

CENTRAL BEDFORDSHIRE SCHOOLS FORUM

Date of Meeting: 12 March 2018

Subject: Schools with high carry-forwards at the end of 2016/17

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Purpose of this report: to provide schools forum with the outcomes of the review of schools with high levels of balances at the end of the 2016/17 and the intended use of these balances

RECOMMENDATIONS

Schools Forum board is asked to note the report:

1 Background

1.1 At schools forum on 18 September 2017, finance officers reported on the outturn of maintained schools at the end of the 2016/17 financial year, and listed schools with 'excess' balances. Since then, there has been a dialogue with the 20 schools listed as having excess balances. This report updates schools forum with regard to action taken since the last report.

2 Maintained schools' balances in Central Bedfordshire (March 2017)

2.1 There were 82 maintained schools in Central Bedfordshire at the end of the 2016/17 financial year. They had delegated budgets of approximately £84,000,000. Maintained schools' balances on 31 March 2017 are as follows:

Sector	Revenue		Capital	
	£	£	£	£
	2015/16	2016/17	2015/16	2016/17
Nursery (2)	254,059	267,706	24,360	16,956
Lower (71)	8,175,895	6,370,824	841,511	732,970
Middle (5)	1,026,448	889,040	552,359	194,670
Upper (2)	692,569	804,952	24,752	15,960
Special (2)	1,648,995	1,708,022	34	34
Total (82)	11,797,966	10,040,544	1,443,016	960,590

2.2 Schools' balances were confirmed following the completion of the consistent financial returns (CFR) process. Two schools had an unlicensed deficit at the year-end (£39k in total).

3 Schools with 'excess balances'

- 3.1 CFR distinguishes revenue balances between committed, uncommitted and community focused reserves. The scheme for financing schools for 2016/17 defines (in section 4.2) excess uncommitted balances as: 15 per cent of the individual budget share for nursery and primary schools, and 10 per cent for secondary and special schools.
- 3.2 The schools finance team reviewed the returns from maintained schools and examined funds declared as committed against agreed criteria and challenged as appropriate. There were 20 schools holding excess uncommitted balances - one nursery school, 16 lower schools, one middle school and two special schools. These schools were all contacted individually requesting plan for how the excess balances were to be used to benefit pupils attending the school.
- 3.3 Of the 20 schools, six schools were asked to present reasons why the LA should not start the process of recovering 'excess balances'. Local authority finance officers have now received acceptable responses from all the schools concerned showing how their balances will be used for capital and revenue funding. Therefore, it is not proposed to take any action to recover any balance from these schools.

4 Financial and risk implications

- 4.1 The risk in the case of schools with high balances (as defined in paragraph 3.1 above) is that resources available are not spent to benefit current pupils.

5 Governance and delivery implications

- 5.1 The local authority, as the maintaining authority, has a duty to monitor the expenditure of maintained schools sections 45 – 53 of the School Standards and Framework Act, 1998 and the School and Early Years Finance (England) Regulations, 2017.

6 Equalities implications

- 6.1 There are no specific equalities implications.

7 Implications for work programme

- 7.1 There are no implications for the work programme.

8 Conclusion and next steps

- 8.1 Local authority officers are content with the responses of the schools deemed to have excess balances and do not propose to claw back any budgets.

9 Appendices

There are no attachments to this report.

10 Background papers

- 11.1 The following background papers were taken into account and are available on the Council's website

Schools finance update report (schools forum, 18 September 2017)