

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.

Outturn on Schools' Budgets

- 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 |

Outturn on Schools' Budgets

- 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 |

Outturn on Schools' Budgets

| 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.