

Decision Maker: **Schools' Forum**

Date: **12<sup>th</sup> July 2018**

Decision Maker: **Children, Education and Families Budget and Performance Monitoring Sub-Committee**

Date: **18<sup>th</sup> July 2018**

Decision Type: Non-Urgent                      Non-Executive                      Non-Key

**TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2017/18**

Contact Officer: Mandy Russell, Head of Schools' Finance Team  
Tel: 020 8603 3572 E-mail: amanda.russell@liberata.com

Chief Officer: Executive Director of Education, Care and Health

Ward: Boroughwide

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1. Reason for report

1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2018, and also provides a comparison to the balances held at the same time in the previous year.

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2. **RECOMMENDATION(S)**

2.1 **The Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2017/18 financial year and to identify any matters for specific comment and referral to the Portfolio Holder.**

2.2 **The Schools' Forum is asked to note the balances for information.**

### Corporate Policy

1. Policy Status: N/A
  2. BBB Priority: Children and Young People
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A
  3. Budget head/performance centre: Dedicated Schools Grant 2017/18
  4. Total current budget for this head: £267m (before recoupment of primary and secondary)
  5. Source of funding: DSG
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### Staff

1. Number of staff (current and additional) – N/A
  2. If from existing staff resources, number of staff hours – N/A
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### Legal

1. Legal Requirement: Non-statutory - Government guidance:
  2. Call in: Applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 This report highlights the financial position of Primary, Secondary and Special Maintained Schools as at 31 March 2018 the end of the 2017/18 financial year.
- 3.2 Balances are reported in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This is a framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2018.
- 3.3 The CFR framework consists of five balances, which provide an overall picture of a school's resources available from one year to the next, and gives information on balances carried forward. The balances are categorised as follows:
- BO1 Committed Revenue Balances
  - BO2 Uncommitted Revenue Balances
  - BO3 Devolved Formula Capital Balances
  - BO5 Other Capital Balances
  - BO6 Community Focused Extended Schools Balances
- 3.4 The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 9% of School Budget Shares compared to 11% at the end of 2016/17, which is a decrease of 2%. Secondary school balances have also decreased by 3% to currently stand at 7%. Special School balances have increased from 8% to 10%.
- 3.5 A comparison of the levels of school balances as at 31 March 2018 to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
<b>Revenue balances only as at: 31.03.18</b>			
Committed Revenue Balances (BO1)	82 (1%)	28 (0%)	169 (2%)
Uncommitted Revenue Balances (BO2)	641 (8%)	333 (7%)	727 (8%)
	723 (9%)	361 (7%)	896 (10%)
<b>Revenue balances only as at: 31.03.17</b>			
Committed Revenue Balances (BO1)	289 (1%)	40 (1%)	66 (1 %)
Uncommitted Revenue Balances (BO2)	504 (10%)	461 (9%)	539 (7 %)
	793 (11% )	501 (10%)	605 ( 8%)

- 3.6 Full details of schools balances can be seen at **Appendix 1**
- 3.7 All schools with balances in excess of 8% have been asked to complete a proforma detailing the reason for holding a high balance and their plans for reducing the balance in year
- 3.8 The DfE also require further analysis to be undertaken in relation to this data. LAs are required to provide information on how they are proposing to address the issue if:

**A:** LA has overspent its Dedicated Schools Grant by 2% or more (ie it is 2% or more in deficit)

**B:** LA has underspent its Dedicated Schools Grant by 5% or more (ie it is 5% or more in surplus)

**C:** LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria

**D:** LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. LAs will only be asked for more information where at least three schools in the LA meet the criteria.

Schools that would fall into these categories have been highlighted on the table at **Appendix 2**.

- 3.9 In accordance with DfE requirements the SFT will work with schools with schools with high balances to ensure that they are being used effectively. Schools are advised that revenue funding is allocated on an annual basis to support the cost of education for their current pupils and therefore it is not acceptable for schools to retain high levels of revenue funding to protect against possible funding reductions in future years.
- 3.10 **Appendix 3** shows a statement from each of the schools with large uncommitted surplus balances outlining the reasons for this and the management action to be taken to reduce the balances to a reasonable level.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Whilst this report provides details of school balances, there are no financial implications to be considered.

<b>Non-Applicable Sections:</b>	Policy, Legal and Personnel Implications
Background Documents:	

(Access via Contact Officer)	
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