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**Meeting:** Schools Forum  
**Date:** 20<sup>th</sup> September 2010  
**Subject:** School Surplus Balances  
**Report of:** Deputy Chief Executive and Director of Children's Services  
**Summary:** To update the Schools Forum on the proposals of the Surplus Balance Sub Group

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Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency  
(if appropriate)

**RECOMMENDATIONS:**

- 1. To note the latest update from the Surplus Balance Sub Group.**
- 2. To approve 17 schools holding balances in accordance with the additional criteria of £10,000 or one percent of the School Budget Share be allowed to retain their surplus balances.**
- 3. To agree a letter be sent to all schools advising that the additional allowance will not be in place for balances arising beyond 2009/10.**
- 4. To approve the nine schools where the Sub Group accepted the information supplied in support of the Schools excess balance to retain the surplus balance.**
- 5. To approve further information be requested from the remaining eight schools with 'minded to' clawback recommendation be subject to an appeals meeting. The results to be brought back to the next meeting.**
- 6. Approve the school with extenuating circumstances and heavily supported by the LA not be subject to clawback.**

## Background

1. The Scheme for Financing Schools, Section 4, determines 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 plans are reviewed and agreed by the Sub Group of the Schools Forum annually and monitored to ensure such surpluses are to be used appropriately for the benefit of the school. However, if the Sub Group is minded to believe this not to be the case, excess funds can be recycled through an agreed process.
2. The total Revenue Surplus Balance for Central Bedfordshire Schools for 2009/2010 was £7.9m. After the declaration of committed balances (Earmarked funds), 35 of the 138 Central Bedfordshire Schools were referred to the Surplus Balance Sub Group holding balances above the defined thresholds.
3. It was agreed at the Forum meeting on 28<sup>th</sup> June 2010 that the main forum sub group would be the Technical Funding Sub Group. Membership as follows:-

Shirley Anne Crosbie, Headteacher, Glenwood Special  
Ann Bell, Headteacher Willow Nursery  
Bill Hamilton, Roman Catholic Diocese Representative  
Jim Parker, Chair of Schools Forum and Headteacher Manshead Upper  
Richard Holland, Governor Harlington Upper.

As there is not a sub group specifically designated for Surplus Balances, the above group were invited to attend.

## Update

4. The Sub Group met on the 22<sup>nd</sup> July 2010 (Minutes attached Appendix B). The group proposed that as in previous years, a further allowance of £10,000 or 1% of the School Budget Share (SBS) would be given in addition to the allowable threshold of 8% (Nursery, Lower and Special Schools) and 5% (Middle and Upper). This reduced the number of schools by 17.
5. It was further proposed that this additional allowance would apply to 2009/10 balances only. This would steer schools to reduce balances in line with the revision to the Scheme for Financing Schools reducing the thresholds allowable for the 2011/12 financial year.
6. Each school was discussed in detail and supporting documentation reviewed. The group accepted and proposed no claw back to nine of the eighteen schools.
7. One school experiencing extenuating circumstances, with significant support from the Local Authority, was also proposed by the group to not be subject to claw back. Also under such circumstances should not have been subject to the group.
8. The Sub Group recommended 'minded to claw back' pending further information for the remaining eight schools.

Table one below summarises the overall position.

**Table 1**

	Total no of Schools in Phase	Total No of Schools with Surplus Balances (after Earmarked Funds)	No. of Schools below £10,000 or 1% SBS	No, of Schools Explanation / Evidence accepted	Minded to claw back	
					No.	Amount
Nursery	4	4	0	3	1	£57,800
Lower	95	25	12	6	7	£235,160
Middle	24	3	3	0	0	
Upper	9	1	1	0	0	
Special	6	2	1	1	0	
<b>Total</b>	<b>138</b>	<b>35</b>	<b>17</b>	<b>10</b>	<b>8</b>	<b>£292,960</b>

### Next Steps

9. The proposed deadline for further information being the 30<sup>th</sup> September, with the Sub Group re-convening early October to bring final recommendation to the School Forum at the 1<sup>st</sup> November meeting.

### Appendices:

Appendix A – Extract from Scheme for Financing Schools (September 2009 to March 2011)

Appendix B – Minutes from the meeting of the Sub Group on 22<sup>nd</sup> July 2010