



# NOTICE OF MEETING

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## SCHOOLS FORUM

THURSDAY, 13 JULY 2023 AT 4.30PM

## VIRTUAL REMOTE MEETING

Telephone enquiries to Jane Di Dino 023 9283 4056

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

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### Membership

#### Schools Members

Two head teacher representatives - primary phase

One head teacher representative - secondary phase

One head teacher representative - special phase

Four academy representatives - primary proprietor

Five academy representatives - secondary proprietor

One academy representative - special proprietor

One governor - primary phase

One governor - secondary phase

#### Non School Members

Four Councillors (from the four political groups that have the highest number of elected members).

One 16-19 Education Providers representative

One Early Years Providers representative

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

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

## AGENDA

- 1 Apologies
  
- 2 Declarations of Interest

**3 Minutes of the Previous Meeting held on 24 May. (Pages 3 - 6)**

**RECOMMENDED that the minutes of the meeting held on 24 May 2023 be agreed as a correct record.**

**4 Matters Arising.**

**5 Membership Update.**

**6 Dedicated Schools Grant Outturn 2022-23 (Pages 7 - 16)**

Purpose

The purpose of this report is to inform Schools Forum of the year end outturn position of the Dedicated Schools Grant (DSG) as at the end of March 2023.

**RECOMMENDED that the Schools Forum note the year end budget position for the Dedicated Schools Grant as at 31 March 2023, together with the associated explanations contained within this report.**

**7 Local Authority Maintained School Balances at 31 March 2023 (Pages 17 - 28)**

Purpose

The purpose of this report is to inform Schools Forum of the level of Local Authority maintained schools' revenue and capital balances as at 31 March 2023.

**RECOMMENDED that the report be noted.**

Members of the public are now permitted to use both audio-visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the council's website and posters on the wall of the meeting's venue.

# Agenda Item 3

## SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held virtually on Wednesday, 24 May 2023 at 4.30pm

<b>Present</b>		
Dave Jones	LA Maintained	Primary Phase
Jackie Colins	LA Maintained	Primary Phase
Laura Flitton	Academy	Primary Phase
Emily Marshall	Academy	Primary Phase
Nathan Waites	Academy	Secondary Phase
Sharon Burt	Academy	Special
Share D'All	Governor	Primary Phase
Kara Jewell	Early Years	
Suzy Horton	Observer	Councillor
Sam Galloway	Observer	Solent Academy Trust
Patrick Grant	Observer	Dept for Education
Jack Jones	Observer	

### 62. Apologies

Apologies were received from Jo Cooper, Mike Garlick, Nys Hardingham and Sean Preston.

### 63. Declarations of Interest

The attendees had no changes to make to their declarations of interest.

Alison Egerton, Finance Manager informed the forum that declarations of interest forms had been sent to the new members.

### 64. Membership Update.

The forum noted that:

- Councillor Ryan Brent and Councillor Chris Dike had joined the forum.
- Kara Jewell had extended her tenure.

The following tenures are due to end before the next meeting:

- Laura Flitton, primary academy phase. She will not be standing again and was thanked for her work on the forum.
- Nathan Waite, secondary academy phase. He would like to stand again.

The following tenures are due to end after the July meeting:

- Share D'All, LA maintained primary governor.
- David Jones, LA maintained Headteacher, primary phase.
- Anne Hibberd-Chapman, primary academy phase.

There are five vacancies:

- Two academy primary representatives.
- Two academy secondary representatives.
- One governor, secondary phase.

**65. Matters Arising.**

There were no matters arising.

**66. Minutes of the meeting held on 9 February 2023**

**DECISION**

**The minutes held on 9 February were agreed as a correct record.**

**67. Schools Forum Constitution 2023-24**

Alison Egerton, Finance Manager introduced the report.

In response to a suggestion, it was agreed that a snapshot of vacancies would be included in future reports.

**DECISION**

**That the Schools Forum retain the current constitution which took effect from 25 May 2021 subject to the following amendment:**

**Section 4.10**

**Councillors from political groups with the highest number of elected members Total 4**

**68. Scheme for financing schools**

Angela Mann, Finance Manager introduced the report and in response to a question clarified that the assessment form can be completed over the course of the financial year, reviewed, and approved by school governors at any time during the financial year, but must be submitted to the City Council by 31 March. On receipt of the assessment form, the City Council has until the 31 May to submit the annual return to the Department for Education. .

**DECISION**

**The Schools Forum representing maintained schools, approved the revised Scheme for Financing Schools to come into force on 25 May 2023.**

**69. Dedicated Schools Grant 2022-23 Quarter 3 Budget Monitoring**

Alison Egerton, Finance Manager introduced the report.

In response to comments, Mike Stoneman, Deputy Director of Childrens Services and Education explained that:

Usually places for children with Education Health and Care (EHC) plans going into years 2, 3, 6 and 7 have been allocated by mid-February. However, this was not achieved this year. He assured members that plans are in place to ensure that this would not happen next year.

As well as vacancies in the SEND team there are also local and national shortages of educational psychologists.

Nearly 100% of assessments were made within the 20-week statutory timescale.

Details of support for schools particularly those who are taking on year R pupils who are going through an EHC assessment will be available shortly.

There will also be guidance about how the Dedicated Schools Grant and high needs block can support mainstream schools in particular around funding pupils with the EHC plans.

The Chair noted that this was the first time that this delay had happened and appreciated the Deputy Director's openness about it.

Alison Egerton noted that they are waiting for details regarding early years and pay awards. Questions were put to the Department for Education through the South East Education Finance Officers' Group about additional funding for pay awards, but it is not something that is currently planned.

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

The meeting concluded at 5.15pm.

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Dave Jones  
Chair

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# Agenda Item 6



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

**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

<b>Title of meeting:</b>	Schools Forum
<b>Subject:</b>	Dedicated Schools Grant Outturn 2022-23
<b>Date of meeting:</b>	13 July 2023
<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**

Schools Forum.

### **2 Purpose**

- 2.1 The purpose of this report is to inform Schools Forum of the year end outturn position of the Dedicated Schools Grant (DSG) as at the end of March 2023.

### **3 Recommendations**

It is recommended that Schools Forum:

- 3.1 Notes the year end budget position for the Dedicated Schools Grant as at 31 March 2023, 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 2022-23 was set in February 2022, with subsequent revisions endorsed by Schools Forum and approved by the Cabinet Member for Children, Families and Education in October 2022. This report provides Schools Forum with the 2022-23 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 2023.

<b>Table 1 - Dedicated Schools Grant</b>				
	<b>Original budget 2022-23 £000's</b>	<b>Revised Budget 2022-23 £000's</b>	<b>Outturn 2022-23 £000's</b>	<b>Over / (under) spend £000's</b>
<b>Income</b>				
DSG Brought forward 2021-22	0	(8,454)	(8,454)	0
DSG and other specific grants	<u>(77,158)</u>	<u>(78,012)</u>	<u>(78,171)</u>	<u>(159)</u>
<b>Total Income</b>	<b>(77,158)</b>	<b>(86,465)</b>	<b>(86,624)</b>	<b>(159)</b>
<b>Expenditure</b>				
<b>Schools block</b>				
Primary ISB	23,807	23,807	23,807	(0)
Secondary ISB	14,390	14,390	14,418	28
De-delegated and growth fund	<u>1,419</u>	<u>1,419</u>	<u>870</u>	<u>(549)</u>
<b>Total Schools block</b>	<b>39,616</b>	<b>39,616</b>	<b>39,095</b>	<b>(520)</b>
Central School Service	1,020	1,020	1,018	(1)
<b>Early Years block</b>				
Nursery ISB	10,743	11,053	10,818	(235)
Other Early Years	2,586	2,889	2,889	0
<b>High Needs block</b>				
High Needs ISB	749	797	813	16
Other High Needs cost	22,874	23,167	22,079	(1,088)
<b>Total Expenditure</b>	<b>77,587</b>	<b>78,542</b>	<b>76,713</b>	<b>(1,829)</b>
<b>DSG Carried forward</b>	<b>(428)</b>	<b>7,923</b>	<b>9,912</b>	<b>1,988</b>

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

5.2 The final 2022-23 DSG income was £78.1m, £0.2m higher than the revised budget, due to the net impact of an increase in the Early Years Block relating to 2021-22 (£147,000), adjustments relating to risk protection arrangements for maintained schools (£85,400) and a high needs block recouplement adjustment.



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5.3 The overall expenditure was less than budgeted, resulting in an underspend of £1.8m, giving an overall net underspend of £2.0m. The reasons for the underspend are set out in the report below.

### **6 Schools Block**

#### **Individual Schools Budget**

6.1 The overspend relates to a revaluation relating to National Non Domestic Rates which were backdated to previous financial years. The adjustments were made in line with regulations and will be recovered in the following financial year.

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

- 6.2 The £548,800 underspend was a planned underspend and relates to the:
- Growth Fund (£424,600), to be carried forward to support the cost of commitments in 2023-24 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 2023-24.
- 6.3 Over the financial year Growth Fund payments of £0.9m were made to seven (six academy and one maintained) secondary schools; and one primary academy school.

### **7 Early Years Block**

- 7.1 The net underspend of £235,200 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 2023, which is likely to remove a similar amount of funding from the Authority.
- 7.2 The underspend will form part of the overall DSG carry forward and will support any further reduction in funding allocation in July 2023.

### **8 High Needs Block**

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

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<b>Table 2 - 2022-23 High Needs Budget</b>			
	<b>2022-23 Revised Budget</b>	<b>Actual as at 31-Mar-23</b>	<b>Variance (Under)/ Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Individual Schools Budgets	796,800	812,665	15,865
Element 3 Top up	15,295,700	12,995,254	(2,300,446)
Out of City providers	3,289,000	4,616,724	1,327,724
Permanent exclusion recharge	0	(45,533)	(45,533)
Early Year's Complex Needs Inclusion Fund	834,900	733,165	(101,735)
SEN support services	1,012,600	1,012,600	0
Medical Education	675,300	664,140	(11,160)
Outreach	191,900	191,900	0
Special School Teachers Pay and Pensions	568,800	568,800	0
Fair Access Protocol	60,000	60,000	0
Relational Practice project	0	42,780	42,780
Turnaround Grant	100,000	100,000	0
High Needs Supplementary Grant	1,139,100	1,139,108	8
<b>Total High Needs Block</b>	<b>23,964,100</b>	<b>22,891,603</b>	<b>(1,072,497)</b>

**Individual Schools Budget**

8.2 As previously reported, the budget contained provision for the full year effect of additional special school places commissioned locally from September 2021 with a further increase in September 2022. The overspend relates to additional places agreed with Inclusion Centres after the budget was revised in October 2022.

**Element 3 Top-up**

8.3 Element 3 Top-up funding accounts for £2.3m of the underspend, the table below provides a further breakdown of the year end position along with the explanations.

8.4 The authority continues to see increasing numbers of requests for Education Health and Care Plan (EHCP) assessments, which, due to the length of the statutory process have not resulted in the expected costs in 2022-23, leading to the underspend on the Element 3 Top-up budgets. If approved, it is possible that this could increase pressures on the Element 3 Top-up budgets for 2023-24.

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<b>Table 3 - 2022-23 Element 3 Top-up</b>			
	<b>2022-23 Revised Budget</b>	<b>Actual as at 31-Mar-23</b>	<b>Variance (Under)/ Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>
EHCP Mainstream	3,597,600	2,587,411	(1,010,189)
Element 3 Top Up Special Schools	9,457,400	8,542,160	(915,240)
Element 3 Top Up - Inclusion Centres	418,200	434,858	16,658
Element 3 Top Up - AP	280,300	105,390	(174,910)
Post 16 Special Educational Needs	1,124,400	1,051,707	(72,693)
Element 3 Top Up - OLA School	417,800	273,728	(144,072)
<b>Total Element 3 Top-up</b>	<b>15,295,700</b>	<b>12,995,254</b>	<b>(2,300,446)</b>

**Pupils with an EHCP in Mainstream Schools**

8.5 The banding methodology for mainstream pupils with an EHCP was implemented in April 2021. Analysis has shown that the number of pupils with an EHCP at the start of the financial in April 2022 was lower than budgeted and that whilst the percentage growth (22%) in the number of pupils (125) over the course of the year is similar to the budgeted growth, the lower pupil numbers has led to an underspend of £1.0m.

**Special Schools**

8.6 The final outturn position was an underspend of £0.9m. This relates to the net impact of 41 pupils (£671,500) 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, which have been partially offset by increased costs due to higher assessed levels of need in the autumn and spring terms (£243,900).

**Inclusion Centres**

8.7 The overspend reflects the associated Element 3 Top-up related to the additional places agreed after the October 2022 budget revision and increased level of need as pupils are assessed throughout the year.

**Alternative Provision**

8.8 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 13 pupils, leading to an underspend of £174,900. The reduction in pupil numbers placed by the authority reflects the movement of Alternative

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Provision placements to the Special School at the Harbour and a higher number of places commissioned by schools at the Alternative Provision settings in the city.

### **Other Local Authority Schools**

8.9 This budget provides element 3 Top-up for Portsmouth pupils placed in other local authority schools. The budget contained funding for 81 pupils at an average cost of £5,158 per pupil. The actual number of pupils was 91 at an average cost of £3,008 providing an underspend of £144,100.

### **Out of City Placements**

8.10 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>Budget</b>		<b>Outturn position</b>		<b>Variance</b>	
	<b>£</b>	<b>Pupils</b>	<b>£</b>	<b>Pupils</b>	<b>£</b>	<b>Pupils</b>
Independent & Specialist providers	3,237,000	50	4,611,020	50	1,374,202	0
CAMHS	52,000	7	5,704	1	(46,296)	(6)
<b>Total</b>	<b>3,289,000</b>	<b>57</b>	<b>4,616,724</b>	<b>51</b>	<b>1,320,531</b>	<b>(6)</b>

8.11 Whilst the total pupil numbers are on budget there is a net overspend of £1.4m in relation to the independent and specialist providers. This is due to several high cost bespoke placements, where the Education contribution was approved over the spring 2023 term. Whilst the estimated costs had been included in the previous quarters forecasts, the actual cost of these placements were higher than expected.

8.12 The underspend on the CAMHS budget is due to a fewer number of requests to Education. Where CAMHS requests are received they are managed jointly with Health, Social Care and Education, with the costs allocated accordingly.

### **Early Years Complex needs Inclusion Fund**

8.13 The Early Years Complex need Inclusion Fund supported approximately 67 Full Time Equivalent (FTE) pupils over the course of the financial year. This was less than budgeted 76 (FTE) due to a number of pupils moving to the Cliffdale Primary Academy nursery in September 2022.

8.14 Over the course of the financial year the authority has seen the number of pupils approved at the Early Years Panel increase from an average of 8.4 per month in 2021-

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22 to 14.9 per month 2022-23. As previously reported, work continues 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.

### **Relational Practice Project**

8.15 Following the endorsement by Schools Forum and approval by the Cabinet Member in July 2022 to implement the relational practice project, a disapplication request was submitted to the Department for Education, who have indicated that funding can be provided through the DSG High Needs Block to support this project. The overspend created through the implementation of the project will be funded through the DSG balances for 2022-23 and future financial years. The overspend in Table 2 matches the planned expenditure for the three month period January 2023 to March 2023.

## **9 Carry forward balance**

9.1 As at the 31 March 2023, the carry forward balance is £9.9m, a net increase of £1.5m from 2021/22 financial year. The table below sets out the movement in the DSG balances.

	<b>£m</b>	<b>£m</b>
<b>Revised brought forward as of 31 March 2022</b>		<b>8.454</b>
<b>Movement in year</b>		
Agreed use of brought forward		
Growth Fund 2022-23	(0.304)	
Schools specific contingency 2022-23	(0.124)	
Revised budget adjustments 2022-23	(0.102)	
Early Years Block adjustment January 2022 to March 2022	0.147	
Unbudgeted recoupment	0.012	
2022-23 net underspend	1.829	1.458
<b>Balance carried forward to 2023-24</b>		<b>9.912</b>

9.2 As previously endorsed by Schools Forum and approved by Cabinet Member, the table below sets out the agreed use of the brought forward balance in 2023-24.



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<b>Table 6 - DSG balance commitment in 2023-24</b>	
	<b>£m</b>
<b>2022-23 carry forward</b>	<b>9,912</b>
<b>Approved future commitments 2023-24</b>	
Revenue implications of High Needs places for future years	(1.779)
Contingency to manage in-year pressures (1% of funding)	(1.992)
Schools specific contingency	(0.024)
Growth Fund budgeted carry forward to 2023-24	(0.424)
Relational Practice Project 2023-24 to 2025-26	(0.487)
Wymering pre-opening grant	(0.250)
<b>Uncommitted DSG carry forward</b>	<b>4.856</b>

- 9.3 The future commitments provide funding to support specific projects for the length of their agreed duration and a contingency for 2023-24. This includes the revenue implications due to the annual lagged funding related to the increase in currently projected high needs places for the period April 2023 to March 2026.
- 9.4 The authority is currently exploring several proposals to utilise the DSG uncommitted balances to support the High Needs pressures in Schools and Early Years settings. Whilst the uncommitted balances will support the introduction of new initiatives, the funding is one-off, and the long term impact of these proposals will need to be considered to ensure long term financial sustainability.
- 9.5 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.

**10 Reasons for recommendations**

- 10.1 It is recommended that Schools Forum notes the contents of the report in respect of the financial outturn for 2022-23.

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

**Appendices:**

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



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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.

<b>Title of document</b>	<b>Location</b>
School & Early Years Finance (England) Regulations 2022	<a href="https://www.legislation.gov.uk">The School and Early Years Finance (England) Regulations 2022 (legislation.gov.uk)</a>
DSG Budget estimates and Monitoring Records	Children, Families and Education Finance

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<b>Title of meeting:</b>	Schools Forum
<b>Subject:</b>	Local Authority Maintained School Balances at 31 March 2023
<b>Date of meeting:</b>	13 July 2023
<b>Report by:</b>	Sarah Daly, Director, Children, Families and Education
<b>Wards affected:</b>	All Wards

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## 1. Requested by

Schools Forum

## 2. Purpose

The purpose of this report is to inform Schools Forum of the level of Local Authority maintained schools' revenue and capital balances as at 31 March 2023.

## 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 yearend; 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 2022-23, schools allocated some £0.8m of revenue funding to capital purposes (compared to £1.6m in 2021-22).
- 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 31/3/21	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	No. of schools as at 31/3/23	Balance as at 01/04/23 £	% of 2022/23 budget allocation
Nursery & Primary schools	19	4,130,191	14.60	16	3,580,452	12.02	16	3,518,325	14.18
Secondary schools	2	878,465	6.97	2	847,344	6.16	2	1,550,068	10.72
Total	21	5,008,656	12.25	18	4,427,796	10.17	18	5,068,392	12.90

- 4.2. No schools converted to academy during the 2021-22 and 2022-23 financial years, so the table above provides a direct comparison between the two financial years.
- 4.3. It is important to note that the total schools' balances of £5.1m as at 1 April 2023 include £0.296m (£0.131m 2021/22) of community related balances e.g. Community Improvement Partnerships, community lettings, breakfast and after school clubs etc. leaving £4.8m (£4.3m 2021/22) of "curriculum" balances relating to core activity. Of this, a further £1.3m (£0.8m 2021/22) has been committed to specific projects or initiatives, leaving a balance of £3.5m, or 9% of the 2022/23 budget allocation, as genuinely uncommitted. This exceeds the CIPFA guideline of between 2-3% of budget for uncommitted balances.
- 4.4. Overall, 33% (6) of schools saw an increase in their balances when compared to 2021-22, this is lower than the previous year, when 61% of schools (11) saw an increase in balances.
- 4.5. Of the 12 schools that saw a decrease in balances, seven had balances more than 10% of their budget share and are not of concern. Three schools form part of the reducing balance review as set out in Section 5, and one school, Manor Infant School, is in deficit and the authority is working closely with the school to review the recovery plan

## 5. Review of Specific School Balances

5.1 The school revenue balances as at 31st March 2023 are shown by school at Appendix 2. Over the 2022-23 financial year there has been an increase in the number of schools seeking support to maintain financial stability and manage the longer term impact of the current economic climate. Additionally, some schools meet the criteria of having excessive balances. The following paragraphs 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 curriculum balances and whose total balances form less than 8% (primary) or 5% (secondary schools) of their budget share.

### Update on schools with reducing balances on 31 March 2022

- 5.4 As at 31 March 2022 there were three schools that meet the reducing balances criteria (para.5.3), the balances have been reviewed at the end of 2022-23 and an update provided on their financial position:
- Manor Infant the deficit has increased, and the school has produced a deficit recovery plan and the authority continues to work closely with them to develop a sustainable solution.
  - St Georges Beneficial C of E Primary balances have increased by 99% compared to 2021-22 but remain at less than 8% of the budget share.
  - St Swithuns Catholic Primary, balances have increased by 20% compared to 2021-22 but remain at less than 8% of the budget share.
- 5.5 As at 31 March 2023 there were three schools that meet the reducing balances criteria (para.5.3), all schools have been contacted and two have responded to the authority confirming:
- **Bramble Infant and Nursery:** that whilst overall the school remains in surplus they have a deficit on their curriculum balances, the Governing Body has confirmed that they are aware of the financial situation and have developed and agreed a management plan to stop the school going into deficit and maintain financial sustainability.
  - **St Pauls Roman Catholic Primary:** the Governing body are in the process of developing a business plan to manage the schools expenditure and stop the school from going into deficit.

- 5.6 At the time of writing the report a response had not been received from St Judes C of E Primary School, but the authority is in discussion with the school regarding the financial position.
- 5.7 It should be noted that whilst some schools may not meet the criteria of reducing balances, the level of balances could be a cause for concern. The authority is in contact with these schools and is working with them to ensure financial stability.

### **Excessive balances**

- 5.8 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.
- 5.9 Of the eight Primary schools with uncommitted balances over 8%, six have balances between 10% and 20% and two have uncommitted balances over 20% and had balances of over 20% in 2021-22.
- 5.10 For Secondary Schools, one had uncommitted balances of more than 5% of the budget share at 14.6% of the budget share.
- 5.11 Analysis of the reasons for the high balances are set out below.

### St John's Catholic Primary

- 5.12 St John's Catholic Primary year end balances have decreased by £3,685 from £335,433 at the end of March 2022 to £347,748 at the end of March 2023. The school has indicated that £24,211 of their balance is committed, with £323,537 being uncommitted.
- 5.13 With regards to the uncommitted balance of £323,537, this equates to 27.7% of the school's budget share.
- 5.14 The Governing Board have had two projects outstanding since 2019-20 which have been carried forward to future years due to the impact of the national lockdowns and the availability of building contractors. To date, the refurbishment of the playground is yet to start following continuing difficulties in finding a suitable contractor. The project to maintain the flat roof and replace the roofing tiles was delayed for similar reasons, whilst the school has been able to secure a contractor, they will not be able to undertake the work until summer holidays 2023 due to prior commitments. There are no other plans or commitments brought forward from previous years.
- 5.15 The school has identified that they had a small in year deficit at the end of 2022-23 which reduced their balances by 1% of the previous year. They are planning to utilise their balances to support the two large projects set out in the paragraph above. They are conscious of several uncertainties regarding future funding against their wish to continue to support pupils with

the continuing post-Covid recovery and are retaining the remaining balances to support any related one off, short term expenditure.

#### Wimborne Primary School

- 5.16 Wimborne Primary School year end balances have decreased by £48,669 from £631,801 at the end of March 2022 to £583,102 at the end of March 2023. The school has indicated that £48,142 of their balance is committed, with £534,960 being uncommitted.
- 5.17 With regards to the uncommitted balance of £534,960, this equates to 23.25% of the school's budget share.
- 5.18 In 2022-23 the school had committed to using part of the balances to support several capital projects over the next two years with three projects expected to be completed in 2022-23. Of these projects the playground resurfacing, trim trails and gates have all been completed. The school is expecting to use £141,500 of the balances to support further capital projects in 2023-24 including:
- Refurbishment of children's toilets in the infants building
  - Improving the security of the site with additional fencing
  - IT Infrastructure.
- 5.19 The school is expecting the balances to reduce over the next five years as they implement a plan to update the classrooms in the school.
- 5.20 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.
- 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 31/3/21	Balance as at 01/04/21 £	No. of schools as at 31/3/22	Balance as at 01/04/22 £	No. of schools as at 31/3/23	Balance as at 01/04/23 £
Nursery & Primary schools	19	532,890	16	464,657	16	505,705
Secondary schools	2	1,824,317	2	2,549,241	2	3,158,989
<b>Total</b>	<b>21</b>	<b>2,357,207</b>	<b>18</b>	<b>3,013,898</b>	<b>18</b>	<b>3,664,694</b>

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

6.4 As there were no academy conversions in 2021-22 and 2022-23 the Table above provides a direct comparison.

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

## 7. Reasons for recommendations

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.

### Appendices:

Appendix 1: extracts from the current Scheme for Financing Schools

Appendix 2: schools' revenue balances at 31 March 2023

Appendix 3: schools' capital balances and commitments at 31 March 2023

### 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
School Balances Files and Spreadsheets	Education Finance
Scheme For Financing Schools	PCC website

**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).
- 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 2023**

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

DFE No.	Balance as @ 31/03/2022	% of 2021/22 Budget Share Allocation	School Name	2022/23 Budget Share	Analysis of Balance		Balance as @ 31/03/2023	% of 2022/23 Budget Share Allocation	Uncommitted as % of Budget Share Allocation	Committed as % of Budget Share Allocation
					Uncommitted	Committed				
<b>PRIMARY &amp; NURSERY SCHOOLS</b>										
2008	505,715	17.75%	Copnor Primary	2,830,462	494,341	222,733	717,074	25.33%	17.47%	7.87%
2716	330,564	16.74%	Craneswater Junior	2,019,210	212,379	64,529	276,908	13.71%	10.52%	3.20%
2665	137,787	17.20%	Cumberland Infant	825,947	122,350		122,350	14.81%	14.81%	
2648	122,029	12.46%	Devonshire Infant	1,005,707	11,940	105,000	116,940	11.63%	1.19%	10.44%
2714	345,144	21.37%	Fernhurst Junior	1,591,844	244,696	96,480	341,176	21.43%	15.37%	6.06%
2637	76,759	9.33%	Bramble Infant & Nursery	1,146,916	48,720	14,000	62,720	5.47%	4.25%	1.22%
2719	(18,255)	-1.55%	Manor Infant	1,143,638	(64,316)		(64,316)	-5.62%	-5.62%	
2673	83,825	8.10%	Medina Primary	1,073,330	91,885	27,500	119,385	11.12%	8.56%	2.56%
2765	398,339	18.00%	Portsdown Primary	2,236,696	435,474	5,802	441,276	19.73%	19.47%	0.26%
2680	133,313	14.85%	Southsea Infant	932,951	48,488	48,000	96,488	10.34%	5.20%	5.14%
3214	54,377	3.15%	St Georges Beneficial C of E Primary	1,753,603	108,250		108,250	6.17%	6.17%	
3422	351,433	30.76%	St Johns Catholic Primary	1,167,865	323,537	24,211	347,748	29.78%	27.70%	2.07%
3212	177,260	9.83%	St Judes C of E Primary	1,854,952	52,261	4,080	56,341	3.04%	2.82%	0.22%
5207	175,852	10.70%	St Pauls Catholic Primary	1,565,553	80,591	23,138	103,729	6.63%	5.15%	1.48%
3423	74,509	5.64%	St Swithuns Catholic Primary	1,354,220	89,154		89,154	6.58%	6.58%	
2013	631,801	26.45%	Wimborne Primary	2,309,124	534,960	48,142	583,102	25.25%	23.17%	2.08%
	<b>3,580,452</b>		<b>Total Primary &amp; Nursery</b>	<b>24,812,016</b>	<b>2,834,710</b>	<b>683,615</b>	<b>3,518,325</b>	<b>14.18%</b>	<b>11.42%</b>	<b>2.76%</b>
<b>SECONDARY SCHOOLS</b>										
4303	63,271	0.85%	Mayfield Secondary	7,811,958	686	55,672	56,358	0.72%	0.01%	0.71%
5413	784,073	12.42%	St Edmunds Catholic Secondary	6,650,957	969,710	524,000	1,493,710	22.46%	14.58%	7.88%
	<b>847,344</b>		<b>Total Secondary</b>	<b>14,462,915</b>	<b>970,396</b>	<b>579,672</b>	<b>1,550,068</b>	<b>10.72%</b>	<b>6.71%</b>	<b>4.01%</b>
	3,580,452		Primary	24,812,016	2,834,710	683,615	3,518,325	14.18%	11.42%	2.76%
	847,344		Secondary	14,462,915	970,396	579,672	1,550,068	10.72%	6.71%	4.01%
	<b>4,427,796</b>		<b>Total</b>	<b>39,274,931</b>	<b>3,805,106</b>	<b>1,263,287</b>	<b>5,068,392</b>	<b>12.90%</b>	<b>9.69%</b>	<b>3.22%</b>





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**APPENDIX 3  
SCHOOLS CAPITAL BALANCES AS AT 31 MARCH 2023**

Balance as @ 31/03/2022		Balance as @ 31/03/2023	Spending Plan	Description of Plan	Projected Balance
<b>PRIMARY &amp; NURSERY SCHOOLS</b>					
20,281	Copnor Primary		70,000	Covering walkway between KS1 & KS2	
			20,280	Automated driveway gates	
			25,995	Upgrade to lighting	
			44,985	Kitchen and soft play area refurbishment	
		<b>41,535</b>	<b>161,260</b>		<b>(119,725)</b>
(26,986)	Craneswater Junior		5,000	Replacement if lights to classrooms	
		<b>1,292</b>	<b>5,000</b>		<b>(3,708)</b>
8,063	Cumberland Infant				
		<b>15,465</b>	<b>0</b>		<b>15,465</b>
4,844	Devonshire Infant		10,000	Replacement server project	
			13,651	Energy efficiencies	
		<b>24,543</b>	<b>23,651</b>		<b>892</b>
					<b>0</b>
2,401	Fernhurst Junior		16,881	LED Lighting / Replacement Doors	
		<b>20,244</b>	<b>16,881</b>		<b>3,363</b>
18,366	Bramble Infant & Nursery		17,511	Replacing admin PC	
		<b>17,922</b>	<b>17,511</b>		<b>411</b>
3,982	Manor Infant				
		<b>24,768</b>	<b>0</b>		<b>24,768</b>
9,427	Medina Primary				
		<b>23,528</b>	<b>0</b>		<b>23,528</b>

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Balance as @ 31/03/2022		Balance as @ 31/03/2023	Spending Plan	Description of Plan	Projected Balance
<b>44,504</b>	Portsmouthdown Primary		4,969	Upper Girls toilet aria	
			12,750	Contribution boiler works capital programme	
			10,000	Ongoing repairs	
			15,000	Children's & Staff toilet aria	
			20,000	Nursery ramp replacement	
			200,000	Upgrade of lighting fixtures to LED	
		<b>46,527</b>	<b>262,719</b>		<b>(216,192)</b>
<b>(14,482)</b>	Southsea Infant				
		<b>(927)</b>	<b>0</b>		<b>(927)</b>
<b>33,052</b>	St Georges Beneficial Primary				
		<b>29,127</b>	<b>0</b>		<b>29,127</b>
<b>221,263</b>	St Johns RC Primary		50,000	Playground refurbishment	
			2,410	Upgrade fire doors (fire risk assessment report)	
			10,000	Programme of upgrade to IT	
			3,300	Outbuilding repairs to roof	
			3,300	Outbuilding roof repairs	
			9,000	Cycle shelter	
			2,561	Work to skylight Music room and upgrade to lighting	
		<b>193,157</b>	<b>80,571</b>		<b>112,586</b>
<b>30,436</b>	St Jude's CE Primary				
		<b>27,516</b>	<b>0</b>		<b>27,516</b>
<b>8,213</b>	St Paul's RC Primary		8,000	IT Equipment upgrade	
			4,924	Diocese - Salix Loan repayment	
		<b>(949)</b>	<b>12,924</b>		<b>(13,873)</b>
<b>0</b>	St Swithun's RC Primary		0		
		<b>0</b>	<b>0</b>		<b>0</b>



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Balance as @ 31/03/2022		Balance as @ 31/03/2023	Spending Plan	Description of Plan	Projected Balance
101,294	Wimborne Primary		29,846	Infant girls toilet	
			27,724	Infant boys toilet	
			14,124	YR toilet	
			1,286	Infant entrance area	
			7,597	Toilet flooring	
		41,957	80,577		(38,620)
464,657	<b>Total Primary</b>	<b>505,705</b>	<b>661,094</b>		<b>(155,389)</b>
<b>SECONDARY SCHOOLS</b>					
(49,183)	Mayfield		45,869	Relocation of temporally classroom from Westover Primary	
		48,129	45,869		2,260
2,598,424	St Edmunds RC		3,515,986	New Art Block (EAB004)	
			2,837	Wright Block project (EAB009)	
			46,854	Capital works general/Contingency (EAB008)	
		3,110,860	3,565,677		(454,817)
2,549,241	<b>Total Secondary</b>	<b>3,158,989</b>	<b>3,611,546</b>		<b>(452,557)</b>
<b>SUMMARY</b>					
464,657	Primary Schools	505,705	661,094		(155,389)
2,549,241	Secondary Schools	3,158,989	3,611,546		(452,557)
<b>3,013,898</b>		<b>3,664,694</b>	<b>4,272,640</b>		<b>(607,946)</b>

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