

MAINTAINED SCHOOLS AND DSG FINANCIAL HEALTH

To: Cambridgeshire Schools Forum

Date: 22nd May 2015

From: Martin Wade – Schools Finance Manager

1.0 INTRODUCTION

- 1.1 This paper analyses the 2014-15 **final** closing balance position of maintained schools and the overall Dedicated Schools Grant (DSG) as at 31st March 2015.

Please note: the figures below are based on the year-end returns from schools. However, following further validation of the Consistent Financial Reporting (CFR) returns the final information on Schools balances published by the Department for Education (DfE) may differ slightly.

2.0 MAINTAINED SCHOOL BALANCES

- 2.1 The table below shows rounded balances for each sector. These balances **exclude** Community Focussed Extended Schools, Capital and Banker funds.

	31st March 2014 £m (original published balances)	31st March 2014 £m (amended for in-year academy conversions)	31st March 2015 £m	Change £m
Nursery Schools	0.6	0.6	0.5	-0.1
Primary Schools	12.7	12.1	11.0	-1.1
Secondary Schools	-0.1	-0.1	0.0	+0.1
Special Schools	1.6	1.6	1.5	-0.1
PRU's	0.2	0.2	0.1	-0.1
Total	15.0	14.4	13.1	-1.3

- 2.2 **Appendix 1** provides maintained school revenue balances as at 31st March 2015. It must be noted that further to the DSG, schools budgets include funding from the Education Funding Agency (EFA) for Post 16 funding, in year funding for items such as pupils with statements and additional grants such as the Pupil Premium, and PE and Sport grant. Pupil Referral Units (PRU's) are now also included in the school balances as now have delegated budgets and are subject to carry forward in the same way as schools. Schools that had converted to Academy status prior to 31 March 2015 are no longer reported by the Local Authority and therefore are not included within the figures.

- 2.3 The change in individual schools balances can be attributed to several reasons:

- Some schools have delayed or cancelled spending decisions due to the uncertainty around future years funding amounts.
- Some schools have chosen to apply balances in 2014/15 to maintain current staffing levels and class structures.

- Pressures on capital funding have also led some schools to reconsider and reprioritise revenue resources to allow for the possibility of capitalisation in future years.

2.4 The table below provides a summary of the value of **surplus** revenue balances held by maintained schools (excluding academy convertors).

Surplus	Nursery	Primary	Secondary	Special	Total
£0k - £10k	0	7	0	0	7
£10k - £20k	1	6	0	0	7
£20k - £60k	2	75	1	1	79
£60k - £100k	2	42	0	0	44
£100k - £150k	1	23	0	2	26
£150k - £200k	1	5	0	0	6
£200k - £300k	0	4	0	2	6
£300k - £400k	0	1	0	1	2
£400k+	0	0	0	0	0

2.5 The following table shows the number of schools that have an excessive balance, using the revised criteria agreed by Schools Forum in April 2011.

Sector	Schools with an excess > 8% ISB / £40k and <u>below</u> the floor targets 31.3.15	Schools with an excess > 16% ISB / £80k and <u>below</u> the floor targets 31.3.15	Schools with an excess > 16% ISB / £80k and <u>above</u> the floor targets 31.3.15
Nursery	0	0	4
Primary	7	2	25
Secondary *	0	0	0
Special	0	0	0
Total	7	2	29
* Secondary below floor target % excess limit is 5% ISB. General excess limit is 10% ISB (Individual Schools Budget)			

2.6 The table below shows the number of schools that ended 2014/15 with a deficit revenue balance:

Sector	Schools with Reported Deficit Balances as at 31st March 2015
Nursery	0
Primary	7
Secondary	0
Special	1
Total Schools	8

2.7 The table below shows the value of these deficit balances:

Deficit	Nursery	Primary	Secondary	Special	Total
£100k+	0	0	0	0	0
£60k - £100k	0	0	0	0	0
£20k - £60k	0	2	0	1	3
£10k - £20k	0	0	0	0	0
£1k - £10k	0	5	0	0	5

3.0 SURPLUS BALANCES

3.1 Schools Forum previously agreed to a relaxation of the balance control mechanism. An excessive balance is classed as:

- over 16% of ISB or £80,000 for nursery, primary and special schools
- over 10% of ISB for secondary schools

Or, where a school is below the national educational floor targets:

- over 8% of ISB or £40,000 for nursery, primary and special schools
- over 5% of ISB for secondary schools

3.3 Table 2.5 shows that very few schools that are above the education floor targets have a very excessive balance over 16% of ISB / £80k. Reasons for the excess balances will be requested from all schools, and appropriate challenge provided.

3.4 All schools that are below the education floor targets and had an excessive balance above 5% ISB (secondary) or 8% ISB / £40k (all other schools) will be contacted by the Local Authority Learning Directorate to discuss whether plans for using the excess balance will help to raise attainment levels.

4.0 SCHOOLS IN OR FACING FINANCIAL DIFFICULTY

4.1 The number of schools with a deficit had substantially reduced over the last 3 years, as well as the level of deficits. However there has been a slight increase at the end of 2014/15, with at least 3 schools being required to apply for a deficit licence for 2015/16.

4.2 Where a school does apply for a deficit licence, the application must include a multi-year recovery plan, detailing actions the school will be taking to repay the accumulated deficit.

4.3 Schools requesting a deficit licence will be visited by Internal Audit (unless previously visited) to provide a view on the finance processes, reporting and governance.

5.0 SCHOOLS FINANCIAL VALUE STANDARD (SFVS)

5.1 The SFVS was introduced in 2011 to assist schools in managing their finances and to give assurance that they have secure financial management in place. Governing bodies have formal responsibility for the financial management of their schools, and so the standard is primarily aimed at governors.

- 5.2 Maintained schools, including PRUs are required to complete the SFVS on an annual basis and submit to the Local Authority. All but 6 schools submitted by the 31st March 2015 deadline, and at the time of writing there are still 4 outstanding returns. As previously reported, SFVS will not be externally assessed; rather the LA will use schools' SFVS returns to inform the programme of financial assessment and audit.

6.0 OVERALL DSG POSITION

- 6.1 As part of the final notes to the accounts there is a requirement to report the overall DSG position as at the end of 2014/15 and the total amount to be carried forward to 2015/16. For DSG purposes, grant allocated to the Individual Schools Budget (ISB) is taken to have been spent as soon as it is deployed – i.e. passed to schools' budget shares. There is no requirement to track DSG through the ISB to its use by individual schools, and changes in balances held by schools are not to be recorded in this note.

	Central expenditure £000	Individual schools budget £000	Total £000
Final DSG for 2014-15 before Academy recoupment			384,666
Academy figure recouped for 2014-15			149,717
Total DSG after Academy recoupment for 2014-15			234,949
Brought forward from 2013-14			4,359
Carry forward to 2015-16 agreed in advance			0
Agreed initial budgeted distribution in 2014-15	53,966	188,774	239,308
In year adjustments	0	176	176
Final budget distribution for 2014-15	53,966	188,774	239,484
Less: Actual central expenditure	49,406		
Less: Actual ISB deployed to schools		188,950	
Plus: Local authority contribution for 2014-15	0	0	0
Carryforward to 2015-16	4,560	0	4,560

Please note: Early Years Expenditure for 2, 3 and 4 year olds is included under the ISB heading.

- 6.2 The overall level of DSG Carry forward has increased from the levels held at the end of 2013/14. .
- 6.3 The greatest single area of underspend within the centrally retained DSG in 2014-15 continued to be in respect of funded 2-year-old places which totaled £1.5m, of which approximately £0.7m was applied to meet pressures on 3 and 4 year old places. 2014-15 was the final year 2-year old funding was based on predicted numbers and anticipated trajectory; the amount to be received in 2015-16 will be based on actual take-up and as such there will be no recurring underspend.

- 6.4 An element of the DSG carry forward will be used to fund the continued rollout of the 2-year-old programme alongside it will used to offset any further pressures on DSG funded activities. As with school balances any carry forward is one-off "cash" and as such is not available on an ongoing basis. Once the in-year position for 2015/16 becomes clearer the base budgets may need to be revisited to reflect the latest position looking forward to 2015/16 and beyond.

7.0 RECOMMENDATION

- 7.1 **Members of Schools Forum are asked to note the contents of the report.**

Appendix 1 (School Revenue Balances as at 31st March 2014 and 31st March 2015):

<u>School Name</u>	2013/14 £	2014/15 £
Brunswick Nursery School	92,337	88,869
Colleges Nursery School	58,547	17,499
Histon Early Years Centre	105,525	155,005
Homerton Children's Centre	48,114	43,558
Huntingdon Nursery School	84,194	45,334
Kings Hedges Nursery School	86,362	104,346
The Fields Early Years Centre	74,165	78,221
Abbey Meadows Primary School	157,833	49,256
Abbots Ripton Primary School	17,779	27,643
Alconbury Primary School	108,492	45,613
Alderman Payne Primary School	75,196	75,910
Arbury Primary School	271,284	154,754
Ashbeach Primary School	43,460	34,641
Babraham Primary School	38,348	34,616
Bar Hill Primary School	91,156	83,914
Barnabas Oley Primary School	4,483	2,361
Barrington Primary School	33,052	25,792
Barton Primary School	28,640	29,530
Bassingbourn Primary School	142,598	93,942
Beaupre Primary School	44,435	40,418
Bellbird Primary School	155,849	100,620
Benwick Primary School	52,296	57,930
Bewick Bridge Community Primary School	88,365	71,481
Bottisham Primary School	28,455	-8,583
Brampton Village Primary School	50,291	53,128
Brington Primary School	129,488	100,858
Burrough Green Primary School	23,386	33,147
Burwell Primary School	75,088	55,309
Bushmead Primary School	25,714	31,233
Caldecote Primary School	87,254	193,214
Castle Camps Primary School	53,192	50,422
Cavalry Primary School	213,615	171,459
Cherry Hinton Primary School	108,028	108,123
Cheveley Primary School	67,653	13,727
Clarkson Infant School	91,566	101,083
Coates Primary School	88,946	81,536
Colville Primary School	31,616	23,937
Coton Primary School	29,149	30,757
Cottenham Primary School	111,853	92,526
Ditton Lodge Community Primary School	113,812	147,190
Downham Feoffees Primary School	9,899	20,765
Dry Drayton Primary School	7,872	27,929
Duxford Primary School	50,403	69,706
Earith Primary School	10,672	32,432
Eastfield Infant School	147,429	100,902
Elm Primary School	42,184	76,859
Elm Road Primary School	126,592	81,096
Elsworth Primary School	24,100	34,897
Elton Primary School	7,018	9,128
Ely St John's Primary School	78,565	47,884
Eynesbury Primary School	56,011	32,755

<u>School Name</u>	2013/14 £	2014/15 £
Fawcett Primary School	106,104	59,781
Fen Ditton Primary School	82,098	67,562
Fen Drayton Primary School	26,952	27,482
Fenstanton and Hilton Primary School	52,740	30,170
Folksworth Primary School	62,967	58,323
Fordham Primary School	66,724	56,790
Fourfields Primary School	301,099	270,091
Fowlmere Primary School	64,292	55,946
Foxton Primary School	48,133	36,237
Friday Bridge Primary School	106,430	73,414
Fulbourn Primary School	102,832	58,269
Gamlingay First School	49,366	38,198
Girton Glebe Primary School	1,654	45,659
Glebelands Primary School	59,882	86,884
Gorefield Primary School	128,168	143,941
Great Abington Primary School	51,762	39,769
Great Gidding Primary School	3,435	-2,586
Great Paxton Primary School	24,629	36,199
Great Wilbraham Primary School	17,232	40,378
Grove Primary School	226,323	278,696
Gt & Lt Shelford Primary School	14,240	-5,118
Guilden Morden Primary School	12,106	-1,871
Guyhirn Primary School	24,936	75,854
Hardwick and Cambourne Primary School	42,183	39,840
Harston & Newton Primary School	118,935	110,802
Hartford Infant School	100,237	122,473
Hartford Junior School	76,359	69,070
Haslingfield Primary School	50,314	63,298
Hauxton Primary School	5,997	5,268
Hemingford Grey Primary School	70,446	84,877
Holme Primary School	67,638	59,669
Holywell Primary School	17,641	33,415
Houghton Primary School	10,570	21,255
Huntingdon Primary	45,898	62,467
Icknield Primary School	42,243	16,584
Isleham Primary School	56,099	36,692
Jeavons Wood Primary School	55,125	57,812
Kettlefields Primary School	22,004	48,218
Kinderley Primary School	46,831	55,291
Kings Hedges Primary School	340,548	235,993
Lantern Primary School	107,039	60,738
Linton Heights Junior School	26,198	32,634
Linton Infant School	48,295	43,870
Lionel Walden Primary School	108,815	81,268
Little Paxton Primary School	81,976	96,721
Little Thetford Primary School	52,389	29,037
Littleport Primary School	123,691	96,960
Manea Primary School	102,224	101,981
Maple Grove Infant School	129,969	92,793
Mayfield Primary School	157,929	123,273
Melbourn Primary School	26,790	27,547
Meldreth Primary School	78,814	99,819
Meridian Primary School	39,702	33,894
Millfield Primary School	140,854	174,626

<u>School Name</u>	2013/14 £	2014/15 £
Milton Road Primary School	19,439	3,881
Monkfield Park Primary School	202,346	141,376
Morley Memorial Primary School	42,429	60,507
Newnham Croft Primary School	61,769	52,653
Newton Primary School	41,864	51,651
Oakington Primary School	75,956	112,721
Offord Primary School	35,973	37,351
Orchard Park Community Primary School	98,779	113,484
Orchards Primary School	32,628	60,524
Over Primary School	75,342	57,216
Park Street Primary School	26,974	58,048
Pendragon Primary School	53,553	40,987
Petersfield Primary School	2,273	33,185
Priory Junior School, St Neots	106,985	72,417
Priory Park Infant School	33,185	69,917
Queen Edith Primary School	266,173	141,073
Queen Emma Primary School	77,385	76,123
Rackham Primary School	38,413	59,078
Ramsey Junior School	83,000	44,976
Ramsey Spinning Infant School	76,919	83,570
Ridgefield Primary School	36,067	49,832
Robert Arkenstall Primary School	89,816	75,065
Sawtry Infant School	38,249	59,730
Sawtry Junior School	42,497	4,769
Shirley Primary School	194,019	95,927
Somersham Primary School	34,316	27,889
Spaldwick Primary School	48,746	55,442
Spinney Primary School	40,111	4,358
Spring Meadow Infant School	81,634	38,349
St Alban's Primary School	69,321	18,398
St Anne's Primary School	57,250	31,768
St Helen's Primary School	87,612	33,934
St John's Primary School, Huntingdon	98,270	123,847
St Laurence Primary School	77,675	115,225
St Luke's Primary School	41,738	32,739
St Mary's Primary School, St Neots	63,451	37,452
St Matthew's Primary School	-45,483	-46,301
St Paul's Primary School	53,766	49,949
St Philip's Primary School	44,651	31,091
Stapleford Primary School	54,137	76,247
Steeple Morden Primary School	82,012	86,519
Stilton Primary School	52,675	35,324
Stretham Primary School	96,596	88,073
Stukeley Meadows Primary School	8,147	-7,805
Sutton Primary School	187,263	201,829
Swaffham Bulbeck Primary School	57,874	43,213
Swaffham Prior Primary School	60,501	78,743
Swavesey Primary School	102,307	126,852
Teversham Primary School	5,341	13,349
The Vine Inter-Church Primary School	109,995	77,674
Thomas Eaton Primary School	28,462	2,216
Thongsley Fields Primary School	46,004	47,326
Thorndown Primary	211,398	146,327
Thriplow Primary School	39,289	24,787
Townley Primary School	50,455	67,371

<u>School Name</u>	2013/14 £	2014/15 £
Upwood Primary School	121,849	118,859
Warboys Primary School	91,582	83,448
Waterbeach Primary School	195,197	123,646
Weatheralls Primary School	118,915	98,890
Westfield Junior School	102,402	49,077
Westwood Junior School	34,414	57,172
Wheatfields Primary School	153,688	167,250
Wilburton Primary School	38,665	68,688
William Westley Primary School	86,570	119,376
Willingham Primary School	23,621	16,966
Wisbech St Mary Primary School	111,078	106,560
Wyton Primary School	-11,969	-21,104
Yaxley Infant School	94,588	83,080
 Netherhall Secondary School	 -69,630	 21,664
 Castle Special School	 116,785	 36,204
Granta Special School	195,907	313,265
Harbour Special School	-80,928	-46,524
Highfield Special School	221,621	133,916
Meadowgate Special School	277,191	281,133
Samuel Pepys Special School	300,792	283,427
Spring Common Special School	401,776	367,363
Trinity Special School	132,472	112,916
 Pilgrim PRU	 22,257	 26,746
The County School	218,299	91,526