

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 3rd JULY 2012

REPORT OF THE ACTING DIRECTOR OF CHILDREN'S SERVICES

School Balances as at 31st March 2012

EXECUTIVE SUMMARY

This report advises the Forum of school balances as at 31st March 2012. It also describes a proposed DfE system to assure overall financial management in Local Authority (LA) maintained schools.

1. Summarised Balances

School balances have increased to £11.8m at 31st March 2012. This represents a year on year increase of £1.6m (25%) when Academies are excluded.

	2010/11 Balances	2011/12 Balances	Increase
Nursery	£309,967	£334,601	£24,634
Primary	£5,100,764	£5,764,859	£664,095
Secondary	£2,516,513	£4,044,911	£689,796
Special	£1,449,940	£1,623,242	£173,302
Total	£9,377,184	£11,767,613	£1,551,827
Academy Conversions	2,262,960		
Total	£11,640,144		

2. Deficit Budgets

There were five schools in deficit as at 31st March 2012; the table below details the number of schools in deficit in each phase and the total amount. The numbers in brackets detail the schools in deficit as at 31st March 2011.

	No. of Schools in Deficit		Total Amount	Average Deficit
Nursery	0	(0)	£0	£0
Primary	4	(7)	£56,803	£14,201
Secondary	1	(5)	£167,639	£167,639
Special	0	(0)	£0	£0
Total	5	(12)	£224,442	

There are no schools that have or are expected to seek a licensed deficit in this financial year, compared to 3 last year.

4. Assurance System for Financial Management in Local Authority Maintained Schools.

The Department for Education has issued a paper 'Improving the Assurance System for Financial Management in Local Authority Maintained Schools'. This will establish criteria to ensure LA's have oversight of and are managing public funds appropriately.

Proposed Criteria

- A. **An LA has over-spent its DSG by 2% or more (i.e. it is 2% or more in deficit).** Wirral has not overspent its DSG allocation
- B. **An LA has under-spent its DSG by 5% or more (i.e. it is 5% more in surplus).** There is an unallocated DSG balance of £136,000 at 31st March. In addition other amounts totalling £2,091,000 have been allocated to reserves held for specific purposes. The largest £1,241,000 being for pay harmonisation in schools. The total unspent DSG is 1%.
- C. **An LA has 2.5% of schools that have been in deficit of 2.5% or more since 2007-8 (i.e. for four years).** Wirral has 1 school that meets this criterion, but it has since converted to an academy. Wirral would need to have over 3 schools with a deficit of more than 2.5% to meet this criterion.
- D. **An LA has 5% of schools that have had a surplus of 15% or more since 2006-7 (i.e. for 5 years).** Wirral does not have any schools that have had a surplus of more than 15% continuously from 2006-07 to 2010-11. However, if balances continue to rise this could change as there are 5 schools that have had balances of more than 15% for the last 2 financial years (09-10 and 10-11). Wirral would need to have over 6 schools with balances continuously more than 15% for 5 years to meet this criterion.
- E. **For 2011-12 of an LA's schools that never attained FMSiS, and are still eligible, at least 1 did not complete the SFVS by March 2012.** All Wirral Schools passed FMSiS, so this criterion is not relevant.
- F. **For 2012-13 onwards, 2% or more of an LA's schools did not complete the SFVS by the end of March deadline.** To meet this criterion Wirral would have to have 3 schools or more not completing the SFVS by 31st March 2013. There may be some acceptable exemptions such as schools due to close or converting to academies.

RECOMMENDATIONS

1. The Forum notes the report.

David Armstrong
Acting Director of Children's Services