
Deficit Schools

Report being considered by: Schools Forum
On: 20th January 2020
Report Author: Melanie Ellis
Item for: Information **By:** All Maintained Schools Representatives

1. Purpose of the Report

1.1 This report provides details of:

- (1) The four schools which submitted deficit budgets for 2019/20,
- (2) The two schools which ended the 2018/19 financial year with unlicensed deficit balances and,
- (3) Summaries of schools that have informed West Berkshire Council they now expect to end the 2019/20 financial year with an unlicensed deficit balance.

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. Deficit Schools

- 3.1 Four schools submitted a WBC Deficit Budget License Application for the financial year 2019/20. All four had licensed deficits in the financial year 2018/19.
- 3.2 All four schools submitted their period seven Budget Monitoring and Forecast report, which have been reviewed by Schools Accountancy and feedback emailed to each school. The period seven submissions are shown in the table below with two schools in a better financial position and two in a worse position than budgeted.

School	Main School Budget (MSB) Only		
	2019/20 Budgeted Year-end balance	2019/20 P7 Forecast Year-end balance	Variance
	A £	B £	B-A = C £
Beenham Primary	(24,060)	(36,008)	(11,948)
St Finians Primary	(77,150)	(44,988)	+32,162
Westwood Farm Inf & Jnr	(13,940)	16,919	+30,859
The Willink Secondary	(2,210)	(17,569)	(15,359)

Figures in red brackets indicate a deficit

- 3.3 Beenham Primary have reported that the forecast position has worsened due to unforeseen additional costs relating to long term sickness of a teacher. The school does have sickness absence insurance in place, however the nature of this illness was not covered by the policy.
- 3.4 The Willink Secondary have reported the following explanation as to why the licenced deficit has been exceeded by £15k.
- (1) Staffing budget: the P7 forecast included an increment rise for all teachers upon completion of pay review which did not occur. This will therefore result in a saving in P9.
 - (2) Non-staffing budget: planned overspend which will remain in P9.
 - (3) Income and funding: P7 forecast is in excess of the budget. This position will improve with the non-budgeted contribution from the Teaching School.
 - (4) In summary at P9 the school expects to clear this deficit at the end of this financial year.

4. Schools ending 2018/19 with an unlicensed deficit

- 4.1 Two schools ended the financial year 2018/19 with unlicensed deficits.
- 4.2 Both schools submitted their period eight Budget Monitoring and Forecast report, which have been reviewed by Schools Accountancy and feedback emailed to each school. The period eight submissions are shown in the table below with one school forecasting to end 2019/20 in a worse financial position than budgeted. Both schools are receiving support from Schools Accountancy.

School	Main School Budget (MSB) Only

	2019/20 Budgeted Year-end balance	2019/20 P8 Forecast Year-end balance	Variance
	A £	B £	B-A = C £
Stockcross Primary	1,525	6,152	4,627
Welford & Wickham	3,440	(4,047)	(7,487)

Figures in red brackets indicate a deficit

- 4.3 Welford & Wickham has reported that the P8 position was a worst case scenario, including £2k impact of teacher salary increased costs, £1k prediction of electricity costs, (now more accurately assessed from a working meter), £1k rent of school field (now to be taken from sports funding) and £750 over payment of admin staff (to be clawed back).

The position is expected to improve at P9, with a number of the P8 items being resolved, additional income forecast and the school is now predicting a small

Agresso Report	Budget Monitoring	Forecast	Submission Deadline
Period 9 / December	Yes	Yes	17/01/20
Period 10 / January	Yes	Yes	14/02/20
Period 11 / February	Yes	Yes	13/03/20

surplus of £2k for the end of the financial year. This does not include a potential further saving in supply costs. The school is very much hoping that they will end the financial year almost in line with the initial budget projection of £3,440.

5. Schools that expect to end 2019/20 with an unlicensed deficit balance

- 5.1 In addition to schools reported above one secondary and two primary schools (including a federation) have informed West Berkshire Council they now expect to end the financial year 2019/20 with an unlicensed deficit.

6. Budget Monitoring and Forecast Submission Dates

- 6.1 Submission deadlines for the remainder of the 2019/20 financial year are shown below for licensed deficit schools 2019/20 and those that ended 2018/19 with an unlicensed deficit.