

DARLINGTON SCHOOLS FORUM

12th January 2016

ITEM NO 4

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 October 2015 meeting, there has been no change to the budget since.

Updates

3. Appendix 1 shows the current projected year end position regarding the 2015/16 budget. Although we have now entered the final quarter of the 2015/16 financial year there are still a number of projections included within the estimated year-end figures, which are subject to change dependent on the activity in the remaining term of this year. In addition, at the time of writing, a number of final payments are still outstanding for the autumn term, which will also potentially change the final spend if they are significantly different to the estimated value. The following paragraphs highlight any significant changes to variances in the budget position which have not been previously reported.
4. Individual Learning Support is projected to underspent by £38,328. At the October Forum it was projected that this budget would be underspent by approximately £63,000 hence the projected underspend has decreased by £25,000. The previous projection was based on spend to date at the end of September, the decrease in projected underspend has resulted from more demand for individual top ups for children in mainstream schools during the autumn term. The final outturn position will depend upon the number of children requiring top up funding during the spring term (an estimate of £30,000 has been included in the projection for the spring term).
5. Marchbank School is projected to be underspent by £3,591 on the budget set. This is a decrease of £40,000 on the figure reported in October and results from the actual number of children funded in the autumn term.
6. Hurworth Resource base is projected to be overspent by £20,325 on budget set. This has resulted from the requirement to fund additional places in the autumn and spring 16 terms.
7. Post 16 placements, is projected to be overspent by £70,374. Previously no variance was reported upon this budget as at the time of the last Forum only the summer 2015 term

payments had been made. The projected overspend is based on payments made for the summer and autumn terms and includes a high cost out of area placement.

8. School Sport is projected to underspend by £15,000. This budget is now not expected to be used in year and hence is projected to be underspent.
9. 3 & 4 year old nursery placements is projected to be underspent by £84,718. Previously it was reported that this budget would be overspent based on the payments made for the summer term. The number of places funded in the autumn term has been lower than budgeted, hence the projection now that this budget will underspend.
10. PFI is projected to be underspent by £70,181. Previously this budget was reported as been on target. The saving has accrued due to two elements, firstly the unitary charge is inflated each year dependent on the level of the RPIx index. When the budget was set an assumption was made regarding the value of this index for 15/16, however the actual index was lower hence the charge received has been lower. In addition one off savings have been made on a number of elements in the budget which have meant the contribution from DSG into the affordability gap is expected to be lower than previously required.
11. It is the case that a number of the above variances will change on that projected as the final spend figure will depend on the number of children funded during the spring term. Although the best information available has been used to project the expected spend, the following budget areas are subject to change,
 - a. Hurworth, Northwood, Heathfield and Mt Pleasant Resource Base Units,
 - b. Marchbank and Beamont Hill Special Schools,
 - c. Rise Carr Pupil Referral Unit,
 - d. Out of Area specialist placements,
 - e. Post 16 placements,
 - f. Two year old nursery funding,
 - g. Three and Four year old nursery funding.
12. The overall budget position for 2015/16 is an expected year end underspend position of £830,395, an increase of £94,200 on that reported in October. Of this projected underspend, £474,383 is from 2 year old brought forward funding (which Forum have previously agreed would be ring fenced for maintaining the two year old rate and therefore has been allocated in the 2016/17 budget setting). Therefore the “real” in year projected underspend is £356,012.
13. Of this projected underspend £84,718 is projected from nursery funding for 3 and 4 year old children. This projected saving has been used in the setting of the early years funding formula for 2016/17 (see agenda item 8). Other than early years underspend, no other projected underspend has been allocated in the 2016/17 budget, therefore any underspend will be carried forward for Forum to allocate in 2016/17 as they see fit.
14. An updated position will be presented to Forum at their March meeting.

Recommendations

15. That Forum notes the current budget position.

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