been made for the Spring term and the school's payments are in the process of being calculated, the figures are therefore subject to change, we are reporting an underspend in this area of £191,225. The Disability Access Fund is projected to be underspent by £10,400 with a small allowance for backdated claims.
13. The Early Years underspend may be subject to clawback, and this will not be known until July 2023.

Reserves

14. Reserves are the budget positions brought forward from 2021/22 plus/less any transfer of DSG movements. At the start of 2022/23 £5,895,580 of deficit on the DSG was brought forward.
15. Overall, the in-year budget for 2022/23 is currently projected to be underspend by £292,850 of which £272,030 relates to the reduction in early years hours and is therefore subject to clawback, this figure will not be known until July 2023. This will bring the reserve deficit to a projected level of £5,493,433 once the brought forward deficit from 2021/22 is added.

16. As outlined above the pressures are within high needs, which are subject to potential further demands particularly around inflation, therefore all projections should be treated as indicative at this stage.

Recommendations

17. That Forum notes the current budget position.
18. That Forum notes the ongoing pressures within high needs budgets.
19. Forum notes that the underspend in the Early Years block is subject to clawback.

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