

WIRRAL COUNCIL

SCHOOLS FORUM - 22 JANUARY 2014

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET MONITORING REPORT 2013-14

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Forum on the Schools Budget in the current year and to provide a brief summary of the main anticipated variations. At this time there is an anticipated under spend for the year of £950,000.

2.0 ANTICIPATED BUDGET VARIATIONS

- 2.1 The table attached compares the latest Estimates for the Schools Budget (which have been updated to reflect changes in DSG) with the indicative spend for the year. The main variations are set out below.

2.2 Early Years Grant - £0.06m under spend

There is an expected under spend of £60,000. Additional DSG was received following the Early Years census in January 2013. It is anticipated that this underspend will be fully committed in 2014-15 by the Early Years formula changes that were agreed previously.

2.3 Admissions - £0.09m under spend

There is additional income that has been received from Academies, a reduction in costs following changes in 11+ test papers and from ceasing the Choice Advisor Service.

2.4 School Closure / retirement costs - £0.2m under spend

The enhance pension costs arising from previous school closures are estimated to be £125,000, resulting in a projected under spend of £200,000.

2.5 Carbon Reduction Commitment - £0.03m over spend

The final cost of the Carbon Reduction Commitment energy efficiency scheme relating to 2012/13 was £244,284 which is £14,884 over the budgeted allocation. This is mainly due to the cold conditions during 2012/13 but may also reflect changes in the patterns of use and/or installation of new equipment such as computers and servers. The projected costs in 2013/14 indicates a similar overspend for 2013/14 prior to the scheme ending for schools.

2.6 Contribution to Combined Budgets £0.1m underspend

This area includes a contribution to the Council's Discretionary Rate Relief costs for schools of £270,000. The overall contribution will reduce following academy conversions.

2.7 **Schools Forum - £0.01m under spend**

There is an estimated under spend of £10,000 in this area against budget.

2.8 **Schools Planned Programmed Maintenance (PPM) - £0.2m under spend**

The overall PPM budget is £649,000, of which £449,000 is supported by DSG and £200,000 is funded by the Council. Taking account of the overall financial position of the Council it is proposed that the full programme is funded from DSG. This will give a £200,000 contribution to the Schools Capital Programme and will achieve the full Council saving from PPM in advance of 2014/15.

2.9 **School Specific Contingency**

The Contingency budget of £109,600 in relation to Primary and Secondary Schools has an estimated spend against it of £83,000 as detailed below. Special Schools have agreed to a buyback for contingency totaling £167,000. At this stage there is no anticipated call on this area since there is a High Needs contingency elsewhere in the budget. It is proposed that any under spend at the year end will be returned to the individual schools concerned.

	Estimated Spend £
Vulnerable Children	56,000
Fender KS1 Teacher	16,000
Pension Arrears	4,000
Rates	7,000
Total	83,000

2.10 **Special Staff Costs - £0.15m over spend**

There is a budget of £606,900 that covers all special staff costs such as maternity, paternity and Trade Union Facility Time. Current projections for Maternity / Paternity show that this budget will overspend (which has also been the trend in previous years) by £150,000, whilst there is a small projected underspend in Trade Union costs. The increases Maternity costs have been taken into account when setting the proposed Schools Budget for 2014/15.

2.11 **School Meals - £0.1m over spend**

Although there is a strong demand for meals the service costs have increased both as a result of a change in menus and the increased cost of food in general. This has led to a projected overspend of £0.1m in this area. The meals price has not been increased since 2008 and as such the position will need to be reviewed in 2014.

2.12 **Special Education Needs Transition Reserve £0.5m under spend**

The 2013-14 budget is £8.3m, of which £7.7m is currently committed, including the costs if required to fund the High Needs MFG in 2014-15. The balance is held to take account of transitional issues as the change takes place to the new funding methodology.

2.13 Special Education Needs Statements - £0.2m under spend

There is expected to be a net reduction in Statementing costs of £220,000 which relates mainly to the Secondary School pupils.

2.14 Independent Special School Fees £0.2m underspend

There are 81 known places compared to an estimate of 89 at this time last year.

2.15 Support for Special Education Needs - £0.3m under spend

A significant proportion of the £700,000 central budget, which is held to review, develop and plan SEN provision across Wirral has not been committed. It is planned to review this area in 2014-15

2.16 DSG Academy Recoupment

There is a net additional recoupment of DSG of approximately £270,000 in respect of Business Rates liabilities for Academy Schools. This is a late change that was not accounted for when the Schools Budget of 2013/14 was set.

In addition there has been a part year adjustment for Academy High Needs pupils of £180,000

3.0 UPDATE ON SPECIFIC RESERVES

3.1 Job Evaluation and Pay Harmonisation Reserve

There is a balance of £668,259 in reserve for backdated Job Evaluation and Harmonisation costs which continue to be paid to staff in schools following appeals and settlements. (Phase 2 JE payments £748,000 paid in May 2013). The reserve will be increased by £450,000 at the end of the year.

3.2 Automatic Meter Readings Reserve - £415,000

The Authority will not proceed with the installation of the Automatic Meter Readers due to the financial pressures faced. The proposed budget for 2014/15 has applied £250,000 of this reserve within the Schools Budget. The remaining balance has been re-designated for the provision of defibrillators in schools.

3.3 DSG Reserve - £472,000

Unallocated DSG from 2012-13 has been carried forward and will be applied as part of the Schools Budget for 2014/15.

4.0 CONCLUSION

4.1 Variations identified in the centrally held schools budget set out above are estimated to have no direct impact on delegated school budgets.

4.2 The anticipated under spend of £1.3m will be carried forward at the end of the Financial Year to be taken into account of as part of the Schools Budget for 2015/16.

5.0 RECOMMENDATIONS

That the Forum:

- Notes the estimated financial position of the Schools Budget for 2013/14.
- Agrees to fund the PPM programme in full from DSG
- Agree to a High Needs MFG reserve if the EFA confirm the MFG is required.
- Agrees the redesignation of the Automatic Meter Reader Reserve to fund the installation of defibrillators in schools.

Julia Hassall
Director of Children's Services

Appendix 1 – Budget Variations 2013/14

	Adjusted Base Budget 2013/14 £	Forecast Spend 2013/14 £	Variation 2013/14 £
Individual Schools Budget			
Primary Schools	92,058,800	92,058,800	0
Secondary Schools	31,788,300	31,788,300	0
Special Schools	8,690,000	8,690,000	0
SEN Bases	2,068,000	2,068,000	0
WASP	640,000	640,000	0
Wirral Hospital School	1,352,300	1,352,300	0
Early Years	13,514,600	13,454,600	(60,000)
Individual Schools Budget Total	150,112,000	150,052,000	(60,000)
Central School Costs			
Early Years	541,100	541,100	0
Admissions	452,500	365,400	(87,100)
School Closure / retirement costs	326,000	126,000	(200,000)
Licences & Subscriptions	101,300	101,300	0
Carbon Reduction	230,300	260,300	30,000
Schools Forum	10,600	600	(10,000)
School Harmonisation Costs	450,000	450,000	0
Contribution to Combined Budgets	2,499,600	2,399,600	(100,000)
PPM	649,000	649,000	0
PFI affordability gap	2,395,400	2,395,400	0
Costs Delegated to schools			
Library Service	198,400	198,400	0
Insurances	55,200	55,200	0
MEAS	253,800	253,800	0
School Specific Contingencies	109,600	109,600	0
Special Staff Costs	606,900	756,900	150,000
Milk & Meals	13,900	113,900	100,000
Behaviour Support	96,500	96,500	0
High Needs Pupils			
SEN Top Ups	8,298,600	7,798,600	(500,000)
Statements	5,332,900	5,112,900	(220,000)
Support for SEN	2,292,900	1,992,900	(300,000)
Indep Special School Fees	3,315,300	3,115,300	(200,000)
Education Out of School	248,600	248,600	0
Special School Transport	58,200	58,200	0
Non Delegated School Costs	28,536,600	27,199,500	(1,337,100)
Dedicated Schools Grant	(176,054,000)	(175,604,000)	450,000
Grand Total	2,594,600	1,647,500	(947,100)

