



# Report to Schools Forum

**Date:** 27<sup>th</sup> June 2023

**Title:** School Balances at 31st March 2023

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**Recommendations:** To note the surplus and deficit balances for maintained schools at 31 March 2023.

**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 154 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 £23.4m in surplus, an increase of £2.7m compared to 2021/22. Capital balances increased by £2.1m to £4.0m.

|              | Number of schools | Total Income        | Revenue Balance 2021-22 | Revenue Balance 2022-23 | Movement in Revenue Balance 2021-22 to 2022-23 |
|--------------|-------------------|---------------------|-------------------------|-------------------------|--|
|              |                   | £                   | £                       | £                       | £  |
| Nursery      | 2                 | -1,405,030          | -177,274                | -161,452                | 15,821   |
| Primary      | 137               | -193,863,419        | -15,196,305             | -15,435,736             | -239,431                                       |
| Secondary    | 5                 | -41,730,941         | -3,353,896              | -5,374,029              | -2,020,133                                     |
| Special      | 8                 | -33,376,081         | -1,434,213              | -1,887,536              | -453,323                                       |
| PRU          | 2                 | -2,457,498          | -514,948                | -547,113                | -32,165  |
| <b>Total</b> | <b>154</b>        | <b>-272,832,970</b> | <b>-20,676,636</b>      | <b>-23,405,867</b>      | <b>-2,729,231</b>                              |

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 35 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                                | 21/22 Revenue Balance | 22/23 Revenue Balance | Movement Revenue Balance | Balance as a % of Income |
|-------------------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| Little Missenden CE School          | -150,481              | -165,579              | -15,099                  | 37.1%                    |
| Whaddon CE School                   | -114,641              | -161,595              | -46,954                  | 35.0%                    |
| Dagnall School                      | -122,303              | -169,485              | -47,182                  | 32.4%                    |
| Heritage House School               | -889,286              | -869,653              | 19,633                   | 31.9%                    |
| St Michael's Catholic School        | -2,082,481            | -3,513,485            | -1,431,003               | 29.6%                    |
| Mursley CE School                   | -126,560              | -147,554              | -20,994                  | 28.8%                    |
| Swanbourne CE School                | -229,280              | -216,762              | 12,519                   | 27.6%                    |
| Foxes Piece School                  | -226,697              | -363,471              | -136,774                 | 27.3%                    |
| Marsworth CE Infant School          | -92,314               | -93,150               | -837                     | 27.2%                    |
| Bierton CE Combined School          | -623,394              | -570,058              | 53,336                   | 26.4%                    |
| Bucks Primary PRU                   | -426,747              | -408,993              | 17,753                   | 26.3%                    |
| Westfield School                    | -464,778              | -538,723              | -73,944                  | 24.5%                    |
| Twyford CE School                   | -143,228              | -163,464              | -20,236                  | 23.6%                    |
| Drayton Parslow Village School      | -79,901               | -99,237               | -19,335                  | 21.8%                    |
| St Mary's Farnham Royal Comb School | -313,234              | -349,977              | -36,743                  | 20.8%                    |
| William Harding Combined            | -619,583              | -969,027              | -349,444                 | 20.2%                    |
| Tylers Green First School           | -135,687              | -203,697              | -68,010                  | 20.0%                    |
| Haddenham Infant School             | -100,546              | -164,961              | -64,414                  | 19.9%                    |
| Holmer Green Junior School          | -223,449              | -263,402              | -39,953                  | 19.1%                    |
| Burford School                      | -201,247              | -422,465              | -221,217                 | 18.9%                    |
| Ley Hill School                     | -188,091              | -222,519              | -34,428                  | 18.5%                    |
| Iver Village Junior School          | -227,918              | -247,111              | -19,193                  | 18.2%                    |
| Iver Village Infant School          | -134,967              | -219,958              | -84,991                  | 18.2%                    |
| Stoke Poges School                  | -299,701              | -400,815              | -101,114                 | 17.7%                    |
| Juniper Hill School                 | -303,576              | -397,041              | -93,464                  | 17.5%                    |
| Wendover CE Junior School           | -380,586              | -315,622              | 64,965                   | 17.4%                    |
| Speen CE School                     | -38,091               | -80,960               | -42,869                  | 17.2%                    |
| Cheddington Combined School         | -242,125              | -189,065              | 53,061                   | 16.8%                    |
| Henry Allen Nursery School          | -66,865               | -67,146               | -281                     | 16.6%                    |
| Prestwood Junior School             | -196,589              | -210,054              | -13,466                  | 16.3%                    |
| Oakley CE Combined School           | -38,444               | -114,798              | -76,354                  | 16.0%                    |
| Elangeni School                     | -199,019              | -192,928              | 6,091                    | 15.9%                    |
| High Wycombe CE Combined School     | -55,471               | -174,858              | -119,387                 | 15.3%                    |
| Kiteridge PRU                       | -88,201               | -138,120              | -49,918                  | 15.3%                    |
| St Michael's CE Combined School     | -162,659              | -161,507              | 1,152                    | 15.1%                    |

- 3.2. Appendix 1 shows the position for these schools over the last 5 years.
- 3.3. 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. Plans are monitored by the Schools Accountancy Support Team.
- 3.4. All schools with surplus balances greater than 15% of all income have been contacted and the responses are summarised as follows:
- a) **Staffing costs** – 7 schools stated that a proportion of the surplus arose due to recruitment issues for budgeted posts. 19 schools identified that surpluses would be used to support rising staff costs and recruitment.
  - b) **Delayed expenditure** – 6 schools stated that delayed expenditure contributed to the cumulative surplus balance. This expenditure now has been budgeted in the current financial year.
  - c) **Additional Income** – 7 schools identified non- budget share income streams as a contributory factor to increased surpluses.
  - d) **Refurbishment/ Capital Expenditure on equipment including ICT upgrades**– 21 schools have responded to say that a proportion of the surplus balance is to be spent on refurbishments of premises including outdoor areas and IT spend.
  - e) **Future budgetary pressures** – 10 schools stated that surpluses had been accumulated to address future budgetary pressures. Half of these schools specifically cited rising energy costs as a concern.

#### 4. Schools with deficits

- 4.1. There are 21 schools with deficits as of 31 March 2023, compared with 18 schools at the end of 2021/22. During the year 5 schools cleared their deficit and 8 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 3 schools with newly identified deficits will start to receive support from 2023/24.
- 4.3. Of the schools that had continuing deficit balances, 9 schools reduced their deficits and 4 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 2023-24 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.

