

SCHOOLS' FUNDING FORUM

SUBJECT:	2015-16 Schools Outturn Position for Kent maintained schools
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AUTHOR:	Yvonne King, Schools Financial Services Manager
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SUMMARY OF REPORT:

To provide members of the Forum with an update on the summarised 2015-16 schools outturn position.

FOR:	Information only
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1. Background

- 1.1 Attached at Appendix 1 is an analysis of the 2015-16 outturn position for all maintained schools (including Pupil Referral Units) as at 31 March 2016. The analysis is in a consistent presentation style to previous years and provides a comparison to the 2014-15 outturn position. New for this year is the reserves expressed as a percentage of income.
- 1.2 2015-16 is the second year of the modified Balance Control Mechanism (BCM) operation. As part of the year end returns, schools were required to provide additional details of their year end balances. The Schools' Funding Forum (SFF) was informed of the details of the 111 schools and PRUs over their BCM in the April 2016 meeting and the Delegated Formula Funding Group (DFFG) met to consider the BCM requests.
- 1.3 Schools that were over their BCM by £50k or less were given permission to carry over their excess balances for the reasons requested on the understanding they send copies of paid invoices to Schools Financial Services (SFS) throughout the year. This will be monitored by SFS.
- 1.4 Those schools that were over their BCM by more than £50k were asked to send in evidence to support their request for a decision to be made by the DFFG. In most cases the evidence was sufficient to support their application but in two cases the evidence was insufficient and those schools were asked to present their request in person to the DFFG.
- 1.5 The outcome was that in all cases schools were given permission to carry over their excess balances for the reasons requested on the understanding they send copies of paid invoices to Schools Financial Services (SFS) throughout the year.

- 1.6 The process will continue to be monitored by SFS and reported back to the SFF.

2. The headlines

- 2.1 Overall schools revenue reserves have decreased by £3million and the number of maintained schools has reduced by 15.
- 2.2 The average revenue reserves per school have decreased this year by £4,239 (or 4.41%) and the average revenue reserve per pupil has decreased by £18 (or 5.26%).
- 2.3 The reserves per school for primary schools have decreased from last year's levels by 4% and the secondary schools have decreased significantly by 52%. Special school reserves have increased by 40% from last year's levels, and the Forum will recall that Special Schools were removed from the BCM due to the uncertainty of the new funding system.
- 2.4 Deficit schools have increased again, from 6 to 13 with the overall value of these deficits increasing slightly from £2.6m to £2.7m. A separate paper focusing on the detail is later on this meeting's agenda.
- 2.5 In terms of the district picture, Sevenoaks schools have increased by 98%, Tonbridge & Malling by 13% and Dartford, Dover and Thanet have small increases. Shepway have decreased by 59%, Swale by 30% and Ashford, Canterbury, Gravesham, Maidstone and Tunbridge Wells have also seen reductions.
- 2.6 The total value of capital reserves are showing as a small deficit of £5k, compared to a larger deficit of £616k at the end of 2014-15. The secondary sector has a capital deficit of £1.3m which is financed by loans. In total the value of outstanding loans in maintained schools at the end of 2015-16 was £3.36m.
- 2.7 This is the third year that Pupil Referral Unit (PRU) reserves have been included within this presentation. The average reserves per PRU continue to appear high, and have increased from last year's levels for revenue. Capital has decreased slightly.

3. Recommendation

- 3.1 Members of the Forum are asked to
- **note & comment** on the summarised 2015-16 schools outturn position