

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>Executive</b>
<b>Date:</b>	<b>June 9<sup>th</sup>, 2014</b>
<b>Subject:</b>	<b>Proposal to deal with a school budget deficit</b>
<b>Portfolio Holder(s):</b>	<b>Ieuan Williams</b>
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<b>Local Members:</b>	

<b>A –Recommendation/s and reason/s</b>
<p>The purpose of the report is for the Executive Committee to agree to the principle of the use of reserves to support the budget recovery plan at Ysgol Uwchradd Caergybi.</p> <p>The proposal involves the planned use of Lifelong Learning reserves to support the school's budget recovery plan to be implemented over a 3 year period. The following service specific reserves - £276k from Post 16 reserve and £84k from the Schools Specific Contingency reserve will be used to create an overall reserve of £360k in total. This reserve will be used to match any end of financial year savings made by the school on a pound-for-pound basis.</p> <p>Background to the budget deficit.</p> <p>An analysis of Secondary Schools' Funding was presented to the Schools Forum on 13<sup>th</sup> December 2013. The report drew attention to a difference in Post-16 funding for Caergybi in that the revised funding formula, introduced in 2011/12, resulted in a significant decrease in Ysgol Uwchradd Caergybi's per pupil funding for Post 16. This meant that since 2011/12 the school has effectively been under-funded over a 3 year period. The extent of this underfunding has been calculated to be £360k.</p> <p>Following a discussion with the Director of Lifelong Learning and the Interim Section 151 Officer, a solution has been suggested to address this issue by utilising the reserves as outlined above.</p> <p>The reserves are ring fenced to use by Schools only, with one restricted to Post 16 issues. A balance of £506k will remain on the Schools Specific Contingency reserve and will remain restricted to use by Schools only.</p> <p>The introduction of a new funding formula for Post 16 funding for 2014-15 has addressed the issue of under-funding.</p>

Members' attention is also drawn to the fact that should this principle be accepted that the Lifelong Learning Department will need to write to the school confirming that the reserve will only be accessed after any in-year saving has been confirmed by the Finance Department. The letter will also need to include a reference to the possible use of the authority's powers of intervention should the school be unable to produce end of financial year savings.

The recommendation is for the Executive Committee to agree to the utilisation of the reserves over a 3 year period to address historical funding issues at Ysgol Uwchradd Caergybi. The reserve to be used to match any end of financial year savings made by the school on a pound-for-pound basis.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

The other option considered was to do nothing and ask the school to address the deficit over a longer period of time. This however does not address the underfunding identifies.

**C – Why is this a decision for the Executive?**

Noted in the financial regulations.

**CH – Is this decision consistent with policy approved by the full Council?**

Yes

**D – Is this decision within the budget approved by the Council?**

Yes

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	

4	Human Resources (HR)	
5	Property	
6	Information Communication Technology (ICT)	
7	Scrutiny	
8	Local Members	
9	Any external bodies / other/s	

<b>E – Risks and any mitigation (if relevant)</b>		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	

<b>F - Appendices:</b>	
None	

<b>FF - Background papers (please contact the author of the Report for any further information):</b>	
None	