

TO: SCHOOLS FORUM
Date 15 JULY 2021

2020-21 BALANCES HELD BY MAINTAINED SCHOOLS
Executive Director - People

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 2021, how these compare to the previous financial year, in particular through the impact of the coronavirus pandemic, 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 are therefore excluded from this report.

2 EXECUTIVE SUMMARY

- 2.1 The coronavirus pandemic has had a significant impact on school balances. Despite initial concerns that schools would need to substantially draw down from their reserves as additional costs were expected to exceed new, specific funding, returns from schools indicate that £0.421m of one-off savings have been achieved, with £0.265m of planned spend having to be deferred to 2021-22.
- 2.2 Overall, there was a significant increase in aggregate school balances during 2020-21 where cumulative surplus balances increase by £1.041m to £2.141m (up 95%). At 3.6% of annual income, average surplus balances have moved to a position where they are above the minimum 3% level recommended to be able to safely manage unforeseen in-year pressures. As mention above, balances are estimated to be over stated by £0.265m as a result of a number of projects being deferred until 2021-22.
- 2.3 Within this, a number of schools are holding significant surplus balances, all of which have provided explanations to indicate suitable plans are in place to ensure resources are being spent in a timely manner to support current pupils.
- 2.4 There are a number of schools with deficit balances, which have in total reduced by £0.273m to £0.830m. The council and Schools Forum support schools facing financial difficulties through licensed deficit arrangements that set out medium to long term recovery plans that demonstrate that a temporarily short term over spend of annual income is recovered and a return to a surplus is achieved. For some schools, full repayment plans have yet to be developed and this is considered in a separate item on tonight's agenda.
- 2.5 Schools are also permitted to retain unspent balances arising from capital related budgets. They receive small annual budgets for capital – around £8,000 for a primary school and £24,000 for a secondary – and often need to accumulate funding from a number of years in order to fully finance projects. Capital budgets are directly funded by Department for Education (DfE) grant and are outside the local claw-back scheme. DfE have the power to 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 school balances, as set out in paragraph 6.3, and in particular;

- i. Aggregate surplus balances have increased by £1.041m to £2.141m (+95%);**
- ii. The value of surplus balances has increased by £0.768m to £2.971m;**
- iii. The value of deficit balances has reduced by £0.273m to £0.830m which continues to require careful monitoring;**
- iv. Significant surplus school balances have increased by £0.203m to £0.452m (81%);**
- v. At 3.6%, average balances are considered to be slightly above the minimum level required for working balances to safely cover unforeseen circumstances.**
- vi. The three-year average change shows net balances in:**
 - a. primary schools deteriorated by £0.488m to £1.562m surplus (-24%)**
 - b. secondary schools improved by £0.959m to £0.268m surplus**
 - c. specialist providers deteriorated by £0.059m to £0.311m surplus (-16%)**
- vii. That £0.730m of surplus balances are estimated to arise from the impact of the coronavirus pandemic;**
 - a. £0.465m from one-off savings, and**
 - b. £0.265m arising from having to defer spending plans to 2021-22;**
- viii. The intention to amend the claw-back scheme to exclude from surplus balances calculations funds held from activities supporting a number of schools across the borough, such as the Teaching School.**

3.2 Initial school spending plans anticipate £1.104m of funding to be set aside for recovery.

That the Schools Forum AGREES:

3.3 That the entire 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 6.20).

3.4 That the £0.048m of surplus above the maximum cap held by Uplands Primary School is retained to meet the financial obligations arising from the Teaching School.

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 2021. Carry forward balances are calculated by deducting total net expenditure from new year funding and any accumulated balance. The percentage of carry forward is calculated against new year funding only to ensure any potential claw-back focuses on the use of new year funding only. Annex B provides a summary profile of deficit and surplus balances and movements compared to last year.

General comments on school balances

6.3 Some comments on the analysis are as follows:

1. Aggregate surplus balances have increased by £1.041m, from £1.100m to £2.141m (increase of 95%). This indicates a significant transfer of funds to balances with the coronavirus pandemic the most likely cause of the financial improvement as normal funding streams have remained in place and additional financial support provided by the Department for Education for a number of targeted purposes. Coupled with inevitable disruption and delays to original spending plans, current headline balances are most likely overstated.

More information from schools on the high level financial impact from the coronavirus pandemic is set out below from paragraph 6.5.
2. There has been a £0.524m increase in surplus balances in the primary and PRU sectors with balances held by secondary and special sectors increasing by £0.517m.
3. On average, at 3.6% of total budget (was 1.9%), average reserves are above the 3% minimum level considered appropriate for sufficient working balances to cover unforeseen circumstances.
4. Within the headline average surplus balance, there are 6 schools with a deficit and 5 schools with surpluses below the 3% level and which may therefore struggle to manage unforeseen cost increases.
5. The average surplus balance for a primary school is £0.068m (4.5%) up from £0.046m last year and secondary schools have an average surplus of £0.089m (0.8%) an improvement from the average £0.099m deficit.
6. The aggregate surplus balance of £2.141m comprises £2.971m from surpluses (was £2.202m) and £0.830m in deficits (was £1.103m).
7. The largest surplus balance held by a primary school is £0.321m (was £0.254m) and £0.391m for a secondary (was £0.294m).

8. The largest surplus balance as a percentage of budget is 21.0% (was 13.1%) and the greatest deficit is 22.4% (was 15.0%).

More information on the significant surplus balances held by schools is set out below from paragraph 6.13.

9. Four primary and one secondary school were in deficit at the end of the 2020-21 financial year. Plans for managing the impact of deficits and other factors are set out on the accompanying agenda item on support to schools in financial difficulties.

3-year change in school balances: 2018-19 to 2020-21

- 6.4 In general, over the last 3 years, balances held by primary schools have deteriorated, although there was a strong recovery last year, whilst those in secondary and specialist providers have improved as highlighted below.

1. Balances in primary schools are deteriorating, most likely as a result of a number of years of cuts in real terms funding, the reduction in pupil numbers and increase in spare places.
 - i. Deficit balances increased by £0.201m to £0.582m (+190%)
 - ii. Surplus balances have reduced by £0.106m to £2.144m (-5%)
 - iii. Net balances deteriorated by £0.488m to a surplus of £1.561m (-24%)
2. Balances in secondary schools are improving, most likely as pupil numbers are increasing, but also reflecting the relatively poor starting position and prolonged period of support to some schools from the LA.
 - i. Deficit balances reduced by £0.680m to £0.247m (-73%)
 - ii. Surplus balances increased by £0.278m to £0.516m (+117%)
 - iii. Net balances improved by £0.958m to £0.268m surplus (+139%)
3. Balances in specialist providers significantly increased in 2018-19 as both provisions filled up and remain fairly static across the period.

Annex C presents these changes in graphs.

Coronavirus pandemic

- 6.5 The Forum will be aware that the council worked with schools during the last year to gather high level information on the financial implications anticipated from the coronavirus pandemic. Returns gathered during the initial national lockdown indicated a significant net financial pressure on schools which was provisionally estimated at £0.663m. This reflected a number of increased costs as well as substantial losses in income and some limited, new, ringfenced DfE grant funding.

Annex D provides the summary information previously reported to the Forum.

- 6.6 Information from the final 2020-21 accounts, with school balances increasing by £1.041m indicates that the actual financial performance has improved rather than deteriorated. This most likely reflects the difficulty in predicting the financial impact from the pandemic at the time of the first lockdown coupled with schools being understandably cautious in their estimates. This was then followed by a sustained period of close financial control as schools remained concerned about the potential financial consequences as well as managing savings as they arose. Furthermore, with full focus placed on managing the impact of the pandemic on daily activities, a number

of original spending plans could not be implemented as intended with the associated funds therefore remaining unspent and in 2020-21 balances.

- 6.7 To help better understand the actual financial impact of the pandemic, and initial plans for recovery, as part of the school balances verification exercise, maintained schools were asked to provide the following information, with brief outline comments:
- a) Plans for expenditure in 2020-21 that did not proceed
 - b) Plans for expenditure in 2020-21 that could not be completed, but are still intended to proceed in 2021-22, although they may now be different in nature or value
 - c) New plans that will be put in place in 2021-22 specifically to aid recovery from the pandemic, and
 - d) Any changes to “normal” budget plans intended to divert some or all of the funds to specifically aid recovery.

Schools were also asked to provide any general comments on the practical activities they were planning to undertake to aid recovery.

- 6.8 To provide further information and advice on this exercise, which is recognised may present a number of queries as plans for recovery are likely to be very different school by school, a briefing on the return was provided to Bursars in May. This emphasised that schools should provide their best endeavours to complete the return with accurate information but that it should not be a significant new burden.
- 6.9 Questions a) and b) above related to identifying the impact on carry forward balances. Question a) would inform on the amount of carry forward that arose from the pandemic and would not now be spent, so was a permanent, one-off financial gain, with b) intended to separate out the amount of carry forward that was intended to be spent in 2021-22 and therefore is a consequence of timing issues, and not a financial windfall.
- 6.10 Questions c) and d) related to planned spend on recovery from the pandemic. Question c) focussed on specific new budgets with d) aiming to gather data on those budgets that schools were reducing in 2021-22 from their normal levels to allow greater investment in the recovery.
- 6.11 Table 1 below provides a summary of the data supplied by schools. This shows that £0.421m of the 2020-21 increase in underspend is as a result of one-off impacts that prevented planned spending occurring. A further £0.265m of the underspending relates to expenditure that has temporarily been delayed until 2021-22, but is still expected to be incurred and represents the amount of overstated funds in 2020-21 balances. In total, the pandemic has been estimated by schools to have been responsible for £0.866m of the total £1.041m improvement in school balances.
- 6.12 Table 1 also shows that schools are planning to invest £1.104m in recovery activities.

Table 1: summary responses from maintained schools on change in balances

	2020-21 spend that will not proceed	2020-21 spend to be made in 2021-22	2021-22 recovery: Specific new budgets	2021-22 recovery: From reductions
Primary	£271,657	£246,255	£675,329	£70,716
Secondary	£149,675	£18,899	£274,405	£44,577
Special	£0	£0	£40,000	£0
Total	£421,332	£265,154	£989,734	£115,293
	£686,486		£1,105,027	

Significant surplus balances

- 6.13 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.
- 6.14 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 currently in schools. 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.
- 6.15 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.
- 6.16 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 Executive Director - People.

Annex E sets out the agreed policy for the scheme to claw-back significant surplus balances with Annex F providing specific, school by school information.

- 6.17 Eight schools were identified as holding a significant surplus, which is an increase of two from the number at the end of 2019-20. The aggregate level of significant surplus balances amounts to £0.452m, an increase of £0.203m (+81%). Uplands Primary is the only school with a surplus balance above the maximum cap compared to none last year. Governors have submitted a request to retain this amount which relates to funds held in respect of the Teaching School which is further detailed below from paragraph 6.24.

- 6.18 Relevant schools holding significant surplus balances have provided headteacher certified statements that confirm that these funds are being held for valid reasons, as set out in the scheme, with around 75% profiled to be spent in the current year and 25% in future years.
- 6.19 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. 94% of the associated spending plans have completed or been approved by governors.
- 6.20 Based on these returns, the Forum is therefore recommended to agree that no claw-back should be applied. A summary of intended use of the significant surpluses is as follows:
1. £0.346m to finance additional staff costs as schools transition to re-structures and cost reductions (44%)
 2. £0.144m to support future budget shortfalls predicted to arise from a reduction in pupil numbers (19%)
 3. Income received in advance, which relates to the ring-fenced accounts of the Teaching School hosted by Uplands Primary that is available to support all schools in BF (13%)
 4. £0.100m for covid related and other grants that have yet to be spent and will carry forward (13%)
 5. £0.081m for capital buildings, construction and refurbishment (10%)

Note: relevant schools have indicated that £0.329m 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.

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

- 6.21 Forum members have previously requested more information on the frequency that individual schools generate a significant surplus together with an update from those with a significant surplus in 2019-20 to confirm whether actual spending plans were completed as indicated. Annex F shows that 2 schools have achieved a significant surplus balance in each of the last 5 years, with 2 schools achieving a significant surplus for 3 consecutive years. Over the last 5 years, 13 different schools have reported significant surplus balances.
- 6.22 In terms of updating the Forum on whether the 6 schools with significant surplus balances at the end of 2019-20 were spent as intended, headteachers from all relevant schools have confirmed this to be the case. At 2 of the schools, Sandy Lane and St Joseph's, surpluses have reduced to below the significance threshold. For Whitegrove, the amount of significance has reduced by £69,825 to £5,641 as the school transitions to reduced income with further expenditure reductions to be implemented to balance to future year's forecast income.
- 6.23 3 schools increased their significant surplus. For Uplands, the £0.103m increase primarily relates to the funds held on behalf of the Teaching School which is set out in more detail below at paragraph 6.24. For College Town, the £0.094m increase arises from the coronavirus pandemic, with £0.046m of delayed spend on projects and

£0.052m to be invested in an additional teacher to aid recovery in Years 1 and 2. The surplus at Holly Spring has increased by £0.051m which is fully accounted for by unspent coronavirus grants and parental income for school trips which will now take place in 2021-22. This information is confirmed in Annex G.

Significant surplus balances above the maximum cap

- 6.24 As set out above in paragraph 6.13, 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. Relevant schools could make a case to the Forum to retain any surplus above the maximum cap.
- 6.25 The governors of Uplands Primary school have made such a request to retain the £0.048m of surplus above the maximum cap which is set out in Annex H. This is the third consecutive year the school has exceeded the cap which arises from holding funds for the Teaching School which manages funds that support schools across the borough and can be received in advance of associated expenditure.
- 6.26 To avoid the need to complete a formal request to retain any significant surplus retained for the Teaching School, or similar activity that benefits a number of BF schools, which may be each year, it is proposed to amend the claw-back scheme to allow this. The scheme can only be amended following consultation with school governors, and this will therefore be included at the next suitable opportunity.

Capital Funding

- 6.27 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 pupils up to 15 years of age, £22.50 for post 16 aged pupils and £33.75 for those in special schools. Total funding for the year amounted to £0.257m with the average allocation to a primary school at £8,475 and £24,424 for a secondary school.
- 6.28 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 with buildings related projects needing to be approved by the council before they can proceed for reasons of health and safety. 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.
- 6.29 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 I provides a summary of individual school balances of DFC as at 31 March 2021.

- 6.30 Some comments on the analysis are as follows:
1. Aggregate unspent balances have reduced slightly and now amount to £0.465m (was £0.508m).

2. Average surplus balances held by primary schools amount to £17,669 (was £17,576 last year) with secondaries at £37,536 (down from £56,959 and reflects significant spending on IT in a secondary school).
3. 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. It does present an opportunity for schools to consider larger and more significant value projects than in the recent past.
4. All schools had at least a net nil balance at year end.
5. 11 schools are in danger of having to return unspent grant at 31 August 2021, which aggregates to £0.101m. This is a significant increase from previous years (3 schools and £0.010m in 2019-20) and is most likely as a result of the coronavirus pandemic. Relevant schools have been informed of this risk to their funding and all have indicated that they intend to fully spend the amounts by the deadline.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Director of Resources: Finance

- 7.2 The Director of Resources: Finance is satisfied that no significant financial implications arise from reporting 2020-21 school balances. The improvement in aggregate surplus balances is very welcome, however, schools continue to operate in difficult financial circumstances and a number of risks exist.

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

Climate Change Implications

- 7.5 The recommendations from this report will have no impact on emissions of carbon dioxide as they report on activities already undertaken.

8 CONSULTATION

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

Background Papers

None.

Contact for further information

Paul Clark, Finance Business Partner – People Directorate

(01344 354054)

<mailto:paul.clark@bracknell-forest.gov.uk>

Doc. Ref

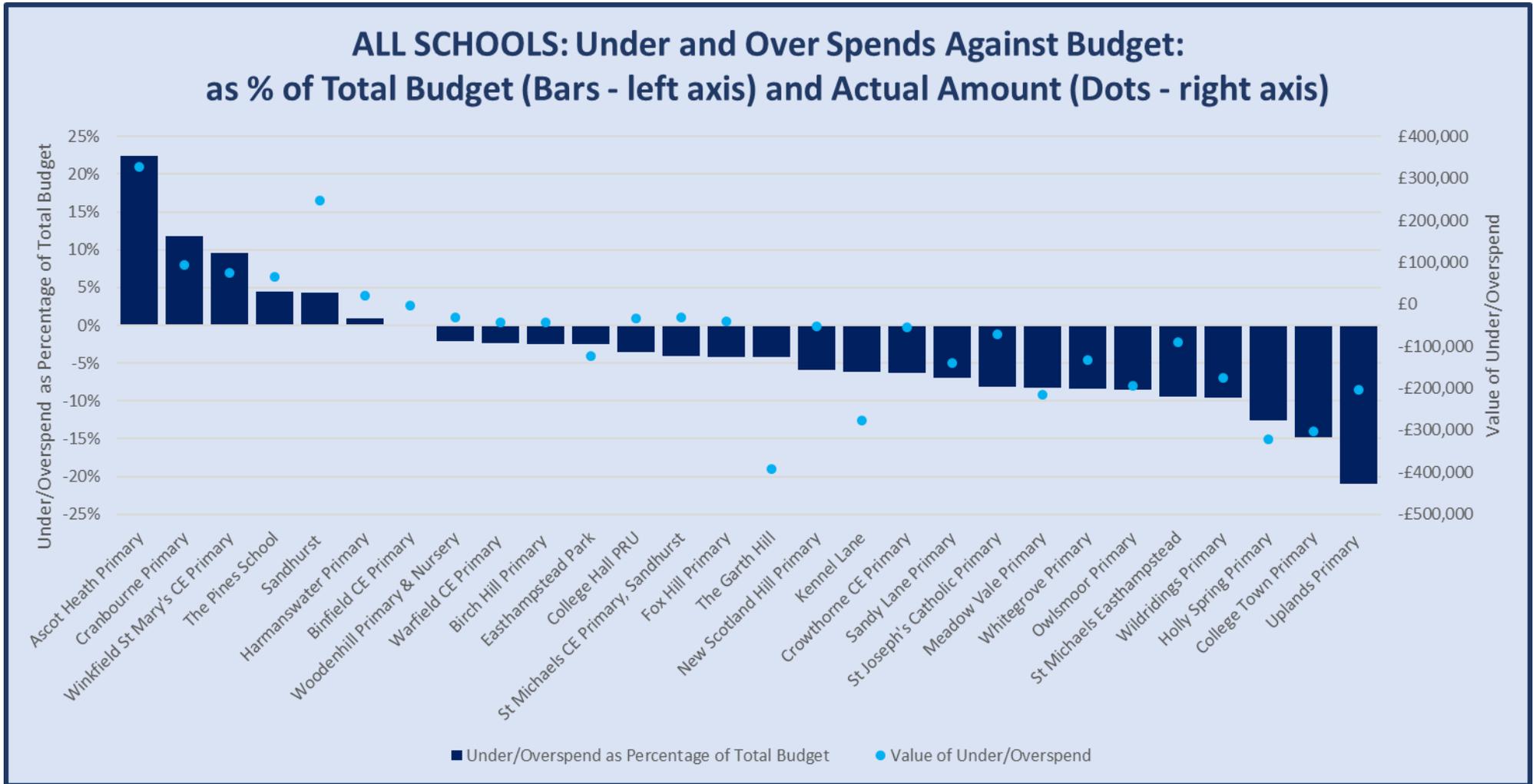
[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/\(104\)_150721/2020-21_School_Balances.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(104)_150721/2020-21_School_Balances.docx)

2020-21 School Revenue Balances

School	2020-21 Funding (excluding brought forward)	School Balances				
		Carry Forward amount (+ deficit / - surplus)	Percentage 2020-21 Funding	Change from 2019-20	Percentage of total Budget last year	Change in Percentage of total Budget
Ascot Heath Primary	£1,459,032	£327,137	22.42%	£106,496	14.93%	7.49%
Binfield CE Primary	£1,531,596	-£2,548	-0.17%	-£1,254	-0.09%	-0.08%
Birch Hill Primary	£1,718,027	-£42,153	-2.45%	-£16,039	-1.68%	-0.77%
College Town Primary	£2,027,210	-£301,687	-14.88%	-£99,897	-10.37%	-4.52%
Cranbourne Primary	£798,397	£93,770	11.74%	£96,209	-0.31%	12.05%
Crowthorne CE Primary	£862,294	-£54,708	-6.34%	-£41,398	-1.64%	-4.70%
Fox Hill Primary	£961,340	-£40,385	-4.20%	-£36,935	-0.36%	-3.84%
Harmanswater Primary	£2,232,996	£21,270	0.95%	-£61,366	3.68%	-2.73%
Holly Spring Primary	£2,543,951	-£321,594	-12.64%	-£66,726	-10.85%	-1.79%
Meadow Vale Primary	£2,588,955	-£214,684	-8.29%	-£46,250	-6.81%	-1.48%
New Scotland Hill Primary	£875,165	-£51,382	-5.87%	-£15,956	-4.03%	-1.84%
Owlsmoor Primary	£2,271,987	-£194,769	-8.57%	-£96,557	-4.61%	-3.96%
The Pines School	£1,501,010	£65,847	4.39%	-£100,814	12.71%	-8.33%
Sandy Lane Primary	£2,012,165	-£140,460	-6.98%	£45,581	-9.96%	2.98%
St Joseph's Catholic Primary	£860,781	-£70,442	-8.18%	£6,208	-9.32%	1.14%
Winkfield St Mary's CE Primary	£780,054	£74,511	9.55%	£68,318	0.81%	8.74%
St Michaels Easthampstead	£958,072	-£90,715	-9.47%	-£37,376	-5.85%	-3.62%
St Michaels CE Primary, Sandhurst	£781,819	-£32,152	-4.11%	-£16,690	-2.03%	-2.09%
Uplands Primary	£966,316	-£202,539	-20.96%	-£104,839	-10.59%	-10.37%
Warfield CE Primary	£1,879,169	-£44,168	-2.35%	-£80,844	2.01%	-4.36%
Whitegrove Primary	£1,600,904	-£133,713	-8.35%	£59,965	-13.11%	4.75%
Wildridings Primary	£1,828,822	-£175,448	-9.59%	-£85,629	-5.56%	-4.04%
Woodenhill Primary & Nursery	£1,511,390	-£30,886	-2.04%	£12,508	-3.01%	0.97%
College Hall PRU	£954,189	-£34,116	-3.58%	-£10,724	-2.95%	-0.63%
Easthampstead Park	£4,987,988	-£123,681	-2.48%	-£182,849	1.24%	-3.72%
The Garth Hill	£9,204,548	-£391,979	-4.26%	-£98,156	-3.32%	-0.94%
Sandhurst	£5,658,098	£247,314	4.37%	-£283,620	10.05%	-5.67%
Kennel Lane	£4,516,637	-£276,424	-6.12%	£47,536	-7.63%	1.51%
Total	£59,872,912	-£2,140,784	-3.58%	-£1,041,098	-1.94%	-1.64%

Primary average	£1,502,237	-£67,909	-4.52%	NB this summary analysis excludes College Hall PRU and Kennel Lane Special School.
Secondary average	£6,616,878	-£89,449	-0.79%	
Primary smallest budget / highest deficit	£780,054	£327,137	22.42%	
Primary largest budget / highest surplus	£2,588,955	-£321,594	-20.96%	
Secondary smallest budget / highest deficit	£4,987,988	£247,314	4.37%	
Secondary largest budget / highest surplus	£9,204,548	-£391,979	-4.26%	

2020-21 School Revenue Balances – ranked by percentage of budget



Key explained:

Dark blue bars represent percentage of budget over (+) or under (-) spent. The left-hand y-axis indicates the percentage value
 Light blue dots represent the cash value of deficit (+) or surplus (-). The right-hand y-axis indicates the cash value.

Summary profile of deficit and surplus school balances – All Schools

Phase	2019-20			2020-21			Change in carry forward 2019-20 to 2020-21 (+ increase / - decrease in surplus)	
	Budget for the year (excludes b/forward)	Carry Forward	Carry Forward as % of final budget	Budget for the year (excludes b/forward)	Carry Forward	Carry Forward as % of final budget		
Primary and PRU	£33,585,793	£1,072,005	3.19%	£35,505,641	£1,596,014	4.50%	£524,009	48.88%
Secondary and Special	£23,144,520	£27,681	0.12%	£24,367,271	£544,770	2.24%	£517,089	1,868.03%
Total	£56,730,313	£1,099,686	1.94%	£59,872,912	£2,140,784	3.58%	£1,041,098	94.67%

Analysis of 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

2019-20

Primary and PRU	5	£220,641	19	-£254,868	10	3	6	6	-£249,474
Secondary and Special	2	£530,934	2	-£323,960	1	1	0	0	£0
Total	7	£1,102,909	21	-£2,202,595	11	4	6	6	-£249,474

2020-21

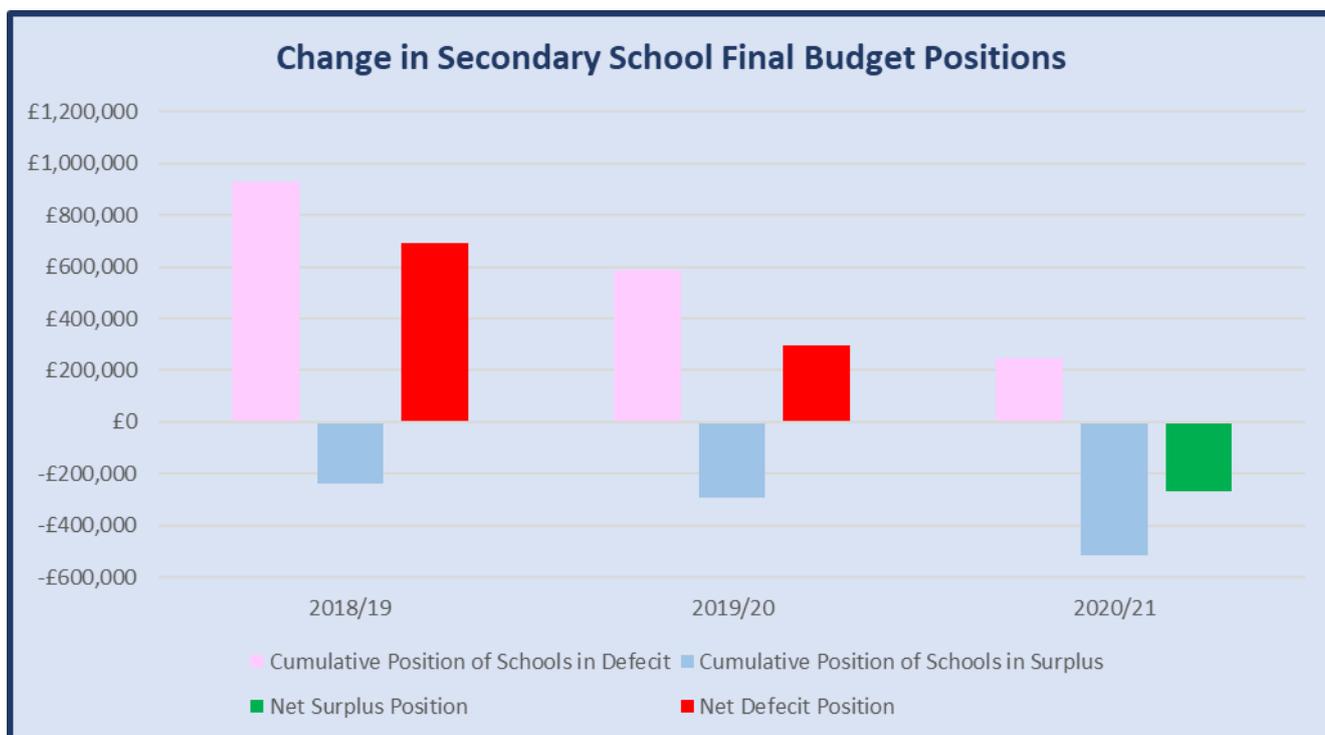
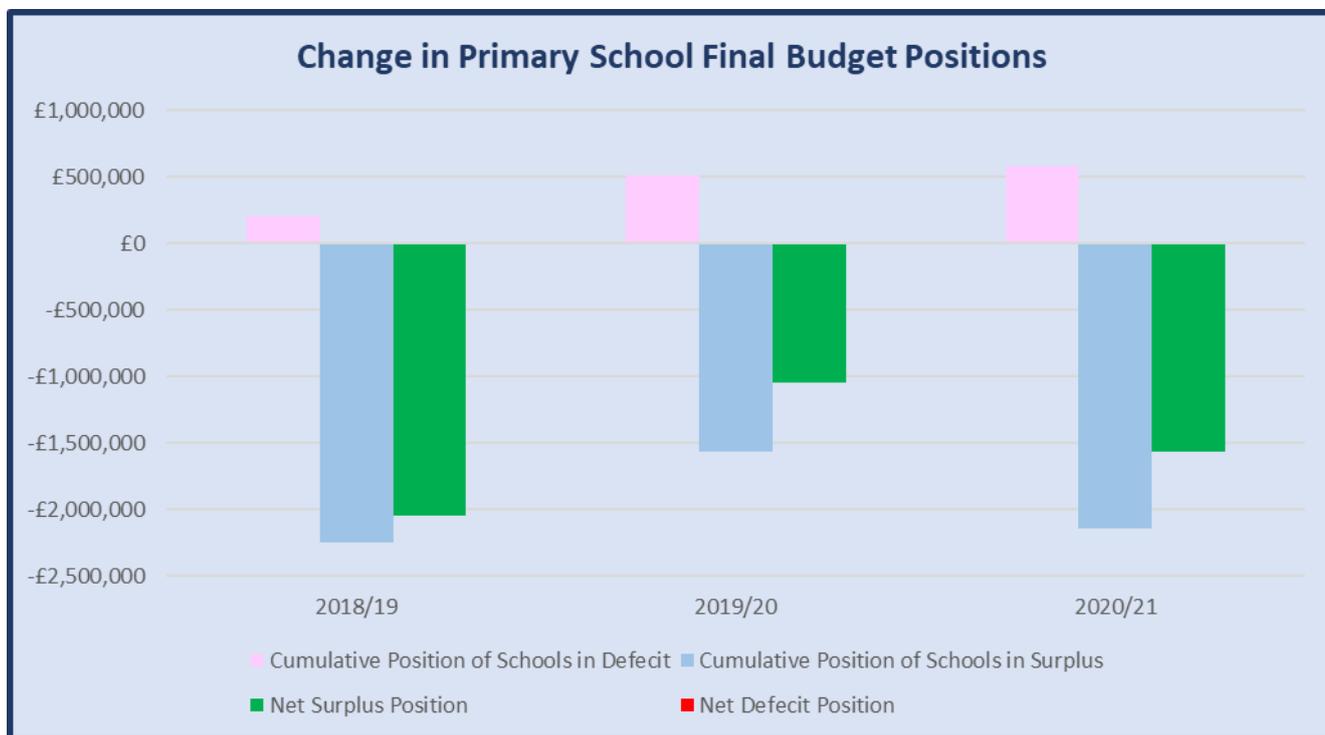
Primary and PRU	5	£327,137	19	-£321,594	7	3	9	8	-£452,252
Secondary and Special	1	£247,314	3	-£391,979	2	1	0	0	£0
Total	6	£829,849	22	-£2,970,633	9	4	9	8	-£452,252

Change 2019-20 to 2020-21

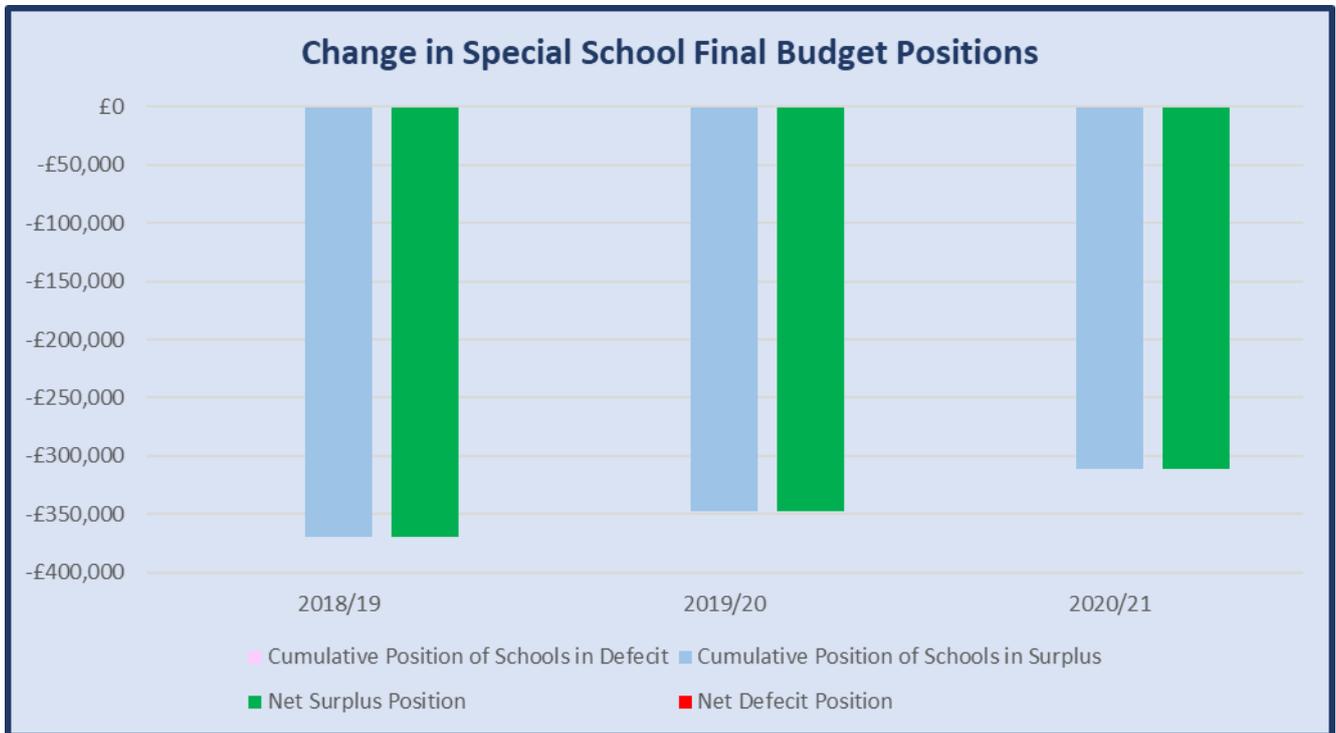
Primary and PRU	0	£106,496	0	-£66,726	-3	0	3	2	-£202,778
Secondary and Special	-1	-£283,620	1	-£68,019	1	0	0	0	£0
Total	-1	-£273,060	1	-£768,038	-2	0	3	2	-£202,778

School Balances – 3-year change 2018-19 to 2020-21

For each year: first bar (pink) shows aggregate of deficit balances, second bar (light green) shows aggregate of surplus balances, third bar is net position of deficits and surpluses, with bright green indicating overall surplus, red indicating overall deficit.



For each year: first bar (pink) shows aggregate of deficit balances, second bar (light green) shows aggregate of surplus balances, third bar is net position of deficits and surpluses, with bright green indicating overall surplus, red indicating overall deficit.



**Initial Summary Information from Schools on Estimated
Financial Impact from Coronavirus Pandemic**

	Primary	Secondary	Special	Total
Number draft claims received	21	1	1	23
Maximum available grant	£710,000	£75,000	£50,000	£835,000
Average available grant	£33,810	£75,000	£50,000	£36,304
<u>(a) Expenditure covered by grant</u>				
1. increased premises related costs	£81,071	£1,792	£0	£82,863
2. support for free school meals (FSM)	£40,067	£7,199	£12,420	£59,686
3. additional cleaning	£45,505	£0	£0	£45,505
Anticipated grant (items 1. to 3.)	£166,643	£8,991	£12,420	£188,054
Average claim core items	£7,935	£8,991	£12,420	£8,176
Average % if maximum permitted	23%	12%	25%	23%
4. Exceptional items	£24,236	£0	£0	£24,236
<u>(b) Expenditure not covered by grant</u>				
1. loss of income	£413,698	£21,000	£1,100	£435,798
2. furloughed staff	£4,534	£0	£0	£4,534
3. other	£80,186	£118,095	£152,500	£350,781
				-
<u>(c) Areas of cost reduction.</u>	-£71,507	-£80,362	£0	£151,869
<i>Net</i>	<i>£617,790</i>	<i>£67,724</i>	<i>£166,020</i>	<i>£851,534</i>
Anticipated grant ((a) 1-3 above)	£166,643	£8,991	£12,420	£188,054
Net cost	£451,147	£58,733	£153,600	£663,480

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

School Revenue Balances – Significant Surpluses

School	2020-21 Significant surplus				Previous significant surpluses (4 years)			
	Amount requiring explanation and permission (over 5% or 8%)	Amount above maximum cap	Total significant amount	Number consecutive years	2019-20	2018-19	2017-18	2016-17
Ascot Heath Primary	£0	£0	£0	0	£0	£0	£0	£0
Binfield CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Birch Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
College Town Primary	-£139,510	£0	-£139,510	3	-£46,059	-£33,659	£0	£0
Cranbourne Primary	£0	£0	£0	0	£0	£0	£0	£0
Crowthorne CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Fox Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
Harmanswater Primary	£0	£0	£0	0	£0	£0	-£79,723	-£160,939
Holly Spring Primary	-£118,078	£0	-£118,078	5	-£66,968	-£86,315	-£17,227	-£33,286
Meadow Vale Primary	-£7,568	£0	-£7,568	1	£0	-£218,357	-£49,886	-£33,511
New Scotland Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
Owlsmoor Primary	-£13,010	£0	-£13,010	1	£0	£0	£0	£0
The Pines School	£0	£0	£0	0	£0	£0	£0	-£51,614
Sandy Lane Primary	£0	£0	£0	0	-£36,631	-£200,336	-£236,124	-£121,593
St Joseph's Catholic Primary	£0	£0	£0	0	-£1,650	-£7,511	£0	£0
Winkfield St Mary's CE Primary	£0	£0	£0	0	£0	£0	£0	£0
St Michaels Easthampstead	-£14,069	£0	-£14,069	1	£0	-£32,273	£0	£0
St Michaels CE Primary, Sandhurst	£0	£0	£0	0	£0	£0	£0	£0
Uplands Primary	-£77,305	-£47,929	-£125,234	3	-£22,700	-£26,330	£0	£0
Warfield CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Whitegrove Primary	-£5,641	£0	-£5,641	5	-£75,466	-£93,006	-£37,288	-£23,239
Wildridings Primary	-£29,142	£0	-£29,142	1	£0	£0	£0	£0
Woodenhill Primary & Nursery	£0	£0	£0	0	£0	£0	-£1,713	-£2,788
College Hall PRU	£0	£0	£0	0	£0	£0	-£30,167	£0
Easthampstead Park	£0	£0	£0	0	£0	£0	£0	£0
The Garth Hill	£0	£0	£0	0	£0	£0	£0	£0
Sandhurst	£0	£0	£0	0	£0	£0	£0	£0
Kennel Lane	£0	£0	£0	0	£0	-£1,762	£0	£0
Total	-£404,323	-£47,929	-£452,252		-£249,474	-£699,549	-£452,128	-£426,970
Number			8		6	5	7	7

Analysis of significant school surplus balances

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm- itted	Approved	Complete	2021-22	2022-23	2023-24 onwards
<u>College Town Primary (14.9% surplus - £139,510 significant)</u>						
Additional Teacher for extra class in Year1/2. 6 classes, would normally only have 5 for numbers of pupils currently 122		£51,252		£29,897	£21,355	
Lead on Pastoral Care now a non-class based position requiring additional teacher. Non-class based teacher to allow KS2 classes to be split for core subjects and provide additional Pastoral support		£51,252		£29,897	£21,355	
Additional non-class teacher position in KS2 to allow classes to be split for core subjects.		£51,252		£29,897	£21,355	
Preparation and construction - Canopy. Part funded with further £6,000 of capital money.		£29,000		£29,000		
Preparation and construction - 2 X sheds		£6,750		£6,750		
Resurfacing ball court		£10,000		£10,000		
Protected pay for support staff following school amalgamation (final year)		£3,605		£3,605		
Total accounted for		£203,111		£139,046	£64,065	£0
<u>Holly Spring (12.6% surplus - £118,078 significant)</u>						
5 months of enhanced staffing resources prior to implementation of a restructure at September 2021			£70,139	£70,139		
Unspent parental contributions for school trip not spent 2020-21 due to Covid.		£9,400		£9,400		
Unspent Covid catch-up premium funding to be spent summer term 2020 when all pupils back in school.		£21,514		£21,514		
Unspent Sports Premium funding to be spent 2021-22 financial year when all pupils back in school.		£19,500		£19,500		
Total accounted for		£120,553		£120,553	£0	£0

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm- itted	Approved	Complete	2021-22	2022-23	2023-24 onwards
<u>Meadow Vale (8.3% surplus - £7,568 significant)</u>						
Preparation and construction - Canopy for nurse area.		£10,000		£10,000		
Total accounted for		£10,000		£10,000	£0	£0
<u>Owlsmoor (8.6% surplus - £13,010 significant)</u>						
Unspent Covid catch-up premium funding to be spent summer term 2020 when all pupils back in school - supply teachers.		£6,000		£6,000		
Unspent Covid catch-up premium funding to be spent summer term 2020 when all pupils back in school - pupil assessment.	£19,400			£19,400		
Unspent Sports Premium funding to be spent 2021-22 financial year.	£13,056			£13,056		
Total accounted for		£38,456		£38,456	£0	£0
<u>St Michael's Easthampstead (9.5% surplus - £14,069 significant)</u>						
£5k overpayment by LA for Rapid Response Claim to be repaid		£5,000		£5,000		
Unspent Sports Premium funding to be spent 2021-22 financial year.		£12,512		£12,512		
Total accounted for		£17,512		£17,512	£0	£0
<u>Uplands (21.0% surplus - £125,234 significant with £47,929 above the maximum cap)</u>						
Costs against current running National Professional Qualification courses		£45,000		£45,000		
Staff costs and time for running Relationships, Sex and Health Education and Sport England activities		£35,000		£35,000		
Surplus held in the Teaching School towards capacity / staffing for other business to be undertaken in 2021-2022		£103,479		£103,479		
Surplus on Main School activities to be used for staffing and interventions		£19,049		£19,049		
Total accounted for		£202,528		£202,528	£0	£0

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm- itted	Approved	Complete	2021-22	2022-23	2023-24 onwards
<u>Whitegrove (8.4% surplus - £5,641 significant)</u>						
To be advised		£13,586		£13,586		
Total accounted for		£13,586		£13,586	£0	£0
<u>Wildridings (9.6% surplus - £29,142 significant)</u>						
Preparation and construction - canopy to year 1 area including enclosed one side & installation of sail shade to bus area		£6,310		£6,310		
3rd set of 15 IPADS and go caddy case for each phase		£4,844		£4,844		
Preparation and construction - Fencing Works			£2,855	£2,855		
Preparation and construction - Staff toilets	£16,340			£16,340		
2021-22 in year deficit due to reduction in pupil numbers		£14,480		£14,480		
2022-23 in year deficit		£26,482			£26,482	
2023-24 in year deficit		£103,945				£103,945
Total accounted for		£175,256		£44,829	£26,482	£103,945
Total	£48,796	£659,212	£72,994	£586,510	£90,547	£103,945
Total	6%	84%	10%	75%	12%	13%
Total		£781,002			£781,002	

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncommitted	Approved	Complete	2020-21	2021-22	2022-23 onwards
<u>St Josephs (9.32% surplus - £1,650 significant)</u> Redecoration of Key Stage 1 classrooms and corridors throughout the school		£3,000		£3,000		
Total accounted for		£3,000		£3,000	£0	£0
<u>Uplands (10.59% surplus - £22,700 significant)</u> Carry forward from teaching school, which must be reported through the main school budget although it is earmarked for other purposes and not for use by the school.		£22,700		£22,700		
Total accounted for		£22,700		£22,700	£0	£0
<u>Whitegrove (13.11% surplus - £75,466 significant)</u> Cost of current staffing structure is not sustainable and needs to be reduced. Requirement to restructure SLT leadership scale points in line with bench marking with similar schools. Staff consultation delayed due to Covid.		£75,466		£75,466		
Total accounted for		£75,466		£75,466	£0	£0
Overall Total	£0	£257,751	£0	£257,751	£3,605	£0
Total	0%	100%	0%	99%	1%	0%
Total		£257,751			£261,356	

Request from Uplands to retain surplus funds above the 16% cap



Uplands Primary School and Nursery
Inspired to achieve

Albion Road, Sandhurst, Berkshire GU47 9BP
Telephone number: 01252 873069
School email: office@uplandsprimary.org
Nursery email: nursery@uplandsprimary.org
Website: www.uplandsprimaryschool.com

Head Teacher
Philip Sherwood

16 June 2021

RE: SIGNIFICANT SURPLUS BALANCE OVER 16% (£48,000)

As a current Teaching School (until 31 August 2021, when we will become a support alliance and trading services arm of Uplands), we are a lead school for School Direct, NPQ provider and school to school support provider. Therefore, we must retain surplus money to complete all business relating to the NPQs, School Direct etc. These are projects and courses that often run across multiple financial and academic years.

We are currently transitioning to become a new ECF and NPQ Partner provider for the Education Development Trust (EDT) and will be continuing to support a number of local schools in Bracknell Forest and beyond. We will be offering a full career progression route for initial teacher training from School Direct students up to Headship. We will also continue to be a lead school for School Direct and carry out school support and CPD training.

The surplus will be used to fund the capacity to do this and the attached budget spreadsheets show how this money is used and fed back into the Teaching School / Forest Learning Alliance activities to support our local schools.

This clearly shows that we separate all Teaching School / Forest Learning Alliance funds and account for them separately to the main school funding. It shows that the surplus for our main school budget is only £19,049 and our Teaching School / Forest Learning Alliance holds a surplus of £183,479.

With this in mind we would request that the scheme be amended to allow the Teaching School / Forest Learning Alliance funds to be excluded from the surplus retention calculation and that we retain the excess funds to allow us to continue the activities which are an important benefit to our local schools and Alliance members.

A handwritten signature in black ink, appearing to read 'P Sherwood'.

Mr P Sherwood
Head Teacher

A handwritten signature in black ink, appearing to read 'J Steadman'.

Mrs J Steadman
Chair of Governors

2020-21 School Capital Balances

School	2020/21 new year funding £	Carry forward			Amount that must be spent by 31 Aug 2021 £
		Total Amount (+deficit / -surplus) £	Percentage of new year funding £	Change from 2019/20 (+increase / -decrease) £	
Ascot Heath County Infant	£8,271	-£35,807	432.92%	£15,676	£14,687
Birch Hill Primary	£8,829	-£8,791	-99.57%	-£3,235	£0
College Town Infant and Nursery	£10,026	-£6,877	-68.59%	-£4,915	£0
Cranbourne Primary	£6,356	-£8,151	-128.24%	£4,667	£0
Crowthorne CE Primary	£6,356	-£7,655	-120.44%	-£6,356	£0
Fox Hill Primary	£6,572	-£14,731	-224.15%	-£4,258	£1,621
Harmanswater Primary	£10,813	-£7,725	-71.44%	£19,113	£0
Holly Spring Infant and Nursery	£10,561	-£41,898	-396.72%	£6,212	£16,546
Meadow Vale Primary	£11,211	-£40,784	-363.79%	£6,324	£17,981
New Scotland Hill Primary	£6,377	-£8,819	-138.29%	£1,632	£0
Owlsmoor Primary	£10,499	-£5,472	-52.12%	-£217	£0
Pines	£7,723	-£16,035	-207.63%	£2,910	£746
Sandy Lane Primary	£9,846	-£33,154	-336.73%	-£9,846	£13,282
St Marys CE Primary (Winkfield)	£6,199	-£12,693	-204.76%	-£6,199	£221
Uplands Primary	£6,688	-£22,443	-335.57%	£4,867	£8,982
Warfield CE Primary	£9,046	-£20,369	-225.17%	-£9,046	£2,484
Whitegrove Primary	£8,642	-£8,124	-94.01%	-£3,700	£0
Wildridings Primary	£8,833	-£9,501	-107.56%	-£7,192	£0
Woodenhill Primary and Nursery	£8,186	-£26,673	-325.84%	-£8,186	£10,103
Easthampstead Park	£18,990	-£15,096	-79.49%	-£15,096	£0
Garth Hill	£32,045	-£79,186	-247.11%	£49,991	£14,504
Sandhurst	£22,238	-£18,326	-82.41%	£23,373	£0
Kennel Lane	£10,117	-£11,237	-111.07%	-£7,367	£0
College Hall PRU	£5,591	-£5,615	-100.43%	-£5,591	£0
Total	£250,015	-£465,162	-186.05%	£43,561	£101,157

Primary average £8,475 -£17,669
Secondary average £24,424 -£37,536