

WIRRAL COUNCIL

SCHOOLS FORUM – 16th JANUARY 2019

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

SCHOOLS BUDGET MONITORING REPORT 2018-19

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. There is an estimated overspend of £1.13m at quarter 3, within the High Needs budget.

2.0 ANTICIPATED BUDGET VARIATIONS

- 2.1 The table attached summarises the Schools Budget for 2018-19. The main variations, as well as comments on specific budget areas, are set out below.

2.2 Primary, Secondary and Special Schools

In addition to the two academy conversions previously reported a further 3 Primary Schools converted to Academy status during the autumn term, with Portland Primary converting on 1st October 2018 and Christchurch (Moreton) and Woodslee Primary converting on 1st December 2018. The final balances for these schools at the date of conversion are currently 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. The effect of this can be seen in Appendix 1. A further Primary School and a Secondary School are planning to convert later this year.

2.3 Early Years Grant – no projected variance

The Early Years budget of £20.2m reflects the funding required for 2, 3 and 4 year olds who are entitled to receive free Early Education and Early Years Pupil Premium, as well as the 3 and 4 year old extended offer. The budget for this is based on the January 2018 census.

Projected costs were updated to reflect actual payments made in relation to the summer term. There was a slight increase in the take up of 2 year olds in the summer term, and a slight reduction in 3 and 4 year olds against the budgeted hours. Autumn term hours are currently being reconciled and a further update to also include spring term claims and estimated final DSG will follow at the next Forum.

2.4 Central Early Years Budget – projected underspend £45,000

There is an underspend within this centrally managed budget due to vacancies and small uncommitted budgets.

2.5 School Admissions – projected underspend £35,000

This centrally managed budget is expecting an underspend relating to small uncommitted budgets, part year vacant posts, and reduced costs in relation to examination fees.

2.6 Schools Forum – projected underspend £10,600

There are no commitments to date against this budget of £10,600.

2.7 Insurances – projected underspend £10,000

This de-delegated budget is projected to underspend by £10,000, reflecting a reduced number of claims received in recent years.

2.8 School Specific Contingencies – no projected variance

There is a contingency budget of £95,800 to take into account any specific costs that cannot be met from school budgets.

As reported to Forum in September, there are additional charges of £221k relating to Business Rates bills being above those estimated in budget allocations due to a school having a rateable value amendment. These are due to newly built buildings or buildings that have been refurbished or revalued, and can be backdated as far as April 2015.

The Local Authority has agreed to fund these temporarily to support schools and relieve this pressure, with the intention that underspends on the School Specific Contingency budget in future years are used to pay it back.

2.9 Special Staff Costs – no projected variance

This budget is currently projecting no variance, and will be monitored closely throughout the year. It is broken down as follows:

	Budget
	£
Maternity, Paternity & Other Staff Costs	558,500
TU Facilities	82,300
Insurance & Recharges	6,900
Total	647,700

2.10 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.

2.11 Special Education Needs Statements – projected overspend £591,000

Current pressures indicate that Primary statements may overspend by £588,000 and Secondary statements by £203,000 due to the increasing number and cost of EHCPs. Numbers vary throughout the year, and these projections include estimates of new children being identified in the spring term.

These overspends are partially offset by a £200k underspend projected on the Early Years Inclusive Practice fund, which is discussed elsewhere on the agenda.

2.12 Special Education Needs Top Ups – projected overspend £960,000

A budget of £9.6m funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases, FE, Colleges and Alternative Provision. Budgets were increased to reflect increased numbers and greater needs moving towards higher top-up bands.

Projections have been updated to include increased top-up costs of £236k (full year equivalent £404k) for Special Schools due to the agreed increased places from September 2018, as reported to Forum in July 2018 along with other schools also expected to go over place numbers. Final top-up costs for the autumn term are currently being finalised.

The projected costs of FE & 6th Form top-ups have risen sharply, with an overspend of £655k projected. This is due to increased demand reflected nationally, along with 2 students placed via a tribunal at a cost of £100k each per term. These cases will be reviewed at the end of the academic year.

	Budget £	Projected Spend £	Projected Variance £
Top Ups for Maintained Special Schools	6,917,000	7,272,000	355,000
Top Ups for Resourced provision	724,400	674,400	(50,000)
Alternative provision	433,300	433,300	0
FE and 6 TH Form Top Ups	946,000	1,601,000	655,000
Additional Nursing Support	106,600	106,600	0
Exceptional Needs	504,100	504,100	0
Total	9,631,400	10,591,400	960,000

2.13 High Needs Contingency – projected overspend £380,100

This budget is £280k and is committed to fund the 90% SEN guarantee for mainstream schools, which cost £160k in 2017-18, but is expected to increase in 2018-19 due to the increasing number of SEN children in mainstream schools.

As reported in July there are also pressures on this budget in 2018-19 of approximately £380,000 (full year cost £650k) for place funding (as well as increasing top-ups as described in paragraph 2.12) due to the need to create extra capacity from September 2018 following Education, Health and Care Needs Assessments in Special Schools with limited capacity to admit children over their place numbers.

2.14 Independent Special Schools – projected underspend £100,000

There is approximately £200k of this budget that has not yet been committed. Estimates assume that allocations of places through the spring term will be in line with previous years, resulting in a projected underspend of £100k.

2.15 Support for SEN – projected underspend £100,000

There are a number of vacant posts in Hearing and Vision and Clinical Psychologists which, whilst expected to be filled during the year, have resulted in an anticipated underspend in this area.

2.16 High Needs Review (2018-19 Schools Block 0.5% Top-Slice)

£993,300 top-sliced from the Schools Block has been ring-fenced to fund changes resulting from the review of High Needs. The 12 month pilot provision for new

High Needs bases resulting from the initial review will cost approximately £84k in 2018-19 for place funding (full year cost £144k), as well as increasing top-up costs by approximately £165k (full year cost £280k). In total this 12 month pilot would commit approximately £493k from this budget, leaving a balance of £500k remaining at this time. However, it is expected that these trial bases will continue until the end of 2019-20.

2.17 DSG - £167,607,000

The Dedicated Schools Grant (DSG) for 2018-19 is adjusted to the reported position as follows:

Original DSG Budget	258,168,300
Academy Recoupment – Schools Block	(82,943,300)
Academy Recoupment – High Needs Block	(3,818,000)
Early Years reduction (Jan-18 census)	(979,000)
In-year Academy conversions	(2,821,000)
	167,607,000

3.0 UPDATE ON SPECIFIC RESERVES

3.1 The DSG reserves total £2.3m, and have been earmarked in the accounts as follows:

- Job Evaluation and Pay Harmonisation Reserve - £0.65m

- DSG Reserve - £1.5m

	£
DSG Carry Forward from 2017-18	1,492,100
Further support for former Kingsway Pupils admitted 2017-18	(145,000)
Inclusive Practice Fund	(181,500)
Disability Access Fund	(54,700)
Support for High Needs pressures	(541,500)
Additional 2017-18 DSG	48,000
Balance	617,400

- City Learning Centres - £0.045m

This reserve will be used for some remaining final closure / school re-use costs in relation to the former City Learning Centres.

- Early Years £0.094m

This reserve is expected to fund development in the Early Years Portal.

4.0 CONCLUSION

4.1 The Schools Budget will be 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.

Paul Boyce
Corporate Director for Children Services

Appendix 1 – Budget Variations 2018/19

	Adjusted Budget 2018-19 £	Forecast Spend 2018-19 £	Variation 2018-19 £
Individual Schools Budget			
Primary Schools	91,071,100	88,250,075	-2,821,025
Secondary Schools	22,004,300	22,004,300	0
Special Schools	8,964,400	8,964,400	0
Wirral Hospitals School	1,354,300	1,354,300	0
Bases	1,012,000	1,012,000	0
Emslie Morgan Alternative Provision School (EMAPS)	0	0	0
Further Education	0	0	0
Early Years Funding	20,155,100	20,155,100	0
Individual Schools Budget Total	144,561,200	141,740,175	-2,821,025
Central School Costs			
Early Years	518,700	473,700	-45,000
Admissions	372,200	337,200	-35,000
School Closure / retirement costs	60,000	60,000	0
Licences & Subscriptions	233,100	233,100	0
Schools Forum	10,600	0	-10,600
Contributions to Combined Budgets	875,600	875,600	0
PFI Affordability Gap	963,400	963,400	0
Retained duties (ex-ESG)	730,000	730,000	0
Costs delegated to / de-delegated from schools			
Library Service	180,900	180,900	0
Insurances	27,500	17,500	-10,000
School Specific Contingencies	95,800	95,800	0
Special Staff Costs	647,700	647,700	0
School Meals	19,300	19,300	0
Behaviour Support	81,300	81,300	0
School Improvement	166,100	166,100	0
General duties (ex-ESG)	499,300	499,300	0
High Needs Pupils			
Statements	4,280,800	4,871,800	591,000
SEN Top Ups	9,631,400	10,591,400	960,000
High Needs Contingency	279,900	660,000	380,100
Independent Special Schools	3,700,000	3,600,000	-100,000
Home Tuition	400,500	400,500	0
Exclusions	60,000	60,000	0
Support For Special Education Needs	1,971,500	1,871,500	-100,000
Special School Transport	58,200	58,200	0
Schools Block 0.5% top-slice	993,300	493,300	-500,000
Non-delegated school costs total	26,857,100	27,987,600	1,130,500
Total School and Central Costs	171,418,300	169,727,775	-1,690,525
Dedicated School Grant	-170,428,000	-167,606,975	2,821,025
Use of reserves	0	0	0
Grand Total	990,300	2,120,800	1,130,500