

TO: SCHOOLS FORUM
Date 16 JULY 2015

2014-15 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 2015, 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.

2 RECOMMENDATIONS

That the Schools Forum NOTES:

- 2.1 The key performance information on all school balances, as set out in paragraph 5.4;
- 2.2 That due to the significant size of surplus, it is more appropriate to draw conclusions from overall school performance excluding Harmanswater Primary School, as set out in paragraph 5.6, and in particular;
- i. At 4.6%, average balances are considered adequate to cover unforeseen circumstances;
 - ii. Aggregate surplus balances continue to decline, with an in-year reduction of £0.644m (-17%);
 - iii. Secondary schools are drawing down more from their reserves than primary schools.

That the Schools Forum AGREES:

- 2.3 That all of the qualifying significant surplus balances held by schools has been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw back (paragraph 5.15).
- 2.4 The claw-back scheme text is updated to make clear that primary schools can retain the higher of £150,000 or 16% of annual income, subject to providing a valid explanation (paragraph 5.20).

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 2015. For comparison, the annex also shows the change from the 2013-14 year end position. Annex B provides a summary profile of deficit and surplus balances.
- 5.3 As indicated on the 2013-14 school balances report, in presenting this data for 2014-15, there is 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 funding for the year, the calculation will now be made only against the income 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 considered the most appropriate calculation to make. There is no change in the level of balance at an individual school, just the percentage rate the balance comprises compared to income.

General comments on school balances

- 5.4 Some comments on the analysis are as follows:
1. Aggregate surplus balances have decreased by £0.351m, from £4.438m to £4.086m. This is a decrease of 7.8%.
 2. There has been a net increase in surplus balances in the primary and PRU sectors of £0.242m (+7.9%). Aggregate surpluses in the secondary and special sectors have decreased by £0.593m (-41.0%).
 3. On average, at 6.0% 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 £4.086m comprises £4.223m from surpluses (was £4.467m) and £0.136m in deficits (was £0.029m). There has been a deterioration in both the level of surpluses and deficit balances.
 5. The average surplus balance for a primary school is £0.104m (9.0%) and £0.160m (2.5%) for secondaries.

6. The largest surplus balance as a percentage of budget is 45.0% (was 32.4%) and the greatest deficit is 4.3% (was 2.0%). There are very limited circumstances where a surplus balance of 45.0% of annual income can be warranted.
7. Two primary schools were in deficit at the end of the 2014-15 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 £0.020m deficit (2.6% of annual income from the LA) rather than the £0.032m indicated. For Binfield Primary School, there was a very small deficit of under £0.001m which is considered an immaterial amount in comparison to the size of the total budget.
For Kennel Lane Special School, a small deficit of £0.010m is reported (0.29% of income from the LA). This mainly reflects a number of outstanding funding adjustments expected to be agreed with BFC but which had not been resolved by the end of the financial year. An additional £0.022m has now been agreed in 2015-16, and this exceeds the amount of over spending.
For each of the above three schools, a balanced budget plan has been received for 2015-16 which is expected to be delivered.
In respect of Sandhurst Secondary School, the deficit amounts to £0.093m (2.07% of annual income from the LA). A new loan advance is proposed on a separate agenda item that based on current information would manage the school to a surplus balance over the medium term, including repayment of the current deficit.

5.5 In considering these balances, it is clear that any analysis of average school performance is significantly distorted by the £1.055m surplus held by Harmanswater Primary School, which is equivalent to 25.8% of the aggregate level of surplus balances. Therefore Annexes D and E have been added with Harmanswater excluded. Overall conclusions on school balances are therefore drawn from Annexes D and E. More information on the intended use of the significant surplus at Harmanswater Primary School is provided below at paragraph 5.17 which shows a robust spending plan is now in place.

5.6 Some comments on the analysis excluding Harmanswater Primary School are as follows:

1. Aggregate surplus balances have decreased by £0.644m, from £3.675m to £3.031m. This is a decrease of 17.2%.
2. There has been a net decrease in surplus balances in the primary and PRU sectors of £0.051m (-2.2%). Aggregate surpluses in the secondary and special sectors have decreased by £0.593m (-41.0%).
3. On average, at 4.6% of total budget, overall reserves are considered to be at an adequate level required for working balances to cover unforeseen circumstances.
4. The aggregate surplus balance of £3.031m comprises £3.168m from surpluses (was £3.705m) and £0.136m in deficits (was £0.029m). There has been a deterioration in both the level of surpluses and deficit balances.
5. The average surplus balance for a primary school is £0.072m (6.4%) and £0.160m (2.5%) for secondaries.

6. The largest surplus balance as a percentage of budget is 20.5% (was 17.2%) and the greatest deficit is 4.3% (was 2.0%).
- 5.7 Overall, schools have continued to draw on their reserves with the aggregate surplus balance once again reducing. This reflects the spending of significant surplus balances by some schools and the impact of long term cash flat financial settlements and the pressure this brings in balancing budgets.
- 5.8 If, as expected, the trend of declining balances continues over the medium term, this is expected to have an impact on the capacity of the Forum to approve loans to schools to manage short term funding difficulties. This is because advances are financed from the collective surplus balances held by schools, capped to maximum of no more that 40% of total balances. Another item on tonight's agenda recommends approving loan advances of £0.95m. This requires £2.375m of surplus balances, and whilst this is comfortably exceeded by the current £4.087m amount, granting new loans may become more difficult in the future.

Significant surplus balances

- 5.9 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 principle that generally speaking, the significant majority of annual funding should be spent on pupils in school that year and not held back unnecessarily.
- 5.10 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 data on 2013-14 balances, and the on-going trend of increasing surpluses in a small number of schools, the Forum agreed changes to the claw-back scheme should be introduced from April 2015 as follows:
- a. 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.
 - b. Current 5% and 8% thresholds should continue to determine what a significant surplus is, but then apply an absolute cap to the level of a surplus balance that can be retained.
 - c. Set an absolute cap at double the current threshold, so potentially the highest 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 secondary schools as a 10% balance equates to £0.483m for the smallest school, which is considered more than adequate.

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

- 5.11 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. A range of valid purposes have been agreed that permit schools to retain surplus balances above these levels. If funds are not being held for a valid reason, then they are subject to claw-back.
- 5.12 Including Harmanswater Primary, fifteen schools were identified as holding a significant surplus, which is an increase of four compared to the end of 2014-15. The aggregate level of significant surplus balances amounts to £1.268m, a decrease of £0.168m (11.7%). This is shown at Annex B.
- 5.13 Relevant schools have provided headteacher certified 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 the next 5 years with around 70% profiled for 2015-16 and 2016-17.
- 5.14 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 around 15% of significant surpluses have now been spent, another 60% have been approved, with 25% uncommitted.
- 5.15 Based on these returns, the Forum is therefore recommended to agree that no claw-back should be applied to 2014-15 balances. A summary of intended use of the significant surpluses is as follows:
- £1.337m for capital buildings and construction
 - £0.092m for furniture, IT and other one-off expenditure of a capital nature
 - £0.054m for staffing remodelling and restructuring

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.

- 5.16 The analysis of planned spend once again shows a strong emphasis on capital related schemes, with 90% considered capital related and only 10% day to day costs which is the intended spend for what the money has been allocated for. 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 fixed assets.
- 5.17 Two schools currently retain balances that exceed the absolute cap now in place in the claw back-scheme (paragraph 5.10 (c) refers); Harmanswater Primary School at £0.679m and St Joseph's Catholic Primary School at £0.014m. The scheme allows schools two years to adjust to this new condition. For Harmanswater Primary School, discussions have been held with the LA over a suitable plan to invest the majority of funds in upgrading the school infrastructure, including remodelling and upgrading classrooms and other areas of the school and the ICT network, with funds also planned to be spent on school staffing. An Asset Management Plan has been

approved by governors that sets out a timetable for the work and Atkins Global, the Council's Managing Partner for the delivery of the Education Capital Programme have been engaged to facilitate the delivery of the programme. This is considered a robust spending plan.

- 5.18 For St Joseph's Catholic Primary School, plans are currently being worked up following a commercial feasibility study in 2014-15 for the refurbishment of 4 classes, an ICT / Library area and reconfiguration of the top story buildings. Governors have yet to approve the final project which is anticipated to run between 2016-17 and 2017-18. Until the works are approved by governors, there is a risk that the school will not have managed down the significant surplus balance and could face claw-back.

Proposed change to claw-back scheme text

- 5.19 In calculating 2014-15 school balances, it has become apparent that the approved claw-back scheme text needs clarification in relation to the balance primary schools can hold before being subject to the absolute cap. This relates to allowing primary schools to retain the higher of £150,000 and 16% of budget share:
- 5.20 The Forum is recommended to agree that the following amendments to the existing text in paragraph of Annex C, below are agreed:

New paragraph d.

- d. The maximum surplus that can be retained by a secondary school is 10% of the annual budget. For primary, special and Pupil referral Units (PRUs), it is the greater of 16% or £150,000.

Old paragraph d becomes paragraph e with the text amended with new in bold italic font and contained within square brackets and that to be deleted struck through.

- e. if the result of steps a-c is a sum greater than [***the maximum amount specified in d. above***] ~~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.

Existing paragraph f deleted as new paragraph d. above is a replacement. The current text is set out below.

- 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.

Cross referencing to paragraph letters elsewhere in the scheme will be updated as necessary.

These changes are considered clarifications to previously agreed amendments and will therefore not be subject to consultation with individual schools.

Capital Funding

- 5.21 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 £7,460 and for a secondary school £22,840.
- 5.22 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.
- 5.23 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 2015.

- 5.24 Some comments on the analysis are as follows:
1. Aggregate unspent balances have increased by £0.127m, from £0.248m to £0.375m. This reflects schools building up funds in order to undertake more substantial projects.
 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 retained a surplus balance.
 4. Seven schools were in danger of having to return unspent grant at 31 August 2015, which aggregates to £0.020m. Relevant schools have been informed of this risk and all have indicated that they intend to fully spend the amounts by the deadline.

Conclusions

- 5.25 At 4.6%, the aggregate level of school revenue balances is considered to be sufficient to cover normal in-year variances against the budget. 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.
- 5.26 The difficult financial environment that schools are working in requires annual efficiencies or service reductions to be made each year to balance budgets. This has resulted in 3 years of reductions in school balances which will be a concern if it continues over the medium term.

- 5.27 Those schools with significant surplus balances have provided more robust information on intended use for which they can be better held to account moving forward. In particular, Harmanswater Primary School has produced a detailed Asset Management Plan that has identified a clear strategy to invest the surplus in the school infra structure and there is a high level of confidence that this will be delivered. St Joseph's also have advanced plans in place to invest their surplus balance.
- 5.28 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 their highest priority projects are.
- 5.29 Overall, schools continue to show resilience to the difficult economic climate which indicates good cost control and financial planning although the value and number of loan requests are increasing significantly, which indicates more challenging circumstances.

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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2014-15 True School Revenue Balances (net of loan advances) – All Schools

School	2014-15 Budget (excluding balance due on loan advances)	2014-15					Significant surplus
		Carry Forward	Percentage of total Budget	Change from 2013-14	Percentage of total Budget last year	Change in Percentage of total Budget	
Ascot Heath Infant	£755,554	-£42,456	-5.62%	-£15,583	-3.63%	-1.99%	£0
Ascot Heath CE Junior	£858,119	-£92,416	-10.77%	-£51,860	-4.87%	-5.90%	-£23,766
Binfield CE Primary	£1,346,245	£805	0.06%	£54,177	-3.89%	3.95%	£0
Birch Hill Primary	£1,441,572	-£7,483	-0.52%	£18,537	-1.85%	1.33%	£0
College Town Infant & Nursery	£893,749	-£72,302	-8.09%	-£5,630	-7.81%	-0.28%	-£802
College Town Junior	£999,196	-£15,958	-1.60%	-£35,770	2.04%	-3.64%	£0
Cranbourne Primary	£744,258	-£26,408	-3.55%	-£20,902	-0.75%	-2.80%	£0
Crown Wood Primary	£1,696,670	-£122,007	-7.19%	£120,522	-15.96%	8.77%	£0
Crowthorne CE Primary	£792,408	-£29,706	-3.75%	-£17,709	-1.55%	-2.20%	£0
Fox Hill Primary	£856,669	-£119,661	-13.97%	-£20,024	-11.74%	-2.22%	-£51,127
Great Hollands Primary School	£1,630,790	-£39,305	-2.41%	£44,979	-5.57%	3.16%	£0
Harmanswater Primary	£2,345,364	-£1,055,154	-44.99%	-£292,628	-32.40%	-12.59%	-£867,525
Holly Spring Infant	£1,125,709	-£129,342	-11.49%	-£54,155	-7.14%	-4.35%	-£39,285
Holly Spring Junior	£955,630	-£79,067	-8.27%	-£27,499	-5.72%	-2.55%	-£2,617
Jennetts Park Primary School	£1,175,989	-£80,379	-6.84%	-£45,291	-3.46%	-3.38%	£0
Meadow Vale Primary	£2,046,197	-£177,827	-8.69%	-£65,245	-5.74%	-2.96%	-£14,131
New Scotland Hill Primary	£826,402	-£27,343	-3.31%	£7,235	-4.26%	0.95%	£0
Owlsmoor Primary	£1,769,013	-£102,220	-5.78%	-£21,127	-4.73%	-1.05%	£0
The Pines School	£920,125	-£110,348	-11.99%	£2,105	-13.84%	1.84%	-£36,738
Sandy Lane Primary	£2,276,723	-£186,659	-8.20%	£193,007	-17.22%	9.02%	-£4,521
St Joseph's Catholic Primary	£800,365	-£163,984	-20.49%	-£82,235	-10.23%	-10.25%	-£99,955
St Margaret Clitherow Primary	£779,786	-£23,875	-3.06%	-£12,825	-1.47%	-1.59%	£0
Winkfield St Mary's CE Primary	£759,186	-£2,386	-0.31%	£7,211	-1.29%	0.98%	£0
St Michaels Easthampstead	£871,565	-£71,820	-8.24%	-£18,090	-6.27%	-1.98%	-£2,095
St Michaels CE Primary, Sandhurst	£730,779	-£9,545	-1.31%	£25,866	-4.88%	3.57%	£0
Uplands Primary	£812,424	-£53,947	-6.64%	-£28,317	-3.41%	-3.23%	£0
Warfield CE Primary	£800,469	-£82,099	-10.26%	£16,824	-12.70%	2.44%	-£18,061
Whitegrove Primary	£1,472,065	-£95,156	-6.46%	-£20,936	-5.09%	-1.38%	£0
Wildridings Primary	£1,460,087	-£149,758	-10.26%	£79,251	-16.67%	6.41%	-£32,951
Wildmoor Heath Primary	£748,490	£32,247	4.31%	£23,167	1.27%	3.04%	£0
Woodenhill Primary & Nursery	£1,321,667	-£88,153	-6.67%	£7,706	-7.43%	0.76%	£0
College Hall PRU	£761,014	-£74,139	-9.74%	-£6,553	-8.88%	-0.87%	-£13,258
The Brakenhale	£5,147,598	-£82,581	-1.60%	-£209	-1.61%	0.00%	£0
Easthampstead Park	£4,363,456	-£119,781	-2.75%	£224,305	-7.69%	4.95%	£0
Edgbarrow	£6,341,663	-£264,915	-4.18%	£27,672	-4.81%	0.63%	£0
The Garth Hill	£7,262,844	-£424,792	-5.85%	£88,450	-7.23%	1.39%	-£61,650
Sandhurst	£4,487,464	£92,914	2.07%	£184,352	-1.95%	4.03%	£0
Kennel Lane	£3,457,813	£10,171	0.29%	£68,628	-1.68%	1.97%	£0
Total	£67,835,117	-£4,086,835	-6.02%	£351,406	-6.69%	0.66%	-£1,268,483

Total with loan advances

-£4,156,055	-6.12%
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Primary average	£1,161,718	-£103,991	-8.95%
Secondary	£5,520,605	-£159,831	-2.46%
Primary minimum	£730,779	-£1,055,154	-44.99%
Primary maximum	£2,345,364	£32,247	4.31%
Secondary minimum	£4,363,456	-£424,792	-5.85%
Secondary maximum	£7,262,844	£92,914	2.07%

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

Summary profile of deficit and surplus school balances – All Schools

Sector	2013-14				2014-15				Change in carry forward 2013-2014 to 2014-2015 (+ 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	£35,403,246	£3,071,059	£3,056,059	8.67%	£36,774,279	£3,309,851	£3,297,851	8.97%	£241,792	7.87%
Secondary and Special	£30,943,691	£1,448,292	£1,382,182	4.68%	£31,060,838	£846,204	£788,984	2.54%	£593,198	-40.96%
Total including loan advances	£66,346,937	£4,519,351	£4,438,241	6.81%	£67,835,117	£4,156,055	£4,086,835	6.02%	£351,406	-7.78%
Net Outstanding loans			£81,110				£69,220			
Loans as a % of balances			1.83%				1.69%			

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

2013-14

Primary and PRU	2	£19,812	30	-£762,526	13	8	9	9	-£1,157,920
Secondary and Special	0	£0	6	-£513,242	4	2	0	2	-£278,905
Total	2	£28,892	36	-£4,467,133	17	10	9	11	-£1,436,825

2014-15

Primary and PRU	2	£32,247	30	-£1,055,154	9	7	14	14	-£1,206,833
Secondary and Special	2	£92,914	4	-£424,792	3	1	0	1	-£61,650
Total	4	£136,137	34	-£4,222,972	12	8	14	15	-£1,268,483

Change 2013-2014 to 2014-2015

Primary and PRU	0	£12,435	0	-£292,628	-4	-1	5	5	-£48,913
Secondary and Special	2	£92,914	-2	£88,450	-1	-1	0	-1	£217,256
Total	2	£107,245	-2	£244,161	-5	-2	5	4	£168,342

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

2014-15 True School Revenue Balances (net of loan advances)
EXCLUDING Harmanswater Primary School

School	2014-15 Budget (excluding balance due on loan advances)	2014-15					Significant surplus - initial calculation
		Carry Forward	Percentage of total Budget	Change from 2013-14	Percentage of total Budget last year	Change in Percentage of total Budget	
Ascot Heath Infant	£755,554	-£42,456	-5.62%	-£15,583	-3.63%	-1.99%	£0
Ascot Heath CE Junior	£858,119	-£92,416	-10.77%	-£51,860	-4.87%	-5.90%	-£23,766
Binfield CE Primary	£1,346,245	£805	0.06%	£54,177	-3.89%	3.95%	£0
Birch Hill Primary	£1,441,572	-£7,483	-0.52%	£18,537	-1.85%	1.33%	£0
College Town Infant & Nursery	£893,749	-£72,302	-8.09%	-£5,630	-7.81%	-0.28%	-£802
College Town Junior	£999,196	-£15,958	-1.60%	-£35,770	2.04%	-3.64%	£0
Cranbourne Primary	£744,258	-£26,408	-3.55%	-£20,902	-0.75%	-2.80%	£0
Crown Wood Primary	£1,696,670	-£122,007	-7.19%	£120,522	-15.96%	8.77%	£0
Crowthorne CE Primary	£792,408	-£29,706	-3.75%	-£17,709	-1.55%	-2.20%	£0
Fox Hill Primary	£856,669	-£119,661	-13.97%	-£20,024	-11.74%	-2.22%	-£51,127
Great Hollands Primary School	£1,630,790	-£39,305	-2.41%	£44,979	-5.57%	3.16%	£0
Holly Spring Infant	£1,125,709	-£129,342	-11.49%	-£54,155	-7.14%	-4.35%	-£39,285
Holly Spring Junior	£955,630	-£79,067	-8.27%	-£27,499	-5.72%	-2.55%	-£2,617
Jennetts Park Primary School	£1,175,989	-£80,379	-6.84%	-£45,291	-3.46%	-3.38%	£0
Meadow Vale Primary	£2,046,197	-£177,827	-8.69%	-£65,245	-5.74%	-2.96%	-£14,131
New Scotland Hill Primary	£826,402	-£27,343	-3.31%	£7,235	-4.26%	0.95%	£0
Owlsmoor Primary	£1,769,013	-£102,220	-5.78%	-£21,127	-4.73%	-1.05%	£0
The Pines School	£920,125	-£110,348	-11.99%	£2,105	-13.84%	1.84%	-£36,738
Sandy Lane Primary	£2,276,723	-£186,659	-8.20%	£193,007	-17.22%	9.02%	-£4,521
St Joseph's Catholic Primary	£800,365	-£163,984	-20.49%	-£82,235	-10.23%	-10.25%	-£99,955
St Margaret Clitherow Primary	£779,786	-£23,875	-3.06%	-£12,825	-1.47%	-1.59%	£0
Winkfield St Mary's CE Primary	£759,186	-£2,386	-0.31%	£7,211	-1.29%	0.98%	£0
St Michaels Easthampstead	£871,565	-£71,820	-8.24%	-£18,090	-6.27%	-1.98%	-£2,095
St Michaels CE Primary, Sandhurst	£730,779	-£9,545	-1.31%	£25,866	-4.88%	3.57%	£0
Uplands Primary	£812,424	-£53,947	-6.64%	-£28,317	-3.41%	-3.23%	£0
Warfield CE Primary	£800,469	-£82,099	-10.26%	£16,824	-12.70%	2.44%	-£18,061
Whitegrove Primary	£1,472,065	-£95,156	-6.46%	-£20,936	-5.09%	-1.38%	£0
Wildridings Primary	£1,460,087	-£149,758	-10.26%	£79,251	-16.67%	6.41%	-£32,951
Wildmoor Heath Primary	£748,490	£32,247	4.31%	£23,167	1.27%	3.04%	£0
Woodenhill Primary & Nursery	£1,321,667	-£88,153	-6.67%	£7,706	-7.43%	0.76%	£0
College Hall PRU	£761,014	-£74,139	-9.74%	-£6,553	-8.88%	-0.87%	-£13,258
The Brakenhale	£5,147,598	-£82,581	-1.60%	-£209	-1.61%	0.00%	£0
Easthampstead Park	£4,363,456	-£119,781	-2.75%	£224,305	-7.69%	4.95%	£0
Edgbarrow	£6,341,663	-£264,915	-4.18%	£27,672	-4.81%	0.63%	£0
The Garth Hill	£7,262,844	-£424,792	-5.85%	£88,450	-7.23%	1.39%	-£61,650
Sandhurst	£4,487,464	£92,914	2.07%	£184,352	-1.95%	4.03%	£0
Kennel Lane	£3,457,813	£10,171	0.29%	£68,628	-1.68%	1.97%	£0
Total	£65,489,753	-£3,031,681	-4.63%	£644,034	-5.74%	1.11%	-£400,958

Total with loan advances

-£3,100,901	-4.73%
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Primary average	£1,122,263	-£72,285	-6.44%
Secondary	£5,520,605	-£159,831	-2.46%
Primary minimum	£730,779	-£186,659	-20.49%
Primary maximum	£2,276,723	£32,247	4.31%
Secondary minimum	£4,363,456	-£424,792	-5.85%
Secondary maximum	£7,262,844	£92,914	2.07%

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

Summary profile of deficit and surplus school balances EXCLUDING Harmanswater Primary School

Sector	2013-14				2014-15				Change in carry forward 2013-2014 to 2014-2015 (+ 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	£33,049,705	£2,308,533	£2,293,533	6.99%	£34,428,915	£2,254,697	£2,242,697	6.51%	-£50,836	-2.20%
Secondary and Special	£30,943,691	£1,448,292	£1,382,182	4.68%	£31,060,838	£846,204	£788,984	2.54%	-£593,198	-40.96%
Total including loan advances	£63,993,396	£3,756,825	£3,675,715	5.87%	£65,489,753	£3,100,901	£3,031,681	4.63%	-£644,034	-17.14%
Net Outstanding loans	£81,110				£69,220					
Loans as a % of balances	2.21%				2.28%					

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

2013-14

Primary and PRU	2	£19,812	29	-£379,666	13	8	8	8	-£583,677
Secondary and Special	0	£0	6	-£513,242	4	2	0	2	-£278,905
Total	2	£28,892	35	-£3,704,607	17	10	8	10	-£862,583

2014-15

Primary and PRU	2	£32,247	29	-£186,659	9	7	13	13	-£339,308
Secondary and Special	2	£92,914	4	-£424,792	3	1	0	1	-£61,650
Total	4	£136,137	33	-£3,167,818	12	8	13	14	-£400,958

Change 2013-2014 to 2014-2015

Primary and PRU	0	£12,435	0	£193,007	-4	-1	5	5	£244,369
Secondary and Special	2	£92,914	-2	£88,450	-1	-1	0	-1	£217,256
Total	2	£107,245	-2	£536,789	-5	-2	5	4	£461,624

2014-15 School Capital Balances

School	2014/15 new year funding	Carry forward			Amount that must be spent by 31 Aug 2015
		Total Amount (-surplus / + deficit)	Percentage of new year funding	Change from 2013/14 (-increase / +decrease)	
Ascot Heath County Infant	£6,318	-£5,124	-81.10%	-£14,671	£8,353
Ascot Heath CE Junior	£6,678	-£13,669	-204.68%	-£2,341	£302
Birch Hill Primary	£6,588	-£9,824	-149.12%	£10,932	
Wildmoor Heath Primary	£5,946	-£643	-10.81%	-£3,806	
College Town Infant and Nurser	£6,588	-£2	-0.03%	£3,243	
College Town Junior	£7,083	-£3,900	-55.07%	£2,542	
Cranbourne Primary	£6,228	-£5,003	-80.34%	£732	
Crown Wood Primary	£8,579	-£5,921	-69.02%	£11,022	
Crowthorne CE Primary	£6,340	-£402	-6.33%	-£136	
Fox Hill Primary	£6,228	-£8,845	-142.02%	-£1,788	
Great Hollands Primary	£7,819	-£229	-2.93%	-£4,819	
Harmanswater Primary	£11,498	-£25,225	-219.38%	-£11,498	£2,341
Holly Spring Infant and Nursery	£7,128	-£7,014	-98.40%	£5,590	
Holly Spring Junior	£6,554	-£15,984	-243.88%	-£6,554	£2,944
Meadow Vale Primary	£9,777	-£20,333	-207.97%	-£11,562	£1,785
New Scotland Hill Primary	£6,436	-£15,805	-245.58%	-£5,706	£2,889
Owlsmoor Primary	£9,799	-£15,942	-162.69%	£1,870	
Pines	£6,104	-£14,014	-229.59%	£3,243	£1,711
Sandy Lane Primary	£11,003	-£19,087	-173.47%	-£11,003	
St Marys CE Primary (Winkfield)	£6,329	-£7,565	-119.54%	-£5,486	
Uplands Primary	£6,351	-£2,778	-43.74%	-£6,351	
Warfield CE Primary	£6,340	-£11,547	-182.13%	£4,846	
Whitegrove Primary	£8,973	-£15,224	-169.67%	-£8,973	
Wildridings Primary	£8,084	-£10,387	-128.49%	-£8,084	
Woodenhill Primary and Nursery	£7,836	-£12,440	-158.76%	£2,838	
Brakenhale	£20,943	-£29,694	-141.78%	-£20,943	
Easthampstead Park	£18,073	-£99	-0.55%	£1,980	
Edgbarrow	£26,106	-£18,025	-69.05%	-£6,711	
Garth Hill	£28,283	-£50,506	-178.57%	-£28,283	
Sandhurst	£20,808	-£2,321	-11.16%	-£2,807	
Kennel Lane	£10,209	-£17,620	-172.59%	-£10,209	
College Hall PRU	£5,214	-£9,868	-189.25%	-£4,686	
Total	£316,243	-£375,041	-118.59%	-£127,580	£20,325

Primary average	£7,460	-£9,876	-£2,237
Secondary average	£22,840	-£20,129	-£11,353
Primary maximum	£11,500	-£25,225	
Primary minimum	£5,950	-£2	
Secondary maximum	£28,280	-£50,506	
Secondary minimum	£18,070	-£99	