
Meeting: Schools Forum
Date: 25 June 2012
Subject: School Finance Update
Report of: Deputy Chief Executive and Director of Children's Services
Summary: To update the Schools Forum on the Schools out-turn position for 2011/12.

Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

To note the Schools out-turn position for 2011/12.

Background

1. There were 112 Schools in Central Bedfordshire (excluding Academies) as at 31st March 2012 with a delegated budget of £132,563M.
2. The financial controls within which delegation works are set out in Central Bedfordshire Council's Financial Regulations for Schools in accordance with Section 48 of the Schools Standards and Framework Act (1998) and approved by the Secretary of State.
3. The LA may suspend a school's right to a delegated budget if the provisions of the Scheme have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.
4. The Scheme (Section 4.9) permits schools to plan for a deficit budget with the normal maximum length of time over which schools may recover will be three years.
5. Unlicensed deficits are reported to the Department for Education as part of the School's Consistent Financial Reporting (CFR) return.
6. The Schools Forum at its meeting on 7th March 2011 resolved that there be no balance control mechanism from 2011/12 onwards.

7. Section 151 of the Local Government Act 1972 states that every local authority make arrangements for the proper administration of their financial affairs, including the supervision of all systems and records used for accounting purposes relating to the finances of Central Bedfordshire Council. Schools are required to operate accounting systems in support of proper budget monitoring and control arrangements.
8. To assist the Section 151 Officer in exercising his duties under the Act, Schools are categorised into Red, Amber, Green (RAG) ratings of risk. This process takes place twice a year in June following the financial year end and receipt of the current budget plan, and January, following the Schools completion of the year end forecasts outturn. A regular update is held as schools circumstances change.

Update

9. Maintained Schools balances as at 31st March 2011 are as follows:-

Sector	Revenue £		Capital £	
	2010/11	2011/12	2010/11	2011/12
Nursery (4)	518,464	543,885	101,718	30,758
Lower (87)	3,614,327	4,927,203	2,653,277	1,473,802
Middle (14)	1,097,376	1,875,755	774,138	499,432
Upper (3)	864,708	1,178,060	16,657	30,234
Special (4)	796,459	1,023,035	176,652	73,534
Total	6,891,334	9,547,938	3,722,442	2,107,760

10. Earmarked reserves for 2011/12 will not be known until late June when Schools complete their annual CFR return. However, the rise in balances held is believed to be in part due to the increased funds directed through the ISB of £1.2M from School Contingency mid way through the year and the pending outcome of the National Consultation with the uncertainties for School funding in future years.
11. At the 2011/12 financial year end, 6 schools held an agreed licensed deficit with a value of £ 509,670, with no school exceeding their agreed limit. One Lower school held an unlicensed deficit.
12. One school chose not to submit full year end accounts and therefore the LA had no choice but to close the accounts on their behalf on estimated figures.
13. The categorising of schools into a risk register will take place during June and brought back to the next meeting of the School Forum. There were no Schools issued with a Notice of Concern in 2011/12.

Appendices:

None