

REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Schools' Forum
DATE OF MEETING:	21 April 2010
SUBJECT:	Local Authority School Carry Forward Policy
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IS THE REPORT EXEMPT?	No
IS REPORT CONFIDENTIAL?	No

SUMMARY

On 15th March 2010, the DCSF published guidance for Local Authorities (LA) on managing school surplus balances. A copy is attached at Appendix 1.

The purpose of this report is to seek the Schools Forum's views on this.

DISCUSSION

The LA introduced its school carry forward policy in April 2004, three years before the DCSF required all LAs to have such a policy.

Lincolnshire's policy is set out in the Scheme for Financing Schools and the relevant extract is shown below.

5.3 Carry Forward Balances

5.3.1 *From the financial year 2004/05 onwards, the Local Authority will restrict the level of schools' carry forwards.*

5.3.2 *For Nursery, Primary and Special schools, the Local Authority will allow schools to retain 8% of the school's budget share (including School Standards Grant) or £30,000 which ever is the greater.*

For Secondary schools, the Local Authority will allow schools to retain 5% of the school budget share (including School Standards Grant) or £30,000 which ever is the greater.

Schools with boarding houses will be allowed to retain an additional sum, this being the greater of 50% of the previous year's boarding income or £0.2m.

5.3.3 *In addition, schools will be permitted to retain funding for specific, time limited capital projects that are consistent with the school's Asset Management Plan priorities.*

5.3.4 *Final decisions on what qualifies as capital will rest with the Local Authority.*

5.3.5 *Any surplus balances above the specified level will be deducted and added to the Individual Schools Budgets and distributed to all schools.*

5.3.6 *The amount of a surplus balance will be shown in the relevant outturn statement published under Section 52.*

A number of important points arise from the DCSF' guidance:

- Appendix 1 represents guidance. It is not statutory, but the DCSF strongly suggests it is followed.
- Lincolnshire's policy can be regarded as having tight procedures in place which are successful in managing school balances. It is tightly defined and there is a presumption of clawing back surplus balances.
- By publishing this guidance, the DCSF is not advocating that LAs soften their approach to surplus balances.
- Lincolnshire's historical approach to monitoring schools has been such that it does not have the capacity currently, to challenge effectively all school balances, including those over the prescribed limits.
- Lincolnshire's policy clearly and tightly defines a committed balance. Only specific capital items are accepted above the specified limits.
- The LA makes allowance for schools holding money on behalf of other schools, or where it has unexpectedly allocated funds to schools late in the financial year.
- The LA treats Standards Fund grants separately and there appears little point in changing this now as these grants are due to end and be integrated in to the main school funding streams.
- To date, Lincolnshire has not withdrawn surplus balances from schools. The LA often receives requests from schools to carry forward surplus balances towards the end of a financial year, and sometimes after the accounts have closed. A hard line approach has not been taken in these circumstances and schools have been able to retain those sums, providing they have earmarked them for a specific capital project. Lincolnshire has a pre-authorisation process / proforma for schools to complete.
- The LA's process involves checking that schools have used their surplus funds in the way originally proposed by the school and approved by the LA.
- There is no doubt that some schools clearly see the current prescribed limits as targets. Given the difficulty all schools have in ensuring a precise level of carry

forward at year end, a number of schools drift over the limit and then have to earmark retrospectively the excess funds for capital projects. Efforts are being made to tighten up this aspect.

- Whilst it is clear that a nearly half of all LAs have clawed back surplus funds from some schools, the amounts involved are modest and, anecdotal evidence from East Midland LAs is that a great deal of disharmony is often created when clawback takes place.

Several schools have approached the LA in recent months to ask whether the carry forward limits can be increased or the list of permitted commitments extended, to allow extra funds to be carried forward to cover such matters as an anticipated fall in roll. However, as the DCSF' guidance indicates, schools are able to plan several years in advance; the 5% and 8% limits should not be regarded as targets, and; the underlying principle for the policy is that money allocated to schools each year should be spent on the pupils in school at that time. The guidance is clear that the intention is not for LAs to soften their approach and therefore there are no proposals to alter the policy at this time.

Officers consider that Lincolnshire has been proactive in introducing and subsequently refining its policy where necessary. The policy is tightly defined and therefore more likely to be effective than some other LAs' policies. No significant changes to the policy are therefore proposed at this point in time, but officers will continue to keep this under review and look to further improve its operation where possible. Any significant changes that are proposed will be brought back to the Schools Forum for approval.

RECOMMENDATIONS

The Schools Forum is asked to:

1. Note and consider the content of the report and the DCSF' guidance.
2. Support the proposal that no major change is made to the LA's policy at this time.

BACKGROUND PAPERS

The following reports were relied upon in the writing of this report.			
PAPER TYPE	TITLE	DATE	ACCESSIBILITY

Policy	Scheme for Financing Schools	June 2009	Assimilate & County Officers, Newland, Lincoln, LN1 1YQ
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APPENDICES

Appendix 1 – DCSF' guidance to LAs on managing surplus school balances
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Guidance for local authorities on managing surplus school balances**Issued 15th March 2010**

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Introduction

In 2009 the DCSF and LGA conducted a joint survey of local authorities on the subject of school balances, with a view to producing guidance for local authorities. We received responses from 119 local authorities (over three quarters), and these responses helped inform this guidance. As well as guidance we have provided a summary of the responses received from local authorities to each of the questions posed in the survey in Annex A, and accompanying tables in Annex B.

This is not statutory guidance but is likely to represent the direction of any action backed by statutory powers in the future and as such we strongly suggest it is followed. The tone of this guidance has been deliberately set to allow local authorities flexibility in setting local systems, which may include stricter requirements. It is clear from the survey responses that some local authorities already have tight procedures in place, which they find successful in managing school balances. For example, some have very narrow definitions of what can be classed as a committed balance and some have a presumption of clawback of all uncommitted funds. **Where strict local processes have been set in agreement with the Schools Forum this guidance should not be seen as advising a softening of this approach.** It is part of sensible financial planning to hold a small surplus, but schools should be spending their money on children in schools now, and local authorities should take strong action where schools have excessive surpluses except where they are very clearly and accurately justified.

The latest balance figures, for 2008-09, indicate that balances have come down for the first time in six years. The number of schools with an excess surplus balance is at its lowest in ten years and the level of excess surplus balances is at its lowest in three years. This is encouraging news and we hope to see a continued reduction in the level of excessive surplus balances and the number of schools with an excessive balance.

We expect to publish indicative funding allocations for 2011-12 in Autumn 2010, after we have fully consulted on and agreed the new formula for the Dedicated Schools Grant (DSG). Schools are now receiving details of their 2010-11 budget, and combined with today's announcements on future funding levels and what these mean for schools, they should be able to start planning for 2011-13. They should be able to make assumptions about likely budget levels over the next three years, and combine these with local estimates of cost pressures and changing circumstances to plan their resources efficiently across the period.

It is clearly sound financial management for schools that are planning effectively across a three year period to keep a small surplus, and it may be prudent for some schools to plan for 2011-13 by saving a small surplus from 2010-11, in order to manage their budget efficiently across this three year period. However this is no justification for holding excessive balances. **Local authorities should continue to monitor balances and use their powers to claw back excessive uncommitted surplus balances.** If we do not see a substantial reduction in excessive surplus revenue balances, the Government will consider further action from 2011-12 to bring the total down.

Summary

- Whilst we will not prescribe a particular process for local authorities to follow, they should ensure that balance control is a key part of multi-year planning and in year monitoring, with school finance officers working with both school improvement and asset management colleagues, and engaging the Schools Forum and members appropriately. Local authorities and schools should take an active role in agreeing how balance control works and is defined locally.
- **It is important that the 5% and 8% thresholds are not seen as targets**, and that schools with balances over the threshold are challenged on their whole balance. **It is not the case that schools should only justify surpluses over the thresholds.** Local authorities have the power to amend their thresholds in agreement with their Schools Forum.
- **Local authorities should clearly define what counts as a committed balance**, taking into account this guidance but not restricting themselves to it where tighter local definitions are more appropriate. All committed balances, whether they are for capital projects, for planned falling rolls or a fall in funding, for accruals or committed orders, or for single status payments, should be based on sound planning and rigorous evidence. Ongoing costs should be funded on a sustainable basis and not from balances.
- Monies held for other schools, for example as part of a cluster or partnership agreement, and privately raised funds, should be accounted for separately.
- Local authorities should make allowances for unspent Standards Funds only where these are ring-fenced, specifically allocated for an academic year and/or allocated part way through the financial year. From 2011-12, we are proposing that a number of grants, including School Development Grant and School Standards Grant, will form part of DSG.
- **Clawed back funds could be spent on invest to save schemes** such as supporting the training of school business managers or pump priming federations or partnership arrangements, rather than simply be re-allocated based on pupil numbers.

Processes

1. We do not intend to prescribe a process which every local authority should follow, as local conditions require a flexible system, however there are some basic principles which can speed up and ease the process of balance control. Where local authorities decide, in agreement with their Schools Forum, that **tighter procedures are more appropriate, they should not see this guidance as advising them to soften their approach.**
2. Local authorities should have been monitoring and challenging balances at least since the model Scheme for Financing Schools was amended in early 2007. However, we recognise that local authorities are under financial pressure and therefore may not have the capacity to devote significant resources to supporting the balance control mechanism, especially where there are large numbers of schools. To enable the most effective use of resources where these are limited, **challenge should be targeted at those schools above (or forecast to be above) the threshold**, with a lighter touch approach for others.
3. **The use of surplus school balances should not be seen as just an issue for finance teams.** There should be close working with other school support services – particularly school improvement and asset management colleagues. They can then provide a linkage to, and validation of, proposed spending in School Development and Asset Management Plans.
4. **Work on surplus balances should not be seen as just a year-end issue.** Instead, it should be integrated with multi-year school budget planning and in-year monitoring. **Schools with surpluses already above the threshold should be subject to ongoing monitoring** to ensure that approved plans to spend their balances are delivered, or the excessive surplus is otherwise clawed back. To avoid the process of challenge and clawback going beyond the summer term, some local authorities now have a pre-authorisation process whereby schools wishing to retain balances above the threshold have to apply before the end of the financial year. School budget plan templates could be adapted to indicate whether the brought forward balance is above the threshold. If so, there could then be room for the school to explain the proposed use of the surplus at that stage. Schools should also be encouraged to update their future budget plans in the autumn term as pupil numbers become clearer. **Schools and local authorities should start their planning as early as possible in the year**, so that they know well before the year end if a school is likely to be subject to clawback. Whatever process is agreed locally, timescales should be clearly defined and shared with schools.
5. Most local authorities have found that their Schools Forum is supportive of the need to reduce excessive surplus balances. The Forum has decision making powers in that it has to approve the authority's Scheme for Financing Schools, which should include a clawback mechanism. Schools, therefore, have the opportunity to influence the local definition of what are considered commitments or excess surplus balances. Some authorities go beyond this and involve the Forum in challenging schools with excessive surpluses and making decisions about whether to claw back from individual schools. As a minimum, Schools Forums should receive regular reports.
6. It is important as well that this sign-up extends beyond the Schools Forum to the senior management of the Council and elected members. School funding is a significant part of local authorities' total expenditure and the relevant Cabinet member/portfolio holder should be involved in agreeing the policy on surplus balances and should be kept informed of how this is being implemented, even if they are not involved in the decision-making process.

Thresholds

7. The statutory guidance on when excessive surplus balances should be clawed back specifies that this should happen if the balance, after deducting locally defined commitments, is above 8% of budget for primary and 5% for secondary schools, or £10,000 if greater. We are not currently proposing to change these maximum levels, though they will be kept under review. It is however open to local authorities to amend these with the agreement of their Schools Forum: the guidance says that local authorities may want to use lower thresholds, or higher thresholds for particular types of schools, where they can justify them. Many local authorities, for example, have set their own minimum cash threshold in order to prevent too many small schools from being drawn in for small cash amounts, and to enable them to retain an appropriate contingency. Some local authorities have set tighter local thresholds than 8% and 5% for their schools, with the agreement of their Schools Forum.
8. When working out which schools are over the threshold, each school's total balance should be considered, not just sums which are recorded as uncommitted. **The responsibility is with schools over the thresholds to show that they have plans for their whole balance** – not just the part of the balance that takes the school over the threshold. **It is not the case that schools should only justify surpluses above the thresholds.** When attempting to justify excessive surpluses, the total balance must be taken into account.
9. It is important that schools understand that **the 8% and 5% thresholds are not targets** and should not be seen as acceptable or allowable levels, but the **maximum percentage which might be retained to deal with exceptional circumstances**, whether predicted or unforeseen. In practice, most primary schools should be able to manage with balances of, say, 4-5% and secondary schools with 2-3%.

Defining a “committed” balance

10. Balances should not all be automatically classed as committed, or as uncommitted. Local authorities should take into account this guidance in **clearly defining to their schools what they consider to be valid reasons for classing a sum as committed**. Some local authorities already define what can be counted as a committed balance very tightly and make this known to schools. This means there is less disagreement with schools as to what they can and cannot include as a commitment, and there are fewer appeals or challenges to decisions made by the local authority later on in the process.
11. **Schools with an excess surplus balance must be able to justify their plans for their whole balance**, not just the amount they are over the threshold, or they should be subject to clawback. Local authorities which have a longer list of allowable commitments should have stricter rules on uncommitted balances.
12. **Monies should only be classed as committed** if the school can provide evidence to show that they
 - a. have been set aside for a **specific purpose**;
 - b. will be spent within a **defined timescale** with a fixed end point; and
 - c. have been **properly approved** by governors.
13. All schools should be planning to spend their money on children in schools now, rather than planning reasons to hold on to it. **Committed sums should be planned for**, and should not simply be used as an explanation for a large balance. Schools should provide evidence of planning, such as details of projects in the school’s Asset Management Plan or School Development Plan, along with minutes of governors meetings.
14. It is important that local authorities rigorously monitor whether the school has subsequently implemented the agreed plans, and are prepared to claw back funds if there are not good reasons for these failing to progress.
15. Some specific examples of what a local authority could define as committed are shown below in paragraphs 16 to 29. This is for guidance only, and it is up to local authorities to set their own definitions of allowable commitments – they may choose to set stricter boundaries than set out in this guidance. As the definitions fall to local authorities and Schools Forums to agree, it is to be expected that there will be some variation in these, reflecting local circumstances.

Capital

16. **We do not expect schools to use their revenue balances for capital projects**, but they are able to do so. Revenue funding should not be used for capital projects until all capital resources have been exhausted. Schools should provide evidence (such as invoices, orders, quotes, contracts, governing body minutes) for works that have already been approved and are due to start in the next financial year or are already underway.
17. In assessing the validity of commitments, it is important that finance teams work closely with asset management colleagues, for instance to check with the relevant team that the work or project has been approved in line with the authority’s Scheme for Financing Schools.
18. Evidence should include the time period over which the works are due to be completed and paid for. **The local authority should check timescales are adhered to** and ask schools to explain any slippage if funds are required to be carried forward beyond the initial timetable.
19. **Revenue funding cannot be “converted” to capital in school accounts until it is spent**. A local authority could decide to transfer surplus revenue balances committed to a specific future capital scheme to a central reserve for capital schemes in its year end accounts. This may be particularly relevant where a school is contributing to a larger scheme. Local authorities could also set conditions on the use of a surplus for capital purposes and any subsequent proposed changes to the use. Although it is not a requirement in national returns, it is open to authorities to ask their schools for information on the extent to which revenue balances are committed for capital purposes.
20. It is legitimate for schools to set aside balances to contribute to BSF capital costs, where plans are well

developed and agreement has been reached with the local authority for the school to make a contribution from its own resources. However, if there are additional ongoing costs related to the unitary charge for PFI projects or other required lifecycle maintenance contributions, then schools need to demonstrate that these are affordable on a sustainable basis rather than relying on balances.

Planning for uncertainty over future rolls, staffing, or funding

21. When schools send in their budget plan for the new financial year, they may plan to use some of their forecast year end balance in supporting the following year's budget. Even if the balances are being used for one-off purposes, these should still be included in the school's budget plan. This could be regarded as a committed use of balances provided that the budget plan has sufficient detail about individual expenditure lines. If the final year end balance is higher than expected, then the difference should be regarded as uncommitted. An example of this is:

(a) Forecast opening balance in budget plan	£80,000
(b) Forecast closing balance in budget plan	£20,000
(c) Actual opening balance after closedown	£100,000
(d) Committed balances: (a) - (b)	£60,000
(e) Uncommitted balances: (c) – (d)	£40,000

22. **Schools should provide calculations, plans, or projections to show expected changes in rolls or staffing**, preferably using a multi-year budget planning tool. If schools are projecting a fall in pupil numbers, then they need to move towards a budget and staffing structure which is sustainable on a long-term basis. **Surplus balances should not be used to defer difficult decisions**, though it could be legitimate for them to cushion a temporary dip in pupil numbers or to fund the part-year costs of not implementing staffing reductions until the autumn term.
23. **It is prudent to keep some money aside for contingencies**, but this amount should be reasonable, based on proper planning and related to specific purposes, not guesswork. Schools need to be aware, for example, that any staffing decisions taken for the academic year starting in September 2010 will have an impact into the 2011-12 financial year, which is the first year of the next funding settlement. Schools will be receiving the detail of their 2010-11 budget, and should now be able to start planning for 2011-13. Schools should therefore be able to reasonably plan their budgets taking account of likely funding levels across the three years from 2010-11 as a whole, based on a number of scenarios. If they do so, **there may be circumstances in which it could be reasonable for some schools to save a small balance during 2010-11** as part of this planning. Monies held for this reason could be distinguished from balances which had already accumulated by the end of 2009-10, should be subject to proper planning, and should be scrutinised and monitored by the local authority.

Prior year payments, accruals, and committed orders

24. Where schools are awaiting charges for services or goods, **they should be able to produce evidence** such as copies of orders, quotes, delivery notes, or invoices. Reported accruals or commitments should reconcile to what is recorded on the school's financial system. Schools must comply with their local authority's instructions on the closure of accounts and financial regulations.
25. Local authorities should specify, on the grounds of materiality, the threshold above which accruals for goods received or work done should be made as part of their year end financial closure guidance. The accruals made will then be taken into account in arriving at the school's final balance for the year. Commitments against this balance could include orders where the goods had not been received or the work done by the end of the financial year as well as any significant amounts which should have been accrued but were not in error.

Single status

26. Where single status agreements have resulted, or are likely to result, in the backdating of new pay scales or one-off compensation payments, then it could be legitimate for schools to hold balances for these purposes. However, **schools need to demonstrate that they can fund the ongoing costs on a sustainable basis** and not from balances.

Monies held for other schools

27. Funding held on behalf of other schools, for example as part of extended services cluster provision or 14-19 partnerships, **should be accounted for separately** within the host school account and should be excluded from the calculation of the school's balance. This should not be used as a means of storing up balances for other purposes, and there need to be clear lines of accountability to ensure that these funds are monitored.
28. We will be considering, prior to April 2011, accounting and reporting issues relating to federations, clusters and other forms of school collaboration in the context of the White Paper *Your Child, Your Schools, Our Future: Building a 21st Century Schools System*.

Private school funds

29. Privately raised funds **should not be included** in the calculation of a school's revenue balance because these are separate from public funds. If private school funds are used to fund items through the school's main budget, the funds should only be paid in to the level of the expenditure which is to be incurred.

Standards Fund

30. Current arrangements allowing the expenditure of Standards Funds over seventeen months have caused complications in calculating balances. The main allocations of School Development Grant (SDG) and School Standards Grant (SSG) are effectively now annual allocations known before the start of the financial year with some predictability, and are treated by most schools as part of their core budget.
31. Local authorities should make allowances for unspent Standards Funds only where these are ring-fenced, specifically allocated for an academic year and/or allocated part way through the financial year. It is legitimate for other unexpected income received late in the financial year to be treated as a valid reason for holding a surplus balance.
32. **We are proposing to move School Development Grant and School Standards Grant into the DSG from 2011-12** in order to streamline the number of grants to local authorities. This will mean that from 2011-12 these monies will be treated as part of the core budget by all schools, and any unspent monies included in balance calculations.

Use of clawed back funds

33. Local authorities, in consultation with their Schools Forum, should ensure that any funds clawed back are spent productively so that local and national priorities such as the standards agenda and narrowing the gap either benefit directly or by reallocation of resources through supporting efficiency measures elsewhere in the budget. Simply redistributing relatively small sums to all other schools will be of little benefit. Instead, **clawed back funds could be used to fund invest to save priorities** which can lead to greater efficiency savings and value for money in schools' spending. Examples of invest to save schemes include:

- **Energy efficiency** measures;
- Supporting the training and introduction of **school business managers**;
- **Pump priming federation and partnership** arrangements;
- Adaptations to schools enabling them to admit more pupils with **special educational needs**, avoiding expensive out of authority placements.

Annex A

Responses to survey on balance control

Tables of responses are set out in Annex B, and a brief summary to some of the themes brought out in the responses to each question is provided here. Percentages are based on the response rate of 119 local authorities unless otherwise specified. As local authorities' responses to some of the questions included more than one of the themes picked out in this analysis they may be included more than once in some of the tables in Annex B and figures quoted below. It is also important to bear in mind that the questions in the survey were open ended, and some authorities gave much longer and more detailed answers than others. Therefore it should not be assumed that just because a theme could not be picked out of a particular authority's response it does not apply.

Question 1 – definition of committed and uncommitted.

There was quite a variation in what local authorities considered to be committed and uncommitted, from a local authority saying that all balances are deemed as uncommitted, to others saying that they deem all balances as committed. Nineteen local authorities who responded (16%) said that they defined all balances, or balances up to a certain level, as either all committed or all uncommitted. A further fifteen (13%) said that they did not define what a committed balance is, or they used the CFR definitions. A number of local authorities stated that they required committed balances to be detailed in governing body paperwork (27 respondents, 23%), in the School Development Plan, School Improvement Plan, or Asset Management Plan (25, 21%), or that they expected committed balances to be properly evidenced or planned for (11, 9%). Forty two respondents (35%) said they classed unspent Standards Fund balances as committed as part of their response to this question, and an additional 16 stated specifically in question 6 that they defined unspent Standards Fund as committed, bringing the total to 58 respondents (49%).

Question 2 – do schools understand committed and uncommitted?

Thirty one respondents (26%) stated that at least some of their schools did not understand what committed and uncommitted balances are. Of these, 23 (74%) had produced some guidance for their schools. Nine (29%) said the confusion lay in schools misunderstanding what committed means while five (16%) said it was due to schools and local authorities interpreting definitions in different ways.

Question 3 – challenging schools on categorisation of balances.

Thirty nine local authorities (33%) specified that they challenged schools themselves, while a further eight (7%) specified that their Schools Forum challenged schools. Eighteen respondents (15%) stated that they did not challenge schools' categorisation of balances or had not challenged them yet. Forty five respondents (38%) stated that they required schools to provide evidence of their spending plans when categorising their balances. Of these, examples were copies of governing body minutes (16, 36%), purchase orders (11, 24%), or School Development Plans or Asset Management Plans (9, 20%).

Question 4 – proportion of balances held for capital purposes.

Twenty seven respondents (23%) stated that they did not hold this information or that they could not provide a breakdown in time for this survey. Only four respondents (3%) said that none of their schools were holding surplus balances for capital, while 16 (13%) said that over half their schools were holding surplus balances for capital. Minimum and maximum cash figures and percentages provided by respondents varied widely: please refer to tables in Annex B.

Question 6 – how specific grants are dealt with.

Eighty one local authorities (68%) said that they included Standards Fund balances in their reporting of balances, and 73 (61%) said they included School Standards Grant. Twenty four respondents (20%) said that they allowed schools to carry forward a proportion of their Standards Fund monies, and 11 (9%) specified this proportion was five seventeenthths.

Question 7 – reasons for surplus balances.

The most common reason cited was capital, including building projects, BSF, ICT and maintenance, which was mentioned by 82 respondents (69%). This was followed by changes in pupil rolls (47, 39%), unspent grants or income (39, 33%), and single status (37, 31%). Twenty five local authorities (21%) stated that schools were holding surplus balances for a potential reduction in funding or to plan for future years, and 21 (18%) said they

were holding funds for other schools, including for cluster initiatives, extended services and partnerships.

Question 8 – monitoring balances.

While 82 respondents (69%) said they monitored balances at least twice a year, 9 (8%) said they only monitored schools once a year. Only seven local authorities (6%) said they did not monitor schools balances, or that schools monitored themselves. Seventy eight respondents (66%) said that they checked schools' budget or expenditure reports as part of the monitoring process. Thirty six respondents (30%) said they provided support and guidance for schools, 22 (18%) said they had face-to-face contact with schools to monitor balances, and 13 (11%) said they had held training or workshops on the subject with schools.

Question 9 – challenge length of time balances are held.

Twenty six local authorities (22%) said they checked schools' plans year on year to see how long they had held a balance, but 16 (13%) said they had not challenged the length of time a balance was held. Twenty nine respondents (24%) gave schools a deadline for spending balances, or only allowed balances to be kept for a specified length of time.

Question 10 – challenge level of balances.

Forty respondents (34%) said schools completed a questionnaire or pro-forma, or were required to provide evidence on the use of their balance, or to show that the balance meets guidelines. Nineteen (16%) said their Schools Forum challenged the levels of balances, or had a role in the challenge. Issues which local authorities mentioned most commonly were the amount of time and resources required to challenge schools (14, 12%), uncertainty over the future (12, 10%), and schools' resistance to balance control and clawback (10, 8%) as they see it as penalising good financial management, taking away their money rather than public money, or they feel they have special circumstances.

Question 11 – development and application of clawback.

Eighteen respondents (15%) said that the process had been developed with or agreed by the Schools Forum: some also included all schools and other local authority colleagues in this. Seven (6%) said they had tightened their processes, for example by imposing stricter definitions or by holding funds centrally. Five (4%) said they had clarified or simplified their process, for example ensuring they had consistent and clear definitions, making schools obtain prior approval for balances, or creating a clawback calculator for schools to use. Fifty seven respondents (48%) said they had not applied clawback yet, or were unlikely to apply clawback this year. A handful of local authorities described how they redistributed clawed back funds, with six (5%) saying Schools Forum decided how to redistribute the money, four (3%) saying the money was put into the contingency fund, and a further four (3%) saying the money was redistributed based on their local formula or pupil numbers.

Question 12 – involvement of Schools Forum and councillors.

Only seven local authorities (6%) said that their Schools Forum had not been involved in clawback, three of these specifying that they had not been involved in its application. Fifty nine respondents (50%) said their Schools Forum had been involved in approving, or were consulted on, the process or local policies. Thirty (25%) specified that their Schools Forum was involved in the application of the process or decision making. Thirty seven respondents (31%) did not mention the role of councillors in their response, and 16 (13%) specified that councillors had little or no involvement.

Question 13 – clawback as at May 2009.

Only 44 respondents (41%) gave a figure for the number of schools they were considering clawing money back from at May 2009, and a further 52 (44%) said they were not seeking to claw back any money at this point. Eighteen (15%) were considering clawing back funds from more than 10 schools. Only 40 local authorities (34%) gave a figure for the amount of money there were considering clawing back, and for 26 (22%) it was more than £100,000.

Question 14 – success at clawing back balances.

Fifty three local authorities (45%) said they had not attempted clawback, had not needed to attempt clawback, or that all schools had met their requirements in accounting for their balances. Just over a third (41, 34%) said they had had at least some success in their attempts to claw back surplus balances. The median amount clawed back by a local authority was a little over £70,000.

Question 15 – the clawback process.

May was most frequently mentioned as when local authorities start the clawback process, by 38 respondents (32%). Only 9 (8%) started the process before the financial year end. For 27 local authorities (23%) the process usually takes between four and seven months. Five respondents (4%) cited a longest time of a year or more. The factor mentioned most frequently in preventing local authorities from expediting the process was schools not providing information on time, or not providing accurate information (mentioned by 14 respondents, 12%).

Question 16 – impact of clawback.

Thirty six local authorities (30%) said that schools were more aware of the issues surrounding balances or the process of clawback. Thirty (25%) said fewer schools had excess balances or balances had gone down as a result of the threat of clawback, 22 (18%) said that schools tried to spend their balances and keep within the thresholds, and a similar number (21, 18%) said they had seen better accounting, budgeting, or financial planning by schools as a result. However, some local authorities were still experiencing resistance from schools, with six (5%) saying that schools saw clawback as penalising good financial management, saw the money as theirs and not as public money that could be taken from them, or felt they had special circumstances which meant they should be able to keep their balances.

Question 17 – help and hindrance in clawback.

Twenty four local authorities (20%) said that the support of their Schools Forum helped them in clawing back surplus balances. Eighteen (15%) said that having clear procedures for clawback, and clear criteria and language helped, and an equal amount (18, 15%) said that having schools on board, or a good relationship with schools, was a help. The most commonly cited hindrance to the process was resistance to the process by schools (15 respondents, 13%), followed by problems with the timeliness, accuracy, or quality of evidence provided by schools (10, 8%) and issues with time and resources (also 10, 8%). Only 30 local authorities indicated in the survey how they had overcome obstacles, the most common response being that they had improved their relationships and communication with schools (12, 10% of all respondents), for example by working more closely with them or providing training or guidance for them.

Question 18 – the 5% and 8% limits.

Fifty nine local authorities (50%) indicated in their response that they thought the current limits were about right, while 26 (22%) indicated they thought they were too low and 22 (18%) indicated they thought they were too high. Of those who thought the levels are too low, 23 (88%) felt that 8% or a cash maximum of £10,000 was not enough of a cushion for small schools. Four local authorities (3% of total respondents) said it would be helpful to have a “permissible” or “suggested” level as well as a maximum.

Question 19 – help needed, and role of Schools Forum.

Twenty local authorities (17%) said they did not need any help, or did not need nationally imposed directives on balances, but 14 (12%) said they would welcome stricter warnings or controls. Sixteen (13%) said they would welcome guidance on the definition of committed and uncommitted balances. Thirty respondents (25%) said that their Schools Forum plays a part in monitoring balances or decision making. A further 11 (9%) said their Schools Forum has the final decision on clawback. An equal number of respondents felt that Schools Forums were a benefit as they were able to put peer pressure on schools (6, 5%), or felt they suffered from a conflict of interest because they were made up mostly of schools members (6, 5%).

Annex B

Note: all percentages are out of 119 unless specified otherwise.

Q1

How do you define committed and uncommitted balances in your authority?

Note: some LAs' responses include more than one of the following themes

Included in definition of committed	No.	%
prior year commitments, committed orders, previous year payments	42	35%
unspent Standards Fund	42	35%
contributions to capital, approved building works, BSF	38	32%
plans recorded in Governing body minutes or agreed by Governing body	27	23%
planning for staffing levels or falling rolls	26	22%
plans in School Development Plan, School Improvement Plan, Asset Management Plan	25	21%
all balances, or balances to a certain level, are classed as committed or uncommitted	19	16%
extended schools, partnerships, clusters	18	15%
as defined in CFR, or LA does not define	15	13%
equipment, furniture, ICT	13	11%
other grants or income received late in year	11	9%
maintenance, repairs	11	9%
if properly evidenced, or included in spending or budget plans	11	9%
single status	9	8%
money or expenditure already approved by LA	6	5%
remodelling, reorganisation	6	5%
privately raised income	6	5%
other (all fewer than 5 responses)	20	17%

Included in definition of uncommitted	No.	%
no response or not defined	57	48%
the remainder of the balance after committed considered	26	22%
as defined in CFR or LA does not define	19	16%
contingency	6	5%
none - all committed	5	4%
money that has not been assigned for specific purpose	3	3%
other (all with only 1 response)	6	5%

Q2

Do your schools fully understand what committed and uncommitted balances are? If not, where does the confusion lie? Do you provide guidance on what schools can commit surplus funds to?

Do schools understand?	No.	%
yes	56	47%
no	31	26%
not clear from LA's response	21	18%
NA - all balances are committed / don't distinguish between the two	11	9%

For those who said no - where does the confusion lie?	No.	% (out of 31)
misunderstanding as to what committed means	9	29%
LAs or schools interpret definitions in different ways	5	16%
other (all fewer than 3 responses)	11	35%
no response	6	19%

Do you provide guidance?	No.	%
yes	84	71%
not clear from LA's response	24	20%
no	7	6%
guidance is needed/plan to provide it in future	4	3%

Do you provide guidance?	Do schools understand?							
	yes	% yes	no	% no	not clear	% not clear	NA	% NA
yes	41	73%	23	74%	16	76%	4	36%
not clear from LA's response	14	25%	4	13%	4	19%	2	18%
no	1	2%	2	6%			4	36%
guidance is needed/plan to provide it in future			2	6%	1	5%	1	9%
Total	56	100%	31	100%	21	100%	11	100%

Q3

How do you challenge schools on the categorisation of balances between committed and uncommitted?

Note: some LAs' responses include more than one of the following themes

How do you challenge categorisation?	No.	%
evidence is requested to support categorisation (see below)	45	38%
LA challenges schools	39	33%
do not challenge categorisation or have not challenged yet	18	15%
schools categorise or define balance	11	9%
Schools Forum challenges schools	8	7%
all balances over 5%/8% are challenged	7	6%
details not sought on balances below 5%/8%	5	4%
other (all fewer than 5 responses)	15	13%

Examples of evidence requested	No.	% (out of 45)
Governing Body minutes	16	36%
Copy orders/purchase orders	11	24%
School Development Plan or Asset Management Plan	9	20%
Invoices	5	11%
Building plans/quotes or planning applications	5	11%
Budget plans	4	9%
Other (all fewer than 3 responses)	6	13%

Q4

What proportion of surplus balances are claimed to be for capital purposes compared to those being retained for revenue purposes (as a % of cash and as a % of number of schools)? What is the range of % of cash balances claimed to be for capital purposes by your schools (i.e. min + max)?

Note: some LAs' responses included caveats regarding their data, but all figures supplied have been included in the tables.

Proportion of surplus balances for capital - as a % of cash	No.	%
0%	4	3%
under 10%	14	12%
11%-20%	13	11%
21%-30%	16	13%
31%-40%	11	9%
41%-50%	9	8%
51%-60%	7	6%
61%-70%	3	3%
over 70%	3	3%
breakdown not available/not available yet	27	23%
figure not given (left blank or not stated in response)	13	11%

Proportion of surplus balances for capital - as a % of schools	No.	%
0%	3	3%
under 10%	8	7%
11%-20%	16	13%
21%-30%	12	10%
31%-40%	10	8%
41%-50%	9	8%
51%-60%	3	3%
61%-70%	3	3%
71%-80%	3	3%
over 80%	7	6%
figure not given (left blank or not stated in response)	45	38%

Minimum (when expressed as a % by schools)	No.	%
0%	19	16%
under £10%	17	14%
11%-20%	3	3%
over 20%	6	5%
% figure not given	74	62%
Minimum (when expressed as £ by schools)	No.	%
under £1,000	7	6%
£1,001-£5,000	10	8%
£5,001-£10,000	3	3%
over £10,000	2	2%
£ figure not given	97	82%

NB: 4 schools gave a £ figure and a % minimum; 18 schools only provided a £ minimum

Maximum (when expressed as a % by schools)	No.	%
0%	4	3%
under 50%	9	8%
51%-99%	7	6%
100%	26	22%
% figure not given (left blank)	73	61%
Maximum (when expressed as £ by schools)	No.	%
under £50,000	2	2%
£50,001-£100,000	8	7%
£100,001-£200,000	7	6%
£200,001-£400,000	4	3%
£400,001-£600,000	5	4%
over £800,000	3	3%
£ figure not given (left blank)	90	76%

NB: 4 schools gave a £ figure and a % maximum; 25 schools only provided a £ maximum

Q6

How do you deal with specific grants, such as Standards Fund and School Standards Grant, when calculating a school's balance?

Note: some LAs' responses include more than one of the following themes

Standards Fund	No.	%
classed as committed	35	29%
included in schools' balance calculations	22	18%
included but can carry forward some	13	11%
included but can carry forward some - 5/17	11	9%
assumed to be spent	4	3%
not included in balance calculations	41	34%

SSG	No.	%
classed as committed	9	8%
included in schools' balance calculations	57	48%
included but can carry forward some	7	6%
assumed to be spent	11	9%
not included in balance calculations	22	18%

Q7

What sorts of reasons have your schools put to you to explain any surplus balances? Are there any special circumstances that balances are being retained for example, single status payments or BSF?

Note: some LAs' responses include more than one of the following themes

Reasons given	No.	%
capital, including BSF, building, refurbishment, maintenance, ICT	82	69%
changes in rolls	47	39%
unspent grants or income	39	33%
single status	37	31%
staff costs	27	23%
prior year payments, accruals, committed orders	27	23%
potential reduction in funding, planning over more than one year	25	21%
held for other schools, clusters, extended schools, partnerships	21	18%
initiatives in SDP, school reorganisation, change of status of school	21	18%
SEN, AEN, raising attainment, learning projects, curriculum	11	9%
other (all fewer than 5 responses)	16	13%

Q8

How do you monitor all school balances and work with schools to monitor their individual balances?

Note: some LAs' responses include more than one of the following themes

Monitoring balances	No.	%
<i>Where the response indicated frequency of monitoring:</i>		
monthly	19	16%
termly	18	15%
quarterly or bi-monthly	15	13%
throughout the year	15	13%
twice a year	15	13%
annually, or at year end	9	8%
<i>Where the response indicated how they monitored/worked with schools:</i>		
budget, financial, or expenditure reports or plans	78	66%
feedback, advice, support to schools	36	30%
challenge or request evidence or information from schools	32	27%
schools buy into finance support package	30	25%
schools provide projections or estimates	26	22%
visit or meet with schools	22	18%
LA provide (or help provide) projections or estimates	17	14%
via LA Finance team or staff	16	13%
help schools with training or workshops	13	11%
via Schools Forum	13	11%
LA does not monitor schools, or schools monitor themselves	7	6%
other (all fewer than 5 responses)	15	13%

Q9

How do you challenge schools on the length of time they hold a balance and the purpose for commitment? Do you check to see if the commitment is still valid?

Note: some LAs' responses include more than one of the following themes

Note: on this question there is some overlap between the responses given and how they fit into the three parts of the question and the three tables below.

Challenge on length of time balance held	No.	%
LA analyses trends, or tracks expenditure (against plans) year on year	26	22%
no challenges have been made yet	16	13%
schools provide balance return annually, or LA checks or challenges annually	15	13%
schools indicate expected timescale for spending balances	11	9%
all balances, or balances for capital must be spent within 3 years	10	8%
balances not expected, or are challenged, if kept for more than 1 year	10	8%
approval for balances or commitments is given for specific length of time	9	8%
challenge spending of high balances, or don't challenge balances below threshold	7	6%
LA meets with schools to see if planned expenditure taken place	6	5%
schools provide evidence (to show balances spent within specified timescale)	6	5%
challenge through Schools Forum, or sub group of Schools Forum	5	4%
check reasons for delays in spending, or check no continual deferment	5	4%
LA monitors or challenges schools regularly	5	4%
other (all fewer than 5 responses)	7	6%

Challenge purpose of commitment	No.	%
schools provide evidence (to show balances spent on specified purpose)	14	12%
no challenges have been made yet, or challenges not required	9	8%
balances for capital checked with relevant team	4	3%
challenge through discussion or contact with school	4	3%
challenge through Schools Forum or sub group of Schools Forum	3	3%
other (all fewer than 3 responses)	7	6%

Challenge if commitment still valid	No.	%
no challenges have been made to validity yet, or not required	5	4%
schools must explain reasons if they have not spent as planned	4	3%
schools provide evidence (such as School Development Plan)	4	3%
using budget monitoring reports, balance returns or progress reports	4	3%
challenge regularly - through discussion, communication with schools	3	3%
challenge or claw back if reasons for balance are same as previous year	3	3%
other (all fewer than 3 responses)	12	10%

Q10***How have you challenged schools on their level of surplus balances? What are the issues around this?***

Note: some LAs' responses include more than one of the following themes

How challenged on level	No.	%
schools complete questionnaire or pro-forma, or provide evidence	40	34%
visit or meeting with schools	24	20%
via Schools Forum, or Schools Forum have role in challenge	19	16%
no mention of challenge, do not challenge, or no/limited challenge	16	13%
in writing	13	11%
challenge highest balances, if over thresholds, if over more than one year	12	10%
we do challenge (no specifics given)	12	10%
challenge frequently or throughout year	4	3%
compare actual expenditure with forecast	4	3%
through budget monitoring process	4	3%
annually or at year end	3	3%
consult relevant team to challenge capital	3	3%
issue Notice of Concern	3	3%
through various LA colleagues, or working group	3	3%
other (all fewer than 3 responses)	7	6%

Issues	No.	%
time taken, timescales tight, resources needed	14	12%
uncertainty over future rolls or funding, or falling rolls	12	10%
schools resistant	10	8%
balances have not gone down	5	4%
capital, BSF, PFI	5	4%
some schools not good at providing evidence, or difficult to verify evidence	5	4%
value for money or deficits as schools spend to avoid clawback	4	3%
late funding	3	3%
low funded LA, fairer funding	3	3%
Standards Fund	3	3%
other (all fewer than 3 responses)	28	24%

Q11***How have you developed the use of clawback as a process? How have you applied clawback?***

Note: some LAs' responses include more than one of the following themes

Developed process	No.	%
evidence is considered by the LA, Schools Forum, or both	19	16%
process developed/agreed with Schools Forum	18	15%
Schools Forum make decisions - on whether or how much to claw back	14	12%
tightened process, or considering tightening	7	6%
clarified or simplified processes	5	4%
clawback is or will be automatic - schools appeal to have money re-instated	4	3%
have just developed policy, new arrangements this year, or being developed now	4	3%
work with schools in better use of funding rather than using claw back	4	3%
have not clawed back or developed process	4	3%
Schools Forum review process	3	3%
other (all fewer than 3 responses)	4	3%

Applied clawback	No.	%
has not been applied yet, or no clawback this year	57	48%
has been applied in the past	15	13%
concentrate on schools with high balances or history of balances first	4	3%
claw back if school has not met conditions or complied with process	7	6%
other (all fewer than 3 responses)	8	7%

<i>Some LAs gave details of what they did with clawed back funds</i>	No.	%
Schools Forum decide how clawed back funds are used	6	5%
put into contingency	4	3%
redistributed based on pupil numbers or LA's formula	4	3%
added to headroom	2	2%
deducted from next year's budget or next cash advance to school	2	2%
redistributed using deprivation/low attainment indicators	2	2%

Q12***What involvement have (a) schools forums and (b) councillors had on the development and application of clawback?***

Note: some LAs' responses include more than one of the following themes

Schools Forum	No.	%
involved - approved or consulted on process or policy	59	50%
involved - in application or decision making	30	25%
informed - receive report(s), advised or briefed	24	20%
involved - in development	21	18%
involved - in review process, changes to scheme	15	13%
not involved yet, or not involved in application	7	6%
involved - in element of policy (e.g. agreeing definitions, selected clauses)	6	5%
involved - appeals process	5	4%
sympathetic to LA, concerned about levels, debate issues	4	3%
guide and support schools, write to schools	2	2%

Councillors	No.	%
no mention of councillors' involvement	37	31%
informed - receive report(s), advised or briefed	24	20%
involved - approved or consulted on process or policy	19	16%
attend Schools Forum	18	15%
Cabinet Member has some involvement	11	9%
no involvement, little involvement, or no involvement in decision making	16	13%
attend Schools Forum as guest or observer	6	5%
Executive Member has some involvement	6	5%
Lead Member has some involvement	6	5%
involved in decision making	5	4%
approve Schools Forum recommendations, support Schools Forum	3	3%
other (all fewer than 3 responses)	3	3%

Q13

How many schools were you seeking to clawback surplus balances from at the 31 May deadline? How much money were you attempting to clawback? Can you describe the processes you used to do this?

How many schools	No.	%
none	52	44%
1-10	26	22%
more than 10	18	15%
process not complete yet, hard to say at this point	19	16%
no figure given	4	3%

How much money	No.	%
none	52	44%
under £10,000	3	3%
£10,000 - £100,000	11	9%
£100,000 - £500,000	12	10%
more than £500,000	14	12%
process not complete yet, hard to say at this point	18	15%
no figure given	9	8%

Note: some LAs' responses include more than one of the following themes

Processes	No.	%
schools required to provide evidence to support or explain the surplus	21	18%
don't know level of clawback by 31 May, still collecting returns from schools	17	14%
LA contacts schools directly, discusses with schools, or visits them	14	12%
report to Schools Forum, Schools Forum consider evidence	9	8%
schools appeal	5	4%
schools can apply for exclusions, exemptions, license to keep balance	5	4%
other (all fewer than 3 responses)	6	5%

Q14

How successful were your attempts to claw back surplus balances? Please provide figures.

How successful	No.	%
Not attempted / all schools met requirements / NA	53	45%
Successful / had some success	41	34%
Can't say - currently going through the process	15	13%
Clawback not carried out/applied/not successful	10	8%

As figures were not given on a consistent basis by LAs they are difficult to analyse. Some LAs gave figures for each of the last few years, some gave a figure and did not specify what year it related to, and some just gave a figure for one specific year (current or previous). The following analysis is based on all figures that were given for a single year, i.e. excludes figures which include more than one year.

Figures	Amount
Minimum amount	<£200
Maximum amount	>£400,000
Mean	£126,027
Median	£71,917

Q15

When do you start the clawback process and how long does it take?

- a. For the majority of schools;***
- b. For the case that has taken the longest.***

Do you have a timescale that is shared with schools? What factors impact on you being able to expedite this process?

Start	No.	%
previous December	2	2%
January or February	7	6%
April	6	5%
May	38	32%
June	17	14%
July	5	4%
August, September, or October	5	4%
NA or no response given	39	33%

Time - majority	No.	%
1 month	4	3%
2 months, or up to 2 months	18	15%
3 or 4 months, or up to 4 months	8	7%
Up to 7 months, or 7 months or more	27	23%
NA or no figure given	62	52%

Time - longest	No.	%
2-4 months	9	8%
5-8 months	4	3%
12 months or over	5	4%

Share timescale with schools	No.	%
no, not yet, or do not publish	6	5%
yes	23	19%

Note: some LAs' responses include more than one of the following themes

Factors	No.	%
schools not providing timely or accurate information or returns	14	12%
admin burden, whole process time-consuming	9	8%
appeals	8	7%
school holidays	5	4%
other (all fewer than 3 responses)	14	12%

Q16

What impact has your attempts to clawback had? Have you seen a change in behaviour at school level?

Note: some LAs' responses include more than one of the following themes

Impact/change	No.	%
schools more aware of issues or process	36	30%
fewer schools with excess balances, or balances have gone down	30	25%
schools try to keep below thresholds or spend balances	22	18%
better accounting, budgeting, financial planning	21	18%
schools better at providing evidence/information, prompt return of surveys	10	8%
no impact / change	5	4%
(risk of) rise in deficits, schools may not be spending money in best way	5	4%
schools still resistant to process, negative impact on relationship with LA	6	5%
schools use "rules" to get around process, more balances committed	3	3%
other (all fewer than 3 responses)	6	5%
NA	28	24%

Q17***What factors have helped you and what factors have hindered you in your efforts to claw back surplus balances? How have you overcome obstacles?***

Note: some LAs' responses include more than one of the following themes

Helped	No.	%
support from Schools Forum	24	20%
clear and simple procedures, criteria, definitions, wording, approach	18	15%
schools on board, good relationship with schools	18	15%
national directives, guidelines, legislation, support	8	7%
support from senior LA staff	6	5%
support from members	5	4%
support from LA, SIPs, School Advisors	3	3%
threat of nationally imposed clawback, previous year's clawback	3	3%
other (all fewer than 3 responses)	11	9%

Hindered	No.	%
schools - resistant or not committed to process	15	13%
chasing schools, timeliness or quality of evidence provided	10	8%
time-consuming, timescales tight, too many schools	10	8%
carrying forward of Standards Fund, grants paid in advance	9	8%
worries about future falling rolls or funding	8	7%
confusion over capital, or timing of capital projects	5	4%
5% and 8% seen as targets	4	3%
reluctance on part of or mixed views in Schools Forum	4	3%
schools challenging clawback, appeals	4	3%
grants allocated late in year	3	3%
hard to monitor or police	3	3%
other (all fewer than 3 responses)	22	18%

Overcome obstacles	No.	%
getting schools on board, working closely with them, providing training or guidance	12	10%
having a clear process or timetable, tightening timescales, simplifying process	8	7%
ensuring Schools Forum is supportive	4	3%
other (all with fewer than 3 responses)	6	5%

Q18

What do you think of the current levels of 5% (sec) and 8% (pri and spec) as the limit for uncommitted surplus balances? If you do not think these are the right levels, what would you consider more appropriate?

Current levels	No.	%
reasonable/about right	59	50%
too low	26	22%
too high	22	18%
no opinion on levels expressed	12	10%

Of those who said the levels were reasonable/about right:	No.	% (out of 59)
levels right for us but 8%/£10K could be low for small schools	3	5%
clawback should be local decision, our local levels are more prescriptive	2	3%
helpful to give schools "acceptable" levels as well as maximum	2	3%
need consistent basis across LAs	2	3%
need time to plan if levels change, schools can quickly move to deficit	2	3%
other (both with one response)	2	3%

Of those who said the levels were too low:	No.	% (out of 26)
small schools - 8%/£10K too low	23	88%
other (all with one response)	3	12%

Of those who said the levels were too high:	No.	% (out of 22)
8% too high	9	41%
other (all with one response)	7	32%

Of those who did not express an opinion on the levels:	No.	% (out of 12)
helpful to give schools "acceptable" levels as well as maximum	2	17%
schools can quickly move to deficit, need reserves in economic climate	2	17%
other (all with one response)	3	25%

Q19

What further help do you feel you need to manage and reduce surplus balances? What role do you see the Schools Forum playing in the future?

Note: some LAs' responses include more than one of the following themes

Help needed	No.	%
none specified	25	21%
none required, do not need nationally imposed solution or national directives	20	17%
guidance on definition of committed and uncommitted funds	16	13%
stricter warnings or controls, i.e. national directives, legislation, intervention, levy	14	12%
best practice from other LAs	6	5%
stability of funding, 3 year funding	6	5%
guidance on Standards Fund carry forwards, end grants that cover more than one year	8	7%
more concerned about deficits	4	3%
DCSF needs to clarify why balances are needed, reporting is misleading	4	3%
ensure funds announced early in year so schools know funding levels	4	3%
guidance on the use of revenue funding towards capital projects	4	3%
guidance on treatment of monies held on behalf of other schools	3	3%
training	3	3%
other (all fewer than 3 responses)	29	24%

Schools Forum role	No.	%
plays part in monitoring or decision making	30	25%
final decision on clawback	11	9%
oversee BCM	8	7%
reviewing and updating procedures	7	6%
role essential, involved in whole process	7	6%
support appeals process	7	6%
conflict of interest as mostly schools members	6	5%
peer pressure on schools (as have schools members on Forum)	6	5%
roles/responsibilities should be clearly defined, need guidance or national directives	5	4%
broker between LA and school, supports schools, mechanism for feedback	4	3%
decisions on distribution of clawed back funds	4	3%
more advisory or consultative than direct involvement in decisions	3	3%
other (all fewer than 3 responses)	11	9%