

SCHOOLS BUDGETS, LICENSED DEFICIT

Contact Officer: Andrew Whitaker, Divisional Accountant, Children and Families

1. Purpose

- 1.1 To inform the Schools Forum of school budget plans for 2012/13 and the school that is requesting a licensed deficit.

2. Recommendations

- 2.1 That the Schools Forum notes the position in relation to schools' 2012/13 budget plans.
- 2.2 That any comments on the request for a licensed deficit for Stantonbury Campus be circulated at the delegated decision taken by the Cabinet Member for Children and Young People on 17th July 2012.

3. Financial Impact

- 3.1 The late submission of school budget plans delays the production of budget monitoring reports and could impede accurate monitoring of a school's financial performance.
- 3.2 The failure of Stantonbury Campus to deliver its recovery plan could have an adverse effect on the funding of all maintained MK schools.

4. Background

- 4.1 Schools are required to submit budget plans to the authority by 1st May each year. Annex A sets out the dates of receipt of those plans and which schools met the deadline. This year 16 schools failed to meet the deadline compared to nine in the previous year. By the time of sending out this report all schools had submitted their budget plans.
- 4.2 There is one school that has submitted a budget plan indicating the need for a licensed deficit. Section 4.8 of the Scheme for Financing Schools sets out the terms upon which schools may set a deficit budget. Any licensed deficit requires the approval of the Local Authority along with a plan over three years showing how the financial position will be recovered.

5. Licensed Deficits

Stantonbury Campus

- 5.1 The school has submitted a formal request for a licensed deficit for 2012/13. It is requesting permission to set a deficit budget of £143,928 (1% of their school budget share) which it is confident will be eliminated by March 2014.

- 5.2 The number of Year 7 pupils in the school in January 2012 was 329 compared with average numbers in the other 4 year groups of 408. This has resulted in a significant reduction in its budget share. Its year 7 intake is expected to reduce again in September 2013 before it starts to rise slowly.
- 5.3 Overall, funded pupils including sixth form pupils, are anticipated to drop to 2,190 by January 2016 compared with 2,523 in January 2011. The school started to address the financial implications of this reduction in income in 2011/12 and ended the year with a surplus of £416k. Net funding, including pupil premium, in 2012/13 is estimated to be £730k less than 2011/12. Further cost reductions are being implemented in year and will need to continue to be made for the next few years. A small amount of additional funding has been allocated to the school to fund in year admissions that are anticipated in the school.
- 5.4 The school's financial position will be closely monitored.