

WIRRAL COUNCIL

SCHOOLS FORUM – 29th JUNE 2021

REPORT OF THE DIRECTOR OF CHILDREN, FAMILIES AND EDUCATION

SCHOOLS BUDGET OUTTURN REPORT 2020-21 UPDATE AND 2021-22 BUDGET VARIATIONS

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide an update on the year end position for the 2020-21 schools budget and an overview of the anticipated variations for the current year 2021-22 schools budget.

2.0 2020-21 SCHOOLS BUDGET

2.1 At the May 2021 meeting, Schools Forum were advised that the Schools Budget was overspent by £414k. This position is provisional pending the completion of the annual audit process.

2.2 The 2020-21 outturn report identified that, compared to grant, Early Years activity was underspent by £290.4k. It was agreed by Forum that, subject to final confirmation of the 2020-21 Early Years grant allocation by Education and Skills Funding Agency (ESFA), the underspend would be ring-fenced for use on Early Years activity in future years. To date final confirmation of the grant allocation has not yet been received.

2.3 Given that the next meeting of the Schools Forum will not occur until September, the final grant allocation for Early Years and the impact of any change will be notified to members by e-mail as soon as it is available.

3.0 2021-22 SCHOOLS BUDGET

3.1 Overall the schools budget is forecast to overspend by £1.148m which is mainly due to pressure in the High Needs Block. The table below summaries the outturn position by funding block and a more detailed analysis is attached in Appendix 1.

	2021-22 Budget £	2021-22 Forecast £	2021-22 Variation Under/-Over spend £
Schools Block	117,101,553	117,101,553	0
Schools Block de-delegated	1,559,500	1,559,500	0
Central School Services Block	3,612,932	3,576,660	36,272
High Needs	43,874,132	44,876,750	-1,002,618
Early Years	21,644,246	21,820,275	-176,029
DSG Income	-189,015,997	-189,010,164	-5,833
Total before contribution to/-from Reserve	-1,223,634	-75,427	-1,148,207
Movement in DSG Reserve	2,683,134	1,534,927	1,148,207
Total after contribution to/-from Reserve	1,459,500	1,459,500	0

- 3.2 The 2020-21 financial year closed with a Dedicated Schools Grant (DSG) reserve cumulative deficit position of £1.7m. It had been expected that the 2021-22 in-year position would deliver a positive contribution to the reserve of £2.7m from the High Needs Block thus generating a cumulative surplus reserve balance of around £1m. The current forecast outturn position means that the year-end contribution to reserve will be reduced from £2.7m to £1.5m thus delivering a cumulative £0.2m deficit position at the end of 2021-22.

4.0 REVISED 2021-22 BUDGET

- 4.1 There has been one change to the budget since that reported to Forum at the May 2021 meeting. A re-alignment of Teachers Pay/Pension costs of £40.8k between Special Schools and Support for SEN has been made to reflect updated data.

5.0 2021-22 FORECAST BUDGET VARIATIONS

The budget variations that make up the £1.148m overspend are identified in the table attached in Appendix 1. The reasons for the variations as well as comments on specific budget areas are given below.

5.1 Special Schools £449k favourable

The budget includes additional places to address demand, and these will be allocated via a commissioning process. It is not expected that the additional places will be fully allocated during the year and that there will be a part-year effect in financial year 2021- 22 for those that are allocated.

5.2 SEN Bases £18k adverse

The budget reflects a planned reduction of 5 places. The actual phasing of the reduction is not in line with expectations resulting in placement costs being £18k higher than budget.

5.3 Early Years £176k adverse

The forecast position assumes that the take-up of 2- and 3–4-year-old provision will be in line with planned activity. The position will be monitored during the year as more information becomes available. The in-year overspend relates to the Disability Access Fund ring-fenced funding which was b/fwd. from 2019-20 and which has been spent in 2021-22. The overspend is off-set using the DSG reserve. The forecast position does not include use of the proposed overall ring-fenced funding of £290k b/fwd. from 2020-21 as this is still subject to confirmation.

5.4 Central School Costs £36k favourable

The favourable position is due to:

- Admissions - £20k favourable due to part-time vacancies.
- School redundancy costs - £6k favourable. This budget relates to closed schools thus, based on existing commitments, costs should be reducing over time.
- Schools Forum - £3k favourable. Although there is no formal spend plan for this budget at this time, it is expected that a return to face to face meetings later in the year will incur meeting related costs.
- Contingency - £8k favourable. No potential calls on this contingency have been identified at this time.

5.5 Special Education Needs - Additional resources £1.5m adverse

Demand on this budget is expected to grow in line with the requests for EHCP assessments. Requests increased by around 75 between 2019-20 and 2020-21 and it is expected that growth will continue at a similar rate for 2021-22. Not all the requests will result in a financial outcome, but it is expected that a significant portion will result in Units of Resource being awarded and this will result in an overspend of £854k for Primary school pupils and £688k for Secondary school pupils.

The position will be monitored closely, and the forecast position re-assessed as more up-to-date information becomes available.

5.6 Special Education Needs – Top Ups £96k favourable

The table below analyses the forecast position across the various activities that form the overall Top-Ups budget.

	Budget	Forecast	Variation Under/-Over spend
	£	£	£
Top-Ups for Maintained Special Schools	8,773,746	8,584,697	189,049
Top-Ups for Resourced Provision	1,070,200	1,105,200	-35,000
Alternative Provision	1,318,200	1,304,334	13,866
FE & 6th Form Top-Ups	2,050,000	2,050,000	0
Additional Nursing Support	160,000	160,000	-0
Exceptional Needs	1,350,000	1,421,519	-71,519
Total	14,722,146	14,625,750	96,396

The underspend of £189k for maintained Special Schools relates to the Top-Ups associated with the additional places that have been included in the 2021-22 budget and discussed in 5.1 above. As the additional places will not be fully allocated and those that are will only have a part year effect in 2021-22, the top-up budget associated with them will also remain under utilised.

The overspend of £35k for the resourced provision relates mainly to the planned reduction in base places. The reduction in places will not occur as soon as expected thus the related top-up costs have been forecast on a full-year basis.

The underspend of £14k for the alternative provision relates to a change in pupil activity.

The budget for Exceptional Needs is forecast to overspend by £72k despite an increase of £568k from 2020-21. The overspend is due to continuing demand for support and will be closely monitored during the year.

5.7 Independent Special Schools £13k adverse

The overspend relates to a change in pupil activity. Whilst this is a relatively small variance against a £5.1m budget, this budget was significantly overspent in 2020-21 and has been increased by £986k for 2021-22. This activity will be closely monitored during the year.

5.8 Support for SEN £25k favourable

There are several activities and services that are delivered by this budget

including Hearing and Vision, Communication Differences, Vulnerable Children and Physical/Medical Impairment. A significant portion of the overall budget relates to staff costs and the main reason the favourable variance is due to short-term vacancies.

5.9 Dedicated Schools Grant £6k adverse

The adverse variance relates to an expected reduction to the DSG allocation relating to an alternative provision out of borough placement. The change to the allocation has only recently been communicated by ESFA.

6.0 UPDATE ON SPECIFIC RESERVES

6.1 The opening reserves position for 2021-22 reflects a cumulative deficit position of £1.679m. The analysis of this reserve is as follows:

	£000
Gross deficit	-2,146.5
Ring-fenced reserves	
Early Years Disability Access Fund	222.5
Early Years Unspent 2020-21 grant (subject to confirmation of final 2020-21 grant)	245.1
Net deficit	-1,678.9

6.2 The 2021-22 budget includes a planned surplus of £2,683k in the High Needs Block that was to be carried forward into the reserve at the end of the financial year. Due to the overspend of £1,148k that has been forecast, the amount available to contribute to reserve will reduce to £1.535m. The £1.679m opening deficit position will be partially off-set by the forecast £1.535m contribution to reserve leaving a closing deficit position of £144k.

7.0 RECOMMENDATIONS

7.1 That the Forum notes the report and the forecast financial position of the Schools Budget for 2021-22.

7.2 That the Forum notes the action in section 2.0 to communicate the 2020-21 final Early Years grant allocation and the impact of any changes to members by e-mail.

Simone White

Director of Children, Families and Education

Appendix 1 - Budget Variations 2021-22

	2021-22 Budget £	2021-22 Forecast £	2021-22 Variation Under/-Over spend £
Individual Schools Budget			
Primary	96,052,551	96,052,551	0
Secondary	20,896,066	20,896,066	0
Special	12,590,592	12,141,425	449,167
Wirral Hospitals School	1,407,180	1,407,180	0
SEN Bases	969,731	988,000	-18,269
Sixth Form/Further Education	36,000	36,000	0
Early Years	20,675,546	20,851,575	-176,029
Growth and Falling Rolls Fund	152,936	152,936	0
Individual Schools Budget Total	152,780,602	152,525,733	254,869
Central School Costs			
Early Years Costs	518,700	518,700	0
Admissions	379,981	359,909	20,071
School Redundancy Costs	81,000	75,000	6,000
Licenses and subscriptions	243,751	243,751	0
Schools Forum	10,600	8,000	2,600
Contingency	7,600	0	7,600
Contribution to combined budgets	700,500	700,500	0
PFI Affordability Gap	1,459,500	1,459,500	0
Retained duties Central (ex-ESG)	730,000	730,000	0
Costs delegated to/de-delegated from schools			
Library Service	185,100	185,100	0
Insurances	25,100	25,100	0
School Specific contingencies	31,100	31,100	0
Special Staff Costs	696,000	696,000	0
Behaviour Support	58,000	58,000	0
School Improvement	62,300	62,300	0
Retained duties de-delegated (ex-ESG)	501,900	501,900	0
High Needs Pupils			
Additional resources	6,528,300	8,070,462	-1,542,162
SEN top-ups	14,722,146	14,625,750	96,396
High Needs contingency	400,000	400,000	0
Independent Special Schools	5,120,000	5,132,545	-12,545
Home Tuition	422,730	422,730	0
Support for SEN	2,069,253	2,044,458	24,795
Special School Transport	58,200	58,200	0
Non-delegated school costs Total	35,011,761	36,409,004	-1,397,243
Total Costs	187,792,363	188,934,737	-1,142,374
Funding			
Dedicated School Grant	-189,015,997	-189,010,164	-5,833
Total before Movement in DSG Reserve	-1,223,634	-75,427	-1,148,207
Contribution to/-from DSG Reserve	2,683,134	1,534,927	1,148,207
Grand Total	1,459,500	1,459,500	0