



CLLR BERNIE MOONEY

CABINET
19 FEBRUARY 2018

SCHOOLS BUDGET AND FUNDING
FORMULA CHANGES 2018/19

Councillor Bernie Mooney, Cabinet Member Children and Families, said:

“The performance of Wirral schools continues to go from strength to strength. We committed in our Wirral Plan to do all we could to continue to support our schools and ensure that every child in the borough has the opportunity of a good education, and good career.

“Ensuring our schools have the resources in place to continue to improve and provide our young people with an excellent education is vital to the future of our borough.”

REPORT SUMMARY

This report sets out the Schools Budget for 2018/19 having been previously considered by the Schools Forum at their meeting on 17th January 2018.

The Schools Budget covers education provision for all Wirral Pupils aged up to 18 in Early Years, Primary, Secondary and academy schools and for some pupils up to the age of 25 in Special Schools and High Needs providers.

Most budgets are delegated to schools with some central provision for support services including school admissions and High Needs.

The report proposes a number of changes to the local funding formula for Schools to allow a transitional transfer to the National Funding Formula. There are also changes proposed to High Needs and Early Years funding.

The Schools Budget provides resources to support all children and young people pledges.

This matter affects all Wards within the Borough and is a Key Decision.

RECOMMENDATION/S

Cabinet recommends the 2018-19 Schools Budget of £259,158,600 to Budget Council having taken account of the views and formula proposals from the Schools Forum that:

- i) That a Minimum Funding Guarantee of 0% for Wirral schools in 2018-19 is approved to provide additional protection and stability in funding, and to ensure that no school can lose pupil funding unless there is a reduction in pupil numbers.
- ii) That the continuing Contributions to Combined Budgets should be £875,600 in 2018-19.
- iii) That any remaining uncommitted Dedicated Schools Grant (DSG) reserves remaining at the end of 2017-18 are used as a contingency to support High Needs pressures in future years.
- iv) There should be a 0.5% top slice from the Schools Budget to support the outcome of the High Needs review.
- v) That the schools funding formula should be a transition formula introducing some elements of the National Funding Formula.
- vi) Headroom should be allocated evenly over all formula elements.
- vii) PFI within the schools funding formula should be increased in line with the contract inflation provision.
- viii) The unit value of the Looked After Children (LAC) element within the funding formula is reduced to take account of the increase in LAC Pupil Premium.
- ix) The following place changes are agreed from September 2018:
 - Birkenhead 6th Form College reduce by 8 places to 57
 - Wirral Met College to increase by 2 places to 119
- x) The base rate element of the Early Years funding formula is increased to pass an extra 2% of grant funding on to providers.
- xi) The SEN Support is redesigned including a traded service for some Hearing and Vision support in schools.
- xii) The Early Years funding formula is retained in its current format.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 The Council has a legal requirement to set a schools budget for the following financial year.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Forum considered a number of options when considering the Schools Budget with regard to transferring 0.5% of the Schools Block funding to the High Needs Block, and the make-up of the Schools local funding formula in light of the introduction of the National Funding Formula from April 2018. These are described in more detail in the report.

3.0 BACKGROUND INFORMATION

- 3.1 The Schools Forum were asked for their views on and approval of the Schools Budget for 2018/19 on 17th January 2018. The budget of £259,147,600 is for early years, maintained schools, academies, colleges and providers and is based on Dedicated Schools Grant allocations issued by the Department for Education on 19th December 2017, and a Council contribution to PFI costs of £990,300.
- 3.2 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.
- 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%.

- 3.2.1 DSG allocations have been updated for changes in pupil numbers. Pupil numbers are those recorded in the October 2017 census. 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.
- 3.2.2 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.

3.2.3 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.

3.2.4 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%	
Total		258,168,259			

3.2.5 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.

3.2.6 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%.

3.2.7 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 6th 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.

3.2.8 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 from school closure
- School Licenses
- Admissions
- Schools Forum
- Former ESG retained duties
- Central PFI costs

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

3.3 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.

3.4 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.

3.5 2018-19 Schools Budget savings

There are no specific budget savings proposed as part of this Schools Budget report.

3.6 2018-19 School Budget Changes

3.6.1 Primary, Secondary and Academy Budgets £198.6m

The significant changes within this area are:

- There is a net increase in school rolls, resulting 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 while Secondary numbers have increased by 181 from 17,289 to 17,470.
- 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.
- 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.

3.6.2 6th Form Funding

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

3.6.3 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 6th Form College increase by 5 places to 65
- Wirral Met College increase by 45 places to 117

Changes from September 2018

- Birkenhead 6th 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.

3.6.4 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, an increase from 93% in 2017-18.

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.

Pupil numbers	January 2016	January 2017	Change
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 were 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 2nd year following its introduction in April 2017. Take up has been slow in 2017-18. Assumed expenditure in 2018-19 will reflect DfE estimates.

3.6.5 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 additional funding has been allocated to High Needs budgets as shown in the following table:

	Original Proposals £	Revised Proposals £
DSG:		
Adjusted baseline		34,290,200
Allocation		35,157,500
Change		867,300
Commitments		
Place changes	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 Alternative Provision	60,000	60,000
	507,900	507,900
Additional Demands		
Top Ups in schools and NMSS (net)		306,400
IPFA / EHCP increased numbers		85,500
Reduced contingency		(32,500)
		359,400
Priorities		
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 Alternative Provision	50,000	
	680,000	0
Total	1,187,900	867,300

Top-ups include maintained Special Schools and Bases, as well as Alternative Provision and Independent (non-maintained) Special Schools. While they have increased in Special Schools, both in terms of numbers and greater needs moving towards higher top-up bands, there is a reduction in the Independent Special Schools budget, which is based on 84 students (numbers in place in the Autumn 17 term). £60k budget is also included for the Progress School.

Place changes are described in paragraph 3.6.3 and include changes to College places from September 2018.

The £50k increase in the Home Tuition budget is supported by Schools Forum to ensure the service can meet its statutory requirements, while budget has been increased for Excluded Pupils to bring them in line with statutory guidance from September 2018.

The increase in budget for IPFA/EHCPs largely relates to Primary Schools but also includes a reduction in Nursing Support. Contingency budgets have been reduced to offset some of these pressures.

In total 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 or means to fund priorities. Budgets will continue to be closely monitored and reviewed both by the Forum and the High Needs working group.

3.6.6 Central School Services

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. Schools Forum have de-delegated these areas so they can be held centrally. They have also de-delegated costs associated with former General Duties of the Education Services Grant and School Improvement.

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).

3.6.7 Contributions to combined budgets

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. The combined budgets are:

Combined budget summary	£
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

Total	875,600
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3.7 Education Services Grant

Schools Forum agreed on 17th January 2018 to de-delegate £500,000 on behalf of Maintained Primary, Secondary and Special Schools towards the full year costs of former ESG General Duties. This is to contribute to the cost of functions such as Internal Audit, some Asset Management costs, school redundancies, and other statutory duties. The estimated costs of these services per the 2017-18 Section 251 Budget Return are as follows:

Estimated cost of ESG services	£
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
Total	1,754,940
Funded by:	
School budget retained duties	730,000
General duties (de-delegation)	500,000
Council funded	524,940
Total	1,754,940

3.8 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.

3.9 Other Grant Funding

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, which has increased by £400 per pupil. For Wirral Pupil Premium totals approximately £18m, although final allocations will be based on data collected in the January census for current numbers of Free School Meal's (and those over the previous 5 years) and LAC Census data collected in March 2018.

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. This results in an increased de-delegation requirement for education services to maintained schools that were previously funded by this grant (School Improvement, Education Social Workers, Premature Retirement Costs and other statutory duties).

3.10 INFLATION

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.

3.11 CHANGES TO THE SCHOOLS FUNDING FORMULA

3.11.1 The Secretary of State confirmed details of the new National Funding Formula (NFF) for schools in September which will be in place from April 2018. The format of the formula remains largely unchanged from earlier consultation papers with a few important additions:

- At least a 0.5% increase per pupil for each school in 2018/19;
- At least £4,800 per pupil funding for each secondary school and £3,500 per pupil funding for each primary school by 2019/20, with a transitional amount of £4,600 and £3,300 in 2018/19;
- The overall schools' block funding provided to local authorities to be ringfenced, with some limited flexibility to transfer up to 0.5% out of the Schools Block to High Needs, subject to Schools' Forum approval.

3.11.2 Wirral remains responsible for agreeing the funding formula for schools until a "hard" formula is implemented, which is expected in 2020-21. During this intervening time the NFF will run alongside any local formula for schools. This "soft" period is seen by the DfE as a transition, giving LA's flexibility to move towards the NFF and may also protect against turbulence.

The LA is required to consult with schools on any proposals to change the local schools funding formula. In addition School Forum members must also be consulted on their views. A consultation was conducted and included the following proposals:

1. Retaining the local funding formula or a move to the NFF;
2. A revised MFG of 0%;
3. A reduction of the Looked after Children (LAC) factor to marry changes to the Pupil Premium;
4. Use of any "Headroom" monies;
5. Minimum funding amounts as described in 3.11.1;

6. High Needs Review and transfer of up to 0.5% of schools block funding in to the High Needs Block.
7. The priorities for High Needs funding
8. Changes in High Needs places
9. The redesign of some SEN support, the use of funding in schools (Element 2) for Hearing and Vision support from September 18, and the introduction of a traded service.
10. The services that should continue to be offered through De-delegation;
11. That the school budget adjustments in secondary schools are amended in line with statutory guidance for exclusions.

3.11.3 The consultation included a number of funding formula models to consider. These included moving directly to the NFF, retaining the current formula (both with and without a 0.5% transfer to the High Needs Block), and a transitional formula with some NFF elements.

On 13th December 2017 Schools Forum were unable to reach a consensus regarding the local Schools Funding Formula. Further information was requested, and the proposals were referred back to the Schools Formula working group for further discussion.

The initial findings from the High Needs Review were provided to this group, along with the costs needed to implement the changes. Whilst still subject to consultation and approval by Cabinet, Schools Forum on 17th January 2018 approved a 0.5% top-slice from the Schools budget of £1m. This top-slice will provide a source of pump-priming to increase resource base provision in schools. These initial plans will be reported to Cabinet in March.

3.11.4 Schools Forum also agreed a number of changes to the local funding formula as a transition to the new National Funding Formula. These include minimum funding amounts for 2018-19, a 0% MFG, a reduction in the Looked After Children element, and PFI elements being increased in line with the contract inflation provision.

It was the Schools Forum's view that de-delegated services, such as Schools Library Service, should continue to be offered as part of the schools budget in 2018-19 and that the funding to support former Council Education Services is maintained and increased.

3.12 **CHANGES TO THE EARLY YEARS FUNDING FORMULA**

The Early Years National Funding Formula was introduced from April 2017, and required local authorities to 'pass-through' 93% of funding received to Early Years providers. From April 2018 this increases to 95%. A consultation was issued to Early Years providers at the beginning of the autumn term. This was to seek views and comments from the sector on a number of areas, including the change to the overall pass-through rate, and a review of the existing funding factors in the local formula.

The consultation responses, and subsequently Schools Forum, agreed that the additional funding from the increased pass-through rate should be added to the base rate of the formula, which would increase from £3.60 to £3.68 from April 2018.

Agreement has also been reached on the introduction of revised Inclusive Practice Fund, which is open to all providers, and the introduction of monthly payments.

There was little support in the consultation for a change to the existing structure of the Early Years formula, and so School Forum's view is that the formula should be retained in its current form.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The budget for 2018/19 is compiled from the base budget for 2017/18 approved by Council on 6th March 2017 and updated for any issues identified in this report.
- 4.2 The projected Schools budget is £259,158,600 and is shown in appendices 1 and 2. This includes a Council contribution of £990,300

5.0 LEGAL IMPLICATIONS

- 5.1 The Council is required to agree a Budget for 2018/19 and to inform Primary and Secondary Schools of their individual budget allocations by 28 February (Special Schools and Early Years providers by 31 March).

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 The Schools Budget makes some limited provision for staff providing support to schools, mainly within budgets for Special Education Needs and Disabilities. Most staff however are employed directly by schools where these decisions are made by governing bodies.
- 6.2 Schools continue to receive some funding for assets and ICT through Formula Capital Grant Allocations. Most asset funding is directed through the Council's Capital Programme and includes school schemes funded by capital grant allocations for Condition and Basic Need.

7.0 RELEVANT RISKS

- 7.1 There are increasing cost pressures in schools arising from additional costs from pay awards and inflation, which will not be met in their entirety from increased budget allocations, instead they will need to be found from efficiency savings. These cost pressures are causing significant difficulties for schools across the country and Wirral is no exception.
- 7.2 Reports to the Schools Forum indicate that a number of schools are facing deficit budgets. Action is being taken to address the position with those schools and governing bodies concerned.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Consultations with Headteachers and governors have been carried out regarding changes to Schools, Early Years and High Needs funding formulae, and Schools Forum have supported the proposed budget.

9.0 EQUALITY IMPLICATIONS

- 9.1 The budget and proposals contained in this report are supported by an Equality Impact Assessment.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017-1>

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APPENDICES Appendix 1 – Schools Budget Changes 2018-19
Appendix 2 – Schools Budget 2018-19

SUBJECT HISTORY

Council Meeting	Date
Schools Forum – School Budget Report 2018/19	17 th January 2018
Cabinet – School Budget 2017/18	20 th February 2017
Schools Forum – School Budget Report 2017/18	18 th January 2017
Cabinet – School Budget 2016/17	22 nd February 2016
Schools Forum – School Budget Report 2016/17	13 th January 2016
Cabinet – School Budget 2015/16	10 th February 2015
Schools Forum – School Budget Report 2015/16	14 th January 2015

Appendix 1 - Schools Budget changes 2018-19

	£'000
Dedicated Schools Grant	258,168
Total Grant Funding	<u>258,168</u>
Schools adj base budget	171,653
Add back 17-18 Academy & High Needs	<u>79,691</u>
	251,344
Change in ISB costs	
Net rising rolls	799
Rates and rents	97
Remove reserve funding	(380)
PFI affordability gap increase	100
Headroom	3,227
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)	<u>(95)</u>
	6,971
Changes in SEN / High Needs	
Home Tuition increase	50
Independent Special Schools demand reduction	(70)
High Needs Contingency reduction	(33)
EHCPs / IPFAs - additional needs	106
Nursing support reduction	(21)
Statutory exclusions	100
Progress School	60
Top-up numbers/bands:	
EMA	(34)
Bases	20
Special Schools	465
Special Schools top-up income	<u>(65)</u>
	579
Other changes in central costs	
Increase PFI contracts (inflation)	227
Increase licence and subscription charges	7
Increase Admissions (managed moves)	<u>30</u>
	264
Total Schools Expenditure	<u>259,159</u>
Net Schools Budget 2018-19 Council funded	<u>990</u>

Appendix 2 - Schools Budget 2018-19

	Adj Estimate 2017-18	Base Estimate 2018-19
	£	£
Individual Schools Budget		
Primary	95,172,700	102,592,200
Secondary	20,884,800	96,061,300
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
Individual Schools Budget Total	146,040,000	235,002,700
Central School Costs		
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	963,400
Retained duties (ex-ESG)	730,000	730,000
Costs delegated to / de-delegated from schools		
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
High Needs pupils		
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
Non-delegated school costs total	25,612,900	24,155,900
Total School and Central costs	171,652,900	259,158,600
Dedicated Schools Grant	(170,320,500)	(258,168,300)
Use of Reserves	(568,900)	0
Grand Total Council funded	763,500	990,300

