
TITLE OF REPORT: Extension of Surplus Balances Licence

Purpose of the Report

To bring to Schools Forum for the ratification of a request to extend a surplus balance licence.

Background

In January 2007 Local Authorities were directed by the Secretary of State for Education to make certain directed revisions to their Schemes for Financing Schools.

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 1st April 2007, but were only implemented for Gateshead Schools from April 2008.

Under the regulations in effect for 2011/12 Schools are 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 new 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 would be 16% or £20,000 and 10% for secondary schools.

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.

Surplus Balance Licences

Corpus Christi Catholic Primary Schools was granted a surplus balance licence for one year, part of the licence was for the refurbishment of toilets at the school. Unfortunately the work did not start as anticipated and as the toilets are required in term time, work can only be undertaken during holidays.

The work was started during February half term, the second phase was completed during the Easter holidays, and decoration may have to take place after this date.

Proposal

That Schools Forum ratifies the extension of the surplus balance licence due to the late start of the refurbishment of pupil's toilets.

Recommendation

It is recommended that the Schools Forum ratifies the decision to extend Corpus Christi's surplus balance licence due to the late start of the refurbishment of the toilets.

For the following reason(s):

- To ensure that the Control of Surplus Balances Procedure is adhered to in a clear, fair and transparent manner.
- To enable the balance to be carried forward into 2016/17 when the refurbishment will be completed.

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