

## Schools' Budgets

### 1.0 Revenue Budget Monitoring – Schools' Budgets

- 1.1 Maintained schools are required to submit budget plans detailing their expected income and planned spending levels at two points in the year; 31 May and 31 October. Table 1 shows the schools' actual end of year balances for 2020-2021 and the latest projected balances in those submitted budget plans for 2021-2022.

**Table 1 – Projected Movement on Schools' Balances 2021-2022**

<b>Sector</b>	<b>Balances as at 31 March 2021 Surplus / (Deficit) £000</b>	<b>Forecast Use of Balances in 2021-2022 Surplus / (Deficit) £000</b>	<b>Forecast Balances as at 31 March 2022 Surplus / (Deficit) £000</b>
Secondary	285	1,402	1,687
Primary	7,767	(1,849)	5,918
Junior	281	(12)	269
Infant	413	(345)	68
Nursery	1,287	(650)	637
Special	2,155	(569)	1,586
Pupil Referral Units	1,017	(660)	357
<b>Total</b>	<b>13,205</b>	<b>(2,683)</b>	<b>10,522</b>

### Schools with Surplus Balances

- 1.2 At the end of 2020-2021 maintained schools had balances of £13.2 million. 46 schools were identified as having balances above recognised thresholds detailed in the local scheme (5% for secondary schools and 8% for primary, special and nursery schools).
- 1.3 All schools that have balances above these criteria are being requested to provide plans for their intended use. Local Authority Officers will scrutinise these plans may have meetings with the headteachers of these schools. A decision will then be made whether any of these schools will be moved forward into the arbitration process as detailed below and an update on this will be included in the 2021-2022 Revenue Budget Outturn report to Councillors.
- 1.4 The Scheme for Financing Schools establishes an arbitration process to review the Authority's decision and determine if, and to what level, any excess balances should be recovered.

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### Schools in a deficit balance position

- 1.5 As part of its overview of schools in deficit, a Schools at Financial Risk Board (SFR) chaired by the Head of Service for School Business and Support Services, reviews the financial information from schools in deficit to evaluate the financial position of the schools. The chair of Schools Forum is also a member of the board. The current position of schools that had anticipated a deficit position at the end of 2021-2022 is as follows:

**Table 2 – Schools with anticipated deficits in 2021-2022**

Name	Actual Balance at end of 2020-2021 Surplus / (Deficit) £000	Anticipated Balance at end of 2021-2022 Surplus / (Deficit) £000	Status
The King's Church of England	(747)	(518)	Licensed deficit application has been received and approved. The school are currently in breach of their licensed deficit and a Financial Notice of Concern has been agreed to ensure that the school is reporting to the Local Authority to identify further cost reductions.
Phoenix Nursery	(22)	(41)	Licensed deficit application has been received and approved.
Midpoint Centre	220	(48)	A licensed deficit will be required if the deficit outturn is as forecast.