

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 20th January 2010

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

School Balances

EXECUTIVE SUMMARY

This report is for information only and advises the Forum of the Initial Draft Guidance on School Balances, issued in December 2009, (Appendix A) and the published national, local authority and school level revenue balances in summary form by the DCSF.

1. Summary of Guidance

Since Wirral changed the excess balance control mechanism for the year end 2008/09 much of the guidance, issued by DCSF, is reflected in our current Scheme for Financing Schools as detailed below:-

- The excess balance process is completed before the end of the summer term.
- Capital balances, as long as they have been agreed with the Facilities management team, are transferred to the LA reserve for capital schemes in the year end accounts.
- Monies held for other schools, such as cluster funds, are deducted from school balances before the threshold amount is calculated.

2. Areas Where Changes may be Required

- The balances threshold is 8% for primary schools, nurseries and special schools and 5% for secondary schools. LAs can change these percentages with agreement of the Schools Forum.
- Standards funds allocated at the beginning of the financial year, such as School Development grant (SDG) should not be deducted from the school balances before the threshold is calculated. In Wirral all standards fund balances are excluded from the excess balances calculation. LAs should move towards making allowances **only** where standards funds are ring-fenced or allocated part way through the financial year.

In 2008/09 the Standards Fund balances that were deducted from the school balances before the excess threshold was calculated totalled, £3,371,045, of this nearly 50% was in respect of SDG.

| | 2008/09 Total Standards Fund Balances | 2008/09 SDG Balances | Remainder |
|--------------|---------------------------------------|----------------------|-------------------|
| Nursery | £18,084 | £14,084 | £4,000 |
| Primary | £1,285,750 | £747,269 | £538,481 |
| Secondary | £1,798,847 | £733,876 | £1,064,971 |
| Special | £268,364 | £160,007 | £108,357 |
| Total | £3,371,045 | £1,655,236 | £1,715,809 |

A maximum of £82,762 may have been deducted from schools as excess balances if the SDG had not been deducted before the threshold amount was calculated (in addition to the £1,422).

3. School Balances Summary Reports from DCSF

The DCSF have updated the published national, local authority and school level revenue balances for 1999/00 to 2007/08 to include 2008/09 figures, see the link below:-

<http://www.dcsf.gov.uk/everychildmatters/strategy/financeandfunding/informationforlocalauthorities/saction52/schoolbalances/s52sb/>

There are 3 files which includes the following data:-

School level data – This sheet details the balances for all schools in England from 1999/00 to 2008/09. Schools are sorted in regional areas, then by LA.

England summary – This sheet summarises the total balances for all LA's in England

Local Authority Level - This sheet details the balances for all authorities in England, then breaks this information down to nursery, primary, special and secondary levels for each authority.

The information is published to help schools and local authorities benchmark and identify trends. The table below summarises Wirral's balances over the last 5 years.

| Year | Surplus | | | Deficit | | |
|-------|---------|------|------------|---------|------|-----------|
| | Number | % | £ | Number | % | £ |
| 08/09 | 112 | 83.6 | 9,702,299 | 18 | 13.4 | 754,513 |
| 07/08 | 119 | 88.1 | 12,089,381 | 14 | 10.4 | 380,679 |
| 06/07 | 117 | 84.8 | 10,480,512 | 18 | 13.0 | 723,552 |
| 05/06 | 112 | 80.6 | 8,087,378 | 25 | 18.0 | 1,526,490 |
| 04/05 | 108 | 78.8 | 7,634,939 | 29 | 21.2 | 1,173,545 |

RECOMMENDATIONS

That the Forum notes the report.

Howard Cooper
Director of Children's Services