

TITLE OF REPORT: Schools Surplus Balances Review of 2016/17 Licences

Purpose of the Report

1. To update Schools Forum on the use of Schools Surplus Balances licences granted in 2015/16 for balances as at 31 March 2016 and multi-year licences already held.

Background

2. In January 2007 Local Authorities (LA's) were directed by the Secretary of State for Education to make certain directed revisions to their Schemes for Financing Schools.
3. Under the directed revisions a local authority scheme was required to include a mechanism to control school surplus balances. These revisions should have come into effect from 1 April 2007, but were only implemented for Gateshead Schools from April 2008.
4. Under the regulations in effect for 2011/12, Schools were permitted to have an "unlicensed" carry forward amount that is equal to or less than 8% for Special and Primary Schools, and 5% for Secondary Schools of the next financial year's School Budget Share. Under the current regulations LA's could review their clawback mechanism and, as per report to Schools Forum in March 2012, limits were raised. For Primary and Special Schools the new thresholds are 16% or £20,000 and 10% for secondary schools.
5. The Schools "Surplus Balance" is calculated using the schools closing balance as at the end of the financial year less; additional grants, pupil premium, any known prior year commitments, and the calculated "unlicensed" amount.
6. In order to comply with these requirements schools were issued with the following information: -
 - An application form for a licensed Surplus balance
 - The list of permissible exemptions
 - Control of Surplus Balances Procedure
7. Following the approval of licensed surpluses for 2015/16, schools were charged with spending and reporting their spend against the granted licence in accordance with the Schools Surplus Balance Procedure.
8. Schools that have been granted a multi-year licence have up to three financial years to use their licensed surplus. Appendix 1 provides a summary of the surplus balances held by the schools as at 31 March 2017.

Surplus Balance Licences

9. At the end of the 2016/17 financial year the total amount of surplus balances held under previous year's licences was £33,760 which is a reduction of £420,559 from £454,319.

Proposal

10. That Schools Forum notes that Schools surplus balances have reduced by £420,559, and all schools will continue to have their licences monitored.

Recommendation

11. It is recommended that Schools Forum Notes: -

- Surplus Balance licences have reduced by £420,559 during 2016/17

For the following reason(s):

- To ensure that the Control of Surplus Balances Procedure is adhered to in a clear, fair and transparent manner.

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Appendix 1

Costc(T)	Account	Approved Budget	Virements	TOTAL BUDGET	Amount	VARIANCE
Bensham Grove Nursery School		0.00	0.00	0.00	0.00	0.00
Washingwell Primary		0.00	0.00	0.00	0.00	0.00
Corpus Christi RCP		12,954.00	0.00	12,954.00	12,954.00	0.00
Dryden School		0.00	0.00	0.00	0.00	0.00
2014/15 Surplus Bal In Year Licence	S0037	12,954.00	0.00	12,954.00	12,954.00	0.00
High Spen Primary		29,294.00	0.00	29,294.00	23,655.99	-5,638.01
Washingwell Primary		15,000.00	0.00	15,000.00	15,000.00	0.00
St Josephs RCP Gateshead		38,404.00	0.00	38,404.00	38,404.00	0.00
St Oswalds RCP		89,071.00	0.00	89,071.00	89,071.00	0.00
Furrowfield School		0.00	0.00	0.00	0.00	0.00
2014/15 Surplus Bal Multi Year Licence	S0038	171,769.00	0.00	171,769.00	166,130.99	-5,638.01
Bensham Grove Nursery School		40,052.00	0.00	40,052.00	40,052.29	0.29
Harlow Green Primary School		80,346.00	0.00	80,346.00	80,346.41	0.41
Corpus Christi RCP		78,870.00	0.00	78,870.00	57,781.65	-21,088.35
St Josephs RCP Gateshead		37,540.00	0.00	37,540.00	37,540.00	0.00
St Josephs Catholic Inf Birtley		24,501.00	0.00	24,501.00	17,467.60	-7,033.40
St Agnes RCP		8,287.00	0.00	8,287.00	8,286.55	-0.45
2015/16 Surplus Bal Multi Year Licence	S0041	269,596.00	0.00	269,596.00	241,474.50	-28,121.50
Total		£454,319.00			£420,559.49	-£33,759.51