

THE VALE OF GLAMORGAN COUNCIL

CABINET: 20TH NOVEMBER, 2017

REFERENCE FROM LEARNING AND CULTURE SCRUTINY COMMITTEE:
16TH OCTOBER, 2017

“ SCHOOLS’ BALANCES AS AT 31ST MARCH 2017 (DLS) –

The report provided Committee with details of the level of school balances as at 31st March, 2017 and the measures put in place to reduce excessive balances held by individual schools and as part of the Committee’s work programme. The funding framework for schools was outlined within the Vale of Glamorgan Council Fair Funding Scheme for Schools, the School Funding (Wales) Regulations 2010 and the School Standards and Framework Act 1998. The funding framework provided for maximum delegation of school budgets; however the Local Authority could suspend the governing body's right to a delegated budget in the case of financial mismanagement.

Individual schools were permitted to carry forward from one financial year to the next any underspend on its budget share plus / minus any balance brought forward from the previous year.

Governing bodies were also required to report to the Director of Learning and Skills on the planned use made of surplus balances that exceeded 5% or £10,000, whichever was greater.

The 2016/17 delegated schools budget totalled £81,009,000 and a further £14,245,000 was allocated to schools via grants from the Welsh Government.

The overall level of school balances on 1st April, 2016 was £2,946,348 which decreased to £2,321,817 by 31st March, 2017. This decrease to school balances of £624,531 was due to a net overspend against the schools' 2016/17 budget and equated to a decrease of 21.2% on the schools' opening balances.

Total school balances had decreased by 41.3% over the six year period from April 2011 to March 2017. A full list of schools' balances over the last seven financial years was included at Appendix A to the report and a further analysis was included at Appendix B.

Four schools ended the 2016/17 financial year in a deficit position:

- St. Cyres Comprehensive School ended the financial year in a deficit of £141,388. The school had an approved recovery plan in place which would eradicate this deficit over the next four financial years

- Ysgol Gymraeg Sant Baruc had ended the 2016/17 financial year in a deficit of £8,390. The school had an approved recovery plan in place which would eradicate this deficit over the next three financial years
- Fairfield Primary School had ended the 2016/17 financial year in a deficit of £35,471. The school had an approved recovery plan in place which would eradicate this deficit over the next three financial years
- Pendoylan Church in Wales Primary School ended the 2016/17 financial year in a deficit of £40,573. This deficit was unlicensed as there was no approved recovery plan in place. This was the fourth consecutive year that the school had outturned in an unlicensed deficit position. The Governing Body was in the process of completing a recovery plan with the new Headteacher.

In referring to the deficit for Pendoylan CiW Primary School, a Member queried what would happen if the school's plan was not agreed by the Department. In response, the Finance Manager for Learning and Skills advised that the plan was in place but that the school required a registration certificate from CSSIW in respect of nursery provision which had not yet been received. It was anticipated that this would be received but at this particular moment in time, the plan could not be agreed as a result of this registration being awaited.

The Chairman, in referring to the recommendation in the report that where schools did not comply with the Council's direction to spend, clawback would take place, queried whether this was an approach that was warranted and whether a more collaborative approach would be more suitable. The Head of Strategy, Community Learning and Resources commented that the Council was trying to establish transparency on how budgets would work and how schools would be held to account. The detail in the report referred to a mechanism for checks and balances to be put in place and each school must complete an index proforma of their intentions. The Finance Manager had worked closely with schools and open and honest conversations had been held and that a collaborative approach was being pursued. The Head of Service further stated that the Vale was in a unique position with regard to its work with Head teachers in that it had a good, honest relationship and open and honest discussion took place.

Following consideration of the report, it was subsequently

RECOMMENDED – T H A T Cabinet be informed that the Scrutiny Committee notes the level of school reserves, but that the ability to clawback should be coupled with the desire to work collaboratively with schools to use the limited resources they had to best effect.

Reason for recommendation

Having considered the level of schools reserves and the desire for a collaborative approach to continue in working with schools to use the limited resources to best effect.”

Attached as Appendix – [Report to Learning and Culture Scrutiny Committee: 16th October, 2017](#)