

APPENDIX D

Our ref: JF/LE

Please ask for: John Freeman

Direct Line: 01384 814200

Email: john.freeman@dudley.gov.uk

Date: 20 June 2007

Dear Headteacher

School Balances

As you are aware school balances have continued to rise over recent years despite my clear and explicit messages to schools that they should make every effort to spend them. The Schools Forum has fully endorsed my position on this. In order to give me the appropriate authority to 'claw back' any unspent school balances, the Scheme for Financing Schools (section 4.2.2) was amended last year after a full consultation with schools and with the full agreement of Schools Forum.

Section 4.2.2 of the Scheme for Financing Schools states:

"If at the end of the following year a school has not spent its surplus balances in line with its Approved Plans and is unable to justify this action to the satisfaction of the Director of Children's Services, then the Director may claw back school budget share reserves, as permitted by the Schools Finance Regulations 2006 and retain some or all of any unspent balances at the financial year end.

The total of any amounts deducted from schools' budget share reserves by the Authority under this provision is to be applied to the Schools Budget of the Authority and allocated in accordance with Schools Forum approval."



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John Freeman – Director of Children's Services
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A review of the financial records at 31 March 2007 indicates that your reserves were not fully spent in accordance with the approved school plan, by an amount of £?????. Furthermore, the school has achieved a roll-forward from 2006/07 of £?????. Therefore an amount of £?????, equivalent to the unspent balance at 31 March 2007, will be clawed back from your reserves. This will be actioned by Children's Services accountancy.

I am aware that in some instances there may have been a delay in paying for work that was completed prior to 31 March 2007. Therefore I am prepared to honour any invoices from suppliers for such work, up to the value of the reserve clawed back or the tendered price, whichever is the smaller.

Yours sincerely

A handwritten signature in black ink that reads "John Freeman". The signature is written in a cursive style with a large initial 'J'.

John Freeman
Director of Children's Services