

Deficit Schools

Report being considered by: Schools Forum on 19th October 2020

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Item for: Information **By:** All Maintained Schools Representatives

1. Purpose of the report

This report provides details of four schools which have submitted deficit budgets for 2020/21, one school that expects to recover its deficit position in 2020/21 and two schools which ended the 2019/20 financial year with unlicensed deficit balances.

2. Recommendation

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"/> |
|---|-------------------------------|---|

3. Deficit schools

- 3.1 Four schools submitted a WBC Deficit Budget License Application for the financial year 2020/21. One of the four had a licensed deficit in the financial year 2019/20. Following a detailed review of each application and discussion, all four deficits have been licensed. The individual schools have been informed. The total value if the licensed deficits is £98,324.
- 3.2 As is normal practise, all four schools have been asked to submit additional reporting to WBC Schools Accountancy for review. (See Appendix A for submission deadline table). All four schools submitted their period three budget monitoring, which has been reviewed by Schools Accountancy and feedback emailed to each school. The budget submissions are shown in the table below with two schools forecasting to come out of deficit in 2021/22 and the remaining two in 2022/23.

| School | Budget Submission 2020/21 | | |
|--|---------------------------|-----------------|----------|
| | Budget Closing Balance | | |
| | 2020/21 | 2021/22 | 2022/23 |
| Bradfield Primary School | (8,352) | 8,000 | 18,922 |
| Hampstead Norreys & The Ilsleys Federation | (18,845) | (13,729) | 14,296 |
| Mrs Blands Infant & Nursery School | (36,808) | (13,496) | 5,942 |
| St Finians Primary School | (34,319) | 1,474 | 13,000 |
| TOTAL DEFICITS | (98,324) | (27,225) | 0 |

Figures in red brackets indicate a deficit

- 3.3 Historic information for each of the four schools is shown below.

| School | 2017/18 | | 2018/19 | | 2019/20 | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | Budget Closing Balance | Actual Closing Balance | Budget Closing Balance | Actual Closing Balance | Budget Closing Balance | Actual Closing Balance |
| Bradfield Primary School | 1,712 | 4,077 | 1,705 | 19,157 | 11,890 | (1,779) |
| Hampstead Norreys & The Ilsleys Federation | 15,784 | 729 | 12,999 | 42,026 | 3,020 | (3,825) |
| Mrs Blands Infant & Nursery School | 340 | 9,150 | 9,440 | 17,275 | 0 | (32,526) |
| St Finians Primary School | 0 | (31,909) | (61,540) | (56,722) | (77,150) | (40,599) |

Figures in red brackets indicate a deficit

4. Schools ending 2019/20 with an unlicensed deficits

- 4.1 Two schools ended the financial year 2019/20 with unlicensed deficits, with a total value of £47,026 deficit. Both schools have been asked to submit the same additional information (for one year) as those schools with a licensed deficit.
- 4.2 Both schools submitted their period three budget monitoring. The submissions have been reviewed by Schools Accountancy and feedback emailed to each school. The budget submissions are shown in the table below with both schools forecasting no deficit position going forward.

| School | Budget Submission 2020/21 | | |
|---------------------------|---------------------------|---------------|---------------|
| | Budget Closing Balance | | |
| | 2020/21 | 2021/22 | 2022/23 |
| Bucklebury Primary School | 55 | 13,299 | 21,564 |
| Compton Primary School | 6,130 | 21,874 | 35,570 |
| TOTAL DEFICITS | 6,185 | 35,173 | 57,134 |

Figures in red brackets indicate a deficit

- 4.3 Historic information is shown below

| School | 2017/18 | | 2018/19 | | 2019/20 | |
|---------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Budget Closing | Actual Closing | Budget Closing | Actual Closing | Budget Closing | Actual Closing |
| Bucklebury Primary School | 13,140 | 25,631 | 7,710 | 6,565 | 210 | (20,418) |
| Compton Primary School | 24,822 | 34,629 | 16,346 | 37,270 | 1,144 | (26,608) |

Figures in red brackets indicate a deficit

5. Schools expecting to come out of a period of licensed deficit in 2020/21

- 5.1 One school expects to come out of a period of licensed deficit in 2020/21 with a surplus balance of £80. The school has been asked to submit the same additional information as those schools with a licensed deficit.
- 5.2 The school submitted their period three budget monitoring. The submission has been reviewed by Schools Accountancy and feedback emailed to the school. The budget submission is shown in the table below with the school forecasting no deficit position going forward.

| School | Budget Submission 2020/21 | | |
|------------------------|---------------------------|---------|---------|
| | Budget Closing Balance | | |
| | 2020/21 | 2021/22 | 2022/23 |
| Beenham Primary School | 109 | 22,220 | 34,970 |

Figures in red brackets indicate a deficit

- 5.3 Historic information is shown below

| School | 2017/18 | | 2018/19 | | 2019/20 | |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Budget Closing | Actual Closing | Budget Closing | Actual Closing | Budget Closing | Actual Closing |
| Beenham Primary School | (61,870) | (64,783) | (36,100) | (40,676) | (24,060) | (33,847) |

Figures in red brackets indicate a deficit

6. External support for schools in financial difficulty

- 6.1 West Berkshire Council (WBC) has been offered support from LA Analysis & Engagement Team Education and Skills Funding Agency Academies & Maintained Schools Directorate's Schools Resource Management Adviser scheme. School Resource Management Advisers (SRMA) are independent sector specialists, who have experience in the management of resources in the education sector. All SRMAs are accredited by the Institute of School Business Leadership.
- 6.2 The overall objective of the SRMA visit will be to work collaboratively with WBC and the two or three schools identified by WBC to receive the support, providing peer-to-peer support and tailored advice on how the schools may make best use of their revenue and capital resources to deliver the best possible educational outcomes for their pupils. Once the work is completed with the individual schools, the good practice identified will be shared with all WBC schools.
- 6.3 Possible schools have been identified and WBC Schools Accountancy is in the process of contacting them to discuss their involvement.

Appendix A: Submission deadlines

Submission deadlines for licensed deficit schools 2020/21, those that expect to come out of a period of licensed deficit in 2020/21 and those that ended 2019/20 with an unlicensed deficit.

| SUBMISSION TIMETABLE | | | | | |
|--|--------------------------|---|-----------------|--|---------------------------------------|
| All submissions should be emailed to sarah.reynard@westberks.gov.uk | | | | | |
| Period covered by Agresso Report | Budget Monitoring | Bank Statement, FMS Reconciliation and Historical Unreconciled Bank Transactions reports | Forecast | FMS Outstanding Purchase Order report | Submission Deadline (midnight) |
| Period 3 / June | Yes | Yes | No | Yes | 14/07/2020 |
| Period 6 / September | Yes | Yes | Yes | Yes | 14/10/2020 |
| Period 7 / October | Yes | Yes | Yes | No | 13/11/2020 |
| Period 8 / November | Yes | Yes | Yes | No | 14/12/2020 |
| Period 9 / December | Yes | Yes | Yes | Yes | 18/01/2021 |
| Period 10 / January | Yes | Yes | Yes | No | 12/02/2021 |
| Period 11 / February | Yes | Yes | Yes | No | 12/03/2021 |