
Schools: deficit recovery

Report being considered by: Schools' Forum on 10th December 2018

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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 nine schools that have set a deficit budget in 2018/19.

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 and Summary

- 3.1 The Schools' Forum received a report, "School Budgets 2018/19 and Schools in Financial Difficulty" on 16 July 2018, which listed nine schools that had set a deficit budget in 2018/19.
- 3.2 The report set out West Berkshire Council's strategy for supporting the growing number of schools setting a deficit budget, and for supporting schools at risk of going into deficit. 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 work with the schools that have set a deficit budget in 2018/19. The work undertaken to date is summarised in Table 1.

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TABLE 1 - Deficit Schools Monitoring Progress Summary As at 21.11.18	Number of Schools			
	Yes	Late	No	Total
2018/19 budget submitted by agreed date	9			9
2018/19 submitted budget sense and arithmetically checked by Schools Accountancy	9			9
Licensed deficit papers completed in full	8		1	9
Licensed agreement letters from Head of Education and Finance sent	9			9
P3 Budget Monitoring reports submitted to Schools Accountancy by 14.07.18	2	7		9
P3 feedback given to submitted Budget Monitoring reports	9			9
P4 Budget Monitoring reports submitted Schools Accountancy*	2		7	9
P4 feedback given to submitted Budget Monitoring reports	2		7	9
P5 Budget Monitoring reports submitted to Schools Accountancy by 14.09.18	7	1	1	9
P5 feedback given to submitted Budget Monitoring reports	8		1#	9
P6 Budget Monitoring and Forecast reports submitted to Schools Accountancy by 12.10.18	5	4		9
P6 feedback given to submitted Budget Monitoring and Forecast reports	5		4	9
P7 Budget Monitoring and Forecast reports submitted to Schools Accountancy by 14.11.18	6	3		9
P7 feedback given to submitted Budget Monitoring and Forecast reports	0		9	9
Schools forecasting a year end deficit in excess of their license as at P7	2		7	9
Governor Minutes received (reminder sent to schools 18.09.18)	6		3	9
1st Task Force meeting arranged	9		0	9
1st Task Force Meeting taken place	7		2	9
Deficit schools who have received or booked support visits	4		5	9
* no date given as submission not required as closed for summer holidays				
# agreed by Head of Education that 1 school did not have to submit				

- 3.3 All schools except one have now submitted their Period 5 reports and Schools Accountancy have given detailed feedback on all submissions. All schools submitted their P6 Budget Monitoring and Forecast reports. Feedback was given to all schools who were to receive a '1st Task Force' meeting before the submission deadline for P7 reports. All schools have submitted their P7 Budget Monitoring and Forecast reports. Reviews are underway with priority being given to those who are still to have their '1st Task Force' meeting.
- 3.4 At P7, two schools are forecasting a deficit in excess of their licence. If this is still the position at the next "Task Force" meeting following P9 forecasts, intervention may be required.
- 3.5 In addition to the nine schools above, one additional school is forecasting an in year deficit, as detailed in Table 2.

TABLE 2 - Other Deficit Position As at 21.11.18	Number of Schools
Non licensed deficit schools forecasting in year a deficit and requesting support	1
Non deficit schools who have received or booked support visits	1

- 3.6 All schools will receive an email in November recommending that they carry out a self-check of their financial position for next year (if not already done so). This should be emailed back to Schools Accountancy to determine whether any further support is required.
- 3.7 In recent years the Department for Education's Annual Financial Benchmarking data has been released increasingly late. The Senior Accountant has produced

local benchmarking data based on the 2017/18 submission and emailed this information on 11th October 2018 to all schools that had responded.

- 3.8 The Schools Forum has previously agreed that schools in deficit using the WBC Finance service to work with them on their deficit recovery have associated costs refunded directly from the Schools in Financial Difficulty fund direct rather than schools needing to submit individual bids to the Schools Forum to reimburse this cost.

4. Progress to date

4.1 The Willows Primary School

It was agreed that the school would 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 Period 6 Budget Monitoring and Forecast report was received and a detailed review and feedback completed. The first review meeting took place on 18th October.

4.2 Beenham Primary School

Feedback on the Period 7 submission has been emailed to both the Headteacher and Finance Officer, and budget change suggestions made by the Senior Accountant have been actioned. The budget changes reflect the significant changes in staffing that have occurred. The first review meeting took place on 16th November. At the suggestion of the Senior Accountant an appointment was made to work with the Finance Officer on the preparation of the Period 6 Budget Monitoring and Forecast report on 8th October. A second visit with both the Headteacher and Finance Officer has been arranged for early December (both will be funded by the Schools in Financial Difficulty fund).

4.3 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. The budget changes are for the most part to reflect unexpected insurance receipts and Vulnerable Children's Grant funding. To date no budget change requests have been received for processing by Schools Accountancy. The first review meeting is due to take place on 23rd November 2018. The School Business Manager has resigned.

4.4 John Rankin Schools Federation

Detailed feedback of the Period 5 submission was sent to the Executive Headteacher and Finance Manager, including requests that savings be identified to cover overspends already incurred and budget changes reflecting the identified savings be submitted to assist the federation with future monitoring and forecasting. No budget change requests have been received to date. A verbal feedback of the Period 6 submission was given to the Finance Manager. The first review meeting took place on 12th October. A support visit took place on 5th November 2018 and a further visit is booked for 13th December 2018.

4.5 Parsons Down Schools Federation

Detailed feedback of the Period 6 submission was sent to the Executive Headteacher and School Business Manager. Some requests to transfer budgets to cover overspends have been received and actioned. The governors have reported

that they have found this approach helpful in monitoring and controlling the budget. If required support will be provided for the interim Headteacher who will be in post during the spring term.

4.6 St Finians Catholic Primary School

Detailed feedback of the Period 6 submission was sent to the Headteacher and School Business Manager. The first review meeting took 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 5th December, (this will be funded by the Schools in Financial Difficulty fund).

4.7 Westwood Farm Schools Federation

Detailed feedback of the Period 5 submission was sent to the Executive Headteacher and School Business Manager. The “1st Task Force” meeting will take place on 10th December 2018.

4.8 The Willink School

Detailed feedback of the Period 6 submission was sent to the Headteacher and Finance Manager. The Senior Accountant made a support visit to the on 1st October 2018 and the “1st Task Force” meeting took place on 9th November 2018. The Finance Manager has resigned.

5. Appendices

5.1 Appendix A: Individual School Deficit Information