

School Forum December 6th 2012

School Budget Returns and forecast balances

Extract from the Torbay Scheme for Financing Primary and Secondary schools

3.1.5 Managing surplus balances

a.

Governing Bodies must consider annually, as part of the budget-setting process, the level of surplus balances they intend to carry forward at the year-end.

b.

Surplus budget share balances held by schools are permitted under this scheme and are subject to the following restriction with effect from 1 April 2007

c.

The Council will calculate by 31 May each year the surplus balance, if any, held by each school at the preceding 31 March. For this purpose the balance will be recurrent balance category as defined in the Consistent Financial Reporting Framework, i.e. this will include delegated budget share balance, recurrent Standards Fund balance and School Standards Grant balances.

d.

The Council will deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance and any unspent Standards Fund grant for the previous financial year.

e.

The Council will 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. The categories of assignment for specific purposes are as follows:-

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Investment in curriculum initiatives.

Improvements in Premises and Facilities

Repairs and maintenance

Operational contingency

- f. If the results of steps a-e is a sum greater than 5% of the current year's budget share for secondary schools, or 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold), then the Council will deduct from the current year's budget share an amount equal to the excess.

Funds derived 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 the provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (Community Facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.

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.