

Report to:	Schools Forum		
Date of meeting:	17 th September 2021		
Report of:	Director of Children's Services Deputy Chief Executive	Report number:	21092
Contact officer:	Lisa Butcher, Head of Finance	Telephone number	01204 336818
Report title:	Dedicated Schools Grant Monitoring 2021/22 as at Quarter One.		
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 one.		
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 one.

Key Issues:

Revenue Expenditure:

Revenue expenditure for the Dedicated Schools Grant (DSG) is to be £1.73m 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 30th June was £1.072m against a revised programme of £13.745m.

Reserves

Reserves are expected to be £19.395m as at the 31st March 2022.

£22.802m relates to capital monies held for future work on schools and -£3.407m 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, and Reserves movements

2 Revenue Expenditure

2.1 Dedicated Schools Grant – Approved Revenue Budget 2021/22

DSG	£000s
Dedicated Schools Grant per Strategic Budget Report	211,970,800
Budget Adjustments:	
High Needs Place Deduction - Update	95,500
Adjusted Grant at Quarter 1	212,066,300

The DSG budget has seen changes in quarter one because of updated High Needs Place Deduction data – effective from September 2021.

2.2 Dedicated Schools Grant Financial Position – Revenue Expenditure

Service	Net Budget	Projected Outturn	Year End Variance
Dedicated Schools Grant	£000s	£000s	£000s
Schools Block			
Nursery Schools	0	141	141
Primary Schools	102,148	103,475	1,327
Secondary Schools	43,102	43,060	-42
Special Schools	207	292	85
Other - Growth	778	778	0
De-delegation	0	-25	-25
Use of schools balances		-1,511	-1,511
Subtotal	146,235	146,210	-25
Local Authority Retained Budgets			
Central Expenditure	3,118	3,097	-21
Early Years Block	22,288	22,083	-205
High Needs Block	40,425	42,406	1,981
Subtotal	65,831	67,586	1,755
Total Dedicated Schools Grant Budgets	212,066	213,796	1,730

Centrally Retained Budgets

Dedicated Schools Grant is expected to exceed the grant available by £1.73m.

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.

In 2020-21, the Department for Education (DfE) introduced the 'safety valve' intervention programme for local authorities with the highest percentage DSG deficits, recognising that help would be needed for these authorities to turn things around in a short space of time. The programme required those local authorities to develop substantial plans for reform to their high needs systems and associated spending, with support and challenge from the department, to rapidly place them on a sustainable footing. The authorities will be held to account for their reform and savings via regular reporting to the department. The department will help the local authorities with additional funding over time to contribute to their historic deficits, contingent on delivery of the reforms.

Bolton is now part of this safety valve project and has had initial meetings with the DfE, has submitted a plan and is waiting for initial feedback. 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 £1.51m in this financial year, most of the change (£1.34m) being in the Primary sector.

School balances are forecast to total £11.49m 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.

Children's Services Capital Programme	Original Budget	New Schemes	Scheme Reprogramming	Revised Programme Q1	Expenditure Q1
	£000s	£000s	£000s	£000s	£000s
Scheme	2021/22	2021/22	2021/22	2021/22	2021/22
Building Maintenance Programme	3,216	345	287	3,848	170
School own Capital Schemes	0	21		21	21
Capital Support Fund	100		-50	50	0
Access	50			50	0
Devolved Formula Capital	800		-26	774	1
Primary Expansion Programme	2,515	152	-1,251	1,416	149
Special School Expansion Programme	7,089	140	-2,640	4,589	659
Secondary Expansion Programme	3,092		-144	2,948	72
Primary Places	28		21	49	0
Total Expenditure	16,890	658	-3,803	13,745	1,072
Children's Services Capital Programme	Original Budget	New Schemes	Scheme Reprogramming	Revised Programme Q1	Expenditure Q1
	£000s	£000s	£000s	£000s	£000s
Financed By:	2021/22	2021/22	2021/22	2021/22	2021/22
Section 106	0		556	556	0
Basic Need Grant	12,724	292	-6,158	6,858	506
Devolved Formula Grant	800		-26	774	1
School Condition Grant	3,366	324	-300	3,390	170
SEND Capital Grant	0		212	212	174
High Needs Capital Grant	0		1,327	1,327	200
Schools BMP Contributions	0	21	537	558	0
Revenue Contributions to Capital - Schools	0	21	49	70	21
Total Financing	16,890	658	-3,803	13,745	1,072
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 £13.745m. The changes in the quarter are due to the following: -

- Reprogramming of schemes resulting in a decrease of £3.803m.
- Various New Schemes in schools £658k.

4. Reserves Movements

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 Appendix A

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

Table Four: Summary of Reserves Position

Schools & DSG Reserves	Balance 1st April 2021	Outturn Movements	Other Movements	Balance 31st March 2022
Revenue Reserves				
To cover key areas of risk	0		0	0
Legal requirements	3,018	1,730	1,692	6,439
Existing commitments	-3,403		371	-3,032
Total Revenue Reserves	-385	1,730	2,063	3,407
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		8	-22,802
Total Capital Reserves	-22,810	0	8	-22,802

7 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.
- Notes the revenue budget changes in quarter.

Appendix A

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

	Balance		Other	Balance
	1st April 2021	Outturn Movements	Movements	31st March 2022
Schools and DSG Revenue Reserves	£'000	£'000	£'000	£'000
Centrally Retained DSG	16,561	1,730		18,291
Other Schools Balances	-538		180	-358
Schools Balances	-13,005		1,511	-11,494
Legal requirements	3,018	1,730	1,692	6,439
Capital	-3,076		417	-2,659
Bolton Supported School Improvement Group	-281		-46	-327
Two Year Old Funding	0			0
ACIS - Controlling migration fund	-46			-46
Reserve with existing commitment	-3,403	0	371	-3,032
Total Revenue Reserves	-385	1,730	2,063	3,407
	Balance		Other	Balance
	1st April 2020	Outturn Movements	Movements	31st March 2021
Schools and DSG Capital Reserves	£'000	£'000	£'000	£'000
Capital Grants	-22,810		8	-22,802
Reserve with existing commitment	-22,810	0	8	-22,802
Total Capital Reserves	-22,810	0	8	-22,802