



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 8th July 2014

Subject: Schools Admissions Funding

Contact: Dan Mortiboys (mortiboysd@walsall.gov.uk)

Purpose of the report: To explain the current position re funding of School Admissions and for Schools Forum to recommend a course of action.

Recommendation: **See final section**

1. Background

- 1.1 Schools Admissions service is funded through Dedicated Schools Grant (DSG). The Schools and Early Years Finance (England) Regulations state:

*CLASSES OR DESCRIPTIONS OF PLANNED EXPENDITURE
PRESCRIBED FOR THE PURPOSES OF THE SCHOOLS BUDGET OF A LOCAL
AUTHORITY WHICH MAY BE DEDUCTED FROM IT TO DETERMINE THE
INDIVIDUAL SCHOOLS BUDGET*

1. Expenditure on the operation of the system of admissions of pupils to schools (including expenditure incurred in carrying out consultations under section 88C(2) of the 1998 Act(a)) and in relation to appeals.

5. Any deductions under any of paragraphs 1, 2, 3, 4(a), 4(b), 4(c), 4(d) and 4(e) must not exceed the amount deducted under each of the corresponding paragraphs of Part 1 of Schedule 2 to the 2012 Regulations for the previous funding period.

- 1.2 In simple terms this means that all costs for schools admissions should be charged to DSG but the total costs should be no more than the previous year budget.
- 1.3 This report explains why that position is not sustainable in Walsall and looks for a Schools Forum decision to advise on the future.

2. Schools Admissions Costs background

- 2.1 The schools admission service in Walsall was previously part of the outsourced education contract. In the final year of the Serco contract the cost of the Schools Admission service was established as **£240,839**.
- 2.2 The problem with using this information is that the Serco contract was a fixed price contract. In essence, the price paid was not necessarily the cost of the service. Since 1 April 2013 when the contract terminated and all remaining services returned to Walsall Council, it has become clear that the cost of school admissions is greater than £240,839.
- 2.3 Based on the regulations stated in Section 1 above, there is no way to use extra DSG to fund the admissions service. This clearly creates an issue.
- 2.4 Advice was sought from the Education Funding Agency about the options that are available. The advice from the EFA can be paraphrased as:
- 2.4.1 Reduce the service to fit within the funding envelope
- 2.4.2 Pay for the costs above the DSG contribution with other Council monies
- 2.4.3 A request can be made to disapply the regulations and increase the budget. A robust case would need to be made. This would need to explain why it is not possible to make the efficiencies within central budgets which would be expected from a flat cash settlement and which are being made within non-schools budget. Evidence would need to be provided of the full support from the Schools Forum, including from academies members

2.5 The remainder of this paper deals with these options and principally disapplying the regulations

3. Current Costs of the Service

3.1 The total cost of the Schools Admissions service is estimated to be **£362,727** for 2014/15.

Table 1 gives details of costs:

Cost Type	Forecast value for 2014/15	Comment
Staff costs (Salary, pension, NI)	330,800	This funds 8 members of staff who are currently in post and the funding for a vacancy which is planned to be filled.
Travel	1,713	
General Materials	250	
Catering	50	
Printing	2,500	This is the estimated budgets and relates to the many materials printed all year
Stationary	500	
Telephones	100	This is specifically the costs of a mobile phone
Reference Books	150	
Various overheads	26,664	A number of costs are paid centrally and recharged as accurately as possible. The major costs here would be postage, as admissions send an estimated 8,000 to 12,000 letters per year. Costs of IT, phone costs and a percentage of costs for all shared services.
Total	362,727	

3.2 The difference between running the costs of the service and the funding from DSG is **£121,888**.

3.3 The analysis of the costs is a budget for one year. Clearly there are other costs which may occur less than once per annum. Examples may include software costs.

4. Benchmarking

4.1 Clearly one of the tests of how much it costs to run a Schools Admissions service in Walsall, would be are the costs reasonable. Some benchmarking has been performed to test this.

4.2 The information in the benchmarking in the 2013/14 budget for school admissions from the Section 251 statement. More recent information is not available but in theory should show no increase in cost due to the regulations.

4.3 Section 251 information is the best source of information available. However, it must be noted that some anomalies in the data will raise concerns about the data being 100% accurate. Therefore this benchmarking must be taken as a guide rather than an absolute.

4.4 **Table 1** shows the information of a 'wider West midlands' section of local authorities ranked by cost per pupil of school admissions. This is cost of the service as appearing on 1.4.2 School Admissions divided by number of pupils 3-19 in maintained and recoupment academy schools. (This is the definition DfE use). Walsall is included as it is now and as it would be based on actual cost.

4.5 **Table 2** is the same data but ranked by total net cost of the service and no reflection on size of authority.

4.6 **Appendix 1** is the same data ranked by pupil for all local authorities in the country.

Table 1

Number	Authority	Gross	Income	Net	Total pupils aged 3-19 from maintained schools and recoupment academies only	Cost per pupil
894	Telford and Wrekin	392,356	0	392,356	25,212	15.56
331	Coventry	636,256	0	636,256	51,706	12.31
885	Worcestershire	846,424	0	846,424	79,696	10.62
937	Warwickshire	1,014,497	215,426	799,071	80,164	9.97
861	Stoke-on-Trent	327,161	0	327,161	35,675	9.17
333	Sandwell	402,600	0	402,600	49,578	8.12
330	Birmingham	1,515,447	16,964	1,498,483	184,861	8.11
335	Walsall (Revised)	362,727	0	362,727	45,595	7.96
893	Shropshire	299,510	0	299,510	39,516	7.58
831	Derby	285,346	0	285,346	39,301	7.26
332	Dudley	349,400	18,000	331,400	48,178	6.88
336	Wolverhampton	247,270	0	247,270	38,361	6.45
860	Staffordshire	786,050	0	786,050	122,911	6.40
334	Solihull	219,651	0	219,651	35,183	6.24
335	Walsall	240,839	0	240,839	45,595	5.28

Table 2

Number	Authority	Gross	Income	Net	Total pupils aged 3-19 from maintained schools and recoupment academies only	Cost per pupil
330	Birmingham	1,515,447	16,964	1,498,483	184,861	8.11
885	Worcestershire	846,424	0	846,424	79,696	10.62
937	Warwickshire	1,014,497	215,426	799,071	80,164	9.97
860	Staffordshire	786,050	0	786,050	122,911	6.40
331	Coventry	636,256	0	636,256	51,706	12.31
333	Sandwell	402,600	0	402,600	49,578	8.12
894	Telford and Wrekin	392,356	0	392,356	25,212	15.56
335	Walsall (Revised)	362,727	0	362,727	45,595	7.96
332	Dudley	349,400	18,000	331,400	48,178	6.88
861	Stoke-on-Trent	327,161	0	327,161	35,675	9.17
893	Shropshire	299,510	0	299,510	39,516	7.58
831	Derby	285,346	0	285,346	39,301	7.26
336	Wolverhampton	247,270	0	247,270	38,361	6.45
335	Walsall	240,839	0	240,839	45,595	5.28
334	Solihull	219,651	0	219,651	35,183	6.24

5. Commentary

- 5.1 Whichever measure is used, it is clear from **tables 1 and 2** that the funding allocated to Walsall is one of the lowest, if not the lowest in the wider West Midlands. The average per pupil across this group would be **£8.35** (based on current Walsall only).
- 5.2 The data will have limitations as Coventry has c50% more pupils than Solihull but has nearly 200% more cost. In **appendix 1** one LA reports zero cost and there are other statistical outliers. There is a concern that some of the variation is caused by difference in reporting approaches rather than actual cost. However, excluding this data, Walsall will remain a lower funded admissions service.

6. Governance

- 6.1 To be absolutely clear, any increase in costs that Schools Forum are content to support can **only** be spent on schools admissions **actual** costs. Any underspend on this budget would revert to schools. These monies cannot be spent on any other activities.
- 6.2 Even if Schools Forum support an increase, further approval would be needed from the EFA.
- 6.3 While the EFA have not been explicit in their response, it is clear that they would see that disapplying the regulations would be an exceptional step. It is unlikely that a disapplication could be sort again/every year.
- 6.4 For the 2014/15 budget there is believed to be sufficient surplus to cover an increase in this budget. Further analysis and budget planning would be required for 2015/16 which Schools forum will be involved in.

7. Recommendations

- 7.1 Schools Forum is being asked to provide guidance on the Schools Admission budget for 2014/15 and the pressure which is emerging. Example recommendations are below but clearly Schools Forum has a **wide range** of potential decisions it could make:
- 7.1.1 Schools forum support an increase in the DSG funded Schools Admissions budget (1.4.2 Section 251). This increase would be to £362,727 for 2014/15 and further work would be done in 2015/16 and beyond. Schools Forum approves applying to the Education Funding Agency and any other parties for disapplication of the Schools and Early Years Finance (England) Regulations 2012 in this matter.
- 7.1.2 Schools Forum wishes the local authority to run the school admissions service within the current funding envelope of £240,839. Schools Forum acknowledges that this could see a reduction in service.
- 7.1.3 Schools Forum acknowledges that there is a funding pressure emerging in school admissions and wishes the following action to take place.....

Appendix 1

Number	Authority	Gross	Incom e	Net	Total pupils aged 3-19 from maintained schools and recoupment academies only	Cost per pupil
201	City of London	30288	0	30288	251	120.67
207	Kensington and Chelsea	475000	0	475000	11,623	40.87
206	Islington	837821	10524	827297	22,689	36.46
213	Westminster	484700	0	484700	18,952	25.58
837	Bournemouth	563400	0	563400	22,128	25.46
352	Manchester	1582000	0	1582000	68,887	22.97
306	Croydon	1206000	0	1206000	53,709	22.45
825	Buckinghamshire	1690017	0	1690017	81,294	20.79
317	Redbridge	1074889	0	1074889	51,888	20.72
210	Southwark	672572	0	672572	33,048	20.35
205	Hammersmith and Fulham	342989	0	342989	17,772	19.30
310	Harrow	645490	0	645490	33,590	19.22
204	Hackney	529910	0	529910	28,693	18.47
211	Tower Hamlets	728800	0	728800	41,484	17.57
203	Greenwich	646250	0	646250	37,319	17.32
353	Oldham	702280	0	702280	40,643	17.28
320	Waltham Forest	682416	0	682416	40,091	17.02
209	Lewisham	604000	0	604000	36,762	16.43
308	Enfield	880667	0	880667	54,859	16.05
846	Brighton and Hove	518770	0	518770	32,748	15.84
811	East Riding of Yorkshire	758419	0	758419	48,384	15.67
894	Telford and Wrekin	392356	0	392356	25,212	15.56
821	Luton	519296	0	519296	33,724	15.40
892	Nottingham	584914	0	584914	38,762	15.09
889	Blackburn with Darwen	383999	0	383999	25,630	14.98
896	Cheshire West and Chester	730938	0	730938	49,227	14.85
868	Windsor and Maidenhead	318230	0	318230	21,513	14.79
356	Stockport	556641	0	556641	38,668	14.40
202	Camden	325989	0	325989	22,712	14.35
301	Barking and Dagenham	536800	0	536800	38,359	13.99
852	Southampton	422019	0	422019	30,240	13.96
212	Wandsworth	530066	104105	425961	30,750	13.85
313	Hounslow	523248	0	523248	39,508	13.24
382	Kirklees	864500	0	864500	65,466	13.21
307	Ealing	630010	0	630010	48,535	12.98
806	Middlesbrough	241669	0	241669	18,646	12.96
936	Surrey	1995015	0	1995015	154,198	12.94
869	West Berkshire	324071	0	324071	26,276	12.33
331	Coventry	636256	0	636256	51,706	12.31
856	Leicester	595000	0	595000	48,854	12.18
311	Havering	454980	0	454980	38,054	11.96
857	Rutland	65000	0	65000	5,529	11.76
909	Cumbria	829000	0	829000	70,936	11.69

309	Haringey	421398	0	421398		36,284		11.61
319	Sutton	400085	550	399535		34,829		11.47
358	Trafford	431057	0	431057		38,154		11.30
872	Wokingham	285000	0	285000		25,328		11.25
800	Bath and North East Somerset	297161	8000	289161		25,928		11.15
340	Knowsley	228562	0	228562		20,635		11.08
919	Hertfordshire	1997000	0	1997000		182,953		10.92
303	Bexley	447000	0	447000		41,162		10.86
877	Warrington	344532	0	344532		32,149		10.72
871	Slough	277530	0	277530		25,926		10.70
885	Worcestershire	846424	0	846424		79,696		10.62
815	North Yorkshire	897128	4694	892434		85,648		10.42
315	Merton	294430	28300	266130		25,546		10.42
812	North East Lincolnshire	217559	0	217559		20,933		10.39
867	Bracknell Forest	175970	0	175970		17,156		10.26
314	Kingston upon Thames	246500	0	246500		24,141		10.21
316	Newham	550000	0	550000		54,299		10.13
937	Warwickshire	1014497	215426	799071		80,164		9.97
886	Kent	2195781	0	2195781		222,117		9.89
851	Portsmouth	252000	0	252000		25,645		9.83
304	Brent	439988	0	439988		44,801		9.82
354	Rochdale	325543	0	325543		33,231		9.80
835	Dorset	545600	0	545600		57,457		9.50
883	Thurrock	234986	0	234986		24,752		9.49
383	Leeds	1040680	0	1040680		111,408		9.34
393	South Tyneside	196095	0	196095		21,065		9.31
916	Gloucestershire	813207	0	813207		88,221		9.22
861	Stoke-on-Trent	327161	0	327161		35,675		9.17
318	Richmond upon Thames	219376	0	219376		23,938		9.16
344	Wirral	452500	0	452500		49,970		9.06
836	Poole	180344	0	180344		20,134		8.96
805	Hartlepool	137574	5736	131838		14,751		8.94
841	Darlington	131747	1500	130247		14,598		8.92
801	Bristol City of	461418	0	461418		52,006		8.87
370	Barnsley	275000	0	275000		31,991		8.60
921	Isle of Wight	155735	0	155735		18,197		8.56
881	Essex	1758753	0	1758753		206,960		8.50
826	Milton Keynes	371745	0	371745		43,927		8.46
890	Blackpool	173900	0	173900		20,590		8.45
840	Durham	598621	0	598621		71,360		8.39
822	Bedford Borough	222230	0	222230		26,499		8.39
208	Lambeth	277596	0	277596		33,248		8.35
887	Medway	365685	0	365685		44,456		8.23
938	West Sussex	927647	0	927647		113,314		8.19
882	Southend-on-Sea	236290	0	236290		28,922		8.17
333	Sandwell	402600	0	402600		49,578		8.12
330	Birmingham	1515447	16964	1498483		184,861		8.11
390	Gateshead	222754	0	222754		27,506		8.10
865	Wiltshire	552468	0	552468		69,434		7.96
335	Walsall (Revised)	240839	0	362727		45,595		7.96
928	Northamptonshire	870744	0	870744		110,188		7.90

891	Nottinghamshire	885569	0	885569		114,802	7.71
866	Swindon	234191	0	234191		30,474	7.68
823	Central Bedfordshire	310350	0	310350		40,591	7.65
342	St Helens	199938	0	199938		26,231	7.62
802	North Somerset	230000	0	230000		30,235	7.61
384	Wakefield	376261	0	376261		49,638	7.58
893	Shropshire	299510	0	299510		39,516	7.58
803	South Gloucestershire	302213	0	302213		40,642	7.44
845	East Sussex	521626	17000	504626		68,038	7.42
305	Bromley	375520	0	375520		50,987	7.37
808	Stockton-on-Tees	211284. 4	0	211284. 4		28,698	7.36
831	Derby	285346	0	285346		39,301	7.26
816	York	178070	0	178070		24,617	7.23
884	Herefordshire	170000	0	170000		23,565	7.21
874	Peterborough	229804	0	229804		32,249	7.13
302	Barnet	364192	0	364192		51,281	7.10
879	Plymouth	277153	0	277153		39,528	7.01
341	Liverpool	448313	0	448313		64,599	6.94
870	Reading	130900	0	130900		18,869	6.94
373	Sheffield	517713	0	517713		74,683	6.93
332	Dudley	349400	18000	331400		48,178	6.88
371	Doncaster	314470	0	314470		45,953	6.84
351	Bury	190100	0	190100		28,738	6.61
336	Wolverhampton	247270	0	247270		38,361	6.45
380	Bradford	578482	0	578482		89,947	6.43
860	Staffordshire	786050	0	786050		122,911	6.40
931	Oxfordshire	574026	0	574026		90,773	6.32
334	Solihull	219651	0	219651		35,183	6.24
391	Newcastle upon Tyne	230000	0	230000		37,847	6.08
807	Redcar and Cleveland	118400	0	118400		20,891	5.67
850	Hampshire	994200	0	994200		180,725	5.50
350	Bolton	257400	0	257400		46,856	5.49
888	Lancashire	936900	0	936900		172,911	5.42
381	Calderdale	195557	0	195557		36,321	5.38
335	Walsall	240839	0	240839		45,595	5.28
394	Sunderland	205176	1500	203676		39,478	5.16
357	Tameside	176170	0	176170		34,941	5.04
908	Cornwall	369359	0	369359		73,521	5.02
925	Lincolnshire	537735	3200	534535		106,832	5.00
392	North Tyneside	141570	0	141570		29,079	4.87
355	Salford	155303	0	155303		32,178	4.83
873	Cambridgeshire	405692	500	405192		84,276	4.81
929	Northumberland	208430	0	208430		45,717	4.56
895	Cheshire East	240940	0	240940		53,311	4.52
933	Somerset	375681	60000	315681		71,500	4.42
926	Norfolk	487101	0	487101		113,801	4.28
830	Derbyshire	468000	0	468000		110,314	4.24
813	North Lincolnshire	98710	0	98710		24,095	4.10
312	Hillingdon	162000	0	162000		45,351	3.57
855	Leicestershire	339382	0	339382		98,192	3.46
343	Sefton	136750	0	136750		40,991	3.34

880	Torbay	62132	0	62132		19,011		3.27
878	Devon	500000	182000	318000		99,086		3.21
359	Wigan	138391	0	138391		46,604		2.97
876	Halton	52392	0	52392		19,158		2.73
810	Kingston upon Hull City of	72846	0	72846		35,970		2.03
935	Suffolk	124480	0	124480		101,505		1.23
372	Rotherham	0	0	0		43,508		0.00
420	Isles Of Scilly	0	0	0		268		0.00