

<p align="center">Report to Hartlepool Schools' Forum 20th January 2016 From Mark Patton (Assistant Director – Education, Learning & Skills)</p>

Agenda Item 4 - School Balances Review

1 Introduction

- 1.1 At the beginning of this financial year schools completed a school balances survey. Forum Members considered the outcome of this survey in the school balances report at the Forum meeting on 19th June 2015 which showed balances held by each school at 31st March 2015 and details of the planned use of these balances.
- 1.2 Concerns have been expressed regarding the ongoing high level of school balances. Schools Forum agreed that a robust challenge would be made to ensure that schools are spending their balances effectively. In addition, a Task & Finish Group was set up to look at monitoring mechanisms for school balances. This Group met and agreed in principle to 'deficit/surplus' clinics.
- 1.3 As part of this review it was agreed to monitor the actual spend against the commitments identified in the survey. A second survey was circulated to all schools in November 2015.

2 Survey Results

- 2.1 All schools were invited to complete the survey. Of the 28 maintained schools, all schools responded. Of the nine academies, only one participated. The results of this survey are not reflected in the Table below as we do not have the comparator data.
- 2.2 The survey results are summarised in the table below:-

School	Planned Use of Balances to Support 2015/16	Total Actual Spend to Date	Total Commitments to 31/3/16	Revised Use of Balances to Support 2015/16	Variance over/(under)
	£	£	£	£	£
Total Primary	£2,196,121	£1,065,043	£880,877	£1,945,920	(£250,201)
Total Secondary	£206,668	£206,668	0	£206,668	0
Total Special	£70,078	£59,622	£9,624	£69,246	(£832)
Total All Sectors	£2,472,867	£1,331,333	£890,501	£2,221,834	(£251,033)

- 2.3 Total commitments have reduced in year by £0.251m, a 10% reduction. The reduction mainly relates to the primary sector.

- 2.4 The details by school are shown in **Appendix 1**. Column (a) shows the total planned use of school balances of £2.473m as at 31st March 2015, compared to the latest forecast of £2.222m Column (d).
- 2.5 Column(b) shows how much each school has spent to date against the planned use of these balances. This totals £1.331m, representing 54% of planned balance usage.
- 2.6 A further £0.891m (36%) is yet to be spent but remains committed in this financial year column (c).
- 2.7 **Appendix 2** summarises by sector the breakdown from the survey, of the school balances against the permitted categories, together with the actual spend to date and commitments to the year end.
- 2.8 The overall reduction in commitments of £0.251m relate to the primary schools. Employee commitments reduced by £0.143m and commitments against Premises costs reduced by £0.106m.
- 2.9 In addition to the balances detailed in the tables. The academy survey results show that the academy is using £0.155m of its balances to support the 2015/16 academic year.

3 Projected Outturns

- 3.1 As part of the budget monitoring cycle the autumn visits project maintained school balances totalling £2.239m. However, the survey results projected uncommitted balances of £1.946m at 31st March 2016. This indicates a possible increase in uncommitted balances at 31st March 2016, of £0.292m (13% slippage).
- 3.2 After taking into account Hartlepool's allowable commitments and applying the standard percentages relating to excessive balances :-
- 4 of the 25 primary schools have balances which exceed 8% of their current ISB
 - None of the 2 secondary schools have a balance which exceed 5% of their current ISB
 - the special schools has balances which exceed 8% of their estimated ISB
- 3.3 It is noted that there are pressures on the 2016/17 schools individual budgets in relation to the Teachers Pay Award, the increase in National Insurance Rates and the full year effect of the increased Teachers Pension contributions.
- 3.4 In addition there is also uncertainty regarding the 2017/18 schools budgets with the introduction of the national schools funding formula.

4. Recommendations

- 4.1 To note the contents of the report and ask Forum members to discuss the proposed Excessive School Balances protocol.

Appendix 2

	Employee Costs					Premises Costs					ICT Expenditure			
School	Employees Committed @ last survey	Actual Expenditure to Date	Commitments to 31/3/16	Total - Use of Balances to Support 15/16 Budget		Premises Committed @ last survey	Actual Expenditure to Date	Commitments to 31/3/16	Total - Use of Balances to Support 15/16 Budget		ICT Committed @ last survey	Actual Expenditure to Date	Commitments to 31/3/16	Total - Use of Balances to Support 15/16 Budget
	£	£	£	£		£	£	£	£		£	£	£	£
Total Primary	£452,342	£190,936	£113,746	£304,682		£1,431,259	£678,018	£653,640	£1,331,658		£159,257	£96,487	£57,526	£154,013
Total Secondary	£192,832	£192,832	£0	£192,832		£0	£0	£0	£0		£0	£0	£0	£0
Total Special	£30,078	£25,653	£9,624	£35,277		£40,000	£33,969	£0	£33,969		£0	£0	£0	£0
Total All Sectors	£675,252	£409,421	£123,370	£532,791		£1,471,259	£711,987	£653,640	£1,365,627		£159,257	£96,487	£57,526	£154,013

	Supplies and Services					Transport expenditure					Totals for all categories			
School	Supplies & Services Committed @ last survey	Actual Expenditure to Date	Commitments to 31/3/16	Total - Use of Balances to Support 15/16 Budget		Transport Committed @ last survey	Actual Expenditure to Date	Commitments to 31/3/16	Total - Use of Balances to Support 15/16 Budget		Total Committed @ last survey	Total Spend to Date	Commitments to 31/3/16	Total - Use of Balances to Support 15/16 Budget
	£	£	£	£		£	£	£	£		£	£	£	£
Total Primary	£146,763	£93,970	£55,097	£149,067		£6,500	£5,632	£868	£6,500		£2,196,121	£1,065,043	£880,877	£1,945,920
Total Secondary	£13,836	£13,836	£0	£13,836		£0	£0	£0	£0		£206,668	£206,668	£0	£206,668
Total Special	£0	£0	£0	£0		£0	£0	£0	£0		£70,078	£59,622	£9,624	£69,246
Total All Sectors	£160,599	£107,806	£55,097	£162,903		£6,500	£5,632	£868	£6,500		£2,472,867	£1,331,333	£890,501	£2,221,834