

# DARLINGTON SCHOOLS FORUM

6<sup>th</sup> March 2018

ITEM NO 4

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## BUDGET UPDATE 2017/18

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### **Purpose of Report**

1. To update Forum regarding the 2017/18 budget position.

### **Background**

2. School Forum was presented with an expenditure budget of £22,648,850 at their January 2018 meeting. The budget has not changed since that meeting.

### **Budget Position**

3. Appendix 1 shows the predicted year end position regarding the 2017/18 budget. The following paragraphs highlight any major changes in the variances from those that were reported to School Forum in January.
4. Post 16 Placements top ups. The projected year end variance on budget has decreased by £105,000 based on updated pupil numbers for the autumn term. At the time of writing the January Forum report the full details of the 2017/18 academic year intake were unconfirmed and therefore a number of assumptions were made regarding the pupils requiring support post 16. As the pupil data has now been received a more accurate projection can be made. The reason for the decrease is from a number of establishments having fewer pupils and the ending of one post 16 independent school placement.
5. SEN Out of Area Placements. The projected overspend on this budget has increased by £270,000 on that previously reported. Again at the time of writing the January Forum report the full details of the 2017/18 academic year intake were unconfirmed and therefore not all pupils that were placed in independent/external provision were identified within the projected spend. As the pupil data has now been received a more accurate projection can be made. The reason for the increase is many new placements were made in the autumn term into external provision to provide a place to meet the needs of the pupils concerned.
6. High Needs Contingency. This budget is expected to be overspent by an additional £96,000. The reason for the increase is four of the placements against this budget are continuing into the spring term to meet the need of the pupils concerned.

### **Early Years**

7. At the time of writing this report the actual census data for the spring term has not been received, therefore the actual take up of places in the spring 2018 term is unconfirmed. It is however possible to make an estimate of the year end budget position based on upfront payments made to providers for the spring term.

8. As previously highlighted to Forum it is expected that there will be underspends in both the 3&4 year old entitlement budget and the 2 year old budget at the financial year end. Forum are reminded however that the current budget allocation is based on the January 2017 census data, but the final budget allocation will be adjusted by ESFA in 2018/19 , based on 5/12<sup>ths</sup> of the January 2017 census and 7/12<sup>ths</sup> of the January 2018 census.
9. Based on known data it is estimated that the final allocation for both 3 & 4 year old and 2 year old nursery funding will be less than that currently notified by ESFA. It is estimated that the final budget will be in the region of £200,000 less which will be recovered from the early year's budget in 2018/19. As this claw back of budget will be in 2018/19 it is prudent to make provision within the 2017/18 budget for this claw back, otherwise funding for early years will be insufficient in future years. Following this claw back it is estimated that the 2 year old budget will be overspent by £65,000, though 3 & 4 year old budget is estimated to be underspent by approximately £200,000.
10. As reported to Forum in January the SEN Inclusion budget is estimated to be overspent at the financial year end. Based on current identified need it is estimated that this budget will be overspent by £70,000 which is an increase of £10,000 on that previously reported.
11. Based on budget projections it is estimated that overall the early years block will be underspent by approximately £80,000. As noted however there are a number of estimates within the budget projections, therefore the final budget position will change dependent on the actual take up of places during the spring term and the final adjustment to 2017/18 early years block which will be notified in June 2018.

### Overall

12. As can be seen from appendix 1, the projected overall overspend for 2017/18 is £1,276,385, the majority of which is from high needs budgets. This is an increase of £229,171 on the pressure reported to Forum in January. As Forum members will recall from the January meeting it was noted that the budget position regarding high needs was expected to be worse (as placement details were still unconfirmed) hence this increase in pressure was expected.
13. As previously reported to Forum, as there is no underspend to offset this pressure the shortfall will be rolled forward to 2018/19 and set against the 2018/19 DSG allocations. This will hit upon the budget allocations for 2018/19. Forum members are aware of ongoing work regarding the SEN/High needs strategy which will aim to deliver future years high needs spend within budget.

### **Recommendations**

14. That Forum notes the current budget position.

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