

MAINTAINED SCHOOLS AND DSG FINANCIAL HEALTH

To: Cambridgeshire Schools Forum

Date: 24th June 2016

From: Martin Wade – Strategic Finance Manager – Children’s & Schools

1.0 INTRODUCTION

- 1.1 This paper analyses the 2015-16 **final** closing balance position of maintained schools and the overall Dedicated Schools Grant (DSG) as at 31st March 2016.

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 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 2015 £m (original published balances)	31st March 2015 £m (amended for in-year academy conversions)	31st March 2016 £m	Change £m
Nursery Schools	0.5	0.5	0.6	+0.1
Primary Schools	11.0	10.6	13.7	+3.1
Secondary Schools	0.0	0.0	0.0	0.0
Special Schools	1.5	1.1	1.1	0.0
Pupil Referral Units (PRUs)	0.1	0.1	0.1	0.0
Sub Total	13.1	12.3	15.5	+3.2
Other Balances (incl. Pools and Contingency Funds, Community Focussed Extended Schools and Sports Centres)	6.6	6.6	3.9	-2.7
TOTAL	19.7	18.9	19.4	+0.5

- 2.2 **Appendix A** provides maintained school revenue balances as at 31st March 2016. 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 2016 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:

- Additional funding as part of the Minimum Funding Levels (MFL) allocation in 2016/17.
- 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 2015/16 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	4	0	0	4
£10k - £20k	0	7	0	0	7
£20k - £60k	2	45	1	0	48
£60k - £100k	2	61	0	2	65
£100k - £150k	3	32	0	0	35
£150k - £200k	0	6	0	1	7
£200k - £300k	0	5	0	2	7
£300k - £400k	0	2	0	1	3
£400k+	0	0	0	0	0

2.5 The following table shows the number of maintained 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 31.3.16	Schools with an excess > 16% ISB / £80k and <u>below</u> the floor targets 31.3.16	Schools with an excess > 16% ISB / £80k and <u>above</u> the floor targets 31.3.16
Nursery	0	0	4
Primary	10	1	28
Secondary *	0	0	0
Special	0	0	1
Total	10	1	33
* Secondary below floor target % excess limit is 5% ISB. General excess limit is 10% ISB.			

2.6 The table on the following page shows the number of maintained schools that ended 2015/16 with a deficit revenue balance:

Sector	Schools with Reported Deficit Balances as at 31st March 2016
Nursery	0
Primary	3
Secondary	0
Special	1
Total Schools	4

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	1	0	1	2
£10k - £20k	0	2	0	0	2
£1k - £10k	0	0	0	0	0

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, at least 4 maintained schools will be required to apply for a deficit licence for 2016/17.

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 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 maintained schools submitted by the 31st March 2016 deadline. 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 2015/16 and the total amount to be carried forward to 2016/17. 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 2015-16 before Academy recoupment			412,749
Academy figure recouped for 2015-16			170,610
Total DSG after Academy recoupment for 2015-16			242,139
Brought forward from 2014-15			4,560
Carry forward to 2016-17 agreed in advance			0
Agreed initial budgeted distribution in 2015-16	54,101	192,599	246,699
In year adjustments	0	972	972
Final budget distribution for 2015-16	54,101	193,571	247,671
Less: Actual central expenditure	51,649		
Less: Actual ISB deployed to schools		193,571	
Plus: Local authority contribution for 2015-16	0	0	0
Carry forward to 2016-17	2,452	0	2,452

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 reduced from the levels held at the end of 2014/15 due to:

- Ongoing commitments to Early Years 2 Year Old projects.
- Additional support to growth fund.
- Funding of Primary Social Emotional and Mental Health (SEMH) pilot
- Pressures within High Needs Block – (Pupils with statements/EHCPs)
- Pressures in SEN Placements and Out of School Tuition Budgets.

6.4 In 2016/17 DSG carry forward will be used to fund:

- Residual commitments on Early Years projects.
- Continued rollout of Primary SEMH pilot.
- Temporary increase in Education Other Than At School (EOTAS) devolution for September 2016 – March 2017 to reflect new schools and growth.
- Pressures within DSG funded activities (Growth, High Needs etc.)

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 2016/17 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 and approve the planned use of DSG carry forward as set out in 6.4.

Appendix 1 (School Revenue Balances as at 31st March 2014, 31st March 2015 and 31st March 2016):

School Name	2013/14 £	2014/15 £	2015/16 £
Brunswick Nursery School	92,337	88,869	112,840
Colleges Nursery School	58,547	17,499	54,590
Histon Early Years Centre	105,525	155,005	143,194
Homerton Children's Centre	48,114	43,558	94,999
Huntingdon Nursery School	84,194	45,334	79,327
Kings Hedges Nursery School	86,362	104,346	105,741
The Fields Early Years Centre	74,165	78,221	42,188
Abbey Meadows Primary School	157,833	49,256	88,094
Abbots Ripton Primary School	17,779	27,643	61,448
Alconbury Primary School	108,492	45,613	45,228
Arbury Primary School	271,284	154,754	141,833
Ashbeach Primary School	43,460	34,641	57,345
Babraham Primary School	38,348	34,616	40,808
Bar Hill Primary School	91,156	83,914	80,675
Barnabas Oley Primary School	4,483	2,361	5,405
Barrington Primary School	33,052	25,792	25,495
Barton Primary School	28,640	29,530	45,068
Bassingbourn Primary School	142,598	93,942	85,559
Beaupre Primary School	44,435	40,418	59,855
Bellbird Primary School	155,849	100,620	99,103
Benwick Primary School	52,296	57,930	83,455
Bewick Bridge Community Primary	88,365	71,481	35,334
Bottisham Primary School	28,455	-8,583	33,313
Brampton Village Primary School	50,291	53,128	56,318
Brington Primary School	129,488	100,858	97,661
Burrough Green Primary School	23,386	33,147	36,437
Burwell Primary School	75,088	55,309	101,049
Bushmead Primary School	25,714	31,233	42,496
Caldecote Primary School	87,254	193,214	132,101
Castle Camps Primary School	53,192	50,422	56,636
Cavalry Primary School	213,615	171,459	145,521
Cherry Hinton Primary School	108,028	108,123	80,881
Cheveley Primary School	67,653	13,727	20,180
Clarkson Infant School	91,566	101,083	115,499
Coates Primary School	88,946	81,536	108,704
Colville Primary School	31,616	23,937	55,610
Coton Primary School	29,149	30,757	60,095
Cottenham Primary School	111,853	92,526	147,710
Ditton Lodge Community Primary	113,812	147,190	149,068
Downham Feoffees Primary School	9,899	20,765	10,358
Dry Drayton Primary School	7,872	27,929	41,058
Duxford Primary School	50,403	69,706	67,537
Earith Primary School	10,672	32,432	29,008

School Name	2013/14 £	2014/15 £	2015/16 £
Eastfield Infant School	147,429	100,902	84,905
Elm Primary School	42,184	76,859	71,340
Elm Road Primary School	126,592	81,096	56,009
Elsworth Primary School	24,100	34,897	35,435
Elton Primary School	7,018	9,128	70,351
Ely St John's Primary School	78,565	47,884	60,268
Eynesbury Primary School	56,011	32,755	41,460
Fawcett Primary School	106,104	59,781	81,003
Fen Ditton Primary School	82,098	67,562	108,774
Fen Drayton Primary School	26,952	27,482	50,265
Fenstanton and Hilton Primary School	52,740	30,170	57,492
Folksworth Primary School	62,967	58,323	94,209
Fordham Primary School	66,724	56,790	91,682
Fourfields Primary School	301,099	270,091	327,901
Fowlmere Primary School	64,292	55,946	95,946
Foxton Primary School	48,133	36,237	33,691
Friday Bridge Primary School	106,430	73,414	50,928
Fulbourn Primary School	102,832	58,269	92,231
Gamlingay First School	49,366	38,198	65,724
Girton Glebe Primary School	1,654	45,659	95,158
Glebelands Primary School	59,882	86,884	108,114
Gorefield Primary School	128,168	143,941	162,060
Great Abington Primary School	51,762	39,769	63,213
Great Gidding Primary School	3,435	-2,586	16,832
Great Paxton Primary School	24,629	36,199	12,264
Great Wilbraham Primary School	17,232	40,378	63,252
Grove Primary School	226,323	278,696	246,427
Gt & Lt Shelford Primary School	14,240	-5,118	23,318
Guilden Morden Primary School	12,106	-1,871	-17,180
Guyhirn Primary School	24,936	75,854	107,203
Hardwick and Cambourne Primary	42,183	39,840	61,280
Harston & Newton Primary School	118,935	110,802	96,649
Hartford Infant School	100,237	122,473	136,810
Hartford Junior School	76,359	69,070	76,739
Haslingfield Primary School	50,314	63,298	95,526
Hauxton Primary School	5,997	5,268	14,357
Hemingford Grey Primary School	70,446	84,877	97,993
Holme Primary School	67,638	59,669	72,013
Holywell Primary School	17,641	33,415	53,875
Houghton Primary School	10,570	21,255	73,512
Huntingdon Primary	45,898	62,467	148,039
Icknield Primary School	42,243	16,584	25,851
Isleham Primary School	56,099	36,692	55,704
Jeavons Wood Primary School	55,125	57,812	126,858
Kettlefields Primary School	22,004	48,218	95,532
Kinderley Primary School	46,831	55,291	63,281
Kings Hedges Primary School	340,548	235,993	236,748

School Name	2013/14 £	2014/15 £	2015/16 £
Lantern Primary School	107,039	60,738	86,658
Linton Heights Junior School	26,198	32,634	21,132
Linton Infant School	48,295	43,870	86,226
Lionel Walden Primary School	108,815	81,268	113,754
Little Paxton Primary School	81,976	96,721	156,160
Little Thetford Primary School	52,389	29,037	12,444
Littleport Primary School	123,691	96,960	117,019
Manea Primary School	102,224	101,981	106,625
Mayfield Primary School	157,929	123,273	92,894
Melbourn Primary School	26,790	27,547	15,889
Meldreth Primary School	78,814	99,819	133,122
Meridian Primary School	39,702	33,894	72,802
Millfield Primary School	140,854	174,626	154,150
Milton Road Primary School	19,439	3,881	-21,017
Monkfield Park Primary School	202,346	141,376	134,337
Morley Memorial Primary School	42,429	60,507	212,432
Newnham Croft Primary School	61,769	52,653	43,772
Newton Primary School	41,864	51,651	46,709
Oakington Primary School	75,956	112,721	135,630
Offord Primary School	35,973	37,351	44,676
Orchard Park Community Primary	98,779	113,484	145,953
Orchards Primary School	32,628	60,524	96,549
Over Primary School	75,342	57,216	83,956
Park Street Primary School	26,974	58,048	55,387
Alderman Payne Primary School	75,196	75,910	98,721
Pendragon Primary School	53,553	40,987	90,637
Petersfield Primary School	2,273	33,185	21,292
Priory Junior School, St Neots	106,985	72,417	86,153
Priory Park Infant School	33,185	69,917	92,862
Queen Edith Primary School	266,173	141,073	200,600
Queen Emma Primary School	77,385	76,123	224,639
Rackham Primary School	38,413	59,078	94,700
Ramsey Junior School	83,000	44,976	65,937
Ramsey Spinning Infant School	76,919	83,570	39,810
Ridgefield Primary School	36,067	49,832	97,209
Robert Arkenstall Primary School	89,816	75,065	111,461
Sawtry Infant School	38,249	59,730	47,283
Sawtry Junior School	42,497	4,769	85,306
Shirley Primary School	194,019	95,927	35,701
Somersham Primary School	34,316	27,889	85,254
Spaldwick Primary School	48,746	55,442	37,207
Spinney Primary School	40,111	4,358	77,826
Spring Meadow Infant School	81,634	38,349	152,392
St Alban's Primary School	69,321	18,398	44,362
St Anne's Primary School	57,250	31,768	31,737
St Helen's Primary School	87,612	33,934	9,905
St John's Primary School, Huntingdon	98,270	123,847	141,273

School Name	2013/14 £	2014/15 £	2015/16 £
St Laurence Primary School	77,675	115,225	109,189
St Luke's Primary School	41,738	32,739	31,917
St Matthew's Primary School	-45,483	-46,301	81,840
St Paul's Primary School	53,766	49,949	96,815
St Philip's Primary School	44,651	31,091	70,191
Stapleford Primary School	54,137	76,247	74,191
Steeple Morden Primary School	82,012	86,519	116,960
Stilton Primary School	52,675	35,324	67,149
Stretham Primary School	96,596	88,073	110,060
Stukeley Meadows Primary School	8,147	-7,805	11,344
Sutton Primary School	187,263	201,829	190,145
Swaffham Bulbeck Primary School	57,874	43,213	79,951
Swaffham Prior Primary School	60,501	78,743	91,360
Swavesey Primary School	102,307	126,852	92,948
Teversham Primary School	5,341	13,349	7,474
Thomas Eaton Primary School	28,462	2,216	-18,822
Thongsley Fields Primary School	46,004	47,326	61,591
Thorndown Primary	211,398	146,327	67,320
Thriplow Primary School	39,289	24,787	49,503
Townley Primary School	50,455	67,371	51,440
Trumpington Meadows P	11,536	10,265	35,276
Upwood Primary School	121,849	118,859	142,625
The Vine Inter-Church Primary School	109,995	77,674	88,881
Warboys Primary School	91,582	83,448	82,274
Waterbeach Primary School	195,197	123,646	89,781
Weatheralls Primary School	118,915	98,890	148,401
Westfield Junior School	102,402	49,077	50,374
Westwood Primary School	34,414	57,172	185,359
Wheatfields Primary School	153,688	167,250	315,265
Wilburton Primary School	38,665	68,688	121,182
William Westley Primary School	86,570	119,376	126,256
Willingham Primary School	23,621	16,966	20,507
Wisbech St Mary Primary School	111,078	106,560	112,803
Wyton Primary School	-11,969	-21,104	4,091
Yaxley Infant School	94,588	83,080	123,838
Trumpington Community College	0	0	42,370
Castle Special School	116,785	36,204	63,326
Granta Special School	195,907	313,265	250,591
Harbour Special School	-80,928	-46,524	-52,890
Highfield Special School	221,621	133,916	77,538
Meadowgate Special School	277,191	281,133	188,056
Samuel Pepys Special School	300,792	283,427	315,414
Trinity Special School	132,472	112,916	256,416

Please note: Houghton Primary transferred £65k from non-revenue to revenue in 15/16.
Westwood Primary now includes £65k of Maple Grove closure balance.