

WIRRAL COUNCIL

SCHOOLS FORUM – 16th JANUAR 2024

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 £5.214m which is mainly due to pressure in the High Needs Block. This reflects an increase in the overspend of £4.978m from the position reported at the September 2023 meeting. 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	119,784,792	119,767,118	-17,674
Schools Block de-delegated	2,081,084	2,079,426	-1,658
Central School Services Block	4,647,334	4,632,028	-15,306
High Needs	58,574,600	63,394,304	4,819,704
Early Years	21,880,382	21,880,382	-0
DSG Grant Income	-204,165,353	-203,949,623	215,730
Total before contribution to/-from Reserve	2,802,839	7,803,635	5,000,796
Movement on DSG Reserve	-213,286	-5,214,082	-5,000,796
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	-5,214,082
Cumulative reserve balance c/fwd to 2024-25	-9,976,720

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 £5.214m thus delivering a cumulative £9.977m deficit position at the end of 2023-24.

3.0 2023-24 BUDGET

3.1 The schools block and the de-delegated budget have been adjusted to reflect the changes due to 3 schools academy conversions in May and October 2023. The DSG Grant Income has been reduced by the corresponding amount.

4.0 2023-24 FORECAST BUDGET VARIATIONS

The budget variations that make up the £5.224m overspend are identified in the table attached Appendix 1. The reasons for the variations as well as comments on specific budget areas are given below.

4.1 Schools Block £18K favourable

As agreed by the Forum at September 23 meeting, the 2023-24 Falling Rolls and Growth Fund to be carried forward to 2024-25. The underspend will be included in the DSG reserve to be utilised in 2024-25.

4.2 Special Schools £478K adverse

The budget includes additional places to address demand, and as reported at Sep 23 meeting, the anticipated increase in number of places will exceed the budget set aside for 2023-24. The forecast reflects the allocation of additional 110 places from September 2023 which are mainly for the expansion of the Clare Mount, Foxfield and Observatory schools. The final number of places to be allocated to the special schools might increase further depending on the demand.

4.3 SEN Bases £19K favourable

A pressure from the base project which has increased by 36 places from September 23 is mitigated by the Observatory school's 6 pilot places included in this budget to be funded from the Special Schools budget as mentioned in 4.2 above. The plan for the further 5 base project places from January 24 has been postponed.

4.4 Sixth Form/Further Education 58K adverse

This is due to an increase in pupil numbers at the Wirral Met College.

4.5 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.

4.6 Schools Block de-delegated £2k favourable.

A small favorable variance related to the insurance costs which is forecasted to be the same level of as the past years and a pressure from the maternity/paternity pay.

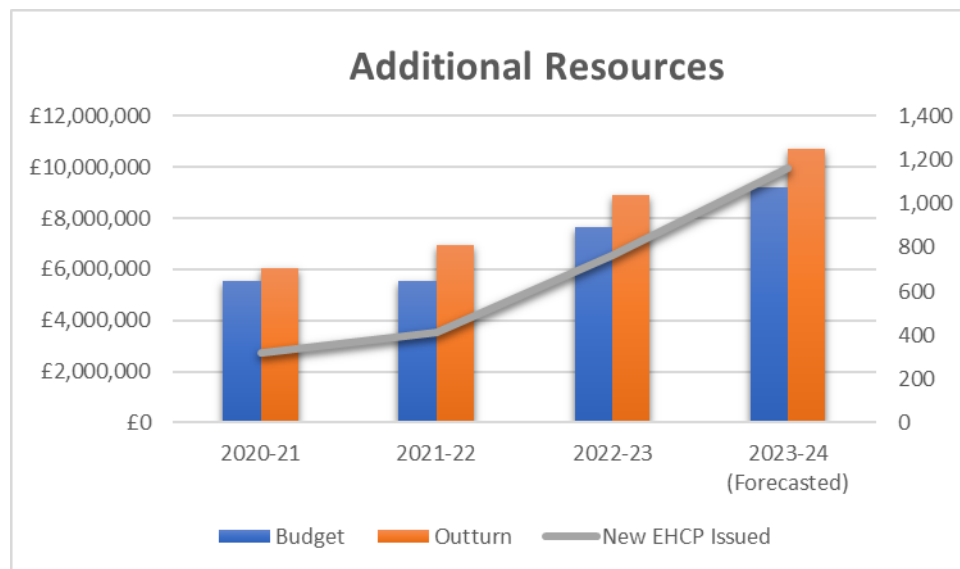
4.7 Central School Costs £15K favourable

- Admissions - £13k adverse variance due to staff pay awards.
- Schools Forum - £11k favourable. There is no formal spend plan for this budget at this time and anticipated fully underspend.
- Contingency - £18k favourable. No potential calls on this contingency have been identified at this time.

4.8 Special Education Needs - Additional resources £1.668m adverse

Demand on this budget keeps growing in line with the requests for Education, Health and Care Plan (EHCP) assessments. Requests increased by around 23 % in the period to December 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 it is forecasted to be an overspend of £305k for Primary school pupils and £1,243k for Secondary school pupils. The total number of the EHCP issued in the period between April to December 23 is 933, compared with 609 issued in 2022-23.

The graph is the comparison of the budget, outturn/forecasted outturn, and numbers of the new EHCP issued /forecasted to be issued.



	Budget	Outturn	New EHCP Issued
2020-21	£5,567,200	£6,021,938	318
2021-22	£5,567,200	£6,952,272	414
2022-23	£7,653,857	£8,904,554	763
2023-24 (Forecasted)	£9,187,960	£10,737,049	1,163

Please note the outturn and EHCP number for 2023-24 are forecasted figures.

4.9 Special Education Needs – Top Ups £211k 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	2,167,166	-30,752
Alternative Provision	1,318,200	1,378,271	60,071
FE & 6th Form Top-Ups	2,510,000	2,510,000	0
Additional Nursing Support	160,000	82,908	-77,092
Exceptional Needs	1,398,600	1,560,408	161,808
Total	18,185,525	18,396,389	210,864

The budget is forecasted as an overspend which is from the additional top up funding required for the additional special school 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. This 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.

4.10 Independent Special Schools £2.174m adverse

The demand continues to increase more than anticipated and this budget is forecasted to be an overspend despite the budget has been increased in 23-24.

4.11 Support for SEN £181k 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.

4.12 Dedicated Schools Grant £216k adverse

The favorable variance relates to the following adjustments:

- High Needs Recoupment £ 17,500
- High Needs Import Export £210,000
- Early Years 22-23 grant adjustment -£11,700

5.0 RECOMMENDATIONS

- 5.1 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	95,740,421	95,740,421	0
Secondary	24,026,697	24,026,697	0
Special	14,861,376	15,339,488	478,112
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	204,000	58,000
Early Years	20,858,723	20,858,723	0
Growth and Falling Rolls Fund	17,674	0	-17,674
Individual Schools Budget Total	158,646,853	159,146,035	499,182
Central School Costs			
Early Years Costs	571,659	571,659	-0
Admissions	402,604	415,616	13,012
School Redundancy Costs	74,000	74,000	0
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	535,883	0
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	773,154	15,019
Behaviour Support	139,698	139,698	-0
School Improvement	468,754	468,754	0
Retained duties de-delegated (ex-ESG)	485,923	485,923	0
High Needs Pupils			
Additional resources	10,802,569	12,470,613	1,668,044
SEN top-ups	18,185,525	18,396,389	210,864
High Needs contingency	687,205	748,810	61,605
Independent Special Schools	8,795,780	10,969,559	2,173,779
Home Tuition	364,166	371,416	7,250
Support for SEN	2,127,817	2,309,123	181,306
Special School Transport	58,200	58,200	0
Non-delegated school costs Total	48,321,339	52,607,223	4,285,884
Total Costs	206,968,192	211,753,258	4,785,066
Funding			
Dedicated School Grant	-204,165,353	-203,949,623	215,730
Total before Movement in DSG Reserve	2,802,839	7,803,635	5,000,796
Contribution to/-from DSG Reserve	-213,286	-5,214,082	-5,000,796
Grand Total	2,589,553	2,589,553	0