

## SCHOOL BUDGET RETURNS (1) ANALYSIS 2011/12 FOR SCHOOLS FORUM 28<sup>TH</sup> JUNE 2012

Schools have to return a completed Budget Return by the end of May each year (SBR1). This return confirms the previous year' unspent balance and how the school plans to spend this balance. This information is then compared against the funding for that year to present this as a percentage of total funding.

Also included in the attached papers is an analysis of salary costs across the different pay types and then staff costs as a percentage of the overall funding for each school. This information is derived from the submitted budget plans that schools have returned to Finance as part of the SBR1.

### The SBR1 Requirements

Schools need to set out how any unspent balance from 11/12 will spent

A governor approved 2012/13 budget is required to be set and evidence sent to Finance. A deficit budget is only allowed when a license has been agreed between the Governors, the Director of Finance and the Director of Children's Services.

A forecast end of year position for 2012/13 is also required.

The table below demonstrates in broad terms how forecasting does vary significantly and therefore making it difficult for the LA to forecast where the pressures are and take appropriate action with the effected schools.

<b>School Phase</b>	<b>2011/12 SBR1 (May 11) Forecast Unspent Balance</b>	<b>2011/12 SBR2 (Oct 11) Forecast Unspent Balance</b>	<b>2011/12 Actual Unspent Balance</b>
	£'000	£'000	£'000
Primary	1,072	1,284	1,944
Secondary	841	821	1,267
Special	313	212	395
<b>Total</b>	<b>2,226</b>	<b>2,317</b>	<b>3,606</b>

As can be seen in the above table, the initial forecast (May 2011) was £2.2m, this increased to £2.3m in Oct 11, whereas the final unspent balance totalled £3.6m. The biggest change has occurred in the primary phase where the forecast changed by over 80%.

The only school with a deficit balance is Paignton Community and Sports College. At the end of 12/13 the school has forecast a positive balance.

There are a number of schools with balances in excess of the guideline 8% and 5%.

It is worth noting that that as schools have converted to Academies their figures are excluded.

Although the Government's drive to scrutinise excessive school balances has now lessened, the LA still needs to analyse unspent balances ensuring that schools year on year balances are forecast and earmarked for a specific purpose rather than rolled forward year on year. Therefore, Children's Services will be contacting those schools whose balances are significant as a percentage of their revenue allocation asking for further explanation of their position. Dependant on these explanations a meeting with the headteacher and Chair of Governors will be arranged for further discussion. For Primaries; balances greater than 8% of their revenue budget and 5% for Secondaries should be considered as guidance levels.

Lisa Finn  
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June 2012