

DARLINGTON SCHOOLS FORUM

6th October 2015

ITEM NO 5

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 a expenditure budget of £27,604,280 at their May 2015 meeting.

Updates

3. The budget has decreased by £81,800 since the May meeting, which is made up as follows,
 - a. An increase in the 3 & 4 year old budget of £15,000 for 2014/15. Forum members will recall that the early years funding is updated each year for the January census. Adjustments are made to the amount of DSG paid dependent on if the actual number of children at the January census is more or less than included in the indicative allocation. These adjustments are made in the following financial year's allocations, as the calculation is not finished until after the year end. At the January census Darlington had more children in 3 & 4 year old places, hence additional DSG was allocated for 2014/15, however due to timing this is received in the 2015/16 budget.
 - b. An increase in the 3 & 4 year old budget of £22,355 for 2015/16. Following the January census the EFA have updated the provisional early year's allocation for 2015/16 to reflect the number of children included in that census. Forum members should be aware that the 2015/16 early years budget will be updated again for the January 15 census, which due to timing will affect the 2016/17 budget.
 - c. A decrease in the 2 year old budget of £119,155. Forum members will be aware that no allocation had been provided by the EFA for 2 year old funding at the start of the financial year, therefore the budget included was based on an estimate of the number of children that would be funded in 2015/16. The EFA provided actual allocations in July, the budget has therefore been updated to take account of this.
4. Appendix 1 shows the current projected year end position regarding the 2015/16 budget. As only one term has been completed within the 2015/16 financial year there are a number of projections included within the estimated year-end figures, which are subject

to change dependent on the activity in the remaining terms. The following paragraphs highlight the key budget issues currently identified.

5. School budget shares are expected to underspend by £61,611. This results from the EFA reducing the amount of funding that they recoup from the local authority DSG allocation for the amounts paid through the growth fund.
6. Individual Learning Support is projected to underspend by £63,607. This is a projection based on one terms payment and therefore is subject to change, dependent on the number of children that require support in the autumn and spring terms. It is expected that there will be a substantial underspend in this budget as the estimated spend for 2015/16 of £106,393 is similar to the 2014/15 spend which totalled £97,145.
7. School Transport is projected to underspend by £52,727. At this stage of the year no charges have as yet been made on the Forum funding (we are awaiting the summer terms charge) therefore again this projection is subject to change. The current projection is based on spending the full £140,000 in year allocation and £11,500 from the brought forward funding which is allocated to the consultancy work.
8. Beaumont Hill Academy Pre 16, is projected to be underspent by £213,895. This projection is based on the actual payment for the summer term and the upfront estimated payment for the autumn term, assuming the autumn and spring terms remain at the same level of pupils. It is the case from past experience that there will be additional pupil placements at the school throughout the autumn and spring terms therefore as with all demand led budgets this projection is expected to change before the financial year end.
9. Marchbank School is projected to be underspent by £44,001 on the budget set. Again as with Beaumont Hill Academy this projection is based on payments for the summer and autumn terms and hence is subject to change dependent on actual pupil placements during the autumn and spring terms.
10. Post 16 placements. At the time of writing only the summer 2015 term payments have been made hence the cost of pupil placements for the new academic year are as yet unquantified. At this stage the budget is shown as on target, however this will be subject to change dependent on the number of pupils placed and the cost of those placements during the autumn and spring terms.
11. School Sport is projected to overspend by £15,000. This is based on that payment for the 2014/15 financial year was not made before the end of March 15 and hence will need to be paid from the underspend brought forward. Currently as agreed by Forum all the unallocated underspend from 2014/15 is shown against high needs contingencies, this £15,000 spend will therefore come from that budget line.
12. SEN Out of Borough is projected to be overspent by approximately £240,000. Again at this stage of the year most child placements have only been charged for one term hence the projection is subject to change. At the time of writing a number of expected placements are yet to be finalised therefore actual costs of placements are not confirmed. A more firm position will be able to be reported to the next Forum once new academic year placements are known.

13. 3 & 4 year old nursery placements is projected to be over by £62,359. Again at the time of writing final payments have only been made for the summer term and indicative payments for the autumn term (as the autumn census data is not yet available) hence the projected year end position is subject to change based on the actual number of children in placements in the autumn and spring terms. The current projected overspend has been based on the spend in the summer term and previous years trends.
14. 2 Year old nursery is projected to be underspent by £485,296. As with 3 & 4 year old nursery the projected year end position is based on one term and hence is subject to change. Although this budget is showing a large underspend Forum should be aware that this budget is topped up by a carry forward of £752,561 from 2014/15 and hence is therefore really overspent in year by £267,265. It was expected that the budget would be overspent in year as the funding rate of £4.98 per hour is 13p more than is received in the DSG allocation, however the amount of overspend suggests that the number of placements funded in 2015/16 is significantly more than has been received for two year old placements in the DSG allocation. A more accurate position will be able to be reported at the next Forum.
15. Individually Assigned Resources is projected to be underspent by £34,725. This figure is expected to be robust as this budget covers top up payments that are made at the start of the financial year (i.e. April). The underspend results from a slight over budget as the expected growth in this budget area was lower than expected.
16. LAPP Budgets are projected to be underspent by £22,000. Again this is an estimate based on one term and is therefore subject to change. It is expected that there will be underspend based on spend to date and the expenditure made during 2014/15.
17. High Needs Contingency is projected to be underspent by £73,781. Forum members will recall that no contingency was built into the 2015/16 budget and that this budget arises from the Forum decision to allocate unused 2014/15 underspend for this purpose. Although there is no projected spend against this allocation, Forum members should be aware that a number of High Needs budgets are showing variance (in the above paragraphs) which in addition to school sports are offset by this saving.
18. The overall budget position for 2015/16 is an expected year end underspend position of £736,195, of which £485,296 is from 2 year old brought forward funding (which Forum have previously agreed would be ring fenced for maintaining the two year old rate), therefore the in year projected underspend is £252,899. Forum are reminded that there are a number of projections and assumptions in the figures at this stage and hence the year end position is subject to change. An updated position will be present to the next Forum.

Recommendations

19. That Forum note the current budget position.

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