

Outturn on Schools' Budgets

Overview

Schools that remain in local authority control started the 2021-2022 financial year with accumulated reserves of £13.2 million. At the end of the year revenue balances for these schools were £15.6 million, an increase of £2.4 million. This represents 13.31% of the funding and income available to schools during 2021-2022.

At the start of 2021-2022, the Schools' projected balances were forecast to be £10.2 million therefore actual balances are £5.4 million greater than forecast.²

The table below illustrates the in-year movement by school type:

Table 1 - Analysis of Schools Balances 2021-2022

	Balance at 1 April 2021	Transfer to Academy in year	Contribution to Balances in 2021-2022	Balance as at 31 March 2022
	£000	£000	£000	£000
Infant	(413)	-	(82)	(495)
Junior	(281)	-	(3)	(284)
Primary	(7,742)	-	(530)	(8,272)
Secondary	(307)	-	(2,215)	(2,522)
Special	(2,155)	-	(84)	(2,239)
Nursery	(1,287)	-	85	(1,202)
PRU	(1,017)	-	416	(601)
Total	(13,202)	-	(2,413)	(15,615)
Clawback Balances	-	-	-	-
Borrowed from future Allocations	-	-	-	-
Total Reserve Balance	(13,202)	-	(2,413)	(15,615)

Within the City, five schools have now had a balance of over fifteen per cent of their income for five years meaning that the Local Authority is liable to further challenge from the Department for Education regarding these schools.

No schools were taken through the arbitration process in 2021-2022 to recover balances as all schools demonstrated legitimate and robust plans.

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.

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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 Position

The table below shows how the total number of schools in deficit has increased in 2021-2022.

Table 2 – Number of Schools in a Deficit Position

Sector	2018-19	2019-2020	2020-2021	2021-2022
Infant	-	-	-	-
Junior	-	-	-	-
Primary	3	-	1	1
Secondary	2	2	1	1
Special	-	-	-	-
Nursery	-	1	1	2
Pupil Referral Unit	-	-	-	-
Total	5	3	3	4

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The schools carrying a deficit balance at the end of 2021-2022 are shown in the table below:

School	Deficit balance £	Action Taken to Address Deficit
Phoenix Nursery	34,354	Licensed Deficit Application
Windsor Nursery	14,694	Licensed Deficit Application
The Kings Secondary	104,485	Financial Notice of Concern
Lanesfield Primary	3,862	Regular Monitoring / Scrutiny