

**DARLINGTON SCHOOLS FORUM**  
16<sup>th</sup> May 2023

**ITEM NO 3**

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**BUDGET UPDATE 2022/23**

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**Purpose of Report**

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

At the point of writing this report, closure of the year end accounts had not been fully completed and the figures were indicative. However, to allow inclusion in the 11-19 and Primary Head meeting papers the indicative figures were distributed. Therefore, this report has been updated to show the final year end position and the actual levels of reserves moving into 2023/24.

**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. We received additional Early Years funding in year of £645,503 and as mentioned in the last forum we anticipate a clawback in this block in June/July time when the January census information is completed for 2022/23, relating to this financial year.

**Budget Position – Appendix 1**

Schools Block

4. The in-year schools block has an underspend of £145,060 at the end of the financial year. As forum may recall this is mainly due to unused growth funding of £100,000 and non-recoupment of the Growth fund within the School Budget share of £28,569. It is proposed that the underspend is rolled forward and added to the school's block reserve for future years, bringing the reserve to £296,026.

Central Schools Block

5. The in-year central schools block is underspent by £104,885. The funding is to be used to smooth the reduction in the historic central block over future years and brings the reserve to £521,821, this includes the movements to reserve that have already taken place in year.
6. This is a better position from the last report of £22,885. The movements are due to the reduction of Early Career Teacher costs, as the majority of this expenditure is now being

paid directly to schools. We were also allowing for an additional £1,000 in the previous report for Union cover but this has not been required.

### High Needs Block

7. The High Needs block has a year-end underspend position of £109,382, reducing the overall net deficit excluding safety valve to £6,423,149
8. This overspend is required by the DfE to be recovered through future years DSG in line with the high need's recovery plan. We have received an up-front in year payment from the ESFA of £2,480,000 to be held towards our deficit position subject to delivery of the Safety Valve plan and as such will be reported separately.
9. This is an improved position from the previous report of £252,956 which is mainly due to the following:
  - a. The specialist out of area placements have seen a significant overspend of £259,958, although this is a better position from the March report of £78,788. This is mainly due to high costs placements that have ended at an earlier date than anticipated.
  - b. The Post 16 placements have a year-end position of £44,160 underspend, we had expected this area to overspend in line with prior years but we have had the benefit of a one off, in year credit of £75K and placements coming to a natural end.
  - c. The Alternative provision budget is showing a significant year-end overspend of £210,213 as the use of Alternative provision has increased. However, the actual costs have come in lower than projected due to the fluidity of these placements.
  - d. There is an in-year affordability gap pressure in the PFI of £55,322 funded by the PFI reserve.
  - e. The Vulnerable Pupil Panel spend is showing an overspend of £55,388 due to additional referrals and is showing an worse position from the previous report of £17,831.

### Early Years

10. The early years block is underspent in year by £305,379, this figure is across the various early year's budgets. As in previous years the underspend is proposed to be rolled forward to the early years reserve for use in future years. This underspend is prior to adjustments for the final 2022/23 early years block census data. It is therefore expected due to lower numbers that the DfE will clawback funding in 2023/24 for the 2022/23 financial year. The SEN Inclusion service has seen an overspend of £74,223 in year and is due to increased referrals. Therefore, the true amount subject to clawback is £379,602.

### **Recommendations**

11. That Forum notes the year end budget position.
12. That Forum approves the carry forward budgets from 2022/23 to 2023/24 as detailed

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**Operations Group**