

# DARLINGTON SCHOOLS FORUM

16<sup>th</sup> May 2017

ITEM NO 3

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## BUDGET UPDATE 2016/17

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### Purpose of Report

1. To update Forum regarding the 2016/17 Dedicated School Grant (DSG) position.

### Background

2. School Forum was presented with an expenditure budget of £24,016,392 at their March 2017 meeting. The budget has reduced by £4,000 to £24,012,392 in line with the final DSG allocation from the Education Funding Agency (EFA) for 2016/17.

### Updates

3. Appendix 1 shows the year end position regarding the 2016/17 budget. The following paragraphs highlight the main changes from the position reported in March.
4. School based nursery provision. The final expenditure in this budget area was approximately £40,000 less than projected, due to unused contingencies built into the original budget.
5. Pupil Referral Unit top ups. This budget was overspent by an additional £27,000 on previous projections due to a continuation in the spring term of additional pupils over and above the budgeted 40 places.
6. Specialist Placements BHA top ups. The final budget position was an additional overspend of approximately £29,000 on that reported in March. This increase results from increased numbers of children within placements and additional support for individual children.
7. Post 16 Placements top ups. The final outturn position for this budget was an overspend of £46,000. This is an increase on previous projections resulting from additional pupils and the transfer of two specialist placements from pre 16 budgets.
8. High Needs Contingency. Although this budget was underspent by £126,000 at the year end this position is £72,000 less (underspent) than projected in March. The reason for this movement is due to a number of new placements for children in specialist provision placed during the spring term, that were not included in the projections reported to Forum in March.
9. The overall budget position for 2016/17 is an underspend position of £237,850. This underspend will be carried forward into 2017/18.
10. As Forum will be aware from reports during the year there are many budgets within high needs that have overspent during the year due to increased demand for support for

children in this area. Across 2016/17 the high needs budget overspent by approximately £512,000. This shortfall has been covered by savings within other budget areas within the overall DSG allocation in order that the high needs budget is not pressured further in 2017/18 from overspends in 2016/17.

11. As Forum members will recall when the budget was set for 2017/18, there was a shortfall in funding between the proposed budget and the level of DSG received. It is proposed that the current shortfall of £55,119 (see agenda item 4) be covered by the carry forward DSG (from 16/17) in the first instance. This will leave £182,731 unallocated in 2017/18.
12. It is proposed that the remaining unallocated funding is held in 2017/18 for the following purposes,
  - a. To offset any budget pressures arising from the introduction of the increased entitlement to 30 hours free child care in early years.
  - b. To offset any pressures arising within the high needs budget during 2017/18.
13. It is proposed that any funding remaining from the 2016/17 carry forward (after the above) be used within the 2018/19 early years funding formula.
14. Forum will receive regular updates regarding the carry forward budget as part of the 2017/18 budget reporting.

### **Recommendations**

15. That Forum notes the final budget position for 2016/17 and agrees the use of underspent budgets to cover the 2016/17 pressures within high needs budgets.
16. That Forum note the carry forward of £237,850 and agree the use of £55,119 to cover the budget shortfall in 2017/18.
17. That Forum agrees to the proposed holding of the unallocated carry forward budget to cover contingencies as outlined in paragraph 12.
18. That Forum agrees to allocate any unspent carry forward in 2017/18 towards the 2018/19 early years funding formula.

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