

**To: Schools Forum**  
**Date 22 June 2023**

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## **2022-23 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 2023, how these compare to the previous financial year, and to consider whether any significant surplus balances should be subject to claw-back and re-invested within the overall Schools Budget.
- 1.2 Balances held by academy schools are not part of the council's accounts and are therefore excluded from this report. With Easthampstead Park Secondary and Sandy Lane Primary schools converting to an academy during the financial year, relevant funds have been excluded from this report to ensure an appropriate comparison can be made to the previous financial year.

### **2 Executive summary**

- 2.1 Overall, there was a deterioration in school balances during 2022-23 where cumulative surplus balances reduced by £0.182m to £2.307m (down 7%). At 4.4% of annual income, average surplus balances are above the minimum 3% level recommended to be able to safely manage unforeseen in-year pressures.
- 2.2 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.
- 2.3 One school registered a surplus balance above the permitted limit and is therefore subject to claw-back. In accordance with the policy, the governors have requested that the claw-back is waived, for which Forum members will need to make a decision.
- 2.4 There are also a number of schools with deficit balances, which have in total increased by £0.085m to £0.603m. 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. An update on school licensed deficit proposals will be presented to the Forum in September.
- 2.5 The Department for Education (DfE) also monitors schools with deficit balances and collects High-level Action Plans each year from local authorities where the number or proportion of schools with revenue balance deficits is above a certain level. Three BF schools have been identified as in scope of DfE interest and a response is being produced which will be shared with the Forum in September.
- 2.6 Schools are also permitted to retain unspent balances arising from capital related budgets. They receive small annual budgets for capital and often need to accumulate funding from a number of years in order to fully finance projects. In December 2022, the DfE provided additional funding for schools at approximately double the initial allocation to implement new energy efficiency measures before the end of the financial year.

Whilst a significant portion of the additional funding as spent, overall capital balances increased by £0.253m (up 79%). Capital budgets are directly funded by DfE grant and are outside the local claw-back scheme. DfE have the discretion 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 decreased by £0.182m to £2.306m (-7%);**
- ii. The value of surplus balances has decreased by £0.097m to £2.910m;**
- iii. The value of deficit balances has increased by £0.085m to £0.603m which continues to require careful monitoring;**
- iv. Significant surplus school balances have increased by £0.024m to £0.596m (+4%);**
- v. At 4.4%, average balances are considered to be above the minimum level required for working balances to safely cover unforeseen circumstances.**

#### **3.2 The requirement to complete an Action Plan for the Department for Education in respect of schools with deficits in excess of 5% of income, based on 2021-22 accounts (paragraph 6.19).**

**That the Schools Forum agrees:**

#### **3.3 That the entire significant surplus balances held by schools up to the cap permitted in the claw-back scheme has been assigned for relevant purposes as set out in the approved scheme and should not be subject to claw-back (paragraph 6.12).**

#### **3.4 What amount, if any of the significant surplus balance above the cap permitted in the claw-back scheme should be removed from Crowthorne Primary School (paragraph 6.16).**

### **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 2023. Carry forward balances are calculated by deducting total net expenditure from new year funding and any accumulated balance, as measured through national school benchmarking data held in the Consistent Financial Reporting (CFR) framework. 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 set out below. However, with one remaining maintained secondary school, little useful comparable information is available, and therefore most references relate to primary schools.
1. Aggregate surplus balances have decreased by -£0.182m, from £2.489m to £3.308m (reduction of -7%). This indicates a substantial transfer of one-off funds to schools to finance their spending.
  2. There has been a -£0.438m decrease in aggregate surplus balances in the primary and PRU sectors (-25%) with balances held by secondary and special sectors increasing by +£0.256m (+36%). The difficulties experienced by primary schools in particular arise from the impact of reducing pupil numbers and rising costs that have exceeded the increase in funding provided by the government.
  3. On average, at 4.4% of total budget (was 4.9%), average reserves are above the 3% minimum level considered appropriate for sufficient working balances to cover unforeseen circumstances. However, the primary average balance is 3.6% (was 4.9%), which is approaching the minimum appropriate level.
  4. Within the headline average surplus balance, there are 7 schools with a deficit (was 4) and 4 schools with surpluses below the 3% (was 4) level and which may therefore struggle to manage unforeseen cost increases.
  5. The average surplus balance for a primary school is -£0.062m (3.8% of budget) down from -£0.084m last year.
  6. The aggregate surplus balance of -£2.307m comprises -£2.910m from surpluses (was -£3.007m) and +£0.603m in deficits (was +£0.518m).
  7. The largest surplus balance held by a primary school is -£0.379m (was -£0.353m) and -£0.656m for a secondary (was -£0.479m).
  8. The largest surplus balance as a percentage of budget is -20.0% (was -18.7%) and the greatest deficit is +18.6% (was +16.5%).
- More information on the significant surplus balances held by schools is set out below from paragraph 6.4.

9. An update on deficit budgets and their management will be presented to the Forum in September. All schools with a deficit at the end of 2022-23 as well as any schools indicating a potential deficit for the first time in 2023-24 have budget planning meetings with the council in June.

#### Significant surplus balances

- 6.4 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.
- 6.5 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.
- 6.6 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.
- 6.7 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 C sets out the agreed policy for the scheme to claw-back significant surplus balances with Annex D providing specific, school by school information.

- 6.8 Using initial CFR data, seven schools were identified as holding a significant surplus, which is unchanged from the number at the end of 2021-22. The aggregate level of significant surplus balances amounts to -£0.597m, an increase of -£0.024m (-4.1%). Reflecting on the overall reduction in aggregate surplus balances, an increase in significant surplus balances is a surprise.
- 6.9 As schools may be holding funds in trust and outside the main school budget, the Forum agreed that the surplus calculation can exclude any such funds where they are held in respect of an activity that supports a number of other BF schools, such as one operating a school improvement and CPD programme. Uplands Primary is the only school to request such an adjustment which has been reported at £148,223. The impact from this is that the £0.068m significant surplus balance attributed to Uplands is removed meaning six schools are deemed as holding surplus balances below the permitted cap, to a value of -£0.492m.
- 6.10 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 66% profiled to be spent in the current year and 34% in future years.

- 6.11 In terms of the likelihood of schools completing the spend to schedule, plans have been categorised between uncommitted if governors have yet to agree the project, approved, once formally signed off by governors, and complete where spend has now been incurred. All proposed spending plans have been approved by governors.
- 6.12 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. £0.291m to finance additional staff costs as schools transition to re-structures and cost reductions (55%)
  2. £0.150m for capital buildings, construction and refurbishment (28%)
  3. £0.054m on ICT, equipment, furniture and learning resources (10%)
  4. £0.040m on other areas, including unspent external income and funds to finance future cost increases (7%)

Note: relevant schools have indicated that £0.042m 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 E sets out outline information on the spending intentions of schools with significant surplus balances.

- 6.13 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 2020-21 to confirm whether actual spending plans were completed as indicated. Annex E shows that 2 schools have achieved a significant surplus balance in each of the last 5 years and another for 3 consecutive years. Over the last 5 years, 13 of the 25 maintained schools have reported significant surplus balances.
- 6.14 In terms of updating the Forum on whether the 7 schools with significant surplus balances at the end of 2020-21 were spent as intended, headteachers from all relevant schools have confirmed this to be the case. At 2 of the schools, surpluses have reduced to below the significance threshold that requires an explanation.

#### Significant surplus balances above the maximum cap

- 6.15 As set out above in paragraph 6.4, 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.

6.16 The head teacher of Crowthorne Primary school has made such a request to retain the £0.038m of surplus above the maximum cap which is set out in Annex G. The letter includes 6 areas of underspending as summarised below:

1. £15,000 is part of a project to accrue funds to cover the cost of adding an additional toilet for staff. This is required as the existing staff facilities were reduced due to adaptations being required for a pupil who needs a hoist, self-cleaning toilet and other equipment due to their disability (reducing staff facilities to only one). The quote for the work was £22,000 which was higher than expected requiring more funds to be secured and so a delay to implementation.
2. £2,290 for health and safety related tree work delayed by tree surgeon. **BFC note:** The work was completed in 2022-23 but not paid until 2023-24. If the school had followed correct accounting practice, a creditor provision would have been raised this ensuring the charge was recorded in 2022-23 in which case this budget would not have under spent.
3. £1,500 for a contribution to a deferred boiler replacement which will now take place in 2023-24.
4. £1,135 for building repairs. **BFC note:** The work was completed in 2022-23 but not paid until 2023-24. If the school had followed correct accounting practice, a creditor provision would have been raised this ensuring the charge was recorded in 2022-23 in which case this budget would not have under spent.
5. £17,800 remaining grant allocation from Wellington College for building adaptations that will complete in summer 2023. **BFC note:** The work is financed from external income. If the school had followed correct accounting practice, an income in advance provision of £17,800 would have been raised to roll unspent income into 2023-24 to apply against the spend as it occurred ensuring this budget would not have under spent.
6. £190 income received in error. **BFC note:** This is external income. If the school had followed correct accounting practice, an income in advance provision of £190 would have been raised to roll the erroneous income into 2023-24 to repay to the debtor, ensuring no under spend in 2022-23.

In total, £21,415 of the surplus balance above the cap would have been avoided if the correct accounting arrangements had been used. Excluding these items reduces the surplus above the cap to £16,416.

The Schools Forum is requested to consider whether all or any of the income above the policy cap should be retained by the school or clawed-back. Should any claw-back be applied, the school governors can make a final appeal for a decision by the Executive Director.

#### Deficit Recovery Plans

- 6.17 As part of the DfE programme to support financial management in schools, where a deficit is greater than 5%, relevant schools need to submit a recovery plan to their LA. Annex A identifies 3 such schools, all of which are in discussion with council relating to their medium-term plans. An update on these plans will be presented to the Forum in September.
- 6.18 Furthermore, the DfE are collecting High-level Action Plans each year from local authorities where the number or proportion of schools with revenue balance deficits is above a certain level.
- 6.19 For this year the threshold for requiring Action Plans is from LAs with more than 10 schools, or more than 10% of schools, with revenue balance deficits of 5% or more. The revenue balance deficit threshold has reduced from 7% to bring it in line with the

recommendation from the Financial Transparency consultation. According to the CFR data for 2021-22, Bracknell Forest LA had 3 out of 25 schools (12% of schools) with a revenue balance deficit of 5% or more as of 31 March 2022.

- 6.20 All 3 schools identified by the DfE are within the current programme of licensed deficit support to schools to manage financial difficulties over the medium term, with plans progressing well with all 3 schools.
- 6.21 The deadline for submission of the Action Plan is 14 July and more information will be presented to the Forum in September when the annual report on support to schools in financial difficulties is presented.

### Capital Funding

- 6.22 Schools receive direct funding for capital projects through the DfE Devolved Formula Capital Grant (DFC).
- 6.23 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.
- 6.24 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.
- 6.25 In December, the DfE announced that all schools would receive an additional £10,000 plus £20.06 per weighted pupil. In general, this new allocation is approximately twice the size of the original allocation meaning an initial funding allocation of say £10,000 would be increased to a total new allocation for the year of around £30,000.
- 6.26 The DfE expected this funding to be spent in 2022-23 financial year and that it will be “prioritising works to improve energy efficiency” which would benefit future years revenue spending requirements. However, grant conditions remain unchanged from those summarised in paragraph 6.23. To compliment this initiative, the DfE also published guidance on energy efficiency projects.
- 6.27 Taking account of both allocations, new year funding amounted to £0.618m (£0.221m initial allocation, £0.417m in-year addition) with the average allocation to a primary school at £25,958 and £86,334 for a secondary school (£8,362 and £24,840 in 2021-22).
- 6.28 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 2023.

6.29 Some comments on the analysis are as follows:

1. Aggregate unspent balances have increased by 79% and now amount to £0.576m (was £0.322m). Taking account of the late notification of the significant in-year funding addition, schools have spent a considerable proportion of the increase.
2. Average surplus balances held by primary schools amount to £27,752 (was £14,159 last year) with secondaries at £54,699 (down from £59,646).
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. 5 schools are in danger of having to return unspent grant at 31 August 2023, which aggregates to £0.031m. Relevant schools have been informed of this risk to their funding.

## **7 Advice received from statutory and other officers**

### Borough Solicitor

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

### Executive Director of Resources: Finance

7.2 The Executive Director of Resources: Finance is satisfied that no significant financial implications arise from reporting 2022-23 school balances. 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 generally relate to on activities already undertaken.

### Health and wellbeing considerations

7.6 The recommendations from this report will have no impact on health and wellbeing 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

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[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools\\_Forum/\(117\)\\_220623/2022-23\\_School\\_Balances.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools_Forum/(117)_220623/2022-23_School_Balances.docx)

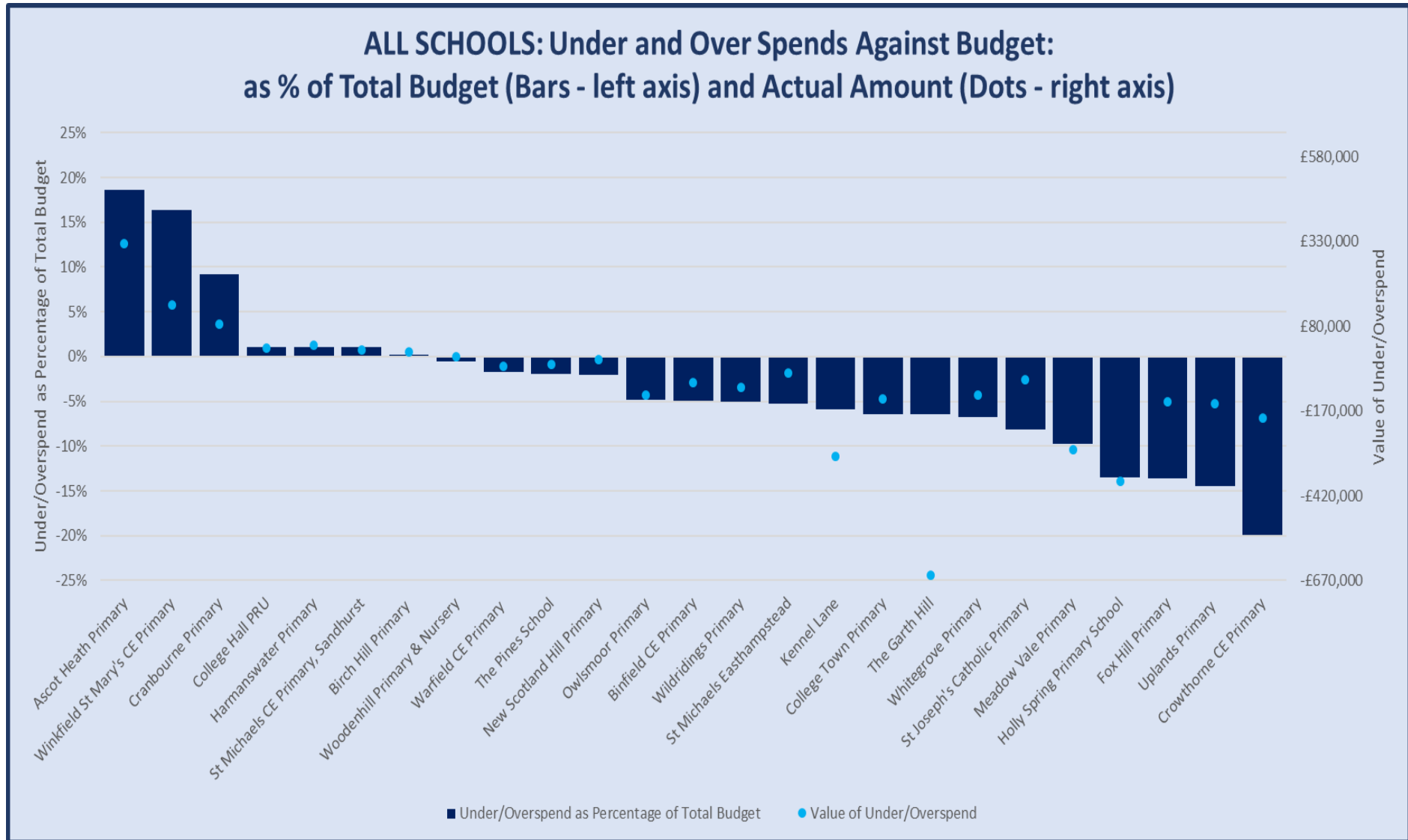
**2022-23 School Revenue Balances**

School	2022-23 Funding (excluding brought forward)	School Balances				
		Carry Forward amount (- surplus / + deficit)	Percentage 2022-23 Funding	Change from 2021-22	Percentage of total Budget last year	Change in Percentage of total Budget
Ascot Heath Primary	£1,732,256	£322,659	18.63%	£46,071	16.52%	2.10%
Binfield CE Primary	£1,761,739	-£86,466	-4.91%	-£29,742	-3.31%	-1.60%
Birch Hill Primary	£1,881,614	£3,655	0.19%	£87,081	-4.42%	4.62%
College Town Primary	£2,087,657	-£133,829	-6.41%	£151,858	-13.22%	6.81%
Cranbourne Primary	£925,421	£85,118	9.20%	-£27,236	12.95%	-3.75%
Crowthorne CE Primary	£955,645	-£190,735	-19.96%	-£64,109	-13.50%	-6.46%
Fox Hill Primary	£1,062,969	-£144,219	-13.57%	-£40,552	-10.07%	-3.50%
Harmanswater Primary	£2,243,836	£23,378	1.04%	£47,485	-1.04%	2.08%
Holly Spring Primary	£2,814,321	-£378,921	-13.46%	-£118,431	-10.13%	-3.34%
Meadow Vale Primary	£2,909,755	-£285,284	-9.80%	£6,348	-10.62%	0.82%
New Scotland Hill Primary	£962,422	-£19,953	-2.07%	£50,859	-7.64%	5.57%
Owlsmoor Primary	£2,533,689	-£122,289	-4.83%	£231,006	-13.87%	9.04%
The Pines School	£1,660,430	-£31,745	-1.91%	-£65,975	2.13%	-4.04%
St Joseph's Catholic Primary	£954,379	-£77,537	-8.12%	-£4,806	-7.71%	-0.42%
Winkfield St Mary's CE Primary	£874,286	£143,002	16.36%	£48,388	10.94%	5.42%
St Michaels Easthampstead	£1,128,579	-£58,971	-5.23%	-£53,163	-0.55%	-4.68%
St Michaels CE Primary, Sandhurst	£885,918	£9,226	1.04%	£28,115	-2.17%	3.21%
Uplands Primary	£1,021,368	-£147,505	-14.44%	£46,363	-18.74%	4.29%
Warfield CE Primary	£2,141,531	-£37,833	-1.77%	£39,090	-3.61%	1.85%
Whitegrove Primary	£1,811,130	-£123,337	-6.81%	£12,779	-7.52%	0.71%
Wildridings Primary	£1,961,326	-£99,895	-5.09%	-£12,302	-4.50%	-0.60%
Woodenhill Primary & Nursery	£1,791,413	-£10,158	-0.57%	-£4,206	-0.35%	-0.22%
College Hall PRU	£1,532,890	£16,182	1.06%	£63,219	-3.95%	5.01%
The Garth Hill	£10,114,410	-£655,737	-6.48%	-£176,984	-4.89%	-1.59%
Kennel Lane	£5,171,169	-£305,597	-5.91%	-£78,860	-4.57%	-1.34%
<b>Total</b>	<b>£52,920,153</b>	<b>-£2,306,791</b>	<b>-4.36%</b>	<b>£182,296</b>	<b>-4.85%</b>	<b>0.49%</b>

Primary average	£1,640,986	-£61,893	-3.77%	NB this summary analysis excludes College Hall PRU and Kennel Lane Special School.
Secondary average	£10,114,410	-£655,737	-6.48%	
Primary smallest budget /highest deficit	£874,286	£322,659	18.63%	
Primary largest budget / highest surplus	£2,909,755	-£378,921	-19.96%	
Secondary smallest budget /highest deficit	£10,114,410	£0	0.00%	
Secondary largest budget / highest surplus	£10,114,410	-£655,737	-6.48%	

Note: schools shaded in yellow have deficits greater than 5% of budget and the council is required to provide information to the DfE relating to associated deficit recovery plans.

**2022-23 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	2021-22			2022-23			Change in carry forward 2021-22 to 2022-23 (+ 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	£36,542,443	£1,783,597	4.88%	£37,634,574	£1,345,457	3.58%	-£438,140	-24.56%
Secondary and Special	£14,745,652	£705,490	4.78%	£15,285,579	£961,334	6.29%	£255,844	36.26%
<b>Total</b>	<b>£51,288,095</b>	<b>£2,489,087</b>	<b>4.85%</b>	<b>£52,920,153</b>	<b>£2,306,791</b>	<b>4.36%</b>	<b>-£182,296</b>	<b>-7.32%</b>

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

**2021-22**

Primary and PRU	4	£276,588	19	-£353,295	7	3	9	7	-£573,041
Secondary and Special	0	£0	2	-£478,753	2	1	0	0	£0
<b>Total</b>	<b>4</b>	<b>£517,786</b>	<b>21</b>	<b>-£3,006,873</b>	<b>9</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>-£573,041</b>

**2022-23**

Primary and PRU	7	£322,659	16	-£378,921	6	4	6	6	-£446,726
Secondary and Special	0	£0	2	-£655,737	0	2	0	1	-£150,016
<b>Total</b>	<b>7</b>	<b>£603,220</b>	<b>18</b>	<b>-£2,910,011</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>-£596,742</b>

**Change 2021-22 to 2022-23**

Primary and PRU	3	£46,071	-3	-£25,626	-1	1	-3	-1	£126,315
Secondary and Special	0	£0	0	-£176,984	-2	1	0	1	-£150,016
<b>Total</b>	<b>3</b>	<b>£85,434</b>	<b>-3</b>	<b>£96,862</b>	<b>-3</b>	<b>2</b>	<b>-3</b>	<b>0</b>	<b>-£23,701</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 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. Balances held in respect of an activity that supports a number of other BF schools, such as one operating a school improvement and CPD service
- ix. Other high cost activities, of a long term nature, agreed in advance with the Executive Director responsible for schools.

*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. 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.
- e. if the result of steps a-c is a sum greater than the maximum amount specified in d, above, then the Authority shall deduct from the current year's budget share an amount equal to the excess.
- f. 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.*

- g. Should any school wish to retain a higher surplus than permitted in steps d-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 steps d-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	2022-23 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	2021-22	2020-21	2019-20	2018-19
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	£0	£0	£0	0	-£112,849	-£139,510	-£46,059	-£33,659
Cranbourne Primary	£0	£0	£0	0	£0	£0	£0	£0
Crowthorne CE Primary	-£76,452	-£37,831	-£114,283	2	-£51,585	£0	£0	£0
Fox Hill Primary	-£59,181	£0	-£59,181	2	-£21,315	£0	£0	£0
Harmanswater Primary	£0	£0	£0	0	£0	£0	£0	£0
Holly Spring Primary	-£153,775	£0	-£153,775	5	-£54,727	-£118,078	-£66,968	-£86,315
Meadow Vale Primary	-£52,504	£0	-£52,504	3	-£71,954	-£7,568	£0	-£218,357
New Scotland Hill Primary	£0	£0	£0	0	£0	£0	£0	£0
Owlsmoor Primary	£0	£0	£0	0	-£149,521	-£13,010	£0	£0
The Pines School	£0	£0	£0	0	£0	£0	£0	£0
St Joseph's Catholic Primary	-£1,187	£0	-£1,187	1	£0	£0	-£1,650	-£7,511
Winkfield St Mary's CE Primary	£0	£0	£0	0	£0	£0	£0	£0
St Michaels Easthampstead	£0	£0	£0	0	£0	-£14,069	£0	-£32,273
St Michaels CE Primary, Sandhurst	£0	£0	£0	0	£0	£0	£0	£0
Uplands Primary	-£65,796	£0	-£65,796	5	-£111,090	-£125,234	-£22,700	-£26,330
Warfield CE Primary	£0	£0	£0	0	£0	£0	£0	£0
Whitegrove Primary	£0	£0	£0	0	£0	-£5,641	-£75,466	-£93,006
Wildridings Primary	£0	£0	£0	0	£0	-£29,142	£0	£0
Woodenhill Primary & Nursery	£0	£0	£0	0	£0	£0	£0	£0
College Hall PRU	£0	£0	£0	0	£0	£0	£0	£0
The Garth Hill	-£150,016	£0	-£150,016	1	£0	£0	£0	£0
Kennel Lane	£0	£0	£0	0	£0	£0	£0	-£1,762
<b>Total</b>	<b>-£558,911</b>	<b>-£37,831</b>	<b>-£596,742</b>		<b>-£573,041</b>	<b>-£452,252</b>	<b>-£212,843</b>	<b>-£499,213</b>
<b>Number</b>	<b>7</b>	<b>1</b>	<b>7</b>		<b>7</b>	<b>8</b>	<b>5</b>	<b>0</b>

## Analysis of significant school surplus balances

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm-itted	Approved	Complete	2023-24	2024-25	2025-26 onwards
<b><u>Crowthorne Primary (20.0% surplus - £76,452 significant within cap)</u></b>						
To purchase 30+ laptops which are 6+ years old which were initially purchased as refurbished units. The laptops are being brought this (Summer) term and will be in place for the start of the next academic year.		£16,860		£16,860		
Replacement boiler for the School House which has experienced leaks and will need replacing.		£3,000			£3,000	
New interactive whiteboard for Year 6 as the screen needs replacing and due to the size and shape of the room, a larger screen will be needed. The current screen cannot be seen by every child when they are in the room.		£3,000		£3,000		
Play equipment budget to go towards the Positive Playtime project in the 3 year School Improvement Pan		£3,411			£3,411	
Re-decoration of the school hall. To be carried out during the summer holiday		£4,000		£4,000		
Replacement of Kitchen equipment. Further funds to be identified to fully finance the requirement.		£4,000			£4,000	
Donations from a number of different places (Parents, Wellington College, Senior living, PTA etc) that have not been fully expended and are to be used for specific projects.		£5,835		£5,835		
Unspent government grants, including Sports Grant (£5,120), Ukrainian Family Resettlement grant (£2,166), School Led Tuition (that will be clawed back as we do not plan to spend £851) and others £889)		£9,026		£9,026		
Telephone costs including VOIP upgrade as current telephone systems will stop working in 2025		£2,425		£2,425		



School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm -itted	Approved	Complete	2023-24	2024-25	2025-26 onwards
<b><u>Crowthorne Primary (20.0% surplus - £76,452 significant within cap)</u></b>						
External specialist school meals adviser to support the procurement process for school meals. Funding set aside for service to be delivered in 2023-24.		£2,550		£2,550		
Deputy headteacher was planned to complete non-classroom teaching, however due to unexpected staff changes this did not happen. This resulted in a budget surplus for staff, which will now be used to finance 2 days of cover a week for 12 months		£23,000		£23,000		
<b>Total accounted for</b>		<b>£77,107</b>		<b>£69,696</b>	<b>£7,411</b>	
<b><u>Foxhill Primary (13.6% surplus - £59,181 significant)</u></b>						
IT Infrastructure upgrade including network, cabling, Wi-Fi, phones, broadband, transition to cloud, asset management system.		£15,000		£15,000		
Security - CCTV, locks and gates		£10,000		£10,000		
Maintenance - works that have not yet gone ahead / been completed during transition to new School Business Manager: trees, glazing, gazebos		£7,500		£7,500		
Balances held in anticipation: to cover transportation to alternative provision 22-23. This was refunded and will now be held for increased energy costs		£28,500		£28,500		
<b>Total accounted for</b>		<b>£61,000</b>		<b>£61,000</b>		
<b><u>Holly Spring Primary (13.5% surplus - £153,775 significant)</u></b>						
Decoration of classrooms that couldn't be undertaken in the Spring Term		£23,000		£23,000		
Staff remodelling to include 2 SEN teachers and 1 Intervention teacher		£165,833		£96,134	£69,699	
<b>Total accounted for</b>		<b>£188,833</b>		<b>£119,134</b>	<b>£69,699</b>	

School	Significant Surplus					
	Type of spend			Spend by year (finish date)		
	Uncomm -itted	Approved	Complete	2023-24	2024-25	2025-26 onwards
<b><u>Meadow Vale Primary (9.8% surplus - £52,504 significant)</u></b>						
Staffing remodelling & restructuring following closure of Rainbow Resource		£52,504		£52,504		
<b>Total accounted for</b>		<b>£52,504</b>		<b>£52,504</b>		
<b><u>St Joseph's Catholic Primary (8.1% surplus - £1,187 significant)</u></b>						
Improve the areas used by pupils during breaktime & lunchtime		£5,000		£5,000		
<b>Total accounted for</b>		<b>£5,000</b>		<b>£5,000</b>		
<b><u>Garth Hill Secondary (13.5% surplus - £150,016 significant)</u></b>						
Commitment in saving towards the refurbishment of the 3G sports pitch. The 3G life expectancy is 10 years with current pitch installed in 2011. Used by school and community lettings providing income to school. Surface needs replacing summer 2024 as becoming unsafe		£100,000			£100,000	
Protecting curriculum model based on 270 pan, due to large number of in-year admissions. The in-year admissions have created a strain on resources with increased number of SEND, vulnerable at-risk/ challenging behaviours. Committed to increasing pastoral induction, support & intervention, reflected in 2023-24 staffing budget.		£50,016		£50,016		
<b>Total accounted for</b>		<b>£150,016</b>		<b>£50,016</b>	<b>£100,000</b>	
<b>Total</b>	<b>£0</b>	<b>£534,460</b>	<b>£0</b>	<b>£354,350</b>	<b>£180,110</b>	<b>£0</b>
<b>Total</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>66%</b>	<b>34%</b>	<b>0%</b>
<b>Total</b>		<b>£534,460</b>			<b>£562,288</b>	

## 2022-23 School Capital Balances

SCHOOL	2022-23 new year funding  £	Carry Forward			Amount that must be spent by 31 Aug 2023
		Total amount (+deficit / -surplus)  £	Percentage of new year funding  £	Change from 2021-22 (+increase / -decrease)  £	
Ascot Heath Primary	£25,851	-£23,303	90%	-£6,013	£0
Birch Hill Primary	£27,069	-£44,674	165%	£27,069	£8,791
College Town Primary	£29,793	-£20,422	69%	£3,793	£0
Cranbourne Primary	£20,199	-£15,427	76%	£15,427	£0
Crowthorne CE Primary	£20,606	-£30,234	147%	£16,211	£3,260
Fox Hill Community Primary	£20,503	-£23,901	117%	£12,550	£0
Harmanswater Primary	£30,319	-£20,431	67%	£20,431	£0
Holly Spring Infant and Nursery	£32,482	-£44,151	136%	£8,812	£722
Meadow Vale Primary	£33,127	-£54,151	163%	£33,127	£9,752
New Scotland Hill Primary	£20,598	-£12,952	63%	£3,925	£0
Owlsmoor Primary	£31,967	-£38,667	121%	£22,737	£0
Pines Primary	£24,411	-£22,315	91%	£10,846	£0
St Marys CE Primary (Winkfield)	£20,168	-£18,778	93%	£168	£0
Uplands Primary	£21,456	-£23,856	111%	£13,276	£0
Warfield CE Primary	£28,468	-£45,550	160%	£18,578	£7,995
Whitegrove Primary	£27,056	-£23,455	87%	£18,890	£0
Wildridings Primary	£27,329	-£19,005	70%	£18,929	£0
Woodenhill Primary and Nursery	£25,844	-£18,257	71%	£5,917	£0
Garth Hill	£86,334	-£54,699	63%	-£4,947	£0
Kennel Lane	£41,545	£0	0%	-£558	£0
College Hall PRU	£23,158	-£21,723	94%	£14,561	£0
<b>Total</b>	<b>£618,283</b>	<b>-£575,951</b>	<b>93%</b>	<b>£253,729</b>	<b>£30,520</b>

Primary average

£25,958

£13,593

Secondary

£86,334

-£4,947

## Request to retain significant surplus above the policy cap



### CROWTHORNE CE PRIMARY SCHOOL

Dear Colleagues,

Our outstanding balance for the end of the last financial year, is larger than anticipated, and is certainly larger than it has been before. This is due to a number of factors, including amounts allocated to projects that were completed after accounts closed, and some that we will complete over the next year.

We also received unexpected monies from other 3<sup>rd</sup> parties to support the work of the school. For example, a grant from Wellington College for refurbishment of our library and improvements to the school hall. This is ring-fenced and must be spent by August 2023 (as per the conditions of the grant).

As a small school, we tend to feel financial pressures more than larger schools due to economies of scale, and with the narrative and uncertainty around the cost of utilities and other resources, we have been cautious in expenditure this year. We also receive significantly less in grants such as the Pupil Premium Grant and Sports funding than larger schools; however, this year, we overspent in the Pupil Premium line as we received less than had been budgeted for.

The additional figure over 16% and potential for clawback is £37,832. The below is an analysis on what we plan to use this money for next year:

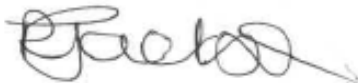
1. We have had to make adaptations to our accessible toilet as we have a pupil who needs a hoist and additional toileting facilities. This has left staff with one toilet to use. We have saved **£15,000** towards adding an additional toilet, but quotes have come in above this. We had hoped to be able to add to this over the next few years and increase the pot to £22,000 (based on 21/22 quotes). This is a project that we have been planning and accruing for over a number of years. (c/f £10k from 21/22, increased by £5k in 22/23)
2. **£2,290** Tree Surgeons Costs: This work was due to be carried out earlier in the year but the tree surgeon needed to delay the work – The work was carried out at the end of the financial year and we were invoiced in 22/23. This work was for the 'priority actions' from the annual tree survey report, which we are obliged to carry out for Health and Safety reasons. This was paid in April 23.
3. **£1,500** We put aside £4,000 last year, having been told that we would need to replace the boiler in the School House. The boiler has made it through the year, but in February/March there was a leak and we were again told the boiler is likely to need replacing this year. We have therefore increased this amount by £500 to cover increased costs.  
We c/f £4,500 for this project into 23/24 - £1,500 in here and £3,000 in our School Balance.
4. **£1,135**. Costs incurred at the end of the financial year for work carried out on a leak in the school house (see note re old Boiler) £410 and a broken ces pit pump £725 – Invoices arrived after we closed the accounts.
5. Last summer we were given £25,000 by Wellington College – This was to develop our library, move a class back into the main building, and to re-furbish the Hall. We started with the work on the library and bring the class back into the building. This summer (during the summer holidays) the work on the school hall will be completed – The figure left for this project is

**£17,800** – As we move to the final stage of the work, we are anticipating needing to add to this amount to ensure that we are able to complete all of the work and make the changes we had always planned to.

6. We are holding the small figure of **£190** as we received this in error from Wokingham BC – We have informed them but they have not yet clawed it back.

The work and projects identified above total **£37,915**. This is just over the amount that Schools' Forum could technically claw back. We hope that seeing how this money is due to be spent directly on enhancing the provision for pupils and staff across the school, the forum will agree that the monies should remain with Crowthorne CE Primary with the expectation that the projects are completed by the Autumn Term, or as soon as possible afterwards, thus ensuring the children benefit over the next full academic year.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Ruth Jackson', with a long horizontal flourish extending to the right.

Ruth Jackson

Headteacher