

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 17th May 2018

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

Delegated School Balances as at 31st March 2018 Indicative Balances for 2018-19 and 2019-20

EXECUTIVE SUMMARY

This report advises the Forum of the level of school balances as at 31st March 2018, together with an indication of balances for the financial years 2018-19 and 2019-20.

1. School Balances

School balances at 31st March 2018 are £10.2m. These are broadly unchanged from the previous year when academy conversions are excluded and are a significant improvement on previous estimates.

	31.3.2017 Balances	31.3.2018 Balances	Difference	Change
Nursery	277,421	138,517	-138,904	Reduction
Primary	7,319,213	7,941,703	622,490	Increase
Secondary	474,275	136,460	-337,815	Reduction
Special	2,000,181	2,010,264	10,083	Increase
Total	£10,071,090	£10,226,944	£155,854	Increase
Academy Schools	429,450			
Total	£10,500,541			

The average school balance for a primary is £94,544 compared to £88,053 in 2016-17. A Secondary schools' average balance has reduced from £94,885 to £27,292 (4 out of 5 have a deficit balance).

There were four primary school academy conversions in 2017-18.

2. Deficit Budgets

There has been a small increase in the number of schools with a deficit balance this year – 16 compared to 13 in 2016-17. 10 are primary schools, 4 are secondary schools and there are 2 special schools. In most cases schools are managing this position in year, however, there are 3 licenced deficits and 4 notices of concern. These may increase as we move towards budget setting.

3. Monitoring School Balances 2018-19 and 2019-20

The projections at the Period 9 review in February indicated that school balances would reduce significantly over the next 2 years as illustrated below. Balances reduce to £3.2m and would become an overall deficit of -£3.9m in March 2020.

Balances as at	Period 9	Actual
31/03/2018	£8.2m	£10.2m
31/03/2019	£3.2m	To be confirmed
31/03/2020	(£3.9m)	To be confirmed

The actual position for March 2018 is £2m better than anticipated. The position for the next 2 years will be clearer after budget setting in July.

Period 9 estimates confirm continuing difficulties for schools over the medium term, with 63 schools indicating a deficit position in 2019-20. Whilst balances improve over the year at period 6 and 9 budget monitoring, is a noticeable downward trend.

4. Local Authority Analysis tool

The ESFA has developed in collaboration with the Office of National Statistics an analysis tool which combines a range of publicly available data, including CFR, census and Ofsted data to identify those schools in financial difficulty and those potentially at future risk. It provides 20 indicators for each school ranging from school balances, change in spend per pupil over a period and Ofsted rating. This information is also summarised and provides a rating from A* to G to highlight at a glance, schools in difficulty, with G being those in most difficulty.

Grade	A*	A	B	C	D	E	F	G
No. of Schools	1	9	17	36	20	9	7	4
Proportion of schools	1%	9%	17%	35%	19%	9%	7%	4%

The tool contains historic data, with the latest version based on 2016-17 data. The LA will use this data in conjunction with existing processes to identify schools at risk, and support them to take preventative measures. We are aware of those schools in the areas of concern.

5. Action Taken to Date

- During the spring term letters have been sent to a number of schools with expected deficit budgets in 2018 and 2019 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 4 schools.
- 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.

6. Future Action

- Use the Analytical tool provided by the EFA in conjunction with our budget monitoring review at P6 and period 9 to ensure schools financial plans 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.

Paul Boyce
Director of Children's Services