

Outturn on Schools' Budgets

1.0 Revenue Budget Monitoring – Schools' Budgets

- 1.1 Schools that remain in local authority control started the 2022-2023 financial year with accumulated reserves of £15.6 million. At the end of the year revenue balances for these schools was £15.2 million, a decrease of £379,000.
- 1.2 At the start of 2022-2023, schools projected balances were forecast to be £11.8 million therefore actual balances are £3.4 million greater than forecast. The table below illustrates the in-year movement by school type:

Table 1 – Analysis of Schools Balances 2022-2023

	Balance at 1 April 2022 £000	Transfer to Academy in year £000	Contribution to Balances in 2022-2023 £000	Balance as at 31 March 2023 £000
Infant	(495)	-	59	(436)
Junior	(1,067)	-	(59)	(1,127)
Primary	(7,487)	-	130	(7,357)
Secondary	(2,523)	292	(1,009)	(3,532)
Special	(2,239)	-	592	(1,355)
Nursery	(1,202)	-	(77)	(1,279)
PRU	(601)	-	451	(151)
Total	(15,615)	292	87	(15,236)
Clawback Balances	-	-	-	-
Borrowed from future Allocations	-	-	-	-
Total Reserve Balance	(15,615)	292	87	(15,236)

Schools with Surplus Balances

- 1.3 The Authority will request information on the proposed use of surplus balances from any school where surplus balances exceed 8% of the following year's budget share for primary, special schools and PRUs and by 5% for secondary schools for two consecutive years or in other circumstances where, in the view of the Authority, the level of surplus balances is cause for concern. At the end of 2022-2023, 35 schools have balances above recognised thresholds detailed in the local scheme.

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- 1.4 The Local Authority officers meets with head teachers where it is deemed necessary to discuss plans for the use of excess surplus balances to ensure that they were being used effectively. In 2022-2023 it was not deemed necessary for any schools to be taken through the arbitration process to recover balances as all schools demonstrated legitimate and robust plans.
- 1.5 Schools may be maintaining balances for future cost increases in pension and other pay related costs, which exceed the amount of grant made available for this purpose. It is important to note that, as any variances against schools' delegated budgets are transferred either to or from schools' accumulated reserves, their outturn position is financially neutral to the Council's General Fund.

Schools in a deficit balance position

- 1.6 Where a school's plan is showing a deficit of less than £10,000, the school will need to write to the Authority to acknowledge the deficit and undertake to recover the deficit by the end of the following financial year. This will be reported on a quarterly basis as part of licensed deficit approval procedures in accordance with the Authority's Constitution. If the school does not expect to be able to recover the deficit in this period, the school will be required to make a formal licensed deficit application. A formal licenced deficit application will be required for schools with deficit balances in excess of £10,000. Section 4.10 Licenced Deficits in the Scheme for Financing Schools outlines the procedure schools should follow with the assistance of the Local Authority. Schools with deficits will be contacted by the local authority officers.
- 1.7 The table below shows how the total number of schools in deficit has changed in 2022-2023.

Table 2 – Number of Schools in a Deficit Position

Sector	2019-2020	2020-2021	2021-2022	2022-23
Infant	-	-	-	-
Junior	-	-	-	-
Primary	-	1	1	-
Secondary	2	1	1	1
Special	-	-	-	-
Nursery	1	1	2	1
Pupil Referral Unit	-	-	-	1
Total	3	1	4	3

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- 1.8 Where schools end the financial year in a deficit position, they are required to seek the approval of the Local Authority, to operate with a deficit balance. A further report on these will be brought to a future Cabinet (Resources) Panel.

Schools balances

- 1.9 Table 3 shows actual end of year balances for all local authorities maintained schools.

Table 3 – School Balances

School	Revenue Balance	Balance as % of Budget Share	Allowable Balance	Excess surplus Balance
	£000's		£000's	£000's
Colton Hills Community School	904	13.52%	334	570
St Matthias School	2,648	38.68%	342	2,306
The King's C of E School*	(19)	(0.48%)	-	-
Total Secondary	3,533			2,876
Castlecroft Primary School	3	0.26%	89	-
Claregate Primary School	111	5.66%	157	-
Eastfield Primary School	412	19.13%	172	240
Graiseley Primary School	97	7.76%	100	-
Lanesfield Primary	27	1.64%	134	-
Long Knowle Primary	99	8.59%	93	6
Loxdale Primary	465	22.04%	169	296
Merridale Primary	30	2.47%	99	-
Springvale Primary	295	15.54%	152	143
Stowlawn Primary	154	8.60%	144	10
Wilkinson Primary	302	13.14%	184	118
Wood End Primary	151	13.04%	93	58
Holy Trinity Catholic Primary	297	23.75%	100	197
St Michael's CE Primary	51	4.92%	83	-
St Paul's CofE Aided Primary	119	10.07%	94	24
Warstones Primary	458	21.41%	171	287
Wodensfield Primary	548	24.68%	178	370
Dovecotes Primary	250	18.12%	110	140
Bilston CofE Primary	382	16.67%	183	199
West Park Primary	349	21.91%	128	221
St Luke's Primary	270	11.82%	183	87
Bantock Primary	361	16.25%	178	183
St Andrew's CofE Primary	151	6.53%	186	-
Fallings Park Primary	267	7.41%	288	-
Rake Gate Primary	325	14.66%	177	148

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School	Revenue Balance £000's	Balance as % of Budget Share	Allowable Balance £000's	Excess surplus Balance £000's
Bushbury Hill Primary	473	30.47%	124	349
Stowheath Primary	535	22.64%	189	346
Springdale Primary	435	21.68%	161	274
Whitgreave Primary	462	18.89%	196	266
Oak Meadow Primary	374	19.17%	156	218
Total Primary	8,255			4,183
Uplands Junior School	93	5.46%	136	-
Christ Church Junior School	133	12.55%	85	48
Total Junior	226			48
Westacre Infant School	416	31.97%	104	312
Christ Church Infant School TW	20	2.03%	78	-
Total Infants	436			312
Green Park Special School	194	5.13%	302	-
Penn Fields Special School	777	24.84%	250	527
Tettenhall Wood Special School	384	9.25%	332	52
Total Special	1,355			579
Ashmore Park Nursery School	49	13.40%	37	12
Bushbury Nursery School	333	60.13%	44	289
Eastfield Nursery School	119	17.51%	54	65
Low Hill Nursery School	136	15.15%	72	64
Phoenix Nursery	(71)	(33.77%)	17	-
Windsor Nursery	61	10.30%	47	14
Bilston Nursery	653	74.87%	70	583
Total Nurseries	1,280			938
Orchard Centre	216	9.23%	188	29
Braybrook Centre	75	7.84%	76	-
Midpoint Centre	(140)	(9.65%)	116	-
Total PRUs	151			29

* School converted to an academy on 1st April 2023. Final balances will be agreed over coming months and updates provided in future reports.