

## 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 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 Surplus / (Deficit) £000</b>	<b>Forecast Use of Balances in 2022-2023 Surplus / (Deficit) £000</b>	<b>Forecast Balances as at 31 March 2023 Surplus / (Deficit) £000</b>
Secondary	2,523	(1,120)	1,403
Primary	8,271	(2,097)	6,174
Junior	284	(153)	131
Infant	495	(162)	333
Nursery	1,202	(873)	329
Special	2,239	(636)	1,603
Pupil Referral Units	601	(368)	233
<b>Total</b>	<b>15,615</b>	<b>(5,409)</b>	<b>10,206</b>

### Schools with Surplus Balances

- 1.2 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 (5% for secondary schools and 8% for primary, special and nursery schools).

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**Table 2 - Number of Schools as at 31 March 2022 with Surplus Balances**

<b>Sector</b>	<b>Total Number of Schools</b>	<b>Schools with Excess Surplus</b>
Secondary	3	2
Primary	35	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>

- 1.3 All schools that have balances above these criteria are requested to provide plans for the intended use of the excess. We recognise this year schools are likely to see increasing costs associated with inflation and this, alongside the impact of any pay award in excess of budgets, will mean schools with surplus balances are likely to require using these excesses to support the Teachers' Pay Award. However, Local Authority Officers will scrutinise the school plans and may have meetings with their headteachers. A decision will then be made whether any of these schools should be moved forward into the arbitration process as detailed below, and an update on this will be included in the 2022-2023 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.

### **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 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:

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**Table 2 – Schools with anticipated deficits in 2022-2023**

<b>Name</b>	<b>Actual Balance at end of 2021-2022 Surplus / (Deficit) £000</b>	<b>Anticipated Balance at end of 2022-2023 Surplus / (Deficit) £000</b>	<b>Status</b>
The King's Church of England	(104)	(163)	Licensed deficit application has been received and approved. The school's deficit has reduced considerably this year.
Lanesfield Primary	(4)	(8)	Planned deficit is lower than the threshold for a licensed deficit application. School's balance will continued to be monitored.
Phoenix Nursery	(34)	(86)	School has an approved licensed deficit and are submitting progress reports.
Windsor Nursery	(14)	11	School has been asked to submit a licensed deficit request.