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# Clawback of Surplus Balances

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**Report being considered by:** Schools' Forum  
**Report Author:** Elizabeth Griffiths; Neil Goddard  
**Item for:** Decision                      **By:** All Maintained Schools Representatives

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## 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 actual amount to be clawed back will be recommended by the Local Authority after reviewing the commitments on the School Balance Statements submitted by each school with a surplus balance.
- 1.4 Schools Forum then review any clawback proposed by the Local Authority and decide whether this should be applied or not in line with the agreed policy. With any funds clawed back being set against the high needs block.

## 2. Recommendations

- 2.1 The Local Authority is recommending that no clawback is made of the 2024/25 financial year. Schools Forum are therefore asked to note and comment on this report.

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:	Positive	No Impact	Negative	Commentary
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
<b>Data Impact:</b>		x		
<b>Consultation and Engagement:</b>	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,

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- (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 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 below have been asked to provide School Balance Statements, a supporting statement and their CFR return.

School Name	2025 School Revenue Balance (A)	School Budget Share (B)	10% of School Budget Share	Surplus Balance % (A)/(B)x100	Value Subject to Clawback	Remaining Balance after Potential Clawback
Beedon Ce Primary	76,597	425,541	42,554	18.00	26,597	50,000
Beenham Primary	55,902	537,301	53,730	10.40	2,172	53,730
Hampstead Norreys & The Ilsleys Federation MSB	112,005	1,014,640	101,464	11.04	10,541	101,464
Hungerford Nursery School	116,824	773,922	77,392	15.10	39,432	77,392
Inkpen Primary	62,366	462,106	46,211	13.50	12,366	50,000
John Rankin Schools	362,211	3,308,325	330,833	10.95	31,378	330,833
Parsons Down Partnership	196,812	1,740,789	174,079	11.31	22,733	174,079
Springfield Primary	259,723	1,800,045	180,004	14.43	79,719	180,004
Victoria Park	160,976	851,385	85,139	18.91	75,838	85,139

5.2 The Local Authority has reviewed these documents and considered the mitigations that schools have identified for having to hold increased balances. The outcome of this work is as follows

School Name	Value Subject to Clawback	Mitigation for Level of Reserves	Recommended Level of Clawback
Beedon Ce Primary	26,597	Ongoing reduction in pupil numbers leading to financial uncertainty	0
Beenham Primary	2,172	Ongoing reduction in pupil numbers leading to financial uncertainty	0
Hampstead Norreys & The Ilsleys Federation MSB	10,541	Delay in delivery of capital projects	0
Hungerford Nursery School	39,432	Planned capital projects and finance staffing issues	0
Inkpen Primary	12,366	Unexpected income from electricity refund	0
John Rankin Schools	31,378	Delivery of school improvement plan following Ofsted outcome	0
Parsons Down Partnership	22,733	Costs relating to change in PAN	0
Springfield Primary	79,719	Delay in delivery of capital projects	0
Victoria Park	75,838	Planned capital projects and changes related Family Hub provision	0

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5.3 On this basis there are no surplus balances to clawback and so Schools' Forum is invited to note this report only.

## 6. Clawback mechanism

### 6.1 Timetable

- School balance statements submitted: June 2025
- HFG review of balances and recommendation of clawback: July 2025
- SF decision: July 2025
- Clawback actioned: July 2025

## 7. Appendices

None