

## EDUCATION WALSALL

### Balance Control Mechanism

Using varying resource levels, indicated below are the levels of surplus balance that would be allowable in schools should the threshold suggested by the DfES be adopted.

In 2005/2006, resource levels in Walsall secondary schools ranged between 1.675 and 6.55 million and between 300,000 and 2.1 million in primary, nursery and specials schools.

		Total Resources	Allowable Surplus	DfES Threshold	Allowable Surplus using Alternate Option	Alternate Threshold
a	Secondary	5,000,000	250,000	5%		
b	Secondary	3,000,000	150,000	5%		
c	Secondary	2,500,000	125,000	5%		
d	Primary/Spec/Nursery	2,000,000	160,000	8%	120,000	6%
e	Primary/Spec/Nursery	1,500,000	120,000	8%	105,000	7%
f	Primary/Spec/Nursery	1,400,000	112,000	8%	98,000	7%
g	Primary/Spec/Nursery	1,000,000	80,000	8%	80,000	8%
h	Primary/Spec/Nursery	500,000	40,000	8%	40,000	8%

The application of a flat 8% across the primary, nursery and special sector appears to create an anomaly when comparing allowable balances in large primary schools with smaller secondary schools.

Regulation allows local authorities some limited flexibility around the percentage of threshold that can be implemented and Forum might wish to consider an alternate option, to that suggested by DfES, for primary, nursery and special schools.

The option outlined above continues to use an 8% threshold for primary, nursery and special schools whose income is 1,399,000 and below, with 7% used where income falls between 1,400,000 and 1,999,000 and 6% where income is in excess of 2 million.

The tables overleaf look in more detail at the impact using actual balances from 2005/2006 outturn figures.

Column 2 indicates the amount of surplus balance allowable. The threshold would be applied to the uncommitted balances shown in column 4 and the value of 'clawback', if any, shown in column 5.

In 2005/2006, 91% of schools would remain in the 8% threshold, with 9% be subject to the slightly lower thresholds of 7% and 6%.

In total, had a control balance mechanism been in operation in 2005/2006, the amount 'clawed back' from secondary schools balances of 2.1 million would have been 42K. From the 9.66 million balances held in the primary, nursery and special sector, a claw back 1.52 million would have been applied against 31 schools (29% of the total). When the alternate option was applied, the level of claw back increased slightly to 1.59 million.

**Table 1 DfES Recommended ie 8% Primary/Nursery/Special and 5% Secondary**

	1	2	3	4	5
<b>Sample Prim. Nurs. Spec.</b>	<b>Total Resources 2005/06</b>	<b>Allowable Surplus 8%</b>	<b>Committed Balances</b>	<b>Uncommitted Balances</b>	<b>Value of "claw back"</b>
Primary 1	2,084,379	166,750	0	94,302	-
Primary 2	1,648,337	131,867	0	234,939	- 103,072
Primary 3	1,427,442	114,195	58,412	45,342	-
Primary 4	1,289,575	103,166	147,057	139,036	- 35,870
Primary 5	1,114,752	89,180	83,298	41,365	-
Primary 6 Junior	1,108,150	88,652	88,500	87,866	-
Primary 7 Junior	939,993	75,199	94,537	136,836	- 61,637
Primary 8 Infant	911,328	72,906	0	67,206	-
Primary 9	657,958	52,637	0	109,608	- 56,971
Nursery 1	328,322	26,266	0	25,792	-
Nursery 2	318,357	25,469	27,576	48,744	- 23,275

  

<b>Sample Secondary</b>	<b>Total Resources 2005/06</b>	<b>Allowable Surplus 8%</b>	<b>Committed Balances</b>	<b>Uncommitted Balances</b>	<b>Value of "claw back"</b>
Secondary 1	6,516,499	325,825	0	367,553	- 41,728
Secondary 2	3,101,297	155,065	41,378	0	-

**Table 2 Alternate Option for Primary, Nursery & Special Schools**

<b>Applied Threshold</b>	<b>Sample Prim. Nurs. Spec.</b>	<b>Total Resources 2005/06</b>	<b>Allowable Surplus 8%/7%/6%</b>	<b>Committed Balances</b>	<b>Uncommitted Balances</b>	<b>Value of "claw back"</b>
6%	Primary 1	2,084,379	125,063	0	94,302	-
7%	Primary 2	1,648,337	115,384	0	234,939	- 119,555
7%	Primary 3	1,427,442	99,921	58,412	45,342	-
8%	Primary 4	1,289,575	103,166	147,057	139,036	- 35,870
8%	Primary 5	1,114,752	89,180	83,298	41,365	-
8%	Primary 6 Junior	1,108,150	88,652	88,500	87,866	-
8%	Primary 7 Junior	939,993	75,199	94,537	136,836	- 61,637
8%	Primary 8 Infant	911,328	72,906	0	67,206	-
8%	Primary 9	657,958	52,637	0	109,608	- 56,971
8%	Nursery 1	328,322	26,266	0	25,792	-
8%	Nursery 2	318,357	25,469	27,576	48,744	- 23,275

Summary

The tables demonstrate that across the examples used there is little difference between the two options under consideration and when applied to all schools there was little difference to the overall amount of claw back funding. The impact is more in relation to the comparative levels between larger primary and smaller secondary schools.



