

Review of Maintained Schools Balances 2016-17

19th September 2017

1. Purpose of report

- 1.1 To provide a summary of balances held by maintained schools at 31st March 2017 as reported to the DfE under consistent financial reporting regulations.

2. Recommendations

- 2.1 To note the contents of the report.

3. Background

- 3.1 Consistent financial reporting regulations require local authorities to submit details of all income and expenditure incurred by its maintained schools during the financial year and to confirm the level of committed and un-committed surplus balances held by each school at 31st March each year.
- 3.2 The outturn data submitted for maintained schools as at the end of 2016/17 is detailed for each sector in the table below.

4. School Balances 2016/17

- 4.1 As at 31 March 2017 Walsall maintained schools reported a total of £8.01m held in revenue surplus balances. Of this uncommitted surplus balances totalled £6.405m, with a further £1.610m being reported as committed - largely in relation to approved Properly Assigned Sums.
- 4.2 In addition surplus balances totalling £2.007m held by schools in respect of Community Facilities provision, i.e. extended schools activities, were also reported.
- 4.3 Capital balances reported for maintained schools totalled a further £1.545m.

Sector	Net Revenue Surplus Balances	Surplus as % of Income to schools	Capital Balances	Community Facilities Balances
Primary	6,206,410	6%	1,115,342	1,296,992
Secondary	1,060,497	6%	20,000	0
Special	387,527	3%	309,374	0
PRU	23,219	1%	34,832	0
Nursery	338,161	8%	66,354	710,063
Total	8,015,814		1,545,902	2,007,055

- 4.4 A number of schools reported year-end deficits, which equalled (£0.235m) in total. This figure included 5 primary schools, 2 special schools and 1 Pupil Referral Unit.

5. Financial implications/Value for Money

- 5.1 Since implementing the current balance control mechanism in 2012/13, the total level of uncommitted balances across all maintained schools has continued to reduce – from £8.638m at the end of 2013/14, to £8.520m at the end of 2014/15, £7.749m at the end of 2015/16, and now £6.405m at the end of 2016/17.
- 5.2 Although some of this reduction would be expected given the fact that over this period a number of maintained schools have converted to academy status, and so any surplus relating to these schools would have also transferred thus lowering the overall balance, the average level of uncommitted reserves per maintained school has also declined - from 5.4% of annual income at the end of 2013/14, to 5.2% at the end of 2014/15, 4.89% at the end of 2015/16 and now 4.21% at the end of 2016/17.
- 5.3 This may be a sign that the financial pressures that schools have been facing during this period, with flat per pupil funding but increasing costs, is seeing them utilise reserves to provide the time required to implement longer term changes to services / structures.

6. Legal Implications

- 6.1 Balances held by maintained schools as at 31st March each year are reported to the DfE under the consistent financial reporting regulations.

7. School Improvement

- 7.1 DfE's intention is that schools should avoid building up excessive balances, and should instead utilise the funding they receive for the benefit of pupils that are currently attending the school. However they also recognise the fact that reserves allow schools to plan for wider developments or respond to unforeseen cost pressures, and as such some level of reserves will normally be required.

8. Members eligible to vote

- 8.1 The report is for information only and no vote is required.