
Meeting: Schools Forum
Date: 25 January 2010
Subject: Schools in Licensed Deficit
Report of: Deputy Chief Executive and Director of Children, Families and Learning
Summary: To propose the part use of Schools Specific Contingency to fund the additional administration and monitoring involved with Schools in Licensed Deficit

Contact Officer: Dawn Hill, Borough Hall, Bedford
Public/Exempt: Public
Wards Affected: All
Function of: Council

RECOMMENDATIONS:

- 1. To propose the part use of Schools Specific Contingency to fund the additional administration and monitoring involved with Schools in Licensed Deficit.**

Background

1. Central Bedfordshire Council's Local Management of Schools Scheme is based on the legislative provisions in sections 45 to 53 of the School Standards and Framework Act 1998 (the Act) and the School Financing (England) Regulations 2008.
2. The Local Authority may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under Section 45a of the Act. The amounts to be retained centrally are decided upon annually by the Local Authority, subject to any limits or conditions prescribed by the Secretary of State and any amounts that have to be agreed by the School Forum.
3. Schedule 2 of the School Finance Regulations 2008 prescribes the planned expenditure which may be deducted from the Direct School Grant (DSG) before the Individual Schools Budgets (ISB) is determined. The School Specific Contingency budget is such expenditure.
4. It was agreed at the School Forum meeting on the 15 December 2008 that £500,000 would be allocated for the financial year 2009/10 to the School Specific Contingency Budget. The amount of this budget is agreed by the School Forum annually.

Licensed Deficit Schools

5. Currently there are nineteen schools with an approved Licensed Deficit, two of which are requesting revisions. A further seven schools budgets have yet to be agreed for the financial year 2009/10.
6. A budget management requirement of the Scheme for Financing Schools is that schools provide a formal forecast out-turn to the Local Authority based on October Income and Expenditure. This was due on 5 December and has highlighted a further seven schools that will be applying for a License Deficit in 2009/10.
7. Thirty three of our 139 Schools (24%) are experiencing financial difficulty and are seeking additional financial support from the School Finance Team. We are anticipating this number to rise from 2010/11 and onwards.
8. Schools in Licensed Deficit require additional support in the budget setting and recovery plan process. This is then followed by monthly monitoring and additional school visits.

Proposal

9. To ensure Schools in difficulty receive the appropriate support than is currently available, the School Finance Team needs to allocate additional provision. Each full time Financial Adviser is currently responsible for 49 schools. It is anticipated the additional support would equate to approx £1,000 (25-30 hours) per Licensed Deficit School.
10. The approval of the Forum is requested to allocating £30,000 from School Specific Contingency with effect from 1 April 2010 and that the expenditure will be reported on line 1.1.1 of the Local Authorities Section 52 Statement 'Support for Schools in Financial Difficulty'. This amount will be reviewed each financial year based on the number of schools in Licensed Deficit and inflation.

Appendices:

None