
Meeting: Schools Forum
Date: 1 November 2010
Subject: School Surplus Balances
Report of: Deputy Chief Executive and Director of Children Services
Summary: To present the recommendations from the Surplus Balance Sub Group

Contact Officer: Dawn Hill, Technology House, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency
(if appropriate)

RECOMMENDATIONS:

To accept the recommendation from the Sub Group that sufficient documentation has been presented in support of the surplus balances for all 8 schools and, therefore, no claw back proposed.

Background

1. The Scheme for Financing Schools, Section 4, details the treatment of surplus balance arising in relation to budget shares (Appendix A). Where schools have a surplus balance that exceeds the prescribed threshold, the Governing Body are required to 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 not provided with evidence to give assurance that a school is retaining the balance for appropriate reasons, then a process will commence to recover the funds in excess of the threshold.
2. It was resolved at the School Forum meeting of the 28th June 2010 that the main sub group would be the Technical Funding Sub Group. Membership is as follows:-

Shirley Anne Crosbie
Ann Bell
Bill Hamilton
Jim Parker

Richard Holland

Headteacher, Glenwood Special
Headteacher, Willow Nursery
Roman Catholic Diocese Representative
Chairman of Central Bedfordshire Schools
Forum and Headteacher, Manshead Upper
Governor, Harlington Upper

At the meeting of the 20th September further representation was requested from Lower and Middle Schools.

3. The Surplus Balance Sub Group met on 22nd July 2010 where 35 out of 138 Central Bedfordshire School balances were presented as being above the agreed thresholds.
4. Following an update on Surplus Balances at the Schools Forum meeting held on 20th September 2010, it was resolved:
 - that the 17 schools holding balances in accordance with the additional criteria of £10,000 or one percent of the Schools Budget Share (SBS) be allowed to retain their surplus balance;
 - that a letter be sent to all schools advising that the additional allowance will not be in place for balances arising beyond 2009/10;
 - that nine schools, where the Sub Group accepted the information supplied in support of the Schools excess balance, be permitted to retain the surplus balance;
 - that the school with extenuating circumstances and heavily supported by the Local Authority (LA) would not be subject to clawback;
 - that further formation be requested from the remaining eight schools with 'minded to' clawback recommendation, be subject to an appeals meeting. The results would be brought back to the next meeting of the School Forum.

Appeals Meeting -

5. Eight schools were subject to review, having received a full complement of further information. The information that had been requested can be put under two broad headings:
 - (i) Clarification of capital projects and repairs and maintenance
 - (ii) Clarification regarding payment of redundancies and/or safeguarding and sustainability of staffing structures funded by surplus balances
6. The information provided was of a higher standard than that submitted for the original deadline in May 2010, which suggested that the process is of value to the schools.
7. The Sub Group did not feel it necessary to meet to discuss the additional information supplied as a detailed report would be sufficient. The report was emailed to the members of the Sub Group on the 7th October seeking their views on the acceptability of the supplementary information and their proposed recommendation to the Schools Forum.
8. The group unanimously proposed that a no clawback recommendation for all eight schools be submitted to the School Forum.

Appendices:

Appendix A – Extract from Scheme for Financing Schools (September 2009 to March 2011)
Appendix B – Report of Supplementary information submitted