Report of the Borough Treasurer

Item 9 - School Balance Control Mechanism 2013-14

Schools Forum

15th January 2014
1. Purpose of the Paper

1.1 The purpose of the paper is to seek approval and update members on a revision to the surplus balance control mechanism for 2013/14 for reducing school balances.

2. Current purposes for which surplus balances can be used

2.1 Members received and agreed a report at the meeting of 22 January 2013 outlining the changes to The Balance Control Mechanism scheme for 2013/14 in order to address the issues of surplus balances within schools. The new proposals were aimed at reducing schools balances, which in some schools continue to rise despite the approval of commitments to spend monies for approved purposes.

2.2 Currently there are three allowable purposes for which surplus balances can be used:

   - As a revenue contribution to capital projects within a time limited maximum two year period;
   - To maintain a reserve to fund staffing levels in the short/medium term due to a verified dip in pupil numbers;
   - To provide reasonable and proportionate resources to fund the impact of major changes in Government policy on the curriculum for multiple subject areas. Any decisions to retain surplus balances for this reason will be subject to review by the Local Authority.

3. An Addition to the Current purposes for which surplus balances can be used

3.1 This category will be for capital funds set aside for future years capital / lifecycle provision. Schools will be required to provide a summary business case explaining the reasons and this will be subject to review by the Local Authority. This should be for major items which may be considered unusual (e.g. replacement of 3G pitch) or especially significant building work.

4. Recommendations

   Members are recommended to note and approve the additional purpose for which surplus balances can be used as detailed in this report.