
Schools: deficit recovery

Report being considered by: Schools Forum
On: 15 October 2018
Report Author: Wendy Howells
Item for: Information **By:** All Maintained Schools Representatives

1. Purpose of the Report

- 1.1 This report provides an update on the work being carried out with the schools that have set a deficit budget in 2018/19.

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 the "School Budgets 2018/19 and Schools in Financial Difficulty" report on 16 July 2018 on school budgets, which included listing the nine schools that had set a deficit budget in 2018/19.
- 3.2 The report in July also set out West Berkshire's strategy for supporting the growing number of schools setting a deficit, and schools at risk of going into deficit. The work undertaken to date is summarised in Table 1 below and detailed in Appendix A. Appendix B summarises the schools' plans for reducing their deficits. This was previously presented to the Schools Forum on 18th June 2018.

TABLE 1 - Deficit Schools Monitoring Progress Summary		
As at 04.10.18	Yes	No
2018/19 Budget submitted by agreed date	9	0
2018/19 submitted budget sense and arithmetically checked by Schools Accountancy	9	0
Licensed deficit papers completed in full	7	2
Licensed agreement letters from Heads of Education and Finance sent	9	0
Submission of P3 Budget Monitoring reports to Schools Accountancy for review by 14.07.18	2	7
Feedback given P3 Budget Monitoring Reports submitted	5	4
<i>Submission of P4 Budget Monitoring reports to Schools Accountancy for review*</i>	2	7
<i>Feedback given P4 Budget Monitoring Reports submitted</i>	2	0
Submission of P5 Budget Monitoring reports to Schools Accountancy for review by 14.09.18	7	2
Feedback given P5 Budget Monitoring Reports submitted as at 28.09.18	8	#
Governor Minutes received (<i>reminder sent to deficit schools 18.09.18</i>)	4	5
1st Task Force Meeting arranged	4	5
Request for support received and booked	3	6
* no date given as submission not required as schools closed for summer holidays		
# agreed that 9th school did not have to submit a P5		

- 3.3 The final number of schools that submitted a Period 3 Budget Monitoring Report was 9 out of 9. As the vast majority of schools are closed in August there is no requirement to submit a report for Period 4 but 2 of the 9 chose to submit. Timing of Period 3 and Period 4 is such that meaningful budget monitoring and forecasting in schools is difficult. The accountants have checked where submissions allowed and fed back on anything of concern.
- 3.4 All schools except one have now submitted their Period 5 reports, Schools Accountancy have completed their review of these submissions and sent the schools feedback. (See Appendix A)
- 3.5 This year each school is being asked to arrange the attendance of the Clerk to the Governors to minute the Task Force meetings as previously minute taking had been insufficient. At the time of writing one of the four schools contacted to arrange a meeting has questioned the fact they are being asked to incur unplanned expenditure. The Schools Forum has previously agreed that schools in deficit using the Finance service to work with them on their deficit recovery have this cost refunded from the Schools In Financial Difficulty fund direct rather than schools needing to submit individual bids to the Schools Forum to reimburse this cost.
- 3.6 In recent years the annual financial benchmarking data has been released increasingly late. To try and assist our schools the Senior Accountant is trying to produce local benchmarking data based on the 2017/18 submission.
- 3.7 All schools will receive an email in late October / early November recommending that they carry out a self-check (Appendix B) of their financial position for next year (if not already done so) and offering a support meeting (aimed at those currently not in deficit).
- 3.8 A one year fixed term 0.8FTE term time only Senior Accountant post has been created in the Schools Finance team. For the period 1st September 2018 to 31st August 2019 the post holder will assist with the work to be undertaken with the schools that have set a deficit budget in 2018/19.

4. Supporting Information

4.1 Progress to date

The Willows Primary School

It has been agreed that the school will not submit the Period 5 Budget Monitoring Report as a large amount of work is being undertaken by the new Headteacher and her team to correct historic errors and identify necessary spend that was not included in the original budget. The first review meeting will take place on 18th October.

Beenham Primary School

Feedback on the Period 5 submission has been emailed to both the Headteacher and Finance Officer, changes to the budget have been suggested and actioned to reflect the significant changes in staffing that have occurred. These are included in the Period 6 Finance Report sent to school on 1st October. At the suggestion of the Senior Accountant an appointment has been made to work with the Head Teacher and Finance Officer on the preparation of the Period 6 Budget Monitoring and Forecast Report on 8th October (this will be funded by the Schools in Financial Difficulty fund).

St John the Evangelist Infant School

Written feedback on the Period 5 submission has been sent to both the Headteacher and School Business Manager, including suggested budget changes to assist with future monitoring and forecasting.

John Rankin Schools Federation

This is one of the two schools that made a Period 4 submission. Detailed feedback was sent to the Executive Headteacher and Finance Manager, including requests that savings be identified to cover overspends already incurred. Budget changes have been actioned reflecting the identified savings which will assist the federation with future monitoring and forecasting. These changes are included in the Period 6 Finance Report sent to the school on 1st October. The first review meeting will take place on 12th October.

Parsons Down Schools Federation

This is the second of the two schools that submitted a Period 4 report. Detailed feedback was sent to the Executive Headteacher and School Business Manager, including requests that savings be identified to cover overspends. Budget changes have been actioned reflecting the identified savings which will assist with future monitoring and forecasting. These changes are included in the Period 6 Finance Report sent to school on 1st October.

St Finians Catholic Primary School

The first review meeting will take place on 6th November. The school has requested a half day support visit from the Senior Accountant to assist with the start of the 19/20 budget build, this has been booked on 3rd December, and will be funded by the Schools in Financial Difficulty fund.

Kintbury

The first review meeting will take place on 13th November.

The Willink School

A support visit was made by the Senior Accountant on 04.10.18 to provide guidance to the new Finance Manager on budget monitoring and forecasting.

5. Appendices

- 5.1 Appendix A: Programme of Works and Progress table
- 5.2 Appendix B: Draft contents for Schools Financial Position for 2019/20 email