

North Northamptonshire Schools Forum: 2nd November 2023

Agenda Item 6

Schools Balances Control Policy 2024/25

Appendices

Appendix A – School Balances Control Policy

1 Background

1.1 In the June 2023 School Forum report on 2022/23 Maintained School Balances and Licensed Deficits, we outlined key next steps. Subsequently, the Schools Forum is invited to endorse North Northamptonshire's policy on the Control of Surplus Balances in Schools and acknowledge schools' final balance positions for 2022/23 in accordance with CFR submission.

2 Controls on Surplus Balances

2.1 At the close of the 2021/22 fiscal year, only one school showcased its committed revenue balance by disclosing balances under item B01- Committed Revenue Balance in adherence to the Consistent Financial Reporting. Conversely, at the end of 2022/23 financial year, a combined total of 29 schools not only affirmed their committed revenue balances but also provided supporting evidence in accordance with the surplus balance policy guidelines.

2.2 This collective engagement underscores a positive shift towards heightened transparency within our schools. Importantly, it reflects a broader adoption of best practices in financial reporting. It is particularly encouraging to note that, in adherence to the surplus balance policy, none of the schools involved are deemed eligible for clawback considerations.

2.3 Table 1 outlines the variety of commitments, specifying the number of schools and the total sum of commitments.

Table 1 – Total commitments by number of schools & total of commitments

Type of Commitments	Number of Schools	Total of Commitments
Outstanding Orders	15	£312,874
Erasmus Funding	1	£10,000
PE & Sports Premium	20	£157,532
School Led Tutoring	17	£141,731

Homes for Ukraine	3	£30,818
Covid 19 -Catch up	1	£7,892
16/19 Student Support unspent Grant	1	£2,656
UIFSM	2	£49,174
Recovery Premium	14	£43,732
Pupil Premium	19	£252,423
School Improvement Plan	9	£244,556
Phonics Grant	1	£6,000
Pupil Growth	1	£22,401
EHCP	1	£2,200
3 Year Plan	4	£255,185
Maintenance/Building Work at School	3	£599,245
Total		£2,138,419

2.4 Table 2 lists the schools balances and if they are subject to clawback.

Table 2 – Schools with balances in excess of 10% of their School Income

DFE No	School Name	Opening Revenue Balance 2022/23	2022/23 Total income (CFR I01 - I18D)	Closing Revenue Balance 2022/23	In Year Surplus (+ve) / Deficit (-ve)	Surplus as a % of income	10% of Income	Committed closing balances as per CFR	Uncommitted closing balances as per CFR	"Excess" surplus beyond 10% of all School Income
1000	Ronald Tree Nursery School	£17,681	£712,931	£60,802	£43,121	8.5%	£71,293	£0	£60,802	£0
1001	Croyland Early Years Centre	-£51,267	£1,015,303	-£75,357	-£24,090	-7.4%	£101,530	£0	-£75,357	£0
1003	Highfield Nursery School	-£24,487	£584,552	-£3,432	£21,054	-0.6%	£58,455	£0	-£3,432	£0
1011	Pen Green Centre	£331,041	£2,569,069	£206,039	-£125,002	8.0%	£256,907	£0	£206,039	£0
	Total Maintained	£272,968	£4,881,855	£188,052	-£84,916		£488,186		£188,052	

	Nursery Schools									
2007	Broughton Primary	£157,163	£1,099,117	£144,534	-£12,629	13.2%	£109,912	£76,370	£68,164	£0
2019	Corby Old Village Primary School	£156,240	£1,180,204	£148,987	-£7,253	12.6%	£118,020	£30,968	£118,019	£0
2029	Mawsley Community Primary School	£115,592	£1,687,801	£89,722	-£25,869	5.3%	£168,780	£0	£89,722	£0
2041	Great Doddington Primary	£95,721	£834,536	£148,516	£52,796	17.8%	£83,454	£70,627	£77,889	£0
2048	HIGHAM FERRERS JUNIOR SCHOOL	£254,063	£1,793,560	£240,862	-£13,202	13.5%	£179,356	£61,506	£179,356	£0
2072	Nassington School	£152,012	£582,726	£164,528	£12,516	28.2%	£58,273	£106,255	£58,273	£0
2082	NCC Alfred Street Junior School	-£57,632	£772,616	-£101,611	-£43,979	-13.2%	£77,262	£17,755	-£119,365	£0
2086	South End Infant School	£68,935	£1,357,338	£54,944	-£13,990	4.0%	£135,734	£0	£54,944	£0
2087	Tennyson Road Infant School	£53,212	£626,928	£29,527	-£23,684	4.7%	£62,693	£0	£29,527	£0
2091	Warmington School	£116,201	£602,675	£127,800	£11,599	21.2%	£60,267	£67,533	£60,267	£0
2100	The Avenue Infant School	£145,515	£1,123,432	£144,706	-£809	12.9%	£112,343	£68,864	£75,842	£0
2130	South End Junior School	£235,834	£1,811,888	£244,642	£8,808	13.5%	£181,189	£136,614	£108,028	£0
2140	HIGHAM FERRERS INFANT SCHOOL	£138,780	£1,464,973	£223,220	£84,440	15.2%	£146,497	£131,671	£91,549	£0
2144	Meadowside Primary School	£84,275	£1,965,694	-£99,489	-£183,763	-5.1%	£196,569	£25,122	-£124,611	£0
2145	EARLS BARTON PRIMARY SCH	£49,055	£2,480,876	-£9,360	-£58,415	-0.4%	£248,088	£10,462	-£19,822	£0
2155	Whitefriars Primary School	£349,268	£2,165,659	£436,937	£87,669	20.2%	£216,566	£337,982	£98,955	£0
2180	Hayfield Cross School	£254,929	£1,864,684	£228,623	-£26,306	12.3%	£186,468	£42,154	£186,468	£0
2206	NCC Denfield Park Primary	£37,620	£2,436,772	£39,945	£2,326	1.6%	£243,677	£0	£39,945	£0

2217	Barton Seagrave County Primary	£343,914	£3,135,166	£363,670	£19,756	11.6%	£313,517	£77,838	£285,832	£0
2230	Henry Chichele Primary	£165,913	£2,061,718	£135,237	£-30,675	6.6%	£206,172	£35,994	£99,243	£0
2231	Croyland Primary School	£49,115	£2,822,520	£-15,621	£-64,736	-0.6%	£282,252	£17,080	£-32,701	£0
3030	Geddington C of E Primary	£117,377	£996,583	£103,661	£-13,717	10.4%	£99,658	£16,638	£87,023	£0
3033	Grendon CE Primary	£49,648	£669,654	£66,501	£16,853	9.9%	£66,965	£0	£66,501	£0
3066	TITCHMARSH C of E PRIMARY	£127,903	£756,435	£145,100	£17,197	19.2%	£75,644	£69,455	£75,644	£0
3070	All Saints CE Primary School	£218,683	£1,133,764	£78,292	£-140,391	6.9%	£113,376	£8,448	£69,844	£0
3200	Brigstock Lathams CE Primary School	£84,171	£609,342	£20,663	£-63,508	3.4%	£60,934	£0	£20,663	£0
3201	KINGS CLIFFE ENDOWED SCHOOL	£223,642	£1,167,498	£147,772	£-75,870	12.7%	£116,750	£31,023	£116,749	£0
3345	Wilby CE (VA) Primary	£25,611	£567,992	£7,468	£-18,143	1.3%	£56,799	£3,000	£4,468	£0
3406	St Patricks RC Primary	£61,089	£1,237,556	£39,064	£-22,024	3.2%	£123,756	£13,712	£25,352	£0
3514	Little Stanion Primary School	£97,133	£1,299,503	£62,355	£-34,778	4.8%	£129,950	£13,613	£48,742	£0
5206	Millbrook Infant School	£250,241	£1,367,811	£199,379	£-50,863	14.6%	£136,781	£62,597	£136,781	£0
5207	Millbrook Junior School	£390,220	£2,237,129	£157,899	£-232,321	7.1%	£223,713	£0	£157,899	£0
5209	THRAPSTON PRIMARY SCHOOL	£216,452	£2,570,431	£123,891	£-92,560	4.8%	£257,043	£41,640	£82,251	£0
5210	Stanion CE Primary School	£69,844	£609,499	£83,675	£13,831	13.7%	£60,950	£22,725	£60,950	£0
	Total Maintained Primary Schools	£4,897,735	£49,094,081	£3,976,041	£-921,694		£4,909,408	£1,597,646	£2,378,393	£0
4055	The Latimer Arts College	£905,835	£7,004,052	£1,083,818	£177,983	15.5%	£700,405	£510,447	£573,371	£0
	Total Maintained	£905,835	£7,004,052	£1,083,818	£177,983		£700,405	£510,447	£573,371	£0

	Secondary School									
7031	Rowan Gate Primary School	£158,607	£5,733,653	£432,906	£274,299	7.6%	£573,365	£30,326	£402,580	£0
	Total Maintained Special School	£158,607	£5,733,653	£432,906	£274,299		£573,365	£30,326	£402,580	£0
	Total Maintained Schools	£6,235,145	£66,713,641	£5,680,817	-£554,328		£6,671,364	£2,138,419	£3,542,396	£0

2.5 Paragraph 4.2 of Scheme for Financing Schools sets out North Northamptonshire's control of surplus balances mechanism.

4.2 Controls on surplus balances

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions:

- (1) the Authority shall calculate by 31 May 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.
- (2) 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.
- (3) 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 consider 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.
- (4) if the result of steps (1) – (3) is a sum greater than 10% of the current year's budget share for primary, nursery, secondary and special schools, then the Authority shall deduct from the current year's budget share an amount equal to the excess.

2.6 The proposed Policy on Control of Surplus Balances for NNC's maintained schools is attached to this report. Key points in the policy are:

- Schools are entitled to retain balances up to 10% of budget for all maintained nursery, primary, secondary schools and special schools in line with Paragraph 4.2 of North Northamptonshire Scheme for Financing Schools.
- For retention of amounts in excess of these percentages, the proposed usage would need to meet certain criteria which are set out in section 2 of the policy.

This will need to be evidenced through the completion of a 'Surplus Balance Analysis Form'.

- There will be a process of validation of the excess surplus balances prior to any clawback.

2.7 In summary the circumstances in which a clawback of balance could happen would be where:

- the reasons for the retention of the surplus balance fail to meet the criteria set out in the policy.
- there is an excess balance if the school fails to submit a Surplus Balance Analysis within the prescribed timescale (end of Summer term).

3 Recommendations for Schools Forum

- a) That School Forum considers approving the policy included with this report.
- b) That the policy is implemented for the current financial year 2023/24 and applies to balances held at 31st March 2024.

4 Next steps

4.1 The next steps depend on the feedback given by Schools Forum voting members at this meeting.

5 Financial Implications

5.1 If the policy is implemented this would mean a potential clawback in school balances. However, there isn't any school which is subject to clawback in 2022-23 as illustrated in Table 2 above.

6 Legal implications

6.1 Implementation of this policy would fall within North Northamptonshire Scheme for Financing Schools.

7.1 Risks

7.1 There is a risk that the decision made by Schools Forum will prove unpopular with maintained schools with substantive balances.

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