
Meeting: Schools Forum
Date: 28 September 2009
Subject: Surplus Balances
Report of: Deputy Chief Executive and Director of Children, Families and Learning
Summary: To update the Schools Forum on the School's Surplus Balances

Contact Officer: Dawn Hill, Borough Hall, Bedford
Public/Exempt: Public
Wards Affected: All
Function of: Council
Reason for urgency (if appropriate)

RECOMMENDATIONS:

- 1. To discuss and comment on the latest update from the Surplus Balance Sub Group.**
- 2. That the 27 school exceeding the surplus balance, but below the additional criteria of £10,000 or one percent of the School Budget Share be allowed to retain the surplus balance, be approved.**
- 3. That the four schools where the Sub Group accepted the information supplied in support of the Schools excess balance, be approved.**
- 4. The remaining 15 schools with 'minded to' claw back recommendation be subject to an appeals meeting and brought back to the next meeting.**

Background

1. The Scheme for Financing Schools, Section 4, details the treatment of surplus balances arising in relation to budget shares (Appendix A). Where schools have a surplus balance that exceeds the prescribed thresholds, the Governing Body are required to put in place a financial plan to reduce the surplus to below the threshold. The plan is reviewed and agreed by the Sub Group of the Schools Forum each year and monitored to ensure such surpluses are used appropriately for the benefit of the school. However, If the Sub Group is minded to believe that a school is not retaining the balance for appropriate reasons, then a process will be started to recycle the funds in excess of the threshold.

2. Members of the Surplus Balance Sub Group:

Shirley Anne Crosbie, Headteacher, Glenwood Special
 Ian Greenley, Church of England Diocese Representative
 Malcolm Griffiths, Governor, Eaton Bray Lower
 Richard Holland, Governor, Harlington Upper
 Jim Smart, Headteacher, Shelton Lower

3. The Surplus Balance Sub Group met on the 10 June and 26 June 2009 where 46 out of the 139 Central Bedfordshire Schools balances were presented as being above the agreed thresholds.

4. Further to the School Forum meeting of the 29 June, it was resolved that minutes of the meetings from the Surplus Balance Sub Group would be circulated to all members of the full School Forum, giving the opportunity to review and pass comments on the process followed and recommendations. In particular, to the recommendation, **not** to continue with the additional allowance of £10,000 or 1% of SBS, above the agreed thresholds, that had been previously applied under Bedfordshire County Council. Comments were requested back by the 7 July (Appendix B).

Update on progress

5. Responses were limited to two School Forum members, requesting the additional allowance to stand for the 2008/09 balances. A further letter was sent via the Chairman with particular emphasise to the additional allowance, requesting all forum members to respond either accepting or declining the removal. Responses were requested by the 10 July (Appendix C). Nine further responses were received agreeing the additional allowance should stand for the 2008/2009 balances.

6. Letters have been sent to all 46 schools with an excess surplus balance outlining 'minded to' recommendation, for their return in September: Each letter has been individualised stating the 'minded to' recommendation and detailing any further requirements (See table 1 below). The deadline for further information to be received from schools is the 30 September; failure to submit this information will result in the Sub Group recommending the additional surplus balance to be 'clawed back'.

Table 1

	Total no of Schools in Phase	Total No of Schools Surplus Balance each phase	No of Schools Below Criteria	No of Schools Explanation / Evidence accepted	Schools Recommend no Claw back subject to further information		Schools Recommend for Claw back	
					No	Amount	No	Amount
Nursery	4	2	0	1	1	£ 1,063	0	0
Lower	95	31	19	2	4	£46,216	6	£ 64,395
Middle	24	6	3	0	0	0	3	£151,168
Upper	10	2	2	0	0	0	0	0
Special	6	5	3	1	0	0	1	£ 5,830
Total	139	46	27	4	5	£47,279	10	£221,393

Next Steps

7. The Sub Group is to re-convene on the 1 October to discuss any additional evidence received from the 15 Schools with 'minded to' recommendations. The Sub Groups 'minded to' recommendations will be brought back to the next full School Forum meeting,

Appendices:

Appendix A – Extract from Scheme for Financing Schools (April 2008 – March 2011)

Appendix B – Letter from Chairman dated 30 June 2009

Appendix C – Letter from Chairman dated 9 July 2009