

DARLINGTON SCHOOLS FORUM

17th June 2019

ITEM NO 3

BUDGET UPDATE 2018/19

Purpose of Report

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

Background

2. School Forum was notified at their March 2019 meeting of a Dedicated School Grant (DSG) budget of £22,204,814, this budget remained the same to the year end.
3. School Forum was notified at their March 2019 meeting that the budget was forecast to be overspent by £2,726,546, 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 budgets.

Budget Position

4. Appendix 1 shows the final spend against the budget for 2018/19. The key changes in budget variances from those highlighted at the March meeting are detailed within the following paragraphs.
5. The Pupil Growth Fund underspent by an additional £33,817 on the previously reported figure. This additional saving resulted from no calls being made upon the budget during the spring term.
6. The Out of Area Placements budget overspent by an additional £135,256 on the previously reported figure. This increase in expenditure arose from new pupil placements and changes in pupil placements during the spring term.
7. The PFI contract underspent by £75,452 as a result of insurance rebates received as part of the PFI contract.

Early Years

8. The SEN inclusion budget was overspent by £23,750, this resulted from ongoing demands for additional special education support funding across early years.
9. The 3 & 4 year old budget overspent by £57,756, this was an increase of £111,489 on the projection reported to the previous Forum. As noted at the last meeting, the January early year census data was not available when the projection had been made and therefore the

projection had been based upon the autumn term data. The actual spring term payments were higher due to more children being in placements.

10. The 2 year old budget overspent by £22,597, which was a reduction of £17,663 on the position reported at the last meeting. Again this results from the January census where there were less 2 year old in placement than projected.
11. Overall the early years budget position for 2018/19 was an overspent of £76,220. As previously reported to Forum, £161,336 of early years funding was brought forward from 2017/18 and ring fenced to the early years budget, therefore this reserve is used cover the 2018/19 overspend, leaving £85,116 of early years reserve to roll forward into 2019/20.
12. Forum will recall that the early years DSG allocation is updated each year following the ending of the financial year in line with the previous January census. ESFA will therefore provide additional funding in the event that the January 2019 census had more children than the January 2018 census or claw back funding if the numbers of children had decreased. Any clawback or additional resources will be added to/taken away from the early years reserve in 2019/20.

Overall

13. Overall the budget position for 2018/19 was a overspend of £2,902,466, which is an increase of £175,920 on the projection reported to Forum in March.
14. As Forum have been made aware throughout the year, the majority of the budget overspend results from high needs demand pressures, where previously it was projected that pressures in excess of £3 million would occur by the year end (after taking account of the brought forward pressure of £1.528m from 2017/18). The final position regarding the high needs budget was a overspend of £3,232,669, which will be carried forward into 2019/20 for recovery over future years.
15. As the net overall budget overspend is less than the overspend in high needs, the other DSG blocks have underspent as follows,
 - a. The early years block was underspent by £85,116 as per paragraph 11 above.
 - b. The central schools block was underspend by £86,801 made up of £75,452 of savings in the PFI contract (as per paragraph 7 above) and £11,349 from other central budgets. It is proposed that the PFI underspend be rolled forward to contribute towards future years PFI costs and that the saving of £11,349 be rolled forward and added into the high needs block to contribute towards high needs pressures in 2019/20.
 - c. The schools block underspent by £158,286 from savings in the growth fund and lower recoupment from ESFA. In the budget setting for 2019/20 £30,000 of the known growth fund underspend was allocated to contribute towards the cost of the growth fund in 2019/20. It is proposed therefore that the £158,286 be rolled forward to cover the £30,000 budget requirement for growth in 2019/20 with the balance being held for inclusion in the 2020/21 school budget share and growth fund calculations.

Recommendations

16. That Forum notes the year end budget position.
17. That Forum approves the carry forward budgets from 2018/19 to 2019/20
18. That Forum approved the transfer of the unspent £11,349 from the central schools block to contribute towards high needs pressures in 2019/20.

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