

DARLINGTON SCHOOLS FORUM

16th January 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 £111,491 at the end of the financial year. This is mainly made due to an underspend from in-year growth of £95,000 as there haven't been any eligible payments for Summer and Autumn 2022. This projection will be subject to change dependent on growth payments in the Spring term.

Central Schools Block

5. The in-year central schools block is estimated to be underspent by £167,656 at the end of the financial year, this is a slight movement from the October report of £8,532. As Forum members will recall when budgets were set for 2022/23 the whole of the historic element of the central schools' block was not allocated as new commitments are not allowed. It was agreed to commit the (£109,297) of funding into reserves to cover the costs of ongoing central commitments within future years budget setting.
6. The admissions appeals budget is expected to be underspent by £5,750 based on spend to date, this is subject to change dependent on any further appeals. The Early Career Teachers funding is expected to underspend by £50,000 due to lower usage and is in-line with the October report, 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. However, there may be an underspend within the Union Cover budget if there are no further claims are received.

High Needs Block

7. The High Needs block is currently projected to be overspent by approximately £104,574 in-year, this is before adding to any brought forward deficit and has moved slightly from the October report.
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 new placements during the spring term, inflationary uplift requests, and delays in invoicing. These projections should therefore be treated with caution as further detailed work is being undertaken in the new year and forum will be updated at the meeting in March.
9. The main changes in the variances within high needs budgets from the October report are as follows
 - a. Place funding within the SEN units has increased by £44,000 to fund the vacant placements, the take up of the places has been slower than anticipated at budget setting, however this has meant that the top ups are lower by £44,512 which has offset the place funding overspend.
 - b. The PRU projected spend is lower based on the actual levels of pupils and anticipated referrals, this is an improved position of £76,893 from the prior report.
 - c. The specialist out of area placements budget currently includes out of area mainstream, out of area specialist placements and out of area further education. These will be split out going forward so that it is easier to track the spend against these categories. The actual pupils in ISP provision is 50, hence the need to split these out.
 - d. In its entirety we are projecting an overspend of £338,746 which includes uplifts and increased pupil numbers, this increased spend has been partly offset by the remainder of the supplementary funding £300,053, which had been anticipated to be required for this growth.
 - e. The vulnerable pupil panel is projected to overspend by £37,557 this is due to primary school, permanent exclusion growth, where day six cover has been secured through alternative provision providers.
 - f. Mainstream in area placements based on current levels and range funding is projected to overspend by £133,134 which is a better position from the October report of £39,866, although there are 35 plans currently at the phase 3 stage and these outcomes will affect the year end position.
 - g. The post-16 placements are showing an increased overspend from the October report of £91,922 due to a combination of increased rates, new placements and pupils repeating a year due to Covid.
 - h. The use of alternative provision has increased, and we are projecting to have an in year overspend of £276,963, this is an increase from the October report of £255,579.
 - i. The invest to save initiatives have been delayed and are assumed to be unspent this year by £210,000.

Early Years

10. The early years block is projected to be underspent by £112,147. The 2-year-old in advance payments for the spring term have been made, allowing for further adjustments to come through, we are projecting an underspend of £45,147. The 3 & 4-year-old payments for the PVI's 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 £98,698. There is a projected overspend within SEN inclusion of £44,498 due to increased referrals and a projected underspend in the Disability Access Fund of £12,800.
11. The Early Years underspend may be subject to clawback, and this will not be known until July 2023.

Reserves

12. Reserves are the budget positions brought forward from 2021/22 plus/less any transfer of DSG movements as outlined within paragraphs 3 and 4 above. At the start of 2022/23 £5,895,580 of deficit on the DSG was brought forward.
13. Overall, the in-year budget for 2022/23 is currently projected to be underspend by £286,720 of which £109,297 is earmarked to smooth the reduction to the Historic Central Schools block. The underspend in the Early years block of £112,147 is also subject to clawback. This will bring the reserve deficit to a projected level of £5,608,860 once the brought forward deficit from 2021/22 is added.
14. As outlined above the pressures are within high needs, which are subject to potential further demands in the remaining term of the financial year, therefore all projections should be treated as indicative at this stage. As outlined, further detailed analysis will be undertaken in the New Year and the findings will be brought to the March Forum for discussion.

Recommendations

15. That Forum notes the current budget position.
16. That Forum notes the ongoing pressures within high needs budgets.
17. Forum notes the transfer to reserve of the unallocated Central Schools block funding
18. Forum notes that the underspend in the Early Years block is subject to clawback.

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