

<b>Report to:</b>	Schools Forum		
<b>Date of meeting:</b>	13 <sup>th</sup> November 2020		
<b>Report of:</b>	Director of Childrens Services Director of Corporate Resources	<b>Report number:</b>	
<b>Contact officer:</b>	Lisa Butcher, Head of Finance	<b>Telephone number</b>	01204 336818
<b>Report title:</b>	DSG Financial Monitoring 2020-21 Quarter Two		
<b>Not confidential</b>			
This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
<b>Purpose:</b>	This report provides the Schools Forum with information relating to the financial position for the DSG portfolio for the 2020-21 financial year, as at Quarter Two.		
<b>Recommendations:</b>	It is recommended that the Schools Forum: <ul style="list-style-type: none"> <li>• Notes the financial position of the portfolio as at 30th September 2020.</li> </ul>		
<b>Decision:</b>			
<b>Background documents:</b>			
<b>Signed:</b> (Executive Cabinet Member reports only)	Leader/Executive Cabinet Member	Monitoring Officer	
<b>Date:</b>			

**Bolton  
Council**

**Summary:**

This report presents the financial position in respect of the Department of Children's services for the 2020/21 as at Quarter Two.

**Key Issues:****Revenue Expenditure:**

Revenue expenditure for the Dedicated Schools Grant (DSG) is to be £3.194m greater than the grant available.

**Capital Expenditure:**

The schools element of the original capital programme approved at Council in February 2020 totalled £18.543m. Expenditure at the 30<sup>st</sup> September 2020 was £2.622m against a revised programme of £12.257m.

**Reserves**

Reserves are expected to be £9.653m at the 31st March 2021.

- £17.136m relate to capital monies held for future work on schools
- £-7.483m relates to schools balances (£+7.487m) and other DSG reserves (£-£14,970m).

## 1 Background

This report provides the Schools Forum with information relating to the financial position for the 2020/21 financial year as at Quarter Two.

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: DSG – Approved Revenue Budget 2020-21 – As at Quarter Two**

	<b>DSG</b>
<b>Dedicated Schools Grant per Strategic Budget Report</b>	<b>198,169,000</b>
<u>Budget Adjustments:</u>	
High Needs Import/Export Update	33,000
6th Form Funding - Pupil Number Update	-125,000
Early Years - January 2020 Census Data Update	127,000
High Needs Place Deduction - July Update	-218,000
Pupil Premium - Census Update	58,000
<b>Adjusted Grant at Quarter Two</b>	<b>198,044,000</b>

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

There have been various budget adjustments within the first two quarters.

#### Quarter One

- updated High Needs import/export pupil numbers
- re-calculation of 6th Form Grant to reflect pupil number changes
- the full year effect of academy conversions.

#### Quarter two

- increase resulting from higher Early Years numbers based on January 2020 census to fund 2019/20 academic year
- inflation increases to Pupil Premium Grant allocations.
- increase in places at Special Academies sees a reduction to the LA High Needs budget.

## 2.2 Financial Position – Revenue Expenditure

Table Two below outlines the DSG revenue position as at quarter Two

**Table Two DSG Financial Position 2020/21**

Service	Net Budget	Quarter 2	Year End Variance
Dedicated Schools Grant	£000s	£000s	£000s
<b>Schools Block</b>			
Nursery Schools	0	65	65
Primary Schools	97,132	96,115	-1,017
Secondary Schools	39,443	39,376	-67
Special Schools	207	590	383
Other - Growth	1,366	1,366	0
De-delegation	0	-23	-23
Use of schools balances		636	636
<b>Subtotal</b>	<b>138,148</b>	<b>138,125</b>	<b>-23</b>
<b>Local Authority Retained Budgets</b>			
Central Expenditure	2,962	2,941	-21
Early Years Block	21,994	22,246	252
High Needs Block	34,940	37,926	2,986
<b>Subtotal</b>	<b>59,896</b>	<b>63,113</b>	<b>3,217</b>
<b>Total Dedicated Schools Grant Budgets</b>	<b>198,044</b>	<b>201,238</b>	<b>3,194</b>

### Variance Analysis

Outlined below are details of significant variances between the final outturn position and the budget within the Dedicated Schools Grant.

#### Centrally Retained Budgets

Dedicated Schools Grant is projected to exceed the grant available by £3.194m.

The main variances relate to the High Needs Block due to increased special school placements, increases in numbers and cost of out of borough placements in Independent Special schools.

Early Years Block has a small overspend resulting from payment protection to providers in Autumn term following Govt Guidance.

#### Delegated Schools Budgets

School balances are projected to increase overall by £0.6m in this financial year. Balances in the Primary schools will increase by £1.0m offset by a decrease of £0.4m in Special schools, with balances in Nursery and Secondary sectors are unchanged.

School balances of £7.1m are forecast at the end of the financial year, which is felt to be prudent. As part of the funding settlement some schools had quite a significant

uplift and the Forum approved that the surplus balance control system be suspended for one year only, in relation to balances at 31.03.21 to enable time for planning and enabling projects. This is also felt appropriate due to delayed spending as a result of Covid.

### 3 Capital Programme

**Table Three – Capital Programme**

<b>Children's Services Capital Programme</b>	<b>Programme as at Q1</b>	<b>New Schemes</b>	<b>Scheme Reprogramming</b>	<b>Revised Programme Q2</b>	<b>Expenditure Q2</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Scheme</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
Building Maintenance Programme	2,160	17	-42	2,135	821
Capital Support Fund	124	7		131	0
Access	50			50	0
Devolved Formula Capital	983			983	180
Primary Expansion Programme	4,141		-920	3,221	667
Special School Expansion Programme	3,526		-1,451	2,075	305
Secondary Expansion Programme	4,889		-1,304	3,585	649
Primary Places	77			77	0
<b>Total Expenditure</b>	<b>15,950</b>	<b>24</b>	<b>-3,717</b>	<b>12,257</b>	<b>2,622</b>
<b>Children's Services Capital Programme</b>	<b>Programme as at Q1</b>	<b>New Schemes</b>	<b>Scheme Reprogramming</b>	<b>Revised Programme Q2</b>	<b>Expenditure Q2</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Financed By:</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>	<b>2020/21</b>
Section 106	215		177	392	392
Basic Need Grant	11,875		-10,221	1,654	400
Devolved Formula Grant	983			983	180
School Condition Grant	1,976	24	-43	1,957	463
Schools BMP Contributions	0		143	143	143
Schools Other Capital Grants	0			0	
Revenue Contributions to Capital - Schools	220		6,358	6,578	983
SEND Capital Grant	681		-131	550	61
<b>Total Financing</b>	<b>15,950</b>	<b>24</b>	<b>-3,717</b>	<b>12,257</b>	<b>2,622</b>
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The original capital programmes for the Department of People Services were reported in the Cabinet reports of February 2020. The schemes relating to schools have since been amended to £12.257m. The changes in this quarter are due to the following:-

- Various New Schemes in Children's £0.024m
- Reprogramming of schemes resulting in a decrease of £3.717m

At the end of quarter two expenditure was £2.622m.

#### 4. Reserves Movements

**Table Four – Summary of Reserves Position**

Outlined in the table below are the projected movements on the Department's reserves (schools and education) in the current year.

	1st April 2020	Outturn Movements	Movements	31st March 2021
	£'000	£'000	£'000	£'000
<b>Schools and DSG Revenue Reserves</b>				
High Needs Strategic Planning	-21		21	0
<b>Important to cover key areas of risk</b>	<b>-21</b>	<b>0</b>	<b>21</b>	<b>0</b>
Centrally Retained DSG	12,697	3,194		15,891
Other Schools Balances	-715		325	-390
Schools Balances	-6,458		-639	-7,097
<b>Legal requirements</b>	<b>5,524</b>	<b>3,194</b>	<b>-314</b>	<b>8,404</b>
Capital	-7,322		6,601	-721
Bolton Supported School Improvement Group	-200			-200
Two Year Old Funding	-345		345	0
<b>Reserve with existing commitment</b>	<b>-7,867</b>	<b>0</b>	<b>6,946</b>	<b>-921</b>
<b>Total Revenue Reserves</b>	<b>-2,364</b>	<b>3,194</b>	<b>6,653</b>	<b>7,483</b>
<b>Service</b>	<b>Balance</b>		<b>Other</b>	<b>Balance</b>
	<b>1st April 2020</b>	<b>Outturn Movements</b>	<b>Movements</b>	<b>31st March 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Schools and DSG Capital Reserves</b>				
Capital Grants	-21,515		4,379	-17,136
<b>Reserve with existing commitment</b>	<b>-21,515</b>	<b>0</b>	<b>4,379</b>	<b>-17,136</b>
<b>Total Capital Reserves</b>	<b>-21,515</b>	<b>0</b>	<b>4,379</b>	<b>-17,136</b>

#### 5 Recommendations

It is recommended that the Schools Forum:

- Notes the financial position of the portfolio as at 30th September 2020.