

School Balances as at March 31st 2012

Extract from the Scheme for the Financing of Schools; SECTION 48 of the School Standards and Framework Act 1998 April 2012.....

”Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

a. the Authority shall calculate by 31st May each year the revenue surplus balance, if any, held by each school as at the preceding 31st March.

b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance

c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.

d. if the result of steps a to c is a sum greater than 5% of the current year's budget share for secondary schools; or £35,000 or 8% for primary and special schools, then the Authority shall deduct from the current year's budget share an amount equal to the excess.

Funds deriving from sources other than the authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.”

The mechanism allows for “properly assigned” amounts. If the plan for the use of balances meets one or more of the following criteria, the Local Authority will consider that amount of balances are properly assigned.

The criteria are:

i) Expenditure set aside for capital work which accords with the Council's Asset Management Plan priorities and there is an agreed timetable for the work.

ii) Planned investment on furniture and/or equipment clearly identified as a costed priority within the School Improvement Plan, as agreed by the full governing body.

iii) Planned building maintenance clearly identified as a costed priority within the School Improvement Plan, as agreed by the full governing body.

iv) The maintenance of staffing levels as set out in a 3-year budget plan approved by the full governing body.