

Appendix A

Guide to the Excessive Balances Control Mechanism 2015-16

The Schools Forum have adopted the policy that schools carrying an excess balance at the end of a financial year will have the excess clawed back during the next financial year; and that these funds should be redistributed to schools providing the school meets the following criteria.

Balances held by each of the schools for the previous three years will be reviewed and, if the balance is increasing year on year, the balance as at 31st March 2015 will be assessed under the Excessive Balances Control Mechanism.

An excess balance is defined as anything over 5% for secondary schools, over 8% for primary schools and over 8% for special schools and PRU's and is calculated using the 2014-15 closing balance and the 2015-16 total expected income as follows:

The amount of the school balance will be identified at year-end but the Wokingham Schools Forum has agreed that certain items may be carried forward over and above the relevant excess percentage as allowances.

Orders placed but goods not received

Balance for purchase of ICT or other high cost equipment

Funds held on behalf of other schools (cluster funding)

Balance related to defined activities (e.g. Clubs) where, and there is evidence that, the school need to maintain those activities in the following year without receipt of corresponding income.

Balance comprising of parental donations for specific activities that have not yet taken place (e.g. Trips)

Amount set aside to support planned capital expenditure identified in the School Development Plan

No other allowances will be made.

The school balance will be adjusted for these allowances before calculating the final "excess".

The income figure used is that shown in the school's 2015-16 budget plan. This will include all delegated revenue budget as well as any money raised by the school (but not including any community facility extended schools income). The LA will review this figure and may request reasons for budgeted increases in income over the previous year.

If the adjusted balance is more than 5% or 8% (as applicable) of the 2015-16 income, the excess amount will be identified as a potential clawback

A simple calculator spreadsheet is available on the School Finance website to enable schools to predict their own situation, but the final calculation will be undertaken by the LA using final figures from the school's 2014-15 CFR return, WiSER and the school's 2015-16 budget plan.

Any clawbacks identified through the procedure described above will be scrutinised by a sub-committee of the Wokingham Schools Forum prior to being made to schools.

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