

West Berkshire Schools' Forum	
Title of Report:	Update on Schools in Financial Difficulty
Date of Meeting:	10th December 2012
Contact Officer(s)	Clare Warren
For Discussion	

1. Background

In May 2012, 3 schools budgeted a deficit:

Firtree	£72,730
John O'Gaunt.	£474,640
Stockcross	£8,800

The Schools Finance Team has been working closely with these schools to support their recovery plans and monitor their progress as shown below.

A further 34 schools estimated a deficit budget for 2013/14 if no action is taken.

In the initial calculations for the new Funding Formula 36 schools were identified as likely to be negatively affected by the change in the funding calculations. When indicative budgets become available (by mid-December) those schools being negatively affected will be reviewed and those likely to go into deficit next year will be offered further support.

Currently support is also being provided to a further 3 schools at their request.

2. Review of Schools with deficits in current year 2012/13

2.1 Fir Tree: The school has had an IEB in place for the last year and has a shadow Governing Body. The school is also due to become an academy from 1st February 2013, sponsored by Trinity School.

They have worked hard with parents and the local community to improve the perception of the school, which in previous years has resulted in pupils starting at the beginning of the school year but moving schools quite quickly.

The school achieved an improvement in their KS2 results in the summer and in September, 18 pupils started in reception bringing the school total to 147 pupils in the census which was in line with budget. A further 16 started in the nursery.

The school has worked very hard to contain costs in all areas, but particularly in supply staff costs. It budgeted to end 2012/13 with a deficit of £73k but period 7 budget monitoring forecasts that this is more likely to be £56k (brought forward deficit of £15k). Key risk areas to achieving this are the state of the school buildings if further urgent repairs are required, and supply costs over the winter months.

It is expected, due to the level of SEN and Deprivation in the school, that it will gain under the new funding formula.

The School Finance Advisor is meeting with the school on a monthly basis to monitor their financial situation and provide support.

2.2 John O'Gaunt: The school achieved strong examination results over the summer. The pupil numbers at the October 2012 census were 438 compared to a budgeted 441. The new Head Teacher and School Business Manager are currently considering their options in a number of key areas to make the school viable in light of the fact that they will be severely negatively impacted by the new funding formula. The additional financial support of £295,000 being provided by Schools Forum is also being withdrawn from April 2013. The new Head Teacher has been working hard to promote the school in the local area and the school had a very successful open evening in September with a lot of positive feedback.

Current budget monitoring indicates that the school is likely to end 2012/13 with a deficit of £413k compared to a budgeted £475k, achieved through tighter cost controls (brought forward deficit was £392k).

The School Finance Advisor is meeting with the school almost weekly to provide support to the new SBM

2.3 Stockcross: The deficit for 2012/13 arose mainly as a result of redundancy. This redundancy cost has not been incurred as expected and the school is currently forecasting a break even position. As well as the saving on the redundancy costs the school is due to receive income from insurance receipts and income from teaching which offsets the additional staff costs of £20k.

The school is expected to lose under the new funding formula so will be monitored closely

2.4 Other schools receiving additional financial support:

As well as John O'Gaunt, The Willows also received additional funding from the Schools' Forum in 2012/13.

The Willows: The school has continued to work hard to improve the school and at the October Census has 220 pupils. This is 30 down on budget but up on the previous year of 193 [including nursery].

Currently the school is forecasting a small under spend compared to a balanced budget position (after additional funding of £113,832).

The school will benefit from the new Funding Formula due to the level of deprivation and FSM and therefore the impact of the indicative funding calculations will be reviewed as soon as they are available to understand the impact on the school

3. Potential School Deficits 2013/14

Schools with a significant new deficit forecast for 2013/14 have been contacted and support offered.

Support has been offered by:

- An initial phonecall
- Visit to review current position
- Help to prepare budget for next year
- Help and advise with regards to budget strategy for 3-year budget

Most schools have been working on their plans and no longer anticipate a deficit in 2013/14. The remaining schools are working with the Schools' Finance Advisor.

It is also noted that governors from most schools have attended the recent SFVS training and were given the opportunity to share ideas with regards to achieving Value for Money as well as opportunities for collaboration and improving the use of resources. This has been very positively received and should be helpful in achieving balanced budgets.