Walsall Children's Services

Report to:	Schools Forum
Date:	9th December 2014
Subject:	Schools Admissions Funding
Contact:	Dan Mortiboys (mortiboysd@walsall.gov.uk)
Purpose of the report:	To follow up on the request from Schools Forum in July 2014 for further information about the admissions service and the budget gap.
Recommendation:	**See final section**

1.   Background

1.1 In July 2014 Schools Forum received a report stating that an increase in DSG funding was required to maintain the level of funding in admissions.

1.2 Following the report the resolution was,"*That officers submit a report to WASH and Primary Forum setting out the statutory requirements and costings as well as the additional requirements and costings of the Schools Admissions Service and that their comments be submitted to Schools Forum.*"

1.3 A copy of the report that was submitted is attached as **Appendix 1.**

1.4 Further work has gone on to review the cost of the admissions service and a revised budget plan for 2015/16 is submitted.

2.   Regulations

2.1 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.*

2.2 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.

2.3 This report explains why that position is not sustainable in Walsall and looks for a Schools Forum decision to advise on the future.

3.   Schools Admissions Costs background

3.1 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**.

3.2 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.

3.3 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.

3.4 Advice was sought from the Education Funding Agency about the options that are available. The advice from the EFA can be paraphrased as:

3.4.1 Reduce the service to fit within the funding envelope

3.4.2 Pay for the costs above the DSG contribution with other Council monies

3.4.3 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

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

4. Current Costs of the Service

4.1 The total cost of the Schools Admissions service is estimated to be **£362,727** for 2014/15. However this decreases to **£330,543** in 2015/16 **Table 1** gives details of costs:

Cost Type	Forecast value for 2014/15 @ July 2014 (£)	Forecast for 2015/16 based on information @November 2014 (£)	Comment
Staff costs (Salary, pension, NI)	330,800	298,616	Plans are in place to run the service at a lower staff cost
Travel	1,713	1,713	
General Materials	250	250	
Catering	50	50	
Printing	2,500	2,500	This is the estimated budgets and relates to the many materials printed all year
Stationary	500	500	
Telephones	100	100	This is specifically the costs of a mobile phone
Reference Books	150	150	
Various overheads	26,664	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**	**330,543**	

4.2 The difference between running the costs of the service and the funding from DSG is **£89,704.**

4.3 It must be noted that the analysis of the costs shown above is based on the budget for one year. Clearly there may be other costs which will occur less than once per annum e.g. software costs.

5. Benchmarking

5.1 The July 2014 report included benchmarking data. This data has been re-produced in **Table 1**, **Table 2** and **Appendix 1**. It has been updated for the revision in 2015/16 projections for Walsall. There has been a desktop exercise looking at West Midlands data (per capita to zero decimal places) and it is broadly the same for 2014/15.

5.2 The information in the benchmarking is the 2013/14 budget for school admissions from the Section 251 statement.

5.3 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.

5.4 **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.

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

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

Table 1 2013/14

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
893	Shropshire	299,510	0	299,510		39,516		7.58
831	Derby	285,346	0	285,346		39,301		7.26
335	Walsall (Revised)	330,543	0	330,543		45,595		7.25

					Total pupils aged 3-19 from maintained schools and recoupment academies only		Cost per pupil
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
332	Dudley	349,400	18,000	331,400		48,178		6.88
335	Walsall (Revised)	330,543	0	330,543		45,595		7.25
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

6.   Commentary

6.1 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).

6.2 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.

7.   Further Governance

7.1 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.

7.2 Even if Schools Forum support an increase, further approval would be needed from the EFA.

7.3 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 sought again / every year.

7.4 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.

7.5 Any increase in funding would have a net effect and reduce the overall surplus.

8.   Recommendations

8.1 Schools Forum recognise that the current cost of the admissions service is more than the Dedicated Schools Grant funded provided.

8.2 Schools Forum recommend one of the following courses of action:

8.2.1   Schools Forum refuses to recommend an increase in funding from DSG for admissions. It recognises that Walsall council will therefore have to reduce the expenditure, and probably the current service, due to budget constraints.

8.2.2   Schools Forum recommends to the EFA an increase in funding from DSG for financial years 2015/16 and 2016/17 of c£90,000 to £331,000 per annum. This increase will be used to run the service in the short term and allow officers and schools to work together to develop the best service for children, parents and families.

Appendix 1

Number	Authority	Gross	Income	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
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
335	Walsall (Revised)	330,543	0	330,543		45,595		7.25
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