

## **WIRRAL COUNCIL**

### **SCHOOLS FORUM – 15<sup>th</sup> JANUARY 2020**

#### **REPORT OF THE CORPORATE DIRECTOR FOR CHILDREN SERVICES**

#### **SCHOOLS BUDGET 2020-21**

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### **1.0 EXECUTIVE SUMMARY**

1.1 The purpose of this report is to outline the Schools Budget for 2020-21 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 £279,960,200 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 2019. The format of the Dedicated Schools Grant (DSG) is unchanged with Local Authority allocations determined by the National Funding Formula (NFF) for Schools and High Needs.

In summary the main changes to DSG in 2020-21 are as follows:

- a cash increase of £2.6 billion compared to 2019-20;
- every secondary school will be allocated at least £5,000 per pupil in 2020-21, with primary schools allocated £3,750 per pupil;
- local authorities will continue to set a Minimum Funding Guarantee in their local formulae, which in 2020-21 must be between +0.5% and +1.84%;
- teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21;
- core NFF formula factors will increase by up to 4% in 2020-21, apart from Free School Meals factors which will increase by 1.84% in line with inflation. Premises factors will be allocated to local authorities based on actual 2019-20 allocations, with the PFI factor increasing in line with the RPIX measure of inflation;
- the intention to introduce a 'hard' NFF whereby all schools in the country are funded on the same basis has been reaffirmed;
- the first step towards this is the use of the national minimum per pupil funding levels becoming compulsory in local formulae from 2020-21;
- Early Years hourly rates paid to local authorities will increase by £0.08 for both 2-year olds and 3&4-year olds (subject to previous protection arrangements);
- the Schools Block continues to be ring-fenced with limited flexibility to transfer up to 0.5% of the schools' block to High Needs with Schools Forum approval;

- The High Needs block will increase from £36.9m to £42.8m, an increase of £5.9m.

### **3.0 GRANT FUNDING**

#### **3.1 Pupil Premium**

In addition to DSG, Pupil Premium provides funding targeted towards deprivation. It is expected to continue in 2020-21 for its tenth year, although at the time of writing the funding rates are to be confirmed. 2019-20 rates were 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
- Looked After Child or child that has been adopted since December 2005 £2,300.
- Each child of a parent in the Armed Forces £300.

Final allocations are 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 2019.

#### **3.2 Other Grant Funding**

- The grant for Universal Infant Free School Meals is expected to continue, although this is still to be confirmed. For the 2019-20 academic year it was paid at a meal rate of £2.30 per meal.
- The funding for Primary PE and Sport Premium, Year 7 Catch-up Premium, and Extended Rights to Home to School Transport are expected to continue in 2020-21, although this is still to be confirmed.
- The ESFA have confirmed that for 2020-21 the teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020 to 2021. The pay grant rates will be announced in spring 2020.

#### **3.3 Dedicated Schools Grant**

- 3.3.1 From April 2018 DSG has been made up of 4 blocks including the 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 2020-21 indicates a £14.8m increase (excluding Early Years) which is an overall increase of 6.1%. The budgets presented have not top sliced block allocations.
- 3.3.2 The allocations for the Schools and Central Schools Services funding blocks have been updated for changes in pupil numbers. Pupil numbers are those recorded in the October 2019 census, and have changed as follows:

<b>Pupil Numbers</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
October 18 census	25,888	17,908	43,796
October 19 census	25,778	18,175	43,953
Increase / (Decrease)	(110)	267	157

3.3.3 Early Years funding is based on a combination of the census in January 2020 and January 2021. The dates for the Early Years Census mean that the exact DSG will not be finalised until July 2021. The grant used for the budget are based on the current indicative figures (using the January 2019 census) and any known or anticipated changes after this date e.g. for increasing take up of the 15-hour extended offer. This also includes the increased hourly rates outlined above.

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 additional £5.9m 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. Several changes are described later in this report.

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

<b>Block</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Change</b>	<b>Change</b>
	<b>£</b>	<b>Allocation</b>	<b>£</b>	<b>%</b>
		<b>£</b>		
Schools Block	202,890,500	211,908,000	9,017,500	4.44%
Early Years (est)	21,172,200	22,480,500	1,308,300	6.18%
High Needs	36,874,100	42,828,700	5,954,600	16.15%
Central Schools	2,295,000	2,139,200	(155,800)	(6.79%)
<b>Total</b>		<b>279,356,400</b>		

### 3.3.6 Schools Block £211.9m

This funding covers the delegated budgets to maintained primary and secondary schools and academies only. Funding previously included in the schools' block for budgets that are managed centrally on behalf of schools is now included in the Central Schools Services Block. In November 2019, Schools Forum supported this block being redistributed to maintained schools using the formula factor rates used in the National Funding Formula.

### 3.3.7 Early Years Block £22.5m

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 National Funding Formula (EYNFF). This is allocated to

Local Authorities based on an hourly rate, which has increased from £5.22 to £5.30 for 2-year olds, and from £4.31 to £4.39 for 3 and 4-year olds.

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

### **3.3.8 High Needs Block £42.8m**

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.
- Alternative Provision Bases 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 £2.1m**

This block 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.

Funding allocated to Local Authorities for historic commitments, which for Wirral are the contribution to combined budgets and schools retirement costs (school closure), has been reduced by 20% in line with the DfE’s expectation that these costs will unwind over time.

The funding for ongoing responsibilities includes:

- 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 and 12 primary academies (1 Alternative Provision Academy – Emslie Morgan – closed in August 2019). Academies are independent from the local authority and are funded directly from the ESFA, however Regulations require Wirral to continue to calculate their budgets which are then deducted from Wirral's DSG.

### **3.5 Minimum Funding Guarantee (MFG)**

Local Authorities have discretion over the level of MFG in their local formula as part of the 'soft' formula. In 2020-21 LAs can apply MFG of between plus 0.5% and plus 1.84% 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. Following a consultation with all primary, secondary and special schools, School Forum in November 2019 supported a plus 0.5% Minimum Funding Guarantee for the 2020-21 mainstream schools funding formula.

### **3.6 2020-21 Budget changes**

#### **3.6.1 Proposed 2020-21 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 £115m by 2025.

The Council's budget for 2020-21 is now balanced and includes pressures totalling £34.9m. This has been balanced by savings which may 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 include a contracts review, and a new council wide structural modernisation model. Final decisions will be taken at Budget Cabinet on 17<sup>th</sup> February 2020.

#### **3.6.2 Primary, Secondary and Academy Budgets £211.9m**

The significant changes within this area are as follows:

- There is a net increase in school rolls, which results in an overall budget increase of £1.04m. There are 157 more pupils on roll in October 2019 compared to October 2018. Primary numbers have reduced by 110 from 25,888 to 25,778 (a 0.42% reduction) while Secondary numbers have increased by 267 from 17,908 to 18,175 (a 1.5% increase).
- There has been an increase in the estimated Business Rates payable of £40k resulting from inflation and the unwinding of transitional relief following the rates revaluation exercise in 2017.
- The PFI Affordability Gap delegated to schools has been increased by the estimated cost of inflation - £54,300 (this will be updated once the December 2019 RPI rate is published).

- 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 £7.86m (3.9%) 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 Funding Formula for 6<sup>th</sup> Forms.

This is based on lagged learner numbers to which a national rate is applied for each student aged 16 to 17. This has not yet been announced for 2020-21 but was £4,000 in 2019-20. 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 as well as the size of their study programme based on their planned hours. Additional programme cost weightings have been introduced for 2020-21, and 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.

### 3.6.4 High Needs Places £15.8m

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, reducing the budget by £144,500. These include the increase in place numbers at 2 special schools which have been included in 2019-20 costs, and also includes the removal of place funding previously allocated to Emslie Morgan, following the closure of the school in August 2019.

Additional CLD places will be required from September 2020, although the number required at this stage is unknown. There are also more pupils due to leave primary special schools year 6 in August 2020 than will be leaving secondary special schools. Previously these additional pressures have been funded from the High Needs Contingency budget. However, for 2020-21 an amount equivalent to 40 places has been set aside for this purpose. A policy will be produced setting out the criteria for accessing this place funding when schools go over place numbers.

All changes have been reported to the ESFA where necessary and have been reflected in the budget as follows:

#### **Full Year Effect of changes made in 2019-20**

- Foxfield increase by 2 places to 140
- Townfield reduce by 1 place to 10

- Woodchurch High increase by 5 places to 20
- Oldershaw increase by 6 places to 26
- Emslie Morgan AP reduce by 20 places to 80
- Weatherhead reduce by 1 place to 0
- Wirral Met College increase by 14 places to 133

#### **Changes from September 2019**

- Elleray Park increase by 23 places to 151
- Gilbrook increase by 5 places to 60

#### **Changes from April 2020**

- Emslie Morgan AP reduce by 80 places to 0
- Additional places introduced – 40 places

### **3.6.5 Early Years £21.5m**

Early Years funding for 2020-21 will be based on census counts in January 2020 (5/12ths) and January 2021 (7/12ths). The final allocation will not therefore be known until June/July 2021.

Latest DfE estimates (December 2018) indicate that 1,247 children (PTE) are eligible for 2-year-old funding in Wirral, with an estimated take-up of 90% in 2020-21. Estimated DSG and expenditure budgets are therefore based on these numbers.

The January 19 census showed a falling roll for universal 3&4-years olds compared to the January 18 census, mirroring a drop in birth rates for the related period. A further drop in numbers has been predicted for the January 2020 census, although this will be kept under review.

The extended offer of an additional 15 hours for working parents was introduced from autumn 2017, with the DfE's expectation being that extended hours claimed would eventually be around 60% of universal hours. 2019-20 budget was set assuming extended hours claimed would be 50% of universal hours by Spring 2020, with the Autumn 2019 assumption being 48.5%. This was actually 48.1% in Autumn 19. Estimated DSG and expenditure budgets for 2020-21 estimate that this will be 50% in spring 2020, rising to 55% in spring 2021.

<b>Pupil numbers</b>	<b>January 2018</b>	<b>January 2019</b>	<b>Change</b>
2-year olds (PTE)	1,106	1,055	(51)
3/4-year olds (universal PTE)	4,878	4,814	(64)
3/4-year olds (extended PTE)	2,012	2,204	192

As outlined above in paragraph 3.3.7 the hourly rates paid by DfE to Wirral will increase by £0.08, rising from £5.22 to £5.30 for the 2-year-old rate, and from £4.31 to £4.39 for the 3&4-year-old rate.

A consultation was conducted during December 2019 to seek views on how the additional funding should be allocated across the Early Years funding formula. The consultation was issued to around 400 Early Years Providers, including approximately 250 funded providers. There were 62 responses (all from funded providers), with 77.42% supporting adding all additional funding to the base rate,

rather than the supplements. Both the 2-year-old rate paid to providers, and the base rate of the 3&4-year-old formula will therefore increase by £0.08 from April 2020.

### 3.6.6 SEN Top-ups £24.5m

The proposed budget for SEN Top-ups is £24.5m, an increase of £2.8m from 2019-20. As well as the changes to place numbers outlined above, top-up budgets have been increased as follows:

- **Statements £6.2m** – a net increase of £0.52m reflecting the increased number/cost of EHCPs/IPFAs, particularly for Primary pupils. This includes an estimate of additional awards being made during 2020 to March 2021.
- **Special Schools £8.31m** – special school top-ups budgets are under increasing pressure, with increased complexity of need being reflected in the higher costing top-up bands. The budget also assumes all special schools are full throughout the year. The inclusion element (reported to Forum in September 2019) has been reduced by £119.5k due to the removal of ‘Specialist School’ funding from Clare Mount Special School from April 2020 as reported elsewhere on the agenda. This has been reallocated to the SEN Support Services budget to fund a fixed-term post to undertake a review of inclusion funding and its impact. An element is also included to enable the local authority to ‘purchase’ additional EHCP places at Wirral Hospital School.
- **Alternative Provision £1.38m** – the budget has increased by £883,300, which has been transferred from the AP (Emslie Morgan) Places budget to fund alternative AP initiatives with Progress School as reported to Forum in June 2019.
- **Exceptional Need £782k** – although a review of all Exceptional Needs cases is currently being carried out, this budget has been increased by £278k to reflect funding currently committed for 2020-21. Exceptional Needs awards process is also being reviewed as described elsewhere on the agenda.
- **Nursing Support £160k** – an increase of £53k reflects funding currently committed for 9 children.
- **Independent Special Schools £4.1m** – there has been an increase of £434k in this budget which reflects the funding currently committed resulting from increase in demand, as well as an estimate of further placements made during 2020-21.
- **Home Tuition £401k** – the budget for the Home Tuition service remains unchanged for 2020-21, despite projected overspends in 2019-20. This is due to a planned review of the service during 2020.
- **Contingency £360k** – this budget has been increased by £50k and covers the potential cost of:
  - The 90% guarantee to maintained mainstream schools to limit the demands on low cost high incidence SEN budgets used to support statements (£200k).
  - Any unforeseen consequences arising from top-ups, places, or exceptional cases (£60k).
  - Potential additional funding (£100k) for a base at The Oldershaw Academy agreed by the former interim Head of SEN. Discussions are currently ongoing with the school as to what support has been agreed and the level of funding.



These changes are summarised in the table below, and together with the place changes outlined in 3.6.4 mean that the pressures estimated on the High Needs budget total £2.79m. The top-up model for both Special Schools and SEN Units/Resource Bases will be reviewed during 2020.

	<b>2019-20 budget £</b>	<b>2020-21 budget £</b>	<b>Change £</b>
<b>Statements (£6,237,000)</b>			
Early Years	450,000	450,000	0
Primary	2,730,600	3,243,600	513,000
Secondary (including 6 <sup>th</sup> Forms)	2,314,700	2,323,600	8,900
Personal Budgets	108,700	108,700	0
Other	111,100	111,100	0
<b>Top-ups (£18,254,800)</b>			
Special Schools (& 6 <sup>th</sup> Forms / Hospital)	7,708,600	8,308,400	599,800
SEN Units (resourced & AP)	1,038,200	1,048,600	10,400
Alternative Provision	494,900	1,378,200	883,300
Further Education (6 <sup>th</sup> form college & providers)	1,700,000	1,683,200	(16,800)
Exceptional Need	504,100	782,000	277,900
Nursing Support	106,600	159,900	53,300
Contingency	310,000	360,000	50,000
Independent Non-maintained Special Schools	3,700,000	4,134,000	434,000
Home Tuition	400,500	400,500	0
<b>Total</b>	<b>21,678,000</b>	<b>24,491,800</b>	<b>2,813,800</b>

### 3.6.7 Use of Reserves

DSG reserves held total £2.2m, and were agreed as part of the year end accounts for 2018-19. £0.65m of this reserved for the costs of pay harmonisation, with small amounts being held for Early Years and the remaining final closure / school re-use costs of the former City Learning Centres.

The Schools Budget for 2019-20 is likely to use £3.57m of these, leaving the overall DSG reserve with a £1.4m deficit (with some of this being ringfenced for specific activities as previously agreed).

## 4.0 CENTRAL SCHOOL SERVICES

- 4.1 As in previous years the budgets held for Contingency, Special Staff (maternity, paternity and trade union duties), the School Library Service, Insurance (Governors Aided), and Behaviour Support 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 and School Improvement.

- 4.2 The centrally held budgets for 2020-21, mainly funded by the Central Schools Services Block of DSG, include:
- The continuing premature retirement of teachers and staff that have arisen from closing schools (£81,000, an increase of £21,000 due to overspends in previous years).
  - The cost of licenses for copyright and music in all schools and academies resulting from a national agreement (£244,900, a reduction of £1,700 to reflect the actual cost published by DfE on 19<sup>th</sup> December 2019).
  - School Admissions (£372,200, unchanged from 2019-20).
  - Contributions to combined budgets (£700,500, a reduction of £175,100 reflecting the 20% reduction in funding from DfE for 'historic commitments' as per paragraph 3.3.9 above).
  - Schools Forum (£10,600, unchanged from 2019-20).
  - Early Years (£518,700, funded from the Early Years block and unchanged from 2019-20).
  - Retained duties of the former Education Services Grant (ESG) (£730,000, unchanged from 2019-20).
  - The Authority's contribution to the PFI Affordability Gap (£1,247,700, an increase of £129,300, funded by the LA and subject to change based on the December 2019 RPI rate).

#### 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.

#### 4.4 **School Copyright licenses (£244,900)**

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, the Mechanical Copyright Protection Society, and a School Printed Music Licence.

#### 4.5 **Contributions to combined budgets (£700,500, a £175,100 reduction)**

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. For this reason, funding from DfE has been reduced by 20% for 2020-21. These contributions are as follows:

##### - **Discretionary Rate Relief (£106,600, a £21,300 reduction)**

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

##### - **School Improvement (£330,000, a £66,000 reduction)**

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

**- Local Safeguarding Children’s Board (£24,000, a £6,000 reduction)**

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 £24,000 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 (£108,800, a £27,200 reduction)**

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

**- PFI – City Learning Centres (£54,800, a £13,700 reduction)**

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 the Home Tuition Service (£40,000). This residual budget is required until a more lasting solution is found.

**- PFI Support (£49,400, a £12,400 reduction)**

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 (£112,400, a £28,100 reduction)**

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	85,300
School Improvement	264,000
LSCB	24,000
School Intervention	108,800
PFI – CLCs	54,800
LACES	112,400
PFI Support Team	49,400
Governors Forum	1,800
<b>Total</b>	<b>700,500</b>

#### 4.6 Education Services Grant

In 2018-19 and 2019-20 Forum agreed to de-delegate £500,000 on behalf of Maintained Primary, Secondary and Special Schools towards the full year costs of 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. This is considered as part of the De-delegation report elsewhere on the agenda. If agreed, the estimated costs of these services per the 2019-20 Section 251 Budget Return are as follows:

<b>Estimated cost of ESG services</b>	<b>£</b>
Education Welfare	454,800
Asset Management	152,600
Statutory/Regulatory duties	998,600
Premature retirement/redundancy	128,300
Monitoring national curriculum assessment	65,000
<b>Total</b>	<b>1,799,300</b>
<b>Funded by:</b>	
School budget retained duties	730,000
General duties (de-delegation)	500,000
Council funded	569,300
<b>Total</b>	<b>1,799,300</b>

## **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 pay award of 2.75% from September 2019 was announced, with a corresponding Teachers Pay Grant allocation of 0.75%. This is in addition to the 2% grant awarded to cover the previous years' teachers' pay increase of up to 3.5%. A 2% pay award for support staff was also agreed from April 2019. Any additional cost over and above any increase in budget allocations and Teachers Pay Grant will need to be met from existing budgets.

An increase in employers' Teachers' Pension contributions from 16.48% to 23.68% took effect from September 2019, although DfE have indicated this will be funded in 2020-21. As per paragraph 3.2 above, both the Teachers Pay Grant and Teachers Pension Employers Contribution Grant will continue to be paid separately from the NFF in 2020-21.

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 17<sup>th</sup> February 2020.

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1 The budget for 2020-21 is compiled from the base budget for 2019-20 approved by Council on 4<sup>th</sup> March 2019 and updated for any issues identified in this report. The projected budget (DSG, reserves and council contribution) is £279,960,200 and is shown in Appendix 1.
- 7.2 As described in paragraph 3.6.7, the DSG reserve is expected to end 2019-20 with a deficit of £1.4m. The High Needs block of the DSG grant has increased by £5.9m for 2020-21 (paragraph 3.3.5), and the budget changes described in this report result in surplus High Needs funding of £643,900 for 2020-21. It is proposed that this is transferred to the DSG reserve to partially offset the deficit.

7.3 Wirral Council commissioned independent advisors (Premier Advisory Group) to carry out an in-depth review of SEN provision, with the objective of reallocating DSG resources to meet need and to prevent future overspends. A final report was not received until December 2019, and as such no changes that may result from their findings are reflected in this report and will not impact the budget until 2021-22.

## **8.0 RECOMMENDATIONS**

8.1 That the views of Schools Forum are sought on the Schools Budget for 2020-21 including the changes within SEN and Central costs.

8.2 That in accordance with ESFA guidelines the Forum approves the reduced Contributions to Combined Budgets of £700,500 in 2020-21 for:

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

8.3 That £643,900 of surplus High Needs funding for 2020-21 be transferred to the DSG reserve to partially offset the deficit position.

8.4 That the Schools Budget and views of the Schools Forum be referred to the budget meeting of the Cabinet on 17<sup>th</sup> February 2020.

**Paul Boyce**  
**Corporate Director for Children Services**

## **Appendix 1 - Schools Budget changes 2020-21**

	<b>£'000</b>
Dedicated Schools Grant	279,356
Contribution to reserve	(644)
<b>Total Grant Funding</b>	<b>278,713</b>
Schools adj base budget	171,762
Add back 19-20 Academy & High Needs	95,110
	<b>266,872</b>
<b>Change in ISB costs</b>	
Net rising rolls	1,042
Rates and rents	59
PFI affordability gap increase	54
Headroom	7,862
High Needs places	(145)
Early Years DAF increase	(9)
Early Years pupil numbers (3/4s)	679
Early Years rate increase (3/4s)	324
Early Years pupil numbers (2s)	264
Early Years rate increase (2s)	51
	<b>10,181</b>
<b>Changes in SEN / High Needs</b>	
High Needs Contingency increase	50
Exceptional Need	278
Nursing support	53
End of specialist school funding (CM)	(120)
Independent Special Schools demand increase	434
Additional of post to oversee Outreach provision	120
EHCPs / IPFAs - additional needs	522
<b>Top-up numbers/bands:</b>	
AP / Hospital	1,007
Bases	10
Special Schools	596
Further Education & Sixth Form	(17)
	<b>2,933</b>
<b>Other changes in central costs</b>	
Increase PFI contracts (inflation)	129
Reduce Contribution to Combined budgets	(175)
Reduce licence and subscription charges	(2)
Increase school retirement costs	21
	<b>(27)</b>
<b>Total Schools Expenditure</b>	<b>279,960</b>
<b>Net Schools Budget 2020-21 (LA Funded)</b>	<b>1,248</b>

**Appendix 2 - Schools Budget 2020-21**

	<b>Adj Estimate 2019-20</b>	<b>Base Estimate 2020-21</b>
	<b>£</b>	<b>£</b>
<b>Individual Schools Budget</b>		
Primary	85,814,000	107,149,400
Secondary	23,481,600	104,962,600
Special	10,328,600	11,440,000
Wirral Hospital Schools	1,354,300	1,359,100
SEN Bases	1,108,000	1,672,000
Alternative Provision	0	0
6th Form / Further Education	0	1,140,000
Early Years	20,203,500	21,511,800
<b>Individual Schools Budget Total</b>	<b>142,290,000</b>	<b>249,234,900</b>
<b>Central School Costs</b>		
Early Years	518,700	518,700
Admissions	372,200	372,200
School Closure / Retirement Costs	60,000	81,000
Licenses and subscriptions	246,600	244,900
Schools Forum	10,600	10,600
Contribution to combined budgets	875,600	700,500
PFI Affordability Gap	1,118,400	1,247,700
Retained duties (ex-ESG)	730,000	730,000
<b>Costs delegated to / de-delegated from schools</b>		
Library service	170,100	0
Insurances	25,900	0
School Specific contingencies	91,100	0
Special Staff costs	627,600	0
Behaviour Support	86,000	0
School Improvement	159,100	0
General duties (ex-ESG)	493,900	0
<b>High Needs pupils</b>		
Statements	5,715,100	6,237,000
SEN top-ups	11,552,400	13,360,300
High Needs contingency	310,000	360,000
Independent Special Schools	3,700,000	4,134,000
Home Tuition	400,500	400,500
Support for SEN	2,150,200	2,269,700
Special School Transport	58,200	58,200
<b>Non-delegated school costs total</b>	<b>29,472,200</b>	<b>30,725,300</b>
<b>Total School and Central costs</b>	<b>171,762,200</b>	<b>279,960,200</b>
<b>Dedicated Schools Grant</b>	<b>(168,300,700)</b>	<b>(279,356,400)</b>
Contribution to / (from) DSG reserve (High Needs deficit)	(2,343,200)	643,900
<b>Grand Total</b>	<b>1,118,300</b>	<b>1,247,700</b>

