

DARLINGTON SCHOOLS FORUM

17th May 2016

ITEM NO 3

BUDGET UPDATE 2015/16

Purpose of Report

1. To update Forum regarding the 2015/16 Dedicated School Grant (DSG) position.

Background

2. School Forum were presented with an expenditure budget of £27,522,480 at their March 2016 meeting. The final budget for 2015/16 totalled £27,257,480 a decrease of £265,000 on that reported in March. This decrease resulted from a reduction in DSG funding (received by the Local Authority) by the EFA (Education Funding Agency) to take account of Northwood School's conversion to an academy.

Updates

3. Appendix 1 shows the final year end position regarding the 2015/16 budget. The following paragraphs highlight any major changes to variances in the budget previously reported.
4. School Transport. This budget has underspend by a further £33,000 on previous projections. The majority of the underspend results from underspend that was brought forward from 2014/15. The increased saving results from a lower charge for the discretionary transport elements than projected.
5. Marchbank Place Plus. This budget has overspent by a further £26,000 on that previously projected. This increase has arisen as additional children have been placed in the school requiring "place" funding, as the school has more children than places funded by the EFA.
6. Post 16 Top Up. This budget has overspent by a further £23,000 on that previously reported. This has resulted from a high cost out of area placement transferring from pre 16.
7. Out of Area Placements. The final expenditure on this budget was £76,000 more than projected. This increase reflects higher than projected costs for a number of children and the addition of further children into out of area placements during the autumn and spring terms.
8. Private Finance Initiative – Affordability Gap. The final cost has decreased by £55,000 on that previously reported. This has resulted from the reduction in cleaning costs within the

contract and a reduction in insurance charges for the last three years, where a refund has been received.

9. The final outturn position for 2015/16 is an underspend of £751,392. This is approximately £90,000 less than reported in March.
10. As Forum members will recall all underspend in the two year old budget has previously been approved to be carried forward to fund increases in two year old hourly rates. The underspend in two year old budgets amounts to £446,275.
11. Forum agreed at their January 2016 meeting to keep the 3 & 4 year old nursery hourly rates at the same level in 2016/17 as in 2015/16, in order to do this underspend of £84,714 was required to top up the 2016/17 budget. The final underspend on 3 & 4 year old nursery provision in 2015/16 was £114,641, therefore an additional £29,927 of unspent funds. It is proposed to hold this funding to be used for early years funding in 2017/18 onwards.
12. After taking account of 2, 3 & 4 year old nursery underspends the amount of unallocated underspend totals £190,476. As Forum are aware the DfE are currently consulting on a number of changes to funding of education from April 2017 onwards. At this stage it is unknown what effect this will have on future years funding for high needs and schools budgets. It is therefore proposed that the unallocated £190,476 budget is held in reserve for budget setting 2017/18 in order to cover any transitional funding shortfalls.

Recommendations

13. That Forum notes the final 2015/16 budget position.
14. That Forum approve the additional underspend in 3 & 4 year old nursery provision be held in reserve for future years early years budget setting.
15. That Forum agrees to hold the unallocated £190,476 budget underspend in reserve for budget setting 2017/18.

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