

## SCHOOLS FORUM

Agenda item: 08

<b>Date</b>	<b>5 July 2018</b>
<b>Report title</b>	<b>Arbitration Panel Issues</b>
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### Summary

This report highlights historic decisions taken by Schools' Forum regarding the recovery of an excess surplus balance from Penn Hall School and seeks approval for authority to be delegated to the Arbitration Panel in relation to the potential partial reimbursement of funding to Penn Hall School.

### Decision

Members of the Schools' Forum are asked to:

- Delegate authority to the Arbitration Panel to determine whether a potential partial reimbursement of funding to Penn Hall School should be made.

### Schedule of background papers

Schools Forum (11 December 2017) School Improvement Bids  
Schools Forum (20 October 2016) Schools' Balances

## **1.0 Background:**

- 1.1 On 20 October 2016, Schools' Forum received a paper entitled "Schools' Balances". This paper outlined the agreed membership of the Arbitration Panel, the process for reviewing excess surplus balances and identified those schools selected for inclusion in the review.
- 1.2 Schools were selected for review, "...due to the overall levels and persistence of excess surplus balances and because it was felt that recovery of some excess balances would not adversely impact on the performance or future financial sustainability of the schools" (Schools Forum Report, October 2016).
- 1.3 The report identified that, "One school, Penn Hall Special School did not meet the threshold to avoid a recovery of balances, the panel considered that the school's submission failed to satisfy the necessary criteria as:
  - a) There was a lack of a clear plan for use of resources over the previous 3 years as balances had increased during that time.
  - b) Proposals for the use of resources going forward were not sufficiently robust with significant amounts being held for contingency purposes.

The original sum to be recovered based on the reported balance following the review was £103,000. Following representations from the school regarding overstated income for 2015/16 the panel agreed to a review of the sum. The recommendation from the panel is that £85,000 should be recovered from the school's balance." (Schools' Forum Report, October 2016).

- 1.4 On 20 October 2016, Schools' Forum ratified the recommendation of the Arbitration Panel to recover £85,000 from Penn Hall School.
- 1.5 On 18 December 2017, Schools' Forum received a report entitled "School Improvement Bids Nov 2017" which reviewed applications from schools to use clawed-back surplus for specific projects aimed at school improvement within their schools.
- 1.6 On 18 December 2017, Schools' Forum members ratified the decision to proceed with five successful bids. Resources totalling £58,646 of claw-back currently remain uncommitted.

## **2.0 Penn Hall School**

- 2.1 Penn Hall School currently faces a challenging financial position to achieve a balanced budget moving forwards; school leaders are currently reviewing budget expenditure to ensure value for money.
- 2.2 Penn Hall School has requested that Schools' Forum review the potential of reimbursing the school with a proportion of the funding that has previously been claw-backed.
- 2.3 It is recommended that Schools' Forum delegate authority to the Arbitration Panel to determine whether a potential partial reimbursement of funding to Penn Hall School should be made.

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