



Report to Schools Forum

Date: 30th June 2020

Title: School Balances as at 31st March 2020

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Recommendations: To note the surplus and deficit balances for maintained schools as at 31 March 2020.

Reason for decision: for information

1. Purpose of the Report

1.1. This report is for information and looks at the balances at the financial year end for the 167 maintained schools in Buckinghamshire. Academies account for their own balances and report to the Department for Education.

2. Overall position

2.1. Overall schools revenue balances are £11.84m in surplus, a decrease of £0.24m compared to 2018/19. Capital balances also decreased by £0.79m to £2.28m.

Type	No. of Schools	No. of Pupils	Total Income	18/19 Revenue Balance	19/20 Revenue Balance	Movement Revenue Balance
Nursery	2	197	1,275,959	-434,541	-288,690	145,851
Primary	149	35,213	181,107,419	-9,958,306	-9,947,529	10,777
Secondary	6	6,386	37,297,457	-107,277	-160,204	-52,927
Special	8	1,113	27,184,414	-1,355,576	-1,014,855	340,721
PRU	2	18	2,274,716	-225,365	-431,879	-206,514
Total	167	42,927	249,139,965	-12,081,065	-11,843,157	237,908

2.2. Total Income includes all sources of funding including government grants and school generated income.

3. Surplus schools

3.1. There are 18 schools with surpluses greater than £10,000 and over 15% of all income as per the Buckinghamshire Council's scheme. Of these 13 had surpluses which increased in 2019/20. 5 had in year deficits. See table below:

Schools in Surplus	18/19 Revenue Balance	19/20 Revenue Balance	Movement Revenue Balance	Balance as a % of Income
Westfield School	-424,469	-500,085	-75,616	31.4%
Swanbourne CE School	-277,372	-229,407	47,965	30.5%
Whaddon CE School	-88,167	-115,857	-27,690	29.6%
Thornborough Infant School	-33,313	-69,481	-36,168	24.8%
Hannah Ball Infant School	-304,994	-239,332	65,662	24.1%
Bucks Primary PRU	-181,117	-337,640	-156,523	23.7%
Marsworth CE Infant School	-48,461	-61,402	-12,941	22.6%
Elmtree School	-182,977	-265,223	-82,246	20.7%
Dagnall School	-25,052	-63,318	-38,266	20.1%
Bierton CE Combined School	-222,741	-271,389	-48,648	19.4%
Speen CE School	-49,598	-47,909	1,689	18.6%
Drayton Parslow Village School	-112,714	-70,398	42,316	18.5%
Brushwood Junior School	-150,591	-236,156	-85,565	17.6%
St Peter's CE Combined School	-249,788	-214,773	35,015	17.0%
Mursley CE School	-37,749	-84,443	-46,694	16.7%
Curzon CE Combined School	-51,679	-124,233	-72,554	16.7%
Cheddington Combined School	-131,224	-151,899	-20,675	16.5%
Foxes Piece School	-102,195	-184,541	-82,346	15.3%

3.2. Appendix 1 – Shows the position for these schools over the last 5 years.

3.3. The Schools Accountancy Support Team have attempted to speak to all the schools to find out what future plans they have to reduce their surplus, a summary is provided below:

School	Plans to reduce surplus
Westfield School	Building Expansion Project – Contract Awarded Start June 2020 end March 2021
Swanbourne	External Building Works – Possible Hall expansion. Loss of income
Whaddon CE School	Saving for an classroom (Planning in place) – Expansion to Combined
Thornborough	No response
Hannah Ball Infant School	New doors/Covered Walkway/Covered outside Areas/Falling Rolls
Buckinghamshire Primary PRU	Restructure of SMT/Problems recruiting, unusually have EHCP pupils which is managed within the normal staffing Premises/ICT Upgrades
Marsworth CE Infant School	Expecting Decrease in High Needs funding (Loss of EHCP's) – Building improvements – IT improvements
Elmtree School	Transfer to academy 1 st July 2020
Dagnall	Currently going through expansion to combined/Roofing
Bierton	Staffing changes due expansion, furniture, premises refurb costs, increase in SMT
Speen CE School	Held in reserve to support school while numbers are low
Drayton Parslow	Improve the playground and ICT
Brushwood Junior	Bulge Year due to leave in the future, timing of staff changes may not coincide/ongoing building works
St Peter's CE Combined School	Looking to carry out premises and IT projects (Summer 2020)
Mursley	External Play Area – Early Years
Curzon CE Combined School	Academy from 1 st June 2020
Cheddington Combined School	Improvement works, staffing changes
Foxes Piece School	No response

4. Schools with deficits

4.1. A summary of all schools with deficits at 31 March 2020 is shown in Appendix 2.

The majority of schools listed in Appendix 2 are already receiving support from the Schools Accountancy Support Team.

4.2. Section 4.5 of the Buckinghamshire Council Scheme for Financing Schools requires the governing body to seek authorisation from the Authority if it intends to set a deficit budget. The Authority is able to license a deficit budget where the governing body provides details of the steps being taken to fully recover the deficit, usually within 3 financial years. In exceptional circumstances this may be increased to a 5 year recovery period. In the event that a school is unable to set a balance budget over three years may trigger a “Notice of Concern”. Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions which may include:

- A requirement that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body
- requirements for the provision of monthly accounts to the authority
- regular financial monitoring meetings at the school attended by authority officers
- etc

4.3. In October 2019 the Schools Accountancy Support Team agreed a Service Offer for Schools in Financial Difficulties with the Maintained Schools Sub-Committee of Schools Forum. This service offer outlines the roles and responsibilities of the Schools Accountancy and Support Team and of school governing bodies in relation to addressing school deficit budgets. The Service Offer is attached as Appendix 3 to this report.

4.4. In December 2019 the Finance Business Partner (Schools) wrote to the Chair of Governors for all maintained schools which had submitted a deficit budget for 2019-20 requesting

- 1) an explanation of why the deficit has arisen
- 2) detailed steps the school intends to take to reduce expenditure or increase income to recover the deficit
- 3) an assessment of risks associated with these planned actions
- 4) submission of a revised and balanced medium term plan

4.5. 36 letters were sent out requesting explanation for deficit schools. A further 4 schools that had submitted deficit plans in May 2019 and were still believed to be in

deficit were sent letters regarding non-compliance with submission for Q2 reforecasts.

- 35 responses were received in total
- 8 schools submitted revisions that indicated a return to surplus which was achieved. All ended the year in surplus.
- An additional 4 schools had improved their position and returned a surplus at the year end. 7 of these schools indicated that a surplus position would not be achieved within the required 3-5 year timeline.
- The remaining 7 schools that responded did not show a balanced medium term plan or recovery.

4.6. Budget submissions for 2020-21 are currently being reviewed and those schools submitting a deficit budget will be contacted to establish the plans for recovery. In addition to ensuring that schools and governing bodies are considering the actions that need to be taken to recover any deficit, this also ensures that the Schools Accountancy Support Team can prioritise support where required.

5. Background information:

'Scheme for financing schools' - agreed by Schools Forum.

[Scheme for financing Schools | SchoolsWeb](#)

4.2 Controls on surplus balances

Schools that have excessive surplus balances will be required to report to Schools forum on an annual basis. Excessive surpluses are defined as 15% or more (on all the school's income) for the last 5 years and at least £10,000 each year. The authority reserves the right to clawback excessive surpluses following consultation with Schools Forum.