



# Northumberland County Council

## Wellbeing and Community Health

Agenda Item: 8

### SCHOOLS FORUM

17 July 2022

#### Maintained School Balances as at 31 March 2023

##### 1. PURPOSE OF REPORT

To inform Schools Forum of the position regarding Maintained School Balances as at 31 March 2023.

##### 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 2022-23 by 1st July 2023. 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 2022/23 was £8.967m (as at 1 April 2022), as reported to Schools Forum in July 2022. This represented 108 schools. However, this figure has been reduced by £0.285m to reflect the school that academised during the period. The adjusted balances therefore reflect those 105 schools reflected in both the 2022/23 opening and closing balances.

Of the 105 schools that remained maintained throughout 2022/23, overall balances fell marginally by £29,384, from £8.682 million to £8.652 million. This of course masks significant differences between both individual schools, and the different phases are shown below:

Phase by Phase Summary of School Balances as at 31 March 2023						
	No of Schools (22-23)	2020-21	2021-22	2022-23	Change 21-22 to 22-23 (£)	Change 21-22 to 22-23 (%)
First / Primary	86	3,602,860	4,571,391	3,951,715	- 619,676	-13.6%
Middle	7	870,247	1,089,971	1,302,742	212,771	19.5%
High / Secondary	4	-503,626	582,241	822,265	240,024	41.2%
Special (incl PRU)	8	1,330,343	2,438,212	2,575,709	137,497	5.6%
	105	5,299,824	8,681,815	8,652,431	- 29,384	-0.3%

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, 68 (79%) of the 89 Schools have surplus or positive balances at March 2023, with an average balance of £81,603. 18 are in deficit, with an average balance of -£88,737. For comparison, at 31 March 2022 there were 16 schools in deficit, 12 of these schools have remained in deficit, but 4 are now in surplus replaced by a different 4 schools now in deficit, having been in surplus at March 2022. Furthermore, only 37 (43%) first / primary schools recorded an “in-year” surplus.
- All 7 Middle Schools continue to hold surplus balances with an average across the group of £186,106. 5 of the 7 schools saw an increase in balances during 2022/23.
- While there has been an improvement in the aggregated balances for the 4 High / Secondary schools, 2 (50%) of the 4 high / secondary schools has a surplus balance, while 2 reported in year and cumulative deficits.
- Including the PRU, 5 of the 8 Special Schools have a surplus balance, totalling £3.447 million; the average balance of these schools is £0.689m.

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 against a backdrop of significant rises in pay and price inflation costs, which has had a significant impact on all schools.

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 2021/22 period for both maintained schools and academies 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 2022/23 will be published via the Schools Financial Benchmarking service in late 2023.

**Bruce Parvin**  
**Education and Skills Business Manager**

**07 July 2023**

## ANALYSIS OF MOVEMENT IN MAINTAINED SCHOOL BALANCES 2021/22

	(as at 31 March 2021)	(as at 31 March 2022)	
<b>Aggregated balances for schools with deficits</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Change</b>
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
<b>Number of Schools with Deficit Balances</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Change</b>
First / Primary	16	16	-
Middle	0	0	-
High / Secondary	3	2	- 1
Special (incl PRU)	2	1	- 1
<b>Average Balances of Schools in Deficit</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Change</b>
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
<b>Aggregated balances for schools with surpluses</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Change</b>
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
<b>Number of Schools with Surplus Balances</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Change</b>
First / Primary	74	73	- 1
Middle	7	7	-
High / Secondary	1	2	1
Special (incl PRU)	6	7	1
<b>Average Balances of Schools in Surplus</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Change</b>
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