

**CHILDREN AND YOUNG PEOPLE SCRUTINY COMMITTEE**  
**23rd JUNE 2008**

**SCHOOL BUDGET OUTTURNS AND PROPERLY ASSIGNED PROJECTS**

**SUMMARY REPORT**

**Purpose of the Report**

1. The purpose of the report is to inform Members of out-turns on Darlington school budgets for the 2007/08 year.

**Summary**

2. The 2007/08 financial year accounts have now been closed. Final reports were distributed to all schools on 21st May, 2008 detailing the year end position. Members will be aware that, on the direction of the Secretary of State, the Authority must remove surplus balances from primary and special schools if they exceed 8% of the budget share, and for secondary schools if their balance is more than 5% of the budget share. Any monies recovered from school budgets are returned to the DSG and the Schools Forum decides on their future disbursement.
3. Schools that have accrued balances to pay for specific projects can apply to the Authority to have a 'properly assigned sum' attached to the project. Properly assigned sums can be subtracted from the balances calculation.

**Recommendation**

4. It is recommended that the Children and Young People's Scrutiny Committee note the reduction in overall school balances over the past year and the properly assigned sums as declared by governing bodies.

**Murray Rose,**  
**Director of Children's Services**

**Background Papers**

There are no background papers associated with this report

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S17 Crime and Disorder	There are no issues arising from this report
Health and Well Being	There are no issues arising from this report
Sustainability	There are no issues arising from this report
Diversity	Spending balances on children already attending schools, rather than keeping them for the future helps schools develop buildings related and curriculum projects that reinforce their individuality and creativity.
Wards Affected	All

Groups Affected	Children in nursery, primary, secondary and special schools.
Budget and Policy Framework	This report is consistent with Darlington's Scheme for Financing Schools.
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	This report is consistent with Aspiring Darlington, where every child goes to school. Spending balances on the current cohort of children is more likely to broaden pupils' learning and potential.

## MAIN REPORT

### Information and Analysis

5. Recent revisions to the Scheme for Financing Schools as directed by the Secretary of State included a mechanism that controls surplus school balances. **Appendix A** is the paragraph which is included in the Scheme. **Appendix B** is a copy of the letter and proforma sent to all schools whose 2007/08 year end balance was above the threshold.
6. **Appendix C** provides a list of all schools balances for the financial year 2007/08 (Column A), including the balance as a percentage of the budget share (Column B). Column C represents the amount of balance in excess of the allowed threshold and Column D is the amount which the governing body of the school has declared to be assigned for specific purposes. **Appendix D** is a summary of those properly assigned sums as notified to the Authority, full copies of which are retained by Children's Services.
7. Overall, the total of schools balances has reduced from £2.5m as at the end of 2006/07 to £2.2m at the end of 2007/08, a reduction of £0.3m.
8. Any deficit balances are offset against surplus balances. As at the end of 2007/08, only one school was in a deficit budget situation and a recovery plan has been successfully produced to recover this small deficit.

### Impact on Looked After Children

9. There are no implications for looked after children.
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