

# WIRRAL COUNCIL

WIRRAL SCHOOLS FORUM 24<sup>th</sup> June 2009

## REPORT OF THE DIRECTOR OF CHILDREN'S SERVICES

### School Balances

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#### EXECUTIVE SUMMARY

This report is for information only and advises the Forum of the school balances as at 31<sup>st</sup> March 2009. The balances have reduced from £11.9m to £9.2m. This represents a year on year reduction of £2.7m (23%).

#### 1. Summarised Balances

Total balances include Standards Fund carry forwards, which can be spent until the following August. An amount of £607,000 has been capitalised from 5 schools' revenue budgets towards capital projects.

	<b>2007/08 Balances</b>	<b>2008/09 Balances</b>	<b>Decrease</b>
Nursery	£260,007	£91,162	£168,845
Primary	£4,336,217	£3,847,545	£488,672
Secondary	£6,479,090	£4,299,099	£2,179,991
Special	£858,262	£945,597	-£87,335
<b>Total</b>	<b>£11,933,576</b>	<b>£9,183,403</b>	<b>£2,750,173</b>

The Standards Fund element of the carry forward above has increased from £3.1m to £3.3m as at March 2009.

	<b>2007/08 Standards Fund Balances</b>	<b>2008/09 Standards Fund Balances</b>	<b>Increase</b>
Nursery	£16,256	£18,084	£1,828
Primary	£988,369	£1,285,750	£297,381
Secondary	£1,955,591	£1,798,847	-£156,744
Special	£174,816	£268,364	£93,548
<b>Total</b>	<b>£3,135,032</b>	<b>£3,371,045</b>	<b>£236,013</b>

#### 2. Deficit Budgets

There are a number of schools who were in deficit as at 31<sup>st</sup> March 2009; the table below details the number of schools in deficit and the total amount.

	<b>No. of Schools in Deficit</b>	<b>Total Amount</b>	<b>Average Deficit</b>
Nursery	0	£0	£0
Primary	13	£184,084	£14,160
Secondary	4	£567,354	£141,839
Special	0	£0	£0
<b>Total</b>	<b>17</b>	<b>£751,438</b>	<b>£44,202</b>

Some of the schools with deficit balances in March 2009 have set balanced budgets for 2009/10 financial year. Those schools still in difficulty are in the process of agreeing licensed deficit budgets with the department, with a view to balancing their budgets within 3 years.

#### 4. Excess Balances

5 schools have an excess balance above the 5 or 8%, after standards and cluster funds have been deducted. The table below details the amounts to be deducted, based on the 2% levy set for 2008/09 balances. Excess deductions made up to 31 March 2008 are £135,000. A decision on how this will be re-allocated will be taken at the end of the funding period.

	<b>No. of Schools with an excess</b>	<b>Total Amount</b>
Nursery	1	£72
Primary	2	£1,264
Secondary	0	£0
Special	2	£163
<b>Total</b>	<b>5</b>	<b>£1,499</b>

#### 5. The Audit Commission School Balances Tool

The Audit Commission now provides a School Balances Tool on their website. It is a spreadsheet that compares school balances at Primary, Special and Secondary level. Nursery Schools have not been included.

It analyses the revenue balances (including standards funds) for the three 3 years March 06, March 07, March 08. March 09 data is not yet included.

Some of the main points are:-

- Wirral's balances, although going up each year upto 2007-08, are still lower than most as a percentage of planned budget.
- The primary and special school balances in Wirral are still lower than most, but the secondary sector in Wirral has higher balances than most.
- Wirral has a higher percentage of primary and special schools in deficit, but on average they are smaller deficits than others.
- Wirral secondary schools have a similar level of schools with deficits, but on average the deficits are smaller.

Below is the link for the Balances Tool for further information.

<http://www.audit-commission.gov.uk/localgov/audit/childrenandyoungpeople/Pages/schoolbalancestool.aspx>

## RECOMMENDATIONS

The Forum notes the report.

That the levy increases to 5% for excess balances at 31.3.2010.

**Howard Cooper**  
**Director of Children's Services**