



Northumberland County Council

Wellbeing and Community Health

Agenda Item: 7

SCHOOLS FORUM

06 July 2022

Maintained School Balances as at 31 March 2022

1. PURPOSE OF REPORT

To inform Schools Forum of the position regarding Maintained School Balances as at 31 March 2022.

2. RECOMMENDATIONS

Schools Forum members are recommended to read the report prior to the meeting and table any questions, preferably in advance or at the meeting. The report is for the information of School Forum members.

3. BACKGROUND

The Scheme For Financing Maintained Schools specifies the following limits for schools regarding the maximum levels of uncommitted balances they are allowed to carry forward:

- Primary/Special schools 16% of the new financial year budget share;
- Middle/High schools 10% of the new financial year budget share

Any funds in excess of this figure need to be supported with details of future spending intentions. Although it is noted that some Schools are holding balances in excess of the relevant percentages, the Schools concerned have a duty to notify us of any financial commitments relating to 2021-22 by 1st July 2022. It will then be possible to assess if any of the schools could be subject to claw back of uncommitted surplus balances from schools at this stage.

4. CURRENT POSITION

The original aggregated balances figure brought forward into 2021/22 was £5.540m (as at 1 April 2021), as reported to Schools Forum in July 2021. This represented 109 schools. However, this figure has been reduced by £0.87m to reflect the school that academised during the period. The adjusted balances therefore reflect those 108 schools reflected in both the 2021/22 opening and closing balances.

Of the 108 schools that remained maintained throughout 2021/22 overall balances increased by £3.514 million, from £5.453 million to £8.967 million. Differences between the different phases are shown below:

Phase by Phase Summary of School Balances as at 31 March 2022							
	No of Schools (21-22)	2019-20	2020-21	2021-22	Change 19-20 to 21-22 (£)	Change 19-20 to 21-22 (%)	Average Balance 21-22
First / Primary	89	2,088,574	3,756,448	4,856,560	2,767,986	133%	54,568
Middle	7	584,004	870,247	1,089,970	505,966	87%	155,710
High / Secondary	4	- 1,669,284	- 503,626	582,240	2,251,524	-	145,560
Special (incl PRU)	8	872,397	1,330,343	2,438,211	1,565,814	179%	304,776
Total	108	1,875,691	5,453,411	8,966,981	7,091,290	378%	83,028

Overall balances have improved across all phases, in simple terms income exceeded expenditure during 2021/22, and in general our schools have managed their finances effectively during the year.

Further analysis is available of the respective phases to identify the % of schools in each phase with surplus balances:

- At first / primary, 73 (82%) of the 89 Schools have surplus or positive balances at March 2021, with an average balance of £84,729. 16 are in deficit, with an average balance of -£83,043. Similarly, at 31 March 2021, in comparison there was also 16 schools in deficit, 10 of these schools have remained in deficit, but 6 are now in surplus replaced by a different 6 schools now in deficit, having been in surplus at March 2021.
- All 7 Middle Schools continue to hold surplus balances with an average across the group of £145,560. 6 of the 7 schools saw an increase in balances during 2021/22
- While there has been an improvement in the balances for all 4 of the High / Secondary schools, 2 (50%) of the 4 high / secondary schools has a surplus balance, totalling £0.216m. 1 School has therefore moved out of deficit into surplus, and the other 2 schools have seen an improvement in their position.
- Including the PRU, 7 of the 8 Special Schools have a surplus balance, totalling £3.124 million; the average balance of these schools is £0.446m.

It is re-emphasised at this point that we must be careful when analysing overall or average balances for the phases, particularly where there are smaller numbers of school, such as at middle, high and special, as changes in individual schools can have a significant impact. This needs to be considered when looking at the analysis of movement in maintained School Balances attached at Appendix A.

5. SUMMARY AND CONCLUSIONS:

In general, as a group our maintained schools are again showing positive movement in terms of their overall balances. This is only part of the picture, and should be considered in the wider context, but intelligence from Corporate Finance as part of their budget collection exercise also forecasts more schools to move out of deficit this year, and other developments such as the increases to Sparsity Funding for 2022/23, may see further improvement in 2022/23.

Previously, following reporting the aggregated School balances figures for maintained schools to the July meeting, we subsequently published individual maintained school balances when they were made publicly available by the DfE later in the year. The DfE have developed their Schools Financial Benchmarking tool to enable comparisons and benchmarking between both maintained schools and academies, though default lists are available according to schools with similar characteristics. Further information, including financial information for the 2020/21 period is available at:

<https://schools-financial-benchmarking.service.gov.uk/>

Schools Forum no longer receives a report detailing individual school balances but it is anticipated that individual school balances for 2021/22 will be published via the Schools Financial Benchmarking service in late 2022.

Bruce Parvin
Education and Skills Business Manager

28 June 2022

ANALYSIS OF MOVEMENT IN MAINTAINED SCHOOL BALANCES 2021/22

	(as at 31 March 2021)		(as at 31 March 2022)	
Aggregated balances for schools with deficits	2020-21	2021-22	Change	
First / Primary	- 1,238,938	- 1,328,681	- 89,743	
Middle	-	-	-	
High / Secondary	- 719,901	- 129,501	590,400	
Special (incl PRU)	- 598,957	- 686,508	- 87,551	
Number of Schools with Deficit Balances	2020-21	2021-22	Change	
First / Primary	16	16	-	
Middle	0	0	-	
High / Secondary	3	2	- 1	
Special (incl PRU)	2	1	- 1	
Average Balances of Schools in Deficit	2020-21	2021-22	Change	
First / Primary	- 77,434	- 83,043	- 5,609	
Middle	0	0	-	
High / Secondary	- 239,967	- 64,751	175,217	
Special (incl PRU)	- 299,479	- 686,508	- 387,030	
Aggregated balances for schools with surpluses	2020-21	2021-22	Change	
First / Primary	5,082,022	6,185,242	1,103,220	
Middle	870,247	1,089,970	219,723	
High / Secondary	216,275	711,742	495,467	
Special (incl PRU)	1,929,300	3,124,270	1,194,970	
Number of Schools with Surplus Balances	2020-21	2021-22	Change	
First / Primary	74	73	- 1	
Middle	7	7	-	
High / Secondary	1	2	1	
Special (incl PRU)	6	7	1	
Average Balances of Schools in Surplus	2020-21	2021-22	Change	
First / Primary	68,676	84,729	16,053	
Middle	124,321	155,710	31,389	
High / Secondary	216,275	355,871	139,596	
Special (incl PRU)	321,550	446,324	124,774	