



Report to: Schools Forum

Date: 26th June 2019

Subject: Three Year Budget Forecasts – 2019/20 to 2021/22

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Summary: To inform Schools Forum of the outcomes of the three-year budget exercise and the forecasted deficits of schools over the longer term.

Recommendation(s): For Schools Forum to note the contents of the report.

Implications:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: n/a

1. Introduction

- 1.1 In the Autumn Term 2018, maintained schools were asked to complete a three-year budget forecast for the period 2019/20 to 2021/22 and submit this to finance. An update to the 2019/20 position has been received through the school's annual budgets submitted this term.
- 1.2 At the last meeting on 16th May 2019, Forum members requested information on the outcome of the three-year budget exercise and the deficits forecast by schools.

2. 2019/20 Position

- 2.1 Maintained schools submit a budget to the Local Authority on an annual basis. The 2019/20 budgets submitted to date identify that three primary and nursery schools are forecasting deficits in the current financial year. One of our special school's may also have a deficit, however, final budget figures have not yet been received and work is ongoing with this school. No secondary schools are forecasting a deficit in 2019/20.
- 2.2 Therefore, currently **3%** of our maintained schools are forecasting a deficit this year. The total value of these deficits is **£173,690** and these range from £17,642 to £99,917.
- 2.3 The Local Authority is working closely with these schools to help identify efficiencies and to provide oversight of the financial position as the year progresses.

3. 2020/21 and 2021/22 Position

- 3.1 During the Autumn Term 2018, all maintained schools were asked to complete and submit a longer-term projection in the form of a three-year budget using the best available information at that time.
- 3.2 Returns have been received from 96 of our 100 maintained schools, and from the longer-term projections submitted it was found that **71%** of schools are forecasting a deficit in 2020/21 and **85%** in 2021/22.
- 3.3 The tables below summarise the deficits forecast in the submitted three-year budgets in 2020/21 and 2021/22. It should be noted that due the time elapsed since the three-year submissions this position is likely to now have changed and based on the 19/20 annual budgets we believe that the position is now more positive than the figures reported below. The information has been split by sector:

Table 2 – 2020/21 forecast deficits

Sector	No. with deficits	Total deficit (£)	Average (£)	Min (£)	Max (£)
Primary	60	-6,783,433	-112,674	-6,108	-623,241
Secondary	6	-2,796,176	-466,029	-44,910	-931,965
Special	4	-1,026,047	-256,512	-196,658	-323,151
Totals	70	-10,605,656			

Table 3 – 2021/22 forecast deficits

Sector	No. with deficits	Total deficit (£)	Average (£)	Min (£)	Max (£)
Primary	73	-16,591,973	-224,998	-6,003	-1,073,425
Secondary	7	-5,525,262	-789,323	-122,345	-1,716,049
Special	4	-2,136,844	-534,211	-492,168	-639,655
Totals	84	-24,254,079			

3.3 Those schools who are not currently anticipating a deficit by year 3 (2021/22) are still forecasting 'in-year' deficits and it is only as a result of the balances previously accumulated that they are able to balance their budgets over this period.

3.4 The Local Authority will again be asking schools to complete and submit three year budget plans in the Autumn Term 2019 covering the period 2020/21 to 2022/23 and an update will be presented to Forum following this exercise.

4. Academy three-year budgets

4.1 At the last forum meeting, it was noted that Academies would be asked to share their three-year budgets for order to provide the full picture of the financial pressures being faced by Wigan schools.

4.2 A request for this information has been made to each Academy Headteacher and to date we have received the requested information from 6 academies out of 28.

4.3 None of the academies that have supplied the requested information are forecasting a deficit in 2019/20 or 2020/21. However, 33% of these schools are forecasting deficits in 2021/22 and this information is summarised in the table below, split by sector.

Table 4 – Academies 2021/22 forecast deficits

Sector	No. with deficits	Total deficit (£)
Primary	1	-£112,258
Secondary & PRU	1	-£300,036
Totals	2	-£412,294

4.4 Similar to maintained schools, all academies who have provided a response are forecasting 'in year' deficits by 2021/22 and it is only as a result of their accumulated reserves that they are able to balance their budgets.

5. Recommendations

5.1 Forum are asked to note the information within the report and the future forecasted deficits.

5.2 Forum to advise if any further information is required.