

**READING BOROUGH COUNCIL**

**REPORT BY FINANCIAL SERVICES**

<b>TO:</b>	Reading Schools Forum		
<b>DATE:</b>	12 July 2018	<b>AGENDA ITEM:</b>	5
<b>TITLE:</b>	School Balances at 31 <sup>st</sup> March 2018 - Review of Excess Balances Exercise		
<b>SERVICE:</b>	Education, Children & Early Help Services	<b>WARDS:</b>	All
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**1. PURPOSE AND SUMMARY OF REPORT**

- 1.1 To report back to Schools Forum regarding schools that held excess surplus balances in the context of the balance control mechanism.

**2. RECOMMENDED ACTION**

- 2.1 To note the contents of the report and the decision making powers and responsibilities that Schools Forum has.
- 2.2 To advise the LA regarding schools that held excess surplus balances in the light of the powers and responsibilities held, in the light of the reasons given by schools

**3 POLICY CONTEXT**

- 3.1 The Council has strategic aims to establish Reading as a learning city and a stimulating and rewarding place to live and visit, to promote equality, social inclusion and a safe and healthy environment for all. Education and the funding of education is a key factor in the achievement of this aim.

**4 SCHOOL BALANCES**

**4.1 Background**

- 4.1.1 The previous meeting requested the LA collect information regarding committed balances from schools holding excess revenue balances as at the 31<sup>st</sup> March 2018.

4.1.2 An error has been spotted within the schools balances report produced for May 2018 Schools forum. The balances should only include main school balances and should exclude any extended school balances. This only affects maintained Nursery schools and so Norcot & Blagrove have been removed from the excess balance list.

4.1.3 The Scheme of Finance sets out the powers and responsibilities that Schools Forum have in respect of the balance control mechanism:

- Schools' Forum will assess schools with excess balances as to the extent to which the balance is committed, planned or assigned for a specific purpose.
- Where Schools Forum is satisfied the school's excess balance is not properly committed, Schools' Forum may authorise the Authority to collect excess balances above the threshold.
- Any sums collected through this mechanism will be held within the total Schools Budget for re-distribution across all schools.
- Where a member of Schools' Forum represents a school with an excess balance, they must declare a conflict of interest and would be excluded from participating in any decision regarding whether or not excess balances are to be collected from that school.

4.1.4 Finance sent a form to schools holding excess balances requesting information regarding those balances to the following schools: -

- All Saints
- Blessed High Faringdon
- English Martyrs
- Katesgrove
- Wilson Primary
- Holybrook
- Phoenix College
- Newbridge Nursery

4.1.5 Schools Forum in making its deliberations is asked to note the context of:

- The deficit on the high needs block
- The risk of forced academies leaving large deficits
- The risk of academy converters taking large surpluses
- The fact that a number of schools holding excess balances this year also held excess balances last couple of years
- The increasing payroll inflation effecting all schools
- Transitioning to the National Formula by 2020-21
- Inflation costs increasing faster than school formula increases.

## 4.2 Summary

4.2.1 The table at Appendix 1 and 2 show the excess balances held by schools over the last 5 years - since the last major School Formula change in 2013

### 4.3 Summary of Reasons for Schools Forum

#### 4.3.1 Generally with regard to excess balances the view of the Authority is

- Whilst there has been a reduction in capital funding available to schools there has been an over-reliance upon using revenue balances to fund capital nature expenditure.
- Staffing restructures and creating contingency redundancies funds are recommended if the school is seeing future years funding to decrease due to numbers. Example, bulge classes coming to an end.
- Prioritisation at schools does not always have sufficient focus on using revenue resources to improving teaching & learning and this is particularly important given reducing LA resources in this area
- Using balances to pay for ongoing revenue costs is not sustainable
- Resources in the LA to improve schools are reducing therefore it is incumbent upon schools to use their own resources to make improvements.

A number of bullet points are given on each of the individual schools below:

#### 4.3.2 All Saints

Excess: £43,719

- **No Return**

#### 4.3.3 Blessed Hugh Faringdon

Excess: £51,380

- £59,217 to Capita for implementing SIMs from MIS (includes training)

#### 4.3.4 English Martyrs

Excess: £131,688

- £67,315 relating to vacant posts in 17-18 to not be repeated again (Head, SBM and Year 6 Teacher being covered Deputy. All in post in 18-19.
- £8,250 relating to an 17-18 invoice regarding PE Sports grant expenditure
- £23,000 replacing very outdated IT for Teachers, SLT and Admin
- £22,000 Building works to Office/Security and equipment repairs/replacements
- £11,000 Lapse Training (e.g. first aid/team teach) investment to get up-to-date.

#### 4.3.5 Katesgrove

Excess: £124,942

- £36,554 refurbishment project boys & girls toilets Trooper Potts building
- £9,800 replacement windows and doors (waiting listed building consent)
- £20,000 ICT. Room renew equipment - Trooper Potts building
- £12,000 Playground resurfacing
- £9,700 Metal fencing around playground wall Trooper Potts building
- £40,000 Redundancy contingency- staff structure remodelling

#### 4.3.6 Wilson

Excess: £19,397

- **No Return**

#### 4.3.7 Holy Brook Special School

Excess: £84,897

- £7,681 Re-carpet School
- £12,700 Lighting - replacement of all fixtures re DEC
- £10,000 Safe room to sensory room
- £39,406 Restructure of staff

#### 4.3.8 Phoenix Special School

Excess: £77,262

- £25,179 Outdoor Gym Equipment
- £6,500 Refurbishment of Sensory Room
- £20,000 Redecoration various areas of school
- £20,000 Upgrade of computer servers and desktops
- £7,500 Replacement of furniture
- £9,982 Perimeter fencing

#### 4.3.9 Newbridge Nursery

Excess: £35,113

- £39,081 Staff remodelling and restructure drawing 2018/19
- £2,500 Website Redevelopment
- £6,500 Building Maintenance and Improvement

## Appendix 1: 31 March 2018 Excess Balances

School Name	Excess Balance as at 31/03/2018	Staffing / remodelling	Specific Curriculum Resources / Special Facilities	Grants C/Fwd	Furniture, IT, one off expenditure (capital nature)	Maintenance & Refurbishment	Total of explanations
All Saints	£43,719						£0
Blessed Hugh Faringdon	£51,380	£0	£0	£0	£59,217	£0	£59,217
English Martyrs	£131,688	£78,315	£0	£8,250	£23,000	£22,000	£131,565
Katesgrove	£124,942	£40,000	£0	£0	£20,000	£68,054	£128,054
Wilson	£19,397						£0
Holybrook	£84,897	£39,406	£0	£0	£7,681	£22,700	£69,787
Phoenix	£77,262	£0	£0	£0	£52,679	£36,482	£89,161
Newbridge	£35,113	£39,081	£2,500	£0	£0-	£6,500	£48,081
<b>Total</b>	<b>£568,398</b>	<b>£196,802</b>	<b>£2,500</b>	<b>£8,250</b>	<b>£162,577</b>	<b>£155,736</b>	<b>£525,865</b>

All Saints &amp; Wilson – No return

**School Balances at 31 Mar 2018**

**Appendix 2 - Schools Balances (including Extended Balances)**

	as @ 31-03-2014	as @ 31-03-2015	as @ 31-03-2016	as @ 31-03-2017	as @ 31-03-2018
Name	School & Extended Balance B02+B06 Agreed Cash Settlement	School & Extended Balance B02+B06 Agreed Cash Settlement	School & Extended Balance B02+B06 Agreed Cash Settlement	School & Extended Balance B02+B06 Agreed Cash Settlement	School & Extended Balance B02+B06 Agreed Cash Settlement
Blagdon Nursery	293,298	142,451	83,705	-11,925	-20,929
Blagrave Nursery	19,814	22,255	31,877	25,262	34,223
Caversham Nursery	-109,222	-115,222	-33,299	-69,220	-87,204
New Bridge Nursery	48,463	43,918	63,034	41,552	63,584
Norcot Nursery	5,911	10,788	-39,885	-12,974	57,642
Alfred Sutton Primary	82,852	133,412	79,954	136,028	176,716
All Saints CE Infant	76,039	91,574	98,139	36,751	70,572
Caversham Park Primary	50,005	33,879	27,886	35,096	50,267
Caversham Primary	52,807	116,344	107,523	89,813	133,597
Christ The King	41,894	59,133	62,568	45,921	30,120
Coley Primary	49,030	27,093	17,870	29,046	41,864
Emmer Green Primary	-10,158	63,926	22,855	1,151	8,999
English Martyrs Primary	131,722	197,778	269,938	230,534	270,120
EP Collier Primary	30,127	49,878	65,269	54,926	75,619
Geoffrey Field Infant	80,657	167,392	143,053	56,325	24,733
Geoffrey Field Junior	77,783	98,399	171,650	128,754	114,607
Katesgrove Primary	434,051	194,566	282,895	382,441	355,136
Manor Primary	122,000	137,688	132,254	85,716	-29,159
Micklands Primary	121,844	176,744	121,925	3,667	-22,860
Moorlands Primary	144,147	112,010	88,448	90,083	93,433
Oxford Road Primary	104,781	57,472	82,050	56,305	81,891
Park Lane Primary	38,921	59,123	53,051	22,023	70,490
Redlands Primary	84,996	95,858	88,365	49,802	24,872
Southcote Primary	28,784	43,224	81,082	95,844	98,879
St Annes RC Primary	-180,127	-311,370	-371,741	-571,844	-580,833
St Martins RC Primary	53,537	58,128	43,796	-25,334	-85,586
St Marys & All Saints	185,306	136,287	-169,771	-200,504	-207,815
St Michaels Primary	38,848	67,662	115,658	100,145	90,886
Thameside Primary	113,468	74,144	80,269	65,045	44,326
The Hill Primary	80,660	11,018	77,883	37,662	-2,563
The Ridgeway Primary	141,729	173,158	88,369	66,153	17,820
Whitley Park Primary	154,394	126,213	84,803	35,718	16,374
Wilson Primary	126,020	181,371	143,470	188,193	172,645
Blessed Hugh Faringdon	272,271	341,021	344,354	236,584	279,987
Phoenix College	46,664	72,096	136,508	112,849	131,600
The Holybrook	97,570	30,475	86,621	103,160	113,513
Cranbury College	0	107,744	47,122	104,962	36,740
	<b>3,130,886</b>	<b>3,087,630</b>	<b>2,809,548</b>	<b>1,855,707</b>	<b>1,744,305</b>
<b>% Change</b>		<b>-1%</b>	<b>-9%</b>	<b>-34%</b>	<b>-6%</b>
<b>Increased</b>		<b>23</b>	<b>17</b>	<b>9</b>	<b>18</b>
<b>Decreased</b>		<b>14</b>	<b>20</b>	<b>28</b>	<b>19</b>