

WIRRAL COUNCIL

SCHOOLS FORUM – 30th NOVEMBER 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 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. Final confirmation of the 2020-21 grant allocation was received on Friday 19 November and this has identified the final grant for 2020-21 at £21,026,986.
- 2.2 The original allocation for 2020-21 was £21,354,340 thus the final allocation reflects a reduction of £327,354. At the end of the financial year, an assessment was made of the grant due for 2020-21 based on census data and this identified a potential reduction of £318,294 and which was reflected in the Schools accounts. Based on this year-end assessment, the value of the unspent grant to be carried forward and ring-fenced for Early Years activity was £290.4k. This final grant income confirmation reduces this ring-fenced underspend to £281.4k and this is made up of £45.4k for Disability Access Fund and £236.0k for other activities.

3.0 2021-22 SCHOOLS BUDGET

- 3.1 Overall the schools budget is forecast to overspend by £3.002m which is mainly due to pressure in the High Needs Block. This reflects an increase in the overspend of £1.305m from the position reported at the September 2021 meeting. The table below summarises 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	117,101,552	117,101,552	0
Schools Block de-delegated	1,559,500	1,539,786	19,714
Central School Services Block	3,612,933	3,556,730	56,203
High Needs	43,874,132	46,181,345	-2,307,213
Early Years	21,644,246	22,295,368	-651,122
DSG Income	-189,015,997	-188,896,163	-119,834
Total before contribution to/-from Reserve	-1,223,634	1,778,618	-3,002,252
Movement in DSG Reserve	2,683,134	-319,118	3,002,252
Total after contribution to/-from Reserve	1,459,500	1,459,500	0
Cumulative reserve balance b/fwd from 2020-21			-1,678,989
In-year contribution to/-use of reserve			-319,118
Cumulative reserve balance c/fwd to 2022-23			-1,998,107

- 3.2 The 2020-21 financial year closed with a Dedicated Schools Grant (DSG) reserve cumulative deficit position of £1.679m. It had been expected that the 2021-22 in-year position would deliver a positive contribution to the reserve of £2.683m from the High Needs Block thus generating a cumulative surplus reserve balance of around £1m. The current forecast outturn position means that a use of reserve of £0.319m will be needed rather than a contribution to reserve thus increasing the cumulative deficit from £1.679m to £1.998m at the end of 2021-22.

4.0 2021-22 BUDGET

- 4.1 There have been no changes to the budget since the position reported at the September 2021 meeting.

5.0 2021-22 FORECAST BUDGET VARIATIONS

The budget variations that make up the £3.322m 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 £225k favourable

The budget includes additional places to address demand, and it is expected that these will be fully allocated either on a permanent or temporary basis during the financial year. Although fully allocated, the part-year effect of some place allocations is expected to deliver an underspend on this budget. In addition, the use of the high needs contingency budget to fund selected temporary places has eased pressure on this budget.

5.2 Early Years £188k 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 brought forward 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 brought forward from 2020-21 as this is still subject to confirmation.

5.3 Early Years Central School Costs £0 – on budget

An underspend position of £20k had been reported at the September meeting but a re-assessment of the activity has identified that the full budget will be needed.

5.4 Admissions - £35k favourable

The budget includes resources to meet fluctuations in demand. It is not expected that these resources will be fully utilised in year and this has generated a forecast underspend of £35k.

5.5 Other Central School Costs - £22k favourable

The following underspends have been identified:

- School redundancy costs – historic commitments relating to closed schools that are reducing over time thus delivering an underspend (£6.0k)
- Schools Forum – underspend mainly due to the continuation of on-line meetings (£8.0k)
- Contingency – balance of central school block funding (7.6k)

5.6 Behaviour Support - £11k favourable

The underspend relates to staff cost savings and contributions received from academy schools on a buy-back basis.

5.7 Special Education Needs - Additional resources £2.1m adverse

Demand on this budget continues to grow in line with the requests for EHCP assessments. Requests increased by around 112 in the period to September compared to last year and it is expected that demand will continue to rise for the remainder of the year. Not all 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 generate a budget pressure of £832k for Primary school pupils, £560k for Secondary school pupils and £208k for out of borough placements.

In addition, demand for support for Early Years has generated an overspend of £463k against the Inclusive Practice budget.

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

5.8 Special Education Needs – Top Ups £291k adverse

The top-ups budget is forecast to overspend by £291k and this reflects an increase in costs of £387k since the position reported in September. 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	9,137,010	-363,264
Top-Ups for Resourced Provision	1,070,200	1,046,367	23,833
Alternative Provision	1,318,200	1,269,334	48,866
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	1,350,000	0
Total	14,722,146	15,012,711	-290,565

The overspend of £363k for maintained Special Schools relates mainly to the ratio of pupils in each of the top-up bandings. The number of pupil awards at the mid to higher rate bandings is greater than expected. In addition, the awards associated with additional temporary placements is greater than expected.

The underspend of £24k for the resourced provision relates mainly to the re-evaluation of the mix of top-up bandings and places.

The underspend of £49k for the alternative provision relates to a change in pupil activity.

5.9 High Needs Contingency - £136k adverse

The overspend is due to the need to respond to the demand for additional special school places. Additional provision has been generated in the form of temporary place funding and temporary accommodation.

5.10 Independent Special Schools £801k – adverse

A balanced position had been reported in September but an increase in demand has generated a forecast overspend of £801k. 15 additional pupils have been identified since the financial position was reported to Forum in September.

5.11 Support for SEN £275k - favourable

There are several activities and services that are delivered by this budget including Hearing and Vision, Vulnerable Children and Physical/Medical Impairment. The forecast underspend of £275k relates mainly to staff cost savings due to vacancies.

5.12 Dedicated Schools Grant - £120k adverse

Of the £120k adverse variance, £114k relates to the outcome of the Summer 2021 import/export process. The Import/Export process is a way of re-distributing the High Needs funding where pupils residing in one LA attend a school at another LA.

The remaining £6k relates to the change to the allocation for an alternative provision out of borough placement.

6.0 UPDATE ON SPECIFIC RESERVES

6.1 The opening reserves position for 2021-22 reflects a cumulative deficit position of £1.679m.

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 forecast overspend of £3,147k, the reserve will need to contribute £319k to balance the in-year position thus increasing the closing deficit position to £1,998k.

6.3 The table provides an analysis of the opening and closing reserve balance.

	Opening Balance £000	In-year movement in/-out £000	Closing £000
General reserve	-2,138.4	-131.3	-2,269.7
Ring-fenced reserves			
Early Years - Disability Access Fund	223.5	-187.7	35.8
Early Years - Unspent 2020-21 grant	236.0		236.0
Net surplus/-deficit	-1,678.9	-319.1	-1,998.0

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 confirmation of the 2020-21 Early Years grant funding and thus the ring-fenced underspend of £281.4k that is carried forward into 2021-22.

Simone White

Director of Children, Families and Education

Appendix 1 - Budget Variations 2021-22

	2021-22 Budget	2021-22 Forecast	2021-22 Variation
Individual Schools Budget			
Primary	96,052,551	96,052,551	0
Secondary	20,896,065	20,896,065	0
Special	12,590,592	12,365,823	224,769
Wirral Hospitals School	1,407,180	1,407,180	0
SEN Bases	969,731	969,731	0
Sixth Form/Further Education	36,000	36,000	0
Early Years	20,675,546	20,863,260	-187,714
Growth and Falling Rolls Fund	152,936	152,936	0
Individual Schools Budget Total	152,780,601	152,743,545	37,056
Central School Costs			
Early Years Costs	518,700	518,700	0
Admissions	379,982	345,378	34,604
School Redundancy Costs	81,000	75,000	6,000
Licenses and subscriptions	243,751	243,751	-0
Schools Forum	10,600	2,600	8,000
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	16,366	8,734
School Specific contingencies	31,100	31,100	0
Special Staff Costs	696,000	696,000	-0
Behaviour Support	58,000	47,020	10,980
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	8,571,098	-2,042,798
SEN top-ups	14,722,146	15,012,711	-290,565
High Needs contingency	400,000	536,028	-136,028
Independent Special Schools	5,120,000	5,920,522	-800,522
Home Tuition	422,730	422,730	-0
Support for SEN	2,069,253	1,794,732	274,521
Special School Transport	58,200	58,200	0
Non-delegated school costs Total	35,011,762	37,931,236	-2,919,474
Total Costs	187,792,363	190,674,781	-2,882,418
Funding			
Dedicated School Grant	-189,015,997	-188,896,163	-119,834
Total before Movement in DSG Reserve	-1,223,634	1,778,618	-3,002,252
Contribution to/-from DSG Reserve	2,683,134	-319,118	3,002,252
Grand Total	1,459,500	1,459,500	-0