

SCHOOL BUDGET RETURN (SBR2) SCHOOLS FORUM 4TH DECEMBER 2014

Background

As part of the Scheme for Financing Schools, all Torbay Schools are required to submit a twice yearly return detailing how the previous year's unspent balance is to be utilised in the coming year, together with a forecast balance for the END OF current year. The returns are called SBR1 (to be submitted by 31st May each year) and SBR2 (to be submitted by 31st October each year). This paper is reporting on data submitted by all maintained schools for the SBR2.

2013/14 Overall Findings and Conclusions

The level of unspent balances as at 31st March 2014 was £2.5m (column 1). The Primary phase had the largest balances totalling £1.1m. Secondary Schools were holding balances of £1.1m. Special schools were holding total balances of £0.3m.

The balances shown are for maintained schools only, academy balances as at 31st March 2014 have been excluded.

2014/15 Overall Findings and Conclusions

The forecast level of unspent balances at the end of 2014/15 is £2m (column 6). This is slightly higher than the previous year. It is generally the case that schools are pessimistic in their forecasting at this time of the financial year. There is an assumption that any capital works will finish on schedule.

The Primary phase is forecasting that balances will be £0.6m – a decrease of £0.5m since March '14. There are no deficits included in this forecast.

For the Secondary phase, there is a forecast balance of £1.2m – broadly the same level as March '14.

Special Schools are forecasting a total unspent balance of £0.2m, broadly in line with the balances as at the end of 2013/14. The distribution of the balances between the three special schools has remained the same.

Use of the forecast 2014/15 unspent balances

The budget return requires schools to identify how the forecast balance is made up, in order to identify which schools have drawn forward capital funding and which schools are holding balances on behalf of the school with in Torbay for specific networks.

The budget return process also requests that schools consider how their forecast unspent balances for 14/15 will be utilised in the future. The DfE are keen that schools do not accumulate excessive balances without a clear view as to their future use.

Therefore in columns 12 to 17, schools are asked to analyse how their forecast unspent balances will be used. In the vast majority of schools, the operational contingency is considered to be the most appropriate use. This aims to cover instances of schools with falling rolls with their balances being used to smooth out the effect of reorganisation of classes.

Schools have also identified £0.3m for improvements in premises and facilities, which is a reflection on the decreased level of Devolved Formula Capital Funding. A significant number of schools have identified £0.5m for investment in curriculum initiatives, a reflection of the need to improve standards in schools.

The Level of Forecast 2014/15 Unspent Balances

Both the Torbay Scheme for Financing Schools and the DfE state that where possible surplus balances for Primary and Special Schools, should be no more than 8% of that year's revenue budget (column 21). For Torbay; Upton St James and Collaton St Mary are the only schools to have a balance forecast greater than this.

For Secondary Schools, the recommended level of surplus balances is 5% (column 21). St Cuthbert Mayne is the only school where the forecast balance is greater than this.

Amanda Haley
Principal Accountant Schools – Children's Services
01803 208284
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