

# DARLINGTON SCHOOLS FORUM

15<sup>th</sup> January 2019

ITEM NO 3

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## BUDGET UPDATE 2018/19

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### Purpose of Report

1. To update Forum regarding the 2018/19 budget position.

### Background

2. School Forum was notified at their October 2018 meeting of a revised budget position of £21,970,975.
3. School Forum was notified at their October 2018 meeting that the budget was forecast to be overspent by £2,970,064 which included a brought forward overspend in high needs budgets of £1,528,361 from 2017/18. Forum was informed that the vast majority of the in-year pressure was resulting from demands against the high needs/SEN(D) budgets.

### Budget Position

4. Appendix 1 shows the estimated spend against the budget for 2018/19. The key changes in projected variances from those highlighted at the October meeting are detailed within the following paragraphs.
5. The Pupil Growth Fund budget, is expected to be underspent by a further £60,000. This results from the actual increase in pupil numbers where there has been an agreed increase in PAN, being less in September 2018 than estimated.
6. The place funding budget for all Resource Base Units, is expected to be approximately £90,000 underspent due to lower than expected recoupment from the Education Skills Funding Agency (ESFA) following changes to how place funding is allocated within the Dedicated Schools Grant (DSG).
7. The estimated overspend on top up funding for pupils at Beaumont Hill Academy has increased by £20,000 based on pupil changes at the September 2018 intake.
8. There is now an estimated underspend on top up funding (totalling £37,000) for pupils at Marchbank following pupil changes at the September 2018 intake.
9. The Special Out of Area Placements budget, is projected to be overspent by a further £148,000 based on additional placements made in September 2018.
10. LAPPS budgets are projected to be underspent by approximately £30,000 based on spend to date.
11. Other SEN, this budget is projected to be a further £40,000 underspent than previously reported. This results from the majority of the pupils previously coded to this budget now

being allocated either to the out of area budget or having a placement through one of the top up funding streams.

### Early Years

12. The early years budgets are currently projected to be underspent by £147,000 within the current year. This projection is based on the census data from the autumn term and is therefore subject to change based on the actual numbers of children in placements in the spring term.
13. As Forum will be aware the early year's budget allocation given by ESFA is subject to change following the January census. As this census has not taken place as yet, it is unknown what the final budget for early years will be for 2018/19, hence it is difficult to make an accurate projection of the current budget position at this stage of the year. As the vast majority of funding received for early years is passed over to providers through the hourly rate and supplements, it is likely that the projected underspend is a result of lower numbers of children in placements in comparison to the indicative funding allocation. If this is the case ESFA will reduce the budget (as they did in 17/18) and hence the saving will be considerably less.

### Additional Resources

14. On 17<sup>th</sup> December the Government announced additional funds would be allocated nationally to DSG allocations in recognition of the cost pressures that Local Authorities are experiencing with the high needs demand. Darlington has been allocated an additional £233,839 within its high needs block for 2018/19. This additional funding has been added into the high needs in year shortfall reducing the original budget gap for the year for high needs to £908,288. The overall budget now totals £22,204,814.

### Overall

15. Overall the budget is currently projected to be overspent by £2,495,758 at the end of the financial year which is a decrease of £474,306 on the projection reported in October. Again this figure is subject to change dependent on addition/placement changes during the final (spring) term of the year. Once the early years underspend is removed the change in budget is approximately £327,000.
16. As previously reported the largest area of the budget pressure is from the high needs budgets, with the in year high needs budget position being an estimated pressure of £1.408 million, (after the additional £234,000 of resources is added into the budget). When this pressure is added to the high needs overspend brought forward from 2017/18 (£1.528 million) the overall estimated pressure on high needs to be carried forward to 2019/20 is approximately £3 million. This is a similar level of pressure in high needs as was reported to Forum in October once the additional resources are added back.
17. As Forum are aware ESFA have consulted upon how DSG overspends need to be addressed by Local Authorities. Although the results of this consultation have as yet not been published, it is expected that the Council will need to bring the high needs budget in line within three years, with some possible additional time to recover accumulated deficits.

18. As Forum are aware, work is continuing within the high needs review (agenda item 4), following the ending of the SEND consultation. Plans of how the budget will be brought back into balance will be presented to Forum in coming meetings.

### **Recommendations**

19. That Forum notes the current budget position.
20. That Forum notes the ongoing pressures within high needs budgets.

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