

Item 6

TITLE OF REPORT: Schools Surplus Balances Review of 2015/16 Licences

Purpose of the Report

1. To update the Schools Forum on the use of Schools Surplus Balances licences granted in 2014/15 for licences granted for balances as at 31st March 2015 and multi-year licences already held.

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.

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

Following the approval of licensed surpluses for 2014/15 Schools were charged with spending and reporting their spend against the granted licence in accordance with the Schools Surplus Balance Procedure.

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 31st March 2016.

Surplus Balance Licences

At the end of the 2015/16 financial year the total surplus balances held under previous years licences was £184K which is a reduction of £231K from £415K

Proposal

That the Schools Forum notes that Schools surplus balances have reduced by £231K, and all schools will continue to have their licences monitored.

Recommendation

It is recommended that the Schools Forum Notes: -

- Surplus Balance licences have reduced by £231K during 2015/16

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	Costc(T)	Account	Approved Budget	Virements	TOTAL BUDGET	Amount	VARIANCE
S1000	Bensham Grove Nursery School		57,670.00	0.00	57,670.00	57,670.00	0.00
S2231	Fellside School		20,608.00	0.00	20,608.00	20,608.00	0.00
S2238	Harlow Green Primary School		33,705.00	0.00	33,705.00	33,705.00	0.00
S3313	Corpus Christi RCP		62,353.00	0.00	62,353.00	49,399.20	-12,953.80
	S0037		174,336.00	0.00	174,336.00	161,382.20	-12,953.80
S2168	High Spen Primary		74,356.00	0.00	74,356.00	45,061.85	-29,294.15
S2194	Washingwell Primary		26,965.00	0.00	26,965.00	11,965.00	-15,000.00
S3317	St Josephs RCP Gateshead		50,648.00	0.00	50,648.00	12,243.94	-38,404.06
S3318	St Oswalds RCP		89,071.00	0.00	89,071.00	0.00	-89,071.00
	S0038		241,040.00	0.00	241,040.00	69,270.79	-171,769.21
			415,376.00	0.00	415,376.00	230,652.99	-184,723.01