

SCHOOL BUDGET RESERVES 2003-04**Overall Outturn 2003-2004**

1. The aggregate of school balances, including balances from DfES capital grants, at the end of 2003-4 was as follows –

	2002/03 £'000	2003/04 £'000	Increase/ (decrease) £'000
Primary	3,065	4,541	1,476
Secondary	1,165	1,721	556
Special	430	417	(13)
Total	4,660	6,679	2,019

2. The breakdown between capital and revenue was -

	Capital £'000	Revenue £'000	Total £'000
Primary	887	3,653	4,541
Secondary	124	1,597	1,721
Special	130	288	417
Total	1,141	5,540	6,679

3. The average size of balances per school at the end of 2003-2004 were as follows –

	Average	Maximum	Minimum
Primary 2003/04	£53,419	£164,140	£2,681
Secondary 2003/04	£122,929	£354,782	-£104,879 Deficit
Special 2003/04	£104,340	£154,119	£61,646

4. An important feature of school balances in Herefordshire is that they are relatively high in smaller schools, especially in primary schools as the following figures indicate.

No of pupils - Primary	No of schools	Average balance	Average per pupil
1-100	37	£44,412	£619
101-200	29	£53,855	£356
201+	18	£74,200	£218

These balances are for most schools a sensible safeguard against the need for sudden change, bearing in mind that the average cost of a teacher each year is £25,000.

Detailed Explanations of level of Balances

1. **Devolved Capital grants +£403,000 (£17 per pupil)**

Balances have increased by £403,000 due to schools saving for new capital projects over a period of three years as permitted by the national rules for the devolved capital scheme. Typical projects that schools save up for are new ICT suites and minor building improvements.

2. **Unspent contingencies +£528,000 (£22 per pupil)**

Under the new funding arrangements (EFSS), unspent contingencies in the schools budget must be allocated to schools before the year-end.

3. **Additional pupil numbers and SEN entitlement +£156,000 (£7 per pupil)**

Reserves held for in-year increases for pupil numbers and new banded SEN funding were distributed at the year-end.

School improvement funding £485,000 (£20 per pupil)

Schools are required to agree how this money is spent on school improvement projects with their Inspector so most will plan ahead for spending in the new academic year.

4. **Interest +£123,000 (£5 per pupil)**

Interest can be calculated and added to school budgets only after the end of the financial year as it is calculated on the average balance throughout the year.

5. **Remainder +£324,000 (£13 per pupil)**

The remainder of £324,000 is due to a growth in school revenues and cautious budget planning and spending by schools, much of it designed to cushion the effects of problems (especially falling rolls) anticipated for future years. This will include a significant amount for Standards Fund budgets which are now allocated on an academic year basis (i.e. there is a carry forward to the end of August 2004).