

## 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.
- 1.2 Table 1 shows the schools' actual end of year balances for 2021-2022 and the latest projected balances in those submitted budget plans for 2022-2023.

**Table 1 – Projected Movement on Schools' Balances 2022-2023**

| <b>Sector</b>           | <b>Balances as at 31 March 2022<br/>Surplus /<br/>(Deficit)<br/>£000</b> | <b>Forecast Use of<br/>Balances in<br/>2022-2023<br/>Surplus / (Deficit)<br/>£000</b> | <b>Forecast<br/>Balances as at<br/>31 March 2023<br/>Surplus /<br/>(Deficit)<br/>£000</b> |
|-------------------------|--|---|---|
| Secondary               | 2,523  | 228   | 2,751   |
| Primary                 | 8,271  | (1,954)   | 6,317   |
| Junior                  | 284  | (161)   | 123   |
| Infant                  | 495  | (130)   | 365   |
| Nursery                 | 1,202  | (847)   | 355   |
| Special                 | 2,239  | (636)   | 1,603   |
| Pupil Referral<br>Units | 601  | (368)   | 233   |
| <b>Total</b>            | <b>15,615</b>  | <b>(3,868)</b>  | <b>11,747</b>   |

**Table 2 – Number of schools as at 31 March 2022 with surplus balances**

| <b>Sector</b>        | <b>Total number of<br/>schools</b> | <b>Schools with Excess<br/>Surplus</b> |
|----------------------|------------------------------------|--|
| Secondary            | 3                                  | 2                                      |
| Primary              | 30                                 | 25                                     |
| Junior               | 2                                  | 1                                      |
| Infant               | 2                                  | 2                                      |
| Nursery              | 7                                  | 5                                      |
| Special              | 4                                  | 3                                      |
| Pupil Referral Units | 3                                  | 2                                      |
| <b>Total</b>         | <b>51</b>                          | <b>40</b>                              |

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### Schools with Surplus Balances

- 1.3 At the end of 2021-2022 maintained schools had balances of £15.6 million. 40 schools were identified as having balances above recognised thresholds detailed in the local scheme.
- 1.4 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.
- 1.5 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.

### Schools in a deficit balance position

- 1.6 As part of its overview of schools in deficit, a Schools at Financial Risk Board (SFR) chaired by the Head of Service for School Organisation, 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 2022-2023**

| Name                         | Actual Balance at end of 2021-2022 Surplus / (Deficit) £000 | Anticipated Balance at end of 2022-2023 Surplus / (Deficit) £000 | Status   |
|------------------------------|---|--|--|
| The King's Church of England | (104)   | (163)  | A licensed deficit application has been received and approved. |
| Phoenix Nursery              | (34)  | (73)   | The school has an approved licensed deficit and are            |

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| Name            | Actual Balance at end of 2021-2022 Surplus / (Deficit) £000 | Anticipated Balance at end of 2022-2023 Surplus / (Deficit) £000 | Status  |
|-----------------|---|--|---|
|                 |   |  | submitting progress reports.                                    |
| Windsor Nursery | (14)  | (22)   | The school has been asked to submit a licensed deficit request. |

### Inflation and Pay Award

- 1.7 We recognise that schools are likely to see increasing costs associated with inflation and the impact of any pay award in excess of budgets. Those schools with surplus balances are likely to require to use these to support the Teachers Pay Award this year. We will work with schools to monitor this.