

# WIRRAL COUNCIL

## SCHOOLS FORUM – 9<sup>th</sup> July 2024

### REPORT OF THE DIRECTOR FOR CHILDREN, FAMILIES AND EDUCATION

#### SCHOOLS BUDGET OUTTURN REPORT 2023-24

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#### 1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to outline the year end position for the 2023-24 Schools Budget. At this time, the accounts are provisional and subject to audit.
- 1.2 Overall the schools budget has overspent by £8.226m which had an adverse movement of £3.012m since the position reported at the January 24 meeting of the Forum.
- 1.3 The table attached at Appendix 1 compares the detailed Schools Budget with the spend for the year. The reasons for the main variations and comments on specific budget areas are included in section 3.0 below. The Budget and Outturn for each block of the Dedicated Schools Grant (DSG) is summarised below.

	2023-24		2023-24		2023-24
	Budget	£	Spend	£	Variation (Favourable)/ Adverse
Schools Block	118,186,326		118,168,652		(17,674)
Schools Block de-delegated	2,085,597		2,125,572		39,975
Central School Services Block	4,647,334		4,648,385		1,051
High Needs	58,574,599		66,704,913		8,130,314
Early Years	22,110,663		21,742,312		(368,351)
DSG Grant Income	(202,801,680)		(202,574,180)		227,500
<b>Total before contribution to/-from Reserve</b>	<b>2,802,838</b>		<b>10,815,653</b>		<b>8,012,815</b>
Movement on DSG Reserve	(213,286)		(8,226,101)		(8,012,815)
<b>Total after contribution to/-from Reserve</b>	<b>2,589,553</b>		<b>2,589,553</b>		<b>0</b>

Cumulative reserve balance b/fwd from 2022-23	(4,762,638)
In-year contribution to/-use of reserve	(8,226,101)
Cumulative reserve balance c/fwd to 2024-25	(12,988,739)

- 1.4 At the beginning of 2023-24 the cumulative DSG reserve opened with a deficit balance of £4.763m. The in-year deficit of £8.226m means that the total deficit balance to be carried forward into 2024-25 is £12.989m.

#### 2.0 REVISED 2023-24 BUDGET

- 2.1 The schools block and the de-delegated budget have been adjusted to reflect the changes due to 6 schools academy conversions in December 23 and January 24. The early years budget has been adjusted to the expected revised budget based

on the January 24 census. The DSG Grant Income has been reduced by the corresponding amount.

### 3.0 SCHOOLS BLOCK

#### 3.1 Schools – £17,674 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.

#### 3.2 Schools de-delegated - School Specific Contingency - £30,204 favorable

The purpose of this budget is to meet exceptional and unforeseen costs, which would be unreasonable to expect the schools and governing bodies to bear. As such these costs can significantly fluctuate year on year and are summarised in the table below.

	2023-24 Budget	2023-24 Spend	2023-24 Variation (Favourable)/ Adverse
<b><u>Primary and Secondary schools</u></b>			
Business rates variations	0	0	0
School support	30,204	0	(30,204)
<b><u>Special schools</u></b>			
School support	155,000	145,260	(9,740)
Special school buy-back	(155,000)	(145,260)	9,740
<b>Total</b>	<b>30,204</b>	<b>0</b>	<b>(30,204)</b>

There was no unforeseen expenditure within the maintained schools in 2023-24 to utilise the contingency budget. The special schools buy-back scheme had a slight underspend, which was utilised to address an adverse balance of the special staff costs.

#### 3.3 Schools de-delegated - Special Staff Costs - £100,419 adverse

There was a £0.100m overspend on Special Staff costs as shown in the table below:

	2023-24 Budget	2023-24 Spend	2023-24 Variation (Favourable)/ Adverse
Maternity, Paternity & Other Staff Costs	661,116	761,535	100,419
TU Facilities	90,319	90,319	0
Insurances & Recharges	6,700	6,700	(0)
<b>Total</b>	<b>758,135</b>	<b>858,554</b>	<b>100,419</b>

The overspend is due to the excess volume of maternity/paternity pay. The pressure on this activity has been reflected in the increased pupil rate in the de-

delegation budget for 2024-25 as agreed at the January 24 meeting. Unclaimed TU facilities days in 2023-24 have been carried forward to 2024-25 to be included in the overall TU days to be allocated.

#### 3.4 Schools de-delegated - Insurances - £17,755 favourable

This budget covers the cost of governors' liability insurance for Voluntary Aided (VA) schools. The claims received from the VA schools in 2023-24 were less than anticipated.

#### 3.5 Schools Block DSG - £227,500 adverse

The adverse variance relates to the following adjustments:

- High Needs Recoupmnt £ 17,500
- High Needs Import Export £210,000

### 4.0 CENTRAL SCHOOLS SERVICES BLOCK

#### 4.1 Central Schools Services block - £1,051 adverse

Overall, the Central Schools Services Block is overspent by £1k due to a pressure from the pay awards in the Admissions team. This variance was balanced with the favourable variances from the contingency and the Schools Forum budget which has not been utilised. A refund for the business rates re-evaluation was credited to the block in 2023-24.

#### 4.2 Contribution to Combined Budgets – balanced

These contributions support services that would otherwise fall outside of the schools budget. The contributions combine with other council resources for the educational benefit of children.

The £536K 2023-24 budget was utilised across the following areas:

	<b>Budget</b>
	<b>£</b>
School Improvement	201,960
Discretionary Rate Relief Top Up	65,239
LCSB contribution	18,360
Governors Forum	1,362
PFI Support Team	37,822
PFI CLC	41,922
Looked after Children Education Services	85,986
School Intervention	83,232
<b>Total</b>	<b>535,883</b>

### 5.0 EARLY YEARS BLOCK - £368,353 favourable

5.1 The budget for the Early Years block has been adjusted to reflect the expected grant income to review early years financial performance for the year. The variance for 2023-24 includes £52.1K Disability Access Fund (DAF) underspend as summarised in the table below. Note that the variance is indicative at this time and is subject to confirmation once the final grant allocation for 2023-24 is published.

	2023-24 Grant £	2023-24 Spend £	2023-24 Variation (Favourable)/ Adverse
2 year-olds	2,862,867	2,967,307	104,440
3/4 year-olds (Universal)	11,337,394	11,084,573	(252,821)
3/4 year-olds (Extended)	5,983,219	5,857,462	(125,757)
	20,183,480	19,909,343	(274,139)
Pupil premium	267,037	261,988	(5,049)
Disability Access Fund	149,239	97,108	(52,131)
MNS Protection	489,248	492,298	3,050
Central Costs	571,659	571,659	0
Special educational needs inclusion fund (SENIF)	450,000	409,916	(40,084)
<b>Total</b>	<b>22,110,663</b>	<b>21,742,312</b>	<b>(368,353)</b>

## 5.2 Payments to providers - £274,139 favourable

Payments to providers have resulted in a surplus of £274.1K against anticipated DSG funding. This year's Early Years grant allocation is calculated using the number of hours taken up across 2-year-old and 3 & 4-year-old provision based on January 23 (5 months) and January 24 (7 months) census. 2 year-old payment overspend is due to the total hours of January 24 being lower than actual hours of the Summer and Autumn 23 term.

## 5.3 Disability Access Fund – £52,131 favourable

There was an underspend on the fund of £52.1K which is mainly due to slippage in spending plans. The fund is ring-fenced to be used on services in line with the principles and aims of DAF, such as training and equipment, it is therefore proposed that the underspent funding is to be used in 2024-25, in addition to the total £162.5K surplus brought forward from 2022-23.

## 5.4 Early Years Central Budget - balanced

The expenditure of the central budget was in line with this year's budget.

## 5.5 Special educational needs inclusion fund (SENIF) - £40,084 Favourable

The demand for support for Early Years in 2022-23 was less than anticipated. The total SENIF expenditure in 23-24 was £410K.

## 6.0 HIGH NEEDS BLOCK

### 6.1 Special School Places - £714,779 adverse

The 2023-24 budget includes growth of 63 places to be allocated to schools from April 23 and September 23. An additional 179 places in total (37 places from April 23 and 142 places from September 23) have been allocated to the schools resulting £715K overspend.

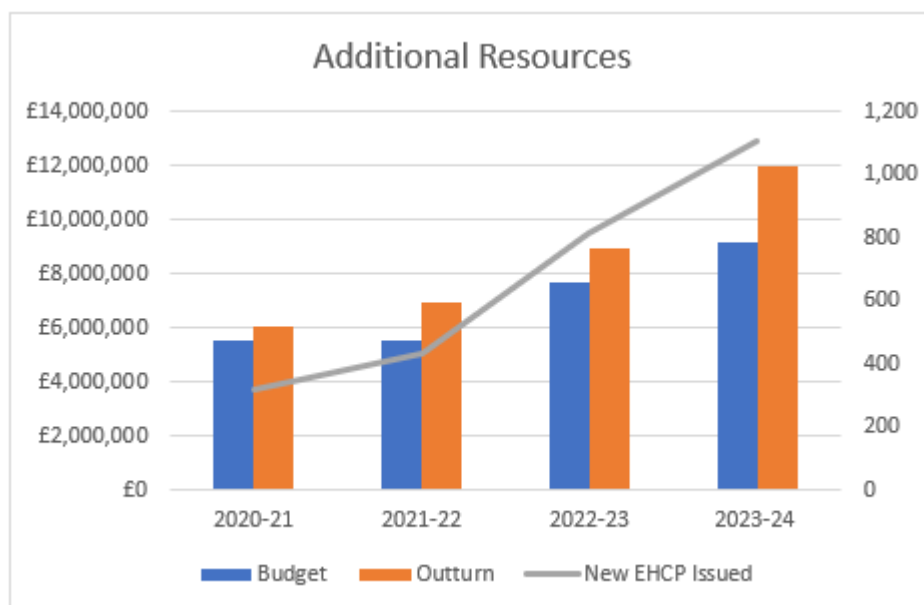
### 6.2 Special Education Needs Additional Resources (excluding Early Years) - £3,364,034 adverse.

Pressure on this budget has continued throughout the year in line with the requests for Education, Health and Care Plan (EHCP) assessments resulting in an overspend of £3.364m.

The majority of the overspend relates to:

- Units of Resource – there has been a growth in plans during the year and overspends of £1.247m for Secondary pupils and £1.525m for Primary pupils. This overspend is partly covered by an underspend of £66K for out of borough placements.

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



The table below shows the comparison between Autumn term 22-23 and Autumn term 23-24 for the number of unit of resources provided to pupils in mainstream schools and early years providers.

	Autumn 22	Autumn 23	Increase
	Unit	Unit	%
Primary	4,885	7,939	62.51%
Secondary	3,221	4,919	52.71%

- Personal Budget – the expenditure has continued to increase in 2023-24 resulting £0.753m overspend, £0.693m more spend compared with 2022-23.

### 6.3 Special Education Needs Top Ups - £1,062,749 Adverse

Although the budget was increased in 2023-24 reflecting the increased demand, the overall position on top-ups was an overspend of £1.063m which is summarised as follows:

	2023-24 Budget £	2023-24 Spend £	2023-24 Variation (Favourable)/ Adverse
Top-Ups for Maintained Special Schoo	10,600,807	10,830,485	229,678
Top-Ups for Resourced Provision	2,197,918	2,129,866	(68,052)
Alternative Provision	1,318,200	1,354,999	36,799
FE & 6th Form Top-Ups	2,510,000	3,195,589	685,589
Additional Nursing Support	160,000	82,912	(77,088)
Exceptional Needs	1,398,600	1,654,422	255,822
<b>Total</b>	<b>18,185,525</b>	<b>19,248,274</b>	<b>1,062,749</b>

The adverse variance is mainly from the overspend in Top-ups for the Special Schools and Further Education which are related to the increased places in 2023-24. The total spends in both areas for 2023-24 was £1.695m more than the spend in 2022-23.

### 6.4 High Needs Contingency - £367,360 adverse

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

### 6.5 Independent Special Schools - £2,434,984 adverse

The demand increased throughout the year and the pupil number increased to 226 at the end of the financial year. The budget for 2023-24 was increased reflecting the anticipated increase in the number of pupils and the costs, however the actual level of demand was exceeded than expected. The demand is expected to continue into 2024-25.

### 6.6 Home Tuition Service - £2,763 favourable

The small underspend is due to a slippage of sessional staff expenditure that occurred during the year.

### 6.7 Support for SEN - £193,275 adverse

The overspend is mainly due to the pay awards and the additional commissioned service for specialist support.

## **7.0 UPDATE ON SPECIFIC RESERVES**

- 7.1 The 2023-24 budget included a planned deficit of £213K in the High Needs Block that was to be carried forward into the reserve at the end of the financial year. The actual pressure on the High Needs Block in the year was more than anticipated and resulted in £8.344m overspend. This has been partly offset by underspend in the Early Years block thus generating a net deficit for the year of 8.226m. This will be added to the DSG reserve resulting in a total deficit of £12.989m to be carried forward into 2024-25.
- 7.2 Whilst the overall DSG reserve to be carried forward to 2024-25 is in deficit by £12.989m, this includes a cumulative surplus of £0.215m in respect of the Early Years Disability Access Fund and the 2023-24 Falling Rolls and Growth Fund £0.018m.
- 7.3 It should be noted, there is a risk that the deficit may have to be included in the Council's overall reserves as the statutory override that separated DSG deficits from the authority's wider finances is due to expire at the end of 2025/26. Local authorities are calling for an extension to the override, however, no announcement has been made from the DfE to date.

## **8.0 CONCLUSION**

- 8.1 The overspend of £8,226,101 generated in 2023-24 has resulted in an overall DSG reserve deficit of £12,988,739 at 31 March 2024.

## **9.0 RECOMMENDATIONS**

- 9.1 That the Forum notes the report and the financial position of the Schools Budget for 2023-24, subject to confirmation of the final grant allocation for 2023-24.
- 9.2 That, DSG for 2023-24 includes a cumulative surplus of £214,662 of ring-fenced Early Years Disability Access Fund and £17,674 carried forward 2023-24 Falling Rolls and Growth Fund.

**Elizabeth Hartley**  
**Director of Children, Families and Education**



## Appendix 1 - Budget Variations 2023-24

	2023-24 Budget £	2023-24 Spend £	2023-24 Variation (Favourable)/ Adverse
<b>Individual Schools Budget</b>			
Primary	94,141,890	94,141,890	0
Secondary	24,026,761	24,026,761	0
Special	14,861,375	15,576,154	714,779
Wirral Hospitals School	1,723,463	1,723,463	0
SEN Bases	1,272,499	1,242,704	(29,795)
Sixth Form/Further Education	146,000	171,692	25,692
Early Years	21,089,004	20,760,736	(328,268)
Growth and Falling Rolls Fund	17,674	0	(17,674)
<b>Individual Schools Budget Total</b>	<b>157,278,667</b>	<b>157,643,402</b>	<b>364,734</b>
<b>Central School Costs</b>			
Early Years Costs	571,659	571,659	0
Admissions	402,604	431,660	29,056
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	-9,992	(27,710)
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
<b>Costs delegated to/de-delegated from schools</b>			
Library Service	174,693	174,693	0
Insurances	23,677	5,922	(17,755)
School Specific contingencies	30,204	-0	(30,204)
Special Staff Costs	758,135	858,554	100,419
Behaviour Support	139,698	131,286	(8,412)
School Improvement	468,754	468,754	0
Retained duties de-delegated (ex-ESG)	490,436	486,363	(4,073)
<b>High Needs Pupils</b>			
Additional resources	10,802,569	14,126,519	3,323,950
SEN top-ups	18,185,525	19,248,274	1,062,749
High Needs contingency	687,205	1,054,565	367,360
Independent Special Schools	8,795,780	11,230,764	2,434,984
Home Tuition	364,166	361,403	(2,763)
Support for SEN	2,127,816	2,321,092	193,275
Special School Transport	58,200	58,200	0
<b>Non-delegated school costs Total</b>	<b>48,325,851</b>	<b>55,746,432</b>	<b>7,420,580</b>
<b>Total Costs</b>	<b>205,604,519</b>	<b>213,389,833</b>	<b>7,785,315</b>
<b>Funding</b>			
Dedicated School Grant	(202,801,680)	(202,574,180)	227,500
<b>Total before Movement in DSG Reserve</b>	<b>2,802,838</b>	<b>10,815,653</b>	<b>8,012,815</b>
Contribution to/-from DSG Reserve	(213,286)	(8,226,101)	(8,012,815)
<b>Grand Total</b>	<b>2,589,553</b>	<b>2,589,553</b>	<b>0</b>