

## WIRRAL COUNCIL

### WIRRAL SCHOOLS FORUM – 22<sup>nd</sup> JANUARY 2014

#### REPORT OF DIRECTOR OF CHILDREN'S SERVICES

##### Monitoring Schools' Excess Balances

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### EXECUTIVE SUMMARY

Schools balances have risen each year since the excess balance control mechanism was removed in April 2011. This report identifies 15 schools with balances in excess of 5 or 8% of their delegated budget as at 31<sup>st</sup> March 2013 and describes their plans and timescales to reduce reserves to below these percentages.

### BACKGROUND

Overall School Balances increased by £1.87m to £11.77m as at 31<sup>st</sup> March 2013, with 46 schools having balances above the indicative excess thresholds set by the DfE (8% of delegated budget for Primary and Special Schools and 5% Secondary Schools). Of these, there were 15 schools that still had balances in excess after the amount used to set their 2013-14 budget was taken into consideration. All 15 schools were contacted and have provided further details which are described below.

### SCHOOL RESPONSES

Schools were asked to indicate their spending plans and the timescale by which the balances would be reduced. The table below details the school phase and type of spend planned.

	Primary	Secondary	Special	Total
Schools in each Phase	9	2	4	15
<b>Spend</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Falling rolls & restructure costs	0	783,239	0	783,239
Capital projects	180,500	0	193,789	374,289
Staffing costs	220,962	0	49,431	270,393
Teaching and learning	64,993	0	32,227	97,220
High needs budget uncertainty	0	0	67,677	67,677
Equipment/furniture	94,500	0	11,975	106,475
Building work/maintenance	48,859	0	15,000	63,859
<b>Total</b>	<b>609,814</b>	<b>783,239</b>	<b>370,099</b>	<b>1,763,152</b>

#### Falling Rolls and Restructure Costs

The 2 secondary schools holding the largest balances are using these to support their budget as they restructure their staffing due to falling rolls. Although balances held are high the 3 year forecasts confirm that the reserves will quickly reduce and without them the schools would be facing significant and escalating deficits. These larger reserves enable schools to achieve a planned and lasting restructure, giving greater stability within the school.

### Capital Reserves

Five schools have identified funds of £374k being held for capital projects. These reserves will contribute to schemes which cost in total £5.4m. Four of these projects anticipate completion within 2 financial years. It is anticipated that these amounts should be held in a separate capital reserve in future, which would be earmarked for this specific purpose.

### Staffing and Teaching and Learning

There are a variety of reasons for using balances to increase staffing and teaching and learning resources:-

- Although Job evaluation was implemented in 2011 there are still some outstanding appeals and schools will be expected to fund any costs from April 2011 onwards.
- A number of schools are planning to take on more teaching staff for early intervention and to improve literacy and numeracy standards.
- 1 school requires teaching and support staff for a new class.
- A number of schools are purchasing equipment and resources for additional literacy, numeracy and ICT.

### Timescales

The timescales varied from 'already actioned' to 'March 2015', however, there were a few where timescales were unknown as the schools were waiting other decisions to be taken. The table below identifies how much balances should reduce by over the next 2 years:-

<b>Scheduled Spend</b>	<b>Primary £</b>	<b>Secondary £</b>	<b>Special £</b>	<b>Total £</b>
31 <sup>st</sup> March 2014	193,673	0	88,406	<b>282,079</b>
31 <sup>st</sup> March 2015	291,141	783,239	187,904	<b>1,262,284</b>
Capital to be confirmed	125,000	0	93,789	<b>218,789</b>
				<b>1,763,152</b>

### **CONCLUSION**

Schools have identified a number of legitimate reasons for holding what appears to be higher than average balances. Plans will continue to be monitored and will be the subject of further reports once the outturn for 2013-14 is complete.

### **RECOMMENDATION**

That the Forum notes the report.

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