

Revisions to Dudley's Scheme for Financing Schools

Consultation Outcomes - February 2008

Proposal: No interest paid on balances held from 31st March 2008.

Comment: **Councillor Lynn Boleyn** - Will schools make arrangements to move their balances to interest bearing accounts with other financial institutions if the interest is taken away from their credit balances? This interest could be quite significant in some cases and could be detrimental to a school if funds have been earmarked for a specific long term project or major improvements to the school. Could some leeway be given here in special circumstances to those schools if funds have already been earmarked?

Proposal: Balances to be limited to 8% of budget share for nursery, primary and special schools and 5% for secondary schools.

Comment: **Pedmore Technology College Mr Kemp** – Explanation required re the calculation that will be used. Is the 5% calculated based on the delegated budget that the surplus was created from. Or based on the delegated budget that it will be used against?

Proposal: All reserves to be spent by the following 31st March.

Comment: **Pedmore Technology College Mr Kemp** –
Causes stressful situation and hinders long term planning.
Takes responsibility away from governors and school leadership team.
Feedback in summer term is too late for planning
How will schools balance subsequent year's budgets?
How will schools save money for projects that they need to undertake within the school?
Knock on effect of increased work load for management team and central finance re budget setting.
How will schools manage one off situations e.g. gas pipe leak cost of £25k to repair?
The Brier School –
Major projects will almost inevitably over-run one financial year.
It can be a lengthy process to get projects off the ground.
DPC work to a different timescale to that alluded to in the consultation document.

Proposal: All reserves set aside to balance the following years' budget must be spent by the 31st March.

Comment: **Pedmore Technology College Mr Kemp** –
Sends out the wrong message.
Extra work required to manage deficit budget
If the surplus was less than 5% is it fair to claw it back?

Key success indicator re school effectiveness (Ofsted) negative evidence that would impact on judgements relating to leadership, management and governance.

Proposal: Reserve categories to be reduced.

Comment: No comments received

Any other Comments:

Dudley Association of Governing Bodies – The policy, as outlined in the consultation document, is transparent and fair.

Councillor Lynn Boleyn – Agrees with all other points raised in the consultation except the point referring to interest on school balances (see above)