

SURREY COUNTY COUNCIL**CABINET MEMBER FOR SCHOOLS, SKILLS AND
EDUCATIONAL ACHIEVEMENT****DATE: 8 OCTOBER 2015****LEAD OFFICER: JULIE FISHER, DEPUTY CHIEF EXECUTIVE****SUBJECT: REQUEST TO APPROVE VALUE OF SURPLUS BALANCES TO
TRANSFER TO SALFORDS PRIMARY SCHOOL (NOW AN
ACADEMY)****SUMMARY OF ISSUE:**

When a maintained school converts to an academy, the local authority is required to transfer the school's surplus revenue and capital balances to the academy trust, under the Academies (Transfer of School Surpluses) regulations 2013. The school must be advised of the amount to transfer within four months of the date of conversion. These requirements apply to all academy conversions except where a weak school converts on the direction of the Secretary of State, rather than on application by the governing body

Salfords Primary School converted to an academy on 1 July 2015 and thus the school must be advised of the LA's calculation of its surplus balances by 31 October 2015. The Cabinet Member is asked to approve the sums to transfer.

RECOMMENDATIONS:

That the Cabinet Member approves the transfer of surplus revenue balances of £14,624 and of surplus capital balances of £4,664 to the academy trust of Salfords Primary School.

REASON FOR RECOMMENDATIONS:

To comply with statutory requirements and deadlines.

DETAILS:**Business Case**

1. When a maintained school converts to an academy, the Academies (Transfer of School Surpluses) Regulations 2013 require that any surplus revenue and capital balances held by the school are transferred to the academy. The only exception is where a school subject to intervention is converted into an academy on the instructions of the Secretary of State, rather than on the application of the governing body. The authority must advise the academy trust of its determination within four months of conversion. The academy then has a month to decide whether to accept the authority's calculation. Thereafter the authority has a month in which to pay the surplus to the

academy. The academy may appeal to the Secretary of State if agreement cannot be reached with the authority.

2. Salfords Primary School converted to an academy on 1 July 2015. Therefore the LA must advise the academy of balances to transfer by 31 October 2015. Babcock 4S, on behalf of the authority, have undertaken a reconciliation of the school's accounts as at 30 June 2015, and have calculated the surplus balances as £14,624 revenue and £4,664 capital.
3. The school's surplus balances must legally be transferred to the academy and the only issue to be determined is the value of the balances to be transferred.
4. The sums to be transferred represent funding which would have been retained by the existing school had it not converted to an academy. Thus the transfer does not incur any additional costs to the council.

CONSULTATION:

- 5 The school will be advised of the provisional sum to be transferred.

RISK MANAGEMENT AND IMPLICATIONS:

- 6 The risks are minimal. While it is possible that some liabilities may not yet have been identified, the notification of balances given to the academy will clearly state that the academy will be expected to meet any liabilities identified later, which would have reduced the value of transferred funds had they been identified in time to be included in this determination.

Financial and Value for Money Implications

- 7 There are no value for money implications. The sums to transfer are sums which were already allocated to the school

Section 151 Officer

- 8 The Section 151 officer confirms that the balances being transferred to the school are in accordance with prescribed DfE procedures.

Legal Implications – Monitoring Officer

- 9 The legal framework is described in the business case above, and there are no further legal implications.

Equalities and Diversity

- 10 There are no equalities implications.

WHAT HAPPENS NEXT:

- 12 Subject to Cabinet Member approval of the calculated surplus balances, the academy will be formally advised of the balances to transfer. If the academy agrees with the calculation, the authority will transfer the surplus balances to the academy within a month of the agreement.

Contact Officer:

David Green, Senior Principal Accountant (Schools Funding) 020 8541 8010

Consulted:

School

Chief Finance Officer

Sources/background papers:

Academies (transfer of school surpluses) regulations 2013

DFE guidance "Treatment of surplus and deficit balances when maintained schools become academies" (March 2015)

This page is intentionally left blank