

WIRRAL COUNCIL

SCHOOLS FORUM – 5th JULY 2017

REPORT OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET OUTTURN REPORT 2016/17

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to outline the year end position for the 2016/17 Schools' Budget and variations during the year. At this time accounts are provisional and subject to audit.
- 1.2 The position has improved from the £345,000 overspend reported to Schools Forum in January. Overall the budget had an under spend of £29,400. However, this includes a £109,000 under spend against the Council's contribution to the PFI budget, leaving a £79,600 over spend against the School's budget. This was mainly within the High Needs budget, offset by under spends elsewhere.

2.0 BUDGET VARIATIONS

- 2.1 The table attached compares the Schools Budget with the indicative spends for the year. The main variations are set out below.

- 2.2 **Primary, Secondary and Special Schools - £3.0m reduction / under spend**
Adjustments have been made following St. Mary's Catholic College's conversion to Academy status. There is also a £100,800 under spend against SEN Bases due to an error on budget setting.

- 2.3 **Early Years – £346,800 reduction**

The Early Years budget of £14.6m reflects the funding required for 2, 3 and 4 year olds who are entitled to receive free Early Education and Early Years Pupil Premium. The budget is based on the January 2016 census and the projected costs have been updated to reflect actual payments made in relation to the spring term.

The take up of the 2 year old offer has again increased during the spring term, but there was an unexpected reduction in claimed hours for 3 year olds. This reduction was supported by a fall in birth rates for the relevant period, and the reduction will be offset by a corresponding adjustment to DSG funding.

The Early Years Portal is now in place and all providers will now submit online headcount information from 1st April. This should result in a more efficient process and greater accuracy in preparation for the extended 30 hour offer from autumn 2017.

- 2.4 **Central Early Years Budget – £17,100 under spend**

Within this centrally managed budget, there were small uncommitted budgets across employees and supplies.

2.5 School Admissions – £42,300 under spend

This is a centrally managed budget, which had uncommitted budgets against employees due to part year vacancies, as well as reduced costs in relation to examination fees.

2.6 School Closure / Retirement Costs - £4,400 under spend

The enhanced pension costs arising from previous school closures were £81,600, resulting in an under spend of £4,400.

2.7 Schools Forum – £10,600 under spend

There has been no spend against this budget of £10,600.

2.8 Contribution to Combined Budgets – no variance

There was an under spend of £34.6k in relation to the City Learning Centres. This under spend has been moved to the ring-fenced CLC reserve in order to fund remaining final closure costs (see paragraph 3.1). The combined budgets of £1.7m were therefore fully spent across the following areas:

	Budget £
School Improvement	359,900
Discretionary Rate Relief Top Up	106,600
LCSB contribution	30,000
Governors Forum	2,200
Wellbeing & School Staff Surveys (5/12)	18,600
PFI Support Team	61,800
LACES	140,500
School Intervention	674,500
City Learning Centres (5/12)	196,500
CLC PFI	108,200
Total	1,698,800

2.9 Planned Preventative Maintenance - £46,600 over spend

There was an over spend of £46k against this budget of £249,000.

2.10 PFI Affordability Gap - £109,000 under spend

The PFI contract makes provision for the total costs to increase each year by the December Retail Prices Index (RPI), less 10% of that RPI. The 2016/17 budget was set at £2,886,500 based on an assumed RPI of 1.9% as the December rate is not released until January / February. However, the actual RPI rate for December 2015 was only 1.2%, resulting in a £109,000 under spend.

2.11 Library service - £10,100 under spend

There was a small under spend in this service resulting from a reduced premises recharge.

2.12 Insurances – £16,300 under spend

The Governors Liability Insurance was £16,300 less than budget.

2.13 Behaviour Support – £77,400 under spend

Additional income received this year in relation to 2015/16 Managed Moves as well as reduced costs for embedded police contribute to an under spend of £77,400.

2.14 Special Staff Costs – £9,600 under spend

There was a £9,600 under spend on Special Staff costs, as shown in the table below:

	Budget £	Outturn £	Variance £
Maternity, Paternity & Other Staff Costs	613,000	603,600	(9,400)
TU Facilities	80,000	79,800	(200)
Insurance & Recharges	6,700	6,700	0
Total	699,700	690,100	(9,600)

2.15 School Specific Contingency - £6,500 over spend

The allocation of how the contingency budget was spent is summarized below:

	Budget £	Outturn £	Variance £
<u>Primary and Secondary Schools</u>			
Vulnerable children managed moved / support		56,000	
Devonshire Park KS1 Teacher		30,000	
Pension costs		17,700	
Rates adjustments		9,000	
Other budget support		300	
<u>Special Schools</u>			
Support for additional places		110,000	
Closed school outstanding balance		13,100	
Pension costs		4,900	
Other budget support		1,800	
Special School buyback		(155,400)	
Special School balance to be redistributed		23,400	
Total	104,300	110,800	6,500

2.16 Special Education Needs Top Ups – £184,400 over spend

A budget of £8.8m funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases, FE, Colleges and Alternative Provision. There are £198k of costs relating to additional learners at Wirral Metropolitan College and Birkenhead Sixth Form College and £115k of additional costs due to placements at Emslie Morgan Academy. The breakdown of this budget is as follows:

	Budget £	Spend £	Variance £
Top Ups for Maintained Special Schools	6,406,300	6,463,800	57,500
Top Ups for Resourced provision	602,000	555,700	(46,300)
Alternative provision	243,800	358,300	114,500
FE and 6 TH Form Top Ups	728,000	925,600	197,600
Additional Nursing Support	127,100	30,100	(97,000)
Exceptional Needs	645,000	603,100	(41,900)
Total	8,752,200	8,936,600	184,400

2.17 Special Education Needs Statements – £200,000 over spend

Costs for both Primary and Secondary schools exceeded their budgets, but this has been partially offset by a £100k under spend within the Early Years provision.

2.18 Independent Special Schools – £466,300 over spend

The budget in this area was increased to reflect demand for the number of young people with complex needs in Independent Special Schools. At 31st March 2017 there were 91 places. The cost of placements increased during the year, partly due to students moving into 6th Form provision.

2.19 High Needs Contingency - £184,700 under spend

The High Needs Contingency budget of £434,000 was not allocated in full during 2016/17. Commitments during the year included:

	£
90% SEN guarantee for maintained schools	136,000
Additional school support	100,000
High Needs Minimum Funding Guarantee	8,200
Additional school support	5,100
	249,300

2.20 Home Tuition - £33,400 under spend

Demands on this service were less than anticipated, resulting in an under spend of £33,400 during the year.

2.21 Support for SEN – £343,100 under spend

There are vacancies and uncommitted budgets in this area which are helping to offset the pressures within the High Needs budget.

2.22 Dedicated Schools Grant (DSG) - £168,921,200

The DSG budget for 2016/17 was £172,175,500, of which £168,921,200 was received during the year. The table below shows the reasons for this reduction:

	£
DSG Budget	172,175,500
Early Years reduction (Jan-17 census)	(373,800)
St Mary's Catholic College recoupment	(2,880,500)
	168,921,200

3.0 UPDATE ON SPECIFIC RESERVES

3.1 The DSG reserves carried forward into 2016/17 were £2.5m, and the amounts carried forward into 2017/18 total £1.9m as follows:

- **Job Evaluation and Pay Harmonisation – Balance at 31.03.17 - £0.65m**

- **DSG Reserve – Balance at 31.03.17 – £1.07m**

	£
DSG Carry Forward from 2015/16	1,602,200
Budgeted use of Reserve in 2016/17	(568,900)
Additional contribution from reserve 2016/17	(79,600)
Transfer from CLC reserve	118,700
	1,072,400

- **Early Years – Balance at 31.03.17 - £0.13m**

This reserve of £130,500 is expected to fund the Early Years Portal and expand the 2 year old provision.

- **City Learning Centres – Balance at 31.03.17 - £0.045m**

The £34k under spend on City Learning Centres will be moved into this reserve as referred to in paragraph 2.6. It is anticipated that there will be some remaining final closure costs in relation to the City Learning Centres, but that these will not exceed £45k. It is proposed that the remaining £118k is transferred to the DSG reserve.

	£
Balance brought forward from 2015/16	129,100
2016/17 under spend transferred to reserve	34,600
Transferred to DSG reserve	(118,700)
	45,000

4.0 COMMUNITY WORKS

- 4.1 Provision has been made within the attached figures for schools contingency to carry forward £20,000 for Community Works – a project developed from the Family Works scheme.
- 4.2 The evaluation of Community Works indicated that the scheme had a positive impact on children's behaviour, children's attendance, children's learning, and attendance for the majority of children whose parents attended the programme.
- 4.3 However, although hard to reach parents engaged well with Family Works the impact for some parents diminished after the programme had finished. Community works recognises that for some of these vulnerable families parents cannot sustain the skills that Family Works helped them to gain and as such need more support than the programme could offer. This is addressed in the Community Works scheme.
- 4.4 The Community Works Programme is designed to support the parents of the most vulnerable children in school to help parents support their child's development of self-esteem, motivation, attention skills, emotional regulation, managing relationships and empathy. It has been piloted in a number of primary schools and as a result:
- Families engage better with schools;
 - Children's behaviour improves both at home and at school;
 - Children's attitude to learning improves;
 - Children become more responsible at completing homework,
 - The children become noticeably happier in school;
 - Children's attendance in school improves.

5.0 CONCLUSION

- 5.1 The £109k under spend recorded against the PFI Affordability Gap relates to the Council's contribution to the school budget. The remaining services had a cumulative over spend of £79,600, mainly due to pressures within High Needs. However, these additional costs have been met from existing reserves.

6.0 RECOMMENDATIONS

- 6.1 That the Forum notes the report and the financial position of the Schools Budget for 2016/17.
- 6.2 That the Forum agrees that underspends on de-delegated services are used to offset budget pressures, and that provision is made for Community Works.
- 6.3 That the net over spend of £79,600 on the schools element of the budget is funded from the DSG reserve.

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Appendix 1 – Budget Variations 2016/17

	Budget 2016/17	Actual Spend 2016/17	Variations 2016/17
	£	£	£
Individual Schools Budget			
Primary Schools	93,463,700	93,463,700	0
Secondary Schools	27,081,100	24,198,800	-2,882,300
Special Schools	8,861,700	8,861,700	0
SEN Bases	1,701,500	1,600,700	-100,800
Wirral Hospital School	1,356,300	1,356,300	0
Early Years	14,673,000	14,326,200	-346,800
Individual Schools Budget Total	147,137,300	143,807,400	-3,329,900
Central School Costs			
Early Years	378,700	361,600	-17,100
Admissions	341,800	299,500	-42,300
School Closure / retirement costs	86,000	81,600	-4,400
Licences and Subscriptions	223,800	223,800	0
Schools Forum	10,600	0	-10,600
Contribution to Combined Budgets	1,698,800	1,698,800	0
PPM	249,000	295,600	46,600
PFI affordability gap	2,886,500	2,777,500	-109,000
Costs de-delegated from schools			
Library Service	191,700	181,600	-10,100
Insurances	32,300	16,000	-16,300
Minority Ethnic Achievement Service	104,100	104,100	0
School Specific Contingencies	104,300	110,800	6,500
Special Staff Costs	699,700	690,100	-9,600
School Meals	21,200	21,200	0
Behaviour Support	92,300	14,900	-77,400
High Needs Pupils			
Statements	3,799,000	3,999,400	200,400
SEN Top Ups	8,752,200	8,936,600	184,400
High Needs Contingency	434,000	249,300	-184,700
Independent Special Schools	3,689,000	4,155,300	466,300
Home Tuition	308,900	275,500	-33,400
Support for SEN	2,031,500	1,688,400	-343,100
Special School Transport	58,200	58,200	0
Non Delegated School Costs Total	26,193,600	26,239,800	46,200
Dedicated Schools Grant	-172,175,500	-168,921,200	3,254,300
Budged Contribution from Reserves	-568,900	-568,900	0
Additional Contribution from Reserves	0	-79,600	-79,600
Grand Total	586,500	477,500	-109,000