

Schools Balances at 31 March 2015, 2014 and 2013

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Introduction

1. This report informs the Forum of the maintained schools' balances for 31 March 2015 and provides a comparison with the two earlier years. The details are set out in the attached spreadsheet.

Overall

2. It should be noted that this report does not include details of the balances of Academies as this information is not provided to the Council.
 - Total balances for maintained schools have remained high but have decreased from £15.3m 31 March 2014 to £13.4 on 31 March 2015.
 - Capital balances have increased from to £138,055 to £311,421 as at 31 March 2015.
 - Revenue balances have decreased from £15.2m to £13.1m as at 31 March 2015.
 - School funding/budget share has been cash limited but the coalition government introduced the Pupil Premium for pupils who are or have been on free school meals from a low level to a significant level for some schools.
 - Inflationary cost increases on items such as salaries has been limited by nil or small pay awards. General inflationary price increases have been variable but overall inflation is now low or negligible.

Nursery Schools

There have been consistently high revenue balances for the four nursery schools over the last 3 years. The total for the four schools rose from a total of £707,000 in 2014 to £946,000 as at 31 March 2015. At least part of this rise is attributable to the fact that the schools have been seeking savings in anticipation of the phased reduction of the nursery school subsidy from 2015/16.

Primary Schools

This sector accounts for 75% of the total revenue balances for maintained schools at £9.8m. However, within that total there is a range of balances, from small deficit balances to a large number of significant balances. The highest amount is £524,251 (Colindale School) at 15% of the schools' budget share.

With the very limited amount of devolved formula capital given to schools, one reason for high balances that is often given by schools is that they are saving resources for a capital project. However, some schools have had large balances for all 3 years. Those with balances over 15% for all 3 years are as follows – Colindale, Livingstone and Northside. The one school with balances over 20% this year is Northside at 27%.

The following schools showed a budget deficit as at 31 March 2015 - Beis Yaakov, Menorah Foundation, Pardes House and Rosh Pinah. The local authority is aware that Beis Yaakov and Pardes House will have a recovery plan and/or a licenced deficit as part of their budget plan for 2015/16.

Secondary Schools

There are seven maintained secondary schools, only one of which has a significant balance – Finchley Catholic High at £714,866 or 12%. This school has also had a balance of over 10% for all three years. All other secondary schools have modest balances in relation to their size, except St James' which has a deficit and will have a recovery plan/licenced deficit as part of its budget plan for 2015/16.

Special Schools

There are four special schools with a range of balances. Over the three year, none of them has had consistently very high balances.

Pupil Referral Units

The two PRUs received delegated budgets in 2013/14 and need to develop longer term financial plans. Local authority officers have been working with the PRU to support this.

Action in relation to large balances

In 2014 the Forum asked the council to write to the following schools, which had had balances of 15% or more for 3 years or of 20% in 2014:

- All Saints NW2
- Annunciation Infants
- Colindale
- Hollickwood
- Livingstone
- Northside

As can be seen from the appendix, the following schools have reduced their balances to below 15%: All Saints NW2, Annunciation Infants, Hollickwood. The following schools continue to hold balances above 15%: Colindale, Livingstone and Northside. In addition St Paul's N11 now has had revenue balances over 15% for three consecutive years.

Recommendation

The Schools Forum is invited to consider the levels of balances overall and for individual schools and to ask the Council to write to schools with balances over 15% for three consecutive years or with balances of over 20% in 2015 to ask them to explain the reasons for amassing balances and plans for spending them.