

Agenda Item 6

TITLE	2021/22 Revenue Monitoring Report
FOR CONSIDERATION BY	Schools Forum on 13 th October 2021
WARD	None Specific;
LEAD OFFICER	Director, Children's Services - Carol Cammiss

OUTCOME / BENEFITS TO THE COMMUNITY

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

RECOMMENDATION

Schools Forum is asked to note the contents of the report and the forecast position for the 2021/22 financial year.

SUMMARY OF REPORT

This report provides Schools Forum with an update on the 2021/22 Dedicated Schools Grant (DSG) forecast, as at 30th September 2021.

An in-year deficit of £3.1m is projected, with the budget pressure continuing to be within the High Needs Block. Taken with the brought forward deficit of £6.5m, a forecast cumulative deficit of £9.6m is now projected to 31st March 2022.

The current in-year forecast represents an adverse movement of £665k on the previous projection reported to Schools Forum in July, with the main movements being:

- £12k Schools Block
- £653k High Needs Block

Further information is provided on the Growth Fund and the drivers behind the current forecast position.

2021/22 Revenue Monitoring Report

01. Purpose of the Report

This report provides Schools Forum with an update on the Dedicated Schools Grant (DSG) revenue budget forecast for the 2021/22 financial year, as at 30th September 2021.

02. Recommendation

Schools Forum is asked to note the contents of this report, and the forecast position for the 2021/22 financial year.

03. Background

This report forms part of the regular updates to Schools Forum on the anticipated outturn for the Dedicated Schools Grant (DSG), with explanation for significant variances.

At the July 2021 meeting of Schools Forum a forecast deficit of £2.4m was reported for the 2021/22 financial year, due to continued pressure within the High Needs Block.

04. DSG Forecast as at 30th September 2021

As at 30th September, the DSG forecast for the 2021/22 financial year now reports an in-year deficit of £3.08m. Against the £2.42m previously reported, this represents an adverse movement of £665k.

05. Movement on July forecast

The movement of £665k on that reported previously to Schools Forum relates to the following key changes in forecast.

Schools Block

Slight increase of £12k projected against the Growth Fund. Further information is available in section 7 of this report.

High Needs Block

The in-year deficit on the HNB is now forecast at £3.11m, an increase of £653k on that reported previously. The increase reflects the impact of movements associated with the new academic year, and the ongoing increase in the number children & young people with an Education, Health & Care Plan (EHCP).

Key areas of movement:

- WBC mainstream
- Other LA Special Schools
- INMSS

Please see the High Needs Block Update report later in the agenda for further context and information.

06. **Update on Contingencies Held**

Schools Block – De-delegated Contingency

There have been no applications nor allocations made in the current financial year in respect of the de-delegated allocation.

Early Years – Provider Reserve Fund

As previously advised, further information will be provided at a future meeting of Schools Forum following receipt of updated information from the ESFA expected in November.

Schools Block - Growth Fund

Within the Growth Fund forecast of £1.25m, £342k is held for contingency. While this relates to unidentified schemes at this time, it is held for known needs, and is expected to become real schemes over the autumn. Please see section 7 below for further information.

07. **Growth Fund**

As reported to July's Schools Forum, Growth Fund spend forecast for the current financial year is now significantly higher than that anticipated at the time of budget setting. At that time it was envisaged that spend for 2021/22 would be in line with the £800k allocation planned for within the Schools Block budget, however current year forecast for the 2021/22 financial year is now £1.25m.

While the current growth fund forecast for the 2021/22 financial year represents a £450k overspend on the in-year budget allocation, this is being funded from underspends on previous year Growth Fund allocations held in reserve.

Given both the movement in-year, and the significant increase on actual expenditure in the previous financial year, further information is provided below on the following:

1. Movement from the actual 2020/21 spend (£596k) to the original 2021/22 Schools Block allocation plan (£800k)
2. Movement from the anticipated £800k spend for 2021/22 to current forecast of £1.2m.

Movement from 2020/21 out-turn to 2021/22 budget model

	Outturn		Budget Plan		Variation
	2020/21		2021/22		
	Places	£ '000s	Places	£ '000s	
New Primary Schools	60	287	120	154	(133)
Additional Primary Places	75	160	150	335	175
Secondary (new school)	240	151	0	0	(151)
Secondary (additional places)	0	0	90	284	284
Reserves				25	25
		598		798	200

Table 1

The 2020/21 Growth Fund spend was on several long-standing projects, including a number where spend finished at the end of the year. Although there were signs of pressure on both primary and secondary place availability, there had been no need to agree additional places mid-year for either phase in that year at the point the discussions around the adequacy of the £800k allocation for 2021/22 took place.

Although additional secondary offers had been made at Emmbrook School, as expected the number of allocations fell by the end of the year, so there were surplus places at three schools by the time the new year started in September 2020. Primary rolls were characterised by full rolls in Key Stage 2 and falling admissions into Reception classes. The end of year position was a surplus of circa £200k against the budget allocation of £800k.

For 2021/22, the expectation was therefore that the reduced spend on long term projects and the fact that spend in 2020/21 was £200k under budget would create a cushion to enable additional primary and secondary places to be funded, up to 3 additional classes in each phase (180 places in total).

Movement from 2021/22 budget plan to current forecast

	Budget plan		Forecast		Variation £'000s
	2021/22		2021/22		
	Places	£ '000s	Places	£ '000s	
New Primary Schools	120	154	120	154	-
Additional Primary Places	150	335	180	443	108
Secondary (new school)	0	-	0	-	-
Secondary (additional places)	90	284	100	314	30
Reserves		25		343	318
		798		1,254	456

Table 2

Table 2 shows that the greatest increases are in spend on additional primary school places and in the reserves. The reserves are unidentified schemes, but these are for known needs, so are expected to become real schemes over the autumn.

The additional primary school spend is all on increasing KS2 capacity, due to continued migration into the borough. A significant component of this need is the arrival of British Overseas Nationals. This movement is new, and the future numbers involved cannot be predicted with any reliability.

As expected, additional secondary sector places are also required. What was not predicted reliably was the number of places required. In 2020/21 no additional Year 7 places were required. In 2021/22 100 Year 7 places have been agreed, to ensure that there were sufficient places for girls. The overall number of places and applicants has essentially balanced by September, but with a high number of vacancies at the Boys only Forest School that cannot be allocated to girls. As all the created places were at co-educational schools with waiting lists at the initial time of allocation, the process of creating places for girls has necessarily created places for both boys and girls (exacerbating the surplus place issue at the Forest School).

Although all places have been agreed for primary school children, additional places are required for Year 8 and 9 children. Again there is on paper overall place sufficiency, but in fact no places available for arriving girls. Given that there are 6 months to go in the financial year, it is likely that additional capacity will be required, at least in Key Stage 2, before the end of the year, so reserves are likely to be fully committed by the year end.

08. Finance Summary

The attached appendices provide further detail across each of the four DSG blocks.

Appendix A – Summary of 2021/22 School Revenue Monitoring

Appendix B – Breakdown of each Block

Appendix C – Activity Updates

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