

TITLE OF REPORT: Use of Dedicated Schools Grant (DSG) Reserves

Purpose of the Report

1. To make a request to Schools Forum to use a small amount of DSG reserves to rectify incorrect opening balances 2020/21.

Background

2. As part of the maintained school budget setting process estimated balances are used to set the following years budget. The closure off the Council's final accounts for 2019/20 was very protracted due to the Covid-19 pandemic and all Council employees working from home wherever they could.
3. All school budget team members did work from home during the closure of accounts, only going into the Civic Centre to either retrieve additional IT and office equipment or to have IT equipment repaired.
4. The incorrect opening balances occurred as late transactions for either income or expenditure were included in period 13, 2019/20 after the budget officers thought no further transactions would be processed to school accounts.
5. The additional income will be rectified with the opening balances for 2021/22. There are several school's that had over inflated balances loaded for 2021/22. All incorrect balances are shown in appendix 1.

Proposal

6. In order to correct the overstated incorrect opening balances it is proposed that the correct balances are loaded for 2021/22 and that £31,671 of DSG reserves are used to support schools that would have seen an unexpected decrease in there carry forward due to the budget error in 2020/21. Additional checks have been put in place to ensure that future budget loads match the balance sheet balances.

Recommendation

7. It is recommended that Schools Forum approves the use of a small amount of DSG to support schools that will see a reduction in their balances brought forward due to a budget load error for 2020/21.

For the following reason(s):

To provide support to schools that will have a reduction in their carry forward due to a budget load error.

Appendix 1

School	Revenue Cost Centre	Correct Opening Balance - All Reserve Types	Revenue Budget Uploaded 20/21	S0001 SBS reserves b/f loaded in 20/21 Over-inflated/(extra income not reflected)	S0007 PP reserves b/f loaded in 20/21 Over-inflated
St Josephs Catholic Inf Birtley	S3325	(80,655.85)	(80,919.00)	263.76	
Chopwell Primary	S2235	(162,680.29)	(177,463.00)	14,783.64	
Dunston Hill School	S2164	(70,139.63)	(69,523.00)	(616.46)	
St. Wilfrids RCP	S3339	(11,087.96)	(21,890.00)	10,802.84	
Greenside Primary	S2181	(5,086.68)	(4,643.00)	(444.09)	
Kelvin Grove School	S2012	(159,979.09)	(160,378.00)	(2,208.68)	2,604.87
Lobley Hill Primary	S2222	(50,460.82)	(50,737.00)	276.62	
Parkhead School	S2236	(80,726.51)	(82,649.00)	1,923.32	
Winlaton West Lane Primary	S2177	(122,114.71)	(123,129.00)	1,016.09	
				29,066.27	2,604.87
			Total	31,671.14	