
Meeting: Schools Forum
Date: 19 October 2009
Subject: Surplus Balances
Report of: Acting Chief Executive/Deputy Chief Executive and Director of Children, Families and Learning
Summary: To present the recommendations from the Surplus Balance Sub Group.

Contact Officer: Dawn Hill, Borough Hall, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

- 1. To accept the recommendation from the Sub Group that sufficient documentation has been presented in support of the surplus balances for 14 out of the 15 schools and therefore no claw back proposed.**
- 2. That the remaining school's surplus balance not be clawed back subject to an additional clause stating that the use being directed at the proposed Capital Project.**

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. Following an update on Surplus Balances at the Schools Forum meeting held on 28 September, it was resolved:

- that the 27 schools exceeding the allowed surplus balance as per the Scheme for Financing Schools **be allowed** the additional allowance of £10,000 or 1% and therefore permitted to retain their surplus balance;
- that the four schools where the Sub Group accepted the information supplied be permitted to retain their balance; and
- that the remaining 15 schools with 'minded to' claw back recommendation be subject to an appeals meeting on 1 October 2009.

Appeals meeting – 1 October (Minutes – Appendix B)

5. 15 schools were subject to review, having received a full compliment of further information. The information that had been requested can be put under three broad headings:

- (i) clarification of Capital Projects and use of Devolved Formula Capital ahead of Revenue contribution;
- (ii) five year budget plans revised to reflect balanced budget or reduction in surplus; and
- (iii) confirmation of attendance at year end training courses.

6. The information provided was of a higher standard than in previous years which suggested that the process is of value to the schools. The request for revised budget plans for the five year period has helped direct the schools attention to possible future concerns.

7. One sub group member was present and therefore agreement of the recommendations from the remainder of the sub group was received via e-mail. One group member requested to abstain from one of the recommendations due to conflict of interest.

Appendices:

Appendix A – Extract from Scheme for Financing Schools (Sept 2009 – March 2011)
Appendix B – Minutes from Surplus Balance Sub Group of 1 October 2009