

TITLE	Maintained School Balances
FOR CONSIDERATION BY	Schools Forum on 6 July 2022
WARD	None Specific;
LEAD OFFICER	Director, Children's Services - Helen Watson

OUTCOME / BENEFITS TO THE COMMUNITY

This reports forms part of regular reporting to Schools Forum, informing areas of statutory decision making and improving visibility and consultation on wider Dedicated Schools Grant (DSG) financial matters.

RECOMMENDATION

Schools Forum is asked to note the report and consider whether further information is required on surplus balances.

SUMMARY OF REPORT

Maintained school balances stand at £6m as at 31st March 2022, an increase of £1.26m on that held at the start of the 2021/22 financial year.

While an overall 26% increase in reserves was seen at the end of the 2021/22 financial year, a range of circumstances sit within that.

Of 35 settings, 4 are now in deficit, and a further 7 holding balances below 4% of income. In contrast, 14 schools hold balances above 10% of their 2021/22 income.

Further information is available in Appendix A.

Maintained School Balances July 2022

01. Purpose of the Report

The report provides information on the year end balances for all maintained schools, highlighting those schools with a deficit or significant surplus.

02. Recommendation

Schools Forum is asked to note the report and consider whether further information is required on surplus balances.

03. Background

Within the Scheme for Financing Schools, local authorities must contain a provision which allows schools to carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

04. Summary

Maintained school balances stand at £6m as at 31st March 2022, an increase of £1.26m on that held at the start of the 2021/22 financial year.

	Balance as at 01/04/21 £,000	Year End Transfers £,000	Balance as at 31/03/22 £,000
Maintained School Balances			
Nursery	96,767	-15,022	81,746
Primary	-3,628,186	-452,056	-4,080,242
Secondary	78,942	-485,464	-406,522
Special	-831,808	-429,270	-1,261,078
PRU	-511,790	124,732	-387,058
Total DSG	-4,796,075	-1,257,080	-6,053,155

** balances exclude Bulmershe Sports Partnership, and impact of conversions*

This is the second year with a significant increase in school reserves - an increase of 26%. The DfE reported an increase of 28% in the national total of academy reserves (Sept 2021) and colleagues in neighbouring authorities have referred to increases around 30%.

05. **Maintained School Balances**

While an overall 26% increase in reserves was seen at the end of the 2021/22 financial year, a range of circumstances sit within that.

Of 35 settings, 4 are now in deficit, and a further 7 holding balances below 4% of income. In contrast, 14 schools hold balances above 10% of their 2021/22 income.

Further information is available in Appendix A.

Under guidance given to LAs, Schemes for Financing Schools set out requirements for schools in deficit and may contain a mechanism to claw back excess surplus balances.

An update on schools in deficit will be brought to Forum at the October meeting.

The current Wokingham Scheme for Financing Schools does not include any specific mechanism for clawing back surplus balances.

Guidance states that any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy.

The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances or where some level of redistribution would support improved provision across a local area,

Schools Forum is asked to consider whether further information is required on surplus balances.

Appendix A – Maintained School Balances as at 31st March 2022

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