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Report title:	School Balances	
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Executive Summary

This report provides the Schools Forum with details on the level of balances held by maintained schools at the end of the 2014-15 financial year.

Action for the Schools Forum

The Schools Forum is asked to note this report.

1.0 2014-15 Provisional Maintained School Balances

- 1.1 The provisional year-end balances show a total increase in balances held by schools of £2.7m; from £18.3m to £21.1m. A summary of the balances held at the end of the 2014-15 financial year is provided in the table below:

Phase	# schools	2014-15 total balances held* £	Average £
Secondary schools	3	3,158,972	1,052,991
Primary Schools	62	15,459,634	249,349
Special Schools**	9	2,140,078	237,786
Nursery Schools	5	324,141	64,828
Total**	79	21,082,825	266,871

*Revenue and capital balances

**Includes Special schools, hospital schools and the Pupil Referral Unit

***Excludes balances held by academies

2.0 School balances comparison

- 2.1 A comparison of the total revenue and capital balances held by schools over the past three years is provided in the table below.

	2014-15	2013-14	2012-13
Revenue Balances (B01, B02, B06)	19,056,553	16,352,526	15,274,973
Capital Balances (B03,B05)	2,026,272	2,025,525	2,804,871
Total Balances*	21,082,825	18,378,051	18,079,843
Increase	2,704,774	298,207	

**Excludes balances held by academies and maintained schools that have converted to academy status*

- 2.2 A summary of the total balances held by school phase over the past three years is provided in the table below.

Phase	# schools	2014-15	2013-14	2012-13
Secondary schools	3	3,158,972	2,299,335	1,545,970
Primary Schools	62	15,459,634	13,786,983	14,352,844
Special Schools*	9	2,140,078	1,858,968	1,851,276
Nursery Schools	5	324,141	432,765	329,754
Total		21,082,825	18,378,051	18,079,843

- 2.3 In total, there were three schools with deficit balances at the end of 2014-15. The schools finance team will be working with these schools as part of the 2015-16 school budget setting process.

3.0 The Balance Control Mechanism

- 3.1 Southwark continues to operate a balance control mechanism, with the operation of the mechanism relaxed in previous years. Under this arrangement the LA continues to monitor and scrutinise the level of balances held but claw back of balances would only be sought where schools are holding significant excessive uncommitted balances for excessive periods.
- 3.2 The balance control mechanism threshold is set at 5% of budget share for secondary schools and 8% of budget share for primary, special and nursery schools.
- 3.3 There are currently 49 schools (62% of maintained schools) holding balances in excess of the balance control mechanism threshold. This represents a total of £8.8m funding being held by schools in excess of the threshold levels. The Schools Forum is asked to note that this figure excludes the additional one-off funding of £4m that has been allocated to schools in 2015-16 from previous year Dedicated Schools Grant underspends.
- 3.4 A breakdown of the number of schools holding balances in excess of the threshold by phase is outlined in the table below:

Phase	No. of Schools 2014-15	No. of Schools 2013-14	No. of Schools 2012-13
Nursery	2	3	3
Primary	38	30	25
Secondary	3	2	1
Special	7	7	5
Total	50	42	34

- 3.5 A breakdown of the level of balances held as a percentage of budget share is provided in the table below:

Revenue Balances as % of Income (excluding Pupil Premium)*	Number of Schools 2014-15
>50%	2
26-50%	5
16-25%	11
11-15%	20
6-10%	22
<5%	19
Total	79

4.0 Next steps

- 4.1 Schools were requested to provide additional details on the planned use of balances as part of the schools 2015-16 annual expenditure plan submission process. The LA is currently undertaking an initial desktop review of the information provided to identify any schools that potentially meet the agreed criteria of holding significant excessive uncommitted balances for excessive periods.
- 4.2 Further details will be reported to future meetings if any schools are identified as requiring additional monitoring and scrutiny of the balances held.

5.0 Action for the Schools Forum

- 5.1 The Schools Forum is asked to note this report.