
Update on Schools in Financial Difficulty 2016/17

Report being considered by: Schools Forum
On: 5/12/2016
Report Author: Claire White
Item for: Information **By:** All Maintained Schools Representatives

1. Purpose of the Report

1.1 This report provides an update from those schools that have set a deficit budget in 2016/17.

2. Recommendation(s)

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 and Summary

3.1 Schools' Forum received a report on 21 July 2016 on school budgets, which included listing the schools that had set a deficit budget in 2016/17. A report to Schools' Forum on 6 June 2016 focussed on explanations from schools on why they had closed 2015/16 with a deficit balance (this did not include schools closing with a surplus but setting a deficit for the current year).

3.2 This report summarises what work has been carried out with schools setting a deficit budget for the current year and provides a narrative received from each school summarising their deficit recovery plans and setting out their progress against these plans.

3.3 John O'Gaunt secondary school was also reported as a deficit school at the July meeting, but the school has now become part of Excalibur Academies Trust and is no longer maintained by the local authority. This school is therefore excluded from this report.

3.4 The West Berkshire schools finance team reviewed the deficit recovery plans for each school, and the Head of Finance and Head of Education jointly wrote to each school at the end of the summer term setting out the conditions to adhere to whilst in deficit and any concerns/further work that they felt was required.

3.5 Most schools have received a visit during the autumn term from members of the school finance team to discuss their plans more fully, review progress, and offer advice. These meetings included attendance from key Governors and were well received. Each school will also be entitled to receive advice and support on their

2017/18 budget planning which will be paid for from the “Primary Schools in Financial Difficulty” contingency fund.

- 3.6 During October a training course on “effective financial management” was delivered jointly by school improvement and finance. This was well attended by all schools (heads, Governors, School Business Managers), it was not just for those in deficit.
- 3.7 Table 1 summarises the five year position for each school. Note that the balances are the position of the main school budget only – all other funds are in balance. Green indicates the year the school plans to recover the deficit (minus is a deficit balance, plus is a surplus balance).

TABLE 1	2016/17 Opening Balance £	2016/17 Closing Balance £	2017/18 Closing Balance £	2018/19 Closing Balance £	2019/20 Closing Balance £	2020/21 Closing Balance £
Beenham	+1,683	-12,230	-9,581	+6,909	+9,989	-2,240
Hampstead Norreys	+8,843	-19,872	-31,493	-13,443	+10,276	+22,086
John Rankin Schools	-169,724	-182,298	-152,399	-91,947	-9,142	+75,493
Purley	+25,155	-23,830	+3,030	+33,620	+46,230	+25,366
Spurcroft	-81,922	-80,130	-35,130	+12,160	+76,850	+142,250
Sulhamstead & Ufton Nerve	-6,145	-11,670	+3,620	+10,440	+17,530	+9,360
Westwood Farm Schools	-41,140	-122,070	-125,370	-93,620	-34,630	+11,840

4. **Beenham**

- 4.1 Our plan is currently under review. There has been a change in pupil numbers and we are working with School’s Accountancy to review the changes.
- 4.2 2016/2017 is looking to be a further £9k overspent. As a result the school is working with West Berks HR to discuss a possible staff restructure.
- 4.3 The current end of year figure is now £21k. Our aim is to have the new recovery plan in place by end of the Autumn Term 2016.

5. **Hampstead Norreys**

- 5.1 Plans to recover the deficit are in progress. Where possible, the school has renegotiated contracts to further reduce costs. Total expenditure for 16/17 is forecast to be £464k (15/16 £505k).

- 5.2 Plans for the current year are on track. Contingency plans are to investigate federation with The Ilsleys (subject to agreement of both FGBs) and a staff restructure in 18/19.
- 5.3 The current year end forecast (as per month 7 budget monitoring) is £19,605 and the school still expects the deficit to be recovered in year 4.

6. John Rankin Schools

- 6.1 Our plans for deficit recovery included a range of initiatives; to restructure the administration teams, a time limited spending freeze, higher level teaching assistants to provide teacher cover for PPA and sickness and implementing strict financial controls.
- 6.2 Our plans for the year are currently on track; a new administration structure starts in January 2017, teaching assistants and leadership full time equivalents have reduced due to natural wastage, higher level teaching assistants have provided cover since September 2016 and the governors and senior staff have undertaken further training and are monitoring the budget with further rigour.
- 6.3 Our current end of year forecast for main school budget is £91,018 (after the receipt of £68k from the School in Financial Difficulty Fund. We would hope to recover the deficit a year early by 2019/20.

7. Purley

- 7.1 In order for Purley Primary school to recover the deficit, staffing needed to be restructured resulting in redundancies having to take place.
- 7.2 Our plans for the current year are on track and being closely monitored.
- 7.3 Our current year end forecast is now predicted to be a surplus of £6,000. This is due to budgeting for an extra teacher for 4 months which was not needed as we used a HLTA instead. Performance related pay rises were also budgeted for all staff but were not awarded to all. We are using all support staff as efficiently as possible to avoid using predicted supply costs, and have been extremely careful when spending on resources. We do not expect to submit a deficit budget for the next financial year.

8. Spurcroft

- 8.1 Plans put in place to recover the deficit have included covering supply in house as much as possible, delaying the recruitment of certain staff, monitoring overtime and monitoring and changing the timetable when necessary. Constant monitoring and ensuring best value on procurement and charging for nursery places where available have had a positive impact on the deficit.
- 8.2 Our plans for the current year are on track.
- 8.3 The current year end forecast at P7 is a deficit of £77,187 against a budget deficit of £80,130.

9. Sulhamstead and Ufton Nervet

9.1 A series of errors were made when setting the budget in 2015/16. In year expenditure was then not well controlled. Preparations for the September 2015 staffing structure resulted in both an in year and forecast deficit for current and future years.

Since the above, a new Headteacher and School Business Manager have been appointed. The following actions have been taken to bring the school back into surplus.

- SLT provision has been reviewed and will reduce from 1.0 to 0.8 FTE from Sept 16
- Headteacher will job share (0.2 equivalent) in KS2
- LSAs will provide some PPA cover

Sulhamstead and Ufton Nervet School anticipates a return to surplus for the 2017-18 budget and beyond.

9.2 Governor and Schools Accountancy Monitoring and have shown the Budget is on track

9.3 Our end of year forecast at the end of Period 7 is now a deficit of £10,670, this is as a result of:

- Adhering stringently to the budget planning from April 2016
- Part time teacher voluntary decrease in contract from 0.4 to 0.2 and necessary cover being provided by Headteacher
- Additional income for 4 months for new pupil

10. Westwood Farm Schools

10.1 Efficiency drives of sharing resources and working practices have been put in place and are ongoing in order to make short and long term savings. Flexibility of staff working across both the federated schools and the employment of a HLTA are keeping costs down; existing staff are also considering training and progression to HLTA. Therefore, dependency on the reliance of cover for sickness and training is considerably reduced.

Further joint procurement is being investigated in order to make further savings.

10.2 The budget has been reviewed by the new EHT with support from Schools Accountancy, adjustments and plans continue to be actioned as required. The EHT and SBM have reviewed the use of support staff across the schools to ensure contracts are correct.

The Schools are on track to gain a Good grading at Ofsted.

Planned savings have been realised and further efficiencies are planned. Staffing has been reviewed against PPA and non-contact time and the sharing of staff is progressing across both schools. A review of the SLT and the staffing structure will be undertaken in the next budget year.

- 10.3 Due to funding being given following a successful bid to the School Funding Forum (£76,000), the projected deficit position at the end of period 7 reporting is £43K. Therefore, there could be scope to recover the deficit a year earlier in 2019/20.