

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM – 18<sup>th</sup> JANUARY 2018**

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

#### **SCHOOLS BUDGET 2018-19**

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### **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to outline the Schools Budget for 2018-19 so that Forum can indicate their views on the proposals outlined. The report describes the financial changes to be considered by Schools Forum and Cabinet. The proposed budget totals £259,147,600 for Early Years, Maintained Schools, Academies, colleges, and providers for the upcoming year.

### **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The Schools Funding Allocations were issued by the Department for Education on 19th December 2017. The format of the Dedicated Schools Grant (DSG) is changing in that 2018-19 will see the introduction of the National Funding Formula for Schools and High Needs following a lengthy discussion period and 2 national consultations.

In summary the main changes to DSG in 2018-19 are as follows:

- There will now be 4 funding blocks within DSG, with a new Central Schools Services Block alongside the existing Schools, High Needs and Early Years blocks.
- The National Funding Formula for Schools and High Needs will be introduced from April 2018, following their deferral from April 2017. This will be a 'soft' formula for 2 years, with the expectation of a 'hard' formula from 2020-21.
- The Schools block will be ring-fenced with limited flexibility to transfer up to 0.5% of the schools block to High Needs with Schools Forum approval.
- The Early Years block will include a full years funding for the 15 hour extension for working parents, which was introduced from September 17 and so only included a part year effect in 2017-18.
- The High Needs block will increase from £34m to £35m, an increase of £1m.
- A flexible Minimum Funding Guarantee (MFG) has been introduced to give Local Authorities discretion over the level of MFG in their local formula of up to +0.5%.

### **3.0 GRANT FUNDING**

#### **3.1 Pupil Premium**

In addition to DSG Pupil Premium provides funding targeted towards deprivation. Now in its eighth year rates remain largely unchanged, with the exception of Pupil Premium Plus for previously looked after children. 2018-19 rates are as follows:

- For pupils who are or have previously been eligible for Free School Meals (FSM) in the last 6 years, rates are as follows:
  - Early Years £302.10 pa for 3 & 4 year old children from low income families.
  - Primary school £1,320 pa
  - Secondary school £935 pa

- The rate for each Looked After Child or child that has been adopted since December 2005 has increased from £1,900 to £2,300.
- Each child of a parent in the Armed Forces £300.

Final allocations will be based on data collected in the January census for current numbers of FSM's (and those over the previous 5 years) and LAC Census data collected in March 2018.

The work undertaken to maximise FSM take up, including the opt-out initiative helps to maximise numbers and therefore the funding received in schools. In October 2017 there were 8,274 Free School Meals recorded compared to 7,314 in October 2015 (13% increase).

### 3.2 Other Grant Funding

- The grant for Universal Infant Free School Meals will remain at a meal rate of £2.30 per meal for the 2018-19 academic year.
- The latest indications are that the SEND Implementation Grant, for which Wirral received £217k in 2017-18, will continue in 2018-19 although allocations are still to be confirmed.
- The funding for Primary PE and Sport Premium, Year 7 Catch-up Premium, and Extended Rights to Home to School Transport will continue in 2018-19.
- From September 2017 the transitional support for the Education Services Grant (ESG) ceased. The amount previously allocated for ESG Retained Duties (£730k for Wirral) was transferred into DSG in 2017-18 and is part of the Central Schools Services Block of DSG in 2018-19.

There is no replacement funding for the former General Duties rate of ESG. As described at September forum this results in an increased de-delegation requirement for education services to maintained schools that were previously funded by this grant (School Improvement, Premature Retirement Costs and other statutory duties). De-delegation of budgets from maintained schools for former ESG general duties is considered elsewhere on this agenda.

### 3.3 Dedicated Schools Grant

3.3.1 From April 2018 DSG is made up of 4 blocks with the addition of a Central Schools Services Block. There are now greater restrictions on moving funding between the blocks, as described above. The blocks indicate the level of expenditure anticipated in each budget area. The initial allocation for 2018-19 indicates a £5m increase (excluding Early Years) which is an overall increase of 2.2%. The budgets presented have not top sliced block allocations. This will be discussed elsewhere on the agenda.

3.3.2 The allocations for the Schools and Central Schools funding blocks have been updated for changes in pupil numbers. Pupil numbers are those recorded in the October 2017 census, and have changed as follows:

Pupil Numbers	Primary	Secondary	Total
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October 16 census	25,959	17,289	43,248
October 17 census	25,944	17,470	43,414
(Decrease/Increase)	(15)	181	166

The primary roll is static having grown for the last 6 years. There has been a reduction in Early Years (3 and 4 year olds) of 5% resulting from a falling birth rate. This will now start to go through the primary sector.

3.3.3 Early Years funding is based on a combination of the census in January 2018 and January 2019. The dates for the Early Years Census mean that the exact DSG will not be finalised until June 2019. The grant used for the budget are based on the current indicative figures (using the January 2017 census) and any known or anticipated changes after this date e.g. for increasing take up of the 15 hour extended offer.

3.3.4 The High Needs Block provides resources to fund high needs students aged 0 – 24, including the Hospital School. Additional funding has been provided to meet growing needs across all authorities. For Wirral an adjusted amount of £800k has been included for this. Growth can be used flexibly to make adjustments locally to high needs places as well as to the top ups provided. A number of changes are described later in this report.

DfE have transferred £1.16m from the DSG baseline on High Needs block to Schools block. Core per-pupil funding for pupils in special units and resourced provision in mainstream schools will in future be funded from the schools block (rather than the high needs block). This means the amount paid per place will change and will reduce from £10k to £6k. The resulting transfer of expenditure totals £872k. However, the funding in the High Needs block has been increased to offset this difference, leaving the overall increase in the High Needs block at the £0.8m previously reported to Forum.

3.3.5 The Blocks in their current format can be summarised as follows:

Block	Adjusted Baseline £	Allocation £	Change £	Change %	Per Pupil %
Schools Block	194,430,946	198,653,459	4,222,513	2.20%	1.60%
Early Years	19,046,337	20,923,922	1,877,585	9.90%	
Additional Early Years estimate		1,178,878			
High Needs	34,290,200	35,157,483	867,283	2.50%	
Central Schools	2,217,100	2,254,517	37,417	1.70%	
<b>Total</b>		<b>258,168,259</b>			

3.3.6 **Schools Block £198.6m**

This funding covers the delegated budgets to primary and secondary schools and academies only. Funding previously included in the schools block for budgets that are managed centrally on behalf of schools has now been transferred into the new Central Schools Services Block.

### **3.3.7 Early Years Block £22.1m**

This Block funds the costs of Early Years Education for 2, 3 and 4 year old children in schools, nurseries and private voluntary and independent providers for both the universal and extended entitlement. Most of this funding is directed through the Early Years Single Funding Formula (EYSFF).

There are small elements covering SEN costs and some central Early Years support costs. Amounts held centrally are within the new nationally defined limits of 5%.

### **3.3.8 High Needs Block £35.2m**

The make-up of this block is complex. It is based on the “place plus” funding system introduced by the DfE in April 2013 and includes:

- Special schools (pre and post 16), and non-maintained special schools, both of which receive a base level funding of £10,000 per place.
- School bases which receive £6,000 per place, reduced from £10,000 from April 2018, the difference being transferred into the schools block.
- Alternative Provision Bases and Emslie Morgan Academy funding of £10,000 per place.
- Place funding in Wirral’s FE provision at Wirral Met College and Birkenhead 6<sup>th</sup> Form College of £6,000 per place.
- Additional funding over and above that provided for places in the form of “top ups” provided on a per pupil basis. The top up, or “plus” element of funding, takes account of the agreed assessed needs of pupils and is paid by the “commissioner” responsible; this may be Wirral Children’s Services, a school or another Local Authority. Wirral’s top up system uses 5 bands to allocate funding across special schools, resourced bases and alternative provision. Non-maintained Special Schools also receive a top up.
- The costs of Top Ups for all education and training for post 16 specialist provision for Learners with Learning Difficulties or Disabilities (LLDD) in colleges and private providers.
- The Hospital Schools budget.
- The cost of placements in Independent Special Schools.
- The costs of Education, Health and Care Plans / Statements.
- The central provision of SEN support.

### **3.3.9 Central School Services Block £2.3m**

This block is introduced from April 2018 as part of the National Funding Formula, and provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England. Funding previously allocated to LAs for Education Services Grant (ESG) retained duties is included within this block, together with funding for historic commitments. The funding for ongoing responsibilities includes:

- Contribution to combined budgets
- Schools budget retirement costs (school closure)

- School Licenses
- Admissions
- Schools Forum
- Former ESG retained duties
- Capital Expenditure from Revenue (PFI costs)

The treatment of these budgets, which are considered in further detail later in this report, is in accordance with national guidance.

### 3.4 Academies

Currently there are 16 secondary academies, 6 primary academies and 1 Alternative Provision Academy – Emslie Morgan. Academies are independent from the local authority and are funded directly from the EFA, however Regulations require Wirral to continue to calculate their budgets which are deducted from Wirral's DSG. The total grant reduction for Wirral is estimated to be £84m in 2018-19.

### 3.5 Minimum Funding Guarantee (MFG)

The National Funding Formula provides a minimum 0.5% cash increase in pupil led funding in 2018-19 for every school compared with their baselines. Local Authorities now have discretion over the level of MFG in their local formula as part of the 'soft' formula. LAs are able to apply MFG of between minus 1.5% and 0.5% per pupil to protect schools from large formula changes, but giving Authorities the flexibility to move towards the National Funding Formula whilst reflecting local circumstances where necessary.

It is expected that this arrangement will continue in 2019-20, with a further 0.5% cash increase per pupil.

The schools budget proposes a MFG of 0% for Wirral schools in 2018-19, which will provide additional protection and stability in funding. A 0% MFG ensures that no school can lose pupil funding unless there is a reduction in pupil numbers and enables more funding to be directed through the funding formula.

### 3.6 2018-19 Budget changes

#### 3.6.1 Proposed 2018-19 Schools Budget savings

There are no specific budget savings proposed as part of this Schools Budget report. However the Council continues to face significant pressures and will need to identify cost reductions totalling £132m by 2021, of which £61m are in respect of 2018-19.

Some of these reductions will have a bearing on the level of support and services across the Council, and provided to schools. None however are directly funded by the Schools Budget. Planned reductions are summarised in 3 themes – Delivering Differently, Income and Resources and Service Changes and include a reduction in senior management, parking charges at coastal locations, and increased garden waste subscriptions. Final decisions will be taken at Budget Cabinet on 19<sup>th</sup> February 2018.

#### 3.6.2 Primary, Secondary and Academy Budgets £198.6m

The significant changes within this area are:

- There is a net increase in school rolls, which results in an overall budget increase of £0.8m. There are 166 more pupils on roll in October 2017 compared to October 2016. Primary numbers have reduced by 15 from 25,959 to 25,944 (a 0.06% reduction) while Secondary numbers have increased by 181 from 17,289 to 17,470 (a 1.05% increase).
- There has been an increase in Business Rates payable of £97k resulting from inflation and the unwinding of transitional relief following last year's rates revaluation exercise.
- Reserve funding of £380k which has previously supported the schools budget is not included..
- The PFI Affordability Gap delegated to schools has been increased by the estimated cost of inflation - £95,000.
- £872k has been transferred for high needs places in special units attached to mainstream schools from the high needs block to the schools block, in line with the changes set out in the national funding formula consultation. This is based on £4k per place with the HN place reducing from £10k to £6k. In calculating baselines, DfE based this on an average per pupil funding giving an additional £292k to the schools baseline.
- There is Headroom within the budget, which arises from a difference in the pupil funding received in DSG and the funding allocated within the ISB. This totals £3.2m (1.6%) and has been split proportionately between primary and secondary budgets.

### 3.6.3 6<sup>th</sup> Form Funding

The Schools Budget includes funding for High Needs students in 6th Forms. All other post 16 funding is through the National Formula.

The National Funding Formula for 6<sup>th</sup> Forms is based on lagged learner numbers to which an unchanged national rate of £4,000 is applied for each student aged 16 to 17. Formula Protection Funding (FPF), introduced in 2013-14 to protect institutions from significant decreases in funding resulting from the funding per student, will remain payable until 2020-21. The funding per student rate is weighted for student retention and study programme costs. There is an additional amount for disadvantage.

Maths and English GCSEs are considered essential qualifications for further or higher education and employment. As a condition of funding, students who have not achieved A\*-C or equivalent in these subjects by age 16 will be expected to continue to study towards achieving them as part of their 16 to 19 study programme.

Additional payments will be implemented to institutions for any additional students starting a level 3 maths qualification in 2018-19, with payment made in academic year 2019-20.

### 3.6.4 High Needs Places £15.2m

Places in specialist provision within Local Authority areas continue to be determined by each LA in consultation with schools and providers. There is flexibility to make adjustments so that places more broadly reflect take up by pupils and some place changes have been included in the budget.

Whilst there are in some schools pupils in excess of places in 2017-18 no clear trend has been identified. Therefore, with the exception of Further Education, the only changes are those agreed as part of the 2017-18 budget:

**Full Year Effect of changes made in 2017-18**

- Claremount increase by 12 places to 216
- Townfield ERP increase by 1 place to 11
- Hilbre ERP increase by 15 places to 30
- Kingsway Academy ERP closure and reduce by 20 places
- Birkenhead Park closure and reduce by 10 places
- Emslie Morgan AP increase by 20 places to 100
- Birkenhead 6<sup>th</sup> Form College increase by 5 places to 65
- Wirral Met College increase by 45 places to 117

**Changes from September 2018**

- Birkenhead 6<sup>th</sup> Form College reduce by 8 places to 57
- Wirral Met College increase by 2 places to 119

No changes are proposed for the Hospital school. Provision has been made however to recover the place funding for a pupil residing in a Welsh Authority.

**3.6.5 Early Years £21.1m**

Early Years funding for 2018-19 will be based on census counts in January 2018 (5/12ths) and January 2019 (7/12ths).

Take up of the 2 year old offer has increased during the year, and is currently 92% of eligible children. Latest DfE estimates (November 2017) indicate that 1,261 children are eligible for 2 year old funding in Wirral, with a take-up target of 95% in 2018-19. Estimate DSG and expenditure budgets are therefore based on these numbers.

For 3 and 4 year olds the base rate in the local funding formula will increase by £0.08 to £3.68 from April 2018 as approved at December's Schools Forum, and provision for this has been included in the budget. This reflects the DfE requirement for Local Authorities to pass 95% of their three and four year old funding from Central Government to early years providers, increased from 93%.

The January 17 census showed a falling roll for 3 and 4 years olds compared to the January 16 census, mirroring a drop in birth rates for the related period. At this time it has been assumed that there will be no change in the January 18 census, although this will be kept under review.

<b>Pupil numbers</b>	<b>January 2016</b>	<b>January 2017</b>	<b>Change</b>
2 year olds (FTE)	667	739	72
3/4 year olds (FTE)	3116	2960	(156)

2018-19 will be the first full year of the extended offer of an additional 15 hours for working parents. In Autumn 17, the first term of the extended offer, 290,000 extended hours, 37% of the Universal hours claimed. Accounting for DfE's estimate that this proportion will ultimately be 60%, the 2018-19 budget is based

on take incrementally increasing throughout the year with extended hours claimed in Spring 19 estimated to be 50% of universal hours claimed.

Disability Access Fund moves into its 2<sup>nd</sup> year following its introduction in April 2017. Take up has been slow in 2017-18. Assumed expenditure in 2018-19 will reflect DfE estimates.

### 3.6.6 SEN Top-ups £18.4m

The proposed budget for SEN Top-ups is £18.4m. There is an increase/growth within the High Needs DSG block of £0.8m as outlined above. The increase in funding and corresponding budget pressures were discussed at a meeting of the Schools Forum High Needs working group on 9<sup>th</sup> January 2018, the minutes of which are included in appendix 3. The additional funding has been allocated to High Needs budgets as shown in the following table:

	Original Proposals £	Revised Proposals £
<b>DSG:</b>		
Adjusted baseline		34,290,200
Allocation		35,157,500
<b>Change</b>		<b>867,300</b>
<b>Commitments</b>		
FYE of place changes agreed in 2017-18	109,000	109,000
Home Tuition	50,000	50,000
Excluded Pupils – Financial regulations	100,000	100,000
Cease funding from Reserves	188,900	188,900
Funding for AP	60,000	60,000
	<b>507,900</b>	<b>507,900</b>
<b>Additional Demands</b>		
Top Ups in schools and NMSS (net)		306,400
IPFA / EHCP increased numbers		85,500
Reduced contingency		(32,500)
		<b>359,400</b>
<b>Priorities</b>		
Inflation 0.5% across HN budgets	150,000	
Increase places where numbers are exceeded	220,000	
Increase Top Ups - CLD / SEMH in Schools	140,000	
- CLD / SEMH in Bases	120,000	
Increase Top Ups AP	50,000	
	<b>680,000</b>	<b>0</b>
<b>Total</b>	<b>1,187,900</b>	<b>867,300</b>

The following changes have been identified as part of the budget review:

- **Statements £4.3m** – a net increase of £106,000 reflecting the increased number/cost of EHCPs/IPFAs for Primary pupils.
- **Special Schools £6.93m** – special school top-ups budgets are under increasing pressure, and budget has increased by £464,000 due to a combination of increased numbers and greater needs moving towards higher

top-up bands. An income budget of £65k is included for the recovery of top-up expenditure for pupils in Wirral schools residing in other Authorities.

- **Independent Special Schools £3.7m** – this budget has been reduced by £70,000. The budget is based on a demand for 84 students (numbers in place in the autumn 17 term) at an average cost of £45k.
- **SEN Units £724k** – the budget has increased by £20,000 due to small changes in numbers.
- **Home Tuition £399k** – this budget has been increased by £50,000 as previously agreed to ensure the service can meet its statutory requirements.
- **Nursing Support £107k** – there has been a reduction of £20,500, which reflects the estimated requirement of 6 pupils needing support in 2018-19 at a full year cost of £17,766 per pupil.
- **Contingency £282k** – this budget has been reduced to relieve pressures elsewhere in the High Needs budget. The contingency budget of £281,500 covers the potential cost of:
  - The 90% guarantee to maintained schools to limit the demands on low cost high incidence SEN budgets used to support statements.
  - Any unforeseen consequences arising from top-ups, places, or exceptional cases.

The High Needs budget is thought to be sufficient at this time taking account of the known commitments in the current year. However despite additional funding in the High Needs block there is still very little flexibility, and budgets will need to be closely monitored.

### 3.6.7 Use of Reserves

DSG reserves held total £1.9m, and were agreed as part of the year end accounts for 2017-18. The Schools Budget for 2017-18 is likely to use £0.6m of these as budgeted, leaving £1.3m. £0.65m of this is reserved for the costs of pay harmonisation, with small amounts being held for Early Years and the remaining closure costs of City Learning Centres. It is proposed that any remaining DSG reserves at year end are used as a contingency for High Needs pressures in future years.

## 4.0 CENTRAL SCHOOL SERVICES

- 4.1 As in previous years the budgets held for Contingency, Special Staff (maternity and trade union duties), the School Library Service, Insurance (Governors Aided), Behaviour Support, and FSM Eligibility have been delegated to schools, and a decision will be required for any de-delegation from existing school budgets for these services.

A decision will also be required for de-delegation of costs associated with former General Duties of the Education Services Grant (as reported to Schools Forum in September 2017) and School Improvement. These were de-delegated for the first time from September 2017 (part year). De-delegation will therefore increase for these areas as described later in this report.

- 4.2 The centrally held budgets for 2018-19, mainly funded by the new Central Schools Services Block include:
- The continuing premature retirement of teachers and staff that have arisen from closing schools (£60,000, unchanged from 2017-18).

- The cost of licenses for copyright and music in all schools and academies resulting from a national agreement (£233,100, an increase of £7,000).
- School Admissions (£372,200, and increase of £30,400).
- Contributions to combined budgets (£875,600, unchanged from 2017-18).
- Schools Forum (£10,600, unchanged from 2017-18).
- Early Years (£518,700, funded from the Early Years block and unchanged from 2017-18).
- Retained duties of the former Education Services Grant (ESG) (£730,000, unchanged from 2017-18).
- The Authority's contribution to the PFI Affordability Gap (£952,400, an increase of £215,900, funded by the LA).

#### 4.3 **School Admissions (£372,200)**

This budget is required to meet the costs of supporting and administering the authority's school admissions process (including the 11 plus). This budget has increased by £30,400 to support managed moves.

#### 4.4 **School Copyright licenses (£233,100)**

The DfE purchases a single national licence for all state funded schools. Licences cover areas such as the Copyright Licence Agency, the Education Recording Agency, a School Printed Music Licence and the Performing Rights Society.

#### 4.5 **Contributions to combined budgets (£875,600, unchanged)**

School Funding Regulations continue to allow contributions to support services that would otherwise fall outside the Schools Budget. These budgets combine with other council resources for the educational benefit of children.

There must be no new commitments or increases in expenditure from that agreed in 2012-13, and DfE expect that these costs will unwind over time. These contributions are as follows:

##### - **Discretionary Rate Relief (£106,000)**

This budget funds continuing costs for Discretionary Rate Relief in Voluntary Aided schools.

##### - **School Improvement (£330,000)**

This budget supports the continuing funding for School Improvement staff with permanent contracts.

##### - **Local Safeguarding Children's Board (£30,000)**

The LSCB provides governance of child protection arrangements, undertakes serious case reviews, training and employs a Designated Officer for Allegations. The Board is funded from partner organisations including Social Care, Schools, Police, Health and Probation. The £30,000 contribution from the Central Schools Budget is similar to the contribution received from Health. There is also a £10,000 contribution similar to this from the High Needs Budget.

##### - **School Intervention (£136,000)**

This budget supports the continuing funding for the consultant Headteacher role supporting primary and secondary schools.

**- PFI – City Learning Centres (£68,500)**

The 3 City Learning Centres closed in summer 2016 after which budgets for running costs were delegated to schools. There is an ongoing requirement to fund PFI costs for 2 of the 3 buildings. Provision has been made within the council for some costs (£118,400) and also the Home Tuition Service (£40,000). This residual budget is required until a more lasting solution is found.

**- PFI Support (£61,800)**

A small team within Asset Management manages the PFI contract on behalf of the Council and provides support / advice to PFI schools. This budget provides part of the funding needed to support the ongoing contract management.

**- LACES (£140,500)**

The service reviews the educational progress of Looked After Children, provides training to staff and some direct support to pupils.

<b>Combined budget summary</b>	<b>£</b>
Discretionary Rate Relief	106,600
School Improvement	330,000
LSCB	30,000
School Intervention	136,000
PFI – CLCs	68,500
LACES	140,500
PFI Support Team	61,800
Governors Forum	2,200
<b>Total</b>	<b>875,600</b>

#### 4.6 Education Services Grant

In 2017-18 Forum agreed to de-delegate £291,600 on behalf of Maintained Primary, Secondary and Special Schools towards the part year costs of ESG General Duties from September 2017. This is to contribute to the cost of functions such as Internal Audit, some Asset Management costs, school redundancies, and other statutory duties.

The full year cost of the former ESG General Duties for 2018-19 equates to £500,000, and this is considered as part of the De-delegation report elsewhere on the agenda. If agreed, the estimated costs of these services per the 2017-18 Section 251 Budget Return are as follows:

<b>Estimated cost of ESG services</b>	<b>£</b>
Education Welfare	377,400
Asset Management	155,200
Statutory/Regulatory duties	1,029,500
Premature retirement/redundancy	128,300
Monitoring national curriculum assessment	64,540
<b>Total</b>	<b>1,754,940</b>
<b>Funded by:</b>	
School budget retained duties	730,000
General duties (de-delegation)	500,000
Council funded	524,940
<b>Total</b>	<b>1,754,940</b>

#### **4.7 School Improvement**

As with ESG general duties, this was de-delegated for the first time in 2017-18, the part year cost from September 17 being £101,600. This is considered elsewhere on the agenda.

#### **5.0 INFLATION**

5.1 Although the mainstream schools budget has received increased funding, there is no specific provision in the budget for pay awards. A 2% pay award for teaching and support staff is anticipated. The additional cost over and above any increase in budget allocations will need to be met from existing budgets.

There is no general provision for price inflation, although costs for school rates and PFI continue to reflect RPI increases.

#### **6.0 BUDGET TIMETABLE**

6.1 The Schools Budget and advice from Forum will be considered by Cabinet at its budget meeting on 19<sup>th</sup> February 2018.

#### **7.0 FINANCIAL IMPLICATIONS**

7.1 The budget for 2018-19 is compiled from the base budget for 2017-18 approved by Council on 6<sup>th</sup> March 2017 and updated for any issues identified in this report. The projected budget (DSG, reserves and council contribution) is £259,147,600 and is shown in Appendix 1.

#### **8.0 RECOMMENDATIONS**

8.1 That the views of Schools Forum are sought on the Schools Budget for 2018-19 including the use of Headroom and changes within SEN and Central costs.

8.2 That Forum approves an MFG of 0% for Wirral schools in 2018-19, which will provide additional protection and stability in funding, and ensures that no school can lose pupil funding unless there is a reduction in pupil numbers.

8.3 That in accordance with ESFA guidelines the Forum approves the continuing Contributions to Combined Budgets of £875,600 in 2018-19 for:

- Discretionary Rate Relief top-ups
- School Improvement
- LCSB contribution
- School Intervention
- PFI CLCs
- LACES
- Governors Forum
- PFI Support Team

8.4 That uncommitted DSG reserves remaining at the end of 2017-18 are used as a contingency to support High Needs pressures in future years

8.5 That the Schools Budget and views of the Schools Forum be referred to the budget meeting of the Cabinet on 19<sup>th</sup> February 2018.

**Paul Boyce**  
**Director of Children's Services**

## **Appendix 1 - Schools Budget changes 2018-19**

	<b>£'000</b>
Dedicated Schools Grant	258,168
Schools adj base budget	171,653
Add back 17-18 Academy & High Needs	79,691
	<hr/> <b>251,344</b>
<b>Change in ISB costs</b>	
Net rising rolls	799
Rates and rents	97
Remove reserve funding	(380)
PFI affordability gap increase	95
Headroom	3,232
Place funding income	(10)
High Needs places	109
Early Years DAF reduction	(3)
Early Years base rate increase	316
Early Years full year extension (3/4s)	2,811
Early Years falling roll (2s)	(95)
	<hr/> <b>6,971</b>
<b>Changes in SEN / High Needs</b>	
Home Tuition increase	50
Independent Special school reduction	(70)
High Needs Contingency reduction	(33)
EHCPs / IPFAs - additional needs	106
Nursing support reduction	(21)
Statutory exclusions	100
Alternative Provision	60
<b>Top-up numbers/bands:</b>	
EMA	(34)
Bases	20
Special Schools	465
Special Schools top-up income	(65)
	<hr/> <b>579</b>
<b>Other changes in central costs</b>	
Increase PFI contracts (inflation)	216
Increase licence and subscription chages	7
Increase Admissions (managed moves)	30
	<hr/> <b>253</b>
<b>Total Schools Expenditure</b>	<hr/> <b>259,148</b>
<b>Net Schools Budget 2018-19 Council Funded</b>	<hr/> <b>979</b>

## Appendix 2 - Schools Budget 2018-19

	<b>Adj Estimate 2017-18</b>	<b>Base Estimate 2018-19</b>
	<b>£</b>	<b>£</b>
<b>Individual Schools Budget</b>		
Primary	95,172,700	101,338,124
Secondary	20,884,800	97,315,376
Special	8,941,300	10,080,000
Wirral Hospital Schools	1,356,300	1,359,100
SEN Bases	1,580,000	1,468,000
Alternative Provision	0	1,000,000
6th Form / Further Education	0	1,308,000
Early Years	18,104,900	21,134,100
<b>Individual Schools Budget Total</b>	<b>146,040,000</b>	<b>235,002,700</b>
<b>Central School Costs</b>		
Early Years	518,700	518,700
Admissions	341,800	372,200
School Closure / Retirement Costs	60,000	60,000
Licenses and subscriptions	226,100	233,100
Schools Forum	10,600	10,600
Contribution to combined budgets	875,600	875,600
PFI Affordability Gap	1,551,100	952,400
Retained duties (ex-ESG)	730,000	730,000
<b>Costs delegated to / de-delegated from schools</b>		
Library service	191,700	0
Insurances	29,200	0
School Specific contingencies	100,500	0
Special Staff costs	676,400	0
School meals	19,700	0
Behaviour Support	84,200	0
School Improvement	101,600	0
General duties (ex-ESG)	291,600	0
<b>High Needs pupils</b>		
Statements	4,174,800	4,280,800
SEN top-ups	9,175,600	9,701,400
High Needs contingency	305,100	281,500
Independent Special Schools	3,770,000	3,700,000
Home Tuition	348,900	398,900
Support for SEN	1,971,500	1,971,500
Special School Transport	58,200	58,200
<b>Non-delegated school costs total</b>	<b>25,612,900</b>	<b>24,144,900</b>
<b>Total School and Central costs</b>	<b>171,652,900</b>	<b>259,147,600</b>
<b>Dedicated Schools Grant</b>	<b>(170,320,500)</b>	<b>(258,168,300)</b>
Use of Reserves	(568,900)	0
<b>Grand Total</b>	<b>763,500</b>	<b>979,300</b>

## **Appendix 3 - Schools Forum High Needs working group**

**9<sup>th</sup> January 2018**

### Attendees:

Adrian Whitely	Lisa Ayling	Jon Bush
Jill Billinge	Steve Baker	Andre Baird
Andrew Roberts	Margaret Morris	Shaun Allen

This meeting was to discuss High Needs budget pressures and how to deal with them in 2018-19. This matter is being considered outside any decision on the 0.5% top-slice from Schools block.

There is an extra £867k in the DSG High Needs block for 2018-19.

It was agreed at December forum to endorse place changes identified as part of the formula consultation. This will be clarified at January Forum. No place changes will be implemented in 2018-19 other than those agreed for post 16, since it is not clear that agreed numbers reflect a longer term increase and so should be left at existing numbers.

Views were sought on the 0.5% inflation added to Special Schools, Bases, Independent Special Schools, AP, and hospital School budgets. It was agreed that it was wrong to include this when mainstream schools have 0% MFG and are being asked to top-slice the Schools Block to support High Needs.

It was agreed that the budget allocated for inflation (£193k) should be used so that exceptional need and contingency budgets don't need to reduce as indicated. This means the funding can be used with more focus rather than a broad allocation across all budgets.

A point will be raised at January forum that further review is needed to review top-up bandings.