

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Children and Young People’s Services Cabinet Member and Advisers</b>
2.	<b>Date:</b>	<b>21<sup>st</sup> July 2010</b>
3.	<b>Title:</b>	<b>School Balances 2009/10</b>
4.	<b>Directorate:</b>	<b>Children &amp; Young People’s Services</b>

### 5. **Summary**

This report summarises the 2009/10 position on school balances. The overall school balance position shows a 34% fall from 2008/09, from £6.086m to £4.021m. Balances across each of Rotherham’s schools sectors have fallen this year. No school had a balance exceeding the thresholds set by the DCSF at the year ending 31<sup>st</sup> March 2010.

### 6. **Recommendations**

**To note the overall position in Rotherham of school balances.**

## 7. Proposals and Details

Each January the Audit Commission publishes data on school balances to enable Local Authorities to monitor their own schools performance and to compare these with their statistical neighbours as well as other Local Authority types, other Local Authorities in their Government Office regions, and all English authorities. The tool is available on the Audit Commission web-site: <http://www.audit-commission.gov.uk/schoolbalances/>

A comparison of Rotherham's school balances as at 31<sup>st</sup> March 2009 is included in Table 1 below, which shows that Rotherham's overall school balance as a percentage of the budget was 4.31%. This compares to the statistical neighbour average of 6.62%, the metropolitan average of 6.89% and Yorkshire and Humber region average of 5.40%. Of Rotherham's ten statistical neighbours, only Telford and Wrekin have a lower overall balance of 3.95%.

In addition to the national data which covers the period up to the 2008/09 financial year end, local data has been compiled for the year 2009/10. The movements in Rotherham's school's balances between 2009 and 2010 are included in Table 2 of this report. This shows a 34% fall in the overall balance from £6.086m as at 31<sup>st</sup> March 2009 to £4.021m at 31<sup>st</sup> March 2010. Balances across all four sectors have fallen over the past year:- early years by 33%; primary schools by 34%; secondary schools by 39% and special schools by 15%. Comparison of Rotherham's 2009/10 performance with other local authorities cannot be made until the audit commission undertakes its annual benchmarking exercise next January.

In the past, the DCSF have emphasised that revenue funding should be spent on today's children and schools should not retain excessive amounts without clear plans for their future use. The DCSF guidance judges 'excessive' as a secondary school carrying over more than 5% of its annual school income at the end of the financial year; and 8% of a primary or special school's income. These thresholds are nationally set figures and local authorities cannot set them higher locally. Local authorities have clear powers to redistribute excessive and uncommitted surplus revenue, the local procedures for which are contained in Rotherham's scheme for 'Controls on School Balances' as agreed through the Schools Forum. In 2007/08, Rotherham had 42 schools whose balances exceeded the DCSF thresholds. This fell to 21 schools in 2008/09. Clawback of funding was applied by the Authority for each of these two years. In 2009/10 no school had a balance exceeding the threshold and therefore no clawback will be applied this year.

In respect of schools with deficit budgets, the table below shows the number of schools in deficit as at 31<sup>st</sup> March 2009 and as at 31<sup>st</sup> March 2010. Figures in brackets represent the total number of schools in each of the school phases.

	No. of schools in deficit at 31.03.09	Indicative no. of schools in deficit at 31.03.10
Nursery	0 (3)	0 (3)
Primary	9 (99)	16 (99)
Secondary	5 (16)	4 (16)
Special	1 (6)	0 (6)
TOTAL	15 (123)	20 (123)

**Table 1: Schools in Surplus/Deficit for year 2008/09**

31 March 2009	All Schools in Deficit			All Schools in Surplus			All Schools				
	Total Deficit (£)	Number in Deficit	% in Deficit	Total Surplus (£)	Number in Surplus	% in Surplus	Planned Budget Share (£)	Total Balance (£)	Number of schools	Average Balance (£)	Balance as a % of Planned Budget
<b>Local Authority</b>											
Rotherham	-595,419	16	13.00%	7,334,450	108	87.00%	156,375,983	6,739,031	124	54,347	4.31%
<b>NFER Statistical Neighbours:</b>											
Doncaster	-802,218	14	11.00%	8,860,917	117	89.00%	162,265,368	8,058,699	131	61,517	4.97%
Redcar & Cleveland	-218,685	1	2.00%	6,701,830	58	98.00%	79,256,200	6,483,145	59	109,884	8.18%
Wigan	-14,572	1	1.00%	12,950,940	132	99.00%	171,786,484	12,936,368	133	97,266	7.53%
Barnsley	0	0	0.00%	10,224,330	96	100.00%	115,369,100	10,224,330	96	106,503	8.86%
Tameside	-758,391	13	13.00%	5,892,887	85	87.00%	118,026,530	5,134,496	98	52,393	4.35%
Hartlepool	-110,589	2	5.00%	4,449,264	36	95.00%	54,286,915	4,338,675	38	114,176	7.99%
St Helens	-5,181	1	1.00%	6,581,787	66	99.00%	94,918,156	6,576,606	67	98,158	6.93%
Wakefield	-906,131	20	14.00%	14,204,179	127	86.00%	175,258,597	13,298,049	147	90,463	7.59%
Dudley	-82,172	3	3.00%	10,155,764	104	97.00%	171,057,366	10,073,592	107	94,146	5.89%
Telford & Wrekin	-780,685	7	10.00%	4,152,180	66	90.00%	85,432,104	3,371,495	73	46,185	3.95%
<b>Statistical Neighbours' Average</b>	<b>-367,862</b>	<b>6</b>	<b>6.53%</b>	<b>8,417,408</b>	<b>89</b>	<b>93.47%</b>	<b>122,765,682</b>	<b>8,049,545</b>	<b>95</b>	<b>84,821</b>	<b>6.62%</b>
<b>Local Authority Type Average</b>											
Metropolitan Districts	-901,503	11	8.29%	13,140,256	116	91.71%	177,534,124	12,238,752	127	92,524	6.89%
<b>Government Office Region Average</b>											
Yorkshire & The Humber	-955,592	13	8.34%	10,912,559	138	91.66%	184,410,034	9,956,967	151	66,339	5.40%
<b>All England</b>											
All England Average *	-936,330	13	8.69%	12,372,360	132	91.32%	182,539,346	11,436,031	144	89,060	6.26%
England Total	-140,449,462	1,880	8.69%	1,855,854,054	19,757	91.32%	27,380,901,889	1,715,404,592	21,636	13,359,040	6.26%

Source: Audit Commission

**Table 2: Movements in Schools Delegated Budgets 2009/10 to 2010/11**

**Delegated Budget**

<b>Sector</b>	<b>Actual School Bal b/f to 2009/10</b>	<b>In-Year Change</b>	<b>Actual School Bal c/f to 2010/11</b>	<b>Actual % Change</b>
		<b>£</b>		<b>£</b>
Primary Schools	3,481,467	-1,149,908	2,331,559	-33%
Secondary Schools	1,614,663	-623,771	990,892	-39%
Special Schools	231,953	-34,552	197,401	-15%
Early Excellence Centres	144,580	-47,222	97,358	-33%
<b>Total</b>	<b>5,472,663</b>	<b>-1,855,453</b>	<b>3,617,210</b>	<b>-34%</b>

**Declared Savings**

<b>Sector</b>	<b>Actual School Bal b/f to 2009/10</b>	<b>In-Year Change</b>	<b>Bal c/f to 2010/2011</b>	<b>% Change</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Primary Schools	443,806	-182,875	260,931	-41%
Secondary Schools	1,820	-1,068	752	-59%
Special Schools	165,300	-24,556	140,744	-15%
Early Excellence Centres	2,671	-945	1,726	-35%
<b>Total</b>	<b>613,597</b>	<b>-209,444</b>	<b>404,153</b>	<b>-34%</b>

**Combined Overall Balances**

<b>Sector</b>	<b>Actual School Bal b/f to 2009/10</b>	<b>In-Year Change</b>	<b>Actual School Bal c/f to 2010/11</b>	<b>% Change</b>
		<b>£</b>		<b>£</b>
Primary Schools	3,925,273	-1,332,783	2,592,490	-34%
Secondary Schools	1,616,483	-624,839	991,644	-39%
Special Schools	397,253	-59,108	338,145	-15%
Early Excellence Centres	147,251	-48,167	99,084	-33%
<b>Total</b>	<b>6,086,260</b>	<b>-2,064,897</b>	<b>4,021,363</b>	<b>-34%</b>

8. **Finance**

See tables 1 and 2.

As no school has exceeded the DCSF threshold on balances, no clawback of funding will be applied in 2010.

9. **Risks and Uncertainties**

Under the former Government, the DCSF launched a consultation on proposals to reform the distribution of school funding with effect from April 2011. This included a new formula for allocating the Dedicated Schools Grant. Initial responses to the consultation were required by 07<sup>th</sup> June 2010 with further consultation planned for the Autumn. It is unclear at present as to whether the proposals will be pursued under the Coalition Government.

10. **Policy and Performance Agenda Implications**

Any revisions to the funding of schools presents risks to the outcomes for children and young people across all our schools. Changes in formulae can affect individual schools managing their own resources but also their ability to purchase support services from external providers.

11. **Background Papers and Consultation**

Rotherham Fair Funding Scheme for Financing Schools – Controls on School Balances.

CYPS Cabinet Member report 'Surplus School Balances 2008/09', 4<sup>th</sup> November 2009.

Contact Name:

David Ashmore  
Resources and Business Manager  
Resources, Planning and Performance  
Children and Young People's Services  
Extension 54846  
david.ashmore@rotherham.gov.uk

Vera Njelic  
Principal Accountant, School Finance  
Financial Services  
Extension 22042  
vera.njelic@rotherham.gov.uk