

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM - 23 JANUARY 2013**

#### **REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES**

#### **SCHOOLS BUDGET MONITORING REPORT 2012-13**

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### **EXECUTIVE SUMMARY**

This report briefly describes the areas of under / overspends in centrally held schools budgets for the financial year 2012-13 and recommends that the DSG error of £1.4m is managed within 2012-13.

### **DSG Budget £1.4m shortfall**

The budget for 2012-13 estimated the level of DSG to be received for the year at £191.6m. Previous reports have described the error in the submission of the Early Years Census. Lengthy correspondence, a meeting and discussions have taken place with the DfE however their position, stated elsewhere on this agenda, has not changed. A detailed investigation has been carried out and action has been taken to ensure that this can not recur.

The outcome is that shortfall will need to be met by reductions in expenditure either in the current or future years schools budget.

### **Anticipated Budgets Variations**

The centrally managed schools budget totals £21,302,600 in 2012-13, of which £18,557,500 is funded from DSG and £2,745,100 is funded from the Council.

There are a number of areas below where centrally managed schools budget costs have been tightly managed, reduced or are less than planned levels. It is anticipated that overall these will offset the grant reduction without the need for a deficit being carried forward.

### **Early Years £0.2m reduction**

There is a budget of £10.2m which makes payments to providers of Early Education to children aged 3 and 4. Whilst there has been a small increase in the overall take up in the current year there is likely to be a small underspend in this budget. Full service requirements have been met.

### **School Meals £0.2m reduction**

The in house schools meals service is performing well. There is an ongoing reduction in labour costs from the councils severance programme and sickness levels have improved. There has been additional income from increased meal take up.

### **SEN £0.5m reduction**

There will be a reduction in Statementing costs this year of £250,000. In addition spend on other SEN initiative areas has been limited and there will be a small saving in Behaviour Support.

### **Schools PPM £0.1m underspend**

The overall PPM budget is £649,000, of which £200,000 is supported by DSG. Following the council's expenditure freeze it is anticipated that there will be a reduction of £300,000 in this programme, of which a third would accrue to the Schools budget based on the schools budget contribution to the overall programme..

### **Job Evaluation and Pay Harmonisation £0.2m underspend**

Backdated Job Evaluation and Harmonisation costs continue to be paid to staff in schools following appeals and settlements (£0.9m this year.) There is a budget of £450,000 in 2012-13 and a reserve of £1.2m to meet these costs. The continuation of this budget of £450,000 in 2013-14 (which will also meet any amounts for the final phase of job evaluation) will enable a reduced contribution to the reserve in the current year.

### **DSG Reserve £165,000**

Unallocated DSG from 2011-12 has been brought forward.

### **Schools Contingency**

It is likely that the Schools Contingency budget of £0.7m will be fully spent this year, costs have included the following:

	Estimated Spend £
Special School Trigger	60,000
Closing schools and PRC's	265,000
Gilbrook 6th day exclusion	60,000
Exclusion top up	51,000
Nursery salary protection	18,000
Gilbrook base	39,000
KSI class size	38,000
Pension settlements	40,000
School rents	23,000
Legal costs	16,000
Additional LACSEG	90,000
<b>Total</b>	<b>700,000</b>

### **Conclusion**

Variations identified in the centrally held schools budget set out above are estimated to be sufficient to meet the loss of DSG without any deficit carried forward or any direct impact on delegated school budgets.

### **Recommendation**

That the Forum comment on the proposed use of school budget underspends in 2012-13.

**Julia Hassall**

**Acting Director of Children's Services**