

STANTONBURY CAMPUS SCHOOL LICENSED DEFICIT

Responsible Cabinet Member: Councillor Miles, Cabinet member for Children and School Improvement

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Executive Summary

Stantonbury Campus is our largest maintained secondary school with a number on roll of 1,947 and a 2015/16 budget of just under £11m.

The Campus has been unable to set a balanced budget for 2015/2016 and anticipates a closing deficit of £699,645. It is, therefore, seeking permission to set a deficit budget. The school has already considerably reduced its running costs and any further reduction would affect the everyday operation of the school. The recommendation is that the setting of a deficit budget be approved and that the authority will work closely with the school to ensure that the residual deficit is kept to the minimum.

1. Recommendation

1.1 That the school be permitted to set a deficit budget of £699,645 for 2015/2016.

2. Issues

2.1 The school has submitted a formal request for a licensed deficit for 2015/16 for £699,645. This follows requests for licensed deficits for 2012/13, 2013/14 and 2014/15.

2.2 There was been a significant decline in the number of Year 7 pupils admitted to the school since September 2011. Although the position improved in September 2014 and is estimated to increase in future years the financial impact of lower pupil admission between 2011 and 2014 has been significant.

2.3 Actual and estimated pupil numbers are shown in the table below.

	Year 7 Intake	Total Pupil Numbers 11-16	Post 16 Numbers	Total Pupil Numbers
September 2011	320	1,954	431	2,385
September 2012	281	1,786	368	2,154
September 2013	256	1,654	351	2,005
September 2014	364	1,626	351	1977
September 2015 Forecast	343	1,576	330	1,906
September 2016 Forecast	360	1,617	330	1,947

- 2.4 Pupil numbers directly affects the funding income that the school will receive. The actual levels of funding income, (including pupil premium grant which has risen from £191k to £600k over the period), together with the licensed deficits requested and the actual year end positions are shown in the table below:

	Funding Income £'000	Costs £'000	Year-end Surplus/ (Deficit) £'000	Licensed Deficit Requested £'000
2011/12 Actual	13,663	13,255	417	-
2012/13 Actual	13,286	13,598	105	(143)
2013/14 Actual	12,508	12,892	(279)	(416)
2014/15 Actual	11,472	11,901	(708)	(695)
2015/16 Estimate	10,931	10,923	(700)	(700)
2016/17 Estimate	9,868			

- 2.5 The school's budget plan for 2015/16 takes into consideration the plan to continue to reduce expenditure which has enabled the school to set a balanced budget for the first time in four years. However this still leaves an expected year end deficit of £700k.
- 2.6 Significant reductions have been made to staff costs in the last three years with further planned savings to be made from September 2015; these have been achieved through a combination of voluntary redundancy and natural wastage. The Scheme for Financing Schools requires schools to recover deficits over a three year period. It is expected that the school will require a longer period to recover a deficit of this size.

2.7 The LA recognises the difficulty of the task being undertaken by the school in stabilising its financial position and supports it in the action it is taking. The school's financial position will continue to be closely monitored.

3. Alternative Options

3.1 There are three options as follows:

- (a) Withdraw delegation. This has resource implications and there is no guarantee than any savings additional savings would be made.
- (b) Insist that the school sets a balanced budget. The school has already significantly reduced its running costs and any further reduction could start to affect the running of the school.
- (c) Permit the school to set a deficit budget but work closely with the school to minimise the deficit.

4. Implications

4.1 Policy

None.

4.2 Resources and Risk

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

The above proposals have no effect on the Council's Carbon Standards and Energy Management Policy.

4.4 Legal

This report is presented in line with provisions of the Schools Standards and Framework Act 1998.

4.5 Other Implications

None.

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: None.