

TITLE	2022/23 Revenue Monitoring Report
FOR CONSIDERATION BY	Schools Forum on 7 December 2022
WARD	None Specific;
LEAD OFFICER	Director, Children's Services - Helen Watson

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, update on the forecast position for the 2022/23 financial year along with associated risks.

SUMMARY OF REPORT

This report provides Schools Forum with an update on the 2022/23 Dedicated Schools Grant (DSG) forecast, as at 30th November 2022.

An in-year deficit of £6.4m is projected, with the budget pressure continuing to be within the High Needs Block. Taken with the brought forward deficit of £10m, a forecast cumulative deficit of £16.5m is now projected to 31st March 2023.

The current in-year forecasts represents an adverse movement of £714k on the previous projection reported to Schools Forum in July, with the main movements being:

- £210k reduction in the Schools Block
- £924k increase in the High Needs Block

Key risks to the HNB forecast:

1. Sufficiency / places awaited – a number of pupils currently supported in mainstream, or in other educational arrangements, are waiting on specialist places.
2. Assessment & Review activity – while not all requests to assess lead to EHCPs and additional cost to the HNB, it is likely that a continued increase will be seen over the remaining months of the financial year. Requests through to SEND Panel for review / change of type of provision also continue to be evident.

The cost and timing of both areas above hold a range of variable assumptions, influenced by individual pupil circumstances however the additional in-year financial risk is estimated between £200k - £400k.

2022/23 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 2022/23 financial year, as at 30th November 2022.

02. Recommendation

Schools Forum is asked to note the contents of this report, updated on the forecast position for the 2022/23 financial year along with associated risks.

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 October 2022 meeting of Schools Forum a forecast deficit of £5.7m was reported for the 2022/23 financial year, due to continued pressure within the High Needs Block.

04. DSG Forecast as at 30th November 2022

As at 30th November, the DSG forecast for the 2022/23 financial year now reports an in-year deficit of £6.4m. Against the £5.7m previously reported, this represents an adverse movement of £714k.

The movement represents an ongoing increased numbers of EHCPs and associated costs, and a reduction in the Schools Block associated with timing of anticipated Growth Fund expenditure.

05. Key Variances & Risks

The main reasons for the £714k adverse movement on forecast are set out below, along with further information and key risks within each block of the DSG.

Schools Block

Reduction in forecast of £210k.

Growth Fund

Forecast spend against the growth fund continues to be updated in light of ongoing

place planning challenges. The current forecast is a decrease of that reported previously due to the release of contingency held that won't be realised this financial year. Further detail is provided in Appendix B.

De-delegated Services

Analysis of the spend to date on parental leave reports that if costs continue in the same way, there will be an underspend of £41k against the total planned for through the de-delegated model.

£55k brought forward and held on behalf of maintained schools for contingency purposes remains in reserve, with no commitments to date.

High Needs Block

The in-year deficit on the HNB is now forecast at £6.4m, an increase of £924k on that previously reported. The increase reflects the continued increase in the number of EHCPs and challenges in sufficiency of local provision.

The HNB forecast takes account of current known EHCP top-ups and phased transfer information as it is currently available for November 2022. The key driver remains an increasing number of EHCPs, and specialist placements out of borough as Wokingham schools are at capacity.

Mainstream £689k increase

Due to an increase in the number and complexity of pupils in Wokingham schools with a funded EHCP. A significant part of the movement is associated with changes for the new academic year that have taken time to be captured in finance data and therefore work through into the forecast.

Resource Bases £84k increase

Increase includes additional funding agreed for Emmbrook HIU, following a cost review undertaken with the school. An HIU supplement has been agreed on the current banding levels, recognising costs incurred in running the resource baser that are unique to other settings.

Special Schools £302k increase

£17k – Increase in funding profile of Addington pupils, including estimation of revenue cost associated with additional class from January 2023

£125k – Increase in both the number pupils funded in INMSS pupils, and the complexity profile for the new academic year with new pupils in higher bands than those leaving

£160k – Increase in out of borough special school places which includes new pupils in higher bands than those leaving

Post 16 FE Colleges £149k reduction

Due to a lower number of pupils continuing in funded college placements than previously assumed in the forecast.

Key risks to the HNB forecast:

3. Sufficiency / places awaited – a number of pupils currently supported in mainstream, or in other educational arrangements, are waiting on specialist places.
4. Assessment & Review activity – while not all requests to assess lead to EHCPs and additional cost to the HNB, it is likely that a continued increase will be seen over the remaining months of the financial year. Requests through to SEND Panel for review / change of type of provision also continue to be evident.

The cost and timing of both areas above hold a range of variable assumptions, influenced by individual pupil circumstances however the additional in-year financial risk is estimated between £200k - £400k.

Early Years Block

No in-year variance to budget is forecast on the Early Years Block at this time.

Early Years – Provider Reserve Fund

Contingency of £163k was set aside as part of 2022/23 budget setting, to allow for changes in activity during the year and protect against over allocation on set rates. At this early stage of the year the forecast assumes that this will be fully spent or clawed back by the DfE and therefore no variance is reported.

Central Schools Services Block

No variance or significant risks identified at this time.

06. **Summary**

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

Appendix A – 2022/23 DSG Revenue Monitoring by Block

Appendix B – Growth Fund

Appendix C – Key Activity Data

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