

Supplemental Item for Schools Forum

Monday 15 July 2024 at 5.00pm
Via Zoom

Part I

Page No.

7 Surplus School and School Balance Statements (Melanie Ellis)

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Sarah Clarke.

Sarah Clarke

Service Director (Strategy & Governance)

For further information about this item, or to inspect any background documents referred to in Part I reports, please contact Jessica Bailiss on (01635) 503124

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Clawback of Surplus Balances

Report being considered by: Schools Forum 15th July 2024
Report Author: Melanie Ellis
Item for: Decision **By:** All Maintained Schools Representatives

1. Purpose of the Report

- 1.1 A clawback mechanism is included within the Scheme for Financing Schools.
- 1.2 The maximum amount that could be clawed back each year is the amount of school balance in excess of 10% of their budget share. This is subject to leaving the schools with a minimum of £50,000 balance.
- 1.3 The Heads Funding Group have reviewed the commitments on the School Balance Statements submitted by each school with a surplus balance, together with CFR returns, supporting statements and Governor meeting minutes.
- 1.4 The actual amount to be clawed back is recommended by the Local Authority in this paper and totals £2,855,480.

2. Recommendations

- 2.1 Schools Forum review and approve the Local Authority proposal.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?

Yes: x

No:

3. Implications and Impact Assessment

Equalities Impact:	Impact			Commentary
	Positive	No Impact	Negative	

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A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Data Impact:		x		
Consultation and Engagement:	Heads Funding Group, all schools.			

4. Introduction

4.1 The DfE Scheme for Financing Schools says the following:

Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy.

The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances or where some level of redistribution would support improved provision across a local area.

4.2 It is sound financial management for maintained schools to plan their budgets over more than one year and to be given the flexibility to manage their finances and retain a reserve from year to year. The Scheme for Financing Schools requires that schools must submit a three-year budget each year. This enables schools to:

- (1) Progress capital works where capital resources are insufficient,
- (2) Progress 'spend to save' strategies,
- (3) Support costs associated with expanding or reducing pupil numbers,
- (4) Support reducing funding or increasing costs or manage exceptional circumstances to avoid an impact on standards at the school.

4.3 However, this should only be if the Governing Body has made deliberate decisions to allocate revenue funding for these purposes with a clear timescale for spending, and

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that these decisions do not impact from maximising in-year spending on the school's key priorities.

- 4.4 This must be balanced against the Local Authority duty to maximise the spending of resources, targeted correctly, to improve outcomes for children and young people.
- 4.5 A clawback mechanism is important in enabling the Local Authority, with the Schools Forum, to redistribute funding that is not being used by schools.

5. Current position

- 5.1 The schools with surplus balances greater than 10% of their funding are listed below.

Main School Budget Balance		2022/23	2023/24	% of funding	Balance > 10% and > than £50k
School	Funding Block				
Victoria Park Nursery	Early Years	72,277	149,760	20%	74,431
Beedon	Schools	67,618	65,718	15%	15,718
Chaddleworth and Shefford Federation	Schools	87,012	86,479	12%	11,382
Curridge Primary	Schools	53,622	75,025	12%	12,833
Garland Junior	Schools	68,246	171,928	13%	44,333
John Rankin Schools Federation	Schools	414,775	503,665	16%	196,009
Parsons Down Schools Federation	Schools	218,432	288,513	17%	114,134
Springfield Primary School	Schools	352,615	400,089	23%	228,067
		1,262,319	1,591,417		622,476
The Downs School	Schools	1,211,610	1,467,308	17%	603,791
Brookfields Special School	High Needs	3,445,943	3,804,042	51%	3,054,548
The Castle School	High Needs	1,147,535	847,633	15%	268,564
		4,593,478	4,651,675		3,323,112
iCollege Alternative Provision	High Needs	413,937	551,982	13%	204,890
		7,553,621	8,412,142		4,828,700

6. Clawback mechanism

6.1 Timetable

- School balance statements submitted: 25.6.24
- HFG review of balances and recommendation of clawback: July 2024
- SF decision: 15th July 2024
- Clawback actioned: 17th July 2024

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7. Proposals

7.1 The schools with surplus balances over 10% provided School Balance Statements (shown in the Appendices), a supporting statement, their CFR return and minutes of Governor meetings over the last six months. These were reviewed by the Local Authority and the Heads Funding Group.

7.2 The Local Authority recommendation for each school is detailed below. Commitments have been reviewed and classed as either unavoidable or avoidable. Unavoidable commitments have been deducted from the surplus balance, with the clawback calculation being based on the surplus remaining after this. Avoidable commitments have been excluded from the clawback calculation with the assumption that the school can then decide whether to go ahead with these plans and fund them from the remaining surplus.

7.3 Victoria Park Nursery

Victoria Park (10% funding = £75,329)		£	
Surplus		149,760	
PP sports		- 1,171	
Grants		- 2,000	
Prior year commitments		- 15,666	2YO garden completed Easter
Prior year commitments		- 13,000	Heating done at Easter
Prior year commitments		- 1,500	Fence being done when children not around
Capital, building, ICT		- 12,355	contribution to CMP
Other commitments		- 2,730	kitchen - complete
Other commitments		- 650	carpet spent
Other commitments		- 11,130	2YO garden done
Other commitments		- 2,286	roof panels arriving July
Surplus after grants and unavoidable commitments		87,272	
Balance recommended for clawback		- 11,943	
Balance after commitments and clawback		75,329	
Avoidable items not committed			
Prior year commitments		- 5,002	LED planned summer 2024
Other commitments		- 6,000	mentor autumn 24
Other commitments		- 2,707	Fire doors H&S repair
Other commitments		- 638	fence blown down
Prior year commitments		- 12,500	Roof unknown timing
Other commitments		- 14,000	Plus £40k further for roof (was in CMP)
		- 40,847	

7.4 Beedon

Beedon (10% funding is less than £50k)		£	
Surplus		65,718	
PP sports		-	
Grants		-	
Prior year commitments		-	
Capital, building, ICT		-	
Other commitments		- 44,000	Forecast in year deficit
Surplus after grants and unavoidable commitments		21,718	
Balance recommended for clawback		0	Falling rolls could result in 25/26 budget reduction of £67k
Balance after commitments and clawback		21,718	

Clawback of Surplus Balances

7.5 Chaddleworth and Shefford Federation

Chaddleworth and Shefford (10% funding = £75,097)		£	
Surplus		86,479	
PP sports		-	
Grants		- 2,303	
Prior year commitments		- 4,487	£2838 electricity plus invoiced commitments
Surplus after grants and unavoidable commitments		79,689	
Balance recommended for clawback		- 4,592	
Balance after commitments and clawback		75,097	
Avoidable items not committed			
Capital, building, ICT		- 10,000	opening a nurture centre, requires fencing £41k, will be part of CMP proposal, have £26k in capital fund

7.6 Curridge

Curridge Primary (10% funding = £62,192)		£	
Surplus		75,025	
PP sports		-	
Grants		- 700	
Prior year commitments		- 6,550	maintenance
Capital, building, ICT		-	
Surplus after grants and unavoidable commitments		67,775	
Balance recommended for clawback		- 5,583	
Balance after commitments and clawback		62,192	

7.7 Garland

Garland (10% funding = £127,596)		£	
Surplus		171,928	
Grants		- 3,000	
Prior year commitments		- 84,658	HR commitment
Prior year commitments		- 36,187	refurb 3 toilet blocks done Easter
Prior year commitments		- 6,483	replace kitchen floor done Easter
Surplus after grants and unavoidable commitments		41,600	
Balance recommended for clawback		-	
Balance after commitments and clawback		41,600	
Avoidable items not committed			
Capital, building, ICT		- 50,000	£50k towards H&S standards - £100k loos, £30k hall floor, £10k gate, £3k fence

7.8 John Rankin Schools Federation

John Rankin (10% funding = £328,123)		£	
Surplus		503,665	
Prior year commitments		- 7,500	
Capital, building, ICT		- 65,000	old and obsolete hardware replacement by end AY2023
Surplus after grants and unavoidable commitments		431,165	
Balance recommended for clawback		- 103,042	
Balance after commitments and clawback		328,123	
Avoidable items not committed			
Other commitments		- 82,200	refurb classrooms over summer holidays
Other commitments		- 40,000	replace broken and old equip and enhance curriculum in 24/25
Other commitments		- 20,000	Additional supply insurance 24/25
Other commitments		- 70,000	Assistant HT to support SLT
Other commitments		- 20,546	Additional TA hours to support SEN
Other commitments		- 34,000	two apprentice teachers
Other commitments		- 5,000	staff training and CPD 24/25
		- 271,746	

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7.9 Parsons Down Schools Federation

Parsons Down (10% funding = £174,379)		£	
Surplus		288,513	
Capital, building, ICT		- 20,000	facia and roof repairs and suspended ceiling allocated from MSB to capital
Other commitments		- 1,000	library improvements underway
Other commitments		- 6,000	playground project underway
Other commitments		- 3,645	asbestos removal
Surplus after grants and unavoidable commitments		257,868	
Balance recommended for clawback		- 83,489	
Balance after commitments and clawback		174,379	
Avoidable items not committed			
Other commitments		- 15,000	replace ICT pcs 25/26
Other commitments		- 14,000	supply teachers
Other commitments		- 7,000	unplanned R&M
Other commitments		- 8,000	playground fencing 25/26
Other commitments		- 2,000	maintenance contingency
Other commitments		- 4,000	concrete table tennis 25/26
Other commitments		- 15,000	contingency
Other commitments		- 4,000	PRU contingency
Other commitments		- 2,000	pupil tablet contingency
Other commitments		- 3,000	garden overhaul
Other commitments		- 15,000	£15k studio/sensory floor
Other commitments		- 6,000	pupil tablets
Other commitments		- 2,160	wifi upgrade
Other commitments		- 5,000	new blinds
Other commitments		- 2,000	deep clean
Other commitments		- 74,195	Other also included in 24/25 budget build.
Other commitments		- 8,000	online payment system
Other commitments		- 8,000	fencing repairs
Other commitments		- 4,000	new server
		- 198,355	

7.10 Springfield

Springfield (10% funding = £172,022)		£	
Surplus		400,089	
Prior year commitments		- 12,061	
Capital, building, ICT		- 20,000	laptops spent
Capital, building, ICT		- 10,000	drain contribution CMP
Other commitments		- 33,810	eHCP cover, in the budget
Other commitments		- 7,900	drains and roof checks in the budget
Other commitments		- 2,172	dining tables in budget
Other commitments		- 4,920	other in budget
Surplus after grants and unavoidable commitments		309,226	
Balance recommended for clawback		- 137,204	
Balance after commitments and clawback		172,022	
Avoidable items not committed			
Capital, building, ICT		- 165,000	rebuild fort gazebos fencing
Capital, building, ICT		- 25,000	windows, doors, summer 24 - could be CMP
Other commitments		- 4,547	tarmac for additional parking in the budget
Other commitments		- 2,880	wall art library in budget
Other commitments		- 2,800	history timeline in budget
		- 200,227	

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7.11 The Downs

Downs (10% funding = £863,518)		£	
Surplus		1,467,308	
Grants		- 49,062	
Prior year commitments		- 64,275	
Surplus after grants and unavoidable commitments		1,353,971	
Balance recommended for clawback		- 490,453	
Balance after commitments and clawback		863,518	below 10%
Avoidable items not committed			
Capital, building, ICT		- 320,000	
Capital, building, ICT		- 500,000	£500k approved by LA as transfer
Other commitments		- 463,000	approx 12 vacant posts now recruited to
		- 1,283,000	

7.12 Brookfields

Brookfields (10% funding = £749,494)		£	
Surplus		3,804,042	
PP sports		- 164,343	
Grants		- 206,902	
Capital, building, ICT		- 600,000	accessibility
Prior year commitments		- 64,129	
Surplus after grants and unavoidable commitments		2,768,668	
Balance recommended for clawback		- 2,019,174	
Balance after commitments and clawback		749,494	
Avoidable items not committed			
Capital, building, ICT		- 320,000	£320k H&S upgrades
Capital, building, ICT		- 350,000	£350k H&S condition survey
Capital, building, ICT		- 35,000	£35k print studio
Capital, building, ICT		- 180,000	£180k toilets office playground etc
Other commitments		- 40,000	£40k recruitment
Other commitments		- 294,000	£294k agency
Other commitments		- 260,000	£260k external provision waiting special placements
		- 1,479,000	

7.13 The Castle and The Castle at Theale

This will be reviewed at the next HFG meeting, due to a request to split the Castle and The Castle at Theale for separate consideration.

7.14 iCollege

This will be reviewed at the next HFG meeting due to the different nature of their funding.

7.15 The Local authority recommendations above would result in a total clawback of £2,855,480 to be moved into the High Needs Block.

8. Heads Funding Group Recommendations

- 8.1 Garland – check that the HR and toilet blocks are fully committed/spent.
- 8.2 John Rankin – check that the £65k hardware has been committed/spent.
- 8.3 Beedon – recommend taking the minimum rather than zero - £15,718.

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9. Appendices – school balance statements

- 9.1 Appendix A - Victoria Park Nursery - CONFIDENTIAL
- 9.2 Appendix B – Beedon - CONFIDENTIAL
- 9.3 Appendix C - Chaddleworth and Shefford Federation - CONFIDENTIAL
- 9.4 Appendix D – Curridge - CONFIDENTIAL
- 9.5 Appendix E - Garland - CONFIDENTIAL
- 9.6 Appendix F - John Rankin Schools Federation - CONFIDENTIAL
- 9.7 Appendix G - Parsons Down Schools Federation - CONFIDENTIAL
- 9.8 Appendix H – Springfield - CONFIDENTIAL
- 9.9 Appendix I - The Downs - CONFIDENTIAL
- 9.10 Appendix J – Brookfields - CONFIDENTIAL
- 9.11 Appendix K – EIA

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Equality Impact Assessment (EqIA) - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (section 149 of the Equality Act 2010), which states:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.*
 - (3) Compliance with the duties in this section may involve treating some persons more favourably than others.*

The following list of questions may help to establish whether the decision is relevant to equality (the relevance of a decision to equality depends not just on the number of those affected, but on the significance of the impact on them):

- Does the decision affect service users, employees or the wider community?
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?

- Does the decision relate to any equality objectives that have been set by the Council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Schools' Forum to make:	Agree amount of surplus balance to clawback
Name of Service/Directorate:	Finance and Property/Resources
Name of assessor:	Melanie Ellis
Date of assessment:	25.6.24

Is this a ?		Is this policy, strategy, function or service ... ?	
Policy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	New or proposed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Strategy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Already exists and is being reviewed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Function	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Is changing	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Service	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

(1) What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	To agree the amount of surplus balance to claw back
Objectives:	To comply with Scheme for Financing Schools
Outcomes:	To clawback funds to put to the high needs block
Benefits:	To reduce the deficit on the high needs block

(2) Which groups might be affected and how? Is it positively or negatively and what sources of information have been used to determine this?			
<i>(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation)</i>			
Group Affected	Potential Positive Impacts	Potential Negative Impacts	Evidence
Age	none	none	
Disability	none	none	
Gender Reassignment	none	none	

Marriage and Civil Partnership	none	none	
Pregnancy and Maternity	none	none	
Race	none	none	
Religion or Belief	none	none	
Sex	none	none	
Sexual Orientation	none	none	
Further Comments:			

(3) Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please provide an explanation for your answer:	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please provide an explanation for your answer:	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a EqIA 2.

If an EqIA 2 is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the EqIA guidance and template – <http://intranet/index.aspx?articleid=32255>.

(4) Identify next steps as appropriate:	
EqIA Stage 2 required	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Owner of EqIA Stage Two:	
Timescale for EqIA Stage Two:	

Name: Melanie Ellis

Date: 25.06.24

Please now forward this completed form to Pamela Voss, Equality and Diversity Officer (pamela.voss@westberks.gov.uk), for publication o

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