

**TO: SCHOOLS FORUM**  
**Date 17 JULY 2014**

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**2013-14 SCHOOL BALANCES**  
**(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 schools as at 31 March 2014, 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 In light of the small number of schools that continue to increase their surplus balances, the Forum is asked to consider whether changes should be made to the existing criteria within the claw-back scheme, including the potential to add an absolute cap on the percentage of budget that can be retained.

**2 RECOMMENDATIONS**

**That the Schools Forum NOTES:**

- 2.1 **The level of aggregate surplus revenue balances as at 31 March 2014 totalled £4.438m, a decrease of £0.135m (2.9%) from the previous year (paragraph 5.3 (1));**
- 2.2 **That at 6.3% of annual income, average surplus balances are in excess of the amount required for working balances and that more funds could have been spent by schools on their key priorities (paragraph 5.3 (3));**
- 2.3 **That significant surplus revenue balances totalled £1.251m, an increase of £0.107m (9.3%) from the previous year (paragraph 5.6);**
- 2.4 **The average surplus balance for a primary school is £0.096m (6.4% of budget) and £0.264m (4.3%) for secondaries (paragraph 5.3 (5));**
- 2.5 **The largest surplus balance as a percentage of budget is 26.9% (was 16.8%) and that there are very limited circumstances where this can be warranted (paragraph 5.3 (6));**
- 2.6 **That £0.247m of Devolved Formula Capital grant remained unspent at 31 March 2014, a decrease of £0.196m (56%%) from the previous year (paragraph 5.21 (1));**
- 2.7 **That relevant schools had indicated that the £0.014m of Devolved Formula Capital grant funding that is due to expire at 31 August 2014 will be fully spent (paragraph 5.21 (5)).**

**That the Schools Forum AGREES:**

- 2.8 That all of the qualifying 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 5.8).**
- 2.9 That the LA presents options to amend the approved claw-back scheme to the next meeting of the Schools Forum to consider whether attempts should be made to reduce the highest levels of surplus balances through encouraging additional spend in relevant schools (paragraph 5.16).**

**3 REASONS FOR RECOMMENDATIONS**

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

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable.

**5 SUPPORTING INFORMATION**

Calculating Statutory School Balances

- 5.1 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.
- 5.2 Attached at Annex A is a list of individual school balances as at 31 March 2014. For comparison, the annex also shows the change from the 2012-13 year end position. Annex B provides a summary profile of deficit and surplus balances.
- 5.3 Some comments on the analysis are as follows:
1. Aggregate surplus balances have decreased by £0.135m, from £4.573m to £4.438m. This is a decrease of 2.9%.
  2. There has been a net increase in surplus balances in the primary and PRU sectors of £0.258m (+9.2%). Aggregate surpluses in the secondary and special sectors have decreased by £0.393m (-22.1%).
  3. On average, at 6.3% of total budget, overall reserves are considered to be at a more than adequate level required for working balances to cover unforeseen circumstances and therefore more money could have been spent by schools on their key objectives.
  4. The aggregate surplus balance of £4.438m comprises £4.467m from surpluses (was £4.609m) and £0.029m in deficits (was £0.036m). There

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has been a marginal deterioration in the level of surpluses and a marginal improvement in the level of deficit balances.

5. The average surplus balance for a primary school is £0.096m (6.4%) and £0.264m (4.3%) for secondaries.
6. The largest surplus balance as a percentage of budget is 26.9% (was 16.8%) and the greatest deficit is 2.1% (was 2.9%). There are very limited circumstances where a surplus balance of 26.9% of annual income can be warranted.
7. Two primary schools were in deficit at the end of the 2013-14 financial year. For Wildmoor Heath, the Forum has previously agreed a loan arrangement with the school and taking the advance into account, means there was a £0.006m surplus balance. For College Town Junior School, this is the second successive year that a deficit balance has been reported. A balanced budget plan has been submitted for 2014-15 which is expected to be delivered, in particular after taking account of recent staffing changes that will reduce salary costs by around £0.021m from those included in the budget plan. Therefore, no significant concerns exist in respect of schools with deficit balances.

### Significant surplus balances

- 5.4 Following consultation with schools, the Forum agreed that where significant balances are not being held for a valid purpose, with effect from 2012-13 accounts, a claw-back scheme would be applied to remove relevant amounts for re-distribution within the Schools Budget. This was based on the principle that generally speaking, the significant majority of annual funding should be spent on pupils in school that year and not held back unnecessarily.

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

- 5.5 Members of the Forum will recall that balances in excess of 5% for secondary or 8% for primary and special schools or PRUs have been defined as significant and that a range of valid purposes have been agreed that permit schools to retain surplus balances above these levels.
- 5.6 Ten schools were identified as holding a significant surplus, which is unchanged compared to the end of 2012-13, of which seven continue with a significant surplus for the third consecutive year. The aggregate level of significant surplus balances amounts to £1.251m, an increase of £0.107m (9.3%).
- 5.7 In light of the significant redistribution of funds between schools at April 2013 as a consequence of the national school funding reforms, the Forum determined that any significant surplus balance held by a school losing money through these changes would not be subject to claw-back before 31 March 2015. Taking account of this new condition means only three schools out of the original ten held significant surpluses that would be subject to the claw-back scheme which in total aggregate to £0.258m, a decrease of £0.212m compared to last year.
- 5.8 Relevant schools have provided statements that confirm that these funds are being held for valid reasons, as set out in the scheme, and all the significant surpluses are planned to be spent during 2014-15. The Forum is therefore recommended to agree

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that no claw-back should be applied to 2013-14 balances. A summary of intended use of the significant surpluses is as follows:

- £0.160m for capital buildings and construction
- £0.020m for furniture, IT and other one-off expenditure of a capital nature
- £0.010m for staffing remodelling and restructuring
- £0.251m for a known future budget reduction

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

- 5.9 It is important that schools carefully plan their budgets and balance the need to hold funding as a contingency for the future whilst at the same time ensuring the maximum investment is made in the school each year to help achieve improvement targets. A prudent approach to spending is recommended in the current economic climate with tight financial settlements, but this should not in itself lead to continued increases in balances.

### Tackling significant surplus balances

- 5.10 In general, schools in Bracknell Forest manage their finances well, spending the majority of funding in-year on current pupils, although average surplus balances continue to be above the level expected to be required to manage unforeseen in-year changes and future pressures. However, there are a number of schools approaching a surplus balance of 15% of annual income or over. Such levels were not anticipated when the criteria for the claw-back scheme were agreed.
- 5.11 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 the largest surpluses as to why more is not being spent on the educational needs of pupils in schools right now. Taking account of the latest data on balances, and the on-going trend of increasing surpluses in a small number of schools suggests that further controls should be considered. The Forum is therefore asked to consider whether the LA should bring forward proposals to amend the claw-back scheme, which could include some or all of the following:
1. Removing the clause that schools losing money from the April 2013 funding reforms are excluded from the scheme. Based on 2013-14 data, this would bring 7 more schools with significant surpluses within the scheme conditions with aggregate significant surplus balances of £0.992m.
  2. Current 5% and 8% thresholds should continue to determine what is a significant surplus, but then apply an absolute cap to the level of a surplus balance that can be retained. For example at double the current threshold, so potentially the higher of 16% of annual income or £0.150m for primary, special and PRUs or 10% for secondary schools. The retention of money above this level would be conditional on individual cases made by schools to the Schools Forum, but the expectation would be that any significant surplus balance above the second threshold would be lost.

Note, the £0.150m minimum level for primary, special and PRU would represent a 21% balance for the smallest school, a 16% cap would be £0.114m which is considered too low. No minimum level is proposed for

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secondary schools as a 10% balance equates to £0.483m for the smallest school, which is considered more than adequate.

3. Apply a banded claw-back / banded claw-back and absolute cap. For example, current 5% and 8% thresholds continue to determine what is a significant surplus, then provided it is being held for a valid reason, schools can keep a limited share of surplus balances in bands of 50% increases on the current threshold. So secondary schools could keep 75% of a surplus between 5% and 7.5%, then 50% between 7.5% and 10%, the 25% between 10% and 12.5%, then nothing above 12.5%. A similar model would be applied to primary schools using relevant bandings compared to the 8% significance level.
- 5.12 As set out above, should any significant surplus funds be removed from schools, then School Funding Regulations require it to be spent within the Schools Budget and the Forum would be asked to make recommendations for intended use to the Executive Member for Children, Young People and Learning. One area that may be an appropriate use would be to develop a targeted support service for school leadership and management around the use of resources and prioritisation to help schools effectively spend their money. This would help manage risks around existing and future significant surplus balances and ensure appropriate levels of investment are made each year on achieving school improvement targets.
- 5.13 Any change in claw-back scheme conditions would be a decision for the Schools Forum to take, but must be after consultation with schools. The earliest that any change could be implemented would be from the end of the 2014-15 financial year.
- 5.14 To better understand how schools are accumulating the highest levels of surplus, those currently exempt to claw-back through losing money at 2013 from the national funding reforms have been asked to submit information to explain the intended use of the aggregate £0.992m significant surplus in the same way that schools subject to the scheme conditions have. A summary of intended use is set out below in Table 1:

Table 1: Intended use of significant surplus balances at schools outside the criteria of the claw-back scheme

Intended use	Amount to spend 2014-15	Amount to spend after 2014-15
Capital building and construction projects	£0.195m	£0.331m
Furniture, IT and other capital expenditure	£0.047m	£0.060m
Infrastructure, maintenance and refurbishment	£0.125m	£0.096m
Staff remodelling and restructuring	£0.121m	£0.165m
Specific curriculum resources	£0.040m	£0.140m
<b>Total</b>	<b>£0.528m</b>	<b>£0.792m</b>

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

5.15 Some comments on Table 1 are as follows:

1. Only 40% of funds are planned to be spent in 2014-15, with substantial amounts set aside for future years which could result in some schools maintaining significant surplus balances at the end of 2014-15.
2. 40% of intended expenditure has been set aside for capital building and construction.
3. Overall, 65% of intended spend relates to capital expenditure.
4. Specific curriculum resources account for 14% of planned spend.

Whilst it is important to maintain and develop school buildings and other assets to make school facilities fit for purpose, the spending plans of schools are considered to place too much importance on such areas at the expense of greater investment to secure school improvement targets.

5.16 It is recommended that further proposals for updating the claw-back scheme, taking account of the views of the Schools Forum received tonight, should be presented at the next meeting of the Schools Forum.

#### Revised calculation of balances as a percentage of budget

5.17 In presenting this data for 2014-15 school balances, there will be a change in the calculation of the year end balance as a percentage of budget. Rather than including the balance from the previous financial year within the total budget, the calculation will now be made only against the funding received for the relevant year. This change ensures that percentages are not distorted by significant prior year surplus balances. It has the effect of increasing the percentage rate for individual school balances and categorising more schools with significant surpluses, but is now considered the most appropriate calculation to make. Note, there is no change in the level of balance at an individual school, just the percentage rate the balance comprises compared to funding.

Annex D has been added to illustrate the effect of the proposed change had it been applied against 2013-14 balances. This shows 26 schools have no more than a 0.5% change in figure, 6 change between 0.5% and 1%, with the remaining 6 changing by more than 1%. The largest change is 5.51%.

#### Capital Funding

5.18 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 is £7,420 and for a secondary school £22,920.

5.19 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

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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.

- 5.20 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 E provides a summary of individual school balances of DFC as at 31 March 2014.

- 5.21 Some comments on the analysis are as follows:

1. Aggregate unspent balances have decreased by £0.196m, from £0.443m to £0.247m. This is a decrease of 56% and is mainly accounted for through a number of significant schemes being completed by schools.
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. The aggregate level of surplus balances continues to fall significantly as projects complete and less funding is being provided by the DfE.
4. Five schools had a deficit balance at year end. which aggregate to £0.021m. These will all be financed through funding allocations to be received in 2014-15.
5. Four schools were in danger of having to return unspent grant at 31 August 2014, which aggregates to £0.014m. Relevant schools have been informed of this risk and all have indicated that they intend to fully spend the amounts by the deadline.

### Conclusions

- 5.22 At 6.3%, the aggregate level of school revenue balances is considered to be higher than required to cover normal in-year variances against the budget and suggests that more money could have been spent in-year on key priorities. Within the overall total, as should be expected, a small number of schools are running deficits in order to implement financial change over the medium term, in a managed way. Consideration also needs to be given as to whether action needs to be taken against those schools that continue to increase their significant surplus balances.
- 5.23 In respect of capital grants, the majority of schools continue to secure total funding for a project from DFC before it commences, hence balances are in excess of annual funding allocations. 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 consider which are their highest priority projects.
- 5.24 Overall, schools continue to show resilience to the difficult economic climate and the impact of the national funding reforms which indicates good cost control and financial planning.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

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

### Borough Treasurer

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

### Equalities Impact Assessment

6.3 There are no specific impact assessments arising from this report.

### Strategic Risk Management Issues

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

### Other Officers

6.5 There are no issues arising from this report that are relevant to other officers.

## **7 CONSULTATION**

### Principal Groups Consulted

7.1 Not applicable, applying statutory regulations.

### Method of Consultation

7.2 Not applicable.

### Representations Received

7.3 Not applicable.

### Background Papers

None.

### Contact for further information

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### Doc. Ref

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**2013-14 School Revenue Balances**

School	2013-14 Budget (excluding balance due on loan advances)	2013-14					Significant surplus - initial calculation	Significant surplus - after MFG adjustment  To be checked
		Total Amount	Percentage of total Budget	Change from 2012-13	Percentage of total Budget last year	Change in Percentage of total Budget		
Ascot Heath Infant	£764,492	-£26,873	-3.52%	-£3,561	-3.07%	-0.44%	£0	£0
Ascot Heath CE Junior	£894,195	-£40,556	-4.54%	£20,883	-6.85%	2.31%	£0	£0
Binfield CE Primary	£1,416,433	-£53,372	-3.77%	-£9,672	-3.27%	-0.50%	£0	£0
Birch Hill Primary	£1,512,252	-£26,020	-1.72%	£79,427	-6.72%	5.00%	£0	£0
College Town Infant & Nursery	£910,743	-£66,672	-7.32%	-£9,521	-6.46%	-0.86%	£0	£0
College Town Junior	£954,459	£19,812	2.08%	£3,827	1.64%	0.44%	£0	£0
Cranbourne Primary	£714,972	-£5,506	-0.77%	-£25,794	2.86%	-3.63%	£0	£0
Crown Wood Primary	£1,703,795	-£242,529	-14.23%	-£57,882	-13.17%	-1.06%	-£106,225	£0
Crowthorne CE Primary	£813,783	-£11,997	-1.47%	£28,619	-4.96%	3.48%	£0	£0
Fox Hill Primary	£920,197	-£99,637	-10.83%	-£27,870	-8.17%	-2.66%	-£26,021	£0
Great Hollands Primary School	£1,564,262	-£84,284	-5.39%	-£32,834	-3.37%	-2.02%	£0	£0
Harmanswater Primary	£2,835,778	-£762,526	-26.89%	-£280,289	-16.84%	-10.05%	-£535,664	£0
Holly Spring Infant	£1,116,800	-£75,187	-6.73%	-£11,176	-6.73%	-0.00%	£0	£0
Holly Spring Junior	£981,716	-£51,568	-5.25%	£28,785	-8.09%	2.84%	£0	£0
Jennets Park Primary School	£1,041,342	-£35,088	-3.37%	-£7,871	-3.04%	-0.33%	£0	£0
Meadow Vale Primary	£2,048,615	-£112,582	-5.50%	-£26,986	-4.36%	-1.14%	£0	£0
New Scotland Hill Primary	£829,676	-£34,578	-4.17%	-£17,510	-2.09%	-2.08%	£0	£0
Owsmoor Primary	£1,809,975	-£81,093	-4.48%	£15,297	-5.26%	0.77%	£0	£0
The Pines School	£947,588	-£112,453	-11.87%	£22,397	-14.07%	2.21%	-£36,646	£0
Sandy Lane Primary	£2,580,436	-£379,666	-14.71%	-£3,662	-15.88%	1.16%	-£173,231	£0
St Joseph's Catholic Primary	£855,975	-£81,749	-9.55%	-£24,590	-6.44%	-3.11%	-£13,271	£0
St Margaret Clitherow Primary	£792,003	-£11,050	-1.40%	£30,692	-5.23%	3.84%	£0	£0
Winkfield St Mary's CE Primary	£751,778	-£9,597	-1.28%	-£590	-1.24%	-0.04%	£0	£0
St Michaels Easthampstead	£915,725	-£53,730	-5.87%	£4,411	-6.42%	0.55%	£0	£0
St Michaels CE Primary, Sandhurst	£786,675	-£35,411	-4.50%	£25,052	-7.44%	2.94%	£0	£0
Uplands Primary	£771,606	-£25,630	-3.32%	-£6,474	-2.44%	-0.88%	£0	£0
Warfield CE Primary	£834,733	-£98,923	-11.85%	-£43,386	-6.83%	-5.02%	-£32,144	-£32,144
Whitegrove Primary	£1,547,585	-£74,220	-4.80%	£14,424	-5.66%	0.87%	£0	£0
Wildridings Primary	£1,596,248	-£229,009	-14.35%	-£6,933	-14.76%	0.41%	-£101,309	£0
Wildmoor Heath Primary	£728,366	£9,080	1.25%	£20,134	-1.38%	2.62%	£0	£0
Woodenhill Primary & Nursery	£1,395,975	-£95,859	-6.87%	£10,615	-7.51%	0.64%	£0	£0
College Hall PRU	£863,434	-£67,586	-7.83%	£34,345	-12.00%	4.18%	£0	£0
The Brakenhale	£5,219,305	-£82,372	-1.58%	£12,984	-1.86%	0.29%	£0	£0
Easthampstead Park	£4,836,312	-£344,086	-7.11%	£18,260	-7.39%	0.28%	-£102,270	-£102,270
Edgbarrow	£6,392,623	-£292,587	-4.58%	£14,901	-4.93%	0.35%	£0	£0
The Garth Hill	£7,783,903	-£513,242	-6.59%	£176,174	-9.29%	2.69%	-£124,047	-£124,047
Sandhurst	£4,919,700	-£91,438	-1.86%	£150,803	-4.66%	2.80%	£0	£0
Kennel Lane	£3,566,727	-£58,457	-1.64%	£19,575	-1.98%	0.34%	£0	£0
<b>Total</b>	<b>£70,920,182</b>	<b>-£4,438,241</b>	<b>-6.26%</b>	<b>£135,004</b>	<b>-6.52%</b>	<b>0.27%</b>	<b>-£1,250,829</b>	<b>-£258,462</b>
Total with loan advances		<b>-£4,519,351</b>	<b>-6.37%</b>					
Primary average	£1,204,457	-£96,402	-6.35%					
Secondary average	£5,830,369	-£264,745	-4.34%					
Primary minimum	£714,972	-£762,526	-26.89%					
Primary maximum	£2,835,778	£19,812	2.08%					
Secondary minimum	£4,836,312	-£513,242	-7.11%					
Secondary maximum	£7,783,903	-£82,372	-1.58%					

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## Annex B

**Summary profile of deficit and surplus school balances**

Sector	2012-13		2013-14		Change in carry forward 2012-2013 to 2013-2014		2013-14 Carry Forward as % of final budget
	Final Budget	Carry Forward	Final Budget (excludes loans)	Carry Forward (excludes loans)	(+ increase / - decrease in surplus)		
Primary and PRU	£37,267,877	£2,798,366	£38,201,612	£3,056,059	£257,693	9.21%	8.00%
Secondary and Special	£32,828,948	£1,774,879	£32,718,570	£1,382,182	<b>-£392,697</b>	-22.13%	4.22%
<b>Total</b>	<b>£70,096,825</b>	<b>£4,573,245</b>	<b>£70,920,182</b>	<b>£4,438,241</b>	<b>-£135,004</b>	-2.95%	6.26%

Analysis of level of Reserves									Memo Item Surpluses Over £75,000
Deficits		Surpluses					Significant Surpluses		
Number	Largest	Number	Largest	No. 0-5% of budget	No. 5-8% of budget	No. > 8% of budget	Number	Amount	

**2012-13**

Primary and PRU	2	£20,288	30	<b>-£482,237</b>	10	12	8	8	<b>-£708,521</b>	12
Secondary and Special	0	£0	6	<b>-£689,416</b>	4	1	1	2	<b>-£435,471</b>	6
<b>Total</b>	<b>2</b>	<b>£36,273</b>	<b>36</b>	<b>-£4,609,518</b>	<b>14</b>	<b>13</b>	<b>9</b>	<b>10</b>	<b>-£1,143,992</b>	<b>18</b>

**2013-14**

Primary and PRU	2	£19,812	30	<b>-£762,526</b>	14	8	8	8	<b>-£1,024,512</b>	13
Secondary and Special	0	£0	6	<b>-£513,242</b>	4	2	0	2	<b>-£124,047</b>	5
<b>Total</b>	<b>2</b>	<b>£28,892</b>	<b>36</b>	<b>-£4,467,133</b>	<b>18</b>	<b>10</b>	<b>8</b>	<b>10</b>	<b>-£1,250,829</b>	<b>18</b>

**Change 2012-2013 to 2013-2014**

Primary and PRU	0	<b>-£476</b>	0	<b>-£280,289</b>	4	<b>-4</b>	0	0	<b>-£315,991</b>	1
Secondary and Special	0	£0	0	£176,174	0	1	<b>-1</b>	0	£311,424	<b>-1</b>
<b>Total</b>	<b>0</b>	<b>-£7,381</b>	<b>0</b>	<b>£142,385</b>	<b>4</b>	<b>-3</b>	<b>-1</b>	<b>0</b>	<b>-£106,837</b>	<b>0</b>

### 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 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.

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.

In October 2012, the Schools Forum agreed another criteria where funds could be properly assigned as follows:

- ix. Those schools losing money at April 2013 through the funding reforms be allowed to retain any significant surplus balance without a valid reason until 31 March 2015.

## Unrestricted

*The condition outlined here is 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, 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.*

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.

**2013-14 School Revenue Balances -**  
**Using the methodology to be applied from 2014-15**

School	2013-14 Budget (excluding balance due on loan advances)	Total Balance (Unchanged from current calculation)	Revised Percentage of total Budget	Original Percentage of total Budget	Change in Percentage of total Budget
Ascot Heath Infant	£741,180	-£26,873	-3.63%	-3.52%	-0.11%
Ascot Heath CE Junior	£832,756	-£40,556	-4.87%	-4.54%	-0.33%
Binfield CE Primary	£1,372,733	-£53,372	-3.89%	-3.77%	-0.12%
Birch Hill Primary	£1,406,805	-£26,020	-1.85%	-1.72%	-0.13%
College Town Infant & Nursery	£853,592	-£66,672	-7.81%	-7.32%	-0.49%
College Town Junior	£970,444	£19,812	2.04%	2.08%	-0.03%
Cranbourne Primary	£735,260	-£5,506	-0.75%	-0.77%	0.02%
Crown Wood Primary	£1,519,148	-£242,529	-15.96%	-14.23%	-1.73%
Crowthorne CE Primary	£773,167	-£11,997	-1.55%	-1.47%	-0.08%
Fox Hill Primary	£848,430	-£99,637	-11.74%	-10.83%	-0.92%
Great Hollands Primary School	£1,512,812	-£84,284	-5.57%	-5.39%	-0.18%
Harmanswater Primary	£2,353,541	-£762,526	-32.40%	-26.89%	-5.51%
Holly Spring Infant	£1,052,789	-£75,187	-7.14%	-6.73%	-0.41%
Holly Spring Junior	£901,363	-£51,568	-5.72%	-5.25%	-0.47%
Jennets Park Primary School	£1,014,125	-£35,088	-3.46%	-3.37%	-0.09%
Meadow Vale Primary	£1,963,019	-£112,582	-5.74%	-5.50%	-0.24%
New Scotland Hill Primary	£812,608	-£34,578	-4.26%	-4.17%	-0.09%
Owlsmoor Primary	£1,713,585	-£81,093	-4.73%	-4.48%	-0.25%
The Pines School	£812,738	-£112,453	-13.84%	-11.87%	-1.97%
Sandy Lane Primary	£2,204,432	-£379,666	-17.22%	-14.71%	-2.51%
St Joseph's Catholic Primary	£798,816	-£81,749	-10.23%	-9.55%	-0.68%
St Margaret Clitherow Primary	£750,261	-£11,050	-1.47%	-1.40%	-0.08%
Winkfield St Mary's CE Primary	£742,771	-£9,597	-1.29%	-1.28%	-0.02%
St Michaels Easthampstead	£857,584	-£53,730	-6.27%	-5.87%	-0.40%
St Michaels CE Primary, Sandhurst	£726,212	-£35,411	-4.88%	-4.50%	-0.37%
Uplands Primary	£752,450	-£25,630	-3.41%	-3.32%	-0.08%
Warfield CE Primary	£779,196	-£98,923	-12.70%	-11.85%	-0.84%
Whitegrove Primary	£1,458,941	-£74,220	-5.09%	-4.80%	-0.29%
Wildridings Primary	£1,374,172	-£229,009	-16.67%	-14.35%	-2.32%
Wildmoor Heath Primary	£717,312	£9,080	1.27%	1.25%	0.02%
Woodenhill Primary & Nursery	£1,289,501	-£95,859	-7.43%	-6.87%	-0.57%
College Hall PRU	£761,503	-£67,586	-8.88%	-7.83%	-1.05%
The Brakenhale	£5,123,949	-£82,372	-1.61%	-1.58%	-0.03%
Easthampstead Park	£4,473,966	-£344,086	-7.69%	-7.11%	-0.58%
Edgbarrow	£6,085,135	-£292,587	-4.81%	-4.58%	-0.23%
The Garth Hill	£7,094,487	-£513,242	-7.23%	-6.59%	-0.64%
Sandhurst	£4,677,459	-£91,438	-1.95%	-1.86%	-0.10%
Kennel Lane	£3,488,695	-£58,457	-1.68%	-1.64%	-0.04%
<b>Total</b>	<b>£66,346,937</b>	<b>-£4,438,241</b>	<b>-6.69%</b>	<b>-6.26%</b>	<b>-0.43%</b>

## 2013-14 School Capital Balances

School	2013/14 new year funding	Carry forward			Amount that must be spent by 31 Aug 2014
		Total Amount (-surplus / + deficit)	Percentage of new year funding	Change from 2012/13 (-increase / +decrease)	
Ascot Heath County Infant	£6,318	£9,547	151.11%	£37,933	
Ascot Heath CE Junior	£6,689	-£11,328	-169.36%	-£6,009	
Birch Hill Primary	£8,556	-£20,756	-242.58%	£20,349	
Wildmoor Heath Primary	£5,940	£3,163	53.25%	£12,093	£3,598
College Town Infant and Nursery	£6,531	-£3,245	-49.68%	£5,873	
College Town Junior	£7,150	-£6,442	-90.10%	-£1,768	
Cranbourne Primary	£6,194	-£5,735	-92.60%	£346	
Crown Wood Primary	£7,589	-£16,943	-223.26%	£18,979	
Crowthorne CE Primary	£6,351	-£266	-4.19%	£4,196	£2,075
Fox Hill Community Primary	£6,160	-£7,057	-114.56%	£450	
Great Hollands Primary	£7,498	£4,590	61.22%	£9,556	
Harmanswater Primary	£11,386	-£13,727	-120.56%	-£2,459	
Holly Spring Infant and Nursery	£6,649	-£12,604	-189.55%	-£3,939	
Holly Spring Junior	£6,486	-£9,430	-145.38%	-£2,099	
Meadow Vale Primary	£9,484	-£8,771	-92.48%	£27,104	
New Scotland Hill Primary	£6,481	-£10,099	-155.84%	£2,151	
Owlsmoor Primary	£9,439	-£17,812	-188.70%	-£9,439	
The Pines Primary	£6,199	-£17,257	-278.37%	-£4,944	
Sandy Lane Primary	£10,643	-£8,084	-75.95%	-£4,662	£4,875
St Marys CE Primary (Winkfield)	£6,334	-£2,079	-32.82%	£7,968	
Uplands Primary	£6,363	£3,573	56.15%	-£1,590	
Warfield CE Primary	£6,329	-£16,393	-259.03%	-£5,867	
Whitegrove Primary	£9,040	-£6,251	-69.15%	-£6,250	
Wildridings Primary	£7,864	-£2,303	-29.29%	-£2,302	
Woodenhill Primary and Nursery	£7,831	-£15,278	-195.11%	-£1,772	
Brakenhale	£21,229	-£8,751	-41.22%	£18,285	
Easthampstead Park	£18,664	-£2,078	-11.13%	£29,328	£3,702
Edgbarrow	£25,195	-£11,314	-44.91%	-£6,015	
Garth Hill	£27,743	-£22,223	-80.10%	£18,991	
Sandhurst	£21,770	£486	2.23%	£17,826	
Kennel Lane	£10,210	-£7,410	-72.57%	£4,790	
College Hall PRU	£5,221	-£5,181	-99.23%	£18,542	
<b>Total</b>	<b>£315,538</b>	<b>-£247,459</b>	<b>-78.42%</b>	<b>£195,643</b>	<b>£14,251</b>
Primary average	£7,420				
Secondary Average	£22,920				
Primary maximum	£11,386				
Primary minimum	£5,940				
Secodary maximum	£27,743				
Secondary minimum	£18,664				