

MEETING	SCHOOLS BUDGET FORUM
DATE	30 June 2015
TITLE	Schools Final Accounts Financial Year 2014/15
PURPOSE	Present for your information
RECOMMENDATION	For approval
REPORT BY	Arwyn Thomas, Head of Education
CABINET MEMBER FOR EDUCATION	Cllr Gareth Thomas

1 Finalized Accounts 2014/15

1.1 Appended for your information details of school balances on 31 March 2015 (appendix 1).

1.2 Summary of school balances on 31/03/2015 -

	Percentage 31/03/2014		increase/reduction 31/03/2015		percentage
Primary	7.26%	£2,567,330	+£46,436	£2,613,766	7.32%
Secondary	3.30%	£1,139,969	-£319,914	£820,055	2.45%
Special	3.20%	£69,547	-£7,787	£61,760	2.80%
Total	5.24%	£3,776,846	-£281,267	£3,495,480	4.89%

1.3 Overall, balances of all schools in Gwynedd have reduced by £281,267 during 2014/15 to £3,495,580, equivalent to 4.89% of their final allocation.

1.4 15 schools have a financial deficit at the end of 2014/15 to the value of £327,873, compared to 7 at the end of 2013/14 to the value of £116,313.

- 9 Primary Schools have a total deficit of £111,677 (vary between £780 and £52,579)
- 5 Secondary Schools have a total deficit of £190,742 (vary between £17,943 and £94,128)
- 1 Special School with a deficit of £25,454

1.5 In accordance with what occurred in 2012/13 and 2013/14, there is a substantial reduction in Secondary school balances and an increase in Primary School balances.

2 Use of Balances Guidance Plan.

2.1 The Education Department has the power to instruct the governing body on how to spend the element of their balances that exceeds the £50,000 threshold for Primary Schools and £100,000 for Secondary and Special Schools.

2.2 Details of the implementation procedure

- **Balances exceeding 5%** : In compliance with Schools Funding Scheme (clause 4.2) schools who have balances of over 5% of their allocation have a statutory requirement to report to the LEA on the use that the school intends to make of the balances (the Governing Body is expected to agree on the school's response to the questionnaire). This is done through issuing the appropriate questionnaire (Appendix 2).

Time-table: questionnaire to be returned by 17 July 2015

- **Balances exceeding £50,000/£100,000 threshold** : Identify Schools balances on 1 April, adding calculation of the balances exceeding the appropriate threshold (appendix 2). The schools concerned are requested to report to the LEA on the use that the school intends to make of their balances (the Governing Body is expected to have agreed on the school's response to the questionnaire). That is done through issuing an appropriate questionnaire (appendix 2).

Time-table: questionnaire to be returned by 17 July 2015

- **Guidance for Governing Body**

Following a review of schools response to the above two requests, if appropriate, I will instruct the Governing Body with balances in excess of the £50,000/£100,000 threshold how to spend an element of their balances and seek confirmation that they will spend in compliance with the instruction.

I will also contact schools who have balances exceeding 5%, but below the threshold, if the questionnaire on use of balances is vague and/or that the reasons given are unacceptable or vague.

Time-table: October 2015

- **Surplus payment to the LEA**

Review whether a school has followed the guidance, and if they have not, notify the school of the financial amount immediately transferred from the school budget to the schools budget.

Time-table – December 2015

2.3 Column 'F' in appendix 1 indicates the financial amounts exceeding the thresholds.

2. Conclusion

2.1 Gwynedd Primary Schools total and percentage balances remain high and still cause concern.

2.2 Another cause for concern is that Gwynedd has any school with a financial deficit, and the increase in the number of schools and the value of the deficit.

3. Recommendation

3.1 The Education Department and Finance Department should closely collaborate with schools who have a financial deficit to ensure that they clear the deficit as soon as possible.

3.2 The Education Department and the Finance Department should review the current school budgets monitoring arrangements.

3.3 When dealing with balances, it is imperative to consider the challenge that schools face in finding substantial financial savings in the financial years 2016/17, 2017/18 and beyond. There should also be an awareness of the financial impact of a projected further reduction in Secondary School pupil numbers of over £800,000 between 2016/17 and 2017/18.