

GPAC Meeting Schools in Deficit

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National averages - schools in deficit

- **Almost one in three (30.3%) of local authority (LA) maintained secondary schools were in deficit in 2017-18 – almost four times that of 2014 (8.1 per cent).**
- **The average secondary school deficit was nearly half a million pounds (£483,569).**
- **Significantly, there is a marked contrast between the proportion of secondary schools and primary schools in deficit – only 8% of primaries in 2017-18.**
- **Some schools have very large deficits: 1 in every 10 LA secondary school has a deficit of over 10% of their total income.**
- **The proportion of special schools in deficit has nearly doubled since 2014 (to 10.1%), with an average deficit of nearly a quarter of a million pounds (£225,298).**

Croydon Schools in deficit



- As at Quarter 3 there are 13 of our 52 maintained schools in deficit which is 25%
 - 54% are primary and 23% are secondary
- The total deficit amounts to £4.5m with (£3.9m in the secondary schools)
- The schools are broken down according to risk
 - 3 High risk schools (all secondary)
 - 7 Medium risk schools
 - 3 Low risk schools

Croydon Schools in deficit as at Quarter 3 2019

School Name	Balance b/fwd from 2017/18	Projected in-year surplus/(deficit)	Projected c/fwd balance
Virgo Fidelis	-£1,267,621	-£422,017	-£1,689,638
St Andrew's CE School	-£658,730	-£738,534	-£1,397,264
Archbishop Tenison's High	-£625,848	-£242,311	-£868,159
Norbury Manor Primary	-£139,825	-£12,359	-£152,184
All Saints CE Primary School	-£97,797	-£15,057	-£112,854
The Minster Nursery & Infant School	£12,992	-£83,625	-£70,633
St Joseph's Infants School	£21,342	-£77,246	-£55,904
Selhurst Early Years & Children's Centre	-£8,831	-£46,291	-£55,122
Winterbourne Infants	-£6,775	-£26,529	-£33,304
Crosfield Nursery and Children's Centre	£466	-£28,942	-£28,476
Margaret Roper RC Primary School	£221	-£20,049	-£19,828
The Hayes Primary School	-£27,885	£18,611	-£9,275
Saffron Valley Collegiate	£154,899	-£159,505	-£4,606
Total	-£2,643,392	-£1,853,854	-£4,497,247

3 High Risk Schools

School Name	Balance b/fwd from 2017/18	Projected in-year surplus/(deficit)	Projected c/fwd balance	Deficit as a % of revenue income
Virgo Fidelis	-£1,267,621	-£422,017	-£1,689,638	46.6%
Large b/fwd deficit & in year deficit; School has seen a falling number on roll				
St Andrew's CE School	-£658,730	-£738,534	-£1,397,264	51.5%
Large deficit which will remain with the LA; Action being taken to limit the deficit increasing in the remaining years of the school				
Archbishop Tenison's High	-£625,848	-£242,311	-£868,159	19.6%
Large b/fwd deficit & in year deficit; Popular & oversubscribed school with Opportunity for additional pupils & further expansion of the school being considered by the Dioceses				

7 Medium Risk Schools

School Name	Balance b/fwd from 2017/18	Projected in-year surplus/(deficit)	Projected c/fwd balance	Deficit as a % of revenue income
Norbury Manor Primary	-£139,825	-£12,359	-£152,184	6.5%
Recent Ofsted awarded Good and Outstanding in the Early years resulting in a positive impact on pupil numbers				
All Saints CE Primary School	-£97,797	-£15,057	-£112,854	5.4%
Large b/fwd deficit smaller in year deficit; increase in pupil numbers				
The Minster Nursery & Infant School	£12,992	-£83,625	-£70,633	3.5%
Falling pupil figures but potential opportunities with Junior school on same site				

7 Medium Risk Schools (cont'd)

School Name	Balance b/fwd from 2017/18	Projected in-year surplus/(deficit)	Projected c/fwd balance	Deficit as a % of revenue income
St Joseph's Infants School	£21,342	-£77,246	-£55,904	5.5%
Restructure resulted in redundancy costs savings to be realised in future year				
Selhurst Early Years & Children's Centre	-£8,831	-£46,291	-£55,122	9.6%
Awaiting guidance on future of maintained nursery schools. A restructure has already been completed				
Winterbourne Infants	-£6,775	-£26,529	-£33,304	1.4%
Potential opportunities with the junior school				
Crosfield Nursery and Children's Centre	£466	-£28,942	-£28,476	3.1%
Awaiting guidance on future of maintained nursery schools. Potential for school is yet to restructure				

3 Low Risk Schools

School Name	Balance b/fwd from 2017/18	Projected in-year surplus/(deficit)	Projected c/fwd balance	Deficit as a % of revenue income
Margaret Roper RC Primary School	£221	-£20,049	-£19,828	1.7%
Strong plan for moving to balanced position				
The Hayes Primary School	-£27,885	£18,611	-£9,275	0.5%
In-year balanced position deficit is c/f from prior year				
Saffron Valley Collegiate	£154,899	-£159,505	-£4,606	0.1%
Converting to academy any deficit will be refunded by DfE as it is not a sponsored academisation				

Existing controls



- Schools are requested to set a licence deficit plan – this includes a 3 year budget plan as to how the school will return to a balanced position
- Schools are met with by senior finance and education officers to discuss their deficit and their action plan for setting a balanced budget in the future
- Schools are required to submit monthly returns and their position is monitored
- Termly finance meetings for all maintained schools sharing best practice etc

Emerging risks



- There are potentially two schools at risk of closure, their combined deficit amounts to £3m plus additional costs of closing a school (employee termination cost)
- Concerns for the LA are schools that are forced to become academies as any deficit will remain with the LA. In particular schools with Rf Ofsted rating and are not voluntary aided/religious schools
- Lack of long-term funding solution for maintained nursery schools

Future controls



- More enhanced benchmarking using tools currently under development with the DfE
- The LA can put in place an Interim Executive Board (IEB).
 - IEB's can be installed if a school has been placed in special measures or given notice to improve by Ofsted or has not complied with a warning notice from the LA. The powers of this are limited in terms of its financial benefit to the LA as it is effectively steering the school towards a form of collaboration with another education body