

Education Walsall

Schools Forum

11 September 2007

Members of the Schools Forum are requested to receive this report for information

School Balances 2006/2007

1. Purpose of the Report

The purpose of the Report is to inform Members of the Forum of balances held by schools at the closedown of the 2006/07 year and to convey information on the use of the Balance Control Mechanism.

2. Background.

Schools are required to use the Consistent Financial Reporting Framework (CFR Framework) to report their income and expenditure in any given year. The CFR Framework also requires schools to record committed and uncommitted balances. The Department for Children, Schools and Families (DCSF) is anxious to ensure that available funds are spent on pupils currently attending school and that schools do not accrue balances that are unreasonably high.

Schools were obliged to include all unspent amounts from their 2006-2007 budget share and unspent Standards Funds. If any sums of money are not reserved for spending on projects agreed with the Authority as 'Properly Assigned' or committed as prior year liabilities, and the remaining balance is above the percentage agreed by the Schools Forum, the excess will be returned to the DSG for redistribution amongst schools.

3. Properly Assigned Sums

Requests were received from the Governors of 62 Walsall schools to carry money forward into the 2007-2008 financial year for a properly assigned project. Schools presented clear, incisive information about the projects they intended to initiate and, following guidance, produced a time-line showing the expected end-date of projects. The majority of requests related to building improvements or other improvements to the internal environment of schools. Other requests related to short-term curriculum initiatives or staffing adjustments designed to improve standards of achievement for an identified group of pupils. As many of the projects school shave requested to be 'properly assigned' relate to building and construction work, and such works are prove to slippage,

it is not possible to provide a spending forecast with absolute certainty. Schools are expected to spend up to £5m more in the 2007-2008 year.

This pattern of spending would reduce accrued balances to approximately £6m.

4. Balance Control Mechanism

After agreement was given to Properly Assigned Projects, two schools were found still to have reserves in excess of the levels agreed by the Schools Forum (5% for secondary schools and between 6% and 8% for primary and special schools).

The BCM clawed back £50k and £5k respectively from the schools concerned. The £55k must be returned to the School Budget of the authority for re-distribution.

5. Recommendation

Members of the Forum are requested to receive the report for information.