

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 5th JULY 2017

REPORT OF THE INTERIM DIRECTOR OF CHILDREN'S SERVICES

Delegated School Balances as at 31st March 2017 Indicative Balances for 2017-18 and 2018-19

EXECUTIVE SUMMARY

This report advises the Forum of the level of school balances as at 31st March 2017, together with an indication of balances for the financial years 2017-18 and 2018-19.

1. School Balances

School balances at 31st March 2017 are £10.5m. This represents a reduction of £1.1m compared to the previous year (£0.8m) when academy conversions are excluded).

	31.3.2016 Balances	31.3.2017 Balances	Difference	Change
Nursery	604,737	277,421	-327,316	Reduction
Primary	7,410,417	7,748,664	338,247	Increase
Secondary	1,145,853	474,275	-671,578	Reduction
Special	2,116,885	2,000,181	-116,704	Reduction
Total	£11,277,892	£10,500,541	£-777,351	Reduction
Academy Schools	460,619			
Total	£11,783,511			

The average school balance for a primary is £88,053 compared to £84,209 in 2015-16. A Secondary schools' average balance has reduced from £267,745 to £94,855.

There was one academy conversion in the 2016-17.

The actual balances as at 31st March 2017 have improved significantly since last reported.

2. Deficit Budgets

There are 9 primary schools with a deficit balance as at 31st March 2017. Three secondary schools had a deficit at the end of the year, of which one was licenced. One special School had a deficit at 31st March 2017. There are currently 2 licenced deficits, one existing and one being finalised.

3. Monitoring School Balances 2017-18 and 2018-19

Schools must set their budgets by 30th June. 62 out of 107 budgets have been finalised at the point of writing this report. So far, this indicates that at the end of

March 2018 balances will be £4.2m, reducing to £1.2m in March 2019. There are 21 schools with provisional deficits in 2019-20 out of the 55 submitted.

There are continuing difficulties for schools over the medium term. Whilst balances improve over the year at budget period 6 and 9 budget monitoring, there is still a noticeable downward trend.

4. Action Taken to Date

- During the spring term letters have been sent to a number of schools with expected deficit budgets in 2017 and 2018 to request details. There have in addition been meetings with some schools and governors.
- Where schools are reviewing staffing levels this is in a number of cases leading to consideration of redundancies.
- A Notice of Concern is in place at one school.
- LMS and HR continue to work with schools to balance budgets and plan any reduction in staff numbers or hours.
- Briefings and discussions with headteachers and school finance staff.
- School Bursar support working with Headteacher and governors to provide more detailed projections.

5. Future Action

- Review financial plans to ensure they are sustainable.
- Contact schools with projected deficits in 2018-19 to discuss plans.
- Schools requesting a licenced deficit are required to demonstrate how the budget will come back into balance within 3 years (4 years in exceptional circumstances).
- Where agreement cannot be reached a Notice of Concern will be issued, requiring an immediate action plan to be agreed by governors.

RECOMMENDATIONS

1. That the Forum notes the report.
2. That schools balances continue to be monitored.

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