

WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 3rd JULY 2013

REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

School Balances as at 31st March 2013

EXECUTIVE SUMMARY

This report advises the Forum of school balances as at 31st March 2013, together with a number of DfE indicators to assure overall financial management in Local Authority (LA) maintained schools.

1. School Balances

School balances have increased to £11.9m at 31st March 2013. This represents a year on year increase of £1.8m (18.5%) when Academies, who converted during the financial year, are excluded.

	2011/12 Balances	2012/13 Balances	Increase
Nursery	£334,601	£374,902	£40,301
Primary	£5,764,859	£6,279,430	£514,571
Secondary	£2,346,247	£3,475,461	£1,129,214
Special	£1,623,242	£1,806,936	£183,694
Total	£10,068,949	£11,936,729	£1,867,780
Academy Schools	£1,698,664		
Total	£11,767,613		

The average school balance for a primary is £69,771 compared to £64,054 in 2011-12. Secondary schools' average balance has increased from £335,178 to £496,494. this reflects the continuing caution in school spending decisions.

2. Deficit Budgets

There were 4 primary schools in deficit as at 31st March 2013, with an average deficit of £34,698, 3.4% of their budget.

There is 1 school that has requested a licensed deficit in this financial year.

3. Balances over 5 or 8%

In April 2011 the Forum agreed to withdraw a balance mechanism that deducted excess balances from schools. The table below is for information at this time. It identifies the total amount of balances that are above these previous thresholds.

	No. of Schools	Total > 5or 8%
Primary	32	£1,277,545
Secondary	5	£1,906,543
Special	9	£587,230
Total	46	£3,771,318

This amount accounts for over 30% of the total school balances. However, most schools in setting their budgets over a 3 year period expect funds to be fully committed, although these plans could be examined in more detail.

4. DfE Guidance

The Department for Education issued a paper 'Improving the Assurance System for Financial Management in Local Authority Maintained Schools'. This included a requirement to identify and report on the following:-

1. **A DSG overspend of 2% or more** - Wirral has not overspent its DSG allocation
2. **A DSG underspend of 5% or more** - The DSG underspend reported elsewhere on this agenda is 0.2% of DSG.
3. **2.5% of schools have a deficit of 2.5% or more for 4 years** – Wirral have no schools that meet this criterion, there are only 2 primary schools that exceed this threshold in 2012-13.
4. **5% of schools have had a surplus of 15% or more for 5 years** - Wirral would need to have 6 schools with balances continuously more than 15% for 5 years to meet this criterion. Wirral has no schools in this category. Whilst, there are 16 schools that have balances of 15% or more as at 31st March 2013, only one has had a balance of 15% or more for the last 4 years.
5. **% of Schools Financial Value Standards (SFVS) questionnaires returned** - 100% of schools have returned completed questionnaires.

RECOMMENDATIONS

1. The Forum notes the report.

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Director of Children's Services