

TITLE	2022/23 Revenue Monitoring Report
FOR CONSIDERATION BY	Schools Forum on 11 January 2023
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 31st December 2022.

An in-year deficit of £6.5m 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 £85k on the previous projection reported to Schools Forum in December. The movement being:

- £85k increase in the Schools 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 31st December 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 December 2022 meeting of Schools Forum a forecast deficit of £6.4m was reported for the 2022/23 financial year, due to continued pressure within the High Needs Block.

04. DSG Forecast as at 31st December 2022

As at 31st December, the DSG forecast for the 2022/23 financial year now reports an in-year deficit of £6.5m. Against the £6.4m previously reported, this represents an adverse movement of £85k.

The movement represents an increase in the growth fund forecast.

05. Key Variances & Risks

The reason for the £85k adverse movement on forecast are set out below, along with further information and key risks within each block of the DSG.

Schools Block

Increase in forecast of £85k.

Growth Fund

Forecast spend against the growth fund continues to be updated in light of ongoing place planning challenges. The current forecast is an increase of that reported previously due to the new primary school opening in January 2023. We have

assumed the maximum pre-opening grant of £120k for the school, but the full amount may not be required. Further detail is provided in Appendix B.

De-delegated Services

£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 still forecast at £6.4m. There have been no material changes since the last report brought to Schools Forum in December.

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

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.

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

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