

TITLE	2022/23 Revenue Monitoring Report
FOR CONSIDERATION BY	Schools Forum on 15 March 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.

SUMMARY OF REPORT

This report provides Schools Forum with an update on the 2022/23 Dedicated Schools Grant (DSG) forecast, as at 31st January 2023.

An in-year deficit of £6.8m 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 £16.8m is now projected to 31st March 2023.

The current in-year forecasts represents an adverse movement of £331k on the previous projection reported to Schools Forum. The movement being:

- £17k increase in the Schools Block
- £314k increase in the High Needs Block

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 January 2023.

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 January 2023 meeting of Schools Forum a forecast deficit of £6.5m was reported for the 2022/23 financial year, due to continued pressure within the High Needs Block.

04. DSG Forecast as at 31st January 2023

As at 31st January, the DSG forecast for the 2022/23 financial year now reports an in-year deficit of £6.8m. Against the £6.5m previously reported, this represents an adverse movement of £331k.

The movement represents an increase in the High Needs Block forecast, and a small movement in the Schools Block Forecast.

05. Key Variances & Risks

The reason for the £331k adverse movement on forecast are set out below, along with further information within each block of the DSG.

Schools Block

Increase in forecast of £17k.

De-delegation - Staff costs

£17k increase in forecasted costs due to cover for Union Duties, however the budget still projects a small underspend.

De-delegation - Contingency

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

Growth Fund

No change in the growth fund forecast at this time. However, there is the potential for some additional flex to carry forward into next year to help with ongoing place planning challenges in the borough. See Appendix B.

As part of the 2023-24 budget setting process brought to Schools Forum in January, please see Appendix C, for the anticipated growth fund requirements in 2023-24. There are increasing place planning challenges especially within the Secondary sector.

High Needs Block

The in-year deficit on the HNB is forecast at £6.6m.

The HNB forecast takes account of current known EHCP top-ups and other associated costs. The key driver remains an increasing number of EHCPs, and costs for alternative provision while special school places are being sought.

Main movements are due to:

Mainstream - Wokingham

£87k movement due to increasing number of EHCPs and additional top-ups over the usual hourly funding rates to provide additional support such as therapies, alternative provision and 1:1 tuition.

Pupils in Wokingham mainstream schools with funding from the HNB is now around 654, an increase of 14% on that at the start of the financial year, with current numbers around 2% of total mainstream NOR.

Resource Bases – Wokingham

£52k movement due to additional funding for our Hearing Impaired Unit, and additional funding above the top funding band for Wescott and Westende Resource Bases.

Special Schools – Out of Borough

£74k movement due to additional pupils.

Key risks to the HNB forecast:

Sufficiency / places awaited – a number of pupils currently supported in mainstream, or in other educational arrangements, are waiting on specialist places.

As can be seen from above, the key theme from the movements in forecast stem from additional funding required to support pupils over and above the core funding methodology intended for that setting type. Forecasts assumed a level of spend associated with the summer term in particular as pupils are supported towards key transition points. However figures emerging suggest that costs in this area are significantly increasing, with no drop-off into the new academic year. Detailed

review work is underway to analyse and map the extent of this and ensure that all opportunities to influence this expenditure in future are being fully explored through the management plan and associated programme.

Further information on this will be shared with the HNB Task & Finish group for discussion at the next planned meeting in late April.

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. The forecast assumes that this will be fully spent or clawed back by the DfE and therefore no variance is reported.

Early Years – Hardship Fund

See separate agenda item.

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 Forecast 2022-23

Appendix B – Growth Fund Estimate 2023-24

Contact:	Katherine Vernon Schools Finance Manager
Email:	katherine.vernon@wokingham.gov.uk

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