

City of Wolverhampton Council

SCHOOLS' FORUM

Date	17 January 2019
Report title	Deficit Budget Management
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Summary

This report explains the process of monitoring schools either having a deficit balance or where the Local Authority's school's budget management systems predict a deficit may occur.

This report is submitted as part of the forward plan approved by Forum members at their meeting held on 6 December 2018.

Decision

Members of the Schools' Forum are asked to note this report for information.

Schedule of background papers (If applicable)

Not applicable.

1.0 Purpose

- 1.1 This report is to inform Forum members of the work currently being undertaken in relation to maintained schools having or predicted to have deficit balances.

2.0 Background/Process

- 2.1 The projected financial position of each school is reviewed monthly following production of the reconciliation statement for each period.
- 2.2 A watch-list of schools is produced showing any projected deficits and is compared to previous periods.
- 2.3 These deficits or potential deficits are RAG rated based on the level of the actual - or predicted deficit e.g. is the school in the process of Academy conversion, does it have a licensed deficit etc. The higher the risk associated to the deficit determines whether the school is rated red, amber or green. Schools converting and having a deficit will attract the highest rating and level of intervention. There are currently 23 schools being monitored of which four are red 14 amber and five green risks.
- 2.4 Details of the deficit/prediction together with previous balances and the latest budget plan figures are recorded onto a control document which includes the measures taken to address the issue. These could range from meeting with the headteacher to introducing more stringent monitoring measures or requiring the school to submit a licensed deficit application.
- 2.5 Regular reports on the deficits, including a comparison to the previous period, and actions taken together with any further recommendations are presented to the Schools at Financial Risk Panel (formerly known as Schools Under Notice of Concern – SUNC), where each case is discussed in detail. Any further action required is minuted which could include the serving of a Notice of Concern or withdrawal of delegation where deemed serious enough to warrant this course of action.
- 2.6 The information relating to deficits also forms part of the Authority's quarterly monitoring reports submitted via the Director of Finance to Councillors.

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