
School Balances 2015/16

Report being considered by: Schools Forum
On: 6th June 2016
Report Author: Claire White
Item for: Discussion **By:** All Maintained Schools Representatives

1. Purpose of the Report

- 1.1 This report sets out for information purposes the year end balances for all maintained schools, highlighting those schools with a deficit or significant surplus.
- 1.2 This information can be used to identify if there are any schools whose financial management may be a cause for concern and require some support.

2. Recommendation(s)

- 2.1 To note the report and determine whether any further information needs to be requested from specific schools.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

- 3.1 The Scheme for Financing Schools was amended in 2015 in relation to school balances. The claw back of excess surplus balances was removed and has been replaced with a light touch review of all balances.
- 3.2 The scheme states: “In order to control surplus balances, the authority will report the balances held by each school at the end of the financial year to the Schools’ Forum (during the Summer term), alongside the actual and planned balance for the previous three years and any other data deemed to be of relevance. The Schools’ Forum may request individual schools to provide further information and/or attend a meeting of the Heads Funding Group if the data reported raises any concerns regarding their financial management in respect of their balances”.
- 3.3 This report provides an overview of school balances as at the end of 2015/16 and highlights those schools with a deficit or significant surplus.

4. Overview of School Balances as at 31st March 2016

- 4.1 The schools accounts for 2015/16 have now been closed and the closing balances for each school determined.
- 4.2 Table 1 summarises the overall revenue closing balances of West Berkshire Maintained schools compared to the previous year. A detailed breakdown per school is shown in Appendix A.

TABLE 1	As at 31 st	As at 31 st	Increase/(Decrease)	
	March 2015 £'000	March 2016 £'000	£'000	%
Nursery Schools	74	79	5	+6.8
Primary Schools	2,775	2,189	(586)	-21.1
Secondary Schools	(191)	(329)	(138)	-72.3
Special Schools	635	676	41	+6.5
Pupil Referral Units	729	616	(113)	-15.5
Total	4,022	3,231	(791)	-19.7

4.3 As would be expected, school revenue balances have decreased over the last year. This is by £791k or 20%, the greatest reductions being in primary and secondary schools. The overall level of balances does however remain high in special schools and PRUs.

4.4 A breakdown of the 2015/16 year end balances by type of fund is set out in Table 2.

TABLE 2	Main School Budget £'000	Pupil Premium £'000	Sports Fund £'000	After School Clubs £'000	Capital £'000	Total £'000
Nursery Schools	79	1		12	101	193
Primary Schools	1,684	339	166	148	471	2,808
Secondary Schools	-489	159			362	32
Special Schools	608	65	3	9	151	836
Pupil Referral Units	592	24			50	666
Total Balance	2,474	588	169	169	1,135	4,535

4.5 In addition to £3.2m being held in revenue balances, £169k is held in before and after school club funds and over £1.1m in capital balances. Of the revenue balances, £588k is unspent pupil premium grant.

5. Schools Closing in Deficit

5.1 Table 3 shows the financial position of schools opening and/or closing the year in deficit or who set a deficit budget for the year but closed in surplus (main school

revenue budget only – most schools account for their resource units, pupil premium grant and sports fund separately).

TABLE 3	Closing Balance 2014/15	Budget 2015/16	Closing Balance 2015/16	Movement in Balance
	£'000	£'000	£'000	£'000
John O'Gaunt	-605	-967	-1,018	-413
Birch copse	-5	4	4	9
Burghfield St Marys	-6	13	7	13
John Rankin Infants	-10	1	-44	-34
John Rankin Junior	-19	4	-126	-107
Mortimer St Johns	-21	0	-3	18
Mrs Blands	-7	1	5	12
St John the Evangelist	-18	2	29	47
Welford and Wickham	-3	1	4	7
Spurcroft	16	12	-102	-118
Sulhamstead & Ufton Nerve	34	17	-6	-40
Westwood Farm Infants	26	7	-11	-37
Westwood Farm Juniors	21	9	-30	-51
Kintbury	27	-3	53	26
Long Lane	20	-16	10	-10
Purley	9	-24	25	16

5.2 The 8 Schools closing the year in deficit have been asked to provide an explanation and what actions they are taking, and the responses received are provided in Appendix B. Although the number of schools closing the year in deficit has decreased (from 9 to 8), for 2 schools with unexpected deficits at year end the amounts are significant and are of concern. Most of the schools with an unexpected deficit had set a budget with little or no contingency.

5.3 Other than John O Gaunt, the schools that actually set a deficit budget in 2015/16 all closed in surplus, reflecting the hard work by all involved to achieve this.

5.4 There are a few schools that closed 2014/15 in deficit, set a balanced budget for 2015/16, but closed the year in deficit again. The scheme for financing schools has now been amended to require all schools closing in deficit to be subject to the same scrutiny as schools setting a deficit budget, even if they have set a balanced budget.

6. Schools with Significant Surpluses

6.1 Although the Schools' Forum has agreed to remove the claw back scheme for schools with excess surplus balances, it was agreed that information on high surplus balances would still be looked at. Appendix A also shows each school's revenue balance as a percentage of actual funding received in the year. Table 4 shows those schools with a surplus of greater than 10% of their funding.

TABLE 4	2015/16 Budget Surplus £	2015/16 P9 Forecast £	2015/16 Actual Surplus £	Percentage of Funding %	Balance in Excess of 10%
Victoria Park Nursery	0	38,356	63,047	13.28%	15,589
Bradfield	35,130	35,130	73,115	11.47%	9,354
Garland	50,940		132,349	14.91%	43,572
Lambourn	49,280	94,723	97,167	10.41%	1,341
Purley	-24,060	10,097	53,046	11.26%	5,924
Streatley	27,610	82,940	62,691	12.94%	14,259
The Castle	72,910	320,164	445,542	12.69%	94,393
Alternative Curriculum	50,170	35,205	425,361	29.70%	282,118
Reintegration Service	147,080	127,374	190,322	18.46%	87,242

6.2 Appendix A shows information on balances for the last three years, and other than the PRUs, none of the schools listed above have held excess surpluses for more than 2 years. The Schools' Forum will continue to monitor the position on an annual basis.

6.3 The PRUs have had delegated budgets for three years now, and it has been a learning process for all involved, in trying to balance the volatile nature of their funding (top up funding following the pupil) with setting a realistic top up rate. Their high balances have been taken into account by setting a lower top up rate in 2016/17.

- 6.4 Likewise, the special schools have similar funding arrangements albeit that their pupil numbers are less volatile. The Castle school held on to high balances rather than spend them, in preparation for the original proposals for the 2016/17 high needs budget which were that special schools would have a reduction in their top up funding rates of between 5 and 10%. This proposal was retracted at the March meeting of the Schools' Forum.

7. Conclusion

- 7.1 Overall, balances are reducing, though there are still some schools with significant surpluses and a few schools have closed the year with unexpected deficits. A further report on school budgets for 2016/17 will be brought to Schools Forum in July.
- 7.2 It should be noted that Schools' Forum may request information from any school whose balance is of concern and does not have an adequate explanation.

8. Appendices

Appendix A – School Balances 2013 to 2016

Appendix B – Explanations from Schools in Deficit

School Balances 2013 to 2016

1	2	3	4			8					16									
			School Balance History			2015/16 Year End Balances					Breakdown of 2015/16 Balances									
			Closing Balance 31/03/2013	Closing Balance 31/03/2014	Closing Balance 31/03/2015	Closing Balance 31/03/2016	Month 9 Forecast	Actual Funding 2015/16	Balance as Percentage of Funding	Excess over 10%	Main School Budget	Pupil Premium Grant	Sports Grant	Resource Units	TOTAL Revenue	TOTAL Before/After School Clubs	TOTAL Capital	GRAND TOTAL		
NURSERY SCHOOLS																				
Hungerford Nursery School Centre for Children and Families	22,465	24,974	21,723	16,325	4,086	376,035	4.34%	0	16,325				16,325	0	2,638	18,963				
Victoria Park Nursery School	42,679	50,788	52,372	63,047	38,356	474,580	13.28%	15,569	62,501	546			63,047	12,098	98,910	174,055				
TOTAL NURSERY SCHOOLS	65,144	75,762	74,095	79,372	42,442	850,615	9.33%	15,569	78,826	546	0	0	79,372	12,098	101,548	193,018				
PRIMARY SCHOOLS																				
Alkermston Church of England Primary School	39,370	49,881	63,473	38,391	38,659	763,545	5.03%	0	29,611	6,422	2,357		38,391	0	19,518	57,909				
Basildon Church of England Primary School	38,802	18,238	22,725	22,502	9,199	611,806	3.68%	0	10,129	4,917	7,456		22,502	1,699	4,079	28,280				
Beeton Church of England (Controlled) Primary School	23,054	2,795	14,646	18,530	18,337	315,408	5.88%	0	13,640	1,812	3,078		18,530	0	3,900	22,430				
Beenhams Primary School	2,217	-13,229	3,590	5,178	-3,070	515,490	1.00%	0	1,682	1,999	1,498		5,178	0	6,212	11,390				
Birch Copse Primary School	50,035	104,463	29,561	7,116	18,951	1,574,153	0.45%	0	3,526		3,590		7,116	0	0	7,116				
Bradfield Church of England Primary School	28,460	-1,061	46,306	73,115	35,130	637,616	11.47%	9,354	70,852	1	2,263		73,115	0	118	73,233				
Brighton Church of England Aided Primary School	29,269	21,994	28,745	29,047	19,285	495,613	5.86%	0	21,794	5,867	1,386		29,047	0	254	29,301				
Brimston Church of England Primary School	26,688	22,660	18,170	20,490	15,731	322,275	6.36%	0	18,723	504	1,263		20,490	92	426	21,008				
Buckley Church of England Primary School	7,126	-14,208	4,136	5,051	335	567,385	0.89%	0	3,570	325	1,156		5,051	0	6,321	11,372				
Burgfield St Mary's Church of England Primary School	15,006	3,123	-848	12,401	-2,013	835,596	1.48%	0	6,871	2,505	3,024		12,401	0	66	12,467				
Calcut Schools Federation	86,489	121,424	189,329	197,277	135,000	2,267,938	8.70%	0	181,143		16,134		197,277	30,192	3,891	231,360				
Cheveley Primary School	20,204	2,405	693	27,589	8,224	806,144	3.42%	0	25,865	1,997	-273		27,589	0	5,338	32,927				
Cold Ash St Mark's Church of England Primary School	57,112	52,459	50,549	71,387	57,611	732,144	9.75%	0	65,049	2,663	3,674		71,387	0	16,603	87,990				
Compton Church of England Primary School	27,908	17,953	18,908	35,129	29,242	749,280	4.69%	0	34,859		270		35,129	0	10,000	45,129				
Curridge Primary School	19,694	10,032	11,451	19,464	7,336	496,604	3.92%	0	14,801	5,656	-994		19,464	0	2,561	22,025				
Downway Primary School	58,627	58,627	60,893	56,844	68,153	877,360	6.48%	0	52,194	5,254	-604		56,844	0	32,608	89,452				
Enborne Church of England Primary School	26,443	11,516	5,216	14,256	14,507	342,289	4.16%	0	7,753	1,549	4,953		14,256	0	10,768	25,023				
Englefield Church of England Primary School	29,678	19,442	40,942	44,229	29,602	513,277	8.62%	0	42,956		1,273		44,229	0	0	44,229				
Falkland Primary School	121,029	110,033	127,017	136,793	121,427	1,619,901	8.44%	0	130,859	1,234	4,700		136,793	0	32,036	168,829				
Francis Baily Primary School	101,184	60,300	104,578	71,923	21,900	2,010,280	3.58%	0	45,505	28,105	-1,687		71,923	9,712	10,632	92,687				
Garland Junior School	66,385	27,071	53,174	132,349		887,765	14.91%	43,572	112,450	13,272	6,627		132,349	0	47,040	179,389				
Hampstead Nereys Church of England Primary School	25,209	49,668	49,420	33,277	12,028	490,546	6.78%	0	8,843	17,256	7,178		33,277	15,303	7,644	56,224				
Hemstead Primary School	33,708	29,647	51,514	37,379	19,691	770,254	4.85%	0	32,780	2,044	2,554		37,379	1,910	15,754	55,044				
Hungerford Primary School	95,942	86,411	62,457	76,194	58,421	1,676,633	4.54%	0	72,788	1,703	1,703		76,194	0	21,294	97,488				
The Isleys Primary School	22,541	-21,475	19,073	2,425	4,536	324,990	0.75%	0	1,915	159	352		2,425	0	0	2,425				
Inpen Primary School	17,777	24,521	46,375	22,212	24,896	390,401	5.69%	0	19,860		2,352		22,212	0	0	22,212				
John Rankin Infant and Nursery School	57,262	43,460	-9,777	-43,733		1,142,627	-3.83%	0	-43,733				-43,733	0	0	-43,733				
John Rankin Junior School	30,041	21,177	-11,377	-125,991	-95,229	924,998	-13.62%	0	-125,991				-125,991	0	0	-125,991				
Kennel Valley Primary School	58,193	53,962	59,556	37,989	30,358	911,407	4.17%	0	32,990	4,146	853		37,989	0	9,426	47,414				
Kirby St Mary's Church of England Primary School	54,113	51,665	35,896	61,699	57,239	706,159	8.74%	0	53,442	7,515	742		61,699	0	54,304	116,003				
Lambourne Church of England Primary School	60,117	33,590	121,846	97,167	44,723	958,268	10.14%	1,341	31,667	47,172	18,329		97,167	460	14,141	111,768				
Long Lane Primary School	100,301	18,021	35,095	23,885	-6,443	945,115	2.53%	0	10,120	11,197	2,588		23,885	1,980	3,801	29,666				
Mortimer St John's Church of England School	44,831	14,054	-21,354	-307	13,314	750,620	-0.04%	0	-2,557		2,250		-307	0	8,537	8,230				
Mortimer St Mary's C of E Junior School	67,757	55,356	57,488	43,589	24,993	856,322	5.09%	0	42,093	1,495			43,589	0	646	44,235				
Mrs Blands Infant School	42,085	39,133	5,988	21,888	4,097	853,153	2.57%	0	5,279	16,457	152		21,888	621	10,875	33,385				
Pangbourne Primary School	33,220	48,281	52,082	19,834	20,765	842,518	2.35%	0	17,520	1,676	638		19,834	0	3,681	23,515				
Parsons Down Schools Federation	108,796	78,144	155,018	117,697	155,002	2,202,520	5.34%	0	95,901	8,606	13,190		117,697	27,169	13,372	158,239				
Purley Church of England Infant School	27,441	10,642	23,912	53,046	10,097	471,217	11.26%	5,924	25,155	16,072	12,819		53,046	210	13,251	66,507				
Robert Sandilands Primary School and Nursery	73,877	65,128	89,405	44,165	23,375	1,039,041	4.25%	0	33,631	9,073	1,481		44,165	0	3,925	48,090				
Shaw-cum-Domington Church of England Primary School	16,810	22,758	22,265	31,457	30,098	517,444	6.08%	0	28,356	1,093	2,008		31,457	3,124	8,992	43,574				
Chadwell Ortho Shefford Federation C of E Primary School	27,851	36,993	52,521	19,077	156	489,299	3.90%	0	10,859	5,678	2,540		19,077	0	5,336	24,412				
Speenhamland Primary School	70,340	79,953	118,367	105,718	26,039	1,354,234	7.81%	0	52,003	12,103	1,177	40,436	105,718	0	4,541	110,259				
Springfield Primary School	85,357	60,172	34,611	39,620	37,468	1,221,032	3.24%	0	30,989	3,244	5,386		39,620	7,553	1,972	49,145				
Sporcree Primary School	74,508	47,651	25,383	-78,930	-64,844	1,068,892	-4.73%	0	-102,459	20,537	2,992		-78,930	0	0	-78,930				
St Finian's Catholic Primary School	33,835	24,108	48,052	19,659	29,325	794,143	2.48%	0	19,645		14		19,659	0	0	19,659				
St John the Evangelist C of E Infant and Nursery School	8,574	13,362	-17,756	32,494	14,161	846,099	3.84%	0	29,180	378	2,937		32,494	5,460	0	37,953				
St Joseph's Catholic Primary School	53,655	46,287	42,802	53,789	31,319	855,139	6.29%	0	49,197	5,705	-1,113		53,789	14,303	0	68,093				
St Nicolas Church of England Junior School	52,724	63,438	20,380	1,085	20,113	976,716	0.11%	0	1,129		-43		1,085	14,563	0	15,648				
St Paul's Catholic Primary School	43,390	82,193	116,868	58,682	68,678	1,273,048	4.61%	0	52,375	4,620	1,687		58,682	0	529	59,211				
Stockless Church of England School	9,098	22,769	34,304	1,398	4,153	493,886	0.28%	0	3,441	42	-2,085		1,398	0	0	1,398				
Streatley Church of England Voluntary Controlled School	32,932	28,884	31,866	62,691	82,940	484,318	12.94%	14,259	56,926	2,509	3,256		62,691	0	3,453	66,144				
Sulhamstead and Uffon Nervet C of E VA Primary School	34,288	23,804	42,673	-844	-11,459	488,010	-0.17%	0	-5,145	3,808	1,493		-844	0	0	-844				
Thatcham Park Church of England Primary School	127,483	74,266	51,606	29,335	6,263	1,594,254	1.84%	0	6,149	22,044	1,142		29,335	0	10,570	39,905				
Theatre Church of England Primary School	68,742	72,994	81,806	35,995	50,801	1,429,683	2.52%	0	15,403		912	19,680	35,995	0	1,171	37,165				
Welford and Wickham Church of England Primary School	29,809	10,667	-1,914	1,970	-6,938	461,186	0.43%	0	3,705	592	-2,328		1,970	1,801	13,191	16,963				
Westwood Farm Infant School	48,329	71,693	58,290	2,357	-26,251	915,808	0.26%	0	-10,586	5,806	7,815	-678	2,357	0	19,073	21,430				
Westwood Farm Junior School	103,541	90,114	65,450	5,453	-22,154	1,057,147	0.52%	0	-29,684	12,661	2,892	19,584	5,453	0	5,912	11,365				
The Willows Primary School	84,119	29,735	41,720	73,790	12,689	1,573,702	4.69%	0	68,364	5,199	227		73,790	10,892	0	84,682				
The Winchcombe School	39,686	105,380	140,523	84,008	47,973	1,782,097	4.71%	0	66,127	1,361	1,924	14,596	84,008							

Explanations from Schools in Deficit

John O' Gaunt

Deficit of £1,018,410

JOG school was in deficit at the end for the financial year due to the following:

- a large historical deficit
- falling NOR resulting in reduced income
- 6th form funding clawback
- Redundancy costs from Teaching and Support staff restructures.

The following steps have been taken this year to reduce this deficit

- Teaching staff restructure resulting in 2 FTE voluntary redundancies in August 15
- Support staff restructure resulting in redundancies and early retirement March 16
- Spending freeze on all but essential items from September 15
- Natural wastage of teaching and support staff not replaced where possible, resulting in 1 FTE teacher and 1FTE support staff saving.
- Re-design of the curriculum model and options offer to enable a more efficient timetable
- Increase in teaching loads and staff teaching second subjects
- Benchmarking against LA and Academy schools to inform areas for potential savings, which were then investigated and actioned
- Rigorous monthly budget monitoring
- Robust analysis of the 15/16 budget to inform budget for 16/17 and areas for cost savings

Looking ahead JOG has embarked upon a new transition programme with years 4 & 5 in the local primary schools to help improve pupil recruitment. JOG is also in the final stages of negotiation to join the Excalibur MAT.

John Rankin Schools

Deficit of £169,720 (federated school budget)

Due to increasingly poor financial management and controls over a 2-3 year period, costs have risen ahead of budgeted income to put the school into a negative position.

The schools are looking to reduce spending and are currently restructuring staff in order to repay the deficit within 5 years.

Mortimer St Johns

Deficit of £2,560

Reasons:

- A high teacher costs due to long term sick and sickness category not covered by insurance
- Small numbers in year band (leaving July 2016)

Action:

- Actively marketing the school
- Reducing costs by renegotiating contracts where possible and reducing staffing budget through natural wastage

Future:

- Balanced a zero budget 2016/17
- Surplus!!!!!!!

Spurcroft

Deficit of £102,460

- **Why the school was in deficit at the end of the financial year.**

The school was in deficit because the budget presented by the previous SBM was inaccurate from the start and corrections made through virements took too long to process. Budget monitoring was therefore inaccurate and information presented to the Headteacher and governors inconsistent and misleading. Monitoring of timesheets therefore did also not pick up on the additional cost this was generating. Further issues included additional costs to associated building work/expansion (£14,877).

- **What actions have been/are being taken to bring the school back into surplus.**

Further expansion of the school will bring more pupils into school and with it further funding. Therefore we have kept the same staff structure and not recruited additional staff. This will mean bigger classes in Y5/6 (35). We have also reduced some administration and support hours including not replacing our IT Manager and replacing only limited amount of TA hours.

- **When you expect the school to be back in a surplus position.**

We have budgeted to be back in a surplus position within 3 years. Required investment in resources for the new build of approx 30K and less than anticipated numbers coming through Key Stage 1 limits the speed at which the deficit can be clawed back

Sulhamstead & Ufton Nervet

Deficit of £6,145

A series of errors were made when setting the budget which, together with short sighted forecast planning, resulted in a weak budget being set for 2015-16. In year expenditure was then not well controlled. Preparations for the September 2015 staffing structure resulted in both an in year and forecast deficit for current and future years.

Since the above, a new Headteacher and School Business Manager have been appointed. The following actions have been taken to bring the school back into surplus.

- SLT provision has been reviewed and will reduce from 1.0 to 0.8 FTE from Sept 16
- Headteacher will job share (0.2 equivalent) in KS2
- LSAs will provide some PPA cover

Sulhamstead and Ufton Nervet School anticipates a return to surplus for the 2017-18 budget and beyond.

Westwood Farm Schools

Deficit of £40,270 (federated school budget)

The main reasons for the deficit were unplanned for compromise agreements paid out to two senior leaders at the school.

The Acting Executive Head and newly appointed Executive Head from September 2016 have been involved in the budget setting for 2016/17 and beyond, conscious of the requirement to quickly improve standards as well as bringing the school back into a surplus position. The main actions being taken are:

- Stopping fixed term contracts
- Teaching vacancies – new appointments on lower salary
- No team leader replacements
- From September 2016 to employ HLTA for supply cover

There will also be a review of both the administrative staff and SLT.

The deficit recovery is planned over 5 years.