

Schools with Significant Surplus Balance 2015/16

- 1.1 The following table was presented to Schools' Forum at its meeting on 6th June. Although the Schools' Forum has agreed to remove the claw back scheme for schools with excess surplus balances, Members of the Forum requested explanations for the large surplus from each of the schools in the table (other than The Castle and the two PRUs which were explained at the meeting).

	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

Explanations from Schools with a Large Surplus

Each school was asked the following three questions:

1. Why you have ended the year with such a large surplus and which is significantly different to the original budget.
2. Why this level of surplus was not forecast and reported to Governors at month 9 (except Lambourn and Streatley).
3. How the surplus is planned to be spent, and your forecast balance for the end of 2016/17.

Victoria Park Nursery

Surplus £63,047

1. Why did we end the year with such a large surplus with is significantly different to the original budget?

As an Early Years provision provider, we receive our Government three year old funding and our SEN funding on a termly basis depending on the number of pupils on our role each term and their requirements. Our numbers are fluctuating quite significantly and children are often not registering in advance of wishing to start. In the Spring 2016 term we moved ahead of our budget on pupil numbers and numbers of children with additional sources of grant funding (SEN, 2 years olds). We received our final EYSFF funding on our Month 12 Agresso report (£86,132) i.e. after the end of the financial year. We are not allowed to make movements to our system until funding is actually received.

At the time that the original budget was set for the 2015/16 year our Headteacher was on Secondment to Ofsted, with an extension to this secondment under discussion. It was necessary to budget for her return and for our two acting Headteachers. In the event our Headteacher returned in September 2015; one of the acting Headteachers then provided 0.5FTE assistance to the Willows Primary School; and the second acting Headteacher took a leading role in the new Early Years Two Year Old project which has generated additional teaching income. The uncertainty on our leadership situation led to the employment of teachers on fixed term contracts and the movement of other staff so as to best utilise the staffing resources available.

As with any School, staff salaries are the major component of our expenditure. In addition to the changes to our leadership, during the 2015/16 finance year we had thirteen staff leavers and eleven new staff joiners on a staff role of approximately thirty.

We occupy older buildings and were experiencing significant ongoing maintenance issues. During the 2015/2016 finance year WBC kindly replaced our elderly boiler and undertook major repairs to our roof so that the ongoing continuous call out charges and running repairs for both issues dropped off.

All the above had a significant impact on our out turn as compared to our original budget.

2. Why was our level of surplus not forecast and reported to Governors at Month 9?

Victoria Park has experienced significant change between Month 9 and the Year End which had not been included for in the Month 9 budgeting calculations

1. One of our Assistant Headteachers stepped in at very short notice to become the temporary Head at Shaw cum Donnington Primary School so as to assist.

2. Our SENCO left us at the end of Month 9 and our vacancy was not filled until the start of the new finance year.

3. As mentioned above we have been experiencing high levels of staff turnover which continued between Month 9 and Month 12.

4. Victoria Park is an Early Years Hub with various staff members holding contracts or apportioning time between the Nursery and the Family Well Being Hub. There has been a great deal of uncertainty in regard to the recent changes to the Family Well Being Hub which has had a knock on effect on the Nursery finances.

Governors were advised of the situation and discussions were held when our figures started to deviate from those forecast for the year end at the Month 9 stage.

3. How is the surplus to be spent?

We have filled our staffing vacancies but particularly our Teaching costs have suffered a resultant increase. In addition as with all Schools we are facing increasing costs but we have much greater uncertainty on our funding. Our present predictions are for a large fall in pupil numbers for September 2016.

Our present five year budgets plans indicate a deficit budget at the end of Year 2 if our present levels of funding and spend remain as at present.

We are not expecting the Two Year Old project mentioned above to continue into the next academic year.

Bradfield

Surplus £73,115

1. Why have you ended the year with such a large surplus and which is significantly different to the original budget.

When we originally set the budget we planned to end the year with a significant surplus of £35,130. This was a deliberate intention because we knew that pupil numbers were going to be low in our October 2015 Pupil Census. (Our current Y6 cohort had gone down to 12 pupils as a result of historic damage from a poor inspection report in 2012.) Our long term goal has always been to rebuild the reputation of the school within the community and improve pupil numbers going forwards by securing parental confidence in the school and a Good Ofsted outcome.

When the budget was originally set in May 2015, we planned to appoint a deputy head. This was intended to be a key part of our strategy for improvement as strengthening leadership had been identified in our HMI report in October 2014. Our failure to appoint a deputy head led to a rethink of our leadership structure and where additional cost savings could be made. Our Year 6 class was merged with our Year 5 class in the afternoon, making further savings. We appointed one Assistant Headteacher in June and then an additional Assistant Headteacher was recruited in December to strengthen the leadership team further. PPA had previously been provided by an external sports provider and it was decided to cover PPA internally and invest in training teaching staff to deliver PE, providing additional cost savings.

Throughout the year, we have been as prudent as we could be. We have been completely focused on what the priorities in the Raising Attainment Plan have been and have ensured that thorough budget monitoring has taken place when considering training and expenditure on resources. This has enabled us to make savings throughout the year on supply teaching costs, development and training, building maintenance and fuel oil.

2. Why this level of surplus was not forecast and reported to Governors at month 9.

We would like to point out that there is an error on the form submitted to the Schools' Forum. The level of surplus forecast which we reported to governors at the end of month 9 was £64,694 not £35,130 as previously reported to the Schools' Forum. We have spoken to Schools Accountancy who have confirmed that an error was made by them when reporting.

The reason why we are now slightly above £64,694 is partly owing to a payment of £4,500 received in advance from the WBC paternity leave scheme to cover a member of teaching staff's maternity leave costs until September 2016.

The other part of the additional money remaining in the budget was a result of a long running saga with a water leak. Because of the leak, we have not paid any water bills for the last 3 quarters and we are waiting for Thames Water to calculate a rebate and rebill us. We had budgeted to repair the water leak from the main school budget, but as the cost turned out to be more significant than we thought, we paid for it using LCVAP money from the Diocese.

3. How this surplus is planned to be spent, and your forecast balance for the end of 2016/17.

Our surplus means that we can sustain the following for another year:

- Leadership team strengthened to build capacity and support further school improvement.
- An experienced teaching team is in place with 1 teacher meeting the criteria for threshold.
- 2 SEN 1-1 support TAs
- 2 TAs undertaking HLTA training to support PPA cover in the future
- TA intervention costs to help maintain our improving academic standards (our number of pupils eligible for PPG is decreasing)
- Increased lunchtime support to raise standards by improving the quality of the children's lunchtime experience.

Our forecast balance for the end of 2016/17 is £3,815.00.

We are working extremely hard to continue to be prudent with our spending over this financial year. We will continue to ensure that robust budget monitoring is in place and will ensure that value for money is always a key priority. We will endeavour to make additional cost savings over the year where we can. Now that we have secured a Good Ofsted grading we are hoping to see an improvement to pupil numbers.

Garland

Surplus £132,349

1. The budget was set by both the Headteacher and Finance Officer that no longer work at the school. The new staff members have ensured that the regular maintenance checks have been carried out during the year but have otherwise been frugal with the expenses.

The new head teacher had her induction with a member of the schools finance team in September 2015; and at the time the surplus was discussed and the head teacher was assured that the schools situation was well known and the level of

surplus due to Schools Accountancy being aware of the change in staffing and other aspects of the Schools Finances.

The new School Business manager joined in January 2016, and received training and support and guidance from Schools accountancy.

2. Before the arrival of the new SBM, schools accountancy looked at the budget vs actual figures and was satisfied that the reduction in actual staffing costs in the region of £30,000 was accurate. This is likely to be due, in part to the new Head being on a lower salary and no finance officer being in post for 5 months of the year. The Governors were made aware verbally of the surplus.
3. Due to the new posts of Head Teacher and School Business manager being taken in the year, we have been very cautious with spending. Now being more familiar with the school and the needs of the pupils we were able to work through our budget forecasts for the next three years to be in a position of a reducing surplus to £64,076 in 2018/19. This would not have been possible if the surplus as at 31 March 2016 had not been so healthy. We would like to point out, however, that due to difficulties in recruiting new teaching staff, this surplus will be less than the budgeted amount already.

Lambourn

Surplus £97,167

1. In the last 18 months there have been three different head teachers, so no-one in post long enough to put in place a plan for spending the surplus. Since September 15 we have had an ex head 3 days per week and from September 16 we have recruited a permanent head of school. Within that 18 months our deputy head acted as head teacher so we saved some of her salary that added to the surplus.
2. The surplus balance on fund 01 was budgeted at £49,280 at the end of 15/16 and we came in under that with a surplus of £31,666. The figure of £97,167 also includes PPG & Sports.
3. The 16/17 budget shows a surplus of £5,587 on fund 01, surplus of £11,910 on PPG and surplus of £7,650 on sports, a total £25,447 surplus at year end.

Purley

Surplus £53,046

Purley Primary School predicted a surplus that was presented to governors in October 2015. The surplus was predicted due to the original budget set in April 2015 including 0.2 of a teacher who resigned in June 2015. The teacher was replaced by a TA delivering PE. Additional funding received from other authorities for SEN top ups, and the growth fund formula additional payment received in period 12 were not included in the 2015-2016 budget which was also highlighted to Governors in March 2016. It was agreed to keep as much surplus as possible due to a deficit budget being set in 2016-2017 resulting from growing into a primary school.

Streatley

Surplus £62,691

Our surplus was due to the fact we could not recruit a teacher for our year 5/6 class for a whole academic year. Our Head Teacher ended up covering this class with some intermittent supply cover - supply teachers do not want to work full time. We also have trouble getting supply staff when required due to the location of our school, half an hour drive from Thatcham, Newbury, Reading, Oxford etc. This surplus in excess of our predicted carry forward was due to the savings on a teachers salary.

We have been in the same position this academic year, in that we have been recruiting for a teacher for our year 3/4 class and have secured someone for September, however this term our Head covered for the first two weeks as no supply was available either full time or long term. We have secured cover for this class using two supply teachers (from two different agencies) for the rest of this academic year.