

## Schools Financial Health – Revenue Balances and Balance Control Mechanism

To: Peterborough Schools' Forum

Date: 7<sup>th</sup> July 2021

From: Jonathan Lewis

<b>1.0</b>	<b>INTRODUCTION</b>																																				
1.1	This paper provides Schools Forum with an analysis of maintained schools revenue accounts for the financial year 2020-21.																																				
<b>2.0</b>	<b>2019-20 MAINTAINED SCHOOLS REVENUE BALANCES</b>																																				
2.1	<p>The table below details the 2020-21 year-end revenue balances by phase and makes comparisons to 2019-20. The figures exclude balances relating to community focused activities and cluster funding.</p> <p>Overall Revenue balances have increased across secondary / primary / special schools but decreased for the nursery.</p> <p>The previous year end balances have been adjusted to include only maintained schools as at the end of March 2021. Academy convertors since April 2020 have been removed in order to give a like for like comparison.</p> <table border="1"><thead><tr><th>Phase</th><th>No of schools</th><th>Balances as at March 2020</th><th>Balances as at March 2021</th><th>Change</th><th>% change</th></tr></thead><tbody><tr><td>Nursery</td><td>1</td><td>72,176</td><td>34,720</td><td>-37,455</td><td>-51.89%</td></tr><tr><td>Primary</td><td>22</td><td>1,630,021</td><td>2,840,901</td><td>1,210,881</td><td>74.29%</td></tr><tr><td>Secondary</td><td>2</td><td>34,251</td><td>634,266</td><td>600,015</td><td>1751.82%</td></tr><tr><td>Special</td><td>3</td><td>502,100</td><td>728,914</td><td>226,814</td><td>45.17%</td></tr><tr><td><b>Totals</b></td><td><b>28</b></td><td><b>2,238,547</b></td><td><b>4,238,802</b></td><td><b>2,000,254</b></td><td><b>1819.38%</b></td></tr></tbody></table> <p>Appendix A at the end of this report details at school level the revenue balances at March 2021 and as a % of the schools delegated budget share. The figures exclude balances relating to community focused activities and cluster balances</p>	Phase	No of schools	Balances as at March 2020	Balances as at March 2021	Change	% change	Nursery	1	72,176	34,720	-37,455	-51.89%	Primary	22	1,630,021	2,840,901	1,210,881	74.29%	Secondary	2	34,251	634,266	600,015	1751.82%	Special	3	502,100	728,914	226,814	45.17%	<b>Totals</b>	<b>28</b>	<b>2,238,547</b>	<b>4,238,802</b>	<b>2,000,254</b>	<b>1819.38%</b>
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2.2	The table over page shows the banded level of balances as a % of the delegated budget share by phase. The figures exclude balances relating to community focused activities and cluster funding.																																				

	Balance as % of Budget Share													
	-3%	-1%	2%	3%	4%	5%	6%	7%	8%	9%	10%-15%	16%-20%	22%	Total
Phase														
Nursery					1									1
Primary	1	1	1	1	1	0	2	1	1		9	3	1	22
Secondary					1					1				2
Special								0	1		2			3
Grand Total	1	1	1	1	3	0	2	1	2	1	11	3	1	28

2.3 It is our intention to gather this information for Academy schools so we can understand the level of financial resources in our schools. Clearly the impact Covid-19 and uncertainty on future funding has played a role in these levels of balances increasing.

### 3.0 BALANCE CONTROL MECHANISM

3.1 There is currently no requirement for local authorities to operate a Balance Control Mechanism (BCM). Peterborough, in consultation with the maintained schools representatives on Schools Forum, Peterborough has continued to operate a BCM to ensure funding is spent on those children which generated that funding.

3.2 The balance control mechanism criteria for 2020-21 was as follows:

- School balances cannot exceed 8% of their Individual Schools Budget (ISB) share.
- Revenue balances over this threshold will be clawed back.
- There will be no distinction between committed and uncommitted balances for the purpose of applying the Balance Control Mechanism.
- Late funding distributed by the local authority, that the school was unaware of, is deducted from the final revenue balance before applying the balance control mechanism calculation.

A panel, consisting of Schools Forum members from the relevant phase, is established to review any appeals prior to the balances being clawed back.

It was agreed in Spring 2021 not to apply any clawback at the end of March 2021, this was amended temporarily due to uncertainty relating to COVID 19.

3.3 No changes are proposed to the balance control mechanism for 2021-22 and the limit of 5% and 8% will be enforced.

## Appendix A

School	Revenue	Adjustment for Late Funding	LA funds held by school	Revised Revenue Balance	Delegated Budget Share	8%	Balances above 8%	% at year end
All Saints Church of England Primary School	163,558	-166		163,392	1,698,195	135,856	27,536	10%
Barnack C of E Primary School	42,861	-1,093		41,767	748,373	59,870	0	6%
Brewster Avenue Infant School	85,939	-24,044		61,895	905,795	72,464	0	7%
Castor C of E Primary School	83,079	-2,191		80,887	722,042	57,763	23,124	11%
Caverstede Early Years Centre	36,029	-1,309		34,720	809,736	64,779	0	4%
Eye C of E (VC) Primary School	207,328	-104		207,224	1,565,798	125,264	81,960	13%
Hampton Hargate Primary School	220,141	-2,560		217,581	2,282,616	182,609	34,972	10%
Heltwate	379,830	-5,022		374,808	3,046,790	243,743	131,065	12%
Heritage Park Primary School	126,752	-985		125,767	874,032	69,923	55,844	14%
Leighton Primary School	175,834	241		176,075	1,729,947	138,396	37,679	10%
Marshfields	208,105	-17,910		190,196	2,325,749	186,060	4,136	8%
Nenegate	204,284	-10,698	-29,676	163,910	1,202,750	96,220	67,690	14%
Newborough C of E Primary School	104,037	-6,677		97,360	799,100	63,928	33,432	12%
Norwood Primary School	154,653	-2,694		151,959	861,738	68,939	83,020	18%
Oakdale Primary School	126,126	282		126,408	896,551	71,724	54,683	14%
Old Fletton Primary School	361,674	-11,404		350,270	1,754,141	140,331	209,939	20%
Paston Ridings Primary School	262,893	-1,796		261,097	2,191,632	175,331	85,766	12%
Peakirk cum Glinton C of E Primary School	-8,905	1,888		-7,017	815,380	65,230	0	-1%
Queen's Drive Infants School	204,904	0		204,904	1,167,885	93,431	111,473	18%
Southfields Primary School	79,525	-1,085		78,440	2,505,352	200,428	0	3%
St Augustine's C of E (VA) Junior School	21,274	0		21,274	974,866	77,989	0	2%
St John's C of E School	81,078	0		81,078	1,825,680	146,054	0	4%
St Michael's CE (A) Primary School	-44,055	0		-44,055	1,347,294	107,784	0	-3%
The Beeches Primary School	165,624	-1,355		164,269	2,735,847	218,868	0	6%
The Duke of Bedford Primary School	65,232	-2,434		62,798	764,091	61,127	1,671	8%
Winyates Primary School	217,545	-17		217,527	1,003,447	80,276	137,252	22%
Ken Stimpson Community School	256,854	-20,562		236,293	6,266,646	501,332	0	4%
St John Fisher Catholic High School	399,173	-1,200		397,973	4,432,786	354,623	43,351	9%
<b>Total</b>	<b>4,381,372</b>	<b>-112,895</b>		<b>4,238,802</b>	<b>48,254,259</b>	<b>3,860,341</b>	<b>1,224,593</b>	