

Decision Maker: **Schools' Forum**

Date: **11<sup>th</sup> July 2024**

Decision Maker: **Children, Education and Families Policy Development and Scrutiny Committee**

Date: **17<sup>th</sup> September 2024**

Decision Type: Non-Urgent Non-Executive Non-Key

**TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2023-24**

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Chief Officer: Jared Nehra, Director of Education

Ward: Boroughwide

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1. Reason for report

1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2024, and also provides a comparison to the balances held at the same time in the previous year.

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2. **RECOMMENDATION(S)**

2.1 **The Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2023-24 financial year and to identify any matters for specific comment and referral to the Portfolio Holder.**

2.2 **The Schools' Forum is asked to note the balances for information.**

### Corporate Policy

1. Policy Status: N/A
  2. BBB Priority: Children and Young People
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A
  3. Budget head/performance centre: Dedicated Schools Grant 2023/24
  4. Total current budget for this head:
  5. Source of funding: Dedicated Schools Grant
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### Staff

1. Number of staff (current and additional) – N/A
  2. If from existing staff resources, number of staff hours – N/A
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### Legal

1. Legal Requirement: Non-statutory - Government guidance:
  2. Call in: n/a
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 This report highlights the financial position of Primary, Secondary and Special Maintained Schools as at 31 March 2024 the end of the 2023/24 financial year.
- 3.2 Balances are reported in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This is the framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2024.
- 3.3 The CFR framework consists of five balances, which provide an overall picture of a school's resources available from one year to the next and gives information on balances carried forward. The balances are categorised as follows:

- BO1 Committed Revenue Balances
- BO2 Uncommitted Revenue Balances
- BO3 Devolved Formula Capital Balances
- BO5 Other Capital Balances
- BO6 Community Focused Extended Schools Balances

To be noted, **BO4 Other Standard Fund Capital Balances** has been deleted as it related to Standards Funds which no longer exist.

The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 17% of School Budget Shares which represents an increase from the previous year. Secondary School balances have decreased to 2%. Special School balances have reported a decrease from the previous year to 4%.

- 3.4 There are six Maintained schools remaining. These can be further split into 3 separate groups:
- (i) There is one Community school. This is maintained by the Local Authority, but they have their own budgets and manage their own affairs. Religious education and worship is non-denominational and in accordance with an agreed syllabus.
  - (ii) There is one Voluntary Aided (VA) school. These were originally provided within the borough by voluntary bodies such as the Church of England and the Roman Catholic Church. These are now maintained by the Local Authority but manage their own budgets and affairs. Religious education will conform to the agreed syllabus and to the school's trust deed. Voluntary Aided Schools set up by voluntary bodies continue to accept most of the costs of maintaining the school and manage their own affairs. The Governors of the school exercise control over religious education and it will follow the teachings of the denomination set up within the school.
- 3.5 There are four Foundation schools. These have opted out of Local Authority control and the Governors have accepted full responsibility for running the school. Their funding comes via the Local Authority
- 3.6 A comparison of the levels of school balances as at 31 March 2024 compared to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
<b>Revenue balances only as at: 31.03.24</b>			
Committed Revenue Balances (BO1)	292(5%)	0(0%)	208(1%)
Uncommitted Revenue Balances (BO2)	812(12%)	148(2%)	316(3%)
	1,104(17%)	148(2%)	524(4%)
<b>Revenue balances only as at: 31.03.23</b>			
Committed Revenue Balances (BO1)	122(2%)	50(0%)	797(7%)
Uncommitted Revenue Balances (BO2)	905(14%)	165(3%)	642(6%)
	1,027(16%)	215(3%)	1,439(13%)

- 3.7 Full details of school's balances can be seen at **Appendix 1**
- 3.8 All schools with un-committed balances in excess of 8% have been asked to complete pro-forma detailing the reason for holding a high balance and their plans for reducing the balance in year.
- 3.9 The DfE also require further analysis to be undertaken in relation to this data. LAs are required to provide information on how they are proposing to address the issue if an:
- A:** LA has overspent its Dedicated Schools Grant by 2% or more (i.e. it is 2% or more in deficit)
  - B:** LA has underspent its Dedicated Schools Grant by 5% or more (i.e. it is 5% or more in surplus)
  - C:** LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria
  - D:** LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. LAs will only be asked for more information where at least three schools in the LA meet the criteria.

Schools that would fall into these categories have been highlighted on the table at **Appendix 2** – for 2023-24 none of the schools fall into this category.

- 3.10 This report should also provide information on those schools with a deficit revenue balance. As at 31 March 2024, there are no schools with a deficit balance.
- 3.11 In accordance with DfE requirements the SFT will work with schools with high balances to ensure that they are being used effectively. Schools are advised that revenue funding is allocated on an annual basis to support the cost of education for their current pupils and therefore it is not acceptable for schools to retain high levels of revenue funding to protect against possible funding reductions in future years.

3.12 Those schools with high balances have been requested to provide evidence of future expenditure to justify high balances.

#### 4. FINANCIAL IMPLICATIONS

4.1 Whilst this report provides details of school balances, there are no financial implications to be considered.

<b>Non-Applicable Sections:</b>	Policy, Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	