

WIRRAL SCHOOLS FORUM

12TH APRIL 2011

REPORT OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET 2011-12 UPDATE

1.0 EXECUTIVE SUMMARY

This report provides an update on the Schools Budget since the last meeting of the Forum in January. The January report and Formula changes were approved by Cabinet in 21st February.

This report is for noting.

2.0 Dedicated Schools Grant

Following the completion of the Schools and Early Years Census the expected position on DSG for 2011-12 is clearer (although as in previous years this will not be finalised until late June.)

The revised estimate, a net reduction of £143,500 is shown below:

	Guaranteed Unit of Funding (GUF)	GUF	GUF	Estimated Pupil	DSG
	2010-11	Grants	Total	Numbers	2011-12
	£	£	£	£	£
Original estimate	4268.56	759.83	5,028.39	45,621.7	229,403,700
Revised estimate	4268.56	754.45	5,023.01	45,642	229,260,200

There are a number of factors that have brought about this change. As a result the reduction in grant should be dealt with in specific ways:

1. Although still to be confirmed the Guaranteed Unit of Funding for Wirral may be reduced, as shown above, to exclude 2010-11 Academy Recoupment. This will reduce grant received by £245,500. An amount of £244,700 was included in the Schools Specific Contingency Budget for this purpose and will now be removed.
2. Early Years numbers have increased from initial estimates. There are an additional 61 fte. This is likely to increase demands on the Early Years Single Funding Formula. The budget has been increased by £240,000 to reflect expected cost pressures
3. The Census numbers for Secondary and Special have reduced by 81, partly from changes in Dual Registration. The ISB (delegated schools budget) has been reduced by £283,500 to reflect this.

4. Part of the reduction in DSG has been applied to centrally held budgets. The provision for Advanced Skills Teachers has been reduced by £42,100. The adjusted budget total of £317,100 is sufficient to meet the same level of demand as 2010-11.
5. After the above adjustments have been made there is a balance of £186,800. The School Finance Regulations elsewhere on this agenda suggests that the purchase of Carbon Allowances relating to schools and academies (part of the Local Authority's Carbon Reduction Commitment calculation) may be held centrally. The amount of £186,800 will cover most of the anticipated costs. This will benefit all schools, by removing the need to budget for costs varying from £1,000 to £2,800 for primary and special schools and £3,000 to £9,200 for secondary schools.

Summary of changes

Academy recoupment (Contingency)	£244,700 cr
Early Years (ISB)	£240,000
Schools (ISB)	£283,500 cr
Advanced Skills Teachers (Central budget)	£42,100 cr
Carbon Reduction (Central budget)	£186,800
Total	£143,500 cr

3.0 6th Form Allocations

The 6th Form Allocations for 2011-12 were issued by the Young Person's Learning Agency on 30th March. The initial budget for this area was based on a part year reduction in learner funding and the staged removal of Teachers Pay Grant. This reduced the budget by £555,400 from £20,782,000 to £20,226,600.

The final position is better than anticipated (£20,536,200). Although the reductions above have been implemented, schools have received additional Learner Support and Disadvantage funding.

Within the current formula for School 6th Forms there is an amount of Transitional Protection totalling £2.5m (about 12.5% of the total grant for school 6th forms). Therefore funding in future years will continue to reduce.

4.0 16 – 19 SEN Costs

These costs are supported by a grant from the YPLA. At the time the budget was set it was assumed that the grant would reduce by 15% from £1,483,000 to £1,262,500. The actual grant has been confirmed as £1,434,900 (an additional £171,900.) This funding could be used to increase the central SEN unit value in 2011-12.

5.0 Academy Recoupment 2011-12

The amount of recoupment (a top-slice of DSG by the DfE) in respect of academies has still to be finalised. It will subsequently change throughout the year each time a school becomes an academy.

Recoupment will be made in respect of the budget share for each academy and also for a share of central costs. At this time the only definite amount to be recovered will be in respect of the University Academy (there is no recoupment for Birkenhead High School.)

Recoupment estimates are as follows:

School Budget £6,872,864

Central Costs £47,400.

Special Staff Costs, Behaviour Support, and Licences will be reduced pro-rata.

6.0 Redundancy Costs

This item is reported on the agenda separately and requires the school closure budget to be re-designated for school termination of employment costs (£326,000)

7.0 Recommendation

That the report and budget changes are noted.

David Armstrong
Interim Director of Children's Services