

Title of meeting:	Schools Forum
Date of meeting:	18 th December 2013
Subject:	School Revenue Balances
Report from:	Julian Wooster, Director of Children's and Adults Services
Report by:	Richard Webb, Finance Manager for Children's Services
Wards affected:	All Wards
Key decision:	No
Full Council decision:	No

1. Purpose of report

A report was presented to Schools Forum on 17th July 2013 advising on the level of schools revenue and capital balances as at 31st March 2013 and their planned use. Schools Forum requested that further information be brought back to a future meeting in respect of those schools with the largest uncommitted revenue balances.

2. Recommendations

It is recommended that Schools Forum notes the contents of the report.

3. Background

3.1. Each year schools are given delegated budgets which are calculated using a locally agreed fair funding formula. These budgets are intended to be spent during the year on the existing cohort of pupils, although it is prudent for a school to retain a small surplus to provide for future uncertainties.

3.2. Schools do spend the vast majority of funds directly on the education of their pupils, however, there are a number of genuine reasons why schools may accumulate a balance at the year-end, for example, to provide for planned building works or to provide consistency in staffing levels during funding fluctuations relating to predicted changes in numbers on roll.

3.3. In some cases, factors outside of the control of the school can cause increases in balances; for example, large capital building schemes may slip from one year into the next.

3.4. The table below summarises the level of maintained school revenue balances over the last three years.

Sector	Balance as at 01/04/11	% of 2010/11 budget allocation	Balance as at 01/04/12	% of 2011/12 budget allocation	Balance as at 01/04/13	% of 2012/13 budget allocation
Nursery & Primary schools	4,255,110	9.24	5,459,700	9.58	5,636,467	9.71
Secondary schools	1,607,392	4.36	2,494,693	5.80	3,399,712	7.99
Special schools	398,539	3.94	616,372	7.18	464,301	5.26
Total	6,261,041	6.76	8,570,766	7.89	9,500,480	8.68

3.5. Included within the total school balances of £9.5m as at 1 April 2013, was £0.9m of community related balances e.g. Community Improvement Partnerships, community lettings, breakfast and after school clubs etc. leaving £8.6m of “curriculum” balances relating to core activity. Of this, a further £3.6m has been committed to specific projects or initiatives, leaving a balance of £5.0m, or 6.54% of the 2012/13 budget allocation, as genuinely uncommitted.

3.6. The table below summarises the uncommitted balances as at 1 April 2013 by school phase:

Sector	Balance as at 01/04/13
Nursery & Primary schools	2,983,890
Secondary schools	1,800,400
Special schools	280,123
Total	5,064,414

3.7. Within the £5.0m of uncommitted balances as at 1 April 2013, five schools accounted for 36.74% of the balance. The five schools and their balances are shown in the table below.



School	Uncommitted balance as at 31/03/2013	Uncommitted balance as % of Budget share
	£	%
Charles Dickens Infant	280,736	26.34
Springfield Secondary	809,143	15.77
Cumberland Infant	82,463	13.32
St Edmunds RC Secondary	582,362	12.99
Solent Infant	106,102	11.33
	1,860,806	

4. Review of Uncommitted Balances

The following sections of the report provide further details about the uncommitted balances of the five schools and their planned usage of these balances.

This information has been provided by the schools, following enquires made by the Children's Finance team.

Charles Dickens Infant - £280,736

- 4.1. The School has now amalgamated with Charles Dickens Junior to form Charles Dickens Primary School. The balances of the closing schools were transferred to the new Primary School.
- 4.2. The level of uncommitted balances held by the school was due to the delay in undertaking the capital works in respect of the reconfiguration of the site following the amalgamation of the schools.
- 4.3. Housing and Property Services are currently in discussion with the school in respect of the design phase of the capital works. At this stage it is not possible to confirm the overall funding requirements for these works.

Springfield Secondary - £809,143

- 4.4. The school have confirmed that they intend to use their uncommitted balances to support the following areas of expenditure in both the current year and the following financial years.

2013-14	£
Purchase of a portacabin	15,000
New outdoor gym equipment	17,000
Expansion of medical/welfare facilities	10,000
New conference room	15,000

New curriculum IT equipment	15,000
School branding	7,000
Staff commitments	50,000
	129,000

2014-15	£
Building improvements to hall, reception, canteen, staff room and corridors	56,600
A new science lab	38,000
Improved storage facilities	10,000
Improved printing facilities	10,000
Staff commitments	50,000
	164,600

4.5. The school have also indicated that they have a medium to long term development plan to create a school resource centre and library which would require significant investment.

Cumberland Infant - £82,463

4.6. The school have confirmed that the uncommitted balance will be used for: redecoration of a classroom, carpeting of the reception area (awaiting quotes), updating of interactive whiteboards and new curriculum IT. The school had been expecting to incur some specific items of expenditure in 2012-13, but these were either delayed or not required, which contributed to the level of uncommitted balances.

St Edmunds RC Secondary - £582,362

4.7. The school have confirmed that the uncommitted revenue balance is intended for use on a number of initiatives, including: revenue contribution to the Sports Hall Project, replacement of the playground area with an Artificial Pitch (2G Multi Use Games Area), repairs and maintenance of the school site (including the swimming pool area).

4.8. Current estimates provided by the school indicate that the school revenue balances will be significantly reduced by the end of 2014-15.

Solent Infant - £106,102

4.9. The school has provided a breakdown of the planned use of the uncommitted balance as at 1st April 2013. This includes:

	£
Upgrade of IT equipment for curriculum use (complete)	34,200
New canteen furniture (on order)	2,500

Repairs to the hall and staff room ceiling	35,000
Contingency for reduction in funding	34,400
Total	106,100

4.10. The contingency balance equates to 3.7% of the overall budget for 2013/14.

5. Reasons for recommendations

This report is for information only, therefore the recommendation is for Schools Forum to note the contents of the report.

6. Equality impact assessment (EIA)

This report does not require an Equality impact Assessment as the proposal does not have any impact upon a particular equalities group.

7. Head of Legal Services' comments

Legal comments have been included within the body of this report

8. Head of Finance's comments

The financial implications are included in the body of this report.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Schools Balances 31 st March 2013 - Report to Schools Forum 17 July 2013	www.portsmouthcc.gov.uk

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: