

EDUCATION SCRUTINY COMMITTEE

18 SEPTEMBER 2013

SCHOOL REVENUE RESERVE BALANCES

Report by Frances Craven, Deputy Director for Education & Early Intervention

Maintained Secondary Schools

1. The County Council holds full financial records for all maintained schools. These include the published year end balances for secondary schools. Annex 1 contains a statement showing the balances published for maintained secondary schools at all year ends from March 2000 onwards. About two thirds of secondary schools in Oxfordshire are now academies and have ceased to be maintained schools.
2. The balance figures in Annex 1 are calculated as required by the Secretary of State for Education in the Consistent Financial Reporting Regulations. Balances up to March 2012 can be found on the DfE web site alongside those for maintained schools in other authority areas. Balances at March 2013 have only recently been reported to DfE so will appear on the web site imminently.
3. Although the figures are in accord with the Consistent Financial Reporting Regulations, there are a number of concerns that schools would raise if these balances were to be used as a measure of their performance. Key concerns would be as follows:
 - The reported balances include amounts that certain hub schools hold on behalf of partnerships of schools. These balances relate to the activities of all schools in the partnership but are reported against the hub school.
 - The balances at most of the year ends prior to March 2013 included amounts that the school were not permitted to spend before the summer term. Accordingly schools would reasonably object that these amounts should not be included in any calculation of “excessive” balances.
 - In a few cases, schools were holding balances with the approval of the Authority in order to carry out larger projects than could be afforded from a single year’s budget. Again schools would reasonably assert that these project amounts should not be included in any calculation of “excessive” balances.
 - At least one of the deficits reported does not arise through loss of operational control of finances but instead has been incurred with the

ESC6

approval of the Authority as a necessary consequence of establishing sixth form provision at the school.

4. The Authority holds records of a number of these reasons to consider parts of the reported balances as reserved. However it is not known whether or not there are other substantial reasons that other parts of the balances of maintained schools should be held as reserved when considering whether balances are unutilised.
5. Collecting such information from all maintained secondary schools would create a significant task for the schools and also a task for the Authority's finance staff in validating such information. Such analysis could be provided to a future meeting of the panel.

Academy Secondary Schools

6. Academies are independent schools. Other than in a few specific areas of responsibility, such as provision for pupils with special educational needs, they are not subject to any oversight by the Authority. Specifically it is clear in the legislation that Academies are not subject to any financial oversight by the Authority. Accordingly the Authority has no formal records of their financial activities occurring after conversion.
7. About half of the academies in Oxfordshire have chosen to continue to use the Authority's SAP finance system for their accounting records. The Authority has no permission to access their records for any purpose other than to support the academy's financial operations. Even if access to the data were permitted by the academy, all the points made above in relation to specific purposes for elements of the balances of maintained schools would apply.
8. Academies are required to publish accounting information in accordance with the Companies Act 2006. This is in a very different format and to different accounting standards to the Consistent Financial Reporting regulations which apply to maintained schools. Accordingly it is not straightforward to identify an unspent revenue balance for an academy, even where the information is published.
9. In the case of stand-alone academies it is possible to extract a figure more or less equivalent to an unspent revenue balance from the published accounts of the academy. In the case of multi-academy trusts the ability to extract balance figures for an individual academy depends on the reporting decisions which the directors of the trust have made. In most multi-academy trusts there is no reporting which would enable a calculation to be made of the balances of individual academies.
10. Accounts for academies are produced to the Companies Act timetable and in any event their financial year ends at 31 August rather than 31 March. Accordingly no published figures are yet available at August 2013.

ESC6

11. The outcome of the above differences in reporting requirements is that the only information currently available about the balances of academies is the amount which was transferred from the Authority to the academy as it was created. These amounts are set out in Annex 1 alongside the year on year balances of the predecessor maintained schools.
12. Any further information would have to be obtained by request to each academy, including a request to provide reasons for the balances that are held. Academies would be under no regulatory requirement to respond, and may themselves have some difficulties in providing an unspent revenue balance equivalent to that reported for maintained schools.

RECOMMENDATION

13. **The Education Scrutiny Committee is RECOMMENDED to note the contents of the report and decide on any necessary further action.**

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ESC6

Year on Year Progression of reported revenue balances for secondary schools maintained by Oxfordshire County Council March 2000 to March 2013

Figures are £		1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Transfers to Academy
School Name	DfES Number	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	Total revenue balance	
Drayton School	4005	£33,259	£(22,976)	£18,044	£(240,203)	(143,640)	93,793	(74,537)	(84,814)	(85,089)						Closed
The Warriner School	4007	£1,429	£99,243	£127,334	£(78,830)	(115,542)	(90,629)	(74,454)	38,032	19,466	47,511	(216,698)	(74,363)	97,498	90,885	
Chipping Norton School	4010	£75,155	£87,328	£134,284	£239,269	34,259	378,909	(6,531)	365,864	293,284	157,416	79,090	174,869	458,485		458,864
Banbury School	4021	£94,241	£120,734	£(194,519)	£(186,631)	49,099	172,397	13,110	50,696	(78,868)	(83,035)	51,207	73,894	235,872		2,127
Bicester Community College	4030	£2,646	£(81,048)	£(140,315)	£(144,689)	(175,568)	(86,021)	(43,185)	(2,911)	(17,606)	120,303	48,721	262,743	336,541	462,132	
The Cooper School	4032	£(58,921)	£(36,920)	£76,071	£143,796	193,192	182,762	247,539	302,688	146,550	57,179	74,885	6,894	(275,180)	(226,338)	
Burford School and Community College	4040	£(39,497)	£(94,850)	£24,200	£(225,819)	(169,532)	(322,766)	(78,471)	(372,226)	(497,906)	(371,346)	224,005	216,769	224,885		36,914
Carterton Community College	4041	£(2,480)	£1,034	£14,786	£(19,616)	(11,657)	(55,836)	(61,749)	(216,841)	(49,344)	56,702	(30,227)	128,514	177,536	313,855	
The Henry Box School	4050	£96,002	£99,570	£201,849	£143,097	191,749	253,782	231,972	325,030	670,741	297,423	74,200	99,670	358,501		358,501
Wood Green School	4052	£99,065	£238,369	£208,573	£(23,769)	4,491	48,654	(59,494)	63,522	68,892	12,854	(79,390)	78,185	241,639	385,368	
Bartholomew School	4054	£77,997	£116,169	£12,979	£(85,740)	(72,935)	(15,431)	93,170	210,717	363,011	171,644	261,632	347,097	653,487		641,760
Gillotts School	4055	£154,097	£199,442	£233,830	£170,269	223,410	233,199	105,730	171,560	163,914	234,529	249,113	117,095	182,614		183,738
Gosford Hill School	4060	£70,682	£164,503	£3,580	£90,732	78,830	135,552	(65,988)	(91,839)	(151,950)	(37,430)	185,197	133,296	305,915		194,580
Peers School	4074	£88,953	£(997)	£38,676	£87,106	(6,975)	257,918	71,267	(21,474)	390,382	(77,618)	(77,618)				Closed
Wheatley Park School	4077	£124,713	£150,429	£86,265	£(28,450)	85,696	239,192	187,573	32,817	171,258	118,345	150,600	(32,479)	60,781	161,398	
Icknield Community College	4082	£(5,005)	£(37,850)	£(20,490)	£(11,683)	34,223	27,764	47,750	46,595	65,019	139,152	172,136	164,573	393,336	363,402	
Chiltern Edge Community School	4092	£126,496	£135,430	£27,156	£(173,496)	(210,052)	68,069	47,859	22,992	103,218	29,312	(37,401)	(24,923)	16,639	(82,290)	
Langtree School	4094	£(15,064)	£(51,062)	£(56,904)	£(63,582)	(30,553)	(105,862)	(55,511)	16,006	52,276	5,500	33,278	59,011	140,780		140,781
The Cherwell School	4116	£68,375	£71,784	£41,678	£115,417	93,782	364,281	503,311	614,734	1,208,041	851,795	338,061	513,326	564,131		564,131
Oxford Community School	4117	£(29,684)	£(26,414)	£40,042	£45,563	197,614	140,044	433,574	625,836	712,633	238,960	30,291	(240,347)			Closed
Cheney School	4120	£(21,868)	£(66,549)	£32,056	£(15,266)	(198,080)	(40,710)	(6,943)	(48,647)	78,446	409,998	616,406	578,489	639,318		599,149
Larkmead School	4125	£(6,215)	£52,746	£(27,657)	£(54,012)	(107,625)	4,618	(61,583)	(178,810)	(318,694)	(94,302)	(110,781)	(126,108)	439,994	497,661	
John Mason School	4126	£(15,058)	£94,061	£92,524	£106,311	50,277	2,221	12,679	(11,690)	(53,475)	(209,076)	(28,223)	95,629	99,021	160,064	
Fitzharrys School	4127	£53,223	£176,795	£88,794	£113,694	(33,289)	147,464	(57,598)	(313,850)	(308,210)	(229,013)	(359,716)	(233,909)	(31,720)	127,385	
Matthew Arnold School	4128	£111,718	£(18,819)	£(107,784)	£133,778	228,009	39,889	29,633	(159,511)	167,735	203,106	295,203	322,256	688,723	634,433	
St Birinus School	4129	£152,066	£223,011	£146,632	£164,233	210,239	214,733	250,827	396,865	369,756	227,685	387,152	270,050	525,073		117,597
Didcot Girls' School	4139	£65,584	£52,263	£5,615	£7,773	36,309	102,712	66,356	21,372	(5,096)	(2,585)	(124,257)	165,427	132,945		5,272
Wallingford School	4140	£75,542	£41,541	£68,311	£65,483	60,331	48,611	(6,640)	(220,373)	(86,862)	(74,756)	(7,097)	30,321			25,000
Faringdon Community College	4141	£(9,149)	£(5,634)	£100,753	£(32,896)	(175,526)	(75,058)	102,025	65,666	146,942	51,369	34,490	65,535	152,075		152,075
King Alfred's Community and Sports College	4142	£(237,005)	£(246,659)	£(162,161)	£(153,668)	(108,748)	31,096	144,908	225,653	(74,518)	(713,200)	(191,038)	241,835			351,523
St Gregory the Great VA Catholic Secondary Sch	4145	..	..	..	..	(72,043)	(460,354)	(435,939)	(546,686)	(82,237)	(14,872)	(316,406)	169,814	215,739		245,599
The Marlborough Church of England School	4560	£(97,252)	£(99,353)	£(54,170)	£70,012	132,352	144,634	196,036	92,204	151,286	222,165	36,772	(57,312)	124,033		156,867
Lord Williams's School	4580	£186,888	£294,354	£338,251	£326,539	301,396	326,883	260,256	358,211	548,309	456,520	330,687	399,778	492,831		562,494
Blessed George Napier Catholic School	4600	£107,304	£169,205	£122,420	£75,440	119,743	191,876	120,559	96,587	183,415	72,812	46,792	36,550	578,637	645,523	