

## ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	<b>11 July 2013</b>	<b>AGENDA ITEM:</b>	<b>04</b>
Title:	<b>2012-13 Schools Block Budget Outturn and School balances</b>		
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### **1 PURPOSE OF REPORT**

- 1.1 This paper summarises the final outturn position of the 2012-13 Schools Block Budget, and the level of maintained school balances held at 31 March 2013.

### **2 SCHOOLS FORUM ARE RECOMMENDED TO NOTE:**

- 2.1 **The outturn for the 2012-13 central Schools Block Budget was an underspend of £1,248k, and the Dedicated Schools Grant reserve, including balances of £208k brought forward from previous years, stands at £1,456k at the 31 March 2013.**
- 2.2 **Proposals for the use of the unallocated surplus will be brought to Schools Forum in October 2013.**
- 2.3 **Maintained schools' balances, excluding income from loans, increased by £370k to £3.412 million (5.2%) during 2012-13.**
- 2.4 **49 out of 54 maintained schools ended 2012-13 with a surplus. 23 of these had balances over 5% (secondary) or 8% (nursery or primary). 5 schools ended the year in deficit.**

### **3 Schools Budget outturn 2012-13**

- 3.1 The Individual Schools Budget (ISB) delegated to schools is treated as spent as soon as it is delegated, so the Schools Block Budget outturn position relates only to central expenditure in the Schools Budget.
- 3.2 The outturn for the 2012-13 central Schools Budget was an underspend of £1,248k, £185k more than the £1,063k projected underspend reported to Schools Forum at its last meeting in March. When added to the £208k balance of funding carried forward from previous years, the final carried forward figure at 31 March 2013 is £1.456m, as shown in table 1:

<b>Table 1 DSG reserve</b>	<b>£000</b>	<b>£000</b>
DSG balance at 31 March 2012		£1,025
Allocation to support 2012-13 budget	(£317)	
In-year allocation to schools and PVI <sup>1</sup>	(£500)	(£817)
Remaining brought forward surplus		£208
DSG surplus in 2012-13		£1,248
<b>DSG reserve carried forward to 2013-14</b>		<b>£1,456</b>

- 3.3 The main reasons for the variances have been reported to Schools Forum during the course of the last financial year. These are summarised below, with a more detailed table show at **Annex A**.
- 3.4 Over half (£742k) of the £1,248k 2012-13 underspend related to high cost Special Educational Needs budgets. Although the number of out-borough placements was in line with budgeted numbers, the average cost of those placements was some £4k less than the £60k per placement used to set the budget. Income received from other local authorities for their SEN pupils in RBWM schools also exceeded budget by £200k, and in year allocations to schools and academies for high needs statements were around £70k less than budgeted for. Where we know these are recurring structural underspends, adjustments have been made to 2013-14 central SEN budgets. 2013-14 sees the introduction of significant changes to the funding of high needs pupils, (including baseline adjustments to RBWM's 2013-14 DSG High Needs allocation, the transfer of responsibility for SEN pupils aged 19-25, the removal of SEN OLA recoupment arrangements, and the introduction of a new 'place' and 'top-up' funding system for pre and post 16 SEN pupils). It is difficult at this early stage to predict the full financial impact of all of these changes on the budget.
- 3.5 There was a £224k underspend in central teaching services budgets (including the Pupil Referral Unit, Cognition and Learning), partly due to reduced staff costs, but in large part also due to a very limited call on historical budgets totalling over £100k for the Behaviour Support Partnership (now ceased) and placements in the Berkshire Adolescent Unit. There has been a partial redistribution of these budgets in 2013-14.
- 3.6 Schools and early years providers benefitted from an in-year allocation of £500k from DSG reserves and a further £300k allocation from central schools budgets, equivalent to an additional £41 per pupil.

### **Use of DSG underspend brought forward from 2011-12 and 2012-13**

- 3.7 The 2012-13 surplus will be added to the DSG reserve to be carried forward to future years as shown in table 2. In the March 2013 meeting, Schools Forum agreed to allocate £500k of the surplus to the 2013-14 Schools Budget (col c in table 2). There was a further proposal to allocate £500k in 2014-15 from reserves. Some Forum members were concerned about the longer term sustainability of this proposal. Consequently, a new proposal on this point will be brought back to Forum in at the October meeting along with proposals for the allocation of the remaining surplus. Some of these proposals may be shared electronically with Forum members before the end of the summer term on matters that require an early view from Forum.

<sup>1</sup> This was the first of two such allocations in 2012-13. The second allocation of £300k was made in March 2013, and funded from the 2012-13 DSG allocation, not from the brought forward reserve.

<b>Table 2: DSG reserve</b>	<b>a</b> <b>2011-12</b> <b>£000</b>	<b>b</b> <b>2012-13</b> <b>£000</b>	<b>c</b> <b>2013-14</b> <b>£000</b>	<b>d</b> <b>2014-15</b> <b>£000</b>
Opening Balance		£1,025	£1,456	£956
Base budget allocation		(£317)	(£500)	(£500)*
One Off Allocation funded from surplus		(£500)		
In Year DSG Surplus / Deficit		£1,248		
Closing Balance	£1,025	£1,456	£956	£456

\* To be confirmed following further discussion

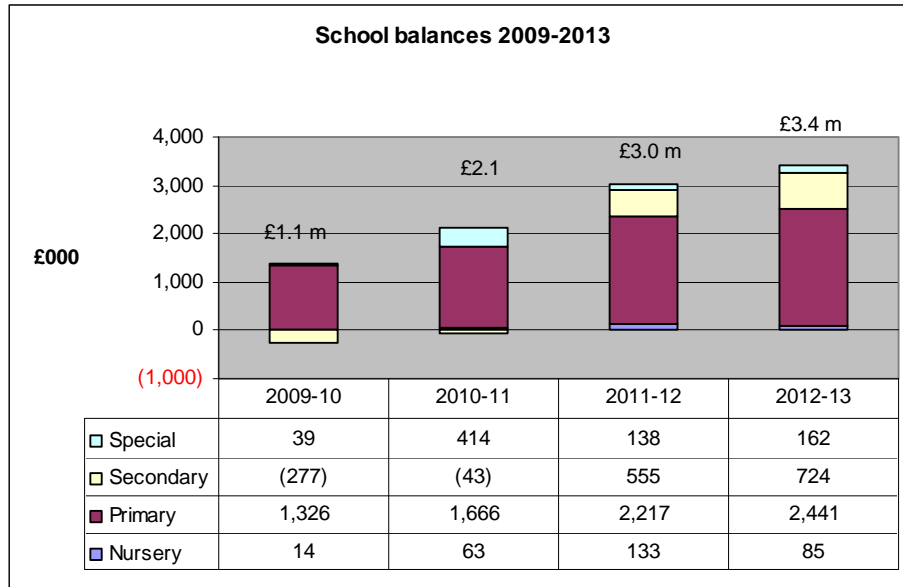
## 4 School balances

- 4.1 This section analyses maintained school balances at the end of 2012-13 and looks at trends over the last 4 years. As RBWM no longer holds information on academy school balances, the analysis only includes RBWM maintained schools to enable comparisons on a like-for-like basis. Figures have also been adjusted for the few schools whose balances include loan income, in order to present the underlying deficit position of such schools. **Annex B** provides details of school balances.
- 4.2 Schools carried forward a net total of £3.412 million (5.2% of 2013-14 budget share) at the end of the financial year to 31 March 2013, which was an increase of £0.369 million (12% increase) compared with 31 March 2012. (See table 3).

<b>Table 3 – Maintained schools balances at 31 March 2013</b>					
<b>Schools with surpluses</b>	<b>Nursery</b>	<b>Primary</b>	<b>Secondary</b>	<b>Special</b>	<b>Total</b>
Number of schools	3	39	6	1	<b>49</b>
Total surplus (£000)	£85	£2,467	£1,300	£162	<b>£4,014</b>
<b>Schools with deficits</b>					
Number of schools	0	3	2	0	<b>5</b>
Total deficit (£000)	<b>£0</b>	<b>(£26)</b>	<b>(£576)</b>	<b>0</b>	<b>(£602)</b>
<b>Net carry forward £000</b>	<b>£85</b>	<b>£2,441</b>	<b>£724</b>	<b>£162</b>	<b>£3,412</b>

- 4.3 The overall increase in the level of balances reflects the combination of a small reduction in the level of deficit balances, and a much larger net increase in surplus balances. Deficit balances have reduced by £20k in total from £621k to £602k, primary surplus balances have increased by £250k (11% increase) and secondary surplus balances have increased by £124k (10% increase).
- 4.4 This is the fourth consecutive year that school balances have increased, although the rate of increase has slowed in the last year (see diagram 1). Since 2009-10 there has been a threefold increase in net balances, from £1.1 million in 2009-10 to £3.4 million in 2012-13. This rise in balances seems less to do with the small reduction in the number of schools with deficits over the same period, than with schools holding on to funds in anticipation of future budget pressures arising from pupil variation, or to fund specific capital projects. In 2012-13, additional budget allocations late in the financial year may have contributed to the overall increase in balances, but schools were also likely to have been wary of the potential future impact of the new funding reforms on their 2013-14 budget allocations.

**Diagram 1 – Year on year increase in net balances**

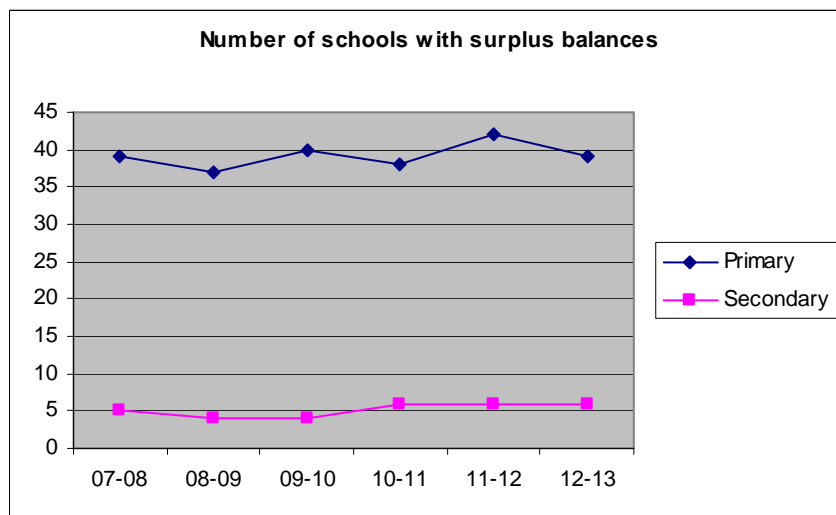


4.5 The largest proportionate net increase was in the secondary sector and mainly due to an increase of £131k in Churchmead’s surplus bringing it to £491k (15% of budget share). Nursery schools were the only sector where balances reduced on the previous year.

**Surplus balances**

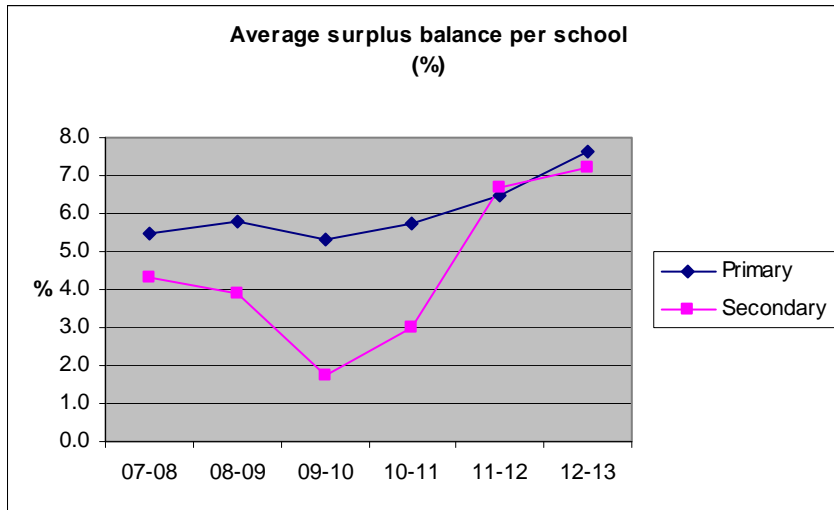
4.6 Despite the increase in the level of surpluses, the number of schools in surplus actually reduced from 52 to 49 (diagram 2). This is as a result of three primary schools going into deficit. No schools moved from deficit into surplus.

**Diagram 2 – Primary and secondary maintained schools with surpluses**



4.7 The average primary surplus (£63k) increased from 6.5% to 7.6% of budget share and the average secondary surplus (£217k) increased from 6.7% to 7.2% of budget share, continuing the upward trend seen over the last four years. Primary surpluses ranged from 0.1% of budget share (St. Francis) to over 22% (South Ascot), whilst secondary surpluses ranged from 0.4% (St Peters Middle) to 15% (Churchmead) (diagram 3).

**Diagram 3 –average surplus balances have increased**



4.8 Schools are funded each year based mainly on the number of pupils actually on roll. The expectation is that the resources are spent on those pupils, with a small allowance for future planning, projects and operational risks. The Government, whilst relaxing the rules on clawbacks, is still keen to ensure that schools do not hold unnecessary and excessive surpluses (defined as 5% secondary, and 8% other schools). 19 out of 45 (42%) primary and nursery schools had closing balances over 8%, two more than last year. 4 out of 8 (50%) secondary schools had a balance over 5%, the same number as last year. Table 4 shows the level of surpluses of the 23 schools and the value of balances above the threshold. The total value of surpluses of schools that hold balances above the threshold was £2.9 million, of which £1.2 million was over that threshold.

	Nursery	Primary	Secondary	Total
Number of schools	2	17	4	<b>23</b>
Total surplus (£000)	£53	£1,723	£1,219	<b>£2,995</b>
Value of balance above the % threshold	£13	£602	£592	<b>£1,207</b>

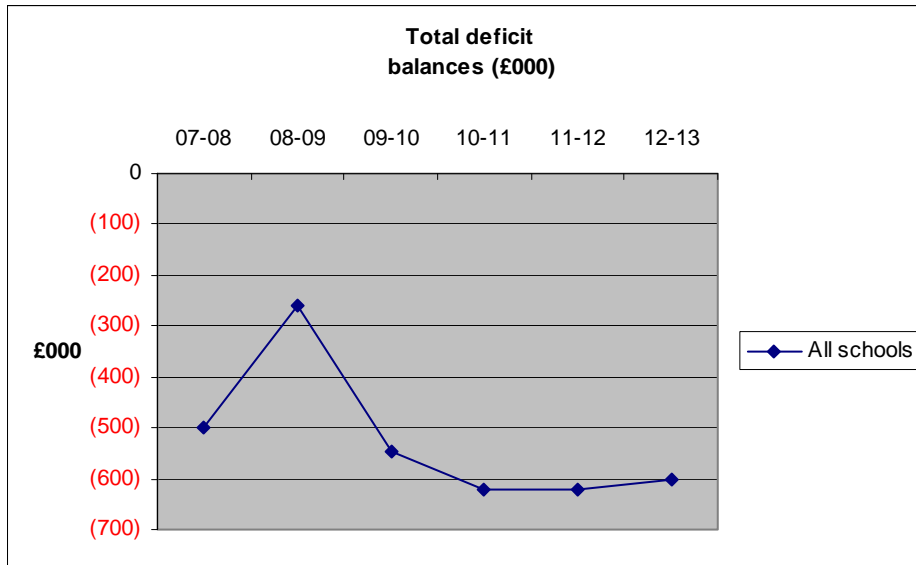
4.9 Of the 21 schools in 2011-12 that had surpluses above the thresholds, five have reduced their balances in 2012-13, but 16 continue to have balances above the thresholds. Schools' reasons for holding surpluses are summarised in table 5:

	Nursery £000	Primary £000	Secondary £000	Special £000	Total £000
Specific building projects and capital equipment	£20	£1,067	£253	£162	<b>£1,502</b>
Staffing restructures	£9	£93	£205	£0	<b>£307</b>
Late in-year allocations	£0	£27	£22	£0	<b>£49</b>
12-13 commitments and cluster commitments	£13	£150	£19	£0	<b>£182</b>
<b>Total committed surpluses</b>	<b>£42</b>	<b>£1,337</b>	<b>£499</b>	<b>£162</b>	<b>£2,040</b>
<b>Total uncommitted surplus of schools above threshold</b>	<b>£29</b>	<b>£417</b>	<b>£491</b>	<b>0</b>	<b>£937</b>
Value of uncommitted balance above threshold	£9	£131	£334	0	<b>£474</b>

## Deficit balances

- 4.10 The number of secondary schools in deficit remains the same as last year – two. The number of primary schools in deficit has increased from none to three in 2012-13: Bisham, Eton Porny and Oakfield. The first two of these have submitted balanced budget plans for 2013-14. We are in discussion with Oakfield about an approved licensed deficit for 2013-14 for £27k, due to one-off costs in 2013-14. An initial deficit recovery plan from the school suggests the deficit will be recovered within two years.
- 4.11 Although there has been an increase in the number of schools with deficits, the overall level of deficits has reduced slightly compared with 2011-12 (diagram 4).

**Diagram 4 – Total deficit balances have reduced slightly compared with 2011-12**



## Loans

- 4.12 In 2012-13 Windsor Boys School had a loan of £654k approved. The actual deficit at the end of the financial year, after adjusting for the loan, was £541k, a small improvement on the £548k deficit at this time last year, but a significant improvement on the £654k deficit the school had originally envisaged when applying for the loan. Trevelyan is the only other school with an outstanding loan (£135,000), and discussions are being held with the school about a recovery strategy that will prevent the deficit from worsening at the end of 2013-14.

## Summary of Schools Block Budget outturn 2012-13

Service area	Budget £000	Final outturn 2012-13 £000	(under) / over (+) 2012-13 £000	Details
ISB (net of EFA post 16 grant)	66,552	66,552	0	Delegated schools' budgets. Treated as spent when delegated.
Non maintained nurseries	4,179	4,110	(69)	Uptake of 3&4 free entitlement less than budgeted
<b>ISB Total</b>	<b>70,731</b>	<b>70,662</b>	<b>(69)</b>	
<b>Central budgets</b>				
Admissions & Fair Access	306	297	(9)	Various
Maternity budgets	180	222	+ 42	High number of claims
Miscellaneous central budgets	469	356	(113)	School contingencies, early years adjustments, NQTs, carbon allowance, reimbursement for rates and insurances etc.
Contracts management & licenses	212	246	+ 34	Miscellaneous
Combined support services and LDD	574	433	(141)	DSG contribution to respite provision less than budgeted due to revised pattern of respite provision in RBWM.
SEN placements, statements and sensory consortium	6,638	6,099	(539)	Mainly due to average cost of placements being £4k less than budgeted and lower than expected costs of allocations to schools for high needs statements.
SEN recoupment from OLAs	(655)	(858)	(203)	Increase in income recoverable from other local authorities for pupils with SEN in RBWM mainstream and special schools.
Behaviour Support	226	214	(12)	Staff vacancies
Teaching and advisory services and virtual school	883	680	(203)	Behaviour Support Partnership no longer in operation (£50k), demand for places in Berks Adolescent Unit less than budgeted (£60k), staff costs in Cognition and Learning (£60k) and part year savings in SAMS.
PRU	813	780	(33)	Staff vacancies and other miscellaneous savings
Capital expenditure from revenue	136	136	+ 0	
Grants to schools	(453)	(456)	(3)	
<b>Central budgets Total</b>	<b>9,329</b>	<b>8,149</b>	<b>(1,180)</b>	
<b>Total ISB and Central</b>	<b>80,060</b>	<b>78,811</b>	<b>(1,249)</b>	
<b>Funded by:</b>				
DSG 2012-13	(79,176)	(79,176)	+ 0	
DSG Surplus applied	(884)	(884)	+ 0	
DSG c/fwd to 2013-14	0	1,249	+ 1,249	
	<b>(80,060)</b>	<b>(78,811)</b>	<b>+ 1,249</b>	

# ANNEX B - SCHOOL BALANCES 2011-12 AND 2012-13

School	2011-12				2012-13				
	Total CFWD after loans	Surplus balance after loans	Deficit balance after loans	Balance after loan as % of 11-12 Budget	After	Surplus balance after loans	Deficit balance after loans	Percentage of 13-14 Budget	Movement balances
<b>Nursery</b>									
Cookham Nursery	72,952	72,952		29.4	28,500	28,500		13.0	(44,452)
Maidenhead Nursery	35,099	35,099		14.2	24,557	24,557		10.3	(10,542)
The Lawns Nursery	24,915	24,915		5.1	32,113	32,113		7.1	7,198
	<b>132,966</b>	<b>132,966</b>	<b>0</b>	<b>13.6</b>	<b>85,170</b>	<b>85,170</b>	<b>0</b>	<b>9.4</b>	<b>(47,796)</b>
<b>Primary</b>									
Alexander First	90,589	90,589		16.3	70,442	70,442		11.6	(20,147)
All Saints CE Junior	11,113	11,113		1.4	16,921	16,921		1.9	5,808
Alwyn Infant And Nursery	89,341	89,341		8.0	130,655	130,655		11.4	41,314
Bisham Ce	1,174	1,174		0.2	(1,010)		(1,010)	(0.2)	(2,184)
Boyne Hill Ce Infant	86,896	86,896		9.3	76,523	76,523		8.3	(10,373)
Braywood CE First	50,854	50,854		9.1	35,337	35,337		5.8	(15,517)
Burchetts Green CE	46,195	46,195		13.4	66,704	66,704		17.0	20,509
Cheapside CE Primary	4,779	4,779		1.0	11,013	11,013		2.4	6,234
Clewer Green CE	15,268	15,268		2.0	28,968	28,968		3.5	13,700
Cookham Dean CE Primary	13,728	13,728		2.3	20,650	20,650		3.2	6,922
Cookham Rise	47,427	47,427		6.2	71,872	71,872		9.1	24,445
Courthouse Junior	168,360	168,360		12.8	164,084	164,084		12.2	(4,276)
Dedworth Green First	91,810	91,810		10.9	90,380	90,380		11.0	(1,430)
Ellington Primary	47,342	47,342		3.9	54,126	54,126		4.4	6,784
Eton Porny CE First	5,306	5,306		0.9	(11,515)		(11,515)	(1.9)	(16,821)
Eton Wick CE First	66,107	66,107		8.5	58,821	58,821		7.7	(7,286)
Furze Platt Infant	97,626	97,626		10.8	131,736	131,736		13.6	34,110
Furze Platt Junior	26,009	26,009		2.6	35,648	35,648		3.6	9,639
Hilltop First	73,621	73,621		8.2	161,446	161,446		16.0	87,825
Holy Trinity Cookham Primary	45,910	45,910		6.2	18,582	18,582		2.5	(27,328)
Holy Trinity Sunningdale Primary	24,404	24,404		3.2	50,965	50,965		6.5	26,561
Holyport CE Primary	106,457	106,457		9.0	90,105	90,105		7.3	(16,352)
Homer First	54,484	54,484		6.8	66,702	66,702		8.0	12,218
Kings Court First	91,397	91,397		10.5	110,997	110,997		12.2	19,600
Knowl Hill Ce Primary	18,761	18,761		4.6	63,695	63,695		15.1	44,934
Larchfield Primary & Nursery	70,178	70,178		7.6	79,392	79,392		8.3	9,214
Oakfield First	27,764	27,764		3.0	(13,558)		(13,558)	(1.5)	(41,322)
Oldfield Primary	7,197	7,197		0.9	25,174	25,174		3.0	17,977
The Queen Anne Royal Free CE	52,641	52,641		9.7	44,004	44,004		4.8	(8,637)
St Edmund Campion RC Primary	84,521	84,521		7.3	127,328	127,328		10.5	42,807
St Edwards Catholic First	50,033	50,033		6.3	79,375	79,375		9.8	29,342
St Francis Catholic Primary	27,260	27,260		3.9	1,012	1,012		0.1	(26,248)
St Lukes CE	113,453	113,453		11.1	35,446	35,446		3.3	(78,007)
St Marys Catholic Primary	7,816	7,816		0.7	12,824	12,824		1.2	5,008
St Michaels CE Primary	82,332	82,332		11.4	110,703	110,703		14.1	28,371
South Ascot Village Primary	138,434	138,434		14.8	131,315	131,315		22.5	(7,119)
The Royal (Crown Aided)	16,584	16,584		3.7	33,733	33,733		7.0	17,149
Trinity St Stephen CE First	17,013	17,013		3.3	1,804	1,804		0.3	(15,209)
Waltham St Lawrence	41,642	41,642		8.0	56,350	56,350		11.4	14,708
Wessex Primary	76,477	76,477		4.0	83,491	83,491		4.5	7,014
Woodlands Park Primary	10,642	10,642		1.8	2,360	2,360		0.4	(8,282)
Wraysbury Primary	17,894	17,894		1.7	16,274	16,274		1.4	(1,620)
	<b>2,216,839</b>	<b>2,216,839</b>	<b>0</b>	<b>6.5</b>	<b>2,440,872</b>	<b>2,466,956</b>	<b>(26,083)</b>	<b>6.9</b>	<b>224,033</b>
<b>Secondary</b>									
Churchmea	359,474	359,474		11.5	490,584	490,584		15.0	131,110
Dedworth Middle	192,317	192,317		9.3	200,430	200,430		9.7	8,113
Newlands Girls	386,424	386,424		6.7	375,715	375,715		6.5	(10,709)
St Edwards Royal Free Middle	96,171	96,171		6.2	152,566	152,566		9.9	56,395
St Peters CE Middle	39,530	39,530		3.6	4,581	4,581		0.4	(34,949)
Trevelyan Middle	(71,855)		(71,855)	(3.6)	(35,091)		(35,091)	(1.9)	36,764
The Windsor Boy's	(548,849)		(548,849)	(10.1)	(540,793)		(540,793)	(10.3)	8,056
Windsor Girls'	101,842	101,842		2.8	75,822	75,822		1.8	(26,020)
	<b>555,054</b>	<b>1,175,758</b>	<b>(620,704)</b>	<b>2.2</b>	<b>723,813</b>	<b>1,299,698</b>	<b>(575,884)</b>	<b>2.9</b>	<b>168,759</b>
<b>Special</b>									
Manor Green	137,966	137,966		3.1	162,490	162,490		3.7	24,524
	<b>137,966</b>	<b>137,966</b>	<b>0</b>	<b>3.1</b>	<b>162,490</b>	<b>162,490</b>		<b>3.7</b>	<b>24,524</b>
<b>Total</b>	<b>3,042,825</b>	<b>3,663,529</b>	<b>(620,704)</b>	<b>4.7</b>	<b>3,412,346</b>	<b>4,014,314</b>	<b>(601,968)</b>	<b>5.2</b>	<b>369,521</b>

Nursery, primary and special schools with balances above 8%  
Secondary schools with balances above 5%

1
4

1	1,776,052
4	1,219,295

	Surplu	Deficit	£
Nursery	3	0	0
Primary	4	0	0
Secondary	6	2	(620,704)
Special	1	0	0
All Schools	5	2	(620,704)

	Surplu	Deficit	£
Nursery	3	0	0
Primary	3	3	(26,083)
Secondary	6	2	(575,884)
Special	1	0	0
All Schools	4	5	(601,968)