

**Wiltshire Council**

**Schools Forum**

**23 June 2011**

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## **Controls on Surplus Balances – Intended Use of Reserves 2009/10 Update**

### **Purpose of the paper**

1. To update Schools Forum on the use of reserves carried forward from 2009/10 in respect of those schools that exceeded the permissible revenue rollover threshold.

### **Background**

2. The Controls on Surplus Balances Scheme came into effect in the 2006/07 financial year.

3. The Scheme prescribes limits on schools revenue balances carried forward from one year to the next. Primary and Special Schools may carry forward 8% or £10,000, whichever is the greatest, and Secondary Schools may carry forward 5%.

4. Under the rules of the scheme schools may assign revenue balances in excess of the allowable thresholds for specific purposes as set out in the scheme, i.e. for projects of a capital nature and ring fenced grants.

### **Update on current position**

5. There were fifty one schools, at the end of 2009/10, who had balances in excess of their prescribed threshold. As part of the Controls on Surplus Balances Scheme monitoring process, the schools were required to confirm by 31<sup>st</sup> March 2011 that they had utilised the excess reserves for the purposes they had originally stated. If they had not, they were asked to describe how those reserves had or would be used.

6. Forty two schools were asked to complete an Intended Use of Revenue Balances Monitoring Return, or respond in writing, for the financial year 2009/10.

The remaining nine were not required to submit a return as follows:

- a) Closure – *one school*
- b) Conversion to academy status – *one school*
- c) Reserves assigned to trigger allocations made late in the 2009/10 year – *two schools*
- d) Reserves assigned to continuity of staffing as agreed in 2008/09 – *one school*
- e) Excess balance deemed immaterial – *one school*
- f) Reserves clawed back following an unsuccessful appeal to Schools Funding Working Group 2008/09 – *two schools*
- g) Referred to Schools Funding Working Group, decision deferred – *one school*

7. Responses from the forty two schools who were requested to confirm that they had utilised their excess reserves for the purposes they had originally stated can be summarised as follows:

- a) Forty one schools have confirmed that their reserves have been/or will be used as intended with eight reporting that expenditure is either delayed or ongoing
- b) One school advised that they were the banker school for the ICE cluster Collaborative Partnership Activities. The balance, which is unspent, will be returned to the Trowbridge Area Partnership.

### **Conclusions**

8. The returns indicate that schools have used, or intend to use, their reserves for the purposes they were originally intended with no reassignments being reported.

### **Recommendations**

9. Schools Forum is recommended to note the contents of this report.

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Unpublished documents relied upon in the production of this Report: NONE

Environmental impact of the recommendations contained in this Report: NONE KNOWN

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