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Briefing note

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Title of Briefing: Headroom subgroup update

Background

As part of the scrutiny arrangements agreed in relation to schools finance, this report summarises the current position after the September/October monitoring visits.

This report is for information only.

Current position

Budget monitoring has now been completed with all schools in the Autumn term. Schools were broadly performing in line with expectations, with additional support and challenge being provided to those schools forecasting that their year end position will have a negative variance from their budget plan.

Overall, schools are forecasting a net cumulative balance position of £1.919m at 31 March 2016, against their budget plans of £1.505m (note: the budget plans have been updated for Norham High School, see below). Whilst this is a positive position, it should be noted that the year-end position at 31 March 2015 was £7.637m. As previously noted in finance reports to Schools Forum and Cabinet, schools have been reminded of the importance of accurate budget monitoring during the year.

As set out in the School Balances report to Schools Forum on 16 September 2015, there are six schools with deficit approvals for the current financial year – with an increase in both the number and value of the deficits.

Since that report, officers have concluded the deficit discussions with Monkseaton High and Norham High. In July, provisional deficit approval was granted as the Local Authority and Schools Forum requested further information on the budget plans before a formal letter was to be issued. That information

has now been received and the schools have met with officers as part of the increased scrutiny for deficit schools. An improved position has been noted for Norham so the approved deficit position has been set at £0.700m, an improvement of £0.055m from the provisional position. The Monkseaton High deficit has been confirmed at the level set at the provisional stage (£0.796m).

Recommendation

Schools Forum is asked to note the contents of this report.