

Report to:	Schools Forum		
Date of meeting:	12 th November 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 Two.		
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 two.		
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 two.

Key Issues:

Revenue Expenditure:

Revenue expenditure for the Dedicated Schools Grant (DSG) is to be £1.8m 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 September was £1.462m against a revised programme of £8.900m.

Reserves

Reserves are expected to be £15.718m as at the 31st March 2022.

£19.195m relates to capital monies held for future work on schools and -£3.477m 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

£'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
Adjusted Grant at Quarter 2	212,214,000

The DSG budget saw changes in Quarter 1 because of updated High Needs Place Deduction data.

Updated funding adjustments for High Needs Import/Export, 6th Form, and Pupil Premium pupil data resulted in changes to budget in Quarter 2.

2.2 Dedicated Schools Grant Financial Position – Revenue Expenditure

The table overleaf details the revenue position for 2021/22.

Delegated Schools Budgets

School balances are projected to decrease by £1.51m in this financial year, most of the change (£1.3m) 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.

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 of which £1.2m has been committed, this is due to the confirmation of pupils starting in the new academic year in September.

The Department for Education (DfE) has launched two programmes in response to Local Authorities high needs deficits, the Safety Valve programme and the intervention programme. The level of deficit in Bolton is not high enough to be in the safety valve project however the Local Authority has had initial meetings with the DfE, through the intervention programme. The meetings are designed to support and challenge the action plan. Regular updates will be provided on the project through future monitoring reports and through the Schools Forum.

Dedicated Schools Grant	Net Budget	Outturn	Year End Variance
	£000s	£000s	£000s
Schools Block			
Nursery Schools	0	141	141
Primary Schools	102,080	103,407	1,327
Secondary Schools	43,311	43,269	-42
Special Schools	202	287	85
Other - Growth	778	778	0
De-delegation	0	-24	-24
Add to schools balances		-1,511	-1,511
Subtotal	146,371	146,347	-24
Local Authority Retained Budgets			
Central Expenditure	3,189	3,174	-15
Early Years Block	22,288	22,084	-204
High Needs Block	40,366	42,405	2,039
Subtotal	65,843	67,663	1,820
Total Dedicated Schools Grant Budgets	212,214	214,010	1,796

3 Capital Programme

The capital programme relating to schools is detailed overleaf.

Children's Services Capital Programme	Q1 Programme	New Schemes	Scheme Reprogramming /Slippage	Revised Programme Q2	Expenditure Q2
	£000s	£000s	£000s	£000s	£000s
Scheme	2021/22	2021/22	2021/22	2021/22	2021/22
Building Maintenance Programme	3,848		-1,705	2,143	246
School own Capital Schemes	21	24		45	45
Capital Support Fund	50	69		119	90
Access	50			50	0
Devolved Formula Capital	774			774	104
Primary Expansion Programme	1,416		-766	650	14
Special School Expansion Programme	4,589		-1,082	3,507	837
Secondary Expansion Programme	2,948		-1,392	1,556	126
Primary Places	49	7		56	0
Total Expenditure	13,745	100	-4,945	8,900	1,462
Children's Services Capital Programme	Q1 Programme	New Schemes	Scheme Reprogramming /Slippage	Revised Programme Q2	Expenditure Q2
	£000s	£000s	£000s	£000s	£000s
Financed By:	2021/22	2021/22	2021/22	2021/22	2021/22
Section 106	556		273	829	0
Basic Need Grant	6,858		-3,778	3,080	154
Devolved Formula Grant	774			774	104
School Condition Grant	3,390		-1,568	1,822	272
SEND Capital Grant	212			212	3
High Needs Capital Grant	1,327			1,327	820
Schools BMP Contributions	558		-269	289	0
Revenue Contributions to Capital - Schools	70	100		170	109
DFG Grant - Schools	0		397	397	0
Total Financing	13,745	100	-4,945	8,900	1,462

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 £8.900m.

The changes in the quarter are due to the following: -

- Reprogramming of schemes resulting in a decrease of £4.945m.
- Various New Schemes in schools £100k.

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 section 2 of this report.

Revenue Reserves	Balance 1st April 2021	Outturn Movements	Other Movements	Balance 31st March 2022
Schools & DSG Reserves				
Legal requirements	3,018	1,796	1,688	6,502
Existing commitments	-3,403		378	-3,025
Total Schools & DSG Reserves	-385	1,796	2,066	3,477
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		3,615	-19,195
Total Schools & DSG Reserves	-22,810	0	3,615	-19,195

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	1,796		18,357
Other Schools Balances	-538		177	-361
Schools Balances	-13,005		1,511	-11,494
Legal requirements	3,018	1,796	1,688	6,502
Capital	-3,076		424	-2,652
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	378	-3,025
Total Revenue Reserves	-385	1,796	2,066	3,477

	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		3,615	-19,195
Reserve with existing commitment	-22,810	0	3,615	-19,195
Total Capital Reserves	-22,810	0	3,615	-19,195