
Deficit Schools

Report being considered by: Schools Forum
On: 25th January 2021
Report Author: Melanie Ellis
Item for: Information **By:** All Maintained Schools Representatives

1. Purpose of the Report

1.1 This report provides details of:

- (a) The five schools which submitted deficit budgets for 2020/21,
- (b) The two schools which ended the 2019/20 financial year with unlicensed deficit balances,
- (c) Schools that have submitted deficit forecasts for 2021/22 and 2022/23.

1.2 A separate report has been written summarising the impact of Covid-19 on school budgets, and the possibility of more schools ending the 2020/21 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 2020/21

3.1 Five schools submitted a WBC Deficit Budget License Application for the financial year 2020/21. Two of the five had licensed deficits in the financial year 2019/20.

3.2 Four of the five 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 tables below with two schools in a better financial position and three in a worse position than budgeted.

3.3 The fifth school has not had a Finance Officer in post since early 2020. West Berkshire Council Schools Accountancy has provided what support they have been able to. The latest figures available for the Main School Budget are P6 and figures are not available for the other fund codes.

Deficit Schools

School	Main School Budget (MSB)			Out of Hours Clubs (OoHC)			Combined
	2020/21 Budgeted Year-end balance	2020/21 P7 Forecast Year-end balance (* P6)	Variance	2020/21 Budgeted Year-end balance (# Not submitted)	2020/21 P7 Forecast Year-end balance (^ Not able to submit)	Variance	2020/21 P7 Total Forecast Year-end balance
	A £	B £	B-A = C £	A £	B £	B-A = C £	£
Beenham Primary	109	(5,279)	(5,388)	224	(5,066)	(5,290)	(10,345)
Bradfield Primary	(8,352)	(2,447)	5,905	N/A	N/A	N/A	(2,447)
Hampstead Norreys & The Ilsleys Federation	(18,845)	(7,421)*	11,424	(650)	^	-	(7,421)
Mrs Blands Nursery & Infant	(36,808)	(52,829)	(16,021)	0	13,873	13,873	(38,956)
St Finians Primary	(34,319)	(47,477)	(13,158)	#	(1,378)	-	(48,855)

Figures in red brackets indicate a deficit

4. Schools ending 2019/20 with an unlicensed deficit

4.1 Two schools ended the financial year 2019/20 with unlicensed deficits.

4.2 Both 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 one school forecasting to end 2020/21 in a slightly worse financial position than budgeted.

Schools	2020/21 Budgeted Year-end balance	2020/21 P7 Forecast Year-end balance	Variance
	A £	B £	B-A = C £
Bucklebury Primary	Main School Budget (MSB) Only		
	55	22	(33)
Compton Primary	Main School Budget, Pupil Premium and PE & Sport Premium Grants		
	6,130	15,160	9,030

5. Schools that expect to end 2020/21 with an unlicensed deficit balance

5.1 In addition to schools reported above, other maintained schools have started to contact West Berkshire Council Schools Accountancy team to discuss the significant financial pressures they are experiencing this financial year which may result in possible unplanned year end deficits.

5.2 A separate paper is being tabled in relation to this.

5.3 Each year all maintained schools are required to submit a robust period Nine Budget Monitoring and Forecast report to West Berkshire Council Schools Accountancy team. A full summary of this will be provided at the March meeting.

6. Summary of schools that submitted deficit forecasts for 2021/22 and 2022/23

6.1 Annually all schools are required to submit a budget and a two year forecast. The table below shows a summary of the 2020/21 submissions.

Submission 2020/21	2020/21 Budget	2021/22 Forecast	2022/23 Forecast
Total Number of Deficits	4	24	31
Total Number of Surpluses	55	37	30
Total Number of Nil Balances	2	0	0
Total Number of establishments	61	61	61
Total Value of Submissions	£2,269,684	(£29,288)	(£3,454,269)

6.2 Historically schools do not spend a significant amount of time on the two years of forecast (2021/22 and 2022/23) as the funding information available is not robust, the time available to the schools to work on the forecasts is limited and it has been noted that some schools are no longer preparing three year School Development Plans to support three year budget and forecasting. As a result when the first year of the forecast becomes the budget the number of deficits has previously dropped significantly.

6.3 The table below shows the equivalent table last year. It showed 40 schools forecasting a deficit in 2020/21 but only 5 actually submitted one.

Submission 2019/20	2019/20 Budget	2020/21 Forecast	2021/22 Forecast
Total Number of Deficits	4	40	46
Total Number of Surpluses	58	23	17
Total Number of Nil Balances	1	0	0

7. Budget Monitoring and Forecast Submission Dates

7.1 Submission deadlines for the remainder of the 2020/21 financial year are shown below for licensed deficit schools 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 BankTransactions reports	Forecast	FMS Outstanding Purchase Order report	Submission Deadline (midnight)
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