

REPORT TO: Schools Forum
DATE: 22 June 2016
REPORTING OFFICER: Senior Finance Officer, Financial Management Division
SUBJECT: School Balances 2015-16

1.0 Purpose of the Report

1.1 To report to the School Forum the level of balances brought forward from 2015-16 by Halton Schools.

2.0 RECOMMENDATION: That

1) the report be noted; and

2) Schools Forum notes the responses from schools which have balances in excess of 8% (5% for secondary schools) as to why their balances are so high.

3.0 Background

3.1 Following discussion at the School Forum meeting in January 2013, the excess surplus balance limits previously imposed on schools were lifted for 2012-13 and has continued up to 2015-16. However the balances were still to be monitored.

3.2 The level of balances in the Individual School Budget held by Halton Schools brought forward into 2016-17 is £6,423,377. This is a decrease of £1,028,374 to the balance carried forward into 2015-16 of £7,451,751.

3.3 It should be noted that the Primary sector balances have decreased by £287,331 from £5,138,794 to £4,851,463 over the year. During the year one Primary school has converted to Academy. Out of the 45 maintained primaries, 25 have balances that exceed the former excess surplus balance limit of 8% and five of those 25 have balances in excess of 16%, double the former excess surplus balance limit.

At the end of 2015/2016, Nursery school balances increased by £5,629 from £93,948 to £99,577.

Overall the secondary school sector balance has decreased by £759,036 from £1,557,208 to £798,172. The three Secondary schools have all seen a reduction in their carry forward balances from the previous year of £310,000, £29,000 and £566,000.

For special schools, two schools have balances in excess of £250,000 (14.21% and 13.42%). The overall sector balance has decreased by £42,827 from £671,525 to £628,699.

- 3.4 Given the increasing pressures on the Dedicated Schools Budget as a whole, it was agreed at Schools Forum in June 2015 that schools with balances above the former excess surplus balance limit are requested to provide an explanation as to how they plan to spend this high balance. At the time of writing this report, we have prepared the pro-formas for the relevant schools to complete on their return from half-term. These will be circulated to Schools Forum members once they are all returned.
- 3.5 Appendix A details the Individual School Budget balances with comparison to the previous year. Schools which have balances above the former excess surplus balance limit are highlighted.
- 3.6 A total of £266,416 Non-LMS funds were carried forward into 2015-16 by schools. This balance has increased by £17,876 to give a balance of £284,292 to be carried forward into 2016-17.
- 3.7 Appendix B details the Non-LMS (Devolved Formula Capital) balances brought forward into 2016-17.