

Pre Cabinet Scrutiny September 2018

Recommendations

- **That those schools who are exercising financial prudence are commended and the work undertaken by the schools finance department to support these schools be acknowledged**

Cllrs Aled/Myfanwy to make comment at the Cabinet meeting when the school balances report is considered on the 18th June 2019.

- **That the Portfolio Holder for Finance and the Portfolio Holder for Education acknowledge the risk that the position regarding schools deficit budgets brings to the authority and outline the action that they will take, in particular with regard to those schools in the secondary and special sector showing a worsening position, to reduce this risk and bring the schools delegated budgets back into a balanced position**

Cllr Aled acknowledge risk picking up on the Section 151 comment in the Cabinet report 18th July

Finance meetings were held in the Autumn Term 18 & Spring 19

Funding formula reviewed and implemented April 2019

Schools that are currently in deficit with no recovery plan must submit a recovery plan by the 5th July 2019, which will be reviewed and challenged by officers of the authority

Additional meetings are held with any school causing concern in collaboration with HR, Schools Service and finance, to ensure Team around the school approach. This has proved very effective with schools deficit balances.

If required further intervention will be considered with those schools that are not working with the Authority to reduce their deficit balance.

- **That consideration is given to how financial delegation is monitored for those schools which are known to potentially be or actually be in the position of closing to ensure that if it becomes apparent that financial management is not being followed then prompt action can be taken**

Scheme for financing schools sets out the parameters in which we can manage the financial situation in schools with regards to closure. The finance team challenge schools on their financial position to ensure compliance with the scheme.

Withdrawal of delegation from one school that was closing took place.

Authority must consider when closing a school what powers it wants to include in relation to restricting spending powers in line with section 3.7.2 of Scheme, as per below

“In order to ensure effective stewardship of the resources available to schools, the Authority may impose additional restrictions on a school scheduled to close, including but not limited to:

- ☐ restriction of expenditure to agreed plans
- ☐ removal of powers of virement “

- **That a commitment is provided that, given the impact that the Funding Formula Review has on school budgets, this review will be worked on at pace and will be ready for implementation from April 2019.**

Formula implemented from April 2019, ongoing review is an essential part of maintaining the funding model. This will be take place through the Formula Review Group. Their first meeting is scheduled for the 12th July 2019.

- **That a further report on the overall position regarding school budgets to be reported to Cabinet in November to include the impact of the recovery plans due for submission on 30th September 2018.**

A formal report was not presented to Cabinet, however individual schools budgets are discussed on an informal basis with Cabinet and EMT particularly those of specific concern. For the 2019/20 financial year School budget performance will be included in the monthly budget monitoring reports to Cabinet which are also reviewed and scrutinised by the Finance Panel.