

TITLE	2022/23 Maintained School Balances
FOR CONSIDERATION BY	Schools Forum on 12 July 2023
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 £6.7m as at 31st March 2023, an increase of £1m on that held at the start of the 2022/23 financial year.

While an overall 18% increase in reserves was seen at the end of the 2022/23 financial year, a range of circumstances sit within that.

Of 33 settings, 5 are now in deficit, and a further 7 holding balances below 5% of income. In contrast, 15 schools hold balances above 10% of their 2022/23 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 £6.7m as at 31st March 2023, an increase of £1m on that held at the start of the 2022/23 financial year.

	Balance as at 01/04/22 £,000	Year End Transfers £,000	Balance as at 01/04/23 £,000
Maintained School Balances			
Nursery	81,746	- 168	81,578
Primary	- 3,676,475	- 735,897	- 4,412,372
Secondary	- 406,522	- 288,925	- 695,447
Special	- 1,261,078	170,829	- 1,090,249
PRU	- 387,058	- 165,081	- 552,139
Total DSG	- 5,649,387	- 1,019,242	- 6,668,629

* balances exclude Bulmershe Sports Partnership, and impact of conversions

This is the third year with an increase in school reserves - an increase of 18%.

05. **Maintained School Balances**

While an overall 18% increase in reserves was seen at the end of the 2022/23 financial year, a range of circumstances sit within that.

Of 33 settings, 5 are now in deficit, and a further 7 holding balances below 5% of income. In contrast, 15 schools hold balances above 10% of their 2022/23 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.

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.

An update on work with schools in deficit and those with surplus balances will be brought to a future meeting of Schools Forum.

Appendix A – Maintained School Balances as at 31st March 2023

Contact:	Katherine Vernon Schools Finance Manager
Email:	katherine.vernon@wokingham.gov.uk

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