

Directors of Education – England

Dear Colleague

School Balances Tool

We are launching today a new management toolkit to support councils' work in managing school balances. This builds upon initial work undertaken as part of our 2004 Education Funding report. It covers all 150 LEAs in England and is intended to provide councils and auditors with key information about how effectively school balances are being managed, what are the trends, and the distribution of surpluses and deficits.

You will know that our original report and conclusions were based on inspection findings and detailed work with 15 councils. We found that overall forecasts made in spring 2003 of significant reductions in overall school balances have not been realised. The information which is contained in this tool shows the position for each council in the country and confirms a picture that overall net balances have in fact risen from £1.19 billion overall to £1.315 billion by the end of March 2004. This however conceals much detail which is presented in this tool.

This risk assessment tool presents overall school balances, by council, at 31 March 2003 and 31 March 2004, by sector (primary, secondary, special). An individual council may be selected to compare the overall position of balances (highlighting overall surpluses and deficits) in its schools, with those in similar councils and in the country as a whole. This tool can be used by your local authority to help with self evaluation and benchmarking against education statistical neighbours, similar authorities, and regional and national comparators.

Although councils will have individual strategies for managing balances, we hope that bringing this data set together in a single tool will be a welcome addition to your management information.

The toolkit is available on the Audit Commission website for download at <http://www.audit-commission.gov.uk/schoolbalances/>.

We would like to acknowledge the contribution of DfES in providing the Audit Commission with the funding data.

If you would like further information about this toolkit, please contact Tim Aldridge at t-aldridge@audit-commission.gov.uk.

Yours sincerely



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