

READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	Reading Schools Forum		
DATE:	11 May 2017	AGENDA ITEM:	5
TITLE:	School Balances (Provisional) at 31 st March 2017		
SERVICE:	Children, Education & Early Help Services	WARDS:	All
AUTHOR:	Steven Davies	TEL:	0118 937 4161
JOB TITLE:	Principal Accountant - Schools & Education	E-MAIL:	steven.davies@reading.gov.uk

1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To inform the Schools' Forum about the provisional school balances at the end of the financial year ended 31st March 2017. To seek guidance from Schools' Forum regarding schools that held excess surplus balances in the context of the balance control mechanism.

2. RECOMMENDED ACTION

2.1 NOTING: To note the contents of the report and also to note that the balances are at the moment provisional and subject to agreement with the external audit process.

2.2 FOR ADVICE: To ask whether Schools Forum wish the Authority to ask the schools holding excess balances at Appendix 1 for details on the purpose for which this is held and also to provide an opinion as to whether this is a valid and proper reason, with the aim of bringing this information back to the July meeting for consideration.

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

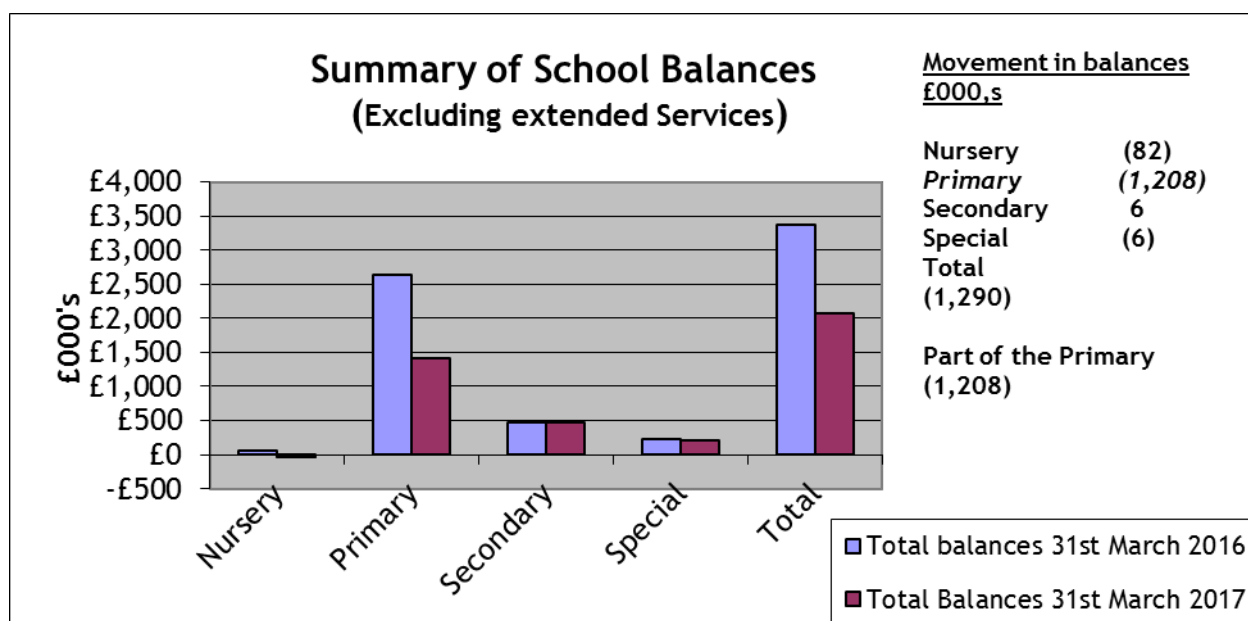
4.1 Background

4.1.1 This paper sets out the end of year school revenue balances at 31 March 2017 and the movement in those balances between March 2016 and March 2017. These are also subject to the audit process.

4.2 Summary

4.2.1 Graph 1 summarises school balances by school sector. Full details school by school are shown at **Appendix 1**.

Graph 1 Summary of school balances



4.2.2 There were 6 schools (from 4 at the 31st March 16) with a deficit balance as at the 31st March 2017: 3 primary school (from 2 at the 31st March 2016), No secondary school or special schools (unchanged from the March 2016) and 3 nursery school (2 in 31st March 2016).

4.2.3 As seen in Appendix 1 a small number of schools had deficit balances as at 31st March 2017. This has increased and the level of balances has decreased for the majority. The LA is concerned about the balances in a time that nationally schools funding are not growing and the general costs continue to increase. The LA will be setting up loan arrangements with schools in deficit balances shortly. We will continue to monitor these school's progress towards bringing their finances back into balance. It should be noted that under the current

regulations should a school convert to an academy any deficit would be left to the LA to fund, but any surplus would transfer to the new school.

4.3 Balance Control Mechanism

4.3.1 Schools Forum now manages the LA's balance control mechanism. The schools' that held excess surplus balances as at 31st March 2017 can be identified from **Appendix 1**.

4.3.2 The excess balances could be held for properly assigned purposes. Each year the Authority asks whether Schools Forum would like us to request information from schools holding excess balances what these are being held for. In addition Schools Forum can request the authority to express an opinion as to whether these reasons are for a proper and valid purpose. If Schools Forum request the Authority to do this then this can be brought back for the July meeting of Schools Forum to consider.

4.3.3 It should be noted that for some schools balances may have been held for valid historical reasons.

4.4 Capital balances

4.4.1 The total amount of unspent devolved formula capital funds held by schools at the 31st March 2017 was £215k. Of this balance £21k had been carried forward from the 2014-15 allocation and will need to be spent by 31st August 2017. We will notify the schools holding these balances. The remainder of the balance consists of £105k of the 2015-16 allocation and £89k of the 2016-17 allocation. This information is also provided to colleagues across the Council to ensure that this is being factored into the future capital programme.

Appendix 1 Provisional School Balances 31st March 2016 and 31st March 2017

	2015-16		2016-17				
	Revenue Balance (excl extended schools)	% 15-16 c/f against 15-16 budget share	Surplus / (Deficit) In-Year	Revenue Balance (excl extended schools)	Adjusted Budget Share	% 16-17 c/f against 16-17 budget share	Excess balance over threshold
Alfred Sutton Primary	79,954	4%	56,072	136,026	2,392,946	6%	0
All Saints	98,096	28%	(61,345)	36,751	321,030	11%	11,069
Caversham Park Primary	27,886	3%	7,211	35,097	809,305	4%	0
Caversham Primary	107,523	6%	(17,710)	89,813	1,642,914	5%	0
Christ The King Catholic Primary	62,568	4%	(16,647)	45,920	1,778,297	3%	0
Coley Primary	17,870	2%	11,176	29,046	1,161,995	2%	0
Emmer Green Primary	22,855	1%	(21,704)	1,151	1,407,365	0%	0
English Martyrs' Catholic Primary	269,938	16%	(39,403)	230,535	1,796,338	13%	86,828
E P Collier Primary	65,269	5%	(10,343)	54,926	1,703,793	3%	0
Geoffrey Field Infant	143,053	10%	(86,725)	56,327	1,401,078	4%	0
Geoffrey Field Junior	171,650	11%	(42,900)	128,750	1,607,904	8%	117
Katesgrove Primary	276,809	10%	105,633	382,442	2,865,424	13%	153,208
Manor Primary	132,254	8%	(46,536)	85,717	1,574,400	5%	0
Micklands Primary	121,925	7%	(118,257)	3,668	1,584,728	0%	0
Moorlands Primary	88,448	4%	1,635	90,083	2,062,544	4%	0
Oxford Road Community	82,050	7%	(25,745)	56,305	1,176,927	5%	0
Park Lane Primary	53,844	3%	(31,822)	22,023	1,696,520	1%	0
Redlands Primary	88,365	8%	(38,563)	49,802	1,086,796	5%	0
Southcote Primary	81,082	4%	14,762	95,844	2,132,781	4%	0
St Anne's Catholic Primary	(371,741)	-45%	(200,093)	(571,834)	791,633	-72%	0
St Martin's Catholic Primary	43,796	6%	(69,107)	(25,311)	708,319	-4%	0
St Mary and All Saints	(169,771)	-10%	(30,679)	(200,450)	1,790,091	-11%	0
St Michael's Primary	115,658	8%	(15,502)	100,157	1,498,671	7%	0
Thameside Primary	80,269	5%	(15,223)	65,046	1,683,699	4%	0
The Hill Primary	77,883	4%	(40,221)	37,662	1,771,118	2%	0
The Ridgeway Primary	88,369	6%	(22,216)	66,153	1,813,187	4%	0
Whitley Park Primary	84,803	3%	(49,085)	35,718	3,017,640	1%	0
Wilson Primary	143,470	8%	44,722	188,193	1,884,384	10%	37,442
New Christ Church	94,885	10%	1,566	96,452	920,245	10%	22,832
Blessed Hugh Faringdon Catholic	344,354	7%	(107,769)	236,585	4,556,359	5%	8,767
Reading Girls'	122,587	3%	113,659	236,246	3,666,590	6%	52,917
Phoenix College	135,084	9%	(22,234)	112,850	678,285	17%	58,587
The Holy Brook	86,621	10%	16,538	103,159	355,234	29%	74,741
Blagdon Nursery	36,936	8%	(50,406)	(13,469)	408,154	-3%	0
Blaggrave Nursery	31,877	13%	(6,615)	25,262	212,364	12%	8,273
Caversham Nursery	(67,679)	-34%	(7,443)	(75,122)	210,707	-36%	0
New Bridge Nursery	62,826	14%	(21,893)	40,933	350,135	12%	12,922
Norcot Early Years	(13,297)	-3%	4,128	(9,169)	404,979	-2%	0
Total	2,918,370		- 839,084	2,079,286	56,924,879		527,702