

Report to:	Schools Forum		
Date of meeting:	4 th March 2022		
Report of:	Director of Children's Services Deputy Chief Executive	Report number:	
Contact officer:	Lisa Butcher, Head of Finance	Telephone number	01204 336818
Report title:	Dedicated Schools Grant Monitoring 2021/22 as at Quarter Three.		
Not confidential			
This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
Purpose:	This report provides the Schools Forum with information relating to the expected financial position for the Dedicated Schools Grant for the 2021/22 financial year as at quarter three.		
Recommendations:	It is recommended that the Schools Forum: <ul style="list-style-type: none"> • Notes the expected financial position of the portfolio as at 31st March 2022. • Notes changes within the capital programme as detailed. 		
Decision:			
Background documents:			
Signed: (Executive Cabinet Member reports only)	Leader/Executive Cabinet Member	Monitoring Officer	
Date:			

**Bolton
Council**

Summary:

This report presents the expected financial position in respect of the Dedicated Schools Grant for the year 2021/22 as at quarter three.

Key Issues:**Revenue Expenditure:**

Revenue expenditure for the Dedicated Schools Grant (DSG) is to be £2.292m greater than the grant available.

Capital Expenditure:

The original capital programme relating to schools approved at Council in February 2021 totalled £16.890m. Expenditure as at the 31st December 2021 was £4.712m against a revised programme of £10.514m.

Reserves

Reserves are expected to be £14.894m as at the 31st March 2022.

£20.617 relates to capital monies held for future work on schools and -£5.723m relates to schools' balances and other DSG reserves.

1 Background

This report provides the Schools Forum with information relating to the expected financial position for the 2021/22 financial year. The information included within the report is divided into three elements:

- Revenue expenditure
- Capital expenditure
- Reserves movements

2 Revenue Expenditure

2.1 Revenue Budget

Table One: Dedicated Schools Grant – Approved Revenue Budget 2021/22

£'000	DSG
Dedicated Schools Grant per Strategic Budget Report	211,970,800
<u>Budget Adjustments:</u>	
High Needs Place Deduction - Update	95,500
High Needs Import/Export Update	-59,600
6th Form Funding - Pupil Number Update	202,700
Pupil Premium - Oct-20 Census Update	4,600
Pupil Premium - AP Numbers Update	-8,300
High Needs Place Deduction - Nov Update	29,100
6th Form Funding - Additional Courses	16,500
Pupil Premium - LAC Update	54,500
Adjusted Grant at Quarter 3	212,305,800

Table One outlines the budget for the Dedicated Schools Grant including an analysis of amendments to the original budget.

The DSG budget saw changes in Quarter 1 because of updated High Needs Place Deduction data. Updated High Needs Import/Export, 6th Form, and Pupil Premium pupil data resulted in changes to budget in Quarter 2. Quarter 3 has seen further budget changes as a result of additional 6th Form courses funding, Pupil Premium data updates, and a revision to the High Needs Place Deduction total.

2.2 Financial Position – Revenue Expenditure

Table Two below outlines the Dedicated Schools Grant expected revenue position for 2021/22.

Table Two Dedicated Schools Grant Financial Position 2021/22

Service	Net Budget	Outturn	Year End Variance
Dedicated Schools Grant	£000s	£000s	£000s
Schools Block			
Nursery Schools	0	176	176
Primary Schools	102,048	103,966	1,918
Secondary Schools	43,316	43,902	586
Special Schools	200	255	55
Other - Growth	782	782	0
De-delegation	0	-24	-24
Add to schools balances		-2,735	-2,735
Subtotal	146,346	146,322	-24
Local Authority Retained Budgets			
Central Expenditure	3,277	3,262	-15
Early Years Block	22,288	22,084	-204
High Needs Block	40,395	42,930	2,535
Subtotal	65,960	68,276	2,316
Total Dedicated Schools Grant Budgets	212,306	214,598	2,292

Variance Analysis

Outlined below are details of significant variances between the final outturn position and the budget

Centrally Retained Budgets

The main variances relate to the High Needs Block due to increased special school placements and expected growth in mainstream and out of borough placements in Independent Special schools. The initial forecast included £2m growth which has now been fully utilised, a further £0.5m growth has been added to projections for quarter 4.

The Local Authority is continuing to work with the School Support Reforms Group in addressing the growth pressures and is providing the Department for Education (DfE) with updates as part of the intervention programme. Regular updates will be provided on the project through future monitoring reports and through the Schools Forum.

Delegated Schools Budgets

School balances are projected to decrease by £2.735m in this financial year, the largest changes being in the Primary (£1.917m) and Secondary (£0.587m) sectors.

School balances are forecast to total £10.27m at the end of the financial year, which is felt to be prudent.

Schools Forum have again approved that the surplus balance control system be suspended for this year, in relation to balances at 31st March 2022 to enable time for planning and enabling projects. This is also felt appropriate due to delayed spending because of Covid.

3 Capital Programme

The capital programme relating to schools is detailed below.

Table Three – Capital Programme

Children's Services Capital Programme	Q2 Programme £000s	New Schemes £000s	Scheme Reprogramming /Slippage £000s	Revised Programme Q3 £000s	Expenditure Q3 £000s
Scheme	2021/22	2021/22	2021/22	2021/22	2021/22
Building Maintenance Programme	2,143	471	-550	2,064	1,143
School own Capital Schemes	45	49	47	141	141
Capital Support Fund	119		1	120	97
Access	50		-50	0	0
Devolved Formula Capital	774		-100	674	283
Primary Expansion Programme	650		-451	199	36
Special School Expansion Programme	3,507		-33	3,474	2,756
Secondary Expansion Programme	1,556		-838	718	180
Primary Places	56			56	7
Schools Decarbonisation Programme	0	3,068		3,068	69
Total Expenditure	8,900	3,588	-1,974	10,514	4,712
Children's Services Capital Programme	Q2 Programme £000s	New Schemes £000s	Scheme Reprogramming /Slippage £000s	Revised Programme Q3 £000s	Expenditure Q3 £000s
Financed By:	2021/22	2021/22	2021/22	2021/22	2021/22
Section 106	829			829	500
Basic Need Grant	3,080		-1,323	1,757	1,183
Devolved Formula Grant	774		-100	674	283
School Condition Grant	1,822	471	-471	1,822	1,009
SEND Capital Grant	212			212	193
High Needs Capital Grant	1,327			1,327	779
Schools BMP Contributions	289		-127	162	161
Revenue Contributions to Capital - Schools	170	49	47	266	218
DFG Grant - Schools	397			397	317
Corporate Capital Receipts - Schools		57		57	0
Salix Grant Funding - Schools Decarbonisation		3,011		3,011	69
Total Financing	8,900	3,588	-1,974	10,514	4,712
Balance	0	0	0	0	0

The original capital programmes for the Department of Children's Services were reported in the Cabinet reports of February 2021 the schools' element was £16.890m. The schemes have since been amended to £10.514m. The changes in quarter three are due to the following: -

- Reprogramming of schemes resulting in a decrease of £1.974m.
- Various New Schemes in Children's £3.588m.

4 Reserves Movements

Table Four – Summary of Reserves Position

Outlined in the table below are the projected movements on the Department's reserves in the current year relating to schools and DSG. Further detail of these reserves is shown in the Appendix.

Schools & DSG Reserves	Balance 1st April 2021	Outturn Movements	Other Movements	Balance 31st March 2022
	£'000	£'000	£'000	£'000
Legal requirements	3,018	2,292	3,041	8,351
Existing commitments	-3,403	0	775	-2,628
Total Schools & DSG Reserves	-385	2,292	3,816	5,723

Capital Reserves	Balance 1st April 2021	Outturn Movements	Other Movements	Balance 31st March 2022
	£'000	£'000	£'000	£'000
Schools & DSG Reserves				
Existing commitments	-22,810		2,193	-20,617
Total Schools & DSG Reserves	-22,810	0	2,193	-20,617

The outturn movements' column represents the impact upon reserves of the projected outturn position shown in Table 2 of this report.

The £20.617m capital reserve which we will carry forward into 22/23 has existing commitments against it for school expansion and school maintenance schemes which are due to be carried out in future years.

5 Recommendations

It is recommended that the Schools Forum:

- Notes the expected financial final outturn position of the portfolio as at 31st March 2022.
- Notes changes within the capital programme as detailed.

Appendix A

Schools and DSG Reserves Financial Position – 2021/22 Financial Year

	1st April 2021	Outturn Movements	Other Movements	31st March 2022
Schools and DSG Revenue Reserves	£'000	£'000	£'000	£'000
Centrally Retained DSG	16,561	2,292		18,853
Other Schools Balances	-538		306	-233
Schools Balances	-13,005		2,735	-10,270
Legal requirements	3,018	2,292	3,041	8,351
Capital	-3,076		494	-2,581
Bolton Supported School Improvement Group	-281		281	0
Two Year Old Funding	0			0
ACIS - Controlling migration fund	-46			-46
Reserve with existing commitment	-3,403	0	775	-2,628
Total Revenue Reserves	-385	2,292	3,816	5,723