Clawback of Surplus Balances

Report being considered by:	Schools Forum		
Date of Meeting:	13 July 2026		
Report Author:	Kirsty Bray/Edith Cheng		
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. Schools Forum would then make the decision with any funds clawed back being set against the high needs block.

2. Introduction

2.1 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.

2.2 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.

2.3 To seek Schools Forum approval for the clawback of surplus balances held by specific schools in accordance with the Scheme for Financing Schools is important in enabling the Local Authority, to redistribute funding that is not being used by the individual schools for the benefit of the wider educational community.

3. Recommendations

3.1 Schools with surplus balances were invited to submit School Balance Statements in June. The Heads Funding Group (HFG) reviewed the information submitted and made recommendations on the application of surplus balance clawback. Any resulting clawback will be actioned following consideration and approval by Schools Forum.

3.2 The Local Authority has reviewed School Balance Statements, a supporting statement and their Consistent financial reporting (CFR return) and considered the mitigations that schools have identified for having to hold increased balances. The outcome of this work is as follows:

	Schools Accountancy Information										
School Name	**2022/23 School Revenue Balance**	**2023/24 School Revenue Balance**	**2024/25 School Revenue Balance**	**2025/26 School Revenue Balance**	**School Budget Share 2025/26**	**10% of School Budget Share**	**Surplus Balance %**	**Value Subject to Clawback**	**Remaining Balance after Potential Clawback (Note)**	**Mitigation for level of reserves**	**Recommended level of clawback (£)**
				[A]	[B]	[B] x 10%	[A]/[B]	[C]	[A] - [C]		
Beedon Ce Primary	£67,618	£65,718	£76,597	£79,302	-£374,187	-£37,419	-21.19%	**£29,302**	£50,000	NOR unsustainable	£0
Beenham Primary	-£31,014	-£9,894	£55,902	£60,094	-£512,876	-£51,288	-11.72%	**£8,806**	£51,288	Planned capital projects and other commitments	£0
Castle	£817,901	£596,120	£481,864	£848,373	-£6,098,472	-£609,847	-13.91%	**£238,526**	£609,847	Reserves needed for different cohort	£0
Hungerford Nursery School	£12,082	£8,319	£116,824	£164,574	-£927,316	-£92,732	-17.75%	**£71,842**	£92,732	Planned capital projects	£0
Victoria Park	£67,366	£137,405	£160,976	£200,345	-£942,238	-£94,224	-21.26%	**£106,121**	£94,224	Planned capital projects and other commitments	£0

3.3 We have received one response from Heads Funding Group:

(1) That no clawback is recommended for the schools included within the appendices.

Schools Forum is asked to approve the suggested recommendations.

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:

4. Implications and Impact Assessment

Equalities Impact:	**Positive**	**No Impact**	**Negative**	**Commentary**
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		

5. Consultation and Engagement

Heads' Funding Group, all schools
Section 151 Officer
Service Director for Education and Special Educational Needs and Disabilities (SEND)

6. Appendices

Appendix A – Beedon CE Primary School (Confidential)

Appendix B – Beenham Primary School (Confidential)

Appendix C – The Castle Special School (Confidential)

Appendix D – Hungerford Nursery School (Confidential)

Appendix E – Victoria Park Nursery School (Confidential)