

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **LIFELONG LEARNING OVERVIEW & SCRUTINY COMMITTEE**

DATE: **THURSDAY, 4TH DECEMBER, 2014**

REPORT BY: **CHIEF OFFICER (EDUCATION AND YOUTH)**

SUBJECT: **SCHOOL BALANCES**

1.00 PURPOSE OF REPORT

- 1.01 This report sets out Flintshire school balances for year ending March 2014.

2.00 BACKGROUND

- 2.01 The balances for each school in Flintshire as at the end of March 2014 are attached at appendix 1.
- 2.02 The overall position for Flintshire schools shows a decrease in net surplus balances from £2.608m in March 2013 to £2.172m in March 2014, a decrease of £436k (17%) in overall balances.
- 2.03 In Flintshire the net balances per pupil is £95 compared with the national average of £132; this ranks Flintshire as 19 out of the 22 authorities in Wales in terms of the level of balances held by schools. The negative balances per pupil in Flintshire are -£18 compared with the national average of -£29. The national statistical release is shown at appendix 2.
- 2.04 Secondary School balances have decreased from £529k in March 2013 to £115k in March 2014, a decrease of £414k (78%). The range of balances is a surplus of £131k (St David's High School) to a deficit of £147k (Holywell High School). Three secondary schools have deficit balances.
- 2.05 Primary School balances have decreased by \$144k (8%). The range of balances is between a surplus of £133k (Bryn Gwalia) to a deficit of £26k (Gronant). There were 10 primary schools with deficits totalling £130k compared to March 2013 when there were 9 schools with deficits totalling £149k. There were 10 primary schools with balances greater than the £50k limit set by Welsh Government compared with 16 the previous year. The spread of primary school balances greater than the £50k limit is shown in the table 1 below.

Table 1 – Primary School Balance Analysis

Balances	Numbers	
	12/13	13/14
£50 - £59k	4	4
£60- £69k	5	3
£70- £79k	4	2
£80- £89k	1	0
£90- £100k	2	0
100k +	0	1
Total numbers	16	10

- 2.06 Specialist school balances have increased by £122k (67%).
- 2.07 Flintshire Scheme for Financing Schools Section 4 includes the following:
- (a) the Authority **may** direct the governing body as to how to spend a surplus in the school balance for a funding period, if–
 - (i) in the case of a primary school the surplus is £50,000 or more, and
 - (ii) in the case of a secondary school or a special school the surplus is £100,000 or more;
 - (b) the Authority will, if the governing body do not comply with such a direction within an agreed timescale, require the governing body to pay all or part of that surplus to the authority to be applied as part of the Authority schools budget for the funding period in question.
- 2.08 There has been robust challenge of schools with balances over the recommended limits, all schools have had to submit spending plans. There are no plans to claw back any balances from schools.

3.00 CONSIDERATIONS

- 3.01 School balances need to be considered with reference to the likely pressures on school budgets in the coming financial years. The authority has actively targeted high balances however we need to be mindful of the risk of financial pressures and the resilience of schools and this may require a degree of flexibility in future years.

4.00 RECOMMENDATIONS

- 4.01 Scrutiny members are asked to note the continued decrease in Flintshire schools' balances and to endorse the action taken.

5.00 FINANCIAL IMPLICATIONS

5.01 Schools with low levels of balances may find it difficult to manage their budgets in the difficult financial climate.

6.00 ANTI POVERTY IMPACT

6.01 None.

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 None.

9.00 PERSONNEL IMPLICATIONS

9.01 None.

10.00 CONSULTATION REQUIRED

10.01 None.

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix 1 – School Balances at as end of March 2014
Appendix 2 – National Statistical Release on Schools Reserves

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

None.

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