

Report to: Schools Forum

Date: 11th November 2011

Report of: Director of Childrens Services
Director of Corporate Resources

Report No:

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Report Title: **Surplus Balance Applications 2011/12**

**Confidential /
Non Confidential:**

This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:

The report sets out Surplus Balance applications received from Schools.

Recommendations:

The Schools Forum is asked to note the contents of this report and offer its views in relation to the proposals with regard to school balances at 31.3.11, in that:-

- approval is given to Our Lady of Lourdes to carry forward any surplus over 8%, to the value of £19,000.
- Any school, apart from Our Lady of Lourdes, with a balance above the permitted level of 8% (5% in Secondary Schools) will have balances above the permitted level withdrawn.
- Redistribution of any withdrawn balances will be in line with the Surplus Balance Control System, as set out in the Scheme for Financing Schools:-
"These funds are ringfenced and allocated to the sector from which they derive e.g. surplus balances accruing from primary schools would be allocated to primary schools holding less than 8% surplus balance; surplus balances accruing from secondary schools would be allocated to secondary schools holding less than 5% surplus balance"
- Pupil focussed community facilities funds will be included in the surplus balance calculation from 2012/13 financial year.

**Background
Doc(s):**

1. Introduction

At 31st March 2011, 4 schools held balances above the permitted level of 8% (5% in Secondary schools).

One School, Susan Issacs, had permission and retained the balance, the other 3 schools had balances withdrawn and redistributed to other schools.

2. 2011-12 Applications

Schools were written to in September setting out the same procedure, that if balances remained above the permitted level at 31st March 2012 then any balance above would be withdrawn, unless this was pre agreed.

Returns have been submitted from 7 schools.

3. Current position and Proposals

The majority of the applications relate to building works and most of these are due to be completed before the end of the financial year therefore approval to carry forward balances would not be necessary. If any of the schemes overrun then the school would have the opportunity to transfer the committed cost to the council's capital reserve and pay the remaining scheme costs from this reserve.

The only application that does not relate to building works is by Our Lady of Lourdes. The Headteacher has been assisting at another school to cover the absence of the substantial Head. Our Lady of Lourdes has received £19,000 for this support and the Governors have not had sufficient time to put plans in place for the use of the additional income.

4. Community Facilities

Several schools operate pupil focused community facilities, for example paid daycare, using a separate fund alongside school budget.

This provision is a revenue activity, using the school premises and often employing the same staff.

Until now, the funds held in these accounts are not included in the surplus balance calculation, however they are included in the Section 251 outturn and Consistent Financial Reporting (CFR) statements.

It is proposed that from 2012/13 financial year these balances will be included in the surplus balance calculation.

5. Recommendations

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- approval is given to Our Lady of Lourdes to carry forward any surplus over 8%, up to the value of £19,000.
- Any school, apart from Our Lady of Lourdes, with a balance above the permitted level of 8% (5% in Secondary Schools) will have balances above the permitted level withdrawn.
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- Pupil focussed community facilities funds will be included in the surplus balance calculation from 2012/13 financial year.

Applications Received from Schools re Surplus Balances		Annex A
School	Reason	Amount
Sunninghill	Building Project to significantly enhance early years provision	£ 25,000
Highfield	Work commencing in January for additional classrooms to move from 45 intake to 60 intake. Work is commencing in January 2012	£30,000
Eagley Juniors	Roof Repairs – hopefully will be completed by end of March	£8,400 (Scheme costs £40,000)
Greenfold	Specialist Play Area	£47,000
St Michaels	School expansion and Kitchen Equipment	£40,000
Our lady of Lourdes	Headteacher has been assisting at another school to cover the absence of the substantial Head. Our Lady of Lourdes has received £19,000 for this support and the Governors have not had sufficient time to put plans in place for the use of the additional income	£19,000
Harper Green	Building Works identified in recent survey	£57,500