

# WIRRAL COUNCIL

## SCHOOLS FORUM – 14<sup>th</sup> January 2025

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

#### SCHOOLS BUDGET VARIATIONS 2024-25

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#### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide an overview of the anticipated variations for the current year 2024-25 schools budget.

#### 2.0 2024-25 SCHOOLS BUDGET

2.1 Overall the schools budget is forecast to overspend by £15.895m which is mainly due to pressure in the High Needs Block. This reflects an increase in the overspend from the position of £12.798m reported at the October 2024 meeting. The table below summaries the outturn position by funding block and a more detailed analysis is attached in Appendix 1.

	<b>2024-25 Budget £</b>	<b>2024-25 Forecast £</b>	<b>2024-25 Variation -Under/Over spend £</b>
Schools Block	114,291,647	114,161,178	-130,469
Schools Block de-delegated	1,945,360	1,891,051	-54,309
Central School Services Block	4,635,230	4,588,858	-46,371
High Needs	72,275,511	77,409,111	5,133,600
Early Years	36,378,617	36,378,617	0
DSG Grant Income	-216,020,252	-215,944,097	76,155
<b>Total before contribution to/-from Reserve</b>	<b>13,506,114</b>	<b>18,484,719</b>	<b>4,978,605</b>
Movement on DSG Reserve	-10,916,561	-15,895,166	-4,978,605
<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 2023-24			-12,988,739
In-year contribution to/-use of reserve			-15,895,166
Cumulative reserve balance c/fwd to 2025-26			-28,883,905

2.2 The 2023-24 financial year closed with a Dedicated Schools Grant (DSG) reserve cumulative deficit position of £12.989m. The current forecast outturn position means that the year-end addition to reserve balance will be £15.895m thus delivering a cumulative £28.884m deficit position at the end of 2024-25.

#### 3.0 2024-25 BUDGET

3.1 The schools block and the de-delegated budget have been adjusted to reflect the changes due to a school academy conversion in October 2024. The EY budget has been adjusted to match the DSG EY block allocation which has been revised

reflecting the actual Summer 24 hours for 2-year-old entitlement for working parents. The DSG Grant Income has been reduced by the corresponding amount.

#### **4.0 2024-25 FORECAST BUDGET VARIATIONS**

4.1 The budget variations that make up the £12.385m 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.

#### **4.2 Schools Block £130K favourable**

As agreed by the Forum at October 24 meeting, the unspent 2024-25 Falling Rolls and Growth Fund to be carried forward to 2025-26. The underspend will be included in the DSG reserve to be utilised in 2025-26

#### **4.3 Special Schools £52K adverse**

As detailed in the report at the March 24 forum meeting, the admission numbers of special schools have been increased from the 2024-25 academic year. The forecast reflects the new allocated places and currently it is in line with the budget. The final number of the places to be allocated to the special schools might increase further depending on the demand.

#### **4.4 Resourced Provisions (SEN Base) £269K adverse**

An adverse position of £269K is due to the new resourced provision and nurture provision places in the new academic year. The forecast is based on 77 additional places from September 24 and further 8 places from January 25. There are potentially further new provisions as several schools are currently in conversation with the Council.

#### **4.5 Early Years Balanced**

The forecast position assumes that the take-up of provisions including new entitlements will be in line with planned activity.

#### **4.6 Schools Block de-delegated £54K favorable**

The special staff forecast shows £21k favourable variance based on the actual for this year and it is added to favourable variances of the insurance costs which is forecasted to be the same level of as the past years, and School Specific contingency budget.

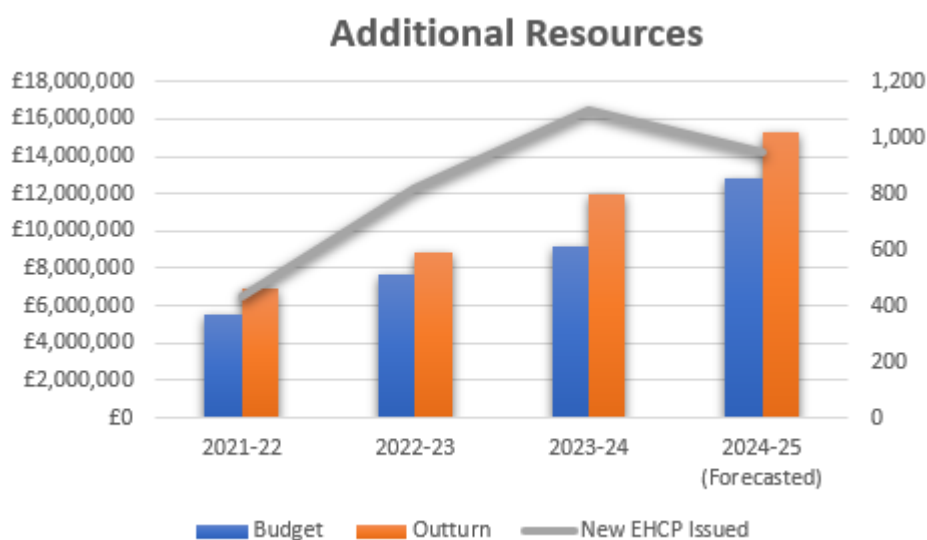
#### **4.7 Central School Costs £46K favorable**

- Admissions -£18K favourable due to a slippage in non-pay spend
- School Redundancy Costs - £18K adverse. There is an increase with the pay rates
- Contingency – £46K favourable. No potential calls on this contingency have been identified at this time.

#### 4.8 Special Education Needs - Additional resources £2.837m 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 7% in the period to Oct 24 compared to last year. Although the number of EHCP to be issued in this financial year is forecasted to be less than the plans issued in 23/24, the forecasted expenditure for the Units of Resources in 2024-25 has 28% increase compared with the 2023-24 outturn.

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



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

#### 4.9 Special Education Needs – Top Ups £898k adverse

The main reasons for this area's adverse variance are the pressures from the pupil number increase in the FE settings and the demand increase in the alternative provisions for excluded pupils.

#### 4.10 Independent Special Schools £1.160m adverse

The demand continues to increase more than anticipated and is forecast to overspend by £1.160m despite the budget being increased in 2024-25 by £3.73m.

#### 4.11 Support for SEN £42K favourable

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 2024-25 budget is expected to be underspend due to part year staff vacancies.

#### **4.12 Dedicated Schools Grant £76K Adverse**

The adverse variance relates to the following adjustments:

- High Needs Recoupment £ (11,666)
- High Needs Import Export £ 78,000
- Early Years 23-24 grant adjustment £ 9,821

#### **5.0 RECOMMENDATIONS**

- 5.1 That the Forum notes the report and the forecast financial position of the Schools Budget for 2024-25.

**Elizabeth Hartley**

**Director of Children, Families and Education**

**Appendix 1 - Budget Variations 2024-25**

	<b>2024-25 Budget</b>	<b>2024-25 Forecast</b>	<b>2024-25 Variation</b>
<b>Individual Schools Budget</b>			
Primary	88,700,759	88,700,759	0
Secondary	25,404,554	25,404,554	0
Special	16,909,452	16,961,180	51,728
Wirral Hospitals School	1,867,228	1,867,228	0
Resourced Provision	1,562,833	1,831,833	269,000
Sixth Form/Further Education	169,000	169,000	0
Early Years	35,098,617	35,098,617	0
Growth and Falling Rolls Fund	186,334	55,865	-130,469
<b>Individual Schools Budget Total</b>	<b>169,898,777</b>	<b>170,089,036</b>	<b>190,259</b>
<b>Central School Costs</b>			
Early Years Costs	830,000	830,000	0
Admissions	420,731	402,825	-17,906
School Redundancy Costs	72,000	89,953	17,953
Licenses and subscriptions	329,620	329,620	0
Schools Forum	0	500	500
Contingency	46,918	0	-46,918
Contribution to combined budgets	428,708	428,708	0
PFI Affordability Gap	2,589,553	2,589,553	0
Retained duties Central (ex-ESG)	747,700	747,700	0
<b>Costs delegated to/de-delegated from schools</b>			
Library Service	152,412	152,412	0
Insurances	11,978	5,922	-6,056
School Specific contingencies	27,397	0	-27,397
Special Staff Costs	705,710	684,855	-20,855
Behaviour Support	134,301	134,301	0
School Improvement	424,200	424,200	0
Retained duties de-delegated (ex-ESG)	489,362	489,362	0
<b>High Needs Pupils</b>			
Additional resources	14,680,084	17,570,594	2,890,510
SEN top-ups	21,523,882	22,249,276	725,394
High Needs contingency	687,205	764,259	77,054
Independent Special Schools	12,525,645	13,686,168	1,160,523
Home Tuition	364,166	364,586	420
Support for SEN	2,377,816	2,336,789	-41,028
Special School Transport	58,200	58,200	0
<b>Non-delegated school costs Total</b>	<b>59,627,589</b>	<b>64,339,780</b>	<b>4,712,191</b>
<b>Total Costs</b>	<b>229,526,366</b>	<b>234,428,816</b>	<b>4,902,450</b>
<b>Funding</b>			
Dedicated School Grant	-216,020,252	-215,944,097	76,155
<b>Total before Movement in DSG Reserve</b>	<b>13,506,114</b>	<b>18,484,719</b>	<b>4,978,605</b>
Contribution to/-from DSG Reserve	-10,916,561	-15,895,166	-4,978,605
<b>Grand Total</b>	<b>2,589,553</b>	<b>2,589,553</b>	<b>0</b>