

Deficit Schools

Report being considered by: Schools' Forum on 17th October 2022

Report Author: Melanie Ellis

Item for: Information **By:** All members

1. Purpose of the Report

- 1.1 This report provides details of the five schools which were requested to submit license deficit applications for 2022/23. A sixth school ended 2021/22 with an unplanned deficit, but as reported in the June 2022 Deficit School report it was decided the school would be reviewed during the financial year but not required at this time to apply for a licence deficit.

2. Recommendation

- 2.1 That the report be noted.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction/Background

- 3.1 Schools are permitted to set a deficit budget if they meet certain conditions. This is termed a licensed deficit. The conditions of a licensed deficit are set out in the Scheme for Financing Schools (the legal contract the Council has with schools) and include the following statement, "The recommended length over which schools may repay the deficit, i.e. reach at least a zero balance, with appropriate mechanism to ensure that the deficit is not simply extended indefinitely, is three years. The maximum length of repayment is five years."
- 3.2 If the conditions are not met by the school, the Council has the power to issue a Notice of Concern, which ultimately could mean removal of a school's delegation.
- 3.3 The Council has adopted a strategy aimed to minimise the number and size of deficits. It is in two parts:
- (1) Procedures to support schools to reduce/eliminate or avoid a deficit
 - (2) Intervention for schools not meeting their deficit recovery plan.
- 3.4 Approval of a licensed deficit requires the school to do the following:
- (1) Submit monthly budget monitoring and forecasting reports (Month 3 and then Month 6 to Month 11 inclusive) and other information as detailed Appendix A below
 - (2) Submit a copy of draft and final governor meeting minutes (including Part 2) where the budget is discussed

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- (3) To attend meetings with the local authority when requested to address any budget concerns
- (4) Submit deficit recovery progress reports when requested
- (5) Submit five year detailed deficit recovery plan
- (6) Take part in any review the authority commissions on the school's budget deficit position and recovery plan, including a Schools Resource Management Advisor deployment.
- (7) Take part in the introduction and use of any additional analysis and data tools deemed appropriate including Integrated Curriculum and Financial Planning (ICFP).

3.5 The council's Schools Finance team includes a dedicated resource to work with the schools that are operating in a deficit and to offer support to those who are likely to enter a deficit position.

4. Deficit Schools

4.1 Five schools submitted a WBC Deficit Budget License Application for the financial year 2022/23. Four of the five ended the financial year 2021/22 with an unlicensed deficit, one of the four, Spurcroft, was instructed not to complete a License Deficit Application in 2021/22 as the deficit was totally attributable to Covid-19. The fifth school, Inkpen, had a licensed deficit in the financial year 2021/22.

4.2 Historic information for the five schools is shown in Table 1 below:

Table 1

School	2019/20		2020/21		2021/22	
	Budget	Actual	Budget	Actual	Budget	Actual
Main School Budget						
Basildon Primary School	£6,130	(£6,040)	£7,790	(£3,831)	£18,950	(£23,004)
Inkpen Primary School	£6,110	£15,767	£5,850	£8,819	(£14,750)	(£17,964)
Spurcroft Primary School	£143,170	£103,681	£13,470	(£40,624)	(£29,670)	(£79,302)
St Josephs RC Primary School	£0	£7,606	£270	£11,678	£540	(£7,173)
The Kite Federation	£4,950	£6,466	£3,940	£59,369	£29,660	(£37,097)
TOTAL	£160,360	£127,480	£31,320	£35,411	£4,730	(£164,540)

Figures in red brackets indicate a deficit

4.3 Following a detailed review of each of the license deficit applications and discussion, the five deficits have been licensed. The individual schools have been informed. The total value of the five licensed deficits is £123,118 (Table 2 below).

Two schools, Inkpen and The Kite, plan to come out of deficit in 2022/23, a further two schools, Basildon and St Joseph's, in 2024/25 and the remaining school, Spurcroft, in 2025/26.

The Kite Federation shows a return to deficit position in 2023/24 but it is now expected this will not be the case. The school has deferred work on subsequent years budgets until the new substantive Executive Headteacher takes up their post on 1st September 2022.

Table 2

School Main School Budget	Budget Submission 2022/23				
	Budget Closing Balance				
	2022/23	2023/24	2024/25	2025/26	2026/27
Basildon Primary School	(£22,308)	(£15,017)	£20,202	£74,818	£164,984
Inkpen Primary School	£29,654	£46,262	£97,036	£117,473	£137,932
Spurcroft Primary School	(£70,310)	(£81,632)	(£25,213)	£15,879	£29,156
St Josephs RC Primary School	(£63,731)	(£30,611)	£147	£21,873	£93,511
The Kite Federation	£3,577	(£13,168)	(£90,090)	(£152,082)	(£190,242)
TOTAL	(£123,118)	(£94,166)	£2,082	£77,961	£235,341

Figures in red brackets indicate a deficit

4.4 As is normal practise the five schools have been asked to submit additional reporting to WBC Schools Accountancy for review. (See Appendix A for submission deadline table).

4.5 The actions each school intends to implement to achieve their planned 2022/23 year end position are shown below.

Basildon Primary School

- Reduce the teaching staff from 10.75FTE to 9.94FTE from Sept'22 (saving e £22,080)
- Complete only those essential works with a Health & Safety impact (saving e £4,500)
- Reduce the use of professional sports coaches whilst seeking not to impact the quality of PE & Sports provision (saving e £6,840)
- Maintain a reduced spend on curriculum supplies, accessing PTA monies for newly required Phonics scheme and resources (saving e £1,250) and parents' goodwill to provide nice-to-haves (saving e £1,200)
- Maintain a reduced heating schedule (saving e £1,500)
- Reduction in SLA buy backs (saving e £2,800)
- Seek to maximise uptake of nursery places and its wraparound care program; both would serve to increase income in the order of £2000-£15000 p.a.

Inkpen Primary School

- The school's planned return to a surplus position this financial year (2022/23) is a direct result of the changes to the schools national funding formula's (NFF) sparsity factor from 2022/23 which result in the school receiving this funding for the first time in 2022/23.

Spurcroft Primary School

Focus on tighter controls of spend on staffing through:

- Remodelling our approach to covering classes to reduce the amount of cover being claimed on timesheets
- Reducing the budget for additional hours for teachers, Teaching Assistants and Lunchtime Support Assistants
- Applying for 4x Vulnerable Child Grants for pupils who are waiting for funding through Education Health Care Plans (EHCPs) and are currently receiving 1:1 support
- Class TAs being used to provide 1:1 support in class where this is possible, rather than putting in an extra 1:1
- Applying for 7 EHCPs before the end of the summer term
- Looking for other opportunities to reduce timesheet payments, e.g. increased use of TOIL and giving lunchtime support to a pupil with an EHCP through changing 1:1s working hours, rather than putting in an additional person
- A reduction of afternoon TA intervention in Year 3/4 from 2 TAs to 1 TA
- Accepting the request of a Higher Level Teaching Assistant to reduce their hours by a day, and not replacing those hours with another member of staff
- Re-deploying 1 Lunchtime Assistant in Early Years to work 1:1 with a child
- Having 2 part-time teachers no longer having their PPA paid for outside of their teaching hours - using internal cover options instead
- Removal of one TLR by not replacing a Team Leader
- Restructuring PPA time so we can stop paying for external providers to do cover
- Reduction of one day of Deputy Head Teacher release time
- Reduction of 1 day of SENCo time
- Further reductions to class TA provision from September 2022
- Reduction in LTSA hours for all staff on temporary contracts, the Deputy Caretaker and a Cover Supervisor
- Working with WBC to reduce PAN as soon as possible.

St Joseph's RC Primary School

- Forecast that the capacity of after school club will continue to increase slowly from 42 % summer term 2022/23 to 65% by March 23 and 70% by March 27
- Staff who have progressed as far as they can the school and will be looking to move on within the next two years have been identified, the vacancies created will be filled by promoting existing staff and new staff joining at ECT level
- Any unnecessary expenditure has been culled to ensure the school is operating on a bare minimum level with the understanding that it expects Ofsted in Spring 2023 so some costs and support cannot be removed.

The Kite Federation

- Non replacement of teaching staff leaving on a 0.2 FTE, left 05.06.22
- Two members of staff moved to Fund 13 (Sports) in 2022/23 and sports coaches stopped from September 2022
- £6K donation from Governors account.

5. Options for Consideration

None

6. Proposals

To note.

7. Conclusion

- 7.1 The total school deficits over the last three years are shown in Table 3 below (2021/22 includes the sixth school that ended year with an unplanned deficit but was not required to submit a license deficit application:

Table 3

All Schools Main School Budget	Actual		
	2019/20	2020/21	2021/22
Total Deficit	(£165,546)	(£78,088)	(£171,692)
Number of schools in deficit	8	5	6
Average deficit	(£20,693)	(£15,618)	(£28,615)

Figures in red brackets indicate a deficit

- 7.2 School balances continue to be impacted by Covid-19, this is most noticeable where some schools previously relied on income generated by Out of Hours Club schools to balance their budgets, and schools continue to try to recover from this during 2022/23.
- 7.3 In addition to inflationary and other increases to costs, in particular energy prices, unplanned falling pupil numbers are creating budgetary pressure in schools.

8. Consultation and Engagement

Schools as listed above.

9. Appendices

Appendix A – Submission Timetable for 2022/23

Appendix A

Submission Deadlines

Submission Deadlines for licensed deficit schools 2022/23, those that expect to come out of a period of licensed deficit in 2022/23 and those that ended 2022/23 with an unlicensed deficit and are required to report.

SUBMISSION TIMETABLE								
All submissions should be emailed to sarah.reynard@westberks.gov.uk								
Period covered by Agresso Report	Budget Monitoring (All fund codes)	Forecast (All fund codes)	Agresso FMS Reconciliation (All fund codes)	Bank Statement, FMS Reconciliation & Historical Unreconciled Bank Transactions reports	Salary Projection - Name as below <u>To be produced before commitment cleared</u> Please provide reasons for any variation over £1	Full Year Breakdown Screen print as below after commitment has been cleared	FMS Outstanding Purchase Order report	Submission Deadline (midnight)
Period 3 / June	Yes	No	Yes	Yes	Yes	Yes	Yes	15/07/2022
Period 6 / September	Yes	Yes	Yes	Yes	Yes	Yes	Yes	17/10/2022
Period 7 / October	Yes	Yes	Yes	Yes	Yes	Yes	No	15/11/2022
Period 8 / November	Yes	Yes	Yes	Yes	Yes	Yes	Yes	15/12/2022
Period 9 / December	Yes	Yes	Yes	Yes	Yes	Yes	Yes	18/01/2023
Period 10 / January	Yes	Yes	Yes	Yes	Yes	Yes	No	22/02/2023
Period 11 / February	Yes	Yes	Yes	Yes	Yes	Yes	No	15/03/2023