

**Agenda Item 4 - School Balances Survey**

**1 Introduction**

- 1.1 Every year we ask schools to complete two balances surveys. One following outturn as at 31 March and an update in December.
- 1.2 Schools Forum agreed that a robust challenge would be made to ensure that schools are spending their balances effectively. A Forum sub-group has been set up to review the surplus balances. This Group met and agreed in principle to 'deficit/surplus' clinics. The "Excessive School Balances" protocol and guidelines detailing the process for reviewing school balances was agreed at Forum on 26<sup>th</sup> April 2016. This has been incorporated into the Scheme for Financing Schools.

**2 Survey Results as at 31 March 2016**

- 2.1 All schools were invited to participate in the survey. All maintained schools responded to the survey. Of the nine academies, one participated. The results are included in the appendices showing balances as at 31<sup>st</sup> August 2015.
- 2.2 Where a school applies for exceptional or additional funding from the local authority, school balances will be taken in to consideration. If this information has not been provided then the school will be required to provide details of their balances and a copy of their statutory accounts if applicable. This information will then be used to update the balances survey, and to decide if the application for exceptional or additional funding should be granted.
- 2.3 During 2016/17 one academy has applied for exceptional funding, therefore the balances as at 31<sup>st</sup> August 15 are included in the appendices.

**3 Projected Outturns**

- 3.1 The report to Schools' Forum on 20<sup>th</sup> January 2016 predicted maintained schools balances as at 31 March of £2.239m. During the spring term monitoring, balances increased to £2.740m, as shown in **Appendix 1** (column a) compared to actual school balances (column b) of £3.112m, an increase of £0.372m (13.6%).
- 3.2 Column d shows the actual school balances as a percentage of the 2016/17 ISB.

3.3 Using the “Excessive School Balances” protocol on balances (regardless of commitments) above 8% (primary) and 5% (secondary), 15 of the 26 primary schools exceed 8% of their current ISB. No other provision exceeds the recommended balances.

#### **4 Planned Use of Balances**

4.1 Schools were given the opportunity to commit their school balances against the following permitted categories:

- Employees
- Premises
- ICT
- Supplies & Services
- Transport
- Use of balances in 2016/17 and beyond.

4.2 Maintained schools have planned to use £2.091m of the balances to support the 2016/17 budget, shown in column e, as well as projecting an outturn underspend of £0.209m. This reduces the school balances to £1.230m. After these commitments three schools still exceed the 8% threshold.

4.3 In addition, a further £0.315m (column g) has been identified to support the 2017/18 budgets, which leaves gross uncommitted balances of £0.915m.

4.4 **Appendix 2** Table 1, summarises by sector the breakdown from the survey of the school balances against the permitted categories.

4.5 In addition to the main balances, a further £0.178m was carried forward in respect of “Other funds”. Table 2 summarises by sector the breakdown of Balances at 31<sup>st</sup> March 2016.

4.6 Of the four schools that have balances in respect of community facilities (comfac), two are in deficit. Only one school returned the balances survey in respect of the comfac.

#### **5 Recommendations**

- Schools Forum note the contents of the report which will be referred to the appointed sub group “Schools Forum Triad” for consideration and action under the “Excessive School Balances Protocol” within the Scheme for Financing Schools.

Analysis of School Balances as at 31 March 2016

APPENDIX 1

School	Outturn 2015/16			Actual Balance 31.3.16 as % of 2016/17 ISB	Planned Use of Balances			
	School's latest projected outturn at 31st March 2016	School's actual outturn at 31st March 2016	Variance over/(under)		Planned use of balances to support 2016/17 budget	Projected Outturn 2016/17 Underspend	Planned use of balances to support 2017/18 budget	Total Uncommitted balances 31/03/18
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	94,993	95,247	(254)	7.4%	53,000	(35,939)	0	78,186
2	110,134	117,638	(7,504)	9.5%	33,055		0	84,583
3	39,201	65,241	(26,040)	14.9%	39,923		25,000	318
4	53,959	57,201	(3,242)	7.1%	51,485		0	5,716
5	126,317	158,809	(32,492)	3.3%	72,754		80,394	5,661
6	411,172	481,433	(70,261)	30.6%	417,392		11,576	52,465
7	0	0	0	0.0%	0	(39,073)	0	39,073
8	19,789	43,212	(23,423)	9.9%	38,473		0	4,739
9	66,472	79,109	(12,637)	10.1%	65,281		0	13,828
10	20,075	27,886	(7,811)	2.2%	3,525		0	24,361
11	24,115	16,377	7,738	2.4%	0		0	16,377
12	33,713	47,565	(13,852)	5.2%	47,565		0	0
13	95,249	135,307	(40,058)	11.5%	45,059		0	90,248
14	53,849	80,211	(26,362)	5.3%	47,347		32,864	0
15	0	0	0	0.0%	0		0	0
16	114,672	113,270	1,402	8.2%	19,228		0	94,042
17	191,573	182,469	9,104	10.0%	165,000		0	17,469
18	80,177	94,504	(14,327)	19.7%	56,339		38,165	0
19	327,011	345,013	(18,002)	23.6%	266,650		0	78,363
20	81,210	76,274	4,936	5.7%	34,479		0	41,795
21	0	0	0	0.0%	0		0	0
22	45,188	53,150	(7,962)	7.9%	45,901		0	7,249
23	105,548	122,380	(16,832)	8.5%	95,156		0	27,224
24	47,193	72,386	(25,193)	11.6%	58,473		0	13,913
25	73,541	127,855	(54,314)	18.0%	45,567		82,228	60
26	62,974	62,481	493	7.1%	62,481		0	0
27	262,659	262,582	77	19.3%	258,291	(134,600)		138,891
28	0	0	0	0.0%	0			0

School	Outturn 2015/16			Actual Balance 31.3.16 as % of 2016/17 ISB	Planned Use of Balances			
	School's latest projected outturn at 31st March 2016	School's actual outturn at 31st March 2016	Variance over/(under)		Planned use of balances to support 2016/17 budget	Projected Outturn 2016/17 Underspend	Planned use of balances to support 2017/18 budget	Total Uncommitted balances 31/03/18
29	199,200	194,825	4,375	15.0%	68,970		45,000	80,855
<b>Total Maintained</b>	<b>2,739,984</b>	<b>3,112,425</b>	<b>(372,441)</b>	<b>7.3%</b>	<b>2,091,394</b>	<b>(209,612)</b>	<b>315,227</b>	<b>915,416</b>

Academy		31st August 2015						
1	N/A	96,509	96,509	8.6%	25,000		0	71,509
2	N/A	473,871	473,871	6.3%	155,271		0	318,600
<b>Total Academy</b>	<b>N/A</b>	<b>570,380</b>	<b>570,380</b>	<b>6.6%</b>	<b>180,271</b>	<b>0</b>	<b>0</b>	<b>390,109</b>

Sector	Table 1: Planned Use of Balances for 2016/17					
	Employees	Premises	ICT	Supplies	Transport	Total
	£000	£000	£000	£000	£000	£000
Primary	705	904	168	193	3	1,973
Secondary	73	-	-	-	-	73
Special	14	25	6	-	-	45
<b>Maintained Total</b>	<b>792</b>	<b>929</b>	<b>174</b>	<b>193</b>	<b>3</b>	<b>2,091</b>
Academy	55	-	-	125	-	180
<b>Academy Total</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>125</b>	<b>-</b>	<b>180</b>

Sector	Table 2: Other School Balances at 31st March 2016			
	PE & Sports	Comfac	Out of School Clubs	Total Other Balances
	£000	£000	£000	£000
Primary	83	(83)	173	173
Secondary	-	(9)	14	5
Special	-	-	-	-
<b>Maintained Total</b>	<b>83</b>	<b>(92)</b>	<b>187</b>	<b>178</b>
Academy	-	-	-	-
<b>Academy Total</b>	<b>83</b>	<b>(92)</b>	<b>187</b>	<b>178</b>