



Northumberland County Council

Wellbeing and Community Health

Agenda Item: 8

SCHOOLS FORUM

07 July 2021

Maintained School Balances as at 31 March 2021

1. PURPOSE OF REPORT

To inform Schools Forum of the position regarding Maintained School Balances as at 31 March 2021.

2. RECOMMENDATIONS

Schools Forum members are recommended to read the report prior to the meeting and table any questions, preferably in advance or at the meeting.

3. BACKGROUND

The Scheme For Financing Maintained Schools specifies the following limits for schools regarding the maximum levels of uncommitted balances they are allowed to carry forward:

- Primary/Special schools 16% of the new financial year budget share;
- Middle/High schools 10% of the new financial year budget share

Any funds in excess of this figure need to be supported with details of future spending intentions. Although it is noted that some Schools are holding balances in excess of the relevant percentages, the Schools concerned have a duty to notify us of any financial commitments relating to 2020-21 by 1st July 2021. It will then be possible to assess if any of the schools could be subject to claw back of uncommitted surplus balances from schools at this stage.

4. CURRENT POSITION

The original aggregated balances figure brought forward into 2020/21 was £2.298m (As at 1 April 2020), as reported to Schools Forum in September 2020. This represented 116 schools. However, this figure has been reduced by £0.422m to reflect those 7 schools that academised during the period. The adjusted balances therefore reflect those 109 schools reflected in both the 2020/21 opening and closing balances.

Of the 109 schools that remained maintained throughout 2020/21, overall balances increased by £3.664 million, from £1.876 million to £5.540 million. Differences between the different phases are shown below:

Phase Summary 2020/21	Schools Balances 2020/21			Change (£)	Change (%)
	No of Schools	2019-20	2020-21		
First / Primary	90	2,088,574	3,843,083	1,754,509	84.0
Middle	7	584,004	870,247	286,243	49.0
High / Secondary	4	- 1,669,284	- 503,626	1,165,658	-69.8
Special (incl PRU)	8	872,397	1,330,343	457,946	52.5
Total	109	1,875,691	5,540,046	3,664,355	195.4

Overall balances have improved across all phases, the “minus %” shown for High / Secondary Schools represents a reduction in the overall deficit balance for the phase. High / Secondary balances also reflect an exceptional transfer of £629,390 from NCC funds in respect of Haydon Bridge as part of an agreed support package.

In simple terms while it appears that in practice, in contrast to previous years, income exceeded expenditure during the financial year, the year has been an exceptional one due to the impact of Covid-19.

Further analysis is available of the respective phases to identify the % of schools in each phase with surplus balances:

- At first / primary, 74 (82%) of the 90 Schools have surplus or positive balances at March 2021, with an average balance of £68,676. 16 are in deficit, with an average balance of -£77,434. At 31 March 2020, in comparison there was 27 Schools in deficit, so this does represent progress.
- All 7 Middle Schools now hold surplus balances with an average across the group of £124,321. 6 of the 7 schools saw an increase in balances during 2020/21
- While there has been an improvement in the balances for all 4 of the High / Secondary schools, it remains the fact that only 1 (25%) of the 4 high / secondary schools has a surplus balance, totalling £0.216m. As the majority of the secondary / high schools in Northumberland are now academies, caution should be taken when interpreting these results due to the small sample size, though clearly their remains pressure with 3 of 4 maintained High Schools being in deficit.
- Including the PRU, 6 of the 8 Special Schools have a surplus balance, totalling £1.253 million; the average balance of these schools is £0.166m.

It is re-emphasised at this point that we must be careful when analysing overall or average balances for the phases as changes in individual schools can have a significant impact. This needs to be considered when looking at the analysis of movement in maintained School Balances attached at Appendix A.

5. SUMMARY AND CONCLUSIONS:

While it was suggested the increases in DSG for 2020/21 may impact on school balances, clearly covid-19 had a significant impact on both school operations and finances. It is evident that covid-19 has a greater impact on some schools than others, hence the reason for the targeted approach in the recent schemes managed by NCC in order to reimburse schools for exceptional staffing and non-staff expenditure.

It should also be noted that the information made available by the Department for Education has also been revised. Previously, following reporting the aggregated School balances figures for maintained schools to the July meeting, we subsequently published individual maintained school balances when they were made publicly available by the DfE later in the year.

The DfE have developed their Schools Financial Benchmarking tool to enable comparisons and benchmarking between both maintained schools and academies, though default lists are available according to schools with similar characteristics. Further information, including financial information for the 2019/20 period is available at:

<https://schools-financial-benchmarking.service.gov.uk/>

Bruce Parvin
Education and Skills Business Manager

30 June 2021

ANALYSIS OF MOVEMENT IN MAINTAINED SCHOOL BALANCES 2020/21

	(as at 31 March 2020)	(as at 31 March 2021)	
Aggregated balances for schools with deficits	2019-20	2020-21	Change
First / Primary	- 1,326,626	- 1,238,938	87,688
Middle	- 8,310	-	8,310
High / Secondary	- 1,790,600	- 719,901	1,070,699
Special (incl PRU)	- 380,302	- 598,957	- 218,655
Number of Schools with Deficit Balances	2019-20	2020-21	Change
First / Primary	27	16	-11
Middle	1	0	-1
High / Secondary	3	3	0
Special (incl PRU)	2	2	0
Average Balances of Schools in Deficit	2019-20	2020-21	Change
First / Primary	- 49,134	- 77,434	- 28,299
Middle	- 8,310	0	8,310
High / Secondary	- 596,867	- 239,967	356,900
Special (incl PRU)	- 190,151	- 299,479	- 109,328
Aggregated balances for schools with surpluses	2019-20	2020-21	Change
First / Primary	3,415,200	5,082,022	1,666,822
Middle	592,314	870,247	277,933
High / Secondary	121,316	216,275	94,959
Special (incl PRU)	1,252,699	1,929,300	676,601
Number of Schools with Surplus Balances	2019-20	2020-21	Change
First / Primary	63	74	11
Middle	6	7	1
High / Secondary	1	1	0
Special (incl PRU)	6	6	0
Average Balances of Schools in Surplus	2019-20	2020-21	Change
First / Primary	54,210	68,676	14,466
Middle	98,719	124,321	25,602
High / Secondary	121,316	216,275	94,959
Special (incl PRU)	208,783	321,550	112,767