

WIRRAL COUNCIL

SCHOOLS FORUM – 27th SEPTEMBER 2017

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET MONITORING REPORT 2017/18 AND FINAL DSG 2016/17

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update the Forum on the Schools Budget position and anticipated variations in the current year. An overall balanced position is reported at this time.

2.0 ANTICIPATED BUDGET VARIATIONS

- 2.1 The table attached summarises the Schools Budget for 2017-18. The main variations, as well as comments on specific budget areas, are set out below.

2.2 Primary, Secondary and Special Schools

Four Primary Schools – Egremont, Great Meols, Poulton Lancelyn, and Stanton Road - converted to Academy status as part of a Multi-Academy Trust from 1st June 2017, with a further school to join later in the year. Balances for these schools at the date of conversion are being finalised.

Schools converting to Academy status result in a reduction in DSG grant income received, which is matched by reduced spending through the delegated budget. Budgets for the schools will be adjusted accordingly. Further Academy conversions are anticipated during the year, although transfer dates are not yet confirmed.

2.3 Early Years Grant – reduction of £109,600

The Early Years budget of £18.1m 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 for this is based on the January 2017 census, and the projected costs have been updated to reflect actual payments made in relation to the summer term.

The take up of the 2 year old offer has increased during the summer term, and Early Years Pupil Premium numbers have also increased. However, there has again been a reduction in 3/4 year old take up. Projections for autumn and spring term numbers have been updated giving an anticipated spend of £109,600 less than originally budgeted, which will be offset by a corresponding adjustment to DSG funding.

This budget also includes £2.43m funding for the DfE's estimate of 3 and 4 year olds eligible for additional hours. It is assumed at this stage that this will all be spent. Allocations to providers will be determined by take up from September 2017, while final DSG allocations for the extended offer will be based on the January 2018 census.

The table below summarises the projected position for Early Years:

	Budget	Summer 17 (actual) £	Autumn 17 (projected) £	Spring 18 (projected) £	Projected Total £	Variance £
2 Year Olds	3,592,400	1,257,618	1,411,773	1,059,661	3,729,052	136,652
3/4 Year Olds (Universal)	11,743,100	4,648,135	3,326,707	3,398,343	11,373,185	(369,915)
3/4 Year Olds (Extended)	2,423,600	0	1,357,216	1,066,384	2,423,600	0
EYPP	245,800	126,388	136,110	106,943	369,441	123,641
DAF	100,000	0	56,000	44,000	100,000	0
Total	18,104,900	6,032,141	6,287,806	5,675,331	17,995,278	(109,622)

2.4 Schools Forum – projected under spend £5,600

A £5k contribution to the Benefits team in the Finance Department has been committed to finance additional resources for the Free School Meals work undertaken, with the aim of maximising DSG claimed in the October 17 census, and Pupil Premium in the January 18 census.

2.5 Special Staff Costs – no projected variance

The purpose of this budget is described elsewhere on the agenda, and although spend to date is currently lower than last year it is assumed that the budget will be spent in full due to the unpredictable nature of maternity costs. This budget, which will be monitored closely throughout the year, is broken down as follows:

	Budget £	Projected Spend £	Projected Variance £
Maternity, Paternity & Other Staff Costs	582,700	582,700	0
TU Facilities	86,800	86,800	0
Insurance & Recharges	6,900	6,900	0
Total	676,400	676,400	0

2.6 Contribution to Combined Budgets – no projected variance

The combined budgets of £0.9m are broken down as follows:

	Budget £
School Improvement	330,000
Discretionary Rate Relief Top Up	106,600
LCSB contribution	30,000
Governors Forum	2,200
PFI Support Team	61,800
LACES	140,500
School Intervention	136,000
CLC PFI	68,500
Total	875,600

It is anticipated that these budgets will be fully committed.

2.7 School Specific Contingencies – no projected variance

There is a contingency budget of £100,500 to take into account any specific costs that cannot be met from school budgets. The purposes of this budget are discussed elsewhere on this agenda, and it is assumed at this stage that this budget will be spent in full.

2.8 Special Education Needs Top Ups – no projected variance

A budget of £9.2m funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases, FE, Colleges and Alternative Provision. Budgets have been increased to reflect additional learners at Wirral Metropolitan College and Birkenhead Sixth Form College and increased placements at Emslie Morgan Academy.

Projections have been updated to account for the summer term census figures. While at this stage FE and 6th Form Top Ups are expected to be fully spent, there are £20,000 of additional costs due to placements at Emslie Morgan Academy, and Additional Nursing Support is projecting an overspend due to two unexpected invoices relating to previous years. However, these areas are expected to be offset by Resourced Provision and Maintained Special Schools top ups being lower than budgeted in the summer term.

The breakdown of the budget is as follows:

	Budget	Projected Spend	Projected Variance
	£	£	£
Top Ups for Maintained Special Schools	6,527,400	6,497,400	-30,000
Top Ups for Resourced provision	704,000	654,000	-50,000
Alternative provision	367,000	387,000	20,000
FE and 6 TH Form Top Ups	946,000	946,000	0
Additional Nursing Support	127,100	187,100	60,000
Exceptional Needs	504,100	504,100	0
Total	9,175,600	9,175,600	0

2.9 Special Education Needs Statements – no projected variance

Current pressures indicate that Primary statements may overspend by £100,000 particularly when new children are identified in the autumn and spring terms. However, this overspend is expected to be absorbed by underspends elsewhere within the budget.

2.10 Independent Special Schools – no projected variance

There is approximately £500k of this budget that has not yet been committed. However, at this stage it is anticipated that this will be allocated during the autumn and spring terms. This area will be closely monitored, and Forum will be updated at future meetings.

2.11 Support for SEN – no projected variance

There are a number of vacant posts within this area, some of which will be filled during the year. These staffing underspends are expected to be offset by pressures in the SEN team converting statements to EHCPs, as well as continuing demand for speech and language support.

2.12 Home Tuition – no projected variance

At this stage the Home Tuition Service is expected to be spent in full, although the service is subject to review in 2017-18, the impact of which will be reported to future Forums.

2.13 DSG - £165,787,500

The revised Dedicated Schools Grant (DSG) for 2017/18 was published in July and confirmed Wirral's allocation. The budget includes £568,900 of DSG carried forward from 2016/17.

Original DSG Budget	250,795,200
Academy Recoupment – Schools Block	(75,613,500)
Academy Recoupment – High Needs Block	(4,083,000)
Early Years reduction (Jan-17 census)	(783,300)
Other Adjustments	5,100
Academy conversions June 2017	(4,423,400)
Anticipated Early Years Adjustment	(109,600)
	165,787,500

In July, DfE also published the final DSG allocations for the 2016/17 financial year. This confirmed Wirral's allocation as £168.951m, £29.9k more than reported to Forum in July, due to an increase in Pupil Premium numbers. This additional amount will be transferred to the DSG reserve.

3.0 UPDATE ON SPECIFIC RESERVES

3.1 The DSG reserves total £1.9m and have been earmarked in the accounts as follows:

- Job Evaluation and Pay Harmonisation Reserve - £0.65m

- DSG Reserve - £1.0m

	£
DSG Carry Forward from 2016/17	1,072,400
Budgeted use of Reserve in 2017/18	(568,900)
Additional DSG for 2016/17 (see para 2.13)	29,900
	533,400

- City Learning Centres - £0.045m

This reserve will be used in 2017/18 to fund the remaining final closure costs in relation to the City Learning Centres.

- Early Years £0.13m

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

4.0 CONCLUSION

4.1 The Schools Budget is monitored throughout the year, and any projected variances against budget will be reported to the Forum.

5.0 RECOMMENDATIONS

5.1 That the Forum notes the report.

Deborah Gornik
Interim Director of Children's Services

Appendix 1 – Budget Variations 2017/18

	Adjusted Budget 2017/18 £	Projected Spend 2017/18 £	Variation 2017/18 £
Individual Schools Budget:			
Primary Schools	95,172,700	90,749,300	-4,423,400
Secondary Schools	20,884,800	20,884,800	0
Special Schools	8,941,300	8,941,300	0
SEN Bases	1,580,000	1,580,000	0
Wirral Hospital School	1,356,300	1,356,300	0
Early Years	18,104,900	17,995,300	-109,600
Individual Schools Budget Total	146,040,000	141,507,000	-4,533,000
Central School Costs:			
Early Years	518,700	518,700	0
Admissions	341,800	341,800	0
School Closure / retirement costs	60,000	60,000	0
Licenses and Subscriptions	226,100	226,100	0
Schools Forum	10,600	5,000	-5,600
Contribution to Combined Budgets	875,600	875,600	0
PFI affordability gap	1,551,100	1,551,100	0
Retained duties - ex Education Support Grant	1,021,600	1,021,600	0
Costs delegated to schools:			
Library Service	191,700	191,700	0
Insurances	29,200	19,200	-10,000
School Specific Contingencies	100,500	100,500	0
Special Staff Costs	676,400	676,400	0
School Meals	19,700	19,700	0
Behaviour Support	84,200	84,200	0
School Improvement	101,600	101,600	0
High Needs Pupils:			
Statements	4,174,800	4,174,800	0
SEN Top Ups	9,175,600	9,175,600	0
High Needs Contingency	305,100	305,100	0
Independent Special Schools	3,770,000	3,770,000	0
Home Tuition	348,900	348,900	0
Support for SEN	1,971,500	1,971,500	0
Special School Transport	58,200	58,200	0
Non Delegated School Costs Total	25,612,900	25,597,300	-15,600
Total School and Central Costs	171,652,900	167,104,300	-4,548,600
Dedicated Schools Grant	-170,320,500	-165,787,500	4,533,000
Use of Reserves	-568,900	-568,900	0
Grand Total	763,500	747,900	-15,600