

**DARLINGTON SCHOOLS FORUM**  
10<sup>th</sup> October 2023

**ITEM NO 3**

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**BUDGET UPDATE 2023/24**

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**Purpose of Report**

1. To update Forum regarding the 2023/24 budget position.

The report is for information and therefore no decisions are required.

**Background**

2. Schools Forum was notified at the January 2023 meeting of a Dedicated Schools Grant budget (DSG) allocation of £109,699,424 and a budget was agreed accordingly.
3. Block transfers were agreed to move £169,323 from the Schools Block and £65,000 from the Central Block to the High Needs Block, as part of the Safety Valve plan.
4. Several adjustments have been made to the DSG allocation and therefore the budget since the January meeting has altered. These changes are described in the following paragraphs.
5. The revised budget is detailed in appendix 1.

**Budget Changes**

6. The Education & Skills Funding Agency (ESFA) recouped £75,421,428 for the school budget share of mainstream academy schools. The high needs block had recoupment of £4,535,334 for high needs place funding, for resource base units, special schools and post 16 settings, , in order to pay the establishments directly.
7. Schools Forum were notified in the May 2023 Forum meeting paper, of the year end budget position for 2022/23 and agreed the carry forwards in the reserves as follows:
  - Early Years – There was an in- year underspend of £305,380 bringing the reserve, prior to clawback to £384,265. This is ringfenced for early year purposes, to offset any clawback in future years from the early year’s budgets.
  - High Needs – The year end position was an underspend of £109,382 which decreased the deficit to £6,423,149, to be recovered in future years.
  - Central Schools block – Had an in-year underspend of £214,182 with a brought forward reserve of £521,821. Forum will recall that this reserve was to be used to smooth the 20% reduction each year of the historic element of the Central Block.

- Central Schools block – There was an in- year overspend on the PFI contract of £55,322 and this has reduced the reserve to £44,139 the reserve is ringfenced for PFI and other central costs.
  - Schools Block. There was an in-year underspend of £145,060 increasing the reserve to £296,026, to be held for future years for the school budget share.
8. As Forum members will recall the initial high needs block allocations include an estimate for the place funding , which is update annually based on the number of places occupied by Darlington pupils from outside of Darlington and Darlington pupils in other local authority areas. This is known as the “import/export” adjustment. When the ESFA have updated the high needs allocation for this indicator, the block has increased by £30,000. This has been assigned to the “unallocated high needs line” rather than increasing one of the high needs budget lines.
9. Some adjustments have been made to the recoupment within the high needs block, an additional £116,677 has been recouped for the increased places at Beaumont Hill School and some other small adjustments to the Resource Bases
10. We had a reduction in the early years block following the census information of £582,172 which has reduced the block to £7,225,717. There may be a clawback in June/July time when the January census information is completed for 2022/23 relating to this financial year.
11. The above adjustments have been made to the budget (see appendix 1) and the revised budget now totals £24,013,592, including reserves and carry forward deficits. These figures exclude the Safety Valve funding.

### **Budget Position – Appendix 1**

#### Schools Block

12. The in-year schools block is estimated to be underspent by £50,000 at the end of the financial year due to the growth Fund not being used. There will be a further recoupment for the imminent academisation of Whinfield Primary school and this will be reflected in the January report.

#### Central Schools Block

13. The in-year central schools block is estimated to be underspent by £45,520. This is due to lower costs of school appeals of £2,420, and a projected underspend in the Early Career Teachers budget of £43,100 based on current commitments.

#### High Needs Block

14. The High Needs block is currently projecting an underspend of £150,988. Then main movements from the budgeted figures are:
- a. The top payments for Beaumont Hill are projected to be overspent by £66,667 due to the set-up of an additional class to support younger children, however this

is an indicative figure, as the autumn term payments have not been paid at the time of writing this report.

- b. There is a small increase in the Teacher pay and pension funding for Special Schools due to the additional number of pupils.
- c. Independent provision is anticipated to underspend by approx. £259,000, which is part of our Safety Valve deficit management plan, this includes using alternative and specialist provision where possible to reduce these costs. However, it is very early in the year and this projection should be taken with caution as it assumes that alternative and special school provision will be available.
- d. Budgets for the new SEN units and Resources bases are projected to be in-line with the budget at this stage as the Autumn top ups have not been paid, these adjusted figures will be shown in the January report.
- e. The Post 16 provision is projected to be underspent by approx. £184,000 based on the current information, however at the time of writing this report the Autumn term payments have not been made and therefore this position should be treated with caution. There are some education places that have come to a natural end which had been extended due to covid, again and this saving is incorporated into our Safety Valve programme.
- f. Mainstream school top ups are estimated to be overspent by £225,668 based on summer term payments and the projected growth in EHCP's. This overspend will be subject to further change as assessments are made during the autumn and spring terms. Further work is being undertaken to slow the numbers of EHCP's and therefore this area is subject to change.
- g. We are projecting an overspend in the Vulnerable Pupil Panel budget of approx. £17,000, this is due to an increased number of Primary exclusions requiring 6<sup>th</sup> day funding, which equates to 80% of the projected spend within this area.
- h. Specialist equipment is projected to underspend by approx. £20,000 based on current information.
- i. Spent to save initiatives have been assumed to be on target.
- j. The PFI is expected to have a variance at year end but at this stage it is not known and is therefore shown to budget, but there could be a pressure due to a the affordability gap.
- k. The block transfer funding has been projected to budget rather than splitting into different budget headings and is shown separately at this stage.

### Early Years

15. The early years block is projected to be overspent by £169,974, SEN inclusion has seen some significant pressures due to an increase in referrals for early intervention following the SEN review. There are no indications that this is going to slow down and is therefore projected accordingly. All other budgets are subject to 2022/23 and 2023/24 DSG allocation adjustments in November and therefore projection of the year end budget position is not realistic at this stage.

### Reserves

16. The DSG brought forward deficit now stands at £5,176,898. We have received two payments from the DFE for the Safety Valve plan, equating to £2,704,667 towards the high needs deficit.

### Overall

17. The in-year budget for 2023/24 is currently projected to be underspent by £76,534, however as outlined above, these are subject to the on-going challenges within the high needs block, as well as increased demand in SEN inclusion. Therefore, these are subject to potential further demands in the remaining two terms of the financial year and should be treated as indicative at this stage.
18. The overall estimated budget position for 2023/24 is a deficit of £5,100,634 once the brought forward deficit from 2022/23 has been included, excluding the Safety Valve payments.

### **Recommendations**

19. That Forum notes the current budget position.
20. That Forum notes the current high needs block position and the fluidity of this area.
21. That Forum notes the ongoing pressures within the SEN Inclusion service.
22. Forum notes the split of funding across the Education Sector within the high needs block.

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