

Schools Financial Health – Revenue Balances and Balance Control Mechanism

To: Peterborough Schools' Forum

Date: December 2020

From: Margaret Courtman

1.0	INTRODUCTION																																										
1.1	This paper provides Schools Forum with an analysis of maintained schools revenue accounts for the financial year 2019-20.																																										
2.0	2019-20 MAINTAINED SCHOOLS REVENUE BALANCES																																										
2.1	<p>The table below details the 2019-20 year-end revenue balances by phase and makes comparisons to 2018-19. The figures exclude balances relating to community focused activities and cluster funding.</p> <p>Revenue balances have decreased across primary / special schools but increased across the secondary schools and nursery.</p> <p>The previous year end balances have been adjusted to include only maintained schools as at the end of March 2020. Academy convertors since April 2019 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 at as March 2019</th><th>Balances at as March 2020</th><th>Change</th><th>% Change</th></tr></thead><tbody><tr><td>Nursery</td><td>1</td><td>53,276</td><td>72,176</td><td>18,900</td><td>35.5%</td></tr><tr><td>Primary</td><td>23</td><td>1,899,391</td><td>1,714,832</td><td>-184,559</td><td>-9.7%</td></tr><tr><td>Secondary</td><td>2</td><td>-102,623</td><td>34,251</td><td>136,874</td><td>133.4%</td></tr><tr><td>Special</td><td>4</td><td>733,358</td><td>502,100</td><td>-231,258</td><td>-31.5%</td></tr><tr><td>Pupil Referral Unit</td><td>1</td><td>257,559</td><td>154,277</td><td>-103,282</td><td>-40.1%</td></tr><tr><td>Totals</td><td>31</td><td>2,840,961</td><td>2,477,636</td><td>-363,325</td><td>87%</td></tr></tbody></table> <p>Appendix A at the end of this report details at school level the revenue balances at March 2020 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 at as March 2019	Balances at as March 2020	Change	% Change	Nursery	1	53,276	72,176	18,900	35.5%	Primary	23	1,899,391	1,714,832	-184,559	-9.7%	Secondary	2	-102,623	34,251	136,874	133.4%	Special	4	733,358	502,100	-231,258	-31.5%	Pupil Referral Unit	1	257,559	154,277	-103,282	-40.1%	Totals	31	2,840,961	2,477,636	-363,325	87%
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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											Total
	0%	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	
Phase												
Nursery										1		1
Primary	1		2	2	4	3	1	7	2		1	23
Secondary	2											2
Special	1							2	1			4
Pupil Referral Unit						1						1
Grand Total	4	0	2	2	4	4	1	9	3	1	1	31

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 Schools Forum, 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 2019-20 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, will be established to review any appeals prior to the balances being clawed back

3.3 Two schools exceeded the 8% allowance in 2019-20.

Caverstede held £7,397 above the threshold. Schools Forum agreed in July 2019 to allow the nursery to hold balances above the normal 8% allowance for the year ending March 2020.

All Saints Primary have balances subject to clawback to the value of £25,856. The school have submitted a letter of appeal, requesting that some of the potential clawback be retained.

As an interim arrangement – and to assist the school with their financial management, exceptional costs relating to Covid-19 and budget monitoring to year end March 2021, 50% has been clawed back.

Decisions are usually made by Maintained Schools Representatives in July each year, however as meetings have been limited and due to the current crisis, the LA considered that this arrangement was the best way forward.

3.4 No changes are proposed to the balance control mechanism for 2020-21

Appendix A

School	Balance Control Mechanism						
	Revenue	Adjustment for Late Funding	LAC Balances Held	Revised Revenue Balance	Delegated Budget Share	8%	Clawback of Balances
Caverstede Early Years Centre	73,031	-856		72,176	809,736	64,779	7,397
All Saints C of E Primary School	168,509	-6,797		161,712	1,698,195	135,856	25,856
Barnack C of E Primary School	35,186	-3,571		31,615	748,373	59,870	0
Brewster Avenue Infant School	54,567	-5,341		49,226	905,795	72,464	0
Castor C of E Primary School	49,572	-5		49,567	722,042	57,763	0
Dogsthorpe Infant School	87,011	-2,200		84,811	1,310,584	104,847	0
Eye C of E (VC) Primary School	61,259	-5,280		55,979	1,565,798	125,264	0
Hampton Hargate Primary School	170,310	-5,693		164,616	2,282,616	182,609	0
Heritage Park Primary School	59,163	-2,200		56,963	874,032	69,923	0
Leighton Primary School	92,032	-3,960		88,072	1,729,947	138,396	0
Newborough C of E Primary School	27,477	-5,909		21,568	799,100	63,928	0
Norwood Primary School	69,985	-10,565		59,420	861,738	68,939	0
Oakdale Primary School	71,129	-3,220		67,909	896,551	71,724	0
Old Fletton Primary School	145,562	-8,800		136,762	1,754,141	140,331	0
Paston Ridings Primary School	167,609	-7,040		160,569	2,191,632	175,331	0
Peakirk cum Glinton C of E Primary School	6,693	-4,890		1,803	815,380	65,230	0
Queen's Drive Infants School	84,688	-5,523		79,164	1,167,885	93,431	0
Southfields Primary School	62,618	-2,200		60,418	2,505,352	200,428	0
St Augustine's C of E (VA) Junior School	19,984	9,051		29,036	974,866	77,989	0
St John's C of E School	140,749	-8,360		132,389	1,825,680	146,054	0
St Michael's CE (A) Primary School	64,411	-2,990		61,421	1,347,294	107,784	0
The Beeches Primary School	120,311	-17,952		102,359	2,735,847	218,868	0
The Duke of Bedford Primary School	20,562	-5,280		15,282	764,091	61,127	0
Winyates Primary School	45,929	-1,760		44,169	1,003,447	80,276	0
Peterborough Pupil Referral Service	158,350	-4,073		154,277	3,363,085	269,047	0
Ken Stimpson Community School	131,988	-105,088		26,900	6,266,646	501,332	0
St John Fisher Catholic High School	43,304	-35,952		7,351	4,432,786	354,623	0
Heltwate	232,700	-10,275		222,425	3,046,790	243,743	0
Marshfields	182,055	-11,914		170,141	2,325,749	186,060	0
Nenegate	127,342	-9,490	-24,278	93,574	1,202,750	96,220	0
The Phoenix	29,041	-13,080		15,961	3,513,389	281,071	0
Total	2,803,127	-301,213	-24,278	2,477,636	56,441,318	4,515,305	33,253