

WIRRAL COUNCIL

SCHOOLS FORUM 21st JANUARY 2009

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET 2009-2010

EXECUTIVE SUMMARY

This report outlines the Schools Budget for Wirral for 2009-10 and describes the financial changes to be considered by the Forum and Cabinet.

1. Background.

This is the second year of a national three year funding period for schools (2008-2011). In 2008-09 decisions were taken about levels of funding based on the governments stated priorities, which were:

- ensuring all children make good progress
- early intervention especially SEN
- support for specific groups at risk of poor outcomes
- ensuring school workforce skills

In 2009-10 the funding Wirral will receive provides an increase of 3.9% per pupil of which 0.8% is for government priorities.

The initial budget for 2009-10 calculated the available Headroom to be allocated in the schools budget as being £2,178,000. Headroom is the difference between DSG and the budget required to continue funding schools at their current level after allowing for inflation, unavoidable cost pressures and the Minimum Funding Guarantee.

Headroom has been allocated in the budget as follows:

	£
Deprivation funding to narrow the gap	1,933,000
Secondary Education Inclusion Bases	75,000
Increase in Statement value (Year 2)	170,000

Deprivation funding has already been delegated to schools and included in indicative budgets over the three year period.

It is not intended that half way through the 2008-11 funding settlement there should be any significant changes to the levels of planned funding for schools. The Local Funding Formula is fixed over the period to give all schools allocations that are certain and clear, with most changes being for movements in January pupil numbers only. Some other changes to central costs are however required and these are described in paragraph 4.1 to 4.11 in this report.

2. Dedicated Schools Grant

The DCSF has revised the indicative levels of Dedicated Schools Grant (DSG) for Wirral:

	Allocation	Increase	% cash	% pupil
	£000	£000		
2009-10	188,275	4,557	2.5	3.9
2010-11	194,548	6,273	3.3	4.4

The increases compare with average national increases per pupil of 3.7% and 4.3% respectively.

The DCSF allocations are indicative, based on estimates of pupil numbers. Authorities are still required to review the numbers used and revise grant estimates where necessary, prior to final allocations being issued in June 2009 (based on January 2009 pupil numbers). Changes in pupil numbers have been built into DSG estimates below :

	Allocation	Pupil Adjustment	Grant carry forward	Revised DSG	Increase
	£000	£000	£000	£000	£000
2009-10	188,275	139cr	-	188,136	4,399
2010-11	194,548	427cr	-	194,121	5,985

None of the DSG carried forward from previous years has been included in the 2009-10 budget above. Following the Schools Funding consultation last year it was agreed that any changes to resources as a result of adjusted DSG should be made at the end of the three year funding period, not during it. The current DSG balance at 30th June 2008 is £253,000.

3. Minimum Funding Guarantee (MFG)

The MFG has been set at 2.1% for the 3 year period. This is 1% below the assessment of average cost pressures and assumes an efficiency gain in schools, as part of national public-sector efficiency requirement.

4. Projected Budget 2009-10

The projected budget is detailed at Appendix 1 and includes the items detailed in the following paragraphs.

4.1 Inflation

Provision is included for teachers and other pay at 2% and income at 3% Provision has also been included for price inflation at 2%.

4.2 Other Specific Grants

Specific grants have been included in the budget and are detailed in the table below

	Amount 2008-09	Estimated Amount 2009-10	Estimated Amount 2010-11
	£	£	£
LSC 6 th Form and SEN	20,341,400	20,767,100	21,201,600
School Development Grant Devolved	15,129,900	15,142,500	15,200,700

Central	1,165,100	1,189,500	1,218,500
SSG + SSG (P)	10,516,300	10,568,600	10,681,200
Learnwise – LSC / ESF	491,000	1,470,000	827,000
School Lunch Grant	554,700	553,300	553,300
Ethnic Minority Achievement	159,600	188,200	199,800
Extended School Sustainability	470,700	849,500	1,196,900
Targeted Primary and Secondary Strategy	2,176,200	1,911,100	TBA
Making Good Progress*	-	791,600	TBA
Surestart, Early Years and Childcare	9,101,000	9,562,000	10,385,000
Free Entitlement for 3 and 4 year olds	-	404,300	1,651,900
Playing for Success	80,000	80,000	80,000

*New areas within the Standards Fund programme include an allocation for Making Good Progress. This is a “Narrowing the Gap” initiative to improve the rate pupils progress year on year and includes funding for one to one tuition for children who have fallen behind expectations.

Overall there is no increase in match funding required for Standards Fund.

4.3 Area Based Grant (ABG)

The following Area Based Grants are also included in the Schools Budget:

	Amount 2008-09	Estimated Amount 2009-10	Estimated Amount 2010-11
	£	£	£
Secondary Behaviour and Attendance	68,300	68,300	68,300
School Development Grant	776,600	444,700	444,700
Choice Advisors	52,100	52,100	52,100
Flexible 14-19 Partnerships	100,000	98,600	96,900
Total	997,000	663,700	662,000

4.4 Early Years £134,000

The number of children in Early Years settings has increased and growth of £134,000 is required. The increase is also reflected in Census numbers and in the level of DSG received.

4.5 SEN

There are continuing pressures on SEN budgets in addition to the growth included in 2008-09. Initial estimates identified a further growth requirement in excess of £500,000. The main increases arises from costs charged by other Local Authorities for SEN placements outside Wirral.

Spend targets have been agreed that will limit the increase required in 2009-10 to £250,000. This will be met from a reduction in the SEN Plan budget (£150,000), a reduction in Schools Contingency (£100,000) and reduced pressure on Independent Special School budgets, following changes to school places to be implemented at Claremount in September 2009 and 2010.

4.6 **Statements £170,000**

As previously proposed the unit value of a statement will increase over the funding period from £831 to £1,030 (plus inflation). This will require growth of £170,000 in 2009-10.

4.7 **Budget Reduction**

The following budget reductions are proposed within the schools budget and have resulted in a corresponding reduction in Area Based Grant (shown in 3.3 above) :

4.8 **Area Teams £100,000cr**

ABG includes a residual Behaviour Improvement Programme (BIP) budget of £432,000. This is intended to cover costs for first day education for primary excluded pupils, Learning Mentor training and a small behaviour support team. There is an uncommitted balance of £100,000 which it is proposed to transfer to strengthen the Children and Young People's Area Team Budget.

4.9 **Insurance (Central costs) £52,000cr**

The Risk and Insurance Team have reviewed school insurance premiums in support of the DCSF Risk Ranking Initiative. In future charges will be based on a model that creates an individual charge for each class of insurance for each school. Premiums will take account of relevant exposure data and claims experience. However this has also resulted in greater insurance charges for schools and overall school premiums will increase by 35% (£400,000). Schools have been charged less than should have been the case in the years since insurance costs were delegated, whilst central school and CYP budgets have been charged more. The regularisation of charges will be phased in. Schools will be pay 50% of the increase in 2009-10, with the remainder being funded from contingency. It is recommended that any available underspend in contingency in the current financial year is carried forward for this purpose. The full charge to schools will be implemented in 2010-11. There will be continued support and advice to schools in respect of Risk Management.

The saving above of £52,000 is from the reduction in centrally managed insurance budgets for School Meals and other services.

4.10 **SEN Staffing £80,000cr**

Cabinet agreed this saving on 10th December. A number of vacant posts that have been unfilled for more than 12 months will be deleted. These include:
Hearing Support 0.5 Teacher and 2 * 0.5 Teaching Assistants
Vision Support 0.5 Teaching Assistant.

4.11 **Harnessing Technology £100,000cr**

The Harnessing Technology budget is made up of a capital grant of £1,084,000 and central match funding within the Schools Budget and Capital programme of £239,700. The spend plan does not rely on all this central match funding being available. Therefore the saving can be achieved without directly impacting the programme.

4.12 Central Limit Calculation

The Forum has previously considered and approved an increase in the Central Limit for 2009-10 (11th June 2008) This has arisen because of additional SEN costs and holding funds for closing schools in contingency, giving a lower percentage ISB increase than the overall increase in school funding. The relevant percentages at that time were:

Increase in ISB 2.2%

Increase in Schools Budget 2.3%

Although this may now change as a result of the current budget proposals, the Forum are asked to confirm their agreement to an increase in the central limit if required.

4.13 Budget Timetable

The Schools Budget will be considered by Cabinet on 23rd February, taking account of advice from the Schools Forum .

5. Financial Implications

The Budget for 2009-10 is compiled from the base budget for 2008-09 approved by Council on 2nd March 2008 and updated for issues outlined in this report. The projected budget is shown at Appendix 1.

The key figures at the date of preparing this report are:

	£
DSG Estimate 2008-09	183,737,000
DSG Estimate 2009-10	188,136,200
DSG Estimate 2010-11	194,121,000

6. Other Implications

There are no staffing, equal opportunities, human rights, Local Agenda 21, Community Safety, Planning or Local Member Support implications arising from this report, other than those detailed in the report above.

7. Background Papers

DCSF Funding Settlement 12 November 2007.

8. RECOMMENDATIONS

- i) That the views of the Schools Forum are sought on the Schools Budget for 2009-10 and the level of central costs.
- ii) That a schools contingency underspend of up to £200,000 is carried forward if available to meet part of the increase in schools insurance as set out in 3.7 above
- iii) The Schools Budget and views of the Schools Forum be referred to the budget meeting of Cabinet on 23rd February 2009.
- iv)

Howard Cooper
Director of Children's Services

SCHOOLS BUDGET

Appendix 1

SUMMARY

	Base Estimate 2009-10 £000	Base Estimate 2010-11 £000
Dedicated Schools Grant	183,737	188,136
Increase in grant	4,399	5,985
	<u>188,136</u>	<u>194,121</u>
 Base Estimate	 184,734	 188,800
 Increase in ISB costs		
2% pay and price inflation (3% income)	3,222	3,366
Falling rolls	2,283cr	2,232cr
Transfer from Contingency	313	59
Rates and Insurances	13cr	68cr
School Funding Formula	2,660	4,026
	<u>3,899</u>	<u>5,151</u>
 Increase in Early Years Places	 <u>134</u>	 <u>40</u>
 Increase in Central Costs		
2% pay and price inflation (3% income)	454	454
Schools Contingency	358cr	20
SEN plan	150cr	150
SEN costs including OLEA	250	-
Statements increase in unit value	170	170
Reduction in Area Based Grants	1cr	2cr
Transfer to Area Teams	100cr	-
	<u>265</u>	<u>792</u>
 School Budget Savings		
Insurance central costs	52cr	
SESS support	80cr	
Harnessing Technology match funding	100cr	
	<u>232cr</u>	
 School Budget Total	 188,800	 194,783
 Net Schools Budget	 664	 662

SCHOOLS BUDGET	ORIGINAL BUDGET 2008/09	ESTIMATE 2009/10
OBJECTIVE SUMMARY	£	£
Schools		
Primary Schools	73,233,100	75,357,000
Secondary Schools	76,921,400	78,239,600
Special Schools	13,422,700	13,776,600
Nursery Schools	<u>1,083,100</u>	<u>1,110,100</u>
Schools Total	<u>164,660,300</u>	<u>168,483,300</u>
Non Delegated School Costs		
Milk & Meals	339,200	344,200
Statements	3,907,200	3,996,300
Support For SEN	2,262,500	3,003,600
SEN Transport	57,100	58,200
Wirral Alternative Schools Programme	929,000	941,500
Education Out Of School	167,100	169,900
OLEA	302,500	521,800
Early Years	4,388,500	4,606,500
Sure Start & Childrens Centres	-	-
Indep Special School Fees	2,914,900	3,062,400
Library Service	194,200	197,700
Licences & Subs	56,000	57,100
Insurances	65,400	65,400
Admissions	395,400	455,400
School Specific Contingencies	1,585,000	1,333,800
Special Staff Costs	811,200	825,600
Contributions to combined budgets	359,900	359,900
Schools Forum	10,400	10,600
Miscellaneous	<u>172,800</u>	<u>176,400</u>
Non Delegated School Costs Total	<u>18,918,300</u>	<u>20,186,300</u>
Non Devolved Grant/Funded Expenditure		
Standards Fund	1,155,400	130,300
Other Specific Grants	-	-
Non Devolved Grant/Funded Expenditure Total	<u>1,155,400</u>	<u>130,300</u>
Dedicated Schools Grant		
Dedicated School Grant	<u>(183,737,000)</u>	<u>(188,136,200)</u>
Dedicated Schools Grant Total	<u>(183,737,000)</u>	<u>(188,136,200)</u>
Schools Total	997,000	663,700

SCHOOLS BUDGET	ORIGINAL BUDGET 2008/09	ESTIMATE 2009/10
SUBJECTIVE SUMMARY	£	£
Expenditure		
Employees	42,758,500	42,326,800
Premises	3,252,400	3,222,100
Transport	227,700	216,300
Supplies	7,997,800	8,225,500
Third Party	197,058,100	203,051,300
Transfers	535,200	558,600
Support	<u>2,118,000</u>	<u>2,185,400</u>
Expenditure Total	<u>253,947,700</u>	<u>259,786,000</u>
Income		
Government Grants	(223,079,200)	(229,340,900)
Other Grants & Reimbursements	(22,196,000)	(24,330,900)
Customer and Client Receipts	(1,709,400)	(2,090,200)
Recharge to Other Revenue Accounts	<u>(5,966,100)</u>	<u>(3,360,300)</u>
Income Total	<u>(252,950,700)</u>	<u>(259,122,300)</u>
Schools Total	997,000	663,700

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
SCHOOLS			
Primary Schools			
	Expenditure		
	Premises	815,500	839,700
	Third Party	77,288,800	79,389,100
	Expenditure Total	78,140,300	80,228,800
	Income		
	Government Grants	(4,871,200)	(4,871,800)
	Income Total	(4,871,200)	(4,871,800)
	Primary Schools Total	73,233,100	75,357,100
Secondary Schools			
	Expenditure		
	Premises	1,322,100	1,290,400
	Third Party	99,566,500	101,170,800
	Expenditure Total	100,888,600	102,461,200
	Income		
	Government Grants	(5,174,200)	(5,033,900)
	Other Grants & Reimbursements	(18,793,000)	(19,187,700)
	Income Total	(23,967,200)	(24,221,600)
	Secondary Schools Total	76,921,400	78,239,600
Special Schools			
	Expenditure		
	Premises	13,700	-
	Third Party	13,963,300	14,340,600
	Expenditure Total	13,977,000	14,340,600
	Income		
	Government Grants	(554,300)	(564,000)
	Income Total	(554,300)	(564,000)
	Special Schools Total	13,422,700	13,776,600
Nursery Schools			
	Expenditure		
	Premises	23,900	25,000
	Third Party	1,111,100	1,139,000
	Expenditure Total	1,135,000	1,164,000
	Income		
	Government Grants	(51,900)	(53,900)
	Income Total	(51,900)	(53,900)
	Nursery Schools Total	1,083,100	1,110,100

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
NON DELEGATED SCHOOLS COSTS			
Milk & Meals			
	Expenditure		
	Employees	2,555,800	3,113,100
	Premises	247,900	230,900
	Transport	7,600	7,700
	Supplies	1,713,300	1,806,200
	Support	409,100	417,400
	Expenditure Total	4,933,700	5,575,300
	Income		
	Government Grants	(105,000)	(658,300)
	Customer and Client Receipts	(1,578,400)	(1,737,400)
	Recharge to Other Revenue		
	Accounts	(2,911,100)	(2,835,400)
	Income Total	(4,594,500)	(5,231,100)
Milk & Meals Total		339,200	344,200
Statements			
	Expenditure		
	Employees	865,100	782,900
	Supplies	136,400	107,100
	Third Party	3,553,400	3,755,600
	Support	20,000	32,400
	Expenditure Total	4,574,900	4,678,000
	Income		
	Government Grants		
	Other Grants & Reimbursements	(667,700)	(681,700)
	Income Total	(667,700)	(681,700)
Statements Total		3,907,200	3,996,300
Support For SEN			
	Expenditure		
	Employees	2,045,600	2,729,300
	Transport	33,600	34,000
	Supplies	70,100	70,300
	Third Party	36,400	37,100
	Transfers	80,000	81,600
	Support	427,200	505,600
	Expenditure Total	2,692,900	3,457,900
	Income		
	Government Grants	(165,000)	(188,200)
	Recharge to Other Revenue		
	Accounts	(265,400)	(266,100)
	Income Total	(430,400)	(454,300)
Support For SEN Total		2,262,500	3,003,600

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
SEN Transport			
	Expenditure		
	Transport	57,100	58,200
	Expenditure Total	57,100	58,200
SEN Transport Total		57,100	58,200
Wirral Alternative Schools Programme			
	Expenditure		
	Employees	785,900	799,900
	Premises	81,600	83,200
	Transport	32,200	32,900
	Supplies	218,200	234,500
	Third Party	137,200	139,900
	Support	108,500	108,700
	Expenditure Total	1,363,600	1,399,100
	Income		
	Government Grants	(52,100)	(64,800)
	Customer and Client Receipts	(342,500)	(352,800)
	Recharge to Other Revenue		
	Accounts	(40,000)	(40,000)
	Income Total	(434,600)	(457,600)
Wirral Alternative Schools Programme Total		929,000	941,500
Education Out Of School			
	Expenditure		
	Employees	167,100	169,900
	Expenditure Total	167,100	169,900
Education Out Of School Total		167,100	169,900
OLEA			
	Expenditure		
	Supplies	532,500	665,900
	Expenditure Total	532,500	665,900
	Income		
	Other Grants & Reimbursements	(230,000)	(144,100)
	Income Total	(230,000)	(144,100)
OLEA Total		302,500	521,800

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
Early Years			
	Expenditure		
	Employees	268,100	270,900
	Supplies	3,840,100	4,050,000
	Third Party	-	404,300
	Support	280,300	285,600
	Expenditure Total	4,388,500	5,010,800
	Income		
	Government Grants	-	(404,300)
	Income Total	-	(404,300)
Early Years Total		4,388,500	4,606,500
Sure Start & Childrens Centres			
	Expenditure		
	Employees	7,681,400	6,730,300
	Premises	652,800	647,800
	Transport	88,600	83,000
	Supplies	935,600	888,700
	Third Party	1,545,200	2,785,400
	Support	242,800	230,000
	Expenditure Total	11,146,400	11,365,200
	Income		
	Government Grants	(9,237,100)	(9,562,100)
	Other Grants & Reimbursements	(1,717,600)	(1,803,100)
	Recharge to Other Revenue Accounts	(191,700)	-
	Income Total	(11,146,400)	(11,365,200)
Sure Start & Childrens Centres Total		-	-
Indep Special School Fees			
	Expenditure		
	Employees	3,784,600	3,948,000
	Support	11,000	17,300
	Expenditure Total	3,795,600	3,965,300
	Income		
	Other Grants & Reimbursements	(880,700)	(902,900)
	Income Total	(880,700)	(902,900)
Indep Special School Fees Total		2,914,900	3,062,400

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
Library Service			
	Expenditure		
	Employees	114,600	116,800
	Premises	3,900	4,000
	Transport	500	500
	Supplies	79,300	80,500
	Support	50,300	50,300
	Expenditure Total	248,600	252,100
	Income		
	Recharge to Other Revenue		
	Accounts	(54,400)	(54,400)
	Income Total	(54,400)	(54,400)
Library Service Total		194,200	197,700
Licences & Subs			
	Expenditure		
	Supplies	56,000	57,100
Expenditure Total		56,000	57,100
Licences & Subs Total		56,000	57,100
Insurances			
	Expenditure		
	Premises	65,400	65,400
	Expenditure Total	65,400	65,400
Insurances Total		65,400	65,400
Admissions			
	Expenditure		
	Support	395,400	455,400
	Expenditure Total	395,400	455,400
Admissions Total		395,400	455,400
School Specific Contingencies			
	Expenditure		
	Employees	1,103,100	950,100
	Premises	21,800	35,700
	Supplies	3,100	3,100
	Transfers	455,200	337,100
	Support	1,800	7,800
	Expenditure Total	1,585,000	1,333,800
School Specific Contingencies		1,585,000	1,333,800

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
Special Staff Costs			
	Expenditure		
	Employees	807,300	822,100
	Supplies	400	-
	Support	3,500	3,500
	Expenditure Total	811,200	825,600
Special Staff Costs Total		811,200	825,600
Contributions to Combined Budgets			
	Expenditure		
	Employees	359,900	359,900
	Expenditure Total	359,900	359,900
Contributions to Combined Budgets Total		359,900	359,900
Schools Forum			
	Expenditure		
	Supplies	10,400	10,600
	Expenditure Total	10,400	10,600
Schools Forum Total		10,400	10,600
Miscellaneous			
	Expenditure		
	Supplies	65,100	66,600
	Third Party	11,400	11,600
	Support	96,300	98,200
	Expenditure Total	172,800	176,400
Miscellaneous Total		172,800	176,400
NON DEVOLVED GRANT/FUNDED EXPENDITURE			
Standards Fund			
	Expenditure		
	Employees	22,922,900	19,932,500
	Supplies	247,100	140,300
	Support	165,100	25,300
	Expenditure Total	23,335,100	20,098,100
	Income		
	Government Grants	(19,578,600)	(19,803,400)
	Recharge to Other Revenue		
	Accounts	(2,601,100)	(164,400)
	Income Total	(22,179,700)	(19,967,800)
Standards Fund Total		1,155,400	130,300

OBJECTIVE HEADING	SUBJECTIVE HEADING	ORIGINAL BUDGET 2008/09 £	ESTIMATE 2009/10 £
Other Specific Grants			
	Expenditure		
	Employees	77,400	1,549,000
	Supplies	61,200	62,400
	Expenditure Total	138,600	1,611,400
	Income		
	Other Grants & Reimbursements	(138,600)	(1,611,400)
	Income Total	(138,600)	(1,611,400)
Other Specific Grants Total		-	-
Dedicated School Grant			
	Income		
	Government Grants	(183,737,000)	(188,136,200)
	Income Total	(183,737,000)	(188,136,200)
Dedicated School Grant Total		(183,737,000)	(183,136,200)
Grand Total		997,000	663,700