

TO: SCHOOLS FORUM
Date 21 JUNE 2018

2017-18 BALANCES HELD BY MAINTAINED SCHOOLS
Director of Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 This is an annual report, the purpose of which is to update members of the Schools Forum on the level of balances held by maintained schools as at 31 March 2018, how these compare to the previous financial year and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.
- 1.2 Balances held by academy schools are not part of the council's accounts and therefore are excluded from this report.

2 EXECUTIVE SUMMARY

- 2.1 Whilst aggregate surplus balances held by schools continue to decline, the rate of reduction has noticeably slowed with a 7.3% draw down in 2017-18 compared to 40.3% in the previous year. At 2.8% of annual income, average surplus balances have reduced from 2.9%. 3% is considered the minimum balance to hold to be able to safely manage unforeseen in-year pressures.
- 2.2 Within the average 2.8% surplus, there are a number of schools with deficit balances, with the most significant amounts, those above 5% and being held by 2 secondary schools, funded through approved loans that are subject to annual review.
- 2.3 A number of schools are holding significant surplus balances, all of which are considered to meet the eligibility criteria for retention by schools as set out in the approved policy. One school retains a surplus above the maximum permitted within the scheme and the Forum needs to decide what action should be taken, if any.
- 2.4 Schools are also permitted to retain unspent balances arising from capital related budgets. Schools receive relatively small annual budgets for capital – on average £7,850 for a primary school and £24,156 for a secondary – and often need to accumulate funding from a number of years in order to fully finance projects, hence average balances stand at 97% of annual income. Capital budgets are directly funded by Department for Education (DfE) grant and are outside the local claw-back scheme. DfE remove any unspent balances that remain 3 years and 1 month after allocation.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 The key performance information on all school balances, as set out in paragraph 6.3, and in particular;**
- i. At £1.541m, aggregate surplus balances continue to decline, with an in-year reduction of -£0.167m (-7.3%);**
 - ii. Significant surplus school balances have increased by £0.058m (13.8%);**
 - iii. At 2.8%, average balances are considered to be below the level required for working balances to cover unforeseen circumstances and therefore an increase risk exists of schools over spending their budgets.**

That the Schools Forum AGREES:

- 3.2 That all of the significant surplus balances held by schools have been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 6.12).**
- 3.3 Whether any of the £0.072m surplus balance currently held above the 16% limit by Sandy Lane Primary School should be removed or whether the circumstances set out in Annex F are sufficient for the money to be retained.**

4 REASONS FOR RECOMMENDATIONS

- 4.1 It is appropriate for the Schools Forum to be aware of, and where relevant, comment on these financial matters.**

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not applicable.**

6 SUPPORTING INFORMATION

Calculating Statutory School Balances

- 6.1 The School Funding Framework provides a statutory requirement for the balance of expenditure made by each school compared to its budget share to be carried forward for use by individual governing bodies in the next financial year. This requirement is confirmed in the Scheme for Financing Schools which applies to both surplus and deficit balances and relates to all revenue funds held by schools in local authority accounts.**
- 6.2 Attached at Annex A is a list of individual school balances as at 31 March 2018. This excludes the effect of any loan advances, so only shows the position taking account of income due in the year. To enable a valid comparison to the 2016-17 year end position, it also removes the schools that converted to academy status during 2017-18 from both years data. Annex B provides a summary profile of deficit and surplus balances.**

General comments on school balances

6.3 Some comments on the analysis are as follows:

1. Aggregate surplus balances have decreased by £0.167m, from £1.708m to £1.541m. This is a reduction of 7.3%. Note the £1.541m balance excludes the £0.178m outstanding loan advances held by academy schools. When these are included, the total reduces to £1.363m, the amount reported on the 2017-18 Provisional Outturn on the Schools Budget agenda item.
2. There has been a 6.3% (£0.224m) increase in surplus balances in the primary and PRU sectors and a 2.3% (£0.392m) reduction in the secondary and special sectors.
3. On average, at 2.8% of total budget, average reserves are considered to be below an adequate level for sufficient working balances to cover unforeseen circumstances. The loan scheme ensures that all schools, in particular secondaries, have sufficient funds in place to cover their approved, anticipated costs, and that plans are in place to achieve a surplus balance.
4. The average surplus balance for a primary school is £0.075m (6.1%) and secondary schools have an average deficit of £0.178m (4.3%).
5. The aggregate surplus balance of £1.541m comprises £2.345m from surpluses (was £2.141m) and £0.804m in deficits (was £0.433m). There has been an improvement in the level of surpluses and a deterioration in the level of deficits.
6. The largest surplus balance held by a primary school is £0.400m (was £0.340m) and £0.162m for a secondary (was £0.198m).
7. The largest surplus balance as a percentage of budget is 19.5% (was 15.2%) and the greatest deficit is 9.0% (was 6.5%).
8. Four primary schools were in deficit at the end of the 2017-18 financial year. For Ascot Heath Infant, a loan arrangement has previously been agreed by the Forum and this will cover the deficit until the full benefits of the medium term financial plan that supports the loan approval come into effect and return the school to a surplus balance.

For College Town Junior and Warfield Primary, balanced budget plans have been received for 2018-19, including funding of the deficits, which are expected to be delivered.

In respect of the deficits at Winkfield St Mary's and Easthampstead Park and Sandhurst Secondary schools, discussions are in place with the governors to agree medium term financial plans that will return the schools to a surplus. This will need to reflect any future scheme in place to provide financial support to schools facing cash flow shortages that the Forum will consider tonight under a separate agenda item. Detailed proposals for financial support to these schools will therefore need to be presented to a future meeting of the Forum.

- ### 6.4 Overall, schools have continued to draw on their reserves with the aggregate surplus balance once again reducing. This generally reflects the impact of long term cash flat financial settlements, rising costs and the pressure this brings in balancing budgets. Whilst the 2018-19 and 2019-20 budgets are expected to deliver increases in funding to schools, these are in general expected to be below the rate of increase forecast for costs meaning net financial pressure will remain.

Significant surplus balances

- 6.5 Following consultation with schools, the Forum agreed that where significant balances are not being held for a valid purpose a claw-back scheme would be applied to remove relevant amounts for re-distribution within the Schools Budget. This was based on the position at that time where up to 40% of annual income was being held within individual school balances when in principle there is an expectation that the significant majority of annual funding should be spent on pupils in school that year and not held back unnecessarily.
- 6.6 Whilst there is no desire to claw-back money from schools, and that has been the case to date, there is still a responsibility to challenge those with significant surpluses as to why more is not being spent on the educational needs of pupils in schools right now. However, it does also need to be recognised that there will be circumstances that support schools building up significant surplus balances to manage future events.
- 6.7 Members of the Forum will recall that the main principle of the claw-back scheme is that balances in excess of 5% for secondary and 8% for primary and special schools or PRUs have been defined as significant and schools should provide information of intended use where balances exceed these levels. No explanation is required on surpluses below these thresholds.
- 6.8 A range of valid purposes have been agreed that permit schools to retain significant surplus balances above these threshold levels. If funds are not being held for a valid reason, then they are subject to claw-back. Furthermore, there is an absolute cap as to what can be retained, even where it relates to a valid reason. The maximum thresholds are 10% for secondary and 16% for primary and special schools or PRUs although schools can make a request to the Forum to exceed the limit, which if not agreed can be appealed to the Director Of Children, Young People and Learning.

Annex C sets out the agreed policy for the scheme to claw-back significant surplus balances.

- 6.9 Eight schools were identified as holding a significant surplus, which is unchanged from the number at the end of 2016-17. The aggregate level of significant surplus balances amounts to £0.486m, an increase of £0.058m (+13.6%). The final two columns of Annex A highlight schools holding significant surpluses and the relevant amount. Sandy Lane Primary school holds a balance in excess of the absolute cap at which funds would ordinarily be deducted, subject to a request for retention by the governors. Such a request has been received and is detailed below at paragraph 6.15.
- 6.10 Relevant schools have provided headteacher certified statements that confirm that these funds are being held for valid reasons, as set out in the scheme, with around 87% profiled for 2018-19 and 13% for future years.
- 6.11 In terms of the likelihood of schools completing the spend to schedule, plans have been categorised between uncommitted if governors have yet to agree the project, approved, once formally signed off by governors, and complete where spend has now been incurred. A summary analysis shows that 74% of planned spend has been approved, 17% already spent and 9% yet to be formally committed by governors.

6.12 Based on these returns, the Forum is therefore recommended to agree that no claw-back should be applied to 2017-18 balances. A summary of intended use of the significant surpluses is as follows:

1. £0.209m for funding future budget shortfall arising from a reduction in pupil numbers (45% of total significant surpluses)
2. £0.072m to finance additional staff costs (16%)
3. £0.056m for capital buildings, construction and refurbishment (12%)
4. £0.033m for IT and other one-off expenditure of a capital nature (7%)
5. £0.089m for other revenue expenditure (20%)

Note: schools have indicated that £0.045m more will be spent on these items than is held on significant surpluses, with the excess being financed from within surpluses not categorised as significant.

6.13 The analysis of planned spend also shows that 88% is intended to be spent on day to day revenue related costs and 12% on capital projects.

Annex D sets out outline information on the spending intentions of schools with significant surplus balances.

Significant surplus balances above the maximum cap

6.14 Schools have previously agreed through consultation that an absolute cap should be set on significant surplus balances at which point even if the funds are being held for a valid purpose, they would ordinarily be deducted. To be able to consider the particular circumstances that such surplus balances arise, provision exists for governors to set out a case to retain any funds above the cap for the Forum to review. If the decision is to claw-back, the governors can appeal to the Director of Children, Young People and Learning who will make a final determination.

6.15 The case made by the governors of Sandy Lane Primary school is set out in Annex E. In summary, the school has experienced a rapid and significant reduction in pupil numbers – down 148 (24%) over a 3 year period – which is now slowing, but is expected to reduce further in 2019 before an increase from 2020. The school is subject to intensive monitoring, with the council having issued a Declaration of Concern and established a Standards Monitoring Board.

6.16 Building up a significant surplus balance has been a key objective of the governors in order to help best manage the future financial challenges which will benefit from retaining the full amount of surplus. The lagged pupil funding basis does present schools with falling rolls with additional time to adjust compared to when initial funding is based on actual pupil numbers. Further savings options are being explored for the immediate future including reducing the number of classes through multi-age class teaching or setting classes with significantly higher than 30 pupils.

Annex E presents the case made by the governors of Sandy Lane to retain all of the school surplus.

Capital Funding

- 6.17 Schools receive direct funding for capital projects through the DfE Devolved Formula Capital Grant (DFC). DFC is allocated as a specific grant through a national formula, paying a fixed lump sum of £4,000 for all schools and £11.25 per pupil for primary aged pupils, £16.88 for secondary aged pupils and £33.75 for those in special schools. The average allocation to a primary school was £7,850 and for a secondary school £24,156.
- 6.18 DFC is provided in response to the continuing need for additional resources and must be spent on improving the condition and suitability of school accommodation as well as ICT hardware. Individual projects need to be at least £2,000 to qualify as capital related expenditure and need to be approved by the Council before they can proceed. Schools can pool their funding amongst each other or add it as a contribution to projects undertaken by the Council. Funding must be spent on eligible expenditure within 3 years and one term of receipt or be returned to the DfE.
- 6.19 As voluntary aided (VA) schools own and are responsible for the maintenance of their buildings, different arrangements are in place, outside local authority accounts, and therefore, information on the 5 VA schools in Bracknell Forest are not available for inclusion in this report.

Annex F provides a summary of individual school balances of DFC as at 31 March 2018.

- 6.20 Some comments on the analysis are as follows:
1. Aggregate unspent balances have decreased by £0.032m, from £0.283m to £0.251m. It represents 97% of the annual funding allocation and reflects schools building up funds in order to undertake more substantial projects than can be afforded from a single year's budget allocation.
 2. The level of capital balances are not considered excessive as schools tend to save funds over a number of years before committing to significant projects.
 3. All schools had a surplus at year end.
 4. Four schools were in danger of having to return unspent grant at 31 August 2018, which aggregates to £0.016m. Relevant schools have been informed of this risk and all have indicated that they intend to fully spend the amounts by the deadline.

Conclusions

- 6.21 At 2.8%, the aggregate level of school revenue balances is considered to be below the level required to safely manage normal in-year variances against the budget. However, within the overall total, at 6.1%, average balances in primary schools are considered at a sufficient level to manage most unforeseen circumstances. For secondary schools, where average balances are at a deficit of 4.3%, these are being managed through the current loan scheme where medium term financial plans are in place that will return schools to a surplus. These will need to be carefully managed and monitored to ensure required repayments are met.

- 6.22 The difficult financial environment that schools are working in requires annual efficiencies or general cost reductions to be made each year to balance budgets. Whilst there are improvements in funding allocations over the next 2 years, they are not expected to be significant enough to fully fund expected cost increases. This has resulted in 6 years of reductions in school balances, a trend which is expected to continue, with resultant difficulties for more schools in managing their spending to available income.
- 6.23 In respect of capital grants, the majority of schools continue to secure total funding for a project from DFC before it commences. With DFC funding having been reduced by approximately 80% from April 2011, schools are now undertaking much lower value projects and will therefore need to carefully prioritise their projects.
- 6.24 Overall, schools continue to show resilience to the difficult economic climate which indicates good cost control and financial planning although surplus balances continue to reduce and the value and number of loan requests have increased significantly over the last 4 years, which indicates challenging circumstances, in particularly for secondary schools.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 The relevant legal provisions are contained within the body of the report.

Borough Treasurer

- 7.2 The financial implications of the report are outlined in the supporting information.

Equalities Impact Assessment

- 7.3 There are no specific impact assessments arising from this report.

Strategic Risk Management Issues

- 7.4 There are no specific strategic risk management issues arising from this report

8 CONSULTATION

- 8.1 Not applicable, applying statutory regulations and approved policies.

Background Papers

None.

Contact for further information

Paul Clark, Finance Business Partner - CYPL
<mailto:paul.clark@bracknell-forest.gov.uk>

(01344 354054)

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2017-18 True School Revenue Balances (excludes loan advances)

School	2017-18 Budget (excluding balance due on loan advances)	School Balances					Significant surplus requiring explanation (over 5% or 8%)	Significant surplus - above maximum cap
		Total Amount	Percentage of total Budget	Change from 2016-17	Percentage of total Budget last year	Change in Percentage of total Budget		
Ascot Heath Infant	£757,101	£8,396	1.11%	£-8,235	2.22%	-1.12%	£0	£0
Ascot Heath CE Junior	£859,287	£-28,391	-3.30%	£-6,510	-2.52%	-0.78%	£0	£0
Binfield CE Primary	£1,366,977	£-8,046	-0.59%	£-4,820	-0.24%	-0.35%	£0	£0
Birch Hill Primary	£1,541,862	£-10,305	-0.67%	£-31,908	1.46%	-2.13%	£0	£0
College Town Infant & Nursery	£1,009,895	£-111,859	-11.08%	£-64,153	-5.20%	-5.88%	£-31,067	£0
College Town Junior	£937,248	£34,357	3.67%	£36,214	-0.20%	3.87%	£0	£0
Cranbourne Primary	£767,195	£-14,902	-1.94%	£-25,535	1.41%	-3.35%	£0	£0
Crowthorne CE Primary	£802,381	£-22,806	-2.84%	£-10,692	-1.52%	-1.32%	£0	£0
Fox Hill Primary	£875,841	£-32,603	-3.72%	£20,355	-6.03%	2.31%	£0	£0
Harmanswater Primary	£2,225,149	£-257,735	-11.58%	£82,732	-15.17%	3.59%	£-79,723	£0
Holly Spring Infant	£1,061,157	£-82,521	-7.78%	£22,224	-9.18%	1.41%	£0	£0
Holly Spring Junior	£1,243,521	£-119,080	-9.58%	£-4,677	-9.67%	0.10%	£-19,598	£0
Meadow Vale Primary	£2,412,113	£-242,855	-10.07%	£-32,658	-9.52%	-0.55%	£-49,886	£0
New Scotland Hill Primary	£831,615	£-36,092	-4.34%	£-8,238	-3.41%	-0.93%	£0	£0
Owlsmoor Primary	£1,963,142	£-105,498	-5.37%	£-93,867	-0.63%	-4.74%	£0	£0
The Pines School	£1,118,937	£-59,921	-5.36%	£77,834	-12.79%	7.44%	£0	£0
Sandy Lane Primary	£2,053,181	£-400,378	-19.50%	£-108,358	-13.71%	-5.79%	£-164,255	£-71,869
St Joseph's Catholic Primary	£793,916	£-52,901	-6.66%	£1,108	-6.81%	0.14%	£0	£0
Winkfield St Mary's CE Primary	£759,971	£25,156	3.31%	£14,121	1.43%	1.88%	£0	£0
St Michaels Easthampstead	£894,552	£-70,454	-7.88%	£-30,804	-4.49%	-3.39%	£0	£0
St Michaels CE Primary, Sandhurst	£712,037	£-76	-0.01%	£-3,838	0.53%	-0.54%	£0	£0
Uplands Primary	£901,935	£-41,682	-4.62%	£9,674	-5.92%	1.30%	£0	£0
Warfield CE Primary	£1,551,081	£39,466	2.54%	£19,765	1.70%	0.85%	£0	£0
Whitegrove Primary	£1,404,808	£-149,673	-10.65%	£-6,926	-9.56%	-1.10%	£-37,288	£0
Wildridings Primary	£1,523,656	£-92,815	-6.09%	£-25,832	-4.49%	-1.61%	£0	£0
Woodenhill Primary & Nursery	£1,399,032	£-113,636	-8.12%	£-2,286	-8.21%	0.08%	£-1,713	£0
College Hall PRU	£760,080	£-90,973	-11.97%	£-39,588	-6.75%	-5.22%	£-30,167	£0
Easthampstead Park	£4,429,522	£260,468	5.88%	£219,830	0.88%	5.00%	£0	£0
The Garth Hill	£8,644,268	£-162,404	-1.88%	£36,448	-2.35%	0.48%	£0	£0
Sandhurst	£4,845,160	£436,403	9.01%	£127,642	6.53%	2.48%	£0	£0
Kennel Lane	£3,747,900	£-37,858	-1.01%	£8,238	-1.26%	0.25%	£0	£0
Total	£54,194,520	£-1,541,218	-2.84%	£167,260	-3.22%	0.37%	£-413,698	£-71,869
Total with loan advances		£-2,221,218	-4.05%					

Primary average	£1,221,830	£-74,879	-6.13%
Secondary	£5,972,983	£178,156	4.34%
Primary minimum	£712,037	£-400,378	-19.50%
Primary maximum	£2,412,113	£39,466	3.67%
Secondary minimum	£4,429,522	£-162,404	-1.88%
Secondary maximum	£8,644,268	£436,403	9.01%

NB this summary analysis excludes College Hall PRU and Kennel Lane Special School.

£-485,567

Summary profile of deficit and surplus school balances – All Schools

Sector	2016-17				2017-18				Change in carry forward 2016-17 to 2017-18 (+ increase / - decrease in surplus)	
	Final Budget	Carry Forward with loan advances	Carry Forward excluding loan advances	Carry Forward as % of final budget	Final Budget	Carry Forward with loan advances	Carry Forward excluding loan advances	Carry Forward as % of final budget		
Primary and PRU	£37,171,212	£1,819,929	£1,812,929	4.90%	£32,527,670	£2,077,827	£2,037,827	6.26%	£224,898	12.36%
Secondary and Special	£31,722,578	£469,759	-£104,451	1.48%	£21,666,850	£143,391	-£496,609	-2.29%	-£392,158	-83.48%
Total including loan advances	£68,893,790	£2,289,688	£1,708,478	3.32%	£54,194,520	£2,221,218	£1,541,218	2.84%	-£167,260	-7.30%
Net Outstanding loans			£487,400				£680,000			
Loans due for repayment at start of new financial year							-£243,000			
Loans as a % of balances			28.53%				28.35%			

Analysis of true net balances								
Deficits		Surpluses					Significant Surpluses	
Number	Largest	Number	Largest	No. 0-5% of budget	No. 5-8% of budget	No. > 8% of budget	Number	Amount

2016-17

Primary and PRU	6	£21,603	21	-£340,467	8	5	8	8	-£426,970
Secondary and Special	2	£308,761	2	-£198,852	2	0	0	0	£0
Total	8	£432,764	23	-£2,141,242	10	5	8	8	-£426,970

2017-18

Primary and PRU	4	£39,466	23	-£400,378	9	6	8	8	-£485,567
Secondary and Special	2	£436,403	2	-£162,404	2	0	0	0	£0
Total	6	£804,246	25	-£2,345,464	11	6	8	8	-£485,567

Change 2016-17 to 2017-18

Primary and PRU	-2	£17,863	2	-£59,911	1	1	0	0	-£58,597
Secondary and Special	0	£127,642	0	£36,448	0	0	0	0	£0
Total	-2	£371,482	2	-£204,222	1	1	0	0	-£58,597

Approved scheme to control significant surplus school balances

Normal text indicates the wording for the BFC Scheme. Words in *italics* are offered as an explanation to the Scheme text and are not part of the Scheme.

Controls on surplus balances

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

- a. the Authority shall calculate by 30 June each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;

Balances on Devolved Formula Capital and any other specific grant funded activities are excluded, unless allowed for in the relevant grant conditions.

- b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance from the previous financial year;

In this context, a prior year commitment is defined as a project previously agreed with the Authority to be excluded from the claw-back calculation, for example, capital building and construction projects – see c.i to viii below for full criteria to be used to establish a valid commitment against a surplus balance.

- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned. Schools will be required to provide relevant information to support funds assigned for a specific purpose, in a format prescribed by the authority.

The criteria to consider whether sums are properly assigned are as follows:

- i. Capital building and construction projects
- ii. Furniture, IT and other one-off expenditure of a capital nature
- iii. Infrastructure, maintenance and refurbishment
- iv. Staffing remodelling and restructuring
- v. Specific curriculum resources
- vi. Balances held in respect of pupil focused extended activities
- vii. Money held to fund budget deductions known to be occurring in the next financial year e.g. fall in pupil numbers.
- viii. Other high cost activities, of a long term nature, agreed in advance with the Director of Children, Young People and Learning and the Schools Forum.

The conditions outlined here are intended to ensure schools can build up reserves towards particular projects but cannot defer implementation indefinitely. A change in the plans of a school is not allowed to be the only criterion by which a sum can be considered to be properly assigned or not. After the accounts are closed each year, the Authority will contact schools with significant surplus balances to agree whether any of the balance has been properly assigned for a specific purpose and can therefore be deducted from the claw-back calculation.

The above specified criteria have previously been approved by the Schools Forum following consultation with schools where they were supported by the vast majority of respondents.

- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools and Pupil Referral Units (PRUs), then the Authority shall deduct from the current year's budget share an amount equal to the excess.
- e. the calculation will be made against the final budget for the year in question i.e. after any contingency funding, significant in-year pupil growth allocation etc. The deduction will be made annually in arrears i.e. the final balance at 2011-12 calculated against the final budget for 2011-12 (known around June 2012) will be deducted at the start of the 2013-14 financial year.

This paragraph has been added to make clear that the calculation will be made against final and not initial budgets. It is also proposed to delay any claw-back for one year to allow relevant schools time to plan for the change when setting subsequent budgets.

- f. Any amount proposed by a school that relates to an assigned amount of the surplus, as calculated at step c above shall be limited to no more than 5% of the current year's budget share for secondary schools and 8% for primary and special schools and Pupil Referral Units (PRUs) i.e. is limited to the same amount that schools may retain without assignment.
- g. Should any school wish to retain a higher surplus than permitted in step f above, the Schools Forum will consider each referral on a case by case basis, taking account of the merits of each individual proposal based upon the submission made by the school.
- h. An appeal against a decision by the Forum in step g. can be made to the relevant Director. The Director's determination will be final.
- i. Where, at 31 March 2014, a school holds a surplus balance in excess of step f, this can be retained until 31 March 2017 without specific approval of the Forum.

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority

Analysis of significant school surplus balances

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2018-19	2019-20	2020-21
<u>College Town Infants and Nursery (11.08% total surplus)</u>						
Staff restructure - out of class Lead Practitioner		£18,408			£18,408	
Staff restructure - protected pay costs		£16,800				£16,800
Classroom refurbishment		£10,000		£10,000		
Total accounted for		£45,208		£10,000	£18,408	£16,800
Amount of significant surplus		£31,067				
<u>Harmanswater Primary (11.58% total surplus)</u>						
Orders placed before 31 March, delivered in new year			£77,364	£77,364		
Actions required following Fire Risk Assessment		£7,000		£7,000		
Replacement interactive whiteboards and AV equipment		£13,014		£13,014		
Total accounted for		£97,378		£97,378	£0	£0
Amount of significant surplus		£79,723				
<u>Holly Spring Juniors (9.58% total surplus)</u>						
Furniture for surge class		£2,000		£2,000		
Falling pupil numbers predicted for 2019-20		£14,000			£14,000	
Planned works that need to take place in school holidays		£4,000		£4,000		
Total accounted for		£20,000		£6,000	£14,000	£0
Amount of significant surplus		£19,598				
<u>Meadow Vale (10.07% significant surplus)</u>						
Budget reduction - reduction in pupil numbers	£30,000			£30,000		
Refurbishment of part of roof of KS2 corridor		£10,000		£10,000		
Pupil focused extended activities	£10,000				£10,000	
Total accounted for		£50,000		£40,000	£10,000	£0
Amount of significant surplus		£49,886				

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2018-19	2019-20	2020-21
<u>Sandy Lane (19.50% total surplus)</u>						
Balance held in anticipation of reduction in pupil numbers		£164,254		£164,254		
Total accounted for		£164,254		£164,254	£0	£0
Amount of significant surplus		£164,254				
<u>Whitegrove (10.65% total surplus)</u>						
Staff remodelling and restructure to balance budget		£37,288		£37,288		
Total accounted for		£37,288		£37,288	£0	£0
Amount of significant surplus		£37,288				
<u>Wooden Hill (8.12% total surplus)</u>						
Sports equipment ordered 6/3/18 delivered in new year			£1,878	£1,878		
Total accounted for		£1,878		£1,878	£0	£0
Amount of significant surplus		£1,713				
<u>College Hall Pupil Referral Unit (11.97% total surplus)</u>						
Upgrade curriculum IT network		£10,000		£10,000		
Classroom refurbishment		£25,000		£25,000		
Purchase and installation of new reception desk		£8,000		£8,000		
Total accounted for		£43,000		£43,000	£0	£0
Amount of significant surplus		£30,167				
Total	£40,000	£339,764	£79,242	£399,798	£42,408	£16,800
Total	9%	74%	17%	87%	9%	4%
Total		£459,006			£459,006	



Request from Sandy Lane Governors to retain full surplus balance

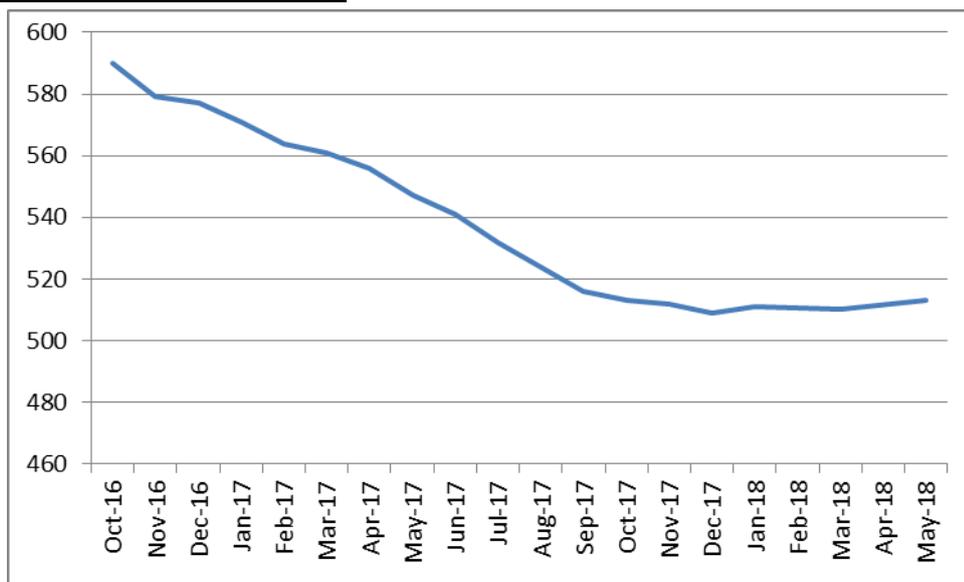
Budget position at Sandy Lane School 2018-2021 Summary

Sandy Lane currently is holding a surplus balance of £400k but £185k of this carry forward will be used during 2018-19 to offset the drop in pupil numbers between October 2016 and October 2017. It is believed however that the amount used from this carry forward will be £231k as the current budget allocation assumes 110 Pupil Premium children but the actual number is 74 – measured at the January census so this funding will be removed from the allocation once the PP numbers are confirmed. The balance of the of the carry forward will be completely absorbed in setting a budget for 2019-20

Pupil Numbers

Capacity if full (exc Nursery)	630
October 2015	622
October 2016	593
October 2017	513
October 2018	474 (-39 additional in year losses, based on current known numbers)
October 2019	462 (assumes current levels with an increase in Reception to 84)

Total NOR excl. Nursery



Pupil numbers at Sandy Lane have been relatively stable since October 2017 but for September 2018 there have only been 39 places offered to reception aged children, versus the 90 spaces we have. The table below shows that we have spaces in each year group currently apart from year 5, and although it is our aim to fill these we have no guarantee that this is possible.

Pupil Numbers

Age	Year	Key Stage	Oct 2017	Oct 2018	Oct 2019	Oct 2020
5	Reception	Early Years	58	39	84	84
6	Year 1	KS1	62	58	39	84
7	Year 2	KS1	78	62	58	39
8	Year 3	KS2	74	78	62	58
9	Year 4	KS2	67	74	78	62
10	Year 5	KS2	96	67	74	78
11	Year 6	KS2	78	96	67	74
Total			513	474	462	479

Budget modelling

For budget setting, we have worked on the basis of the pupil numbers shown in the table above as we cannot predict that our numbers on role are going to increase although we have made an allowance for this in Reception for 2020-21. This generates an in year budget deficit of £185k for 2018-19, and an overall deficit of £367k for 2019-20.

Our current budget model (as below) is showing that the 2019-20 budget cannot be balanced and we are therefore looking at options as to how we can reduce our costs and also any way that we can increase pupil numbers.

To reduce costs we have options to reduce the number of classes by combining classes across year groups or running with class sizes significantly above 30 in KS2 which would mean a reduction in our teaching staff numbers. It must be noted however that Sandy Lane, consider this to be detrimental to the aim of achieving improvements. As you will be aware, we have already been through a restructure of class support staff which cut support staff costs and as there is no significant natural wastage on TAs that we can take advantage of to further reduce costs. During 2017-18 savings have been made to build up a bigger reserve for 2018-19/2019-20 but there are few if any savings that can now be made.

We are actively promoting the school with the intention of attracting new pupils. The school has a Facebook page and are on twitter and have had several positive articles printed in the local newspapers. This is an area we intend to continue working on.

2018-19 Budget / 2019-20 Forecast

	Submitted 2018-19	Forecast 2019-20
Allocated Income	1,885,796	1,778,940
Pupil Premium	148,480	148,480
Sports Funding	21,030	21,030
UIFSM	76,821	76,821
Self-Generated Income	86,609	86,609
Carry forward	400,378	214,842
Total income	2,619,114	2,326,722
Staffing	1,874,363	1,951,134
Other staff related costs	35,516	35,516
Site	172,721	171,587
Resources / Catering	226,459	226,159
Services / Agency	95,214	95,214
Total expenditure	2,404,272	2,479,610
In year Surplus / Deficit	(185,536)	(367,730)
Surplus / Deficit brought forward	400,378	214,842
Cumulative surplus / deficit c/fwd	214,842	(152,888)

Assumptions:

- 2018-19 / 2019-20 staffing based on position as at May 2018
- Includes modelled numbers for nursery provision
- Self generated income includes income from school meals, lettings, donations and parental contributions to trips.

2017-18 School Capital Balances

School	2017-18 new year funding £	Carry forward			Amount that must be spent by 31 August 2018 £
		Total Amount (+surplus / -deficit) £	Percentage of new year funding £	Change from 2016-17 (+increase / -decrease) £	
Ascot Heath County Infant	6,273	14,864	236.95%	6,273	2,307
Ascot Heath CE Junior	6,700	9,680	144.48%	-5,231	
Birch Hill Primary	8,770	1,230	14.03%	-12,602	1,290
College Town Infant and Nursery	6,788	3,717	54.76%	-377	
College Town Junior	6,768	175	2.59%	-2,407	5,118
Cranbourne Primary	6,329	4,504	71.16%	3,440	
Crowthorne CE Primary	6,363	14,016	220.27%	5,667	6,807
Fox Hill Primary	6,406	7,904	123.38%	3,306	
Harmanswater Primary	11,529	12,475	108.21%	2,253	5,118
Holly Spring Infant and Nursery	7,668	7,069	92.19%	-14,901	
Holly Spring Junior	7,510	19,834	264.10%	1,878	6,807
Meadow Vale Primary	10,908	28,234	258.84%	-1,492	
New Scotland Hill Primary	6,482	8,581	132.38%	3,485	5,118
Owlsmoor Primary	10,256	5,326	51.93%	5,326	
Pines	6,993	86	1.23%	-18,007	5,118
Sandy Lane Primary	11,252	5,135	45.64%	-23,170	
St Marys CE Primary (Winkfield)	6,318	11,191	177.13%	-3,162	5,118
Uplands Primary	6,735	12,443	184.75%	1,646	
Warfield CE Primary	6,654	9,540	143.37%	-671	5,118
Whitegrove Primary	9,074	9,812	108.13%	-1,210	
Wildridings Primary	8,799	399	4.53%	399	5,118
Woodenhill Primary and Nursery	8,124	4,084	50.27%	-3,891	
Easthampstead Park	18,366	5,224	28.44%	-3,293	5,118
Garth Hill	32,946	35,958	109.14%	32,946	
Sandhurst	21,156	13,857	65.50%	2,513	5,118
Kennel Lane	9,687	828	8.55%	-15,860	
College Hall PRU	4,776	4,776	100.00%	4,776	
Total	£259,630	250,942	96.65%	-32,366	£15,522

Primary average £7,850
Secondary average £24,156