

AGENDA ITEM 5

REPORT TO SCHOOLS FORUM

21st JANUARY 2025

SCHOOLS BUDGET MONITORING REPORT 2024/25

SUMMARY

1. This paper provides members of the Forum with the current projected outturn position on the Schools Budget based on information to the end of December 2024.
2. The Dedicated Schools Grant (DSG) budget was set for 2024/25 assuming a small overall saving of £17k, intended to reduce the DSG deficit down to £3.78m at the end of 2024/25. This was in-line with our Delivering Better Value (DBV) submission to DfE in January 2024.
3. At quarter 2 it was anticipated that continued increase in demand for High Needs support would result in a projected in-year deficit of £536k. However, based on a review of projected expenditure at quarter 3 (outlined below), this is now expected to increase to **£1.7m** which will increase the cumulative deficit b/fwd from 2023/24 of **£3.8m** up to **£5.5m** instead of the budgeted position of **£3.78m**. This revised position will be reflected in the medium term financial plan.
4. Please note however that the projected overspend described above still does not take account of any potential offsetting savings from the Early Years DSG block. We have seen a significant increase in funding for the Early Years Block relating to the Governments childcare expansion programme. The funding rates we have set are based on DfE requirements and estimated activity levels but there will be further DfE funding allocation adjustments in March and July 2025 based on the Autumn 2024 and Spring 2025 census data.

RECOMMENDATION

5. That the Schools Forum note the current financial position on the schools budget.

School Budget

6. **Appendix 1** shows the revised budget against the projected outturn for 2024/25 on the Schools Budget as at 31st December 2024, in the prescribed DfE Section 251 reporting format. The reasons for significant variances between planned and projected spend are: -
 - a. Line 1.1.1 Contingencies – **£15k underspend**
It is expected that the £15k de-delegated contingency budget for Schools Formula errors will not be required.

- b. Line 1.2.1 Top-up funding – maintained schools - **£9k underspend**
Currently 27 new SEND placements in out of area schools since the budget was set, with a number of these being in other LA maintained schools. This is expected to cost an additional **£91k**. However, this is offset by a **£100k** saving on the SBC maintained schools top-up contingency budget which reflects further academisation.
 - c. Line 1.2.2 Top-up funding – academies, free schools and colleges – Anticipated **£1.3m overspend** made up of:
 - **£800k overspend** resulting from a significant increase in the levels of funding requested by SBC Special Academies. This includes increases in the level of top-up requests and a large number of exceptional payments.
 - **£400k overspend** in 1:1 support costs and top-ups for additional placements for SEND pupils placed in other LA academies (27 new SEND placements since the budget was set).
 - **£100k overspend** expected relating to the purchase of specialist equipment for SBC maintained schools and academies.
 - d. Line 1.2.3 Top-up and other funding non-maintained and independent providers - **£147k overspend**
A further 11 new placements in Independent Special Schools since the last quarter. This will cost approximately £481k this year. However, this is offset by £334k budgeted growth provision (Leaving £30k growth funding to support any further placements identified this financial year).
 - e. Line 1.2.5 SEN support – **£29k overspend** on the Middlesbrough HI/VI service. Increased costs arising from a review of the joint arrangement charges which mainly resulted from increases in employer's teacher's pay and pension costs.
 - f. Line 1.2.7 Other AP provision - **£450k overspend** on tutoring costs and other support for excluded pupils including additional placement costs in Pathway Development Centres.
 - g. Line 1.2.13 Therapies and other health related - **£120k overspend** resulting from additional demand for therapeutic support.
 - h. Line 1.4.11 Pupil Growth - **£273k underspend**
For some Basic Need funded schemes, the actual September 2024 admission numbers in year 7 were lower than expected and therefore did not meet the criteria for growth funding.
7. Any surplus or deficit on the Schools Budget supported by Dedicated Schools Grant (DSG) is carried forward to the following financial year.

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