

WIRRAL COUNCIL

SCHOOLS FORUM – 26th September 2023

REPORT OF THE DIRECTOR OF CHILDREN, FAMILIES AND EDUCATION

SCHOOLS BUDGET VARIATIONS 2023-24

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide an overview of the anticipated variations for the current year 2023-24 schools budget.

2.0 2023-24 SCHOOLS BUDGET

2.1 Overall the schools budget is forecast to overspend by £4.98m 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.

	2023-24 Budget £	2023-24 Forecast £	2023-24 Variation -Under/Over spend £
Schools Block	121,680,632	120,928,765	751,867
Schools Block de-delegated	2,096,444	2,079,767	16,677
Central School Services Block	4,647,334	4,637,365	9,969
High Needs	58,574,600	63,168,341	-4,593,741
Early Years	21,880,382	21,880,382	0
DSG Grant Income	-206,076,553	-205,126,630	-949,923
Total before contribution to/-from Reserve	2,802,839	7,567,990	-4,765,151
Movement on DSG Reserve	-213,286	-4,978,437	4,765,151
Total after contribution to/-from Reserve	2,589,553	2,589,553	0

Cumulative reserve balance b/fwd from 2022-23	-4,762,638
In-year contribution to/-use of reserve	-4,978,437
Cumulative reserve balance c/fwd to 2024-25	-9,741,075

2.2 The 2022-23 financial year closed with a Dedicated Schools Grant (DSG) reserve cumulative deficit position of £4.763m. The current forecast outturn position means that the year-end addition to reserve balance will be increased to £4.98m thus delivering a cumulative £9.74m deficit position at the end of 2023-24.

3.0 2023-24 BUDGET

3.1 There have been no changes to the budget since the position reported at the June 2023 meeting.

4.0 2023-24 FORECAST BUDGET VARIATIONS

The budget variations that make up the £4.98m 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.

4.1 Primary Schools £734K favourable

£734k favourable variance is due to the academy conversion and the DSG income has been reduced by the corresponding amount.

4.2 Special Schools £245K adverse

The budget includes additional places to address demand and the anticipated increase in number of places will exceed the budget set aside for 2023-24. The forecast reflects the allocation of additional 70 places on a temporary basis from September 2023. The final number of the places to be allocated to the special schools might increase further depending on the demand. Also £60K pressure from the pilot places at the Observatory school which was budgeted to be funded from the SEN bases budget.

4.3 SEN Bases £19K favourable

A favourable position of £19K is due to the Observatory school's places as mentioned in 4.2 above and the base project – it has created further additional 36 base places in 2 schools from September 23 and 5 places in 1 school is due to start from January 24.

4.4 Early Years Balanced

The forecast position assumes that the take-up of 2- and 3–4-year-old provision will be in line with planned activity, including the early years supplementary grant (EYSG). The EYSG was announced in July 23 as a supplementary funding to increase the hourly rate paid to local authorities, so that the amount of funding early years childcare providers receives for delivering the entitlements for the period can be increased.

4.5 Schools Block de-delegated £16.7K favorable

A small favorable variance related to the insurance costs which is forecasted to be the same level of as the past years.

4.6 Central School Costs £10K favorable

- Schools Forum - £11K favourable. There is no formal spend plan for this budget at this time and it is forecasted as the same level as the past years. A return to face-to-face meetings might incur meeting related costs.
- School Redundancy Costs - £10K adverse. There is an increase with the pay rates.
- Contingency – £18K favourable. No potential calls on this contingency have been identified at this time.

4.7 Special Education Needs - Additional resources £1.69m adverse

Demand on this budget is expected to grow in line with the requests for Education, Health and Care Plan (EHCP) assessments. Requests increased by around 30% in the period to August 23 compared to last year. 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 £393k for Primary school pupils and £1.22m for Secondary school

pupils. Currently additional EHCP Coordinators are engaged to address the backlog of the outstanding assessment and the number of EHCP issued has significantly increased. The total number of the EHCP issued in the period between April 22 to March 23 is 755, compared with 414 issued in 2021-22.

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

4.8 **Special Education Needs – Top Ups £405K Adverse**

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	10,600,807	10,697,636	96,829
Top-Ups for Resourced Provision	2,197,918	2,312,305	114,387
Alternative Provision	1,318,200	1,464,149	145,949
FE & 6th Form Top-Ups	2,510,000	2,510,000	-0
Additional Nursing Support	160,000	106,596	-53,404
Exceptional Needs	1,398,600	1,500,000	101,400
Total	18,185,525	18,590,686	405,161

The budget is forecasted as an overspend which is from the additional top up funding required for the increased base project places and an additional funding for the alternative provision. Also, the need for the exceptional needs has been increased according to the increase in the number of places in the special schools and SEN bases. The budget has been increased by £1.25m for 2023-24 from the previous year reflecting the increase in demand. The position will be monitored closely, and the forecast position re-assessed accordingly.

4.9 **Independent Special Schools £1.95m adverse**

The demand continues to increase more than anticipated and forecasted to be an overspend of £1.95m despite the budget being increased in 2023-24.

4.10 **Home Education Service £50K adverse**

An adverse position of £50k is due to the pay awards and the premises related costs as the service is currently operating in two centers.

4.10 **Support for SEN £208K adverse**

There are several activities and services that are delivered by this budget including Hearing and Vision, Communication Differences, Vulnerable Children, Pre School-Portage and Physical/Medical Impairment.

The overall 2023-24 budget is expected to be overspend due to the pay awards and the additional commissioned service for specialist support.

4.11 Dedicated Schools Grant £950K Adverse

The favorable variance relates to the following adjustments:

- Academies conversion £734,193
- High Needs Recoupment £ 17,500
- High Needs Import Export £210,000
- Early Years 22-23 grant adjustment -£ 11,770

5.0 The Delivering Better Value Programme

5.1 The DFE announced the Delivering Better Value Programme (DBV) in February 2022. The programme is designed to provide dedicated support and funding to help 55 local authorities with substantial deficit issues in their high needs block of the DSG with the aim to support local authorities and their partners to improve delivery of SEND services for children and young people whilst working towards financial sustainability.

5.2 The programme is split into two phases, diagnostic and implementation. The council is currently taking part in the diagnostic phase working with Newton Europe and the Chartered Institute of Public Finance and Accountancy (CIPFA).

5.3 The diagnostic phase ends in December 2023 when the Council will have the opportunity to bid for £1million of additional grant funding. The findings and outputs from the phase will form the basis of the grant funding application to the DFE.

6.0 RECOMMENDATIONS

6.1 That the Forum notes the report and the forecast financial position of the Schools Budget for 2023-24.

Simone White

Director of Children, Families and Education

Appendix 1 - Budget Variations 2023-24

	2023-24 Budget	2023-24 Forecast	2023-24 Variation
Individual Schools Budget			
Primary	97,636,261	96,902,068	-734,193
Secondary	24,026,697	24,026,697	0
Special	14,861,376	15,106,154	244,778
Wirral Hospitals School	1,723,463	1,723,463	0
SEN Bases	1,272,499	1,253,243	-19,256
Sixth Form/Further Education	146,000	146,000	0
Early Years	20,858,723	20,858,723	0
Growth and Falling Rolls Fund	17,674	0	-17,674
Individual Schools Budget Total	160,542,693	160,016,348	-526,345
Central School Costs			
Early Years Costs	571,659	571,659	-0
Admissions	402,604	402,604	0
School Redundancy Costs	74,000	84,304	10,304
Licenses and subscriptions	286,976	286,976	0
Schools Forum	10,600	0	-10,600
Contingency	17,718	0	-17,718
Contribution to combined budgets	535,883	543,927	8,044
PFI Affordability Gap	2,589,553	2,589,553	0
Retained duties Central (ex-ESG)	730,000	730,000	0
Costs delegated to/de-delegated from schools			
Library Service	174,693	174,693	0
Insurances	23,677	7,000	-16,677
School Specific contingencies	30,204	30,204	0
Special Staff Costs	758,135	758,135	0
Behaviour Support	139,698	139,698	0
School Improvement	470,037	470,037	0
Retained duties de-delegated (ex-ESG)	500,000	500,000	-0
High Needs Pupils			
Additional resources	10,802,569	12,490,460	1,687,891
SEN top-ups	18,185,525	18,590,686	405,161
High Needs contingency	687,205	750,608	63,403
Independent Special Schools	8,795,780	10,749,656	1,953,876
Home Tuition	364,166	413,853	49,687
Support for SEN	2,127,816	2,336,017	208,201
Special School Transport	58,200	58,200	0
Non-delegated school costs Total	48,336,699	52,678,271	4,341,573
Total Costs	208,879,392	212,694,620	3,815,228
Funding			
Dedicated School Grant	-206,076,553	-205,126,630	949,923
Total before Movement in DSG Reserve	2,802,839	7,567,990	4,765,151
Contribution to/from DSG Reserve	-213,286	-4,978,437	-4,765,151
Grand Total	2,589,553	2,589,553	0