



Report to Schools Forum

Date: 28th June 2022

Title: School Revenue Balances 31st March 2022

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Recommendations: To note the surplus and deficit balances for maintained schools as at 31 March 2022.

Reason for decision: for information

1. Purpose of the Report

1.1. This report is for information and looks at the balances at the financial year end for the 155 maintained schools in Buckinghamshire. Academies account for their own balances and report to the Department for Education.

2. Overall position

2.1. Overall school revenue balances are £20.7m in surplus, an increase of £3.3m compared to 2020/21. Capital balances increased by £52k to £1.97m.

	Number of schools	Total Income	Revenue Balance 2020-21	Revenue Balance 2021-22	Movement in Revenue Balance 2020-21 to 2021-22
		£	£	£	£
Nursery	2	-1,363,477	-208,396	-177,274	31,122
Primary	138	-182,147,040	-13,694,932	-15,245,947	-1,551,014
Secondary	5	-36,961,683	-1,951,847	-3,353,896	-1,402,049
Special	8	-30,546,648	-1,145,446	-1,434,213	-288,767
PRU	2	-2,429,635	-438,340	-514,948	-76,608
Total	155	-253,448,483	-17,438,962	-20,726,278	-3,287,316

2.2. Total Income includes all sources of funding including government grants and school generated income.

3. Schools with Surplus Balances

3.1. There are 36 schools with surpluses that are considered as “excessive” as per the Buckinghamshire Council scheme. Excessive uncommitted revenue balances are defined as those which have over 15% of all income.

Name	20/21 Revenue Balance	21/22 Revenue Balance	Movement Revenue Balance	Balance as a % of Income
Little Missenden CE School	-105,737	-150,481	-44,744	37.1%
Heritage House School	-504,652	-889,286	-384,634	35.7%
Marsworth CE Infant School	-112,366	-92,314	20,052	33.0%
Bierton CE Combined School	-439,196	-623,394	-184,198	31.8%
Whaddon CE School	-103,901	-114,641	-10,740	30.8%
Dagnall School	-108,256	-122,303	-14,048	30.2%
Swanbourne CE School	-223,690	-229,280	-5,590	29.7%
Bucks Primary PRU	-389,831	-426,747	-36,916	27.7%
Mursley CE School	-117,303	-126,560	-9,256	26.9%
Cheddington Combined School	-187,220	-242,125	-54,906	23.4%
Twyford CE School	-124,569	-143,228	-18,659	23.3%
Westfield School	-485,941	-464,778	21,162	23.2%
St George's CE Infant School	-192,702	-208,918	-16,215	21.3%
St Michael's Catholic School	-1,644,371	-2,082,481	-438,110	20.9%
Wendover CE Junior School	-312,287	-380,586	-68,299	20.8%
Iver Heath Junior School	-180,290	-231,841	-51,551	19.8%
St Mary's Farnham Royal Comb School	-298,120	-313,234	-15,114	19.5%
Foxes Piece School	-155,146	-226,697	-71,550	19.0%
Thornborough Infant School	-82,892	-54,792	28,100	18.7%
Drayton Parslow Village School	-58,297	-79,901	-21,605	18.1%
Iver Village Junior School	-209,818	-227,918	-18,100	17.9%
Elangeni School	-171,278	-199,019	-27,740	17.6%
Oak Green School	-670,228	-638,897	31,331	17.4%
Little Marlow CE School	-37,856	-84,925	-47,069	17.4%
Chalfont St Peter Infant School	-179,393	-158,359	21,034	17.0%
Holmer Green Junior School	-157,269	-223,449	-66,179	17.0%
Stokenchurch Junior School	-351,911	-348,199	3,712	16.7%
Henry Allen Nursery School	-46,418	-66,865	-20,447	16.4%
Ley Hill School	-169,599	-188,091	-18,491	16.2%
Prestwood Junior School	-169,425	-196,589	-27,164	16.1%
Brushwood Junior School	-258,404	-239,068	19,337	16.0%
Haddenham St Mary's CE School	-188,239	-180,541	7,698	15.5%
Tylers Green First School	-84,276	-135,687	-51,411	15.5%
St Michael's CE Combined School	-95,369	-162,659	-67,290	15.5%
Butlers Court School	-207,974	-319,166	-111,192	15.4%
St Mary's Amersham Primary	-177,739	-249,948	-72,209	15.3%

- 3.2. Appendix 1 shows the position for these schools over the last 5 years.
- 3.3. From 2021-22 financial year the LA requires a surplus balances declaration to be completed by schools meeting the criteria of excess surplus balances (greater than 15% of all income) for 5 consecutive years. The declaration should clearly identify the planned use of surplus funds. Plans will be monitored by the Schools Accountancy Support Team.
- 3.4. All schools meeting these criteria have been contacted and the responses are summarised as follows:
- a) **Refurbishment/ Capital Expenditure on equipment including ICT upgrades**– 25 schools have responded to say that a proportion of the surplus balance is to be spent on refurbishments of premises and IT spend. A number of schools cited delays in projects due to the difficulty of securing contractors.
 - b) **Additional Income / Grants** – 13 schools identified that a proportion of the surplus balance is ring fenced for specific grants which have not been fully spent in the current financial year. In addition, income streams increased as lettings and activities were re- introduced.
 - c) **Delayed/lower expenditure** – 8 schools stated that costs had been delayed or lowered due to the reduced activities within the school.
 - d) **Staffing costs** – 9 schools stated that a proportion of the surplus arose due to vacancies which were budgeted for but not fulfilled. These schools indicated that posts would be filled in the next academic year
 - e) **Future budgetary pressures** – 6 schools stated that surplus had been accumulated specifically to address potential future budgetary pressures.

4. Schools with deficits

- 4.1. There are 18 schools with deficits as of 31 March 2022, compared with 24 schools at the end of 2020/21. During the year 10 schools cleared their deficit and 4 schools went into deficit from a surplus position (see below). A summary of deficit schools is shown in Appendix 2.
- 4.2. The majority of schools listed in Appendix 2 are already receiving support from the Schools Accountancy Support Team. The 4 schools with newly identified deficits will start to receive support from 2022/23.
- 4.3. Of the schools that had continuing deficit balances, 7 schools reduced their deficits and 7 increased their deficits.
- 4.4. Schools with deficit balances receive support and challenge from the Schools Accountancy Support Team who work closely with schools to understand the reasons for any deficit, the cost base for the school and the potential for financial recovery. The team also works closely with the School Improvement Team and Early Years to ensure the sustainability of plans.

4.5. Section 4.5 of the Buckinghamshire Council Scheme for Financing Schools requires the governing body to seek authorisation from the Authority if it intends to set a deficit budget. The Authority is able to license a deficit budget where the governing body provides details of the steps being taken to fully recover the deficit, usually within 3 financial years. In exceptional circumstances this may be increased to a 5 year recovery period. In the event that a school is unable to set a balance budget over three years may trigger a “Notice of Concern”. Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions which may include for example:

- A requirement that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body
- requirements for the provision of monthly accounts to the authority
- regular financial monitoring meetings at the school attended by authority officers

4.6. Budget plans for 2022-23 were submitted by schools in mid-May and those schools submitting a deficit budget for the year will be contacted to establish the plans for recovery. Schools will be required to formally apply for a licensed deficit and to submit recovery plans to enable that deficit to be approved.

4.7. In addition to ensuring that schools and governing bodies are considering the actions that need to be taken to recover any deficit, this also ensures that the Schools Accountancy Support Team can prioritise support where required.

