

WIRRAL COUNCIL

SCHOOLS FORUM – 15th JANUARY 2020

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 £1.230m, mainly 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 autumn term claims and payments are currently being reconciled. It is expected any variation against the budget will be met by a corresponding grant adjustment.

2.5 **Central Early Years Budget – projected £55,000 favourable variance**

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

2.6 **Admissions – projected £19,000 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 £120,000 adverse variance

An adverse variance is currently expected due to an increase in primary school and special school maternity cases. This overspend has been reflected in the increased pupil rate in the de-delegation report elsewhere on the agenda.

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 provision for further awards in the remainder of the year) 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 £60k provision for further awards made during the remainder of the financial year.

2.13 Special Education Needs Top Ups – projected £332,100 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 £329,700. 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 £444k 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, all awards as well as the award process for Exceptional Needs funding are 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	1,370,300	329,700
Additional Nursing Support	106,600	136,200	(29,600)
Exceptional Needs	504,100	948,500	(444,400)
Total	11,492,400	11,824,500	(332,100)

2.14 Independent Special Schools – projected £200,000 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.

As reported to Forum in November 2019, there were approximately £460k of 2018-19 commitments which remained unpaid/invoiced. £195k of these have been found to have been overstated and therefore result in a one-off saving in 2019-20. Investigations into the remaining amounts are ongoing.

2.15 Home Tuition – projected £102,700 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 £103k. This service provision will be reviewed during 2020.

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.

There is potentially some additional costs to be included here due to an agreement by the former interim Head of SEN to fund an additional base at The Oldershaw Academy from September 2019. Discussions are underway between the service and the school to determine what has been agreed and the resultant cost.

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

3.0 **UPDATE ON SPECIFIC RESERVES**

3.1 The final figure of DSG reserves carried forward into 2019/20 was £2.2m as follows, but will end 2019/20 with a total deficit of £1.8m should estimated costs be realised:

- 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 – paid out	(173,200)
Final 2018-19 DSG adjustment (Jan-19 EY census)	7,800
Budgeted use of reserve in 2019/20	(2,343,200)
Projected 2019/20 overspend	(1,230,400)
Projected balance (deficit)	(2,620,000)

- 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
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	463,700	55,000
Admissions	372,200	391,200	(19,000)
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	747,600	(120,000)
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	11,824,500	(332,100)
High Needs contingency	310,000	418,500	(108,500)
Independent Special Schools	3,700,000	3,900,000	(200,000)
Home Tuition	400,500	503,200	(102,700)
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	30,702,600	(1,230,400)
Total School and Central costs	171,762,300	167,123,800	4,638,500
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	2,348,700	(1,230,400)