

Dear Headteacher

At the Schools Forum meeting on 18<sup>th</sup> September 2017 a report was presented informing the group the final outturn position for Schools for the financial year 2016/17. This included those schools that were holding balances above those permitted in the Scheme for Financing Schools (Section 4.2 Controls on Surplus Balances and Appendix E). The report can be found by following the link

<http://centralbeds.moderngov.co.uk/ieListMeetings.aspx?CommitteeId=662>

The uncommitted revenue balances should be no greater than

*10% of the current year's individual school budget share for secondary and special schools and 15% for primary and nursery schools*

The following list of purposes and/or projects which may be permitted by the Authority for deduction from the schools surplus balances when calculating the claw-back amounts include:

- Revenue contribution to a specific capital project which has been costed and planned for the use of devolved formula capital received or described in the LA capital programme, including ICT and equipment.
- Managing short-term implications of pupil numbers whilst class and/or staffing structures are revised.
- Managing long-term unexpected staff sickness.
- Monies held on behalf of another school that will be distributed or spent in the next financial year.

All such expenditure must be clearly costed and identified within the school's financial plan submitted to the Authority.

As your school is currently holding surplus revenue balances (reported on CFR in B02) above those permitted, I would be grateful if you could submit supporting information substantiating the rationale for the excess (Governors minutes showing proposed spend, quotes etc). Your information will be presented to a Sub-Group of the Schools Forum who will consider the explanations provided by schools and make recommendations to the Authority, it is the Authority that will ultimately determine whether deduction of 'excess balances' is to be made.

Can you please ensure all relevant papers are forwarded as a matter of urgency and no later than the 6 October 2017 to be considered. Non submission will assume the funding is not required.

Thank you.