

WIRRAL COUNCIL

SCHOOLS FORUM – 6th NOVEMBER 2019

REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES

SCHOOLS BUDGET MONITORING REPORT 2019/20

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 adverse variance of £1.478m within the High Needs budget, which is in addition to the £2.34m contribution from the DSG reserves that was included in the budget.

2.0 ANTICIPATED BUDGET VARIATIONS

2.1 The table attached summarises the Schools Budget for 2019-20. The main variations, as well as comments on specific budget areas, are set out below.

2.2 **Primary, Secondary and Special Schools - £5.869m favourable variance**

Bebington High School converted to Academy status as part of the Co-op Multi-Academy Trust from 1st April 2019. Schools converting to Academy status result in a reduction in Dedicated Schools Grant (DSG) income received, which is matched by reduced spending through the delegated budget. No further academy conversions are expected during 2019-20.

2.3 **Alternative Provision Places**

As part of the 2019-20 budget, £883,300 was allocated to Emslie Morgan Academy, reflecting £10,000 per place for 100 places from April to August, reducing to 80 places from September. As with all academies, this sum is deducted from Wirral's DSG by ESFA and paid directly to the school. However, due to the school closure on 31st August 2019 it is expected that £467k will be added back to Wirral's DSG grant to provide funding for the Alternative Provision arrangements reported to Schools Forum in June.

2.4 **Early Years Grant**

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 2019 census, and the summer term claims and payments are currently being reconciled. A further update will be provided at the next forum, although it is expected any variation against the budget will be met by a corresponding grant adjustment.

2.5 **Central Early Years Budget – projected £40,000 favourable variance**

An underspend is expected within this centrally managed budget as a result of some part-year vacant posts.

2.6 **Admissions – projected £26,500 adverse variance**

This centrally managed budget is expecting an overspend relating to increased pension costs and agency cover for maternity leave.

2.7 Contribution to Combined Budgets

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.

2.8 Licenses and subscriptions – projected £5,500 favourable variance

This budget is expected to underspend due to an error in the initial charge information distributed by the Department for Education (DfE) for national copyright licences for 2019-20, which has now been corrected.

2.9 Schools Forum – projected £10,600 favourable variance

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

2.10 Insurances – projected £10,000 favourable variance

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

2.11 Special Staff Costs – projected £60,000 adverse variance

An adverse variance is currently expected due to an increase in primary maternity cases. This area will be closely monitored, as if spend continues at the current rate an increase in the de-delegation rate will be required.

2.12 Special Education Needs Statements – projected £529,400 adverse variance

Pressure on this budget continues with an overspend of £529k projected despite an increase in the budget from 2018-19.

Although no variance is currently expected for secondary schools (including £100k provision for further awards) an overspend of £444k is projected for primary schools due to an increase in awards and number of children out of area. This includes £14,500 committed for a nurture group at Rock Ferry Primary and £60k committed for a group PFA at Egremont Primary. The estimated £444k overspend does include a £165k provision for further awards made during the remainder of the financial year.

2.13 Special Education Needs Top Ups – projected £414,000 adverse variance

A budget of £11.5m funds the Pupil Led Top Up funding in Specialist Provision, Resource Bases (including pilot bases created from September 2018), FE, Colleges and Alternative Provision.

The Special School top-up budget is projecting an adverse variance of £226k due to several schools being over place numbers in the Summer 19 term. Those numbers have been used to project numbers for the rest of the year, which also includes an additional 5 pupils at Gilbrook School and 23 extra pupils at Ellera Park from September 2019.

This overspend has been partially alleviated due to the top-up rate for two SEMH schools reverting to their original top-up rates as opposed to the increased top-up rate of £10,000 previously agreed.

The Alternative Provision top-ups budget of £434k included £263k for Emslie Morgan Academy. However, as described in paragraph 2.3 above, the school closed on 31st August 2019, with the saving being used to fund new Alternative Provision initiatives.

FE/6th Form budget is currently projecting an underspend of £216,800. This is partly due to a one-off £43k saving in 2019-20 arising from overstated commitments in 2018/19. There is also a £90k contribution from DASS (£35k of which relates to 2018/19) for one particularly expensive placement.

A £408k overspend is projected on the Exceptional Needs budget. 60 pupils were funded in summer 2019, with 53 currently being funded as well as the installation and rental costs of a portacabin at a special school. As reported to Forum earlier in the year, the award process for Exceptional Needs funding is currently being reviewed.

	Budget	Projected Spend	Projected Variance
	£	£	£
Top Ups for Maintained Special Schools	7,708,600	7,934,600	226,000
Top Ups for Resourced provision	1,038,200	1,000,000	(38,200)
Alternative provision	434,900	434,900	0
FE and 6 TH Form Top Ups	1,700,000	1,483,200	(216,800)
Additional Nursing Support	106,600	142,100	35,500
Exceptional Needs	504,100	911,600	407,500
Total	11,492,400	11,906,400	414,000

2.14 Independent Special Schools – projected £395,800 adverse variance

The budget in this area has remained the same as in 2018-19 and is based on 84 students at an average annual cost of £45k. From September 2019 there are 103 pupils in placements resulting in a projected overspend of £395k.

There are approximately £460k of 2018-19 commitments which remain unpaid/invoiced, and some pupils whose summer 2019 charge has not yet been received. The SEN team are currently investigating these issues.

2.15 Home Tuition – projected £110,000 adverse variance

The Home Tuition budget was increased in 2018-19 to ensure the service could meet its statutory requirements. However, due to cost pressures and increased

demand (as reported to Forum in May-19), the service is projecting an overspend of £110k. This budget will be closely monitored and reported to Forum throughout the year.

2.16 High Needs Contingency – projected £108,500 adverse variance

This budget funds the 90% Notional SEN Guarantee, where mainstream schools are compensated if their element 2 costs exceed 90% of their notional SEN allocation, although the actual cost of this is not yet known as it is based on autumn term numbers. The projected overspend includes place funding for an additional 5 pupils at Gilbrook and 23 pupils at Elleray Park from September 2019.

2.17 Support for SEN – projected £100,200 favourable variance

An underspend is projected mainly relating to part-year vacant posts within the KIND/Clinical Psychologists and Communication Difficulty teams, although these are partially offset by an overspend within the Physical/Medical budget relating to the increased cost of the Mediquip contract.

2.18 DSG - £162,245,900 - £5.869m adverse variance

The Dedicated Schools Grant (DSG) for 2019-20 is adjusted to the reported position as follows:

Original DSG Budget	264,165,500
Academy Recoupment – Schools Block	(92,067,400)
Academy Recoupment – High Needs Block	(3,049,600)
Early Years reduction (Jan-19 census)	(933,700)
Bebington High academy conversion	(5,868,900)
	162,245,900

DfE have also now published the final DSG allocations for the 2018-19 financial year. This confirmed Wirral’s allocation as £168.512m, £7.8k more than the outturn reported to Forum in May-19. This is following the January 2019 Early Years census and mainly relates to the supplementary funding for Maintained Nursery Schools. This additional amount will be added to the DSG reserve.

3.0 UPDATE ON SPECIFIC RESERVES

3.1 The final figure of DSG reserves carried forward into 2019/20 was £2.2m as follows:

- Job Evaluation and Pay Harmonisation Reserve - £0.65m

- DSG Reserve - £1.1m *(subject to decision elsewhere on the agenda)*

	£
DSG Carry Forward from 2018/19	1,414,700
Inclusive Practice Fund	(181,500)
Disability Access Fund	(114,200)
Remaining 2018/19 growth fund	(173,200)
Budgeted use of reserve in 2019/20	(2,343,200)
Projected 2019/20 overspend	(1,477,900)
Final 2018-19 DSG adjustment (Jan-19 EY census)	7,800
Projected balance (deficit)	(2,867,500)

- City Learning Centres - £0.045m

This reserve will be used for some remaining final closure / school reuse 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.

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Corporate Director for Children Services

Appendix 1 – Projected Schools Budget Variations 2019-20

	Revised Budget 2019-20	Projected outturn 2019-20	Projected variance 2019- 20 favourable / (adverse)
	£	£	£
Individual Schools Budget			
Primary	85,814,000	85,814,000	0
Secondary	23,481,700	17,612,800	5,868,900
Special	10,328,600	10,328,600	0
Wirral Hospital Schools	1,354,300	1,354,300	0
SEN Bases	1,108,000	1,108,000	0
Alternative Provision	0	0	0
6th Form / Further Education	0	0	0
Early Years	20,203,500	20,203,500	0
Individual Schools Budget Total	142,290,100	136,421,200	5,868,900
Central School Costs			
Early Years	518,700	478,700	40,000
Admissions	372,200	398,700	(26,500)
School Closure / Retirement Costs	60,000	60,000	0
Licenses and subscriptions	246,600	241,100	5,500
Schools Forum	10,600	0	10,600
Contribution to combined budgets	875,600	875,600	0
PFI Affordability Gap	1,118,400	1,118,400	0
Retained duties (ex-ESG)	730,000	730,000	0
Costs delegated to / de-delegated from schools			
Library service	170,100	170,100	0
Insurances	25,900	15,900	10,000
School Specific contingencies	91,100	91,100	0
Special Staff costs	627,600	687,600	(60,000)
School meals	0	0	0
Behaviour Support	86,000	86,000	0
School Improvement	159,100	159,100	0
General duties (ex-ESG)	493,900	493,900	0
High Needs pupils			
Statements	5,715,100	6,244,500	(529,400)
SEN top-ups	11,492,400	11,906,400	(414,000)
High Needs contingency	310,000	418,500	(108,500)
Independent Special Schools	3,700,000	4,095,800	(395,800)
Home Tuition	400,500	510,500	(110,000)
Exclusions	60,000	60,000	0
Support for SEN	2,150,200	2,050,000	100,200
Special School Transport	58,200	58,200	0
Non-delegated school costs total	29,472,200	30,950,100	(1,477,900)
Total School and Central costs	171,762,300	167,371,300	4,391,000
Dedicated Schools Grant	(168,114,800)	(162,245,900)	(5,868,900)
Use of reserves - High Needs deficit	(2,343,200)	(2,343,200)	0
LA contribution - SEN restructure	(186,000)	(186,000)	0
Grand Total	1,118,300	2,596,200	(1,477,900)