**Report to Hartlepool Schools’ Forum 5 February 2020**

**From Amanda Whitehead – Assistant Director Education**

# Agenda Item 5 - School Balances Review

1. **Introduction**
   1. In accordance with the ‘Scheme for Financing Schools’, and as agreed by Schools’ Forum, schools are required to complete two balances surveys each year: one following outturn as at the end of March, and an update in December.
   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.  A Forum members’ triad panel, was set up to monitor this. Last year one school was referred to the panel.
   3. As part of this review, the December update monitors the actual spend against the planned use identified in the March survey.
2. **Survey Results**
   1. The survey results are summarised in the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sector** | **Total Planned Use of Balances to Support 2019/20 Budget** | **Total Actual Spend to Date** | **Total Commitments to 31/3/20** | **Revised Use of Balances to Support 2019/20** | **Variance over/(under)** |
|  | **£** | **£** | **£** | **£** | **£** |
| **Total Primary & Special** | £884,559 | £693,465 | £147,516 | £840,981 | (£43,577) |
| **Total Secondary** | £0 | £0 | £0 | £0 | £0 |
| **Total All Sectors** | **£884,559** | **£693,465** | **£147,516** | **£840,981** | **(£43,577)** |

* 1. e

2.2The details by school are shown in **APPENDIX 1.**

2.3 Column (a) showsthe total planned use of school balances of £0.885m as at 31 March 2019, compared to the latest forecast of £0.841m Column (d).

2.4 Column (b) shows how much each school has spent to date against the planned use of these balances. This totals £0.693m, representing 78% of planned balance usage.

2.5 A further £0.148m (17% in column (c)), is committed to be spent by the year end. This compares to expected commitments at this stage last year of £0.314m.

2.6 **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.

1. **Projected Outturns**
   1. It is forecast that at 31st March 2020 uncommitted balances at schools will be

£1.123m. This represents a 4.04% increase (£0.044m) since the last survey.

* 1. After taking into account Hartlepool’s allowable commitments and applying the standard percentages relating to excessive balances, three of the 18 local authority primary schools have balances which exceed 8% of their current ISB. None of the other schools’ balances exceed the standard percentages.
  2. Finance will update the position in May following closure to show the actual outturn position.

1. **Recommendations**

4.1 It is recommended that Forum members

1. note the contents of the report
2. ask the Chair to convene the Excess Balances Panel for the three primary schools beyond the agreed threshold.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Planned Use of Balances 2019/20** | | | | | | | | | | | | | **APPENDIX 1** | | | |
| **School** | | **Total Planned Use of Balances to Support 2019/20 Budget** | **Total Uncommitted Balances @ last survey** | | **Total Actual Spend to Date** | | **Total Commitments to 31/3/20** | | **Total Forecast - Use of Balances to Support 19/20 Budget** | | **Variance over/(under)** | | **Forecast Uncommitted Balances @ 31/3/20** | | **Projected Balance 31.3.20 as % of 2019/20 ISB** | | **Above the generally accepted levels** | |
|  | | **(a)** |  | | **(b)** | | **(c)** | | **(d)** | |  | |  | |  | |  | |
|  | | **£** | **£** | | **£** | | **£** | | **£** | | **£** | | **£** | |  | |  | |
| 1 | | 0 | 99,412 | | 12,600 | | 0 | | 12,600 | | 12,600 | | 86,812 | | 6.6% | |  | |
| 2 | | 100,416 | 170,173 | | 52,416 | | 0 | | 52,416 | | (48,000) | | 218,173 | | 16.0% | | Yes | |
| 3 | | 64,070 | 83,730 | | 64,070 | | 0 | | 64,070 | | 0 | | 83,730 | | 5.6% | |  | |
| 4 | | 53,233 | 28,802 | | 46,861 | | 6,372 | | 53,233 | | (0) | | 28,803 | | 4.4% | |  | |
| 5 | | 48,418 | 31,996 | | 48,418 | | 0 | | 48,418 | | 0 | | 31,996 | | 2.1% | |  | |
| 6 | | 43,536 | 36,582 | | 27,855 | | 11,845 | | 39,700 | | (3,836) | | 40,419 | | 8.9% | | Yes | |
| 7 | | 75,000 | 29,778 | | 80,731 | | 0 | | 80,731 | | 5,731 | | 24,047 | | 1.4% | |  | |
| 8 | | 89,414 | 104,202 | | 48,171 | | 18,999 | | 67,170 | | (22,244) | | 126,446 | | 8.7% | | Yes | |
| 9 | | 2,695 | (0) | | 2,695 | | 0 | | 2,695 | | 0 | | (0) | | 0.0% | |  | |
| 10 | | 0 | 33,546 | | 0 | | 0 | | 0 | | 0 | | 33,546 | | 4.5% | |  | |
| 11 | | 0 | 29,745 | | 0 | | 0 | | 0 | | 0 | | 29,745 | | 2.9% | |  | |
| 12 | | 149,601 | 96,405 | | 126,842 | | 22,759 | | 149,601 | | 0 | | 96,405 | | 7.9% | |  | |
| **School** | **Total Planned Use of Balances to Support 2019/20 Budget** | | | **Total Uncommitted Balances @ last survey** | | **Total Actual Spend to Date** | | **Total Commitments to 31/3/20** | | **Total Forecast - Use of Balances to Support 19/20 Budget** | | **Variance over/(under)** | | **Forecast Uncommitted Balances @ 31/3/20** | | **Projected Balance 31.3.20 as % of 2019/20 ISB** | | **Above the generally accepted levels** |
|  | **(a)** | | |  | | **(b)** | | **(c)** | | **(d)** | |  | |  | |  | |  |
|  | **£** | | | **£** | | **£** | | **£** | | **£** | | **£** | | **£** | |  | |  |
| 13 | 45,244 | | | 36,977 | | 45,244 | | 0 | | 45,244 | | 0 | | 36,977 | | 4.3% | |  |
| 14 | 63,718 | | | 40,696 | | 37,877 | | 25,841 | | 63,718 | | 0 | | 40,696 | | 6.9% | |  |
| 15 | 35,542 | | | 67,080 | | 35,542 | | 0 | | 35,542 | | 0 | | 67,080 | | 5.6% | |  |
| 16 | 0 | | | 107,430 | | 0 | | 0 | | 0 | | 0 | | 107,430 | | 7.3% | |  |
| 17 | 25,000 | | | 21,251 | | 25,000 | | 11,700 | | 36,700 | | 11,700 | | 9,551 | | 0.6% | |  |
| 18 | 88,672 | | | 61,638 | | 39,144 | | 50,000 | | 89,144 | | 472 | | 61,166 | | 3.8% | |  |
| **Total All Sectors** | **884,559** | | | **1,079,444** | | **693,465** | | **147,516** | | **840,981** | | **(43,577)** | | **1,123,021** | |  | | **3** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Summary by Permitted Category** | | | | | |  |  |  |  |  |  | **APPENDIX 2** | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Employee Costs** | | | |  | **Premises Costs** | | | |  |  | **ICT Expenditure** |  |  |
| **School** | **Employees Committed @ last survey** | **Actual Expenditure to Date** | **Commit-ments to 31/3/20** | **Total - Use of Balances to Support 19/20 Budget** |  | **Premises Committed @ last survey** | **Actual Expenditure to Date** | **Commit-ments to 31/3/20** | **Total - Use of Balances to Support 19/20 Budget** |  | **ICT Committed @ last survey** | **Actual Expenditure to Date** | **Commit-ments to 31/3/20** | **Total - Use of Balances to Support 19/20 Budget** |
|  | **£** | **£** | **£** | **£** |  | **£** | **£** | **£** | **£** |  | **£** | **£** | **£** | **£** |
| **Total Primary & Special** | **£494,076** | **£440,617** | **£55,758** | **£496,375** |  | **£112,700** | **£67,694** | **£22,926** | **£90,620** |  | **£105,867** | **£87,038** | **£18,832** | **£105,870** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **Supplies and Services** | | | |  | **Transport expenditure** | | | |  | **Totals for all categories** | | | |
| **School** | **Supplies & Services Committed @ last survey** | **Actual Expenditure to Date** | **Commit-ments to 31/3/20** | **Total - Use of Balances to Support 19/20 Budget** |  | **Transport Committed @ last survey** | **Actual Expenditure to Date** | **Commit-ments to 31/3/20** | **Total - Use of Balances to Support 19/20 Budget** |  | **Total Committed @ last survey** | **Total Spend to Date** | **Commit-ments to 31/3/20** | **Total - Use of Balances to Support 19/20 Budget** |
|  | **£** | **£** | **£** | **£** |  | **£** | **£** | **£** | **£** |  | **£** | **£** | **£** | **£** |
| **Total Primary & Special** | **£171,916** | **£98,116** | **£50,000** | **£148,116** |  | **£0** | **£0** | **£0** | **£0** |  | **£884,559** | **£693,465** | **£147,516** | **£840,981** |