

# NOTICE OF MEETING

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**CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION**

**FRIDAY, 29 JULY 2022 AT 2.00 PM**

**COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH**

Telephone enquiries to Karen Martin, Tel: 023 9284 1704

Email: [democratic@portsmouthcc.gov.uk](mailto:democratic@portsmouthcc.gov.uk)

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

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**CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION**

Councillor Suzy Horton (Liberal Democrat)

## **Group Spokespersons**

Councillor Terry Norton, Conservative

Councillor Tom Coles, Labour

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(NB This Agenda should be retained for future reference with the minutes of this meeting.)

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**Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.**

## **AGENDA**

**Risk Assessment: Council Chamber**

**1 Apologies**

**2 Declarations of Members' Interests**

**3 Update on the Education Capital Programme (Pages 5 - 12)**

Purpose of report

To update the Cabinet Member on the implementation of the Education capital programme.

**RECOMMENDED that the Cabinet Member:**

- 1. Notes the council has been allocated a further High Needs Provision Capital allocation of £5.80m for 2022-24**
- 2. Notes the invite from the Department of Education (DfE) to submit applications for new Free Schools and the council's response.**
- 3. Notes the progress on the 'Accommodation for Special Educational Needs' (additional specialist school places) projects.**
- 4. Notes the Special Educational Needs schemes agreed with the Cabinet Member since the last report.**
- 5. Notes progress on the sufficiency schemes.**
- 6. Notes progress on the school condition projects for LA Maintained schools.**
- 7. Notes that the council will be supporting an application to the DfE to carry out a land transfer at Beacon View Primary Academy.**
- 8. Notes progress with the replacement of the education case management (EMS) system project.**

**4 Improving school attendance and reducing exclusions - focus on relational practice**

This report is to follow.

**5 Children, Families and Education Portfolio Budget Monitoring Report for the Financial Year End 2021/22 (Pages 13 - 20)**

Purpose

To inform the Cabinet Member of the revenue outturn position in respect of the Portfolio cash limit and capital programme for the financial year 2021/22. This report sets out the budget position and contributing factors to the final Portfolio cash limit overspend at the end of the year.

**RECOMMENDED that the Cabinet Member Notes the Children, Families and Education Portfolio revenue and capital outturn positions for the financial year 2021/22, together with the variance explanations.**

**6 Local Authority Maintained School Balances as at 31 March 2022 (Pages 21 - 36)**

Purpose

The purpose of this information report is to inform the Cabinet Member for Children, Families and Education of the level of Local Authority maintained schools' revenue and capital balances as at 31 March 2022.

**7 Dedicated Schools Grant Out-turn 2021-22 (Pages 37 - 46)**

Purpose

The purpose of this report is to inform the Cabinet Member of the year end outturn position of the Dedicated Schools Grant (DSG) as at the end of March 2022.

**RECOMMENDED that the Cabinet Member notes the year end budget position for the Dedicated Schools Grant as at 31 March 2022, together with the associated explanations contained within this report.**

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# Agenda Item 3



**Portsmouth**  
CITY COUNCIL

**Title of meeting:** Cabinet Member for Children, Families and Education

**Date of meeting:** 29 July 2022

**Subject:** Update on the Education Capital Programme

**Report from:** Sarah Daly, Director of Children, Families and Education

**Report by:** Alison Critchley, Head of Sufficiency & Resources

**Wards affected:** All

**Key decision:** Yes/No

**Full Council decision:** Yes/No

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## 1. Purpose of report

1.1 To update the Cabinet Member on the implementation of the Education capital programme.

## 2. Recommendations

- 2.1 To note the council has been allocated a further High Needs Provision Capital allocation of £5.80m for 2022-24
- 2.2 To note the invite from the Department of Education (DfE) to submit applications for new Free Schools and the council's response.
- 2.3 To note the progress on the 'Accommodation for Special Educational Needs' (additional specialist school places) projects.
- 2.4 To note the Special Educational Needs schemes agreed with the Cabinet Member since the last report.
- 2.5 To note progress on the sufficiency schemes.
- 2.6 To note progress on the school condition projects for LA Maintained schools.
- 2.7 To note that the council will be supporting an application to the DfE to carry out a land transfer at Beacon View Primary Academy.
- 2.8 To note progress with the replacement of the education case management (EMS) system project.

### 3. Background

#### 3.1 SEND Accommodation Strategy

- 3.1.1 As part of the 2021-22 capital programme, the council agreed on 9 February 2021 to add £3.5m to the funding for "Accommodation for Special Educational Needs" (additional specialist school places) to create additional places for children with Special Educational Needs and Disabilities (SEND) in special schools and inclusion centres attached to mainstream schools.
- 3.1.2 The council agreed a further £550,000 of funding on 15 February 2022 for Arundel Court Inclusion Centre.
- 3.1.3 The council has also been allocated an additional £6.0m of High Needs Provision Capital funding for the period 2021/22 to 2023/24.
- 3.1.4 The DfE has invited applications to create new SEND Free Schools with a deadline for initial expressions of interest of 11 July 2022. Officers are working with schools and partners to continue to develop proposals that prioritise the most effective use of this funding and have the greatest impact on the inclusion strategy.
- 3.1.5 An update on the key projects agreed in March 2021 is provided below:

School	Places	Programme	Budget
Penhale Infant School Inclusion Centre	16	Completed Sept 22. We have agreed a small further project at Penhale to create an additional 8 places.	Within budget
Flying Bull Inclusion Centre expansion	16	The programme has slipped due to the availability of materials. The revised completion date is now October 22.	Within budget
Cliffdale Primary Academy expansion	5-8	Phase 2 on track for completion August 22.	Within budget

- 3.1.6 The SEND accommodation strategy includes Inclusion Capital Grants of up to £10,000 for mainstream schools. These can be used to enable schools to enhance their facilities for children with SEND, for example by creating sensory rooms or enhancing other spaces for use with small groups of children with special needs. A further round of grants will be opened up to Portsmouth schools in the Autumn Term 2022.
- 3.1.7 **Disability Adaptations:** Hygiene and Changing facilities are required at Castle View Secondary Academy to support the needs of pupils with SEND.



- 3.1.8 Essential building condition work to replace an area of roofing at the Annexe building at Craneswater will enable an existing room to be brought back into use as a hygiene room. The building currently accommodates 28-32 young people from Mary Rose Academy. The work will enable young people with specific hygiene needs to attend the Craneswater site with their peers.
- 3.1.9 Work is progressing on plans for an Inclusion Centre at Arundel Court Primary Academy, providing an additional 24 pupil places from September 2023.

**3.2 Basic Need: Sufficiency**

- 3.2.1 The current capital programme includes a budget for future secondary expansion schemes ("scheme 18") and for future primary and secondary expansion schemes ("scheme 30"). Current forecasts are that the number of primary age children will decrease over the next 4-5 years and, therefore, we do not anticipate that funding for schemes to create additional primary places is needed.
- 3.2.2 At this time, we estimate that there are sufficient places for all Year 7 pupils expected to start in secondary school in September 2022. However, the pressure is growing in secondary as schools are being asked to take in additional pupils in bulge years. Admissions colleagues continue to work with schools to manage within existing provision, whilst opportunities to create additional places, where required, continue to be explored.
- 3.2.3 The work at Miltoncross Academy secondary school is on schedule to be complete by September 2023 by the PFI contractor, Mitie. This will create up to 10 places in 2023/24, and up to 20 places in 2024/25. A variation to the PFI contract will be agreed in advance. The intention is that the school are responsible for maintenance rather than adding this into the contract schedule.

**3.3 Schools Building Condition: Urgent Work and Planned Maintenance**

- 3.3.1 A budget of £1,583,400 over a 2-year period is available to address school urgent condition needs. As with the other building projects, the tenders for work are coming back at much higher costs than originally expected. The work is therefore being prioritised to ensure that we remain within our overall budget.

School	Project	Budget	Programme
Portsmouth Primary	Replacement oil-based heating system	Within budget	Completion Sept 22
Cumberland Infant	Phase 2: Heating improvements	Within budget	Completion Sept 22
Medina Primary	Boiler replacement	Within budget	Planned Start June 23



- 3.3.2 Craneswater Annex is located adjacent to the Craneswater Junior School. The building is utilised by pupils aged 16-19 on roll at Mary Rose Academy. Currently, 2 rooms at the back of the building are not used due to the risk of masonry falling onto the glass roof. For the same reason, the outdoor area at the back of the school cannot be used. As a result of some early feasibility, it is estimated that a project to address these condition issues and bring the rooms and outdoor space back into use would be around £125k. This would also allow 1 of the rooms to be refurbished into a dedicated hygiene room, which could accommodate pupils with specific needs.
- 3.3.3 The Harbour School @ Tipner building: Support is being provided to The Delta Education Multi Academy Trust to replace a number of windows in the building that are deemed to be in urgent need of repair.
- 3.3.4 In addition to the Schools Condition capital grant funding allocated to the council, Academy Trusts can also apply to the Condition Improvement Fund (CIF) for investment into essential maintenance projects. The following academy projects have successfully secured funding from the 2022/23 round.
- Cliffdale Primary Academy            Fire Safety and Compliance
  - Cliffdale Primary Academy            Boiler Replacement
  - Solent Infant School                    Health and Safety Structural
  - Springfield School                      Replacement of Flat Roofing
  - The Harbour School @ Tipner        Replacement of Flat Roofing

### 3.4 School Rebuilding Programme

- 3.4.1 The rebuild of Mayfield School, as part of the DfE's Priority School Building Programme (PSBP) Round 2 is nearing completion and currently forecast to be complete on site by November 2022. The £26m+ project has experienced some issues with land contamination which will add to the original budget and timescales. Whilst the new school building has been completed and is open to pupils the work on demolition and re provision of outdoor space is currently 19 weeks behind the original programme.

The delays, land contamination costs and structural issues with the boundary wall have added to the costs that the council is responsible for in respect of the boundary wall and improving road safety around the site.

- 3.4.2 Beacon View Primary Academy was rebuilt under an earlier phase of the DfE's rebuilding programme. The relocation of the school building has resulted in the play and sports areas being dispersed across a large site. The Academy has put forward a proposal to transfer part of the unused playing fields back to the local authority, potentially providing an opportunity for housing development. In return, any funding secured as a result of housing development would be reinvested into the school site to improve





recreational space that works better operationally for the pupils of the school. As this is a large site, the proposed development would not result in any significant loss of useable playing fields for the pupils. The development is dependent upon the DfE's approval to dispose of part of the school's playing field under the S.77 legislation. The next step would be to submit an application to the DfE for 'Consent for a Land Transaction'.

### **3.5 Replacement of the Education Case Management System**

3.5.1 The outcome of the procurement exercise to replace the education case management system (currently Capita ONE) is now complete. The preferred bidder is Servelec (part of The Access Group) and the contract has been awarded.

## **4. Reasons for recommendations**

4.1 The ongoing work to identify priorities, develop projects and deliver the projects outlined above will help to ensure that we are able to continue to provide sufficient high quality places for the children of Portsmouth in the most cost effective way possible.

4.2 The secondary sufficiency work will ensure that there are enough local places for all secondary places as the bulge in pupil numbers fully affects secondary schools.

## **5. Integrated impact assessment**

5.1 The implementation of these projects will not have a negative impact on any of the areas of equality of diversity, community safety, regeneration and culture or environment and public space.

5.2 The implementation of the SEND accommodation strategy, in particular, will improve access to schools for pupils with learning difficulties and/or disabilities. The development of inclusion centres will increase the opportunities for these children to interact with their peers in mainstream provision where appropriate bringing benefits to children both in inclusion units and mainstream classes.

## **6. Legal implications**

6.1 The recommendations identified within this report will assist the council in ensuring compliance with its statutory duties, which include the following:

- Statutory duties for children and young people with specialist educational needs and disabilities set out in the Children and Families Act 2014, including the duty to ensure children with SEND have their needs met and keeping under review the educational, training and social care

provision for children and young people who have SEND as well as considering the extent to which the provision is sufficient to meet need.

- A statutory duty to secure that efficient primary and secondary education is available to meet the needs of the population in its area under section 13 of the Education Act 1996 and to provide sufficient schools for primary and secondary education in its area in accordance with section 14 of the Education Act 1996. The schools must be sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education.
- An obligation to ensure school premises maintained to a prescribed standard in accordance with section 542 of the Education Act 1996 and the School Premises (England) regulations 2021.

6.2 The recommendations contained in this report are provided for the purpose of updating the Cabinet Member.

**7. Director of Finance's comments**

7.1 Financial monitoring of the capital programme is reported within the quarterly budget monitoring report. The outturn monitoring report for 2021-22 has been brought to this meeting.

7.2 The additional condition projects and sufficiency projects can be met within the existing budgets for those schemes.

7.3 For condition projects, schools are expected to use their Devolved Formula Capital (DFC) allocations to support these key priorities, in keeping with government expectations of the use of this funding. The expected contributions from schools' will be based on the agreed contribution methodology.

Signed by: **Sarah Daly, Director of Children, Families and Education**

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....



Portsmouth  
CITY COUNCIL

.....  
Signed by:

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# Agenda Item 5



**Portsmouth**  
CITY COUNCIL

**Title of meeting:** Cabinet Member for Children, Families and Education

**Date of meeting:** 29 July 2022

**Subject:** Children, Families and Education Portfolio Budget  
Monitoring Report for the Financial Year End 2021/22

**Report by:** Chris Ward, Director of Finance and Resources, Section  
151 Officer and Sarah Daly, Director of Children, Families  
and Education

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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## 1 Purpose of report

- 1.1. To inform the Cabinet Member of the revenue outturn position in respect of the Portfolio cash limit and capital programme for the financial year 2021/22. This report sets out the budget position and contributing factors to the final Portfolio cash limit overspend at the end of the year.

## 2 Summary

- 2.1 The revenue outturn position for the portfolio was an overspend of £4,406,000 in excess of the budget provision. This consists of an overspend as a result of COVID-19 pressures of £1,963,000 and £2,443,000 due to other factors.
- 2.2 The financial impact of the COVID-19 pandemic across the whole of the Portfolio is still being realised and was greater in 2021/22 than in the previous year. The effect on children, their families and their education from the pandemic is ongoing and will be felt over a long period of time. The financial impact of this will continue to be reviewed and updated as appropriate.
- 2.3 Following a realignment of budgets as part of the approval of the 2021-22 Capital Programme in February 2021, both the Education and Children and Families capital programmes resulted in a breakeven position at the end of the financial year 2021-22.

## 3 Recommendations

- 3.1 It is recommended that the Cabinet Member:



3.1.1 Notes the Children, Families and Education Portfolio revenue and capital outturn positions for the financial year 2021/22, together with the variance explanations.

#### 4 Background

4.1 The Medium Term Financial Strategy identified the future demand and cost pressures facing the service, along with strategies to improve outcomes and manage within budget. However the financial impact of the Covid-19 pandemic has started to be realised, and further actions have been identified during the year to reduce the pressure on the budgets.

4.2 Whilst some the impact of Covid-19 is easy to identify, has been reported separately and will be provided for centrally, some of the impact has resulted in increased needs, and increased costs of placements which forms part of the 'non COVID-19 Variance'.

#### 5 Summary Position against Cash Limited Budget at the end of March 2022

5.1 The portfolio ended the financial year with an overspend of £4,406,000 as shown in the table below.

Service Area	Current Budget £000	Final Outturn £000	Final Outturn Variance £000	COVID-19 Variance £000	Non COVID-19 Variance £000
Management, Sufficiency and Resources	2,787	2,989	201	217	-16
Inclusion Services	2,381	2,304	-77	72	-149
School Improvement	187	67	-120	32	-152
Community Learning	-14	-14	0	0	0
PCMI	141	149	8	8	0
Youth & Play Shared Services with the HRA	442	442	0	0	0
<b>Total Education Services</b>	<b>5,924</b>	<b>5,937</b>	<b>13</b>	<b>329</b>	<b>-316</b>
Family Safeguarding Service	6,678	7,307	629	301	328
Commissioning & Performance	763	114	-649	29	-678
Looked After Children	21,040	25,099	4,059	1,238	2,821
Safeguarding & Monitoring	822	930	108	1	107
Support Activities	2,957	3,154	197	25	172
Edge of Care	1,192	1,167	-25	0	-25
Early Help and Prevention	179	253	74	40	34
<b>Total Children and Families</b>	<b>33,631</b>	<b>38,024</b>	<b>4,393</b>	<b>1,634</b>	<b>2,759</b>
<b>Total Children, Families and Education Portfolio</b>	<b>39,555</b>	<b>43,961</b>	<b>4,406</b>	<b>1,963</b>	<b>2,443</b>

\*The final outturn variance includes COVID-19 variations and variations not related to COVID-19  
Numbers may not exactly add up due to rounding



5.2 **Non COVID-19 Variations (£2,443,000 overspend)** The main reasons for the non COVID-19 variations are detailed in the paragraphs below.

5.2.1 **Education Service (£316,000 underspend)**

**Management, Sufficiency and Resources.** Home to school transport saw above inflation increases towards the end of the financial year due to the increases in the price of fuel, but the service had a small underspend of £16,000 due to lower pupil numbers than budgeted.

**Inclusion.** The service maximised the income it received and had short term vacancies which created a non-Covid underspend of £149,000.

**School Improvement.** There was a £152,000 underspend due to reduced spend on supplies and services across the service.

5.2.2 **Children and Families (£2,759,000 overspend)**

**Looked After Children.** The overspend of £2,821,000 is due to pressures within Unaccompanied Asylum Seeker Children, External Residential placements and care leaver placements.

The Unaccompanied Asylum Seeker Children (UASC) and UASC Care Leaver budgets ended the year with a overspend of £845,000. The income from the Home Office does not cover the costs of the UASC Care Leaver placements.

The final outturn position on indigenous Looked After Children Placements is a non COVID-19 overspend of £1,338,000. There was a significant overspend of the budget for external residential placements with seven more children needing these placements than budgeted for, with a higher average cost.

March 2022 Placement Type	Budget			Outturn				
	Average	Av Unit Cost	Budget	Current placement	Average	Av Unit Cost	Final Outturn	Budget Pressure
	Nos	£	£	Nos	Nos	£	£	£
External Residential	14.90	258,686	3,853,800	21	21.90	246,624	5,401,069	1,547,269
Semi Independent	5.21	51,086	266,400	4	3.95	119,867	473,475	207,075
Independent Fostering Agency (IFA)	28.26	47,623	1,345,700	21	21.01	45,374	953,308	-392,392
In-House Fostercare	237.92	25,033	5,955,800	234	249.00	24,997	6,302,877	347,077
<b>Sub-total</b>	<b>286.29</b>	<b>39,895</b>	<b>11,421,700</b>	<b>280</b>	<b>295.86</b>	<b>44,382</b>	<b>13,130,729</b>	<b>1,709,029</b>
<b>Sub-total Outturn 2020/21</b>	<b>317.81</b>	<b>39,337</b>	<b>12,501,700</b>		<b>298.29</b>	<b>45,529</b>	<b>13,580,732</b>	<b>1,079,032</b>
Adoption	54.29	8,960	486,500	47	51.22	9,565	489,920	3,420
Child Arrangement Orders	12.67	5,945	75,300	7	8.90	5,235	46,611	-28,689
Special Guardianship	143.33	5,801	831,500	136	133.97	6,310	845,335	13,835
<b>Grand Total Outturn 2021/22</b>	<b>496.58</b>	<b>25,806</b>	<b>12,815,000</b>	<b>470</b>	<b>489.95</b>	<b>29,620</b>	<b>14,512,595</b>	<b>1,697,595</b>
<b>Grand Total Outturn 2020/21</b>	<b>537.63</b>	<b>25,892</b>	<b>13,920,100</b>		<b>495.94</b>	<b>30,048</b>	<b>14,901,616</b>	<b>981,516</b>

The above table includes COVID-19 variations and variations not related to COVID-19  
The above table only includes placements which PCC are financially supporting.

Care leaver placements overspent by £936,000 due to a small number of high-cost placements and an increase in numbers.



Residential homes had a non-Covid overspend of £231,000 due to staffing pressures and higher than budgeted spend on operational costs.

**Support Activities.** This overspent by £172,000 due to agency staff being used in strategic positions until permanent appointments could be made.

**Edge of Care.** The underspend of £25,000 relates to unbudgeted income from Domestic Violence as a contribution towards staffing costs.

**Early Help and Prevention.** The overspend of £34,000 related to additional in year costs on occupational therapy.

5.3 **COVID-19 Variations (£1,963,000 overspend)** The main reasons for the COVID-19 variations are detailed in the paragraphs below.

#### 5.3.1 Education (£329,000 overspend)

**Management, Sufficiency and Resources.** Home to school transport incurred additional costs of £217,000 during the year where covid precautions were implemented.

**Inclusion.** The school attendance team had reduced income of £72,000 due to the changes in school attendance with the pandemic.

**School Improvement.** £32,000 was spent on a partnership to develop the availability of digital learning in schools in relation to the COVID-19 pandemic.

#### 5.3.2 Children and Families (£1,634,000 overspend)

**Family Safeguarding.** COVID-19 has meant that more additional staff costing £301,000 have been recruited to meet the spike in referrals and an increase in more children being subject to a child protection plan.

**Commissioning and Performance.** Additional staffing costs of £29,000 were incurred to provide more support to schools and children during the pandemic.

**Looked After Children.** The overspend was largely a result of the delay to the achievement of savings due to the impact of COVID-19 on the introduction of the Family Safeguarding Service (£800,000).

External residential placements incurred £360,000 worth of costs due to delays in reunification caused by the pandemic.

The residential homes incurred additional staffing costs of £78,000 due to additional hours carried forward from last year and staff absence because of COVID-19.





**Early Help and Prevention.** The final position includes £40,000 for additional staff to provide support to help families during the COVID-19 pandemic.

**6 Capital Programme**

6.1 Attached at Appendix 1 is the current capital budget monitoring position in respect of all schemes in the capital programme for Education, which was approved by Council 9 February 2021.

6.2 Current spending at £55.7m is some £15.3m below approved funding for the schemes identified, reflecting the longer term nature of capital spending. However, at this stage, a breakeven position is forecast against the total approved funding of £71.0m. Any underspending arising from the Capital Programme which was funded from Corporate Capital Resources will be returned and be allocated through the Budget Process, ensuring that the Council are able to allocate capital funding through a competitive basis to the Council's highest priorities.

6.3 It should be noted that the current economic climate is increasing the cost of capital works and recent tenders have indicated that costs are approximately 50% higher than expected. The Education Service is working closely with the Design Service, Architects, contractors, and schools to manage costs down. It is also reviewing current and planned schemes to re-prioritise and identify funding to ensure that critical sufficiency works are completed.

6.4 Comments related to the variations are noted on Appendix 1.

6.5 The table shown below is the current approved capital programme for Children and Families, including payments made to date. Funding for all schemes was approved by Council 9 February 2021.

<b>Children and Families capital programme 2021-22</b>	<b>Current approved Funding</b>	<b>Actual Expenditure to March 2022</b>	<b>Forecast Spend</b>
<b>Scheme</b>	<b>£</b>	<b>£</b>	<b>£</b>
Adaptations to Foster Carer properties	108,300	108,300	180,300
Children's Case Management software replacement	2,707,000	2,410,500	2,707,000
Tangier Road Children's Home	503,900	503,900	503,900
Beechside Children's Home	50,100	62,200	62,200
Capital Grant - Housing for Looked after child	210,200	210,200	210,200
EC Roberts Centre Refurbishment Loan	250,000	7,200	250,000
Adaptations to Carers Home	476,700	102,400	464,700
<b>Total</b>	<b>4,306,200</b>	<b>3,404,700</b>	<b>4,306,200</b>

6.6 The Children's Case Management system went live in March 2020 with post implementation work continuing, but the project remains on budget.



**7 Integrated impact assessment**

7.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

**8 Legal implications**

8.1 There are no legal implications arising directly from the recommendations set out in paragraph 3.1 of this report.

**9 Director of Finance's comments**

9.1 Financial comments are contained within the body of the report.

.....  
Signed by:

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:



Outturn - Education Capital Budget forecast 2021-22						Appendix 1
Education - Sufficiency Schemes						
Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
8	Sufficiency Programme Phase Two 2015- 2017	11,089,488	10,701,847	11,089,488	0	
9	Vanguard Centre	3,308,023	3,308,023	3,308,023	0	
10	King Richard School Rebuild 900-1000 places	1,562,304	1,412,653	1,562,304	0	
14	Secondary School Places Expansion Phase (1)	1,728,700	1,617,662	1,728,700	0	
15	Special Education Needs - Building Alterations	2,841,560	2,611,814	2,841,560	0	
17	Sufficiency of Secondary School Places	5,517,500	4,915,824	5,517,500	0	
18	Future Secondary School Places	158,248	60,000	158,248	0	
22	Sufficiency of School Places 2018-19	11,343,507	10,405,644	11,343,507	0	
23	Sufficiency of Special School Places - Redwood Park Academy	2,805,921	2,777,568	2,805,921	0	
24	Sufficiency of Special School Places - The Willows Centre	586,100	516,472	586,100	0	
25	Milton Childcare Sufficiency	69,784	69,784	69,784	0	
26	Forest School at Foxes Forest - Community Accessible Education Centre	30,000	0	30,000	0	
27	Early Year Places Provision	10,798	10,798	10,798	0	
29	Additional Special School Places - The Lantern	1,147,048	1,148,668	1,148,668	1,620	Additional Works
30	Additional School Places in Mainstream Schools - Design	250,000	62,460	248,380	-1,620	overspend.
31	Additional Secondary School Places - St Edmunds Catholic School	650,148	650,148	650,148	0	
32	Additional School Places - 2020/21	2,200,000	228,157	1,833,580	-366,420	scheme 39, Budget will transfer to scheme 39 in 2022-23
33	Sufficiency at Wymering Site improvement	220,000	245,254	245,254	25,254	Overspend related to costs associated with land covenant and legal fees
35	School Places - SEND Phase 1 & Phase 2	1,360,647	1,287,610	3,356,076	1,995,429	due to current market conditions, expenditure will move to scheme 39 in 2022-23
39	Accommodation for Special Education Needs (additional School Places)	7,875,634	1,408,351	6,220,032	-1,655,602	Net underspend offsets overspend on scheme 35, expenditure for Flying Bull and Budget for Trafalgar Inclusion centre will transfer to scheme 39 in 2022-23
<b>TOTALS</b>		<b>54,755,410</b>	<b>43,438,736</b>	<b>54,754,071</b>	<b>-1,339</b>	
Education - Condition Schemes						
Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance	Explanation
12	Schools Conditions Projects - Modernisation	1,422,623	1,422,623	1,422,623	0	
13	School Conditions Project 2016-17	869,455	871,955	871,955	2,500	
19	School Conditions Project 2017-18	853,214	747,746	850,714	-2,500	
20	Beacon View Primary School - Kitchen Block	41,698	41,698	41,698	0	
21	Schools Conditions Project 2018-19	1,577,390	1,554,542	1,577,390	0	
28	Maintained Schools - Urgent Conditions Projects	1,754,619	1,390,524	1,754,619	0	
34	Wimbourne Amalgamation	87,000	88,339	88,339	1,339	
36	Northern Parade Family Hub	25,000	19,627	25,000	0	
38	Urgent Conditions Projects (2 year Planned Progr)	1,596,841	39,024	1,596,841	0	
<b>TOTALS</b>		<b>8,227,840</b>	<b>6,176,078</b>	<b>8,229,179</b>	<b>1,339</b>	
Education - Other Schemes						
Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance	Explanation
11	Universal Infant Free School Meal Works	889,342	889,342	889,342	0	
16	Schools DFC Balances and devolgt 2016-17	5,837,079	5,394,929	5,837,079	0	
37	Replacement Education Case Mngt System	1,250,000	15,240	1,250,000	0	
<b>TOTALS</b>		<b>7,976,421</b>	<b>6,299,510</b>	<b>7,976,421</b>	<b>0</b>	
<b>TOTALS</b>		<b>70,959,671</b>	<b>55,914,324</b>	<b>70,959,671</b>	<b>0</b>	

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**Title of meeting:** Cabinet Member for Children, Families and Education

**Subject:** Local Authority Maintained School Balances as at 31 March 2022

**Date of meeting:** 29 July 2022

**Report by:** Sarah Daly, Director, Children, Families and Education

**Wards affected:** All Wards

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## 1 Requested by

1.1. Cabinet Member for Children, Families and Education.

## 2 Purpose

2.1 The purpose of this report is to inform Cabinet Member for Children, Families and Education of the level of Local Authority maintained schools' revenue and capital balances as at 31 March 2022

## 3 Information Requested

- 3.1. Each year schools are given delegated budgets which are calculated using the locally agreed national funding formula. These budgets are supplemented by specific government grants (e.g. Pupil Premium) and through the income generated by the school. Delegated revenue budgets are intended to be spent during the year on the existing cohort of pupils, although it is prudent for a school to retain a small surplus to provide for future uncertainties.
- 3.2. Schools do spend the vast majority of funds directly on the education of their pupils. However, there are a number of genuine reasons why schools may accumulate a balance at year end; for example, to provide for planned building works or to provide consistency in staffing levels during funding fluctuations relating to predicted changes in numbers on roll.
- 3.3. In some cases, factors outside of the control of the school can cause increases in balances; for example, large capital building schemes may slip from one year into the next.
- 3.4. Whilst devolved formula capital allocations are ring fenced for capital purposes only, schools may use revenue balances to support capital schemes. In 2021-22,

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schools allocated some £1.623m of revenue funding to capital purposes (compared to £1.526m in 2020-21).

- 3.5. Schools were surveyed during the spring term to ascertain future commitments against estimated closing balances in order to provide data in accordance with Consistent Financial Reporting (CFR) requirements. This data has since been updated to reflect actual, rather than estimated, closing balances.
- 3.6. In 2014 Schools Forum agreed to discontinue the "balance control mechanism" (i.e., a "clawback" system) and to implement proposals to strengthen the monitoring arrangements. An extract from the current Scheme for Financing Schools is shown at Appendix 1 that highlights the 'controls on surplus balances' together with the items that can be deemed committed within the year-end balances.

#### 4 Revenue Balances

- 4.1. The following table illustrates the level of schools' revenue balances over the last three years:

Sector	No. of schools as at 31/3/20	Balance as at 01/04/20 £	% of 2019/20 budget allocation	No. of schools as at 31/3/21	Balance as at 01/04/21 £	% of 2020/21 budget allocation	No. of schools as at 31/3/22	Balance as at 01/04/22 £	% of 2021/22 budget allocation
Nursery & Primary schools	20	3,328,266	12.04	19	4,130,191	14.60	16	3,580,452	12.02
Secondary schools	2	801,995	6.83	2	878,465	6.97	2	847,344	6.16
Special schools	1	(25,843)	(0.53)	0	0	0	0	0	0
Total	23	4,104,418	9.16	21	5,008,656	12.25	18	4,427,796	10.17

- 4.2. Since presenting the balances report last year, Corpus Christi Primary, Milton Park Primary and Cottage Grove Primary have converted to Academy status with a surplus balance.
- 4.3. To provide a consistent comparison between 2020/21 and 2021/22, the balance for these schools have been excluded from the restated 2020/21 figures in the table below

Sector	Balance as at 01/04/21	% of 2020/21 budget allocation	Balance as at 01/04/22	% of 2021/22 budget allocation
Nursery & Primary schools	3,923,838	16.99	3,580,452	12.02
Secondary schools	878,465	6.97	847,344	6.16
Special schools	0	0	0	0
Total	4,802,303	13.45	4,427,796	10.17

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- 4.4. It is important to note that the total schools' balances of £4.4m as at 1 April 2022 include £0.131m (£0.104m 2020/21) of community related balances e.g., Community Improvement Partnerships, community lettings, breakfast and after school clubs etc. leaving £4.3m (£4.9m 2020/21, including schools which have since converted to academy status) of "curriculum" balances relating to core activity. Of this, a further £0.8m (£1.1m 2020/21) has been committed to specific projects or initiatives, leaving a balance of £3.5m, or 8% of the 2021/22 budget allocation, as genuinely uncommitted. This exceeds the CIPFA guideline of between 2-3% of budget for uncommitted balances.
- 4.5. Overall, 61% (11) of schools saw an increase in their balances when compared to 2020-21, this is lower than the previous year, when 71 % of schools saw an increase in balances.
- 4.6. Of the seven schools that saw a decrease in balances, three had balances in excess of 10% of their budget share and are not of concern. One has a balance that is in excess of 8% of their budget share and the authority will work with the school at the termly visits to support them in maintaining their balances. The remaining three schools form part of the reducing balance review as set out in Section 5.
- 4.7. As at 31 March 2021, there was one school in deficit - Manor Infant School. Whilst the school produced a recovery plan which showed the school returning to a surplus position in 2021-22, at the end of 2021-22 the school remained in deficit. The authority is in discussion with the school regarding the deficit balance and the school has produced a recovery plan which is in the process of being reviewed.

## **5 Review of Specific School Balances**

- 5.1 The school revenue balances as at 31st March 2022 are shown by school at Appendix 2. Whilst the number of schools with reducing or low balances remains low, there are still some schools, which are causing some concern. Additionally, some schools meet the criteria of having excessive balances. The following sections set out the explanations for the level of balances and any action being taken.

### **Reducing balances**

- 5.2 During 2016-17 Schools Forum requested that the council contact the Chair of Governors for schools with reducing or low balances as at 31st March 2016. This process now forms part of the annual review of school balances.
- 5.3 As part of the year-end monitoring process of school balances, a review was undertaken to identify those schools that have shown a continued or significant reduction (defined as 25% or more) in their level of balances and whose balances form less than 8% (primary and special schools) or 5% (secondary schools) of their budget share.

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- 5.4 At the end of 2020-21, two schools were identified as meeting the above criteria: by the end of 2021-22:
- Bramble Infant and Nursery has seen an increase in their balances, which are now 9.33% of their budget share.
  - Manor Infant's deficit has increased.
- 5.5 As at 31 March 2021-22 there are three schools that meet the reducing balances criteria (para.5.3), all schools have been contacted and have responded to the authority confirming:
- Manor Infant has produced a recovery plan which has been agreed by governors and is being reviewed by the authority
  - St George's Beneficial C of E Primary have confirmed that they are aware of the reduction in balances and that they have formulated a plan to manage the schools expenditure to stop the school going into deficit.
  - St Swithun's Catholic Primary, the decrease in balances related to the additional costs of staffing and supply cover related to sickness. The school is aware of the pressure but have not indicated if they are taking any action.

**Excessive balances**

- 5.6 The Scheme for Financing Schools categorises Primary & Special Schools who have uncommitted balances of more than 8% of budget share as having excessive balances. For Secondary Schools, the threshold is 5% of budget share.
- 5.7 Of the eight Primary schools with uncommitted balances over 8%, five have balances between 10% and 20% and two have uncommitted balances over 20% and had balances of over 20% in 2020-21.
- 5.8 For Secondary Schools, one had uncommitted balances of more than 5% of the budget share at 14.7% of the budget share.
- 5.9 Analysis of the reasons for the high balances are set out below.

**St John's Catholic Primary**

- 5.10 St John's year end balances have increased by £20,005 from £331,428 at the end of March 2021 to £351,433 at the end of March 2022. The school has indicated that £3,000 of their balance is committed, with £348,433 being uncommitted.
- 5.11 With regards to the uncommitted balance of £348,433, this equates to 30.50% of the school's budget share.
- 5.12 The Governing Board have had two projects outstanding since 2019-20 which have been carried forward to future years following delays due to the national lockdowns. To date, the refurbishment of the playground is yet to start following difficulties in finding a suitable contractor. The project to maintain the flat roof and replace the



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roofing tiles was delayed for similar reasons, but the school are expecting this to be completed this year. There are no other plans or commitments brought forward from previous years.

- 5.13 The school has identified that they are continuing to manage within their annual budget and had a small surplus at the end of 2021-22 of approximately 1.5% of the budget share. They are planning to utilise their balances to support two large projects. They are conscious of several uncertainties regarding future funding against their wish to continue to support pupils with the post-Covid catch-up and are retaining the balances to support any related one off, short term expenditure.

### **Wimborne Primary School**

- 5.14 Wimborne Primary School year end balances have increased by £29,357 from £598,836 at the end of March 2021 to £631,801 at the end of March 2022. The school has indicated that £19,312 of their balance is committed, with £612,489 being uncommitted.

- 5.15 With regards to the uncommitted balance of £612.489, this equates to 26.65% of the school's budget share.

- 5.16 In 2021-22 the school had committed to using part of the balances to support several capital projects over the next three years with two projects expected to be completed in 2021-22. Of these projects the Walkway and ground works have been completed and the pointing of the brickwork is expected to be completed in 2022-23. The school is expecting to use £111,000 of the balances to support further projects in 2022-23 including:

- Playground resurfacing
- Trim Trail resurfacing
- Fencing and gates.

- 5.17 The authority continues to work with all schools to support the effective financial management of the available financial resources, varying the level of support in accordance to the specific needs of the school. It is hoped that the support and advice will help these schools to achieve and maintain long term financial stability.

## **6 Capital Balances**

- 6.1 Devolved capital allocations are ring fenced and schools are expected to spend them on priority capital needs of school buildings. These allocations will therefore be held as capital balances until they are used and may be supplemented by funding from other sources.

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- 6.2 An analysis of schools' current capital balances is given at Appendix 3, together with proposed spending plans as returned in the school survey. Where spending plans exceed balances there will need to be additional funding proposals.
- 6.3 The table below illustrates the level of school capital balances for the last three years:

Sector	No. of schools as at 31/3/20	Balance as at 01/04/20 £	No. of schools as at 31/3/21	Balance as at 01/04/21 £	No. of schools as at 31/3/22	Balance as at 01/04/22 £
Nursery & Primary schools	20	572,852	19	532,890	16	464,657
Secondary schools	2	764,873	2	1,824,317	2	2,549,241
Special schools	1	10,394	0	0	0	0
<b>Total</b>	<b>23</b>	<b>1,348,119</b>	<b>21</b>	<b>2,357,207</b>	<b>18</b>	<b>3,013,898</b>

Note: the above totals are the aggregate of surplus and deficit balances

- 6.4 As with the revenue balances, to provide a consistent year-on-year comparison, the closing balances in respect of those schools who converted to Academy status or that have closed, have been excluded from the restated 2020/21 figures in the table below.

Sector	Balance as at 01/04/21 Restated £	Balance as at 01/04/22 £
Nursery & Primary schools	507,378	464,657
Secondary schools	1,822,164	2,549,241
Special schools	0	0
<b>Total</b>	<b>2,331,695</b>	<b>3,013,898</b>

- 6.5 Overall, there has been an increase in capital balances, mostly relating to St Edmund's RC Secondary School. This mostly relates to a large capital project that is expected to complete in 2022-23. The small reduction in Primary capital balances is due to works identified at the end of 2020-21 financial year being completed during 2021-22.

## 7 Reasons for recommendations

- 7.1 This report is for information only and Schools Forum are asked to note the contents of the report

.....  
Signed by Sarah Daly, Director, Children, Families and Education.

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**Appendices:**

Appendix 1: extracts from the current Scheme for Financing Schools

Appendix 2: schools' revenue balances at 31 March 2022

Appendix 3: schools' capital balances and commitments at 31 March 2022

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
School Balances Files and Spreadsheets	Education Finance
Scheme For Financing Schools	PCC website

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## **APPENDIX 1**

### **Extracts from the current Scheme For Financing Schools**

#### **4.2 Controls on surplus balances**

As schools are moving towards greater autonomy and should not be constrained from making early efficiencies and to support medium term budgeting in a tighter financial climate, the balance control (clawback) mechanism for excessive balances continues to be withdrawn.

Schools will be deemed to have excessive balances, when Primary and Special Schools have uncommitted balances in excess of 8% and Secondary Schools 5% of their budget shares.

The control framework for monitoring school balances and their intended use requires that:

- a. Schools will continue to be asked to provide a breakdown of their year-end balances between committed and uncommitted, as well as an analysis of the intended use of any committed balances. The Education and Children's Finance team will continue to co-ordinate the process.
- b. A School Balances report will be presented to both the Cabinet member for Children's and Education and Schools Forum, following the completion of the year-end closedown process. This report will provide an analysis of the balances by school and schools with significant balances may be highlighted specifically within the report.
- c. Those schools identified as potentially breaching the balance thresholds, will be asked to provide further evidence of the planned use of their balances. The information will be reported back to Elected Members, the Schools Forum and the Education Department.
- d. The Education Department will consider this information as part of its school performance and improvement service provision, school challenge and specific reviews.

In determining whether school balances are committed, schools are only permitted to assign as committed, items listed in Annex 6.

School Forum may revisit the balance control (clawback) mechanism and the above control framework from time to time and where they believe significant and excessive balances have accumulated.

#### **Annex 6 –PERMITTED SPECIFIC PURPOSES FOR THE USE OF SURPLUS FUNDS**

- Valid orders placed through the financial system, but for which the goods have not been received.
- Funds held on behalf of other schools by fund holder schools (e.g., cluster funding).
- Balances held for specific community projects e.g., nursery provision, children's' centres, extended services.
- Contribution towards capital works with the school (where alternative capital resources have been exhausted). A clear statement of intent signed by the Chair of Governors (subject to clawback if not delivered in stated timescales - maximum 3 years).
- Providing consistency in staffing levels where numbers on roll are predicted to fluctuate within the next year (note that a reasonable commitment would be £3,000 per pupil and forecast variations in pupil numbers should be given).

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- Unexpected funds received by the school near the year-end which will be utilised for a specific purpose in the following financial year.

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### APPENDIX 2

#### SCHOOLS REVENUE BALANCES AS AT 31 MARCH 2022

The figures in the table above may not sum exactly due to rounding

DFE No.	Balance as @ 31/03/2021	% of 2020/21 Budget Share Allocation	School Name	2021/22 Budget Share	Analysis of Balance		Balance as @ 31/03/2022	% of 2021/22 Budget Share Allocation	Uncommitted as % of Budget Share Allocation	Committed as % of Budget Share Allocation	
					Uncommitted	Committed					
<b>PRIMARY &amp; NURSERY SCHOOLS</b>											
2008	402,423	15.22%	Copnor Primary	2,848,817	357,383	148,332	505,715	17.75%	12.54%	5.21%	
3420	114,848	9.01%	Corpus Christi Catholic Primary	1,304,762	<i>Transferred to academy 01/04/21</i>						
2689	91,505	4.44%	Cottage Grove Primary	2,182,779	<i>Transferred to academy 01/01/22</i>						
2716	301,320	16.62%	Craneswater Junior	1,974,944	330,564		330,564	16.74%	16.74%		
2665	80,946	10.56%	Cumberland Infant	801,278	81,440	56,348	137,787	17.20%	10.16%	7.03%	
2648	110,587	11.87%	Devonshire Infant	979,536	3,073	118,956	122,029	12.46%	0.31%	12.14%	
2714	295,150	19.44%	Fernhurst Junior	1,614,863	172,470	172,674	345,144	21.37%	10.68%	10.69%	
2637	57,953	7.88%	Bramble Infant & Nursery	822,294	62,759	14,000	76,759	9.33%	7.63%	1.70%	
2719	-3,580	-0.34%	Manor Infant	1,178,179	-3,805	-14,450	-18,255	-1.55%	-0.32%	-1.23%	
2673	105,339	10.62%	Medina Primary	1,034,888	62,325	21,500	83,825	8.10%	6.02%	2.08%	
2006	383,773	20.70%	Milton Park Primary	1,900,507	<i>Transferred to academy 01/01/22</i>						
2765	394,085	18.31%	Portsdown Primary	2,212,407	401,353	-3,013	398,339	18.00%	18.14%	-0.14%	
2680	155,496	18.01%	Southsea Infant	897,567	64,253	69,060	133,313	14.85%	7.16%	7.69%	
3214	121,388	7.29%	St Georges Beneficial C of E Primary	1,727,880	54,377		54,377	3.15%	3.15%		
3422	331,428	30.71%	St John's Catholic Primary	1,142,536	348,433	3,000	351,433	30.76%	30.50%	0.26%	
3212	172,928	10.42%	St Jude's C of E Primary	1,802,711	95,142	82,118	177,260	9.83%	5.28%	4.56%	
5207	256,109	15.63%	St Paul's Catholic Primary	1,643,029	163,816	12,036	175,852	10.70%	9.97%	0.73%	
3423	156,049	12.55%	St Swithun's Catholic Primary	1,319,970	74,509		74,509	5.64%	5.64%		
2013	602,444	25.78%	Wimborne Primary	2,388,236	612,489	19,312	631,801	26.45%	25.65%	0.81%	
	<b>4,130,191</b>		<b>Total Primary &amp; Nursery</b>	<b>29,777,184</b>	<b>2,880,580</b>	<b>699,872</b>	<b>3,580,452</b>	<b>12.02%</b>	<b>9.67%</b>	<b>2.35%</b>	
<b>SECONDARY SCHOOLS</b>											
4303	19,624	0.29%	Mayfield Secondary	7,439,198	30,137	33,133	63,271	0.85%	0.41%	0.45%	
5413	858,842	14.66%	St Edmunds Catholic Secondary	6,313,401	715,073	69,000	784,073	12.42%	11.33%	1.09%	
	<b>878,465</b>		<b>Total Secondary</b>	<b>13,752,599</b>	<b>745,211</b>	<b>102,133</b>	<b>847,344</b>	<b>6.16%</b>	<b>5.42%</b>	<b>0.74%</b>	

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	<b>SPECIAL SCHOOLS</b>									
	All Special schools have converted to Academy Status									
	4,130,191	Primary	29,777,184	2,880,580	699,872	3,580,452	12.02%	9.67%	2.35%	
	878,465	Secondary	13,752,599	745,211	102,133	847,344	6.16%	5.42%	0.74%	
		Special								
	<b>5,008,656</b>		<b>43,529,783</b>	<b>3,625,791</b>	<b>802,005</b>	<b>4,427,796</b>	<b>10.17%</b>	<b>8.33%</b>	<b>1.84%</b>	

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**APPENDIX 3**

**SCHOOLS CAPITAL BALANCES AS AT 31 MARCH 2022**

Balance @ 31 March 2022		Balance @ 31 March 21022	Spending Plan	Description of Plan	Projected Balance
<b>PRIMARY &amp; NURSERY SCHOOLS</b>					
8,261	Copnor Primary		20,280	Car Park gates PO3005212	
			70,000	covering walkway between KS1 & KS2	
			13,598	Replace roof on shed in lodge garden	
		<b>20,281</b>	<b>103,878</b>		<b>(83,597)</b>
233	Corpus Christi RC Primary	0	0	Converted to Academy 1/04/2021	0
20,648	Cottage Grove Primary	0	0	Converted to Academy 1/01/2022	0
(31,742)	Craneswater Junior	(26,986)	0		(26,986)
35,111	Cumberland Infant	8,063	20,000	Phase 2 Heating Upgrade Roof Works	(11,937)
1,719	Devonshire Infant	4,844	4,875	Balance of £4,875 to roll forward to 2020/23 after LA capital contribution of £2,925 has been claw back relation to the Boundary Wall Repair Project	(31)
					0
6,386	Fernhurst Junior	2,401	2,401	Contribution to playground wall renovation	(0)
21,120	Bramble Infant & Nursery	18,366	18,365	Schedule of works in school capital plan	1



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Balance @ 31 March 2022		Balance @ 31 March 21022	Spending Plan	Description of Plan	Projected Balance
23,427	Manor Infant		0		
		<b>3,982</b>	<b>0</b>		<b>3,982</b>
9,427	Medina Primary		0		
		<b>9,427</b>	<b>0</b>		<b>9,427</b>
4,630	Milton Park Primary		0	Converted to Academy 1/01/2022	
		<b>0</b>	<b>0</b>		<b>0</b>
54,018	Portsmouth Primary		25,500	Estimated contribution boiler works (Capital programmer) Delayed	
			7,000	Additional cost following Boiler works removing Gas equipment	
			10,000	Ongoing roof repairs	
			20,000	Children & Staff toilet areas	
			10,000	Staffroom & Reception areas	
			20,000	Nursery ramp replacement	
		<b>44,504</b>	<b>92,500</b>		<b>(47,996)</b>
(8,412)	Southsea Infant		0		
		<b>(14,482)</b>	<b>0</b>		<b>(14,482)</b>
28,717	St Georges Beneficial Primary				
		<b>33,052</b>	<b>0</b>		<b>33,052</b>
250,369	St Johns RC Primary		50,000	Playground refurbishment	
			2,712	Roof repairs (skylights)	
			2,743	Playground privacy screening	
			14,658	Pathway resurfacing	
			3,300	Outbuilding roof repairs	
			9,000	Cycle shelter	
		<b>221,263</b>	<b>82,413</b>		<b>138,850</b>
40,669	St Jude's CE Primary				
		<b>30,436</b>	<b>0</b>		<b>30,436</b>

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Balance @ 31 March 2022		Balance @ 31 March 21022	Spending Plan	Description of Plan	Projected Balance
37,842	St Paul's RC Primary		10,100	Nursery Loan repayment	
			11,000	Playground Equipment	
			14,850	IT Equipment	
			9,850	Salix Loan repayment	
			7,000	Staff Room Refurbishment	
		8,213	52,800		(44,587)
0	St Swithun's RC Primary		0		
		0	0		0
30,468	Wimborne Primary		10,077	Pointing	
			37,387	Playground resurfacing	
			32,682	Trim trail resurfacing	
			11,115	Fencing & gates	
		101,294	91,261		10,033
532,890	<b>Total Primary</b>	<b>464,657</b>	<b>468,493</b>		<b>(3,836)</b>
<b>SECONDARY SCHOOLS</b>					
30,948	Mayfield				
		(49,183)	0		(49,183)
1,793,369	St Edmunds RC		2,415,986	New Art Block project 2022/23	
			111,787	Capital works general/contingency	
			14,078	Wright Block retention fee	
		2,598,424	2,541,851		56,573
1,824,317	<b>Total Secondary</b>	<b>2,549,241</b>	<b>2,541,851</b>		<b>7,390</b>
<b>SPECIAL SCHOOLS</b>					
<i>All Special Schools have converted to academy status</i>					
0	<b>Total Special</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>SUMMARY</b>					
532,890	Primary Schools	464,657	468,493		(3,836)
1,824,317	Secondary Schools	2,549,241	2,541,851		7,390

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Balance @ 31 March 2022	Description of Plan	Balance @ 31 March 21022	Spending Plan	Projected Balance
0	Special Schools	0	0	0
<u>2,357,207</u>		<u>3,013,898</u>	<u>3,010,344</u>	<u>3,554</u>

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# Agenda Item 7



Portsmouth  
CITY COUNCIL

## **THIS ITEM IS FOR INFORMATION ONLY**

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<b>Title of meeting:</b>	Cabinet Member, Children, Families and Education
<b>Subject:</b>	Dedicated Schools Grant Out-turn 2021-22
<b>Date of meeting:</b>	29 July 2022
<b>Report by:</b>	Chris Ward, Director of Finance and Section 151 Officer
<b>Wards affected:</b>	All

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### **1 Requested by**

Cabinet Member.

### **2 Purpose**

- 2.1 The purpose of this report is to inform the Cabinet Member of the year end outturn position of the Dedicated Schools Grant (DSG) as at the end of March 2022.

### **3 Recommendations**

It is recommended that the Cabinet Member:

- 3.1 Notes the year end budget position for the Dedicated Schools Grant as at 31 March 2022, together with the associated explanations contained within this report.

### **4 Background**

- 4.1 The DSG is a ring-fenced grant for Education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 4.2 The original DSG budget for the financial year 2021-22 was set in February 2021, with subsequent revisions endorsed by Schools Forum and approved by the Cabinet Member for Children, Families and Education in October 2021. This report provides the Cabinet Member with the 2021-22 year end outturn.

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**5 Dedicated Schools Grant**

5.1 Table 1 below sets out the DSG final outturn position as at 31 March 2022.

<b>Table 1 - Dedicated Schools Grant</b>				
	<b>Original budget 2021-22 £000's</b>	<b>Revised Budget 2021-22 £000's</b>	<b>Outturn 2021-22 £000's</b>	<b>Over / (under) spend £000's</b>
<b>Income</b>				
DSG Brought forward 2020-21	0	(5,498)	(6,036)	(538)
DSG and other specific grants	<u>(78,791)</u>	<u>(75,662)</u>	<u>(75,300)</u>	<u>362</u>
<b>Total Income</b>	<b>(78,791)</b>	<b>(81,160)</b>	<b>(81,336)</b>	<b>(176)</b>
<b>Expenditure</b>				
<b>Schools block</b>				
Primary ISB	28,859	26,619	26,619	0
Secondary ISB	13,699	13,699	13,699	0
De-delegated and growth fund	<u>1,390</u>	<u>1,621</u>	<u>1,174</u>	<u>(446)</u>
<b>Total Schools block</b>	<b>43,947</b>	<b>41,939</b>	<b>41,492</b>	<b>(446)</b>
Central School Service	810	964	932	(31)
<b>Early Years block</b>				
Nursery ISB	11,587	10,554	10,198	(355)
Other Early Years	2,702	2,536	2,546	10
<b>High Needs block</b>				
High Needs ISB	967	980	833	(148)
Other High Needs cost	19,068	19,200	16,882	(2,318)
<b>Total Expenditure</b>	<b>79,081</b>	<b>76,172</b>	<b>72,883</b>	<b>(3,289)</b>
<b>DSG Carried forward</b>	<b>(290)</b>	<b>4,988</b>	<b>8,454</b>	<b>3,465</b>

*The figures in the above table are subject to rounding to the nearest £1,000 and may not calculate exactly*

5.2 The routine yearend reconciliation process identified that the full balance had not been brought forward from 2020-21 following the implementation of the new financial system increasing the brought forward position by £0.5m, which had been correctly included in the 2020/21 carry forward figures.

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5.3 The final 2021-22 DSG income was £75.3m, £0.4m lower than the revised budget, due to the net impact of the reduction in the Early Years Block relating to 2020-21 (£355,000), adjustments to the recoupment relating to risk protection arrangements following academy conversion of two schools and a high needs block recoupment adjustment. The authority recovered the funding from the two schools concerned and the related income is included in the de-delegated and growth fund underspend.

5.4 The overall expenditure was less than budgeted, resulting in an underspend of £3.3m, giving an overall net underspend of £3.4m. The reasons for the underspend are set out in the report below.

## **6 Schools Block**

### **De-delegated budgets, growth fund and centrally retained**

6.1 The £446,000 underspend contains £428,000 of planned underspend relating to the:

- Growth Fund (£304,000), to be carried forward to support the cost of commitments in 2022-23 and future financial years.
- Balance on the schools specific contingency (£124,300) - this forms part of the carry forward balance to be used for the same purpose in 2022-23.

6.2 The remaining balance relates to the funding adjustments made of national and non-domestic rates and the recovery of risk protection arrangements recoupment following the conversion to academy status of two schools.

## **7 Central Schools Services Block**

7.1 The underspend reflects the lower than expected cost of the central licences purchased nationally by the Department for Education on behalf of all publicly funded schools.

## **8 Early Years Block**

8.1 The net underspend of £345,619 on the Early Years budgets relates to a reduction in the number of funded hours paid to settings across the financial year. However, a retrospective adjustment to the funding is expected in July, which is likely to remove a similar amount of funding from the Authority.

8.2 As previously reported the Department for Education changed the methodology of funding the Early Years Block during 2021-22 financial year. Instead of using the January 2021 and January 2022 census data they used the data from three census returns (May 2021, October 2021, and January 2022). Following the receipt of the updated allocations in February 2022 (May and October 2021 census) the Authority

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saw a reduction in Early Years Block funding of £1.2m, this was reflected in the budgets as endorsed by Schools Forum and approved by the Cabinet Member.

- 8.3 A further adjustment to the Early Years Block funding is expected in July 2022, this will be based on the January 2022 census and will cover the three month period January 2022 to March 2022 and is estimated to be a reduction of £332,000.
- 8.4 The underspend therefore reflects the lower number of pupils in funded early years places. The underspend will form part of the overall DSG carry forward and will support any further reduction in funding allocation in July 2022.

## 9 High Needs Block

- 9.1 The table below sets out the underspends on the high needs budgets, with further explanation set out in the paragraphs below.

<b>Table 2 - High Needs Block Year End Position 2021-22</b>			
	<b>Total 2021-22</b>		
	<b>2021-22 Revised Budget</b>	<b>Outturn as at 31 March 2022</b>	<b>Variance (Under)/ Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Individual Schools Budgets	980,300	832,516	(147,784)
Element 3 Top up	13,371,600	11,675,855	(1,695,745)
Out of City providers	3,034,800	2,410,003	(624,797)
Permanent exclusion recharge	0	(7,432)	(7,432)
EYs Complex Needs Inclusion Fund	356,200	436,003	79,803
SEN support services	905,500	882,491	(23,009)
Medical Education	675,000	680,901	5,901
Outreach	191,900	139,522	(52,378)
Special School Teachers Pay and Pensions	546,200	546,200	0
Fair Access Protocol	60,000	60,000	0
Turnaround Project	58,300	58,300	0
<b>Total High Needs Block</b>	<b>20,179,800</b>	<b>17,714,359</b>	<b>(2,465,441)</b>

### Individual Schools Budget

- 9.2 As previously reported, the budget contained provision for the full year effect of additional special school places commissioned locally from September 2020 with a further increase in September 2021. This was due to slightly fewer places being required than budgeted for earlier in the year, although the numbers decreased in the 2021-22 academic year.



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**Element 3 Top-up**

9.3 Element 3 Top-up funding accounts for £1.7m of the underspend, the table below provides a further breakdown of the year end position along with the explanations.

<b>Table 3 - Element 3 Top-up</b>			
	<b>Total 2021-22</b>		
	<b>2021-22 Revised Budget £</b>	<b>Outturn as at 31 March 2022 £</b>	<b>Variance (Under)/ Over £</b>
EHCP Mainstream	2,735,300	2,331,764	(403,536)
Element 3 Top Up Special Schools	8,721,900	7,647,228	(1,074,672)
Element 3 Top Up - Resource Units	354,900	354,606	(294)
Element 3 Top Up - AP	263,700	119,656	(144,044)
Post 16 Special Educational Needs	916,000	910,697	(5,303)
Element 3 Top Up - OLA School	379,800	311,903	(67,897)
<b>Total Element 3 Top-up</b>	<b>13,371,600</b>	<b>11,675,855</b>	<b>(1,695,745)</b>

**Pupils with an EHCP in Mainstream Schools**

9.4 The banding methodology for mainstream pupils with an EHCP was implemented in April 2021. Whilst the underspend (£403,500) was due to the increase in pupils being lower than budgeted by 35 pupils, but there was a bigger than budgeted increase in the Exceptional Plus band.

**Special Schools**

9.5 The final outturn position was an underspend of £1.1m. This relates to the net impact of 44 pupils (£596,300) placed by other local authorities, for which Portsmouth is not responsible for paying the Element 3 Top-up funding, lower numbers of pupils in the summer term (£602,800) partially offset by increased costs due to higher assessed levels of need in the autumn and spring terms (£124,300).

**Alternative Provision**

9.6 The budget contained provision for the Authority to place 32 pupils in the City's Alternative Provision settings, over the course of the financial year the authority placed and funded the equivalent of 15 full time places, leading to an underspend of £144,000. The reduction in pupil numbers placed by the authority reflects the movement of a number of pupils back to mainstream provision during the year, and reduced availability

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of key stage 3 places, leading to new-to-the-City pupils being placed in mainstream provision.

**Other Local Authority Schools**

9.7 This budget provides element 3 Top-up for Portsmouth pupils placed in other local authority schools. The budget contained funding for 78 pupils at an average cost of £4,869 per pupil. The actual number of pupils was 50 at an average cost of £6,238, providing an underspend of £67,900.

**Out of City Placements**

9.8 Out of City Placements comprises both independent and specialist providers and Child and Adolescent Mental Health Service (CAMHS). The table below shows the budget and the current position for each service.

<b>Table 4 - Out of City Placements position at 31 March 2022</b>						
	<b>Budget</b>		<b>Actual position</b>		<b>Variance</b>	
	<b>£</b>	<b>Pupils</b>	<b>£</b>	<b>Pupils</b>	<b>£</b>	<b>Pupils</b>
Independent & Specialist providers	2,992,000	47	2,405,000	48	(587,000)	1
CAMHS	43,000	7	5,000	1	(38,000)	(6)
<b>Total</b>	<b>3,035,000</b>	<b>54</b>	<b>2,410,000</b>	<b>49</b>	<b>(625,000)</b>	<b>(5)</b>

9.9 Whilst the total pupil numbers are close to the budget there is a net underspend of £587,000 in relation to the independent and specialist providers. This is due to pupil movements, which have reduced the overall average cost per pupil from £63,700 budgeted to £50,100 at the end of the financial year.

**Early Years Complex needs Inclusion Fund**

9.10 Over the course of the financial year there was an increase of 66% in the number of children receiving funding from 61 in Spring 2021 to 93 in Spring 2022.

9.11 As previously reported, work is underway to review the Early Years High Needs offer, including Portage and Portage plus to ensure families and Early years settings continue to have access to the support they require.

**SEND Support services**

9.12 The £23,000 underspend relates to a vacant post in the SEND Hub, partly offset by additional costs on Portage and the Sensory Impairment Service.

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**Outreach**

9.13 The £52,400 underspend mostly relates to 2020-21 year end accruals being reviewed.

**10 Carry forward balance**

10.1 As at the 31 March 2022, the carry forward balance is £8.5m, a net increase of £2.4m from 2020-21 financial year. The table below sets out the movement in the DSG balances.

<b>Table 5 - Movement in DSG Balances between April 2021 and March 2022</b>		
	<b>£m</b>	<b>£m</b>
Brought forward as of 31 March 2021		5.498
Reconciliation adjustment	0.538	
<b>Revised brought forward as of 31 March 2021</b>		<b>6.036</b>
<b>Movement in year</b>		
Agreed use of brought forward		
Growth Fund 2021-22	(0.368)	
Schools specific contingency 2021-22	(0.142)	
Early Years Block adjustment 2020-21	(0.355)	
Unbudgeted recoupment	(0.007)	
2021-22 net underspend	3.289	2.417
<b>Balance carried forward to 2022-23</b>		<b>8.453</b>

10.2 As previously endorsed by Schools Forum and approved by Cabinet Member, the brought forward balance will be used to provide funding for the schools specific contingency (£124,300) and to support the Growth Fund (£304,000).

10.3 The remaining balance will support any reduction in DSG funding in the Early Years expected in July 2022.

10.4 In February 2022 Schools Forum and the Cabinet Member were updated on the proposed use of the carry forward balance in 2022-23, which included £2.0m due to the lag in funding for high needs places in Special Schools, Inclusion Centres and Alternative Provision settings in September 2023 and September 2024. Plus, a balance of 1% (£1.8m) of overall DSG funding to manage any in-year cost pressures particularly in the high needs sector as both pupil numbers and complexity are expected to increase as the country comes out of the pandemic. As set out in the table below.

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<b>Table 6 - Proposed use of DSG Balances</b>		
	<b>£m</b>	<b>£m</b>
Carry forward as of 31 March 2022		8.454
<b>Impact of decisions on 2021-22 carry forward</b>		
Schools specific contingency	(0.124)	
Carry forward of Growth Fund balance	(0.304)	(0.428)
<b>Sub total</b>		<b>8.026</b>
Early Years Block adjustment January 2022 to March 2022 <sup>1</sup>	(0.332)	
Revenue implications of High Needs places for future years	(2.040)	
Contingency to manage in-year pressures	(1.826)	(4.198)
<b>Balance available for use</b>		<b>3.828</b>

10.5 Any residual balance would be a one-off funding source and therefore should be used to support one-off expenditure items rather than recurrent expenditure.

**11 Reasons for recommendations**

11.1 It is recommended that the Cabinet Member notes the contents of the report in respect of the financial outturn for 2021-22.

.....

Signed by Chris Ward, Director of Finance and Section 151 Officer

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

The information upon which this report has been based has been drawn from a variety of sources: however much of the information used is held in budget files prepared by the children and Education Finance Team. Please contact Angela Mann, Finance Manager, if required.

<sup>1</sup> Estimated figure

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<b>Title of document</b>	<b>Location</b>
School & Early Years Finance (England) Regulations 2021	<a href="#">The School and Early Years Finance (England) Regulations 2021</a>
DSG Budget estimates and Monitoring Records	Children, Families and Education Finance

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