

**SLOUGH SCHOOLS FORUM**  
**4 July 2012**

---

**Schools' Outturn for the Financial Year 2011-12**  
**(Director of Education & Children's Services)**

**1 PURPOSE OF REPORT**

- 1.1 To update members of the Schools' Forum on:
- The balances held at the end of the 2011-12 financial year
  - The comparison between balances held at the end of the 2010-11 and 2011-12 financial years.

**2 RECOMMENDATIONS**

- 2.1 That Schools' Forum notes the outturn across 2011-12 based upon year end returns from schools.
- 2.2 That Schools Forum notes the work in progress to review balances in excess of the balance control mechanism thresholds.

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 It is appropriate for the Schools' Forum to be aware of, and comment on, the balances held by schools at the end of the financial year.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable.

**5 SUPPORTING INFORMATION**

**School Balances at 31<sup>st</sup> March 2012**

- 5.1 The School Standards and Framework Act 1998 provides a statutory requirement for the balance of expenditure made by each school compared to its budget share to be carried forward into the next financial year. This applies to both surplus and deficit balances. At the end of 2011-12 the unadjusted revenue balances held by maintained schools were £10,124,826.
- 5.2 This represents an increase of £1,619,688 or 19% on the same figures for 2010-11. Appendix A shows the opening revenue balances for 2011-12 together with the in-year movement and the closing revenue balance. It should be noted that schools that had converted to academy status by 31 March 2012 have been excluded from this calculation.

5.3 Willow Primary School ended the year with a small deficit as a result of an exceptional one-off payment. The Schools Finance Team is continuing to support the school on financial management issues. In addition, Haybrook College recorded a deficit on Alternative Provision. The Headroom report elsewhere on this agenda recommends a one-off payment to Haybrook (£150,000) to cover the deficit in 2011-12 and an increase in PRU funding (£230,700) for 2012-13 in order to address the funding issue for the current financial year.

#### 5.4 **Balance Control Mechanism**

5.5 Schools' Forum will be aware that Slough's Scheme for Financing Schools incorporates an updated Balance Control Mechanism to be applied where balances exceed 5% (Secondary Schools) or 8% (Primary, Special and Nursery Schools) of their funding.

5.6 Appendix B identifies those schools that have unadjusted balances greater than those thresholds.

5.7 It should be noted that unadjusted balances exclude any commitments or grants that the schools may have in relation to those balances.

5.8 Schools' Forum should also note the following extract from that the updated guidance on the Balance Control Mechanism:

*“Local Authority finance officers will identify schools exceeding the threshold and not providing full supporting documentation for their planned use of their revenue balance and these will be referred to a Schools Forum sub-group which is representative of all phases. The sub-group will review plans and documentation and recommend to Schools Forum any amounts to be clawed back. Those amounts will be reallocated across all maintained schools using the local formula.”*

5.9 Local Authority finance officers will continue to review plans and documentation and report back to Schools Forum in September.

## 6 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

6.1 The relevant legal provisions are contained within the main body of this report.

### Section 151 Officer – Strategic Director of Resources

6.2 The financial implications of the report are outlined in the supporting information.

### Access Implications

6.3 There are no access implications.

## **7 CONSULTATION**

### Principal Groups Consulted

7.1 None.

### Method of Consultation

7.2 Not applicable.

### Representations Received

7.3 Not applicable.

### Background Papers

Appendix A – Opening and Closing Balances 2011-12

Appendix B – Unadjusted Balances Compared to Balance Control Mechanism Thresholds.

### Contact for further information

Wendy Sagar, Interim Strategic Education Finance Business Partner  
(Education & Children's Services)  
(01753 875627) wendy.sagar@slough.gov.uk