

TITLE	2023/24 Revenue Monitoring Report
FOR CONSIDERATION BY	Schools Forum on 6 December 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 and the forecast position for the 2023/24 financial year.

SUMMARY OF REPORT

This report provides Schools Forum with an update on the 2023/24 Dedicated Schools Grant (DSG) forecast, as at 30th November 2023.

An in-year deficit of £12.5m is projected, with the budget pressure continuing to be within the High Needs Block. Taken with the brought forward deficit of £9.2m, and expected Safety Valve funding received in-year, a forecast cumulative deficit of £19.9m is now projected to 31st March 2024.

The current in-year forecast represents an adverse movement of £382k on the £12.1m deficit reported at October Schools Forum. The movement being:

- £287k increase in the High Needs Block
- £96k increase in the Schools Block

2023/24 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 2023/24 financial year, as at 30th November 2023.

02. Recommendation

Schools Forum is asked to note the contents of this report and the forecast position for the 2023/24 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 October 2023 meeting of Schools Forum a forecast deficit of £12.1m was reported for the 2023/24 financial year budget, due to continued pressure within the High Needs Block.

04. DSG Forecast as at 30th November 2023

As at 30th November, the DSG forecast for the 2023/24 financial year now reports an in-year deficit of £12.5m. Against the £12.1m previously reported, this represents an adverse movement of £382k.

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

05. Key Variances, Risks and Opportunities

The reason for the £382k adverse movement on forecast are set out below, along with further information within each block of the DSG.

Schools Block

Small variance in forecast due to increase in Growth Fund of £120k and a reduction in spend on Maternity under de-delegation of £24k.

De-delegation - Staff costs

Current forecast is £24k less than budget due to academy conversions.

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

See Appendix B.

We are forecasting an in-year overspend of £316k, a movement of £120k since October Schools Forum, which will leave approx. £68k in reserves to carry forward into 2024/25.

We have updated our estimate of the growth fund requirements for 2024/25 using the MPPL rates confirmed by the DfE in October. This shows that we are anticipating requiring around £1.6m from the Schools Block for the Growth Fund and this will be taken forward through the modelling work within the work of the task & finish group.

High Needs Block

The in-year deficit on the HNB is forecast at £12.2m.

At the October meeting of Schools Forum an in-year deficit of £11.9m was anticipated, therefore the current forecast represents a £287k adverse movement.

The HNB forecast takes account of current known EHCP top-ups, known September phased transfers, anticipated new plans issued, along with expected impact of the Safety Valve Programme workstreams.

In order to provide a better view of the full year outturn of costs, we are now including a forecast for all those EHCPs that are not yet in the system but will be a cost to the HNB in year. We have estimated these based on our current run-rate of new and ceased plans. As this estimate is based on current performance, this could change if the volume of requests for new EHCPs goes up or down beyond the current rate. Likewise for ceased plans.

Health funding remains a key challenge for the Safety Valve programme to ensure we secure the correct health income for our EHCPs. We have identified £0.8m of EHCP costs which should be funded by health. We expect this number to rise as more work is done to identify all health costs. There is a council wide initiative to unlock the funding block from health.

INCOME

Our income has reduced by £60k which takes into account pupils that are in out of borough special free schools that are now full.

Early Years Block

Small variance due to updated Early Years Pupil Premium Grant, which is off-set by a small decrease in our allocation.

Early Years Funding 2024/25

We are still awaiting our local authority hourly funding rates for 2024 to 2025. The DfE have said they will be made available at the end of November. These will include

the new rate for all 2-year-olds from April 2024, and for 9 months to 2-year-old funding that comes into effect from September 2024.

Early Years – Provider Reserve Fund

Contingency of £173k was set aside as part of 2023/24 budget setting, to allow for changes in activity during the year and protect against over allocation on set rates and therefore no variance is reported.

Early Years – Hardship Fund

£50k has been set aside from 2022/23 to fund any settings that wish to make an application to the Early Years Hardship Fund. To date the Early Years Team have received no applications for this fund.

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 – 2023/24 DSG Revenue Monitoring by Block

Appendix B – Growth Fund Forecast 2023-24 and 2024-25 projection

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