

Schools Forum

12 June 2007

Properly Assigned Projects

Members of the Schools Forum are Requested to Receive this Report for Information
--

1. Purpose of the Report

The purpose of the report is to inform members of the Schools Forum about the application of the Balance Control Mechanism in Walsall's schools.

2. Background

The DfES recently made directed revision's to Walsall's Scheme of Financing Schools. One revision was the introduction of a Balance Control Mechanism. Schools who wish to hold balances above the level supported by the scheme must apply to have spending projects deemed as 'properly assigned'.

If, after the closedown of the Council's accounts on 31 May 2007, any school carries balances above agreed limits and no properly assigned projects have been agreed, the Authority is obliged to reduce the school's balance to the maximum agreed level. Any monies deducted from schools have to be returned to the ISB.

3. Method

Governors were requested to supply the Authority with details of any spending plans they had drawn up for their schools, which would involve building up balances beyond agreed limits. Governors were requested to link spending intentions to School Development Plans and to provide a time-line, giving detail of when spending would take place.

The Director for Learning (Resources) assisted by the Strategic Leader (Primary), the Strategic Leader (secondary) and the Strategic Leader (School Organization, Admissions, Capital & Asset Management) considered the applications received.

Schools were subsequently informed of the outcome of their requests. Details of all requests received have been maintained for monitoring purposes, as in some case, where large scale building projects are concerned, further requests for 'proper assignment' may need to be made in the next financial year and the Authority must be satisfied that projects are being undertaken in reasonable time-scales.

4. Results

- Requests to carry forward balances greater than the agreed limit in the scheme were received from 64 of Walsall's schools. The majority of schools presented clear, incisive information which was of great help in the decision making process.
- In six cases, the requests were unnecessary as the schools concerned were not intending to carry forward funds above the agreed levels.
- In three cases, further details of spending plans had to be requested from schools, so that a reasoned decision could be made.
- Four schools presented late requests but as these were received before the close-down of accounts on 31 May, it was possible for exceptional arrangements to be made, so that they could be considered
- Finally, all schools making requests for properly assigned projects had the projects agreed.
- It is anticipated that the total amount held in school balances will reduce by approximately £2m as a result of the implementation of the Balance Control Mechanism

5. Recommendation

The Schools Forum is recommended to forward a copy of this report to the Primary Headteachers' and Secondary Headteachers' forae.