

## WIRRAL COUNCIL

SCHOOLS FORUM – 17<sup>th</sup> MAY 2018

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

#### SCHOOLS BUDGET OUTTURN REPORT 2017/18

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#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to outline the year end position for the 2017/18 Schools' Budget. At this time accounts are provisional and subject to audit.
- 1.2 Overall the schools budget had an under spend of £1,093,300. This amount includes a £142,700 under spend against the Council's contribution to the PFI budget, leaving a £950,600 under spend against the School's budget, mainly within the Early Years Block.
- 1.3 The table attached at appendix 1 compares the Schools Budget with the spend for the year and the main variations are set out below. A summary of the Budget and Outturn for each block of the Dedicated Schools Grant is as follows:

	Budget	Outturn	Variance
	£	£	£
Schools Block	121,347,600	116,908,412	-4,439,188
High Needs Block	31,231,700	31,223,880	-7,820
Early Years Block	19,073,600	18,385,602	-687,998
DSG	-170,320,400	-166,278,609	4,041,791
Budgeted contribution from reserve	-568,900	-568,900	0
<b>Total</b>	<b>763,600</b>	<b>-329,614</b>	<b>-1,093,214</b>

#### 2.0 SCHOOLS BLOCK

- 2.1 **Primary and Secondary Schools - £4.347m reduction / under spend**  
Adjustments have been made following the conversions to Academy status during the year of Egremont, Great Meols, Poulton Lancelyn, and Stanton Road Primary Schools. An additional £91.5k was also allocated to 3 secondary schools in relation to 31 pupils transferring from Kingsway Academy in September 2017.
- 2.2 **School Admissions – £20,100 under spend**  
This centrally managed budget underspend relates to small uncommitted budgets and reduced costs in relation to examination fees.
- 2.3 **School Closure / Retirement Costs - £14,700 over spend**  
The enhanced pension costs arising from previous school closures were £74,700.
- 2.4 **Schools Forum – £10,600 under spend**  
There has been no spend against this budget of £10,600. A planned £5k contribution to the Benefits Team to finance additional resources for the Free School Meals work was met from within existing resources.

## 2.5 Contribution to Combined Budgets – no variance

There was no variance on the schools budget's contribution to combined budgets of £875k, which was utilised across the following areas:

	<b>Budget</b>
	<b>£</b>
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
<b>Total</b>	<b>875,600</b>

## 2.6 PFI Affordability Gap - £142,700 under spend

The PFI contract makes provision for costs to increase each year by the December Retail Prices Index (RPI), less 10% of that RPI. The 2017/18 budget assumed an RPI rate of 2.9%. However, the actual RPI rate for December 2016 was only 2.5%. This, together with a one-off saving from affordability gap recoupment, resulted in a £142,700 under spend.

## 2.7 School Specific Contingency - £47,600 over spend

This budget overspent by £47.6k, and the allocation of how it was spend is as follows:

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Primary and Secondary Schools</u></b>			
Vulnerable Children support		34,400	
Other school support		25,000	
School rates adjustment re former Children's Centres		62,900	
Pension Costs		6,000	
<b><u>Special Schools</u></b>			
School budget support		127,200	
Other budget support		4,800	
Special School buyback		(155,000)	
Special School balance redistributed		42,800	
<b>Total</b>	<b>100,500</b>	<b>148,100</b>	<b>47,600</b>

## 2.8 Special Staff Costs - £77,500 over spend

There was a £77.5k overspend on Special Staff costs as shown in the table below:

	<b>Budget</b>	<b>Spend</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Maternity, Paternity & Other Staff Costs	582,700	664,900	82,200
TU Facilities	86,800	82,000	(4,800)
Insurance & Recharges	6,900	6,900	0
<b>Total</b>	<b>676,400</b>	<b>753,800</b>	<b>77,400</b>

## 2.9 Behaviour Support - £15,600 under spend

Income received from Managed Moves has offset the cost of Embedded Police giving a small under spend. The structure of this budget will be reviewed during the year.

## 2.10 Schools Block DSG

An additional £145k has been received during the year. This relates to pupils transferring from Kingsway Academy to other schools from September 2017. The DfE adjusted the recouped amount from Wirral's DSG to take into account the full year due to academies being funded on an academic year basis. However, some funding for maintained schools is on a financial year basis i.e. 7/12ths. This is a one-off surplus and it is proposed that this additional funding is ring-fenced to support schools that admitted Kingsway pupils between September 2017 and March 2018 but have not yet received additional funding.

## 3.0 EARLY YEARS BLOCK

3.1 The overall position on the Early Years block was an under spend of £848k when comparing actual spend with DSG received, as summarised by the following table:

	2017-18 DSG £	2017-18 Outturn £	2017-18 variance £
2 Year Olds	3,372,482	3,461,600	89,118
3/4 - universal	11,147,870	10,884,476	-263,394
3/4 - extended	2,882,862	2,536,739	-346,123
EYPP	269,798	258,999	-10,799
DAF	96,550	41,820	-54,730
MNS Protection	494,931	517,510	22,578
Central Costs	518,700	415,959	-102,741
Inclusive Practice Fund	450,000	268,499	-181,501
<b>Total</b>	<b>19,233,193</b>	<b>18,385,602</b>	<b>-847,592</b>

### 3.2 Inclusive Practice Fund - £181,500 under spend

The underspend in this budget was expected due to a change in the awards process being implemented mid-way through the year. It is proposed that this underspend is ring fenced to Inclusive Practice, and will be considered further by the Early Years working group.

### 3.3 Early Years Central Budget - £102,700 under spend

This budget was increased to fund:

- an 18 month Project Officer post;
- promotion of the 30 hours extended offer for working parents;
- promotion of the 2 year old funding;
- training for childcare providers;
- implementation of a tracking system and audit process.

There has been some slippage in these areas but it is anticipated that these initiatives will be implemented in full in 2018-19.

#### 3.4.1 2 Year old offer - £89,100 increase

Payments to providers during the year for 2 year old funding was £89k in excess of DSG received due to a drop in the eligible population during the Spring 18 term. This is described elsewhere on the agenda.

#### 3.4.2 3 & 4 Year Old Universal Offer - £263,400 reduction

DSG funding for the 3 and 4 year old Universal offer was £263k in excess of payments made during the year. This in part reflects the timing of the DSG

allocations. The Early Years working group will review this in terms of whether there is scope to further increase the hourly rate for 3 and 4 year olds from April 2019.

### 3.4.3 **3 & 4 Year Old Extended Offer - £346,100 reduction**

The extended offer for working parents of 3 and 4 year olds saw an under spend of £346k against anticipated DSG funding. Autumn 17 was the first term of this offer, and take up increased by 42% in Spring 18. As DSG funding for the first year is based entirely on the January 2018 census this results in a one-off surplus.

### 3.5 **Disability Access Fund – £54,700 reduction**

2017-18 also saw the introduction of the Disability Access Fund (DAF), to support disabled children's access to the entitlements for 3 and 4 year olds. Wirral was given an initial allocation of £100,000, which was later revised to £96,500 and was based on the number of Wirral children in receipt of Disability Living Allowance.

Take up of the offer has been slower than expected, with 68 awards made at £615 each, giving a total spend of £41,800. Although not yet confirmed, the DfE have indicated that Local Authorities will be able to retain unspent amounts in the 1<sup>st</sup> year. It is proposed the £54.7k unspent DAF funding is ring fenced to be spent on further initiatives to support the purpose of DAF, such as training, equipment etc. This will be considered further by the Early Years Working Group.

## 4.0 **HIGH NEEDS BLOCK**

### 4.1 **Special Education Needs Statements (excluding Early Years) - £252,900 over spend**

Costs for both Primary and Secondary statements exceeded their budgets by £187k and £38k respectively. The overall budget of £4.174m for SEN Statements also includes the Inclusive Practice Fund as described above (paragraph 3.2).

### 4.2 **Special Education Needs Top Ups - £470,300 over spend**

A budget of £9.2m funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases, FE, Colleges and Alternative Provision.

Although top-up numbers were slightly lower than budgeted in bases there was a large overspend in Special Schools where numbers and needs are at higher levels than budgeted.

There were £72k of costs relating to additional learners at Wirral Metropolitan College and Birkenhead Sixth Form College, and a £54k overspend on Exceptional Needs.

The £38k overspend on Nursing Support was a result of 2 invoices relating to previous years.

The breakdown of the SEN Top Ups budget is as follows:

	<b>Budget</b>	<b>Spend</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Top Ups for Maintained Special Schools	6,527,400	6,873,100	345,700
Top Ups for Resourced provision	704,000	663,000	(41,000)
Alternative provision	367,000	367,600	600
FE and 6 <sup>TH</sup> Form Top Ups	946,000	1,018,600	72,600
Additional Nursing Support	127,100	165,300	38,200

Exceptional Needs	504,100	558,300	54,200
<b>Total</b>	<b>9,175,600</b>	<b>9,645,900</b>	<b>470,300</b>

#### 4.3 Home Tuition - £56,600 over spend

The Home Tuition Service over spent by £57k due to increased service demands, and to ensure statutory requirements are met.

#### 4.4 High Needs Contingency - £122,600 under spend

The High Needs Contingency budget of £305,100 was not allocated in full during 2017-18. Commitments during the year included:

	£
90% SEN guarantee for maintained schools	159,200
Support for additional places	23,300
	<b>207,500</b>

#### 4.5 Support for SEN - £247,900 under spend

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

#### 4.6 Independent Special Schools - £419,300 under spend

£197k of this budget was uncommitted during the year, reflecting a reduction in numbers during the autumn term, although numbers rose again in the spring term, with 88 pupils placed in Independent Special Schools at the end of March 2018.

£222k is a one-off saving in 2017-18 arising from commitments that were overstated in 2016-17.

### 5.0 UPDATE ON SPECIFIC RESERVES

5.1 The DSG reserves carried forward into 2017/18 were £1.9m, and the amounts carried forward into 2018/19 total £2.3m as follows:

- **Job Evaluation and Pay Harmonisation – Balance at 31.03.18 - £0.655m**
- **DSG Reserve – Balance at 31.03.18 – £1.49m**

	£
DSG Carry Forward from 2016/17	1,072,400
Additional DSG relating to 2016/17	38,000
Budgeted use of Reserve in 2017/18	(568,900)
Schools' budget contribution to reserve 2017/18	950,600
	<b>1,492,100</b>

- **Early Years – Balance at 31.03.18 - £0.094m**

£36.4k of this reserve has been used during the year to fund the purchase of the 2 Year Old Portal and the Provider Self Update Portal. The remaining £94k is expected to fund development in the Early Years Portal.

- **City Learning Centres – Balance at 31.03.18 - £0.045m**

There will be some remaining final closure / school reuse costs in relation to the former City Learning Centres, but these are not expected to exceed £45k.

### 6.0 CONCLUSION

6.1 The £142.7k under spend recorded against the PFI Affordability Gap relates to the Council's contribution to the school budget. The remaining services had a cumulative under spend of £950,600, largely related to the Early Years block.

## **6.0 RECOMMENDATIONS**

6.1 That the Forum notes the report and the financial position of the Schools Budget for 2017/18.

6.2 That the net under spend of £950,600 on the schools element of the budget is transferred into the DSG reserve.

6.3 That the £1,492,100 balance in the DSG reserve be ring-fenced as follows:

- £145,000 to support schools who admitted Kingsway pupils between September 2017 and March 2018 but have not yet received additional funding;
- £181,500 for use to support the Inclusive Practice Fund;
- £54,700 to be used for further initiatives to support the purpose of the Disability Access Fund, such as training, equipment etc.
- £541,500 to support High Needs pressures in 2018-19 and beyond as agreed by Forum on 17<sup>th</sup> January 2018;
- £569,400 to support the general Schools' Budget in 2018-19 and beyond.

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

## Appendix 1 – Budget Variations 2017/18

	Budget 2017/18 £	Spend 2017/18 £	Variation 2017/18 £
<b>Individual Schools Budget:</b>			
Primary Schools	95,172,700	90,734,700	-4,438,000
Secondary Schools	20,884,800	20,976,300	91,500
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	17,701,100	-403,800
<b>Individual Schools Budget Total</b>	<b>146,040,000</b>	<b>141,289,700</b>	<b>-4,750,300</b>
<b>Central School Costs:</b>			
Early Years	518,700	416,000	-102,700
Admissions	341,800	321,700	-20,100
School Closure / retirement costs	60,000	74,700	14,700
Licences and Subscriptions	226,100	226,100	0
Schools Forum	10,600	0	-10,600
Contribution to Combined Budgets	875,600	875,600	0
PFI affordability gap	1,551,100	1,408,400	-142,700
Retained duties - ex Education Support Grant	1,021,600	1,021,600	0
<b>Costs delegated to schools:</b>			
Library Service	191,700	187,400	-4,300
Insurances	29,200	15,500	-13,700
School Specific Contingencies	100,500	148,100	47,600
Special Staff Costs	676,400	753,800	77,400
School Meals	19,700	19,700	0
Behaviour Support	84,200	68,600	-15,600
School Improvement	101,600	101,600	0
<b>High Needs Pupils:</b>			
Statements	4,174,800	4,246,200	71,400
SEN Top Ups	9,175,600	9,645,900	470,300
High Needs Contingency	305,100	185,500	-122,600
Independent Special Schools	3,770,000	3,350,700	-419,300
Home Tuition	348,900	405,500	56,600
Support for SEN	1,971,500	1,723,600	-247,900
Special School Transport	58,200	58,200	0
Exclusions	0	-23,400	-23,400
<b>Non Delegated School Costs Total</b>	<b>25,612,900</b>	<b>25,228,000</b>	<b>-384,900</b>
<b>Total School and Central Costs</b>	<b>171,652,900</b>	<b>166,517,700</b>	<b>-5,135,200</b>
Dedicated Schools Grant	-170,320,500	-166,278,600	4,041,900
Use of Reserves	-568,900	-568,900	0
Contribution to DSG reserves	0	950,600	950,600
<b>Grand Total</b>	<b>763,500</b>	<b>620,800</b>	<b>-142,700</b>